## COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S DATED 17-01-2024

## 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 economy of [UAE](https://www.shiksha.com/studyabroad/student-guide-to-uae-for-international-students-guidepage-103985) is one of the most prosperous economies in the world. The UAE economy has grown exponentially in the last decade. Abu Dhabi holds the vast majority of the OPEC member's oil reserves. As per available report of IMF Article IV Consultation with United Arab EmiratesJune 26, 2023, it has been reflected that, “The economic outlook remains positive, supported by strong domestic activity. Overall GDP is projected to grow at 3.6 percent in 2023, with non-hydrocarbon growth of 3.8 percent driven by continued tourism activity and increased capital expenditure. Nevertheless, the outlook is subject to significant global uncertainties, including weaker growth, tighter financial conditions, and geopolitical developments. The implementation of enhanced UAE reform efforts poses upside risks to medium-term growth”. The report also mentioned that, “Strong reform efforts continue under the UAE 2050 strategies. Advancement on Comprehensive Economic Partnership Agreements (CEPAs) will boost trade and integration in global value chains and further attract Foreign Direct Investment (FDI). In addition, the benefits of artificial intelligence and digitalization and investments in enabling infrastructure will further support economic diversification, foster a smooth energy transition, and help address vulnerabilities from global decarbonization efforts. Long-term vulnerabilities from global decarbonization efforts are being addressed through commitments to climate initiatives and a balanced approach to energy transition”.

A snapshot of UAE’s select economic indicators is presented at **Annexure –I**

**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 Hong Kong, China. 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. Five major imported goods of UAE are (i) Gold in unwrought forms non-monetary, (ii) Petroleum oils, etc, (excl. crude); preparation, (iii) Transmission apparatus and (iv) Art. of jewellery and parts thereof and (v) Diamonds non-industrial unworked or simply sawn.

4.UAE’s total exports in 2018 were of the order of US$ 387,964 million. it has scaled upto US$ 515,621 million in 2022 with dip recorded in 2020 followed by pick-up from 2021. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 7.37%.

5. UAE’stotal imports in 2018 were of the order of US$ 244,688 million and which has touched US$ 420,493 million mark in 2022 after having experienced a decline in 2020 pandemic hit-year. During the period from 2018 to 2022, the annual average compound rate of growth of imports was 14.50%.

6. UAE runs an overall Balance of Trade surplus as is seen from 2018 to 2022 data and it was quite significant to the tune of USD 95,128 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of volume was 10.29%.

A snapshot of UAE’s overall Trade Statistics is presented in **Annexure-II [Table 1: Figure 1]**

**BILATERAL TRADE WITH INDIA**

**Merchandise Trade**

7. [India](https://en.wikipedia.org/wiki/India) and UAE are each other's one of main trading partners. India’s export to UAE was 7% of India’s total export value in FY 2022-23 and in the same financial year imports from UAE was 7.43% of India’s total import value. UAE was the 3rd largest trading partner of India in FY 2022-23. Almost 7.3% of India’s total international trade value was between India and UAE in FY 2022-23 as has been recorded in DGCI&S data base.

 8. Indo-UAE total volume of bilateral trade in FY 2018-19 was of the order of US$ 59,914.22 million. It has increased to US$ 84,841.24 million in FY 2022-23. The annual compound growth rate of volume of trade during the period from 2018-19 to 2022-23 has been of the order of 9.09%.

9. It is noted from the available figures that between 2018-19 and 2022-23, India has had a deficit Balance of Trade with UAE. Exports from India to UAE increased steeply 68.14% in FY 2021-22 over FY 2020-21 and later by 12.71% in FY 2022-23 over FY 2021-22. The annual average compound rate of growth of Exports was only 1.21% for the period under review especially on account of substantial decline by over 42% in FY 2020-21 over FY 2019-20. On the other hand, imports from UAE to India increased by 68.39% in FY 2021-22 over FY 2020-21. During the period under review i.e. from 2018-19 to 2022-23, the annual average compound rate of growth of imports has been a significant 15.62%.

