



23 March – 29 March 2024

Free Trade Agreements

Ahead of Lok Sabha Elections 2024, India-UK free trade agreement nears conclusion, awaits new Government for final stamp

The India-UK free trade agreement is likely to be signed post the formation of new government at the Centre. "The legal vetting of the trade deal is on. Even if we iron out the last few issues, the deal cannot be announced till elections are over and a new government is formed" a senior government official told ANI. The last round of negotiations on pending issues between India and United Kingdom concluded this month, but the negotiating teams of both sides are continuing to hold virtual discussions on a few vital issues.

<https://www.livemint.com/news/india/ahead-of-lok-sabha-elections-2024-india-uk-free-trade-agreement-nears-conclusion-awaits-new-government-for-final-stamp-11711097012023.html>

UK & Oman FTAs likely in commerce ministry's 100-day list

The conclusion of free trade agreements (FTAs) with the UK and Oman are likely to be part of a 100-day action plan drawn up by the department of commerce for the next government, apart from "steps to resolve the issues faced by exporters", a senior official told FE. Negotiations on both these trade agreements are in the "final stages," the official said, but added that due to the start of the election process in India, there has been a pause in the talks.

<https://www.financialexpress.com/policy/economy-uk-amp-oman-ftas-likely-in-commerce-ministrys-100-day-list-3435872/>

FTA talks with SACU nations on the cards after new govt takes over

Discussions for a free-trade agreement (FTA) between India and the five-member South African Customs Union (SACU) nations may begin after the new government takes over in June, two people aware of the matter said. The customs union includes South Africa, Namibia, Botswana, Lesotho and Eswatini. After the Lok Sabha elections, India plans to reach out to SACU nations to launch trade talks, one of the persons cited above said.

https://www.business-standard.com/economy/news/fta-talks-with-south-african-bloc-may-begin-after-new-govt-takes-over-124032400354_1.html

Bilateral Trade

EAM Jaishankar, Singapore's trade minister discuss semiconductors, space

External Affairs Minister S Jaishankar held a meeting with Singapore's Minister of Trade and Industry Gan Kim Yong and discussed trade, semiconductors, space, green energy, supply chains and defence. In a post on X, Jaishankar stated, "Started the day by meeting Singapore Minister of Trade and Industry Gan Kim Yong. Discussed trade, semiconductors, space, green energy, supply chains and defence. Hope to take these forward in the India-Singapore Ministerial Roundtable."

https://www.business-standard.com/economy/news/eam-jaishankar-singapore-s-trade-minister-discuss-semiconductors-space-124032500159_1.html

No change in trade policy with India: Pakistan

Pakistan on Thursday clarified that it has no plan to resume trade relations with India which has been "non-existent" since 2019 after the Indian government abrogated Article 370 of the Constitution to revoke the special status of Jammu and Kashmir. The clarification from Pakistan's Foreign Office comes days after the new Foreign Minister Ishaq Dar said in London that Pakistan will seriously consider restoring trade ties with India that have remained suspended since August 2019.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/no-change-in-trade-policy-with-india-pakistan/articleshow/108849978.cms>

India stops taking Russian oil delivered on Sovcomflot tankers

All of India's refineries are now refusing to take Russian crude carried on PJSC Sovcomflot tankers due to US sanctions, further complicating the trade that has flourished since the invasion of Ukraine two years ago. Private and state-run processors including the biggest — Indian Oil Corp. — have stopped taking cargoes if they're on Sovcomflot tankers, said people familiar with the matter.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-stops-taking-russian-oil-delivered-on-sovcomflot-tankers/articleshow/108704962.cms>

Govt initiates anti-dumping probe into import of aluminium foil from China

India has initiated an anti-dumping probe into the import of aluminium foil, used as a packaging material for conservation and preservation of edible and food products, from China following a complaint by domestic players. The commerce ministry's investigation arm, Directorate General of Trade Remedies (DGTR), is probing the alleged dumping of aluminium foil.

https://www.business-standard.com/industry/news/govt-initiates-anti-dumping-probe-into-import-of-aluminium-foil-from-china-124032600186_1.html

India's engineering exports to Russia doubled till February in FY24: EEPC

India's engineering exports to Russia doubled to \$1.22 billion till February during the 2023-24 fiscal, Engineering Export Promotion Council (EEPC) of India said on Tuesday. The shipments to the country stood at \$616.68 million in the previous fiscal, it said. The exports to the US dipped seven per cent year-on-year to \$15.95 billion during this period, EEPC said in a statement. In case of China, engineering shipments to that country saw a marginal decline to \$2.38 billion from \$2.40 billion in the period under review, it said.

