

Current Affairs in Export to Gulf Countries

By

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Abstract :-

As of early 2026, the export scenario to the Gulf Cooperation Council (GCC) is characterized by strong, technology-driven growth in non-oil sectors alongside structural, long-term dependence on hydrocarbons. The Gulf Cooperation Council (GCC) countries include Saudi Arabia, UAE, Qatar, Kuwait, Oman, and Bahrain. India, as a major partner, saw significant volatility in early 2026 due to regional tensions but maintains strong trade relations with high demand for agricultural products.

Key Trends & Market Dynamics Diversification Efforts: GCC countries are heavily investing in non-oil sectors, including renewable energy, digital technology, and manufacturing to reduce reliance on oil, creating opportunities for diversified exports. **Regional Instability:** Tensions in the region (e.g., Red Sea) have caused temporary disruptions in trade, leading to a decline in some exports to the UAE and Saudi Arabia, though the overall long-term trend remains positive. **Strategic Importance:** The GCC is actively navigating energy transition, maintaining its role as a global leader in energy exports while aggressively developing capacity in hydrogen and solar energy.

Increased VAT compliance and standardization across the GCC, particularly for food and consumer goods, is changing the landscape for exporters.

Introduction:-

The GCC is a crowded market with high competition from China and Western nations, requiring high quality and competitive pricing.

Stringent Standards: Strict compliance with non-tariff barriers and regulatory requirements, particularly for food and healthcare products. **Strategic long-term outlook** remains promising, with GCC economies growing faster and diversifying. The potential for Free Trade Agreements (FTAs) with various countries is expected to further reduce tariffs and enhance export competitiveness in the region.

While the region is a top market for engineering goods and agricultural products, exporters face a complex landscape of high competition, rapid digitalization, and the need to align with national sustainability visions.

Key words :- GCC, GDP, MSAMB, DPR, APMC

Key Market Dynamics

- **Strong Growth in Trade:** India-GCC trade reached approximately 178.7 billion in 2024-25, with India's exports growing to about \$57 billion.
- **Diversification from Oil:** GCC countries are actively diversifying away from hydrocarbon dependence, investing heavily in technology, tourism, and manufacturing, which increases demand for diverse goods and services.
- **High Purchasing Power:** The region remains a high-income market with growing consumer spending, expected to grow 3.5% annually through 2027.
- **Logistical Challenges & Opportunities:** While the Red Sea conflict has caused shipping disruptions in early 2026, major exporters are adapting through flexible, alternative shipping routes (e.g., via Fujairah in the UAE).

Top Export Opportunities from India to GCC

1. **Agricultural Products:** India commands a significant market share in rice and beef (around 60% and 50% respectively).
2. **Engineering Goods & Machinery:** Driven by massive infrastructure projects and industrialization efforts.
3. **Pharmaceuticals:** With high dependence on imported medicines, India remains a key supplier, especially given the rising regional demand for healthcare.
4. **Textiles & Gems/Jewelry:** Continued demand for consumer goods.

Key Challenges

- **Logistics & Transportation Costs:** High shipping costs have become a major concern for exporters, impacting the competitiveness of goods.
- **Regional Competition:** The GCC is a crowded market with high competition from China and Western nations, requiring high quality and competitive pricing.
- **Stringent Standards:** Strict compliance with non-tariff barriers and regulatory requirements, particularly for food and healthcare products

3. Regulatory & Trade Environment

- **Impending FTA:** Negotiations for an India-GCC FTA are in an advanced stage, which is expected to significantly reduce tariffs and increase competitiveness.
- **VAT Implementation:** Exporters need to navigate VAT regimes (typically 5%) introduced across all GCC states, with registration mandatory if sales exceed thresholds.
- **Product Standards:** High compliance standards are required for food items, electronics, and pharmaceuticals, with certifications often needed from local authorities.

Present Status in Maharashtra

- Govt. of Maharashtra has announced the creation of an Agri Export Zone for Different districts in Maharashtra.
- The MSAMB has been named the nodal agency by the Govt of Maharashtra.
- A Detailed Project Report (DPR) submitted by MSAMB has been approved
- Maharashtra State Agricultural Marketing Board in coordination with State agricultural department, Local APMC and cooperative societies continuously arranging training and demonstration programs in rural area to increase export

quality production. The training booklet prepared with the help of experts covering pre and post harvest technology of concerned products is circulated freely among farmers.

