

India's Relations with Gulf: A case Study of Indo-Saudi Strategic Relationship

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ABSTRACT

Sub-continent India and Saudi Arabia have historical ties dating back to arrival of Islam in subcontinent. After partition of sub-continent, both states do not share cordial relations due to their respective affiliations during Cold War but Saudi Arabia was economically important for Indian expatriates. Although both countries tried for startup but it was not possible until the economic liberalization of India. New Delhi wants to cultivate bilateral relations for economic purposes. The 9/11 attacks in US changed the regional dynamics swiftly and new regional alignments were made. India followed its Look West Policy and showed tilt towards Saudi Arabia and Saudi Arabia found larger market for its oil supplies which provided framework and comprehensive roadmap for future engagements that later transform into strategic partnership between them. This paper will highlight the key areas of cooperation which gave depth to this strategic partnership using exploratory and observational approaches analyzing through secondary data.

Key Words: India, Saudi Arab, Strategic, Partnership.

Introduction

India and Saudi Arabia did not share cordial relations after sub-continent India's partition. They just established diplomatic relations in 1947. India's non-alignment policy restricts her to extend cordial relations with any state. Kingdom of Saudi Arabia (KSA) was crucial for policy makers of India as if they extend relationship with them then Hindus might show adverse pose and if condemn then the ruling elite will face criticism from Muslim minority which might be in the form of losing Muslim vote bank. Besides these, economic factor also has great importance as Saudi Arabia supports a considerable number of Indian emigrants there who contributed for the economic stability of their country.

Both the countries met in Bundung Conference April 1955. This was followed by the KSA Crown Fahad bin Abdul Aziz's visit to New Delhi. Crown's visit paved the way for King Saud bin Abdulaziz al-Saud's visit in the same year. It was a 17-days long visit and king met with Indian Prime Minister Jawaharlal Nehru and talked about emerging international scenarios and issues. The king's delegation visited 8 different cities but the visit did not bear any desirable result. Later the King's visit was reciprocated by Indian Premier Jawahar Lal Nehru and was welcomed with the slogan "Marhabba Rasool as Salam" (Messenger of

Peace). They both established relations but failed to last for a long. The close Indo-Egyptian relations could be a reason for such frost relationship.

These frosty relations remained dominant in most of cold war period. Such cold relations can be seen in the context of bipolarity. KSA's closeness with USA and India's tilt towards USSR, India's non-alignment policy, KSA's association with Pakistan, support to US regarding Soviet invasion in Afghanistan, the close bi-lateral relations with Pakistan particularly after 1971 debacle and establishment of Organization of Islamic Conferences 1969 restricts them to be apart. After disintegration of Pakistan, Pakistan and Saudi Arabia were enough close as Pakistan was reorienting its foreign policy and showed tilt towards gulf which resulted in Gulf Bonanza. However, India and Saudi-Arabia managed to interact and KSA's Foreign Minister Saud bin Faisal visited India in 1981 and share concerns regarding the changing regional patterns like Soviet invasion in Afghanistan, developments and security imperatives in South Asia and Gulf. The visit was reciprocated with Indira Gandhi's visit, the then Prime Minister of India. The mutuality of concerns were developed but failed to harbour bilateral terms.

In early 1980's, Saudis were particularly concerned about US massive engagement in the region in the wake of Soviet invasion in Afghanistan. KSA was nervous and conscious from US presence in the region. US build-up in Indian Ocean and presence in Afghanistan to pose hegemonic design was the point of concern for KSA-even Saudi Arabia supported US in Afghanistan- as for KSA it was the most volatile region in terms of oil trading and US presence can affect her trading targets if Iranian Revolution 1979 like situation emerged. Saudis were also thinking on other side that harbouring relations with India could minimize their fear and would help not only to exert influence but to extend relations with USSR. At that time, Saudi Arabia was also in phase of reorienting its foreign policy approach and decided that from now onwards its relations with India will not be seen from Pakistan's lens.

