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PM Manmohan Singh's visit to Saudi Arabia

by

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P rime Minister Manmohan Singh visited Saudi Arabia from 27 February-1 March 2010. This was the first visit by an Indian prime minister to the Kingdom in 28 years and only the third since 1947. The previous visit was by Indira Gandhi in 1982 while Jawaharlal Nehru had visited the country back in 1956. This visit, which was postponed at least twice, has come after King Abdullah bin Abdul-Aziz Al-Saud's visit to New Delhi in January 2006 when he was the chief guest at the Republic Day celebrations. The visit in 2006 was first by a Saudi king in 50 years.

The Riyadh Declaration was signed between PM Singh and King Abdullah during the former's recent visit and was titled 'A New Era of Strategic Partnership.' It follows the Delhi Declaration inked by the two leaders during the King's visit to India.

Energy cooperation and security related issues dominated the talks alongside issues like the Middle East peace process, India-Pakistan relations, Afghanistan and the Iranian nuclear issue. The primacy of these topics was an extension of the Delhi Declaration of 2006 where cooperation was envisioned in such diverse fields as terrorism, energy security, political cooperation, technology, trade and investment, education and health

and cultural exchange.¹ Signing of an Extradition Treaty and Agreement for Transfer of Sentenced Persons is expected to aid in restraining activities of underworld don Dawood Ibrahim, who is reported to have been using Saudi Arabia as a safe haven.²

On security issues, terrorism was the focus of discussions including the recent attack on Indians in Afghanistan and India's concerns about Pakistan supporting terrorism against New Delhi. PM Singh stated that he had requested King Abdullah to use his country's influence with Islamabad to persuade Pakistan to desist from this path³ (of supporting terrorism against India). He further added that 'I did not ask him to do anything other than (this).'

The statement was also meant to put an end to the controversy that had erupted just before the visit over a statement made by Minister of State for External Affairs Shashi Tharoor in which he said, 'We feel that Saudi Arabia of course has a long and close relationship with Pakistan but that makes Saudi Arabia even a more valuable interlocutor for us.'⁴ Earlier Tharoor had himself issued a clarification that his remarks did not mean the Saudis would act as a mediator between India and Pakistan. During the visit of the then Foreign Minister Jaswant Singh to the Kingdom in 2001, he had stated that India's relations with Saudi Arabia were not directed at or against Pakistan and in a press conference added 'any such apprehensions would be misreading India's intention and belittling the wisdom of the Saudi leadership.'⁵

While discussing Afghanistan, the leaders 'expressed their full support for the efforts aimed at helping Afghanistan to develop its infrastructure and achieve social and economic development.' Saudi Arabia, a long time ally of Islamabad, has been reported to be wary about cooperation between Pakistan-supported terror groups targeting India and the Taliban.⁶ Also, on relations between the Taliban and al-Qaeda the Saudi leaders

¹Subhash Kapila, 'India – Saudi Arabia: The Strategic Significance of the Delhi Declaration', *South Asia Analysis Group*, January 2006, www.southasiaanalysis.org/%5Cpapers18%5Cpaper1734.html

²Jayanth Jacob, 'PM visits Saudi with Pak in mind', *The Hindustan Times*, 28 February 2010 www.hindustantimes.com/PM-visits-Saudi-with-Pak-in-mind/H1-Article1-513788.aspx

³ Transcript of PM's onboard press conference en-route New Delhi from Riyadh, *Website of Prime Minister of India*, 1 March 2010, <http://pmindia.nic.in/visits/content.asp?id=319>

⁴ Vinay Kumar, 'Tharoor clears the air on 'interlocutor' remark', *The Hindu*, 28 February 2010 <http://beta.thehindu.com/news/national/article123697.ece>

⁵ C. Raja Mohan, 'Engagement with Saudi Arabia not aimed at Pak: Jaswant', *The Hindu*, 21 January 2001, <http://www.hinduonnet.com/2001/01/22/stories/0122000a.htm>

