



2 March – 8 March 2024

Free Trade Agreements

India mulls quota-based duty cuts on gold imports to Switzerland under EFTA

India is mulling giving quota-based duty concessions on gold imports from Switzerland under the proposed free trade agreement European Free Trade Association (EFTA) and has also sought an investment commitment of \$50 billion in the first ten years after the implementation of the agreement and another \$50 billion in the next five years, officials said. Iceland, Liechtenstein, Norway, and Switzerland comprise the EFTA.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-mulls-quota-based-duty-cuts-on-gold-imports-to-switzerland-under-efta/articleshow/108275692.cms?from=mdr>

Trade pact with EFTA may be the first for India with committed investments, jobs, says official

The proposed free trade agreement between India and the European Free Trade Association (EFTA) countries, with a commitment of \$100-billion investments from the four-country bloc into India over the next 15 years generating an estimated 1 million jobs, may be formalised soon as the pact “is ready” and going through legal scrutiny, sources have said.

<https://www.thehindubusinessline.com/economy/trade-pact-with-efta-may-be-the-first-for-india-with-committed-investments-jobs-says-official/article67914167.ece>

Cabinet may consider EFTA, deal likely to be announced Sunday

The Union cabinet is expected to take up the draft agreement with the European Free Trade Association (EFTA) today, paving the way for a potential announcement on Sunday, two persons aware of the development said. This deal could be the first formally signed free trade agreement among India's ongoing trade negotiations. FTA negotiations with Oman and the UK are also in the final stages.

<https://www.livemint.com/economy/cabinet-may-consider-efta-deal-may-be-announced-sunday-11709795665351.html>

India seeks greater market access, flexibilities in rules of origin in FTA review with ASEAN

India is negotiating with the ten-member ASEAN for greater market access for its goods, more flexibility in determining origin of products through product-specific rules and redressal of non-tariff barriers. This comes as part of the India-ASEAN FTA review initiated by New Delhi to address its growing trade deficit with the bloc, sources have said.

<https://www.thehindubusinessline.com/economy/india-seeks-greater-market-access-flexibilities-in-rules-of-origin-in-fta-review-with-asean/article67925058.ece>

FTA talks: India begins hard bargain on non-tariff barriers with EU

In an effort to get non-tariff barriers eliminated in the ongoing free trade agreement negotiations with the European Union, Indian negotiators have prepared an elaborate list of such roadblocks in key sectors such as pharma, engineering, electrical and agri items and have begun taking it up with their European counterparts, two people aware of the developed told The Indian Express.

<https://indianexpress-com.cdn.ampproject.org/c/s/indianexpress.com/article/business/fta-talks-india-begins-hard-bargain-on-non-tariff-barriers-with-eu-9197933/lite/>

India-Oman free trade deal likely to be signed soon, say officials

The legal vetting for a proposed free trade agreement (FTA) between India and Oman is nearly complete, with the deal likely to be signed in either the coming days or after the general election, two people aware of the matter said. "The government hopes to sign the pact before the announcement of dates for general elections, and in case it cannot be signed before the announcement,

<https://www.livemint.com/economy/indiaoman-fta-set-to-be-signed-soon-officials-11709723451593.html>

India-UK trade pact may be pushed back till after polls in both countries

The conclusion of the India-UK free trade agreement (FTA) could be pushed beyond the general elections in both countries, despite last-mile dash by top officials from both sides, because differences still remain on issues of market access in key areas of goods and services. The formal announcement of commencement of the election process in India is expected by middle of March and the new government will be taking office latest by June. <https://www.financialexpress.com/policy/economy-india-uk-trade-pact-may-be-pushed-back-till-after-polls-in-both-countries-3417436/>

Bilateral Trade

Russia says to deepen crude oil output cuts while easing export limits

Russia will cut its oil output and exports by an additional 471,000 barrels per day (bpd) in the second quarter, in coordination with some OPEC+ participating countries, its Deputy Prime Minister Alexander Novak said on Sunday. The world's second-largest global oil exporter has been cutting crude oil and fuel exports by a combined 500,000 bpd in the first quarter, in addition to its previous pledge to curtail production alongside other members of the OPEC+ grouping.

