

1. India – UAE Relations – International Relations

PM Modi made a landmark diplomatic stopover in UAE, first stop in his five-nation trip to the Netherlands, Sweden, Norway and Italy.

I. Background

India and the United Arab Emirates established diplomatic relations in 1972, marking the beginning of a bilateral partnership that has evolved significantly over past five decades transforming from traditional trade linkages into wide-ranging strategic partnership. The relationship was upgraded to a Comprehensive Strategic Partnership in 2017 recognizing deepening cooperation across political, economic, defence, energy, cultural, and people-to-people dimensions. Prime Minister Modi's landmark diplomatic stopover in UAE as first stop in his five-nation trip to the Netherlands, Sweden, Norway and Italy underscores strategic importance of India-UAE ties in India's foreign policy priorities and neighbourhood diplomacy. The visit produced significant outcomes including MoU on Strategic Collaboration between Indian Strategic Petroleum Reserves Limited and Abu Dhabi National Oil Company for potential ADNOC crude oil storage in India's Strategic Petroleum Reserves up to 30 million barrels, potential storage of crude oil in Fujairah UAE to form part of Indian strategic petroleum reserve, and potential collaboration in Liquid Natural Gas and Liquid Petroleum Gas storage facilities in India strengthening energy security.

Strategic Collaboration Agreement between Indian Oil Limited Company and Abu Dhabi National Oil Company on supplies of Liquefied Petroleum Gas will explore potential opportunities in sale and purchase of LPG including long-term supply and entry into long-term LPG sale and purchase agreement between ADNOC Gas Limited and IOCL strengthening India's long-term LPG supply security. Framework for Strategic Defence Partnership, MoU between Cochin Shipyard Limited and Drydocks World on setting up Ship Repair Cluster at Vadinar Gujarat including offshore fabrication under Maritime Development Fund Scheme, MoU between Cochin Shipyard Limited, Drydocks World and Centre of Excellence in Maritime & Shipbuilding on Skill Development in Ship Repair, Term Sheet for setting up 8 Exaflop Super Computing Clusters in partnership between CDAC India and G-42 UAE paving way for collaboration to set up supercomputing cluster as part of AI Mission India, and investment from UAE to India with Abu Dhabi Investment Authority and National Infrastructure & Investment Fund exploring investments up to US\$1 billion in India's infrastructure sector demonstrate comprehensive nature of bilateral engagement.

Bilateral merchandise trade between two countries crossed US\$100 billion for first time reaching US\$101.25 billion in FY 2025-26 with both sides committed to doubling bilateral trade to US\$200 billion by 2032, while two nations signed Bilateral Investment Treaty in 2024 and cumulative FDI from UAE into India from 2000 to 2025 amounted to US\$25.19 billion making UAE seventh-largest overseas investor in India. In FY 2024-25, UAE stood as fourth largest source of crude oil, third largest source of LNG, largest supplier of LPG and second largest export destination for India's finished petroleum products, with UAE currently being only country participating in India's Strategic Petroleum Reserve programme highlighting energy partnership centrality.

2. Key Outcomes of Prime Minister's Visit

Energy Security Agreements

MoU on Strategic Collaboration between Indian Strategic Petroleum Reserves Limited and Abu Dhabi National Oil Company - Provides potential ADNOC crude oil storage in India's Strategic Petroleum Reserves up to 30 million barrels enhancing India's energy buffer, potential storage of crude oil in Fujairah UAE to form part of Indian strategic petroleum reserve creating reciprocal arrangements, and potential collaboration in Liquid Natural Gas and Liquid Petroleum Gas storage facilities in India diversifying storage infrastructure.

Strategic Collaboration Agreement between Indian Oil Limited and Abu Dhabi National Oil Company on LPG supplies - Explores potential opportunities in sale and purchase of LPG including long-term supply of LPG, and entry into long-term LPG sale and purchase agreement between ADNOC Gas Limited and IOCL, while strengthening India's long-term LPG supply security reducing import vulnerabilities.