⁶ 'Saudi Arabia 'OK' with India's Afghan presence', *The Times of India*, 4 March 2010 <http://timesofindia.indiatimes.com/india/Saudi-Arabia-OK-with-Indias-Afghan-presence/articleshow/5639112.cms>

have conveyed their concern to the Afghan President Hamid Karzai during the latter's visit to the Kingdom. According to a foreign ministry official, Riyadh has made it clear that it will not participate in peacemaking in Afghanistan unless the Taliban severs ties with extremists and expels Saudi terror leader Osama bin Laden.⁷ India is now hoping that the evidence of collaboration between al-Qaida and Taliban, and Pakistan's support to the latter may have sensitized the Saudi kingdom to the repercussions of Islamabad's policy of using terrorist groups to promote its strategic goals.⁸

With regard to the energy sector, India is looking at almost doubling the crude oil supply from the Kingdom to meet its growing energy needs, but no timeline to meet that target has been outlined as yet.⁹ Saudi Arabia is currently the largest supplier of crude oil to India at 25.5 million tonnes per year, which according to the new understanding will rise to 40 million tonnes per year. The increased supply will meet the requirements of three refinery projects at Paradip, Bhatinda and Bina which are near completion.¹⁰ The three new plants will increase India's refining capacity of 178 million tons a year by almost 20 percent by the end of 2012.¹¹ Beijing had also inked a long-term oil and gas deal with Riyadh in 2006, the agreement for which was signed during King Abdullah's visit to China. This was his first overseas trip to any country since ascending the throne in August 2005,¹² which was followed by trips to India, Malaysia and Pakistan. Saudi Arabia is currently India's fourth largest trade partner with total volumes at over \$ 25 billion.

Concerning the Middle East peace process, PM Singh tried to allay fears of the Islamic world that increased Indo-Israeli defence cooperation would mean lessened support for the Palestinian cause. Talking to Saudi journalists on eve of his visit, he said, 'Our

⁷ 'Saudi Arabia wants Taliban to expel bin Laden', *The Hindu*, 2 February 2010
<http://beta.thehindu.com/news/international/article99383.ece>

⁸ Diwakar, 'PM prods S Arabia to tame Pak', *The Times of India*, 2 March 2010,
<http://timesofindia.indiatimes.com/india/PM-prods-S-Arabia-to-tame-Pak/articleshow/5631576.cms>

⁹ 'Saudi willing to double crude supplies', *Economic Times*, 1 March 2010
<http://economictimes.indiatimes.com/news/news-by-industry/energy/oil-gas/Saudi-willing-to-double-crude-supplies/articleshow/5629474.cms>

¹⁰ V Mohan Narayan, 'India-S Arabia: 10 Pacts on Co-operation, Oil, Peace', *Outlook India*, 28 February 2010, <http://news.outlookindia.com/item.aspx?675522>

¹¹ Henry Meyer and Anthony DiPaola, 'Saudi Arabia May Nearly Double Oil Supply to India', *Business week*, 1 March 2010
<http://www.businessweek.com/news/2010-03-01/saudi-arabia-may-nearly-double-oil-supply-to-india-update1-.html>

¹² 'Beijing and Riyadh sign oil and gas deal', *New York Times*, 23 January 2006
http://www.nytimes.com/2006/01/23/business/worldbusiness/23iht-oil.html?_r=1

relationship with no single country is at the expense of our relations with any other country.' He added that 'India supports a peaceful solution that would result in a sovereign, independent, viable and united State of Palestine living within secure and recognized borders, with East Jerusalem as its capital, side by side at peace with Israel as endorsed in the Quartet Road Map and the relevant Security Council Resolutions. We also support the Arab Peace Plan.'¹³