But it was really very hard for Saudi Arabia to side line Pakistan. As Saudis were supporting Mujahidin and Taliban via Pakistan to contain Iranian ambitions in Afghanistan. At that time, the tensions between Iran and Saudi Arabia were high. The Iranian Revolution 1979 added new dimension into the rivalry. Saudi's rules regarding pilgrimage were challenged by Ayotullah on religious grounds. One must say that it was a well-designed farsighted move to create chaos and anarchy within Saudi Arabia because 40% "oil producing eastern provinces were Shi'its" (Anthony, 2003, p. 206) who were against Wahabi school of thought rings the bells in KSA. Pakistan was most instrumental at that time to:

- curb Iranian influence
- and, restrict Iran to play any role regarding the formation of future government in Afghanistan after US withdrawal.

However during these visits, on particular matters, mutual understanding was developed as both were agreed upon that Afghan issue should be resolved in such ways which directly or ultimately eliminate the "Foreign Military Presence" in the

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region particularly US. Both agreed that regional issues should be dealt on regional level without the interference of foreigners.

Post-cold war

After Soviet withdrawal, bipolarity turns into uni-polarity and US comes forward with its 'New World Order' in which India was picked up as a regional power centre. With the changing world scenario, India as well reviewed her policy and opened its market for privatization and liberation in order to stabilize her dwindling economy. Other than oil based interests, there were others points of concern exist between both states to come closer. India had considerable expatriate in Gulf region which constituted the largest expatriate community with 1.5 million workers. Also India had second world largest Muslim population which had sacred affiliation due to holy places there. So it was now obvious for India to develop cordial and conducive relations with Gulf region. Gulf region had potential to fulfill her dependence of oil. It posed important strategic position for India while framing the energy security requirements. India's quest for crude oil was highly entertained by the Gulf region. The table shows the India's dependency for crude oil in Gulf region.

**India's Import of Petroleum Crude and Products from West Asia: 1995-2000
In Millions of US Dollars**

Country	1995-96	1996-97	1997-98	1998-99	1999-2000
Saudi Arabia	1,539.76	2,140.93	1,769.73	1,191.81	1,691.45
UAE	1,050.52	1,382.73	978.69	909.90	1,633.20
Kuwait	1,872.38	2,276.44	2,109.66	1,334.54	1,381.70
Iran	433.69	677.14	429.32	256.25	781.77
Bahrain	807.11	778.19	500.83	361.81	258.54
Iraq	-	24.82	185.60	150.90	200.37
Yemen	17.15	12.20	10.04	1.78	6.37
Qatar	0.87	26.77	7.84	7.80	2.41

Source: Centre for Monitoring Indian Economy, cited in Girijesh Pant, "India's Energy Security: The Gulf Factor," GSP Occasional Paper Series, GSP 2002/2.

Saudi Arabia asked Pakistan to resolve Kargil issue bilaterally and stop supporting and using force in Kashmir as it would further tense the situation and may cause in humanitarian loss. Saudi Arabia also gave a moderate response on resolution in OIC regarding Kashmir and Kargil. Saudi Arabia has not only toned

down the resolution but also avoided making any response which may annoy or misconstrue India. These moves clearly indicate the KSA withdrawal from looking towards India from Pakistan prism. It was interest based relations and flourished on economic centered approach. Such cordiality in Indo-Saudi contacts bears fruits and subsequently resulted in official visits at bilateral level.

Jaswant Singh's visit to Saudi Arabia in 2001 was instrumental as both countries worked on bilateral trade, increase in India's oil import and agreements on expatriates promoted the cooperation between both countries. The visit latterly provided ground for numerous ministerial level visits. This was the first extensive political contact which opened new avenues and polished the existing one. Both the countries mutually agreed on establishing Joint Commission to compliment economic trade.

