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## India - Saudi Arabia Relations

Both the countries have linkages from the ancient past, as the sailors from both the sides exchange commodities when they travelled. Cultural linkage between the 2 sides is due to the fact that a holiest shrine of Islam — Mecca & Madina are present in Saudi Arabia & the King of Saudi Arabia is the custodian of these shrines. A number of Indians go to Saudi Arabia for Haj pilgrimage. Saudi Arabia <sup>also</sup> has the repute of holding max. no. of Indian passport holders in any part of the world other than India. These people had contributed a lot in the fruitful development of Saudi Arabia.

Saudi Arabia today faces a no. of challenges. It's not only due to rising rent & the prices of food stuffs, unemployment is a big concern. This country also faces another challenge as Al Qaeda has shifted its bases from Afghanistan to Yemen & S. Arabia.

However, the bigger challenge is that U.S has 100 years of shale gas reserve because of which its policy towards Saudi Arabia has changed.

The biggest challenge before it is the country has only 40 yrs of Oil Reserves & has to diversify its economy where help from India would be instrumental.

On the other hand, for India, Saudi Arabia is a source of energy & as such the "Look West" policy of India converges with "Look East" policy of Saudi Arabia.

Saudi Arabia is establishing King Abdulrahman City deep inside the ocean which would be very near to the African continent. It would be developed as a Technological & Economic hub & can be utilised by India not only for its development but also for strengthening its policy with African Nations.

Saudi Arabia has launched "Saudi Vision 2030" under which the state owned oil company Aramco would be

selling some of its shares to earn \$2.5 trillion out of which \$2 trillion can be utilised to constitute the biggest Sovereign Wealth Fund of the world which can be utilised for diversification of its economy. India could utilise this fund for investment in India.

The Bilateral trade between India & Saudi Arabia was more than \$40 bn but has reduced to \$28.6 bn due to sluggish demand of petroleum in International market.

Differences between India & Saudi Arabia earlier were on no. of issues.

Saudi Arabia earlier supported Pakistan's stand on Kashmir at OIC meet, but in 2020, Pakistan's plea for discussion on Kashmir at OIC meet was rejected by Saudi Arabia.

Extradition was also a concern between the two but in 2010, this was removed as a treaty was signed between the two sides by virtue of which Mumbai bomb blast accused Abu Jandal was extradited to India.

The irritants between the two sides presently includes —

III — treatment of Indians in Saudi Arabia

• Reduction of Haj Quota for Indians  
but the biggest irritant was  
"Nitagat" policy.



Under this policy, Saudi Arabia has asked its companies to reserve 10% jobs for its natives, failing which they would be put on the Red list. Because of this, a no. of Indian workers have lost their jobs & are presently in labour camps where the situation is pathetic.

The relationship between the two countries has become more embraive in the last 20 years. In 2006, King Abdullah visited India & the "Delhi Declaration" was signed for laying down a Roadmap for political & economic partnership between the two sides. This gesture was reciprocated in 2010, when P.M. of India Dr. Manmohan Singh visited Saudi Arabia & "Riyadh Declaration" was signed for strategic partnership between the two sides.

The spark in Relationship came in 2016, when P.M. Modi visited Saudi Arabia & signed 4 MOUs for cooperation in the areas of

- Financial Intelligence
- Handicrafts
- Labour &
- Technology was signed.

A multi-lingual helpline was also established at Riyadh for the Indian Passport Holders. Both sides also reached an agreement for establishing recruitment centres for Indians for both at Riyadh & Jeddah.

A lucrative contract was backed by the Indian company Larsen & Toubro (L&T) for establishing the Riyadh Metro.

In 2019, the Crown Prince of Saudi Arabia Mohammed bin Salman visited India & stated that India is among the 8 priority partners of Saudi Arabia with whom the nation has deep ties. Saudi Arabia has also become the part of International Solar Alliance. Saudi Company Aramco along with Adnoc of UAE is investing \$44 bn in Ratnagiri Oil Refinery & Petrochemical

Arames has also backed a contract for hydro-carbon extraction in Karnataka.

In 2019, P.M. Modi again visited Saudi Arabia & explained India's position on Kashmir & what initiative India would be taking for development of Kashmir. Saudi Arabia has also assured funds for development in Kashmir.

## India — Iran Relation :-

Iran is a Shi'aite Nation which has differences with many nation. Differences with Pakistan is due to Shia-Sunni conflict which aggravated with the rise of Taliban.

