



Original Research Paper

India-UAE Trade Relations: An Econometric Analysis

Dr. Syeeda Khatoon¹, Dr. Syed Asghar Mehdi², Syed Taha Asghar³

¹Associate Professor, Economics Section, Women's College, Aligarh Muslim University, Aligarh, Uttar Pradesh, India – 202002

Email: syeedaasghar@hotmail.com

ORCID: 0000-0002-5859-3561

²Professor, Department of Hospitality and Tourism Management, Faculty of Management and Commerce, Mangalayatan University, Aligarh, Address: Extended NCR, 33rd Milestone, Aligarh-Mathura Highway, Beswan, Aligarh, Uttar Pradesh, India – 202146

Email: syed.mehdi@mangalayatan.edu.in

ORCID: 0009-0005-2070-3445

³Student, B.Tech. (Mathematics and Computing), Department of Applied Mathematics, Delhi Technological University, Bawana Road, Delhi, India – 110042

Email: syedtahaasghar@gmail.com

Abstract

In the 1970s, annual trade between India and the United Arab Emirates amounted to approximately \$180 million and largely consisted of traditional commodities such as dates, pearls, and fish. With the modernization of UAE economy leading to dramatic improvement in the relations between the two countries in the last ten years thereby becoming UAE as India's third-largest trading partner. The visit of Prime Minister Narendra Modi to the United Arab Emirates in 2015 marked a significant milestone in bilateral relations, as it was the first visit by an Indian Prime Minister to the UAE in 34 years. India and UAE also signed Comprehensive Economic Partnership Agreement (CEPA) in February 2022, and the agreement was effective from May 2022 paving the way for strengthening economic and strategic partnership. The paper has analyzed the export and import trends, trade balance. The study tried to analyse the economic relationship by applying log-linear model and log-lin model. The study applied basic form of Gravity Model. The future values of exports and imports trends are predicted by applying Forecast linear and Forecast ETS.

Keywords: India-UAE Trade, Log-linear model, Log-lin model, Basic Gravity Model, Forecast linear and Forecast ETS.

Introduction

Over the past few decades, economic relations between India and United Arab Emirates have undergone a remarkable transformation. What began in the 1970s as a modest exchange of traditional goods such as dates, pearls, and fish—valued at approximately \$180 million annually—has evolved into one of the most dynamic bilateral trade relationships in the global economy. In recent years, the UAE has emerged as one of India's major trading partners, with total trade reaching unprecedented levels and reflecting the deepening integration of the two economies.

A significant turning point in this relationship was the visit of Narendra Modi to the UAE in 2015, which revitalized diplomatic and economic engagement after a long hiatus. This momentum was further strengthened by the signing of the Comprehensive Economic Partnership Agreement (CEPA) in February 2022, which came into effect in May 2022. The agreement represents a modern and comprehensive

framework that extends beyond trade in goods to include services, investment, digital trade, and regulatory cooperation. By reducing tariffs, easing market access, and enhancing institutional coordination, the CEPA aims to foster greater economic collaboration and expand trade volumes between the two nations.

The growing partnership is also supported by strong complementarities between the two economies. While India offers a large consumer base, a youthful workforce, and competitiveness in services and manufacturing, the UAE provides advanced infrastructure, strategic geographic positioning, and substantial investment capacity. Additionally, the UAE serves as a crucial gateway for India's trade with regions such as the Gulf Cooperation Council (GCC), Africa, and Europe, thereby amplifying its importance in India's external sector.

Despite these positive developments, certain challenges persist, particularly with regard to the balance of trade and the sustainability of export

*Corresponding Author:

Received: 25th July, 2026 | Revised: 26th August, 2026 | Accepted: 30th August, 2026 | Available Online: 2nd September, 2026

(DOI): 10.70102/AEJ.2026.18.4s.126

growth. Understanding the evolving dynamics of exports, imports, and overall trade patterns is therefore essential for assessing the effectiveness of recent policy initiatives such as the CEPA. In this context, the present study seeks to examine the trends and determinants of bilateral trade between India and the UAE using appropriate econometric techniques, while also exploring future trade prospects.