Defence and Maritime Cooperation

Framework for Strategic Defence Partnership – Strengthens defence and industrial collaboration enhancing national security cooperation, promotes innovation and technology sharing in defence sector, and enhances bilateral defence trade and joint production initiatives.

MoU between Cochin Shipyard Limited and Drydocks World on Ship Repair Cluster at Vadinar Gujarat – Cooperation includes offshore fabrication under Maritime Development Fund Scheme launched by Government of India, establishes major ship repair facility boosting maritime infrastructure, creates employment opportunities in Gujarat's maritime sector, and positions India as regional ship repair hub.

MoU on Skill Development in Ship Repair – Between Cochin Shipyard Limited, Drydocks World and Centre of Excellence in Maritime & Shipbuilding develops skilled workforce for maritime sector, promotes technology transfer and capacity building, and supports India's Skill India Mission in specialized sectors.

Technology and Infrastructure Partnership

Term Sheet for 8 Exaflop Super Computing Clusters – Partnership between CDAC India and G-42 UAE paves way for collaboration to set up supercomputing cluster as part of AI Mission India, strengthens India's computational capabilities for AI research and development, and positions India as AI innovation hub in global technology landscape.

Investment from UAE to India – Abu Dhabi Investment Authority and National Infrastructure & Investment Fund to explore investments up to US\$1 billion in India's infrastructure sector, supports infrastructure development across roads, ports, airports, urban development, and renewable energy, and demonstrates UAE's confidence in India's growth trajectory and investment climate.

3. Bilateral Ties Between India and UAE

Political Relations

1. India and United Arab Emirates established diplomatic relations in 1972 marking foundation of bilateral partnership.
2. Relationships were upgraded to Comprehensive Strategic Partnership in 2017 recognizing strategic alignment across multiple domains.
3. High-level political engagement includes regular summit meetings, ministerial dialogues, and institutional mechanisms.

Trade and Investment Ties

1. Bilateral merchandise trade between two countries crossed US\$100 billion for first time reaching US\$101.25 billion in FY 2025-26 demonstrating robust economic partnership.
2. Both sides have committed to doubling bilateral trade to US\$200 billion by 2032 reflecting ambitious growth targets.
3. The two nations signed Bilateral Investment Treaty in 2024 providing legal framework for protecting investments and facilitating cross-border capital flows.
4. From 2000 to 2025, cumulative FDI from UAE into India amounted to US\$25.19 billion making UAE seventh-largest overseas investor in India across sectors including infrastructure, real estate, retail, and technology.

Energy Trade Partnership

1. In FY 2024-25, UAE stood as fourth largest source of crude oil meeting significant portion of India's petroleum requirements, third largest source of LNG supporting India's natural gas needs, largest supplier of LPG ensuring cooking fuel security, and second largest export destination for India's finished petroleum products creating two-way energy trade.
2. Currently, UAE is only country participating in India's Strategic Petroleum Reserve programme demonstrating unique energy security partnership.

Defence Cooperation

1. Defence cooperation is steered through Joint Defence Cooperation Committee at Ministry level with signing of Agreement on Defence Cooperation in 2003 coming into effect in 2004.

2. Extradition and mutual legal assistance treaties help combat transnational crime including terrorism, money laundering, and organized crime.
3. Joint military exercises, defence equipment procurement, and technology collaboration strengthen bilateral defence ties.

Space Cooperation

1. Indian Space Research Organisation and UAE Space Agency signed MoU regarding cooperation in exploration and use of outer space for peaceful purposes in 2016.
2. Collaboration includes satellite launches, space technology sharing, and joint research projects.

Indian Community

1. Indian expatriate community of approximately 3.5 million is largest ethnic community in UAE constituting roughly about 35% of country's population.
2. Indian diaspora contributes significantly to UAE's economy across sectors and serves as living bridge between two nations.
3. Regular consular services, community welfare programs, and cultural events strengthen people-to-people ties.