In his address to the weekly cabinet meeting, King Abdullah said PM Singh's visit reflected 'a new era of strategic partnership between the two countries.'¹⁴ In his address to the *Majlis Al-Shura*, a legislative body that advises the King on issues that are important to Saudi Arabia, the PM talked about potential Saudi investments in sectors like infrastructure, manufacturing and services. He also pointed out opportunities that are opening up in the IT, banking, telecommunications, pharmaceutical and hydrocarbon sectors for the Indian industry in the Kingdom.¹⁵ The *Saudi Gazette* noted that the address to the Consultative Council (*Majlis Al-Shura*) is a 'rare honour for a visiting foreign dignitary.'¹⁶ Even before the start of the talks, media was abuzz with the news of King Abdullah's brother and Second Deputy Premier and Defence Minister Crown Prince Sultan bin Abdul Aziz and the entire Saudi cabinet being present at the airport to receive the PM -- a move dubbed 'unprecedented'¹⁷ by the foreign ministry and 'a departure from protocol.'

PM Singh was also conferred an honorary doctorate by the King Saud University and in his address there he talked about the importance of cooperation in areas of higher education and developing human capital. On the last day of his visit, the PM, in a speech to the representatives of about 1.8 million strong Indian community in Saudi Arabia, said the Ministry of Overseas Affairs was created with the aim of securing welfare of the overseas communities.¹⁸ On the issue of complaints from Indian workers working in the

¹³ 'Text of Prime Minister's interview with Saudi journalists', *Press Information Bureau*, 27 February 2010, <http://www.pib.nic.in/release/release.asp?relid=58604>

¹⁴ P.K. Abdul Ghafour, 'New era in Saudi-Indian ties: King', *Arab News*, 1 March 2010 <http://arabnews.com/saudiArabia/article24732.ece>

¹⁵ 'PM's address to the Majlis-Al-Shura', *Website of Prime Minister of India*, 1 March 2010 <http://pmindia.nic.in/visits/content.asp?id=318>

¹⁶ 'PM Manmohan Singh's visit dominates headlines in Saudi media', *PTI (printed in The Times of India)*, 28 February 2010 <http://timesofindia.indiatimes.com/india/PM-Manmohan-Singhs-visit-dominates-headlines-in-Saudi-media/articleshow/5628186.cms>

¹⁷ Mohammed Rasooldeen, 'Indian PM on historic visit to Saudi Arabia', *Arab News*, 27 February 2010, <http://arabnews.com/saudiArabia/article23589.ece>

¹⁸ 'PM concludes historic Saudi visit', *Hindustan Times*, 1 March 2010

kingdom and difficulties faced by them, PM assured the representatives that whenever deemed necessary, the matter is taken up with the Saudi authorities.

The Iranian nuclear issue also figured in the talks between the two leaders wherein they extended support to continuation of dialogue to resolve differences and called on Iran to respond and remove any doubts the international community might have regarding its nuclear programme.¹⁹ Agreements in the field of Research and Education, Information Technology and Services, Science and Technology, and Peaceful Uses of Outer Space were also signed.²⁰ These sectors were featured prominently in the Delhi Declaration as well as during the visit of Foreign Minister Pranab Mukherjee in April 2008. The twice postponed visit had focused on enhancing cooperation primarily in energy, trade, investment and education sectors.²¹

Indian Media Editorials

1. Finally, in Riyadh, *Indian Express, New Delhi, 2 March 2010.*

With the Riyadh Declaration signed between Prime Minister Manmohan Singh and King Abdullah of Saudi Arabia, one of the least explored and exploited of bilateral relationships has come closer to realising its potential. In January 2006, a little less than six months after assuming office, King Abdullah had visited India. This visit was important, and not just because it was the first by a Saudi monarch in five decades. Dr Singh's visit, delayed for several reasons, is the first by an Indian prime minister since 1982. The Riyadh Declaration and the several agreements inked, most significantly the Extradition Treaty, should build on the opportunities created by the Delhi Declaration of January 2006 and strengthen Indo-Saudi security, economic, defence and political ties. Other agreements signed, apart from the business deals, relate to transfer of sentenced persons, cultural cooperation, a Memorandum of Understanding (MoU) for peaceful use of space and joint research and IT. Sustained by these particular agreements, this is India's moment to deepen its long-term strategic understanding with Saudi Arabia, which

