

The Hindu Important News Articles & Editorial For UPSC CSE

Wednesday, 05 March, 2025

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With the return of Donald Trump as U.S. President, the global trade landscape is shifting due to his aggressive tariff policies and preference for bilateral over multilateral trade agreements.

- Despite the uncertainty, India has an opportunity to strengthen its position in the global supply chain economy, as highlighted by Arun M. Kumar (former U.S. Assistant Secretary of Commerce) and Himanshu Shah (Founder of Shah Capital).

'Trump world may be uncertain, but India can find opportunities in global supply chain'

Varghese K. George
ABU DHABI

India can find opportunities in the global supply chain economy which is being disrupted by U.S. President Donald Trump's aggressive tariff policy, according to Arun M. Kumar, former U.S. Assistant Secretary of Commerce in the Barack Obama administration.

Mr. Kumar said Prime Minister Narendra Modi's recent visit to the U.S. was a success in terms of reinforcing bilateral ties on multiple fronts, and India should now focus on the details of the proposed trade agreement between the two countries. "...it is a moment that should be dealt with great, deep thought and great intentionality of what needs to be achieved," Mr. Kumar said.

Himanshu Shah, founder of Shah Capital, a global investment firm based in Raleigh, North Carolina, which manages \$600 million in assets, thinks the new U.S. administration "is



 The Apple example is splendid. India is squarely in the middle of the global value chain for making iPhones, and it's going to create 1,00,000 or more jobs in the country

ARUN M. KUMAR
Former U.S. Assistant Secretary of Commerce

unpredictable and not good for business", but India may not face a severe blow. "India has geopolitical advantages. Hence, tariffs won't be as bad as is being feared," Mr. Shah said.

Mr. Kumar said it was difficult to understand the rational basis for the decisions of the Trump administration on tariffs, and one had to wait for them to play out. Mr. Kumar and Mr. Shah were speaking to *The Hindu* on the sidelines of a global conference organised by Indiaspora, a forum of people of Indian origin from around the world.

"We will be entering an era of great uncertainty for multiple reasons. President Trump has always stated he prefers bilateral agreements rather than multilateral agreements. We are going into a season where there will be a lot more aggression from the United States in terms of tariffs. Now, part of it is justifiable, because it is true that U.S. tariffs are much lower than the tariffs of many other countries. So it probably can lead to appropriate correction, because in today's world, lower tariffs can be helpful to all parties," Mr. Kumar said.

He noted that U.S. aggression against Mexico and Canada betrayed a possible lack of thinking behind the actions of the Trump administration. "It's very difficult to understand what the rational basis of those positions are. After all, the U.S., including under the previous Trump administration, had expanded trade with these two countries." Mr. Kumar believes that the pressure to bring down tariffs will help India's ambition to be part of the global supply chain. "The Apple example is splendid. India is squarely in the middle of the global value chain for making iPhones, and it's going to create 1,00,000 or more jobs in India," he said.

Complex products

According to Mr. Kumar, the idea that countries can have self-contained economic systems insulated from global trade is not feasible in the current world. "...because even simple products today have components that

come from multiple countries, go through various stages of processing in multiple countries, and that's very true of all complex products... Arun M. Kumar, former U.S. Assistant Secretary of Commerce" said Mr. Kumar.

He believes that India, as supplier of migrants to the U.S., should take measures to curtail illegal immigration, which is an area of severe concern for the Trump administration. "The Prime Minister made a very pertinent comment on this in the White House press conference when he said that there needs to be a focus on preventing trafficking of people.

Mr. Shah expects migration into the U.S. to be down by as much as a third of current levels and also a decline in U.S. investments abroad. "Outbound U.S. investment will potentially be down by at least 20% in the first two years. There is a distinct possibility that Indian companies may invest more in the U.S., especially conglomerates and pharmaceuticals," he said.

Key Developments & Analysis:

1. Impact of U.S. Tariff Policies on Global Trade:

➤ **Trump's Aggressive Tariff Approach:**

- Likely to increase tariffs on multiple countries (similar to his first term).
- Preference for bilateral trade agreements over multilateral ones.
- Pressure on countries like India to reduce tariffs to access the U.S. market.

