

'Bilateral trade between Qatar and India has potential to grow'

Dr R Seetharaman addresses Almus Rupee Money Conference 2020

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THE bilateral trade between India and Qatar has the potential to grow further, Doha Bank Group CEO Dr R Seetharaman has said while addressing the Almus Rupee Money Conference 2020 hosted by the National Stock Exchange of India Limited and Almus Risk Consulting.

While the total bilateral trade between GCC and India stands at \$121 billion, Seetharaman said Qatar mainly exports petrochemicals, LNG, fertilizers, sulphur and iron pyrites to India.

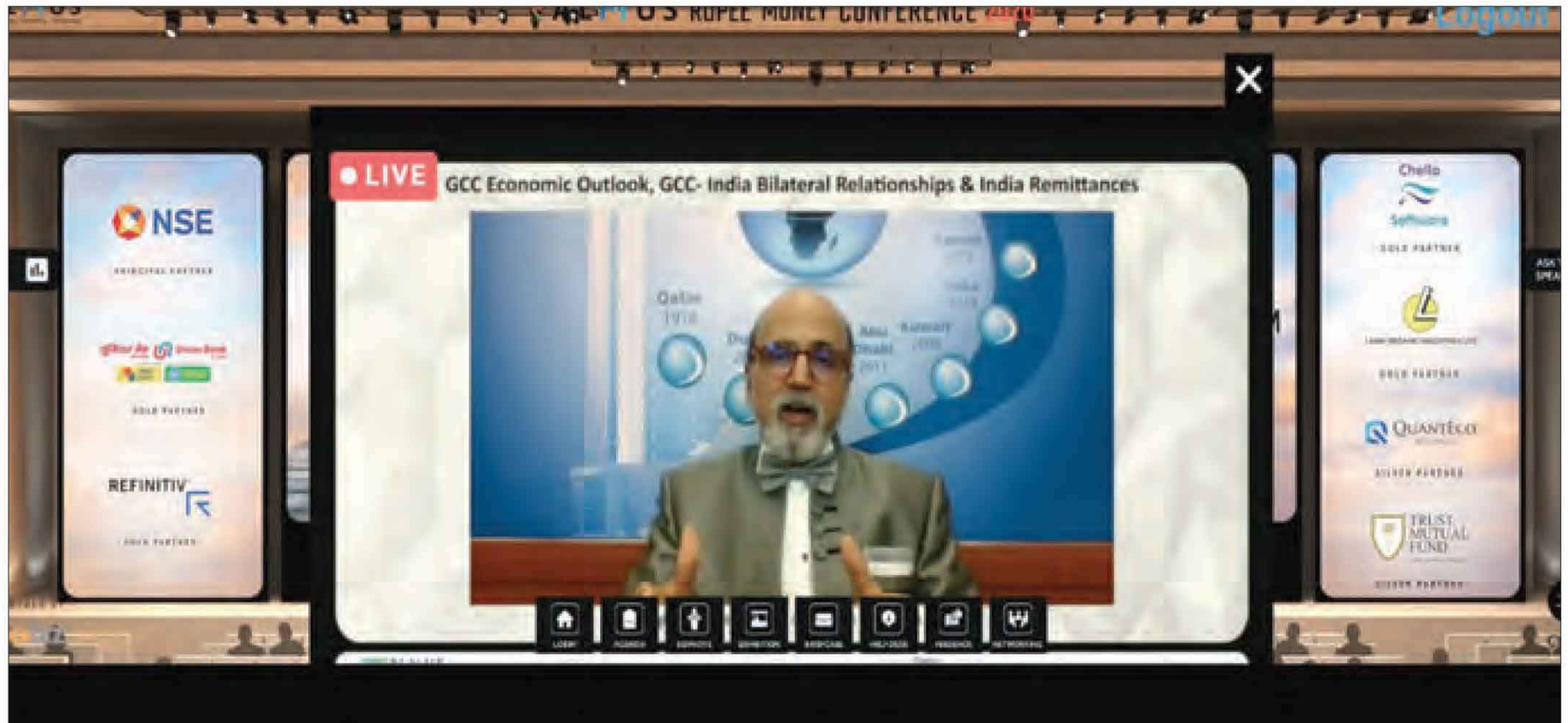
Qatar's major imports from India include accessories, manmade yarn, fabrics, cotton yarn, transport equipment, machinery and instruments, metals and ores and minerals, he added.

