

Heralding a new dawn

**This article is related to
General Studies-Paper -III
(International Relations)**

The Hindu

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16 Feb, 2019

"India and Saudi Arabia are poised to dramatically deepen the bilateral relationship."

In April 2016, under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and Crown Prince Mohammed bin Salman, the Kingdom of Saudi Arabia gave itself a goal and a promise in the form of Vision 2030. The Saudi citizen has become the focal point for sustainable development with massive projects directed towards building a vibrant society, a thriving economy and an ambitious nation. The entire foundation of our Kingdom's economy is being transformed towards a post-oil age with the aim of attracting \$427 billion in private investments over the next decade to diversify the economy and create 1.6 million new jobs through the National Industrial Development and Logistics Programme.

Powered by reforms

According to World Bank's 'Doing Business 2018' report, Saudi Arabia has instituted the largest number of business reforms among countries in the Middle East and North Africa (MENA) region as of July 2017. With its platform Meras, starting a business in the Kingdom now requires only one step and one day! The single-window platform Fasah has also been launched for customs clearance and import and export procedures. The 'Doing Business 2019' report has ranked Saudi Arabia as the fourth-largest reformer within the G20. In 2018, Saudi Arabia saw foreign direct investment rise by 127% year-on-year. Global confidence in Saudi Arabia's ascent has further solidified with the International Monetary Fund forecasting increased growth for Saudi Arabia in July 2018.

The Kingdom's construction market is set to touch \$96.52 billion in 2025, up from \$45.33 billion in 2016. There are three giga-projects underway — smart city project Neom, Qiddiya entertainment city and the Red Sea Tourism Project. In 2018, we also launched FekraTech, a national initiative for digital ideas, aimed at making Saudi Arabia a global innovation hub. The Saudi Intellectual Property Authority is also working towards transforming Saudi Arabia into an advanced knowledge-based economy built on innovation and entrepreneurship.

A \$100 billion planned investment in transport projects will also occur over the next decade as we expand the railway system and introduce new light rail mass transit projects in Riyadh, Jeddah, Makkah and Madinah. The grand expansions of the Holy Mosque in Makkah and the Prophet's Mosque in Madinah have increased their capacity for accommodating millions of worshippers. One of the most important goals of the Vision 2030 is to increase our capacity to welcome 30 million Umrah performers every year by 2030, improve their experience and enrich it further.

Since a majority of the Kingdom's population is below the age of 30, education is a key component of Vision 2030. Over the decades, Saudi Arabia's education system has gone through an astonishing transformation. Due to generous scholarships from the Kingdom, a large number of Saudi students study overseas. By 2030, the Kingdom intends to have at least five Saudi universities among the top 200 in international rankings. Education reforms have also led to an increase in women's literacy and participation in the workforce.

With the Kingdom at the heart of the Arab and Islamic world, the changes taking place on the Saudi soil are creating positive influences for the entire Arab region. Saudi Arabia remains committed to the social, economic and political stability of the region and will continue playing a leading role in countering terrorism and establishing peace as demonstrated by the Kingdom's contribution towards the historic peace accord signed between Ethiopia and Eritrea in Riyadh in 2018. We continue to stand by our Yemeni brothers and support the Palestinian cause. Our dream is of a peaceful, progressive and a prosperous world.

DOING BUSINESS RANKINGS

	2019	2018	Up/Down
India	77	100	↑ 23 notches
Bhutan	81	75	↓ 6 notches
Sri Lanka	100	111	↑ 11 notches
Nepal	110	105	↓ 5 notches
Pakistan	136	147	↑ 11 notches
Maldives	139	136	↓ 3 notches
Afghanistan	167	183	↑ 16 notches
Myanmar	171	171	
Bangladesh	176	177	↑ 1 notch

In our common pursuit for development and stability, Saudi Arabia sees India as an important partner. Our ties trace their roots to the third millennium BC. Trade, science, arts, literature, languages — the exchanges between our civilisations have indeed been profound. India holds a special place for us. Nearly 3 million Indians form the largest expatriate community in the Kingdom. India has also seen its Haj quota of 1,36,020 increase consecutively during the last two years to a record 1,75,025.

