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## **Economic Relationship between India and UAE: in the 21<sup>st</sup> Century**

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### **ABSTRACT –**

Nowadays after USA & china, UAE is the third largest partner of India. That's why the India-UAE economic relationship is very crucial to describe Indian foreign policy. After the adoption of the 'Look west policy' (2005) India tried to be a partner of the gulf countries. UAE is the one of them. This relationship has become much stronger since 2014 when Indian prime minister Narendra Modi came to the power and now it's promoting trade & commercial investment, socio-cultural connectivity, and economic growth to each other.

**Key word** – investments, Diaspora, partnership, trade, bilateral relationship ,

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### **Introduction –**

In the 21st century, the bilateral relations between India and United Arab Emirates(UAE) are the most important relationship for India. India tries to improve itself as a developed country. That's why India always tries to connecting other countries for their mutual benefit. In recent years India and UAE connections are very friendly and cooperative types.

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### **Methodology-**

The study is based on an analytical research methodology. This study is formulated by data, facts, scientific tools,etc. It also focuses on all kinds of secondary data like - books, articles, journals, etc.

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### **Literature review –**

The existing literature on India-UAE economic and trade relations helps this study to describe the actual information.

Henna Goel (2017) analyzed the actual growth of merchandise trade between India and the UAE. And also calculate the number of Indian diasporas in the Gulf countries with UAE. Goel also focused the foreign direct investment (FDI) in India and UAE.

Pavneet Singh (2018) tried to explain the commercial and defense diplomacy between India and UAE and analyzed the visit of the Indian prime minister Narendra Modi in 2015. The information from the ministry of external affairs focused on the important visits, commercial relations, and cultural ties between India and UAE.

V.N khanna & Leslie k Kumar (2018) discussed about 'look west policy'.

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### **Important agreements and treaties between India and UAE:-**

India and UAE have signed a lot of agreements to promote their mutual developments and investments. On 16th August 2015, the Indian prime minister Narendra Modi visited the UAE. This visit boosts the economic, cultural, and social relationships and focuses also on the situation of the Indian diaspora, trades, investments, and security.

1. Their trade relations got momentum after the free trade agreement (FTA) in 2004 between India and Gulf countries.
2. In January 2017, the two actors signed another agreement on a "comprehensive strategic partnership" (CSP) to build collaboration and synergy in the area of defense, cyberspace, and counterterrorism.
3. In 2018 India and UAE signed another memorandum of understanding (MOU) for technical cooperation in the railway sector, joint projects, knowledge sharing, etc.

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4. Indian P.M Narendra Modi also welcomes UAE's plan to set up West Asia's firsts space research center at Al Ain and plans to launch on mars mission in 2021.

5. Recently in 2022 India and UAE signed a "comprehensive economic partnership agreement" (CEPA) to increase the bilateral trade from US\$ 68.4 billion to US\$ 100 billion within five years.

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### **Importance of UAE's**

India and UAE's bilateral relations emphasize the area of economic, political, and socio-cultural cooperation. During this particular period, the economic zone will be the very first for both countries. The economy represents the trade, commercial activity, and import-export system also. nowadays Gulf countries are not only called petro-states but also they have been growing many industries, technology, and other resources. UAE is one of them. In UAE Dubai is the greatest example of capitalism in the world. The modernization process is always enhanced in the UAE. In In the book "capitalism and class in the Gulf Arab states" Adam Hanieh said about the formation of khaleeji capitalism in the Gulf country. Economic and commercial cooperation with the UAE is a main aspect of the overall bilateral relationship. This relationship has evolved into a very significant partnership in the commercial sphere. India exports UAE food items, metals, gems, petro products, stones, and jewelry while importing petroleum, chemicals, crude oil, wood products, etc. These goods are important for enhancing and strengthening their bilateral relations and creating the buyer-seller relationship between them. In 1991 India adopted the "New economic policy" for foreign trade and investment all over the world. This policy represents the motion of LPG (liberalization, privatization, and globalization). It promotes the openness and liberal system of International trade. Through this globalization process, India and UAE have developed their economic relation especially.

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### **Conclusion –**

After discussing some important parts of the economic relationship between India & UAE, we can say this economic relationship will grow up day by day and it creates a strong bonding in international relations.

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