

Abu Dhabi weighs investment pledges worth \$50 b for India

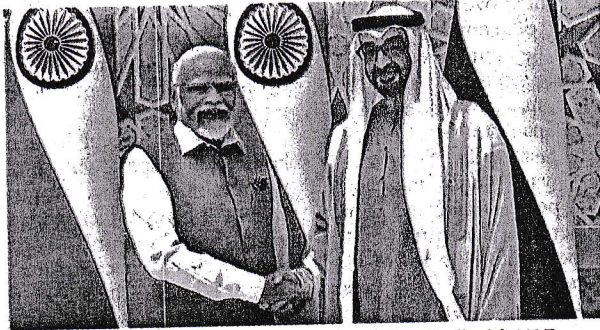
BOLSTERING TIES. Two countries aim to increase non-oil bilateral trade to \$100 billion, deals being discussed

Bloomberg

The United Arab Emirates is considering investing as much as \$50 billion in India, its second-largest trading partner, as part of a broader bet on the world's fastest-growing major economy.

Provisional pledges from the UAE could be announced early next year, people familiar with the matter said, asking not to be named as the information is not public. Any new investments would follow Narendra Modi's meetings with UAE President Sheikh Mohammed bin Zayed in July.

The countries have been seeking to bolster ties over the past decade and aim to increase non-oil bilateral trade to \$100 billion. Modi's recent visit to Abu Dhabi marked his fifth trip to the Gulf nation since he took over as Prime Minister in



HAND IN HAND. Prime Minister Narendra Modi with UAE President Sheikh Mohamed bin Zayed Al Nahyan (file photo)

2014. The last Indian premier to visit the UAE before him was Indira Gandhi in 1981.

Deals being discussed include stakes in key Indian infrastructure projects and state-owned assets, with announcements likely before Modi seeks a third-term in elections due next year, the people said. Some of the investments could involve sovereign wealth funds such as the Abu Dhabi Investment

Authority, Mubadala Investment Co and ADQ, they said.

The pledges are unlikely to have clear timelines for a large chunk of the investments, the people said. No final decisions have been made on the size or timing of the announcements.

As part of the push, entities overseen by Sheikh Tahnoon bin Zayed Al Nahyan have held early-stage talks on investing billions of dollars in India, one

of the people said. Sheikh Tahnoon is the UAE president's brother and chairman of International Holding Co, which disclosed a 5 per cent stake in Gautam Adani's flagship conglomerate last month. That came days after IHC sold down holdings in two Adani firms, though the firm reiterated its commitment to India at the time.

Representatives for India's finance and trade ministries, the UAE government, and Sheikh Tahnoon's private investment firm

GROWTH ENGINE

Royal Group has long prized India and executives there have called the country a potential growth engine of the next decade, *Bloomberg* has reported. Sheikh Tahnoon is also chairman of ADQ as well as ADIA — one of the world's largest wealth funds, with close to \$1-trillion in assets.

Lured by a rising middle

class and seeking to diversify away from traditional investment destinations like Europe, Gulf state-backed investors have boosted ties with India. Others including the Qatar Investment Authority and Saudi Arabia's Public Investment Fund have also emerged as prominent investors in the country.

The UAE's plan is a further indicator of the government's push to position itself as a country that avoids taking sides in a world increasingly split between Washington and Beijing.

As one of few countries to manage close to \$1.5 trillion in sovereign wealth, the UAE is a vital ally to the world's most populous nation, which is seeking to bridge infrastructure gaps. For India, any large foreign investments would help the PM highlight his efforts to bolstering the economy ahead of the 2024 vote.