Research Background

In the 1970s, annual trade between India and the United Arab Emirates amounted to approximately \$180 million and largely consisted of traditional commodities such as dates, pearls, and fish. At that time, the remarkable expansion of this bilateral economic relationship was difficult to foresee. In contrast, contemporary trade relations have evolved significantly, with total bilateral trade reaching a historic value of \$100.06 billion in the fiscal year 2024–25. Furthermore, in January 2026, both countries articulated an ambitious objective of increasing this figure to \$200 billion by 2032. This transformation reflects not merely the growth of trade volumes but also the development of a sophisticated and strategically structured economic partnership between the two nations (Ministry of Commerce, GOI, 2022).

India's relations with the United Arab Emirates (UAE) have improved dramatically during the last ten years in various areas. Engagement with West Asia has been strategically prioritized by India's "Think West" policy, and the UAE has emerged as a key player in this outreach in the Gulf (Singh Verma & Shahanas, 2025). Additionally, Indian expats send billions of dollars to India every year—more than \$83 billion in 2020 alone—helping to improve healthcare, education, and poverty back home (Aryal, 2024).

The visit of Prime Minister Narendra Modi to the United Arab Emirates in 2015 marked a significant milestone in bilateral relations, as it was the first visit by an Indian Prime Minister to the UAE in 34 years. This engagement paved the way for deeper economic cooperation between the two nations. The Comprehensive Economic Partnership Agreement (CEPA) was negotiated in a remarkably short period of 88 days, making it one of the fastest trade agreements ever concluded. The UAE also increasingly viewed India as a reliable and stable strategic partner in the region. Notably, the India–UAE CEPA represents India's first comprehensive trade agreement with a country in West Asia. The agreement comprises 18 chapters and 11 annexes and provides for the elimination of tariffs on several products from the outset, while tariffs on other goods are scheduled to be gradually reduced over time (Ministry of Economy and Tourism, UAE, 2026).

The agreement represents a modern, twenty-first century trade framework that extends beyond trade in goods to include services, intellectual property, digital trade, and government procurement. It also facilitates cross-border payments through initiatives such as the Digital Rupee–Dirham mechanism. As part of its provisions on trade in services, the agreement includes clauses on the Movement of Natural Persons, enabling greater professional mobility between the two countries and strengthening India's strategic presence in the West Asian region. Following its implementation, India's exports—particularly gems and jewelry and telecommunications equipment—reached USD 27.4 billion in 2023–24, while imports from the UAE remained largely dominated by petroleum and precious metals. India also holds a competitive advantage in the pharmaceutical sector. Under the agreement, medicines approved by major international regulators such as the US FDA and the European Medicines Agency are automatically recognised in the UAE, eliminating duplicate testing and providing Indian exporters faster access to West Asia's healthcare market. Additionally, the agreement promotes mutual recognition of accredited laboratory testing and cooperation on sanitary and phytosanitary standards to facilitate smoother trade (Singh, et al, 2025).

With the expansion of cross-border trade and employment between India and the United Arab Emirates following the signing of the CEPA, taxation issues may arise when income is generated across both jurisdictions. To address such complexities, the India–UAE Double Taxation Avoidance Agreement (DTAA) was established to prevent individuals and businesses from being subject to taxation in both countries on the same source of income (Shethana, 2025).

Maritime trade between India and the United Arab Emirates (UAE) has grown substantially in recent years, supported by geographical proximity, strong port infrastructure, and favorable bilateral trade agreements. Sea transport through the Gulf of Oman provides a reliable and cost-efficient logistics channel, making maritime freight a preferred option for exporters and importers engaged in cross-border trade. Both countries have significantly modernized their port infrastructure. Major Indian ports such as Mumbai (JNPT), Chennai, Kolkata (Haldia), and Nhava Sheva maintain strong connectivity with key UAE ports including Jebel Ali (Dubai), Khalifa Port (Abu Dhabi), and Hamriyah Port (Sharjah). Equipped with advanced cargo-handling systems and efficient customs facilities, these ports ensure faster processing, reduced congestion, and improved supply-chain reliability. Sea freight remains the most economical mode of transport for large-volume cargo, often costing 60–70 percent less than air freight. Containerized shipping, along

