

# UNIT 3

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## **1 Diplomatic Relations with Nepal**

India and Nepal are geographically close to each other. Nepal's lowland areas are a part of the Gangetic plain and it occupies the central part of the Himalayan foothills and mountains that extends between China and South Asia. Nepal and India share a border of over 1850 kilometers in the East, South and West with five states, Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand sharing their borders. Nepal had been earlier the only Hindu Kingdom in the world. However, one-eighth of its population are Buddhists and there is a small population of Muslims and Christians living in the country.

While Nehru always regarded Nepal as a sovereign state, at the same time it was considered as an integral part of India's security system. Occupation of Tibet by China in 1951 affirmed Nepal's importance in India's security umbrella. It was never a "threat from Nepal" but "threat to Nepal", that India could not afford. An important step towards establishing such an order was the signing of Treaty of Peace and Friendship between India and Nepal on July 31, 1950.

India's overtures to Nepal went beyond the security interest. On the same day of signing Peace and Friendship Treaty, both the countries also signed Treaty of Trade and Commerce. This agreement became a hallmark of close economic relations between both the countries. Political Relations India's relations with Nepal in the immediate aftermath of independence of both the countries revolved around the political struggle between the King and the Rana's, (Prime Ministerial clan of Nepal). While negotiating the 1950 Treaty India was also persuading Nepal's Rana rulers to liberalize their political system to become more democratic and accommodate a section of the population that was fighting to get political rights and freedom. However, India's advice did not seem to be making much impact on the Ranas, which forced New Delhi to adopt proactive stance and intervene directly in the Nepali situation.

India's approach to Nepal remained consistent ever after the death of Nehru. The subsequent Prime Ministers Lal Bahadur Shastri, Indira Gandhi, Rajiv Gandhi, VP Singh and Chandrashekar followed the same policies for Nepal. There were numerous bilateral visits taken by Prime Ministers of both countries to improve ties.

Post 1990's India has been following a twin pillar policy since restoration of the multi-party system. The pillars include constitutional monarch and multi-party democracy sustaining together. But, this policy started experiencing strains with the beginning of new millennium

due to two reasons, namely, the changing character of monarchy and the growing intensity of the Maoist insurgency.

### **Brief background of relationship**

- ❖ India and Nepal share a very special relationship with each other. They share a common culture and terrain south of the Himalaya. Bound by languages and religions, marriage and mythology, the links of their civilizational contacts run through both the countries.
- ❖ At the people to people level, relations between India and Nepal are closer and more multifaceted than between India and any other country.
- ❖ Republic of India and Nepal began their formal relationship with the 1950 Indo Nepal Treaty of Peace and Friendship. This treaty is the cornerstone of our current relation with Nepal.

### **Significance of Nepal Strategic relations**

- ❖ Nepal's geographical location is unique such that it is a natural buffer between India and China.
- ❖ Since Nepal is a landlocked country it greatly depends on India for its interaction with the outside world.

### **Political relations**

- ❖ Nepal shares a special relationship with India historically.
- ❖ India has a treaty of peace and friendship with Nepal since 1950.
- ❖ This treaty is instrumental for a close cooperation between the two countries.
- ❖ India has always considered South Asia to be its sphere of influence.

### **Cultural relations**

- ❖ India and Nepal share a common culture and have a long history of people to people relationship.
- ❖ Nepali and Indian people visit each other's country for religious pilgrimage.
- ❖ Pashupati and Janakpur are traditional centres in Nepal whereas Varanasi and the four Dhaams are important pilgrimage destination in India.
- ❖ The Buddhist network is interlinked - Lumbini is in Nepal, while Kushinagar, Gaya and Sarnath are in India.
- ❖ It is said that India and Nepal have 'Roti Beti ka Rishta' (ties of food and family).

## **India - Nepal Treaty of Peace and Friendship -1950**

The 1950 India-Nepal Treaty of Peace and Friendship is a bilateral pact between the Government of Nepal and Government of India aimed at establishing a close strategic relationship between the two South Asian neighbours. The treaty was inked at Kathmandu on July 31, 1950 by then Prime Minister of Nepal Mohan Shamsher Jang Bahadur Rana and the then Indian ambassador to Nepal, Chadreshwar Narayan Singh. The treaty permits free movement of people and goods between the two countries and a close relationship and collaboration on matters of defence and foreign affairs.

