

India-Gulf Cooperation Council (GCC) FTA

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In news– India-Gulf Cooperation Council (GCC) have decided to pursue resumption of Free Trade Agreement (FTA) Negotiations.

About GCC-

- It is **a regional, intergovernmental, political, and economic union** comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.
- **All current member states are monarchies**, including three constitutional monarchies (Qatar, Kuwait, and Bahrain), two absolute monarchies (Saudi Arabia and Oman), and one federal monarchy (the United Arab Emirates, which is composed of seven member states, each of which is an absolute monarchy with its own emir).
- Due to their geographic proximity, similar political systems and common sociocultural stances, the immediate goal was for these countries to protect themselves from threats after the Iran-Iraq War.
- **The structure of the GCC consists of the Supreme Council, the Ministerial Council and the Secretariat General.**
- **The Secretariat is located in the city of Riyadh.**
- The Supreme Council (the highest authority of the GCC) comprises the Heads of State of the six member countries.
- The chairmanship of the Supreme Council is held by each member state in turn.
- The Ministerial Council comprises the Foreign Ministers of the six member countries and it draws up policies and makes recommendations.
- The Secretariat General prepares reports, studies, accounts and budgets for the GCC.

- In **1984**, the **GCC established a standing coalition land force, the Peninsular Shield Force(Military arm)**, tasked to defend the six nation states.
- It is composed of infantry, armour, artillery and combat support elements from each of the states, numbering 40,000 in total.
- The GCC Monetary union is ratified by Saudi Arabia, Kuwait, Qatar and Bahrain. Oman had opted out of it in 2006 and UAE did so in May 2009.
- Riyadh is selected as the location for the monetary council and the future central Bank.
- **The GCC promotes economic, security, cultural and social cooperation between the six states** and holds a summit every year to discuss cooperation and regional affairs.



India- GCC trade relations-

- The GCC is currently India's largest trading partner bloc with bilateral trade in FY 2021-22 valued at over USD 154 billion with exports valued at approximately USD 44 billion and imports of around USD 110 billion (non-oil exports of USD 33.8 Billion and non-oil imports of USD 37.2 Billion).
- Bilateral trade in services between India and the GCC was valued at around USD 14 billion in FY 2021-22, with exports valued at USD 5.5 Billion and imports at USD 8.3

Billion.

- GCC countries contribute almost 35% of India's oil imports and 70% of gas imports.
- India's overall crude oil imports from the GCC in 2021-22 were about \$48 billion, while LNG and LPG imports in 2021-22 were about \$21 billion.
- Investments from the GCC in India are currently valued at over USD 18 billion.

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