with regular sailing schedules, further enhances logistical efficiency by reducing damage risks and ensuring predictable shipping capacity (Harper, 2026). With regard to knowledge transfer and the mobility of migrant professionals, the CEPA framework facilitates the expedited issuance of visas, thereby promoting smoother movement of skilled personnel between the two countries. This provision is particularly significant as the United Arab Emirates remains the most preferred overseas destination for Indian nationals, with more than 3.5 million Indians residing in the country as of 2024. Following the implementation of CEPA, approximately 240,000 Certificates of Origin have been issued, indicating substantial interest among producers and exporters in both countries to avail themselves of the tariff concessions provided under the agreement (Waziri, 2025).

In order to maximize the advantages arising from the UAE–India Comprehensive Economic Partnership Agreement (CEPA), the UAE–India CEPA Council has undertaken several collaborative initiatives with Indian industry bodies. In partnership with the Indian Chamber of Commerce, the Council organized a business roundtable in Odisha to promote trade and investment opportunities under the agreement. Similarly, in collaboration with the Bihar Industries Association (BIA), another business roundtable was convened to enhance awareness and engagement among regional businesses. Additionally, the UAE–India CEPA Council formalized its cooperation by signing a Memorandum of Understanding with the Indian Chamber of Commerce in Kolkata (UAE–India CEPA Council, 2024).

Both governments have actively worked to resolve challenges encountered by exporters through regular high-level engagements and technical consultations among officials, ever since the signing of the agreement. In this context, the inauguration of the Bharat Mart initiative by the Prime Minister of India in Dubai is expected to serve as a comprehensive platform for Indian manufacturers to showcase and distribute their products to global markets, thereby strengthening export promotion. Overall, the India–UAE CEPA has ushered in a new phase of economic cooperation and diplomatic engagement between the two countries by supporting the growth of MSMEs, facilitating employment generation, and expanding business and investment opportunities (Dayal and Narayanan, 2025).

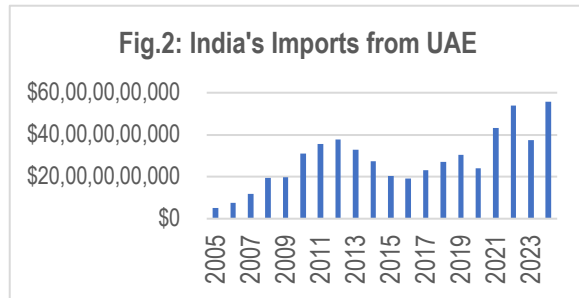
From an export perspective, the CEPA has expanded opportunities for Indian businesses beyond the UAE market. With improved tariff access, the UAE increasingly functions as a strategic gateway for Indian exports to the Gulf Cooperation Council (GCC), Africa, and parts of Europe. This development is particularly advantageous for small and medium

enterprises (SMEs), as simplified regulations and cost advantages facilitate their integration into global value chains. Investment relations have also strengthened significantly. The UAE emerged as India's fourth-largest foreign investor, contributing approximately USD 3.35 billion in 2023–24 in sectors such as logistics, renewable energy, fintech, and infrastructure, while Indian firms invested about USD 1.16 billion in the UAE. By liberalizing investment frameworks and encouraging joint ventures in advanced sectors—including semiconductor design, green hydrogen, artificial intelligence, and defence manufacturing—the CEPA has deepened economic cooperation. Additionally, the agreement has supported the development of new logistics corridors and technological partnerships and is expected to generate over one million jobs in India, particularly in export-oriented and MSME sectors (Singh, 2025).

