



# NUANCES OF PM MODI'S VISIT TO SAUDI ARABIA

**Poonam Mann**  
Research Intern, CAPS

The latest capital to be touched by Prime Minister Modi in the long list of countries that he has travelled to, is Riyadh. The signing of five agreements, encompassing terror-financing, bilateral investment promotion, welfare of Indian workers, preservation of heritage and standardisation of products<sup>1</sup> epoched new vistas. However, their extensive joint statement on the issue of terrorism could be deemed as the highlight of the visit.

The joint statement, which alone had five extensive paragraphs on terrorism, called on all the states to reject the use of terrorism against other countries, dismantle terrorism infrastructure “where they happen to exist” and cut off any kind of support and financing to the terrorists operating and perpetrating terrorism from their territories against other states, and bring the perpetrators involved in the acts of terrorism to justice.<sup>2</sup> The two leaders, further, agreed to strengthen cooperation in combating terrorism, both at the bilateral level and within

the multilateral system of the UN.<sup>3</sup> However, India perceiving it through a hint towards Pakistan and Saudi Arabia towards Iran would be an important and interesting factor to deal with.<sup>4</sup> It is pertinent to mention here that, although, the Delhi declaration of 2006<sup>5</sup> and the Riyadh declaration of 2010<sup>6</sup> that have been the real cornerstones of the bilateral relationship, the inclusion of security and counter-terrorism elements in the bilateral ties add to the significance. By deporting Abu Jundal—a Pakistani passport holder involved in 26/11 Mumbai blasts and in the 2010 German Bakery blasts in Pune—to India, Saudi Arabia took a big step forward in forging the relations. Furthermore, in December 2015, Saudi Arabia deported Abu Sufiyan, an Indian linked to LeT, and in February 2016, they deported Mohammad Abdul Aziz. However, Riyadh's relations with Islamabad complicate the relations and raises concerns for India. Pakistan's PM Nawaz Sharif and Army Chief Raheel Sharif were invited to Saudi Arabia just before Modi's visit.<sup>7</sup> So the dynamics is

somewhat complex. Also, adding to the fact that relations between Iran and Saudi Arabia have been strained. Saudi Arabia had cut off its relations with Iran after an attack on its embassy in Tehran, in January 2016, following the Kingdom's execution of Shia religious leader Nimr-al-Nimr, who was put to death along with (46 mostly Sunni Muslims) convicted on terrorism charges<sup>8</sup>. Contrarily, India enjoys somewhat friendly relations with Iran. Both share close cultural and economic relations and Iran has been India's strategic partner since 2001, and therefore, India has not completely abandoned Iran. However, India's voting and abstaining against Iran in multilateral forums on two occasions does not leave much doubt that India has been refashioning its West Asia policy where its newfound friendship with Saudi Arabia has put some amount of pressure on its relations with Iran.

The second outcome of the visit was signing of an agreement with Saudi Arabia for the welfare of the Indian blue-collared workers there. Raising the issues of the huge Indian diaspora in Saudi Arabia and their problems was an important issue, that deserved urgent attention. Infact, Indian nationals form a substantial part of the Saudi workforce, but unfortunately they are known to live under very harsh and poor conditions. It is pertinent that Prime Minister Modi took up the issue with the Saudi Government for better working conditions for these workers that resulted into signing a

first of its kind agreement.<sup>9</sup> Under this agreement not only does the Saudi Government assure welfare of Indian workers, but has also agreed to look sympathetically at the cases of Indians, serving sentences for minor offences there, and constitute a review mechanism with immediate effect. Here, it is important to mention that Prime Minister Modi's outreach to the Indians working abroad is very impactful. His sharing snacks at L&T residential complex for its workers had touched billions of hearts. The first Indian Prime Minister who mingled with the workers, asked their well-being, sat with them as a commoner and had a hearty meal with them, is a symbolic gesture that helped uplift Indian workers' status in the eyes of the Saudi Government.

The third important component of Prime Minister Modi's visit was wooing the Saudi businessmen to invest in India. While addressing oil-rich Saudi Arabia's top business tycoons on April 4, 2016, Prime Minister Narendra Modi invited them to invest in India's key sectors, such as, defence, insurance, railways and oil, as he projected his country as an attractive investment destination even in the face of a global economic slowdown. In the course of discussions, he had to face a range of questions relating to retrospective tax, the passing of the proposed Goods and Services Tax, non-performing assets of Indian banks and whether India will allow Islamic banking etc.<sup>10</sup> How far Prime Minister Modi's assurances were successful in convincing the

Saudis will only be clear in the coming months. In order to build up stronger engagement with Saudi Arabia, the Indian Government needs to push reforms in order to ensure a more business friendly environment. It has to build up political consensus to remove political deadlocks and pass important bills like Goods and Services Tax, which would further enhance India's global outlook.

