

THE AG COMMUNIQUÉ



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We expand your Horizons





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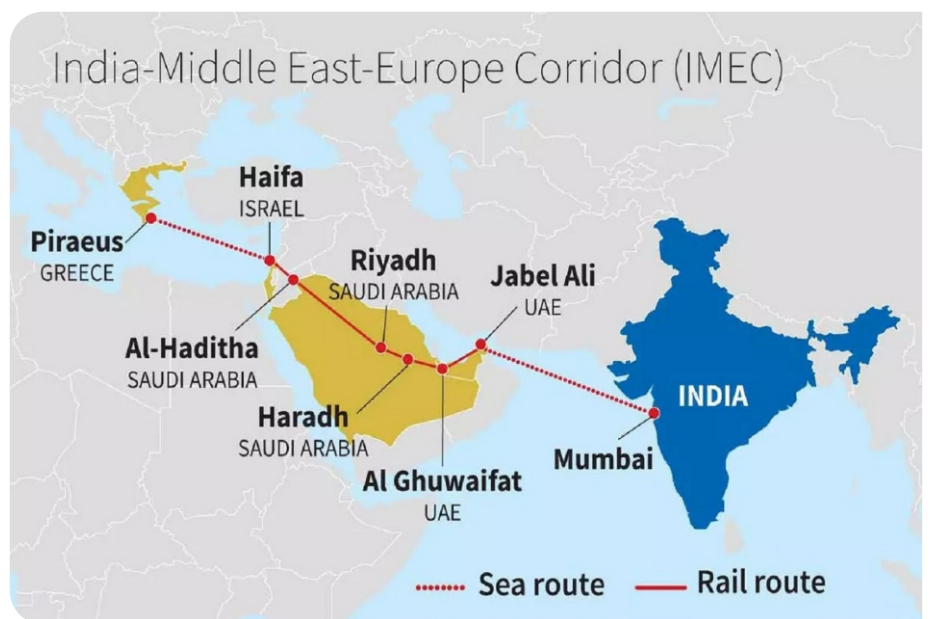
G20 Corner

India-Middle East- Europe Economic Corridor To Stimulate Cross-border Growth and Development



Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1955842>

The G20 Summit 2023 announced the launch of the India-Middle East-European Economic Corridor (IMEC) on 09 September 2023 in New Delhi. An MoU was signed among India, the European Union, the UAE, the US, Saudi Arabia, France, Germany, and Italy to start the IMEC project, a part of the Partnership for Global Infrastructure Investment (PGII) as a counter against China's Belt and Road Initiative (BRI). IMEC will have two corridors the East corridor will connect India to the Arabian Gulf and the North corridor will connect the Arabian Gulf to Europe. These corridors will consist of railway lines and once completed will assist sea and road routes, pipelines for clean hydrogen, electric cables, and high-speed data cables for connectivity and ensure energy security to fuel up dimensional growth. The IMEC initiative will increase economic development, boosting trade convenience, better efficiency, lower cost, lower greenhouse impact due to clean energy, digital communication, etc. while ensuring a safe and efficient regional supply chain through enhanced connectivity links between Asia, the Middle East, and Europe.



Source: <https://dras.in/the-india-middle-east-europe-corridor-imec-a-global-initiative/>

India-Middle East-Europe Economic Corridor:

Purpose

- ▶ Cost-effective cross-border transit
- ▶ Trade accessibility and secure regional supply chains
- ▶ Economic development between Asia, the Arabian Gulf, and Europe
- ▶ Transformative integration of Asia, Europe and the Middle East



Source: <https://english.jagran.com/india/what-is-india-middle-east-europe-economic-corridor-why-is-imec-project-significant-for-india-explained-10099766>

Reference:

1. <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1955921>
2. <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/sep/doc202399250101.pdf>
3. <https://www.whitehouse.gov/briefing-room/statements-releases/2023/09/09/fact-sheet-world-leaders-launch-a-landmark-india-middle-east-europe-economic-corridor/>
4. <https://www.arabnews.com/node/2372351>

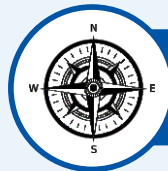
Dear Readers,

The AG Group is back with the Quarter3 edition of its Newsletter “The AG Communique” and brought insights from the G20 Summit 2023 to strategic developments to support holistic growth of the Middle East Region as the cover story for our beloved readers. Besides this, the newsletter will bring insights on the latest India-UAE association along with some other sneak peek stories to take a closer look at the developments of this strategically important region of the globe in various areas of importance such as business, finance, defense, energy security, among few others.