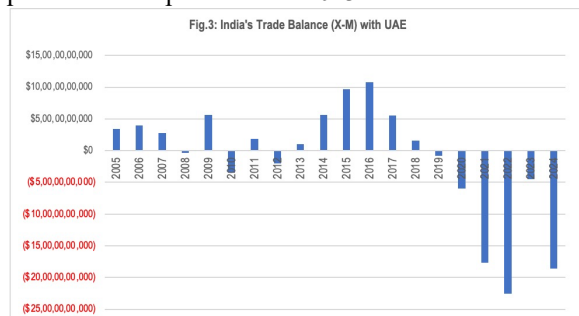
Research Gap: United Arab Emirates (UAE), has economic and strategic importance for India, moreover India has also signed Comprehensive Economic Partnership Agreement (CEPA) in February 2022 and went into effect in May 2022. Despite the region's relevance, few studies have evaluated CEPA's economic effects.



Source: UN Comtrade (<https://comtradeplus.un.org/>)
If we analyze the trajectory of India's exports to UAE. Fig.1 shows India's exports to UAE. India's exports to UAE shows increasing trend from 2005 to 2011, after 2011, it started declining and a sharp fall is felt during the covid 19 pandemic. India-UAE Comprehensive Economic Partnership Agreement (CEPA), which was signed in February 2022 and went into effect in May 2022, after that our exports shows a continuous increasing trend. From 2022 to 2023, India's exports to UAE increased by 5.42 percent and from 2023 to 2024, India's exports showed 12.36 percent increase. India UAE CEPA has positive impact on our exports.



Source: UN Comtrade (<https://comtradeplus.un.org/>) Similarly, if we analyze the trajectory of India's imports from UAE which is reflected by bar graph in Fig 2. The imports from UAE to India showed increasing trend from 2005 to 2012, from 2012 imports from UAE starts declining till 2016, afterwards imports from UAE started increasing till 2019, after 2019 India's imports from UAE fluctuates on yearly basis. It dropped in 2020, picked up in 2021 and 2022, again as compared to 2022, it dropped in 2023 by 30.2 percent and increased in 2024 by 48.4 percent in comparison with 2023.



Source: UN Comtrade (<https://comtradeplus.un.org/>) After analyzing the trends in India's exports to UAE and India's imports from UAE. It's important to analyze its impact on trade balance. The favorable balance of trade reflects soundness of our foreign exchange position which is also an indication of sound position of an economy. Fig.3 shows India's trade balance with UAE. India's trade balance with UAE showed fluctuating trend before the signing of CEPA, trade balance is negative in 2008, 2010 and in 2012 but in 2019 and afterwards it continuously showed negative trend. At the time of the signing of CEPA with UAE in 2022 India is facing the problem of adverse balance of trade Equivalent to \$22,528,648,751 which has declined to \$4,519,461,570 but again increased to \$18,631,370,492 in 2024 with UAE meaning thereby that India's exports to UAE in value terms is less as compared to India's imports from UAE in value terms which is a point of concern for India. India learns to reap the benefit of trade agreement by increasing its exports to UAE in value terms more than the value of imports from UAE. India can take the leverage by focusing on India's traditional exports—such as

textiles and apparel, jewelry, pharmaceuticals, agricultural products, and gems. India works on to increase the quality of export items to make them competitive in the UAE as well as in the world market.

Research Methodology

The study uses 'Log Linear or Double Log Model' for measuring India's exports and imports to UAE with respect to unit percentage change in GDP; also uses 'The Log-Lin Model' measuring growth rate of India's exports and imports over the time period, 2005 – 2024. The study further uses the Gravity Model and finally evaluates the Linear and ETS Forecasting over the next ten years till 2034. The models and forecasting are detailed below

Log Linear or Double Log Model

As the series is stationary at first difference so regression of first difference of natural log of exports from India to UAE against first difference of natural log of GDP of India during the period of 2005-2024.

$$\ln Y_{it} = -0.03 + 1.32 \ln GDP_{it} + \epsilon_{it}$$

Where

Y_{it} = India's exports to UAE in time period t

GDP_{it} = India's GDP in time period t

ϵ_{it} = Error term capturing unobserved factors in time period t

In the above model slope coefficient measures the elasticity of India's exports to UAE with respect to India's GDP. The slope coefficient value is 1.32 which implies that if GDP of India increases by unit percentage point, India's exports to UAE increases by 1.32%. The elasticity of India's exports to UAE with respect to unit percentage change in GDP is more than one. Which means that with the proportionate increase in India's GDP, the proportionate increase in India's exports to UAE will be more than the proportionate increase in India's GDP.