Trade relation between India and Saudi Arabia post 9/11

The 9/11 attacks in US changed the regional dynamics swiftly and new regional alignments were made. India was following its 'Look West Policy' whereas, Saudi Arabia showed its tilt towards its 'Look East Policy' mainly due to availability of greater market. Initially, their economic relations were entangled in traditional alignments-Pakistan and Iran- but this time the gap between both countries was bridged after Jaswant Singh's visit to Saudi Arabia in 2001. Besides terrorism, both countries worked to accelerate in trading relations because of their economic interdependency.

In context of overall Indian trade profile, the total volume of India's trade has increased more than 8 times from "US\$ 945496 million in 2001 to US\$ 8026570 million in 2013" which also increased India's total share in world trade from "0.77% to 2.22%" in which India's total foreign import increased more than 9 times "from US\$ 506711 million in 2001 to US\$ 4660456 million in 2013" whereas, its total export increased 7 times from "US\$ 438785 million in 2001 to US\$ 3366114 million in 2013". In comparison of total import and export of India, the level of imports is always greater then exports which shows a negative increase. Whereas, Saudi's overall trade-which is primarily based on petroleum-increased more than 5 times from "US\$ 679745 million in 2001 to US\$ 3753966 million in 2013" which contributes 2.09% share in world trade from 1.12%. The total import of Saudi Arab also increased from 0.50% to 0.91%. In comparison, of total Saudi import and export, the trade balance shows positive increase (Alam, Ahmad, 2015, p. 3).

The trade relations between India and Saudi Arabia have grown significantly. In 2013, India was the 4th largest exporting partner, 7th largest importing partner whereas again 7th largest overall trading partner of Saudi Arabia which in total accounts an upward bilateral increase from 12290 USD millions (2001-02) to 48623 USD millions (2013-14) and in result Saudi share increased from 1.35% to 6.36% in India's total foreign trade . (Alam, Ahmad. 2015, p. 3). Following table shows the year wise bilateral trade patterns.

Table: 1 Indo-Saudi bilateral Trade patterns 2001-2014

Year	Export	% Growth	% Share	Import	% Growth	% Share	Total Trade	% Growth	% Share	Trade Balance
2001-02	826.43	--	1.89	463.99	--	0.90	1,290.42	--	1.36	362.45
2002-03	940.74	13.83	1.78	504.72	8.78	0.82	1,445.46	12.01	1.27	436.02
2003-04	1,123.31	19.41	1.76	737.77	46.17	0.94	1,861.08	28.75	1.31	385.54
2004-05	1,412.06	25.71	1.69	1,301.15	76.36	1.17	2,713.21	45.79	1.42	110.91
2005-06	1,809.77	28.17	1.76	1,632.3	25.45	1.09	3,442.11	26.86	1.48	177.43
2006-07	2,590.77	43.15	2.05	13,355.3	718.17	7.19	15,946.1	363.27	5.11	-10,764.55
2007-08	3,711.16	43.25	2.27	19,470.3	45.79	7.74	23,181.4	45.37	5.59	-15,759.15
2008-09	5,110.38	37.70	2.76	19,972.7	2.58	6.56	25,083.1	8.20	5.13	-14,862.36
2009-10	3,907.00	-23.55	2.19	17,097.5	-14.40	5.93	21,004.5	-16.26	4.50	-13,190.57
2010-11	4,684.40	19.90	1.88	20,385.2	19.23	5.91	25,069.6	19.35	4.05	-15,700.88
2011-12	5,683.29	21.32	1.86	31,817.7	56.08	6.50	37,501.0	49.59	4.72	-26,134.41
2012-13	9,785.78	72.18	3.26	33,998.1	6.85	6.93	43,783.8	16.75	5.53	-24,212.33
2013-14	12,218.9	24.86	3.89	36,403.6	7.08	8.09	48,622.6	11.05	6.36	-24,184.69

Source: Ministry of Commerce and Industry, Government of India

After Jaswant Singh's visit, there was no considerable exchange of government officials happened until 2005 when India extended mourning upon the death of King Fahd in 2005 and sent a delegation to attend his funeral. The year 2006 witnessed a remarkable turnaround in bilateral relations by signing Delhi Declaration.

