

**Derasat – Observer Research Foundation
Think Talk: Wednesday, 7th July 2021 @11am**

Bahraini-Indian Economic Relations: Past and Present

Rapporteur Report

In April, India and Bahrain concluded the third iteration of the India-Bahrain High Joint Commission (HJC) Meeting. Chaired by External Affairs Minister S. Jaishankar and Bahraini Foreign Minister Dr. Abdullatif bin Rashid Al Zayani, the HJC encompassed discussions on expanding “cooperation in a range of fields including oil and gas, infrastructure, investments, food processing, health, renewable energy, IT, data centres, cloud computing, space, tourism, education, culture, youth and sports.” The significance of this iteration of the HJC meeting stood accentuated by the celebration of the fiftieth anniversary of the establishment of diplomatic relations between India and Bahrain. Furthermore, the meeting followed an unprecedented degree of India-Bahrain cooperation during COVID-19 pandemic, with Bahrain ensuring the safety and repatriation of Indian guest-workers and India ensuring the continued supply of essential pharmaceutical items to Bahrain.

In this context, the *Observer Research Foundation* (India) and the *Bahrain Center for Strategic, International and Energy Studies — Derasat* (Bahrain) jointly organised a webinar ([Watch here](#)) on identifying emergent convergences for expanding India-Bahrain bilateral cooperation. Organised under the aegis of ORF’s *Arabian Sea Dialogues* and Derasat’s *Think Talks* series, the event had distinguished representation from the diplomatic, business, and research communities (*See Annexure I*).

Citing Indian Prime Minister Narendra Modi’s policy of ‘Link West’, Amb. Deepa Gopalan Wadhwa contextualised India’s rationale for considering the Gulf as its extended neighbourhood. By invoking historical references dating back to Bahrain’s ancient civilisation, Amb. Wadhwa noted the Dilmun civilisation to have served as a critical node in the extended trade route between Mesopotamia and the Indus Valley civilisation. Amb. Wadhwa also noted historically-strong people-to-people linkages, on account of Arab traders and mariners docking along the Indian coast. Similarly, focusing on historically-deep India-Bahrain trade linkages, Mr. Yousuf Salahuddin underscored the long-standing value of the Indian market for Bahraini businessmen, by recounting instances of some Bahraini pearl traders permanently migrating to the Indian cities of Mumbai and Hyderabad.

Beyond commercial ties, Mr. Salahuddin also noted strong political ties particularly during the colonial era. In the contemporary context, Amb. Wadhwa deemed India’s ties with the Arabian Gulf to have been informed by the political class’ strong understanding of the aforementioned historical linkages. In furthering that viewpoint, Amb. Mohan Kumar recalled the landmark 2014 visit of the King of Bahrain to India as an indication of reciprocity from the Bahraini end.

Amb. Kumar also noted abundant opportunities for India and Bahrain to invest in each other’s development agendas. He argued for inviting investments by Mumtalakat (Bahrain’s sovereign wealth fund), and actualising the recent India-Bahrain HJC meeting’s indication of jointly

establishing pharmaceutical and vaccine production units in Bahrain. Furthermore, Amb. Kumar noted evident convergences in the area of food security with prospects for Bahraini investments in food parks in India, and joint projects in the area of clean energy in view of Bahrain's recent signing of the Framework Agreement of the International Solar Alliance (ISA). In view of such potentialities of India-Bahrain bilateral ties, Amb. Kumar even proposed a trilateral India-Bahrain-Saudi Arabia trading arrangement.

In concurring with Amb. Kumar's push for expanding India-Bahrain cooperation, Mr. KG Baburajan noted his experience as an Indian expatriate involved in critical infrastructure and development projects in Bahrain. Attributing the same to Bahrain's timely push for a policy of industrial diversification, Mr. Baburajan argued for a similar policy focus on cost-effective and eco-friendly technologies for critical infrastructure, which could accord another push to India-Bahrain cooperation in the Engineering, Procurement and Construction (EPC) sector.

Building on Mr. Baburajan's intervention, Dr. Omar Ahmed Al-Ubaydli argued for the need to pursue cooperation in the innovation sector at large, on account of India and Bahrain sharing an economic relationship which complements each other's strengths and weaknesses. Dr. Al-Ubaydli noted Bahrain to be a natural partner for India, particularly in the infrastructure sector. Beyond a capital-centric policy, Dr. Al-Ubaydli also argued for encouraging India-Bahrain innovation cooperation through an incentivised Bahraini visa policy, to prioritise permanent residencies for Indian entrepreneurs.

In summation, ties between India and Bahrain are informed by a culturally compatible relationship, in view of historic linkages between India and the Arab Gulf states. However, as the panelists noted, there is a need for both sides to invest in each other's development trajectories, institutionalise new frameworks to capitalise on the rising consciousness towards clean infrastructure, and jointly prepare for impending challenges by bolstering cooperation in the critical areas of food security and pharmaceutical production.

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Annexure I - List of speakers

Amb. Deepa Gopalan Wadhwa (Former Indian Ambassador to the GCC)

Mr. K G Baburajan (Chairman, BKG Holdings Bahrain and Qatar Engineering Laboratories)

Amb. Mohan Kumar (Former Indian Ambassador to the Kingdom of Bahrain)

Dr. Omar Ahmed Al-Ubaydli (Director, Studies and Research Directorate, Derasat)

Mr. Yusuf Salahuddin (Bahraini Businessman & Writer)

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