But if we regress first difference of natural log of exports from UAE to India against first difference of natural log of GDP of UAE

$$\ln Y_{jt} = 0.03 + 1.59 \ln GDP_{jt} + \epsilon_{jt}$$

Where

Y_{jt} = India's imports from UAE in time period t

GDP_{jt} = UAE's GDP in time period t

ϵ_{jt} = Error term capturing unobserved factors in time period t

In the above model slope coefficient measures the elasticity of India's imports from UAE with respect to UAE's GDP. The slope coefficient value is 1.59 which implies that if GDP of UAE increases by unit percentage point, India's imports from UAE increases by 1.59%.

The results of above double log model reflect that elasticity of import from UAE with respect to GDP of

UAE is higher as compared elasticity of India's exports to UAE with respect to GDP of India. With the economic expansion in both the countries imports from UAE are projected to increase more as compared to India's exports to UAE, which is a point of concern keeping into consideration already precarious balance of trade condition.

Measuring Growth Rate (The Log-Lin Model)

The regression of natural log of exports from India to UAE with respect to time shows the growth rate of India's exports to UAE.

$$\ln Y_t = 23.52 + 0.041 t + \varepsilon_{it}$$

Where

Y_{it} = India's exports to UAE in time period t

t = Time period (2005-2024)

ε_{it} = Error term capturing unobserved factors in time period t

In this model the slope coefficient measures the constant proportional or relative change in Y for a given absolute change in the value of regressor. The value of slope coefficient is multiplied by 100 in order to find out the growth rate in India's exports to UAE with respect to years. The value of slope coefficient is 0.041 and if the slope coefficient is multiplied by 100 the value becomes 4.1%, which implies that there is 4.1% growth in India's exports to UAE from the year 2005 to 2024. This is showing instant growth rate. If we want to calculate the value of compound growth rate, we take the antilog of the slope coefficient which 1.04 (Anti log 1.089) subtracting 1 and multiplying by 100 gives the compound growth rate, which is also 4%. The instant and compound growth rate in India's exports to UAE with respect to time is around 4%.

Similarly, if we regression of natural log of India's imports from UAE with respect to time

$$\ln Y_{jt} = 23.11 + 0.076 t + \varepsilon_{jt}$$

Where

Y_{jt} = India's imports from UAE in time period t

t = Time period (2005-2024)

ε_{jt} = Error term capturing unobserved factors in time period t

In this model the slope coefficient measures the constant proportional or relative change in Y for a given absolute change in the value of regressor. The value of slope coefficient is multiplied by 100 in order to find out the growth rate in India's imports from UAE with respect to years. The value of slope coefficient is 0.076 and if the slope coefficient is multiplied by 100 the value becomes 7.6%, which implies that there is 7.6% instant growth in India's imports from UAE from the year 2005 to 2024. This is showing instant growth rate. If we want to calculate the value of compound growth rate we take the antilog

of the slope coefficient which 1.079 subtracting 1 and multiplying by 100 gives the compound growth rate, which is 7%. The results of the above model shows that instant and compound growth rate in India's imports from UAE is much higher than India's exports to UAE. In future, India's imports from UAE will increase more than India's exports to UAE.

