

India-Saudi Arabia Unclassified bilateral brief (04.08.23)

1. India and Saudi Arabia enjoy cordial and friendly relations reflecting the centuries old economic and socio-cultural ties. Their diplomatic relations were established in 1947. The historic visit of King Abdullah to India in January 2006 was a watershed moment that resulted in the signing of the 'Delhi Declaration'. It was followed later by the 'Riyadh Declaration, in 2010, which elevated the bilateral relations to a strategic partnership. The visit of Hon'ble Prime Minister Shri. Narendra Modi to Riyadh in April 2016 captured the spirit of enhanced cooperation in the political, economic, security and defence realms. During the visit, King Salman conferred the Kingdom's highest civilian honor, the King Abdulaziz Sash, on the Hon'ble Prime Minister, indicating the importance Saudi Arabia attached to its relations with India. The visit of Crown Prince Mohammad bin Salman to India in February 2019 further took forward this momentum. During the visit, it was announced that the Kingdom would invest approximately US\$100 billion in India and six MoUs/Agreements were signed in various fields, including investment, tourism, housing, exchange of audio-visual programmes, and an agreement was signed to pave way for Saudi Arabia to join the International Solar Alliance (ISA), which was launched by the Hon'ble Prime Minister.

2. The Hon'ble Prime Minister visited Riyadh again on October 28-29, 2019, during which the Strategic Partnership Council (SPC) Agreement was signed, which established a high-level council to steer the Indo-Saudi relationship. Twelve MoUs/Agreements were signed during the visit across several fields, including energy, security, defense production, civil aviation, medical products, strategic petroleum reserves, small and medium scale industries, and training of diplomats. During the visit, the Hon'ble Prime Minister also delivered the keynote address at the Third Future Investment Initiative Summit.

Strategic Partnership Council

3. The Strategic Partnership Council (SPC) has two sub-committees – I) Committee on Political, Security, Social and Cultural Cooperation; and II) Committee on Economy and Investments. Both sub-committees have four functional levels of engagements – I) Summit level (Prime Minister & Crown Prince); II) Ministerial-level; III) Senior Officials' Meetings; and IV) Joint Working Groups (JWGs). Four JWGs have been formed under each sub-committee. The JWGs under the Political committee are I) Political & Consular; II) Legal & Security; III) Social & Cultural; and IV) Joint Committee on Defence Cooperation. The JWGs under the Economic committee are I) Agriculture & Food Security; II) Energy; III) Technology & Information Technology; and IV) Industry & Infrastructure.

Recent Ministerial Visits

I. Outgoing

4. **Hon'ble Minister for Health & Family Welfare and Chemicals & Fertilizers**, Dr. Mansukh Mandaviya, visited Riyadh during Aug. 25-26, 2022. During his visit, he held bilateral consultations with the Saudi Minister of Environment, Water and Agriculture, Abdulrahman Abdulmohsen A. AlFadley and Saudi Minister of Industry and Mineral Resources, Bandar bin Ibrahim AlKhorayef. He also held discussions, with the heads of SABIC and Maaden, regarding India-Saudi cooperation in the field of chemicals and fertilizers.

5. **Hon'ble Minister of External Affairs**, Dr. S. Jaishankar, visited Saudi Arabia during Sep. 10-12, 2022. During the visit, the Hon'ble Minister called on Crown Prince Mohammed bin Salman, co-chaired the inaugural Ministerial meeting of the Committee on Political, Security, Social and Cultural

Cooperation (PSSC) with the Foreign Minister of Saudi Arabia Prince Faisal bin Farhan Al Saud. He also met the Secretary General of the Gulf Cooperation Council (GCC) Dr. Nayef Falah Mubarak Al-Hajraf – during which the two sides also signed an MOU on Mechanism of Consultations between India and the GCC. During the meeting with the Crown Prince, Hon’ble EAM handed over a letter, addressed from the Hon’ble Prime Minister to the Crown Prince, which, *inter-alia*, invited the Crown Prince to visit India.

6. **Hon’ble Minister of Commerce & Industries and Textiles and Consumer Affairs, Food & Public Distribution**, Shri. Piyush Goyal, visited the Kingdom from Sep. 18-19, 2022. During the visit, the Hon’ble Minister co-chaired the inaugural Ministerial meeting of the Economic and Investments Committee, along with the Saudi Energy Minister Prince Abdulaziz bin Salman Al-Saud. In addition, he also met the Saudi Minister of Commerce, Majid bin Abdullah Al Qasabi. He also held detailed discussions on avenues of commercial cooperation with the heads of Royal Commission for Riyadh City (RCRC), Saudi Exim bank and with prominent business persons in the Kingdom.

