

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2880
TO BE ANSWERED ON 3rd AUGUST, 2022

FTA WITH UAE

2880. SHRI NITESH GANGA DEB:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether India has signed a Free Trade Agreement (FTA) with United Arab Emirates (UAE) to boost trade between the two countries;
- (b) if so, the details of products identified by both the countries under FTA;
- (c) whether any target has to be achieved by both the countries by the year 2025; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

- (a):** Yes. India and the United Arab Emirates (UAE) signed the Comprehensive Economic Partnership Agreement (CEPA) on 18th February, 2022, on the side-lines of the India-UAE Virtual Summit, to boost trade between the two countries. The India-UAE CEPA entered into force on 01 May 2022.
- (b):** The India-UAE CEPA is a comprehensive agreement, which covers, *inter-alia*, Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Customs Procedures, Pharmaceutical products, Government Procurement, Intellectual Property, Investment and Trade, Digital Trade and Cooperation in other Areas.

The CEPA between India and the UAE covers almost all the 8-digit Harmonized System (HS) tariff lines of India (11,908) and the UAE (7,581) respectively. India will benefit from preferential market access provided by the UAE on over 97 % of its tariff lines which account for 99% of Indian exports to the UAE in value terms.

Labour-intensive sectors such as Gems and Jewellery, Textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, medical devices, and Automobiles are expected to be among the top gainers for India. Tariff concessions offered to the UAE by India, especially on raw materials and intermediate products such as crude petroleum, certain petrochemicals, and Gold, will in turn reduce the input costs for the downstream labour-intensive industries like Gems & Jewellery and Plastics, and provide a boost to domestic manufacturing of these downstream products.

Summary of tariff Concessions Exchanged between India and the UAE

Tariff modality	India		UAE	
	No of lines (HS 8-digit level)	% of total lines	No of lines (HS 8-digit level)	% of total lines
TEI	7694	64.61%	6090	80.33%
TEP (in 5/7/10 years)	2401	20.16%	1269	16.74%
TR/TRQ	656	5.51	35	0.46%
Exclusion	1157	9.72	187	2.47%
Total lines	11908	100%	7581	100%
Description of Tariff Modalities: TEI: Tariff Elimination Immediate; TEP: Tariff Elimination Phased; TR: Tariff Reduction; TRQ: Tariff Rate Quota				

Schedules of Specific Tariff Commitments of India and the UAE, respectively, on Trade in Goods under the India-UAE CEPA are available in public domain at:

<https://commerce.gov.in/wp-content/uploads/2022/03/Chapter-2-Annex-2A-Copy-of-India-UAE-CEPA-Final-Offer-to-UAE-Schedule-of-Tariff-Concessions-As-shared-on-20.12.21-1045AM.pdf>

<https://commerce.gov.in/wp-content/uploads/2022/03/Chapter-2-Annex-2B-Final-UAE-Revised-Market-Access-Offer-2118-Dec-18-2021.pdf>

As regards trade in services, while India has committed around 100 sub-sectors, the UAE has committed around 111 sub-sectors from the 11 broad service sectors such as ‘business services’, ‘communication services’, ‘construction and related engineering services’, ‘distribution services’, ‘educational services’, ‘environmental services’, ‘financial services’, ‘health related and social services’, ‘tourism and travel related services’, ‘recreational cultural and sporting services’ and ‘transport services’.

Schedules of Specific Commitments of India and the UAE, respectively, on Trade in Services are also available in public domain at:

[Chapter-8-Annex-8A.pdf \(commerce.gov.in\)](https://commerce.gov.in/wp-content/uploads/2022/03/Chapter-8-Annex-8A.pdf)

<https://commerce.gov.in/wp-content/uploads/2022/03/Chapter-8-Annex-8B.pdf>

- (c) & (d): Bilateral trade in goods is projected to increase from around USD 60 billion (in FY 2019-20) to USD 100 billion annually within five years of implementation of the India-UAE CEPA.