https://business-standard.com/world-news/russia-says-to-deepen-crude-oil-output-cuts-while-easing-export-limits-124030300651_1.html

India in talks with Venezuela, Guyana for crude oil amid OPEC+ production cuts

India is in talks with several countries including Guyana, Suriname and Namibia to source crude oil at a time when the Organization of the Petroleum Exporting Countries and its allies have decided to extend their production cuts. India will also source oil from Venezuela in lieu of stuck dividends worth \$600 million, Union minister for petroleum and natural gas, Hardeep Singh Puri, said on Monday.

<https://www.livemint.com/news/india-in-talks-with-venezuela-guyana-for-crude-oil-amid-opec-production-cuts-11709564388042.html>

Jaishankar urges Japanese firms to manufacture and export from India

India's foreign minister S. Jaishankar urged Japanese companies to consider "Make in India" initiatives as well as export from India to global markets, during the Raisina Roundtable in Tokyo. Jaishankar is on a three-day visit to Japan to meet with his Japanese counterpart Yoko Komikawa. He acknowledged that while investments into India from Japan have been robust, bilateral trade has been less robust.

<https://www.livemint.com/news/jaishankar-urges-japanese-firms-to-manufacture-and-export-from-india-11709827584297.html>

India-US trade likely to top \$200 billion this year: Ambassador Garcetti

The India-United States trade is likely to surpass the previous record of \$200 billion this year and huge opportunities exist for the two countries to expand cooperation in defence, space besides critical emerging technologies like semiconductors and artificial intelligence, said American Ambassador Eric Garcetti on Thursday.

https://www.business-standard.com/economy/news/india-us-trade-likely-to-top-200-billion-this-year-ambassador-garcetti-124030701093_1.html

Kazakhstan pushes to increase trade with India via INSTC

Central Asia's biggest state Kazakhstan is keen to increase trade with India via the International North South Transport Corridor (INSTC). Kazakhstan's Prime Minister Olzhas Bektenov travelled to Moscow to attend a

meeting on March 4 with the Prime Minister of PM, Mikhail Mishustin. High on the agenda was INSTC and in particular, the section of railway interlinking Russia, Kazakhstan, Turkmenistan, and Iran.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/kazakhstan-pushes-to-increase-trade-with-india-via-instc/articleshow/108292363.cms>

RBI, Indonesia's central bank sign agreement for local currency trade

The Reserve Bank of India (RBI) and Indonesia's central bank on Thursday signed an agreement in Mumbai to promote cross-border local currency transactions. It is India's second such local currency trade agreement after the UAE. RBI governor Shaktikanta Das and Perry Warjiyo, governor of Bank Indonesia (BI), signed a memorandum of understanding (MoU) for "establishing a framework for cooperation in the area of cross-border transactions in local currencies between India and Indonesia", said RBI in a statement.

https://www.business-standard.com/economy/news/rbi-indonesia-s-central-bank-sign-agreement-for-local-currency-trade-124030700625_1.html

India-Nepal enhance financial cooperation; digital payment to be inaugurated soon

Nepal's Ambassador to India, Shankar Sharma on Saturday appreciated the new guidelines of the Reserve Bank of India, which allow multiple financial services between the people of India and Nepal. He said that now Nepal citizens can send Rs 2 lakh per transaction to Nepal and walk-in customers can remit Rs 50,000 per transaction. The Nepal envoy also said that Unified Payment Interface-Nepal Clearing House Ltd, which is to be inaugurated soon, will further eliminate any inconvenience of carrying cash.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-nepal-enhance-financial-cooperation-digital-payment-to-be-inaugurated-soon/articleshow/108159611.cms>

Sectoral Updates

India's top exports decline in April-January

Four of India's top five merchandise exports, in value terms, fell or were flat during the first ten months of the current fiscal year, according to commerce ministry data. These include engineering goods, which comprise 25% of all exports in value terms, petroleum products (19%), gems and jewellery (8%), and chemicals (6%). Electronic goods, which account for 6% of India's total export value, showed significant growth in April-June to \$22.64 billion from \$18.78 billion a year ago.

