

Remarks of Ambassador Vinod K Jacob on the topic, “Shifting Dynamics: Exploring the Arab World and India’s Evolving Relationship with Emerging Powers and Prospects with Arabian Gulf States” at the Bahrain Centre for Strategic, International and Energy Studies (Derasat) on 26 May 2024

I am honoured to be invited by the prestigious Bahrain Centre for Strategic, International and Energy Studies (Derasat) to talk on the topic, “Shifting Dynamics: Exploring the Arab World and India’s Evolving Relationship with Emerging Powers and Prospects with Arabian Gulf States.”

I thank Dr. Hamad Ebrahim Al-Abdulla, Executive Director of Derasat for this opportunity. The role of the Derasat in undertaking high quality studies on strategic, international and energy studies is widely acknowledged. I look forward to further deepening the cooperation between my Embassy and Derasat as well as promoting closer research and academic links between Derasat and like-minded Indian institutions of repute. I am also happy that Derasat has invited Dr. Hassan Al Hasan from the IISS whose expertise, experience and academic rigour is widely appreciated to participate in today’s Think Talk.

Let me take this opportunity to congratulate His Majesty King Hamad bin Isa Al Khalifa for his successful leadership of the 33rd Arab League Summit. This development is happening during the 25th year celebrations of His Majesty’s ascension to the throne and I wish to congratulate His Majesty and the Royal Family and the Government and people of Bahrain for this milestone. This year also represents the tenth anniversary of the successful state visit of His Majesty to India in 2014. So indeed, we are having this Think Talk at an important juncture.

The current juncture is also a period when the general elections to the Lower House of the Indian Parliament, namely the Lok Sabha is taking place over seven phases. In fact the penultimate phase of voting to the 543 seats in the Lok Sabha took place yesterday, that is on 25 May 2024. The size of the Indian electorate is around 960 million and as per available voting trends about 700 million Indians above the age of 18 years are expected to exercise their franchise. The results are expected on 4 June.

Friends,

India and the Arab World have traditionally enjoyed close and friendly relations. These relations date back to ancient times. From the Nile Valley to Mesopotamia and the Indus Valley, the cradles of our common humanity sprung forth at the same time. And over the years our lands have been witness to momentous transformations that have shaped the world today. And our seas have given passage to millennia of contacts - our traders, monks and scholars have passed each other light when much of the rest of the world was in darkness.

It is instructive to recall the words of Ms. Sushma Swaraj, the former External Affairs Minister of India at the First Ministerial Meeting of Arab-India Cooperation Forum which was held in Bahrain in January 2016.

I QUOTE “So, when we gather today across this table we pay homage to our ancestors, and to their fortitude and courage. The seasonal winds of the Arabian sea and the winding caravans of the desert and the plain have been witness to the riches that we shared. Here on the coast of the Gulf, in Bahrain, much before our nations were formed, your merchants returned with the spices and ornaments of the East, and our traders sought new markets and friendships.

And so, from the rock edicts of Emperor Ashoka found in present day Sharjah, to Indian artifacts on the Red Sea, to forgotten Arab and Indian traders who sailed to lands they had never seen before, not knowing whether they would ever return, the centuries of our interaction have instilled within us a profound respect for each other.

And we see this in our art and our architecture, our music and our food, in the literature that we write and the poetry that we recite. We find this all around us, in the pillared halls of the Diwan-e-Am in the Red Fort in Delhi, to the lyrical strains of the classical Hindustani Gharanas, to the tehzeeb or etiquette of our modes of interaction.

So I am not surprised when I know that the words for crop seasons in India – kharif and rabi – are derived from Arabic roots; or that the lotus is the sacred symbol of regeneration in India and Egypt; or that many distinguished families in the Arab world bear the title al-Hindi, or that Hind itself is a common name amongst women in the Arab world.