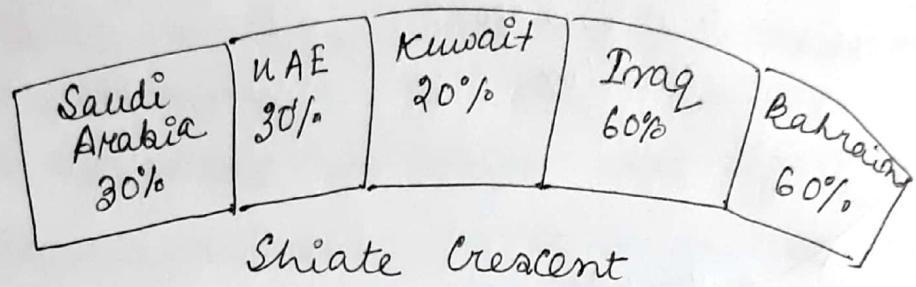
Differences with U.S. started in 1979 after the ouster of Shah Regime & nationalisation of Oil companies in Iran. The companies of U.S. in Iran were removed. U.S. was responsible for branding Iran as "Rogue Nation" & according to U.S., Iran & North Korea form the "Axis of Evil". U.S. fears that Iran has a Clandestine Nuclear Programme which is directed towards making of weapons. As such economic sanctions were imposed by U.S. on Iran. Sanctions were also imposed by European Nations. A Comprehensive Agreement on Iran's Nuclear Prog. was reached in 2015 under the "P5+1" arrangement.

Under this, Iran was asked to confine enrichment to the tune of 3-4% as it is a signatory to NPI as a Non-Nuclear weapon state. On the other hand, easing of sanctions would take place. The secondary sanctions were lifted but the primary sanctions continued. And in 2018, U.S. walked out of Iran's Nuclear Deal. On the other hand, Iran enhanced enrichment for making of Nuclear Weapons. Differences between the two further aggravated in Jan, 2020, when U.S. drone attack was responsible for killing of "Qasim Suleiman" the Qud Force leader of Iran.

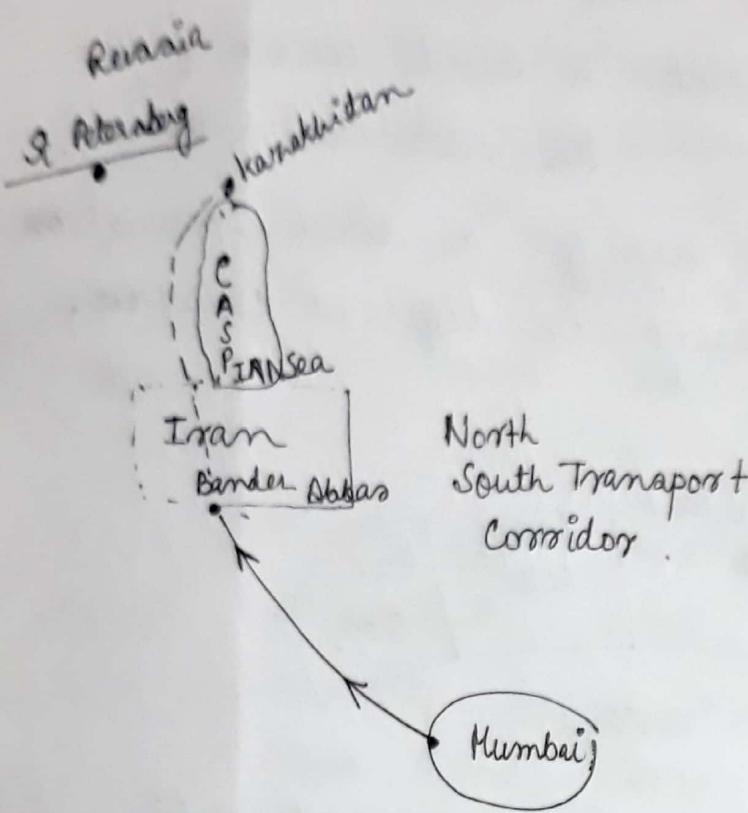
The differences with Israel is due to Iran's Nuclear Programme & Israel also used "Stuxnet" virus to hamper the Nuclear programme in Iran.

