

UAE-INDIA BUSINESS COUNCIL FEBRUARY 2023 NEWSLETTER



UAE-India Business Council (UIBC) mark first anniversary of signing CEPA with launch of UAE Chapter of UIBC (UIBC-UC)



Maj. Gen. (Retd.) Sharafuddin Sharaf, Chairman, UIBC - India & Vice Chairman, Sharaf Group

The impressive overall growth in bilateral trade is

a true reflection of the early gains accruing from the agreement. During the first eight months from April-November 2022 of the current financial year, the bilateral trade between our two countries has grown to USD57.8 billion from USD45.3 billion same period last year, recording an impressive growth of 27.5 % which means a notable increase of USD12.5 billion.

During the same period, India's exports to the UAE have seen a remarkable growth of 19.32%, reaching USD20.8 billion from USD17.45 billion, an increase of USD3.35 billion in value terms. Besides, several other significant partnerships have been launched since May 2022 related to energy, food security, education, and healthcare.

CEPA is helping business groups in an exceptional manner. Business houses are the pillars of the success

of the CEPA agreement. We have seen growth in bilateral trade and exports and new industries are being set-up in the UAE and India after CEPA as tariff lines coverage is up to 95%, which is an attraction for all business on both sides.

More investments are being investigated and made in value-addition industries by both partner countries. Post- Covid, shorter, reliable supply chains are the new norm to ensure continuous supply.

During the signing of CEPA, former UAE Ambassador to India H.E. Dr Ahmed A.R. Albanna, was one of the key persons who showed immense support and promoted CEPA in both countries.

He acted as the link between the two nations to further promoting benefits at CEPA events in order to make business groups understand the benefits of the agreement. I am glad that I got an opportunity to work with Dr Albanna and taking his vision forward with promoting CEPA to its zenith.

I also welcome the UAE's new Ambassador to India, His Excellency, Dr. Abdul Nasser Alshaali and I wish him all the best in his efforts to continue strengthening the UAE-INDIA relations and bonding which continues to yield increasing people and trade relations and investments under CEPA regime.

Access to new markets and business opportunities -

For India, the CEPA has presented an opportunity to improve the domestic manufacturing market by incentivising the production of electrical machinery, pharmaceutical, cereals, fisheries, fruits, vegetables, etc., and giving the country easier access to the Middle Eastern and African regions.

For the UAE, the agreement has presented an opportunity for local firms to tap into one of the fastest-growing major economies in the world. This can be done by making policies that ease business, set up processes, and accelerate investment flows in key areas, including prepared food, chemicals, plastics, polyethylene, glass and glassware, electrical and mechanical, mineral fuels, aluminium, iron and steel, and copper. After CEPA many Indian business giants are expanding their operations in UAE and TATA group is one of them.

I believe that the bilateral initiatives being taken by both the governments in the realms of trade, tourism, culture, amongst other sectors, will further deepen our mutual understanding and bonds. The UAE-India Business Council, set up by both the governments in 2015, is committed to further enhancing this partnership and looks forward to working together towards an inclusive bilateral trade environment between the UAE and India.

To summarise, I can say that the objective of both the government was to ensure that CEPA benefits the common man, manufacturers and traders and society in general in the long run. The reality is that CEPA has succeeded beyond expectations.

There could not have been a better date for the Launch of the UAE Chapter of UAE-India Business Council (UIBC-UC) other than 18th February 2023 in the presence of Dr Thani Bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade and the Consul General of India in Dubai, Dr Aman Puri.

The UIBC-UC will serve as the counterpart organisation to its India Chapter, which was established in New Delhi on 3rd September 2015, by His Highness Sheikh Abdullah bin Zayed Al Nahyan, UAE Minister for Foreign Affairs and International Cooperation, and Mrs Sushma Swaraj, Minister of External Affairs of India, during the 11th session of the UAE-India Joint Commission meeting.

I congratulate Mr Faizal Kottikollon, Chairman, KEF Holdings, who has been appointed as the Chairman of UIBC-UC and Mr Rizwan Soomar, Deputy Chairman, UIBC; CEO and MD, Subcontinent of Hindustan Ports Pvt Ltd appointed as the Co-Chairman of UIBC-UC.