### **Areas of Cooperation**

#### **1. Trade and Economic**

India is Nepal's largest trade partner and the largest source of foreign investments, besides providing transit for almost the entire trade which Nepal has with other countries.

#### **2. Indian Investment in Nepal**

Indian firms are the leading investors in Nepal, accounting for about 40% of the total approved foreign direct investments.

#### **3. Water Resources and Energy Cooperation**

A three-tier mechanism established in 2008, to discuss all bilateral issues relating to cooperation in water resources and hydropower. Nepal has many fast flowing rivers and its terrain makes it ideal for hydroelectric power generation. Nepal's installed capacity is less than 700 MW while it has a potential to generate over 80,000 MW. A 900 megawatts hydropower project Arun III has been launched recently. An Agreement on "Electric Power Trade, Cross-border Transmission Interconnection and Grid Connectivity" was signed between India and Nepal in 2014. A Joint Technical Team (JTT) has been formed for preparation of long-term integrated transmission plan covering projects up to 2035.

#### **4. Defense Cooperation**

The Gorkha Regiments of the Indian Army are raised partly by recruitment from hill districts of Nepal. Since 1950, India and Nepal have been awarding Army Chiefs of each other with the honorary rank of General. Bilateral defense cooperation includes assistance to Nepal Army in its modernization through provision of equipment and training. About 250 training slots are provided every year for training of Nepal Army personnel in various Indian Army

Training institutions. India and Nepal conducted a joint military exercise, Surya Kiran XIII from May 30 to June 12 in Uttarakhand this year.

## **5. Infrastructure and Connectivity**

Recently a MoU was signed on Raxaul Kathmandu railway line. A postal highway project is also being undertaken. Both the countries are also focused on inland waterways connectivity.

## **6. People to People cooperation**

The Governments of India and Nepal have signed three sister-city agreements for twinning of Kathmandu-Varanasi, Lumbini-Bodhgaya and JanakpurAyodhya. Direct bus service between Janakpur and Ayodhya under Ramayan Circuit under Swadesh Darshan Scheme was launched. Nepal and India share Hindu and Buddhist heritage. Lumbini, the birth place of Lord Buddha is in Nepal while Bodh Gaya where he attained enlightenment is in India. Similarly, the Hindu pilgrimage places are also spread in both countries.

## **Challenges**

### **1. Border issues:**

The two major areas of dispute at Susta and Kalapani (India-China-Nepal tri-junction). Countries agreed to start talks at the foreign secretary-level in order to resolve the problem, however, only a single round of talk has taken place in 2015.

### **2. Internal Security**

There is an open border between India and Nepal which leads to illegal migration and human trafficking. Indo-Nepal border is used as launch pad by maoist, terrorist and drug traffickers.

### **3. Trade**

Nepal's trade deficit with India has surged in recent years with continuously rising imports and sluggish exports. Indo-Nepal trade continues to remain massively in India's favor.

### **4. Peace and Friendship Treaty**

The India-Nepal Treaty of 1950 has been criticized by the Nepali political elite as an unequal one. Treaty obliged Nepal to inform India and seek its consent for the purchases of military hardware from third countries. Nepal wants to change this provision. The Nepal-India

Eminent Persons' Group (EPG) is revisiting all bilateral agreements to submit a comprehensive report to both governments on how to reset bilateral relations.

## **5. Nepal's growing proximity to China**

Nepal's attempt to balance the overwhelming presence of India next door by reaching out to China is resented by India as such actions heighten India's security concerns. Chinese are building a number of highways from the Tibetan side into Nepal, all the way down to East-West highway that traverses Nepal. China plans to extend the Tibet railway to Kathmandu across the border in the next few years. Nepal signed the Belt and Road Initiative (BRI) Framework agreement with China last year. China is trying to contest Indian interests by cultivating local interest groups that could advance China's interests in Nepal.

## **2 India – Maldives Relations**

The archipelago of Maldives consists of 1192 islands of which roughly 200 islands are inhabited with an estimated population of 430,000 and 80 islands with tourist resorts. The capital Male is the hot seat of Maldives' power and is also the most populated Island. Being a completely Sunni Muslim country with a liberal following, Islam is the only state religion and practicing of other religions are strictly private affairs within the homes. The first state level visit was in 1974 when Prime Minister Mr Ahmed Zaki of Maldives made an official visit to India.