Sneak Peek Inside:



India-UAE MoU to Promote Trade in Local Currency and Interlinking of Payment System



The New Arrivals from the Middle East in BRICS Will Give More Strength to the Walls of Emerging Economies



USA and Saudi Arabia Envisaging Possibilities for Heavy Metal Exploration in Africa to Support Their Energy Transition



Israel's Agreement with UAE is Opening a New Chapter of Cooperation and Business with Gulf States



Saudi World Defence Show 2023 Expanding Investment Horizon in Strategic Areas to Play Instrumental in Global Supply Chain



02

INDIA-UAE Connect

India-UAE MoU to Promote Trade
in Local Currency and Interlinking of
Payment System



India and UAE are progressively approaching to start of a new era of economic cooperation with the recent signing of two MoUs on 15 July 2023 in Abu Dhabi to open up new avenues for the banking sector in both the country. The Reserve Bank of India (RBI) and the Central Bank of UAE (CBUAE), signed these MoUs related to the promotion of local currencies for cross-border transactions and interlinking of their fast payment systems, Unified Payments Interface (UPI) of India with Instant Payment Platform (IPP) of UAE. The first MoU wants to put a Local Currency Settlement System (LCSS) in place which will enable the use of local currency for transactions bilaterally to reduce the trade settlement time. In the second MoU, both banks agreed to link their FPS, Card switches, and Messaging systems to enable fast, convenient, safe & cost-effective transactions, mutual acceptance of domestic cards, and financial messaging to provide greater cooperation among financial systems to nurture the growth of businesses in two countries. The association between India and UAE shows greater cooperation and trust between the two countries which will further boost economic partnership, trade, and investment, through easier financial transactions over time.

Source: <https://ddnews.gov.in/business/local-currency-settlement-payment-system-interlinking-india-uae-strengthen-cooperation%C2%A0>



Source: <https://www.cryptonews.com/rbi-and-the-central-bank-of-the-uae-exchange-two-mous/>

INDIA, UAE TO ENCOURAGE LOCAL CURRENCY IN BILATERAL TRADES

- Countries to link fast payment systems
- India-UAE trade witnessed a 20 percent increase
- MoU signed by central bank Governors
- Use of local currencies to optimise transaction costs & settlement time
- Will build strong economic cooperation and mutual trust

Source: <https://www.republicworld.com/business-news/india-business/india-uae-agree-on-local-currency-trade-settlements-to-link-fast-payment-systems-articleshow.html>

Reference:

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1939795>
2. <https://newsonair.gov.in/Main-News-Details.aspx?id=464316>
3. <https://newsonair.gov.in/News?title=India-and-UAE-Strengthen-Economic-Cooperation-with-Dual-MoU-Signing-for-Local-Currency-Settlement-and-Payment-System-Interlinking&id=464287>
4. <https://ddnews.gov.in/business/local-currency-settlement-payment-system-interlinking-india-uae-strengthen-cooperation%C2%A0>
5. <https://www.livemint.com/economy/rbi-uaes-central-bank-sign-mous-to-promote-local-currencies-upi-for-cross-border-transactions-11689419185825.html>



03

Middle East

The New Arrivals from the Middle East in BRICS Will Give More Strength to the Walls of Emerging Economies



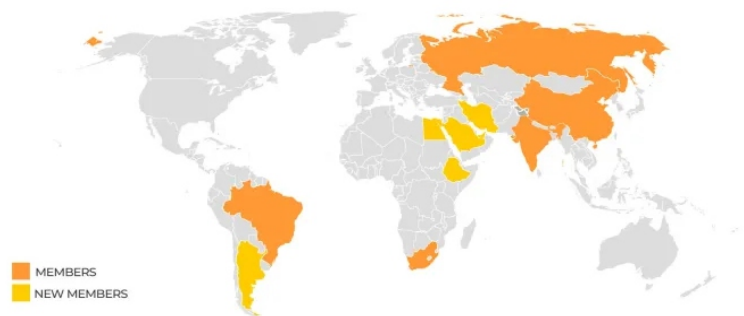
Source: <https://www.arabnews.com/node/2313861/world>

To give a new direction to the emerging multipolar world and make the voice of the Global South loud, new arrivals from the Middle East and North Africa (MENA) in the BRICS group. The BRICS Summit 2023, took place in Johannesburg on 24 August 2023 and invited six countries Saudi Arabia, UAE, Iran, Argentina, Egypt, and Ethiopia to join BRICS emerging economic alliances effectively from 01 January 2024 as an alternative to the Western-led world order. These new Middle-East members will boost the emerging economies of the existing BRICS club and envisage a new path of development and economic opportunities. The inclusion of the UAE and Saudi Arabia in the BRICS bloc will act as a catalyst for an economic influx through these oil-producing nations. The move will normalize the relationship of leading Middle-East, oil producers with the US and is expected to have a major impact on global oil trade and policy formulation. It will help to move towards a multi-polar world to strengthen world peace and development with a stronger financial mechanism supported through the petrodollars system.

