

● UAE'S \$75-BN INVESTMENT PLAN IN INDIA

FM asks industry to form JVs with UAE firms, tap FTA with Australia

FE BUREAU

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STRESSING THAT INDIA'S trade pacts with the UAE and Australia will boost the country's economic growth, Union finance minister Nirmala Sitharaman on Tuesday urged exporters to tap these new-age agreements to improve their market access in these countries.

In the case of the India-UAE free trade pact, Indian exporters could look at forging joint ventures (JVs) with the UAE's industries to garner a major share of the promised investment of \$75 billion in India's infrastructure sector, she said. "When the prime minister visited the UAE some years ago, the royal family promised \$75-billion investment in India and now a formal agreement has also been signed," she said, asking the exporters to scale up their businesses by identifying JVs to get a share of the promised investments.

She was addressing a stakeholders' outreach programme in Chennai to sensitise exporters on the opportunities with regard to the recently signed India-UAE Comprehensive Economic Partnership Agreement (CEPA) and the India-Australia Economic



FM Nirmala Sitharaman at an outreach programme on FTAs with the UAE and Australia in Chennai on Tuesday

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Cooperation and Trade Agreement (ECTA).

The India-UAE CEPA is expected to boost bilateral trade from \$60 billion to \$100 billion in five years, while it is anticipated that the India-Australia ECTA will enhance bilateral trade from \$27.5 billion to \$45-50 billion in the next five years. The trade agreements with the UAE and Australia are expected to create 2 million jobs in the next five years, raising the standards and enhancing the overall welfare of people, she said.

Sitharaman said that it is important to create forward and backward linkages around the sectors to promote industries in which foreign investments are expected due to the trade agreements. The FM warned the industry about making the mis-

take of relying on raw material imports. The country has been witnessing a great deal of discourse and activity of late in chip production.

Sitharaman said that overseas investments alone would not count for much if there is no raw material integration in local supply chains. "We need to check whether our forward and backward integration is in place or whether we will be reduced to importing our raw materials from other countries," she said.

Citing the example of India's pharma industry, Sitharaman urged the manufacturers to learn from mistakes committed in allowing overseas suppliers to enjoy monopoly and thus play the deciding role in fixing raw material prices.