India-Saudi Arabia Relations

What is the issue?

Both India and Saudi Arabia maintain a fairly balancing support in their neighbourhood, while maintaining fruitful relationship with each other.

What does the bilateral relations reveal?

- India is one of the world's largest economies and will soon be the world's second-largest oil market.
- India obtains 20% of its oil from Saudi Arabia and three million Indians work there.
- India's efforts to woo Saudi Arabia have been one of its more notable foreign policy successes of the last decade.
- During the recent visit, the Saudi prince promised to collaborate on a $44-billion oil refinery.
- He also said that the total investment opportunities in India will exceed $100 billion in the coming two years.
- Along with that, he said the Saudis would free 800 Indians held in its jails.
- Thus, both India and Saudi Arabia will continue to find it useful to engage each other.

What does Saudi's relations in India's neighbourhood reveal?

- Saudi Arabia is looking at the possibility of a Look East strategy, because oil demand will rise in Asia in coming years.
- **With China** - China is Saudi Arabia's biggest trading partner.
- The Saudis are talking to China about putting up a refinery in Gwadar, Pakistan, which is being developed as a key port by the Chinese.

- **With Pakistan** - The Saudis have also been one of Pakistan's key supporters and they need both India and Pakistan.
- Pakistan relies on Saudi Arabia for everything from aid and investments to military back-up and also the assistance to develop nuclear technology.
- Thus, though Saudi Arabia promised to "cooperate in every way, including intelligence sharing" on the backdrop of recent pulwama attack, India will have to press the Saudis harder on committing to the war against terror.

What is the Indian Approach in West Asia?

- India, on its part, maintains a balancing approach in west Asia.
- Since the 1990-91 Gulf War, India has officially adopted a “balancing” approach to West Asia, which some view as a legacy of non-alignment.
- **With Saudi and UAE** - The campaign by Saudi Arabia and the UAE to curtail the influence of political Islamist groups draws them closer to India.
- In recent months, the UAE has also ramped up its security cooperation with India, extraditing at least three suspects wanted in relation to the AgustaWestland case.
- Economically, the ability of Saudi Arabia and the UAE to mobilise investments despite low oil prices is a huge asset in their relations with India.
- Investments have included a $44 billion oil refinery in India by Saudi Aramco and the Abu Dhabi National Oil Company in partnership with an Indian consortium.
- **With Israel** - India’s defence and security partnership with Israel has already proven useful to its security and military modernisation drive.
- Recently, India and Israel have collaborated on a $777 million project to develop a maritime version of the Barak-8 missile.
- India has also reportedly agreed to purchase 54 HAROP attack drones for the Indian Air Force and two airborne warning and control systems (AWACS) worth over $800 million from Israel.
- Due to its technological sophistication and warm relations, Israel has become one of India’s top suppliers of military technology.
- **With Iran** - Iran continues to exercise much influence in West Asia and can help shape events in Afghanistan by shoring up the Taliban against the U.S.
- Moreover, Iran’s Chabahar port represents a strategic investment for India which hopes to use the facility to connect with the International North-South Transit Corridor (INSTC) that extends to Central Asia and to bypass Pakistan en route to Afghanistan.
- Thus, both India and Saudi Arabia maintain a balancing approach in their respective neighbourhood, while their bilateral negotiations were moving on to next levels.

Source: Business Line, The Hindu

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