

RIY/E&C/201/3/2023  
Embassy of India  
Riyadh  
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**Monthly Commercial Report : August 2023**

**Overview**

Saudi Arabia's real gross domestic product (GDP) jumped by 1.1 percent year-on-year (YoY) in the second quarter of 2023 according to the latest data issued by the General Authority for Statistics.

The economic growth was driven by **increase in non-oil activities by 5.5 percent** and **government services activities by 2.7 percent** in the first quarter of 2023, YoY. Meanwhile **oil activities decreased by 4.2 percent** on an annual basis.

The seasonally adjusted real **GDP decreased by 0.1 percent** in the second quarter of 2023, compared to the first quarter of 2023. This effect was due to the **decrease in oil activities by 1.4%**. **Non-oil activities increased by 1.8%** and **government services activities grew by 0.6%** on a quarterly basis.

**Saudi Arabia's top 5 Trading Partners in June, 2023 (latest data)**

| <b>Export to World</b><br>(Source: (www.stats.gov.sa)) |                                    |                | <b>Import from World</b><br>(Source: (www.stats.gov.sa)) |                                    |                |
|--|------------------------------------|----------------|--|------------------------------------|----------------|
| <b>Country</b>   | <b>Volume<br/>(in million USD)</b> | <b>% share</b> | <b>Country</b>   | <b>Volume<br/>(in million USD)</b> | <b>% share</b> |
| China  | 3658.52                            | 15.46          | China  | 2678.98                            | 19.53          |
| South Korea  | 2169.23                            | 9.16           | USA  | 1156.79                            | 8.43           |
| India  | 2065.42                            | 8.73           | UAE  | 962.89                             | 7.02           |
| Japan  | 2024.22                            | 8.55           | India  | 641.68                             | 4.68           |
| USA  | 1551.11                            | 6.55           | Germany  | 602.83                             | 4.39           |

## **Saudi Arabia's commercial engagements**

**Saudi Arabia launches Master Plan for Logistics Centres to Make Kingdom a Global Logistical Hub (Reported by SPA on August 27, 2023)** : Prince Mohammed bin Salman bin Abdulaziz, Crown Prince, Prime Minister and Chairman of the Supreme Committee for Transport and Logistics, has launched the Master Plan for Logistics Centres, which aims to develop the infrastructure of the Kingdom's logistical sector, diversify the local economy, and enhance the status of the Kingdom of Saudi Arabia as a leading investment destination and a global logistical hub. The Master Plan for Logistics Centers stipulates 59 centres with a total area of more than 100 million square meters, including 12 in Riyadh Region, 12 in Makkah Region, 17 in the Eastern Region, and 18 distributed in the rest of the Kingdom. There are currently 21 centres being worked on. All centres will be completed by 2030.

**King Abdullah Port Announces Strategic Partnerships that Boost Maritime Services (SPA August 07, 2023)** : King Abdullah Port has announced strategic partnerships with leading providers of maritime fuel supply, Western Fuel Supply for Petroleum Products Company Limited and Minerva Bunkering, which is bound to boost the port's maritime fuel supply services and help provide distinguished services to all vessels visiting the port. King Abdullah Port is one of the fastest-growing ports in the world. With its advanced facilities and strategic location at the crossroads of vital global trade routes interlinking three continents, the port continues expanding its services and making vital contributions to the Kingdom's global role as a major international logistics hub, in line with Vision 2030 and the objectives of the National Transport and Logistics Strategy.

**PIF Establishes SRJ Sports Investments Company to Elevate Sports Sector in Saudi Arabia and MENA (SPA August 06, 2023)** : The Public Investment Fund (PIF) today announced the establishment of SRJ Sports Investments, a sports investment company that aims to accelerate the growth of the sports sector in Saudi Arabia and MENA. SRJ Sports Investments will invest in acquiring and creating new sports events IP, commercial rights of popular and prominent sports competitions and hosting major global events in Saudi Arabia. These investments are expected to deliver financial returns and localize partnerships domestically and in the MENA region. The new company will target businesses specialized in offering unique fan engagement activities and transformative sports technology across the industry, bolstering Saudi Arabia's position as one of the world's leading sports and

entertainment destinations. As a long-term investor, the entertainment, leisure, and sports sector is one of PIF's 13 priority sectors for investment.

**Saudi Arabia will extend the voluntary cut of one million barrels per day for another month to include September that can be extended or extended and deepened (SPA August 03, 2023)** : An official source from the Ministry of Energy announced that the Kingdom of Saudi Arabia will extend the voluntary cut of one million barrels per day, which has gone into implementation in July, for another month to include the month of September that can be extended or extended and deepened. In effect, the Kingdom's production for the month of September 2023 will be approximately 9 million barrels per day. The source also noted that this cut is in addition to the voluntary cut previously announced by the Kingdom in April 2023, which extends until the end of December 2024. The source confirmed that this additional voluntary cut comes to reinforce the precautionary efforts made by OPEC Plus countries with the aim of supporting the stability and balance of oil markets.

### **Saudi-India**

#### **1. Saudi Arabia, India Sign Cooperation Agreement on Digital Economy (August 18 SPA)**

India, Saudi Arabia signed a cooperation agreement on digitization and electronic manufacturing. The agreement was signed by Saudi Minister of Communications and Information Technology Eng. Abdullah Alswaha and Indian Minister for Railways, Communications, Electronics and Information Technology Ashwini Vaishnav. The agreement seeks to enhance Saudi-Indian cooperation in the fields of digital infrastructure, e-health, and e-learning, and to strengthen the two countries' partnership in digital research and innovation and the use of emerging technologies. Through the agreement, the Kingdom of Saudi Arabia looks forward to bolstering its role as a regional hub for technology and innovation and an attractive destination for investment. The agreement aims at building robust strategic partnerships that promote innovation and the growth of the digital economy and support the Kingdom's aspirations in this regard.

