
The Evolving India-Saudi Arabia Bilateral Relationship in the 21st Century



Regional Studies
Vol 37, Issue 4

pp.3-29

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<http://irs.org.pk>

P-ISSN: 0254-7988

E-ISSN:2959-5459

Date of Acceptance:5 October 2019

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Abstract

The paper aims to explore the fundamental elements determining the direction of India-Saudi Arabia relations in the 21st century. It is also an attempt to prove that relations between the two countries are determined, by and large, by realism, rather than cultural or religious affinities. In that regard, the paper has probed in some detail the history of bilateral relations between the two countries. Through the review of bilateral high-level visits and the resultant joint statements, memorandums of understanding, and joint declarations, an attempt is made to help readers see that the two countries are well on the path of an enduring strategic partnership, which encompasses determination to fight terrorism together, defence cooperation, synchronisation of the two countries' economic visions, and cooperation in the fields of energy, manufacturing, education, culture, science, and so on. The paper seeks to add to the existing literature on the subject by helping policymakers understand the direction of the bilateral relationship between India and Saudi Arabia.

Key Words: India, KSA, bilateral relations, visits, joint statements.

Introduction

With the end of the Cold War in the aftermath of the disintegration of the former Union of Soviet Socialist Republics (USSR) a decade before the turn of the century, tectonic changes have been witnessed in International Relations and global economy. National politics and international relations are seen in the context of theories such as 'The End of History and the Last Man' and 'The Clash of Civilizations', propounded by Francis Fukuyama and Samuel P. Huntington, respectively. Both have elements of truth in them. We can

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explain certain conflicts in different places of the world in the light of these theories. However, international relations, both its theory and practice, are more complex than to be grasped with the help of watertight theories. It is so because countries from different civilisations cooperated and forged close strategic partnerships and there are instances in which countries from within the same civilisation have engaged in conflict. Therefore, it seems that these theories could neither entirely explain the world neither during the Cold War nor after it ended. We can see clearly that not civilisations but economic interests and national security determine states' decisions for standing where they do, as we will see in the case of India and the Kingdom of Saudi Arabia (KSA). Hard core national interest, defined in terms of economic gains and national security, is what determines the direction a country takes.

India and KSA were part of opposing camps during the Cold War. Although New Delhi pretended to be subscribing to the principles of non-alignment and was one of the leading members of the Non-Aligned Movement (NAM), its close cooperation with the USSR was evident from its defence procurements from the latter and their mutual support on international forums. Moreover, the distance India maintained from the West is well documented. The KSA, on its part, though a member of NAM, maintained a close relationship with the Western bloc which remained, as it continues today, the ultimate security provider to the Kingdom. Therefore, the KSA and India found each other in opposing camps during the Cold War, which ended with the disintegration of the USSR. The fiercely anti-Western Iranian Revolution of 1979 further pushed Saudi Arabia towards the West.

The West was always eager to take India into its fold. But India, given its colonial past and its obsession with preserving its hard-won independence, was reluctant to be an ally of either bloc. Another factor that kept India at a distance from the capitalist West was its founding fathers' socialist leanings. This was a complex environment

for both India and Saudi Arabia to maintain a balanced relationship while remaining in opposing blocs. India was specifically in a precarious position as it could not afford to be seen as a country that stood in an opposing bloc to Saudi Arabia, the custodian of the sacred places of Islam, given the sizeable Muslim population of India. This last factor was also the reason why India was pro-Palestine and distanced itself from Israel. In short, though tilting towards the Soviet bloc, India strived to remain neutral vis-à-vis Saudi Arabia in the opposing political bloc.

The precariousness in the India-Saudi Arabia bilateral relationship subsided significantly with the disintegration of USSR and the new economic path that India adopted in the early 1990s. Henceforth, liberal economics not socialist protectionism and Cold War bloc politics was to determine India's bilateral relationships. Therefore, it was only a matter of time for New Delhi and Riyadh to start working on a closer economic and strategic relationship. Today, the two countries have a sizeable bilateral trade, with Saudi Arabia one of the top oil suppliers to India.

Background

India and Saudi Arabia established formal diplomatic relations soon after the independence of India in 1947. India and the Arabian Peninsula has had trade and cultural exchanges for millennia. In the process, Islam expanded in the Indian sub-continent, which further deepened the relationship. King Saud was the first to have visited India in 1955. Jawahar Lal Nehru paid a return visit to the kingdom in 1956. Those were the initial days of the Cold War and the two countries were still testing the waters of international geopolitics. Only one more high-level visit took place during the Cold War era. It was when Indian Prime Minister Indira Gandhi paid an official visit to the Kingdom in 1982. So, given the complex dynamics of the Cold War era, which was characterised by ideological divides, merely the above three visits between the two countries took place in almost half a century. No

significant breakthrough in terms of a strategic partnership or a dynamic economic relationship was made.

