



24 February – 1 March 2024

Free Trade Agreements

India closes in on Oman trade deal as Mideast ties strengthen

India and Oman are close to concluding talks on a trade deal that will allow easier access of goods and services into each other's markets, officials familiar with the matter said, further cementing the South Asian nation's presence in the Gulf region. The two sides have reached consensus on a majority of the issues in the comprehensive economic partnership agreement and the talks are likely to conclude soon, the people said, asking not to be identified because the discussions are private. A deal could be finalized as early as March, one of the people said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-closes-in-on-oman-trade-deal-as-mideast-ties-strengthen/articleshow/108031232.cms>

Talks on upgrading India-S Korea FTA may conclude in 2024: Korean envoy

The negotiations on the expansion of the Comprehensive Economic Partnership Agreement (CEPA) between India and South Korea are likely to conclude in 2024, said Chang Jae-bok, the South Korean envoy here on Wednesday. The Republic of Korea and India signed a Comprehensive Economic Partnership Agreement (CEPA) in 2009. The two nations are negotiating the expansion of the Comprehensive Economic Partnership Agreement (CEPA) and have so far held several rounds of discussions.

https://www.business-standard.com/economy/news/talks-on-upgrading-india-s-korea-fta-may-conclude-in-2024-korean-envoy-124022800814_1.html

India-UK FTA: Goyal, Badenoch meet to decide future course of action

Commerce and Industry Minister Piyush Goyal and his British counterpart Kemi Badenoch will make another attempt to iron out differences and decide the future course of action on the much-awaited free trade agreement (FTA) between the two countries before the general elections. The ministers are expected to hold bilateral talks on the sidelines of the World Trade Organization's four-day summit – the 13th Ministerial Conference -- in Abu Dhabi.

https://www.business-standard.com/india-news/india-uk-fta-goyal-badenoch-meet-to-decide-future-course-of-action-124022700783_1.html

India seeks tariff exemption for textiles in EU FTA talks for competitive edge

India is advocating for labour-intensive textiles and apparel products to be classified as non-tariff items in the ongoing negotiations for a free-trade agreement (FTA) with the European Union. EU nations impose higher import duties, typically ranging 10-12%, on textile products, placing India at a disadvantage compared to China, the EU's leading supplier of apparel and textiles, said two people seeking anonymity.

<https://www.livemint.com/politics/policy/india-advocates-zero-duties-on-textile-apparel-during-eu-fta-talks-11708852709669.html>

Bilateral Trade

Vietnam imports husked brown rice from India for re-exports, sources say

Vietnam has imported husked brown rice from India for the first time in decades to process the grain and export the refined, white variety, trade and government sources said, as Hanoi tries to cash in on strong global demand for the staple. Vietnam, the world's third biggest rice exporter, has imported at least 200,000 metric tons of husked brown rice from India between December and February, the sources said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/vietnam-imports-husked-brown-rice-from-india-for-re-exports-sources-say/articleshow/108040852.cms>

India's oil imports from Russia threatened after US imposes new sanctions

Fresh US sanctions on Moscow threaten to dent Russian oil sales to India, the biggest buyer of Russian seaborne crude, and complicate efforts by Indian state refiners to secure annual supply deals, three industry sources familiar with the matter said. Washington on Friday imposed sanctions to mark the second anniversary of Moscow's invasion of Ukraine and retaliate for the death of opposition leader Alexei Navalny.

https://www.business-standard.com/economy/news/india-s-oil-imports-from-russia-threatened-after-us-imposes-new-sanctions-124022800414_1.html

India exempts Bangladesh from onion export ban, to ship 50,000 tonnes before Eid

India will export 50,000 tonnes of onions to Bangladesh ahead of Eid, three senior officials aware of the development said. The proposed supplies to India's long-standing partner in the neighbourhood come in the backdrop of India banning exports of onions in December after the imposition of a 40% export duty