#### **2. Asharqia Chamber Witnesses Signing Agreement to Export 100,000 Tons Annually of Petrochemical Products to India (reported by SPA 30 August)**

Asharqia Chamber on 29 August witnessed the signing of an agreement to export agricultural and industrial sulphur products to India and East Asian countries with over 100,000 tons per year in the presence of the Director of the Branch of the Ministry of Industry and Mineral Resources of the Region Abdulaziz Al-Shuaibi and several relevant officials. Investments

between the Kingdom and India have reached \$24 billion, while the trade exchange of petrochemicals is estimated at \$9.13 billion, and \$1.03 billion in agricultural petrochemicals and fertilizers. The volume of investments and trade exchange between the two countries is expected to rise to \$100 billion in the next five years.

### **Saudi – Yemen**

#### **Project Agreement Signed to Support Local Markets in Yemen (SPA August 17, 2023) :**

The Saudi Development and Reconstruction Program for Yemen (SDRPY) and the Small and Micro Enterprise Promotion Service (SMEPS) of the Social Fund for Development in Yemen, in the presence of the SDRPY General Supervisor Mohammed bin Saeed Al Jabir, have signed an agreement for a project to support local markets in Yemen.

The project results from a trilateral cooperation agreement between the Islamic Development Bank (IsDB), SDRPY and the Yemeni Ministry of Planning and International Cooperation signed on January 4, 2023, on development cooperation for economic empowerment programs. The project is part of efforts to address the challenges facing agricultural production value chains and improve market access by tackling current gaps in the trade and production sectors within the value chains of three Yemeni products of high economic importance for the local and global markets: coffee, honey and onion.

### **Saudi –China**

#### **Al-Hogail Patronizes Launch of Saudi-Chinese Business Forum, and Signing of 12 Cooperation Agreements between the Two Countries, with Investments Exceeding SAR 5 Billion (SPA August 16, 2023)**

On the sidelines of the Saudi-Chinese Business Forum, the Minister of Municipal, Rural Affairs, and Housing, Majid bin Abdullah Al-Hogail witnessed the signing of 12 cooperation agreements between Saudi and Chinese companies and banks. These agreements, with a total investment value exceeding SAR 5 billion, covered various fields including infrastructure development and financing, and specifically included five agreements related to housing projects.

### **Saudi –Bangladesh**

#### **Ma’aden Renews Agreement to Supply 600,000 Tons of Fertilizers to Bangladesh (SPA August 14, 2023)**

The Saudi Arabian Mining Company (Ma’aden), the largest multi-commodity mining and metal company in the Middle East and the world’s second-largest exporter of phosphate fertilizer, has

renewed its agreement with the Bangladesh Agricultural Development Corporation (BADC) whereby it supplies 600,000 tons of fertilizers to BADC. The renewal is further proof of the company's commitment to meet global market demand for phosphate fertilizers; Ma'aden supplies approximately 42% of Bangladesh's estimated requirement of diammonium phosphate (DAP). Over the past years, Ma'aden has scaled up its production of phosphate fertilizers, and plans to increase its phosphate fertilizer production by 50%, to 9Mtpa, through the company's Phosphates 3 mega project.

## A. Trade in goods

### a) Total trade in goods during (latest data available)

|   | Export<br>(US\$ million)                         | Import<br>(US\$ million)                                      | Status<br>(P) Provisional/ (F) Final   |
|---|--|---|--|
| Country's trade with India<br>(June 2023) | US\$ 2065.42<br>Saudi export to<br>India         | US\$ 641.68<br>Saudi import from<br>India                     | Final<br>(Source: <a href="http://www.stats.gov.sa">www.stats.gov.sa</a> )   |
| Country's trade with India<br>(June 2023) | US\$ 797.61<br>India's export to<br>KSA          | US\$ 2171.91<br>India's import from<br>KSA                    | Final<br>(Source: <a href="http://www.dgft.gov.in">www.dgft.gov.in</a> )   |
| Country's trade with India                | US\$ 3556.83<br>India's export<br>Apr-July, 2023 | US\$ 5844.06<br>India's import till<br>June, 2023 from<br>KSA | Final<br>(Source: <a href="http://www.dgft.gov.in">www.dgft.gov.in</a><br>& <a href="http://niryat.gov.in">niryat.gov.in</a> ) |
| Saudi Arabia's total global<br>trade      | US\$ 23667.49<br>(May 2023)<br>(Exports of KSA)  | US\$ 13716.69<br>(May 2023)<br>(Imports of KSA)               | Final<br>(Source: <a href="http://www.stats.gov.sa">www.stats.gov.sa</a> )   |

