

Reaching out *to the UAE*

Trade and investments, counter-terrorism and energy will power a new chapter in New Delhi's relations with Abu Dhabi

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Prime Minister Mr Modi at Sheikh Zayed Grand Mosque in Abu Dhabi



In the one-and-a-half years that Prime Minister Mr Narendra Modi has been in power, he has consistently sought to enliven Indian diplomacy, deepening New Delhi's ties with close friends and upgrading its engagement with other partners. His visit to the United Arab Emirates (UAE) in August 2015 was yet another important step in this direction. Mr Modi is the first Indian Prime Minister to visit the country in 34 years and this in itself is a strong indicator of how the Government is keen on galvanising its ties with the UAE.

During this visit, three key issues were highlighted on the bilateral agenda: financial investments and trade, an enhanced strategic partnership and greater energy security. In the first case, the focus is on getting the UAE to invest more significantly in India – particularly in large infrastructure projects. Towards this end, a \$75 billion UAE-India Infrastructure Investment Fund has been envisaged which will support the construction of railways, ports, roads, airports and industrial corridors.

While India stands to benefit from the flow of foreign capital and technology, the UAE is looking to diversify its asset basket. Yes, the Emirati economies are now relatively more diversified than those of the other oil-rich Arab countries but they are all still dependent on the oil market. Overseas

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investments, therefore, are important to secure their economic welfare in the future.

Going ahead, both the countries can be expected to leverage the existing synergies in their relations. After all, India is UAE's second largest trade partner while the latter, which is one of the most powerful engines of the Gulf economy, is India's third. In fact, it is no coincidence that just about a month after Mr Modi's UAE visit, the Emirati foreign minister Sheikh Abdullah

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bin Zayed Al Nahyan came to New Delhi with a large business delegation.

Another area of joint concern in the strategic sector is the rise of the Islamic state terror group which has wreaked havoc across West Asia and North Africa and is a serious threat to both Arab and non-Arab powers in the region.

The third key aspect of India-UAE ties is, of course, oil which has traditionally been the bedrock of India's relations with GCC member states. India imports about 80 per



Prime Minister addresses the gathering at the Indian Community Reception, in Dubai Cricket Stadium, UAE

cent of its oil and the UAE fulfills about nine per cent of Indian demand.

During his two-day visit, Mr Modi had a packed schedule that saw him travel to Abu Dhabi, Dubai and Masdar City. He visited the iconic Sheikh Zayed Grand Mosque which has design and architectural elements from around the globe and is built on the idea of “uniting the world”. He also met Indian workers at the International City Abu Dhabi, home to



more than 26,000 foreign workers, mostly from India, Pakistan, Bangladesh and Nepal.

Overall, the UAE is the *karmabhoomi* of over two million Indians, who send home an estimated \$12 billion every year. In fact, in Dubai, the Indian Prime Minister addressed a gathering of more than 50,000 Indian expatriates. This was well in keeping with his constant endeavour to reach out to the Indian diaspora around the world.

Mr Modi’s visit to Masdar was interesting, given the city is still being built, having been established only in 2006. What makes Masdar special and of particular interest to Mr Modi is that it is a newly-planned high-tech urban settlement that aims to have a zero carbon footprint. This is similar to Mr Modi’s flagship “Smart Cities” plan. For example, the Gujarat International Finance Tech-City, which was initiated during Mr Modi’s tenure as Gujarat chief minister and is under construction, has a comparable concept to Masdar.

Masdar, leveraging its “desert advantage”, is being powered primarily by solar and wind energy. Reportedly, the city will have no personal automobiles and definitely none that will run on fossil fuel as the residents are expected to avail of public transport. It already has automatic driverless cars zipping commuters around. Masdar will host the International Renewable Energy Agency whose headquarter will be the first building to produce more energy than it consumes.

While the Masdar model need not be replicated in India – a project like this has to be adapted to local conditions – this country is working on similar ideas and projects as it seeks its own solutions to the problems of sustainability, limited natural resources, pollution and population pressures that worry the rest of the world. In this context, it will be interesting to see how Mr Modi brings home the lessons and ideas he sees abroad.