A snapshot of India’s merchandise trade statistics w.r.t. UAE is presented in **Annexure-II [Table 2: Figure 2**

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

1. Petroleum Products, Gold & Other Precs. Metl. Jwellry. and Telecom Instruments are occupying the top three slots in India’s exports to UAE in the year 2022-23. Petroleum Products occupying the bulk share.
2. Petroleum: Crude; Petroleum Products and Pearl, Precs. Semi-precs Stones.are the three major commodities in India’s imports list from UAE in the year 2022-23. Petroleum;Crude occupying the bulk share.

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**Annexure-I**

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| --- |
| **United Arab Emirates: Selected Economic Indicators, 2020-23**  |
| Quota: SDR 2,311.2 million (November 2022)  |
| Population: 9.56 million (2021)  |
| Per capita GDP: $43,422 (2021)  |
|  |  |  | Proj.  | Proj.  |
|  | 2020  | 2021  | 2022  | 2023  |
|  |  |  |  |  |
| **Output and prices**  | (Annual percent change)  |
| Real GDP  | -5.0  | 3.9  | 6.9  | 3.6  |
| Real nonhydrocarbon GDP  | -5.4  | 5.8  | 5.3  | 3.8  |
| CPI inflation (average)  | -2.1  | 0.2  | 4.9  | 3.4  |
|  |  |  |  |  |
| **Public finances**  | (Percent of GDP)  |
| Revenue  | 28.7  | 30.4  | 35.5  | 33.0  |
| Expenditures  | 31.1  | 26.4  | 26.3  | 27.8  |
| Net lending(+)/borrowing (-) (Revenue minus expenditures)  | -2.5  | 4.0  | 9.2  | 5.3  |
| Nonhydrocarbon primary balance 1/  | -22.9  | -20.5  | -21.1  | -22.6  |
| Gross general government debt  | 41.1  | 35.9  | 30.2  | 29.8  |
|  |  |  |  |  |
| **Monetary sector**  | (Annual percent change)  |
| Broad money  | 4.6  | 5.8  | 9.2  | 6.8  |
| Credit to private sector  | -2.6  | 1.5  | 7.3  | 5.2  |
|  |  |  |  |  |
| **External sector**  | (In percent of GDP, unless otherwise indicated)  |
| Current account balance  | 6.0  | 11.6  | 11.7  | 7.6  |
| External debt  | 110.0  | 97.3  | 85.3  | 86.8  |
| Gross official reserves (billions of U.S. dollars) 2/  | 106.5  | 127.8  | 127.8  | 130.9  |
| In months of next year's imports of goods & services, net of re-exports  | 7.3  | 7.2  | 7.2  | 7.2  |
|  |  |  |  |  |
| Sources: Country authorities; and IMF staff estimates and projections.  |
| 1/ In percent of nonhydrocarbon GDP. Excludes staff estimates of SWF investment income; partial coverage of Abu Dhabi government and Abu Dhabi pension fund accounts.  |
| 2/ Excludes staff estimates of foreign assets of sovereign wealth funds; includes the 2021 SDR allocation of SDR 2.2 billion.  |

