

India's exports to UAE likely to grow by 60% by FY27

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As India's Comprehensive Economic Partnership Agreement (CEPA) trade deal with the United Arab Emirates (UAE) became the 'fastest used', government officials hope exports to the nation to touch the \$50-billion mark by fiscal year 2026-27 (FY27).

"In FY27, we will be completing five years of (signing) CEPA, and we should be able to reach \$50 billion exports," Commerce Secretary Sunil Barthwal said on the first anniversary of the agreement.

"The trade between the two countries has grown significantly. Labour-intensive, emerging sectors have witnessed growth... The utilisation of CEPA has been remarkable. Compared to other free trade agreements (FTAs), in this pact, a lot of the trade is happening through preferential routes," Barthwal said.

According to an analysis by the commerce department, during May 2022 and March 2023, India-UAE CEPA has surpassed almost all other FTAs, in terms of utilisation. The number of certificates of origin (COO) has



TRADE SINCE SIGNING OF PACT

	FY23 (\$ bn)*	YoY change in %
Global exports	444.4	5.3
Exports to the UAE	31.3	4.8
Global imports	613.1	16.1
Imports from the UAE	53.2	18.8

*Provisional numbers

Source: Department of Commerce

been the highest in India-Association of Southeast Asian Nations (ASEAN) at 149,000. This was followed by the trade deal with the UAE as 54,142 COOs were issued to exporters to avail

concessional duty advantage under the pact.

However, finer details of the utilisation of the deal will be clear after a joint mechanism, set up by both the nations, meet next month

and finer exchange of data is done with UAE, officials said.

According to the provisional data compiled by the commerce department, India exported goods worth \$31.3 billion during the fiscal year April-March of 2022-23 (FY23), up 4.8 per cent year on year (YoY). During the same period, India's overall merchandise exports grew 5 per cent to \$444 billion.

The jump in exports can be attributed to higher demand by sectors like gems and jewellery, machinery, and automobiles. Exports of products such as iron and steel, and textiles witnessed a

contraction, due to the imposition of restrictions and tepid demand, respectively.

An official statement said that during the CEPA implementation period (May 22-March 23), exports to the UAE increased 8.5 per cent YoY to \$28.5 billion from \$26.2 billion. During the same period, India's global exports, excluding the UAE, grew at 3.1 per cent.

India will also look into other trade issues such as ease of doing business, and challenges related to rules of origin or certification, and work on easing them. As far as imports are concerned, inbound

shipments of oil jumped 36 per cent to \$27.7 billion during FY23. Imports of aircraft, spacecraft, and their parts jumped to \$1.9 billion from \$39 million a year ago.

While the UAE trade deal kicked in from May 1 last year, officials said data for April 2022 was included in the analysis to maintain simplicity. Data for April 2023 will be released on May 15.

Under the pact, both countries have extended tariff concessions on the export of products of mutual interest. The UAE offered concessions to India on over 97 per cent of its tariff lines amounting to 99 per cent of trade, in term of value. India has offered preferential access to the UAE on over 90 per of its tariff lines.