

India-Saudi Arabia Bilateral Relations

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Why in news?

- Saudi Arabia's Crown Prince Mohammed bin Salman Al Saud and PM Modi co-chaired the first summit-level meeting of the India-Saudi Arabia Strategic Partnership Council (SPC).

- The Saudi Crown Prince is on a daylong State Visit to India post the [G20 Summit](#).

India-Saudi Arabia Bilateral 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.

Recent visits

- Manmohan Singh (then Indian PM) visited Saudi Arabia in 2010 and the 'Riyadh Declaration' signed during the visit. It elevated the bilateral relationship to a '**Strategic Partnership**'.
- During the visit in 2016, King Salman conferred the Kingdom's highest civilian honor on Prime Minister Modi.
- During the visit of Crown Prince Salman to India in February 2019, the Kingdom decided to invest approximately US\$100 billion in India.
- During the visit of PM Modi to Riyadh in 2019, the Strategic Partnership Council (SPC) Agreement was signed.

Economic Cooperation between India and Saudi Arabia

• Trade

- In 2022-23, bilateral trade between India and Saudi Arabia reached an all-time high of \$52.75 billion.
- India's exports to Saudi Arabia were \$10.7 billion, up from \$8.8 billion in 2021-22.
- India is Saudi Arabia's second largest trading partner whereas Saudi Arabia is India's fourth largest trading partner.

• Investment

- Indian investments in the Kingdom of Saudi Arabia have reached approximately USD 2 Billion.
- Saudi Arabia is the **18th largest investor** in India with investments amounting to \$3.14 billion (March 2022).
- During Saudi Crown Prince's visit to India in February 2019, he announced that the Kingdom would be investing US \$100 billion in India in diversified sectors.

Energy Partnership between India and Saudi Arabia

- 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 between India and Saudi Arabia

- In a landmark visit, the Indian Chief of Naval Staff, General Manoj Mukund Naravane visited Saudi Arabia in December 2020.
- 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.

Indian Community in Saudi Arabia

- The approximately 2.2 million strong Indian community is the largest expatriate community in the Kingdom.
 - 7% of the population of Saudi Arabia comprise of Indians who have a large part in the economic growth of the country.
- During PM’s visit to Riyadh in October 2019, the two sides announced that **India’s e-Migrate system** would be integrated with the Kingdom’s e-Thawtheeq system to streamline the migration process for workers.
- The annual Hajj pilgrimage is another important component of Indo-Saudi bilateral relations.
- During Crown Prince’s visit to New Delhi in February 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.

Collaboration between India and Saudi Arabia during COVID-19

- Throughout the pandemic, both nations have been sharing national experiences and supporting each other.
- In February and March, 2021, in two separate consignments, India provided 4.5 million **COVISHIELD vaccines to the Kingdom.**
- On the other hand, during the second wave, the latter provided India with COVID-relief material, particularly liquid oxygen.

What is India-Saudi Arabia Strategic Partnership Council (SPC)?

• About

- The pact to establish the SPC was signed during PM Modi’s visit to Saudi Arabia in October 2019.
- It aimed to establish a high-level council to steer the Indo-Saudi relationship.

• Pillars

- The SPC has two main pillars:
 - Committee on Political, Security, Social and Cultural Cooperation; and
 - Committee on Economy and Investments.
- Both sub-committees have four functional levels of engagements:
 - **Summit level** ([Prime Minister](#) & Crown Prince);
 - Ministerial-level;
 - Senior Officials’ Meetings; and
 - Joint Working Groups (JWGs).

Key outcomes of the recent meeting

• Various projects

- India and Saudi Arabia decided to expedite implementation of the \$50-billion West Coast refinery project.
 - The West Coast refinery project is a 60 million tonnes refinery-cum-petrochemical complex to be built on the Maharashtra coast.
 - It identified energy, defence, semiconductor and space as areas for **intensified cooperation**.
 - Other areas of cooperation such as security, education, technology, transportation, healthcare, tourism and culture were identified.
 - **Diversification of current relationship**
 - The two sides agreed to diversify the current status of their hydrocarbons relationship into a comprehensive energy partnership.
 - **Pacts signed**
 - They also inked eight pacts to boost cooperation in a range of areas, including digitisation and investment.
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Q1) What is India's e-Migrate system?

The eMigrate system is an online platform that allows employers to recruit Indian nationals for employment abroad. The system was introduced in February 2015 and is controlled by the Protector General of Emigrants. The system is intended to make emigration a simple, transparent, and humane process.

Q2) What is the local government of Saudi Arabia?

Regional governors are appointed, usually from the royal family, and preside over one or more municipal councils, half of whose members are appointed and half elected. With their councils, the governors are responsible for such functions as finance, health, education, agriculture, and municipalities.

Source: [Saudi Arabia one of India's most important strategic partners: PM Modi](#) | [MEA](#) | [Embassy of India in Riyadh](#) | [Times of India](#) | [Indian Express](#)

Source: <https://vajiramandravi.com/current-affairs/india-saudi-relations/>

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