

# India-Saudi Arabia ties are transformed, four pacts signed

India and Saudi Arabia have signalled a major strategic shift in ties by signing four pacts, including a defining one on combating terrorism, that is set to alter past equations between the dominant players in the region. This new convergence of national interests dominated discussions between Prime Minister Manmohan Singh and King Abdullah bin Abdulaziz al-Saud at Hyderabad House in New Delhi on January 25.

The king was accompanied by a 250-member delegation that included his foreign, finance, oil and culture ministers apart from senior officials and top businessmen.

The Prime Minister placed the growing India-Saudi relations in a global perspective and told the King about the impact "this relationship can have on many issues of global concern". The new strategic character of relationship was evident from the four pacts signed between the two sides. (See box) "It's a historic visit. It's going to alter relations between India and Saudi Arabia," Sanjaya Baru, media advisor Singh, said.

Manmohan Singh described Saudi Arabia as "a very important partner in combating global terrorism" while King Abdullah assured the Prime Minister that his country had "declared a war on terrorism" and said that they would continue their "struggle against terrorism". "This is a long-term struggle but this is one which will be carried on until this scourge is completely eliminated," he said.

The King also asserted that he was "against any support to terrorism whether it be of a



Minister for Human Resource Development Arjun Singh, left, presenting a photograph to Saudi King Abdullah at Jamia Millia Islamia University in New Delhi on January 27. The photograph features Crown Prince Amir Faisal with Maulana Aslam Jairajpuri during the Prince's visit to Jamia Millia Islamia in 1955.

## AGREEMENTS SIGNED

*Agreements/MOUs signed between India and Saudi Arabia during the Saudi King's visit:*

- Bilateral Investment Promotion and Protection Agreement (BIPPA).
- Double Taxation Avoidance Agreement/Convention (DTAA)/(DTAC).
- MoU on Combating Crime.
- Cooperation Agreement in the field of Youth and Sports.

financial nature or a moral nature".

Besides terrorism, the two sides focussed their discussions on taking further energy cooperation and to tap the vast potential for accelerating economic and commercial ties.

Singh underlined the vibrancy of the Indian economy and invited the Saudis to participate in sectors like petroleum, fertilisers and infrastructure. The Saudi delegation, which comprised wealthy oil tycoons and new age entrepreneurs, expressed their admiration at the ongoing economic transformation of India and its emergence as a leading knowledge power. ■

## Zamil Steel Industries to set up plant in India

Saudi Arabia's Zamil Steel Industries, a subsidiary of manufacturing and fabrication major Zamil Industrial Investment Company, is planning to set up a plant in Maharashtra with an investment of \$20 million.

The manufacturing plant to design and produce pre-engineered steel buildings is expected to be ready by the end of this year and have an annual production capacity of three million square metres of steel buildings, said Khalid Al Zamil, managing director of Zamil Industrial Investment Company in New Delhi on January 25.

## Indian, Saudi companies sign six agreements

Business links between India and the oil-rich kingdom of Saudi Arabia got a big boost on January 25 with the signing of six commercial agreements between their public and private companies.

The pacts — coinciding with the visit of Saudi ruler King Abdullah bin Abdulaziz al-Saud to India — cover the oil, energy and technology, biopharmaceuticals, health, medical tourism and financial sectors.

The agreements were signed at a special session of the India-Saudi Arabia Joint Business Council, organised by the Federation of Indian Chambers of Commerce and Industry (FICCI).

## Singh: Invest in India's infrastructure projects

Prime Minister Manmohan Singh on January 25 sought Saudi Arabian investment in Indian infrastructure projects that require more than \$155 billion over the next decade to develop the power, telecom and transport sectors.

In a joint address to industry representatives with Saudi King Abdullah bin Abdulaziz al-Saud, the Prime Minister said India needed massive investments to maintain the annual growth rate of 7-8.5 percent achieved over the past three years.

He urged Saudi Arabia's business community to take advantage of these opportunities.