Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata. Dated : 17/01/2024

India-Qatar Bilateral Relations

A. Introduction

1. India-Qatar cooperation in diverse sectors has been steadily growing in an excellent framework provided by historically close ties and regular and substantive engagement, including at the highest levels of the two Governments. The large, diverse, accomplished and highly regarded Indian community is making an important contribution to Qatar's progress and in nurturing the bonds of deep-rooted friendship and multi-faceted cooperation between the two countries.

2. There are over 835,000 Indian nationals residing in Qatar as on December 2023. They comprise the largest expatriate community in Qatar and are engaged in a wide spectrum of professions including medicine; engineering; education; finance; banking; business; and media apart from a large number of blue-collared workers.

B. Bilateral Trade Relations – Recent facts & figures

3. As per India's foreign trade classification, Qatar is in Region 11 i.e. West Asia Gulf Co-operation Council and as a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India's exports to Qatar during April'23-January'24 have been recorded at 1.005 billion US Dollar and India's imports from Qatar during the same reference period stands at 7.60 billion US Dollar with a resultant trade balance deficit of 6.60 billion US Dollar.

4. India's bilateral trade with Qatar in 2022-23 was US\$ 18.78 billion. India's exports to Qatar during 2022-23 was US\$ 1.97 billion and India's imports from Qatar was US\$ 16.81 billion. Qatar's key exports to India include LNG, LPG, chemicals and petrochemicals, plastics, and aluminum articles, while India's key exports to Qatar include cereals, copper articles, iron and steel articles, vegetables, fruits, spices, and processed food products. India is among the top three largest export destinations for Qatar (China and Japan being the other two) and is also among the top three sources of Qatar's imports, along with China and US. An account of Bilateral commodities trade in goods from 2018-19 to 2023-24 are as under:

Export-Import statistics as per India's Ministry of Commerce data bank from 2018-19 to 2023-24 are as follows :

Export-Import statistics from 2018-19 to 2023-24

(Values in US\$ billion)

	2018-19	2019-20	2020-21	2021-22		2023-24 (Apr-Jan)
EXPORT	1.61	1.27	1.28	1.87	1.97	1.29
IMPORT	10.72	9.69	7.93	13.33	16.81	10.02

Total Bilateral						
Trade	12.33	10.96	9.21	15.20	18.78	11.31

(Source: Doc, Ministry of Commerce & Industry)

5. Qatar is the largest supplier of LNG to India (10.74 MMT for US\$ 8.32 billion in FY 2022-23), accounting for over 48% of India's global LNG imports. Qatar is also India's largest supplier of LPG (5.33 MMT for US\$ 4.04 billion in FY 2022-23) accounting for 29% of India's total LPG imports. Besides LNG, India also imports ethylene, propylene, ammonia, urea and polyethylene from Qatar. Therefore, the balance of trade continues to be heavily in Qatar's favour. However, there has been a substantial growth in India's exports to Qatar in the last few years.

6. A long term contract LNG Sale and Purchase Agreement was signed on 6 February 2024 during the visit of Qatar's Minister of State for Energy Affairs Engineer Saad bin Sherida Al Kaabi to India for participating in the India Energy Week 2024. The deal stipulates 7.5 MMTPA supply by Qatar Energy to Petronet LNG for 20 years starting 2028.

7. According to the Qatar Chamber of Commerce and Industry (QCCI), there are over 15000 big and small Indian companies operating in Qatar, wholly owned and JointVenture. Indian companies are today pursuing collaborations in various sectors like infrastructure, communications and information technology, energy and other areas in Qatar. Qatar's North Field Expansion project which aims to increase LNG production from current 77 MMTPA to 126 MMTPA by 2027, infrastructure development as it prepares to host the prestigious Asian Games 2030, and attain its National Vision 2030 objective, and the acknowledged competences of India's corporate sector, offer attractive opportunities for cooperation. Indian companies have invested about US\$450 million in Qatar, according to a statement by Qatar Financial Centre (QFC). Indian companies from across sectors have been present in Qatar for over several years and among them are Larsen & Toubro, Voltas, Shapoorji Pallonji, Wipro, TCS and Tech Mahindra.

8. There has been a substantial increase in Qatar's imports from India in past few years, facilitated by the opening of direct shipping lines linking Indian ports with Qatar. The increase has been in the area of food products, vegetables, pharmaceuticals, steel products and construction materials.

C. <u>Other Major Areas of Co-operation</u>:

• Several MoUs/ Agreements between the two countries were signed during PM's visit, which includes (1) MoU for investment in National Investment and Infrastructure Fund of India; (2) MoU between Financial Intelligence Unit – India (FIU-IND) and the Qatar Financial Information Unit (QFIU); (3) MoU for Cooperation in Skill Development and Recognition of Qualifications; (4) MoU for Cooperation in the field of Health; (5) Agreement on Cooperation and Mutual Assistance in Custom Matters; (6) MoU on Tourism Cooperation; and (7) First Executive Program for MoU in the field of Youth and Sports.

• Prime Minister Modi met the Amir on the sidelines of the COP28 Summit in Dubai on 01 December 2023 and discussed the potential of India-Qatar bilateral partnership and well-being of the Indian community in Qatar.

• Defence cooperation, cultural exchanges and Ayurveda medicines are other important pillar of our bilateral agenda. India offers training slots in its defence institutions to a number of partner countries, including Qatar.

• A 3-day cultural festival 'Passage to India' was held in March 2023 for which MoS (VM) senr a video message. A number of Indian cultural event were also held in run up to FIFA 2022 an Asian Football Championship 2023.

Source: Prepared based on MEA's February, 2024 Report.