➤ **Challenges for India:**

- Tariff disputes may impact Indian exports (especially in IT, pharmaceuticals, and textiles).
- Uncertainty in trade policies makes long-term planning difficult.

➤ **Opportunities for India:**

- Companies seeking to move out of China (China+1 strategy).
- India's growing manufacturing sector (PLI scheme, Make in India could attract global firms).
- The Apple iPhone production example shows India's rising role in supply chains.

2. India's Strategy in Global Supply Chains:

➤ **Strengthening Manufacturing & Exports:**

- Production-Linked Incentive (PLI) scheme to boost electronics, pharmaceuticals, and auto sectors.
- Infrastructure development & labor reforms to attract foreign investment.

➤ **Leveraging Trade Disruptions:**

- India can gain market share in exports (textiles, semiconductors, AI, renewables).
- Reducing dependence on China for critical imports.

➤ **India-U.S. Trade Agreement:**

- Needs careful negotiation to ensure tariff reduction is mutually beneficial
- Expanding service sector access in the U.S. (especially IT & skilled professionals).

3. Immigration & U.S. Investments in India:

➤ **Trump Administration's Stance on Migration:**

- Focus on curbing illegal immigration → Impact on Indian students & H-1B visa holders.
- Legal migration (high-skilled workers may still continue but under stricter rules).

➤ **U.S. Investments in India:**

- Expected decline in outbound U.S. investments (potential 20% drop).
- Indian companies may invest more in the U.S. (especially in pharmaceuticals & conglomerates).

- India's focus should be on attractingreshoring investments from global companies.

Conclusion:

- While aTrump-led U.S. brings uncertainty, it also creates opportunities for India in global supply chains, trade negotiations, and attracting investments.
- India must adopt a strategic approach to navigate tariff challenges, immigration policies, and investment shifts to strengthen its position in the global economy.

UPSC Mains Practice Question

Ques:The global trade landscape is undergoing major disruptions due to rising protectionism and geopolitical tensions. In this context, critically analyze India's strategy to strengthen its role in the global supply chain. (250 words)

External Affairs Minister S. Jaishankar is on an official visit to the United Kingdom (U.K.) and Ireland to strengthen diplomatic, trade, and security ties.

Jaishankar meets U.K. PM Starmer, Cabinet officials

He discusses India-U.K. free trade deal with Trade and Business Secretary; he will hold talks on the Technology Security Initiative during his meeting with U.K. Foreign Secretary David Lammy

Sriram Lakshman

LONDON

External Affairs Minister S. Jaishankar began his visit to the U.K. on Tuesday with a series of meetings in London with British government officials.

He met with U.K. Prime Minister Keir Starmer, *The Hindu* has learned. At the time *The Hindu* went to press, details of this meeting were not available.

Mr. Jaishankar also met with Trade and Business Secretary Jonathan Reynolds to discuss the India-U.K. “free trade” deal (FTA), the Minister said on social media site X.

The Minister, who is visiting the U.K. and Ireland to deepen the partnerships with both countries, also met with U.K. Home Secretary Yvette Cooper.

The two Ministers “dis-



External Affairs Minister S. Jaishankar with Home Secretary Yvette Cooper in London on Tuesday. ANI

cussed the flow of talent, people to people exchanges, and joint efforts in tackling trafficking and extremism”, according to Mr. Jaishankar.

He is set to open two consulates – in Belfast (on March 7) and Manchester (on March 8).

“This expansion of India’s diplomatic presence

will further boost our trading relationship and support the valued Indian community in the U.K.,” Foreign Secretary David Lammy said.

Mr. Lammy and Mr. Jaishankar will meet at Chevening House on Wednesday. Chevening is the U.K. government’s scholarship and fellowship programme for foreign students.

The Ministers will discuss the Technology Security Initiative, launched during Mr. Lammy’s visit to Delhi in July 2024.

They are expected to discuss collaboration in sectors such as critical minerals, artificial intelligence, and telecoms as well as opportunities for resilient supply chains and affordable healthcare, the U.K. Foreign, Commonwealth and Development Office (FCDO) said.

- The visit comes at a time when India and the U.K. are negotiating a Free Trade Agreement (FTA) and expanding cooperation in technology, security, and talent exchange.

