

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-UAE BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The United Arab Emirates (UAE) lies in the east of the Arabian peninsula. It is bordered by Saudi Arabia to the west and south, and by Oman to the east. In the north the UAE has a short frontier with Qatar and a coastline of about 650 km on the southern shore of the Persian (Arabian) Gulf, separated by a detached portion of Omani territory from a small section of coast on the western shore of the Gulf of Oman. The UAE is a member of the UN, WTO, OPEC, the Gulf Co-operation Council and the League of Arab States.

2. The UAE's economy is dominated by the petroleum produced primarily in the Abu Dhabi emirate. The wealthiest of the emirates, Abu Dhabi contains one of the largest concentrations of the world's proven oil reserves and contributes a significant portion of the national budget. The emirate of Dubai, whose economy is centred more on business than on oil, serves as a commercial and financial hub for the region and leads the country in economic diversification. IMF Staff Completes 2024 Article IV Mission to United Arab Emirates May 20, 2024, Economic growth in the UAE is broad based, led by robust activity in the tourism, construction, manufacturing, and financial services sectors. Foreign demand for real estate, increased bilateral and multilateral ties, and the UAE's safe haven status continue to drive rapid growth in housing prices and an increase in rents, while adding to ample domestic liquidity. Hydrocarbon GDP growth is expected to increase this year, including on higher crude oil production from the UAE's OPEC+ quota increase. Impacts from geopolitical tensions have been contained thus far, while the authorities delivered a rapid response to address the recent flooding episode. Overall real GDP is projected to grow by around 4.0 percent in 2024, and average inflation is expected to remain contained close to 2 percent.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of UAE are Saudi Arabia, India, Iraq, and United States. On the other hand four major import partners of UAE are China, India, United States, and Japan, Major five exported goods of UAE are (i) Petroleum oils and oils obtained from bituminous, (ii) Petroleum oils, etc, (excl. crude); preparation, (iii) Gold in unwrought forms non-monetary (iv) Propane, liquefied and (v) Transmission apparatus. On the other hand major five imported goods are (i) Gold in unwrought forms non-monetary, (ii) Transmission apparatus, for radioteleph incorpo, (iii) Petroleum oils, etc, (excl. crude); preparation (iv) Art. of jewellery and parts thereof and (v) Diamonds non-industrial unworked or simply sawn.

4. UAE's total exports in 2019 were of the order of US\$ 389,428 million. It has scaled upto US\$ 570,245 million in 2023. During the period 2019 to 2023, Exports from UAE had increased maximum by 26.80% in the year 2021 followed by another 21.28% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 10.00%.

5. UAE's total imports in 2019 were of the order of US\$ 288,447 million and which has touched US\$ 470,536 million mark in 2023. Imports of UAE had jumped by 40.72% in 2021 in comparison with 2020 just after facing a 14.38% decline in FY2020. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 13.01%.

6. UAE runs an overall Balance of Trade surplus from 2019 to 2023 that has scaled up to USD 99,709 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 11.31%.

A snapshot of UAE's overall Trade Statistics is presented in Table 1 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. UAE is presented in Table 2 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. The traditionally strong bilateral relations enjoyed by India-UAE gained a new momentum when the Hon'ble Prime Minister Shri Narendra Modi visited in 2015, the first PM of India in 34 years which marked the beginning of a new Comprehensive and Strategic partnership between the two countries. This was followed by five other visits of PM in the last 8 years, most recently in Nov-Dec 2023 to attend COP28-World Climate Action Summit in Dubai. UAE ranked 2nd as an export destination of India in FY 2023-24. India had exported to UAE almost 8.15% of its total export value in FY2023-24. In the same financial year imports from UAE was 7.11% of India's total import value. Almost 7.52% of India's total international trade value of goods was between India and UAE as has been recorded in DGCI&S data base for FY 2023-24. UAE was the 3rd major trading partner of India in FY 2023-24.

8. Indo- UAE total volume of bilateral trade in FY 2019-20 was of the order of US\$ 59,119.76 million. It has scaled upto US\$ 83,643.29 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 9.06%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a deficit Balance of Trade with UAE. Exports from India to UAE increased by 68.14% in FY2021-22. The annual average compound rate of growth of Exports was 5.41%. On the other hand, imports from UAE to India remarkably increased by 68.39% in FY 2021-22. During the period from 2019-20 to 23-24, the annual average compound rate of growth of imports was 12.23%.