https://www.business-standard.com/industry/news/india-s-engineering-exports-to-russia-doubled-till-february-in-fy24-eeec-124032600653_1.html

Govt allows UAE's Adnoc to export oil from Indian strategic storage

The government has allowed Abu Dhabi National Oil Company (Adnoc) to export crude oil it has stored in underground strategic storages at Mangalore to give operational flexibility to the foreign firm, an order of the Ministry of Commerce and Industry said on Saturday. At present, crude oil, which is the raw material for producing fuels like petrol and diesel, is not allowed to be exported except through the state-owned Indian Oil Corporation (IOC).

https://www.business-standard.com/economy/news/govt-allows-uae-s-adnoc-to-export-oil-from-indian-strategic-storage-124032300504_1.html

Bangladesh seeks assured supplies of five food commodities from India

Bangladesh has sought assured annual supplies of five food commodities, including rice and wheat, from India to tackle fluctuations in market prices and shortages, people familiar with the matter said. The two countries have held discussions on this issue and Dhaka has asked New Delhi to sign a memorandum of understanding on fixed quotas for these commodities, including onions, ginger and garlic, the people said on condition of anonymity.

<https://www.hindustantimes.com/india-news/bangladesh-seeks-assured-supplies-of-five-food-commodities-from-india-101711539806423.html>

Mauritius most suitable gateway for Indian investors to Africa: Minister

Soomilduth Bholah, Minister of Financial Services and Good Governance, Mauritius, on a recent visit to India strongly urged the Indian investors to use the island country as a gateway to access the emerging African

markets given Mauritius expertise on the continent. Bholah undertook an 'India Business Mission' from March 14 to March 23 covering New Delhi, Chennai, Hyderabad, and Mumbai.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/mauritius-most-suitable-gateway-for-indian-investors-to-africa-minister/articleshow/108770026.cms>

Exporters work on product identification problems under UK's replacement scheme for GSP

The UK government's decision to replace the popular Generalised Scheme of Preferences (GSP) programme, which offered import duty concessions to developing nations and LDCs for certain items, with the "simpler and more generous" Developing Countries Trading Scheme (DCTS) has resulted in some inadvertent confusion for Indian exporters as product description under the new scheme is different from one used by India for exports, sources have said.

<https://www.thehindubusinessline.com/economy/exporters-work-on-product-identification-problems-under-uks-replacement-scheme-for-gsp/article67994467.ece>

Pharma exports to US up 15% in April-Feb FY24

In what can be good news for the pharma industry, Indian pharma exports to the US market are surging again this fiscal after a lull year registering a double digit growth. Driven by the boost from the US, the total pharmaceuticals exports too increased 9.34 per cent at \$25.04 billion in April - February of Financial year 2023-24 compared to \$22.90 billion in the corresponding period of previous fiscal year.

<https://www.thehindubusinessline.com/economy/pharma-exports-to-the-us-are-back-to-double-digit-growth-grew-by-15-in-april-feb-of-fy24/article67998011.ece>

Sectoral Updates

Govt updates list of banks authorised to import gold, silver in FY25

The government on Thursday updated the list of banks authorised to import gold and silver during 2024-25. As per the list, 11 banks, including HDFC Bank and ICICI Bank, have been authorised by the Reserve Bank of India to import gold and silver for 2024-25 with effect from April 1. The authorisation will be valid up to March 31 next year. "List of banks authorised to import gold/silver...has been updated," the Directorate General of Foreign Trade (DGFT) said in a public notice.

https://www.business-standard.com/industry/banking/govt-updates-list-of-banks-authorised-to-import-gold-silver-in-fy25-124032800937_1.html

India's March gold imports set to drop 90% as prices surge

India's gold imports are set to plunge by more than 90% in March from the previous month to hit their lowest level since the COVID pandemic as banks cut imports after record-high prices hit demand, a government official and two bank dealers told Reuters. Lower imports by India, the world's second biggest consumer of the precious metal, could limit a rally in global prices that hit a record high earlier this month on expectations that the Federal Reserve will cut interest rates this year.

