



30 March – 5 April 2024

Free Trade Agreements

India, EEU bloc officials hold talks to formally start negotiation for FTA

Senior officials of India and the five-nation Eurasian Economic Union (EEU) bloc held detailed discussions last month to formally start negotiations for a free trade agreement to boost economic ties, an official said. The five members of the EEU are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. The official said two feasibility studies have already been conducted on the proposed agreement.

https://www.business-standard.com/economy/news/india-eeu-bloc-officials-hold-talks-to-formally-start-negotiation-for-fta-124040200640_1.html

FTAs and new markets will increase India's export to USD 1 trillion by 2030

Despite global trade uncertainties, India's exports are charting a new course, bilateral agreements, free trade agreement (FTA) and venturing into uncharted territories like Africa, Latin America, and Central Asia have led to all time high export of USD. With these new initiatives, India has seen a surprising surge in exports of precious metals, minerals, automobiles, electronics, pharmaceuticals, organic chemicals, textiles, spices and defence equipment.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ftas-and-new-markets-will-increase-indias-export-to-usd-1-trillion-by-2030/articleshow/108871668.cms>

India a potential superpower, will seal FTAs on our terms: Goyal

India is a potential superpower and would not rush into closing Free Trade Agreements (FTAs) unless these are on New Delhi's own terms, said Piyush Goyal, Union Minister of Commerce and Industry, Consumer Affairs and Food & Public Distribution, and Textiles.

<https://indianexpress.com/article/india/india-a-potential-superpower-will-seal-ftas-on-our-terms-goyal-9241002/>

Bilateral Trade

India had favorable trade performance with EU, China in 2023: govt

India's imports from China declined 3% in calendar year 2023 over 2022, the commerce and industry ministry said Monday, adding that exports to both China and the EU rose 7.1% and 2.1%, respectively during the period. The statement comes more than a week after report by the United Nations Conference on Trade and Development (UNCTAD) showed that India's trade dependence on China and the EU increased in 2023 while it reduced on Saudi

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-had-favorable-trade-performance-with-eu-china-in-2023-govt/articleshow/108952186.cms>

Meity calls for plans on India-EU cooperation on high-performance computing

The Ministry of Electronics and Information Technology (Meity) on Wednesday announced a joint call for proposals for India-European cooperation on high-performance computing (HPC). "Meity, India, and EuroHPC, EU are pleased to announce the joint call for proposals for India-EU cooperation on HPC. This collaborative initiative seeks to foster high-performance computing (HPC) research and development, as well as strengthen international partnerships in the field of HPC between India and Europe," read the official announcement from Meity.

https://www.business-standard.com/economy/news/meity-calls-for-plans-on-india-eu-cooperation-on-high-performance-computing-124040301063_1.html

India initiates anti-dumping probe into import of a chemical from China, Japan

India has initiated an anti-dumping probe into the import of a chemical used in the rubber industry from China and Japan following a complaint by a domestic player. The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) is probing the alleged dumping of 'Insoluble Sulphur'. Oriental Carbon & Chemicals Ltd has filed an application before the authority to undertake a probe into the alleged dumping of the chemicals coming from these two countries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-initiates-anti-dumping-probe-into-import-of-a-chemical-from-china-japan/articleshow/108952470.cms>

Govt has taken up issue of ban on imports of Russian diamonds by EU, G7: S Jaishankar

The Indian government has taken up on priority the issue of ban on imports of Russian-origin unpolished diamonds by the European Union (EU) and G7 nations as the measure will end up hurting the domestic diamond polishing industry mainly centred in Gujarat's Surat city, said External Affairs Minister S Jaishankar on Monday.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-has-taken-up-issue-of-ban-on-imports-of-russian-diamonds-by-eu-g7-s-jaishankar/articleshow/108952738.cms>

India's March Russian oil imports rose over 7% from Feb, trade flows show

India's Russian oil imports rose by more than 7% in March from February as refiners snapped up cheaper oil, data from trade flow tracking agencies Kpler and LSEG shows. Refiners in India have been gorging on Russian oil since the West shunned purchases from Moscow and imposed sanctions following its invasion of Ukraine in February 2022. The data shows that Russia continued to be the top oil supplier to India followed by Iraq and Saudi Arabia.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-march-russian-oil-imports-rose-over-7-from-feb-trade-flows-show/articleshow/108948216.cms>

US hasn't asked India to cut Russian oil imports: Official

The United States has not asked India to reduce imports of Russian oil, an American treasury official said on Thursday, adding that Russian oil refined in India cannot technically be considered Russian oil. The official said the US has not sanctioned any Indian entity either for dealing in Russian oil. "It is important to us to keep the oil supply on the market. But what we want to do is limit Putin's profit from it," Eric Van Nostrand, the US Treasury's assistant secretary for economic policy, said in Delhi while addressing a meeting at the Ananta Aspen Centre, a public policy body.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-hasnt-asked-india-to-cut-russian-oil-imports-official/articleshow/109044968.cms>

