

NEWSLETTER

ISSUE THREE



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Director's

Message

It is a pleasure to present the third edition of the UAE-India CEPA Council (UICC) quarterly newsletter.

This edition offers a comprehensive overview of the UAE's manufacturing sector, highlighting key government initiatives, including Operation 300bn, which supports businesses establishing manufacturing operations in the UAE.

We also provide insights into Andhra Pradesh, a key Indian state pivotal to the growth of UAE–India bilateral ties. On 1 August 2024, the UICC, in collaboration with the UAE Embassy in Delhi and the Andhra Pradesh Economic Development Board (APEDB), hosted the UAE-Andhra Pradesh Economic and Investment Roundtable. It was gratifying to see a strong turnout at the event, with senior representatives from leading UAE companies such as Abu Dhabi Ports, Air Arabia, Aramex, DP World, DUCAB, Emaar, Emirates Airlines, Emirates x, FlyDubai, Lulu Group, and Tabreed.

The significant participation of these companies underscores the UAE's confidence in Andhra Pradesh's economic potential. The UICC is optimistic about



Looking ahead, the Council is preparing several exciting initiatives and events. Notably, we will publish reports on key topics within the bilateral relationship, including the UAE 's special economic zones and tourism, alongside insights into investment opportunities in India's agricultural market.

We hope you enjoy this latest edition of our newsletter. The UICC remains committed to supporting your business objectives and strengthening the UAE-India relationship.

Ahmed Aljneibi

Director, UAE-India CEPA Council



Manufacturing Sector in the UAE

An Overview





Key Economic and Demographic Indicators of the UAE



Population (in 2020):

9,282,410



Size of the country:

83,600 km²



Total trade:

USD 654 billion



Estimated Gross Domestic Product (GDP) for 2023:

USD 542 Billion



Currency is pegged to the US Dollar at a rate of

AED 3.67



Nationalities working in the UAE:

200+



Number of seaports:

12



Number of Airports:

10



1.200 km

of railway will connect seven Emirates and five countries in Gulf region by



The UAE's Strengths as a Manufacturing Investment Hub

The UAE boasts several key advantages that strengthen its standing as a premier destination for manufacturing investment and innovation.



Attractive Business Environment

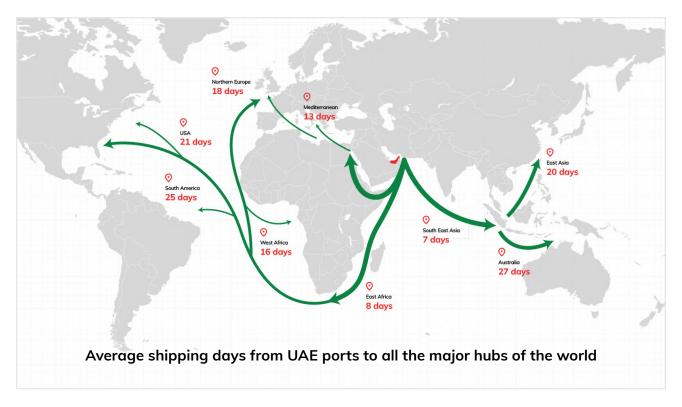
The UAE has created a favourable business environment for industrial investors on par with the best in the world. The following factors contribute to the country's advantages:

- 100 percent business ownership:
 - Foreign investors are being granted full ownership on specific businesses.
- Favourable fiscal and tax environment
 - A comparatively low nine percent federal corporate tax is imposed on businesses with annual profits of more than AED 375,000, and zero percent corporate tax rate for all others.
 - Zero percent income tax.
 - Double Taxation Avoidance Agreements with 137 countries.
 - Five percent VAT (if taxable supplies and imports exceed USD 100,000).
- Variety of Business Premises: The UAE extends the flexibility to do business anywhere in the country. Choices of locations include free zones, industrial areas, and commercial buildings.
- Strong Credit and Stable Economic Outlook: The UAE maintains the strength and stability of its financial systems and practices, ensuring sound and resilient public finances, together with a well-regulated financial sector that meets the highest international standards of transparency, efficiency, and security.
- Fair and Adaptive Legal System: The UAE continuously develops its legislative system and processes to guarantee a robust investment environment supported by flexible laws and business-friendly decisions.