<https://economictimes.indiatimes.com/industry/cons-products/fashion-/cosmetics-/jewellery/indias-march-gold-imports-set-to-drop-90-as-prices-surge/articleshow/108822778.cms>

Onion export ban extended indefinitely

The government has indefinitely extended the ban on onion exports imposed last year, which is likely to bring down domestic prices of the key vegetable. "The export prohibition on onions valid till March 31 has been extended until further orders," said a Directorate General of Foreign Trade notification. In December 2023, the government had banned exports of onion after the modal retail prices of the key agricultural commodities doubled to Rs 60/kg from Rs 30/kg reported in September last year.

<https://www.financialexpress.com/policy/economy-onion-export-ban-extended-indefinitely-3435261/>

DGFT notifies policy for general authorisation for export of SCOMET goods

The commerce ministry on Wednesday notified a policy for general authorisation for the export of certain telecommunication-related and information security-related items under a SCOMET category to grant one-time bulk licences. A detailed procedure for these authorisations has also been notified by the Directorate General of Foreign Trade (DGFT).

https://www.business-standard.com/industry/news/dgft-notifies-policy-for-general-authorisation-for-export-of-scomet-goods-124032701042_1.html

Indian rice traders hike prices to mirror higher export duty

Top exporter India's rice export prices rose this week as traders factored in higher duty on rice shipments, while demand remained lacklustre in Thailand. India's 5% broken parboiled variety was quoted at \$550-\$558 per ton this week, up from last week's \$543-\$550. Earlier this month, prices hit a record high of \$560. "We've had to raise prices since the government is considering the total transaction value instead of Free on Board (FOB) value to calculate the 20% export duty.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-rice-traders-hike-prices-to-mirror-higher-export-duty/articleshow/108853020.cms>

Miners urge government not to impose export duty on low-grade ore

Miners' body FIMI has urged the government not to impose any export duty on low-grade iron ore, stating that any such move would cause a significant loss of state revenues and employment and also affect foreign exchange earnings. In a representation to the government, the Federation of Indian Mineral Industries (FIMI) said the mining sector was adversely impacted when in May 2022 the export duty was imposed on low-grade iron ore fines and pellets.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/miners-urge-government-not-to-impose-export-duty-on-low-grade-ore/articleshow/108754803.cms>

India's pulses imports in Jan-March drop 29% on tight supplies

India has imported 516,223 tonnes of masur (lentil), tur (pigeon pea) and urad (black gram) so far this current calendar year, marking a nearly 29% decrease from a year earlier, a top government official told Mint. In January-March of 2023, India had imported 724,883 tonnes of these pulses. The fall in imports of these three pulses is attributed to a tight supply globally amid likely hoarding on expectations of India's increasing import demand.

<https://www.livemint.com/news/india/indias-pulses-imports-in-jan-march-drop-29-on-tight-supplies-11711271162470.html>

Textile exports contract 4.2% on year in 11 months of FY24

India's textile exports shrank 4.2% year-on-year (yoy) in the first 11 months of the current financial year, hurt by adverse economic conditions in major destinations such as the European Union (EU), the US, and West Asian nations, according to the commerce ministry data analyzed by Mint. India exported textiles worth \$30.96 billion during April 2023-February 2024, down from \$32.33 billion in the corresponding period of the previous fiscal year.

<https://www.livemint.com/news/india/textile-exports-contract-4-2-on-year-in-11-months-of-fy24-11711271794325.html>

Diesel exports plunge 25% to \$20 billion as global prices soften

India's diesel exports fell 25% year-on-year in the first 11 months of this financial year to \$20 billion as prices in the international markets softened. The export volume increased marginally to 26 million metric tonnes (mmt) from 25.8 mmt during the April 2023-February 2024 period, according to the petroleum and natural gas ministry data. Petrol exports fetched \$10 billion during this period, about 13% less than a year earlier. In volume terms, however, petrol exports increased 4% to 12.1 mmt.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diesel-exports-plunge-25-to-20-billion-as-global-prices-soften/articleshow/108860163.cms>

Recovery in tourism, higher electronics exports to drive growth in India, South Asia: Moody's

A recovery in tourism and higher electronics exports will give India and other South Asian economies an additional lift from the pandemic-induced slowdown and its aftershocks, Moody's Analytics said in a report on Friday. "India and Southeast Asia have seen some of the largest output losses globally," said the report, titled 'Global Outlook: Taking Stock', "but stronger growth in the latter half of 2023 has allowed them to make back some lost ground".