<http://www.hindustantimes.com/restofasia/PM-concludes-historic-Saudi-visit/514108/H1-Article1-514201.aspx>

¹⁹ 'Riyadh Declaration - A New Era of Strategic Partnership', *Website of Prime Minister of India*, 28 February 2010, <http://pmindia.nic.in/visits/content.asp?id=317>

²⁰ 'Riyadh Declaration - A New Era of Strategic Partnership', *Website of Prime Minister of India*, 28 February 2010, <http://pmindia.nic.in/visits/content.asp?id=317>

²¹ 'India-Saudi ties to deepen after Pranab visit', *Zee News*, 19 April 2008, <http://www.zeenews.com/news437721.html>

has already been outlined in the Riyadh Declaration. Riyadh had rapidly grasped the emerging world order and immediately sought to broaden its foreign and security engagements through King Abdullah's "Look East" policy. The first premise of a deeper engagement is of course energy security: Saudi Arabia is India's biggest oil supplier, and India a top-rank importer of Saudi oil. The Delhi Declaration had called for stabilising crude supplies through "evergreen" long-term contracts. India also needs Saudi investment in oil refining and storage as well as infrastructure, while Saudi Arabia needs help with IT, agriculture, biotech and alternative energy.

The Kingdom's geopolitical importance is evident. The Gulf and the subcontinent are closely linked in terms of security. There is a sense in the Gulf that a potentially nuclear Iran will alter the balance of power, something that makes Arab states very anxious. India, with its nuanced Iran policy, is well placed to bring clarity to policy-making. India's interest lies in engaging Saudi Arabia to meet its own challenges in Af-Pak, because Riyadh in particular will continue to hold sway over Islamabad and in Kabul in this pivotal year. A new chapter in Indo-Saudi relations began in 2006. Dr Singh's visit should consolidate the positive opportunities of that beginning.

Link: <http://www.indianexpress.com/news/finally-in-riyadh/585848/0>

2. Look West,

The Times of India, New Delhi, 3 March 2010

It has been four years in the making, but Indian Prime Minister Manmohan Singh's Saudi Arabia trip shows every sign of being a success. From the welcome he was afforded upon landing to his meeting with King Abdullah bin Abdul Aziz, the trip has been a validation of the rapprochement that started with the latter's India visit in 2006. The PM's trip can be seen as an advancement of several linked agendas that are vital for India: energy, investment and security.

One of the main hurdles India must overcome to maintain its growth rate is a deficiency of crude oil supplies. Given that crude oil is highly import dependent, the volatility of oil prices - the 2007-08 spike is one example - makes India particularly vulnerable. The 2006 Delhi Declaration forming a strategic energy partnership between the two countries was one attempt by New Delhi to address this. Now, with the Riyadh Declaration, it has the opportunity to move the partnership forward. If New Delhi can manoeuvre to strengthen its energy deal with Riyadh, it will serve as an effective hedge against future volatility.

The other aspect of ensuring energy security as well as boosting infrastructure is inviting Saudi investment. India's healthy growth has been juxtaposed against the frailty of

western economies in the wake of the global financial crisis. Little wonder the investment opportunities India offers have been talking points on this trip. New Delhi could do worse than take a leaf from Beijing's book here. The latter has signed a long-term energy investment plan with Riyadh. With ambitious plans for the expansion of India's power sector, minimising regulatory hurdles to attract Saudi investment in Indian fuel exploration concerns and the like could pay off in the long run.

