

## **Trade Between The UAE And India Is Set To Strengthen—And The Benefits For Real Estate Will Be Significant**

For almost five decades, strong bilateral trade has been one of the key factors that has defined the highly-valued relationship between India and the UAE. This relationship has continued to evolve rapidly in recent years in line with the UAE's aggressive policy of economic diversification.

The strength of this relationship speaks for itself: in 1982, foreign trade figures between the UAE and India stood at \$182 million—35 years later, this has risen to \$53 billion. According to statistics by UAE's Ministry of Economy, bilateral trade between UAE and India is expected to increase to \$100 billion by 2020.

The stability of India's political system has proved instrumental in strengthening the country's relationship with one of its key trading partners and in cementing India's reputation as an important investment hub.

Following the recent election, there has been a wave of renewed positivity in the Indian business community. And one industry reaping the benefit is real estate.

A number of policies introduced by the government in its last tenure—including the Real Estate Regulation and Development (RERA) Act, 2016 and the Good and Service TAX (GST)—have already transformed the Indian real estate sector by promoting a more disciplined and growth-oriented business approach. Attracting foreign direct investment will continue to be a key focus to further stimulate the sector.

Dubai, as a natural and historic business partner, will play an important role in further driving investment. There are multiple opportunities for the two nations to collaborate to continue to boost the real estate sector in both countries.

Figures suggest that India's real estate industry is going from strength to strength. In retail, almost 10 to 12 million square feet of supply is expected to enter the market by the end of this year, whilst the industrial and logistics sector is looking forward to adding 60 million square feet of new space, with an increasing share of grade A supply.

The office segment is expected to continue its positive run after recording landmark results in 2018. Meanwhile, India's residential sector is anticipating a robust recovery following the introduction of some key policy measures by the government to stimulate growth. Areas in metro cities such as Delhi-NCR, Mumbai, Chennai, Hyderabad and Bengaluru are already experiencing positive results and this is expected to extend to tier-II cities in the short-medium term.

While India already features among the top three investors in Dubai, increased direct investment into India from the UAE is likely to rise as both countries continue to further

strengthen their long-standing and mutually beneficial links. The deepening of this important economic relationship will serve to complement the robust non-government ties shared between these two nations, whose histories and people are intertwined.

The Indian business community in Dubai will undoubtedly play a key role in further advancing the agendas of both countries to ensure that this relationship—which has been instrumental in the success and development of both nations—continues to flourish for decades to come.

*Anshuman Magazine, CBRE Chairman & CEO - India, South East Asia, Middle East & Africa.*

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