



New Horizon of Economic and Strategic Relations of India and UAE- An Analysis

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Abstract

India and United Arab Emirates having a wide range of bilateral trade relationship since time immemorial in various sectors like cultural, religious, political, economic and commercial. This relationship is accelerated when the United Arab Emirates, the federation of UAE came into existence after the unity of seven emirates on 2nd December, 1971 under the leadership of His Highness Sheikh Zayed Bin Sultan Al Nahyan. Eventhough, India is having good trade and economic relations with different emirates of United Arab Emirates in the ancient period, presently India is having a good strategic trade relationship with UAE in trade and commerce and UAE became a strategic partner of India in the international regime. All the recent trends in strategic exchanges showing that India is considering UAE as a very important strategic and vital partner in the Arab world resulting in the flow of the Foreign Direct investment in various sectors. UAE is an important trade partner having an increased investment of Foreign Direct Investment (FDI) around 81.2% of the total FDI of Arab countries in India. Now UAE is one of the largest market for Indian products (possessing 1st or 2nd position in export) for the last two decades.

Key Words: UAE: United Arab Emirates, FDI: Foreign Direct Investment, LPG: Liberalisation, Privatisation and Globalisation, GDP: Gross Domestic Product, USD: United States Dollar, GCC: Gulf Cooperation Council.

B. Importance of the Study

Bilateral relationship in various commercial and non-commercial sectors are one of the important scale of measurement of the relationship between two nations. India- UAE relationship is very crucial for both countries are concerned as a very fast developing economy in the world like India and the most wealthiest countries in the world like UAE. Moreover, the majority of the Indian expatriates are residing in UAE and Indian's are emerged as important investors in UAE results in India has an huge export opportunities to UAE and vice versa.

C. Review of Literature

The discussions of this section consists of the relevant literatures, discussions, analysis and interpretations existing in this topic or allied topic of bilateral trade relationship between India and UAE.

Heena Goel and Anjali Sharma, (2015) analysed India's mechandise trade with UAE its trends in growth and prospects for a period from 1996-1997 to 2013-2014 in their journal " India's Merchandise Trade With UAE: Growth, Prospects and Future Potential". They discussed the various vistas of knowledge in this topic by using various models and methods like Real Growth Rate, Export Intensity Index and import Intensity Index. They concluded that the trade links between India and UAE is developing its on impetus and dynamism and the inherent potential in the economies of two nations could be harnessed to accelerate trade and economic cooperation between India and UAE to achieve the laurels.

Dr.Anup Barman, (2016) depicted the strong bond of relationship between India and UAE since long back and the very strong economic, social, and cultural relationship especially after the constitution of United Arab Emirates in 1971. He described the various political, diplomatic visits of the two national leaders and delegates in various occasions and the treaties and agreements signed between two countries in various aspects of trade, commerce, economic, cultural and social aspects. Also narrated the major trade investment of these two nations in their counterpart countries.

Meena Singh Roy and Md. Muddassir Quamar (2017) analyses India- UAE new dimensions of Strategic Partnership in the light of the visit of the leaders of both countries in their partner countries expressing a strong political commitment on both sides to expand ties in the areas energy security, defense and security. Information Technology and Space. The signing of the Comprehensive Strategic Partnership (CSP) provides bilateral relations to a new level.

Baldev Raj Nayar, (2006) give a detailed account of the effect and impact of globalisation to the Indian economy in his journal "India's Globalisation: Evaluating the Economic Consequences". He gave a deep insight in to the reintegration of India's economy with the world economy with different facet of trade, commerce and welfare. In this journal a detailed narration about the foreign trade including import and export, discussions about macro economics like GDP and its influence on the economic development , Foreign Direct Investment (FDI) its inflows and outflows in Indian economy, social problems like unemployment and development and so on topics are discussed.

Nilanjana Kumari , (2010) in her paper called " Effect of Economic Indicators on Export Performance of India: pre and post liberalisation period" examines the effect of export growth of the various economic indicators like GDP, Per capita Income, Net National Income, Balance of Payment, exchange rate and industrial production from 1986 to 2011 statistics. With help of the various statistical methods and techniques like correlation, multiple correlation, t test and other indices, the author introduced many analysis and interpretation to prove the effect of the liberalisation policy in the import and export trade in India.

D. Objectives of this Study

1. To examine the history, growth and development of the relationship between India and United Arab Emirates (UAE).
2. To analyse the bilateral trade relationship between India and UAE

E. Methodology of Study

In this present study of A new horizon of Economic and Strategic Relations of India and UAE UAE- An Analysis, the major sources of data is from Secondary sources. The data are obtained from various websites of Indian and UAE Ministry of Commerce, journals and publications of RBI, DGFT , Published reports of Indian embassy, leading news papers, books etc.

F. Findings and Discussions

In view of the various changes in economic policy, the following are the three broad periods of economic reforms in the post independent era for the purpose of comparison and a precise study about it;

1. **1956-57 to 1974-1975 :-** the dominant feature of which was the thrust for the "command and Control" economy, the period began with the launching of the second Five Year plan with its inward oriented heavy industry strategy.
2. **1975-1975 to 1990-1991: -** which are characterized by intermittent incremental liberalisation but with in the inherited framework of the inward oriented economic strategy. Again this part can be divided into two parts, (a)

nascent liberalization from 1977-76 to 1983-84 largely under Mrs. Indira Gandhi and (b) explicit but stalled promotion of liberalisation from 1984-85 to 1990-91 largely under Rajiv Gandhi period.

3. 1991-1992 to the present:- Characterized by the shift in economic policy to liberalization.

In 1974 India's trade (Export Plus Import) as a proportion of its GDP was around 10% but by 2002 that proportion had about tripled to nearly 31%.

In this study, the researcher would like to narrate and analyse the trends in the Import-Export trade of India with United Arab Emirates in two periods;

1. The import-export trade after the liberalisation, Globalisation and Privatisation (LPG) period from 1996-1997 till 2013-2014 and
2. The changes and indications in the trade between two countries after the nurturing visit of Honorable Prime Minister Sri. Narendra Modi as on 16th-17th August, 2015 after a long gap of prime ministerial of 34 years after Smt. Indira Gandhi.

India and UAE have shared trade links through the centuries. The trade, which was dominated by traditional items such as dates and fishes, underwent a sharp change after the discovery of oil in UAE. With the emergence of UAE as a unified entity in 1971, exports from India started growing gradually over the years. The real impetus, however, started after Dubai positioned itself as a regional trading hub by early 1990s and about the same time, the economic liberalization process started in India.

Growing India-UAE economic and commercial relations contribute to the stability and strength of a rapidly diversifying and deepening bilateral relationship between the two countries. Both sides are striving to further strengthen these ties for mutual benefits. India-UAE trade, valued at US\$ 180 million per annum in the 1970s, is today around US\$60 billion making UAE, India's 2nd largest trading partner for the years 2001-02 to 2007-08 after USA, first position in trading partnership from 2008-09 to 2012-2013 and following second rank in the trade export since 2013-2014 till date. UAE is the second largest export destination of India with an amount of over US\$ 30 billion for the year 2018-19. For UAE, India is the largest trading partner for the year 2018-2019 with an amount of over US\$ 29.78 billion (non-oil trade).

At the present era of LPG (Liberalized, Privatized and Globalised) environment, the trade and economic relationship between nations are playing a crucial role for the overall economic and social development of nations and the improvement of the standard of living of the people in various nations. Indo-UAE trade relationship is very important for both nations in the peculiar circumstances of mass Indian expatriates are residing in this country and their investment in UAE and the FDI of UAE in Indian business sectors.

Export Trade Between India and UAE (USD Millions)

Year	UAE	India's Total Export	% of Export to UAE
1996-1997	1,476.01	33,469.95	4.41
1997-1998	1,629.56	34,784.98	4.68
1998-1999	1867.59	33218.72	5.62
1999-2000	2082.74	36822.49	5.66
2000-2001	2597.52	44560.29	5.83
2001-2002	2491.79	43826.72	5.69
2002-2003	3327.48	52719.43	6.31
2003-2004	5125.58	63842.55	8.03
2004-2005	7347.88	83535.94	8.80
2005-2006	8591.79	103090.53	8.33
2006-2007	12,021.77	126,414.05	9.51
2007-2008	15,636.91	163,132.18	9.59
2008-2009	24,477.48	185,295.36	13.21
2009-2010	23,970.40	178,751.43	13.41
2010-2011	33,822.39	249,815.55	13.54
2011-2012	35,925.52	305,963.92	11.74
2012-2013	36,316.65	300,400.58	12.09
2013-2014	30,520.42	314,405.30	9.71
2014-2015	33,028.08	310,338.48	10.64
2015-2016	30,316.50	262,291.09	11.56
2016-2017	31,175.50	275,852.43	11.30
2017-2018	28,146.12	303,526.16	9.27
2018-2019	30,126.73	330,078.09	9.13

Source: Department of commerce, Govt. of India Table :1

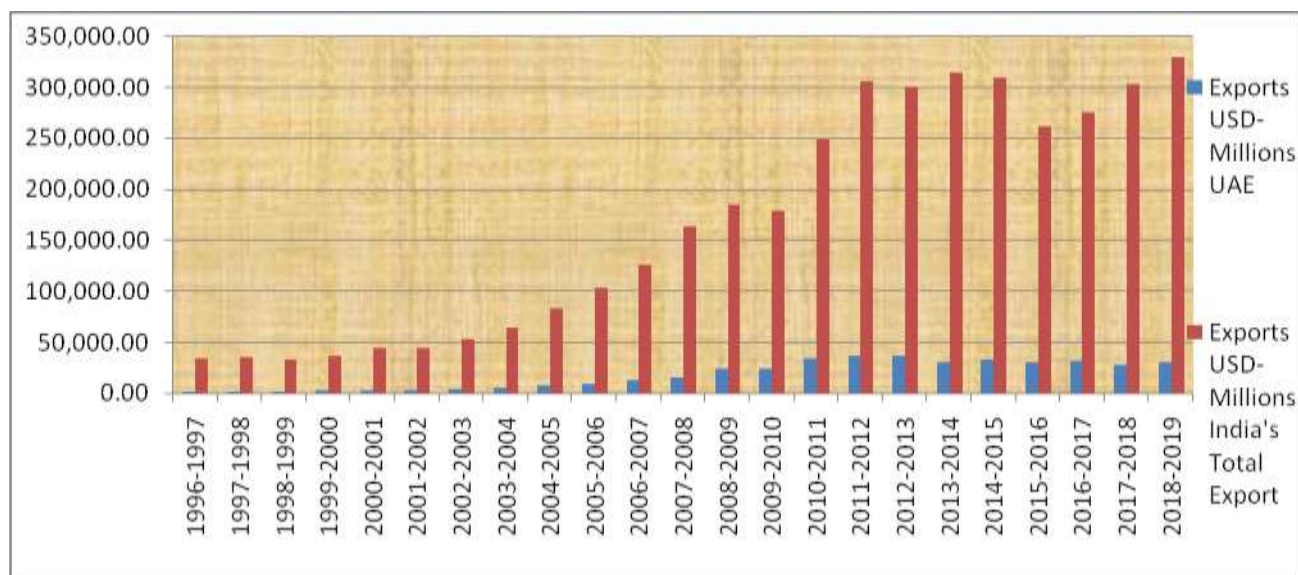
The Table No.1 showing that India's Export is showing a constant increase from 4.41% of share against the total export of India in the year 1996-1997 to a peak share of 13.54% in the year 2010-2011, where as 9.13% in the year 2018-2019. The economic boom the United Arab Emirates in the early 1990's and the development of Dubai as a prominent business and investment center in world, increased relocation of Indian community to UAE for employment, trade and Investment, more over India started Liberalisation policy for economic development created a boom in the bilateral trade with India. The liberalization policies framed by the then Finance minister and later the Prime Minister of India Dr.Manmohan Singh (one of the eminent Economist in the world) paved the stone for economic development that reflected in the Indian foreign trade.

