

India-GCC grouping expects to revive talks on free trade

Launch date of negotiation not divulged; trade deal to be comprehensive

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India and the Gulf Cooperation Council (GCC) countries on Thursday announced their intention to relaunch the free trade agreement (FTA) negotiations with the group of nations.

The date of the launch of the negotiation, however, was not disclosed.

Minister of Commerce & Industry Piyush Goyal said that the trade deal will be comprehensive, with substantial coverage of goods and services, including technology, food security, climate change, energy security, among others.

GCC is a regional, intergovernmental political economic union comprising six countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE).

India and GCC had signed a framework agreement on economic cooperation to explore the possibility of an FTA between them — more than 17 years ago. Thereafter, two rounds of negotiations happened in 2006 and in 2008. However, after the two rounds, the economic union deferred its negotiations with all countries and economic groups.

Separately, India signed a trade deal with the UAE earlier this year in February.

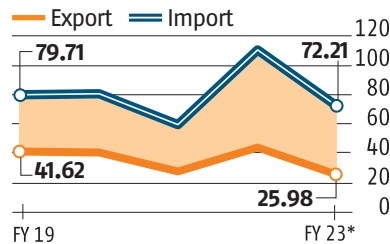
GCC is currently India's largest trading partner bloc with bilateral trade in 2021-22 (FY22) valued at over \$154 billion, with exports at \$44 billion.

Imports are largely dominated by crude oil and valued at \$110 billion. Of



THE GULF REMAINS (In \$ bn)

India's trade with GCC nations



* (Apr-Sep)

Source: Department of Commerce

this, non-oil imports were worth \$37.2 billion.

Bilateral trade in services between India and the GCC was valued at around \$14 billion in FY22, with exports at \$5.5 billion and imports at \$8.3 billion.

GCC countries contribute to nearly 35 per cent of India's oil imports and 70 per cent of gas imports. India's overall crude oil imports from the GCC in FY22 were about \$48 billion, while liq-

uefied natural gas and liquefied petroleum gas imports in FY22 were about \$21 billion.

The UAE and Saudi Arabia make up for most of the trade with the GCC.

Investments from the GCC in India are currently valued at over \$18 billion.

Petroleum products, precious and semi-precious stones, and plastics are the top imported items from the GCC.

Cereals, electrical equipment, apparel, and machinery are the top exported items in the region.

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