Key Developments & Analysis:

1. India-U.K. Free Trade Agreement (FTA):

- Discussion with Trade and Business Secretary Jonathan Reynolds focused on finalizing the long-awaited India-U.K. Free Trade Agreement (FTA).
- The deal aims to reduce tariffs, boost investment, and facilitate market access.
- **Challenges in FTA Negotiations:**
 - Tariff reductions on automobiles and whiskey (U.K.'s demand).
 - Easier mobility for Indian professionals (India's demand).
 - Disagreements on intellectual property rights, rules of origin, and services sector liberalization.
- **Significance of the FTA:**
 - Strengthens post-Brexit economic ties for the U.K.
 - Enhances India's trade footprint in Europe.
 - Potential to increase bilateral trade beyond \$38 billion annually.

2. India-U.K. Security & Migration Cooperation:

- **Meeting with Home Secretary Yvette Coope covered:**
 - Flow of skilled professionals & talent mobility.
 - Counter-trafficking & extremism (especially related to the Khalistani movement).
 - Student and work visa regulations (important for Indian diaspora).
 - The U.K. has been tightening immigration laws, impacting Indian professionals and students.

3. Technology Security Initiative (TSI):

- Mr. Jaishankar will meet Foreign Secretary David Lammy at Chevening House to discuss the Technology Security Initiative (TSI).
- **Key Areas of Collaboration:**
 - Critical minerals (needed for EVs, semiconductors, and renewable energy).
 - Artificial intelligence (AI) and telecom security.
 - Resilient supply chains (to reduce dependence on China).
 - Affordable healthcare (collaborations in pharma & medical research).

4. Expansion of India's Diplomatic Presence.

- New Indian Consulates in Belfast (March 7) and Manchester (March 8).
- **Significance:**
 - Strengthens India's outreach to the Indian diaspora in the U.K.
 - Enhances business and trade links.

Conclusion:

- The India-U.K. relationship is moving toward a comprehensive strategic partnership with a strong focus on trade, security, and technology.
- However, challenges in FTA negotiations and migration policies remain key hurdles. The expansion of India's diplomatic presence in the U.K. signals a long-term commitment to deeper engagement.
- The success of this visit will depend on how both sides navigate these complex issues and translate diplomatic discussions into tangible agreements.

UPSC Mains Practice Question

Ques: India and the U.K. have historically shared deep economic and strategic ties. Discuss the significance of the ongoing Free Trade Agreement (FTA) negotiations between the two nations and the key challenges that need to be addressed. (250 words)

Belgium's John Cockerill Defence (JCD), a leading global manufacturer of tank turret, has partnered with Pune-based Electro Pneumatics & Hydraulics (EPH) to set up a Joint Venture (JV) in India.

Belgium defence giant ties up with Indian firm to manufacture tank turrets

Dinakar Peri
NEW DELHI

Belgium's John Cockerill Defence (JCD), the world's top-turret manufacturer for battle tanks, and the Pune-based Electro Pneumatics & Hydraulics (EPH) Pvt. Ltd. announced a Joint Venture (JV) in India with initial focus on the Indian Army's light tank contest under way.

They had already tied up for supplying turrets for Zorawar, the light tank developed by Defence Research and Development Organisation (DRDO) and Larsen & Toubro (L&T) which is currently in advanced stages of trials. The development comes as India and Belgium look to scale up defence cooperation and are set to sign a memorandum of understanding on defence cooperation by the end of 2025.

The light tank is a critical requirement for the Indian Army, a need identified during the stand-off with China in eastern Ladakh.

It will be a 60:40 JV between JCD and EPH in



The Pune-based Electro Pneumatics & Hydraulics will handle the Indian segment of the deal. FILE PHOTO

which the former will bring the technology and know-how while the latter will focus on the manufacturing, according to Thierry Renaudin, Chief Executive Officer, JCD. "We will get a new world-class turret..." he said.

While the initial focus on the Indian light tank requirement could eventually go up to 700 tanks, the focus of the JV is much broader, said Francois Michel, Group Chief Executive Officer, John Cockerill. "There are several programmes in India that justify this JV. Our alignment is not for one single project, it goes way beyond. We have the best technology

available for tank turrets today. India's strength in electronics and Artificial Intelligence will allow us to build very efficient systems," he said during a select media interaction.

