

India and Qatar

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India and Qatar: Deepening Ties Through Trade, Energy, and Diplomacy

Context

India and Qatar share a **long-standing and multifaceted relationship**, deeply rooted in history, trade, and cultural exchanges. Qatar is a **key partner for India**, particularly in the areas of **energy, trade, investment, and defense**.

- **High-level visits** have played a crucial role in strengthening bilateral ties.
- The Amir of Qatar, **Sheikh Tamim Bin Hamad Al-Thani**, paid a **State Visit to India**, marking his **second official visit** after his **March 2015 visit**.
- During this visit, he held **bilateral discussions** with **Prime Minister Narendra Modi**, covering various strategic areas.

The visit resulted in **elevating India-Qatar ties to a Strategic Partnership** and **strengthening cooperation** in multiple sectors.

India-Qatar Bilateral Relationship

1. Defense Cooperation

- India and Qatar have a **robust defense partnership**, which includes:
 - **Training programs** and allocation of slots for Qatari defense personnel.
 - **Naval visits and joint exercises** to enhance maritime security.
 - **Participation in DIMDEX (Doha International Maritime Defence Exhibition & Conference)**.
 - **A Defense Cooperation Agreement**, extended in 2018, with oversight by the **Joint Defence Cooperation Committee (JDCC)**.
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2. Trade and Investment Relations

- **Bilateral trade between India and Qatar in 2022-23 stood at \$18.76 billion.**
 - **India's exports to Qatar: \$1.96 billion**
 - **India's imports from Qatar: \$16.8 billion**
- **India is among the top three export destinations for Qatar**, along with **China and Japan**.

- **India is also one of the top three import sources for Qatar, alongside China and the US.**
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3. Energy Cooperation

Qatar plays a **vital role in India's energy security**, being:

- **India's largest supplier of Liquefied Natural Gas (LNG), providing 10.74 MMT worth \$8.32 billion in FY 2022-23, which accounts for 48% of India's global LNG imports.**
 - **India's largest supplier of Liquefied Petroleum Gas (LPG), supplying 5.33 MMT worth \$4.04 billion in FY 2022-23, making up 29% of India's total LPG imports.**
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4. Cultural and Diaspora Relations

- **Over 835,000 Indian nationals reside in Qatar (as of December 2023), making up 27% of Qatar's total population.**
 - **Qatar has undertaken major labor reforms, benefiting migrant workers, including:**
 - **Abolition of the Kafala system.**
 - **Easier job transfers.**
 - **Penalizing passport confiscation.**
 - **Introducing a minimum wage.**
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Key Outcomes of the Visit

1. India-Qatar Relations Elevated to a Strategic Partnership

- **Both nations agreed to upgrade bilateral ties to a Strategic Partnership.**
 - **With this, Qatar joins UAE, Saudi Arabia, Oman, and Kuwait in India's strategic engagements within the Gulf Cooperation Council (GCC).**
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2. Doubling Bilateral Trade to \$28 Billion

- **India and Qatar set a target to double bilateral trade from \$14 billion to \$28 billion by 2030.**
 - **The focus will be on:**
 - **Trade expansion.**
 - **Increased investments.**
 - **Strengthening energy cooperation.**
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3. Qatar to Invest \$10 Billion in India

Qatar's **Sovereign Wealth Fund** committed to **investing \$10 billion** in India, particularly in:

- **Infrastructure and ports.**
 - **Shipbuilding and renewable energy.**
 - **Smart cities and food parks.**
 - **Start-ups, AI, robotics, and machine learning.**
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4. Exploring a Free Trade Agreement (FTA)

- Both nations discussed a **potential Free Trade Agreement (FTA)** to deepen economic cooperation.
 - India is also **negotiating an FTA with the Gulf Cooperation Council (GCC), which includes Qatar.**
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5. Major Trade and Investment Initiatives

- **Qatar Investment Authority (QIA) to open an office in India** to facilitate investment.
 - **Operationalization of India's UPI at Qatar National Bank (QNB) Point of Sales,** enabling seamless digital payments.
 - **Expansion of Qatar National Bank in India, with plans to set up an office in GIFT City.**
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6. Key Agreements Signed

- **Two agreements and five Memorandums of Understanding (MoUs) were signed, covering:**
 - **Economic cooperation.**
 - **Youth affairs.**
 - **A Double Taxation Avoidance Agreement (DTAA).**
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7. Strengthening Energy Ties

- **Qatar reaffirmed its long-term commitment to India's energy security.**
 - **A landmark agreement was signed between Qatar Energy and Petronet LNG Limited, securing:**
 - **7.5 million metric tonnes per annum (MMTPA) of LNG supply to India for 20 years, starting from 2028.**
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Conclusion

Qatar remains a **strategic partner for India**, playing a crucial role in:

- **Energy security.**
- **Trade and investment.**
- **Defense cooperation.**
- **Cultural and diaspora relations.**

The visit marked a **reset in India-Qatar relations**, particularly after tensions over the **incarceration of eight Indian Navy veterans** in Qatar. Their sentences were **commuted**, and **seven have returned to India**, while **one remains in Qatar**.

The agreements and commitments made during this visit are expected to **deepen economic, security, and diplomatic ties**, paving the way for a **new era of collaboration between India and Qatar**.

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