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India, UAE hold talks

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What's in News?

Minister of External Affairs is on a three day visit to UAE.

News Highlights:

Ministry of External Affairs is on three-day visit to the United Arab Emirates to review the comprehensive strategic partnership between the two countries.

Earlier he co-chaired the **14th India-UAE Joint Commission Meeting**

A joint working group was established for establishment of IIT in UAE.

The meet emphasised the importance of promoting start-ups and entrepreneurship in different fields such as fintech, edutech, healthtech, agritech, logistics and supply chains.

They noted the possibility of linking instant payment platforms in either country, such as through the United Payment Interface (UPI) of India.

As a part of the meeting various MOUs were signed

(i) MoU to set up cultural forum

India, UAE together are going to set up a cultural forum - Emirati India Cultural Council-which will strengthen ties between the two countries and create opportunities for cultural cooperation.

This will be facilitated by the International Cooperation of UAE and the Indian Council for Cultural Relations (ICCR).

(ii) MOU for Conservation

MoU was signed between the Wildlife Institute of India and the International Fund for Houbara Conservation for the **conservation of the Great Indian Bustard and the Lesser Florican**.

India – UAE relations:

India and the United Arab Emirates (UAE) established diplomatic relations in **1972**

Economic & Commercial:

Bilateral trade in FY 2021-22 was about USD 72 billion.

The UAE is the **third-largest export destination of India** (after the US and China) with an amount of nearly \$16 billion for the year 2020-21.

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For the UAE, **India is the third-largest trading partner for the year 2020** with an amount of around \$27.93 billion (non-oil trade).

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 fibre, 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

UAE FDI in India has continuously increased over the past few years and currently stands at over \$12 billion.

UAE is the **9th biggest investor in India** in terms of FDI.

The UAE Sovereign Wealth Funds (SWFs) invested over US \$ 4.12 Billion in India during FY 2020-21.

Abu Dhabi Investment Authority (ADIA) is the principal Sovereign Wealth Fund of the UAE and **one of the world's largest**.

UAE has committed to invest US \$ 75 billion in India's infrastructure sector over a period of time.

The annual remittances made by the large Indian community in UAE (estimated to be around 3.3 million) amount to over US \$ 17.06 billion in 2019

Defence Cooperation:

Defence cooperation between India and UAE is steered through a Joint Defence Co-operation Committee (JDCC) at the Ministry level, with the signing of Agreement on Defence Cooperation in June 2003, which came into effect since April 2004

Indian Air Force (IAF) for the first time joined personnel from UAE, Saudi Arabia, France, UK, US, Republic of Korea and Bahrain, in the multinational **Exercise Desert Flag-06** in March 2021.

Indian Community:

Indian expatriate community of approximately 3.4 million is the largest ethnic community in UAE constituting roughly about 35 per cent of the country's population.

India-UAE Comprehensive Economic Partnership Agreement (CEPA):

In February 2022 India-UAE Comprehensive Economic Partnership Agreement (CEPA) was signed and a vision statement was adopted.

The CEPA is likely to boost trade between India and the UAE from USD 60 billion to USD 100 billion in the next five years

Overall, India will benefit from **preferential market access provided by the UAE on over 97 % of its tariff lines which account for 99% of Indian exports to the UAE** in value terms particularly from labour-intensive sectors such as Gems and Jewellery, Textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, pharmaceuticals, medical devices, and Automobiles.

Both sides have also agreed to a **separate Annex on Pharmaceuticals** to facilitate access to Indian pharmaceuticals products, especially automatic registration and marketing authorisation in 90 days for products meeting specified criteria.

'I2U2':

The new grouping is known as 'I2U2' with '**I**' **standing for India and Israel** and '**U**' **for the US and UAE**.

I2U2 is aimed to encourage joint investments in **six mutually identified areas such as water, energy, transportation, space, health, and food security**.

It intends to mobilize private sector capital and expertise to help modernize the infrastructure, low carbon development pathways for our industries, improve public health, and promote the development of critical emerging and green technologies.

It was also referred to as the '**West Asian Quad**'