If the relationship is to be a healthy one, investment flows must not be one-sided. The gas sector in Saudi Arabia and the new economic cities that Riyadh intends to set up are both investment opportunities that New Delhi could look at. And there is scope for engagement on security issues as well. The extradition treaty signed this time, the security cooperation agreement and the large number of Indian expatriates in Saudi Arabia are all tools that can be used in this regard. The Saudi repudiation of the Taliban and expression of concern over rising extremism in Pakistan should be music to Indian ears. In its pursuit of a pragmatic foreign policy, New Delhi needs to cultivate a more multifaceted relationship with Riyadh than it has before.

Link:<http://timesofindia.indiatimes.com/home/opinion/edit-page/Look-West/articleshow/5634207.cms>

3. A complex, but vital relationship

The Asian Age, New Delhi, 3 March 2010

Prime Minister Manmohan Singh's recent three-day visit to Saudi Arabia marks an important stage in the widening and deepening of this country's friendship with one of the most important states in the world. The Kingdom of Saudi Arabia is not only the world's largest exporter of oil, it is home to Islam's two holiest sites (and therefore of primary importance to Muslims everywhere). It also has investible surpluses that few countries can match. For these reasons, Riyadh should for long have been a significant diplomatic stop for Indian policymaking. However, New Delhi's meaningful ties with it can be said to be of relatively recent origin, although India's relations with the Arab world go back in time. From the mid-1950s, the relationship between the two was just normal and correct. It could not breach the confines imposed by the Cold War during which Riyadh was a close ally of the United States. Much has opened up since the end of that era. The September 11, 2001 attacks on America raised questions in both Washington and Riyadh as influential voices in the United States sought a re-evaluation of relations with the Saudis based on the premise that elements in the desert kingdom had bankrolled the jihadi terrorists. A radical overhaul was, of course, unthinkable. In Riyadh too, a degree of rethinking about the world followed, and a search began for the broad-basing of Saudi Arabia's strategic relations and concerns.

It was hardly a coincidence that King Abdullah bin Abdul-Aziz visited both Beijing and New Delhi in January 2006 — Asian capitals that represented extremely dynamic economies with which foundations of mutually advantageous terms could be laid — to further its new “Look East” outlook. In India, the then Atal Behari Vajpayee government had been quick to see the value of close ties with Saudi Arabia after the Cold War. Its external affairs minister, Mr Jaswant Singh, made a high-profile trip to the kingdom. Since then, the Manmohan Singh government has firmed up that relationship and imbued it with a strategic dimension. When King Abdullah was the Republic Day chief guest in 2006, he endorsed India’s case for observer status at the Organisation of Islamic Conference (OIC). Oil flows rose dramatically—from only \$500 million to \$23 billion. Saudi Arabia today accounts for a fourth of this country’s oil imports. India — like China — came to value the Saudi kingdom as a crucial source of energy, and one that had a premium voice in the setting of world oil prices. These are strong enough reasons to have a “strategic” relationship with Riyadh, and the UPA government has moved with alacrity to deepen ties. The Congress-led government also appears poised to tap high-magnitude Saudi investments in India and is likely to devise procedures for “Islamic banking” to aid that enterprise. Indian expertise in oil and gas exploration and information technology could give a new dimension to the Saudi economy, away from the present oil-only basis. The two countries can also make common cause by seeking to attack the roots of jihadist extremism, although Saudi Arabia is the original home of Wahhabi and Salafi thought. The basis for growing ties appears sound. But the relationship is bound to be complex as Saudi Arabia has traditionally had strong ties with Pakistan and is building rapidly on its recent friendship with China, countries with which India’s political terms have been relatively difficult. Shashi Tharoor, minister of state for external affairs, was right when he called Riyadh an important “interlocutor” of India. That should be seen as a given.

Link:

http://www.asianage.com/index.php?option=com_content&view=article&id=4212:a-complex-but-vital-relationship&catid=41:editorial&Itemid=66

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