India and Saudi Arabia have more opportunities today to tap into than ever before. The bilateral trade for 2017-18, in excess of \$27 billion, will accelerate as Saudi Arabia and India engage in a host of new areas such as information and communications technology (ICT), health care, defence, biotechnology, education and infrastructure among others. India is one of the top countries on the Kingdom's preferred list with great potential for investment in organic and food processing industries.

Expanding cooperation

The energy partnership between the two countries is also finding new grounds. As of October 2018, Saudi Aramco has nearly \$2 billion in material-service sourcing with Indian companies, and investing in India's value chain from oil supply, marketing and refining to petrochemicals and lubricants is a key part of its global downstream strategy. The \$44 billion integrated refinery and petrochemicals complex at Ratnagiri in Maharashtra, being jointly developed by Saudi Aramco, Abu Dhabi National Oil Company (ADNOC) and a consortium of Indian public sector units (PSUs) consisting of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL), is yet another milestone.

Crown Prince Mohammed bin Salman met Prime Minister Narendra Modi in November 2018 on the sidelines of the G20 summit and both sides agreed to set up a high-level mechanism to boost concrete actions in terms of investment, technology and manufacturing across various sectors.

As formidable economies of MENA and Asia, Saudi Arabia and India have a historic opportunity to collaborate in shaping the future of our regions, for a better tomorrow full of prosperity and promise. Combining our respective strengths will pave the way for endless possibilities and accomplishments for the benefit of our two peoples and the region. The forthcoming state visit of the Crown Prince to India presents another historic opportunity to expand collaboration between our two friendly nations.

GS World Team.

Ease of Doing Business

Reference

- In the World Bank's Ease of Doing Business' report of last year, India achieved the rank of 77th after a tremendous leap of 23 places.
- The World Bank had released the Global Business Facilitation Report (Ease of Doing Business) on October 31, 2018. This ranking of India was the best performance ever.
- India's position in 8 out of ten standards has improved.
- In fact, last year India was ranked first time in the top 100 in the list of 190 countries.
- In the last two years, India is also among the Top 10 countries that have improved the ranking of the Ease of Doing Business Index.
- India's Rank First in South Asian Countries. Earlier, India was at rank 6 in the year 2014.

What is it?

- Ease of Doing Business means that how easy it is for traders to do the business in the country.
- According to the regulators and their rules of business, the conditions for trading on 10 standards are seen that how easy or difficult it is in a country.
- Doing Business Ranking is fixed on the basis of distance-to-front (DTF) and these scores show how well the economy is performing in terms of business on global standards.

- In the year 2018, India's DTF score has increased from 60.76 in last year to 67.23.

Rare achievement

- The high leap of 23 levels imposed by India in the 'Ease of doing business' index is surely important because in the last year, India has made a tremendous leap of 30 notch in its ranking, which is a rare achievement for a large and diverse country like India.

main point

- This time, New Zealand ranked 1st in Ease of Doing Business Index. Subsequently, Singapore, Denmark and Hong Kong were in place.
- In the list, America ranked 8th, China ranked 46th and Pakistan ranked 136th. The World Bank placed India at the tenth position in the most reforming economies in this matter.
- India has made a jump of 53 places in its ranking in two years, which shows the highest performance in any two years by any major country after the 2011 Doing Business Assessment.

How does this ranking determine?

- India has implemented 37 major reforms since 2003. In this report, Delhi and Mumbai were included in the year 2017.
- The report is based on introduction of any business, construction permit, getting credit, protecting small investors, paying tax, trade in foreign countries, introducing contracts and resolving insolvency.

Expected Questions (Prelims Exams)

Expected Questions (Mains Exams)

1. Consider the following statements-

1. Ease of doing business index is published by world economic forum.
2. India's rank 77th in published 2018 Ease of doing business Index.

Which of the above statements is/are correct?

- (a) Only 1
- (b) Only 2
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Q. After seeing a transforming Saudi Arab, which type of politics should be adopted to strengthen the relation of India and Saudi Arab. Discuss.

(250 Words)

Note: Answer of Prelims Expected Question given on 15 Feb. is 1(b)