<https://www.livemint.com/economy/indias-top-exports-decline-in-apriljanuary-11709551233507.html>

Diamond cos tread on rule minefield; face compliance burden under new sanctions regime

All diamond houses in India were alerted over the weekend that missing paper trails and sloppy records would land them in trouble under the new sanctions regime that began on March 1 to block Russian gems from the affluent western markets. The discreet, quaint world of diamonds, where close-knit jewellers and diamantaires cut deals in old-fashioned ways, is scanning a new, unfamiliar compliance mechanism that could change the way they have been doing business for ages.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diamond-cos-tread-on-rule-minefield-face-compliance-burden-under-new-sanctions-regime/articleshow/108186090.cms>

Diamond exports set to fall by 25-30% to multi-year low this fiscal

The country's cut and polished diamond (CPD) export is set to fall by 25-30 per cent this fiscal to a multi-year low of USD 15-16 billion due to the massive demand slump in the largest consuming markets of the US and China, and is unlikely to get better even next fiscal, says a report. Accordingly, the outlook for the CPD industry is negative as the exports will plunge to a multi-year low in the current fiscal, Care Ratings said in a note Wednesday, adding it does not expect a significant recovery in FY25 either.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diamond-exports-set-to-fall-by-25-30-to-multi-year-low-this-fiscal/articleshow/108275305.cms>

Gaining momentum: Petro product exports fire up after fall in January

India's petroleum product exports, one of the country's biggest export earners, rose 23 per cent in February compared to the previous month, arresting the growing clout of the United States in Europe's lucrative fuel market, according to industry officials and ship tracking data. This comes as oil tankers sailed around Africa to avoid the conflict-struck Red Sea route. In January 2024, India's oil product exports had fallen by 19 per cent

compared to December 2023. https://www.business-standard.com/economy/news/india-s-petroleum-product-exports-bounce-back-rise-23-in-february-124030100665_1.html

Grapes exports will likely rise 10% this year despite high freight costs

India's fresh grape exports are seen rising by over a tenth in the 2023-24 season on strong demand from Europe, its main market. The increase in shipments is notwithstanding the higher freight costs, which have more than doubled to the region on account of disruptions in the Red Sea region. Supply issues from South Africa have helped push up demand for Indian grapes in Europe, exporters said.

<https://www.thehindubusinessline.com/economy/agri-business/grapes-exports-will-likely-rise-10-this-year-despite-high-freight-costs/article67909721.ece>

India to replace 2.5 million tonnes of conventional urea with nano urea in FY24, minister says

India will replace the consumption of 2.5 million tonnes (mt) of conventional urea with nano urea in FY24, union chemicals and fertilisers minister Mansukh Mandaviya said at a press conference on Friday. This is in line with India's goal of achieving self-sufficiency in urea production by 2025. India's urea consumption in the 10 months to February 2024 stood at 31.7 mt, down from 35.7 mt in the same period of the previous fiscal year, the minister said.

<https://www.livemint.com/industry/agriculture/india-to-replace-2-5-million-tonnes-of-conventional-urea-with-nano-urea-in-fy24-minister-says-11709299067061.html>

Govt allows export of 30,000 tonnes of non-basmati white rice to Tanzania

The government has permitted exports of 30,000 tonne of non-basmati white rice to Tanzania and 80,000 tonne of broken rice to Djibouti and Guinea Bissau. The export is permitted through National Cooperative Exports Limited (NCEL), the Directorate General of Foreign Trade (DGFT) has said in a notification. Though exports of non-basmati white rice have been banned since July 20, 2023 to boost domestic supply, exports are allowed on the basis of permission granted by the government to certain countries to meet their food security needs on request.