The export trade in 1996-1997, immediate aftermath or the incubation period of liberalisation of the Indian economy was 1476.01 Million USD, where as the export trade increased from time to time by the more liberalisation and more liberal policy of the central governments side from time to time, it reached 31,305.8 Million USD in 2016-2017. The export trade with UAE is showing an abnormally huge increase during this period and India become the major import partner of UAE carrying 11.30% of their total imports from India followed by USA 10.39%, China 9.37% , Germany 5.53% etc.

The trade liberalisation policy provided an accelerated energy to the economy for internal and international trade and to the balance of trade to the country of India. Even though the policy of LPG commenced from 1991, it took some time of incubation span of time to come to the peak level. The above table showing the export of merchandise from India to UAE is showing a constant increase from 1996-1997 to 2010-2011 and thereafter showing a slight decrease because of the global economic crisis but the trade export showing on an average of 11.17%, but thereafter from 2017 to 2019 the export to UAE was adversely affected in volume.

India's Export to UAE and Total Exports

(Fig. No. 2)



Exports USD- Millions Share of Export to UAE against total Export of India

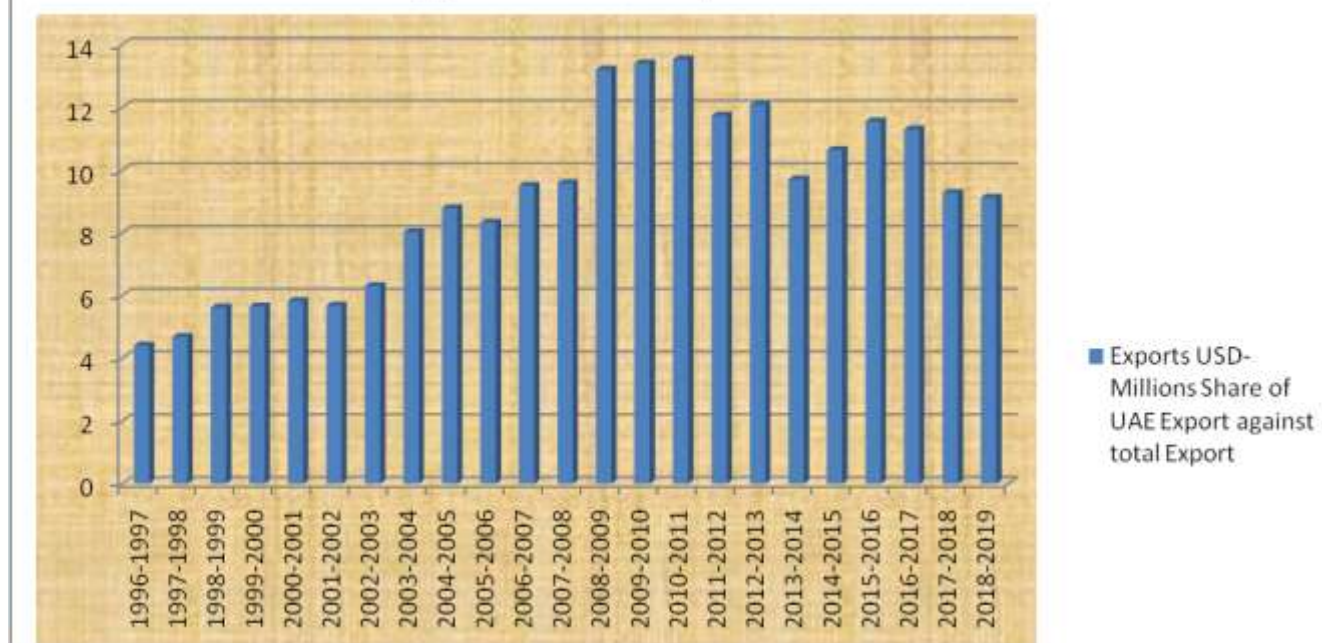
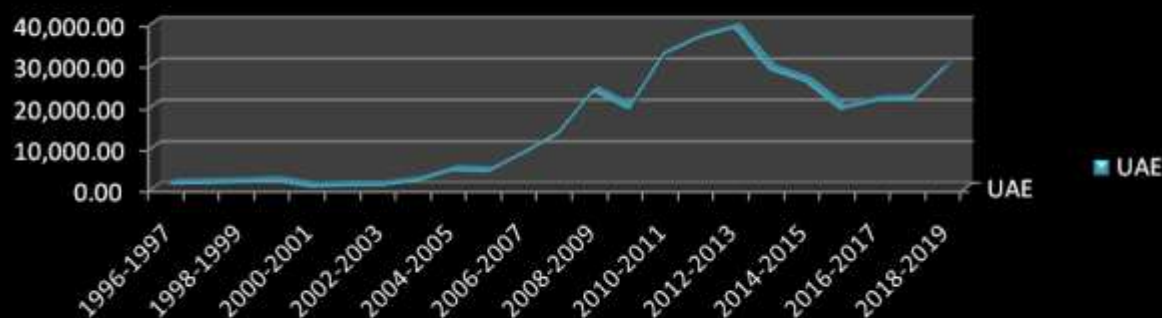


Fig. No.3

Import Trade Between India and UAE (USD Millions)(Table No.2)

Year	UAE	India's Total Import	% of Import from UAE
1996-1997	1,327.71	39,132.41	3.39
1997-1998	1,475.04	41,484.49	3.56
1998-1999	1,721.24	42,388.71	4.06
1999-2000	2,003.24	49,738.06	4.03
2000-2001	658.98	50,536.45	1.30
2001-2002	915.09	51,413.28	1.78
2002-2003	956.99	61,412.14	1.56
2003-2004	2,059.84	78,149.11	2.64
2004-2005	4,641.10	111,517.43	4.16
2005-2006	4,354.08	149,165.73	2.92
2006-2007	8,655.28	185,735.24	4.66
2007-2008	13,482.61	251,654.01	5.36
2008-2009	23,791.25	303,696.31	7.83
2009-2010	19,499.10	288,372.88	6.76
2010-2011	32,753.16	369,769.13	8.86
2011-2012	36,756.32	489,319.49	7.51
2012-2013	39,138.36	490,736.65	7.98
2013-2014	29,019.82	450,199.79	6.45
2014-2015	26,139.91	448,033.41	5.83
2015-2016	19,445.68	381,007.76	5.10
2016-2017	21,509.83	384,357.03	5.60
2017-2018	21,739.11	465,580.99	4.67
2018-2019	29,785.33	514,078.42	5.79

Import Trade of India with UAE



The import of commodities from United Arab Emirates is considered, the imports are also showing an increase trend from 1996-1997 to 2016-2017 from 1327.71 Million USD in 1996-1997 to 21,509.83 Million USD 2016-2017. But exceptionally some years Indian import from UAE is comparatively less showing a very high degree of trade balance between these countries. The three consecutive years of 2000-2001, 2001-2002, 2002-2003, Indian imports from UAE is comparatively very less and hence showing a very good favourable Trade Balance with UAE.

The Trade Balance between India and UAE is considered, during the last 23 years of this data collected from 1996-1997 to 2018-2019, only two years period of time the trade balance with UAE is unfavourable or negative but all other years of study the balance of trade is positive and some years it is very high positive. The balance of trade become negative in two years period time, in the year 2011-2012 and 2012-2013 and the major reason for this adverse situation is due to the increase in the price of the international market price of crude oil, one of the major import component from UAE.

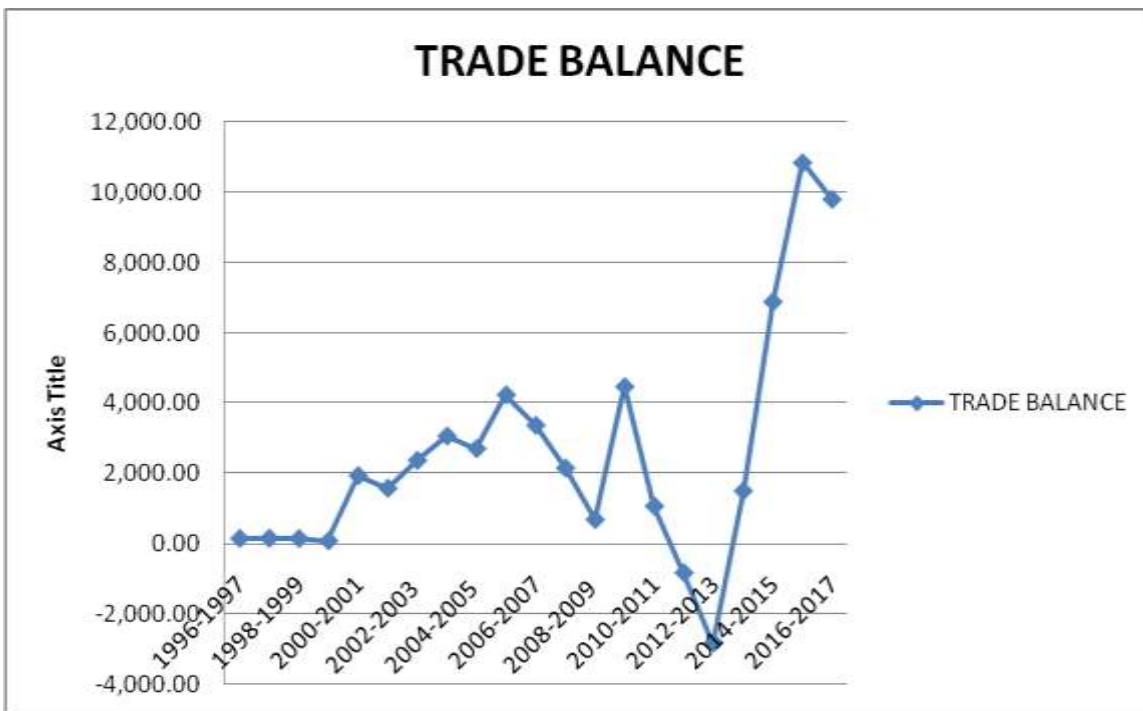


Fig. No. 4

Correlation between Export and Import with United Arab Emirates (USD Millions)

