India-Qatar Strategic Partnership

For Prelims: Gulf Cooperation Council, Liquefied Natural Gas, Gulf, Za'ir-Al-Bahr

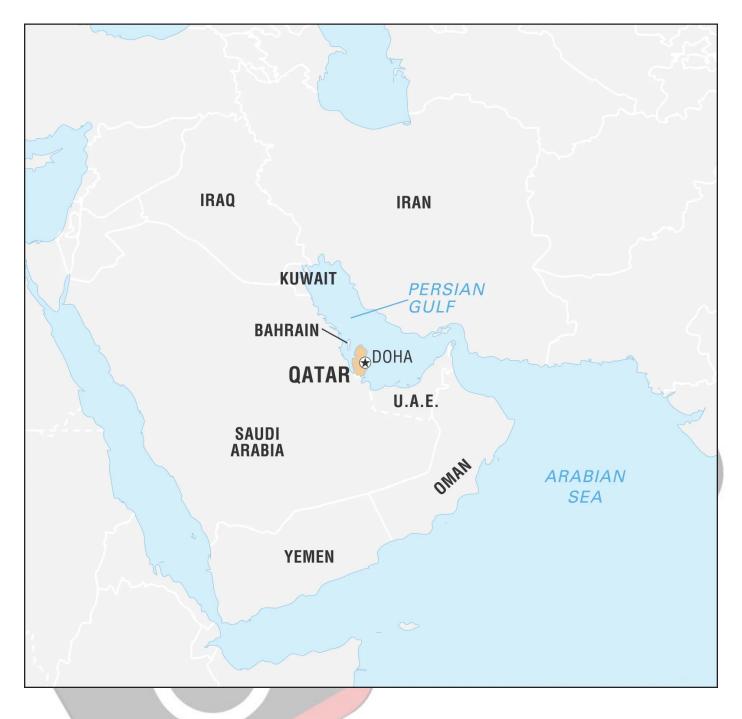
For Mains: India-Qatar Bilateral Relations, Mutual significance of India and Qatar, India's Role in West Asia

Source: TH

Why in News?

Sheikh Tamim Bin Hamad Al Thani, the Amir of Qatar, visited India to **enhance bilateral ties, focusing on trade, energy, and investment.**

- Both nations committed to doubling trade to USD 28 billion and increasing Qatari investment in India.
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What are the Key Highlights of the Visit?

- Elevation to Strategic Partnership: Qatar and India have upgraded their bilateral relations to a strategic partnership, aiming to deepen cooperation in various sectors, including trade, investment, energy, and security.
- Target for Bilateral Trade: India and Qatar have set an ambitious target to double bilateral trade from USD 14 billion to USD 28 billion by 2030.
- Qatar's Investment Commitment: Qatar's <u>sovereign wealth fund</u> has invested USD 1.5 billion in India and committed an additional USD 10 billion in sectors like infrastructure, renewable energy, and emerging technologies such as <u>artificial intelligence (AI)</u> and <u>machine learning</u>.
- Avoidance of Double Taxation: A Revised Agreement for <u>Avoidance of Double Taxation</u> was also exchanged, which will foster economic and financial collaboration.
- Status of a Free Trade Agreement (FTA): Both nations discussed the possibility of a <u>FTA</u>.
 Negotiations are ongoing for an FTA between India and the <u>Gulf Cooperation Council</u>
 - (GCC), which includes Qatar.
- Infrastructure: Discussed the operationalization of India's Unified Payment Interface (UPI) in Qatar and the expansion of Qatar National Bank's presence in India through <u>GIFT (Gujarat</u>)

International Finance Tec-City) City.

• Israel-Palestinian Conflict: India reaffirmed its support for a two-state solution.

Why is Qatar Important for India?

- Energy Cooperation: In FY 2022-23, Qatar was India's largest Liquefied Natural Gas (LNG) supplier, providing over 48% of total LNG imports, and the top liquefied petroleum gas (LPG) supplier, accounting for 29% of LPG imports.
 - This stable and uninterrupted energy partnership is vital as **India transitions to cleaner energy** sources and reduces reliance on **coal**, helping meet both climate goals and growing energy demands.
- Strategic Cooperation: Qatar is a key partner in <u>India's Look West policy</u> (converted to "Link and ACT West"), strengthening ties with the GCC countries, including the UAE, Saudi Arabia, Oman, and Kuwait, to enhance energy security and trade.
- Geopolitical Significance: Qatar's role as a mediator in key geopolitical issues, like Afghanistan and the <u>Israel-Palestine conflict</u>, allows India to engage in regional matters indirectly.
 - Qatar's close ties with the **US on Middle East peace efforts,** also offer India a platform for engagement with the US on regional issues.
- Counterterrorism Cooperation: India and Qatar share common interests in combating terrorism and extremism, with Qatar's strategic location enabling India's collaboration on counterterrorism and maritime security in the <u>Gulf</u> (as the Gulf region fulfilled 55.3% of India's total crude oil demand in 2022–23).

India-Qatar Bilateral Relations

- Defense Cooperation: India-Qatar defense ties include training, naval visits, biennial Doha International Maritime Defence Exhibition and Conference (DIMDEX) participation, and the bilateral maritime exercise Za'ir-Al-Bahr (Roar of the Sea).
- **Trade:** Bilateral trade between India and Qatar in 2023-24 stood at USD 14.08 billion, with India's exports at USD 1.7 billion and imports at USD 12.3 billion.
 - India is among the top three largest export destinations for Qatar (along with China and Japan) and among the top three sources of Qatar's imports (along with China and the US).
 - Qatar primarily exports LPG, LNG, chemicals, petrochemicals, and aluminium to India, while India exports a variety of goods, including cereals, iron, steel, textiles, and machinery.
- Investment: Over 15,000 Indian companies operate in Qatar, with USD 450 million invested by Indian firms.
- Cultural Cooperation: Regular cultural exchanges occur under the 2012 Cultural Cooperation Agreement, with Qataris admiring India's diversity. The year 2019 was celebrated as India-Qatar Year of Culture.
- Indian Community: Over 835,000 Indians reside in Qatar, forming the largest expatriate community (27% of the population).

Drishti Mains Question:

How do India's engagements with Qatar and other Gulf countries align with its "Link and Act West" policy? Evaluate the role of West Asia in India's economic and strategic interests.

UPSC Civil Services Examination, Previous Year Question

<u>Prelims</u>

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

Ans: (a)

<u>Mains</u>

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)**

The Vision

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