In the past millennium, it has been our intertwined histories that have pushed forward the boundaries of science and technology, of knowledge and human progress. The early Islamic traveller Alberuni wrote of Indian Arab interactions and our mutual philosophical journeys, and it was the Moroccan explorer Ibn Battuta who rose to high stature in the Courts of Delhi, even when the Caliphate of Baghdad, sponsored the translation of Indian works in subjects ranging from medicine to mathematics, agriculture and astronomy. So today is an occasion for us to celebrate our ancient bonds and deepen our modern partnership.”UNQUOTE.

Friends,

The Arab world is indeed a part of India’s extended neighborhood. India’s staunch commitment to deepen engagement with the region, our shared views on major international developments, strong economic and commercial relations and deep people-to-people ties form the foundation of our relations.

Bulk of India's external trade passes along the Suez Canal, the Red Sea and the Gulf of Aden. There are vital Indian investments in the countries of the region. Moreover, India has a large expatriate community of over 9 million in the Arab world, who over generations, have contributed to the prosperity of countries of their residence.

The India-Arab trade relations have withstood the test of time. Even during the recent pandemic and global geopolitical conflicts, the trade between India and the Arab world continued to grow. Last year, it stood at over US\$ 240 billion and in the case of India-GCC for the same period it was US\$162 billion. The Arab world is endowed with vast natural resources, especially oil, gas and fertilizers which are vital for energy and food security. The region caters to about 60% of our crude oil imports, and more than 50% of fertilizers and related products, making our partnership robust and indispensable. The region has a young and dynamic population, with a growing consumer market.

There are growing investments from both sides, with a clear vision of shared success and prosperity. Our wide-ranging partnership with Arab countries encompasses every aspect of human endeavour – from food & energy to financial services to health & education, Information Technology & renewable energy, Start-ups and large infrastructure projects.

A new thrust to our economic engagement is being provided through entrepreneurship, science and technological collaboration, environmental protection and greater focus on food and energy security.

India has emerged as the fastest growing major economy in the world, with our growth for the current year, that is April 2023 to May 2024 estimated to be at 7%. In a remarkably short period of time, we have risen from being the 10th largest economy in the world to being the 5th largest.

With a GDP of over \$3.5 trillion, a strong democratic system, a vibrant civil society, a culturally diverse and pluralistic population of around 1.4 billion people, and a resilient and innovative private sector – India is increasingly being recognized as the brightest spot on the globe.

Let me now turn to India-Bahrain relations and begin with the political and leadership level engagement.

I think it is fair to state that the India-Bahrain bilateral relationship is healthy, robust, underpinned by strong people-to-people ties and exhibiting immense potential for further expanding in specific areas like investment, trade, maritime security, financial and other services and newer technologies.

As I already mentioned, at the invitation of the then Hon'ble President of India, Shri Pranab Mukherjee, His Majesty King Hamad bin Isa Al Khalifa paid his first state

visit to India from 18-20 February 2014. During the visit, which represents new phase in the contemporary engagement, an MOU on the establishment of a Joint High Commission, an MOU on cooperation between the Foreign Service Institute, Ministry of External Affairs, India and the Diplomatic Institute, Bahrain, and an MOU for cooperation in the field of youth and sports were signed. HRH Shaikh Salman bin Hamad Al Khalifa, the Crown Prince of Bahrain paid an official visit to India from March 19-22, 2007 and then again HRH the Crown Prince also paid a visit to Kerala on 17-18 March, 2013.

From the Indian side, it is important to mention that Prime Minister Narendra Modi undertook a state visit to Bahrain in August 2019. An agreement on Cultural Exchange Programme for the year 2019-23 and MoU between NPCI and BENEFIT for launch of RuPay Card in Bahrain were signed during the visit. Two statements of intent were also signed and exchanged during the visit for collaboration in the areas of Space Technology and ISA (International Solar Alliance).

Till date, three meetings of the Ministerial level High Joint Commission have been held in 2015, 2018 and 2021. At the third HJC held in Bahrain in April 2021, Dr. S Jaishankar, External Affairs Minister of India and Dr. Abdullatif bin Rashid Al Zayani, Minister of Foreign Affairs, Bahrain reviewed all areas of bilateral cooperation and agreed to further develop their cooperation in the areas of oil and gas, trade and investment, health, food security, defence, security, renewable energy, education, culture and digital technologies.