Russia says there is no problem with payment for its oil shipments to India

Russian oil shipments to India are proceeding "in full" and there are no problems with payment, Foreign Ministry spokeswoman Maria Zakharova said on Wednesday. Industry sources have said shipments of Russian crude oil to India were delayed by payment problems at the end of last year. Zakharova told reporters it was a priority to make payments in national currencies so as not to depend on the West.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-says-there-is-no-problem-with-payment-for-its-oil-shipments-to-india/articleshow/109012526.cms>

India allows additional 10,000 tonne of onion exports to UAE

India on Wednesday allowed an additional 10,000 tonnes of onion exports to the UAE through the National Cooperative Exports Ltd (NCEL), according to a notification issued by the Directorate General of Foreign Trade

(DGFT). Last month, the government permitted shipments of 14,400 tonnes to the emirates even as it extended a ban on onion exports till further orders, which was initially enforced from December 8, 2023 till March 31, 2024.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-allows-additional-10000-tonne-of-onion-exports-to-uae/articleshow/109012330.cms>

Uzbekistan offers attractive conditions to Indian investors in IT, textiles, electronics, pharmaceuticals & minerals: Envoy

There is enormous potential and mutual interest to actively increase cooperation in the political, trade, economic, cultural and humanitarian dimensions between India and Uzbekistan. Ambassador Sardor Rustambaev, who previously led the diplomatic mission of Uzbekistan in France and Portugal and recently took over as the head of mission in India, spoke exclusively to ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uzbekistan-offers-attractive-conditions-to-indian-investors-in-it-textiles-electronics-pharmaceuticals-minerals-envoy/articleshow/108928825.cms>

India renews agreement to export electricity to Nepal for next 3 months

At a time when Nepal is facing a power crisis, India on Friday renewed the agreement to export electricity to Nepal for the next three months. Under the agreement, which was to expire on March 31, Nepal can import a total of 554 MW electricity from India between 6 am and 6 pm. Nepal's domestic electricity production currently stands at around 1,200 MW while the country's demand for electricity is 1,800 MW to 2,000 MW during this period.

https://www.business-standard.com/india-news/india-renews-agreement-to-export-electricity-to-nepal-for-next-3-months-124032900563_1.html

India to review duties to curb subsidized jute imports from Bangladesh

India is considering tightening its duties on jute and jute products to check imports of cheap, subsidized goods from Bangladesh that are undermining local manufacturers, a senior official said. Cheap imports, combined with high raw material costs, act as a disincentive and are blamed for a shortfall in domestic production of jute products.

<https://www.livemint.com/news/india/india-to-review-duties-to-curb-subsidized-jute-imports-from-bangladesh-11712142919345.html>

Sectoral Updates

Sunflower oil imports hit second-highest level as palm oil retreats

India's sunflower oil imports rose by 51% in March from the previous month to reach the second highest level on record, as lower prices led refiners to increase their purchases, while reducing buying of rival palm oil, five dealers told Reuters. Lower palm oil purchases by India, the world's biggest importer of vegetable oils, could cap the rally in benchmark Malaysian palm oil futures that are trading near their highest in a year.

https://www.business-standard.com/industry/news/sunflower-oil-imports-hit-second-highest-level-as-palm-oil-retreats-124040200589_1.html

Commerce ministry shifts focus to push fresh fruits and vegetables to US and EU

With an export ban in place on rice and wheat, the union commerce ministry has shifted its focus to exports of agricultural products including fresh fruit and vegetables to new destinations, including the US, European Union and African countries, two persons said. The new playbook involves trial shipments of mangoes, pomegranates, and bananas among others to these geographies shortly.

<https://www.livemint.com/news/india/commerce-ministry-shifts-focus-to-push-fresh-fruits-and-vegetables-to-us-and-eu-11712144494436.html>

Govt waives duty on export of 1,000 tonnes of non-basmati kalanamak rice

The government has removed duty on the Kalanamak variety of rice for exports of up to 1,000 tonnes through six specified customs stations. The duty on overseas shipments of Kalanamak rice was 20 per cent. According to a notification by the Finance Ministry, the duty waiver on the export of up to 1,000 tonnes of this variety of rice will come into effect from Wednesday.

https://www.business-standard.com/industry/news/govt-waives-duty-on-export-of-1-000-tonnes-of-non-basmati-kalanamak-rice-124040300577_1.html

India's rice rates grind to 2-month low on soft demand

Prices of parboiled rice exported from top hub India slipped to their lowest level since early February this week, pressured by sluggish demand, while Thai rates declined for the fourth consecutive week due to a weaker baht. Top exporter India's 5% broken parboiled variety was quoted at \$540-\$548 per ton this week, down from last week's \$550-\$558.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-rice-rates-grind-to-2-month-low-on-soft-demand/articleshow/109040389.cms>

ISMA urges govt to permit sugar export of 1 million tonne this season

Indian Sugar Mills Association (ISMA) has requested the government to allow the export of 10 lakh tonne of sugar in the current 2023-24 season, anticipating healthy closing stock by the season-end. Sugar production has reached 302.20 lakh tonne till March of the current season against 300.77 lakh tonne in the year-ago period, it said in a statement. The sugar season runs from October to September.

