

UAE investment into India will triple'

By K V Prasad

The United Arab Emirates is home to the largest number of expatriate Indians in the Gulf region. Over the past few years, both the UAE and India have expanded their spheres of engagement. On the UAE's National Day today, the ambassador to India shares his views on the UAE's strategic ties with India.

As both countries prepare for this high-level visit of the Crown Prince of UAE to India in January, tell us about the broad contours of the bilateral relationship?

Prime Minister Narendra Modi announced the invitation to the Crown Prince and Deputy Supreme Commander of the Armed Forces, Sheikh Mohammed bin Zayed Al Nahyan, as the chief guest on the Republic Day. His Highness accepted it. He was in India this February and will be coming twice within a year. This shows the importance of the relationship for the UAE. India is a major trading partner and foreign trade between India and the UAE reached \$50 billion. If you look at our relationship 15-20 years back, foreign trade was \$180 million. India is the number one trading partner number for the UAE.

For India, the UAE is trading partner number three, after the US and China. If you compare the size of US and China with the UAE, that shows the importance of the ties. Some of the major investments are more than \$10 billion in ports, oil and gas, real estate and finance and other related sectors. In the last one year, there was \$1 billion additional direct investment from the UAE. There are more than 2.8 million Indians in UAE and they remitted about \$13.2 billion. The UAE-India have major agreements and there are many others in the pipeline.

Of the agreements discussed during the previous visit, one was to work for a Comprehensive Strategic Partnership Agreement. What is the progress and is it likely to happen during the visit?

On the strategic partnership, we have been working closely with the Indian side. It is



Dr Ahmed Albanna, the UAE Ambassador to India. Tribune Photo: Mukesh Aggarwal.

in the final stages for approval and, hopefully, it will be signed either before or during the visit. For the first time, the UAE will be signing such an agreement with a foreign country. It covers the important sectors and creates a mechanism for collaboration and cooperation to reach a better understanding between the two countries.

Will it include counter-terrorism, cyber security, and maritime security?

Yes, it will include all cyber security, counter-terrorism, maritime security and the Indian Ocean Rim. All those matters have been looked at and covered.

One area of convergence during the last visit of the Crown Prince was the view towards terrorism, State-sponsored, non-State actors and India's quest for definition of terror by the UN. Is there progress on that front?

We are working very closely with India in terms of the definition of terrorism, coordinating efforts to jointly reach an understanding and make an effort to collaborate with other countries in reaching an understanding on the definition of terrorism. The UAE has always denounced extremism and was among the very first countries to denounce several acts of terrorism against India, including the one at the Pathankot airstrike. The UAE has established an International Centre against extremism and terrorism and those fanatics who use religion, whatever it is, in order to reach their own personal goals. The second is the SWAT Centre between the governments of the UAE and the US, a technology to counter-attack terrorist groups like Daesh and those that are on the UN list as terrorist groups.

Another area in the joint statement was on radicalisation and prevention. How is the cooperation working in this field?

There have been many meetings between different institutions in India with their UAE counterparts to coordinate efforts in preventing people who are misled by those fanatics and extremists groups. Coordinating efforts are in the form of preventing them from joining them, exchange of information regarding extremists and preventing any act of terror.

If we take it forward, there are a number of bilateral requests for extradition of people wanted for acts of criminality by the respective countries? How close is this or are there still areas requiring work?

There are international agreements and protocols that the UAE and India are members of, which both have to implement. Besides, there is a great collaboration in terms of exchange of criminals, of people who have been sentenced in each country.

Trade with India is growing and both the leaders agreed that it should be doubled in the next five years, is it moving in this direction since it includes non-oil?

There is a commitment for trade to reach \$100 billion and we are working on that. There is a plan to revitalise the Free Trade Agreement between the GCC (Gulf Cooperation Council) and India. That will be a major tool to increase foreign trade with GCC and mostly UAE since the existing bilateral relationship is very strong. Taking into consideration that there is close relationship with India on ports and some of the major port operators here are Dubai-based.

Since the last visit, in cooperation on military and defence, exchange of information, manufacturing, joint exercises, I foresee a greater cooperation. Especially so in research and development, security and military, including joint production collaboration.

India and the UAE have an agreement on building strategic petroleum reserves. Any movement?

Hopefully, both parties will finalise an agreement and announce it soon. Negotiations are going on and the plan is to build a strategic reserve facility in Bengaluru.

You mentioned 2.8 million Indians in the UAE and labour laws have been a point of discussion. What is your view?

This is one area where we have had many meetings between our Ministry of Natural Human Resource and your Home Ministry. The UAE is a member of UN organisations like ILO and our bylaws are benchmarked as best practices on rights of labour and we exchange the information. Labourers in the UAE are protected by law. We know there has been some effort from the Indian side to implement certain laws that somehow may interfere with what we call sovereign rights of the UAE and other countries. Once those laws are implemented, it will affect the international concept of sovereignty and we have made it very clear to the Indian authorities that these laws may not benefit Indian labourers and might have an adverse effect. There was positive response from Indian officials on it and we assured Indian authorities our bylaws protect all labourers in the UAE, not just Indians. We offered that a committee could meet regularly and discuss and address minor problems.

The UAE promised to earmark \$75 billion towards infrastructure investment. How is the progress and when will the funds flow?

We are on the right track. The funds are for the next 10 years. It is matter of formality for India to issue the bylaws, documentation, and mechanism in terms of operation of those infrastructure funds. Funds will, hopefully, flow soon. We are waiting for India to take steps and put systems in place. The ball is on the Indian side.

Will the experience with Emaar or Etisalat cases be at the back of the mind of the UAE investors?

Those are the legacy issues. Of course, it will have a major effect on new private investments. During the past one year, additional investment came from a company that has a legacy issue. We were able to resolve issues with the assistance from officials and are grateful for sorting it out. Other issues are being worked out. Once it is done, I am confident that investment into India will double and triple.

The traditional ties between India and the United Arab Emirates have, over the decades grown, riding on the strength of trade and investments. The Crown Prince Sheikh Mohammed bin Zayed Al Nahyan will be the chief guest for the 2017 Republic Day. As the UAE celebrates its 45th national day on December 2, Ambassador Dr Ahmed A R Albanna gives an exclusive interview to The Tribune.