

**UNITED ARAB EMIRATES**  
**Ministry of Foreign Trade**



**دولة الإمارات العربية المتحدة**  
**وزارة التجارة الخارجية**

**Keynote Speech by H.E. Abdullah Ahmed Al Saleh**

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At the Indo-Gulf Business Forum 2009

*Hotel Taj Krishna, Hyderabad, India*

December 9, 2009

**Your Excellencies,**

**Distinguished Guests,**

**Ladies and Gentlemen,**

Good morning to you all, it is truly a pleasure being here in the historic 'City of Pearls,' Hyderabad, and once again collaborating with my country's top trading partner to identify and explore additional areas of cooperation between India and the Gulf.

Before anything else, may I first take this opportunity to congratulate the Associated Chambers of Commerce and Industry of India (ASSOCHAM) for organizing this event and for tirelessly advocating sustained trade and economic dialogue between India and the Gulf. Now more than ever, amidst a persistent global downturn, is the time us to consolidate our strengths and gain more strategic positions in global commerce.

**Ladies and Gentlemen,**

India ranks among the Gulf's major trade partners and has reliably provided highly qualified human resources for over 30 years. There is no denying the substantial contributions of Indian expatriates currently living and working in the Gulf to regional progress. In its bid to maintain high annual economic growth rates for the next 15 to 20 years, India is now closely coordinating with the Gulf on potential partnerships in energy security and infrastructural development<sup>1</sup>.

India has likewise expanded its influence to the global arena, becoming the second-fastest growing major economy in 2008<sup>2</sup>. Through key tax reforms,

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<sup>1</sup> [http://www.thaindian.com/newsportal/world-news/energy-infrastructure-new-bases-of-india-gulf-ties-pranab\\_10047933.html](http://www.thaindian.com/newsportal/world-news/energy-infrastructure-new-bases-of-india-gulf-ties-pranab_10047933.html)

<sup>2</sup> [http://en.wikipedia.org/wiki/Economy\\_of\\_India](http://en.wikipedia.org/wiki/Economy_of_India)

deregulations and privatization initiatives, the country has energized its various businesses to attain international leadership in numerous industries. India is now the world's fastest-growing telecommunications market<sup>3</sup>, the biggest consumer of gold and jewellery, and the operator of the biggest sugar refinery. As the second most populous country in the world, India is also one of the most vibrant international consumer markets.

My country, the UAE, maintains an especially close political, economic and cultural affinity with India that goes back at least 5 millenia. Last year, our trade exchange with the country reached USD8.74 billion to account for 15 per cent of our total foreign trade and post an impressive 48 per cent increase from 2007. The Hindu community continues to be one of the most active segments of the UAE's commercial sector.

Our nations have been especially active in the trade of gold, diamonds, natural and cultured pearls, precious and semi-precious stones, and precious metals, which aggregately contributed USD56.9 billion or 26.5 per cent of the Emirates' total non-oil foreign trade in 2008 to increase by 63.3 per cent from 2007. Our country's exports of gold and gold-plated materials last year rose 114 per cent from 2007 to reach USD6.4 billion, constituting more than

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<sup>3</sup> <http://news.indiamart.com/news-analysis/telecommunication-in-22972.html>

80 per cent of total exports of precious metals. The Indian market attracted the largest share at 65.1 per cent. In terms of imports, we purchased USD13.23 billion worth of gold; USD7.35 billion in diamonds; and USD6.15 billion in jewellery and parts.

Aside from precious minerals and metals, our diverse exports from India also include vegetables, fruit, spices, engineering goods, tea, meat and its preparations, rice, textiles and apparel and chemicals. We also purchase readymade garments, cotton, synthetic yarn, marine products, machinery and equipment and plastics<sup>4</sup>.

There are numerous projects which offer significant collaborative potential, such as Emirates Aluminum's 'Emal' smelter project, which involves the construction of the world's largest single-site aluminum smelter. This facility will be capable of producing 700,000 tons of aluminum per year upon the completion of the first of its two development phases in 2010, and 1.4 million tons annually at the end of the last phase.

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<sup>4</sup> [http://www.thaindian.com/newsportal/business/india-uae-trade-likely-to-exceed-25-bn-by-2010\\_10031091.html#ixzz0XkqhYGaf](http://www.thaindian.com/newsportal/business/india-uae-trade-likely-to-exceed-25-bn-by-2010_10031091.html#ixzz0XkqhYGaf)

In return, our country provides excellent opportunities to the Indians who are our largest expatriate group. The 7.4 per cent growth the UAE achieved in 2008 has proven our suitability as a living, working and business destination for India and the rest of the world.

Indian businesses have been availing of our numerous commercial incentives, such as our proximity to the top European and Asian markets; our world-class free zones; 100 per cent repatriation of capital and profits; numerous rapidly-growing non-oil industries which generate more than 60 per cent of our GDP; easy access to raw materials; cheap energy sources; and zero corporate profit and personal income taxes.

Our President, H.H. Sheikh Khalifa Bin Zayed Al Nahyan, has further improved our business environment by authorizing initiatives such as the abolishment of the minimum capital requirement for establishing a Limited Liability Company in the Emirates and the creation of a national statistics centre. The recent selection of our capital city of Abu Dhabi as headquarters for the International Renewable Energy Agency has also opened up various opportunities in alternative energy. As India has expressed the need to

expand its power generation by at least six times the current capacity through 2032<sup>5</sup>, this forms yet another potential area of cooperation.

It is also worth noting, that GCC states are currently in negotiations to reach a free trade agreement aimed at liberalizing 80 to 90 per cent of bilateral trade. Should this push through, then we can expect even stronger trade and investment ties between our two countries.

**Ladies and Gentlemen,**

The French scholar Romaine Rolland once referred to India as ‘The home of mankind’s dreams.’ Indeed, the Gulf will continue to consider India as a vital partner for fulfilling our shared dreams of prosperity and unity. I look forward to the strategies and solutions we will come up with together, and again commend ASSOCHAM for creating this platform for closer Indo-Gulf cooperation.

**Thank you and good day.**

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<sup>5</sup> [http://www.thaindian.com/newsportal/world-news/energy-infrastructure-new-bases-of-india-gulf-ties-pranab\\_10047933.html](http://www.thaindian.com/newsportal/world-news/energy-infrastructure-new-bases-of-india-gulf-ties-pranab_10047933.html)