### b) Preferential trade in goods

| S. No. | Preferential / Free Trade Agreement with India  | Preferential Exports to India<br>(US\$ million) | Preferential Exports to World<br>(US\$ million) |
|--------|---|---|---|
|        | Discussion on India- GCC (including Saudi Arabia)<br>[India-Gulf GCC)Free Trade Agreement |   |   |

|  |            |            |
|--|------------|------------|
| <p>(FTA) negotiation talks started with the signing of a framework agreement on economic cooperation between the two parties on 25th August 2004. In this agreement, it was provided that both the parties shall consider ways and means for extending and liberalizing the trade relations and also initiating discussions on the feasibility of FTA between them. The two rounds of negotiations held at Riyadh on 22nd March 2007 and September 2008 brought about a comprehensive outlook. In the meeting between CIM and GCC Secretary General on 10 November 2021, the matter was taken up and NVs was exchanged regarding formation of a JWG to start negotiation in January 2022. The Saudi Side has subsequently shared the draft terms of reference for negotiation of FTA on Dec 27, 2021. Both sides committed to the early launch of GCC FTA negotiations during the visits of EAM &amp; CIM to Riyadh in September, 2022. During the visit of GCC, Secretary General on November 24, 2022 to India, an announcement was made of intent to resume talks on India-GCC FTA. During Secretary (CPV &amp; OIA)'s visit to Riyadh for first India-GCC SOM on 20 March, 2023, both sides agreed to continue the negotiations. The matter was taken up by HCIM during his meeting with Saudi Commerce Minister on 22 June, 2023. GCC has now appointed its new Chief Negotiator for the FTA discussions.</p> | <p>Nil</p> | <p>Nil</p> |
|--|------------|------------|

(Source: based on Certificate of Origin issued by reporting country)

**c) India's exports to Saudi Arabia across 31 commodities in FY 2023-24 [Apr - July]**  
**(Source : *niryat.gov.in*)**

| Commodity View  | Yearly Target (\$Mn) | Achieved (\$Mn) | % Achieved | % Share of Total Export | Target Rate (p.m) | Shortfall (\$Mn) | Required Run Rate(p.m)* |
|---|----------------------|-----------------|------------|-------------------------|-------------------|------------------|-------------------------|
| <b>Engineering Goods</b>                              | <b>3545.17</b>       | <b>1365.77</b>  | <b>39%</b> | <b>38.40%</b>           | <b>295</b>        | <b>-184</b>      | <b>272</b>              |
| Petroleum Products                                    | 2186.28              | 514.28          | 24%        | 14.46%                  | 182               | 214              | 209                     |
| Organic and Inorganic Chemicals                       | 1624.59              | 430.24          | 26%        | 12.10%                  | 135               | 111              | 149                     |
| Rice  | 1248.81              | 386.51          | 31%        | 10.87%                  | 104               | 30               | 108                     |
| Electronic Goods                                      | 504.15               | 131.79          | 26%        | 3.71%                   | 42                | 36               | 47                      |
| Ready-made garments of all textiles                   | 418.84               | 110.29          | 26%        | 3.10%                   | 35                | 29               | 39                      |
| Others  | 731.91               | 105.86          | 14%        | 2.98%                   | 61                | 138              | 78                      |
| Meat, Dairy And Poultry Products                      | 274.39               | 82.17           | 30%        | 2.31%                   | 23                | 9                | 24                      |
| Plastic And Linoleum                                  | 243.72               | 67.94           | 28%        | 1.91%                   | 20                | 13               | 22                      |
| Drugs And Pharmaceuticals                             | 174.71               | 47.46           | 27%        | 1.33%                   | 15                | 11               | 16                      |
| Mica, Coal And Other Ores, Minerals Including Process | 141.62               | 45.26           | 32%        | 1.27%                   | 12                | 2                | 12                      |
| Fruits And Vegetables                                 | 163.34               | 41.62           | 25%        | 1.17%                   | 14                | 13               | 15                      |
| <b>Gems And Jewellery</b>                             | <b>82.87</b>         | <b>40.12</b>    | <b>48%</b> | <b>1.13%</b>            | <b>7</b>          | <b>-12</b>       | <b>5</b>                |
| Ceramic Products And Glassware                        | 152.45               | 30.64           | 20%        | 0.86%                   | 13                | 20               | 15                      |
| Spices  | 104.74               | 25.8            | 25%        | 0.73%                   | 9                 | 9                | 10                      |
| Man-Made Yarn/Fabs./ Madeups Etc.                     | 81.63                | 24.67           | 30%        | 0.69%                   | 7                 | 3                | 7                       |

|   |          |         |      |       |      |     |      |
|---|----------|---------|------|-------|------|-----|------|
| Cereal Preparations And Miscellaneous Processed Items | 59.55    | 18.69   | 31%  | 0.53% | 5    | 1   | 5    |
| Cotton Yarn/Fabs./ Madeups, Handloom Products Etc.    | 61.47    | 15.75   | 26%  | 0.44% | 5    | 5   | 6    |
| Oil Seeds   | 12.68    | 14.09   | 111% | 0.40% | 1    | -10 | 0    |
| Cashew  | 32.78    | 11.82   | 36%  | 0.33% | 3    | -1  | 3    |
| Leather And Leather Manufactures                      | 29.31    | 8.54    | 29%  | 0.24% | 2    | 1   | 3    |
| Tea   | 28.36    | 6.89    | 24%  | 0.19% | 2    | 3   | 3    |
| Tobacco   | 11.07    | 6.82    | 62%  | 0.19% | 1    | -3  | 1    |
| Handicrafts Excl. Hand Made Carpet                    | 23.7     | 6.66    | 28%  | 0.19% | 2    | 1   | 2    |
| Coffee  | 28.85    | 6.58    | 23%  | 0.18% | 2    | 3   | 3    |
| Marine Products                                       | 60.15    | 4.26    | 7%   | 0.12% | 5    | 16  | 7    |
| Other Cereals   | 12.38    | 2.37    | 19%  | 0.07% | 1    | 2   | 1    |
| Jute Mfg. Including Floor Covering                    | 6.19     | 2       | 32%  | 0.06% | 1    | 0   | 1    |
| Carpet  | 7.73     | 1.87    | 24%  | 0.05% | 1    | 1   | 1    |
| Oil Meals   | 12.19    | 0.07    | 1%   | 0.00% | 1    | 4   | 2    |
| Iron Ore  | 0        | 0       | 0%   | 0.00% | 0    | 0   | 0    |
| Total   | 12065.63 | 3556.83 | 29%  | 100%  | 1006 | 465 | 1066 |

c.1. The top 3 most Lagging Commodities are:- (Percentages show by how much they are trailing)