India - Maldives formal relations began with the declaration of Maldivian independence in November 1965. India was the first country to recognise Maldives. After which there has been frequent visits by the leaders of both countries. Most of these visits have benefited Maldives economically. This cordial relationship continued even during President Nasheed tenure. President Nasheed's maiden international trip after coming to power was to India in 2008. During this visit, India promised a \$100 million loan to improve the tourism industry in Maldives. Since then there have been frequent visits by officials and President Nasheed to New Delhi until 2012 when President Nasheed was overthrown in a bloodless coup.

### **Maldives importance to India: Security**

**Geostrategic Location:** Maldives is located just 700 km from the strategic Lakshadweep island chain and 1,200 km from the Indian mainland, and the growing Chinese presence in the archipelago could have serious security implications.

**Indian Ocean Region hegemony:** Chinese heavy presence in Maldives would have given China an opportunity and a base to influence and control the Indian Ocean region. Also, the energy supplies coming from Gulf nations to India pass through this area.

**Regional imbalance:** India enjoys unparalleled access and influence in many of the Indian Ocean island states, including the Maldives, Seychelles, and Mauritius which has been a problem for China. China-Maldives bonhomie can act as a counter to Indian influence in the region.

### **Economic relations**

**Indian expatriates:** There are about 25,000 Indian expatriates in Maldives who are engaged in a number of professional pursuits and their security is also of prime concern for India.

**Blue economy:** Maldives plays an integral role in realising the potential of Indian Ocean blue economy as a contributor to the security and sustainable development of sea resources.

**Tourism:** India and Maldives see regular tourist visits between the two and Indian tourists also account for close to 6% of tourists Maldives receives each year.

**Health:** India is a preferred destination for Maldives citizens seeking health services, which boosts Indian healthcare sector.

### **Political relations**

**Political chaos:** Uncertainty in Maldives could prove a fertile breeding ground for extremism and religious fundamentalism, smuggling and drug trafficking. Islamic State (IS) and Lashkar-e-Taiba are also reported to have established bases in Maldives.

### **SAARC factor**

SAARC has a special importance for India because it includes all of India's neighbors but China. Of late, China has been creating inroads into SAARC countries which is reducing India's influence in the bloc, for example Pakistan's CPEC, China's Hambantota port etc. and Maldives could be China's next destination.

**Recent development in India Maldives relations:** India and Maldives relations have seen many ups and downs caused by changing political situations in both countries and some external factors. During Maldivian Presidential elections in 2013 Abdulla Yameen defeated

Mohamed Nasheed to become the President. During Yameen's term, Maldives relations with India deteriorated while its closeness with China increased, which is highlighted by:

**Cancellation of GMR project, 2012:** Maldives annulled the \$500 million contract with GMR Group to develop a modern International Airport near Male, which was given to a Chinese company.

**Cancellation of Indian PM's trip, 2015:** Due to turbulent political situation in Maldives, Indian PM cancelled his trip to Maldives.

**China Maldives FTA, 2017:** China and Maldives signed an FTA, which is China's second FTA with a South Asian country after Pakistan, while there is no FTA between India and Maldives.

**Joint patrolling with Pakistan, 2018:** During Pakistan's Army Chief's visit, Maldives announced joint patrolling with Pak Navy to guard Maldivian Exclusive Economic Zone, with an indirect reference to a perceived threat from India.

During all these negative developments in Maldives, India responded with patience and composure, trying to revive relations diplomatically. However, the election of Solih, in 2018, as the new President of Maldives has caused a thaw in India Maldives relations which can be gauged by:

Despite opposition from Indian Ocean Rim Association, India convinced IORA Committee for Senior Officials in favour of Male, following which Maldives was inducted as the newest member of IORA recently.

Maldives has asked India for a Dornier aircraft and the MEA has responded positively to its request.

Maldives' new government has decided to pull out of the free trade agreement (FTA) with China, realizing the one sided nature of the FTA.

### **Concerns between India and Maldives**

**Chinese inroads:** Chinese infrastructure projects in Maldives directly compete with Indian infrastructure companies' business prospects.

**China Maldives FTA:** An FTA with China would have raised the issue of diverting Chinese products into India through Maldives. Maldivian government has not cleared its stand on future Chinese investments yet and may continue to engage deeply with China.