Multilateral Cooperation

1. India and UAE are currently part of several plurilateral platforms such as India-Middle East EU Economic Corridor providing alternative connectivity route, I2U2 (India-Israel-UAE-USA) focusing on food security, water, energy, and technology, and UFI (UAE-France-India) Trilateral promoting cooperation on global issues.

4.Challenges in India-UAE Relations

Trade Imbalances

1. India has trade deficit with UAE primarily due to high oil imports from UAE making economic relationship uneven despite growing non-oil trade.
2. Dependence on energy imports creates vulnerability to global price fluctuations.
3. Need to diversify trade basket beyond traditional commodities.

Geopolitical Tensions in Region

1. Political instability in Middle East and Gulf region affects bilateral relations especially with India's strategic interests in region.
2. Regional conflicts create security challenges for Indian diaspora and economic interests.
3. Balancing relationships with competing regional powers requires diplomatic dexterity.

Labor and Migration Issues

1. India is one of largest sources of migrant labor in UAE and issues related to welfare and rights of Indian workers have been point of concern.
2. Wage disputes, working conditions, and legal protections require continuous attention.
3. Need for stronger institutional mechanisms to address worker grievances.

Foreign Policy Complexities

1. India's relations with countries like Iran and Pakistan sometimes complicate its relations with UAE which maintains different strategic priorities in region.
2. Navigating regional alliances while maintaining independent foreign policy requires careful diplomacy.
3. Divergent positions on regional conflicts necessitate continuous dialogue and mutual understanding.

5.Way Ahead

Deepen Strategic Partnership

1. Continue high-level political engagement through regular summit meetings and ministerial dialogues, expand cooperation in emerging sectors including renewable energy, space technology,

artificial intelligence, and digital economy, and strengthen institutional mechanisms for policy coordination and implementation monitoring.

Enhance Trade and Investment

1. Work towards doubling bilateral trade to US\$200 billion by 2032 through diversification and value addition, increase UAE investments in Indian infrastructure, manufacturing, and technology sectors, and reduce trade deficit through increased non-oil exports and services trade expansion.

Strengthen Defence and Security Cooperation

1. Expand joint military exercises and training programs building interoperability, enhance defence equipment procurement and technology collaboration supporting indigenous manufacturing, and deepen intelligence sharing and counter-terrorism cooperation addressing transnational threats.

Leverage Multilateral Platforms

1. Utilize India-Middle East EU Economic Corridor for regional connectivity and economic integration, strengthen I2U2 cooperation for food security, water, energy, and technology addressing global challenges, and expand trilateral and plurilateral partnerships for broader regional cooperation.

Protect Diaspora Interests

1. Strengthen consular services and welfare mechanisms for Indian community in UAE, address labor rights and working conditions through bilateral institutional frameworks, and leverage diaspora as bridge for deeper people-to-people connections and cultural exchanges.

Conclusion

Prime Minister Modi's landmark diplomatic stopover in UAE as first stop in five-nation trip to Netherlands, Sweden, Norway and Italy produced significant outcomes strengthening India-UAE Comprehensive Strategic Partnership upgraded in 2017. Key achievements include MoU on Strategic Collaboration between Indian Strategic Petroleum Reserves Limited and Abu Dhabi National Oil Company for potential crude oil storage up to 30 million barrels in India and Fujairah UAE, Strategic Collaboration Agreement between Indian Oil Limited and ADNOC on LPG supplies, Framework for Strategic Defence Partnership, MoU between Cochin Shipyard Limited and Drydocks World on Ship Repair Cluster at Vadinar Gujarat, MoU on Skill Development in Ship Repair, Term Sheet for 8 Exaflop Super Computing Clusters partnership between CDAC and G-42 UAE, and investment commitment up to US\$1 billion from Abu Dhabi Investment Authority and National Infrastructure & Investment Fund in India's infrastructure sector.

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