Year	Export	Import	$X - \bar{X}$	$Y - \bar{Y}$	Xy	X^2	Y^2
1996-1997	1,476.01	1,327.71	-16,003.23	-13,534.42	216,594,436.18	256,103,370.43	183,180,524.74
1997-1998	1,629.56	1,475.04	-15,849.68	-13,387.09	212,181,092.63	251,212,356.10	179,214,178.67
1998-1999	1,867.59	1,721.24	-15,611.65	-13,140.89	205,150,975.37	243,723,615.72	172,682,989.99
1999-2000	2,082.74	2,003.24	-15,396.50	-12,858.89	197,981,899.89	237,052,212.25	165,351,052.03
2000-2001	2,597.52	658.98	-14,881.72	-14,203.15	211,367,301.42	221,465,590.16	201,729,469.92
2001-2002	2,491.79	915.09	-14,987.45	-13,947.04	209,030,564.65	224,623,657.50	194,519,924.76
2002-2003	3,327.48	956.99	-14,151.76	-13,905.14	196,782,204.05	200,272,311.10	193,352,918.42
2003-2004	5,125.58	2,059.84	-12,353.66	-12,802.29	158,155,137.88	152,612,915.40	163,898,629.24
2004-2005	7,347.88	4,641.10	-10,131.36	-10,221.03	103,552,934.50	102,644,455.45	104,469,454.26
2005-2006	8,591.79	4,354.08	-8,887.45	-10,508.05	93,389,768.97	78,986,767.50	110,419,114.80
2006-2007	12,021.77	8,655.28	-5,457.47	-6,206.85	33,873,697.67	29,783,978.80	38,524,986.92
2007-2008	15,636.91	13,482.61	-1,842.33	-1,379.52	2,541,531.08	3,394,179.83	1,903,075.43
2008-2009	24,477.48	23,791.25	6,998.24	8,929.12	62,488,124.75	48,975,363.10	79,729,183.97
2009-2010	23,970.40	19,499.10	6,491.16	4,636.97	30,099,314.19	42,135,158.15	21,501,490.78

2010-2011	33,822.39	32,753.16	16,343.15	17,891.03	292,395,786.94	267,098,551.92	320,088,954.46
2011-2012	35,925.52	36,756.32	18,446.28	21,894.19	403,866,359.11	340,265,245.84	479,355,555.76
2012-2013	36,316.65	39,138.36	18,837.41	24,276.23	457,301,297.76	354,848,015.51	589,335,343.01
2013-2014	30,520.42	29,019.82	13,041.18	14,157.69	184,632,983.67	170,072,375.79	200,440,186.14
2014-2015	33,028.08	26,139.91	15,548.84	11,277.78	175,356,396.78	241,766,425.35	127,188,321.73
2015-2016	30,316.50	19,445.68	12,837.26	4,583.55	58,840,223.07	164,795,244.31	21,008,930.60
2016-2017	31,175.50	21,509.83	13,696.26	6,647.70	91,048,627.60	187,587,537.99	44,191,915.29
2017-2018	28,146.12	21,739.11	10,666.88	6,876.98	73,355,920.42	113,782,328.93	47,292,853.92
2018-2019	30,126.73	29,785.33	12,647.49	14,923.20	188,741,022.77	159,959,003.30	222,701,898.24
	$\Sigma X =$ 402022.42	$\Sigma Y =$ 341829.07			$\Sigma XY =$ 3858727601.35	$\Sigma X^2 =$ 4093160660.42	$\Sigma Y^2 =$ 3862080953.09

Table No.3

$$\bar{X} = \Sigma X/n \quad 402022.42/23 = 17479.24$$

$$\bar{Y} = \Sigma Y/n \quad 341829.07/23 = 14862.13$$

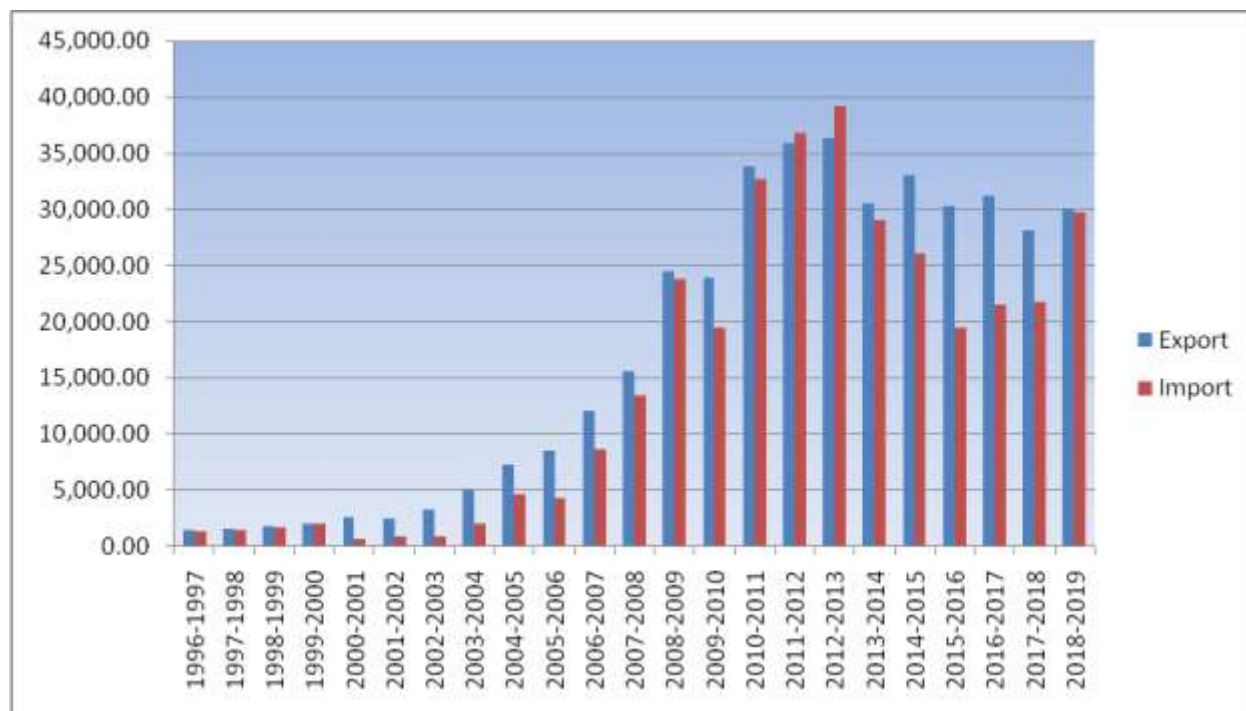
$$r = \frac{\Sigma XY}{\sqrt{\Sigma X^2} \times \sqrt{\Sigma Y^2}}$$

$$r = \frac{3858727601}{63977.814 \times 62145.643}$$

$$r = 0.971$$

The above calculations of coefficient of correlation (r) between Export and Import of India showing a very high degree of positive correlation of 0.971. This indicates that the export and import of India to and from UAE is very positive and moving together i.e, increase of export in a year results in increase of import also. In short the conclusion is that the India-UAE trade is going on in a progressive manner and it reached a total trade of 59.91 Billion USD in the year 2018-2019 showing the record in the trade between these countries.

Export and Import with United Arab Emirates



Source: Department of commerce, Govt. of India Figure :4

India's Major Exports and Imports to the UAE:

Major Commodities Export to UAE (US \$ Million)

Commodity	2016-2017	%	2015-2016	%	2014-2015	%	2013-2014	%	2012-2013	%	2011-2012	%	2010-2011	%
Cereals	643.5	2.06	624.6	2.06	581	1.76	560.9	1.84	571.8	1.57	896.1	2.49	657.3	1.94
Mineral Fuels/Mineral Oil/Waxe	3860.42	12.33	3978.22	13.13	6519.64	19.74	5039.94	16.51	6964.32	19.18	6571.21	18.29	4981.83	14.73
Apparel and Clothing Accessories	2131.61	6.81	1661.22	5.48	1142.7	3.46	789.86	2.59	642.64	1.77	626.33	1.74	539.5	1.6
Natural/Cultured Pearls/Precious or Semi-precious Stones/Jewellery	13918.93	44.46	12934.34	42.7	12280.37	37.18	12778.8	41.87	18890.69	52.02	18392.75	51.2	19809.25	58.57
Iron and Steel	523.5	1.67	288.9	0.95	641.6	1.94	528.2	1.73	562.3	1.55	524.8	1.47	348.3	1.03
Articles of Iron and Steel	517.1	1.65	510.9	1.69	701.7	2.12	791.2	2.59	723.8	1.99	461.5	1.28	525.6	1.55
Nuclear Reactors/Boilers/Mechanical Appliances	639.07	2.04	699.17	2.32	711.47	2.15	637.27	2.09	802.21	2.21	730.31	2.03	549.55	1.62
Electrical Machinery and Equipments	663.53	2.12	742.81	2.45	615.73	1.86	1035.7	3.39	903.61	2.49	974.56	2.71	805.16	2.38
Ships, Boats and Floating Structures	1122.1	3.58	782.11	2.58	1181.4	3.58	1068.6	3.5	686.81	1.89	1217.8	3.39	487.82	1.44
Other Commodities	7286.03	23.27	8067.79	26.64	8652.5	26.2	7289.91	23.89	5568.46	15.33	5530.08	15.39	5118.13	15.13
Total Exports	31305.8	100	30290.01	100	33028.08	100	30520.42	100	36316.65	100	35925.52	100	33822.39	100

Source: Department of commerce, Govt of India Table No.3

Source: Department of commerce, Govt of India

The Table No. 3 indicate that India's major export to UAE consists Natural, Cultural Pearls, Precious or semiprecious Stones, Jewellery having a major share of total export to UAE a share of range between 58.57% in the year 2010-2011 and 44.46% in the year 2016-2017. The average share of export of Natural, Cultured Pearls, Precious or semi-Precious Stones, Jewellery constitute 46.85% of the total export to UAE for the last 7 Years.