Commodity composition of India's Exports to UAE

The major commodities which are exported from India are Mineral fuels, oils, distillation products (\$8.62B), Pearls, precious stones, metals, coins (\$7.30B), Electrical, electronic equipment (\$3.50B), Machinery, nuclear reactors, boilers (\$1.63B), Aircraft, spacecraft (\$1.62B), Tanning, dyeing extracts, tannins, derivatives, pigments (\$1.16B), Ships, boats, and other floating structures (\$964.62M), Vehicles other than railway, tramway (\$958.15M), Articles of iron or steel (\$742.64M), Iron and steel (\$683.79M), Articles of apparel, knit or crocheted (\$619.66M), Articles of apparel, not knit or crocheted (\$584.52M), Organic chemicals (\$579.07M), Coffee, tea, mate and spices (\$533.97M), Cereals (\$503.70M), Plastics (\$466.91M), Tobacco and manufactures tobacco substitutes (\$421.74M), Paper and paperboard, articles of pulp, paper and board (\$373.85M), Essential oils, perfumes, cosmetics, toiletries (\$347.94M), Meat and edible meat offal (\$333.31M), Other made textile articles, sets, worn clothing (\$291.29M), Edible fruits, nuts, peel of citrus fruit, melons (\$278.58M), Optical, photo, technical, medical apparatus (\$271.27M), Inorganic chemicals, precious metal compound, isotope (\$241.16M) in 2024

(Source: Trading Economics, <https://tradingeconomics.com/india/exports/united-arab-emirates>).

Commodity composition of India's imports from UAE

Pearls, precious stones, metals, coins (\$25.98B), Mineral fuels, oils, distillation products (\$22.79B), Aircraft, spacecraft (\$2.03B), Plastics (\$1.02B), Copper (\$877.32M), Salt, sulphur, earth, stone, plaster, lime and cement (\$837.55M), Aluminum (\$468.18M), Ships, boats, and other floating structures (\$293.21M), Fertilizers (\$217.44M), Edible fruits, nuts, peel of citrus fruit, melons (\$125.20M), Electrical, electronic equipment (\$111.33M), Inorganic chemicals, precious metal compound, isotope (\$109.44M), Machinery, nuclear reactors, boilers (\$85.58M), Pulp of wood, fibrous cellulosic material, waste (\$69.79M), Articles of iron or steel (\$68.88M), Iron and steel (\$65.85M), Lead (\$62.59M), Miscellaneous articles of base metal (\$48.02M), Vehicles other than railway, tramway (\$37.39M), Optical, photo, technical, medical

apparatus (\$32.79M), Organic chemicals (\$30.45M), Knitted or crocheted fabric (\$29.17M), Ores slag and ash (\$26.90M), Essential oils, perfumes, cosmetics, toiletries (\$26.74M) in 2024

(Source: **Trading Economics**, <https://tradingeconomics.com/india/imports/united-arab-emirates>)

Gravity model

The gravity-based model of trade was drawn from Newton's universal gravitation law (1687). According to the law, two points are drawn to each other by the gravitational attraction. It has a negative correlation with the square of the distance between items and a positive correlation with their mass. The dependent variable in the equation is T_{ijt} while the independent variables are the geographic distance and economic size of the nations. In its most basic form, the model uses the economic size of partner nations and the gap between two capitals to clarify the volume of trade between countries i and j . Economic scale is predicted to have a beneficial impact on trade, whereas distance is predicted to have a negative impact. If the economic size of the countries trading with each other is larger, it will have a beneficial impact on trade and if the distance between the trading countries increases, it will have negative impact on trade between the trading countries. Furthermore, the equation includes constant M , which captures impacts that are independent of national boundaries, such as global liberalization.

$$T_{ijt} = M \left(\frac{GDP_{it} * GDP_{jt}}{Distance} \right)$$

The gravity model was used in trade analysis by (Tinbergen, 1963). Due to its effective use in examining how different policy factors affect international trade cooperation, the model has come to be called the workhorse for international trade (Anderson & Van Wincoop, 2003).

$$T_{ijt} = M \left(\frac{GDP_{it}^{\beta_1} * GDP_{jt}^{\beta_2}}{DIST_{ij}^{\beta_3}} \right)$$

$$\ln T_{ijt} = \beta_0 + \beta_1 \ln GDP_{it} + \beta_2 \ln GDP_{jt} - \beta_3 \ln DIST_{ij} + \epsilon_{ijt}$$