The founding members of the UIBC-UC from the UAE are Mubadala – sovereign wealth fund of the UAE, Wizz Financial, DP World, Emaar, Emirates Airlines and Emirates NBD. The Indian members include large conglomerates such as TATA, Reliance, and Adani, as well as tech innovators like OLA, Zerodha, Udaan, and EaseMyTrip, along with prominent Indian owned corporates based in the Emirates such as KEF Holdings, Buimerc Corporation, Apparel Group, EFS and Lulu Financial.

With participation from key partners and stakeholders from both countries, the council is well-equipped to lead collaborative initiatives in important sectors, to unlock the full

potential of the UAE-India relationship and generating greater prosperity for both nations.

Our endeavour at the UIBC would be to help and assist UIBC-UC to unlock the immense opportunities created by the growing economic and business relationships between our countries. As it is well said that "With Collaboration and Cooperation, comes Effectiveness & Growth".

In my role as the Chairman of UIBC and Vice Chairman of the body, I look forward to working closely with the UIBC (UAE Chapter) to ensure our common objective of increasing two-way Trade and Investment relationships between the two countries will be achieved with success.







Mr Mohsin Nawaz Khan Director General UIBC-India

am delighted to say that UAE-India Comprehensive

Economic Partnership Agreement (CEPA) has completed one year of its signing on 18th February 2023, earlier which is signed during the Virtual Summit in the presence of Indian Prime Minister Narendra Modi and His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the United Arab Emirates.

This is truly the golden era of our relationship, which have in many ways run in parallel over the last half century. The CEPA underlined how important our economies are to each other, and how much we look to the other for inspiration, support, and opportunity. The impact of the CEPA is already being felt, but it's clear we are only at the very beginning of this exciting new chapter.

Marking the first anniversary of India-UAE CEPA, the UAE-India Business Council - UAE Chapter (UIBC-UC) was launched by His Excellency Dr Thani Bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, in the presence of Ambassador of India to the UAE, Mr Sunjay Sudhir, Consul General of India in Dubai, Dr Aman Puri and founding members of the UBIC-UC. The launch today marks a significant milestone in the strengthening of the relationship between the UAE and India.

Both nations believe that the UAE-India CEPA will push bilateral non-oil trade beyond USD100 billion by the end of 2030. With a shared goal of increasing bilateral trade to USD100 billion and attracting USD75 billion in investment from the UAE to India, the UIBC and UIBC-UC is well positioned to assist the two governments in achieving their goals and realizing the full potential of the UAE -India relationship.

On behalf of all of us at UAE-India Business Council (UIBC), I extend my heartiest congratulations to Mr Faizal Kottikollon, Chairman, KEF Holdings, who has been appointed as the Chairman of UIBC-UC and Mr Rizwan Soomar, Deputy Chairman, UIBC; CEO and MD, Subcontinent Hindustan Ports Pvt Ltd appointed as the Co-Chairman of UIBC-UC and to all the founding members of the UIBC-UC and look forward to seeing the council's initiatives drive greater prosperity for both nations.

The councils will bring together key partners and stakeholders from both countries and will provide valuable policy guidance while encouraging innovative collaboration between Emirati and Indian businesses.

We look forward to working with UIBC-UC and continuing the work for further enhancing the trade relations and drive beneficial growth by leveraging the two countries' strong bonds, opening new trade opportunities for all.



UAE-INDIA ENGAGEMENTS

INDIA, UAE, AND FRANCE UNVEIL PLANS FOR CO-OPERATION UNDER THE TRILATERAL FRAMEWORK



A trilateral framework between India, France, and the United Arab Emirates unveils a plethora of areas including defence, energy, and technology.

They have agreed to cooperate to boost food security in the context of the International Year of Millets-2023, circular economy from India's Mission LiFE, and focus on key issues such as single-use plastic pollution and desertification. This initiative will expand cooperation between the development agencies on sustainable projects and align economic, technological, and social policies keeping in mind the objectives of the Paris climate agreement. READ MORE

INDIA, UAE, ISRAEL FORGE TRADE ROUTE LINKING REGIONS



Israel, India, and the UAE can put a modern spin on ancient trade by linking ports in a caravan of goods fit for the 21st century. At the end of 2021, Dubai's **DP World** logistics firm stepped back from a bid to operate the newly privatized port in Israel's Mediterranean coastal city of **Haifa**. The move helped pave the way for a more significant development in the economies of Israel, the United Arab Emirates, and India – the creation of a new trade route and commercial corridor linking southeast Asia, the Middle East, and Europe. READ MORE

