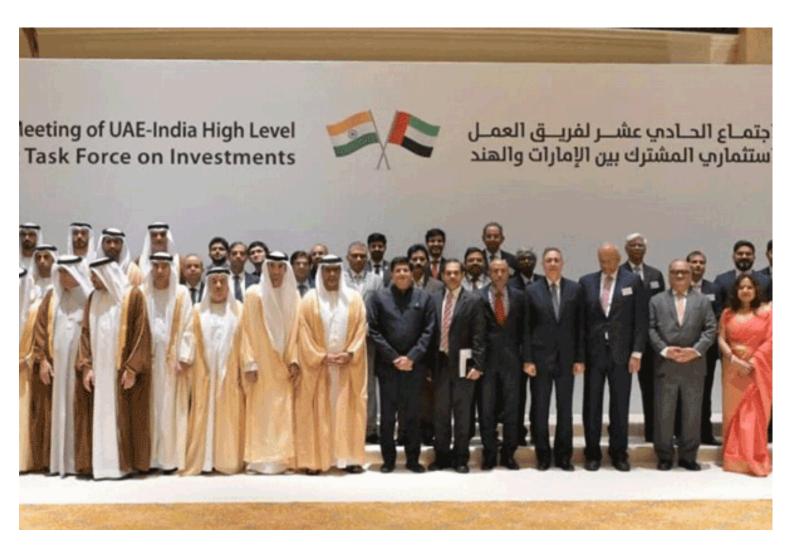


# **India-UAE Bilateral Investment Treaty (BIT)**

By IASToppers | 2024-02-03 15:30:00



## **India-UAE Bilateral Investment Treaty (BIT)**

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 <u>Foreign</u>
  <u>Direct Investments (FDI)</u> and <u>Overseas Direct Investment (ODI)</u> 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 <u>Comprehensive Economic</u> <u>Partnership Agreement (CEPA)</u> 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.

