

India-Oman Relations

The Sultanate of Oman is a strategic partner for India in the Gulf and an important interlocutor in the bilateral, AGCC, Arab League and IORA contexts. Oman also accords a high priority to its ties with India. The two countries across the Arabian Sea are linked by geography, history and culture. Both countries enjoy warm and cordial relations, which can be ascribed to historical maritime trade linkages, intimacy of the royal family with India and the seminal role of the Indian expatriate community in the building of Oman, which is acknowledged by the Omani Government.

Bilateral Visits:

Visits at the highest level have been exchanged frequently between India and Oman. President Dr. Shankar Dayal Sharma (1996) and Vice-President Shri Krishna Kant (1999) visited Oman. Four Prime Ministers have visited the Sultanate: Shri Rajiv Gandhi (1985), Shri P. V. Narasimha Rao (1993), Shri. Atal Bihari Vajpayee (1998) and Dr. Manmohan Singh (2008).

His Majesty Sultan Qaboos bin Said Al Said visited India in 1997. His Majesty has an open invitation to visit India, including to receive the Jawaharlal Nehru Award for International Understanding. His Highness Sayyid Fahd bin Mahmoud Al Said, Deputy Prime Minister for the Council of Ministers, visited India in December 2007.

Ministerial level visits have taken place regularly. H.E. Yousuf bin Alawi bin Abdallah, Minister Responsible for Foreign Affairs visited India in February 2014 and again on June 03 for extending greetings to the new Indian leadership after the general elections, thereby earning for Oman the distinction of being the first nation in the world to have sent a high-level dignitary after assumption of the new Government of India. Minister of State for External Affairs visited Oman from May 3-5, 2014 for bilateral engagement. H.E. Dr. Ali bin Masoud Al Sunaidy, Minister of Commerce & Industry visited India during October 2014 for the Joint Commission Meeting.

Some prominent **existing bilateral agreements** are: MoUs on Combating Crime, Cooperation in Agriculture, Civil Aviation, Cooperation between the State Audit Institution of Oman and the office of the Comptroller and Auditor General of India, Avoidance of Double Taxation, Bilateral Investment Promotion and Protection, Treaty of Extradition, MoU on Manpower, MoU on Joint Investment Fund and MoU on Cultural Cooperation, etc. At the time of the India-Oman Joint Commission Meeting, agreement on Legal and Judicial Cooperation in Criminal Matters and MoU on Standards and Measures were signed between India and Sultanate of Oman in October 2014 at New Delhi.

During the visit of Prime Minister Dr. Manmohan Singh to Muscat from November 8-9 2008, it was agreed that the historical bilateral ties should be transformed into a strategic partnership. Pursuant to the decision, the Higher Committee on Economic Cooperation led by Adviser to HM the Sultan for Economic Planning and Deputy Chairman of Planning Commission of India concluded its report which identified nine areas of cooperation, i.e. agriculture, healthcare, infrastructure, tourism, chemicals & fertilizers, education, oil & gas, power and mining.

Annual India-Oman Strategic Consultative Group (IOSCG) Meetings were started at the Secretary-level in 2003 to provide a forum for open and frank exchange of views on bilateral, regional and international issues. The 10th IOSCG was held on December 3, 2014 in New Delhi in which the Omani delegation was led by the Undersecretary for Diplomatic Affairs in the Ministry of Foreign Affairs.

Further the India-Arab League Senior Officers' Meeting was held in November 2014 in New Delhi in which Oman was represented by a two-member delegation from the Ministry of Foreign Affairs.

India-Oman Economic & Commercial Relations- Overview

Oman is politically stable and prosperous with a state-of-the-art and growing infrastructure and per capita income of US\$ 29,800 (2013 estimates). With proven crude oil reserve of 5.5 billion bbl and natural gas reserve of 849.5 billion cubic mtrs (Jan. 2013 estimates), Oman has a robust oil-based economy which is being judiciously diversified to other areas like tourism, agriculture & fisheries, SMEs, and investments abroad.

Among the Indian financial institutions, State Bank of India, Bank of Baroda, HDFC Ltd and ICICI Securities; in the Public Sector Undertakings, Air India, Air India Express, Life Insurance Corporation(LIC), New India Assurance Co., Telecommunications Consultants India Ltd.(TCIL), Engineers India Ltd.(EIL), Engineering Projects India Limited (EPIL) and National Building Construction Company (NBCC) have presence in Oman. Wipro, L&T, Shapoorji Pallonji, Jindal, Aditya Birla Group, Nagarjuna Construction Company, Simplex, KEC International are some of the private sector companies engaged in various projects. Indian construction companies won mega construction projects in 2013 and 2014 in the Sultanate.