12U2 BUSINESS FORUM CONVENED TO ACCELERATE JOINT INVESTMENT IN KEY SECTORS



The inaugural I2U2 Business Forum began in Abu Dhabi, jointly organized by the UAE Ministry of Foreign Affairs and International Cooperation and the Abu Dhabi Department of Economic Development. The Forum brought together senior private and public sector representatives from India, Israel, the United Arab Emirates, and the United States

(I2U2)to discuss opportunities for cooperation between the business communities of the four countries. READ MORE

INDIA JOINS THE AGRICULTURE INNOVATION MISSION FOR CLIMATE



India joins Agriculture Innovation Mission for Climate - joint initiative of US & UAE which aims to address climate change and global hunger through increased investment in agricultural innovation for climate-smart agriculture and food systems. READ MORE

INDIAN BASMATI RICE EXPORTS INCREASES AS IRAN, SAUDI, UAE MAKE 50% OF TOTAL SHIPMENTS



India's basmati rice exports surged 17% in volume during the first three quarters of the current fiscal, while exporters are earning at least 20% more on average in overseas markets as Iran, Saudi Arabia, and the UAE together bought half of India's total shipments of the aromatic rice.

According to the latest data from the Agricultural and Processed Food Products Export Development Authority (APEDA), the shipments of basmati rice increased to 3.2 million tonnes in April–December of the current fiscal from 2.74 mt in the year ago period. However, in terms of value, the surge was 40% to USD3.34 billion from USD2.38 billion. Due to the depreciating rupee, the growth is even higher 50.5% in Indian currency, at Rs 26,591 crore against Rs 17,664 crore. In fact, export realisation in basmati rice increased to USD1,044 per tonne this fiscal from USD868 per tonne a year ago. READ MORE

KEY MEETINGS

Secretary ER held discussions with *ADQ team on the implementation of integrated food parks project under I2U2.



*Abu Dhabi Developmental Holding Company (ADDH), one of the region's largest holding companies, has expanded its remit and rebranded as ADQ.)

On the side lines of World Sustainable Development Summit 2023, H.E. Dr Sultan Al Jaber met with External Affairs Minister of India, Dr S. Jaishankar, to discuss the united vision for strengthening bilateral ties between UAE-India. Facilitating collective action towards energy transition emerged as a key focus area, ahead of G20 and COP28.



Dr Hardeep Singh Puri, Minister of Petroleum and Natural Gas, India held discussions on furthering ties across the entire hydrocarbons chain between UAE-India with the UAE Minister & President-Designate for COP28 UAE, Dr Sultan Al Jaber at India Energy Week.



Governor of Reserve Bank of India, Shri Shaktikanta Das met Governor of the Central Bank of the UAE, HE Khaled Mohamed Balama Al Tameemi, in Abu Dhabi today. Discussed collaboration in fintech and building robust mechanisms to withstand future financial challenges.



World Sustainability Development Summit 2023 hosted by The Energy and Resources Institute-TERI, Dr Sultan Al Jaber emphasized the need to mobilize resources and partnerships toward bold and transformative Climate Action. A call to action that will be central to COP28.



HE Abdullah Bin Zayed heads the country's delegation to the G20 foreign ministers' meetings in New Delhi, considering the <u>UAE</u>'s invitation to participate in the work of the G20 as a <u>guest country</u>.



GOVERNMENT INITIATIVES

UAE TO LAUNCH HYDROGEN-POWERED CAR FUEL STATION



Dubai's DEWA and ENOC have teamed up to develop hydrogen fuelling stations for vehicles in the UAE. DEWA and ENOC will conduct a joint feasibility study for the establishment, development, and operation of a pilot project for the use of hydrogen in mobility. Hydrogen powered vehicles are a type of zero-emission vehicle that run on hydrogen fuel cells instead of traditional gasoline or battery power.

The project supports the UAE's hosting of the COP28 and the country's goal to develop the hydrogen economy and open local markets to hydrogen vehicles. READ MORE

UAE RAIL NETWORK



The rail project was announced by Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, who said it is an important milestone in the UAE's development journey, and an ambitious project that contributes to strengthening the country's preparations for the future. **UAE rail network will contribute USD6.3** billion to tourism, have Emirati train captains, help reduce emissions, have 593 bridges and six tunnels.

