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Title of PhD Thesis: India and UAE Economic Relations Since 2000

Abstract

Key Words: Trade, Investment, Energy Security, Private Sector, Bilateral/Multilateral Relations

Abstract: This study seeks to describe various aspects of the economic relationship between the Republic of India and the United Arab Emirates (UAE) since the turn of the century. Major aspects of the relationship under the study include analysis of mutual trade, investment, energy relations, factor movement, private sector and multinationals, etc., among others. Civilizational linkage between the ancient inhabitants of India and the United Arab Emirates (UAE) was strong, and economic exchange between them was based on the barter system. During the modern era of 20th century, Indo-UAE economic and commercial relations became multifaceted. But ever since the two nations have gotten their full political independence from the same colonizer, economic relations between them flourished to serve their respective national interests. Liberalization of the external sector of the respective economy since the beginning of the 21st century has created the requisite conducive environment for the mutual economic relationship to enter into a new phase of unprecedented, exceptional and exponential growth in quantitative terms.

The time series analysis of the relationship for a period of over one and a half decade brings forth some interesting patterns and reveals underlying trends; this not only help to understand the nature of economic interdependence and movement of economic variables between the two countries in the past, but it also gives a new

'lens' or 'insight' as to how this relation should be seen and what could be the optimal path of progress in the future. The analysis of India-UAE economic relations attempts to bring forth 'pattern', 'composition' and 'direction' of trade and investments between them. The thesis has also made an assessment of the existing economic policies, underlying complementarities, constraints, global economic climate, regional synergies, energy relations, private sector initiatives, government to government relations, changes in geo-politics, etc. The study has attempted to deliberate on the prospects as well as challenges of the shared future. It has also its recommendation and suggested the way forward.

Thus the thesis addresses diverse issues related to India's economic relations with the United Arab Emirates. The study found existence of a robust economic engagement between India and the UAE. In terms of value, the trade and investments between the two countries has grown significantly during the period under study. Both are one of the top trade and investment partners for each other. Given their geographical proximity, they have been benefited from being 'natural partners'. But, it has been found that the total value of transaction for mutual trade and investment kept fluctuating during the period as they were prone to domestic as well as global uncertainties. Further, although trade is growing in size in absolute terms and the share of both countries is rising in each other's trade profiles, but the comparative advantage of India-UAE as 'natural trade partners' is constantly declining since 2000 as estimated by various trade intensities, which has shown a declining trend since 2000. The study has also found the existence of inadequate institutional mechanisms in trade and investments, and it recommends improvement in the same in order to safeguard the relationship from losing its comparative advantage.