Iran has a military pact with Syria & also responsible for - supporting Hamas - (Gaza) & Hezbollah (L)

differences with Saudi Arabia is due to the Shia-Sunni conflict. & Saudi Arabia fears "Shiite Crescent". In the Arab world, with the Sunni majority, a sizable population of Shia is present in different countries



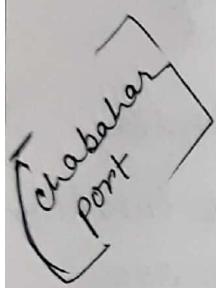
Shiite Crescent <sup>is</sup> supported by Iran according to Saudi Arabia. Difference between the ~~st~~ 2 sides further aggravated in 2016 when ~~st~~ Shiite cleric Sheikh Nimer was put to death by the Saudi Govt for carrying out anti govt. protest. In the year 2019, differences further aggravated due to attack on Oil Tankers of Aramco allegedly by Houthi Rebels supported by Iran.



Iran supplied earlier 12% of India's crude oil requirement & was the 2nd biggest supplier of crude oil to India. Payment made by India was in the terms of American dollar through a mechanism called "Asian Clearing Union" mechanism which had India, Iran, India's neighbours as its members, but had its headquarter in Tehran. But in 2008, U.S. stated that U.S. dollars can't be utilised for payments to Iran as it can help Iran's Nuclear Prog. India negotiated with E.U. so that payments

can be made in terms of Euros. But U.S. pressurised E.U. too. as such India entered a mechanism in which 55% payment in Euros & 45% — Indian Rupees. India also asked Iran to supply crude oil & in return India would be responsible for <sup>establishment</sup> Development Programmes in Iran. India can also establish the infrastructure of North-South Transport Corridor, & agreement for which was signed by India, Russia & Iran. It is a multi-modal corridor & would start from Mumbai & through a sea route enters Iran at <sup>Bander</sup> Abbas & crosses Iran through road & rail route to reach the southern part of Caspian Sea from where it would take a westward turn & joining the nearby regions it would reach the northern part of <sup>Kazakhstan</sup> ~~Caspian sea in Kazakhstan~~ & it would finally terminate at St. Petersburg in Russia. This corridor would strengthen the "Look North Policy" of India as India would gain an access to Central Asian Republics Market. ~~for this access which is dominated by China.~~ For this access India would bypass Pakistan. This corridor would be responsible for 40% reduction in time & 40% reduction in transportation cost.

In the year 2016, India, Afghanistan & Iran were responsible for signing The Trilateral Transport & Transit Agreement. India would be responsible for investing \$ 500 mn. for developing 2 terminals at Chabahar for the purpose of Multi-cargo Handling.



This route would start from Mumbai & enter Iran at Chabahar, crossing Iran through road & rail route & enter Afghanistan at Zarang. In Afghanistan it would take a westward turn & following the Harand Road at Afghanistan would terminate in the North at Mazar-e-Sharif, from where access to Uzbekistan is easy.

This agreement is beneficial for India in many ways :

→ Chabahar is only 70 km away from Gwadar - Chinese port in Pakistan.

As such this agreement gives us not only a strategic benefit to neutralise

Policy

Pakistan but also String of Pearls of China.

- i) Strategic leverage as it runs parallel to Pakistan - Iran Border.
- ii) This can also add the strategic depth of Pakistan in Afghanistan.
- iii) This route gives us an access to market of Central Asian Republics & strengthen the "Look North Policy".

Because of the delay in this project, Iran itself started developing Rail route between Chabahar & Zahedan. India should speed up the development of this route, otherwise it would go into the hands of China.

Under the U.S. sanctions, India has completely stopped the import of crude oil from Iran. In May 2019,

India is negotiating with U.S. for the supply of crude oil from Iran & Venezuela to continue. Under the U.S. Sanctions, India can export medicines, food stuffs to Iran but not petrochemical

products, steel & graphites.

Recently, an irritant between the two was the approach of Iran on Kashmir issue & the statement made by Ayatollah Khamenei on Delhi Riots.

India is trying hard to maintain relationship with Iran, independent of its relationship with U.S.

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## India — Israel

Both the Nations are ancient civilisations. Both have hostile neighbourhood, both are victims of terrorism & both are de-facto nuclear powers. Both are liberal democracies with the freedom of press is bit restricted in Israel.

India recognised Israel in 1950, but established <sup>formal</sup> diplomatic ties only after Oslo Accord of 1993. But linkages with Israel in between can't be denied. In 1962, a request was made by India to P.M <sup>of Israel</sup> <sup>to India</sup> Gurion to send ~~the~~ arms to check Chinese aggression. In 1965 & 1971, in war against Pakistan Israel's Mossad provided India Intelligence leads. India in 1967, helped Israel during Arab-Israel war by providing spare parts for Mystere & Ouragan aircrafts & AX-13 tanks.

Although linkages with Israel existed, but public acceptance of this relationship was not there till 1993.