- T_{ijt} : Bilateral trade flow between country i and j in year t or total trade turnover.
- GDP_{it}, GDP_{jt} : Gross Domestic Product of the exporter and importer in year t
- $DIST_{ij}$: Geographic distance between the capital cities of countries i and j
- ϵ_{ijt} : Error term capturing unobserved factors

Results of the Gravity Model

Regression of log of Total combined trade flows against log GDP of India, log GDP of UAE, log distance between India and UAE

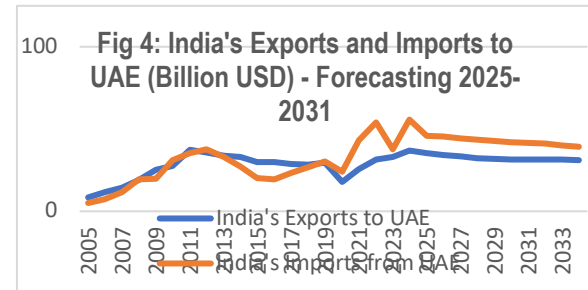
$$\ln T_{ijt} = -14.41 + (-0.204) \ln GDP_{it} + 1.86 \ln GDP_{jt} - 0.635 \ln DIST_{ij} + \epsilon_{ijt}$$

Total trade turnover is our dependent variable or target variable, the slope coefficient of India's GDP is (-0.204) , The slope coefficient value is -0.204 which implies that if GDP of India increases by unit percentage point, The total trade turnover declines by 0.2% . Which means that with the proportionate increase in India's GDP, the proportionate increase in total trade turnover will be less than the proportionate increase in India's GDP. It means in total trade turnover, the share of UAE exports to India is much higher than India's exports to UAE meaning thereby that variation in total trade turnover is more correlated by UAE GDP than with India's GDP. If the GDP of UAE increases by unit percentage point the total trade turnover increases by 1.86% . If the distance between the two countries increase's by 1 kilometer, total trade turnover declines by 0.6% .

Forecast Linear and forecast ETS

Forecast linear predicts the future values along the linear trend while forecast ETS predicts future values along Exponential triple smoothing. Exponential triple smoothing algorithm estimate trend, estimate seasonality, give more weight to recent data points (decline exponentially). Linear forecast predicts future values by using existing values by applying linear regression. The Forecast ETS predicted values is in continuation of the historical values in the specified target date, which should be a continuation of timeline. The function requires the timeline to be organized with constant steps between different data points.

Forecast Linear



Above figure shows the results of forecast linear. As forecast linear predicts the future values along the linear trend. The results of linear forecast shows that India's imports from UAE shows gradual decline till 2024 whereas India's exports to UAE declines till 2029 afterwards it is stable around 31 billion USD.

The gap between exports and imports will also gradually decline.

Forecast ETS



Forecast ETS is superior than Forecast linear estimate trend by taking into account seasonality and also gives more weight to recent data points which declines exponentially. If we interpret the results of Forecast ETS than India's imports from UAE will continuously increase except a slight decline from 2028 to 2029 whereas forecast ETS value of India's exports to UAE will increase till 2028 reaching the value of 40.06 billion USD afterwards it slightly declined reaching the value of 36.42 billion USD in 2034. Forecast ETS which is a superior forecasting technique than Forecast linear showing a widening gap between exports and imports till 2034 which is definitely a point of concern keeping in account already precarious balance of trade position between the two countries.

