

2. India and Saudi Arabia Relationship

A high-level Saudi Arabia delegation met the Secretary, Union Ministry of Textiles, to advance bilateral cooperation in the textile sector

India–Saudi Arabia Relations and Strategic Cooperation

Bilateral Trade and Economic Relations

Trade Volume – Bilateral trade reached USD 41.88 billion in FY 2024–25, with India emerging as the second-largest supplier to Saudi Arabia's textile and apparel sector.

Indian exports to Saudi Arabia – USD 11.56 billion (FY 2023–24)

Indian imports from Saudi Arabia – USD 31.42 billion (FY 2023–24)

Key Highlights – India's share in Saudi Arabia's textile and apparel imports – 11.2% (USD 517.5 million) in 2024. Both sides emphasized mutual strengths – Saudi Arabia – petrochemical-based industries
India – Man-Made Fibre (MMF) and technical textiles

Trade Imbalance Concern – Heavy reliance on crude oil imports from Saudi Arabia contributes to a persistent trade deficit for India.

Historical and Political Relations

Diplomatic Ties Established – 1947

Key Milestones –

1. 2006 Royal Visit – Signing of the Delhi Declaration
2. 2010 Riyadh Declaration – Elevated ties to a strategic partnership
3. 2019 Strategic Partnership Council (SPC) – Established a high-level council to steer bilateral relations, covering trade, investment, and security

Geopolitical Considerations – India maintains balanced relations with Iran, Israel, and the U.S., while Saudi Arabia has complex ties with these nations. Pakistan's influence in the OIC has historically led to critical statements on India, especially on Kashmir.

Energy Cooperation

Crude Oil – Saudi Arabia remains India's third-largest crude sourcing destination. 33.35 MMT imported in FY 2023–24 (14.3% of total crude imports).

LPG – Third-largest supplier, accounting for 18.2% of India's total LPG imports.

Strategic Implications – Energy security remains a cornerstone of India–Saudi economic ties, with both countries aiming for diversification and technology-enabled energy solutions.

Defence and Security Cooperation

Objective – Reduce dependence on imports, promote self-reliance, and foster mutual growth in defence manufacturing.

Vision 2030 Alignment – Saudi Arabia aims to transition from a defence consumer to a defence producer, localizing 50% of spending.

Key Defence Contracts – \$250 million ammunition contract with Munitions India Limited. Procurement of 155mm Advanced Towed Artillery Gun System (ATAGS) from Bharat Forge

Joint Military Exercises –

1. **Sada Tanseeq (Army)** – Inaugural exercise in 2024
2. **Al Mohed Al Hindi (Naval)** – Bilateral naval exercise initiated in 2022

Strategic Opportunities – Collaboration in AI, cybersecurity, and advanced defence technologies under Make in India and Vision 2030 frameworks.

Indian Diaspora and Labour Issues

Diaspora Size – Around 2.7 million Indians in Saudi Arabia (second-largest foreign worker group after Bangladesh).

Challenges – Wage disputes and labour rights violations. Impact of 'Saudization' policies, replacing foreign workers with locals

People-to-People Cooperation – Needs robust social and legal safeguards to protect migrant workers.

Strategic and Economic Significance

Trade and Industrial Collaboration – Deepening technical textiles, MMF, and petrochemicals cooperation. Potential for joint ventures in high-tech sectors

Energy Security – India's energy diversification strengthened through refinery imports and strategic partnerships.

Defence Cooperation – Pivotal for regional security, self-reliance, and advanced manufacturing.

Geopolitical Significance – India–Saudi collaboration complements India's West Asia engagement, supporting balanced regional diplomacy.

Way Ahead

Reducing Trade Imbalance – Diversifying export sectors to Saudi Arabia beyond crude oil.

Defence Collaboration – Expand joint ventures, co-development, and technology transfer.

Innovation & Technology – Leverage AI, cybersecurity, and advanced defence tech to enhance strategic autonomy.

Diaspora Welfare – Address labour rights, wage security, and skill development programs.

Strategic Partnership – Align India's Make in India and Saudi Vision 2030 goals for long-term bilateral growth and security cooperation.

Key Takeaways

India and Saudi Arabia share a multi-dimensional partnership encompassing trade, energy, defence, and technology. Diaspora, labour, and trade imbalance challenges need careful management. Strategic cooperation under Vision 2030 and Make in India offers a pathway to global defence and industrial leadership, alongside energy and technological security.

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