

# Economic Diplomacy Division Ministry of External Affairs

Weekly Newsletter  
8th to 15th January 2024

## Insights

The Vibrant Gujarat Global Summit's 10th edition took place in the state capital, Gandhinagar, from January 10 to January 12, 2024. This event was significant on multiple fronts. With a substantial attendance of over 60,000 delegates from 140 countries, including 35 partner countries, the 2024 Summit saw the signing of Memorandums of Understanding (MOUs) for investments exceeding Rs 26 lakh crore.

One of the noteworthy developments was the establishment of a UAE-India Comprehensive Economic Partnership Agreement (CEPA) council to fortify economic bonds between the two nations. Since the CEPA signing in 2022, bilateral trade between the UAE and India has increased. In fiscal 2022-2023, the bilateral trade value reached US\$ 84.9 billion.

From a geopolitical perspective, it is intriguing to observe that both India and the UAE are part of the US-driven I2U2 while simultaneously maintaining economic ties with Russia despite US sanctions following the Russia-Ukraine conflict. The UAE's recent entry into the China-dominated BRICS+ grouping, considered by some as an alternative to the G20, adds another layer of significance.

It is also worth noting that India and the UAE have advocated for de-dollarization in response to US sanctions on Russia. In July 2023, they signed an agreement to use local currencies for cross-border transactions. Notably, in December 2023, India made its first payment in rupees for the purchase of crude oil from the UAE, marking a step towards diversifying currency usage.

“The participation of UAE President Sheikh Mohammed bin Zayed in this summit is a matter of great joy for us. His presence as the chief guest at Vibrant Gujarat Summit is a symbol of the ever-strengthening relations between India and UAE” - *PM Modi at the Vibrant Gujarat Global Summit 2024*

## National

### Deep tech in focus as Startup India enters phase-II on January 16

The government will launch the second phase of Startup India programme on January 16, focusing on deep technology startups, said officials. These startups will work in areas including semiconductor chips and related research and design areas, quantum and high-performance computing, AI, etc.

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### PM Modi unveils 25-year vision, pledges to make India a developed nation

PM Modi emphasised India's priorities, aspirations, and commitment to human-centric development and equality. He highlighted sustainable development, infrastructure, new-age skills, artificial intelligence, and innovation as the key pillars of this transformative vision.

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### E-way bills rise as businesses push goods in December

The number of e-way bills or electronic permits for shipment of goods generated within and across states increased to 95 million in December, up from 87.5 million in November, as businesses pushed goods into the supply chain in the last month of the third quarter.

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### 2.86 lakh passenger vehicles, 12.11 lakh two-wheelers sold in December: SIAM

The total production of passenger vehicles, three-wheelers, two-wheelers and quadricycles in December 2023 amounted to 18,96,696 units. December also saw sales of 50,537 three-wheeler units and 12,11,966 two-wheeler units. In the previous quarter, 71,32,689 units were produced overall.

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## Bilateral

### **India-UAE launch CEPA council to push business partnership**

The event featured the ceremonial launch of the UICC, aiming to enhance strategic cooperation, particularly in industries like startups, women entrepreneurs, and MSMEs. Driven by a shared commitment to economic growth, focused sessions on trade finance were conducted.

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### **Nepal, India express commitment to implementing bilateral initiatives**

The India-Nepal Inter-Governmental Sub-Committee (IGSC) on Trade, Transit, and Cooperation to Combat Unauthorised Trade convened its latest session in Kathmandu. The agenda included a review of the Treaty of Transit and the Treaty of Trade.

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### **Jaishankar, US trade representative Tai discuss bilateral trade progress**

India and the US discussed ways to boost bilateral trade amid a volatile global geopolitical scenario and further deepen economic cooperation between the two countries during visiting USTR Katherine Tai's meetings with EAM and Union commerce minister Piyush Goyal in New Delhi.

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### **India, UAE aspire to expand bilateral trade to US\$ 100 billion: Piyush Goyal**

On the prospect of further strengthening bilateral relations, the minister emphasised the significance of the UAE-India Business Summit, emphasising that it serves as a platform to unlock the vast potential that the UAE-India partnership offers.

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## Multilateral

### **Vibrant Gujarat 2024: Three Memorandum of Understandings inked**

At least three MoUs were also signed at the event. As per the MoU signed between the Gujarat government and Simmtech, the firm proposed to invest more than INR 1,250 crore and generate over 1,000 direct and indirect jobs.

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### **UNSC must be expanded with inclusion of India, Brazil: Former Belgium Prime Minister**

The former Prime Minister underscored the importance of the connectivity partnership between the EU and India, proposing additional investment in infrastructure links for transporting energy goods and water to strengthen ties between the two regions..

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### **EAM S Jaishankar, Iran President Raisi discuss pacing up Iran-India agreements, compensating for delays**

External Affairs Minister S Jaishankar and Iran President Ebrahim Raisi discussed speeding up the implementation of Iran-India agreements, including the Chabahar Port Development Plan, and further compensating for delays.

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### **World Bank keeps India's FY25 GDP growth estimate unchanged at 6.4%**

In its biannual 'Global Economic Prospects' report, the World Bank said India would likely maintain the fastest growth rate among the world's largest economies. However, its post-pandemic recovery was expected to slow, with an estimated growth of 6.3% in FY24.

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## Editorial

### **Indian startups can look forward to an 'India techade'**

The economy, in particular, has undergone a deep qualitative and quantitative transformation. From one dominated by a few 'groups,' it is a rapidly expanding one that is seeing a broad spectrum of value-adders, ranging from legacy industry to startups and micro-entrepreneurs. India's digital economy is a shining example of this rapid growth. It was estimated to be about 4-5% of our GDP in 2014, is over 11% of GDP today and is expected to touch 20% of GDP by 2026. It is growing at 2.5 times GDP and startups are a big part of it.

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