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ANALYSIS**

TOPIC

India-UAE:
A Privileged Strategic Partnership

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INDIA-UAE: A PRIVILEGED STRATEGIC PARTNERSHIP

Context

- India's relationship with the UAE has evolved into becoming one of the most prominent bilateral relationships for India.
- Not only has the UAE become India's strategic partner but it has also become one of the most important linchpins of India's engagement in the Gulf region.

India-UAE :Pillars of Ties

- ♦ **Political : They established diplomatic relations in 1972.**
- ♦ The traditionally strong bilateral relations enjoyed by India-UAE gained a new momentum when the **Prime Minister of India** visited in **2015**, the **first PM of India in 34 years** which marked the beginning of a new Comprehensive and Strategic partnership between the two countries.
- ♦ During visit to the UAE in August 2019, Mr. Modi was conferred the UAE's top civilian honour, the **Order of Zayed**.
- **Economic partnership:** India and UAE have **shared trade** links through the centuries.
 - ♦ The trade, which was **dominated by traditional items** such as dates, pearls and fishes, underwent a **sharp change after the discovery of oil** in the UAE (oil exports began from Abu Dhabi in 1962)
 - ♦ Bilateral trade grew to \$85 billion in 2022-23, making the UAE **India's third-largest trading partner** and **India's second-largest export destination**.
 - ♦ The UAE is also the **fourth-largest overall investor in India**.
 - ♦ The **India-UAE Comprehensive Economic Partnership Agreement**, signed on February 18, 2022 aims to increase trade in services to \$115 billion in five years.
 - ♦ The RuPay card, a key component of **India's Digital Public Infrastructure (DPI)**, has been accepted in the **UAE since August 2019**, while from July 2023, the rupee was being accepted for transactions at Dubai's airports.
 - ♦ **India and the UAE** also operationalised a **rupee-dirham settlement system** when, in August 2023, the Indian Oil Corporation made a rupee payment to the Abu Dhabi National Oil Company for crude oil imports.
- **Energy security:** The UAE is also **India's trusted partner in energy security**, being the only nation from the region which has strategic oil reserves stored in India.
 - ♦ An agreement was signed in **Indian Strategic Petroleum Reserves Ltd (ISPRL)** and **the Abu Dhabi National Oil Company** to invest in the strategic crude oil storage facility in Mangaluru with an initial investment of \$400 million.
- **Defence and security cooperation** and people-to-people ties too are critical cogs in the relationship.
 - ♦ UAE has over 3.5 million Indians and Emiratis are quite familiar and sensitive to Indian culture
 - ♦ Environmental: The convergence of ideas on global climate issues too was clear when Mr. Modi was in Dubai for the COP28 climate summit.
 - ♦ Both India and the UAE co-launched the **Global Green Credit Initiative**.
- **Multilateral Cooperation :** India and the UAE enjoy strong cooperation at the United Nations.
 - ♦ Both countries are also currently part of several plurilateral platforms such as **BRICS, I2U2** (India-Israel-UAEUSA) and **UFI (UAE-France-India) Trilateral, etc**.
 - ♦ UAE was invited as a Guest Country to the G20 Summit held under India's Presidency in September 2023,
 - ♦ The UAE is also part of the **India-Middle East-Europe Economic Corridor (IMEEC)** infrastructure project that was signed during the G-20 summit in Delhi.

- **Progress and Latest Developments:** India's relationship with the UAE has evolved into becoming one of the most prominent bilateral relationships .
- The UAE has become **India's strategic partner** but it has also become one of the most important linchpins of India's engagement in the Gulf region.
- The IIT Delhi Abu Dhabi campus has been established, and the UAE opened a consulate in Hyderabad in June 2023.
- On February 1, 2024, the Indian government also approved the signing and **ratification of a bilateral investment treaty** with the UAE, which would **significantly boost bilateral economic** engagement, especially manufacturing and foreign direct investment.

Conclusion and Way Forward

- The India-UAE story goes beyond temples, faith or the signing of strategic partnerships.
- India recognises and values the UAE's role in the region, the UAE too is cognisant of the 'global leadership' role that India is set to acquire.
- There are few major issues of divergence, which is something unique even among the best of friendly nations.
- Both countries recognise that this privileged strategic partnership is only set to grow stronger in the years ahead.
- The upcoming visit also comes at a critical time with the war in Gaza enveloping the region. The visit will provide the two leaders an opportunity to confer on this very critical issue.

MAINS PRACTICE QUESTION

India has numerous strategic partnership agreements across the globe, but none displays more convergence and mutual respect at all levels than the one with the UAE. Discuss