India had nothing much to offer to Saudi Arabia and the Middle Eastern region generally. It bought most of its petroleum products from the USSR. As one analyst put it, "India purchased the bulk of its hydrocarbon needs (15-25 per cent) from Russia, and had nothing substantial to offer to the Arab world: trade, goods, services, technology, or economic assistance."¹ To summarise, India was constrained by its backwardness, its own domestic politics, and the dynamics of the Cold War.

India's relations even with Israel were not cordial. That was so because no government in New Delhi could afford to have fraternal relations with Israel, which could hurt the sentiments of its sizeable Muslim minority. As put by one writer, "India's relationship with Israel was frozen due to its pro-Arab and Pro-Palestinian position."² It was only after the formal end of the Cold War—more specifically, with the state visit paid to KSA by Prime Minister Manmohan Singh in 2006—that India and Saudi Arabia began to build their bilateral relationship on sound economic and strategic footings.

Bilateral Visits and Joint Statements

India's relations with the Middle East, in general, and the KSA, in particular, started with the end of the Cold War. Post-1990 relations are what matters the most today as India started its economic reforms and began to open up to the outside world. Its economic reforms led to higher GDP growth rates and increased urge for finding new sources of energy. Similarly, Saudi Arabia emerged from ideological wars, such as its support to anti-Soviet Jihad in Afghanistan. Therefore, a detailed analysis of the bilateral state visits by the heads of governments of the two countries will help in understanding how India and Saudi Arabia reached the level of the current bilateral relationship, which has acquired the status of a 'strategic partnership'.

King Abdullah Visits India (2006)

After the state visit by Prime Minister Indira Gandhi to KSA in 1982, the bilateral relationship by and large remained stagnant for more than two decades. The KSA extended sustained diplomatic support to Pakistan against India on Kashmir. This further strengthened the KSA's leanings towards the Western bloc. The Indo-KSA bilateral relationship was mostly limited to India's oil imports from the KSA and Indian Muslims' pilgrimage to Mecca.

King Abdullah was the first to lay the foundations of the 21st-century bilateral relationship with India. This has steadily grown and is characterised more by national interests, as defined in terms of economic benefits and national security, rather than by ideological or religious inclinations. According to the BBC, King Abdullah was "the first Saudi King to visit India in 51 years and [was] the guest of honour at Republic Day celebrations"³ in 2006. The visit was characterised by a lot of pomp and show and the direction which the bilateral relationship was taking was discernible during the visit. "I consider myself to be in my second home,"⁴ the King was reported by media to have stated. The King, aware of the almost half a century of frozen relationship between the two countries—which at times witnessed bitter episodes in the context of the KSA's support to Pakistan over Kashmir, its support to anti-Soviet jihadists in Afghanistan, both going contrary to the Indian sensitivities of the time—took recourse to the historically warm relations between the two countries predating the Cold War. "The relationship between India and the Kingdom of Saudi Arabia is a historic one, we have been old friends and, God willing, this visit will renew these historic ties,"⁵ stated the King.

Students of India-Saudi Arabia relations are aware of the changed geostrategic and geo-economic environment of the world in the post-Cold War era. The geostrategic dynamics of the world at the time when the king paid a state visit to India in 2006 were different than those in 1982, the year when Prime Minister Indira Gandhi paid a

state visit to KSA. Back then, India was obsessed with its non-aligned policies and with a protectionist economy at home. India had got in the USSR a reliable supplier of hydrocarbons. In 2006, the USSR was no longer, and India had come a long way in implementing economic reforms and opening up to the outside world. These reforms had produced unprecedented economic growth rates, which necessitated increased and steady supply of hydrocarbons. Both Saudi Arabia and India were mindful of the changing international environment and the convergence of their economic interests.

Delhi Declaration

Upon the conclusion of the aforementioned visit by King Abdullah, the two sides signed the so-called Delhi Declaration. The declaration seldom mentioned a strategic partnership as the relationship was at a very early stage of evolution at the time. Instead, it emphasised mainly on cooperation in the technical and economic fields. As reported by a leading Indian English language news daily, in the Delhi Declaration “the two sides have agreed to ensure reliable, stable and increased volume of crude oil supplies through evergreen long-term contracts.”⁶ The declaration further stated that “both countries would strive to increase cooperation in the field of technology, especially in information technology, agriculture, biotechnology, and non-conventional energy.”⁷

As can be seen in the Delhi Declaration, the two countries abstained from including any political or strategic objectives and instead focused more on strictly economic and technical aspects of their nascent bilateral relationship. However, given their emphasis on economic synergies, especially India’s increased dependence on Saudi oil and their mutual determination to ensure the unhindered flow of the same, can be said to be a precursor to the evolution of their future closer and strategic relationship. This was so because the two countries had not yet got rid of legacies from the past—as Saudi Arabia was still a close strategic ally of Pakistan, extending its support

on the Kashmir dispute, and India was not yet ready to make drastic changes in its policy approach towards Saudi Arabia given its complex relationships with the other countries of the Middle East, especially its bilateral relationship with Iran.