<https://www.livemint.com/news/ahead-of-eid-india-relaxes-ban-to-export-50-000-tonnes-of-onions-to-bangladesh-11708855671406.html>

PC, laptop imports from China surged by 11.3% to \$276 million in December

After a month's gap, the import of personal computers, including laptops and tablets, from China surged 11.3 per cent to \$276 million in December. This occurred when total imports of such items contracted by 0.8 per cent, according to the latest data from the commerce department. The same month witnessed a decline in the import of personal computers from countries/regions like Singapore and Hong Kong, which saw a decrease of 66.1 per cent and 41.8 per cent, respectively.

https://www.business-standard.com/india-news/pc-laptop-imports-from-china-surged-by-11-3-to-276-million-in-december-124022800988_1.html

Sectoral Updates

Onion exporters seek 'fair and equitable' distribution of export quota

Exporters have knocked on the government's doors amid an imbroglio with the Centre recently announcing onion exports in limited quantities to select countries while a wider ban on overseas shipments of the bulb vegetable continues. Onion exporters body Horticulture Produce Exporters' Association (HPEA) has approached the Centre seeking 'fair and equitable' distribution of the export quota among all exporters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/onion-exporters-seek-fair-and-equitable-distribution-of-export-quota/articleshow/108034291.cms>

Jewellery, auto exports tap Africa, C Asia

At a time when global trade is facing geo-political uncertainties, India's exports of goods like automobiles and gold jewellery have ventured into uncharted territories of Central Asia, Africa and Latin America, as per an analysis by the commerce ministry. The analysis has shown that India has penetrated into what are termed as "absolutely new markets" in regions such as Africa, Central Asia, Latin America and North America during April-December 2023.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/jewellery-auto-exports-tap-africa-c-asia/articleshow/107990930.cms>

Diamond traders in a fix as G7's Antwerp diktat comes into effect

India's Gem and Jewellery Export Promotion Council (GJEPC) and several global bodies dealing in diamond trade have raised concerns about the G7 bloc's demand to route rough and polished diamonds through Antwerp in Belgium for certification as non-Russian. The G7 countries - the US, UK, Canada, Germany, France,

Italy and Japan - have decided to prohibit imports of Russian-origin diamonds of 1 carat and above starting March 1 (Friday), even if they are cut and polished in a third country like India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diamond-traders-in-a-fix-as-g7s-antwerp-diktat-comes-into-effect/articleshow/108117026.cms>

Imports of paper, paperboards rise 37% in Apr-Dec FY23, says IPMA

Imports of paper and paperboards have increased by 37 per cent to around 1.47 million tonnes in April-December this fiscal, which have hit the local paper mills, an industry body said on Sunday. Paper and paperboard imports were around 1.07 million tonnes in the corresponding period of the last fiscal year, the Indian Paper Manufacturers Association (IPMA) said while citing DGCI&S data.

https://www.business-standard.com/industry/news/imports-of-paper-paperboards-rise-37-in-apr-dec-fy23-says-ipma-124022500124_1.html

Indian steel mills seek iron ore export ban as China sales jump

Smaller steelmakers in India are pressing for a ban on exports of iron ore, after a surge in sales to Chinese mills pushed up local prices. Indian exports jumped 170% to 44 million tons last year — most of which went to China — at a time when domestic demand for the raw material is rising. That's prompted the worst-affected sections of the industry to seek restrictions from the authorities to protect their margins.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-steel-mills-seek-iron-ore-export-ban-as-china-sales-jump/articleshow/107934978.cms>

India's Apr-Jan steel imports at 6-year high as China shipments surge

India's steel imports touched a six-year high in the first 10 months of the fiscal year to March, led by Chinese shipments, and India was a net importer of finished steel, according to provisional government data seen by Reuters on Tuesday. The demand for steel was strong in India, the world's second-biggest crude steel producer, as the country remained a bright spot globally with robust demand from its construction and automotive sectors.

https://www.business-standard.com/industry/news/india-s-apr-jan-steel-imports-at-6-year-high-as-china-shipments-surge-124022700334_1.html

India's steel exports at 18-month high in January

India's monthly steel exports hit a 18-month high to 1.1 million tonne in January 2024 on increased demand from the European Union and supportive global prices, SteelMint said. Besides, competitive domestic prices of steel contributed to rise in export, the research firm said in its latest report. The outbound shipment of steel in January 2023 was 0.67 million tonne, as per SteelMint data.