ECONOMY

BRICS admits six new members

Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE are set to join the core group of Brazil, Russia, India, China and South Africa. These 11 countries have a combined population of 3.7 billion.



Source: <https://www.aljazeera.com/news/2023/8/24/analysis-wall-of-brics-the-significance-of-adding-six-new-members>

Reference:

1. <https://www.aljazeera.com/news/2023/8/25/analysis-what-do-brics-invitations-mean-for-the-middle-east>
2. <https://www.theguardian.com/business/2023/aug/24/five-brics-nations-announce-admission-of-six-new-countries-to-bloc>
3. <https://www.atlanticcouncil.org/blogs/menasource/the-brics-come-to-the-middle-east-and-north-africa/>
4. <https://www.reuters.com/world/brics-poised-invite-new-members-join-bloc-sources-2023-08-24/>
5. <https://www.nytimes.com/2023/08/24/world/europe/brics-expansion-xi-lula.html>



04

Saudi Arabia

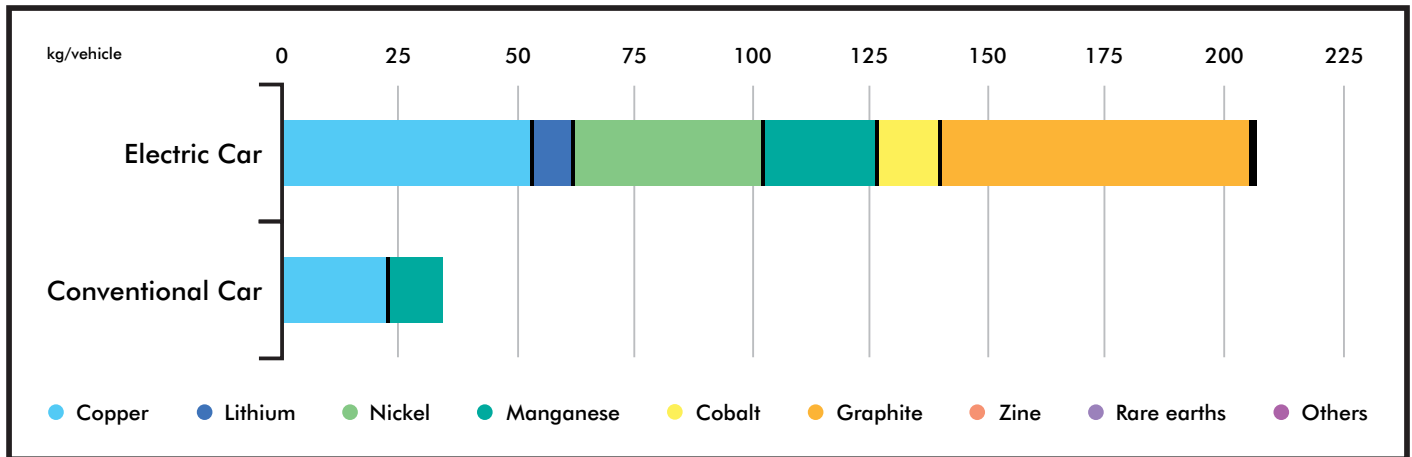
USA and Saudi Arabia Envisaging Possibilities for Heavy Metal Exploration in Africa to Support their Energy Transition



Source: <https://bnn.network/breaking-news/us-and-saudi-arabia-forge-strategic-partnership-to-secure-critical-metals-in-african-nations-for-energy-transition/>

