

2019



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# CURRENT AFFAIRS

**INTERNATIONAL RELATIONS**

28<sup>th</sup> October- 2<sup>nd</sup> November



BusinessLine



## **1. German Chancellor In India**

### **Why in News?**

German Chancellor Angela Merkel visited India from 31st October - 1st November 2019 for the fifth round of Inter-Governmental Consultations (IGC).

- Intergovernmental Consultations (IGC) are held at the level of Head of Governments which allows for a comprehensive review of cooperation and identification of fresh areas of engagement.

### **List of MoUs/Agreements Signed During the Visit**

- Cooperation in Defence
  - Both countries will work together for the upcoming defence corridors in Uttar Pradesh and Tamil Nadu.
  - The countries agreed to work on bilateral and multilateral platforms to counter terrorism and extremism.
- Climate Change
  - India and Germany have agreed to provide financial support to climate initiatives aimed at reducing greenhouse gas emissions.
  - Germany will support India's efforts in the field of green urban mobility by investing upto \$1 Billion Euros over the next 5 years.
- Economic Sector
  - India and Germany have agreed to deepen efforts to restart negotiations between the European Union (EU) and India on the Bilateral Trade and Investment Agreement (BTIA) - *it is the India-EU Free Trade Agreement.*
- Science and Technology
  - Both countries have agreed to conduct joint research on the development and use of Artificial Intelligence (AI) and cyber security.
  - Both sides have agreed to create linkages between the German Platform Industry 4.0 and the upcoming CII Smart Manufacturing Platform for cooperation and exchange of information.

### **About India-Germany Relations**

- India and Germany are Strategic Partners since 2001.
- Germany is India's largest trading partner in Europe.
- India and Germany are members of G-4 along with Brazil and Japan. *The G4 nations support each other's bids for permanent seats on the United Nations Security Council.*
- Some of the States and Cities of both countries have entered into twinning arrangements.
  - Karnataka and Bavaria (Germany) have Sister States arrangement since 2007.

- Similarly, Mumbai and Stuttgart (Germany) are sister cities since 1968.
- Several institutionalised arrangements exist between India and Germany to discuss bilateral and global issues of interest namely:
  - High Technology Partnership Group
  - High Defence Committee
  - Indo-German Energy Forum
  - Indo-German Environment Forum

## **2. India-Saudi Arabia Meet**

### **Why in News?**

- Indian Prime Minister met with the King of Saudi Arabia in Riyadh.
- This is the second visit of Prime Minister of India to the Kingdom in three years.
- Saudi Arabia is the 2nd biggest supplier of oil to India, after Iraq.

### **Highlights of the Visit**

- India and Saudi Arabia signed an agreement for creating a bilateral **Strategic Partnership Council (SPC)**.
  - It will be led by Indian Prime Minister and Crown Prince of the Kingdom of Saudi Arabia.
  - The SPC will coordinate on decisions involving strategically important matters like trade, investment, security and defence cooperation.
  - India will become the fourth country with which Saudi Arabia has formed a Strategic Partnership Council, the others being the UK, France and China.
  - The SPC will have two parallel tracks:
    1. Political, security, culture and society, headed by both countries' foreign ministers.
    2. Economy and investment, headed by India's commerce and industry minister and the Saudi energy minister.
- MoU was sealed between Saudi Aramco and the Indian Strategic Petroleum Reserves Limited, and on a joint venture between Saudi firm Al Jeri and the Indian Oil Middle East.
- MoU was inked to roll out RuPay card in the Kingdom, which will facilitate payments and remittances by the Indian diaspora.
  - India has already launched the RuPay card in the UAE, Bahrain, Singapore and Bhutan.
- Other major initiatives include:
  - Integration of the e-Migrate and e-Thawtheeq portals, which will facilitate the process of migration of Indian labour into the Kingdom

- An agreement on training diplomats in respective academies.
- Prime Minister delivered the keynote speech at the Future Investment Initiative Summit (dubbed “*Davos in the Desert*”).
- Both sides condemned terrorism in all forms and stated that no particular religion, race or culture should be linked with international terrorism.

### Analysis

- Pragmatism dictates India-Saudi Arabia ties. While India needs investments and oil, Saudi Arabia needs new partners like India.
- This meeting also highlights that India is finally overcoming its reluctance to forge security partnerships with the Gulf states whose security apparatuses had long been closely associated with Pakistan.
- India’s trade ties with Saudi Arabia have been growing and the relationship is no longer merely a buyer-seller one, though energy remains the driver of the engagement.
  - India imports around 18% of its crude oil and 30% of its liquefied petroleum gas needs from Saudi Arabia.
  - Saudi Arabia is India's fourth largest trading partner with bilateral trade at \$27.48 billion in 2017-18.
  - Saudi investment of around \$100 billion is in the pipeline in areas ranging from energy, refining, petrochemicals and infrastructure to agriculture, minerals and mining.
- Energetic engagement with Middle Eastern states will enhance India’s footprint in a region critical to the country’s vital interests.

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