

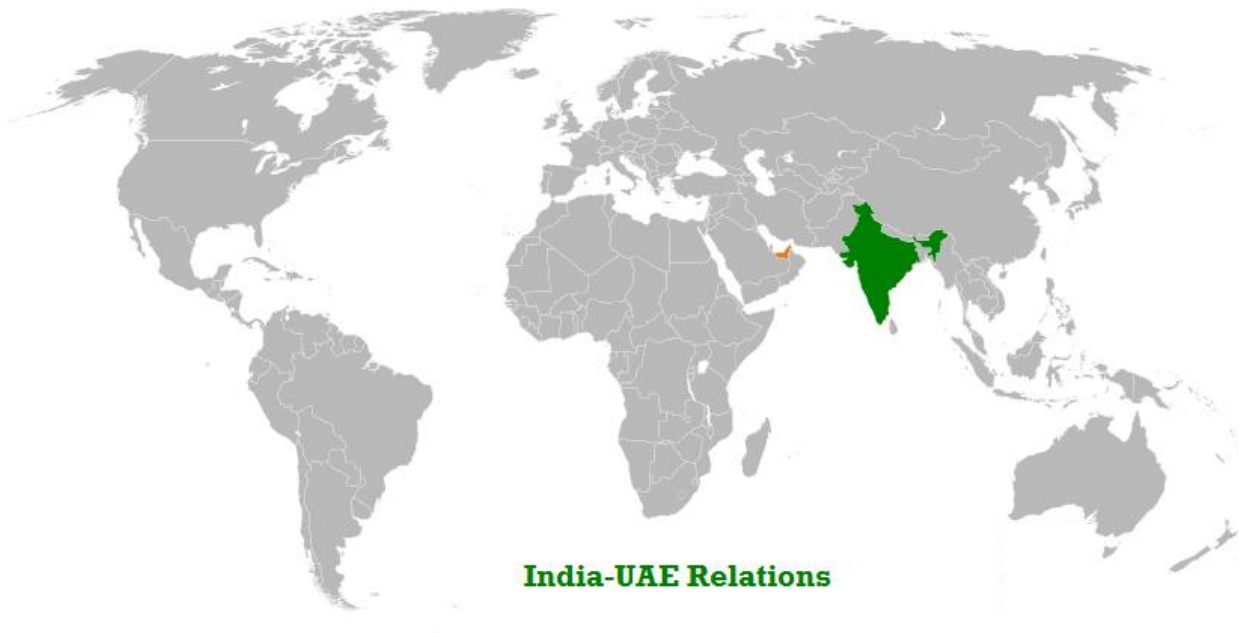
## Unit 3. India-UAE Relations: Everything You Need to Know



India and the UAE enjoy strong bonds of friendship based on civilizational links, age-old maritime trade and vibrant people-to-people contacts. Close geographical proximity, historical links, cultural affinity, natural synergies, shared aspirations and common challenges provide further impetus to this robust engagement. In this post let us see the important dimensions of India-UAE relations.

### India-UAE Bilateral Relations: The ‘ups’ and ‘downs’

- The relation, though occasionally marred by UAE support for Pakistan (on the Kashmir issue), has greatly flourished especially after the accession of H. H. Sheikh Zayed Bin Sultan Al Nahyan, as the ruler of Abu Dhabi in 1966, and subsequently with the creation of UAE federation in 1971.
- It was after 24 years (Indira Gandhi in May 1981), that an Indian PM visited the country (President had visited in November 2010) last year in August 2015. This itself shows the renewed interest Indian foreign establishment is showing in the region; as part of the **Link West Policy**.
- The bilateral relation was recently in news for the visit of Abu Dhabi crown prince Sheikh Mohammed Bin Zayed Al Nahyan. The relation has been elevated to the level of **Comprehensive Strategic Partnership Agreement**, outlining a roadmap for deepening co-operation.



## **Areas of co-operation between India and UAE**

Let's look at the areas of co-operation between the 2 countries:

### Commercial Relations:

The age-old maritime trade has evolved into a full-fledged economic and commercial partnership in recent times. Though the trade was valued at \$180 million per annum in the 1970s, today **around \$60 billion** worth of goods and services move across the borders, making **UAE, India's third largest trading partner** for the year 2014-15 after China and US. Moreover, **UAE was the second largest export destination** of India with an amount of over US\$ 33 billion for the year 2014-15. For UAE, India was the largest trading partner for the year 2013 with an amount of over US\$ 36 billion (non-oil trade).

- **India's major exporting items are:** Petroleum products; precious metals, stones, gems and jewellery; minerals; food items (cereals, sugar, fruits & vegetables, tea, meat, and seafood); textiles (garments, apparel, synthetic fibre, cotton, yarn); engineering & machinery products and chemicals.
- **India's major importing items are:** Petroleum and petroleum products; precious metals, stones, gems & jewellery; minerals; chemicals; wood & wood products.

