India – UAE: Getting ties on track

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What are the new contours of partnership?

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- India’s interest in the UAE rests on several pillars:\n\n
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  - trade ties of about $50 billion,
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  - energy and oil supplies from the world’s fifth largest exporter,
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  - the welfare of 2.6 million Indians who remit billions, and
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  - defence and security.
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- While bilateral ties have been robust for decades, **the defence and security partnership is clearly the new driver for ties** between the two governments. The signing of the strategic partnership agreement was the highlight of the UAE Crown Prince Mohammed bin Zayed Al Nahyan’s visit.
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- **The contours of this partnership are now being set:** joint military exercises, joint manufacturing and purchase of equipment and spare parts from India, as well as cooperation on fighting terror.
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- The joint statement also contained strong words on “state-sponsored terror”, that the government believes is an indication that the **UAE shares India’s frustration on cross-border terrorism from Pakistan,** especially in the wake of the recent bomb blast in Kandahar, in which five UAE officials were among the victims.
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What both countries need to do?

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- The strategic partnership that India envisions with the UAE must be based on clarity and concrete measures. This should include a **crackdown on the shadowy businesses** owned by Dawood Ibrahim.
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- Also more steps to **curb terror financing** of the Taliban and groups in Pakistan and Afghanistan; such money is often routed through expatriate remittances from the UAE.
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- India’s hopes of investment from the Abu Dhabi sovereign wealth fund, one of the world’s largest at $500 billion, will not be realised until New Delhi steps up efficiency at its end.
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- That it took more than a year for the government to fully set up **the National Investment and Infrastructure Fund mechanism for the UAE funds** is a case in point.
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- The delay resulted in the MoU for investment of a possible $75 billion over 10 years falling through. Personalised leader-to-leader bilateral diplomacy is a great conversation-starter, but not sufficient to energise ties.
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