7. **Visit of Minister of State for External Affairs:** Shri V. Muraleedharan, Minister of State for External Affairs and Parliamentary Affairs paid an official visit to Saudi Arabia from 01-03 May, 2023. Prior to this, he had also visited Saudi Arabia, from April 25-29, 2023, to lead the evacuation exercise under Operation Kaveri.

II. Incoming

8. **Saudi Energy Minister visits India:** On Oct. 21, 2022, Saudi Minister of Energy Prince Abdulaziz bin Salman, who's also the Chairman of the Ministerial Committee for Economy and Investment in the Saudi-Indian Strategic Partnership Council, paid a visit to India. During the visit, Prince Abdulaziz held meetings with the Hon’ble Minister of Commerce and Industry Shri. Piyush Goyal; Hon’ble Minister of Petroleum, Shri. Hardeep Singh Puri; Hon’ble Minister of Electricity, Shri. Raj Kumar Singh, and a number of leaders of the Indian business sector.

9. **Visits of Saudi Ministers to India as part of G20:** During India’s presidency of G20, numerous Saudi ministers have visited India for the sectoral meetings and have also held bilateral meetings with their counterparts on the sidelines.

- **Saudi Finance Minister**, H.E. Mohammed Al-Jadaan: Dec 2022, Feb, 2023, July 2023 and August 2023
- **Saudi Foreign Minister**, HH Prince Faisal bin Farhan bin Abdullah bin Faisal bin Farhan Al Saud: March 2023
- **Saudi Tourism Minister**, H.E. Ahmed bin Aqil al-Khateeb: June 2023,
- **Saudi Education Minister**, H.E. Yousef bin Abdullah Al-Benyan: June 2023
- **Saudi Minister of Human Resources and Social Development**, H.E. Ahmad bin Sulaiman AlRajhi: July 2023
- **Saudi Energy Minister**, His Royal Highness Prince Abdulaziz bin Salman Al-Saud: July, 2023
- **Saudi Minister of Health**, H.E. Fahd bin Abdurrahman Al-Jalajel: August, 2023
- **Saudi Minister of Communications and Information Technology**, H.E. Abdullah Alswaha: August, 2023
- **Saudi Minister of Commerce**, H.E. Majid bin Abdullah Al Qasabi: August, 2023

Economic Cooperation

10. India is the second largest trade partner for Saudi Arabia whereas Saudi Arabia is India's fourth largest trading partner. During FY23 bilateral trade was valued at US\$52.76 billion. During this period, India's imports from Saudi Arabia grew by 23.47% to reach US \$42.03 billion and exports to Saudi Arabia were worth US\$ 10.72 billion registering an increase of 22.48% on yoy basis. Total trade with Saudi Arabia accounted for 4.53% of India's total trade in FY 2022-23.

11. There are around 2,783 Indian companies registered as joint ventures/100% owned entities with investments worth approximately US\$2 billion in the Kingdom (January, 2022). Major Indian companies and corporate groups such as L&T, TATA, Wipro, TCS, TCIL, Shapoorji & Pallonji, etc. have established a strong presence in Saudi Arabia.

12. Saudi direct investments in India amount to US\$3.15 billion (March, 2022). Major Saudi investment groups include ARAMCO, SABIC, ZAMIL, E-holidays, and Al Batterjee Group. Additionally, PIF has also has invested approximately \$4.6 in Indian Start-ups such as Delhivery, FirstCry, Grofers, Ola, OYO, Paytm and PolicyBazaar through the Soft Bank's 'Vision Fund'.

13. In June, 2020, Saudi Arabia's Public Investment Fund (PIF) announced a US\$1.49 billion (2.32% stake) investment in Reliance Industries' Jio Platforms, and in November, 2020, PIF announced another investment of US\$1.3 billion (2.04% stake) in Reliance Retail Ventures Limited. In the food sector, in May 2020, Saudi Agricultural and Livestock Investment Company (SALIC) acquired a 29.91% stake in Daawat Foods Ltd. with an investment of US\$17.23 million. In July 2021, PIF invested in India-based healthtech Healthifyme's US\$75 million Series C funding round.