<https://www.financialexpress.com/business/industry-indias-steel-exports-at-18-month-high-in-january-3404517/>

India's basmati rice exports to fall as Pakistan's surge

India's basmati rice exports are likely to fall in 2024 after nearing a record high last year, as rival Pakistan is offering the grain at competitive prices amid a rebound in production, industry officials said. India and Pakistan are the leading exporters of the premium long-grain variety of rice, famous for its aroma, to countries such as Iran, Iraq, Yemen, Saudi Arabia, the United Arab Emirates, and the United States.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-basmati-rice-exports-to-fall-as-pakistans-surge/articleshow/108106004.cms>

Coal import for blending drops 37% to 19.36 million tonne in Apr-Jan period

The import of coal for blending purposes dropped 36.69 per cent to 19.36 Million Tonnes (MT) in the April-January period of the current fiscal, an official statement said on Monday. The country's coal import for blending was 30.58 MT in the corresponding period of the previous financial year. "Despite the surging power demand, coal import for blending witnessed a significant decrease of 36.69 per cent... This exemplifies the nation's steadfast commitment to achieving self-reliance in coal production and minimising overall coal imports," the coal ministry said in a statement.

https://www.business-standard.com/industry/news/coal-import-for-blending-drops-37-to-19-36-million-tonne-in-apr-jan-period-124022601089_1.html

India slowly gaining electronics export market foothold from China: Study

India is chipping away at China's dominance in electronics exports in some key markets as manufacturers diversify supply chains away from the world's factory to other parts of Asia, a new study shows. The impact is most pronounced in the UK and US, where geopolitical tensions with China have increased in recent years. India's electronics exports to the US as a ratio of China's increased to 7.65% in November last year from 2.51% in November 2021, according to London-based Fathom Financial Consulting. In the UK, the share rose to 10% from 4.79%.

https://www.business-standard.com/industry/news/india-slowly-gaining-electronics-export-market-foothold-from-china-study-124022801290_1.html

Russia's move to ban petro exports for six months not to affect India

Russia's move to ban the export of processed petroleum for six months beginning March 1 won't affect India as it is not expected to extend to crude oil, refinery officials said. Russian officials had confirmed this in discussions held in December, they added. Russian media on Tuesday reported that the country has accepted proposals to implement the ban to meet the rising domestic demand. "The latest ban is focused on processed petroleum exports, which doesn't affect us.

https://www.business-standard.com/world-news/russia-s-move-to-ban-the-petro-exports-won-t-extend-to-crude-oil-124022700979_1.html

Tap Africa, EU for textile exports, says PM

Prime Minister Narendra Modi exhorted captains of India's textiles industry to tap the export potential for their products in Africa and the European Union. This draws significance at a time when India is positioning itself as a global textiles sourcing destination by focusing on quality and sustainable manufacturing of apparel. In the first 10 months of the current fiscal year, India exported \$27.69 billion worth textile products across the globe.

<https://www.livemint.com/industry/tap-africa-eu-for-textile-exports-says-pm-11708935303599.html>

Govt mulls minimum import price on tur dal

To prevent price manipulations by traders, the government is considering a proposal to impose a minimum import price (MIP) for tur dal, a chunk of it is imported from Myanmar and a few African countries including Malawi and Mozambique. An official said as the country sources the pulses variety from a few countries, some importers taking advantage of situations are pushing prices up causing a spike in domestic prices.