(i) Iron Ore (25.00%)



- (ii) Oil Meals (24.34%)
- (iii) Marine Products (19.56%)

c.2. The top 3 most Leading Commodities are:- (Percentages show by how much they are ahead)

- (i) Oil Seeds (42.80%)
- (ii) Gems and Jewelry (16.40%)
- (iii) Tobacco (13.84%)

c.3. The top 3 Commodities based on 'Monthly Deviation' are - (Current month growth, Average growth)

- (i) Oil Meals (300.0%, 63.3%)
- (ii) Oil Seeds (120.5%, 121.1%)
- (iii) Tea(56.9%, 57.1%)

d) Potential products of imports from India (latest data available on [dgft.gov.in](http://dgft.gov.in))

| S. No. | Commodity<br>(2 digit HS Code)  | Rationale<br>(Max.200 words)   |
|--------|---|--|
| 1.     | Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof.<br>(HS Code: 84)           | Value of Saudi import of the item from India during June 2023 is US\$ 61.8 Million showing increase as compared to June 2022 (US\$ 52.10 Million)    |
| 2.     | Cereals<br>(HS Code: 10)  | Value of Saudi import of the item from India during June 2023 is US\$ 85.02 Million showing increase as compared to June 2022 (US\$ 163.21 Million)  |
| 3.     | Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.<br>(HS Code: 87) | Value of Saudi import of the item from India during June 2023 is US\$ 158.86 Million showing increase as compared to June 2022 (US\$ 63.70 Million)  |
| 4.     | Organic Chemicals<br>(HS Code: 29)  | Value of Saudi import of the item from India during June 2023 is US\$ 100.56 Million showing decrease as compared to June 2022 (US\$ 162.24 Million) |
| 5.     | Copper And Articles Thereof.<br>(HS Code: 74)   | Value of Saudi import of the item from India during June 2023 is US\$ 61.53 Million showing increase as compared to June 2022 (US\$ 5.44 Million)    |
| 6.     | Gems and Jewelry<br>(HS Code: 71)   | Value of Saudi import of the item from India during June 2023 is US\$ 8.02 Million showing decrease as compared to June 2022 (US\$ 8.39 Million)     |
| 7.     | Textiles  | Value of Saudi import of the items from India during   |

(HS Code:- 58 to 63)

June 2023 is US\$ 36.04 Million showing increase as compared to June 2022 (US\$ 35.71 Million)

## 1. Market Access Alerts:

### (a) Alerts on customs tariff changes

**Notification No. and date :** The General Authority of Saudi Customs announcement dated 27 May 2020.

**Description :** Saudi Arabia changed the customs tariff rates on products imported based on a Royal Decree

|                                    | <b>Original customs tariff</b> | <b>Present customs tariff</b> |
|------------------------------------|--------------------------------|-------------------------------|
| Meat (incl. Poultry)               | 7-5%                           | 0-20%                         |
| Aquatic Products (only some)       | 6-12%                          | 0-5%                          |
| Dairy products                     | 10-15%                         | 0%                            |
| Fruits and Vegetables              | 5-12%                          | 0-5%                          |
| Other foodstuffs (Inc. sugar)      | 6-15%                          | 5-12%                         |
| Mineral products                   | 15%                            | 5%                            |
| Chemical products                  | 5.5-6.5%                       | 5%                            |
| Plastic products                   | 12%                            | 5%                            |
| Rubber Products                    | 6.5-8%                         | 5-12%                         |
| Leather Products                   | 15%                            | 5-15%                         |
| Textiles                           | 15%                            | 5 %                           |
| Clothes, footwear & accessories    | 15%                            | 5%                            |
| Paper products                     | 5-10%                          | 5-15%                         |
| Base metals                        | 5-12%                          | 5-15%                         |
| (Inc. steel, iron, aluminum, zinc) |                                |                               |
| Building materials                 | 15-12%                         | 5-10%                         |
| Ceramic                            | 10-15%                         | 5-12%                         |

The aforementioned present customs tariffs is in effect since December 12, 2020. Detailed information on Saudi customs tariff etc. is available at: [www.customs.gov.sa](http://www.customs.gov.sa)

**(b) Alerts on non-tariff measures (SPS/TBT/import and export procedures/restrictions/prohibitions, Licensing/ STEs etc.)**

(b.1) **Notification No.& Date** : G/SPS/N/SAU/338 dated 01/02/2018

**Measure** : Suspension on imports of cultured fish originating from India.

**Description** : Kingdom of Saudi Arabia vide SPS notification G/SPS/N/SAU/338 dated 01/02/2018 has issued temporary suspension on import of cultured fish originating from India. The reason for the temporary suspension was unclear health situation of the cultured fish originating from India based on SFDA report.