https://www.business-standard.com/economy/news/govt-allows-export-of-30-000-tonnes-of-non-basmati-white-rice-to-tanzania-124030400248_1.html

India's palm oil imports plunge to 9-month low in February; sunflower oil rises

India's palm oil imports in February plunged to their lowest levels in nine months, as higher prices prompted buyers to reduce purchases of the tropical oil and increase buying of sunflower oil, five dealers told Reuters on Tuesday. Lower purchases by India, the world's biggest importer of vegetable oils, could weigh on benchmark Malaysian palm oil futures, but will help to reduce sunflower oil inventories in the Black Sea region.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-palm-oil-imports-plunge-to-9-month-low-in-february-sunflower-oil-rises/articleshow/108229739.cms>

RBI urges state refiners to make payments for some oil imports in Rupees

The Reserve Bank of India has asked the country's major state-owned refiners to press Persian Gulf suppliers to accept at least 10 per cent of oil payments in rupees in the next financial year, three executives at the processors said. The move is aimed at promoting the Indian currency in international trade and cutting dependence on dollars, said the executives, who asked not to be named due to the sensitivity of the matter.

https://www.business-standard.com/economy/news/rbi-urges-state-refiners-to-make-payments-for-some-oil-imports-in-rupees-124030500439_1.html

India remains cautious on contracted Russian oil as new US sanctions bite

India's state-run oil refiners are shying away from contracted Russian crude supply as the once-booming trade becomes much harder under tighter enforcement of US sanctions. The biggest state-owned refiner Indian Oil Corp. will likely reduce the amount of crude received under so-called term supply, while Bharat Petroleum Corp. and Hindustan Petroleum Corp. have decided against making firm commitments to take contracted oil next financial year, six people familiar with the matter said, asking not to be identified because the information is private.

https://www.business-standard.com/economy/news/india-remains-cautious-on-contracted-russian-oil-as-new-us-sanctions-bite-124030600179_1.html

'Mobile exports to grow to \$50-60 bn, electronics sector to employ 2.5 mn'

Mobile phone exports from India will grow more than five-fold to \$ 50-60 billion in the coming time from about \$ 11 billion last year, Union IT and Communications Minister Ashwini Vaishnaw said. Speaking at a fintech event on Wednesday, the minister said employment in the electronics manufacturing sector will increase from about 10 lakh at present to 25 lakh in the coming days. He said that 10 years ago India imported 98 per cent of mobile phones and at present 99 per cent of the devices are made in India.

https://www.business-standard.com/industry/news/mobile-exports-to-grow-to-50-60-bn-electronics-sector-to-employ-2-5-mn-124030601235_1.html

India allows onion export to Bahrain, Mauritius, Bhutan

The government Wednesday notified allowing the exports of 3,000 MT of onions to Bahrain, 1,200 MT to Mauritius and 550 MT to Bhutan through National Cooperative Exports Limited. The government last year, imposed a ban on onion exports till March 31 to meet domestic demand and stabilise its wholesale prices but it allows a specified quantity to be exported to friendly nations.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-allows-onion-export-to-bahrain-mauritius-bhutan/articleshow/108274252.cms>

Govt permits 64,400 tonnes of onion exports to UAE, Bangladesh via NCEL

The government has permitted exports of 64,400 tonnes of onion to the UAE and Bangladesh through the National Cooperative Exports Ltd (NCEL), according to notifications of the commerce ministry. While export of 50,000 tonnes of onion is permitted to Bangladesh, shipments of 14,400 tonnes were allowed to the UAE.

