India and Qatar Sign Strategic Partnership Agreement to Boost Trade, Investment & Energy Cooperation

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India-Qatar Strategic Partnership Latest News

- The Amir of the State of Qatar, Sheikh Tamim Bin Hamad Al-Thani paid a State Visit to India. During this visit, he held bilateral talks with PM Modi.
- This was his second visit to India. He had earlier visited India on a State Visit in March 2015.

India – Qatar Bilateral Relationship

- India-Qatar ties thrive on historic bonds, high-level engagement, and a valued Indian diaspora contributing to Qatar's progress and cooperation.

Defence Cooperation

- India-Qatar defense ties include training slots, naval visits, DIMDEX participation, and a Defense Cooperation Agreement, extended in 2018, overseen by the Joint Defence Cooperation Committee (JDCC).

Commercial & Investment Relations

- India's bilateral trade with Qatar in 2022-23 was US$ 18.77 billion.
    - India's export to Qatar during 2022-23 was US$ 1.96 billion and India's import from Qatar was US$ 16.8 billion.
- India is among the top three largest export destinations for Qatar (China and Japan being the other two) and is also among the top three sources of Qatar's imports, along with China and US.

Energy Cooperation

- Qatar is the largest supplier of LNG to India (10.74 MMT for US$ 8.32 billion in FY 2022-23), accounting for over 48% of India's global LNG imports.
- Qatar is also India's largest supplier of LPG (5.33 MMT for US$ 4.04 billion in FY 2022-23) accounting for 29% of India's total LPG imports.

Cultural Cooperation

- There are over 835,000 Indian nationals residing in Qatar as on December 2023.
    - Indian community comprises around 27% of total population of Qatar.
- Qatar's labor reforms include abolishing the Kafala system, easing job changes, penalizing passport confiscation, introducing a minimum wage, and strengthening worker protections, benefiting laborers despite some remaining challenges.

Key Outcomes of the Visit

- Qatar is a key partner for India due to its strategic location, trade potential, energy resources, and strong Indian diaspora.
- The two countries are working on strengthening economic and security ties.

India-Qatar Relations Elevated to Strategic Partnership

- Both the leaders announced the elevation of India-Qatar ties to a **Strategic Partnership**.
- With this partnership, Qatar joins UAE, Saudi Arabia, Oman, and Kuwait in India's strategic engagements within the Gulf Cooperation Council (GCC).

Doubling Bilateral Trade to $28 Billion

- Both countries set a target to **double bilateral trade from $14 billion to $28 billion by 2030**, emphasizing trade, investment, and energy cooperation.

Qatar to Invest $10 Billion in India

- Qatar's Sovereign Wealth Fund committed $10 billion in India, expanding investments in infrastructure, ports, shipbuilding, renewable energy, smart cities, food parks, start-ups, AI, robotics, and machine learning.

Exploring a Free Trade Agreement (FTA)

- India and Qatar discussed a potential FTA to further boost economic cooperation.
- Separately, India is also negotiating an FTA with the Gulf Cooperation Council (GCC), which includes Qatar.

Trade and Investment

- Decision of Qatar Investment Authority (QIA) to open an office in India.
- Operationalization of India's UPI at Qatar National Bank (QNB) Point of Sales in Qatar.
- Expansion of Qatar National Bank presence in India by setting up an office in the GIFT City.

Key Agreements Signed

- Both nations signed two agreements and five MoUs covering economic cooperation, youth affairs, and a double taxation avoidance agreement.

Strengthening Energy Ties

- Qatar, a major LNG supplier to India, reaffirmed its commitment to energy cooperation.
- An agreement between Qatar Energy and Petronet LNG Limited will ensure the supply of 7.5 million metric tonnes per annum of LNG to India for 20 years starting 2028.

Conclusion

- Qatar is a key partner for India due to its strategic location, trade potential, energy resources, and strong Indian diaspora. The two countries are working on strengthening economic and security ties.
- The current visit marked a reset in India-Qatar ties after tensions over the incarceration of eight Indian Navy veterans, whose sentences were commuted. Seven returned, while one remains in Qatar.

India-Qatar Strategic Partnership FAQs

Q1. What is the treaty between India and Qatar?

Ans. India and Qatar signed agreements on economic cooperation, youth affairs, and a double taxation avoidance agreement to strengthen ties.

Q2. What is the import-export between India and Qatar?

Ans. In 2022-23, India's exports to Qatar were $1.96B, while imports, mainly LNG and LPG, totaled $16.8B.

Q3. What are the 7 GCC countries?

Ans. The Gulf Cooperation Council (GCC) consists of Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, and Qatar.

Q4. Who owns the Qatar Investment Authority?

Ans. The Qatar Investment Authority (QIA) is Qatar's sovereign wealth fund, owned and managed by the State of Qatar.

Q5. What companies are under the Qatar Investment Authority?

Ans. QIA owns stakes in Qatar Airways, Volkswagen, Barclays, Heathrow Airport, and real estate assets in London and New York.

Source: IE | MEA | MEA
