Investment Opportunities of India-Qatar

Why in news?

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- The visit of Prime Minister Narendra Modi to Qatar in June 2016, revived the momentum between the bilateral relations.
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- The investment requirements of a large emerging economy like India and the vast financial surpluses of an energy rich economy such as Qatar can be married to create a win-win situation for both of our countries.
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What is the background of the issue?

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- The intent was positive, the policy paralysis in the later years of the previous government adversely impacted the investment outlook for the country.
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- Qatar’s desire to invest in India from its Sovereign Wealth Fund was one of the many casualties.
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- The current volume of Qatari FDI in India is modest, Qatar’s Sovereign Wealth Fund and other state-owned entities, as well as Qatari private investors, are looking at investment options in infrastructure in India.
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- Including in real estate, roads and highways, airports and airlines, ports, LNG, petrochemicals and fertilizers, and tourism/hospitality.
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What is the potential of the Qatar investment?

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- There is vast potential for Qatar Investment Authority to substantially increase its investments in India.
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- India's huge needs $ 1 trillion in the next 5 years in infra alone investment friendly policies, and QIA's keenness to diversify its global portfolio.
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- India has made efforts to actively engage with QIA and other state-owned and private entities in Qatar, highlighting policies such as 'Make in India' and the advantages of investing in India.
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- The balance of trade is currently heavily in Qatar's favour.
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- India's corporate sector too is increasingly pursuing business opportunities in Qatar.
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- A number of reputed Indian companies, particularly in construction/infrastructure and IT, have operations in Qatar, including L&T, Voltas, TCS, Wipro, Mahindra Tech, HCL, SBI and ICICI.
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What is the way forward?

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- While business has been the focus of the relationship, India's ties with Qatar have largely been founded on energy and economic links, and the presence of the Indian community.
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- The interest of citizens living and working in Qatar, many of them engaged in projects related to the FIFA World Cup in 2022, is paramount for India.
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- Qatar backs political Islam, but this is an Islam that is at once moderate, accommodative, liberal and forward-looking.
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- The crisis in the Middle East would not impact India adversely, and India's "Gulf policy is on very solid ground".
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- however, said balancing the relationships in the region would require "diplomatic finesse" of a high order.
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- There might be some implications on investments, and the movement of labour could become difficult.
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Source: Indian Express

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