Strategic Location

The UAE's strategic location positions it to capitalise on the economic activities of the world's largest and fastestgrowing economies, serving as a unique launching pad for transcontinental connections.



Free and Open Economy

The UAE has signed multiple free trade agreements and bilateral investment treaties to support the growth of trade and investment of its economy. These agreements offer several advantages to companies operating in the UAE, including tariff reductions for export markets, increased market access, enhanced regulatory frameworks, and intellectual property protection.





Robust Infrastructure and Strong Connectivity

The UAE continues to develop the world's most advanced transport and logistics infrastructure, including worldleading ports, airports, airlines, and shipping companies. Today, the UAE is a major global hub for the movement of goods and people, and a centre of trade that links east and west, north and south.

The UAE's Industrial Strategy

Operation 300Bn

Operation 300bn was launched in March 2021, by the Ministry of Industry and Advanced Technology (MoIAT). The strategy's core aim is to transform the UAE into a global industrial hub, characterised by high-tech, sustainable, and innovative manufacturing. By 2031, the strategy aims to double the industrial sector's contribution to the economy, making it a key pillar of the UAE's economic landscape. The initiative not only seeks to strengthen existing industries but also to establish new ones, contributing to long-term economic stability and prosperity.



Key Objectives of Operation 300bn



Increasing the industrial sector's contribution to the country's GDP from AED 133 billion (USD 35.91 billion) in 2021 to AED 300 billion (USD 81 billion) by 2031.



Increasing employment in the sector to reach over one million by 2031.

The Strategy

These objectives will be achieved through a multi-pronged strategy which includes:

- Creating a relevant, attractive, and engaged business environment to meet the needs of local and international investors.
- Boosting the UAE's reputation as a global destination for future industries built on world-class infrastructure, agile and stable legislationand a high standard of living.
- Supporting continued growth of home-grown industries and enhancing their competitiveness nationally and globally.
- Incubating innovation and supporting the adoption of advanced technologies in the industrial ecosystem of the future.





Key Industrial Sectors

The following 11 sectors have been identified as key priorities by the UAE Government and are set to be the driving forces behind the UAE's manufacturing industry's growth over the next decade. In addition to encompassing the UAE's traditionally strong industries, these sectors also include emerging fields that will receive significant support to establish and thrive in the country.



Food, Beverage, and **Agricultural Technology**



Pharmaceuticals



Electrical Equipment and Electronics



Heavy Industries



Petrochemicals and **Chemical Products**



Rubber and Plastics



Machinery and Equipment



Advanced Manufacturing



Hydrogen



Medical Technology



Space Technology

Investment Incentives

Customs Duty Exemption for Industrial Inputs

This incentive is intended to encourage the establishment and sustained competitiveness of industrial projects in the UAE. It applies to factories with an industrial production licence issued by the UAE MoIAT. This licence exempts factories from customs duties on imports of the following three categories:

- 1. Machinery, equipment, and spare parts
- 2. Raw materials and semi-finished materials
- 3. Packing materials

Value Added Certificates for Factories

The Certificate of Origin (COO) issued by the UAE Ministry of Economy underpinned by the Value-Added Certificate (VAC) issued by the UAE MoIAT provides onshore companies with unparalleled access to multiple markets with whom the UAE has signed free trade agreements with.

National In-Country Value (ICV) Program

The ICV certificate is issued to companies in which their contribution to the local economy is evaluated and then given an advantage during the awarding of contracts and purchases based on their ICV score.



Financing Entities

Emirates Development Bank (EDB)

EDB has committed to providing USD 8.1 billion in financing over five years to support the growth of the UAE's industrial sector. This funding is aimed at helping businesses in priority sectors to expand, innovate, and become more competitive.

Etihad Credit Insurance (ECI)

ECI is a federal export credit company that provides trade credit insurance and financing solutions. ECI aims to reduce export costs by protecting business cash flows against non-payments brought about by political and commercial risks. Additionally, ECI also reduces the cost of trade finance by providing guarantees to commercial banks for their pre-and post-shipment financing.

Abu Dhabi Exports Office (ADEX)

ADEX helps companies who have set up operations in the UAE to mitigate their commercial and political risk against export transactions by offering importers with buyer credit facilities.