"Export of 14,400 tonnes of onions, with a quantity ceiling of 3,600 MT (metric tonnes) quarterly, to UAE through NCEL is notified," the directorate general of foreign trade (DGFT) said in a notification.

https://www.business-standard.com/economy/news/govt-permits-64-400-tonnes-of-onion-exports-to-uae-bangladesh-via-ncel-124030400234_1.html

Govt panel backs higher carbon tax on coal imports to limit polluting fuel

A panel of officials from Indian ministries has called for a bigger carbon tax on higher quality imported coal while cutting rates for domestic coal, in a bid to slash shipments of the polluting fuel, the coal ministry said on Thursday. Coal is among India's top five commodity imports by value. Despite surging domestic production, mainly of low-quality coal with high ash content, it has failed to cut back on imports and ranks as the world's second largest importer.

https://www.business-standard.com/industry/news/govt-panel-backs-higher-carbon-tax-on-coal-imports-to-limit-polluting-fuel-124030700718_1.html

Govt extends mandate for utilities to import 6% of coal needs until June

The Indian government has extended the mandate for the country's power producers to import 6% of their coal requirements until June, despite adequate domestic availability, amid transport constraints and higher electricity demand, a power ministry note said on Tuesday. India last year had asked utilities to import 6% of their coal requirements until March due to an unprecedented surge in power and coal demand.

https://www.business-standard.com/industry/news/govt-extends-mandate-for-utilities-to-import-6-of-coal-needs-until-june-124030500721_1.html

Parboiled rice exports slow on confusion over duty calculations: Dealers

Indian traders are signing few new contracts for exports of parboiled rice after customs officials changed the calculation method for the 20% export duty, resulting in a higher duty, four industry officials told Reuters. In August, the world's largest rice exporter imposed a 20% duty on parboiled rice exports, following a ban on white rice exports to control domestic rice prices ahead of key state and national elections in 2024.

https://www.business-standard.com/industry/agriculture/parboiled-rice-exports-slow-on-confusion-over-duty-calculations-dealers-124030600744_1.html

India's perpetual sugar glut needs ethanol and export support

There is a supply crunch for it this season but sugar will be among the food commodities that will be in surplus in the country until 2047-48, as per recent projections. The projections, made in a report by a working group of the NITI Aayog, said that sugar supply overtook demand by 3 million tonnes in 2011-12 and will continue at that level till 2035-36. By 2047-48, sugar and related products' supplies will outstrip demand by nearly 6 million tonnes.

https://www.business-standard.com/economy/news/india-s-perpetual-sugar-glut-needs-ethanol-and-export-support-124030500147_1.html

Boost GI products as premium goods globally to boost exports: Experts

The government should promote GI (Geographical Indications) products like Kala namak, rice, and Nagpur oranges as premium offerings on the global stage to boost exports of these items as they hold huge potential in different countries, according to experts. They said that a key weakness of Indian GI products compared to similar international goods is the lack of strong marketing and global brand recognition.

https://www.business-standard.com/industry/news/boost-gi-products-as-premium-goods-globally-to-boost-exports-experts-124030600260_1.html

WTO

WTO agrees to extend moratorium on e-commerce tariffs for two years

The World Trade Organization agreed to extend a moratorium on e-commerce tariffs for two years after marathon negotiations in Abu Dhabi, while failing to secure deals on other contentious trade issues including a crackdown on agriculture and fisheries subsidies. Speaking at the closing session, Director-General Ngozi Okonjo-Iweala called the WTO a “source of resilience” in a world shaken by geopolitical turmoil. She encouraged negotiators to continue discussions on their unfinished business.

https://www.business-standard.com/world-news/wto-talks-duty-moratorium-on-e-commerce-trade-extended-for-two-years-124030200073_1.html

WTO MC13: Abu Dhabi meet ends with no consensus on agri, fisheries

Despite intense negotiations over five days, the 13th Ministerial Conference (MC13) of the World Trade Organization (WTO) ended without consensus on some of the key issues. Divergences remained on curbing subsidies that result in overcapacity and overfishing, as well as the issue of public stockholding (PSH) for food security—which was the foremost priority for India.

https://www.business-standard.com/economy/news/wto-mc13-abu-dhabi-meet-ends-with-no-consensus-on-agri-fisheries-124030200214_1.html