The network contributes to supporting businesses and enhancing investment opportunities. The main line of the UAE National Rail Network extends from Ghuweifat on the border of the Saudi Arabia, to Fujairah, forming an essential part of the global supply network. READ MORE

INDIA PROPOSES CREATING GLOBAL POOL OF HEALTH PROFESSIONALS TO COMBAT PANDEMICS AND NATURAL DISASTERS



India has proposed creating a global pool of health professionals that any country could engage during pandemics and natural disasters. In a submission to the World Trade Organisation (WTO), the South Asian country, which currently holds the G20 presidency, has also sought country-level regulations for portability of health insurance and liability provisions to enable cross-border telemedicine services.

The proposal assumes significance in the wake of huge disparity in the abilities of various countries, especially the underdeveloped and poor one, in handling the Covid-19 pandemic. READ MORE

66 BIG INFRA PROJECTS RECOMMENDED FOR APPROVAL UNDER PM GATISHAKTI



As many as 66 big-ticket infrastructure projects worth about Rs **5 lakh crore** of different ministries have been recommended for approval under the PM Gati Shakti initiative so far, this fiscal, a senior official said on Thursday. These projects have been recommended by the Network Planning Group (NPG) constituted under the PM Gati Shakti initiative launched in October 2022.

Every ministry should adopt the PM Gati Shakti concept up to the field level so that every district collector, officer, and state is equally involved in it.

INTERNATIONAL BIOFUEL ALLIANCE LAUNCHED IN INDIA



International Biofuel Alliance (IBA) intended to help create and develop a favourable ecosystem for promoting development and deployment of biofuels was launched in Bengaluru. The launch coincided with the conclusion of a three-day India Energy Week (IEW) in Bengaluru attended by 35 ministers dealing with energy or climate change from all continents. The event attracted, in the final count, heads of several international organisations, 500 speakers, 30,000 energy professionals, 8,000 delegates and 700 exhibitors from more than 50 countries.

The new International Biofuel Alliance will initially include, in addition to India, Brazil, the United States of America, the European Union, the International Energy Agency (IEA), the Biofuture Platform, the Indian Sugar Mills Association (ISMA) and the Society of Indian Automobile Manufacturers (SIAM). In the coming months, it will be expanded globally.

UAE TO LAUNCH DIGITAL CURRENCY FOR DOMESTIC, CROSS BORDER PAYMENTS



UAE Central bank governor Khaled Mohamed Balama

The Central Bank of the UAE (CBUAE) will roll out digital currency for domestic and cross border payments. The move is part of the central bank's newly launched Financial Infrastructure Transformation Programme (FIT programme), which aims to accelerate the digital transformation in the financial services sector.

The programme consists of 9 key initiatives, with the first stage involving the launch of digital payment infrastructures and services such as a Card Domestic Scheme, an Instant Payments Platform, and the issuance of Central Bank Digital Currency for cross-border and domestic uses.

These initiatives aim to promote payment innovation, security, and efficiency, and ultimately drive the Emirates towards a cashless society. The FIT programme aligns with the country's "We the UAE 2031" vision and National Digital Economy Strategy, with a full integration set for 2026. READ MORE

WORLD'S LARGEST SOLAR-POWERED GREEN DATA CENTRE IN DUBAI



Ratified by the Guinness World Records as the <u>world's largest solar-powered data centre</u>, the state-of-the-art green data centre of Data Hub Integrated Solutions (Moro Hub) was inaugurated by Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai.

The data centre, a subsidiary of Digital DEWA, the digital arm of the Dubai Electricity and Water Authority (DEWA), is located at the Mohammed bin Rashid Al Maktoum Solar Park.

The Uptime Tier III-certified data centre uses 100% renewable energy and is spread across an area of 16,000 square metres.

The green data centre features solutions from Dell Technologies, Microsoft and Huawei, and will provide next-generation services in the areas of digital transformation, cloud and hosting services, cybersecurity, smart cities, IoT services and professional and managed services, as well as Moro services supported by ChatGPT technology. READ MORE

OUR MEMBERS

JBM GROUP TO FORAY INTO ELECTRIC BUS MARKETS



JBM Group is eyeing to foray into the electric bus markets of Jammu & Kashmir, Ladakh, Haryana, Himachal Pradesh, Chandigarh, and Punjab with its new portfolio of e-mobility products. JBM electric city buses, ECOLIFE, are currently operating across 12 states of India.