Other analysts link Saudi outreach to Asia, especially to the two Asian giants India and China, to the increased pressure from the West for a halt to alleged funding to extremist groups emanating from the Kingdom. The itinerary of King Abdullah also included a visit to China. According to one analyst, "Saudi thinkers may believe that an Asian alternative will make the kingdom less susceptible to Western pressure on such issues as democratization and terror financing."⁸

Kashmir has always been a sensitive subject for New Delhi. According to Indian authorities, the situation in the valley would have been different had Islamist extremists not spearheaded an armed struggle. Since long, the Kingdom of Saudi Arabia has extended financial support to Islamic schools across the Muslim world, including the ones situated in India. During the aforementioned visit by the king, the issue of these funds ending up in Kashmiri militants' hands was raised. It was in that context, according to experts on the subject, that the King of KSA and the Indian Prime Minister signed an MoU "dealing with terrorism, transnational crime, and underworld operations."⁹

The two countries were also reported to have agreed "to cooperate toward the conclusion of a comprehensive convention on international terrorism before the U.N. General Assembly and to establish an international counterterrorism center as called for by the International Conference on Counter-Terrorism held in Riyadh in February 2005."¹⁰

As can be seen from a brief analysis of King Abdullah's visit to India in 2006, the two countries were laying the foundations of an enduring strategic partnership, leaving behind the rivalries that emanated from the Cold War. A realisation had emerged in the two countries, as can be discerned from the visit, that they needed to come

closer for the benefit of both. Both wanted an unhindered trade in hydrocarbons and efforts towards eradication of terrorism served the interests of both.

Prime Minister Manmohan Singh Visits Saudi Arabia (2010)

The next move in the evolving India-Saudi Arabia bilateral relationship and the strategic partnership was made when Prime Minister Dr Manmohan Singh paid an official visit to Riyadh in Feb/March 2010, at the invitation of King Abdullah bin Abdul Aziz Al Saud. The prime minister was shown a rare deference by the Saudi royals when he was invited to address their parliament, the Majlis Al-Shura. Dr Singh was conferred an honorary doctoral degree by King Saud University.

Riyadh Declaration

The optics of the visit by Prime Minister Singh indicated elements of strengthening the bilateral relationship. In the documents that were signed between the two countries, including the so-called Riyadh Declaration, a reference to 'strategic partnership' was made more profusely. According to the Riyadh Declaration, "Keeping in view the development of relations between the two countries, and the potential for their further growth, the two leaders decided to raise their cooperation to a strategic partnership covering security, economic, defence and political areas."¹¹

The declaration was a clear statement by the two countries of what exactly they expected from this important relationship. It clearly stated the areas in which the two countries planned to work together. These included economic cooperation, cultural exchanges, ensuring the smooth flow of hydrocarbons, and, more significantly, joint combat of terror and defence cooperation. The document referred to the realities of the 21st century and the fact that the two countries needed to work together. The document stated that the bilateral visits

between the two countries at the dawn of the 21st century “heralded a new era in Saudi India relations, that is in keeping with the changing realities of and unfolding opportunities of the 21st century.”¹² What were these ‘changing realities’ and how were they to cope with them together? The Riyadh Declaration contained a detailed menu of the fields in which the two countries were determined to work together. Apart from the traditional wish list contained in such declarations—such as pledges for enhanced economic cooperation, cultural and educational exchanges, and so on—the more significant part of the declaration is the one in which the two countries have determined to work together for combating extremism and terrorism. According to the document, “The two leaders renewed condemnation of the phenomena of terrorism, extremism and violence affirming that it is global and threatens all societies and is not linked to any race, color or belief. The international community must, therefore, resolutely combat terrorism.”¹³

It further resolved that “the two sides agreed to enhance cooperation in exchange of information relating to terrorist activities, money laundering, narcotics, arms and human trafficking, and develop joint strategies to combat these threats. They welcomed the signing of the Extradition Treaty and the Agreement for Transfer of Sentenced Persons.”¹⁴

