

‘Innovative, dynamic industries to profit from UAE-India CEPA’

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The United Arab Emirates (UAE) and India have shared diplomatic relations for about 50 years, while their trade relations has been centuries old. In May 2022, the first consignment of goods was shipped from India to the UAE under the latest trade pact Comprehensive Economic Partnership Agreement (CEPA). In an email interview to *BusinessLine*, Abdulla Bin Touq Al Marri, Minister of Economy of UAE, shared his insights on key areas of bilateral cooperation and new opportunities for Indian investors in the UAE. Excerpts:

What are UAE's major expectations from CEPA?

For us in the UAE, the CEPA with India is a policy tool to intensify and broaden the bilateral ties. It is one component of our long-term strategy to adapt to an increasingly complex and fast-changing global environment.

The non-oil economy represents more than 70 per cent of UAE's GDP today.

Our government's ambition is to double the size of the economy this decade from \$381 billion to \$762 billion. It will happen by stimulating economic growth in a sustainable and inclusive manner. Foreign trade will play a central role in this effort.

Our near-term aim is to boost exports by 50 per cent in the next few years.

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 **The CEPA model will serve these goals and help consolidate our position as a global hub for business, investment and innovation.**

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Minister of Economy of UAE



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What is the significance of CEPA for bilateral relations?

Through the UAE-India CEPA, a golden era has been unleashed in the bilateral relations under the leadership of Sheikh Mohamed bin Zayed Al Nahyan and Prime Minister Narendra Modi. The cordial relationship that Commerce Minister (Piyush Goyal) and I enjoy has made it easier for us to build on a bedrock of common values, including the strong belief in fair, sustainable, and rules-based multilateral trading system. The agreement was sealed in a record span of 88 days as a result.

The agreement offers significant economic benefits for both the partners. It will eliminate tariffs on 80 per cent of exchanged products, create greater market access for exporters in both countries, offer new growth opportunities to small and medium enterprises (SMEs), and allow Emirati and Indian companies alike to compete for government procurement. All this will accelerate the exchange

of goods and services between the two countries in multiple sectors such as agriculture, agri-food, metals, manufacturing, pharma, healthcare, business services, tourism, and travel services. I, certainly, say that a wide range of innovative and dynamic industries will profit.

Can you give us an overview of how Indian migrants have contributed to the growth of UAE economy?

To me, trade is not only about dollars coming in and dollars going out. It's primary objective must be to improve people's lives and prosperity. Through CEPA, we worked so that the people of India and the UAE mutually benefit from the deepening economic ties. The UAE is already home to 3.4 million Indians. In fact, the Indian diaspora makes up the largest expatriate group in the country.

Members of the Indian community in the UAE occupy key positions in healthcare, manufacturing, transport, IT, and financial services. They supported the construction of our cities and infrastructure. Indians in UAE are also an incredible asset

for the Indian economy. In 2020 alone, they sent \$43 billion in remittances back to India—the second largest source of inward remittances after the US.

How could Indian companies leverage CEPA to establish or expand their businesses in UAE?

Over the past few years, we have conducted a series of structural reforms to enhance the business environment and boost competitiveness. Our economy attracted \$20.7 billion in FDIs in 2021, an increase of 3.9 per cent from previous year. It also ranked first in the MENA region and 15th globally on AT Kearney's FDI Confidence Index. The businesses and investors in India should see this as a clear-cut testimony to the comparative advantages UAE offers when it comes to trade and investment.

There exist many untapped opportunities for investment not only in traditional sectors but also in new sectors such as technology, IT, artificial intelligence, renewable energy, fintech and agri-food that will define the economies of tomorrow.

The UAE-India CEPA is the first trade agreement to be signed by India with any country in the Arab world. So, Indian companies should consider UAE as a platform to access new markets across the MENA region, and Africa.

And, they can count on our world-class logistics network that extends to more than 400 global cities in doing so. My team at the Ministry of Economy is ready to help Indian companies seeking to expand their footprint in UAE.

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