Venture Capital and other financing entities

The UAE has built a favourable environment for business set-up, with many entities available to offer finance, funding, and investment support.

Incubators and Accelerators

Over twenty incubators and accelerators operate across the UAE, driving entrepreneurship and providing services, including mentorship, funding, networking, and office spaces.



Key Achievements of the Operation 300bn Strategy

Driving Industrial Growth and Competitiveness

The Operation 300bn Strategy has already made significant progress since its launch, driving substantial advancements in the manufacturing industry.



The Industrial Sector's Contribution to GDP

The industrial sector's contribution to the UAE's GDP reached an estimated USD 53.19 billion in 2023, a 50 percent expansion since Operation 300 bn's implementation in 2021.

Industrial Exports and Productivity

As of 2023, industrial exports grew by 17 percent since the launch of Operation 300bn in 2021.

Global Competitiveness

In 2023, the UAE ranked first regionally and 29th globally in the Competitive Industrial Performance Index by UNIDO.

Financial Support and Investments

- Competitive financing solutions totalling USD 1.43 billion were provided to the industrial sector in 2023, marking a 70 percent growth rate from 2022.
- In 2023, SMEs secured 90 percent of the financing, highlighting their critical role in the industrial sector.
- USD 891 million in industrial investments were facilitated in future industries like biotechnology, hydrogen, and electric vehicles in 2023.

Regulatory and Financial Incentives

In 2023, customs exemptions for manufacturers on industrial inputs amounted to USD 810 million.

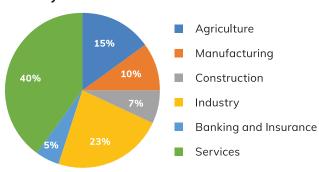


Region in Focus

Andhra Pradesh

Andhra Pradesh is the tenth largest state in India by population, accounting for over four percent of the country's total population. It has become a key economic hub, standing among India's most industrialised states. The state's economy is driven by key sectors such as ship manufacturing, aeronautics, machinery, electrical equipment, processed foods, pharmaceuticals, chemicals, textiles, and cement. It also ranks as the sixth-largest exporter among Indian states, with exports reaching nearly USD 1.5 billion in the 2022–23 financial year.

Sectoral Composition of Andhra Pradesh's Economy FY 2022-23



Source: Reserve Bank of India

The state benefits from extensive infrastructure,

including well-developed seaports, airports, roads, and railways, providing a solid foundation for expanding trade and investment. Andhra Pradesh's strategic geographic location along India's east coast further supports its role as a gateway for trade in the Bay of Bengal region.

Long-Term Economic Strategy and Development Plans

Andhra Pradesh has embarked on an ambitious long-term growth strategy, focusing on creating globally competitive exports, promoting sustainable development, and attracting large-scale investments. The government has prioritised infrastructure projects, including the expansion of its industrial corridors, the development of greenfield airports, and upgrades to key ports. The state's focus on renewable energy, particularly in solar and wind energy, aligns with India's broader climate commitments and positions Andhra Pradesh as a leader in sustainable energy.

To further drive economic growth, Andhra Pradesh is actively developing several Special Economic Zones (SEZs) to foster foreign investment, particularly in sectors such as manufacturing, information technology, pharmaceuticals, and agri-business. Additionally, policies promoting ease of doing business have been implemented, including digitisation of business processes, single-window clearance systems, and incentives for investors.







The government also aims to modernise agriculture, which remains a significant sector, by adopting technologydriven solutions and promoting food processing industries. Alongside economic reforms, the state has rolled out a robust social development agenda, focusing on healthcare, education, and skill development to create a skilled workforce for its growing industries.

UAE-Andhra Pradesh Economic and Investment Roundtable





Recognising the strategic potential of Andhra Pradesh, the UAE-India CEPA Council (UICC), in collaboration with the UAE Embassy in Delhi and the Andhra Pradesh Economic Development Board (APEDB), hosted the UAE-Andhra Pradesh Economic and Investment Roundtable on 1 August 2024. The event was co-chaired by H.E. Abdulnasser Alshaali PhD, the UAE Ambassador to India, and Sri T.G. Bharat, Minister of Industries, Commerce, and Food Processing for the Government of Andhra Pradesh. The roundtable focused on enhancing trade and investment cooperation, attracting representatives from leading businesses in Andhra Pradesh and 11 major UAEbased companies.

