

India's auto, pharma, engineering exports to UAE set to grow through trade pact: Govt

Synopsis

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The government on Monday said that [India](#)'s automobile exports to the United Arab Emirates are projected to increase \$160 million in the next five years while [engineering](#) exports are seen growing 10% in the first two years and 15% in the next three years at \$7 billion, \$8 billion and \$9.2 billion in FY25, FY26, and FY27, respectively due to the Comprehensive Economic Partnership Agreement (CEPA) that the two sides have inked.

India and the [UAE](#), on Friday, signed the CEPA or a free trade agreement (FTA) that covers goods, services, investment, digital trade, government procurement, and rules of origin, among other areas.

"After India gets the FTA benefit, the average per-unit price for India manufactured vehicles will reduce to \$ 12,218 from \$12,829 which should benefit us," the commerce and industry ministry said in a statement.

Exports of plain gold jewellery and gold studded jewellery would increase to \$10 billion in 2023 and the tariff concessions offered to the UAE by India in products like gold will reduce the [import](#) cost of inputs, according to the ministry.

"The expected growth (CAGR of 26-28%) of pharmaceuticals and medical devices in the next five years can touch over \$1 billion," it said.

The CEPA has an annex on pharmaceuticals aimed to facilitate access of Indian pharmaceuticals products, especially automatic registration and marketing authorisation of Indian generic medicines in 90 days.

"UAE's local formulation industry is developing fast, India may have a chance of increasing APIs (Active Pharmaceutical Ingredient) much faster now," the ministry said, adding that the UAE plans to become a global regional distribution hub of Pharmaceuticals by 2030, which can "greatly benefit India".

An additional increase in textile exports is projected at \$2 billion over the next five years while that in agricultural products is seen at \$850 million.

On the services front, mutual recognition of professional and skilled services will enable jobs in education, health, travel and tourism, professional services in nursing, engineering and accounting, among others, as per the government.

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