

INDIA-SAUDI RELATIONS

India and Saudi Arabia enjoy cordial and friendly relations reflecting the centuries old economic and socio-cultural ties. The establishment of diplomatic relations in 1947 was followed by high-level visits from both sides. King Saud visited India in 1955 and the Prime Minister Jawaharlal Nehru visited the Kingdom in 1956. The visit of the Prime Minister Indira Gandhi to Saudi Arabia in 1982 further boosted the bilateral relations. In the recent times, the historic visit of King Abdullah to India in 2006 resulted in signing of 'Delhi Declaration' imparting a fresh momentum to the bilateral relationship. The visit provided the framework for cooperation in all fields of mutual interest. The reciprocal visit by Prime Minister Dr. Manmohan Singh to Saudi Arabia in 2010 raised the level of bilateral engagement to 'Strategic Partnership' and the 'Riyadh Declaration' signed during the visit captured the spirit of enhanced cooperation in political, economic, security and defence realms. In February 2014, during the visit of His Royal Highness Crown Prince Salman Bin Abdulaziz Al-Saud, Deputy Prime Minister and Minister of Defence of the Kingdom of Saudi Arabia to India (now King), a Joint Statement was issued. In November 2014, on the sidelines of G20 meeting in Brisbane, Australia, Prime Minister Mr. Narendra Modi met with His Royal Highness Crown Prince Salman Bin Abdulaziz Al-Saud, Deputy Prime Minister and Minister of Defence of the Kingdom of Saudi Arabia (now King). King Salman congratulated the Prime Minister for assuming his charge and stressed deep bilateral relations between the two countries.

Bilateral Visits:

See *Annexure I*

Bilateral Agreements/MoUs:

The bilateral Agreements and MoUs signed are as follows:

1. Signing of 'Delhi Declaration' in 2006 during the visit of King Abdullah; it laid the roadmap for bilateral cooperation;
2. Signing of 'Riyadh Declaration' in 2010 during Prime Minister Dr. Manmohan Singh's visit to Riyadh. It raised the level of interaction to 'Strategic Partnership' in the political, economy, security and defence realms;
3. MoU for Foreign Office Consultations;
4. MoU on the Establishment of Joint Business Council between Council of Saudi Chambers of Commerce and Industry (CSCCI) and Federation of Indian Chambers of Commerce & Industry (FICCI);
5. Bilateral Promotion and Protection of Investments (BIPA);
6. Agreement on Avoidance of Double Taxation and Prevention of Tax Evasion (DTAA);
7. MoU on Combating Crime;
8. Agreement in the field of Youth and Sports;
9. MoU of Scientific and Educational Co-operation between the Ministry of HRD, India and Ministry of Higher Education, KSA;
10. Extradition Treaty;
11. Agreement on Transfer of Sentenced Persons;
12. MoU for Cooperation in Peaceful Use of Outer Space;
13. Agreement on Scientific and Technological Cooperation;
14. MoU between Centre for Development of Advance Computing (C-DAC) and King Abdulaziz City for Science & Technology (KACST) on cooperation in Information Technology and Services;

15. Agreement on News Cooperation between Saudi Press Agency (SPA) and Press Trust of India (PTI);
16. MoU on Cultural Cooperation;
17. Agreement on Labour Cooperation for Domestic Service Workers Recruitment.
18. MoU on Defence Cooperation.
19. Joint Statement issued in February 2014 during the visit of His Royal Highness Crown Prince Salman Bin Abdulaziz Al-Saud, Deputy Prime Minister and Minister of Defence of the Kingdom of Saudi Arabia to India.

Economic & Commercial Relations: Saudi Arabia today is our 4th largest trade partner and is a major source of energy as we import around 20% of our crude oil requirement. During 2014-15, our bilateral trade reached USD 39.4 billion registering a decrease of 18.95% compared to 2013-14 (USD 48.62 billion) mainly due to sharp decline in oil prices since June 2014. During this period, our imports from Saudi Arabia reached USD 28.2 billion, registering a decline of 22.42% over previous year whereas our exports to Saudi Arabia reached USD 11.2 billion registering a decline of 8.6% over previous year. Saudi Arabia is the 5th largest market in the world for Indian exports and is destination of 3.6% of India's global exports. On the other hand, Saudi Arabia is the source of 6.3% (2nd after China) of India's global imports. For Saudi Arabia as per data available, India is the 5th largest market for its exports, accounting for 8.87% of its global exports. In terms of imports by Saudi Arabia, India ranks 7th and is source of around 3.61% of Saudi Arabia's total imports.