<https://www.financialexpress.com/policy/economy-govt-mulls-minimum-import-price-on-tur-dal-3404697/>

Apparel industry needs to focus on synthetic fabrics to boost exports: GTRI

The developed countries are buying clothing made up of mixed synthetics and the Indian apparel industry is weak on that front, leading to a decline in global exports share, a report by GTRI said on Tuesday. The Global Trade Research Initiative (GTRI) said that due to weak synthetics, India's apparel industry is a horse running with one leg tied. "The results are low exports, low wages, and low investments in the sector," it said, adding that synthetics have overtaken cotton and become favourite of the fashion industry.

https://www.business-standard.com/industry/news/apparel-industry-needs-to-focus-on-synthetic-fabrics-to-boost-exports-gtri-124022700629_1.html

State Updates

Tamil Nadu contributes to 32% of India's total electronics exports till Jan

Tamil Nadu has continued to consolidate its position as India's leading exporter of electronic products with its value touching \$7.37 billion, a whopping 32.52 per cent of India's total export of electronic system design and manufacturing (ESDM) goods of \$22.65 billion, from April to January during the current financial year (FY24). According to industry experts, one of the major reasons for the rise in exports is the China-Plus-One strategy of global majors like Apple, following which its contractors like Foxconn and Pegatron and suppliers like Salcomp added to the rise of Tamil Nadu as the country's electronic hub last year.

https://www.business-standard.com/industry/news/tamil-nadu-contributes-to-32-of-india-s-total-electronics-exports-till-jan-124022901014_1.html

WTO

India seeks review of custom duties moratorium on e-comm at WTO

India on Thursday sought the reconsideration of the moratorium on customs duties on e-commerce, particularly for the developing countries and the least developed countries (LDCs) at the World Trade Organisation (WTO). At the WTO's ongoing 13th Ministerial Conference (MC13) in Abu Dhabi, India stressed the need for digital industrialization as an emerging segment of the global economy due to its potential to play a key role in the economic development and prosperity of developing countries, working LDCs.

<https://www.livemint.com/economy/india-seeks-review-of-custom-duties-moratorium-on-e-comm-at-wto-11709220337138.html>

India pushes for restoration of WTO appellate body as 'top-most priority'

India on Wednesday pushed for the restoration of the World Trade Organization's (WTO's) appellate body — the highest adjudicating authority — as the 'topmost priority' of any reform process in the global trade body. India also called for the effective formalisation of the ongoing informal dispute settlement reform discussions among some members at the WTO, at the 13th Ministerial Conference (MC13) in Abu Dhabi.

https://www.business-standard.com/india-news/india-pushes-for-restoration-of-wto-appellate-body-as-top-most-priority-124022800901_1.html

WTO should not negotiate rules on non-trade issues, says Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Monday said the World Trade Organization (WTO) should not negotiate rules on subjects not related to trade, and matters such as climate change, gender, and labour should be addressed in their respective intergovernmental organisations. "India firmly believes that any measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade," the minister said in a virtual address at the WTO's 13th ministerial council (MC13) meeting.

https://www.business-standard.com/india-news/wto-should-not-negotiate-rules-on-non-trade-issues-says-piyush-goyal-124022600893_1.html

WTO negotiations: India secures multilateral victory, upholds principles of fair trade

India, alongside South Africa, has achieved a major breakthrough in the realm of domestic service regulations within the World Trade Organization (WTO), a development for global trade negotiations. The Ministry of Commerce and Industry announced a pivotal win for multilateralism following successful consultations and deliberations within the WTO framework.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/wto-negotiations-india-secures-multilateral-victory-upholds-principles-of-fair-trade/articleshow/108063103.cms>