Giving an overview of EPH, Ingrid Rasquinha, Joint Managing Director, said that the company has been in the defence sector for 25 years, manufacturing simulators and missile launchers. "The ₹300 crore company, which has manufacturing facility at Chakan in Pune, generates 35-40% of its revenue from defence, one of its five verticals," Prashant Gadepalli, Director-Operations and Marketing, EPH, said.

- The immediate focus is on supplying turrets for Zorawar, India's indigenous light tank project developed by DRDO and L&T, which is currently undergoing trials.

- This JV aligns with India's push for indigenous defence production under Atmanirbhar Bharat, while also strengthening India-Belgium defence ties, with an MoU on defence cooperation expected by 2025.

Key Takeaways & Analysis:

1. Strategic Importance of the Joint Venture (JV):

- **India's Need for Light Tanks:**
 - The Ladakh standoff with China (2020-present) highlighted the necessity for light tanks that can operate effectively in high-altitude terrain.
 - The Zorawar light tank project is crucial for countering China's deployment of Type-15 tanks along the LAC.
- **Key Features of the Joint Venture:**
 - 60:40 partnership JCD provides technology, while EPH focuses on manufacturing.
 - Advanced tank turrets with AI & electronics integration, boosting India's defence manufacturing capabilities.
 - **Initial focus:** 700 light tanks, but potential for more projects.

2. Strengthening India's Defence Manufacturing & Atmanirbhar Bharat:

- The partnership aligns with India's self-reliance in defence goals.
- Reduces reliance on foreign imports, enhancing India's domestic arms industry.
- Technology Transfer: India will gain advanced turret-making expertise, boosting its defence R&D.
- Could open doors for exporting Indian-made defence equipment.

3. India-Belgium Defence Cooperation & Global Implications:

- Growing defence ties between India and Belgium, with a formal MoU expected in 2025.
- This JV could pave the way for future European collaborations in India's defence sector.
- Helps India counterbalance China's growing influence in military technology and high-altitude warfare.

Conclusion:

- The India-Belgium defence JV marks a milestone in India's push for self-reliance in military technology.

Daily News Analysis

- The Zorawar light tank will enhance India's high-altitude warfare capabilities, while technology transfer from JCD will strengthen India's defence industry.
- As India scales up its indigenous defence production, such partnerships will be crucial for reducing dependency on imports and bolstering national security.

UPSC Mains Practice Question

Ques :India has been actively pursuing defence collaborations with foreign companies to boost its indigenous manufacturing capabilities. Discuss the significance of the India-Belgium defence joint venture in this context. (250 words)



The debate on delimitation has resurfaced as it will be based on the first Census after 2026.

- ➔ Concerns arise over its impact on State representation, especially for southern and smaller northern States.

What are the issues around delimitation?

When was the last delimitation exercise done? What did the Home Minister state with respect to increasing the number of seats in States and how it will be done? Which States will be at a disadvantage should representation based on projected population come into being?

EXPLAINER

Rangarajan, R

The story so far:

There has been a renewed debate about delimitation after the issue was raised by the Chief Minister of Tamil Nadu. The delimitation of constituencies for the Lok Sabha and State Legislative Assemblies is to be carried out on the basis of the first Census after 2026.

What are constitutional provisions?

Delimitation means the process of fixing the number of seats and boundaries of territorial constituencies in each State for the Lok Sabha and Legislative assemblies. This exercise is performed by the 'Delimitation Commission' that is set up by an act of Parliament. Such an exercise was carried out based on the 1951, 1961 and 1971 Census. The number of seats in the Lok Sabha, based on the 1971 Census, was fixed at 543, when the population was 54.8 crore. However, since then, it has been frozen in order to encourage population control measures. This number is to be readjusted based on the first Census after 2026. As the 2021 Census that was originally postponed due to COVID-19 is yet to commence, there have been debates linking it to the ensuing delimitation.

What are the issues?

The population explosion that happened in our country during the last five decades has been uneven with some States like Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan having a greater increase than States like Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. There are two scenarios that are being discussed with respect to the revised delimitation exercise.