The group rolled out its maiden electric luxury coach 'Galaxy' at last month's Auto Expo and had also showcased three other new series of electric buses, including an intra-city bus - ECOLIFE, staff bus E-BIZLIFE and electric school bus E-SKOOLIFE. The government has made it clear that it aims to boost the domestic EV manufacturing sector with its decision to increase customs duty on importing EVs, which reflects its larger move towards green growth.

JBM also welcomed the government's Union Budget announcement to remove customs duty on capital goods/machinery for the manufacture of lithium-ion cell in EV batteries and appreciated the step of subsidy extension on electric batteries for another year.



ABOUT JBM GROUP

JBM Group is a USD2.2 billion global conglomerate with operations in more than 25 locations across 10 countries throughout the world. We are amongst the world's leading manufacturers of key auto systems, electric vehicles, and buses.

JBM have been able to create long-term value for all our stakeholders for nearly four decades given our relentless focus towards Enhancing Technology, Enabling Innovation and Empowering People with a team of more than 25,000 JBMites.

SECTOR IN FOCUS - DEFENCE

UAE DEFENCE

The UAE defence market budget is worth USD 23.2 billion in 2023 and is expected to achieve a CAGR of more than 3% during 2024-2028.

- ❖ The UAE's emphasis on maintaining a strong independent defense posture is reflected in its defense modernization initiatives undertaken over the last decade.
- ❖ The country's defense modernization efforts are mainly centered around C4ISR, anti-ballistic missile systems, fighter aircraft, and armored vehicles, among others. Some of the major procurement programs include Rafael fighter, Gowind-class, and JAIS 6×6.

IDEX 2023

The IDEX exhibition in Abu Dhabi was an opportunity for defence companies to present their capabilities to a country and region with strong buying power.

The UAE's continuing growth of its indigenous defence industrial base was prevalent at the IDEX 2023 exhibition and conference in Abu Dhabi, with local and international companies looking to harness the buying power of a region somewhat sheltered from turbulent global markets.

The combined value of contracts signed at IDEX, which took place from 17th-21st

Value of deals made on fifth day

AED 2.2 billion

Deals struck in the fifth day

12 Deals

international deals agreed with a value of

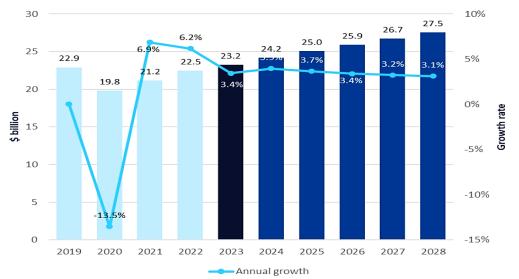
AED 653 million

Cumulative value of deals across days one and two and three and four and five

AED 23.34 billion

February, totalled AED23.34 billion (USD6.37 billion) throughout the week, indicating the Middle East defence industry remains a significant operator in the market. **Prominent groups like EDGE Group and ADNEC Group dominated the exhibition.**





The UAE's defence budget (USD bn) and growth rate (%), 2019-28; Source: Global Data Intelligence



Indian Pavilion at IDEX 2023



INDIA DEFENCE

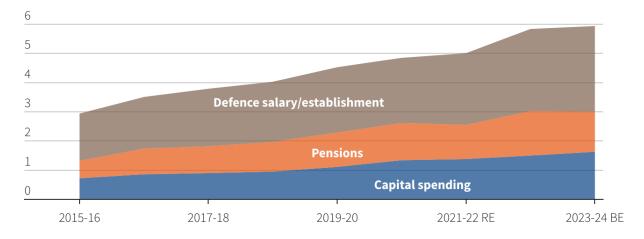
Military spending by a country shows, apart from its economic might, its strategic intent and perception of threats. **India proposed 5.94 trillion rupees (USD72.6 billion) in defence spending for the 2023-24 financial year**, 13% up from the previous period's initial estimates, aiming to add more fighter jets and roads along its border.

Finance Minister Nirmala Sitharaman allocated 1.63 trillion rupees for defence capital outlays - an expenditure that would include new weapons, aircraft, warships, and other military hardware, as she unveiled nearly USD 550 billion of total federal spending in the annual budget for 2023-24 starting in April.

