

Skew towards UAE in trade with India



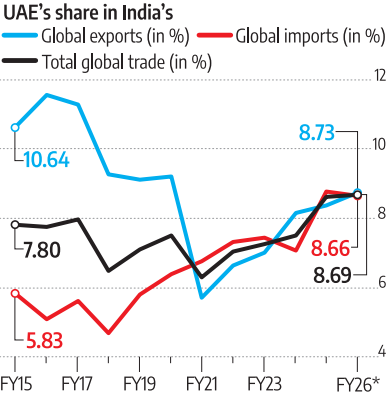
YASH KUMAR SINGHAL

During his visit to India, United Arab Emirates (UAE) President Sheikh Mohamed bin Zayed reviewed the bilateral cooperation between India and the UAE with Prime Minister Narendra Modi. The focus was on trade following the implementation of the Comprehensive Economic Partnership Agreement (Cepa) in 2022. The two leaders set a goal to double the bilateral trade to \$200 billion by 2032, after it crossed \$100 billion in FY25.

Imports from UAE doubled in 10 yrs

The bilateral trade between India and the UAE remains skewed in the latter's favour, with India recording a trade deficit with the UAE of nearly \$27 billion in FY25. India's exports to the UAE have largely stagnated from \$33 billion in FY15 to \$36.64 billion in FY25. In contrast, imports from the UAE more than doubled from \$26.14 billion to \$63.4 billion over this period.

Trade journey over the past decade

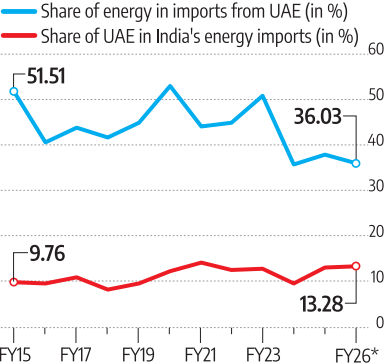


Note: *Apr-Nov, Source: Department of Commerce, *BS* calculations

Gulf nation emerges as a major energy source

Hindustan Petroleum Corporation Limited (HPCL) has signed a sale and purchase agreement with Abu Dhabi National Oil Company Gas (ADNOC Gas) to purchase liquefied natural gas (LNG). In the last decade, the UAE's share in India's global energy imports has increased.

Energy imports from UAE



Note: *Apr-Nov, Source: CMIE, Department of Commerce, *BS* calculations

Key destination in export diversification

India's export of gems & jewellery, ready-made garments, textiles, auto components, leather products, glass, ceramics and cement to the UAE recorded higher growth in FY26 (Apr-Nov) compared with FY25 (Apr-Nov). This implies increased exports to the UAE amid India's diversification efforts, particularly in the wake of Trump tariffs.

Note: *excludes ready-made garments but includes textile fibres, yarns and carpets. Numbers have been rounded off. Y-o-Y change in FY26 denotes growth after the US imposed tariffs. Source: CMIE, Department of Commerce, *BS* calculations

Product-wise growth in exports to the Emirates amid Trump tariffs