The first is to continue with the existing 543 seats and their redistribution amongst various States (Exhibit 1). The second is to increase the number of seats

Proportional representation

The number of seats in the Lok Sabha, based on the 1971 Census, was fixed at 543, when the population was 54.8 crore. However, since then, it has been frozen in order to encourage population control measures

Exhibit 1: If seats are retained at 543 and reapportioned among States based on 2026* population

State	Number of seats at present	Number of seats projected	Net Gain/(Loss)
Uttar Pradesh	80	91	11
Bihar	40	50	10
Rajasthan	25	31	6
Madhya Pradesh	29	33	4
Tamil Nadu	39	31	-8
Andhra Pradesh + Telangana	42	34	-8
Kerala	20	12	-8
Karnataka	28	26	-2
Punjab	13	12	-1
Himachal Pradesh	4	3	-1
Uttarakhand	5	4	-1
Northeastern States (excluding Assam)	11	11	-

*projected figures

Exhibit 2: If the number of seats is increased to 848 based on the 2026* population

State	Number of seats at present	Number of seats projected	Net Gain
Uttar Pradesh	80	143	63
Bihar	40	79	39
Rajasthan	25	50	25
Madhya Pradesh	29	52	23
Tamil Nadu	39	49	10
Andhra Pradesh + Telangana	42	54	12
Kerala	20	20	-
Karnataka	28	41	13
Punjab	13	18	5
Himachal Pradesh	4	4	-
Uttarakhand	5	7	2
Northeastern States (excluding Assam)	11	11	-

Source: Based on Vaishnav et al, Carnegie endowment

to 848, with proportionate increase among various States (Exhibit 2). Home Minister Amit Shah stated in a recent public meeting that the number of seats will not be reduced for any State and that it would be increased on a 'pro-rata' basis for all States including the southern States. The basis for this 'pro-rata' share for States – whether it will be based on the existing percentage in the share of seats or on projected population – is not clear.

As per Exhibit 2 which is based on projected population, it is evident that

southern States, smaller States in the north like Punjab, Himachal Pradesh and Uttarakhand, as well as the northeastern States are bound to be at a disadvantage when compared to the larger northern States. This may go against the 'basic structure' of federalism in our polity. It will lead to a feeling of disenchantment in the States that stand to lose in their proportional representation, and thereby political significance, despite controlling their population.

Southern States that have a 24% share in the number of seats at present would

see it decline by 5%.

What can be a solution?

'Democracy' means 'rule or government by the people'. It follows that the government is elected by the majority with the broad principle of 'one citizen-one vote-one value'. However, it is pertinent to note that this principle has been diluted, in the interest of population control, since 1976 when the delimitation exercise was postponed for the first time.

In a federation like the U.S., the number of seats in the House of Representatives has been capped at 435 since 1913, though the population of the country has increased almost four times from 9.4 crore in 1911 to an estimated 34 crore in 2024.

The main job of a Member of Parliament (MP) is to legislate on 'Union List' matters and hold the Union government accountable. Majority of the schemes of the Union Government are implemented by State governments. The country has functioned with 543 Lok Sabha MPs for the past five decades while the population increased from 55 crore to 145 crore. India's population is projected to peak at around 165-170 crore, an increase of around 15% from the current level, in the next three decades and then decline. Considering the above factors, the 543 MPs in Lok Sabha may be capped at the existing number. It would ensure status quo in representation from various States and uphold the federal principle. The MPs and leaders of both regional and national political parties from the south, smaller States in north and the northeastern States should consider it their responsibility to demand such a cap from the Parliament in order to protect the political interest of the regions they represent. The number of MLAs in each State may be increased in line with the projected population to address the democratic representational requirement.

Rangarajan R is a former IAS officer and author of 'Polity Simplified'. He currently trains civil-service aspirants at 'Officers IAS Academy'. Views expressed are personal.

THE GIST

Delimitation means the process of fixing the number of seats and boundaries of territorial constituencies in each State for the Lok Sabha and Legislative assemblies.

Home Minister Amit Shah stated in a recent public meeting that the number of seats will not be reduced for any State and that it would be increased on a 'pro-rata' basis for all States including the southern States.

'Democracy' means 'rule or government by the people'. It follows that the government is elected by the majority with the broad principle of 'one citizen-one vote-one value'.

What is Delimitation?