### Energy Security:

With respect to oil trade, UAE was the sixth largest source of crude oil for India in 2015. There is an intention for the Abu Dhabi National Oil Company (ADNOC) and the Indian Strategic Petroleum Reserves Ltd. (ISPRL) to sign a Memorandum of Understanding on the Establishment of a Strategic Petroleum Reserve in India, and has agreed to conclude negotiations in the near future.

### Source of investment:

With respect to bilateral investments, total FDI from UAE to India is estimated to be US\$3.01 billion (Jan. 2015) and ranked **as tenth biggest investor in India**. Abu Dhabi Investment Authority (**ADIA**) announced its plans of investing US\$ 2 billion in Indian Infrastructure sector. During PM Modi's visit last year, the 2 sides agreed to establish an **UAE-India Infrastructure Fund**, setting an ambitious target of \$75 billion to support investment in India's infrastructure. UAE has also appreciated Indian govt. initiatives like Smart City, Skill India etc. and they are expected to invest in those areas, in addition to fields like oil, renewable energy etc.

### Indian Community:

UAE is home to an Indian expatriate community, **2.6 million strong in numbers**, the largest expatriate community in the UAE. Professionally qualified personnel constitute about 15 & 20 percent of the community, followed by 20 percent white-collar non-professionals (clerical staff, shop assistants, sales men, accountants, etc.) and the remainder 65% comprises blue-collar workers. There is also a significant business community from India. The annual remittances made by the large Indian community in UAE amount to **over US\$15 billion** (2013).

### Security co-operation:

A significant aspect of bilateral ties today is the closer convergence on security and counter-terrorism. Notwithstanding a **security agreement in place since 2011**, progress on counter-terror and maritime security had been slow. Recently, in the joint statement two sides alluded to Pakistan in their joint statement after the prime minister's visit when calling upon "all states to reject and abandon the use of terrorism against other countries, dismantle terrorism infrastructures and bring perpetrators of terrorism to justice". Further with the rise of Islamic State, the need for co-operation in security areas and intelligence sharing has achieved higher moral ground. Last year, in September, UAE deported to India a woman suspecting of having links to IS. Around 20 Indians have been intercepted while crossing over to conflict zone. The joint production of defence equipment under the Make in India programme is another important area of focus.

### Cultural Relations:

The two nations share historical ties and have maintained regular cultural exchanges both at official and popular levels. India and UAE signed a **Cultural Agreement in 1975**. The ICCR had opened a Culture Centre in Abu Dhabi in 2009.

### Agreement in international fora:

There is increased convergence of ideas based on needs and priorities in different issues of global commons. Collaboration between the two countries happen over issues discussed in **United Nations Framework Convention on Climate Change**, setting up of International Solar Alliance, support to International Renewable Energy Agency, IRENA.

### Miscellaneous areas:

UAE and India agreed to further strengthen their cooperation in several key areas, including trade and investment, security, counter-terrorism, joint defence production,

space cooperation, IT and electronics. Active engagement between the UAE Space Agency and the Indian Space Research Organization (ISRO) is in effect, which has led to the signing of a Memorandum of Understanding and the establishment of a Joint Working Group for space cooperation



### India-UAE Relations: Areas of Improvement:

- **Grievance Redressal** for the migrant Indian workers in UAE:

There is a renewed vigour to set up such a mechanism on a bilateral level. Ministry of External Affairs is working to evolve a new arrangement that would make the recruitment process more transparent. India and UAE signed a **MoU in the field of Manpower Sourcing** in December 2006 and a Protocol to streamline the admission of Indian contract workers by way of an electronic contract registration and validation system was signed. The Embassy also has **Indian Community Welfare Fund (ICWF)** for providing short term economic assistance (food, shelter, passage expenses etc.) to destitute workers/housemaids in distress.

1. India can offer her expertise in sustaining a diverse nation, without much friction, to the West Asian countries, especially since the region is great turmoil, largely rooted on Sunni-Shia strife.
2. Since UAE's oil trade largely flows through the Indian Ocean, our Navy can play more proactive role in guarding the waters. The recently released **Maritime Doctrine of Indian Navy** rightly gives due importance to the Persian Gulf region.

### Summary

UAE lights at the heart of Gulf, a sub-continent hosting no less than 7 million citizens, sending in remittances of \$40 billion annually. They also play a crucial role in our energy security. With dipping oil prices, the laws of economy says the buyers have a better say in oil trade. Hence, India is in a position to proactively engage, if not dictate, with the federation, to further our interests in the region.



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