

India-UAE Bilateral Investment Treaty (BIT)

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The **Union Cabinet** recently approved an investment treaty with the **United Arab Emirates (UAE)** to boost **bilateral economic engagement** between the two nations.



Ref- Mint

About India-UAE Bilateral Investment Treaty:

- The treaty would significantly **enhance investor confidence** and pave way for **increased [Foreign Direct Investments \(FDI\)](#) and Overseas Direct Investment (ODI)** opportunities.
- It aims to **strengthen economic ties** between the two nations, fostering a conducive environment for **mutual investment and collaboration**.
- The focus is to bolster **economic growth and create a robust framework** that encourages businesses from both countries to explore and expand their ventures.

Significance of the agreement:

- UAE became the **only country with which India** has both **[Comprehensive Economic Partnership Agreement \(CEPA\)](#)** and BIT.
- Even countries like **South Korea, Japan, and Singapore** have a CEPA with India but no BIT.
- UAE is the **third largest source of FDI** into India and **seventh largest trade partner** of India.
- The two nations have also implemented a **free trade agreement (FTA)** in 2022.
- **India received an FDI** of USD 16.7 billion between **2000 to 2023**.

Location of United Arab Emirates (UAE):

- United Arab Emirates is a federation of seven emirates along the **eastern coast of the Arabian Peninsula**, called the Middle East.
- **Seven emirate states include** Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Ajman, Umm Al Quwain, and Fujairah.
- It is bordered by **Saudi Arabia** to the west and south and by **Oman** to the east and northeast.
- UAE shares water boundaries with the **Persian Gulf** (Arabian Gulf) to the east and **Gulf of Oman** and **Strait of Hormuz** to the west and north.