The second largest share of export to UAE is the commodity of Mineral Fuels, Mineral Oil and Wax. These components of export to UAE consists of an average of 16.27% of total export. The share of the total export to UAE consists of a range of 19.18% to 12.33% for the last 7 Years.

The other major commodities of exports consists of

a) Apparel and Clothing Accessories having an average share of 3.35% of total export to UAE varying from 1.6% in the year 2010-2011, showing a gradual increase in the year after year and reached a peak share of 6.81% in the year 2016-2017.

b) Ships, Boats and Floating Structures consists of an average of 2.85% of the total export to UAE. The export of these components towards UAE is showing a constant increase from 1.44% in the year 2010-2011 and reached up to 3.58% in the year 2016-2017. It consists of luxury boats and 'Uru' from Baypure, Kozhikode, Kerala. The exports to UAE of these goods consists of 1,122.12 thousands of US Dollars in the year 2016-2017. Dubai is the hub of import of these luxury boats and ships in GCC from India and they used to export to other Arab countries like Bahrain, Qatar, Oman, Saudi Arabia and Kuwait.

c) Electrical, Machinery and equipments, total export to UAE consists of an average share of 2.49% showing a constant level of share of export 2.38% in the year 2010-2011 to 2.12% in 2016-2017.

d) Nuclear Reactors, Boilers, Mechanical Appliances constitute an average level of export of 2.07% of total exports to UAE.

e) Cereals , exports to UAE consists of 1.96% on average of export to UAE. The share of export of this commodities to UAE was 1.94% in the year 2010-2011 and it reaches upto 2.06% in the year 2016-2017 and 643.48 thousands of US Dollars.

F) Articles of Iron and Steel consists of an average export of 1.84% in the total export to UAE. It was showing a gradual increase from the year 2010-2011 having a share of 1.55% (525.6 thousands of USD) to 2.59% in the year 2013-2014 of 791.2 thousands of USD. Where as 1.65% in the year 2016-2017 consists of 571.1 thousands of USD.

g) Iron and Steel export to UAE showing an average of 1.48% share to UAE. It showing an increase from 1.03% in the year 2010-2011 having a total value of 348.28 thousands of USD to 1.67% in the year 2016-2017, a total value of 523.48 thousands of USD.

h) Other Commodities such as Organic Chemicals, Inorganic Chemicals, Organic or Inorganic compounds of Precious metals, Resinoids, Toiletry Preparations, Perfumery, Essential Oils, Meat, Edible Oils etc. consists of a range in between 15.13% in the year 2010-2011 to 26.64% in the year 2015-2016 having an average of 20.84% of total exports to UAE.

India is a country that has various chemical factories as well as research institutes. India earned 291784 thousand US dollars by exporting such compounds in 2017.

By exporting Toiletry Preparations, Perfumery and essential oils products to UAE, India earned 168871 thousands dollars in 2017.

India produces a huge amount of meat and its similar products and thus exports to various countries over the world. UAE imported 166619 US dollars in 2017.

The following are the list of other commodities of exports from India to UAE.

1. Live animals.
2. Meat and edible meat offal.
3. Fish and crustaceans and other aquatic invertebrates.
4. Dairy produce; birds' eggs; natural honey; edible prod. of animal origin, not elsewhere spec. or included.
4. Live trees and other plants; bulbs; roots and the like; cut flowers and ornamental foliage.
5. Edible vegetables and certain roots and tubers
6. Edible fruit and nuts; peel or citrus fruit or melons
7. Coffee, tea, mate and spices
8. Products of the milling industry; malt; starches; inulin; wheat gluten
9. Oil seeds and olea. fruits; misc. grains, seeds and fruit; industrial or medicinal plants; straw and fodder.
10. Animal or vegetable fats and oils and their cleavage products; pre. edible fats; animal or vegetable waxex.
11. Preparations of meat, of fish or of crustaceans, molluscs or other aquatic

invertebrates

12. Sugars and sugar confectionery.
13. Cocoa and cocoa preparations.
14. Preparations of cereals, flour, starch or milk; pastrycooks products
15. Preparations of vegetables, fruit, nuts or other parts of plants
16. Beverages, spirits and vinegar
17. Tobacco and manufactured tobacco substitutes
18. Residues and waste from the food industries; prepared animal fodder
19. Salt; sulphur; earths and stone; plastering materials, lime and cement
20. Ores, slag and ash.
21. Inorganic chemicals; organic or inorganic compounds of . 22. Precious metals, of rare-earth metals, or radi. elem. or of isotopes.
23. Organic chemicals
24. Pharmaceutical products
25. Fertilisers.
26. Tanning or dyeing extracts; tannins and their deri. dyes, pigments and other colouring matter; paints and var; putty and other mastics; inks.
27. Essential oils and resinoids; perfumery, cosmetic or toilet preparations
28. soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring prep.
29. Albuminoidal substances; modified starches; glues; enzymes
explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations
30. Photographic or cinematographic goods
31. Plastic and articles thereof
32. Rubber and articles thereof
33. Raw hides and skins (other than furskins) and leather
34. Articles of leather, saddlery and harness; travel goods, handbags and similar
cont. articles of animal gut (other than silk-worm) gut.
35. Fur skins and artificial fur, manufactures thereof
36. Wood and articles of wood; wood charcoal.
37. Cork and articles of cork.
38. Manufactures of straw, of esparto or of other plaiting materials; 39. Basketware and wickerwork
40. Pulp of wood or of other fibrous cellulosic material; waste and 41. Scrap of

paper or paperboard

42. Paper and paperboard; articles of paper pulp, of paper or of paperboard

43. Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans.

44. Silk

45. Wool, fine or coarse animal hair, horsehair yarn and woven fabric.

46. Cotton.

47. Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.

48. Man-made filaments

49. Man-made staple fibres

50. Wadding, felt and nonwovens; spacial yarns; twine, cordage, 51. Ropes and cables and articles thereof

52. Carpets and other textile floor coverings.

53. Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery

54. Impregnated, coated, covered or laminated textile fabrics; textile

55. Articles of a kind suitable for industrial use

56. Knitted or crocheted fabrics

57. Articles of apparel and clothing accessories, not knitted or crocheted

58. Other made up textile articles; sets; worn clothing and worn textile articles

59. Footwear, gaiters and the like; parts of such articles.

60. Headgear and parts thereof.

61. Umbrellas, sun umbrellas, walking-sticks, seat-sticks, 62. Whips, riding-crops and parts thereof

63. Prepared feathers and down and articles made of feathers or of 64. Down; artificial flowers; articles of human hair.

65. Articles of stone, plaster, cement, asbestos, mica or similar materials

66. Ceramic products

67. Glass and glassware

68. Copper and articles thereof.

69. Nickel and articles thereof

70. Aluminium and articles thereof.

71. Lead and articles thereof.

72. Zinc and articles thereof.

73. Tin and articles thereof.

74. Tools implements, cutlery, spoons and forks, of base metal; parts thereof of base metal.

75. Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical

76. Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.

77. Optical, photographic cinematographic measuring, checking 78. Precision, medical or surgical inst. and apparatus parts and accessories thereof

79. Clocks and watches and parts thereof.

80. Arms and ammunition; parts and accessories thereof

81. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; lamps and lighting fittings

82. Toys, games and sports requisites; parts and accessories

83. Works of art collectors' pieces and antiques

84. Project goods; some special uses.

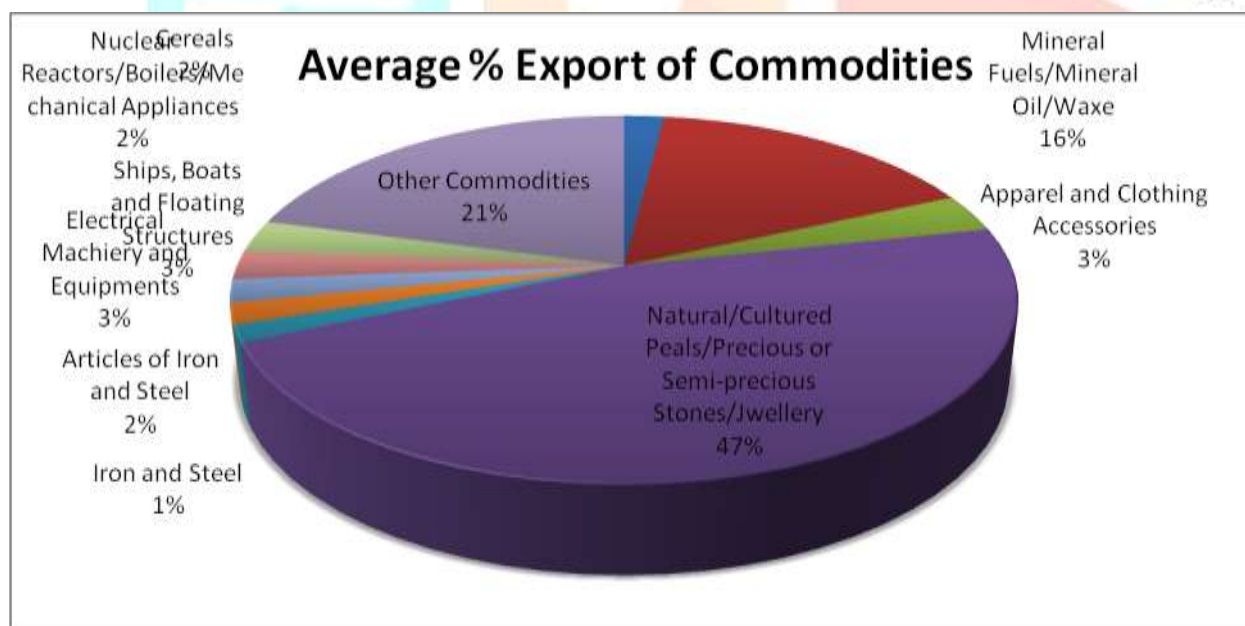


Figure No.5

India's exports to the UAE are well diversified with a large basket. India's major export items to the UAE are: Petroleum Products, Precious Metals, Stones, Gems & Jewellery, Minerals, Food Items (Cereals, Sugar, Fruits & Vegetables, Tea, Meat, and Seafood), Textiles (Garments, Apparel, Synthetic fiber, Cotton, Yarn) and Engineering & Machinery Products and Chemicals. India's major import items from the UAE are: Petroleum and Petroleum Products, Precious Metals, Stones, Gems & Jewellery, Minerals, Chemicals, Wood & Wood Products. India also imported 16.00 MMT of crude oil from UAE in 2014-15.

