



9 March – 15 March 2024

Free Trade Agreements

India, EFTA ink free trade agreement; \$100 bn investment target in 15 yrs

India and the four-nation European bloc EFTA on Sunday signed a free trade agreement under which New Delhi has received an investment commitment of \$ 100 billion in the next 15 years. Commerce and Industry Minister Piyush Goyal described the signing as a "watershed moment", as it is India's first modern trade pact with a bloc having developed countries. He said that for the first time in a trade agreement, EFTA had committed to invest \$ 100 billion in the next 15 years.

https://www.business-standard.com/economy/news/india-efta-sign-100-bn-15-year-free-trade-agreement-piyush-goyal-124031000149_1.html

Govt can withdraw duty concessions if EFTA doesn't invest \$100 billion

India will have the option of temporarily withdrawing customs duty concessions on EFTA country goods under the trade agreement between the two sides, if the four European nation bloc would not fulfil its \$100 billion investment obligations. Though the investments have to flow in 15 years -- \$50 billion in the first 10 years (counted after implementation of the pact) and another \$5 billion in next five years, the trade deal also provides for a three-year grace period to the EFTA bloc to meet the obligations, according to the documents accompanying the agreement.

https://www.business-standard.com/industry/news/govt-can-withdraw-duty-concessions-if-efta-doesn-t-invest-100-billion-124031100851_1.html

India-EFTA deal symbolises shared commitment to equitable trade: PM Modi

Prime Minister Narendra Modi on Sunday said the signing of the trade agreement between India and the four-nation European bloc EFTA is a "watershed moment" as it symbolises shared commitment to open, fair and equitable trade. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. The Prime Minister said India will extend all possible support to these countries and facilitate industry and businesses, not only to achieve the committed targets but also to go beyond them.

<https://www.business-standard.com/economy/news/india-efta-deal-symbolises-shared-commitment-to-equitable-tra>

UK team heads back to London with Round 14 of FTA talks with India still open

A team of UK negotiators that was in New Delhi to try and iron out the remaining issues holding up a bilateral free trade agreement (FTA) are on their way back to London on Friday with a deal yet to be finalised, according to officials familiar with the discussions. The understanding is that the fourteenth round of negotiations remains "open and progress continues" but the team did not get what was needed to close all the outstanding issues.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uk-team-heads-back-to-london-with-round-14-of-fta-talks-with-india-still-open/articleshow/108333463.cms>

PM Modi talks with UK counterpart Sunak to review progress of FTA

Prime Minister Narendra Modi spoke to his British counterpart Rishi Sunak on Tuesday as they welcomed the progress made in the ongoing discussion between the two countries for an early conclusion of a free trade agreement (FTA). During their telephonic conversation, they reaffirmed their commitment to strengthening the bilateral comprehensive strategic partnership, a statement said.

https://www.business-standard.com/industry/news/pm-modi-talks-with-uk-counterpart-sunak-to-review-progress-of-fta-124031201116_1.html

Australia pitches a tech-for-tariff agri deal with India

Australia has offered to help India develop climate-resilient crops and grain storage technology in exchange for New Delhi cutting import duties on its farm imports, three people aware of the development said. India and Australia launched talks for a Comprehensive Economic Cooperation Agreement (CECA) in May 2011.

<https://www.livemint.com/economy/australia-pitches-a-tech-for-tariff-agri-deal-with-india-11710149016864.html>

Bilateral Trade

India's diesel exports to Europe see nearly three-fold jump in February

Diesel exports to Europe quadrupled in February over the previous month as enhanced margins on the fuel lured more Indian cargoes into the continent. Indian refiners exported 204,000 barrels per day (bpd) of diesel to Europe in February, up from 56,000 bpd in January, according to energy cargo tracker Vortexa. The sharp rise in supplies to Europe increased India's overall exports of diesel to 600,000 bpd in February, up from 450,000 bpd in January.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-diesel-exports-to-europe-see-nearly-three-fold-jump-in-february/articleshow/108502971.cms>

India, Dominican Republic sign JETCO protocol to boost trade relations

India and the Dominican Republic have signed a protocol for setting up a Joint Economic and Trade Committee (JETCO) between both the nations. The joint committee will provide a platform for information exchange between various authorities and their counterparts, and a meeting of the committee is expected soon. "This would help in facilitating trade of goods and services and consequentially help in better employment opportunities for professionals in both the countries," the statement said.