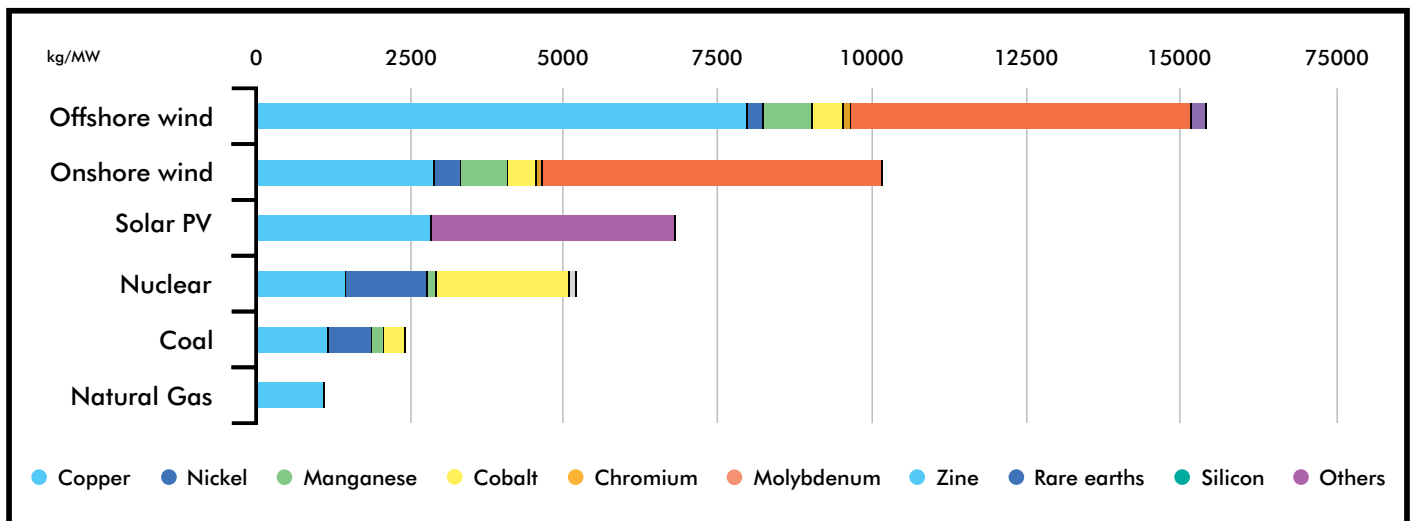
The world is transitioning fast on clean energy solutions and thus, the US and Saudi Arabia are in discussion to secure metal exploration in Africa to support their respective energy transition goals. The two nations are making a transition from fossil fuel to green energy alternatives and to realize this state-backed Saudi Arabia undertaking is planning to buy stakes in mining assets worth \$15 billion in various African countries like the Democratic Republic of Namibia, Guinea, and Congo. The deal will also authorize U.S. companies to receive some of the production shares. The leading mining entities from Saudi Arabia, the Saudi Arabian Mining Co (Ma'aden) and the Saudi Public Investment Fund (PIF) have already obtained 10% of Brazilian Vale's base metal unit, while the U.S. investment organization Engine No. 1 obtained 3% share in the respective deal. This will ensure the uninterrupted supply of various metals used in the manufacturing of electric car batteries, laptops, etc. to counter the predominance of China in the global market and help the two nations work to achieve the dream of green energy transition over time.

Comparative View of Minerals Used: EVs Vs. Conventional Cars



Source: <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>

Comparative View of Minerals Used: Clean-Energy Tech Vs. Other Power Generation Sources



Source: <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>

Reference:

- <https://www.reuters.com/markets/commodities/us-saudi-arabia-talks-secure-metals-africa-wsj-2023-09-10/>
- <https://iea.blob.core.windows.net/assets/ffd2a83b8c304e9d980a52b6d9a86fdc/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf>
- <https://www.cnbc.com/2023/09/10/us-saudi-arabia-in-talks-to-secure-metals-in-africa-wall-street-journal-reports.html>
- <https://www.wionews.com/business-economy/us-saudi-arabia-are-in-dialogue-to-secure-metals-in-africa-report-634827>



05

Israel

Israel's Agreement with UAE is Opening
New Chapter of Cooperation and
Business with Gulf States

Israel and UAE signed a multi-billion-dollar free trade pact in March 2023 in the wake of the rising trade of goods with UAE. As per the data of Israel's Central Bureau of Statistics, the increase is more than 30% including the trade of diamonds. It's the first deal with an Arab country strengthening their US-brokered Normalisation of Relations in 2020 known as the Abraham Accords and finding future possibilities of cooperation and strengthening of ties with other Arab countries. The non-oil trade has also seen a major surge between the two countries with a promise of peace and prosperity to ensure economic development. The agreement has great economic potential, benefiting both countries by enhancing faster market access and ending customs duties on 96% of products exchanged. The agreement will propel the value of non-oil bilateral trade beyond US\$ 10 billion. Both countries are working together to deepen economic reforms and diversification by having long-term hope under this free-trade deal and presenting an example for the world to bring regional stability and economic cooperation.