Major Commodities Imports from UAE (USD Million)

Name of Product	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	197.23	20.44	16.32	0.03	14.06	12.97	8.89	6.92	7.13	5.7	4.08	2.42	3.56	2.09	1.97	0.77	1.71	2.99	5.02	5.1
ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PRE. EDIBLE FATS; ANIMAL OR VEGETABLE WAXEX.	124.6	247.51	307.54	200.95	217.04	68.04	72.89	56.41	0.52	36.8	8.51	8.53	7.1	47.44	32.46	2.45	0.08	0.46	0.98	0.55
SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT	566.52	419.92	301.59	291.71	314.78	308.18	288.27	308.08	145.31	66.54	221.54	96.97	64.75	58.53	61.34	31.71	35.65	29.46	46.84	58.02
MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	13,656.84	9,080.71	9,457.60	7,912.80	13,509.04	13,263.35	14,984.68	15,102.54	9,398.23	6,443.36	10,317.90	7,806.25	4,671.75	212.94	216.86	104.87	77.23	156.07	161.93	1,553.06
FERTILISERS.	204	74.2	35.58	36.04	23.15	47.18	38	35.08	18.26	16.48	59.97	99.37	61.1	30.52	35.24	3.59	3.1	3.33	6.81	13.54
ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS	290.08	71.03	19.39	40.9	11.3	12.4	12.81	10.6	13.64	8.43	9.52	7.38	6.64	4.97	3.2	1.74	1.6	0.78	0.51	0.77
PLASTIC AND ARTICLES THEREOF.	984	712	665	667	479	341	371	287	241	204	182	133	95	82	47	35	29	12	8.1	6.7
ORGANIC CHEMICALS	291	97	41	24	11	23	52	40	85	57	11	62	7.1	5.9	16	61	5.1	9.1	16	2.1
NATURAL OR CULTURED PEARLS,PRECIOUS OR SEMIPRECIOUS STONES,PRE.METALS,CLAD WITH PRE.METAL AND ARTCLS THEREOF;IMIT.JEWELRY;COIN.	8,594.62	8,703.34	8,571.03	7944.29	8,795.44	11,899.69	20,376.74	18,235.49	20,896.32	11,211.41	11,331.81	3,687.18	2389.5	3,051.97	3,667.14	1,469.71	577.43	489.35	248.51	138.56
IRON AND STEEL	745	442	289	422	572	461	560	556	351	240	314	258	177	127	138	88	52	43	32	31
ARTICLES OF IRON OR STEEL	276	129	30		38	58	82	88	73	26	36	29	75	11	10	5.6	3.4	3.6	4.1	1.7
COPPER AND ARTICLES THEREOF	744	551	496	545	639	681	451	396	263	134	82	110	136	55	35	16	13	14	15	21
ALUMINIUM AND ARTICLES THEREOF	462	400	353	502	360	428	371	294	282	153	152	165	135	84	55	35	0.9	0.6	20	29
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	380.9	80.56	60.44	94.47	94.47	95.25	193.5	193.6	98.54	89.61	64.53	188.2	92.74	95.51	40.63	31.38	25.2	21.45	12.49	14.01
ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS,AND PARTS	278.93	152.24	181.17	174.66	105.74	75.03	87.34	170.9	127.78	235.85	64.53	453.21	334.07	207.72	36.9	19.92	15.87	10.68	10.73	7.74
AIRCRAFT, SPACECRAFT, AND PARTS THEREOF	238.6	2.92	5.19	3.4	1.95	1.84	2.98	17.24	13.76	46.98	90.34	9.44	99.22	3.71	3.59	3.51	4.48	0.77	0.93	0.15

Table No.4

Major commodities Imports from United Arab Emirates (Average %)



India's Exports to GCC Countries (Figures USD Millions)

	2009	%	2010	%	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%	2019	%
UNITED ARAB EMIRATES	16,405.76	76.82	21,762.52	77.33	26,267.52	80.05	22,443.74	63.49	25,079.46	65.66	25,079.46	65.66	22,639.02	72.23	23,112.92	75.14	21,905.98	72.78	22,443.69	72.50	22,213.62	72.85
SAUDI ARABIA	2,942.56	13.78	3,471.84	12.34	3,939.70	12.01	8,864.90	25.08	9,284.40	24.31	9,284.40	24.31	5,091.87	16.25	3,759.30	12.22	3,858.24	12.82	3,957.28	12.78	4,351.67	14.27
OMAN	571.10	2.67	1,395.12	4.96	899.30	2.74	2,260.03	6.39	1,793.71	4.70	1,793.71	4.70	1,474.72	4.71	1,821.24	5.92	1,943.50	6.46	1,785.98	5.77	1,595.86	5.23
KUWAIT	825.99	3.87	687.65	2.44	798.26	2.43	749.78	2.12	884.86	2.32	884.86	2.32	909.91	2.90	1,128.21	3.67	986.72	3.28	977.48	3.16	987.13	3.24
QATAR	427.15	2.00	262.72	0.93	609.30	1.86	498.13	1.41	790.26	2.07	790.26	2.07	681.40	2.17	571.88	1.86	1,003.34	3.33	1,218.11	3.93	903.06	2.96
BAHRAIN	183.29	0.86	563.23	2.00	298.31	0.91	532.04	1.51	365.82	0.96	365.82	0.96	546.24	1.74	367.77	1.20	400.16	1.33	573.53	1.85	438.91	1.44

Table No.5

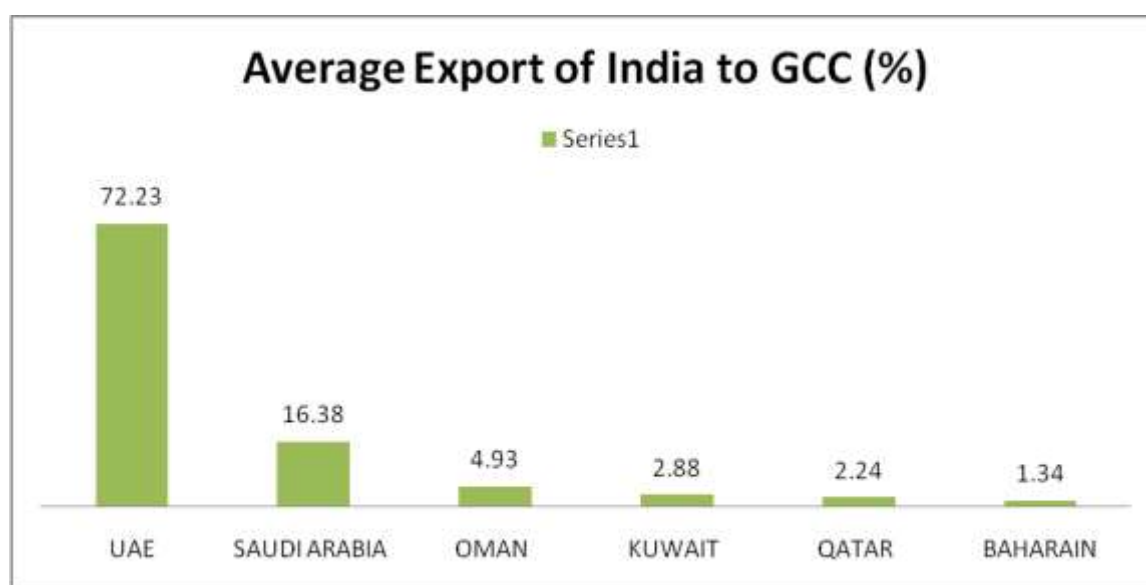


Fig. No.7

The Figure No.7 showing that India's export towards the GCC countries consisting of UAE, Saudi Arabia, Oman, Kuwait, Qatar and Bahrain, on an average 72.23% of the commodities exports are towards United Arab Emirates. The statistics are showing that almost three fourth of the India's export towards GCC countries is to United Arab Emirates followed by Saudi Arabia showing an average export of 16.38%, Oman 4.93%, Kuwait 2.88%, Qatar 2.24% and Baharain 1.34%. All of these figures are showing that UAE is the country amongst the GCC countries where India is having a major share of export and strong tie of trade relations and become one of the strategic export partner in this region.

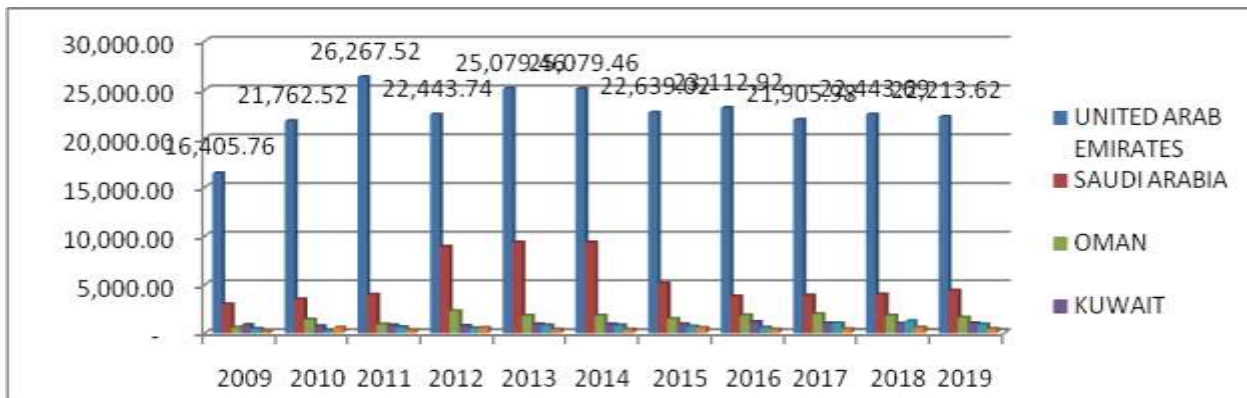


Fig. No.6

India's Imports from GCC

(Figures USD Millions)

