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India-UAE Meet on Investments

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Why in News

Recently, the eighth meeting of the **India-UAE High-Level Joint Task Force on Investments** has been virtually hosted by India in the wake of the ongoing **pandemic**.

Key Points



- The **Joint Task Force was created in 2012** as a crucial forum for further **deepening the economic ties** between the UAE and India.
The mechanism has assumed greater importance as the two countries signed the **Comprehensive Strategic Partnership (CSP) Agreement in January 2017** and the Joint Task Force is an integral component of it.
 - The focus areas underlined in the CSP were economy with emphasis on a **two-way flow of investments, counter-terror cooperation and defence ties**.
 - India has signed **CSPs with the UK, Indonesia, Vietnam and Australia**.

- At the meeting, both sides reviewed the existing **UAE Plus** and the **Fast Track Mechanism created in 2018**.
 - **UAE Plus** is a special and dedicated desk constituted under **Invest India** with Arabic speaking officials to help facilitate investments.
 - The **Fast Track Mechanism** aims to **resolve any challenges experienced by UAE investors** in India.
- **Scope of Improvement:**
 - Explore ways to **facilitate investments** in key Indian and UAE sectors with potential for economic growth, and to maintain their dialogue and further build on the considerable achievements of the Joint Task Force.
 - **Encourage investment and cooperation** in areas of mutual interest with the purpose to stimulate economic activities in the post-Covid-19 times.
 - **Address specific barriers** to trade, like **anti-dumping duties**, tariffs and regulatory restrictions between the two countries with an aim to further **strengthen the trade and economic ties and to coordinate efforts and promote mutual cooperation**.
 - Continue the work between respective **civil aviation authorities to ensure speedy normalisation of air transport** operations for their mutual benefit.
 - **Development and operation of UAE-based funds** to invest in India, in the light of the **Foreign Portfolio Investor Regulations 2019** by the **Securities and Exchange Board of India (SEBI)**.
 - India agreed to look into these issues with the objective of facilitating further direct investments of UAE-based funds and seeking mutually beneficial solutions in that regard.
 - **Focus on opportunities for cooperation and potential investments in key sectors** in India including the **healthcare and pharmaceutical industry, mobility and logistics, food and agriculture, energy and utilities** and others.

India-UAE Relations

- India and the United Arab Emirates (UAE) enjoy strong bonds of friendship based on age-old cultural, religious and economic ties between the two nations.
- The relationship **flourished 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 the UAE Federation in 1971**.

- **Political Relations:**
 - In **August 2019**, UAE **awarded ZAYED Medal**, their highest civilian award, **to the Prime Minister of India** for consolidating the long-standing friendship and joint strategic cooperation between the two nations.
 - Indian Prime Minister's visit to the UAE in **August 2015** marked the beginning of a new and **comprehensive and strategic partnership**.
 - The Crown Prince of Abu Dhabi visited India in **February 2016** and had **wide-ranging discussions on bilateral, regional and multilateral issues of mutual interest**.
- **Commercial Relations:**
 - India-UAE trade was around **USD 59 billion making UAE, India's third-largest trading partner** for the year **2019-20** after China and the USA.
 - The **UAE is the second-largest export destination of India** with an amount of over **USD 29 billion for the year 2019-20**.
 - For the **UAE, India is the second-largest trading partner** for the year **2019** with an amount of around **USD 41.43 billion** for non-oil trade.
 - **India's Major Exports:** Food items, Machinery, Gems and Jewellery, Textiles, Engineering and Machinery Products, Chemicals, etc.
 - **India's Major Import:** Crude Oil, Petroleum and Petroleum Products, Precious Metals, Minerals, Chemicals, Wood and Wood Products.
- **Cultural Relations:**
 - The two nations **share historical ties and have maintained regular cultural exchanges** both at official and popular levels.
 - They signed a **Cultural Agreement in 1975** and the embassies continue to organise various cultural activities on their own as well as by collaborating with other cultural organisations.
- **Indian Community:**
 - The UAE is **home to the Indian expatriate community of more than 2.6 million**, the largest expatriate community in the UAE, which has played a **major role in the economic development** of the UAE.
 - Recently, India has asked the members of the **Gulf Cooperation Council (GCC) which also includes UAE**, to facilitate the return of Indians who want to resume work with the relaxing of Covid-19-related restrictions.

Recent Developmental Events in the UAE

- In March 2019, the **46th session of the Council of Foreign Ministers** of the **Organisation of Islamic Cooperation (OIC)**, was held in Abu Dhabi where India was invited as a guest of honour.
 The **UAE** hosted the event and had **strongly defended the decision to invite India** despite Pakistan's strong objection and threat to boycott the event.

- In **February 2020**, the UAE issued an operating licence for the **Arab world's first nuclear power plant**, paving the way for it to start production in 2020.
- **UAE Mars Mission:** In July 2020, the UAE launched a **Mars probe named Amal (Hope)** from Japan, marking the **Arab world's first interplanetary mission**.
- In **September 2020**, the UAE signed the **Abraham Accord** with Israel and Bahrain, which is the **first Arab-Israeli peace deal in 26 years**.

Source: PIB