During the event, participants highlighted Andhra Pradesh's significance as the UAE's 11th largest trading partner among India's 28 states and eight union territories, with bilateral trade amounting to USD 1.46 billion during the 2023–24 fiscal year. Both parties agreed on the importance of expanding trade relations and explored new areas of collaboration in sectors such as logistics, manufacturing, and tourism.





Enhancing Air Connectivity

A key topic at the roundtable was improving air connectivity between the UAE and Andhra Pradesh. Ambassador Alshaali emphasised that UAE airlines are eager to establish operations in the state. He noted that UAE carriers could potentially operate up to 35 direct flights per week to Vijayawada, Visakhapatnam, and Tirupati, increasing passenger traffic to over 500,000 annually.

Enhanced air links between the UAE and Andhra Pradesh would create new opportunities for tourism, trade, and investment while positioning Andhra Pradesh as a vital regional hub. Improved connectivity would also offer greater consumer choice and facilitate the movement of people and goods, further strengthening the UAE-India partnership.



Bhogapuram International Airport (BIA) is a greenfield airport under construction in Visakhapatnam, Andhra Pradesh, India.

Future Prospects for UAE-Andhra Pradesh Cooperation

Looking ahead, the UICC is committed to exploring further opportunities in Andhra Pradesh to deepen bilateral economic ties. The development of logistics corridors, investment in smart infrastructure, and collaboration in emerging technologies represent key areas of future cooperation.

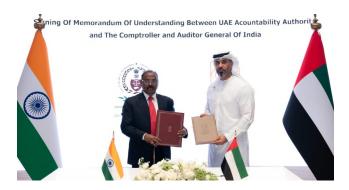
The roundtable concluded on a positive note, with both sides expressing optimism about expanding bilateral trade and investment. With a shared focus on sustainable growth, infrastructure development, and innovation, Andhra Pradesh and the UAE are well-positioned to foster mutually beneficial economic partnerships in the coming years.



UAE-India

Latest News





UAE and India Sign MoU to Strengthen **Public Sector Audit Cooperation**

The Comptroller and Auditor General of India signed a Memorandum of Understanding (MoU) with the Accountability Authority of the UAE Supreme Audit Institution.



IIT-Delhi Abu Dhabi opens in UAE Capital

Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi has officially inaugurated the Indian Institute of Technology Delhi Abu Dhabi campus. This is the first international campus of the Indian Institute of Technology (IIT) Delhi.

UAE Supermarket Introduces UPI Payments Across Outlets Countrywide

The inaugural transaction using UPI at the Al Maya Supermarket was conducted in the presence of the Deputy Consul General of India in Dubai, Yatin Patel.



UAE Names Street after Indian-origin Doctor for his 60-year Contribution to Healthcare

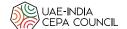
A street in Abu Dhabi has been named in honour of Dr. George Matthew, a UAE citizen of Indian origin, in recognition of his remarkable contributions to the Emirate's healthcare sector over nearly 60 years.



Akasa Air adds UAE to its International **Destinations, Third For Airline**

Akasa Air will operate daily direct flights connecting Abu Dhabi with Mumbai, catering to the growing travel demand between the UAE and India.

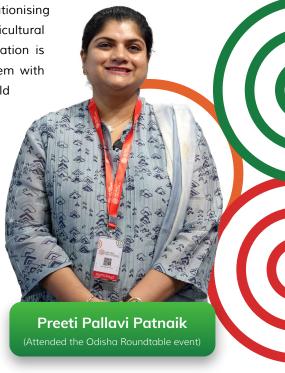




MSME in Focus

In the heart of Odisha's Koraput region, Kalinga Desi Agro Foundation is revolutionising the local coffee industry by empowering farmers and fostering sustainable agricultural practices. Established as a Section 8 non-profit organisation, the foundation is dedicated to enhancing the livelihood of coffee growers by providing them with the necessary tools, resources, and market access to improve both yield and quality. By focusing on fair pricing, transparency, and sustainability, the foundation has not only helped Koraput coffee gain recognition in national and international markets but has also created a transparent supply chain that benefits the entire community.