Seetharaman said many Indian companies such as L&T, Tata Projects, Voltas and Punj Lloyd have active relationships in the Qatari market through partnerships, agencies and even have set up their offices in Qatar, which is home to nearly 750,000 Indian nationals.

In the banking sector, Seetharaman said Doha Bank has three full-fledged branches in India. QNB also received approval for retail operations the country, he added.

In January 2019, QIA invested \$200 million through a primary equity issuance in Bharti Airtel's arm Airtel Africa Ltd. In July 2019, BYJU'S (Indian learning app) announced that it has received an investment of \$150 million led by Qatar Investment Authority (QIA), the sovereign wealth fund of Qatar.

QIA is investing about \$450 million for a 25.1 percent stake in a unit of Adani Transmission Ltd. The deal includes



Doha Bank Group CEO Dr R Seetharaman addressing the Almus Rupee Money Conference 2020.

a subordinated debt investment by QIA. It eyes stake up to \$1.5 billion in India's Reliance Jio Fibre in 2020.

As per World Bank report in April 2020, it expects the remittances to India from GCC to fall by 23 percent to \$64 billion in 2020 from \$83 billion in 2019.

Qatar and India have set up a task force to identify projects in India for investments, he said. This was agreed between Qatar's Minister of State for Energy Affairs HE Saad Sherida Al Kaabi and India's Oil Minister Dharmendra Pradhan.

India's bilateral trade is set to grow with Qatar, Seetharaman said, adding that this has given Qatar's world class seaport, airport, Free zones, a new public-private partnership model and an approved foreign investment law to promote non-Qatari investments.

Qatar is an AA- rated country and Doha Bank is rated A3 with stable outlook, the country offers low cost of financing and also has a sovereign fund plus gold reserves with central bank which is 2x of GDP reflecting inherent strength of the economy.

Giving insights on Qatar economy, the Doha Bank CEO said the country is expected

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Doha Bank Group CEO Dr R Seetharaman

to contract by 4.5 percent in 2020 and recover by 2.5 percent in 2021.

Qatar and other regional economies had witnessed economic reforms to recover from the COVID-19 as oil fell this year, he added.

The Qatar Central Bank came up with various programmes to combat the risk of the COVID-19 pandemic.

"In May 2020, the public-private partnership law was introduced. The Private sector is expected to leverage from this new law. In October 2020, Qatar has allowed foreigners to own property. Qatar stock market has surged by close to 0.5 percent YTD (as on closing of December 15, 2020) and has crossed 10,000 levels."

Dr R Seetharaman also gave insights on global economies.

"According to IMF October 2020, global growth is projected at 5.2 percent in 2021. The Advanced economies growth

is projected to strengthen to 3.9 percent and emerging and developing economies are expected to recover by 6 percent in 2021.

The US economy is projected to contract by 4.3 percent in 2020, before growing at 3.1 percent in 2021. A deeper contraction of 8.3 percent is projected for the euro area in 2020, reflecting a sharper downturn than in the United States in the first half of the year. Inflation in the advanced economy group is projected at 0.8 percent in 2020, rising to 1.6 percent in 2021 as the recovery gains hold.

In the emerging market and developing economy group, inflation is projected at 5 percent this year, declining to 4.7 percent next year.

Prospects for China are much stronger than for most other countries in this group. Oil extended gains toward \$50 a barrel after OPEC+ reached a compromise deal to gradu-

ally taper production cuts this month. 2020 has been a historic year for gold and silver as unprecedented stimulus measures around the world were unleashed on financial markets. The dollar index is at 90.46 levels and is expected to fall further as fed continues its monetary easing. Crucial negotiations to secure a post-Brexit trade deal between the UK and the EU expected to happen."

Dr Seetharaman spoke on Indian economy as well. He said IMF expects India's GDP growth to bounce back to 8.8 percent in 2021, one of the highest amongst in emerging market and developing economies.

The country has been stable with its credit ratings, which are placed currently at investment grade at BBB-.

India reported current account surplus of \$19.8 billion which is 3.9 percent of GDP in June 2020. The RBI holds Forex reserves of \$568.5 billion which is at new life-time highs as on November 6 2020.

The FDI investments as per RBI reported are projected to be at \$42.6 billion by the end of fiscal year 2020-21. RBI has been supportive with frequent announcements of its purchases via open market operations. This has led to 10 year bond yields at 5.93 percent.