14. Other proposed major investments include the US\$44 billion 'West Coast Refinery & Petrochemicals Project' in Maharashtra, which is being jointly built by Saudi Aramco, Abu Dhabi National Oil Company, and an Indian consortium, which includes Indian Oil Corporation, Hindustan Petroleum Corporation, and Bharat Petroleum Corporation. In the renewable energy sector, Saudi Company Al-Fanar has invested in 600MW Wind Power projects in India.

Energy Partnership

15. Energy cooperation forms a central pillar of the Indo-Saudi bilateral ties. Saudi Arabia is a key partner for India for ensuring energy security. It remained India's third largest Crude and Petroleum products sourcing destination for FY 2022-23. India Imported 39.5 MMT of crude oil from Saudi Arabia, in FY23, accounting for 16.7 % of its total crude imports. Additionally, India's LPG imports from Saudi Arabia stood at 7.85 MMT and accounted for 11.2% of its total petroleum product imports in FY 23.

Defence Partnership

16. India-Saudi Arabia defense partnership has witnessed tremendous growth in recent years. In a landmark visit, the Indian Chief of Naval Staff, General Manoj Mukund Naravane visited Saudi Arabia in December 2020. Being maritime neighbors, India and Saudi Arabia enjoy extensive naval cooperation. As on date, two editions of the bilateral naval exercise "Al Mohed al Hindi" have been concluded. Additionally, both sides are also having close cooperation in the domain of defence industries and capacity building.

Cultural Relations

17. India and Saudi Arabia enjoy a long history of cultural engagements. In recent years, bilateral cultural activities have accelerated in line with Saudi Arabia's Vision 2030. India participated as the 'Guest of Honour' at the 32nd edition of the prestigious Saudi National Festival of Heritage and Culture – Janadriyah from Feb. 07-28, 2018. The festival was inaugurated by King Salman in the presence of the then External Affairs Minister Smt. Sushma Swaraj.

18. Yoga has also become a very popular activity in Saudi Arabia, particularly after it was recognized as a 'sports activity' in November 2017. Subsequently, the International Day of Yoga (IDY) is being celebrated by the Embassy in prominent areas of Riyadh, which witness participation from a large number of Saudi nationals, particularly the youth, in addition to the diplomatic corps, journalists and the Indian diaspora. In 2018, Nouf al-Marwaai, a Saudi national, was awarded with Padma Shri in recognition of her efforts in popularizing Yoga in Saudi Arabia. On IDY 2021, an MoU on Yoga Cooperation was signed between the Saudi Ministry of Sports and India's Ministry of AYUSH, which paved the way for the establishment of formal Yoga standards and courses in the Kingdom, marking the first time such standards were being implemented by any country in the Gulf region.

19. The year 2021-22 commemorated 75 years of India's independence as 'Azadi ka Amrit Mahotsav'. The celebration also coincided with 75 years of establishment of diplomatic relations between India and Saudi Arabia. As part of this celebration the Embassy conducted a host of events, which included cultural events, exhibitions, academic activities like quizzes, international film festivals, and sports activities like golf tournament and cycle rallies. Additionally, India-Saudi Arabia cultural cooperation has also been expanding in the novel areas of cinema and entertainment, sports activities such as cricket and football and tourism exchange.

Indian Community in Saudi Arabia

20. The Indian community in Saudi Arabia numbers at more than 2.4 million and is a living bridge between the two countries. Indian diaspora is widely respected in the Kingdom for their contributions in the development of Saudi Arabia. The contributions made by the Indian community to the development of Saudi Arabia are well acknowledged. In February 2022, an Agreement on Skill Verification Program was signed between NSDC, Indian Ministry of Skill Development and Entrepreneurship and Takamol holding, Saudi Ministry of Human Resources and Social Development. Since then, the Skill Verification Program has also been initiated between India and Saudi Arabia. India and Saudi Arabia have also signed Agreement for Domestic Sector Workers in the year 2014 and Agreement for General Category Workers in 2016.

21. The annual Hajj pilgrimage is another important component of Indo-Saudi bilateral relations. During Crown Prince's visit to New Delhi in Feb. 2019, it was announced that India's Hajj quota would be increased by 24,975 in 2019, enabling 2,00,000 Indians to perform Hajj in August 2019. Following the restrictions imposed during the pandemic, India's Hajj quota was again resumed to 175,025 pilgrims in 2023. India has also digitized the Hajj process by providing the Hajj mobile app, health facility - e-MASIHA, e-luggage pre-tagging, and linking the HGOs (Hajj Group Organizers) with the digital system, which has simplified the procedures for pilgrims.