At the helm of this initiative is Preeti Pallavi Patnaik, an entrepreneur with a passion for making a difference in society. With a background in business and a strong commitment to sustainable development, she co-founded the Foundation with the goal of putting Odisha's coffee industry on the global map.



Q1: Tell us about yourself and the work you do at the Kalinga **Desi Agro Foundation?**

I am an entrepreneur from Odisha. I manage multiple business ventures, including an automobile dealership. In addition, I oversee the operations of Kalinga Desi Agro Foundation, a Section 8 non-profit organisation that focuses on the development of the coffee ecosystem in Koraput. Our primary objective is to collaborate with farmers, equipping them with sustainable farming practices to improve their yields and ensuring they receive fair compensation for their coffee. Historically, coffee from Odisha was sold in South India under a South Indian label. Today, through our efforts, Koraput coffee has gained recognition and established its own identity in the market.

Q2: What motivated you to establish Kalinga Desi Agro Foundation, and how did you recognise the potential for Koraput coffee?

The foundation was established to address the lack of recognition for Odisha coffee and to ensure farmers received fair prices. My co-founder, Mr. Ansuman Rath, and I identified this gap during the COVID-19 pandemic when I first learned about Koraput's coffee production through a friend. Despite being from Odisha, I wasn't aware of it before then. This project became a passion for me, driven by the desire to make a meaningful impact on society. We have since established market linkages with brands like Cafe Coffee Day and Blue Tokai and are actively exploring other international markets like the United Kingdom.

Q3: How many farmers are you currently working with, and how has your engagement with them evolved?

We collaborate with about 15 to 20 private farms in Koraput, serving as aggregators. Throughout the year, we assist them with curing and processing their coffee. Initially, there were challenges in gaining their trust, as they were used to intermediaries offering low prices. However, once we set up proper curing and processing facilities and demonstrated the potential for higher returns, trust grew. Our emphasis on traceability has been key in building long-term relationships, ensuring that both farmers and roasters know the exact origin of the coffee.



Q4: How did you manage the transition from selling through middlemen to creating your own platform?

Previously, middlemen purchased coffee from Koraput and sold it in Chikkamagaluru, where it was rebranded. No one really knew where the coffee was actually coming from. We disrupted this cycle by creating a transparent supply chain that ensured recognition for the farmers. Our coffee is now directly sold to major brands, and we've even garnered recognition at events like the World Coffee Conference. This has been a significant achievement for us, especially within three years of starting the foundation.

Q5: You also mentioned innovations in your process. How have you introduced new methods to the farmers?

Previously, coffee production in Koraput was largely unstructured, and farmers were unaware of the value of specialty coffee. We introduced standard operating procedures (SOPs) to improve farming practices and ensure consistency in quality. As farmers began to witness tangible benefits from these changes, they readily embraced them. We also engaged experts and consultants to assist in the adoption of modern farming techniques.

Q6: How does Kalinga Desi Agro Foundation prioritise sustainability in its practices?

Sustainability is central to our approach. We emphasise making incremental, long-term improvements to farming practices, reducing environmental waste, and avoiding the over-exploitation of farmland. We have brought in consultants to train the farmers on sustainable practices, ensuring the continued productivity of their farms. Sustainability has now become a core value among the farmers we work with.

Q7: You mentioned exploring international markets. How do you view markets such as the UAE?

The UAE is a highly strategic market with significant potential for coffee and agricultural products. It serves as a gateway to the global market, providing a platform for exports from Asia to reach a wider audience. While we have yet to establish strong connections with buyers in the UAE, I am optimistic about identifying the right platforms and partnerships to enter this market. Given the high demand for premium coffee, there are substantial opportunities to introduce Koraput coffee to UAE consumers. We are actively exploring avenues to connect with reliable buyers and participate in key trade events to realise this objective. I am really looking forward to the setting up of the Bharat Mart and hope that it provides the right platform to take our coffee to the UAE buyers.

Q8: What advice would you offer to someone looking to enter this field?

I believe that this work requires a deep sense of purpose and passion. It is not an easy journey, but my co-founder and I are driven by a desire to create a meaningful impact. Challenges are an inevitable part of the process, but they are valuable learning experiences. It is essential to embrace the journey and not solely focus on the end result. I would encourage anyone entering this field to enjoy the process and remain committed to their goals.