**Sources: IMF Executive Board Concludes 2022 Article IV Consultation with United Arab Emirates June 26, 2023.**

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|  |  |  | **Annexure-II**  |  |
|  | **TABLE - 1** |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **U.A.E.'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE** |
|  **BETWEEN 2018 TO 2022** |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **(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** |  |
|  |
|  |
|  |  |  |  |  |  |  |  |  |
| 2018 | 387964 |   | 244688 |   | 6,32,652 |   | 143276 |  |
| 2019 | 389428 | 0.38 | 288447 | 17.88 | 6,77,875 | 7.15 | 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 |  |
| **Annual****Compound****Growth Rate** | **7.37** |  | **14.50** |  | **10.29** |   |  |
|  |
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|  |
| **NOTE: Figures relate to calendar year (January to December)** |  |
|  **SOURCE:**  | **UN COMTRADE PUBLICATION**  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **Figure1** |  |  |  |  |  |  |  |
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|  |  |  | **TABLE – 2** |  |  |  |
| **INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. UAE****FY 2018-2019 to 2022-2023****(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** |
| 2018-19 | 30126.98 |   | 29787.24 |   | 59914.22 |   | 339.74 |
| 2019-20 | 28853.77 | -4.23 | 30265.99 | 1.61 | 59119.76 | -1.33 | -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 |
| **Annual****Compound****Growth Rate** |   | **1.21** |  | **15.62** |  | **9.09** |    |
| **NOTE: Figures relate to Financial Year (April to March)****SOURCE: DGCI&S, M/oC&I** |
|  **Figure 2**  |  |  |  |  |  |  |
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|  | **TABLE -3****INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO UAE****2018-2019 TO 2022-2023 AND THEIR GROWTH RATES** |
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|  |  |  |  |  |  | **(Value in USD Million)** |
| **Sl. No.** | **Name of the Merchandise Commodities** |  **Value of Exports** |  **Annual Growth Rates** |
|  |  | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **19-20 over****2018-19** | **20-21 over****2019-20** | **21-22 over****2020-21** | **22-23 over****2021-22** |
|  |  |  |  |  |  |  |
| **1** | **Petroleum Products** | **6014.28** | **5589.10** | **2709.10** | **5721.32** | **8055.35** | **-7.07** | **-51.53** | **111.19** | **40.80** |
|  | Products Of Iron & Steel | 19.96 | 19.37 | 16.24 | 20.40 | 25.48 |  |  |  |  |
| **2** | **Gold And Other Precs. Metl. Jwellry.** | **8303.81** | **7815.79** | **1498.78** | **2799.46** | **3219.90** | **-5.88** | **-80.82** | **86.78** | **15.02** |
|  | Share in total export | 27.56 | 27.09 | 8.99 | 9.98 | 10.19 |  |  |  |  |
| **3** | **Telecom Instruments** | **1016.31** | **2092.65** | **1004.78** | **2116.17** | **2708.40** | **105.91** | **-51.99** | **110.61** | **27.99** |
|  | Share in total export | 3.37 | 7.25 | 6.02 | 7.55 | 8.57 |  |  |  |  |
| **4** | **Pearl, Precs. Semi-Precs. Stones** | **1580.63** | **1322.92** | **1197.29** | **2129.73** | **2464.21** | **-16.30** | **-9.50** | **77.88** | **15.71** |
|  | Share in total export | 5.25 | 4.58 | 7.18 | 7.59 | 7.80 |  |  |  |  |
| **5** | **Iron And Steel** | **733.45** | **774.56** | **765.31** | **1650.75** | **1050.54** | **5.61** | **-1.19** | **115.70** | **-36.36** |
|  | Share in total export | 2.43 | 2.68 | 4.59 | 5.89 | 3.32 |  |  |  |  |
| **6** | **RMG Cotton Including Accessories** | **701.11** | **779.38** | **667.01** | **752.79** | **619.97** | **11.16** | **-14.42** | **12.86** | **-17.64** |
|  | Share in total export | 2.33 | 2.70 | 4.00 | 2.68 | 1.96 |  |  |  |  |
| **7** | **Ship Boat And Floating Structure** | **1357.70** | **1307.84** | **396.51** | **1061.05** | **582.08** | **-3.67** | **-69.68** | **167.60** | **-45.14** |
|  | Share in total export | 4.51 | 4.53 | 2.38 | 3.78 | 1.84 |  |  |  |  |
| **8** | **Motor Vehicle/ Cars** | **207.84** | **315.54** | **229.50** | **349.00** | **492.75** | **51.82** | **-27.27** | **52.07** | **41.19** |