Conclusion

Since 1970 India's trade with UAE diversified and also the volume of trade between the two countries increased during the course of time. The traditional commodities such as dates, pearls, and fish were included in the trade basket in 1970. The volume of trade has increased from \$180 million in 1970 to \$92,838,328,694 million in 2024. The major commodities which are exported from India in 2024 are Mineral fuels, oils, distillation products (\$8.62B), Pearls, precious stones, metals, coins (\$7.30B), Electrical, electronic equipment (\$3.50B), Machinery, nuclear reactors, boilers (\$1.63B), Aircraft, spacecraft (\$1.62B), Tanning, dyeing extracts, tannins, derivatives, pigments (\$1.16B). The major commodities which are imported from India in 2024 are Pearls, precious stones, metals, coins (\$25.98B), Mineral fuels, oils, distillation products (\$22.79B), Aircraft, spacecraft (\$2.03B), Plastics (\$1.02B). Since 2019, India is facing the problem of adverse balance of trade which is definitely a point of concern for India. The log linear model result shows that if GDP of India increases by unit percentage point, India's exports to UAE increases by 1.32%. But if GDP of UAE increases by unit percentage point, India's imports from UAE increases by 1.59%. There is 4.1% instant

growth rate in India's exports to UAE from the year 2005 to 2024 and the compound growth rate is 4%. There is 7.6% instant growth in India's imports from UAE from the year 2005 to 2024 and the compound growth rate is 7%. The growth rate India's imports from UAE much higher than India's exports to UAE. The results of Gravity Model shows that total trade turnover increases with the increase in UAE GDP because in value terms India's imports from UAE is much higher than India's exports to UAE. Forecast Linear and forecast ETS results shows that deficit in trade balance will persist till our forecast period of 2034. Forecast ETS is superior than Forecast linear. The results of Forecast ETS shows that trade gap widened with passage of time (2034).

References

1. Aryal, S. K. (2024). India and Central Asia in the Post-Cold War Era: Security, Economic and Socio-Cultural Dimensions. *India and Central Asia in the Post-Cold War Era: Security, Economic and Socio-Cultural Dimensions*, 1–278. <https://doi.org/10.4324/9781003509684>
2. Dayal, A. Narayanan, A. (2025), India-UAE Comprehensive Economic Partnership Agreement completes 3 years of signing, Ministry of Commerce & Industry, GOI, Press Information Bureau, Release ID: 2104450, <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2104450®=3&lang=2>
3. Harper, D. (2026), The Fundamentals of India UAE Sea Shipping: Characteristics, Standards, and Performance, Alibaba, <https://www.alibaba.com/product-insights/india-uae-sea-shipping.html>
4. Ministry of Commerce, GOI, (2022), Comprehensive Economic Partnership Agreement (CEPA) between the Government of the Republic of India and the Government of the United Arab Emirates (UAE), <https://www.commerce.gov.in/international-trade/trade-agreements/comprehensive-economic-partnership-agreement-between-the-government-of-the-republic-of-india-and-the-government-of-the-united-arab-emirates-uae/>

5. Ministry of Economy and Tourism, UAE, UAE-India Comprehensive Economic Partnership Agreement, Overview, https://www.moet.gov.ae/en/cepa_india
6. Shethana (2025), India and UAE Double Tax Treaty - All You Need to Know, Arnifi, <https://arnifi.com/blog/india-and-uae-double-tax-treaty>
7. Singh, R. (2025), India-UAE CEPA: A New Era of Export Potential, Investment Flows, and Strategic Collaboration, <https://localandglobaleco.com/2025/06/27/india-uae-cepa-a-new-era-of-export-potential-investment-flows-and-strategic-collaboration/>
8. Singh, R., Singh, N.K., Arora, M. (2025), India and UAE foster economic ties through CEPA, Bar & Bench, <https://www.barandbench.com/view-point/india-and-uae-foster-economic-ties-through-cepa>
9. Singh Verma, S., & Shahanas, Y. (2025), India-UAE Energy Relations in the age of Renewables: A Study from A Geopolitical Perspective. 1195. https://doi.org/10.18485/iipe_ria.2025.76.1195.4
10. UAE-India CEPA Council (2024), The UAE-India CEPA Council: A platform for growth, <https://cepacouncil.com/>
11. UN Comtrade Database, <https://comtradeplus.un.org/>
12. Waziri, A. (2025), UAE-India CEPA deal creates more win-win scenarios with each year, Gulf News, July 08, 2025, <https://gulfnews.com/business/analysis/uae-india-cepa-deal-creates-more-win-win-scenarios-with-each-year-1.500190640>