India moots 3-pt plan to fully revive dispute settlement body

Restoration of a fully functional dispute settlement system of the World Trade Organisation (WTO) is the topmost priority, India said Wednesday at the working session on Dispute Settlement (DS) Reforms at the WTO's 13th Ministerial Conference here. New Delhi proposed a three-point action plan that included providing opportunity to members to bring in new proposals at any stage, transition the discussions on dispute settlement reforms to WTO formal bodies, and restoring the appellate body.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-moots-3-pt-plan-to-fully-revive-dispute-settlement-body/articleshow/108083506.cms>

Developing countries must play a larger role in e-commerce, India says at MC13

Developing countries must play a larger role in online commerce as a handful of companies in developed countries currently dominate the global e-commerce landscape, India said at the 13th Ministerial Conference (MC13) of the World Trade Organisation (WTO) in Abu Dhabi on Thursday. The size of India's e-commerce market is estimated at \$112.93 billion in 2024, and is expected to touch \$299.01 billion by 2029, growing at a CAGR of 21.5% over this period, according to a report by Mordor Intelligence.

<https://livemint.com/news/india/developing-countries-must-play-a-larger-role-in-e-commerce-india-says-at-mc13-11709208948951.html>

Govt seeks solution to long-pending food stockpile issue at WTO meet

India on Monday called on WTO members to find a permanent solution to the long-pending public food stockpile issue, saying it is directly related to achieving the sustainable development goal of zero hunger by 2030. Commerce and Industry Minister Piyush Goyal said that the World Trade Organisation (WTO) should not

negotiate rules on non-trade-related subjects like climate change, gender, and labour and rather these should be addressed in respective intergovernmental organizations.

https://www.business-standard.com/economy/news/govt-seeks-solution-to-long-pending-food-stockpile-issue-at-wto-meet-124022600727_1.html

India expresses serious concerns in WTO meet over unilateral protectionist measures

India on Monday expressed "serious" concerns in a WTO meeting in Abu Dhabi over increase in the use of trade protectionist measures by certain countries in the name of environment protection. The remarks assume significance as the country has earlier flagged issues over the European Union's (EU) decision to impose carbon tax (a kind of import tax) on sectors such as steel and fertiliser; and adoption of deforestation regulation by the 27-nation bloc.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-expresses-serious-concerns-in-wto-meet-over-unilateral-protectionist-measures/articleshow/108019396.cms>

WTO: Fisheries subsidies are vital for developing countries, says India

India on Tuesday said that the agreement on fisheries subsidies that is currently being negotiated at the World Trade Organisation (WTO) should keep in mind the welfare of the fishing community that depends on the marine resources for their livelihood and sustenance. India reiterated that while subsidies to the fisheries sector have led to overexploitation, subsidies are critical for developing countries and small economies as such payouts help them develop and diversify the sector and protect the food security and livelihood of the fishermen.

https://www.business-standard.com/economy/news/wto-mc13-fisheries-subsidies-are-vital-for-developing-nations-says-india-124022701133_1.html

Other Key Coverage

Yellow peas import allowed after registration under monitoring system: DGFT

Import of yellow peas is allowed after registration under the import monitoring system with immediate effect for all consignments where bill of lading (shipped on board) is issued on or before April 30, according to a commerce ministry notification. The Directorate General of Foreign Trade (DGFT) said the import is permitted without the MIP (Minimum Import Price) and port restriction conditions.

https://www.business-standard.com/industry/news/yellow-peas-import-allowed-after-registration-under-monitoring-system-dgft-124022600623_1.html

Working on sustainability practices to enhance competitiveness of apparel exporters: AEPC

Apparel exporters body AEPC on Wednesday said the industry is working on sustainability production practices as it would help enhance the competitiveness of the sector in the international market. Apparel Export Promotion Council (AEPC) Chairman Sudhir Sekhri said the mantra given by prime minister Narendra Modi to boost textiles exports through 5F – Farm to Fiber, Fiber to Factory, Factory to Fashion, Fashion to Foreign – will energise the textiles export sector.