Further, Prime Minister Modi's visit can also be seen as an indicator of a shift in India's broader West Asia policy that began last year when he visited United Arab Emirates. The next stop after Saudi Arabia is Israel later this year with Indian petroleum minister visiting Iran in the second week of April. The timing of these visits is very appropriate, considering the downturn in global oil prices **facilitated by** the rivalry between Iran and Saudi Arabia, apart from the crisis in Syria and the war in Yemen. These events also have direct implications for India's interests. With fall in oil prices due to US shale oil and gas production- Saudi Arabia is now **looking towards Asian countries** like China, India, Japan and South Korea for more oil sales. India sees this as an opportunity. Moreover, Prime Minister Modi's visit can also be seen as a way to take advantage of arch rival Pakistan's relations with the GCC (Gulf Cooperation Council) countries, which have taken a hit following Islamabad's refusal to participate in the conflict in Yemen. Hours ahead of Prime Minister Modi's visit to Riyadh, it was announced

that the US and Saudi Arabia came together to sanction Pakistani individuals and terrorist entities, including Lashkar-e-Taiba (LeT). The step has pleased India as it has been demanding such a ban for a long time. Thus, the Saudi-India dynamic is heading in the right direction.

*(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])*

#### Notes

<sup>1</sup> Shubhajit Roy, "Pakistan or Iran in anti-terror statement? India, Saudi Arabia interpret their own", Indian Express, [Indian Express.com/article/India/India-news-India-Saudi-Arabia-call-upon-states-to-cut-off-support-and-financing](http://IndianExpress.com/article/India/India-news-India-Saudi-Arabia-call-upon-states-to-cut-off-support-and-financing).

<sup>2</sup> *Ibid*, Also see, "India-Saudi Arabia Joint Statement during the visit of Prime Minister to Saudi Arabia(April 03,2016), [pib.nic.in/newsite/print\\_release.aspx?reliid](http://pib.nic.in/newsite/print_release.aspx?reliid)

<sup>3</sup> *Ibid*

<sup>4</sup> *Ibid*

<sup>5</sup> "Delhi Declaration, Signed by King Abdullah bin Abdulaziz Al Saud of the Kingdom of Saudi Arabia and Prime Minister Dr. Manmohan Singh of India", [mea.gov.in/bilateral-documents.htm?dtl/5969/Delhi+Declaration+signed+by+King+Abdullah+bin+Abdulaziz+Al+Saud+of+the+kingdom+of+Saudi+Arabia+and\\_prime+minister+Dr+Manmohan+Singh+of+India](http://mea.gov.in/bilateral-documents.htm?dtl/5969/Delhi+Declaration+signed+by+King+Abdullah+bin+Abdulaziz+Al+Saud+of+the+kingdom+of+Saudi+Arabia+and_prime+minister+Dr+Manmohan+Singh+of+India), accessed on April4,2016

<sup>6</sup> *Riyadh Declaration:A New Era of Strategic Partnership*, "<http://mea.gov.in/bilateral-documents.htm?dtl/3700/Riyadh+Declaration+A+New+Era+of+Strategic+Partnership>", accessed on April 4, 2016

<sup>7</sup> Anil Chopra, "PM Modi's Saudi Arabia visit: Balancing Riyadh and Tehran", [www.dnaindia.com/India/column-pm-modi-s-saudi-arabia-visit-balancing-riyadh-and-tehran-2197070](http://www.dnaindia.com/India/column-pm-modi-s-saudi-arabia-visit-balancing-riyadh-and-tehran-2197070), accessed on, April 4, 2016.

<sup>8</sup> "World should be worried about Iran-Saudi Conflict" [Aljazeera.com/news/2016/01/world-worried-iran-saudi-conflict-160115055436274.html](http://Aljazeera.com/news/2016/01/world-worried-iran-saudi-conflict-160115055436274.html), accessed on April 4, 2016

<sup>9</sup> "Modi in Riyadh: Pact inked for Indian worker's welfare", <http://innews.yahoo.com/modi-riyadh-pact-inked-indian-003600058.html>, accessed on April 4, 2016



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<sup>10</sup> Shubhajit Roy, "A few questions on reforms for Modi from Saudi Panel", *The Indian Express*, April 04, 2016