The import of crude oil by India forms a major component of bilateral trade with Saudi Arabia being India's largest supplier of crude oil, accounting for almost one-fifth of its needs. MoS (IC) for Petroleum and Natural Gas Shri Dharmendra Pradhan visited Kingdom from October 27-29, 2014 and held 2nd bilateral energy consultations with HRH Prince Abdulaziz bin Salman bin Abdulaziz, Deputy Minister of Petroleum & Mineral Resources, Kingdom of Saudi Arabia. MoS (IC) also held a bilateral meeting with Saudi Petroleum and Mineral Resource Minister Eng. Ali bin Ibrahim Al-Naimi and matters of mutual cooperation were discussed. He was accompanied by the Chairmen of IOC, HPCL & GAIL.

India-Saudi Trade (in million USD)

Year (April – March)	Imports from Saudi Arabia	Exports to Saudi Arabia	Total trade	% increase in bilateral trade	% increase in Indian imports	% increase in Indian exports
2010-2011	20,385.28	4,684.40	25,069.68	19.35	19.23	19.90
2011-2012	31,817.70	5,683.29	37,500.99	45.59	56.08	21.32
2012-2013	33,998.11	9,785.84	43,783.95	16.75	6.85	72.18
2013-2014	36,403.65	12,218.95	48,622.60	11.05	7.08	24.86
2014-2015	28,242.01	11,167.18	39,409.20	-18.95	-22.42	-8.61

Source: Department of Commerce, GOI. (www.dgft.gov.in)

Investments: According to Saudi Arabian General Investment Authority (SAGIA), it has issued 426 licenses to Indian companies for joint ventures/100% owned entities till April 2015, which are expected to bring total investment of USD 1.6 billion in Saudi Arabia. Actual investment figures as on date are not available. These licenses are for projects in diverse sectors such as management and consultancy services, construction projects, telecommunications, information technology, pharmaceuticals, etc. Moreover, several Indian companies have established collaborations with Saudi companies and are working in the Kingdom in the areas of designing,

consultancy, financial services and software development. On the other hand, Saudi Arabia is the 47th biggest investor in India with investments from April 2000 to April 2015 amounting to USD 54.19 million. In addition, Saudi Petrochemical joint SABIC had set up its R&D Centre in Bangalore with an investment of over USD 100 million in November 2013.

Cultural ties: A cultural troupe from ICCR comprising of a Shehnai and a Qawwali group, performed in Jeddah and Riyadh from 25-29 January 2012, coinciding with the Republic Day celebrations. A 45-member Saudi youth delegation visited India on 10-day tour from March 22, 2012, to strengthen the cooperation in the information and communications technology (ICT) sector and to step-up efforts to promote understanding and friendship among the youth of the two countries. A 54-member cultural delegation visited the Kingdom to participate in the 'Indian Cultural Week', organized in Riyadh in collaboration with the Saudi Ministry of Culture from November 3-7, 2012. Shri Parvez Dewan, Secretary Tourism, Government of India, led a high-level delegation consisting of State Tourism officers and private tour operators to the Kingdom to participate in 'Road Shows' in Jeddah, Riyadh and Dammam on 19th, 21st and 22nd May, 2013, respectively.

Indian Community in Saudi Arabia: The 2.75 million plus strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is the 'most preferred community' due to their expertise, sense of discipline, law abiding and peace loving nature. The contribution made by Indian community to the development of Saudi Arabia is well acknowledged. In April 2013, His Majesty King Abdullah announced a grace period allowing overstaying expatriates to correct the status, get new jobs or leave the country without facing penal action till the end of the grace period i.e. November 3, 2013. More than 1.4 million (14 lakhs) Indians have availed the concessions during the grace period. The Haj pilgrimage is another important component of bilateral relations. During Haj 2014, 135,914 Indians visited the Kingdom to perform *Haj*. The Haj quota for 2015 would be 136,020 pilgrims, of which 36,000 would come through private tour operators while the remaining 100,020 through Haj Committee of India. Approximately 300,000 Indians perform Umrah every year.

Useful Resources

Website of the Mission: www.indianembassy.org.sa

Mission's Facebook Page: <https://www.facebook.com/IndiaInSaudiArabia>

Mission's Twitter: twitter.com/IndianEmbRiyadh

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