**Low bilateral trade:** Bilateral trade between both, which stands at US \$200 million annually, is quite low.

**Way forward:**

Recent change in the attitude of Maldivian government is an opportune moment for India to redraw bilateral relations between both by helping Maldives to resuscitate its economy. Some major areas of confidence building are; Investment cooperation with Maldives should be enhanced by establishing an advisory cell to guide all stake-holders i.e. Indian missions overseas and prospective Indian investors, to delineate touchy areas and risky investments, with full knowledge of the local conditions. 'Free-Purse' policy of aid to Maldives is needed if India wants to offset Chinese big-ticket investments in Maldives. India must enhance anti-terrorism cooperation and intensify cooperation in the areas of training and capacity building of the Maldives National Defense Force and the Maldives Police Service. A regular bilateral security dialogue amongst the officials of both sides should be instituted to expand the scope of security cooperation. This should be supplemented by Track-II and Track-1.5 dialogues. While dealing with smaller neighbors like Maldives, India needs to become a lot more magnanimous, staying true to its own "Gujral Doctrine," thus creating greater confidence. The SAARC and IORA can provide a platform to work on lingering concerns. Moreover, India, Maldives and Sri Lanka can explore ways to strengthen trilateral mechanisms to address these issues.

### **3 India's Nuclear Policy**

India is a peace loving nation. It achieved independence from centuries old British colonial rule through peaceful non-violent movements. India has a long tradition of peace and apathy towards war of any kind. Ashoka the Great renounced the use of weapon and abandoned the principles of war. This is one of the earliest examples of disarmament. Till the arrival of the Europeans in India, the Kings had fought wars and battles. But these battles did not affect the lives and properties of the common citizens. Pursuing the tradition of peace, India at the very dawn of its independence declared peace as the cornerstone of its policies. In 1954 India took the initiative to ban the nuclear tests. India's first Prime Minister, Jawaharlal Nehru proposed at the U.N. a standstill agreement in respect of the atomic tests. He knew that the total destruction of the existing weapons was not possible, so he wanted to stop the tests so that there might not be further escalation of nuclear weapons. Many countries of the world supported the view, but the big powers hardly paid any heed to the proposal. However, the proposal set the ball of disarmament in motion and countries in the UN became vocal in support of peace and

disarmament. Consequently, from early 1960s new initiatives towards the direction of disarmament started.

### **India and NPT**

The Nuclear Non-Proliferation Treaty (NPT) was concluded in 1967, kept open for signature in 1968 and was promulgated in 1970 for a period of 25 years. The NPT has been extended unconditionally and indefinitely by its Review and Extension Conference held in New York from 17th April to 12th May, 1995. The 1995 Conference has not suggested any change, alteration or modification of its provisions. The Conference even has not produced any review document. 178 states signed the treaty and 13 countries including India did not sign the NPT. The NPT appears to be a pious attempt to stop the proliferation of nuclear weapon technology. Its contents, however, bear ample evidences to establish the fact that the five nuclear states who are also the veto-wielding permanent members of the Security Council, intend to monopolise the nuclear technology and to establish their hegemony over the world. The NPT demands that the present non-nuclear states, and the states which are on the threshold of acquiring the nuclear capability must stop the research and making of nuclear weapons. India objected to such a treaty calling it discriminatory. India has categorically declared that it will not sign the Treaty in its present form because its indefinite extension only serves to perpetuate its discriminatory aspects which have created a division between the nuclear haves and have nots.

### **India and CTBT**

The concept of Comprehensive Test Ban Treaty was mentioned in the NPT. The CTBT has been planned to realise the objective of general and complete nuclear disarmament. The CTBT in present form, however, is not intended to make the weapon free world free from nuclear weapons. It would neither actually reduce the number of nuclear weapons, nor decrease the present offensive capabilities of the nuclear weapon states. The treaty asks the non-nuclear states not to go for testing of nuclear devices thus preventing them from emerging as nuclear capable states. It has no provision for reducing the nuclear capabilities of the weapon states. Like the NPT, the CTBT too wants to divide the world into nuclear haves and have-nots. India has, therefore, not signed the CTBT.

After the CTBT was ratified in 1996, negotiations on another treaty to cut off fissile material production have started in January, 1997. The proposed Fissile Material production Cut-off Treaty (FMCT) seeks to put a cut-off point in the sphere of fissile material production.