Delhi declaration

The first bilateral high level contact between India and Saudi Arabia was in 2006. It was the first visit of Saudi monarch to India in 51 years. The visit breaking the ground and began a new era of bilateral relations. The exchange of views and in-depth discussions provided framework and comprehensive roadmap for future engagements. During the visit the officials of both the countries shared mutual interests regarding "security, stability and prosperity of the region". The visit "heralds a new era in India-Saudi Arabia relations and constitutes a landmark in the development of increased understanding and cooperation between the two countries and creation of a mutually beneficial partnership". The declaration mainly specifies four areas of cooperation (i) trade and investment, (ii) IT, (iii) political interactions and engagements and (iv) fulfillment of each other energy requirements. (Embassy of India in Saudi Arab, Delhi Declaration, 2006).

Both countries acknowledge the fact that in past the bilateral relations severely affected due to lack of political interactions and desired the "Exchanges

of high-level bilateral visits and consultations should be intensified in order to give an impetus to and expand the scope of bilateral cooperation and understanding.” Both countries agreed “to expand and diversify mutual trade and investments and, noting with satisfaction the signing of agreements regarding Promotion and Protection of Investments and Avoidance of Double Taxation, called for the exploration of investment opportunities in all sectors, including infrastructure, in both countries.” Both countries were eager to develop the partnership in energy sector on interdependence and complimentary basis and decided its elements as:

1. “Reliable, stable and increased volume of crude oil supplies, through “evergreen” long-term contracts.
2. Cooperative and joint ventures, both in the public and private sectors, in the upstream and downstream oil and gas sectors in India and Saudi Arabia as well as in third countries.
3. Saudi investments in oil refining, marketing and storage in India, subject to commercial viability.
4. Setting up of India-Saudi ventures for gas-based fertilizer plants in Saudi Arabia”.

IT sector highlights in which India will render its services for the establishment of an IT Excellence Centre and student exchange program should also be finalized. Besides these four areas of cooperation, the Delhi Declaration also aimed to further intensify the areas of mutual interests and extending “bilateral, regional and global cooperation to combat and eradicate the menace of terrorism” (Embassy of India in Saudi Arab, Delhi Declaration, 2006).

Indeed, the King’s visit as Chief Guest on Indian Republic Day was a major breakthrough in Indo-Saudi relations. During his visit, King Abdullah called India as his ‘second home’ and signed Delhi Declaration which not only had bilateral significance but also the first ever official bilateral document signed by the king. Following the Delhi declaration, several ministerial level visits were concluded to compliment 2006’s political and diplomatic engagement which included Prince Saud Al Faisal’s visit- the then Foreign Minister- in February 2006, February 2008 and December 2008 which was also reciprocated by the Foreign Minister of India to assess the advancement in proposed bilateral terms (Ministry of External Affairs, GOI Annual Report 2008-09, p. 46). These Foreign Minister’s visits were followed by the Minister of Justice, Higher Education, health, Commerce & Industry and petroleum. Meanwhile in 2006, M.K. Narayanan, the Indian National Security Advisor visited Saudi Arab which was followed by C.R. Garekhan (India’s special envoy for West Asia) visited Saudi Arab in September 2007 to affirm mutual cooperation in countering organized crime (Ministry of External Affairs, GOI Annual Report 2006-07, p. 50).