<https://www.livemint.com/economy/india-dominican-republic-sign-jetco-protocol-to-boost-trade-relations-11710331589979.html>

India very important to us: New Zealand's Dy PM Peters on bilateral visit

New Zealand's Deputy Prime Minister, Winston Peters, who is on an official visit to India, emphasized the significance of India to his country and highlighted the importance of the meetings for strengthening bilateral relations. Describing his ongoing visit, Deputy PM Winston Peters mentioned his prior visit to Gujarat and his current meetings with key ministers in Delhi.

https://www.business-standard.com/world-news/india-very-important-to-us-new-zealand-s-dy-pm-peters-on-bilateral-visit-124031300016_1.html

Will bring more investments from Singapore into India: Envoy Shilpak Ambule

The Indian High Commission here is working to get more and more investments into India's burgeoning economy led by aggressive progress being made in infrastructure, renewable energy and advanced technology space, envoy Shilpak Ambule has said. The High Commissioner listed three factors driving the growth saying for India, it will be a green growth with the development of renewable energy, while digital infrastructure has been put in place for smoother flow of economic activities and thirdly it will be sustainable growth.

https://www.business-standard.com/economy/news/will-bring-more-investments-from-singapore-into-india-envoy-shilpak-ambule-124031300233_1.html

Bangladesh, Sri Lanka, among countries looking to start rupee trade: Goyal

Many developed and developing countries including Bangladesh, Sri Lanka, and nations of the Gulf region are keen to start trade in rupee with India as it would help cut transaction costs for businesses, Commerce and

Industry Minister Piyush Goyal has said. He expressed confidence that the development is going to be a "very game-changing" dimension to India's international trade.

https://www.business-standard.com/economy/news/bangladesh-sri-lanka-among-countries-looking-to-start-rupee-trade-goyal-124031100275_1.html

Sectoral Updates

Centre has no plan to consider industry's demand to lower import duty on rubber

The Centre has no plan to consider the demands of the rubber lobby group to cut the import duty on rubber from existing 25% to 15%. The union commerce and industry ministry's stand is seen as aimed at protecting the interests of rubber growing farmers. India is largely dependent on imports from Vietnam, Malaysia, Indonesia, and other Southeast Asian nations, with the demand for lower import duty coming from the All India Rubber Industries Association (AIRIA).

<https://www.livemint.com/news/india/centre-has-no-plan-to-consider-industry-s-demand-to-lower-import-duty-on-rubber-11710159355297.html>

Govt imposes minimum export price of \$2,000 per tonne on honey till Dec

The government on Thursday imposed a minimum export price (MEP) of \$2,000 per tonne on natural honey till December this year. The notification will be effective immediately. Exports below this MEP value will not be permitted. "Export of natural honey is free. Minimum export price (MEP) of \$2,000 per metric ton is imposed till December 31, 2024, or until further orders, whichever is earlier," the Directorate General of Foreign Trade said in a notification.

https://www.business-standard.com/industry/news/govt-imposes-minimum-export-price-of-2-000-per-tonne-on-honey-till-dec-124031400990_1.html

Government allows RBI to import gold without paying import levies

India has allowed its central bank to import gold without paying import levies, the government said in a notification issued late on Tuesday. Gold importers from the world's second biggest gold consumer need to pay basic customs duty and Agriculture Infrastructure and Development Cess (AIDC). As of September 2023, the Reserve Bank of India held 800.79 metric tonnes of gold, including gold deposits of 39.89 tonnes.

https://www.business-standard.com/finance/news/government-allows-rbi-to-import-gold-without-paying-import-levies-124031300114_1.html

India set to become exporter of forged wheels used in railways: Vaishnav

Sixty to seventy years after being an importer of forged wheels used in the railways, India is all set to become an exporter of the train component, Union Minister of Railways Ashwini Vaishnav said here on Thursday. The minister, who also holds the portfolio of Electronics and Information Technology, was here to inaugurate the Chennai Design Centre of US-based semiconductor manufacturer Qualcomm, when he said that construction activities for setting up a plant to produce forged wheels for the railways has commenced in Tamil Nadu.

https://www.business-standard.com/industry/news/india-set-to-become-exporter-of-forged-wheels-used-in-railways-vaishnav-124031400611_1.html