Challenges, Concerns & Strategies

At a macro level, the first challenge is to shift the government's priorities from heavy support and protection to promotion of agricultural diversification, processing, and commercialization. Farmers are not going to get rich by growing cereals when there are already national surpluses, demand growth is slow, and world markets are glutted with the subsidized production of rich-country farmers. A set of public policies and investments is required that must include additional public investment in the kinds of rural infrastructure and technologies needed for these new high-value activities, improvements in marketing and distribution systems for higher-value and more perishable foods, and further liberalization of the agro-industrial sector.

The Way Forward

The experience of many countries world over suggests that export orientation of the agriculture sector is one of the prerequisites for its success in global trade. Further, it has also been observed that export orientation of agriculture sector is sustained when complemented with a sizeable processing industry and strong internal market. As India lacks these requirements, much success on the export front has not been achieved, though India is at the forefront of production under various segments. To provide a push to agri- exports, there is a need to follow a five-pronged strategy. This includes Product Segmentation, Market Diversification, Market Penetration, Value Addition and Agriculture Infrastructure Upgradation.

RECOMMENDATIONS

- Good Agricultural Practices as recommended by National Research Centres, should be promoted.
- Awareness generation on harvesting and post harvest management with due attention on mechanized harvesting, sorting, grading, precooling, waxing, packaging, palletisation etc. The export consignments for Europe require proper palletisation and fumigation.
- Awareness generation on EureGap Certification and promotion of Organic farming in phased manner should be encouraged. Farmers should be registered with the horticulture/agriculture department of the concerned states to ensure traceability from farm level to the consumer end.
- It is recommended to strengthen the residue testing system especially for fresh fruits for exports.
- There is need for backward and forward linkages by adopting contract farming in fruits.
- Contract farming based on centralized model may be adopted. As the processor buys the commodity from a large number of farmers under contract with the firm.
- Institutional credit facilities during pest management should be ascertained to the small farmers.
- The Agri- Export Zone on fruits could be promoted to include export promotion of fresh fruits as well as processed products. The fruit growers/processors, value adding processing firms can get fiscal incentives in terms of tax concessions under the schemes of government of India.
- The traders/wholesalers/retailers are not aware about the procedures of export and HACCP/ISO Certification. Hence, it is recommended to make them aware regarding the export procedures/ISO/HACCP etc certification.

Country-Specific Focus (Top Markets)

- UAE: The central trade hub and India's third-largest trading partner, serving as a gateway for re-exports to the region.

- Saudi Arabia: The largest market in the GCC with massive investment opportunities through its Vision 2030, particularly in consumer goods, toys, and textiles.
- Qatar: Focuses on upgrading manufacturing value chains and hosting large-scale events, creating demand for construction materials and professional services.

Challenges

- Geopolitical Risks: Ongoing instability, such as shipping risks in the Strait of Hormuz, can lead to volatility in freight costs and supply chains.
- Intense Competition: The market is highly competitive, with strong players from China and Europe already established.
- Cultural Adaptations: Product localization and understanding cultural preferences are essential for consumer goods.

Scope of study

The present study was undertaken in order to understand Current Affairs in Export to Gulf Countries. Forward linkage indicates the exporting agro-products which have great scope to identify the demand of various products in export market. Demand depend upon price if price is less demand will be high. Hence parameter of price is also very important and necessary to take into consideration. The problem faced by farmer indirectly affects to the export. Hence the whole study will help in understanding the current affairs in the export activities.

Limitations of Study

India poses varied agro climatic situations, which differs a lot from each other, the results may differ and may not applicable for every region. The study in related to mostly to the Maharashtra State which did have some limitations. The data were mainly based on the information collected from various farmers and different authorized sites of Government undertaking entities. Advancement in the techniques also leads to variation in management practices followed by the growers. The results from the study considering all the above limitations will not applicable at every part of the country but may represents the regions with similar scenario.

Conclusions

1. India, as a major partner, saw significant volatility in early 2026 due to regional tensions but maintains strong trade relations with high demand for agricultural products.
2. High shipping costs have become a major concern for exporters, impacting the competitiveness of goods.
3. India-GCC trade reached approximately 178.7 billion in 2024-25, with India's exports growing to about \$57 billion.
4. Export of Agro-products are expected to grow 3.5% annually through 2027.

REFERENCE

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