Riyadh declaration

The King Abdullah's visit was reciprocated by India in 2010 by Prime Minister Manmohan Singh which further bolstered the already growing bilateral ties. The Indian delegation was warmly received by Saudi Arabia manifested in Singh's address to the Majlis e Shura and felicitated PM Singh with "King Abdulaziz Sash of the First Order" (Gauri, 2013, p. 4). The leaders of both countries were enthusiastic towards positive trend of mutual relationship which "heralded a new era in Saudi-India relations; that is in keeping with the changing realities and unfolding opportunities of the 21st century" and reviewed the working status of Delhi Declaration and shared the satisfaction level. The visit was culminated in Riyadh Declaration which was the transformation of earlier political and diplomatic engagement towards the beginning of "new era of strategic partnership". The advanced aura of "strategic partnership also covers the security, economic, defense and political areas" (Ministry of external Affairs, India, 2010, Riyadh Declaration). Several MOU's were signed during this high profile visit which includes "accords on extradition treaty, transfer of sentenced prisoners, scientific and technological cooperation and memorandums of understanding on cooperation in peaceful use of outer space, information and information technology and services between the Saudi Press Agency and the Press Trust of India, cultural exchange and advanced computing services". Both countries also "welcomed the agreements signed between the two sides in the field of Research and Education, Information Technology and Services, Science and Technology, and Peaceful Uses of Outer Space" (Embassy of India an Saudi Arab, Riyadh Declaration).

The Riyadh Declaration was followed by the visit of Riyadh Governor, Prince Salman, in April 2010 and Indian Petroleum Minister visited Riyadh to attend international forum whereas, Saudi Minister of Economy and Planning attended "Delhi Sustainable Developments Summit" in 2011. For follow up purposes, numerous high-level delegations visited each other country"(Ministry of External Affairs, Government of India, Annual Report, 2010–2011, p. 44). Among all visits, the visit of Defense Minister, A.K. Anthony to Saudi Arabia brought new dimension in bilateral relations who forged close ties in security and defense fields. During visit two countries signed agreement on "the training of military personnel, the setting up of a Joint Defense Cooperation Committee, the training of Saudi forces in mountain warfare, and the initiation of joint defense manufacturing" (Jha, World Politics Review, 2012).

Emerging dynamics during Modi Government

The Delhi and Riyadh Declarations provided a conducive environment and created the atmosphere of trust which developed the transactional business. Although the mainstream Indian political party Congress had the credit to extend bilateral relations towards Gulf region particularly Saudi Arabia and cooperate in multi-

dimensional fields. The democratic process in India bring changes in Government and after 2014 general elections Congress was out thrown and Bhartiya Janata Party (BJP) came into power in form of Government in Centre. Narendra Modi became the Prime Minister who besides his religious orthodox approach brought remarkable change in Indo-Saudi relations. The pitch was ready to play and Modi wanted to take the maximum benefit out of it as he wanted to play a greater role for upward economic trajectory, world politics by following India's Look West Policy. Modi led Government particularly worked on strengthening political, economic, diplomatic, security and defense engagements in the region and with the global players. Fortunately, Modi government invigorated mutual relation relations towards Gulf region. In this context, he further intensified and solidified diplomatic and political engagements by visiting UAE between August 2015 to February 2018- Saudi Arabia in April 2016 followed by Iran in May 2016, Qatar in June 2016, Israel in July 2017, Palestine and Oman in February 2018. Such extensive visits show Modi's keen interest in the region. Modi's priority towards Saudi Arabia was reflected from a number of bilateral ministerial level visits from October 2014 till March 2016 which total is counted 5 besides Modi's two meetings with King Salman during G-20 Summit sidelines (Brisbane, November 2014 and Antalya November, 2015)

Modi was warmly welcomed during his visit to KSA, received Highest Civilian Award and attended talks with top leadership of Saudi Arabia regarding geo-political situations and emerging regional trends in Middle East and Gulf region contextualizing defense and security concerns and the opportunities to collaborate in this regard. Both leaders appreciated "the successful transformation of bilateral relationship in political, economic, security, defence, manpower and people to people exchanges" in recent ministerial exchanges which bolster the mutual cooperation. The visit also highlighted the concerning areas due to emerging dynamics, which requires in depth collaborations like (1) Defense and Security (2) Energy, trade and investments.