Defence exports to more than double to Rs 40,000 cr by 2026: Anurag Thakur

India's defence exports will more than double to Rs 40,000 crore in 2 years from Rs 16,000 crore at present, Union Minister Anurag Thakur said on March 13, adding that the government was dedicated to increasing its defence capabilities. According to an official government release, Thakur said that India has a defence production worth Rs 1 trillion at present, with defence exports of Rs 16,000 crore.

https://www.business-standard.com/external-affairs-defence-security/news/defence-exports-to-more-than-double-to-rs-40-000-cr-by-2026-anurag-thakur-124031400469_1.html

Coal imports surge, exceeding FY23 shipments amidst rising power demand

India's thermal coal imports during the first 11 months of the current financial year, ending in March, have surpassed the shipments of FY23. Thermal power plants (TPPs) have increased their reliance on this dry fuel to meet the growing power consumption, anticipating peak demand to reach 255 gigawatts (GW) during April-June 2024.

<https://www.thehindubusinessline.com/economy/coal-imports-surge-exceeding-fy23-shipments-amidst-rising-power-demand/article67935306.ece>

WTO

WTO sees weak early 2024 trade pick-up, with geopolitical risks

Global goods trade should continue to recover gradually in the first months of 2024, but could easily be derailed by regional conflicts and geopolitical tensions, the World Trade Organisation said on Friday. The WTO said its goods trade barometer stood at 100.6 points, close to the baseline of 100 and barely changed from the level reported in November.

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/wto-sees-weak-early-2024-trade-pick-up-with-geopolitical-risks/articleshow/108381996.cms>

Other Key Coverage

India invites investors from IPEF nations to invest in \$1 trillion clean economy opportunity

India has invited investors from Indo-Pacific Economic Framework (IPEF) partners to invest and benefit from the trillion-dollar-plus opportunity that India provides in the clean economy domain. The 14-countries of the IPEF Thursday announced plans to provide \$33 million in initial grant funding for the IPEF Catalytic Capital Fund for climate infrastructure projects.

<https://economictimes.indiatimes.com/news/economy/finance/india-invites-investors-from-ipef-nations-to-invest-in-1-trillion-clean-economy-opportunity/articleshow/108501866.cms>

Government exempts certain exporting units from quality control orders with conditions

The government on Friday exempted advance authorisation holders and export-oriented units (EOUs) from mandatory quality control orders for imported goods that are used as inputs for exports. It said that the exemption will be with pre-import conditions, and those inputs will be utilised in the manufacturing of the export products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-exempts-certain-exporting-units-from-quality-control-orders-with-conditions/articleshow/108334702.cms>

Govt extends export benefits under RoDTEP scheme to SEZ units

The government on Friday extended export benefits under the RoDTEP scheme to companies in the special economic zones (SEZs) and export-oriented units (EOUs). The commerce ministry said that amid global economic uncertainties and supply chain disruptions, extending RoDTEP benefits to the uncovered sectors like AA (advance authorisation), EOUs, and SEZ units will help the exporting community in handling the international headwinds.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-extends-export-benefits-under-rodtep-scheme-to-sez-units/articleshow/108333345.cms>

Govt, RBI in talks to ease Fema guidelines for boosting e-commerce exports

The commerce ministry is in discussions with the Reserve Bank of India (RBI) to facilitate e-commerce exports by liberalising the Foreign Exchange Management Act (FEMA) guidelines, Santosh Kumar Sarangi, Director General of Foreign Trade (DGFT) said on Thursday. "A few days back we had a meeting with the entire team of RBI officials who deal with this.

https://www.business-standard.com/industry/news/govt-rbi-in-talks-to-ease-fema-guidelines-for-boosting-e-commerce-exports-124031401224_1.html

Red Sea crisis could fan Asia's inflation anew, delay rate cuts

Asia could see slower economic growth and a resurgence of inflation as escalating violence in the Red Sea snarls shipping between the region and their trade partners in the US and Europe, according to the Economist Intelligence Unit. The supply chain disruptions could cut as much as 0.5 percentage points off Asia's economic growth this year, and add up to 0.4 percentage points to the inflation rate, the EIU said in a report.