Bilateral trade with Oman has steadily grown and it stood at US\$ 5.77 bn during the financial year 2013-14. The volume of trade is balanced with Indian imports at US\$ 2.8 bn and exports to Oman at US\$ 2.9 bn. Major items of Indian exports are mineral fuels, mineral oils and products of their distillation, textiles and garments, machinery and equipment, electrical and electronic items, chemicals, iron and steel products in addition to traditional items like tea, coffee, spices, rice and meat products and seafood. Among the Indian imports are urea, LNG, crude oil (through spot purchase), polypropylene, lubricating oil, dates and chromite ore. India ranked third largest source of imports into Oman after the UAE & Japan, in 2013. An India-GCC framework agreement on trade is in place and negotiations are on for finalization of FTA with GCC.

FY	Export	Import	Total Trade	% Growth	% Share of India's total trade
2009-10	1032.93	3499.89	4532.82		0.97
2010-11	1086.48	4002.07	5088.55	12.26	0.82
2011-12	1322.13	3345.94	4668.08	-8.26	0.59
2012-13	2599.49	2009.72	4609.21	-1.26	0.58
2013-14	2812.27	2951.18	5763.45	25.04	0.75

(India –Oman bilateral trade in US\$ million; Source, DGFT)

As per Alpen Capital Investment Bank's report of May 2012, Oman was placed as the second biggest GCC investor in India and recorded that Oman's cumulative FDI has grown from US\$ 24 million in 2005 to US\$ 340 million as of January 2012. Around 1527 Indo-Omani joint ventures have been established in Oman with an estimated investment of US\$ 7.5 billion of which Indian investment is estimated to be around US\$ 4.5 billion. Institutional mechanisms like Joint Commission Meeting (JCM) and Joint Business Council (JBC) have been set up to oversee economic cooperation between India and Oman. The 7th session of the JCM and the 8th JBC (coordinated by FICCI and OCCI) were held in New Delhi in October, 2014 alongwith Oman-India B2B Roadshows (coordinated by CII and OCCI) at New Delhi and Mumbai. India-Oman Joint Investment Fund (OIJIF), a JV between SBI and State General Reserve Fund (SGRF) of Oman, set up in July 2010 as SPV to invest in India commenced its operations in 2011 with initial seed capital of US\$ 100 mn, which has been fully deployed and the second tranche capital of around US\$ 300 mn agreed to.

India-Oman Joint Ventures:

The US\$ 969 million, Oman India Fertilizer Company (Omifco) in Sur (Oman) is the largest Indian JV abroad which started operation in January, 2006 with a long term buy-back agreement under which India imports the entire production of 1.6 MTs of granulated urea and 0.255 MTs of ammonia. Iffco and Kribhco are equal partners in the venture with Oman Oil Company (OOC). An agreement regarding revised price for supply of gas was signed during July 2012.

Bharat Oman Refineries Limited (BORL), a company promoted by Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company (OOC), has set up a 6 MMTPA grassroots refinery at Bina in Madhya Pradesh along with crude supply system. BORL, a US\$ 2.4 billion project, was inaugurated in May 2011.

Jindal Steel & Power Ltd.(JSPL) acquired the Oman-based Shadeed Iron & Steel Co LLC for US\$ 464 million from Abu Dhabi's Al Gaith Holding PJSC and is at present operating 1.5 MTPA gas based hot briquetted iron plant at Sohar Industrial port. Jindal Shadeed Iron & Steel (JSIS) recently expanded by setting-up new unit of Electric Arc Furnace and the Ladle Refining Furnace. JSPL signed a term loan agreement worth US\$ 725 mn with Bank Muscat for financing JSIS's new integrated unit.

L&T have four mega joint ventures: L&T Oman LLC, L&T Electromech LLC, L&T Modular Fabrication Yard LLC and L&T Heavy Engineering LLC with the Zubair Group in Oman.

Major Economic-Commercial exchanges during 2014

From Indian side, trade delegations from oil & gas sector at Oil & Gas West Asia (OGWA) exhibition(3/2014), construction sector at BIG Show (3/2014), Electronics & Computer Software Export Promotion Council (ESC)'s IT delegation at Comex Exhibition (4/2014), Federation of Indian Export Organizations (FIEO)'s medical delegation participating in Oman Health Exhibition & Conference (9/2014) and FICCI's infra delegation in 'Infra Oman' Show (10/2014) were major trade exchanges during last year.