Protection for Indian farmers, fishermen ensured at WTO MC 13: Piyush Goyal

Union Minister Piyush Goyal affirmed India's successful navigation through critical issues, safeguarding the interests of the nation's farmers and fishermen, at the 13th World Trade Organisation (WTO) Ministerial Conference. Emphasising the importance of securing their well-being, Goyal stated, "I think that India has successfully delivered on the issues that were our role and has achieved the outcomes that we expected."

https://www.business-standard.com/economy/news/protection-for-indian-farmers-fishermen-ensured-at-wto-mc-13-piyush-goyal-124030200069_1.html

Commerce Ministry to brainstorm on WTO strategy post-MC13

The Commerce Ministry will carry out internal brainstorming on handling of tricky issues that spilled over from the 13th WTO Ministerial Conference (MC13) in Abu Dhabi last week, particularly the growing pressure for mainstreaming of select-group initiatives on areas such as investment facilitation, MSMEs, gender and e-commerce, officials said.

<https://www.thehindubusinessline.com/economy/commerce-ministry-to-brainstorm-on-wto-strategy-post-mc13/article67921486.ece>

Other Key Coverage

Many countries want to start rupee trade with India: FM Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Friday said many countries are negotiating to start trade in rupee as the country's fundamentals are strong and the Indian unit has been "mostly stable" against most of the international currencies. Addressing the Pandit Hriday Nath Kunzru Memorial Lectures 2024 at JNU, Sitharaman also said India has opened up every sector for private investments and will extend fiscal and policy support to sunrise sectors like artificial intelligence, semiconductors and manufacturing using innovative tools.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/many-countries-want-to-start-rupee-trade-with-india-fm-nirmala-sitharaman/articleshow/108144452.cms>

Commerce secretary to meet exporters, officials to discuss Red Sea crisis

Representatives of several ministries and exporters will meet top officials of the commerce ministry on Friday to discuss the impact of the ongoing Red Sea crisis on Indian exporters, a person aware of the matter said. The meeting will be chaired by commerce secretary Sunil Barthwal, the person added. This will be the third meeting that the government has called since the crisis began last November.

<https://www.livemint.com/economy/commerce-secretary-to-meet-exporters-officials-to-discuss-red-sea-crisis-11709816007761.html>

Notifications

Amendments in Implementation of Yellow Peas Import Monitoring System

<https://content.dgft.gov.in/Website/dgftprod/543f7ff4-a7ff-4174-8bd3-d96dec045a8e/PN%2046.pdf>

Export of Onions (under HS Code 07031019) to Bhutan, Bahrain and Mauritius.

<https://content.dgft.gov.in/Website/dgftprod/33abf8b7-d9fa-4f79-b7a4-bf36cee10925/Notification%20No.%2067-2023-English.pdf>

Import of Menthol covered under ITC(HS) codes: 29061100, 30039021, 33012590 and 33012400 under Advance Authorisation/DFIA

<https://content.dgft.gov.in/Website/dgftprod/44bda9c9-ef23-453f-b7c1-cf7656df5a9e/PN48%20eng.pdf>

Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders and EOU

<https://content.dgft.gov.in/Website/dgftprod/e345325b-70a9-4796-ba24-183fc0bcb8be/PN47%20eng.pdf>

Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders and EOU-reg

<https://content.dgft.gov.in/Website/dgftprod/4c0e420c-70dd-488f-8b88-5b9a7347bad2/Noti69%20eng.pdf>

Amendment in import policy condition for Duck Meat Chapter 2 of ITC (HS) 2022, Schedule-I(Import Policy)

<https://content.dgft.gov.in/Website/dgftprod/13372e60-1431-409c-9a95-1aa789fa04e5/Noti66.pdf>

Amendment in Import Policy condition for Raw Pet Coke and Calcined Pet Coke under Chapter 27 of Schedule-I (Import Policy) of ITC (HS) 2022

<https://content.dgft.gov.in/Website/dgftprod/87bc7adc-7917-4c6b-9d92-5caef7c70caa/68%20eng.pdf>