<https://www.financialexpress.com/business/sustainability-working-on-sustainability-practices-to-enhance-competitiveness-of-apparel-exporters-aepcnbsp-3407515/>

India says Red Sea attacks add urgency to Middle East trade route

The volatile situation in the Red Sea increases the need for an alternate trade corridor to ship goods from India to Europe, India's ambassador to the United Arab Emirates said. India has taken the first steps with the UAE to begin work on the India-Middle East-Europe Economic Corridor, or IMEC, Sunjay Sudhir said in an interview in Abu Dhabi on the sidelines of a World Trade Organization meeting. The two countries want to take a lead in developing the project, he said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-says-red-sea-attacks-add-urgency-to-middle-east-trade-route/articleshow/108070518.cms>

Red Sea crisis: Indian companies take steps to offset supply chain impact

Indian companies impacted by the Red Sea disruptions have started taking measures after an impact on their overseas supply chains for both imports and exports due to delay in transit time, increased shipping and

insurance costs. This includes creating an additional pool of working capital to buy raw materials in advance which are imported through that route, air freight to meet urgent demand and negotiation with clients, <https://economictimes.indiatimes.com/news/economy/foreign-trade/red-sea-crisis-indian-companies-take-steps-to-offset-supply-chain-impact/articleshow/108077077.cms>

Exports venturing into uncharted territories of Africa, Central Asia, European regions: Comm min

At a time when global trade is facing geo-political uncertainties, India's exports of goods like automobiles and gold jewellery have ventured into uncharted territories of Central Asia, Africa and Latin America, according to an analysis by the commerce ministry. The analysis has shown that India has penetrated into what are termed as "absolutely new markets" in regions such as Africa, Central Asia, Latin America and North America during April-December 2023.

<https://www.financialexpress.com/policy/economy-exports-venturing-into-uncharted-territories-of-africa-central-asia-european-regions-comm-min-3404437/>

UAE coming out of FATF 'grey list' is good news for India

Indian finance companies scouting for foreign equity, startups hurt by funding winter, and private equity and venture capital funds wooing overseas investors would enjoy the spinoffs from the United Arab Emirates (UAE) shedding the stigma of being in the 'grey list' of the global anti-money laundering watchdog. Last Friday, the Financial Action Task Force (FATF), the inter-government body which leads the action to combat illegal and suspicious fund flows,

<https://economictimes.indiatimes.com/news/india/uae-coming-out-of-grey-list-is-good-news-for-india/articleshow/107989569.cms>

China Plus Few – A theme adding to India's growth!

According to the Reserve Bank of India (RBI), India's Current Account Deficit (CAD), which was 3.8% of GDP in Q2FY23, has narrowed to 1% of GDP in Q2FY24, primarily due to lower merchandise trade deficit and growth in services exports. Emerging economies have been a beneficiary of the theme "China Plus 1", wherein multinational companies are moving supply chains away from China to mitigate concentration and geopolitical risks. Herein, we have modified the concept to "China Plus Few" to signify multiple beneficiaries.

<https://www.financialexpress.com/policy/economy-china-plus-few-a-theme-adding-to-indias-growth-3403243/>

Notifications

Extension in Import Period for Yellow Peas under ITC (HS) Code 07131010 of Chapter 07 of ITC (HS), 2022, Schedule –I (Import Policy)

<https://content.dgft.gov.in/Website/dgftprod/843bd1ba-130a-4f16-8e74-025f5808cadf/noti%2061%20eng.pdf>

Amendments in Standard Input Output Norms (SION) C-831 for export of Stainless Steel Seamless Tubes/ Pipes (Cold Finished)

<https://content.dgft.gov.in/Website/dgftprod/7a52d13c-e0d7-4639-84c5-2aefbd395128/PN%2045%20English.pdf>

Amendment in Para 2.39 of the Foreign Trade Policy, 2023

<https://content.dgft.gov.in/Website/dgftprod/4a3e9487-4f32-41f2-8ab2-d571f6ff15b5/Noti%2062.pdf>