Name of Countries	2009	%	2010	%	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%	2019	%
UNITED ARAB EMIRATES	12,245.08	33.87	23,674.04	44.32	27,284.87	36.31	25,102.79	30.88	27,010.08	34.75	23,185.22	33.34	16,304.75	36.71	15,237.92	38.54	16,813.10	36.36	21,936.06	36.65	22,599.57	37.63
SAUDI ARABIA	11,855.52	32.79	15,132.57	28.33	23,774.41	31.64	28,943.88	35.61	22,892.11	29.45	21,092.33	30.33	15,431.00	34.74	14,458.63	36.57	15,570.90	33.67	21,722.36	36.29	20,379.46	33.94
KUWAIT	6,057.19	16.75	6,825.22	12.78	11,230.11	14.94	12,591.69	15.49	13,515.57	17.39	12,001.44	17.26	7,056.88	15.89	5,526.94	13.98	6,001.92	12.98	5,467.78	9.14	7,163.03	11.93
QATAR	3,344.99	9.25	4,842.55	9.07	9,289.79	12.36	12,534.27	15.42	11,244.47	14.47	11,418.91	16.42	4,014.98	9.04	3,097.41	7.83	4,764.87	10.30	8,163.52	13.64	6,960.95	11.59
OMAN	2,272.27	6.28	2,401.01	4.49	2,952.95	3.93	1,536.71	1.89	2,590.95	3.33	1,487.03	2.14	1,336.35	3.01	983.10	2.49	2,786.13	6.02	2,093.90	3.50	2,634.04	4.39
BAHARAIN	380.74	1.05	542.86	1.02	618.66	0.82	569.82	0.70	480.73	0.62	360.13	0.52	271.64	0.61	237.55	0.60	308.03	0.67	468.95	0.78	314.81	0.52

Table No.6

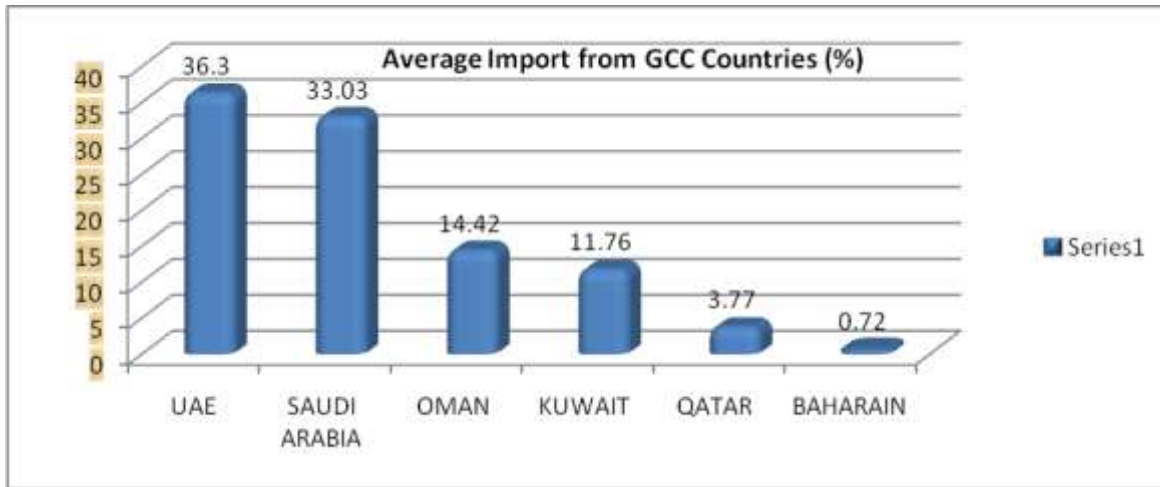


Fig. No.8

The table No. 6 showing that UAE is the largest importing country of India amongst the GCC countries having an average share of 36.30% of total import from GCC countries followed by Saudi Arabia 33.03%, 14.42% with Sultanate of Oman, 11.76% with Kuwait, 3.77% with Qatar and 0.72% with Bahrain.

The total import with UAE is 12,245.08 USD Million in the year 2009 showing a constant increase in value of imports and reaches up to 22,599.27 USD Million in the year 2019. As far as the percentage of total imports with UAE is concerned showing a mixed trends of ups and downs for the last 10 years of 2009 to 2019. It was 33.87% in the year 2009, increased to a peak level of this 10 years of study from 2009 to 2019 showing a percentage of 44.32% of total imports from UAE in the year 2010, followed by a decrease of imports to 36.31% in 2011, showing a deep decrease and showing the least in the 10 years of this study 30.88% in the year 2012, 34.75% in the year 2013, 33.34% in 2014, 36.71% in 2015, 38.54% in the year 2016 followed by 36.36% in the year 2017, 36.65% in 2018 and 37.63% in the year 2019.

Imports to Various GCC Countries

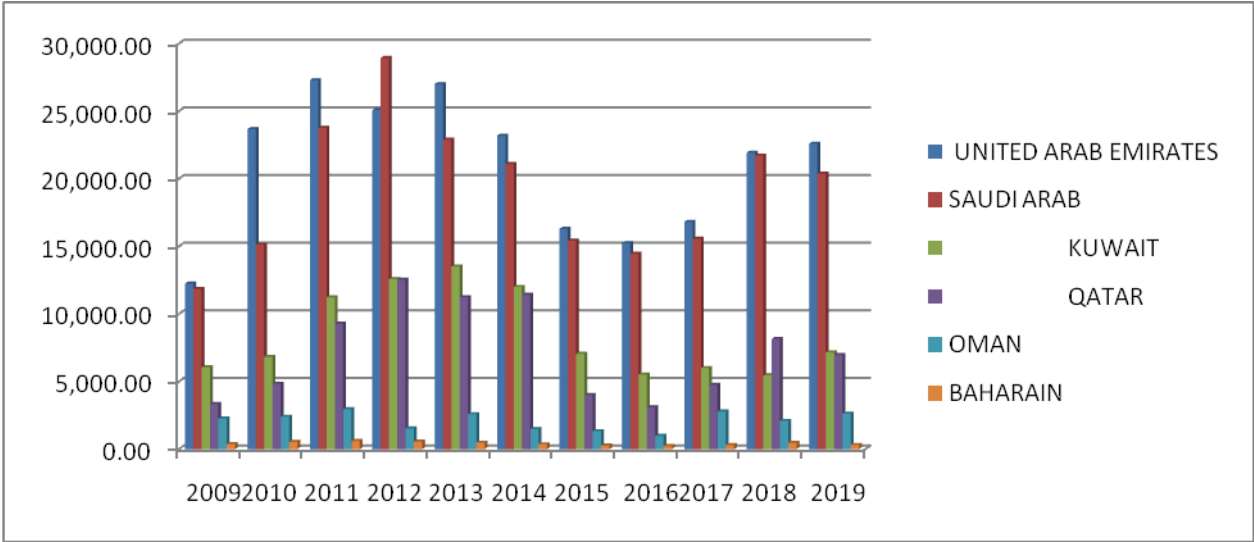


Figure No.9

Ranking of top 10 Exporting countries of India (yearwise) (Table No.7)

Name of Country	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
USA	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	1	1	1	1	1	1
U K	2	4	4	4	4	4	6	5	5	5	6	7	7	7	8	7	7	5	6	6	6
HONGKONG	3	2	2	3	3	3	5	6	6	6	5	4	4	5	5	4	3	3	3	3	4
GERMANY	4	5	5	5	5	6	7	7	7	8		8	8	8	9	9	8	5	7	7	7
JAPAN	5	6	6	6	7		10	10	10						10	10					
UAE	6	3	3	2	2	2	2	2	2	2	1	1	1	1	1	2	2	2	2	2	2
BELGIUM	7	7	7	7	8	8	8	8	9	9	9		9	9				10	9	9	9
ITALY	8	8	8	8	10	10	9	9	8	10										10	
RUSSIA	9	9																			
NETHERLAND	10									7	7	6	6	6	6	8					8
SINGAPORE				10	9	7	4	4	4	4	4	5	5	4	3	5	6	6	5	5	5
FRANCE		10	10									10							10		
CHINA P RP					6	5	3	3	3	3	3	3	3	3	4	3	4	4	4	4	3
SAUDIARAB											8	9			7	6	5	6			
MALAYSIA																	10				
KOREA RP											10										
INDONESIA													10	10							
Bangladesh				9		9															
BRAZIL																	9				
VIETNAM																		9	8	8	10

The Table No. 7 showing that UAE is the largest exporting country of India in many years having 1st rank and 2nd rank immediately after USA almost all years. UAE became the 6th Largest export country of India in the year 1998-1999, improving the rank to 3rd place in the years 1999-2000 and 2000-2001, followed by the next 7 consecutive years from 2001-2002 to 2007-2008 2nd place immediately after USA, 1st rank in the top 10 Exporting countries of India from 2008-2009 to 2012-2013 and again 2nd rank for the years 2013-2014 till 2018-2019 followed by United States of America.

Amongst the GCC Countries consisting of Saudi Arabia, UAE, Oman, Kuwait, Qatar and Bahrain only Saudi Arabia is coming under the top 10 exporting countries of India showing ranks of 8th place in the year 2008-2009, 9th rank in 2009-2010, followed by 7th Place in 2012-2013, 6th rank in the year 2013-2014, 5th rank in 2014-2015 and 6th

export destination in the year 2015-2016. No other GCC countries are coming under the top 10 exporting countries of India. These discussions are showing that India is having a strong bond of trade relationship between UAE amongst the GCC countries even though doubtful that India explored this relationship strategically or not.