To deliberate upon the constraints in Indian exports of Pharma, Marine, Food & Agri products and on the Saudi regulatory frame work, the Mission officials had meeting with SFDA on June 23, 2022 at their headquarters.

The matter was taken up by CIM, during his bilateral meeting with his Saudi counterpart, on the sidelines of his visit to the Kingdom of Saudi Arabia in September, 2022.

**Update** : The matter was taken up by the Ambassador during his meeting with CEO, SFDA on April 12, 2023 and the Commercial division is following up on the discussions therein.

(b.2) **Notification No.& Date** : SFDA resolution No. 20576 dated 14 March, 2023

**Measure** : Temporary ban on the import of Shrimps from India.

**Description** : As per the recommendations of the World Organization for Animal Health, Article No. (8) and (9) of the constitution of the Health of Aquatic Animals, the SFDA issued a resolution No. (20576) dated 14th March 2023, imposing a temporary ban on the import of shrimp from India, until the Indian side provides the assurance that the White Spot Syndrome Virus will not be transmitted to the fisheries in the Kingdom of Saudi Arabia. The Mission is in coordination with SFDA & MPEDA for early removal of the ban.

**Update** : The matter was taken up the Ambassador during his meeting with CEO, SFDA on April 12, 2023 and the Commercial division is following up on the discussions therein.

(b.3) **Measure** : Barrier in importing pharmaceutical products

**Description** : Indian drugmakers have been attempting to penetrate the Saudi drug market, with such moves encouraged by local authorities on account of the potential savings from using cheaper generic medicines produced by Indian companies. However, the drug registration system still acts as a significant barrier to entry for most Indian firms, as it requires drugs to have been previously marketed in two 'developed' markets before it can get approval in Saudi Arabia, which virtually allows only the largest Indian players to operate in the country. The pricing mechanism of the drugs, which is linked to the price of the drug in the country of origin, is also not in the interest of the exporters. The Mission officials have been coordinating with SFDA on regular basis regarding this matter.

**Latest Updates** :

- ⑩ The matter was taken up by HCIM, during his bilateral meeting with his Saudi counterpart, on the sidelines of his visit to the Kingdom of Saudi Arabia in September, 2022.
- The matter was taken up the Ambassador during his meeting with CEO, SFDA on April 12, 2023 and wherein SFDA shared that the pricing regulation has been removed and suggested to hold VC with Indian Pharma exporters and Pharmexcil to clarify registration procedure and removal of pricing regulation. The Mission has requested Pharmexcil to convey convenient dates for which their response is awaited.
- During the VC between Commerce Ministers on June 22, 2023, both side also agreed to sign an MoU for Fast-track registration of Indian Pharma Exporters in Saudi Arabia.
- The draft MoU has been shared by the Mission with SFDA. The issue was also discussed under the aegis of 4th SOM of the Economic and Investment committee of SPC on July 12, 2023. Ambassador took up this issue with Acting Governor of GAFT in Saudi Ministry of Commerce on August 13, 2023. Commercial Section is sending regular reminders to SFDA in this regard.
- ⑩ SFDA had a virtual call with its Indian counterpart on August 23, 2023 in this regard.
- ⑩ Saudi side response is awaited.
- ⑩ SFDA has informed the Mission that pricing issue has already been removed. A meeting has been suggested between Pharmexcil and SFDA.

⑩ MoU on fast tracking the drug registration also under consideration.

**(c) Alerts on standards, technical regulations and conformity assessment procedures**

(c.1) **Notification No.& Date** : No-001-42-199644 dated 19/05/2021

**Standard/ technical regulation/conformity assessment procedure** : Saudi Food & Drug Authority (SFDA) had conveyed its decision to make Certificate of Conformity compliance mandatory for all fresh vegetables, fruits, agricultural crops and spices exported from India to Saudi Arabia w.e.f. 15/06/2021.

**Description** : Indian exporters have been facing issues due to high cost of CoC issuance and limited number of companies authorized for it. APEDA has informed that there are only 4 entities authorized by SFDA for CoC issuance i.e.

- (a) TUV Austria
- (b) Intertek International
- (c) TUV Rheinland
- (d) Cotecna Saudi Limited

In this reference, the Mission officials had a meeting with SFDA on June 23, 2022 at their headquarters to discuss the issues relating to CoC. SFDA informed that they are open to including government/ private organizations for issuing CoC. Have proposed that Indian companies should apply with them for becoming CoC issuing entities. They agreed to take up the pending CoC application from Basmati Export Development Foundation. SFDA also informed that the MoC between APEDA and SFDA would facilitate in resolving the CoC issue, as after signing of the MoC, CoC issuance entities will be appointed on recommendation of APEDA. SFDA agreed and informed that they are contemplating on reducing the frequency of CoC requirement for individual exporters, which will reduce the cost incurred by them. The MoC is currently pending with the Indian side.

The matter was taken up by CIM, during his bilateral meeting with his Saudi counterpart, on the sidelines of his visit to the Kingdom of Saudi Arabia in September, 2022.

**Update** : The matter was taken up the Ambassador during his meeting with CEO, SFDA on April 12, 2023 and the Commercial division is following up on the discussions therein.

**(d) Alerts on trade defense measures taken by respective country: (Safeguards including special safeguard, anti-dumping, CVD or anti-subsidy)**

(d.1) **Notification no. date or other references** : GCC Notice of initiation published on 5.11.2018 in the Official Gazette of GCC

**Type (initiation, final, prov., sunset, consultations, new shipper review)** : The duties have been imposed for a period of 5 years from June 6, 2020.

