

Non-oil exports to UAE rise 5% during Jun-Jan

Data compiled to study CEPA impact

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India's non-petroleum exports to the United Arab Emirates (UAE) grew 5 per cent at \$15.2 billion during the June-January period, compared to a 3.4 per cent contraction of such exports to the rest of the world.

The data was compiled by the department of commerce to study the impact of the Comprehensive Economic Partnership Agreement (CEPA) that came into force on May 1. The government has not been using the data for May — the first month when the agreement kicked in — to map the progress of the trade deal, stating that it could be an aberration.

Besides, non-oil trade data is being considered since oil is not a part of the CEPA. Non-petroleum imports during June-January increased by 3 per cent to \$16.8 billion. India's overall imports to the UAE nearly 16 per cent on year to \$34.6 billion.

India exported goods worth \$285.9 billion during the June-January period, up 3.1 per cent. Exports to the UAE jumped 11.4 per cent during the same time at \$20.4 billion.

The commerce department is hoping that the exports to the UAE will cross \$31 billion in FY23 as compared to \$28 billion in FY22, due to higher demand for sectors such as gems and jewellery, machinery and automobiles. A senior government official said trends in the issuance of certificates of origin (COO) indicates a 'consistent' increase utilisation of the trade deal.

"The number of preferential COOs issued was 415 in May and 2,316 in June, which increased to 6,057 in January. Exporters are now availing of the benefits of the duty concessions under the FTA," the official cited above said, adding that the agreement was helping India to promote its outbound shipments to the UAE.

A COO is a crucial document that declares in which country a good is manufactured. An exporter has to submit it at the landing port of the importing country. The document is important to claim duty concessions under FTAs. Electrical machinery, gems and jewellery, cereals were the top gainers from the FTA during June-January period. Export of products, such as iron and steel and textiles, contracted during the period.

GAINING PACE

India's energy trade profile
(Jun 2022 – Jan 2023)

	(\$ bn)	% chg YoY
Global exports	285.9	3.10
Exports to UAE	20.4	11.40
Global non-oil exports	225.9	-3.40
Non-oil exports to UAE	15.2	5.00
Imports from UAE	34.6	15.80
Non-oil imports from the UAE	16.8	3.00

Source: Department of Commerce