Defense and Security were the prime concerns of both countries due to their geographical proximity and offensive relations with their immediate neighbours. Both the countries agreed to expand the realm of defense and security concerns in all possible fields. So, they decided "to intensify bilateral defence cooperation, through exchange of visits by military personnel and experts, conduct of joint military exercises, exchange of visits of ships and aircrafts and supply of arms and ammunition and their joint development. They also welcomed the decision for convening of the second meeting of Joint Committee on Defence Cooperation in Riyadh to follow up on the visit of Prime Minister Modi". Maritime security was taken into serious consideration and both countries also decided "to strengthen maritime security in the Gulf and the Indian Ocean regions, vital for the security and prosperity of both countries. They further agreed to promote bilateral collaboration for humanitarian assistance and evacuation in natural disasters and conflict situations." (Embassy of India to Saudi Arab, Joint Statement, April 2016).

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Energy, Trade and Investment are the blooming sector of Indo-Saudi relations. The trade volume continuously grows as shown in Table 1 and reached to 48 billion US\$ in 2013-14. However, it decreases due to increase in oil prices and dropped to “26 billion US\$” during 2015-16. Besides these international scenarios, Saudi Arabia remained 4th largest trading partner of India. The decrease in bilateral trade showed upward trajectory, 2017 onwards which enhanced the trust and advanced their status as reliable trading partners. The following table shows bilateral trade from 2014-2019.

Year	Imports from Saudi Arabia	Exports to Saudi Arabia	Total trade	% increase in bilateral trade	% increase in Indian imports	% increase in Indian exports
2014-2015	28.10	11.16	39.26	-19.24	-22.79	-8.65
2015-2016	20.32	6.39	26.71	-31.97	-27.70	-42.71
2016-2017	19.94	5.13	25.08	-6.12	-1.85	-19.70
2017-2018	22.06	5.41	27.48	+9.56	+10.50	+5.88
2018-2019	28.48	5.55	34.03	+23.83	+29.04	+2.61
2019-2020 (April - Dec)	20.37	4.35	24.73	-	-	-

Source: Ministry of Commerce, Government of India

The Modi's visit was followed by several ministerial visits to compliment the agreed areas of cooperation and Prince Muhammad Bin Salman reciprocates the visit in February 2019. The visit was primarily done to create a lobby against Jamal Khashoggi's murder but ended up by signing huge five MOUs related to tourism, broadcasting, infrastructure, investment and housing which meant to upgrade the existing level of strategic partnership. Saudi Arabia also proposed to set the oil refinery in India mainly to show the world that they have Look East policy which enabled to reduce our reliance on western countries for economic growth.

Later Muhammad Bin Salman's visit was followed by PM Modi's visit to Saudi Arabia in October 2019 in which both countries again re-affirmed the bilateral commitments and discussed areas of cooperation to solidify the existing sectors of strategic partnership. Defense and security remained the core of discussion and they agreed "to promote ways to ensure the security and safety of waterways in the Indian Ocean region and the Gulf region from the threat and dangers that may affect the interests of the two countries including their national security" and MOU's were signed regarding energy, security cooperation, civil aviation, RuPAY cards and pharmaceutical products.

Conclusion

The frosty relationship between India and Saudi Arab due to a number of geographical, religious and diplomatic commitments were not fruitless. The Indian expatriates in Saudi Arabia remained the most striking feature of their relationship. The end of cold war and liberalization of Indian economy paved the way to collaborate mainly in trade and investment sector but the post 9/11 situation and multiple regional imperatives compelled both countries to entangle themselves in multi-dimensional fields which resulted in strong strategic partnership. Both countries complement each other with respect to bilateral trade as India provided one of the largest nearest markets whereas Saudi Arabia fulfilled the major portion of India's requirement of oil. Their interdependency opened other ventures which made them the reliable trade partners of each other and enabled them to emerge as major regional players.

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