As India’s economy was well on the path of reform, GDP growth rates had steadily grown. Therefore, to keep the reform and growth momentum, a steady inflow of hydrocarbons had to be ensured. Keeping this in view, the Riyadh Declaration spoke of ensuring uninterrupted flow of petroleum products to India. According to the document, “The two leaders further emphasised the importance of strengthening the strategic energy partnership based on complementarity and interdependence, as outlined in the Delhi Declaration, including meeting India’s increasing requirement of crude oil supplies, and identifying and implementing specific projects for

cooperation including in the areas of new and renewable energy. India invited Saudi Arabia to participate in crude storage facilities in India. They directed the Joint Working Group on Energy to continue adopting all appropriate means to achieve the same.”¹⁵

During Dr Singh’s visit to Saudi Arabia, the two countries reasserted their stance of paying heed to human life, irrespective of creed, religion, and ethnicity. According to the Indian daily *The Hindu*, “The Riyadh Declaration which came four years after ‘Delhi Declaration’ when King Abdullah had visited New Delhi in 2006 said the two leaders noted that tolerance, religious harmony and brotherhood, irrespective of faith or ethnic background, were part of the principles and values of both countries.”¹⁶ Therefore, this emphasis on human values, rather than adherence to a certain faith, as a determinant of foreign policy choices, especially on the part of Saudi Arabia, needs to be noted, especially by those subscribing to the belief that Saudi Arabia’s behaviour in conducting foreign policy is determined by religious considerations. That may no longer be the case.

Apart from the Riyadh Declaration, the two sides signed several bilateral agreements and MoUs. These included a memorandum of understanding for cooperation between the Indian Space Research Organisation and King Abdul Aziz City for Science and Technology for cooperation in peaceful space exploration and joint research in information technology, and an extradition treaty was signed between the officials of the two countries.

Prince Salman bin Abdulaziz Al Saud’s India Visit (2014)

The state visit by the (then) Prince and the current King Salman bin Abdulaziz Al Saud to India in February 2014 was the next highest level visit by a Saudi dignitary after the January 2006 visit to India by King Abdullah bin Abdulaziz Al Saud. The visit aimed at solidifying the steps taken towards forging a strategic partnership between the two

countries as initiated during the previous bilateral visits. According to experts on the subject, apart from the economic convergences between Saudi Arabia and India, which included a bilateral trade of "over \$43 billion in 2012-13,"¹⁷ and the fact that "Saudi Arabia is India's largest crude oil supplier accounting for about one-fifth of total imports in 2012-13,"¹⁸ the high-level visits by Saudi Arabian dignitaries to India and other Asian countries, including China, "underscores the Kingdom's pivot to the east. Long before the American pivot, Saudi Arabia has reoriented its economic and political priorities to South and East Asia."¹⁹

Saudi Arabia has traditionally been a close ally of the West, especially the US, given the dynamics of the Cold War and the perpetual turmoil in the Middle East that has moulded security thinking in Saudi Arabia, coupled with the Western dependence on Saudi oil. The US-Saudi Arabia relations, however, have not been without phases of crises, which, according to commentators, have led to second thoughts in Saudi Arabia with regard to its sole dependence on the West for its security and economic interactions. Bruce Riedel, a leading US-based South Asia expert, while commenting on the aforementioned visit by the prince said, "The Crown Prince's travels provide a subtle means of reminding Washington that it is no longer the only game in town for Saudi national security policy. The US-Saudi relationship remains a critical element in the kingdom's foreign policy despite difference over Syria, Egypt, Bahrain, the Israeli-Palestinian peace process and Iran in the last year. Abdullah and Salman do not want to see further bumps in the American-Saudi partnership, but they also want to make certain they have other options besides reliance on America. Looking east is critical to that policy diversification."²⁰

Prime Minister Narendra Modi Visits Saudi Arabia (2016)

The visit by Prime Minister Narendra Modi to Saudi Arabia in April 2016 was a re-affirmation of the fact that the two countries were determined to take their bilateral relationship forward. Without disturbing India's long-held approach of not picking sides in the Middle Eastern disputes, India has maintained a balanced relationship with all the countries of the Gulf Cooperation Council, Iran, and Israel.

With its newfound status as an emerging economy, providing technical expertise in a range of high-tech establishments, coupled with being a large and attractive consumer market, Indian leadership is keen to emphasise the areas in which New Delhi could support these countries. According to one analyst, by scheduling to meet Indian workers in Saudi Arabia, "Modi will also try to highlight that Indian companies are contributing to the training and employment of locals (especially women) by visiting another Indian company's all-female business process service center."²¹

In the context of the bilateral visits between the two countries, and the increased interactions in different sectors, including the economy and security, experts have analysed the reasons as to why India has become one of the favourites for the individual West Asian countries.