BUSINESS IN FOCUS

Nish Hair – Pioneering the Indian Hair Extensions Market



As part of its continual efforts to promote the crucial role that businesses both large and small play in supporting the broader UAE-India partnership, each issue of the UICC newsletter provides an in-depth overview of a UAE or Indian company that is making a positive contribution in driving the bilateral relationship forward.



Nish Hair is a pioneer in the Indian hair extensions market, revolutionising how women approach hair enhancement solutions. Founded by actor and entrepreneur Parul Gulati in 2017, Nish Hair began as India's first direct-to-consumer (D2C) hair extensions brand, offering a wide array of clip-in extensions, hair toppers, and wigs made from 100 percent human hair. What started as a digital-first business has quickly grown into a powerhouse in both online and offline retail, with an expanding presence within India and soon abroad.

The Genesis of a New Category

Before Nish Hair, India lacked accessible, high-quality hair extensions, especially in an organised online space. Parul Gulati recognised this gap and used her entrepreneurial spirit to fill it. By focusing on real human hair, Nish Hair provides an authentic solution to women dealing with hair loss, thinning, or those looking to transform their appearance without compromising the health of their natural hair. Nish Hair's entry into the market wasn't just about selling a product; it was about creating a category.

Instagram played a vital role in building the brand's visibility. Through content-driven strategies that combined product education with user stories, Nish Hair connected with audiences on a personal level. As a result, the company has fostered a loyal customer base and built trust around its products. The company's brand message is clear: confidence through self-expression, enhancing volume, covering thinning, or embracing grey hair with pride.

A Moment in the Spotlight: Shark Tank India

Nish Hair garnered widespread attention after its appearance on Shark Tank India, Season Two. The episode quickly became one of the most-watched pitches on the show, drawing viewers into the brand's journey and its potential for growth. It was here that Nish Hair caught the interest of Amit Jain, CEO of CarDekho Group, who came on board as an investor. His belief in Nish Hair was not just a nod to financial viability but also recognition of the company's innovative product line and the market it had created.

The exposure from Shark Tank India provided an enormous boost to the business, elevating it from a popular online brand to a household name. Nish Hair's story of resilience, innovation, and growth resonated with audiences and investors alike, accelerating its expansion plans.



A Women-Run Organisation

At the core of Nish Hair's success is its commitment to being a women-run business. The brand takes pride in manufacturing, packaging, and selling its products inhouse, ensuring quality control and authenticity. Every product is meticulously crafted, allowing Nish Hair to maintain high industry standards. This hands-on approach also enables the company to respond quickly to customer needs and trends in the market.



Moreover, Nish Hair's workforce embodies the brand's ethos of empowering women—both in terms of their customers and employees. Nish Hair believes in creating solutions for women, by women, that not only meet practical needs but also uplift and inspire confidence.

Bricks and Mortar Meets Digital

In 2023, Nish Hair took its first steps into the world of physical retail by opening its flagship store in Mumbai. By 2024, a second store had opened, reflecting the brand's growing demand for in-person consultations and trials. These stores offer customers the opportunity to experience Nish Hair's products first-hand, adding a layer of personalisation that complements the company's strong online presence. Nish Hair's stores provide the tactile experience many customers seek before making a purchase, allowing them to try different extensions, toppers, or wigs in a comfortable and welcoming environment.

International Expansion on the Horizon

As the brand continues to thrive in India, its eyes are now set on international expansion. In 2024, Nish Hair is poised to open its first store outside India, in Al Seef, Dubai. This move signals an ambition to serve a global

audience, bringing unique offerings to a wider range of women across different cultures. The expansion into Dubai marks a significant milestone for the brand as it introduces its Indian-rooted innovations to an international market.

Looking Ahead

From its inception, Nish Hair has been more than a company; it has been a movement towards selfempowerment, and confidence. expression, combining technology, high-quality products, and authentic customer engagement, Nish Hair continues to expand the boundaries of what a hair extensions brand can achieve.

The company's journey is far from over, with plans to expand further across India and internationally. Nish Hair remains committed to helping women around the world feel confident, beautiful, and in control of their personal style. Nish Hair stands as a testament to how passion, innovation, and a focus on customer needs can turn a simple idea into a transformative business—one that reshapes industries and elevates the experiences of countless women.







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