India-UAE Relations

Why in news?

Prime Minister Narendra Modi is scheduled to pay an official visit to the United Arab Emirates (UAE) from February 13-14, 2024.

What is the history of India-UAE relations?

- **Historical relation**-Both including its precursor emirates, had close relations with ancient trade networks. Sumerians traded with *Meluhha* (Indus Valley), *Magan* (UAE and Oman), and *Dilmun* (Bahrain), connecting through the UAE.
- Maritime routes facilitated Arab trade with India for silk, spices, gold, and porcelain.
- **Diplomatic relations**- It was established in 1972 with UAE opening its embassy in India in 1972 and the Indian Embassy was opened in UAE in 1973.
- **Economic relations**-Bilateral trade grew to 85 billion dollars in 2022-23, making the UAE India's 3rd -largest trading partner and India's 2nd -largest export destination.

Major export to UAE	Major import from UAE
• Petroleum Products, Precious Metals, Stones, Gems & Jewellery, • Minerals, • Food Items (Cereals, Sugar, Fruits & Vegetables, Tea, Meat, and Seafood), • Textiles (Garments, Apparel, Synthetic fibre, Cotton, Yarn) and • Engineering & Machinery Products and Chemicals.	• Petroleum and Petroleum Products, • Precious Metals, Stones, Gems & Jewellery, • Minerals, • Chemicals, • Wood & Wood Products.

- **Multilateral cooperation**- Both countries are currently part of several plurilateral platforms such as BRICS, I2U2 (India-Israel-UAE-USA) and UFI (UAE-France-India) Trilateral, etc.,
- UAE was invited as a Guest Country to the G-20 Summit held under India's Presidency in 2023.
- **India-Middle East-Europe Economic Corridor (IMEEC)-** It was signed during the G-20 summit, 2023 which aims to connect India to Europe across the Arabian peninsula, and is a potential rival to China's Belt and Road Initiative.
- **India-UAE Comprehensive Economic Partnership Agreement**- It was signed in 2022 which aims to increase trade in services to 115 billion dollars in five years.
- **Bilateral investment treaty**- It was approved in 2024 which would significantly boost bilateral economic engagement, especially manufacturing and foreign direct investment.

UAE is also the 4th-largest overall investor in India.

- **NRI remittance**- As per 2020 data, the annual remittances made by the large Indian community in UAE is estimated to be around 3.5 million, which is one of the highest in the world and is 18% of the total remittances to India.
- **Fintech relations-** RuPay card, a key component of India's Digital Public Infrastructure (DPI), is accepted in the UAE since 2019, while from 2023, the rupee was being accepted for transactions at Dubai's airports.
- **Local Currency Settlement Systems-** Rupee-dirham settlement system was launched in 2023 where the Indian Oil Corporation made a rupee payment to the Abu Dhabi National Oil Company for crude oil imports.
- **Energy security**- UAE being the only nation from the region which has strategic oil reserves stored in India.
- An agreement was signed to invest in the strategic crude oil storage facility in *Mangaluru* with an initial investment of 400 million dollars.

UAE is the 4th largest source for crude oil and 2nd largest source for LNG and LPG for India.

- **Defence relations**- The 1st edition of India-UAE joint military exercise *"Desert Cyclone"* recently held in Rajasthan, it signifies further strengthening of bonds of friendship and trust between India and the UAE.
- **Air connectivity**- During the Covid-19 pandemic, an *air-bubble agreement* between India and the UAE was signed which continued throughout the pandemic period.
- **Education**- The *IIT Delhi-Abu Dhabi Campus* will offer its first program from 2024. Manipal, BITS Pilani and Amity University also have set up their campuses in the UAE.
- **Cultural relations**- In 2018, India was the 'Guest of Honour' country at the Abu Dhabi Festival (ADF), the UAE's annual cultural festival.
- In 2019, Prime Minister of India was conferred the UAE's top civilian honour, the *Order of Zayed* during his official visit.
- **Louvre Museum in Abu Dhabi**- It is the only branch of Louvre Museum outside Paris that has a number of artefacts from India as well, including Mughal painting ***'The Huntress'*** painted in one of the Mughal courts in South India.
- **BAPS Mandir**- Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha temple to be inaugurated by PM Modi in Abu Dhabi in 2024.

It will be the 2nd big Hindu temple to be inaugurated in the UAE, the first being the Hindu Temple in Dubai, opened in 2022.

- **People to people relations**- The Indian expatriate community of approximately 3.5 million is the largest ethnic community in UAE constituting roughly about 35% of the country's population.
- **Climate change**-Both India and the UAE co-launched the Global Green Credit Initiative at COP 28 climate summit which held at UAE.

What lies ahead?

- *UAE Centennial Plan 2071* intends to arm the youth of the country with the skills and knowledge needed to succeed and fulfil the country's goal of becoming the best country in the world by 2071.
- This vision coincides very closely with the *Vision 2047 of India*, which too has set high and ambitious goals for India to achieve in its quest to become a modern and prosperous nation by its centenary of independence in 2047 and cement its place as a vishwa guru (global leader).
- India and the UAE have a forward-looking and dynamic partnership that is ready to face the challenges and opportunities of the future.

References

1. The Hindu- Privileged strategic partnership without a gulf.
2. Ministry of External Affairs- India-UAE bilateral briefs
3. PIB- Desert Cyclone

SHANKAR IAS PARLIAMENT
Information is Empowering