**Details of products/ sectors affected** : Ceramic tiles

**Description** : Anti-dumping duties have been applied against import of ceramic tiles originating from India, China and Spain.

The Indian companies had given their responses to the final provisional report in Oct 2019. A 6-member delegation led by ADG, DGTR, Ministry of Commerce visited GCC Secretariat on 26 Nov, 2019 and conveyed India's concerns to the GCC Anti-Dumping team.

GCC authorities imposed definitive anti-dumping duty against imports of ceramic and porcelain tiles from India for a period of 5 years from June 6, 2020. Concerns of India on the same were raised with GCC and Saudi authorities, including during CIM's bilateral virtual meeting with Saudi Commerce Minister in June 2020 and April 2021, and through written letters. Mission is pursuing the matter.

The matter was taken up by CIM, during his bilateral meeting with his Saudi counterpart, on the sidelines of his visit to the Kingdom of Saudi Arabia in September, 2022. The matter was also taken up by DG, DGTR with Governor, GAFT during his visit to Riyadh on 24 November, 2022. The matter was also taken up by Secretary (CPV & OIA) during visit to Riyadh for first India-GCC SOM on 20 March, 2023. The matter was taken up by HCIM during his meeting with Saudi Commerce Minister on 22 June, 2023.

(d.2) **Notification no. date or other references** : GCC Notice of Initiation published on 05/04/2021 and shared with the Mission through an NV

**Type (initiation, final, prov., sunset, consultations, new shipper review)** : Public hearing on anti-dumping investigation by TSAIP, GCC Secretariat on import of engine batteries from India to the Gulf countries.

**Details of products/ sectors affected** : Battery products

**Description** : This Mission had received a NV from the GCC Secretariat informing that the Bureau of Technical Secretariat for Anti-Injurious Practices in International Trade in the GCC secretariat had received a complaint from industry for manufacturing batteries claiming that battery products of engine with piston 32-225 Amp exported from India to the GCC have damaged the local market. The NV was forwarded to DGTR on 08.04.2021 for the necessary steps.

Recently, this Mission has received an email from the Office Manager of Director General, GCC-TSAIP, informing that GCC-TSAIP had already concluded its investigation on imports of electrical accumulators, used for starting piston engines. They have also shared that all interested parties will be notified with a copy of the official gazette when the final decision is approved by the Ministerial Committee. The information has been shared with DGTR along with final report of the investigation.

The Ministerial Committee formed by the Ministers of Industry in the GCC Council has adopted the recommendations of the Permanent Committee to Combat Harmful Practices in international Trade for the countries of the Gulf Cooperation Council, to impose final anti-dumping duties on export engine batteries with a capacity of 32 to 225 amps originating from Turkey and India. However, there is no anti-dumping duty imposed on export from Spain.

The matter was taken up by Secretary (CPV & OIA) during visit to Riyadh for first India-GCC SOM on 20 March, 2023.

(d.3) **Notification no. date or other references** : GCC Notice of Initiation published on 13/08/2023

**Type (initiation, final, prov., sunset, consultations, new shipper review) :** Initiation of Anti-dumping investigation by TSAIP, GCC Secretariat on import of product of Sanitary Ware made of Porcelain or Chinese Porcelain or others

**Details of products/ sectors affected :** Sanitary Ware made of Porcelain or Chinese Porcelain or others. Indian exporters have raised concerns, asked for extending the deadline for registering as interested parties.

e. Alerts on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.

| S. No. | Notification No. & Date or other references | Service sectors affected | Modes | Effective from | Remarks if any |
|--------|---|--------------------------|-------|----------------|----------------|
| 1.     |   |                          |       |                |                |

## 2. Feedback

a. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to that country: **NIL**

| S. No. | Name of business house | Activity sector | Trade barrier issues if any (incl. HS codes) | General Feedback (Max. 200 words) |
|--------|------------------------|-----------------|--|-----------------------------------|
| 1.     |                        |                 |  |                                   |

b. Feedback on major trade activities **including logistic events** (trade fairs/BSM including Indian participation):

| S. No. | Activity (trade fair, BSM etc.) | Date and venue | Number of participants from India | Name(s) of large/ key participants from India | Feedback received (Max.200 words) | Source of funding (MAI, TA/TC) |
|--------|---------------------------------|----------------|-----------------------------------|---|-----------------------------------|--------------------------------|
|        |                                 |                |                                   |   |                                   |                                |

c. Feedback from local commercial visitors to trade fairs in India, including under BSM:- **NIL**

| S. No | Activity (trade fair) | Date and venue | Number of participants from the | List of large/ key participants from the relevant | Number of Business Visas issued | Feedback received (Max.200 words) |
|-------|-----------------------|----------------|---------------------------------|---|---------------------------------|-----------------------------------|
|       |                       |                |                                 |   |                                 |                                   |



|    |  |  |                  |         |  |  |
|----|--|--|------------------|---------|--|--|
|    |  |  | relevant country | country |  |  |
| 1. |  |  |                  |         |  |  |