In the article cited above, the writer has alluded towards some convincing factors. It states that "with many Middle Eastern countries pivoting to Asia or at least giving it a fresh look, India arguably has more leverage than it has ever had in the past. There have been a number of reasons why these countries have been looking east recently:

1. traditional strategic partnerships in flux and questions about the U.S. role in the region;
2. the economic slowdown in Europe and the U.S. following the 2008 financial crisis;

3. changing global energy consumption patterns;
4. growing concerns about terrorism in the region;
5. And, in Israel's case, the boycott, divestment, and sanctions movement."²²

According to another writer, "India has been a natural choice for an economic and developmental partnership in Saudi Arabia's efforts to diversify its relationships by engaging various Asian countries."²³ Therefore, Prime Minister Narendra Modi's visit to KSA in April 2016 must be seen in the broader context of the politics of West Asia.

During his two-day visit to the Kingdom, Prime Minister Modi met King Salman and other important dignitaries in the Saudi government. Mr Modi, signifying the historic ties between the two countries, was reported to have presented a "gold-plated replica of a mosque in the Indian state of Kerala that was built by Arab traders in the early 7th century."²⁴ In a significant move and an apparent attempt to send home the message about the highest importance the Saudis attached to their bilateral relationship with India, King Salman conferred on PM Modi the highest Saudi civilian award, the King Abdulaziz Sash. According to reports appearing in the media at the time, "the sides signed five agreements, including plans to cooperate in intelligence sharing related to terror financing and money laundering, as well as a labour cooperation agreement and another to promote bilateral investments in the private sector."²⁵

After the visit, the two sides issued a joint statement which highlighted the achievements the two countries had gained over the past years with regards to the evolution of the bilateral relationship. It also highlighted the areas of mutual interests of the two countries in which they wanted to move forward.

Joint Statement (2016)

The Joint Statement was distinct in that the two countries, for the first time, highlighted in unequivocal terms the elements and outcomes which the two countries wanted from their bilateral relationship. A number of points pertaining to the war on terror, money laundering, combating extremism, and joint defence activities were included. For example, on terrorism, the statement states that “the two leaders expressed strong condemnation of the phenomenon of terrorism in all its forms and manifestations, irrespective of who the perpetrators were and of their motivations.”²⁶ It further stated that “they called on all states to reject the use of terrorism against other countries; dismantle terrorism infrastructures where they happen to exist and to cut off any kind of support and financing to the terrorists operating and perpetrating terrorism from their territories against other states; and bring perpetrators of acts of terrorism to justice.”²⁷ To jointly fight the scourge of terrorism, which posed a threat to both countries, they resolved in their joint statement “to enhance cooperation in counter-terrorism operations, intelligence sharing and capacity building and to strengthen cooperation in law enforcement, anti-money laundering, drug trafficking and other transnational crimes.”²⁸

Concerning defence cooperation, the joint statement states that “the two leaders agreed upon the need to intensify bilateral defence cooperation, through the exchange of visits by military personnel and experts, the conduct of joint military exercises, exchange of visits of ships and aircraft and supply of arms and ammunition and their joint development.”²⁹ For cooperation in maritime security, the document goes on to say that “the two leaders agreed to enhance cooperation to strengthen maritime security in the Gulf and the Indian Ocean regions, vital for the security and prosperity of both countries.”³⁰

Upon closer scrutiny of the document cited above, it is evident that the two countries have ultimately come out in the open with their intention to forge a closer strategic partnership encompassing all fields of statecraft, including the economy, education and culture, war on terror, defence cooperation, and maritime collaboration.

Prince Muhammad bin Salman's Visit to India (2019)

The visit by the Crown Prince Salman more recently was arguably the most significant in that the two countries were more categorical in their resolve to forge and take forward an enduring strategic partnership. A relationship that de-hyphenated the bilateral relationship from third countries and specific pledges were made for the Saudi Kingdom to invest hundreds of billions of dollars in India. The state reception was offered to the visiting prince in which, contrary to tradition, Prime Minister Modi himself went to the airport to receive the visiting guest amid the sounds of traditional Indian *tabla*³¹ indicated the level of warmth that existed between the two countries.

During the visit, the two sides decided to hold a summit meeting every two years, and to set up a Strategic Partnership Council, thus formalising the pronouncements of the two countries for a strategic partnership. The Crown Prince, in a joint press conference with Prime Minister Modi, "announced a \$100 billion investment in India in areas including energy, refining, petrochemicals, infrastructure, agriculture and manufacturing."³² According to Prime Minister Modi, while speaking in the same press conference, "Saudi Arabia has agreed to become part of the International Solar Alliance, initiated by India to promote solar energy."³³

From the developments in the India-Saudi Arabia relations which encompass all fields of life including economy, energy, defence, counter-terrorism, cultural, educational, and scientific exchanges, one can easily discern the signs of the emergence of a long term strategic partnership, a partnership that fits well into the American vision about

the world, a world of alliances, and one characterised by competition and containment. Both India and Saudi Arabia are close strategic partners with the US. The words of Prime Minister Modi while saying that "India and Saudi Arabia ties will be a factor for stability, peace and security in our region and the world,"³⁴ are meaningful. His reference to stability in the region and the world connotes the extra-regional nature of the bilateral relationship.

