



## Strengthening India-UAE Investment Relations

[Source: PIB](#)

India has reduced the local remedies exhaustion period for [United Arab Emirates \(UAE\)](#) investors from five years to three years under the **India-UAE [Bilateral Investment Treaty \(BIT\)](#)**.

- The BIT came into force on 31<sup>st</sup> August 2024, ensuring continuity of investment protection after the expiration of the earlier **Bilateral Investment Promotion and Protection Agreement (BIPPA)**.
  - The BIT assures minimum treatment standards (fairly and equitably) and independent arbitration for dispute resolution.
  - The local remedies exhaustion period is the time frame an investor must attempt to resolve a dispute through the host country's legal system **before seeking international arbitration**.
- In another development, the **Abu Dhabi Investment Authority (ADIA)** has opened an office in [GIFT City](#) to enhance its investment activities in India.
  - UAE continues to be the **largest Arab investor in India**, with investments amounting to around USD 3 billion in FY 2023-24.
  - The UAE was the **sixth-largest [Foreign Direct Investment \(FDI\)](#) source for FY 2023-24** and the seventh-largest overall since 2000.
  - Over 70% of all [Gulf Cooperation Council \(GCC\)](#) investments in India come from the UAE.
- Additionally, India and the UAE are advancing plans for a **USD 2 billion food corridor** to enhance UAE food security and support Indian farmers, with the [Comprehensive Economic Partnership Agreement \(CEPA\)](#) and BIT ensuring duty-free access and a stable investment climate for UAE businesses.

[Read more...](#)

PDF Reference URL: <https://www.drishtiiias.com/printpdf/strengthening-india-uae-investment-relations>