

India set to sign trade deal with Oman to expand its Middle East ties

The planned deal with Oman "also gives a competitive edge as GCC is negotiating trade agreements with Pakistan and China"

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REUTERS



Prime Minister Narendra Modi and Sultan of Oman Haitham Bin Tarik hold bilateral talks at Hyderabad House in New Delhi. | Photo Credit: ANI

India and Oman will sign a trade deal in the coming months, two Indian government officials said, as New Delhi seeks to expand its ties in the Middle East, where rising tensions are putting major shipping routes at risk.

"It will help India with a strategic partner and access to key trade routes in a volatile region," one official told Reuters.

India and Oman have annual trade of less than \$13 billion, but the relationship is important for New Delhi as the Gulf nation is a gateway to the narrow Strait of Hormuz between Oman and Iran, a major transit point for global oil shipments.

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Israel's war against Hamas in Gaza has spread to hostilities with Iran, and Yemen's Iran-aligned Houthi militants have launched repeated drone and missile strikes in the Red Sea area, claiming solidarity with the Palestinians in Gaza.

The trade deal requires the approval of the government that wins India's ongoing national elections, whose results are to be announced on June 4, the officials said. Prime Minister Narendra Modi is widely expected to win a rare third term.

The officials asked not to be named as the discussions are private.

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India's trade and Foreign Ministries and Oman's embassy in India and Foreign Ministry did not respond to emails seeking comment.

Making little progress on a deal with the Gulf Cooperation Council (GCC), India has pivoted to seeking bilateral deals with GCC member nations such as Oman and United Arab Emirates.

The planned deal with Oman "also gives a competitive edge as GCC is negotiating trade agreements with Pakistan and China," the official said.

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Oman has agreed to eliminate duties on Indian exports worth an annual \$3 billion including agricultural products, gems and jewellery, leather, automobiles, medical devices, engineering products and textiles, the officials said

India has agreed to reduce duties on some petrochemicals, aluminium and copper from Oman, while capping imports of such goods, the officials said.