### 3. Trade and Investment:

#### a. Significant trends in trade and investment (Sources: DGFT )

| S. No. | Category          | Details of significant trends (Max.200 words)   | Analysis (Max. 200 words)   |
|--------|-------------------|---|---|
| 1.     | Trade in Goods    | <b>India Saudi bilateral Trade FY 2022-23</b>   | India's export in FY 2022-23 was marked at <b>US\$ 10.67 bn</b> with a growth of <b>22%</b> when compared to FY 2021-22 exports which were marked at <b>US\$ 8.64 bn</b> and <b>0.4%</b> higher than the set target of 10.22 bn under Target 400 initiative.  |
| 2.     | Trade in Services | N.A   | N.A.  |
| 3.     | Investment        | <p><b>Indian FDI in Saudi Arabia is US\$ 2 billion up to October 2021.</b></p> <p><b>Saudi FDI in India: US\$ 3.14 billion (March 2022)</b></p> <p>Now, Saudi Arabia ranks 18<sup>h</sup> position in India.</p> <p><b>Total Saudi Investments in India : US\$ 7.74 billion</b></p> | <p>During the high-level visit of HRH Crown Prince to India in February 2019, he declared that the <b>Kingdom is looking to invest US \$100 billion in India</b> in the coming years in diversified sectors.</p> <p>PIF has also invested approximately US\$1.3 billion for an equity stake of 2.04% in Reliance Retail Ventures Limited ("RRVL"). They have invested approximately US\$1.5 billion in Jio Platform; this will be translated into a 2.32% equity stake in Jio on a fully diluted basis.</p> <p>Apart from FDI, PIF has shown interest in Indirect Foreign Investment by partnering with Soft bank's Vision Fund I (PIF's share is 45 % in Vision Fund I). PIF has indirectly invested <b>(approximately USD 4.6 billion)</b> through Soft bank's Vision Fund I in India, in the last five years in Indian</p> |

|  |  |  |  |
|--|--|--|--|
|  |  |  | companies such as Lenskart, Flipkart, OYO, delhivery, FirstCry, Grofers, Ola, Paytm, Unacademy, Policy Bazaar etc. |
|--|--|--|--|

**b. Opportunities for investments/ assets on offer/major company divestment:**

| S. No. | Sector Name<br>(List attached) | Particulars of the<br>asset /company | Contact details |
|--------|--------------------------------|--------------------------------------|-----------------|
| 1.     |                                |                                      |                 |

Saudi Arabia is in the phase of fast economic and social transitional reforms/development under the ambitious 'Saudi Vision 2030' initiative.

**Saudi Arabia's upcoming/ongoing projects:**

**1. New Murabba project**

- (i) Saudi Crown Prince announced on 16 February, 2023.
- (ii) Proposed to be built in Riyadh with the concept of sustainability to enhance quality of life.
- (iii) The project is scheduled to be over an area of 19 square kilometers, to accommodate residential units, hotel rooms, retail space, office space, leisure assets, and space dedicated to community facilities.
- (iv) The project is due to be completed in 2030.

**2. NEOM**

- (a) NEOM is a city being built in Tabuk Province in northwestern Saudi Arabia.
- (b) Planning and construction will be initiated with \$500 billion from the Public Investment Fund of Saudi Arabia and international investors.
- (c) The first phase of the project is scheduled for completion by 2025.
- (d) NEOM city will have following four major regions:
  - (i) **Sindalah** : Red sea's first luxury island destination, it is expected to launch in early 2024 and will be the first physical project in NEOM that opens for tourism and leisure.
  - (ii) **The LINE** : The Line is a linear smart city under construction in Saudi Arabia in NEOM, Tabuk Province, which is designed to have no cars, streets or carbon emissions. The 170-kilometre-long (110 mi) city is part of Saudi Vision 2030 project.
  - (iii) **Trojena** : The first major outdoor skiing destination in the Arabian Peninsula. It will be located about 50 kilometres (31 mi) from the Gulf of Aqaba coast, in the Sarwat Mountains, with elevations ranging from 1,500–2,600 metres (4,900–8,500 ft). Although it is in the desert, the site's climate is considerably cooler than the rest of Neom's territory.
  - (iv) **Oxagon** : Oxagon is a floating industrial complex shaped like an octagon. It is located around 25 kilometres (16 mi) north of the town of Duba, and covers roughly 200–250 square kilometres (77–97 sq mi) of land, of which approximately 40 square

kilometres (15 sq mi) forms the city. The project will focus on modern manufacturing, industrial research, and development centered on expanding the Doha port.

### **3. Red Sea tourism project**

- (i) The project will focus on the development of resorts spread across 28,000 sq kms, including more than 90 natural islands, located between the cities of Umluj and Al Wajho, on the western coast of Saudi Arabia.
- (ii) Red Sea Tourism is currently in Phase 1.
- (iii) The project is set to be fully completed by 2030.

### **4. Al Qiddiya projects**

- (i) It's an entertainment city located southwest of Riyadh; this major new development will include theme parks, resorts, hotels and residential units on about 100 miles of sandy coastline on the Red Sea.
- (ii) At a total size of 334 square km. Work has been under way on the \$8 billion dollar project since January 2019, with the first phase slotted to open in 2023.

### **5. Amala tourism project**

- (i) The project involves the construction of a luxury tourism destination of 3,800 kms of nature reserves in Saudi Arabia's northwestern coast.
- (ii) The initial funding for the project will be provided by Saudi Arabia's Public Investment Fund. The project is currently in Phase 1. The project is expected to be completed in 2028.

### **6. The Knowledge Economic City**

- (i) The location of the KEC project, which has an area of about (6.8) million square meters, is unique in its direct connection with the five most important roads in Medina, which have a width of 80-100 m.
- (ii) It is planned to start the first phase of the internal public transport network starting from Prince Mohammed bin Abdulaziz International Airport to facilitate transportation to the main location through the Al-Haramain High-Speed Railway and the KEC by 2023.