India has refused to be a party in the FMCT. It has opposed the treaty on the same grounds that India put forward while opposing the NPT and the CTBT.

In fact, all the three treaties have been planned in a way that the nuclear weapon states can control the nuclear technology and maintain their hegemony over the world. These treaties will not deter the weapon states to sharpen and improve their technology. Because they have reached a stage, now they can further improve their technology through computer and other indoor tests which have not been banned. They are also not willing to destroy the existing weapons within a time frame. These treaties, therefore, are not in a position to eliminate the nuclear weapons leading to general and complete disarmament.

## **4 Indian and West Asia**

West Asia is important for India because of its geographical proximity and historical-cultural affinity, as well as present day security concerns and economic interest.

### **India's Economic and Security Concerns**

**Oil Supplies:** Uninterrupted supply of oil at reasonable prices is vital for India's economic health in view of its heavy dependence on imports from the region. Any conflict in the region, such as the Arab-Israeli war, Iran-Iraq war and Kuwait crisis, is likely to contribute to the disruption of oil supply and/or price hike, imposing additional burden on the Indian economy.

**Remittances:** There are more than 3.5 million Indian migrant workers in the Gulf region. Their annual remittance is to the tune of a few billion dollars and is among the highest foreign exchange earners for the country. Their wellbeing is a major concern for India. Any tension in the region, or in India's relations with these countries, may have negative consequences for these migrant workers and also for the Indian economy.

**Religious Extremism:** The ascendancy of conservative religious elements in the region is a cause for grave concern to India in view of its large indigenous Muslim population and the militancy in Kashmir. Pakistan, under the slogan of Pan-Islamism, tries to exploit the situation. It is evidenced by the growing sympathy shown by the Organisation of Islamic Conference (OIC) with Pakistan's stand on Kashmir issue.

**Commercial Links and Trade Routes:** India has substantial trade with West Asia. The liberalisation of the Indian economy has given further boost to these commercial links. The region accounts for more than 20 per cent of our imports, mainly hydrocarbons, and 10 percent of our exports, which include wheat, non-basmati rice, textiles, and engineering and

manufactured goods. The Indian construction companies have got some contracts in the region and there are ample opportunities in view of the reconstruction work in Iraq. The Persian Gulf and Suez Canal are the main waterways through which bulk of India's trade is carried out. Hence, the safety of these routes is vital for the country. In the age of air travel and transport, West Asia has become an integral link in India's westbound air service. Iran is emerging as an important transit route in our interaction with Central Asia, as we have already discussed.

### **Evolution of India's Policy**

After its independence, India under the policy of Non-Alignment extended a hand of friendship to the countries of West Asia that were resisting the Cold War pressure to join rival military bloc. This led to close relations with Nasser's Egypt and Baathist Iraq (after 1968). Incidentally, Pakistan, along with Britain, Turkey, Iran and Iraq, became a member of the US supported Baghdad Pact in 1955 (renamed as CENTO after Iraq withdrew following the Revolution of 1958). India's consistent support to the Palestinian cause created a favourable image of the country among the Arab States. This, coupled with the historical ties and the vigorous commercial links, has helped India build vibrant relations with almost all the countries of the area.

**I) Palestine Issue:** India has extended moral and political support for the creation of a viable state of Palestine alongside Israel. India shares the perception that the question of Palestine is at the core of the Arab-Israeli conflict. India became the first non-Arab State to recognize the Palestine Liberation Organisation (PLO) as "the sole legitimate representative of the Palestinian people" and allowed it to open its office in New Delhi in January 1975. The PLO Office in New Delhi was accorded full diplomatic recognition in March, 1980. India accorded recognition to the State of Palestine in November 1988 and the PLO Office in New Delhi started functioning as the Embassy of the State of Palestine. In the wake of establishment of the Palestinian National Authority (PNA), India opened its Representative Office in Gaza on June 25, 1996, for ensuring effective co-ordination with the PNA. India has supported the Middle East Peace Process since its launch with the Madrid Conference in 1991. It has also endorsed all the subsequent peace agreements between Israelis and Palestinians. The Palestinian leadership has been frequent visitors to India. President Yasser Arafat was in New Delhi in August 2001. India has extended financial and technical assistance for development works in Palestine areas. The country offers scholarships to Palestinian students under ICSSR Scheme and slots for training courses under the ITEC Programme.