From Omani side, Oman Chamber of Commerce & Industry (OCCI)'s Small & Medium Enterprises (SME) trade delegation's visit (3/2014) to Bangalore under the framework 'Join us to accomplish' initiative; Omani Ministry of Health's medical delegation led by Undersecretary to India for bilateral cooperation in the health sector and Public Authority for Investment Promotion & Export Development (PAIPED/Ithraa) Chairman's visit to India to participate in 4th Arab-India Partnership Conference in November 2014 were notable.

Trade Promotional events

Apart from B2B meetings for visiting Indian trade delegations to Oman, Mission organised an interactive business session for prominent Omani businessmen and NRIs/PIOs in September 2014 on the occasion of the Prime Minister's 'Make in India' campaign. Mission also organized 'India Business Seminar' in November 2014 under the framework of market expansion activities attracting Omani investments to India. The Mission in association with India Tourism, Dubai organized a 'Know India Seminar' in October 2014, promoting the Indian Ministry of Tourism's latest campaign 'Find what you seek' and 'India-a 365 days destination' programme and the familiarization Seminar on 'Tourist Visa on Arrival enabled through Electronic Travel Authorization (TVoA-ETA) facility for Omani nationals in December 2014.

ITEC programme

Under the ITEC programme, the number of slots allotted for Oman has gone up by 200% from 50 in 2011-12 to 85 in 2012-13, 125 in 2013-14, and 150 in 2014-15.

Air Links

Currently, Air India, Air India Express, Indigo, Spice Jet and Jet Airways alongwith Oman Air are operating flights between India and Oman. There are a total of around 400 direct flights per week between Oman (Muscat and Salalah) and a dozen destinations in India.

Indian Community in Oman

- A large, diverse, accomplished and highly regarded expatriate Indian community in the Sultanate of Oman is spread over the entire spectrum of professions. Thousands of Indians are working as doctors, engineers, chartered accountants, teachers, lecturers, nurses, managers, etc. A large number of Indian doctors work in Oman in Government hospitals and in clinics in the private sector. There are also some Indian academics in the Sultan Qaboos University's various departments and faculties.
- Outstanding contributions of Indians and People of Indian Origin in Oman to the strengthening of our bilateral relations have been recognized by the Government of India through Pravasi Bharatiya Samman Awards. The Pravasi Bharatiya Samman Awardees from Oman are: Shri Kanaksi Khimji (2003), Dr. P. Mohamed Ali (2004), P.N.C. Menon (2009), S.K. Virmani (2010), and Kiran Asher (2012).
- There are 19 Indian schools offering CBSE syllabus catering to the educational needs of more than 42,000 Indian children. The Board of Directors is the governing body of Indian Schools in Oman and includes an Embassy representative.

- As per the MoU on Manpower signed during the Prime Minister's visit to Oman (November 8, 2008), an India-Oman Joint Working Group was set up which has held four meetings till date. The fourth meeting was held in September 2014 in Muscat. Several labour related issues like standardized model employment contract, payment of salary through banks, retention of passport by employers, exchange of information with regard to illegal recruitment and human trafficking, etc. were discussed in these meetings.

Cultural Relations

The vibrant Indian Community is keeping its cultural heritage and traditions alive in Oman. Indian Social Club, with its 19 Wings and 2 Branches in Salalah and Sohar, regularly organizes cultural events in various parts of the Sultanate of Oman.

There is an active cooperation in the field of national archives. In June 2013, and March 2014, delegations from the National Records and Archives Authority of Oman visited the National Archives of India, New Delhi to view and reproduce documents dating back to 18th century pertaining to Oman and to participate in the Foundation day of NAI.

The Royal Opera House Muscat (ROHM), for the first time during its season 2012-13, scheduled a total of eight performances by different Indian troupes including Pandit Jasraj, Zakir Hussain, and L. Subramanian. Bollywood dancers and artistes from India participated in Muscat Festival 2014. In September 2014, an ICCR sponsored Sufi troupe led by Sonam Kalra gave performances in Muscat, Salalah and Sohar. In January 2015, two ICCR sponsored dance groups, Gujarati Folk Dance Group and a 15-member Bhangra & Gidda Group will be visiting Muscat to participate in the Muscat Festival 2015 as well as to perform at the Republic Day 2015 reception as part of numerous events planned to celebrate the Diamond Jubilee year in 2015 of the establishment of India-Oman diplomatic relations in 1955.

Useful Resources:

For more information and latest updates please visit:

Embassy of India, Muscat website:

<http://www.indemb-oman.org/>

Embassy of India, Muscat Facebook page:

<https://www.facebook.com/pages/Embassy-of-India-Muscat/142625425804515>

India Global- AIR FM Gold Program featuring India and Oman Relations:

<http://www.youtube.com/watch?v=H5xVolgvNHQ>

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