India plans to spend near 242 billion rupees (USD3 billion) for naval fleet construction and 571.4 billion rupees (USD7 billion) for air force procurements including more aircraft, the latest budget document showed.

Where is India's defence budget spent?

Establishment costs, salaries and pensions account for the majority of the country's defence budget. *All figures in the chart are in trillion Indian rupees.*



Note: BE: Budget estimaes, RE: Revised estimates Source: Budget documents | Reuters, Feb. 1, 2023 | By Sumanta Sen

AERO INDIA 2023

Today, India is not just a market for defence companies in the world. India is a potential defence partner today. This partnership is even with those nations that are much ahead in defence sector, nations that are looking for a dependable partner for their defence requirements. Aero India reflects new approach of New India.

There was a time when it was considered just a show. In past few years, the nation has changed this perception. Aero India focusses on scope of Indian defence industry & self-confidence.





UAE: Response Plus Holding PJSC signs MoU with Hindustan Aeronautics Limited during Aero India 2023

Aero India 2023 is held this year under the theme 'The runway to a billion opportunities'

One of the **largest integrated private health care service providers** in the Middle East and beyond Exploring together new opportunities for cooperation in the areas of

- Emergency Medical Services
- Medical Evacuation
- Helicopter Emergency Medical Services

Mr Mattar Salem Ali Al Dhaheri, Under Secretary at the Ministry of

Mr Mattar Salem Ali Al Dhaheri, Under Secretary at the Ministry of Defence, UAE called on General Anil Chauhan, Chief of the Defence Staff on the side-lines of Aero India 2023 and discussed issues and opportunities for greater bilateral defence collaboration.





UIBC EVENTS

LAUNCH OF UAE CHAPTER OF UAE-INDIA BUSINESS COUNCIL (UIBC-UC)





UPCOMING EVENTS



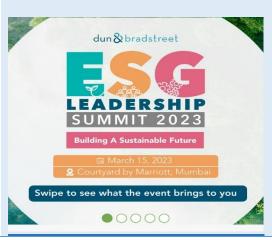
13th March 2023



15th - 17th March 2023



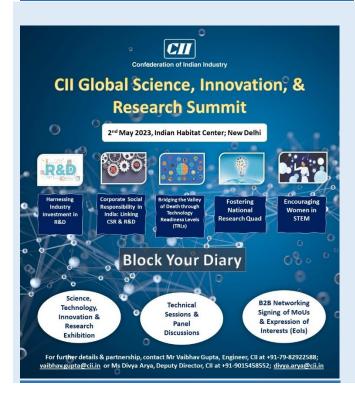
15th March 2023



15th March 2023

startupgrind

15th March 2023



2nd May 2023



27th - 28th July 2023

ABU DHABI INTERNATIONAL FOOD

EXHIBITION

avec directly likely l

27th-29th November 2023





ABOUT US

UAE-India Business Council (UIBC) is the only Official Join Business Chamber set up by both the Governments for promoting economic synergy between the UAE and India. UIBC was formally launched by His Highness Sheikh Abdullah bin Zayed Al Nahyan, UAE Minister for Foreign Affairs and Smt. Sushma Swaraj, Hon'ble Minister of External Affairs of India during 11th Session of the India-UAE Joint Commission Meeting on 3rd September 2015 in New Delhi.

UIBC aims to create an inclusive bilateral trade environment between UAE and India by linking businesses from both the countries and supporting long term commercial partnerships for developing strategic relationships between businesses and government officials from both the countries.

UIBC acts towards promoting investment promotion and business collaborations / JVs between UAE and Indian businesses by organizing B2B networking meetings, policy forums and investment focused events, delegations, and other facilities required to succeed. It serves to provide a voice and visibility to the various stakeholders in UAE-India economic space and work towards promoting trade and investment, job creation, innovation, inclusion, and entrepreneurship between the UAE and India.

OUR MISSION

- To act as a catalyst engaged in exchange of ideas intended to promote the economic synergy between the UAE and India
- To serve as the direct link between business and government leaders of both the countries
- To work towards providing the critical first 'home-away-from-home' with a network of Government, Policy Makers, Business Leaders, and Industry contacts supported by highly skilled secretariat.
- Providing a voice and visibility to the various stakeholders in UAE-India economic space
- To work towards promoting trade and investment, job creation, innovation, inclusion, and entrepreneurship between the UAE and India



UAE- India Business Council (UIBC)

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