**II) Israel:** Although India had recognised the Jewish State of Israel way back in 1950, it established full diplomatic relations only in 1992. Since then there has been an upswing in the relations between the two countries in view of the common concerns about religious extremism and global terrorism. Israel and India have developed close “cooperation” in intelligence sharing and “counter-insurgency” operations. India has become a major buyer of Israeli armaments. There is a considerable potential for Indo-Israeli cooperation in the field of science and technology, particularly in areas such as dry land farming. There has been a spurt in high level bilateral visits in the recent times. In 1999, the National Security Advisor, Brajesh Mishra visited Israel and met prime minister Ehud Barak. Home Minister, L K Advani and foreign minister, Jaswant Singh followed him the next year. The Israeli prime minister visited India during the month of September 2003 and both the countries decided to strengthen bilateral relations at the regional and global level to fight terrorism.

**III) Iraq Crisis:** India and Iraq established close political and economic relations during the 1970s and 1980s. Incidentally, both concluded Friendship Treaties with the erstwhile Soviet Union—India in 1971 and Iraq in 1972. At one point of time, Iraq was the source of 30 percent of India’s oil needs and home to 90,000 Indians working there. It was the only Arab country that consistently supported the Indian position on Kashmir. Indian firms got some of the biggest contracts in the country. Hence, the 1991 Iraqi invasion of Kuwait presented a difficult choice for the Indian foreign policy. The consequent oil price hike put serious strain on India’s balance of payments position. India favoured a peaceful political settlement, but ultimately went along with the UN Security Council Resolutions 661 and 678—condemning Iraq and authorizing the use of force against it. Throughout the decade after 1991 Gulf War, India has maintained that “unwise and unjust” UN sanctions against Iraq should be lifted and has been sensitive to the suffering of the Iraqis. During the 2003 Iraq crisis also, New Delhi expressed its concern about the US military action because of its likely human and material implications and its possible impact on oil prices. India wanted that any military action should have UN authorisation. Neither supporting the United States nor openly criticising it for its aggression against Iraq, the Indian government has taken a middle path. However, the two Houses of Indian Parliament in unanimous resolutions (April 2003) deplored the military action taken without the UN authorisation.

**IV) Iran:** Geographically, historically and culturally Iran has been closest to India, among the countries of West Asia. India enjoyed friendly relations with Iran during the Shah rule, which

weakened after the Islamic Revolution of 1979. During the 1990s, India and Iran (under its reform-oriented and pragmatic leadership) have taken steps to build a multifaceted relationship. There has emerged a large consensus between the two countries on various global and regional issues. Incidentally, India's perception of Iran is in congruence with the Russian position, which differs with the US characterisation of Iran as a 'rogue state' or 'axis of evil'. Iran is emerging as India's most viable transit option for trade with Central Asia and even Russia. New Delhi, Moscow and Teheran signed an agreement in St. Petersburg on 12 September 2000 for sending Indian Cargo to Russia via Iran through a 'North-South Corridor'. There are several bottlenecks yet to be cleared, but once this new corridor becomes fully operational it could boost Indian trade with Central Asia as well as Central Europe. India and Iran have exchanged regular high level visits. India's prime minister visited Tehran in April 2001 and the Iranian president was in Delhi in January 2003 to enhance their bilateral relations.

**V) Gulf Cooperation Council (GCC):** The GCC was formed in May 1981 by the six Gulf monarchies of Saudi Arabia, Kuwait, United Arab Emirates (UAE), Qatar, Bahrain and Oman. It emerged in response to the challenges posed by the 1979 Islamic Revolution in Iran, the Iran-Iraq War (1980-88) and the Soviet intervention in Afghanistan (1979). These states are conservative Islamic monarchies, and have come under increasing pressures from extremist Islamic groups and terrorists. This has created a common ground between these countries and India. The GCC has also been among India's top two trading partners. According to the Reserve Bank of India, exports from the GCC to India have increased from US\$ 1.5 billion in fiscal year 1987/88 to an estimated US\$ 6.0 billion in 1999/2000. India's exports to the GCC rose from US\$ 0.5 billion in 1987/88 to about US\$ 3.0 billion in 1999/2000.