- ➔ Delimitation is the process of fixing the number of seats and boundaries of constituencies for the Lok Sabha and State Legislative Assemblies.

- It is carried out by a 'Delimitation Commission' set up by an act of Parliament. Delimitation was previously conducted based on the 1951, 1961, and 1971 Censuses.
- The number of Lok Sabha seats was fixed at 543 based on the 1971 Census when India's population was 54.8 crore.
- To encourage population control, the number of seats has remained unchanged.
- The next delimitation is set to be based on the first Census after 2026.

Why is Delimitation Being Debated?

- India's population has grown unevenly in the past five decades.
- Some States, like Uttar Pradesh, Bihar, Madhya Pradesh, and Rajasthan, have seen higher population growth compared to southern States like Kerala, Tamil Nadu, Karnataka, and Andhra Pradesh.
- Two key scenarios are being considered for delimitation:
 - Redistributing the existing 543 seats among the States.
 - Increasing the number of seats to 848 in proportion to population growth.
 - There is uncertainty about whether the allocation will be based on the current share of seats or projected population.

Concerns About Delimitation

- If seats are allocated based on population, southern and smaller northern States may lose their proportional representation.
- This could impact the federal structure and reduce the political significance of States that controlled their population.
- Currently, southern States hold 24% of Lok Sabha seats, which could decline by 5% under the proposed changes.

Possible Solutions

- Fix the number of Lok Sabha seats at 543 to maintain federal balance and ensure fair representation for all States.
- Increase the number of MLAs in each State based on population growth to provide adequate local representation.
- Follow the U.S. model, where the House of Representatives has remained fixed at 435 despite a fourfold population increase.

- ▶ Prevent regional disparities by avoiding disproportionate representation shifts that could weaken smaller States.
- ▶ Ensure long-term stability by considering that India's population is expected to peak at 165-170 crore in the next threedecades before declining.

Conclusion

- ▶ Delimitation must balance democratic representation and federal integrity.
- ▶ Fixing Lok Sabha seats at 543 while adjusting State assemblies ensures fairness, prevents regional disparities, and upholds India's diverse and evolving political landscape.



In News : Seagrass

According to recent study, seagrass has been declining at a rate of 1-2 per cent per year for the past century and nearly 5 percent of species are now endangered.



About Seagrass

- It is a flowering plant that grows submerged in shallow marine waters like bays and lagoons.
- They are so-named because most species have long green, grass-like leaves.

Characteristics of Seagrass

- Seagrasses have roots, stems, and leaves and produce flowers and seeds.
- Like terrestrial plants, seagrass also photosynthesizes and manufactures their own food and releases oxygen.
- They evolved around 100 million years ago, and there are approximately 72 different seagrass species that belong to four major groups.

Distribution of Seagrass

- They are found on all continents except Antarctica.
- The tropical waters of the Indo-Pacific hold the highest diversity of seagrasses in the world.
- India too has vast seagrass meadows, home to 16 species of seagrass with major concentrations in the Gulf of Mannar, Palk Bay, Andaman and Nicobar Islands, Lakshadweep Islands and the Gulf of Kutch.

Advantages of Seagrass

- They are better than trees for capturing carbon and providing food for millions of people. Beyond supporting marine life, seagrass also acts as a natural barrier, protecting coastal communities from storms and erosion.
- These underwater plants can store carbon up to 35 times faster than tropical rainforests, locking it away for thousands of years.
- **Threats:** Pollution from cities, industries, and agriculture continues to degrade these meadows, while coastal development and tourism put additional pressure on fragile habitats of Seagrass.

Page : 08 Editorial Analysis

Remodelling the UAE-India aviation partnership

During a recent tour of the Navi Mumbai International Airport in Maharashtra, I was left deeply impressed by the scale of India's aviation ambitions. Navi Mumbai International Airport has the potential to serve as a game-changer in taking India's aviation sector to exciting new heights, providing new avenues for the Indian travelling public to benefit from an increasingly inter-connected world.

As the pace of growth in India's aviation sector – it is already the world's third-largest domestic market in terms of passenger numbers – continues to quicken and the Government of India's initiatives such as the Ude Desh Ka Aam Nagrik (UDAN) airport scheme are rapidly implemented, it is essential that an equally visionary approach to regulation and international partnerships is also considered.

