



Perspective: India-Qatar Partnership

For Prelims: [Gulf Cooperation Council \(GCC\)](#), [Foreign Direct Investment \(FDI\)](#), [Artificial Intelligence](#), [Global South](#), [Artificial Intelligence \(AI\)](#), [Unified Payments Interface \(UPI\)](#), [Liquefied Natural Gas \(LNG\)](#), [Liquefied Petroleum Gas \(LPG\)](#)

For Mains: Strategic and Economic Significance of India-Qatar Relations, Related Challenges and Way Forward

Why in News?

The Amir of Qatar, **Sheikh Tamim bin Hamad Al Thani**, paid a state visit to India from 17-18th February 2025, to demonstrate the increasingly **strong bond between the two countries**.

What are the Key Highlights of the Visit?

- **Strategic Partnership:**
 - India and Qatar have agreed to **upgrade their relationship to a "strategic partnership,"** setting a goal to double bilateral trade to **USD 28 billion** within the next five years.
 - Qatar is the **5th Gulf Cooperation Council (GCC) country** with which India has signed a strategic partnership agreement, after UAE, Saudi Arabia, Oman and Kuwait.
- **Qatar's Investment in India:**
 - **Qatar's sovereign wealth fund** 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 [Artificial Intelligence \(AI\)](#) and machine learning.
 - Both nations signed **two agreements** and **five MoUs**, covering areas like **economic cooperation, youth affairs** and a **double taxation avoidance agreement**.
- **UPI Integration:**
 - India and Qatar welcomed the operationalization of India's [Unified Payment Interface \(UPI\)](#) at Qatar National Bank (QNB) points of sale in Qatar and looked **forward to implementing the nationwide rollout of UPI** acceptance in the country.
- **Avoidance of Double Taxation Agreement:**
 - A revised agreement has been signed that aims to encourage investment and prevent **fiscal evasion, boosting economic ties**.

What is the Strategic and Economic Significance of India-Qatar Relations?

- **Energy Cooperation:**
 - Qatar is **India's largest supplier of LNG** and [Liquefied Petroleum Gas \(LPG\)](#), making energy a key pillar of their economic ties.

- In **February 2024**, **Qatar Energy and Petronet LNG Limited** signed a **20-year agreement** to supply **7.5 million metric tonnes** of LNG annually starting in **2028**.

- **Workforce and Remittance Ties:**

- About **25%** of Qatar's population consists of people of **Indian origin**, forming a vital bridge between India and Qatar.
- India is working to introduce [UPI-based remittance solutions](#) for Indian workers in Qatar, making financial transactions easier and cost-effective.
- India has agreements with Qatar to regulate **labor conditions**, ensuring **better treatment** and **security for workers**.

- **Food Security Cooperation:**

- India and Qatar have been exploring **food security cooperation** for a long time. India supplied essential food items (vegetables, fruits, edible oil, etc.) to Qatar **through Oman** during the blockade by the [Gulf Cooperation Council \(GCC\)](#).
 - The blockade highlighted Qatar's need for a steady and dependable food supply, with India as a key partner.
- **Geographic proximity, lower freight costs, and high-quality agricultural products make India an ideal food supplier.**
- Qatar has proposed investing in **Indian agricultural cooperatives** to secure a stable food supply. Focus on ensuring the availability of food grains, oil, and sugar, particularly in trade bans or blockades.
 - Qatar is expanding its [hydroponic farming system](#) and leveraging Indian expertise in this area.

What are the Challenges in India-Qatar Bilateral Relations?

- **Energy Security Risks:**

- Despite Qatar being India's largest LNG supplier, global energy price fluctuations and geopolitical tensions in the Gulf could impact long-term supply stability.
- The need to transition towards [renewable energy](#) sources poses a challenge in balancing traditional LNG imports with clean energy investments.

- **Labor and Indian Diaspora Concerns:**

- Ensuring the **protection of Indian workers in Qatar remains a sensitive issue**, with concerns about labor rights, wages, and working conditions.
- The effectiveness of agreements on labor regulation depends on strong willpower for implementation and monitoring.

- **Food Security Risks:**

- Supply chain disruptions, trade restrictions, or another **regional blockade like the 2017 GCC crisis** could impact [India's food exports](#) to Qatar.

Way Forward

- **Enhancing Energy Cooperation:**

- Expanding long-term LNG agreements while gradually increasing collaboration in renewables like [hydrogen](#), [solar](#), and [wind energy](#).
- Encouraging Qatar's investments in India's clean energy projects to facilitate energy transition.

- **Ensuring Labor Welfare and Mobility:**

- Strengthening the India-Qatar Migration and Mobility Agreement to ensure labor rights, fair wages, and social security benefits for Indian workers.
- Implementing UPI-based remittance solutions to improve financial access for Indian expatriates.

- **Building a Resilient Food Security Partnership:**

- Facilitating Qatari investments in [Indian agricultural cooperatives](#) to ensure a stable food supply.
- Enhancing logistics and cold storage infrastructure to improve the efficiency of food exports.

UPSC Civil Services Examination, Previous Year Question

Prelims

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

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

Ans: (a)

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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