

# India - UAE CEPA

The landmark Comprehensive  
Economic Partnership  
Agreement



ASSOCHAM FTA Update



In recent times, India has been focusing on strengthening its bilateral ties through Free Trade Agreements (FTAs), aligned with its vision to achieve an exports target of US\$1 trillion each in merchandise and services by 2030. The Government of India has been making structural changes that will support this quantum jump in merchandise exports. The merchandise export target of US\$400 billion for 2021-22 is on track owing to the Aatmanirbharta and PLI push. India's FTA strategy has been revamped to engage the industry better and help the country craft fair and equitable trade agreements.

In February 2022, India signed the Comprehensive Economic Partnership Agreement (CEPA) with the UAE to raise bilateral merchandise trade to US\$100 billion by 2030. The India-UAE CEPA marks India's first trade agreement with a leading trading partner, post its FTA with Japan in 2011. The Government is also working towards concluding a similar economic partnership agreement with the Gulf Cooperation Council (GCC) countries within 2022, expanding trade relations with Saudi Arabia, Qatar, Kuwait, Oman, and Bahrain.

ASSOCHAM lauds the India-UAE CEPA that will bring substantial multiplier benefits to all stakeholders by opening up new markets for Indian goods and services and increasing the flow of capital and technology.

## Key features

- The partnership agreement opens doors for labour-intensive Indian products exported to UAE, benefiting Indian MSMEs and start-ups
- Immediate market access at zero-duty to products accounting for 90% of India's exports to UAE in value terms, from day one of the entry into force of the Agreement
- Automatic registration and marketing authorisation of Indian generic medicines in 90 days, once they are approved in developed countries
- Indian sectors that stand to benefit include textiles, medicines, agricultural products, engineering goods, auto components, leather & footwear, gem & jewellery, sports goods, and plastics
- The pact is expected to create a minimum of 10 lakh jobs for Indian citizens
- The agreement provides a permanent safeguard mechanism for exporters and businesses from both countries, protecting from any unwarranted surge in volumes of any particular product

"The India-UAE Free Trade Agreement, or CEPA, would leverage mutual strength in diverse sectors like energy, climate action, technologies, skills and education, food security, healthcare, defence and security. Under the vision of Hon'ble Prime Minister Shri Narendra Modi and untiring efforts of Hon'ble Commerce Minister Shri Piyush Goyal, new frontiers of trade and investment would open up in the Middle East through the market-opening Win:Win deal."

**Vineet Agarwal**  
President, ASSOCHAM  
Managing Director, Transport Corporation of India Ltd



"The finalization of the India-UAE CEPA recently will give a major fillip to economic ties between the two countries. The agreement is expected to create lakhs of much-needed skilled jobs in India, while helping the GDP of UAE grow close to 2% through massive tariff elimination and further diversify its economy beyond oil exports by attracting Indian investment. Assocham welcomes this agreement wholeheartedly as it sets the bar in the region for mutually beneficial and wide-ranging economic ties between countries."

**Sumant Sinha**  
Senior Vice President, ASSOCHAM  
Chairman & CEO, ReNew Power



"The India-UAE free trade deal with an important component of 'Early Harvest' and negotiated in a record time would mean enabling both the partners to pluck the low-hanging trade objectives. This is crucial at a time when global trade is passing through the challenging time of Covid 19 pandemic."

**Ajay Singh**  
Vice President ASSOCHAM  
CMD, SpiceJet Ltd



"The India-UAE CEPA is a welcome step in strengthening bilateral ties and strategic partnership, made possible through concerted efforts on both sides, in record time. The agreement is noteworthy for its alignment with India's vision of enhancing infrastructure investments and boosting exports, with the support of its third-largest trading partner."

**Deepak Sood**  
Secretary General, ASSOCHAM



"The India-UAE CEPA will help labour intensive Indian industries and contribute significantly towards large employment generation. The friendship between both nations deepens to another level with this landmark pact."

**Dr Niranjan Hiranandani**  
Immediate Past President, ASSOCHAM  
Co-Founder & MD, Hiranandani Group of Companies



"The signing of CEPA between India & the UAE will be of great strategic importance in the coming years. It is extremely monumental for both nations. I am confident that a new era of growth will emerge soon."

**Balkrishna Goenka**  
Past President, ASSOCHAM  
Chairman, Welspun Group