Ranking of top 10 Importing countries of India (yearwise)

Name of Country	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-2006	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-2019
CHINA	12	16	13	7	6	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
USA	1	1	2	3	1	1	1	2	2	3	2	4	4	5	5	5	4	5	2	2	2	2
UAE	9	8	9	16	14	16	12	4	8	5	4	2	2	2	2	2	3	3	4	3	4	3
SAUDI ARABIA	7	7	7	18	22	22	19	19	19	2	3	3	3	4	4	3	2	2	3	4	3	4
IRAQ										11	12	13	13	14	6	6	6	8	9	8	6	5
IRAN			16							6	5	5	7	7	12	16	15	18	17	11	11	12
QATAR													20		13	8	8	7	13	16		17
KUWAIT	16	10	12							10	10	9	11	11	7	7	7	11				
SWITZERLAND	3	2	5	2	2	6	4	3	3	4	7	7	5	3	3	4	5	4	5	5	5	6
HONG KONG	22	22	19	14		15	15	16	16			17	19	13	17	20	19	22	19	14	13	7
BELGIUM	2	3	1	4	3	2	3	5	6	19	19	19	16	16	18	17	14	15	15	18	22	18
U K	5	4	4	1	4	5	8	11	18	17	18	21	21	20	21	22	22	24	21	23	24	19
KOREA RP	14	12	15	13	11	9	7	9	7	14	15	11	10	10	14	12		10	7	7	8	8
SINGAPORE	13	13	14	8	10	11	11	11	12	12	8	14	15	18	20	21	20	20	16	17	18	9
INDONESIA	18	18	18	12	13	12	10	12	13	17	18	16	9	12	10	9	9	6	6	6	7	10
GERMANY	4	6	11	6	7	5	6	6	4	7	6	6	8	6	8	10	12	12	8	9	10	11
AUSTRALIA	8	11	17	10	9	13	9	7	5	9	9	8	6	8	9	13	16	16	14	10	9	13
JAPAN	6	5	6	5	5	8	8	10	10	15	13	12	14	15	15	14	17	17	11	12	12	14
MALAYSIA	10	9	10	9	12	10	13	13	15	13	16	15	18	19	19	18	18	14	12	13	15	16

Table No.8

The Table No.8 of Top 10 Importing countries of India showing that import from UAE is either 3rd or 4th position after China, United States of America (USA), and some times after Saudi Arabia. During the end of 1990's and early

2000 period, the major imports of India are from USA, Belgium, Switzerland, UK, Japan etc., Where as the position of UAE during these periods are 8th, 9th, 12th, 14th or 16th position. But the imports from UAE are improved to 4th position in 2004-2005, 8th rank in 2005-06, 5th and 4th ranks in the years 2006-07, 2007-08 respectively. At the same time, the import from UAE against the total import of India improved a lot reached up to 2nd rank during 2008-09 to 2012-13 periods consecutively, 3rd position in the years 2013-2014, 2014-2015, 4th rank in 2015-2016, 3rd in the year 2016-2017, 4th and 3rd ranks during the years of 2017-2018 and 2018-2019.

The Table showing ranks of top 10 importing countries showing that the position of many GCC countries, Iran and Iraq are improving their position indicating that import from these countries are increasing year after year from 2006-2017 till 2018-2019. The rank of Saudi Arabia with respect to imports are improved a lot from 22nd position in the year 2002-2003 to 2nd, 3rd or 4th positions from 2006-2007 onwards. The imports from Kuwait and Qatar to India are also showing a sign of improvement. The imports from other Arab countries of Iran and Iraq are improving to a certain extent.

All these discussions showing that the trade relationship with UAE are developing systematically year after year indicating that the strong trade relationship between India and UAE strategically including cultural, social and political because of the largest NRI population of India in UAE. The above discussions are showing that the relationship of India with other GCC Countries are also improving to a strategic level.

Investments :

There is an estimated US\$10 billion UAE investment in India of which around US\$3.3 billion (Jan 2016) is in the form of foreign direct investment, while the remaining is portfolio investment. UAE is the tenth biggest investor in India in terms of FDI. UAE's investments in India are concentrated mainly in five sectors: Construction Development (15.52%), Power (13.09%), Metallurgical Industries (9.90%), Services Sector (9.58%), Computer Software & Hardware (4.90%). To further attract investments, a High Level Task Force was formed in May 2012 and His Highness Sheikh Hamed bin Zayed Al Nahyan, Chairman of Crown Prince Court of Abu Dhabi and Managing Director, Abu Dhabi Investment Authority as Co-Chairs. This followed the visit Sheikh Hamed to India in January 2012 when he had interactions with various Cabinet Ministers, trade and industrial bodies and financial institutions and regulatory authorities. The first meeting of the India-UAE High Level Task Force on Investments (HLTFI) was held on 18/02/2013 at Abu Dhabi. An agreement was reached between the two countries on the format and structure of future discussions, and the meeting decided to establish sub-committees in areas such as infrastructure, energy, investment and trade, manufacturing and technology, aviation and transport for investment purposes. Sheikh Hamed announced an initial allocation of USD2 billion for investments in infrastructure projects in India and support for the establishment of a strategic oil reserve in India and expressed India's desire to participate in the oil and gas sector of UAE. On 23rd April, 2013 Etihad airlines announced its decision to invest US\$379 million in Jet Airways for a 24% stake in the shareholding. On 26th May, Finance Minister visited Dubai and Abu Dhabi and had meetings with the

Finance Minister of UAE, Crown Prince of Abu Dhabi and the Managing Director of ADIA. Opportunities available for investments in India were highlighted. Finance Minister of India also assured the early conclusion of BIPPA after one / two rounds of negotiations. Two more rounds of negotiations were held in July (in India) and October (in Abu Dhabi) and the agreement was signed on 12.12.2013 at New Delhi. The second meeting of the India- UAE High Level Joint Task Force on Investments (HLTFI) was held on 3.3.2014 at Mumbai, saw wide-ranging discussions on priority sectors of engagement for channeling investments between the two countries. Shaikh Hamed bin Zayed Al Nahyan, Chief of the Abu Dhabi Crown Prince's Court and Chairman of Abu Dhabi Investment Authority (Adia), led the UAE delegation and co-chaired the HLTFI meeting with Sh. Anand Sharma, Hon'ble Minister for Commerce and Industry. The first meeting was held in February 2013 in Abu Dhabi, after the meeting, several joint working groups were set up to address issues of mutual interest in sectors including infrastructure, investment and trade, energy, manufacturing and technology, aviation, information and communication technology and legacy issues. On the second meeting in Mumbai, an action plan was agreed to expedite progress across all these joint working groups.

Joint Ventures:

There are a number of joint ventures and investments undertaken by UAE companies in India. EMAAR, a real estate company of Dubai Government, is active in the real estate sector having already set up a major township, an international convention centre and a golf course in Hyderabad. Emaar and India's MGF Development Limited, joined together to form India's largest FDI in real estate amounting to over half a billion dollars for projects with a capital outlay of US\$4 billion (Rs.18,000 crore) and constructed flats for the Commonwealth Games (2010) Village.

Dubai Ports World is now operating 6 major Ports in India at Nhava Sheva, Navi Mumbai, Chennai, Mundra, etc, following its acquisition of the P&O of U.K. DP World constructed the International Container Transshipment Terminal (ICTT) at Vallarpadam in Kochi (Kerala). The first phase of the ICTT Project at Vallarpadam (Kochi) was inaugurated by Prime Minister on – February 11, 2011. The planned capacity at Vallarpadam, when fully expanded, is 3 million TEUs, making it the country's largest container terminal. The DP World has recently received a letter of award from Jawaharlal Nehru Port Trust, to build and operate a single berth facility of 330 meters quay length alongside its existing terminal operation at Nhava Sheva, Mumbai.

Abu Dhabi's National Petroleum Construction Company(NPCC), has won a major engineering and construction contract to build offshore platforms from India's Oil and Natural Gas Corporation(ONGC). NPCC will build the WO-16 cluster and SB-14 wellhead platforms project at the offshore Mumbai High Field, valued at Dh550 million.

Ras al-Khaimah (RAK) signed a MoU for a JV with Govt. of A.P for setting up a one million tonne per annum Alumina plant and a 250,000 tonne aluminium smelter. RAKIA has already commissioned the RAK ceramics factory located at Kakinada in AP. UAE tile manufacturer, RAK Ceramics India, has set up a tile plant in Ahmedabad, at an investment of \$150 million.

Abu Dhabi National Energy Company (TAQA) has presence in India, through a company called “ST -CMS Electric Company Pvt Ltd.”, operating 250 MW lignite- fired power plant in Neyveli, Tamil Nadu. TAQA has plans to expand its power generating capacity by another 250 MW at the same site. The likely investment will be around US\$250 million.

The Abu Dhabi Investment Authority (ADIA), which is a sovereign fund owned by the Abu Dhabi Government has around US\$700 billion in investible funds. Most of the investments made by ADIA in India are in portfolio investments. It owns 12% stake in the Indian Company Infrastructure Leasing & Financial Services (IL&FS).

Dubai-based private equity firm Abraaj Group has announced (in August 2013) an investment of US\$17.5 million in Rainbow Hospitals in Andhra Pradesh. Mohebi Logistics (a supply chain management company in Dubai) is setting up a subsidiary in Pune.

Dubai-based contractor Drake and Scull International has won US\$ 82.8 million contract to boost the power transmission network at Uttarakhand. The firm is building a new 400kV Double Circuit power transmission line which will be fed by a huge hydropower project known as the Uttarakhand Power Sector Investment-Project. Drake & Scull’s work will involve building 152km of transmission lines, as well as the surveying, design, fabrication and supply of 400kV DC transmission line towers.

UAE-based KEF Holdings, a multinational firm specialising in offsite construction technology, has announced the launch of operations in India with a planned investment of AED 900 million.

UAE-based Pure Gold Group stated that they would like to invest US\$ 150 Million (INR 1,000 crore) in India mainly in retail, manufacturing and hospitality sectors.

Indian investments in UAE:

Though no official figures are available, according to Indian Business & Professional Council, Dubai, investments by Indian companies in UAE would be in excess of US\$55 billion. Hinduja Group has set up manufacturing units for Ashok Leyland vehicles in Ras-al-Khaimah. An Aqua theme park was set up as a joint venture between Polo Amusement Park from India, RAK Investment Authority and RAK Properties. Many Indian companies have set up manufacturing units either as joint ventures or in Special Economic Zones for cement, building materials, textiles, engineering products, consumer electronics etc. Many Indian companies including Taj Group of Hotels have also invested in the tourism, hospitality, catering, health, retail and education sectors. The EMKE Group under the banner ‘Lulu’ set up by an Indian national dominates the retail/departmental sectors in UAE. Al-Faraa group is a booming construction-sector company. Indian cement manufacturer JK Cement is investing US\$14.97 mn to set up a white cement plant with a capacity to produce 0.6 million tones per year(mtpy), in Fujairah Free Trade Zone. Indian companies like Ashok Leyland, Mahindra, Dabur etc. operate out of the business parks of Ras Al Khaimah

Investment Authority. Zuari Agro Chemicals and Tata Power are also setting up units in Ras Al Khaimah (\$800 mn fertilizer plant and \$250mn sugar plant). India's Essar Steel Processing and Distribution (ESPD), part of Essar Steel, has a service centre facility in Dubai (capacity: 250,000 tonnes) to cater to the needs of customers in Middle East and neighboring region. The region has traditionally been one of Apollo Tyres's strongest export markets, accounting for about 30% of export revenues. The company has opened an office in Dubai and its distribution network in the Middle East is spanning 14 countries and 23 business partners. India's Infrastructure Leasing & Financial Services Limited (IL&FS) and UAE-based Prime Terminal have jointly pumped in Dh477 million (\$130 million) in an oil storage terminal at Fujairah. IL&FS Prime Terminals, a joint venture formed between IL&FS Maritime Infrastructure Company Limited (IMICL) and PTF, reached an agreement on the first phase of the 632,678 cubic metres project. This will help boost the fuel storage capacity to increase from 5.08 million cubic metres to 7.95 million cubic metres.