The UAE as a vital travel destination

For decades, the United Arab Emirates (UAE) has proven itself to be a close strategic partner and friend to India. Today, the UAE is India's most significant outbound travel market, with over 4.5 million Indian tourists visiting the UAE in 2023. Every week, Indian carriers fly over 600 times to the UAE, while UAE carriers operate over 500 weekly services to India. On the surface, these numbers appear significant. However, they are far below meeting current, let alone, future consumer demand.

The impact of what is effectively a mismatch between supply and demand has directly contributed to spiralling ticket prices and a lack of choice for the UAE and Indian travelling public alike.

Under current bilateral air service arrangements, the UAE's carriers are limited to



Abdulnasser Alshaali

is the Ambassador of the United Arab Emirates (UAE) to the Republic of India

Beyond revisiting the regulatory frameworks, the UAE can support India's ambition to become a global aviation powerhouse

operating to a total of only 15 Indian cities, thus having no choice but to ignore the consistent demands of key Indian growth centres, including Surat, Visakhapatnam, Indore, Tiruchirappalli and Patna to operate services. Similarly, Indian carriers are unable to increase their level of frequencies to Dubai, despite unprecedented interest from Indians to visit family and engage in business and leisure activities in this vital global hub.

The benefits of a modernised strategy

With estimates suggesting that for every 1% increase in Indian passport holders, a further 10 million Indians will seek to travel overseas, this situation will only grow more acute. Restrictive bilateral regulations will contribute to further increases in the price of airline tickets, limit the ability of Indian citizens to travel abroad, and potentially inhibit the advancement of broader UAE-India investment, trade, and economic partnerships.

Just as the UAE and India have expanded cooperation through trade agreements such as the Comprehensive Economic Partnership Agreement (CEPA), there is an urgent need for a more progressive and open approach on aviation. A modernised aviation strategy will act as an economic multiplier, drive investment, and ensure that our aviation partnership can become a key pillar of regional and international connectivity and growth.

Beyond revisiting the regulatory frameworks that guide our aviation relationship, the UAE is keen to support, through new investments and partnerships, India's ambition to become a global aviation powerhouse.

Whether this support is in the form of

knowledge-sharing and the training of Indian pilots, partnering in India's rapidly emerging aviation maintenance, repair, and overhaul (MRO) industry, promoting India's globally renowned tourism sector, investing in the Indian government's UDAN airport scheme to better connect Tier-2 and Tier-3 Indian cities, or in achieving win-win outcomes for our respective airline carriers, it is imperative that we seek new areas of collaboration in this critically important sector.

Cooperation over competition

Fundamentally, an opportunity exists to establish a combined sky and aviation eco-system that privileges cooperation over competition. Through greater engagement, we can ensure that the respective aviation sectors of both our countries are able to grow and succeed, whilst offering the citizens of the UAE and India the ability to connect, engage, and thrive.

Just as Dubai and Abu Dhabi benefit from their status as global aviation hubs, cities throughout India have the potential to attain similar levels of seamless connectivity. By better connecting and supporting the aviation ambitions of emerging Indian cities, we can together ensure that inclusive and sustainable economic growth are felt not only within India, but also far beyond its borders.

Enhanced cooperation in the aviation sector is just one example of how the UAE-India partnership can evolve to unlock new avenues of mutually beneficial growth and integration. Building upon the significant strides we have achieved over recent years in our bilateral strategic ties, even the sky is not the limit in what we can achieve in our aviation partnership.

GS Paper 02 International Relations : Bilateral, Regional and Global Groupings and agreements involving India

UPSC Mains PYQ 2022: How will I2U2 (India, Israel, UAE and USA) grouping transform India's position in global politics?

Context :

- The UAE's potential role in supporting India's ambition to become a global aviation powerhouse has been highlighted due to increasing collaboration between the two nations in the aviation sector.

Key challenges faced by the India-UAE aviation sector?

