

India woos UAE firms to invest in infrastructure

External Affairs Minister Pranab Mukherjee has called upon investors in the United Arab Emirates (UAE) to invest in India's infrastructure sector.

'India invites companies of the UAE to play a major role in the development of its infrastructure,' Mukherjee said in a speech on 'India's vibrant economy and India-UAE business relations' while addressing the Indian Business and Professional Council (IBPC), Dubai, here Tuesday evening.

'As far as UAE is concerned, there are many opportunities for investment in the entire value chain for petroleum, including refining, product pipelines, storage and retail as well as for natural gas,' said the minister, who is on a two-day official visit to the UAE.

He said the reforms initiated in the 1990s have transformed the investment climate, improved business confidence and generated a wave of entrepreneurial optimism in India.

According to Mukherjee, Indian economy has moved decisively to a higher growth phase. He, however, pointed out that the biggest impediment to India achieving and sustaining annual economic growth of around 10 percent was its inadequate infrastructure.

'Hence, this is precisely the sector which has been taken up for priority attention by the Indian government... A massive programme of public investment has been initiated and the involvement of private participants, from India and abroad, is welcome in this endeavour.'

'I strongly urge investors and entrepreneurs of the Gulf region to avail themselves of the exciting new opportunities in India,' he said, adding that investments between India and the Gulf Cooperation Council (GCC) go beyond the traditional dependence of India for its oil needs on the region.

Lauding the achievements of the Indian business community in the UAE, he said Indians have been encouraged and have felt secure in setting up business in UAE.

'Over 12,000 firms and companies registered in Dubai have Indian ownership. Around 19 percent of the companies in Sharjah are Indian entities,' he said.

'India leads all other countries in the world in the number of industries that have set up operations in the Jebel Ali Free Trade Zone (in Dubai), Al Hamariya Free Trade Zone of Sharjah and the Ras Al Khaimah Free Trade Zone.'

The minister also pointed out that top Indian companies all have a presence in the UAE.

'I note with pride that leading Indian companies are all present in UAE and are seeking to expand their presence by undertaking many engineering and construction projects, building transmission towers, contributing to real estate growth, supplying power plants, putting up bus and vehicle assembly plants and providing strategic IT services, not just to the UAE, but globally.

'Despite local restrictions on their expansion, Indian banks and insurance industry also have an important presence here,' he said.

As for India-UAE relations, the foreign minister said this Gulf nation has always been an extremely close economic partner of India.

'Our bilateral trade reached last year a record figure of \$21 billion, dominating the trade of \$47 billion with the entire GCC.

'Today, UAE is perhaps the third largest destination for India's exports after the US. Again, India's exports of \$12 billion in 2006-07 to the UAE constitute a 40 percent increase over the previous year's figures,' he said.

Stating that India was a natural long-term partner for the UAE in this era of the knowledge economy, he said, 'We can also assist in the setting up of skill development and educational institutions for developing capacity here in certain key technical areas.'

Mukherjee's visit comes close on the heels of Indian Commerce Minister Kamal Nath's visit to this Middle East metropolis. Nath had also made a strong pitch for investment in India's infrastructure sector, particularly in the Delhi-Mumbai Investment Corridor.

Aroonim Bhuyan (© IANS / India eNews)