|  | Share in total export | 0.69 | 1.09 | 1.38 | 1.24 | 1.56 |  |  |  |  |
| **9** | **Products Of Iron & Steel** | **453.81** | **420.02** | **315.59** | **413.69** | **463.88** | **-7.45** | **-24.86** | **31.08** | **12.13** |
|  | Share in total export | 1.51 | 1.46 | 1.89 | 1.48 | 1.47 |  |  |  |  |
| **10** | **Cosmetic And Toiletries** | **182.08** | **182.27** | **158.40** | **225.19** | **442.45** | **0.10** | **-13.10** | **42.17** | **96.48** |
|  | Share in total export | 0.60 | 0.63 | 0.95 | 0.80 | 1.40 |  |  |  |  |
|   | **Total export to UAE** | **30126.98** | **28853.77** | **16679.58** | **28044.91** | **31608.82** | **-4.23** | **-42.19** | **68.14** | **12.71** |
|  | **NOTE : Figures relate to Financial Year (April to March)****SOURCE: DGCI&S, M/oC&I****TABLE -4** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  **INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM UAE** **2018-2019 TO 2022-2023 AND THEIR GROWTH RATES** |  |  |  |
|  |  |
|  |  |  | **(Value in USD Million)** |  |  |  |  |  |
| **Sl. No.** | **Name of the Merchandise Commodities** |  **Value of Imports** |  **Annual Growth Rates** |
|  | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **19-20 over****2018-19** | **20-21 over****2019-20** | **21-22 over****2020-21** | **22-23 over****2021-22** |
|  |  |  |  |  |  |  |
| **1** | **Petroleum : Crude** | **9512.48** | **10927.52** | **7360.73** | **12304.83** | **16840.67** | **14.88** | **-32.64** | **67.17** | **36.86** |
|  | Share in total imports | 31.93 | 36.10 | 27.65 | 27.45 | 31.64 |  |  |  |  |
| **2** | **Petroleum Products** | **3819.33** | **5041.03** | **4361.47** | **7859.82** | **10209.10** | **31.99** | **-13.48** | **80.21** | **29.89** |
|  | Share in total imports | 12.82 | 16.66 | 16.38 | 17.53 | 19.18 |  |  |  |  |
| **3** | **Pearl, Precs. Semi-precs Stones.** | **5909.11** | **5014.80** | **5093.95** | **9890.45** | **10148.57** | **-15.13** | **1.58** | **94.16** | **2.61** |
|  | Share in total imports. | 19.84 | 16.57 | 19.13 | 22.06 | 19.06 |  |  |  |  |
| **4** | **Gold** | **2508.16** | **2706.52** | **4194.89** | **5839.46** | **3089.09** | **7.91** | **54.99** | **39.20** | **-47.10** |
|  | Share in total import | 8.42 | 8.94 | 15.76 | 13.02 | 5.80 |  |  |  |  |
| **5** | **Aircraft, Spacecraft And Parts** | **238.56** | **10.53** | **3.89** | **38.91** | **1881.98** | **-95.59** | **-63.06** | **900.26** | **4736.75** |
|  | Share in total import | 0.80 | 0.03 | 0.01 | 0.09 | 3.54 |  |  |  |  |
| **6** | **Plastic Raw Materials** | **943.97** | **802.73** | **827.21** | **1200.09** | **1666.09** | **-14.96** | **3.05** | **45.08** | **38.83** |
|  | Share in total import | 3.17 | 2.65 | 3.11 | 2.68 | 3.13 |  |  |  |  |
| **7** | **Other Precious And Base Metals** | **0.03** | **0.70** | **2.20** | **9.42** | **1173.85** | **2700.00** | **214.29** | **328.18** | **12361.25** |
|  | Share in total import | 0.00 | 0.00 | 0.01 | 0.02 | 2.21 |  |  |  |  |
| **8** | **Iron And Steel** | **745.40** | **526.70** | **458.95** | **836.14** | **1071.15** | **-29.34** | **-12.86** | **82.19** | **28.11** |
|  | Share in total import | 2.50 | 1.74 | 1.72 | 1.86 | 2.01 |  |  |  |  |
| **9** | **Bulk Minerals And Ores** | **413.67** | **411.61** | **396.90** | **713.58** | **772.23** | **-0.50** | **-3.57** | **79.79** | **8.22** |
|  | Share in total import | 1.39 | 1.36 | 1.49 | 1.59 | 1.45 |  |  |  |  |
| **10** | **Ship, Boat And Floating Structure** | **716.28** | **732.94** | **638.93** | **901.57** | **647.37** | **2.33** | **-12.83** | **41.11** | **-28.20** |
|  | Share in total import | 2.40 | 2.42 | 2.40 | 2.01 | 1.22 |  |  |  |  |
|   | **Total import from UAE** | **29787.24** | **30265.99** | **26624.49** | **44833.92** | **53232.42** | **1.61** | **-12.03** | **68.39** | **18.73** |
|  | **NOTE: Figures relate to each Financial Year (April to March)** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **SOURCE: DGCI&S, M/o C&I** |  |  |  |  |  |  |  |  |