It is also important to mention that H.E. Sheikh Khalid bin Abdulla Al Khalifa, Deputy Prime Minister of Bahrain participated in the concluding leader's session of the Voice of Global South Summit 2.0 held in November 2023.

Let me now turn to the spheres of defence and security.

The Indian Navy has been contributing significantly towards peace and stability in the region and our ships have been deployed since 2008. Following October 2023, the Indian Navy has enhanced maritime activity in the central/Northern Arabian Sea and augmented force levels. Our destroyers and frigates are providing necessary assistance to merchant and fishing vessels in case of any incidents. During the past few months, the Indian Navy has responded to three piracy related incidents and have successfully rescued the vessels from the pirates. Our ships have also successfully interdicted illegal drug trafficking operations in the region.

In November 2023, India also joined as a member of the Combined Maritime Forces and we have contributed both personnel and assets towards ensuring freedom of navigation in the region. This is also reflected in the bilateral cooperation. The defence wing in the Embassy of India here was opened in 2020 and has added an important sphere for cooperation.

Bahrain is a preferred port of call in the region with 13 port calls by Indian naval ships in the last two and half years. The visits are being utilized not only for refuelling and logistics but also other engagements including training opportunities. The frequency of interactions at higher echelons of the military leaderships has also increased. Also trainees from the Royal Bahrain Navy have been participating in the sailing Regatta at the Indian Naval Academy at Ezhimala, Kerala. I would also flag that Indian defence manufacturing firms have been participating in the Bahrain International Air show. The senior leadership of the Indian Air Force has also participated in the Manama Air Power symposium.

When we turn to trade, according to statistics from the Department of Commerce of the Government of India, for the period April 2023 to March 2024, two way trade was US\$ 1.73 billion. The trade gap was a marginal US\$ 80 million, down from US\$ 146.61 million in 2021-22.

India's main export items to Bahrain were: engineering goods with US\$ 201.7 million, electronic goods with US\$ 157.3 million and petroleum products with US\$ 105.3 million followed by gems and jewellery with US\$ 93.4 million and then rice with US\$ 60 million and meat, dairy and poultry products with US\$ 51.7 million. Interestingly, while India exported petroleum products worth US\$ 105.3 million, we imported petroleum products worth US\$ 102.59 million from Bahrain.

In terms of two-way investments, as per the data of Economic Development Board of Bahrain, India is the 6th largest investor in Bahrain. Cumulative Indian investment in Bahrain has reached approx. \$1.5 billion increasing by more than 35% since 2019. Financial services accounts for the highest investment value. Other important areas of investment are real estate, hospitality, health, IT and education. As per statistics of Government of India, total cumulative investment from Bahrain to India from is about US\$ 186.55 million mainly in real estate, information technology and engineering. Bahrain is the 48th largest investor in India. From the GCC region, UAE is at No. 7, Saudi Arabia at No. 19, Qatar at No. 24, Oman at No. 38 and Kuwait at No. 57.

Friends,

It is agreed by the two Governments that the 340,000 strong Indian community in Bahrain plays an important role in the close bilateral cooperation. In addition to skilled and semi-skilled workers and labourers, there is a sizeable number of businessmen, CEOs, CFOs, doctors, nurses, engineers, chartered accountants, bankers, managers, teachers and other professionals who play a vital role in the Bahrain's socio-economic development.

I recall in this regard the joint statement of the two Ministers during the third HJC in April 2021 when they stated, "Both sides appreciated the role of Indian community in Bahrain as an important link between the two countries and their vital contribution to the development of Bahrain. The Indian side commended the

Kingdom's liberal and tolerant policies and their welcoming society, which have made it a preferred destination for Indian professionals and workers.”

As on date, we have an MOU on Labour and Manpower Development signed in June 2009. I would like to take this opportunity to thank the Ministries of Foreign Affairs, Interior, Labour, Social Development as well as the LMRA, NPRA and Immigration authorities of the friendly Kingdom of Bahrain for their support and protection to the Indian community.