10. **Additionally, from Tables 3 & 4 presented below the following are stated:**

a. Petroleum Products, Gold & Other Precs. Metl. Jewellery and Telecom Instruments are occupying the top three slots in India's exports to UAE in the year 2023-24. Petroleum Products occupying the 18.93% share of export value India to UAE.

b. Pearl Precs. Semi-prec's Stones, Petroleum: Crude and Petroleum Products are the three major commodities in India's imports list from UAE in the year 2023-24. Pearl Precs. Semi-prec's Stones with a share of 19.48% of total imports from Poland recorded in 2023-24.

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TABLE - 1
UAE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 - 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	389428		288447		6,77,875		100981
2020	335297	-13.90	246961	-14.38	5,82,258	-14.11	88336
2021	425160	26.80	347529	40.72	7,72,689	32.71	77631
2022	515621	21.28	420493	21.00	9,36,114	21.15	95128
2023	570245	10.59	470536	11.90	10,40,781	11.18	99709

Annual Growth Rate	Compound	10.00	13.01	11.31
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NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

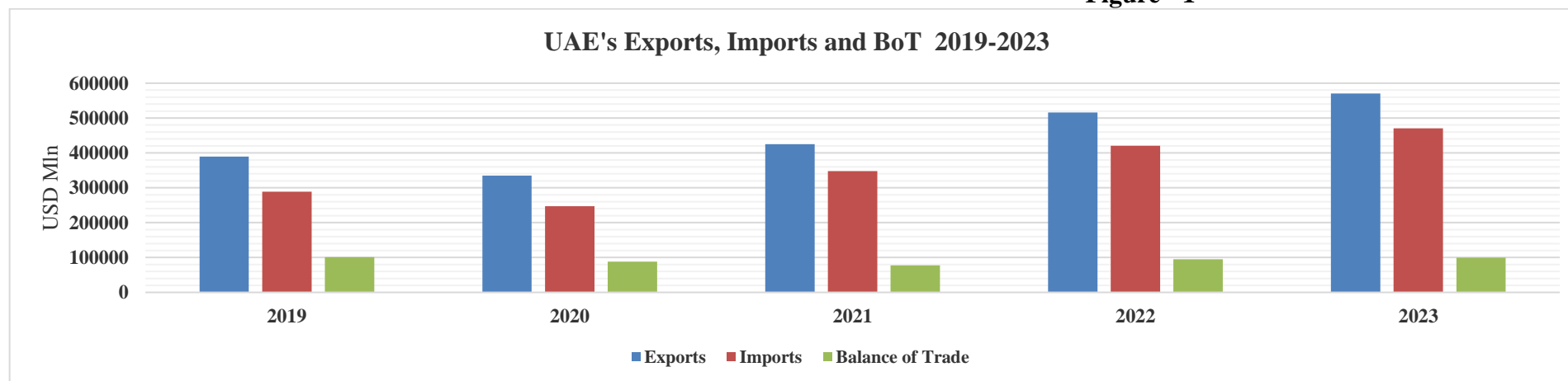


TABLE - 2
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. UAE
FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to UAE	Percentage Growth in Exports	Imports from UAE to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	28853.77		30265.99		59119.76		-1412.22
2020-21	16679.58	-42.19	26624.49	-12.03	43304.07	-26.75	-9944.91
2021-22	28044.91	68.14	44833.92	68.39	72878.83	68.30	-16789.01
2022-23	31608.82	12.71	53232.42	18.73	84841.24	16.41	-21623.60
2023-24	35625.19	12.71	48018.10	-9.80	83643.29	-1.41	-12392.91

