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COUNTRY DOSSIER

United Arab Emirates

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Country Dossier – United Arab Emirates

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The UAE is India's third largest trade partner and second largest export destination. UAE FDI in India has increased over the past few years and currently stands at over USD 12 billion. The UAE has committed investments of USD 100 billion in India in manufacturing, infrastructure and services. UAE sovereign wealth funds have invested more than USD 10 billion in India across renewable energy, telecom, and road infrastructure, among other sectors. Bilateral trade in FY 2021-22 was about USD 72 billion.

India and the UAE have implemented the Comprehensive Economic Partnership Agreement (CEPA) from May 2022 to boost bilateral trade and investments. It is aimed at increasing the trade to USD 100 billion. The CEPA offers Indian start-ups the opportunity to gain access to additional GCC countries (Bahrain, Kuwait, Oman, Qatar, and Saudi Arabia). Under the India-UAE energy partnership, the UAE will assist the Indian economy in building strategic petroleum reserves; developing upstream and downstream petroleum sectors; and conducting training and undertaking human resource development initiatives in the energy sector. The agreement plans to harmonise digital trade and e-commerce between the two countries. This cooperation may be extended to upcoming areas, such as fintech lending and embedded financing. On food security the UAE plans to invest USD 2 billion in the construction of food parks in India to maximise crop yields and in turn ensure food security.

G2G initiatives

The Abu Dhabi Investment Office (ADIO) is seeking investments from India and has invited Indian start-ups to establish hubs in the capital city of UAE to diversify its business activity beyond hydrocarbons. Abu Dhabi has identified priority sectors including agritech, tourism, healthcare, pharma and financial services, where Indian enterprises can find opportunities and invest.

Sectoral Synergies

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Foodparks

- The United Arab Emirates (UAE) will invest USD 2 billion in India to develop a series of integrated food parks, while the United States (US) will set up a hybrid renewable energy project in Dwarka, Gujarat, with an investment of USD 330 million under the framework of I2U2. This was announced by the leaders of the four-nation grouping – comprising India, Israel, the UAE, and the US.

Mergers & Acquisitions

- Abu Dhabi Investment Authority (ADIA) is in advanced discussions with Lenskart and its existing stakeholders for an investment of USD 350-400 million, the largest fundraise by the omni-channel eyewear retailer.

Start-ups

- Abu Dhabi is seeking investments from India and has invited Indian start-ups to establish hubs in the capital city of UAE to diversify its business activity beyond hydrocarbons. The move will not only benefit the local economy but will also act as a platform for Indian firms to grow their footprints around the world. Abu Dhabi has identified priority sectors including agritech, tourism, healthcare, pharma and financial services, where Indian enterprises can find opportunities and invest.

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