- **Restricted Bilateral Air Service Agreements:** Limited flight frequencies and destination access for both Indian and UAE carriers. **Example:** UAE airlines can operate flights to only 15 Indian cities, excluding key growth centers like Surat and Indore despite high passenger demand.
- **Capacity Constraints and Rising Airfares:** Limited flight slots lead to insufficient capacity, causing increased ticket prices. **Example:** During peak travel seasons, such as festivals or school holidays, airfares between India and the UAE surge due to restricted airline capacity.
- **Limited Connectivity to Emerging Cities:** Many Tier-2 and Tier-3 Indian cities lack direct UAE connections. Example: Business hubs like Visakhapatnam and Patna face limited or no direct international flights to the UAE, restricting trade and tourism.
- **Inability to Meet Growing Passenger Demand:** Rapid growth in Indian outbound travel is unmet by the current aviation framework. **Example:** Despite 4.5 million Indian tourists visiting the UAE in 2023, airlines struggle to increase operations due to bilateral restrictions.
- **Missed Economic and Strategic Opportunities:** Limited flight options restrict business engagement, investment, and tourism growth. Example: The Comprehensive Economic Partnership Agreement (CEPA) between India and the UAE aims to boost trade, but insufficient air connectivity hinders the free flow of goods and professionals.

Need for a modernized aviation strategy between India and the UAE

- **Meeting Rising Passenger Demand:** A revised aviation strategy is crucial to handle the increasing flow of Indian travelers to the UAE. Example: For every 1% increase in passport holders, approximately 10 million additional Indian travelers are expected, which the current framework cannot accommodate.
- **Lowering Airfares and Improving Access:** Expanding bilateral agreements can boost flight availability, foster competition and reduce travel costs. Example: During peak seasons, limited flights cause sharp increases in ticket prices, making travel between India and the UAE expensive.
- **Expanding Connectivity to Regional Cities:** Modernising aviation policies can facilitate direct flights from Tier-2 and Tier-3 Indian cities to the UAE, enhancing regional growth. Example: Cities

like Surat, Patna, and Visakhapatnam remain disconnected from the UAE, hindering trade, tourism, and cultural exchanges.

- ➔ **Boosting Trade and Economic Cooperation:** Improved air services can strengthen business ties and enhance trade between India and the UAE. Example: Despite the CEPA agreement aimed at fostering economic collaboration, restricted flight options limit the movement of professionals and goods.
- ➔ **Advancing Aviation Infrastructure and Innovation:** A modernized strategy encourages collaboration in aviation technology and infrastructure development. Example: UAE investments in India's UDAN scheme can improve regional connectivity and support India's goal to become a leading aviation hub.

Indian cities are currently excluded from UAE airline operations despite growing demand?

- ➔ **Cities Not Fully Integrated:** Emirates has not yet expanded its services to cities like Amritsar, Lucknow, and Goa Mopa, despite growing demand. These cities are not explicitly excluded but rather await service expansion due to current operational limitations and bilateral agreements.
- ➔ **Bilateral Restrictions:** The current bilateral agreements between India and the UAE limit the number of seats available for UAE airlines, which can restrict the expansion of services to new cities. While there are no specific cities excluded, the capacity constraints under these agreements affect the ability of UAE airlines to meet demand in various Indian cities.

Initiatives can the UAE undertake to support India's ambition to become a global aviation powerhouse

- ➔ **Expanding Aviation Agreements:** The UAE-India Comprehensive Economic Partnership Agreement (CEPA) aims to improve air travel and cargo transport between the two countries. Increasing the current limits to 134,000 weekly passenger seats and 4,000 tonnes of cargo through relaxed rules can boost trade and improve connectivity.
- ➔ **Using UAE's Logistics Strength:** The UAE's major airports, like Dubai International and Al Maktoum International, can help meet India's growing air cargo needs.
 - Working together can make cargo transport faster and more efficient between the two nations.
- ➔ **Improving India's Aviation Sector:** India, as the third-largest domestic aviation market, can learn from the UAE to improve international flights and upgrade airport facilities.

Way forward:

- **Enhancing Policy Frameworks:** India can revise its aviation policies to allow greater flexibility in bilateral agreements, enabling increased flight frequencies and better access for UAE carriers.
 - **Example:** Updating the Open Sky policy for Gulf nations can promote competition, reduce airfares, and improve passenger services.
 - **Strengthening Aviation Infrastructure:** India can invest in upgrading airport capacity, regional connectivity, and advanced Maintenance, Repair, and Overhaul (MRO) facilities to accommodate increased traffic.
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