

Remodelling the UAE-India aviation partnership

Why in News?

Recently, Ambassador of the United Arab Emirates (UAE) endorsed the need for a better civil aviation cooperation between India and UAE.

What is the status of India - UAE civil aviation partnership?

• **UAE travel market** - UAE is India's most significant outbound travel market, with over 4.5 million Indian tourists visiting the UAE in 2023.

India's aviation market is the world's third-largest domestic market in terms of passenger numbers.

- **India UAE aviation connectivity** Every week, Indian carriers fly over 600 times to the UAE, while UAE carriers operate over 500 weekly services to India.
- International connectivity Dubai and Abu Dhabi are key transit points for Indian travellers flying to Europe, the US, and Africa.
- **Current aviation agreement** India UAE bilateral air service agreement was signed in January 2014.
- It enables airlines from both countries to operate a combined total of 66,000 seats weekly connecting Dubai to 15 cities in India.

What are the impacts of restrictive bilateral aviation agreement?

- **High cost of airline ticket** Mismatch between supply and demand has directly contributed to increased airline tickets prices.
- **Limited choices** The restriction limits the number of airlines available for travel for the UAE and Indian travelling public alike.
- **Restricts travel ability** Limited availability of airlines and high cost affect the ability of Indian citizens to travel abroad.
- **Economic impact** It inhibits UAE-India economic partnerships in investment, trade.
- Affects domestic growth Limited connectivity to only 15 cities, ignores key Indian growth centres, including Surat, Visakhapatnam, Indore, Tiruchirappalli and Patna to operate services.

What are the needs of broader India UAE aviation relationship?

• **Increasing demand** - Every 1% increase in Indian passport holders, a further 10 million Indians will seek to travel overseas, this situation will only grow more acute.

- **Economic partnership** UAE and India have expanded cooperation through trade agreements such as the Comprehensive Economic Partnership Agreement (CEPA).
- **Economic growth** A modernised aviation strategy will act as an economic multiplier, drive investment.
- **Trade development** UAE is India's third-largest trading partner, and aviation boosts cargo exports such as electronics, textiles, and pharmaceuticals.

Air cargo between India and UAE contributes 18% of India's total air freight movement.

- **Regional connectivity** UAE investment in UDAN airport scheme to better connect Tier-2 and Tier-3 Indian cities and becomes a key pillar of regional and international connectivity and growth.
- **Indian aviation dream** UAE will support, through new investments and partnerships, maintenance, repair, and overhaul (MRO) industry and make India global aviation powerhouse.
- **Tourism development** Better connectivity between India and UAE promotes India's globally renowned tourism sector.
- **Develops India -UAE partnership** Enhanced cooperation in the aviation sector unlock new avenues of mutually beneficial growth and integration in UAE-India partnership.

Reference

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