<https://www.livemint.com/economy/recovery-in-tourism-higher-electronics-exports-to-drive-growth-in-india-south-asia-moodys-11711107999742.html>

WTO

India-US successfully resolve all seven pending WTO disputes bilaterally

India and the United States (US) have informed the World Trade Organization (WTO) that both countries have been able to arrive at a mutually agreed solution regarding the dispute over poultry imports from Washington. With the submission of this notification to the WTO's dispute settlement body, the two countries have now resolved all 7 of their pending trade disputes at the global trade body.

https://www.business-standard.com/world-news/india-us-successfully-resolve-all-seven-pending-wto-disputes-bilaterally-124032300202_1.html

India wants WTO bodies to prioritise finance access, food security, tech

India has called for prioritising issues such as access to finance including trade finance, manufacturing concentration, food security, and reducing transaction costs in international trade and services for discussions in various bodies of the World Trade Organization (WTO). "Cross-cutting real-life trade issues which impact the developing countries disproportionately" such as access to technology, bridging digital divide, supply chain resilience, and enhancing effective aid for trade that is effective, demand driven, untied, and has recipient ownership should be taken for discussion on a priority basis," New Delhi said in its submission on 30 years of WTO and how the development dimension has progressed.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-wants-wto-bodies-to-prioritise-finance-access-food-security-tech/articleshow/108755083.cms>

At WTO, Australia seeks details on India's fisheries plan

Australia has sought details of India's fisheries programmes such as the policy objective, budget expenditure and coverage. At a meeting at the World Trade Organization (WTO) on Tuesday, it also asked if there are performance requirements such as export or production-based targets attached to payments or loans under the Pradhan Mantri Matsya Sampada Yojana (PMMSY). Besides the duration of the programme, it wants details on the background, authority, forms of subsidies, policy objective or purpose and a confirmation whether the PMMSY supersedes the Blue Revolution: Integrated Development and Management of Fisheries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/at-wto-australia-seeks-details-on-indias-fisheries-plan/articleshow/108829578.cms>

Other Key Coverage

Trade policy calibrated with growth but open for expansion: Piyush Goyal

India's trade policy is calibrated with its growth trajectory yet open for more expansion, Union Minister Piyush Goyal said on Thursday. At the Business Standard Manthan in New Delhi, Goyal said, "We have to look at our growth trajectory and calibrate the trade policy as the country moves through this cycle of growth." "You cannot have one size fits all. What worked for America in 2024 may not work for India," the Minister of Textiles, Commerce and Industry, and Consumer Affairs, Food and Public Distribution added.

https://www.business-standard.com/specials/bs-events/trade-policy-calibrated-with-growth-but-open-for-expansion-piyush-goyal-124032800301_1.html

India's trade dependence on China, EU rose in 2023: UNCTAD

India's trade dependence on China and the EU increased in 2023 while it reduced on Saudi Arabia, the United Nations Conference on Trade and Development (UNCTAD) said. In its Global Trade Update, it said that trade in goods resumed growth in some of the major economies such as India and China in the fourth quarter of 2023 even as trade in services may have reached a plateau. As per the report, India's trade dependence on China and the EU increased 1.2% each in 2023 while it reduced 0.6% on Saudi Arabia.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-trade-dependence-on-china-eu-rose-in-2023-unctad/articleshow/108712367.cms>

India's current account deficit narrowed to 1.2% of GDP in Q3: RBI data

Current account deficit (CAD) narrowed sequentially to \$10.5 billion in the quarter ended December 2023 (Q3 FY24) — 1.2 per cent of gross domestic product (GDP) — from \$11.4 billion in Q2 FY24 (1.3 per cent of GDP). The deficit was also down from \$16.8 billion or 2 per cent of GDP in the year-ago period (Q3 FY23). Reserve

Bank of India (RBI) data showed that the rise in net services receipts more than compensated for a slight rise in merchandise trade deficit in Q3 FY24. This helped cushion the CAD.

https://www.business-standard.com/economy/news/india-s-cad-narrows-to-1-2-of-gdp-in-q3fy24-from-2-q3fy23-rbi-124032600935_1.html

Key India peers see sharper growth in services trade, shows data

A number of countries have recorded faster growth in services exports than India. India's services exports increased by 14 per cent between the third quarter of 2022 and Q3 of 2023, according to the Global Trade Update by the United Nations Conference on Trade and Development (UNCTAD) released recently. The growth in imports was 5 per cent. Brazil and South Africa among emerging markets and Japan among advanced ones recorded higher growth in services exports at 16 per cent each.