### **7. Ad Diriyah**

- (i) Ad Diriyah is located on the outskirts of Riyadh, and is set to become a major tourist destination.
- (ii) The \$17bn development will encompass several luxury resorts, including major international hotel brands, as well as dining and entertainment options.

### **8. Jeddah District Revival plan**

- (i) Saudi Crown Prince Mohammed bin Salman has launched an ambitious 15-year project in bid to breathe new life into the historic part of Jeddah city.
- (ii) The project aims to create an integrated environment in Historic Jeddah that has multiple natural components, including 5 km of developed waterfronts, green spaces

and open gardens covering 15 per cent of the total area of the al-Balad area and within the project area of 2.5 square km.

- c. Information on tender Notices for projects and procurement of interest to Indian project exporters/ suppliers (USD15 million & above): **Saudi Arabia provides information on public tenders floated in the country on Etimad website (<https://monafasat.etimad.sa>).**

| S. No.  | Tender/ procurement notice No and date | Sector | Value of tender/ procurement |
|---|--|--------|------------------------------|
| <b>Note : For Indian companies to participate in tenders they need to register their company and have a local presence in Saudi Arabia.</b> |  |        |                              |

- d. Trade Queries for Imports/ Exports (if not uploaded on the Indian trade portal)

| S. No. | Enquiry originator | Product with HS Codes | Nature (Import/ Export) | Value (US\$ million) | Action Taken (Max.200 words)  |
|--------|--------------------|-----------------------|-------------------------|----------------------|---|
| 1.     | Indian Companies   | ---                   | Export                  | ---                  | The Embassy of India, Riyadh has received <b>280 trade queries</b> from India during August 2023. All the queries have been replied. The queries were mainly on agro food products, textile products, Jute bag, plastic products, pharma products, ceramics granite, Iron and Steel products, charcoal, peanut butter, Pipes and fittings, pumps cosmetics, building materials, herbs, spices, tobacco etc. |
| 2.     | Saudi Companies    | ----                  | Import                  | ----                 | The Embassy of India, Riyadh has received <b>01 trade query</b> from India during August 2023 regarding Textiles  |

**4. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc. / Significant stories/features on India related trade, investment, services and logistic sector, published in foreign journals/dailies, etc.: (Max. 500 words) NIL**

**5. Details of trade research, information dissemination of the commercial wing and events conducted by this Mission:**

| S. No | Activity Name   | Remarks  |
|-------|---|--|
| 1     | Ambassador's meeting with Minister of Investment on August 23, 2023                               | Ambassador met with Saudi Minister of Investment. They had extensive discussions on matters of investments and other issues of mutual interests.   |
| 2     | Ambassador's meeting with with Secretary General, Qassim Chamber on August 21, 2023               | Ambassador visited Qassim Chamber and met with Secretary General H.E. Mohammed Abdulkarim Al Hanaya and other officials and discussed ways to enhance business connections with the Qassim region and other issues of mutual interests.  |
| 3     | India Utsav Inauguration a Lulu Hypermarket on August 15, 2023                                    | Lulu Hypermarket in collaboration with the Mission launched "India Utsav". The Utsav was inaugurated by Ambassador Dr. Suhel Khan & was attended by Ambassadors & diplomats of other friendly countries in KSA & Indian & Saudi nationals.<br>The Utsav highlighted a range of products from India especially in the domain of value added food products and textile. A unique display of Millets, GI & ODOP products from India was also on display. During the inaugural event, food delicacies from 15 states of India were served. |
| 4     | Ambassador's meeting with Acting Governor, General Authority for Foreign Trade on August 13, 2023 | Ambassador accompanied by other officers of the Mission had a meeting with Acting Governor, General Authority for Foreign Trade & other officers. They discussed ways to facilitate bilateral trade & other issues of mutual interests.  |
| 5     | Ambassador's meeting with Minister of Industry and Mineral Resources on August 07, 2023           | Ambassador met with Minister of Industry and Mineral Resources. They discussed issues of mutual interests.   |

#### 6. Details of activities conducted out of Trade promotion budget:

| Name                     | BE for current financial year | RE for current financial year | Amount utilized | Details of Activity (Max.200 words)  |
|--------------------------|-------------------------------|-------------------------------|-----------------|--|
| Embassy of India, Riyadh | Rs.15,00,000                  |                               | Rs.3,99,619.42  | MEED Subscription; Printing of Rollup Standess, Translation of GCC ADD document, hiring of |

|  |  |  |  |                |
|--|--|--|--|----------------|
|  |  |  |  | business hall. |
|--|--|--|--|----------------|

**7. Complaints from foreign buyer/supplier on quality and trade dispute:**

| Name of Foreign buyer/supplier | Address & contact details of foreign buyer/supplier | Name & address of Indian exporter/importer | Brief description of complaint   | The authority to whom the matter was referred and the date on which the matter was referred. |
|--------------------------------|---|--|--|--|
| Mohammed Aldree                | Mohammed Aldree<br>0540011282<br>ENfaq Platform     | Red SPark Tech Company                     | Quality and payment issue in contract to develop a fintech solution ( mobile + portal) | They have been advised to file complaint on DGFT Portal vide email dated 14.08.2023          |

**8. Complaints of Indian exporter/importer: NIL**

| Name of Indian exporter/importer | Name & address of foreign buyer/supplier | Brief description of complaint | The authority to whom the matter was referred and the date on which the matter was referred. | Any outcome |
|----------------------------------|--|--------------------------------|--|-------------|
|                                  |  |                                |  |             |
|                                  |  |                                |  |             |

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