When seen in the context of American efforts to deal with Iran, China, and Russia, the partnership between two important Western allies in Asia such as India and Saudi Arabia cannot be more welcome to American strategic agenda in the region. Some will refer to India's strong relations with Iran. But in international affairs, relationships are seen through the prism of national interest. The rhetoric of brotherly relations, based on religious affinities or historical bonds, have little value in the conduct of interstate relations. The recent sanctions regime enacted by President Trump against Iran, which hit Iranian oil exports and the eventual compliance by India by significantly curtailing its energy imports from Iran is one example of how national interests precede everything else as far as inter-state relations are concerned. Therefore, it seems that despite India's assertions not to abandon Iran, realpolitik seems to be guiding its foreign policy. At the moment, India seems to be fast inching closer to choose Saudi Arabia over Iran, although it is not likely to proclaim the same. As far as Saudi Arabia is concerned, its close strategic and defence association with the West is likely to further drive it closer to India, rather than China, despite the vibrant trade relationship between China and Saudi Arabia.

Muhammad bin Salman-Narendra Modi Joint Statement

A look at the Joint Statement issued at the conclusion of the aforementioned visit is instructive in that it sheds some light on the geo-strategic nature of the relationship and some sensitive subjects covered. For example, the statement highlights the joint activities in

the defence field. It states: "The two sides welcomed the recent developments in India-Saudi co-operation in the defence sector, particularly in the fields of exchange of expertise and training, especially after the MoU on Defence Cooperation signed during the visit of His Majesty King Salman bin Abdulaziz Al Saud to India in February 2014. In this context, they welcomed the outcomes of the recently held 4th Joint Committee on Defence Cooperation in Riyadh on 2-3 January 2019." On cooperation between the two navies, the statement says that "the two sides agreed to hold the inaugural joint naval exercises at the earliest and agreed to further expand bilateral exercises in other domains."³⁵

Cooperation in the defence field between India and Saudi Arabia in the past would have raised eyebrows given India's close defence ties with Israel and Riyadh's close defence cooperation with Pakistan. It appears that the activities of Iran in West Asia and Israel's aggressive posture towards Iran, not dissimilar to Saudi approach to the Iranian regime, have led countries like India, Saudi Arabia, and Israel to come closer. India seems to be working as a bridge between Saudi Arabia and Israel. One indication of this happening is a recent step by Saudi Arabia in which it allowed India to use its airspace for its flights to and from Israel, even though Saudi Arabia does not recognise Israel.

The issue of terrorism inspires peculiar feelings in the two countries, as both have been threatened and attacked by terrorists at different times. Saudi Arabia has a long-held grudge against Iran, which it accuses of harbouring terrorist proxies to use for geostrategic gains in the region and for seeking to destabilise Saudi Arabia. Similarly, India has for a long time accused Pakistan of using terrorism as an instrument of foreign policy and as a tool to destabilise India. So, it is in this context that references to joint anti-terror measures in the Joint Statement need to be looked at. For example, it states:

"Affirming that the menace of extremism and terrorism threatens all nations and societies, the two sides rejected

any attempt to link this universal phenomenon to any particular race, religion or culture. Both sides called on all states to reject the use of terrorism against other countries; dismantle terrorism infrastructures where they happen to exist and to cut off any kind of support and financing to the terrorists perpetrating terrorism from all territories against other states; and bring perpetrators of acts of terrorism to justice."³⁶

It further states:

"The two sides also noted the need for concerted action by the international community against terrorism including through early adoption of the UN Comprehensive Convention on International Terrorism and underlined the importance of comprehensive sanctioning of terrorists and their organisations by the UN."³⁷

The joint statement has underlined its satisfaction over progress on goals set out in the previous declarations and MoUs and has reiterated the two sides' commitment to take the relationship forward on the path of further cooperation in a range of fields including cooperation in energy, renewables, technical support, culture, education, and so on. As a goodwill gesture, the Crown Prince ordered the release of hundreds of Indian prisoners in Saudi jails and pledged to increase haj quota for Indian citizens in proportion with the latest census statistics.

