



Strengthening India-Saudi Arabia Strategic Partnership

For Prelims: West Coast Refinery Project, [India-Middle East-Europe Economic Corridor](#), India-Saudi Strategic Partnership Council (SPC)

For Mains: India- Saudi Arabia Relations, Significance of the India-Middle East-Europe Economic Corridor in the context of India's economic and strategic interests

[Source: TH](#)

Why in News?

Recently, after the launch of the [India-Middle East-Europe Economic Corridor](#), the Prime Minister (PM) of India welcomed the Crown Prince of Saudi Arabia on a state visit.

- During this significant visit, the two nations discussed various aspects of their strategic partnership and agreed to set up a **joint task force to expedite the West Coast refinery project.**



What were the Outcomes and Agreements Resulting From the Visit?

- **Strategic Partnership Acknowledgment:**
 - The PM of India highlighted Saudi Arabia's pivotal role as **"one of the most important strategic partners of India."**
 - Both leaders emphasized the importance of their partnership, particularly as two rapidly growing nations contributing to regional stability.
- **India-Saudi Strategic Partnership Council (SPC):**
 - The PM of India and the Crown Prince of Saudi Arabia co-chaired the inaugural meeting of the **India-Saudi Strategic Partnership Council (SPC).**
 - Discussions covered a wide range of areas, including **defence, energy, security, education, technology, transportation, healthcare, tourism, culture, space, and semiconductors.**
 - This reflects the comprehensive nature of the economic cooperation between India and Saudi Arabia.
- **West Coast Refinery Project Acceleration:**
 - This trilateral project, involving ARAMCO(oil company of Saudi Arabia), ADNOC(oil company of the United Arab Emirates) and **Indian Companies**, is set to receive a USD 50 billion investment.
 - A **joint task force** was established to expedite the West Coast refinery project.
 - The task force will work on channeling the promised USD 100 billion investment from Saudi Arabia for this project.
 - The West Coast refinery project is **India's first and largest greenfield refinery.**
 - The project is located in **Ratnagiri, Maharashtra** and is expected to have a production capacity of **60 million tonnes per annum. When completed, it will be one of the world's largest refineries.**
 - The project encompasses various critical facilities, including marine storage and port infrastructure, crude oil terminals, storage and blending plants, desalination plants, utilities, and more.
- **Bilateral Agreements and Cooperation:**
 - Eight agreements were signed during the visit, strengthening cooperation across various sectors.
 - Notable agreements include **collaboration between the [Central Vigilance Commission of India](#) and the Saudi Oversight and **Anti-Corruption Authority****, as well as cooperation in technology, education, and agriculture.
 - An agreement was signed between the **National Institute of Technology of India and the Saline Water Conversion Corporation of Saudi Arabia.**
- **Assurance of Crude Oil Supply:**
 - Saudi Arabia affirmed its commitment to being a **"reliable partner and exporter of crude oil supplies" to India**, ensuring energy security.
- **Defence and Anti-Terror Cooperation:**
 - Both nations pledged to enhance cooperation in **defence and [anti-terrorism efforts](#).**
 - A special emphasis was placed on preventing access to **"missiles and drones" for terrorist activities.**
 - Plans were discussed to strengthen the tourism segment of bilateral relations, aligning with Saudi Arabia's ongoing reforms.
- **Geopolitical Significance:**
 - The visit holds geopolitical significance as it occurred after Saudi Arabia ended hostilities with Iran through a deal negotiated by China.
 - **[Saudi Arabia's recent membership in the BRICS](#)** (Brazil, Russia, India, China, and South Africa) further underscores its global engagement.

What is the India-Saudi Strategic Partnership Council (SPC)?

- **About:**
 - The SPC is a **high-level mechanism established between India and Saudi Arabia in 2019**, to guide and enhance their bilateral relationship.
 - It consists of two sub-committees, addressing various aspects of cooperation:
 - Committee on Political, Security, Social, and Cultural Cooperation.
 - Committee on Economy and Investments.
 - **India is the fourth country with which Saudi Arabia has formed such a strategic**

partnership, after the UK, France and China.

▪ **Operation:**

- The SPC operates at four functional levels:
 - Summit level, involving the Prime Minister and Crown Prince.
 - Ministerial-level engagements.
 - Senior Officials Meetings.
 - Joint Working Groups (JWGs) to facilitate detailed discussions and action plans.

▪ **Key Functions:**

- The SPC serves as a **comprehensive platform to foster collaboration across a wide range of sectors.**
- It facilitates in-depth discussions, policy formulation, and coordination at various levels to implement joint initiatives effectively.
- JWGs under each committee focus on specific areas of cooperation, ensuring a well-structured approach to bilateral relations.

How has India's Relations with Saudi Arabia been?

▪ **Oil and Gas:**

- Saudi Arabia is currently **India's second-largest supplier of crude oil** (Iraq has been India's top supplier).
 - India **imports more than 18% of its crude oil requirement** and India imports most of its **Liquefied petroleum gas** from Saudi Arabia

▪ **Bilateral Trade:**

- Saudi Arabia is **India's fourth largest trade partner** (after the USA, China and UAE).
- Bilateral trade in FY22 was valued at USD 29.28 billion, with significant imports and exports.

▪ **Cultural Linkages:**

- [Hajj pilgrimage](#) and **digitization of Hajj processes** reflect the significant cultural ties.
- India participated as the '**Guest of Honour**' at the Saudi National Festival of Heritage and Culture in 2018.

▪ **Naval Exercise:**

- In 2021, India and Saudi Arabia started their first-ever Naval joint exercise called the [Al-Mohed Al-Hindi Exercise](#).

▪ **Indian Community in Saudi Arabia:**

- The 2.6 million-strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is highly respected for its contributions to Saudi Arabia's development.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. Which of the following is not a member of 'Gulf Cooperation Council'? (2016)

- (a) Iran
- (b) Saudi Arabia
- (c) Oman
- (d) Kuwait

Ans: (a)

Exp:

- The **Gulf Cooperation Council (GCC)** is an alliance of 6 countries in the Arabian Peninsula – Bahrain, Kuwait, Oman, Qatar, **Saudi Arabia** and the United Arab Emirates. Iran is not a member of the GCC.

- It was established in 1981 to promote economic, security, cultural and social cooperation between the members and holds a summit every year to discuss cooperation and regional affairs.
- **Therefore, option (a) is the correct answer.**

Mains

Q. The question of India's Energy Security constitutes the most important part of India's economic progress. Analyse India's energy policy cooperation with West Asian countries. **(2017)**

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