

COMMENTARY

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Do India- Oman Relations Need a Push?

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Oman has been a key pillar of India's West Asia Policy. Both states celebrated the 60th anniversary of their diplomatic relations in 2015. Ministerial-level engagements with the important Persian Gulf state have increased in the past three years. External Affairs Minister Sushma Swaraj visited Oman during February 17-18, 2015, when both sides agreed to expand economic relations and flagged radicalization as a major threat. Defence Minister Manohar Parrikar paid a three-day visit to Oman in May 2016. The visit sought to expand defence relations between the two countries.

Parrikar expressed his gratitude to Oman for its assistance pertaining to the 'Operational Turnaround' (OTR) of the ships of the Indian Navy engaged in anti-piracy patrols as well as for technical support for landing and over flight of Indian Air Force (IAF) aircraft. Four memorandums of understanding (MoUs) in the domain of defence and security were signed between the countries during his visit. These included a MoU on defence cooperation, a MoU between the Coast Guards of the two countries to prevent crime at sea, a MoU on maritime issues and a protocol between their respective air forces on Flight Safety information Exchange.

In December 2016, Minister of State for External Affairs M. J. Akbar addressed the 5th India-Arab Partnership Conference in Muscat. Akbar pointed out that there was 'substantial space for co-operation in both conventional instruments of security as well as new approaches as in cyber security'. Interactions in the defence/security sphere have been robust in recent times. In January 2016, Indian Navy and the Royal Navy of Oman conducted maritime exercise 'Naseem al-Bahr' in the Arabian Sea off the coast of Goa, from January 22-27, 2016. It was subsequently followed by the goodwill visit of Indian Coast Guard Ship (CGS) Sankalp to Muscat in February 2016. In March 2017, the troops of the two countries concluded 'Al Nagah-II 2017' military exercise in

Himachal Pradesh. Oman is the first Gulf State to buy Indian Small Arms System (INSAS), developed by the state-run Ordnance Factory Board. It has also given the birthing rights to India's naval vessels to fight against piracy in the Gulf of Aden.

Bilateral economic ties have witnessed some significant developments in last few years. Currently, there are around 3000 joint ventures between Indian and Omani partners with a total investment of around \$7.5 billion.⁴ The India-Oman Joint Investment Fund, a private equity fund backed by the State General Reserve Fund of Oman (SGRF) and State Bank of India (SBI) began operations in 2011 and the initial seed capital of \$100 million has been utilised.⁵ Bilateral trade however in last few years has seen a drop. In 2014-15, total bilateral trade dropped to \$4,131.69 million from \$5,763.45 million in 2013-14. It further decreased to \$3,865.50 million in 2015-16, largely the result of falling oil prices.

India does not have enough energy resources to serve its current or future energy requirements. The rapidly growing energy demand has contributed to the need for long term energy partnerships with countries like Oman. For years, India has been considering to construct an underwater natural gas pipeline via Oman, the Middle East to India Deep water Pipeline (MEIDP) — also known as the Iran-Oman-India pipeline. The project sought to bring Iranian natural gas to India via Oman. But it has been very slow in materializing due to various obstacles such as lack of suitable technology, sanctions on Iran and objections from Pakistan.

Oman's Duqm Port is situated in the middle of international shipping lanes connecting East with the West Asia. Chinese company Ningxia China-Arab Wanfang has signed a project to develop a \$10.7 billion industrial city near the port of Duqm. India needs to engage with Oman and take initiatives to utilize opportunities arising out of the Duqm Port industrial city.

Like other Gulf countries, the Omani economy is also struggling with low oil and gas prices. To come out of this situation, Oman intends to develop its other economic sectors, such as transport, shipping, agriculture, mining, tourism, and logistics. Oman's Supreme Council for Planning came out with its 9th development plan (2016-2020) on January 2, 2016 to reduce the Sultanate's economic reliance on oil by 50 per cent. This is in line with Vision 2020, which was put forth in 1998 to deal with falling oil prices then.

Current Indo-Omani ties are dominated by the defence relations. India needs to broaden areas of cooperation with this crucial Gulf state, which has enormous business opportunities in shipping, transport, infrastructure building, mining, logistics and tourism. Omani ruler Sultan Qaboos Bin Said al-Said last visited India in 1997. Sultan Qaboos is yet to receive the Jawaharlal Nehru Award for International Understanding which was conferred on him for the year 2004. In 2013, Sultan Qaboos was supposed to visit India as the chief guest for the Republic Day parade but the

visit did not materialize for some reasons. *From the Indian side as well, Prime Minister Narendra Modi has visited important countries in the region such as the UAE, Saudi Arabia, Iran and Qatar but has not yet visited Oman.*

In this context, a high level political engagement between Oman and India will push the relations in the positive direction and also provide a fresh fillip to the economic relations. Such an engagement will also cement India's interests in the Gulf region in general and with Oman in particular. However, issues regarding Sultan Qaboos's health and uncertainties regarding succession may be factors that could be impeding such an engagement currently. India-Oman ties in the meanwhile will continue to be pushed forward by complementarities in the defence and economic sphere.

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