Source: <https://www.cNBC.com/2022/05/31/israel-signs-trade-deal-with-uae-its-biggest-with-any-arab-country.html>

**UAE-ISRAEL
FREE TRADE
DEAL TAKES
EFFECT**

- The customs agreement was signed by Israeli Foreign Minister Eli Cohen and UAE Ambassador to Israel Mohamed Al Khaja
- The free trade deal is expected to reduce customs duties and lower the cost of living
- Strengthening of ties with the UAE and is further testament to the importance of the Abraham Accords
- Officials from both countries signed a customs agreement enabling the free trade agreement

Reference:

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2. <https://www.reuters.com/world/middle-east/israel-uae-sign-free-trade-pact-into-effect-2023-03-26/>
3. <https://www.usip.org/publications/2022/06/historic-uae-israel-trade-deal-proves-abraham-accords-resilience>
4. https://www.gov.il/BlobFolder/news/israel-uae-to-sign-historic-free-trade-agreement-30-may-2022/en/English_Documents_Israel-UAE%20Free%20Trade%20Zone%20Agreement.pdf
5. <https://www.timesofisrael.com/security-and-business-israel-charts-potential-of-future-ties-with-gulf-states/>



06

Saudi Arabia

Saudi World Defence Show 2023 Expanding Investment Horizon in Strategic Areas to Play Instrumental in Global Supply Chain



Source: https://registration.worlddefenseshow.com/tradereg/?utm_source=Website&utm_campaign=TradeVisitorCampaign

Saudi Arabia's General Authority for Military Industries (GAMI) confirmed the showcase of the World Defence Show-2024 (WDS), 2nd edition between 4-8 February 2024 in Riyadh, as an ideal platform to interchange knowledge and technology. The event is scheduled to be held every two years since 2022. The future of Defence will be showcased in this event across government officials, defense figures, decision-makers, and thought leaders at all levels of the supply chain. The Kingdom of Saudi



Source: <https://www.hindustantimes.com/ht-insight/economy/saudi-arabia-s-vision-2030-change-management-in-societal-transformation-101661410487960.html>

Arabia is always been a key player in the global defense industry for economic reform, its diversification is one of the foundations of the Kingdom's Vision-2030. Saudi Arabia's geographic location and international presence make it an ideal location for hosting the show, promoting emerging technologies across all defense domains boosting global investment across international partners. The first successful edition of Saudi Arabia's World Defence Show was a great success and showcased the latest technologies and defense interoperability demonstrations in all the major domains such as sea, air, land, security, etc. The event marks a major milestone towards localization of 50% of its military expenditure by 2030 and every time accelerates the hope for future developments and increasing investment attractions for stakeholders to play a valuable key player in the global defense and military supply chain.

Reference:

1. <https://www.worlddefenseshow.com/media/news/article-list/saudi-arabia-s-world-defense-show-kicks-off-first-edition-with-nearly-600-exhibitors-from-over-40-countries/>
2. <https://www.arabnews.com/node/2373116/business-economy>
3. <https://www.arabnews.com/node/2252336/business-economy>
4. <https://www.adsgroup.org.uk/eventslist/worlddefenseshowwds2024unitedkingdompavilionregistryourintrest/#:~:text=As%20one%20of%20the%20world's,location%20for%20such%20a%20show.>

AG GROUP



We expand your Horizon

AG was established in the year 1998. In the due course of time AG has become multi-functional, multi-disciplinary organization offering a wide range of consultancy services to multiple sectors for implementation of projects under one roof from "Concept to Commissioning" AG shareholders has track record in the development of mega projects in country & overseas in field of sports, hospitality, tourism, flood management, turf farms, F&B, real estate, fashion & clothing, import & exports, chemical & fertilizers.

The integration and coordination of our in-house experts deliver the pragmatic solutions in the today's world. Quality and Service delivery are the key elements of AG Group corporate philosophy. The highly motivated, experienced and multi-disciplined team plans, develop and implement the need of client and exceed their expectations. We can synergize our experience with your projects to make it a success.

OUR SERVICES

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Project Advisory

Project Management Consultancy

Transaction Advisory

Financial Advisory

Business Acceleration & Growth

OUR SECTORS

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Aviation
Ropeway
Electric Vehicle
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Engineering

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IT & Telecom
Power & Renewable Energy
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Environmental

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Irrigation
Agriculture
Animal Husbandry
Horticulture & Forestry

Social & Public Sector

Sports
Tourism
Education
Healthcare

Sustainability

ESG
SDG
Carbon Credit
Climate Change



Chennai



Delhi



Gurugram



Guwahati



Hyderabad



Imphal