India-Saudi Arabia Bilateral Trade and Economic Relations

Trade and investment constitute the backbone of the India-Saudi Arabia relationship. Many factors have contributed to Saudi Arabia's strategic decision to launch ambitious economic plans, such as Prince Muhammad bin Salman's vision 2030, to reduce its reliance for revenue on hydrocarbons. This thinking was born out of the fact that the world is better disposed to the use of cleaner energy sources than the fossil fuels that lead to environmental pollution. Moreover,

the US, historically the main importer of Middle Eastern oil, has long made the strategic decision to reduce its reliance on import of Middle Eastern oil. Therefore, it has increased its domestic production which has led to a significant decrease in import. So, the Saudi leadership understood the new ground realities and have focused on, firstly, to boost its sales to the newly emerging economies such as India and China, and secondly, on diversification of its economy to include the promotion of tourism, venture into the manufacturing sector, and to invest the huge amounts parked in their national kitty in lucrative destinations such as India. Therefore, India and Saudi Arabia are on a trajectory of strong economic and investment ties.

The trade balance between the two countries is tilted in favour of Saudi Arabia because India imports a significant quantity of oil from the Kingdom. "India imports nearly 83% of the oil it consumes, making it one of the biggest importers of oil in the world."³⁸ "Saudi Arabia is a key pillar of India's energy security, being a source of 17 per cent or more of crude oil and 32 per cent of LPG requirements of India."³⁹ But the two countries are working on increasing the overall volume of bilateral trade by diversifying their trade relations.

Development of tourism in Saudi Arabia is one of the main planks of the Kingdom's vision 2030 and its drive to diversify its economy. Indian companies are investing in the tourism sector. The Crown Prince has identified the Red Sea coastline for development as a tourist destination on the style of Dubai. According to reports, Saudi Arabia is "seeking Indian investments in developing a vibrant entertainment industry; this also includes an amusement hub near Riyadh, called Qiddiya entertainment city. An Indian company is already coming up with over 300 cinemas in the Kingdom."⁴⁰

As far as cooperation in the energy and petrochemicals is concerned, "Saudi Aramco will buy a 20% stake in the oil-to-chemicals business of India's Reliance Industries Ltd., including the 1.24 million barrels-a-day Jamnagar refining complex on the country's west

coast."⁴¹ According to details, "Reliance values its oil-to-chemicals division at \$75 billion including debt, implying a \$15 billion valuation for the stake."⁴²

India has signed up for all-out support of the Saudi Crown Prince's Vision 2030, as has the latter to India's multiple visions for economic and technological advancements such as Make in India and the so-called Solar Alliance launched by Prime Minister Modi. Launched by the Saudi Crown Prince Muhammad bin Salman, the Vision 2030 aims at transforming the Saudi Kingdom in basic ways, encompassing strategic partnerships, hajj and umrah, human capital development, national character enrichment, improving quality of life, financial sector development, housing, fiscal discipline, national transformation, public investment fund, privatisation, national companies' promotion, and national industrial development. To achieve the goals listed in the vision 2030, the Saudi government encourages other countries to contribute to its promotion in win-win arrangements.

Prime Minister Modi has twice visited Riyadh in just three years, to participate in the investment summit which the Saudi government has organised over the past few years to promote its vision 2030. In a significant development, the two countries signed a document that provides for setting up a Strategic Partnership Council. As reported in the media, "The two sides signed a record number of 12 agreements across sectors including medicine and diplomatic academies. Investment-related pacts worth \$ 15 billion were signed on the sidelines of Future Investment Initiative meet. Riyadh has emerged as a key partner for India in the Gulf with Saudi Arabia under Crown Prince Salman is opening new doors of opportunities and seeking wider globalisation."⁴³

Strategic Partnership in the International Context

The evolving relationship between India and Saudi Arabia is not happening in isolation of how the rest of the world looks like.

There was a time when the two countries could not be categorised as friends, let alone having any hope of forging a strategic partnership. The post-Cold War world and especially the post 9/11 world has changed both the countries drastically.

The economy alone cannot be the factor in the evolving Saudi-India partnership. The international context, which has lately come to be characterised by international power politics and the phenomena of competition and containment, as clearly spelt out by President Trump with regard to containing China, also seems to be an important element in the evolving India-Saudi Arabia strategic partnership. Saudi Arabia in the Middle East and India in South Asia and the broader Indo-Pacific region are the main pillars of the US foreign policy in the region. Both countries in their respective regions are characterised as close American allies in the National Security Strategy of the United States of America, a critical document recently released by the Trump administration.

