

Post Event Report

Conference on “India’s Free Trade Agreement with UAE – Tapping the potential for enhancing trade and Investment” on 20th April 2023 at PHD House, New Delhi

Trade and Investment Facilitation Services (TIFS) of PHD Chamber of Commerce and Industry organized an Conference on “India’s Free Trade Agreement with UAE – Tapping the potential for enhancing trade and Investment” Thursday, 20th April 2023 from 04:00 pm - 6:00 pm at PHD House, New Delhi.

Dr. Srikar K Reddy, Joint Secretary, Department of Commerce, Ministry of Commerce, and Industry, GOI, India's current GDP of approximately \$3.5 trillion is expected to reach \$30 to \$35 trillion over the next 25 years, with an annual growth rate of 6-7%. He further stated that exports are expected to contribute at least 25% to the Indian economy and GDP. He informed that the Commerce Ministry has set a target of \$1 trillion for both merchandise exports and services exports by 2030 in the short term. Dr. Reddy also informed that India's exports have shown impressive growth in both services and merchandise trade. He explained that the overall exports for the financial year 2023 have reached \$770 billion, with merchandise trade accounting for \$447 billion This represents a growth of 13.84% overall, with a 6% growth in merchandise trade compared to the previous year.

Dr. Reddy highlighted that the service sector has experienced exceptional growth, with a growth rate of over 26.8% this financial year, reaching around \$323 billion. He emphasized the importance of external trade in a country's economic growth, particularly in the area of exports to other countries, as India works to achieve its ambitious targets of reaching \$5 trillion in the next few years, and \$10 trillion with a goal of becoming a developed country by 2047.

Dr. Reddy informed that free trade agreements play a critical role in providing increased market access by reducing tariffs and non-tariff barriers for Indian products. India is currently negotiating agreements with countries that have complementary trade relationships, such as the UAE, Australia, UK, Canada, and EU. These agreements aim to protect domestic industries in sectors where there is competition and to increase market access for a variety of products.

Regarding India's Free Trade Agreement with UAE, Dr. Reddy highlighted the importance of the longstanding special relationship between India and the United Arab Emirates (UAE).

UAE is the second-largest export destination after the United States and an important trading partner for India. The agreement with the UAE is strategically important to reach out to countries in the Middle East, Africa, and Central Asian Republic.

Dr. Reddy also provided insight into India's gains in trading services with UAE and Australia. In the UAE agreement, India gained significantly in computer-related, audio-

visual, education, healthcare, travel-related services, and visa liberalisation. Australia now offers post-study work visas for up to four years, visas for Indian chefs and yoga practitioners, and a holiday and work visa for young professionals.

Speaking at the Session **Mr. Hitender Mehta, Managing Partner** at Centrum Legal, highlighted the significance of communication and enforcement of agreements to achieve the target of \$100 billion exports in the next five years. He also stressed the importance of understanding the philosophy and approach behind agreements, including the negative list and modalities. Mr. Mehta noted that India has 13 bilateral free trade agreements, including the most recent one with Australia. He further discussed the role of WTO in multilateral trade negotiations and how WTO rules are incorporated into bilateral trade agreements. He also shared statistics on India's trade performance with Asian countries i.e. Japan, South Korea, and South Asian Free Trade Area (SAFTA). Mr. Mehta suggested that chambers can collaborate with the ministry to disseminate knowledge and raise awareness about available schemes. He added that the government is working to reduce logistics costs, which will benefit Indian businesses.

Giving the Welcome Address **Mr. Saurabh Sanyal, CEO & Secretary General** of PHDCCI, highlighted the historic achievement of signing the Comprehensive Economic Partnership Agreement (CEPA) between India and UAE a few months ago. He mentioned that the agreement aims to increase merchandise trade between the two countries by \$100 billion in the next 5 years. Over the years, India's trade relationship with UAE has grown substantially, and the CEPA is expected to take it to new heights. He also mentioned that UAE is India's third-largest trading partner, with total trade between the two countries standing at approximately \$73 billion, following China and the US. Under the India UAE Trade Agreement, UAE has offered duty elimination on over 97% of its products, which accounts for 99% of India's exports to UAE. This opens up new avenues for India and the rest of the Middle East, including Africa and Europe.

Dr. SP Sharma, Chief Economist | DSG, moderated the seminar and conveyed the organisation's unwavering commitment to policy advocacy and effective representation to the Indian government. This effort aims to promote a favourable policy environment for the growth of the economy. Today's seminar on India's Free Trade Agreement with UAE is a crucial step towards realising this goal. He also mentioned that by tapping into the immense potential for enhanced trade and investments between the two countries, we hope to strengthen the bilateral ties and create new avenues for growth and prosperity.

During the event, a research report prepared by the PHD Research Bureau was released. According to the report, India's merchandise trade would reach \$50 billion in the next five years.

More than 80 representatives of business and industry participated in the session, which focused heavily on India's export potential and competitiveness with the UAE.

Glimpse of Conference on “India’s Free Trade Agreement with UAE – Tapping the potential for enhancing trade and Investment”