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/red-sea-crisis-could-fan-asias-inflation-anew-delay-rate-cuts/articleshow/108381663.cms>

NITI Aayog lays out roadmap for boosting exports from MSMEs

NITI Aayog has proposed a series of measures to boost exports from micro, small and medium enterprises, including boosting e-commerce exports, creating a comprehensive trade portal, promoting ease of merchandise exports, improving access to export finance and creation of one stop information channel for exporters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/niti-aayog-lays-out-roadmap-for-boosting-exports-from-msmes/articleshow/108462488.cms>

Exports to close fiscal at same level as FY23-24 amid uncertainties: Goyal

Commerce and Industry minister Piyush Goyal has exuded confidence that during this fiscal, the country's goods and services export numbers will be at the same level; as it was last year despite slowdown and uncertainties in the global trade. He also said that the government measures such production-linked incentives schemes and focus on high-quality goods and services would help in containing the country's trade deficit.

https://www.business-standard.com/economy/news/exports-to-close-fiscal-at-same-level-as-fy23-24-amid-uncertainties-goyal-124031200354_1.html

DGFT inks pact with DHL to train MSMEs on e-commerce exports

To promote e-commerce exports, the commerce ministry's arm DGFT in partnership with logistics services provider DHL will conduct training sessions and workshops for MSMEs in 76 districts of the country, a statement said on Thursday. The exercise is aimed at preparing MSMEs to tap the growing potential of increasing exports through e-commerce medium, the Directorate General of Foreign Trade (DGFT) said in the statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dgft-inks-pact-with-dhl-to-train-msmes-on-e-commerce-exports/articleshow/108500302.cms>

Despite war, pandemic, global trade growth likely to accelerate in 2024

Globalisation reached a record high in 2022 and stayed nearly as high in 2023, despite various global shocks over the past decade, such as the Covid-19 pandemic, wars in Ukraine and Gaza, and the USChina trade conflict, a report said on Wednesday. The "New DHL Global Connectedness Report 2024" by DHL and New York University's Stern School of Business, released here, also said that the share of global output traded internationally was back to a record high level in 2022.

https://www.business-standard.com/world-news/despite-war-pandemic-global-trade-growth-likely-to-accelerate-in-2024-124031300349_1.html

Notifications

Extending RoDTEP support for exports made by Advance Authorisation (AA) holders, Export Oriented Units (EOU), Special Economic Zones (SEZ) units- reg.

<https://content.dgft.gov.in/Website/dgftprod/b44a72ff-5ccf-4c0b-ad24-a65f5266c926/Notification%20No.70%20dated%2008.03.2024%20English.pdf>

Procedure for Import Allocation for the Financial Year 2024-25, for import of Calcined Pet Coke for Aluminium Industry and Raw Pet Coke for CPC manufacturing industry - reg.

<https://content.dgft.gov.in/Website/dgftprod/71066742-e7a6-4a60-b605-370aa28d7ccc/PN%2049%20eng.pdf>

Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ - 1

<https://content.dgft.gov.in/Website/dgftprod/995be053-b3a0-4379-85fd-382b30c1380a/PN%2050%20E%20-%2011.03.2024.pdf>

Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ - 2

<https://content.dgft.gov.in/Website/dgftprod/1cfe1c4a-217a-4dfc-b16d-08de2a2fdf60/Noti%2071%20E%20dated%2011.03.2024.pdf>

Amendment in export Policy of Human Biological Samples under Chapter-30 of ITC HS schedule-2 of export policy.

<https://content.dgft.gov.in/Website/dgftprod/08f5dd39-3516-4be0-9a83-dbbdf8dc6283/notification%20no.%2072-2023-english.pdf>

Incorporation of Policy condition for export of Chitin, Chitosan, Chitosan Salts, Chitosan Salts (Chitosan Hydrochloride, Chitosan Acetate, Chitosan Lactate) and Chitosan Derivatives (Chitosan Succinamide).

<https://content.dgft.gov.in/Website/dgftprod/62ed6907-f3e6-42db-8397-0cfdaa6217c0/notification%20no.%2073-2023-english.pdf>

RODTEP implementation for exports of products manufactured by AA holders (except Deemed Exports) and EOU for 166 Tariff lines - reg.

<https://content.dgft.gov.in/Website/dgftprod/9e50b696-4851-4bbc-b7ba-d4b17622e62c/Notification%2074%20dated%2011.03.2024-English.pdf>

Amendments in Para 4.14 and 4.06 of the Handbook of Procedures 2023

<https://content.dgft.gov.in/Website/dgftprod/482e2b8e-a091-4266-b347-1646c08071f2/Public%20Notice%20English.pdf>

Imposition of Minimum Export Price (MEP) on export of Honey

<https://content.dgft.gov.in/Website/dgftprod/32d42ad7-3efd-4c36-9ead-1cf5e0691bf2/Notification%20No.%2075-2023-english.pdf>