WWW.TRILEGAL.COM

TRILEGAL

COUNTRY DOSSIER

United Arab Emirates

January 2024

Country Dossier – United Arab Emirates

TRILEGAL

The United Arab Emirates is considering investing as much as USD 50 billion in India, its second-largest trading partner, as part of a broader bet on the world's fastest-growing major economy. The countries have sought to bolster ties over the past decade, aiming to increase non-oil bilateral trade to USD 100 billion. PM Modi's recent visit to Abu Dhabi marked his fifth trip to the Gulf nation as deals being discussed include stakes in key Indian infrastructure projects and state-owned assets. Some investments could involve sovereign wealth funds such as the Abu Dhabi Investment Authority, Mubadala Investment Co., and ADQ. The UAE, with which India implemented a CEPA, is the fourth largest investor, and the UAE Sovereign Wealth Funds (SWFs) invested over USD 10 billion in India during 2020-22. Abu Dhabi Investment Authority (ADIA) is the principal Sovereign Wealth Fund of the UAE and one of the world's largest. The UAE has committed to investing USD 75 billion in India's infrastructure sector in the coming years.

G2G initiatives

PM Modi held a bilateral meeting with President Sheikh Mohamed bin Zayed Al Nahyan in Gandhinagar where MoUs were signed on Food Processing, Renewable energy, Investment cooperation for innovative health care projects, DP World, and developing green and sustainable ports with the Gujarat government. The latest round of agreements could support the goals of the India-Middle East-Europe Economic Corridor and the I2U2 economic cooperation grouping. The I2U2 group includes India, Israel, the UAE, and the US. The trade corridor, announced at the G20 Summit in India in September, will originate in India, connect the UAE, Saudi Arabia, Jordan, and Israel, and terminate in the EU. It has called for developing a mix of rail and sea links for physical connectivity and includes plans for pipelines to transport hydrogen produced in Saudi Arabia and the UAE.

India and the United Arab Emirates have signed a deal to explore establishing grid connectivity, including a pact on green hydrogen and solar energy. The agreement aims to invest in renewable energy projects in India, potentially reaching a total capacity of 60 gigawatts.

Sectoral Synergies

TRILEGAL

Energy

- The UAE will develop 6.6 gigawatts of clean energy capacity in India, including the construction of 1,200 megawatts of wind and solar projects. The projects will be financed using the Emirates' newly announced USD 30 billion fund for clean energy, which is backed by BlackRock, Brookfield and TPG. The money will go towards a new private investment vehicle, Alterra, which aims to raise USD 250 billion globally in the next six years to create a fairer climate finance system.
- UAE has also evinced interest in having grid connectivity with India. Connecting India's power grid with that of Saudi Arabia and the UAE would help India supply Power to Europe, as the European grid would also be connected to the grid in the West Asian region.
- India and UAE will fast-track the setting up of the West Coast refinery project in Maharashtra, a trilateral project between ARAMCO, ADNOC, and Indian companies — for which USD 50 billion has already been earmarked. A joint task force set up for the purpose will identify and channel the project's USD 100 billion investment. The mega refinery-cum-petrochemicals complex project was first announced in 2015.
- Abu Dhabi's ADNOC Gas announced a 14-year USD 7 billion - USD 9 billion deal with Indian Oil Corp to supply 1.2 million metric tonnes of liquefied natural gas (LNG) annually.

Food Processing

- The UAE has initiated the process of channelising its long-promised USD 2 billion investments into food parks in India, starting with Gujarat. These food parks would incorporate state-of-the-art climate-smart technologies to reduce food waste and spoilage, conserve fresh water, and employ renewable energy sources.

SWFs

- ADIA, one of three wealth funds in Abu Dhabi—Mubadala and ADQ are the other two—is among the most active SWFs in India, especially in public markets. The firm had picked up shares of two Mumbai-listed companies—CMS Info Systems Ltd and BEML Ltd. More recently, it added Prudent Corporate Advisory Services to its portfolio and bought shares of One97 Communications Ltd, the parent of fintech venture Paytm. It has also committed USD 500 million to the privately held eyewear brand Lenskart. ADIA plans to set up its billion-dollar base in the Gujarat International Finance Tec-City (GIFT City). This decision follows in the footsteps of well-known banks such as DBS and Morgan Stanley. ADIA will invest USD 6 billion through a wholly-owned subsidiary to pick up a 0.59% stake in Reliance Retail Ventures Ltd (RRVL).

- Mubadala is discussing buying a stake of less than 10% in Manipal Hospitals in India. If successful, this would be the Abu Dhabi Sovereign Fund's first investment in the expanding Indian healthcare sector. The fund is in talks with Singapore's Temasek, which spent USD 2 billion in April to increase its share in Manipal from 18% to 59% in the country's largest healthcare sector acquisition. Mubadala, which prefers minority stake deals, has invested over USD 4 billion so far in India across diverse bets that include Jio Platforms, Reliance Retail, Tata Power's renewable energy business, and India's largest toll road platform, Cube Highways InvIT (infrastructure investment trust).

Trilegal's historical experience with UAE companies

TRILEGAL

- **Trilegal advised Saudi Aramco** on acquisition of 50% of the shareholding in Valvoline Cummins and 100% of the shareholding in Valvoline Lubricants & Solutions India, as part of their global acquisition of entities forming part of the Valvoline global products business.

- **Trilegal advised Saudi Company** for Visa and Travel Solutions on proposed Indian entry strategy includes advice on corporate structure, taxation and incorporation of the entity.

- **Trilegal advised Emirates Global Aluminum** on Indian law advice in the context of potential disputes between parties.

- **Trilegal advised Abu Dhabi National Energy Company PJSC (TAQA) regularly** on Data Protection.

- **Trilegal advised Flydubai** on employment related advice.

- **Trilegal advised Investment Corporation of Dubai** on potential commitment to the successor fund being launched by Fireside Ventures.

- **Trilegal advised Saudi Arabian Airlines** on general corporate and dispute matters on a retainership basis.

TRILEGAL

The information contained in this may address a specific requirement for the recipient and must not be construed as advertisement or solicitation in any form or manner.

For more information, please visit our website [WWW.TRILEGAL.COM](http://www.trilegal.com)