In terms of visas, in 2023, my Embassy issued 5329 visas. I understand that almost one million Indians visited Bahrain on tourism in 2023.

Let me now turn towards the sphere of cultural cooperation.

On the government to government side, a Cultural Exchange Programme for a four year period was signed in 2019. Within the ambit of this Cultural Exchange Programme several festivals including the three editions of the Indo-Bahrain dance and music festivals were held in 2022, 2023 and 2024. Between October 2022 and October 2023, the golden jubilee celebrations of establishment of diplomatic relations were held in association with the Bahrain Authority for Culture & Antiquities and the Foreign Ministry. We are currently looking at renewing the Cultural Exchange Programme.

Separately, cultural delegations of the ICCR (Indian Council for Cultural Relations) have regularly visited and performed in Bahrain. During the one year Indian Presidency of the G20 in 2023, a three member youth delegation participated in the Y-20 summit in August 2023. Also, in the last fourteen years, 91 Bahraini nationals have received capacity building training, mostly in the technical sphere, through the flagship ITEC programme of the Government of India.

I now turn towards technology cooperation.

India and Bahrain signed MoU on cooperation in Information and Communication Technology in May 2012. An MoU on cooperation in the exploration and uses of outer space for peaceful purposes was signed in March 2019. We are keen to take this engagement forward.

I was particularly happy to note the appreciation for India's lunar probe Chandrayaan and the solar mission Aditya L1 by the leadership and people of Bahrain. These successes are for the common benefit of all mankind and we are keen to work with Bahrain.

Bahrain joined the International Solar Alliance which has its headquarters in India as the 86th member in March 2022. There also exists substantial potential for cooperation in renewable energy through sharing of experiences, expertise and best

practices in solar, wind and clean hydrogen and it is essential for us to encourage trade and business partnerships between the private sectors.

We are also keen to explore areas such as Artificial Intelligence, machine learning big data etc for bilateral cooperation. No doubt this involves the private sector. I also feel there is scope for collaborating in the sphere of digital payments. My Embassy will be happy to play its due role in this regard.

Now, I would like to highlight the convergences between India and Bahrain on regional and international issues of mutual concern.

It is important to recall the cooperation during the Covid pandemic period. I would like to once again thank the leadership and Government of Bahrain for safety, security and welfare of the Indian community. I also express appreciation to the Bahraini side for its facilitation of repatriation flights under Vande Bharat Mission (VBM), for providing free Covid vaccination to all including Indian community in Bahrain and also for the supply of liquid medical oxygen. India kept open the supply chains to Bahrain of essential items including food and medicines during the Covid-19 pandemic.

There is high degree of convergence on the challenge of climate change and the approach to combating the same. Both sides have reiterated condemnation of terrorism in all its forms and manifestations and called on all states to reject and abandon the use of terrorism against other countries. India and Bahrain consider each other valuable partners in the region to achieve a more peaceful and inclusive global community. Both sides have underlined the importance of securing peace and stability in Asia and the Middle East.

Before concluding, I would like to speak briefly about the potential of the Indian economy.

According to the IMF's latest World Economic Outlook of April 2024, India grew at 7.8 percent in 2023 and is expected to grow at 6.8 percent and 6.5 percent respectively in 2024 and 2025 while the average growth rates for the emerging markets and developing economies was 4.3 percent for 2023, in other words a 3.5 percent gap between India and the average for this grouping. The IMF attributes the robustness of the Indian economic growth projections for 2024 and 2025 to reflect continuing strength in domestic demand and a rising working-age population.

According to Government of India data, given the changing age composition, India's working-age population will continue to increase through 2036. According to our projections, 735 million people or 60.7% of India's population was in the working age group i.e. 15-59 years in 2011 and this population group is expected to increase over the years and would reach 988.5 million in 2036.

This combination of a young population and a robust growing economy provides immense potential for cooperation between India and the Arab world in the immediate and foreseeable future.

I thank you all.