The document gives a brief overview of America's priorities in the world, and the danger it is facing to its leadership. According to the document, "a geo-political competition between free and repressive visions of world order is taking place in the Indo-Pacific region. The region, which stretches from the West coast of India to the Western shores of the United States, represents the most populous and economically dynamic part of the world. The US interest in a free and open Indo-Pacific extends back to the earliest days of our republic."⁴⁴ In this context, while highlighting the importance of India in ensuring that goal, it states, "We welcome India's emergence as a leading global power and stronger strategic and defence partner."⁴⁵ About the politics and economics of the Middle East, the document states, "We will encourage states in the region, including Egypt and Saudi Arabia, to continue modernizing their economies."⁴⁶ In the defence arena, it states, "We will retain the necessary American military presence in the region to protect the United States and our allies from

terrorist attacks and preserve a favourable regional balance of power.”⁴⁷ About Iran, the document states, “We will help partners procure interoperable missile defence and other capabilities to better defend against active missile threats. We will work with partners to neutralize Iran’s malign activities in the region.”⁴⁸

A brief reading of American documents such as the one just quoted and the alliances, counter-alliances and the pursuit of strategic partnerships between countries, such as the one between India and Saudi Arabia, helps in connecting the dots. With regard to India and Saudi Arabia, the decision by the Trump administration to ignore the Khashoggi incident while dealing with Saudi Arabia, India’s discontinuation to stop importing oil from Iran in line with the US sanctions, the toning down of rhetoric in New Delhi about the Iranian port of Chabahar, Saudi Arabia allowing overflights between Israel and India, and the close defence and strategic partnership between Riyadh and New Delhi are pursuing, point to the fact that the two countries are developing their bilateral relationship in ways that help the Western and US vision for the international system. A vision that seeks the continued relevance of American-led liberal international order, which China, Iran, and Russia purportedly seek to alter.

Conclusion

This paper sought to explore the development of India-Saudi Arabia relations over the past two decades. The purpose of such a review was to help readers understand the direction this relationship is taking. Of particular significance is the fact that the two countries once belonged to opposing camps in the international order. Both Saudi Arabia and Pakistan associated with the Western block. That is why Saudi Arabia was one of the closest allies of Pakistan on international forums, especially over the Kashmir issue and generally in the overall gamut of India-Pakistan relations. Secondly, India always kept good friendly relations with Iran. Later on, India’s policy was not to entangle

itself in the Middle Eastern rivalries and to maintain cordiality with each country independent of bilateral relations with these countries.

With the onset of Prime Minister Modi-led BJP in India, New Delhi seems to have abandoned the policy of caring too much about annoying one actor by having relations with another. The same feeling seems to exist in Riyadh. India would always take into consideration sensitivities in Tehran while dealing with Saudi Arabia. That seems to be changing. The case in point is New Delhi's willingness to embrace Saudi Arabia as a full-fledged strategic partner, encompassing all fields of statecraft, including defence, counter-terrorism cooperation, economy, and diplomacy. Moreover, India's initial reservations on Iran sanctions, but eventually complying with American demand to cut energy imports from Iran is another instance of the fact that New Delhi might have left behind its legacy of keeping equal cordiality with the Middle Eastern countries, especially with regard to Iran and Saudi Arabia.

Another case in point that indicates a strategic shift in Riyadh is its embrace of New Delhi as a full-fledged strategic partner without apparently paying too much heed to Pakistan's sensitivities. Islamabad and Riyadh always supported each other bilaterally and in international forums. Riyadh still is a close partner of Islamabad, one of its indication is its recent extension of financial support to the government of Pakistan at a time when Islamabad faced critical current account issues. Pakistan and Saudi Arabia have cooperated militarily and Islamabad has repeatedly reiterated its determination to help protect the Saudi Kingdom, especially the sacred places situated in the kingdom, in case Saudi Arabia engages in conflict. But recent developments between Pakistan and India, including the Balakot incident, Pakistan's reprisal, and the more recent legal steps which New Delhi has taken in Kashmir, and Saudi Arabia's aversion to condemning Indian actions as it did in the past, indicate a change of policy in Riyadh with regard to conflicts between India and Pakistan.

The cordiality in Saudi Arabia's relations with India, as discussed in the foregoing, does not emanate from any hostile feelings towards Pakistan. It is rather the result of changing international strategic landscape, the economy of India, economic and social reform agenda in Saudi Arabia as outlined in its vision 2030, and the environment around Saudi Arabia, including the Iran issue, which has pushed the Kingdom closer to New Delhi. What Islamabad needs to do is to revisit its economic and strategic policies. A vibrant economy is attractive to all. Secondly, having good friendly relations in the neighbourhood and internationally is another factor making a country an attractive economic and strategic destination. Pakistan needs to make determined efforts towards resolving its issues with its neighbours, especially with India, even though the BJP led government in New Delhi would not allow any opportunity for that to happen. It further needs to focus on ensuring the kind of economic growth that other countries in the region, including China, Bangladesh, and India have ensured. Their economic vibrancy has made these countries destinations of choice for other countries, including for Saudi Arabia.

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