https://www.business-standard.com/economy/news/key-india-peers-see-sharper-growth-in-services-trade-shows-data-124032600840_1.html

Red Sea crisis: Adverse impact on trade data to be substantial in new fiscal; Asia, Africa, Europe to face most disruption, says GTRI

The Red Sea crisis is expected to adversely impact trade volumes in a substantial way in 2024, said a report by GTRI, adding that rising shipping, and insurance costs, delayed arrival of shipments will continue to disrupt global value chains, squeeze margins and make exports of many low margin products unviable from current locations. Countries like Asia, Africa and Europe will face the most disruption across industries. Started in a major way on October 19, 2023, the Red Sea crisis is in its fifth month now.

<https://www.financialexpress.com/policy/economy-red-sea-crisis-trade-volumes-to-be-adversely-impacted-in-new-fiscal-asia-africa-and-europe-to-face-most-disruption-says-gtri-3437297/>

100-day plan: Commerce Department to identify export barriers, launch 'Trade Connect e-Platform'

The Commerce Department has sought inputs from export bodies on trade barriers and non tariff measures they face in different countries to incorporate ways to combat such barriers in the 100-day action plan to be presented to the new government that takes over after the general elections. The 'Trade Connect e-Platform', which seeks to provide information to new and aspiring exporters on the identification of products for export, non-tariff barriers, updated tariff schedule of items, applicable customs duty and benefits under India's FTAs, will also be launched as part of the 100-day action plan, a source tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/100-day-plan-commerce-department-to-identify-export-barriers-launch-trade-connect-e-platform/article68003118.ece>

RBI to consider relaxing FEMA guidelines for e-commerce players based on DGFT inputs

The Reserve Bank of India (RBI) has assured the Commerce Department that it would take a relook at the Foreign Exchange Management Act (FEMA) guidelines with the objective of easing operations of e-commerce players based on inputs received from it and get back on the matter soon. "DGFT officials have explained at length to the RBI the need of easing guidelines for e-commerce exporters including giving them more time for realising payments in B2B shipments.

<https://www.thehindubusinessline.com/economy/rbi-to-consider-relaxing-fema-guidelines-for-e-commerce-players-based-on-dgft-inputs/article67998569.ece>

Baltimore Bridge Collapse: Catastrophic consequences threaten to impact cars to coal

The 1.6 mile-long bridge collapsed in a matter of seconds. The catastrophic consequences are set to stretch out for weeks. As much as 2.5 million tons of coal, hundreds of cars made by Ford Motor Co., and General Motors Co., and lumber and gypsum are threatened with disruption after the container ship Dali slammed into and brought down Baltimore's Francis Scott Key Bridge in the early hours of Tuesday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/baltimore-bridge-collapse-catastrophic-consequences-threaten-to-impact-cars-to-coal/articleshow/108806163.cms>

Notifications

Amendment in Appendix 4B of Handbook of Procedures, 2023-reg.

<https://content.dgft.gov.in/Website/dgftprod/8cbdf0d3-71aa-4346-94e6-182aa5e1158d/Public%20Notice-English.pdf>

General Authorization for Export of Telecommunication-related items under SCOMET Category 8A5 Part 1 (GAET)

<https://content.dgft.gov.in/Website/dgftprod/5f6339d2-9884-40fc-89cd-d22820c9f5cb/P.N.%20No.%2052-2023-english.pdf>

General Authorization for Export of Information Security items under SCOMET Category 8A5 Part 2

<https://content.dgft.gov.in/Website/dgftprod/35f562cd-4eef-4997-8b23-895a1dade197/P.N.%20No.%2053-2023-english.pdf>

General Authorisation for export of Telecommunication-related items and Information Security items covered under category 8A5 of SCOMET

<https://content.dgft.gov.in/Website/dgftprod/1a217a0b-f3ae-490f-9960-8de7f8bf511a/Notification%20no.%2082-2023-english.pdf>

Amendment in policy condition of Crude Oil under HS Code 2709 00 10- regarding

<https://content.dgft.gov.in/Website/dgftprod/4fa99414-4bac-4834-a88a-023ebf2943a9/Notification%20No.%2080 2023 ENG.pdf>

Amendment in export policy of Onions

<https://content.dgft.gov.in/Website/dgftprod/ed8d1d77-8aac-4860-a9f0-0c9efd81a9a8/Notification%20-English.pdf>