

Modi in UAE: Bilateral investment pact signed

Countries agree to link payment platforms, card systems; framework on proposed IMEC signed

SUBHAYAN CHAKRABORTY
New Delhi, 13 February

India and the United Arab Emirates (UAE) on Tuesday signed a key bilateral investment treaty along with key agreements spanning a slew of fintech and digital infrastructure projects announced during Prime Minister Narendra Modi's two-day visit to the Gulf nation.

The bilateral investment treaty is set to be a key enabler for further promoting investments in both countries, the Prime Minister's Office (PMO) said in a statement. "The treaty will have a long-term impact. It will also be major news for G-20 nations," Modi said during his meeting with UAE President and Ruler of Abu Dhabi, Mohamed bin Zayed al Nahyan.

The UAE is the seventh-largest source of historical foreign direct investment (FDI) for India, with a total of \$16.67 billion. It constitutes 2.5 per cent of India's overall inbound FDI originating from the country since 2000, according to data from the Department for Promotion of Industry and Internal Trade. FDI from the country swelled to \$3.35 billion in FY23, up from \$1.03 billion in FY22. It stood at \$1.1 billion in the first six months of the current financial year. India signed the Comprehensive Economic Partnership Agreement with the country in February 2022, which went into effect in May 2022.

Both sides also signed an Intergovernmental Framework Agreement on the India-Middle East Economic Corridor (IMEC).

The IMEC initiative calls for a sea-land connectivity project linking India with West Asia and Europe in an apparent move to counter the controversial Belt and Road Initiative of China.

Fintech focus

Both sides also inked an agreement on the interlinking of national instant payment platforms. As a result, India's United Payment Interface will be linked with the UAE's Aani, a platform operated by Al Etihad Payments, a subsidiary of the country's central bank.

Similarly, an agreement on inter-linking domestic debit/credit cards of both nations was signed which will see RuPay (India) linked with JAYWAN (UAE).

The move is set to enhance the universal acceptance of RuPay across the UAE.

FORGING DIGITAL BONDS



Prime Minister Narendra Modi (left) and UAE President Mohamed bin Zayed Al Nahyan transact using the JAYWAN card, based on India's digital RuPay credit and debit card stack, in Abu Dhabi on Tuesday

PHOTO: PTI

INTEGRATING FINANCIAL SYSTEMS, WE ARE PARTNERS IN PROGRESS, SAYS PM

ARCHIS MOHAN
New Delhi, 13 February

Addressing the Indian diaspora in Abu Dhabi on Tuesday, Prime Minister (PM) Narendra Modi said India and the United Arab Emirates (UAE) are working on integrating their respective financial systems, even as the bilateral strategic and technological partnerships between the two countries scaled new heights since his first visit to the Gulf nation in 2015. The PM said the strong India-UAE community and cultural relations were a model for the world, as he spoke a few sentences in Arabic to underscore how several Arabic words were commonly used in Indian languages. "India and the UAE are partners in progress. Our relationship

is of talent, innovation, and culture," Modi said while addressing the Indian community here at the 'Ahlan Modi' (Hello Modi in Arabic) grand event. Modi said India and UAE have inked an agreement interlinking their respective instant payment platforms that will make it easier for the Indian diaspora to remit money to their relatives in India. He said the Indian Institute of Technology (Delhi)'s Abu Dhabi campus started a Master's programme last month, and the Central Board of Secondary Education (CBSE) will soon open an office in Dubai. The PM thanked UAE President Sheikh Mohamed bin Zayed Al Nahyan, whom he addressed as "brother", for allotting land and allowing the construction of a Swaminarayan temple in Abu Dhabi.