Annual Growth Rate

Compound

5.41

12.23

9.06

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2

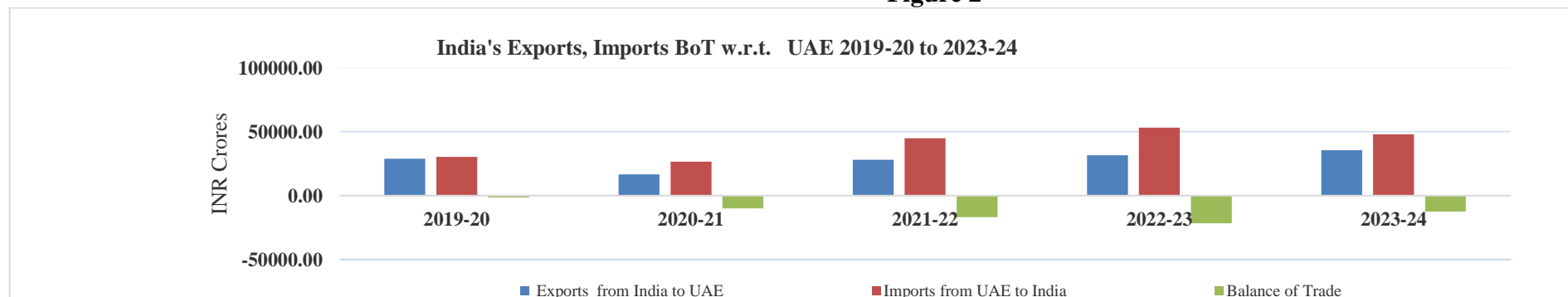


TABLE -3
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO UAE
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum Products	5589.10	2709.10	5721.32	8055.35	6744.52	-51.53	111.19	40.80	-16.27
	Share in total export	19.37	16.24	20.40	25.48	18.93				
2	Gold And other Precs. Metal Jewellery	7815.79	1498.78	2799.46	3219.90	5658.71	-80.82	86.78	15.02	75.74
	Share in total export	27.09	8.99	9.98	10.19	15.88				
3	Telecom Instruments	2092.65	1004.78	2116.17	2708.40	2661.44	-51.99	110.61	27.99	-1.73
	Share in total export	7.25	6.02	7.55	8.57	7.47				
4	Pearl, Precs. Semi Precs. Stones	1322.92	1197.29	2129.73	2464.21	2316.38	-9.50	77.88	15.71	-6.00
	Share in total export	4.58	7.18	7.59	7.80	6.50				
5	Paint, Varnish And Allied Products	50.09	48.84	63.97	68.26	981.36	-2.50	30.98	6.71	1337.68
	Share in total export	0.17	0.29	0.23	0.22	2.75				
6	Ship, Boat And Floating Structures	1307.84	396.51	1061.05	582.08	922.95	-69.68	167.60	-45.14	58.56
	Share in total export	4.53	2.38	3.78	1.84	2.59				
7	Cosmetics And Toiletries	182.27	158.40	225.19	442.45	702.27	-13.10	42.17	96.48	58.72
	Share in total export	0.63	0.95	0.80	1.40	1.97				
8	Iron And Steel	774.56	765.31	1650.75	1050.54	648.86	-1.19	115.70	-36.36	-38.24
	Share in total export	2.68	4.59	5.89	3.32	1.82				
9	Residual Chemicals And Allied Products	268.09	210.24	220.96	346.14	601.96	-21.58	5.10	56.65	73.91
	Share in total export	0.93	1.26	0.79	1.10	1.69				
10	Products Of Iron And Steel	420.02	315.59	413.69	463.88	580.99	-24.86	31.08	12.13	25.25
	Share in total export	1.46	1.89	1.48	1.47	1.63				
	Total exports to UAE	28853.77	16679.58	28044.91	31608.82	35625.19	-42.19	68.14	12.71	12.71

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM UAE
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Pearl, Precs. Semi-Precs Stones	5014.80	5093.95	9890.45	10148.57	9356.29	1.58	94.16	2.61	-7.81
	Share in total import	16.57	19.13	22.06	19.06	19.48				
2	Petroleum: Crude	10927.52	7360.73	12304.83	16840.67	8958.44	-32.64	67.17	36.86	-46.80
	Share in total import	36.10	27.65	27.45	31.64	18.66				
3	Petroleum Products	5041.03	4361.47	7859.82	10209.10	8216.23	-13.48	80.21	29.89	-19.52
	Share in total import	16.66	16.38	17.53	19.18	17.11				
4	Gold	2706.52	4194.89	5839.46	3089.09	7647.29	54.99	39.20	-47.10	147.56
	Share in total import	8.94	15.76	13.02	5.80	15.93				
5	Silver	2.69	2.64	9.67	29.23	1739.76	-1.86	266.29	202.28	5851.97
	Share in total import	0.01	0.01	0.02	0.05	3.62				
6	Plastic Raw Materials	802.73	827.21	1200.09	1666.09	1633.79	3.05	45.08	38.83	-1.94
	Share in total import	2.65	3.11	2.68	3.13	3.40				
7	Gold And Other Precs. Metl. Jewellery	142.08	55.04	346.99	176.19	1353.70	-61.26	530.43	-49.22	668.32
	Share in total import	0.47	0.21	0.77	0.33	2.82				
8	Aircraft, Spacecraft And Parts	10.53	3.89	38.91	1881.98	1175.54	-63.06	900.26	4736.75	-37.54
	Share in total import	0.03	0.01	0.09	3.54	2.45				
9	Bulk Minerals And Ores	411.61	396.90	713.58	772.23	807.33	-3.57	79.79	8.22	4.55
	Share in total import	1.36	1.49	1.59	1.45	1.68				
10	Iron And Steel	526.70	458.95	836.14	1071.15	674.65	-12.86	82.19	28.11	-37.02
	Share in total import	1.74	1.72	1.86	2.01	1.40				
	Total import from UAE	30265.99	26624.49	44833.92	53232.42	48018.10	-12.03	68.39	18.73	-9.80

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I