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India-Saudi Relations - Significance and Key Areas of Cooperation

What is the issue?

With the visit of Crown Prince Mohammed bin Salman of Saudi Arabia to India, here is the importance of Saudi Arabia to India and the key areas of cooperation.

Why is Saudi significant to India?

- **Employment** - The 2.7 million strong Indian community is the largest expatriate group in Saudi Arabia.
- They send remittances of over US \$11 billion annually to India.
- **Pilgrimage** - The Saudi Kingdom facilitates Hajj pilgrimage to over 1,75,000 Indians every year.
- This is one of the major reasons why Saudi Arabia is an important country for India.

What are the key areas of cooperation?

- Relations between the two countries are rooted in strong historical and civilisational links.
- The mutually beneficial partnership encompasses active cooperation in a wide spectrum of spheres.
- **Strategic Partnership** -The Riyadh Declaration of 2010 had forged a Strategic Partnership between India and Saudi Arabia.
- Saudi Arabia has identified India as one of the 8 strategic partners.
- It intends to deepen partnership in areas of political engagement, security, trade and investment, and culture.
- As part of this engagement, the two sides are finalising the setting up of a Strategic Partnership Council at the Ministerial level.
- **Security** - The Strategic Partnership includes security cooperation.
- Riyadh has largely shown an understanding of India's terrorism-related concerns, and has agreed to work with India in countering the global menace.

- During Indian PM's 2016 visit, an MoU on cooperation in the exchange of intelligence related to money laundering and terrorism financing was also signed.
- **Defence** - An MoU on Defence Cooperation was signed in 2014 during the visit of the Crown Prince.
- The two sides are exploring the possibility of elevating this engagement with Joint Production and Joint Exercises, particularly in Joint Naval exercises.
- **Trade** - Bilateral trade was US \$27.48 billion during the last financial year 2017-18, recording about 10% growth compared to 2016-17.
- This makes Saudi Arabia India's 4th largest trading partner.
- **Energy** - Saudi Arabia is a source of 17% or more of crude oil and 32% of LPG requirements of India and thus a key pillar of India's energy security.
- Recently, Saudi ARAMCO, in partnership with ADNOC of UAE, has agreed to partner in Ratnagiri (Maharashtra) Refinery and Petro-Chemical project Ltd., a Joint Venture worth US\$ 44 billion.
- India hopes to transform this buyer-seller relationship in energy to a broad-based partnership.
- **Others** - Other areas of interest for joint collaboration are fertilisers, food security, infrastructure, renewable energy, etc.
- ICT, healthcare and pharmaceuticals, electronic and manufacturing facilities, and housing are other potential areas of enhanced cooperation.
- The countries are also looking for greater collaboration in civil aviation, a potential area especially in the context of increasing trade and tourism.
- Besides, Saudi Arabia itself is undertaking large development projects in which Indian companies will be looking to participate.
- These include Smart City, Red Sea Tourism Project, Entertainment City, etc.

Source: Indian Express



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