

Standing Committee Report Summary

India and Gulf Cooperation Council

- The Standing Committee on External Affairs (Chair: Mr. P.P. Chaudhary) submitted its report on 'India and Gulf Cooperation Council (GCC) – Contours of Cooperation', on December 12, 2023. The GCC organisation comprises of six countries (Saudi Arabia, United Arab Emirates, Oman, Kuwait, Qatar, and Bahrain). It seeks to achieve coordination and integration in various fields among its members. Key recommendations and observations include:
 - **Strategic partnership:** The Committee observed that GCC is a major trade and investment partner for India. While India has close economic and political ties with all countries, the Committee noted that strategic partnership exists with only Saudi Arabia, UAE, and Oman. It recommended elevating strategic partnerships with the remaining countries along with gaining their support for India's claim for a permanent seat at the UN Security Council.
 - **Strengthening energy security:** The Committee observed that GCC contributes to 35% of India's oil imports and 70% of gas imports. India is executing the second phase of its Strategic Petroleum Reserve (SPR). Several GCC countries have expressed their interest in the same. The Committee recommended that the government should actively engage with the GCC countries to secure their participation in the second phase of the SPR. The government should also consider signing more agreements and collaborate with these countries for India's energy security.
 - **Renewable energy:** GCC countries want to invest in India in natural gas, green hydrogen, and clean energy technologies. Indian PSUs have also invested in green energy/technologies in GCC countries. The Committee recommended that Indian PSUs may be incentivised to invest in GCC countries in these sectors. It further noted that Kuwait and Qatar are yet to join the International Solar Alliance (ISA). The Committee recommended that efforts should be made to persuade the two countries to soon join the ISA.
 - **India's Digital Public Infrastructure:** India has been engaging with GCC countries to set up a digital public infrastructure for bilateral trade in local currencies. The Committee recommended the government to pursue and finalise India's UPI connectivity and its integration payment platforms of GCC countries.
- **Cooperation in defence and security:** The Committee noted the growing cooperation with GCC countries in defence and security matters. Given the Gulf's role in the maritime trade of oil and gas, India-GCC cooperation needs to be enhanced on maritime security. The Committee recommended: (i) holding regular security dialogues, (ii) facilitating discussions on Memorandums of Understanding (MoUs) regarding cyber security cooperation, (iii) extending support to GCC countries for protection of maritime routes, and (iv) creating safety and security architecture to deal with threats.
- **Trade and investment:** The Committee noted that the GCC countries contribute to about one-sixth of India's total trade. However, trade and Foreign Direct Investment from GCC is dominated by UAE and Saudi Arabia. India also has a significant trade deficit with the GCC which is driven by India's dependence on GCC countries for oil and gas imports. Free trade negotiations between the two parties have also been delayed. The Committee recommended: (i) urging Indian Missions in these countries to make efforts to address non-tariff barriers and (ii) maintaining close coordination with the GCC to facilitate India-GCC free trade agreement.
- The Committee observed that food and food-related products constitute the bulk of Indian exports to the GCC. It recommended the Ministry of External Affairs to coordinate with other departments for allotment of appropriate land for setting up integrated food parks across India.
- **Welfare of Indian diaspora:** The Indian diaspora in the Gulf region is an important source of inward remittances to India. The Committee made certain recommendations for welfare of the diaspora: (i) introducing the new Emigration Bill in Parliament to promote overseas employment, (ii) extending assistance to migrant workers for quick redressal of their grievances, (iii) complete labour market studies across the GCC to help aspiring emigrant workers, (iv) ensuring better and more transparent working conditions, and (v) disbursing timely assistance from the Indian Community Welfare Fund during exigencies.

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