

Prior to the existence of these untapped gas reserves in the Kingdom, one of the strongest arguments for the development of heavy gas-based industries was. So that gas – especially dry gases, methane and ethane – is an expensive transportation product, which makes it reasonable to look for more productive uses to exploit it. So the international trade theory is able to rationalize a gas-based industrialization strategy. For example, according to the Heckscher–Ohlin theory of international trade, a country tends to have lower comparative costs for the commodity that uses the most of the relatively cheaper factor in its economy. These considerations provide the basic rationale for the major. The theory generally suggests that Saudi Arabia should establish and begin promoting industries that depend mainly on natural gas and oil. These industries, regardless of everything else, are their center of strength, as they are most likely to be efficient and successful. Fortunately for the Saudis, these industries are not only energy intensive but also capital intensive. Hence, they tend to use their ample financial surplus as well as gas and oil, once the oil is produced at the optimum rate. (Looney, 1989) If both countries (India – Saudi Arabia) want to buy a certain commodity half of the total production (and they are willing to trade between them), then India has to produce twice the product because it has the comparative advantage in its production, while Saudi Arabia has to produce only half, and it is clear that Producing in this way and exchanging goods between the two countries is better than each country producing all its needs of the goods it needs. Thus, they will agree on the exchange. Thus, both of them obtained the same amount of the commodity. Here we find the principle that everyone benefits and there is no loser in the equation. But the weak point of India's development was the inability to exploit its comparative advantage in labor-intensive manufactures (West, 2020). In general, manufacturing exports decreased as a share of total exports and their composition shifted from labor-intensive to highly skilled and technology-intensive items. factor-endowment theory a good predictor of trade patterns Whereas, if we invoke the Huckster–Ohlin model, developed by Eli Huckster and Bertil Ohlin, it confirms the idea that trade patterns depend on the relative differences in factor factors in countries. Saudi Arabia produces oil at a lower price, has a comparative advantage in oil, and exports oil to finance its import purchases. Saudi Arabia also has a wealth of resources to support an efficient petrochemical sector, and it is natural that petrochemical facilities will be established to process this crude. Initially, Saudi Arabia would export most of its primary production of petrochemicals, but over time chemical and plastic companies could be established locally. Thus, capital-intensive operations matched the kingdom's relative factor factors. (Looney, 1989) Within the framework of the moratorium factor and our comparison between India and Saudi Arabia, we find a more strategic bilateral relationship for both countries, as the Kingdom – being the leading supplier of oil for India – has a position that allows it to benefit from the surge in energy demand as the third largest Asian economy, as India relies in a large part of its petroleum imports depend on the Kingdom's production, as it gets more than 20% of its petroleum needs from the Kingdom, as well as the value of bilateral trade, which amounts to about 150 billion riyals and covers a wide range of sectors. The Indian community in the Kingdom constitutes the largest foreign community with about 3.6 million residents, whose businesses are distributed in the information technology and construction sectors. The bilateral economic relations between India and Saudi Arabia are witnessing a remarkable rise, especially with the current privatization and diversification of the Saudi

economy, as the Kingdom offers many opportunities for Indian companies and investors due to the expertise they possess, especially in key areas such as construction, information technology, steel and aluminum, and industries. But what we notice in our narration of all these data and within the framework of our critical analysis of the data, one of the prominent economic features of India, as it is known, is that it has a huge workforce (the second largest in the world) that is combined with a relatively small stock of physical capital. So India nonetheless provides an excellent case study of the Heckscher–Ohlin theory which states that the pattern of trade is determined by the factor wealth of a country. At the same time, it is also evident that under the influence of industrialization, the composition of India's foreign trade has undergone a fundamental change over the year; especially as non–traditional elements have become insignificant in the export basket.