Indian television major Zee Entertainment has invested in the satellite television network in the Middle East, with Dubai as its base. It is already running a special Arabic channel Zee Aflam devoted to bollywood entertainment. In September 2012, Zee announced a \$100 million investment in Zee Alwan – Dubai, the second Arabic channel by Asia's largest television provider. Birla Institute of Technology & Science (BITS) Pilani in India opened its international campus in Dubai on December 2007 – BITS Pilani, Dubai. It is the one of the dedicated engineering institutions in the region and has the largest campus spread across a 15-acre plot in Dubai International Academic City with an excellent academically conducive infrastructure and highly qualified faculty. Other Educational Institutions set up by Indian entities are Manipal University, Mahatma Gandhi University, Pune University, S P Jain School of Global Management etc.

Major Indian companies such as L&T, ESSAR, Dodsai, Punj Lloyd, EIL etc. have been able to obtain significant number of contracts in the UAE. L&T and its Oman-based subsidiary have secured major contracts in water supply projects, construction, oil, electric transmission and other sectors. In June 2011, India-based PCM Strescon Overseas Ventures Ltd (Siliguri, West Bengal) signed a contract worth US\$40 million with Etihad Rail for design & manufacture of railway sleepers as well as production of sleeper manufacturing facility for Phase I of the railway network of 266 km route linking Shah, Habshan and Ruwais in the Abu Dhabi western region. Larsen & Toubro has won two engineering, procurement and construction (EPC) contracts in the UAE worth more than \$639m. L&T has successfully executed the civil & electrical part of the Abu Dhabi Khalifa Interchange Highway project (US\$162 million), construction of electric transmission lines in Fujairah & offshore platforms for Abu Dhabi Marine Operating Company (ADMA-OPCO). It has also won a contract worth US\$257 million for Airside construction in the Abu Dhabi Airport Midfield Terminal expansion. Saipem, Tecnimont and Dodsai as a consortium won a contract in October 2011 worth US\$900 million from Etihad Rail to carry out civil and track works that will connect the Western Region cities of Habshan and Ruwais by 2013 and Shah Habshan by 2014. Dodsai had earlier, in April 2011, signed a contract worth US\$500 million with GASCO for design, engineering & construction of Habshan Sulphur Granulation

Plant. Dodsai has been awarded a US\$450 million EPC contract in August 2012 for constructing the Habshan-Maqtat-Taweelah gas pipeline project for GASCO, to be executed in 34 months time.

There are close to 700 direct flights operating every week between various destinations in India and UAE, serviced by Air India/Air India Express, Jet Airways, Spicejet, Indigo, Emirates, Etihad, Flydubai and Air Arabia. On 24 April, an MoU was signed by the visiting MoCA delegation with the Abu Dhabi Emirate to increase the number of seats from the current 13,330 per week to 24,330 (immediately), 37,130 (Winter 2014) and 50,000 (Winter 2015) per week. The updated Air Services Agreement was signed on 7.1.2014 at New Delhi.

Institutional Arrangements :

A Joint Commission mechanism at the level of Foreign Ministers has held ten sessions so far, to discuss the entire gamut of bilateral relations. The 10th Meeting of the Indo-UAE Joint Commission was held in Abu Dhabi from April 15-16, 2012. Both sides discussed various issues for promoting bilateral cooperation in the following fields: trade and investment; education, culture, youth and sports; health, science and technology, agriculture and environment; manpower; and energy, hydrocarbons, petrochemicals and fertilizers. Memorandum of Understanding on setting up a joint committee for consular affairs and a protocol to amend the India-UAE Double Taxation Avoidance Agreement (signed in April 1992) were signed during this JCM.

A Joint Business Council consisting of Federation of UAE Chambers of Commerce & Industry and Federation of Indian Chamber of Commerce & Industry (FICCI) has been set up. Confederation of Indian Industry (CII) has signed a strategic agreement with the Khalifa Industrial Zone of Abu Dhabi (KIZAD) in October 2011 at Mumbai to support the Indian businesses investing in the new Industrial Zone. Double Taxation Avoidance Agreement (DTAA) was signed between India and UAE in April 1992. Text of the Bilateral Investment Promotion & Protection Agreement has been agreed in October 2013 and the agreement was signed on 12.12.2013 at New Delhi. A Customs Cooperation Agreement was signed on 1st April 2012.

Free Trade Agreement (FTA)

On the multilateral framework, India and GCC have signed a Framework Agreement on Economic Cooperation on 25th August 2004 acknowledging the growing importance of economic and commercial relations between India and GCC countries and to facilitate entering into a Free Trade Agreement (FTA). The first round of negotiations on FTA took place at Riyadh on 21-22 March 2006. The progress has been slow since the process of integration within the GCC has been slow and there are concerns in India about providing free access to petroleum products from GCC.

NRI Remittances:

The annual remittances made by the large Indian community in UAE (estimated to be around 2.6 million) amount to over US\$80 billion (Year 2018). They had actively invested in the past in the various bonds floated by India such as Resurgent India Bonds and the India Millennium Bonds.

Banking:

Bank of Baroda which is the only Indian bank holding a license from the UAE authorities for conducting full fledged banking operations, has been in operation in UAE since 1974. BOB has one zonal office, six branches and four Customer Service Centers (CSCs) across UAE. Similarly, Abu Dhabi Commercial Bank has two branches in India and Mashreq Bank one. Canara Bank, State Bank of Travancore and South Indian Bank manage exchange centers in UAE in collaboration with local banks. Other Indian Banks with representative offices in the UAE include Bank of India, HDFC Bank Limited, ICICI Bank Limited, Punjab National Bank, Union Bank of India, Federal Bank, Andhra Bank, Corporation Bank, Axis Bank, Indian Overseas Bank (IOB), Indusind Bank Ltd. etc.

The Dubai Financial Services Authority (DFSA), entered into a Memorandum of Understanding (MoU) with the Reserve Bank of India (RBI) on 15/6/2011 at Mumbai. Indian banks have a significant, and growing, presence in the Dubai International Financial Centre (DIFC), so this enhancement of information sharing and assistance between the RBI and the DFSA is a critical step to ensuring confidence in each of our regulatory regimes.

The relationship between India and UAE are going through a golden era. The bilateral relationship between India and UAE is the best ever, it has matured and transformed into strategic partnership as both countries continue to explore deeper cooperation in many areas. The deepening of energy ties was a highlight of last year. The relationship has transformed from a buyer-seller relationship to that of a strategic partnership in energy security, with Abu Dhabi National Oil Company (ADNOC) delivering the crude oil for storage in Mangalore Strategic reserve and a consortium of Indian oil companies acquiring a 10 per cent stake in the Lower Zakum Offshore oil field in Abu Dhabi. ADNOC and Saudi Aramco signed a framework agreement with Indian oil companies to set up a \$44-billion (Dh161.6-billion) refinery in Maharashtra during the visit of Shaikh Abdullah Bin Zayed Al Nahyan, UAE Minister of Foreign Affairs and International Cooperation, to India in June 2018.

Findings:

1. United Arab Emirates (UAE) is the second largest export destination of India with an amount of export of over USD 30 Billion for the year 2018-2019. The share of export with UAE against the total export of India was 4.41% in the year 1996-1997 increased up to 13.54% in the year 2010-2011. India's export to UAE is increased to 20.5 times during the periods over 20 years with a share of 9.13% of total export during the year 2018-2019.

2. UAE is the 3rd largest importing country of India in the year 2018-2019 after China and USA. During the periods of 1990's and early 2000 periods, the position of UAE was 8th, 9th, 12th, 14th, 16th etc. whereas the imports from UAE gradually increased and become 5th and 4th position during the years of 2006-2007 and 2007-2008 respectively. It reached up to 2nd position during 2008-2009 to 2012-2013, 3rd position during the years of 2013-14, 2014-2015, 4th position in 2015-2016, 3rd position in the year 2016-2017, 4th and 3rd position during the years of 2017-2018 and 2018-2019.

The total import of India with UAE is increased 16.2 times during the period of last 20 Years. The share of import from UAE against the total imports of India increased from 3.39% during the year 1996-1997 to 5.6% in the year 2016-2017.

3. The Trade Balance with India and UAE trade is favourable or positive for the last 23 years of this study except for two years.

4. The coefficient of correlation between the import and export of UAE, is showing a very high positive indicating that the increase in export results in increase of imports during the years of this study. The total trade with UAE reached up to 59.91 Billion USD in the year 2018-2019.

5. The major export of commodities to UAE consists of the major component of Natural Cultured Pearls, Precious or semi-precious stones and jewellery with an average share of 47% of total export, mineral fuels, mineral oil and wax with an average of 16.27%, apparel and clothing accessories 3.35%, ships, boats and floating structures 2.85%, electrical machinery and equipments 2.49%, Nuclear reactors, boilers, mechanical appliances 2.07%, cereals 1.96%, articles of Iron and steel 1.84%, Iron and Steel 1.48%, other commodities such as organic chemicals, inorganic chemicals, toiletry preparations, perfumery, essential oil, meat, edible oil etc. consists of an average of 20.84%.

6. The export share of India with GCC countries are considered this study showing that an average of 72.23% of export is to UAE with first position, followed by 16.38% to Saudi Arabia, 4.93% to Sultanate of Oman, 2.88% to Kuwait, 2.24% to Qatar and 1.34% to Bahrain.

7. The Import of commodities from GCC is concerned, UAE is the largest importing country of India amongst the GCC Countries with an average share of 36.30% of total import, followed by 33.03% from Saudi Arabia, 14.42% from Sultanate of Oman, 11.76% from Kuwait, 3.77% from Qatar and 0.72% from Bahrain.

F. Conclusion

All the discussions in this paper depicting the relations between India and UAE is showing that there is a strong bond of relationship between these two countries centuries ago. All the evidences and relics recovered from various parts of undivided India, Persia and other Arab countries showing the diversified range of social, cultural, economic and trade relations between these regions at the early stages of development of civilization. The Export, Import, Total Trade with UAE and the Trade balances between these countries are favourable to India in many years except few years of this study. The FDI investment of both the countries are increasing year after year, NRI remittance from UAE is increasing every year, the mutual relations and cooperation between these countries in all respects including social, economic, commercial, investment portfolio, Banking, cultural, are increasing and strong now a days.

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