

## Modi in Riyadh: Nurturing bilateral synergy

by Mahesh Sachdev | Special to Gulf News

*There is every reason to hope that the Indian premier's meeting with the Saudi King will augur well for the two countries and the region they share*

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Even as Indian Prime Minister is a frequent traveller abroad and Riyadh is a capital frequented by world leaders, Narendra Modi's official two-day visit to Saudi Arabia, starting today, is anything but ordinary — both in its contents and the context. Indeed, his own visit to the UAE last August is the nearest parallel to it.

India and Saudi Arabia are the largest countries in their respective sub-regions, which together form Southwest Asia. Therefore, the importance of the summit between Modi and King Salman Bin Abdul Aziz of Saudi Arabia goes beyond the bilateral context to envelope the entire region facing multiple challenges — ranging from economic downturn, geopolitical turmoil, insecurity, civil wars and terrorism.

Bilaterally, India's ties with Saudi Arabia are substantive and gaining in substance. In recent years, the Kingdom has been the largest supplier of crude to India, the world's third-largest oil importer and the only major economy with rising oil consumption. In January, India imported 940,000 barrels per day of Saudi crude, up 29 per cent from last year, quenching nearly a quarter of India's thirst for oil imports. India's galloping oil imports also pushed the bilateral trade to \$39 billion (Dh143.44 billion) in 2014-15, making Saudi Arabia India's fourth largest trading partner — just one rank behind the UAE.

However, unlike the UAE with which India has a trade surplus, with Saudi Arabia, the trade is in Riyadh's favour. Similarly, while UAE has major investments in India, estimated at around \$10 billion, Saudis have invested only \$60 million in India so far. There are slightly more Indians in Saudi Arabia (2.96 million) than in the UAE, but their roles are less diverse in the Arab world's largest economy.

India and Saudi Arabia face a number of common challenges. Both are victims of extremist terror such as Al Qaida, Daesh (the self-proclaimed Islamic State of Iraq and the Levant), Lashkar-e-Taiba and other groups. Further, they are coping with a fast-evolving geo-strategic situation in the Southwest Asian region replete with developments relating to oil shock, lifting of sanctions on Iran, civil wars in Syria, Iraq and Yemen and turmoil in Afghanistan. Since their own respective ascendance to power over the last two years, both Modi and King Salman have tried to give new orientation and energy to their respective foreign policies. Over the past few months, however, they have each been underwhelmed by shifting positions

of major powers on issues of vital concern to them. This seems to have persuaded each of them to pursue their national interest in a more direct manner.

While these issues will frame the talks in Riyadh, it will be unrealistic to expect any dramatic outcome. Indeed, this first bilateral summit in six years is an initial contact between the two leaders. Many of the regional issues are very complex, which have defied various attempts at resolution. Moreover, although there is broad convergence in the views held by India and Saudi Arabia, emphasising regional peace and stability, their positions on specific solutions are often divergent. Their respective constituencies at home and traditional national orientation also limit their flexibility.

The domain where the Riyadh summit is likely to have most impact is economic. The oil price decline has, ironically, made the two countries more economically relevant to each other. Saudi Arabia has recently launched a number of initiatives for economic diversification centred on a friendlier regime for foreign investment, sale of some oil assets, agriculture, skill development, SMEs and mega-projects such as King Abdullah Economic City. As the world's fastest-growing major economy and a large market, India has a potential role to play in success of these initiatives. While the situations are not identical, Indians have played a key role in the UAE's success story, investing more than \$55 billion in the country. A number of Indian groups have the capacity to make a similar contribution to the ongoing socio-economic transformation of Saudi Arabia.

On the other hand, India's own infrastructure needs investment of more than a trillion dollars over the next five years. Saudi Arabia, with an investable corpus of more than \$600 billion, has the potential to contribute to creating symbols of a new bilateral synergy. Moreover, with Indians constituting the largest foreign presence in the Kingdom and a tenth of the total population, their presence provides a strong underpinning to the bilateral ties. While the Kingdom's drive towards Saudisation is understandable, the two countries need to find ways to ensure that any changes in the Indian presence are gradual and avoid adding to the potential for bilateral synergy.

For much of their shared history, India and Saudi Arabia have been distant neighbours across the Arabian Sea, each with her own pre-occupations. The Modi-Salman summit will be the sixth among the two countries in the past 70 years. Given the two leaders' penchant for decisiveness, there is every reason to hope that the outcome will augur well for the two countries and the region they share.

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