https://www.business-standard.com/industry/agriculture/isma-urges-govt-to-permit-sugar-export-of-1-million-tonne-this-season-124040201237_1.html

Alcoholic beverages, jam among 12 items to get export push

India is looking to increase the export of agricultural value added products by forging partnerships with retail chains and supermarkets of countries like the United Arab Emirates. The commerce department has identified 12 value added food items, including jams, jellies and marmalades, alcoholic beverages, fruit pulp products, dehydrated vegetables and ready to eat products for the purpose.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/alcoholic-beverages-jam-among-12-items-to-get-export-push/articleshow/108924717.cms>

India aims to increase seafood exports to Rs 1 trillion in next 2 years

Indian shrimp exporters follow a robust regulatory and safety regime, as it helps them to ship quality marine products to developed regions like the US and Europe, a senior government official said on Wednesday. India is aiming to increase seafood exports to Rs one lakh crore in the next two years by increasing its processing capacity and shifting to higher value-added products, the official added.

https://www.business-standard.com/industry/news/india-aims-to-increase-seafood-exports-to-rs-1-trillion-in-next-2-years-124040301000_1.html

India may extend duty-free imports of yellow pea till May to maintain affordability and availability domestically

India is considering allowing duty-free imports of yellow peas for another month, until May, to drive down prices while bridging the demand-supply gap tur (pigeon pea) and chana (gram), two officials said. The move likely is due to a drop in tur crop production and expectations of low yields for chana because of a decline in acreage and productivity.

<https://www.livemint.com/news/india/india-may-extend-duty-free-imports-of-yellow-pea-till-may-to-maintain-affordability-and-availability-domestically-11712136762246.html>

Indian coffee exports top ₹10,000 crore in FY24 on soaring robusta prices

Thanks to the surging trend in global Robusta prices, India's coffee exports for the financial year ending March 2024 touched a new high in value terms. Despite a marginal decline in the volumes, shipments were at a new record. In fact, financial year 2023-24 was the third consecutive year during which Indian coffee shipments registered a new record.

<https://www.thehindubusinessline.com/economy/agri-business/indian-coffee-exports-top-10000-crore-in-fy24-on-soaring-robusta-prices/article68020341.ece>

India's Defence Exports Grow 32.5% On Year To Touch Record High

Defence exports have touched a record Rs 21,083 crore (approx. US\$ 2.63 Billion) in the Financial Year (FY) 2023-24, a growth of 32.5% over the last fiscal when the figure was Rs 15,920 crore. The recent figures indicate that the defence exports have grown by 31 times in the last 10 years as compared to FY 2013-14. The

defence Industry, including the private sector and Defence Public Sector Undertakings (DPSUs), have made tremendous efforts in achieving the highest-ever defence exports.

https://www.business-standard.com/markets/capital-market-news/india-s-defence-exports-grow-32-5-on-year-to-touch-record-high-124040200274_1.html

New EV policy: No restrictions on imports from any country, including China

India has no restrictions on the import of electric vehicles from any country, including China, under a new EV policy, a senior government official told broadcaster CNBC-TV18 on Tuesday. Last month, India announced lowering import taxes on certain electric vehicles produced by carmakers who commit to invest at least \$500 million and start domestic manufacturing within three years.

https://www.business-standard.com/industry/auto/new-ev-policy-no-restrictions-on-imports-from-any-country-including-china-124040200365_1.html

Govt to resume curbs on solar modules imports to boost local producers

India will reimpose limits on imported solar energy modules, after relaxing curbs for a year, in a relief to domestic manufacturers that had complained of cheaper shipments from overseas. The eased rules will end on March 31 and an approved list of domestic models and manufacturers will come back into effect the next day, the renewable energy ministry said in a statement on its website. The list bars imported modules from being used in the country.

https://www.business-standard.com/industry/news/govt-to-resume-curbs-on-solar-modules-imports-to-boost-local-producers-124033000689_1.html

US raises concerns with India on import of select IT hardware goods: Report

The US on Friday said it has raised concerns with India regarding the import regime of certain information and communications technology products, including laptops, and tablets, amid New Delhi's decision to restrict inbound shipments of such products. At present, an authorisation is needed for importers of certain IT hardware goods into India.

https://www.business-standard.com/industry/news/us-raises-concerns-with-india-on-import-of-select-it-hardware-goods-report-124032900629_1.html

Import dependence for oil rises further to 88%

For the country's energy sector, the just-concluded fiscal year 2023-24 was marked by several challenges – rising crude oil prices amid geopolitical tensions, demand and supply disruptions, and stagnant domestic production. As the year was about to draw to a close, the upcoming general elections, impelled the government to take a few steps that aren't market-friendly.

<https://www.financialexpress.com/policy/economy/import-dependence-for-oil-rises-further-to-88-3442212/>

The silver lining in slowing domestic demand for steel: higher exports

India's steel exports are likely to maintain their upward trajectory through the ongoing first fiscal quarter as the election season has softened domestic demand for the alloy. Some analysts predict India will shortly return to being a net exporter of steel owing to a deceleration in domestic demand in the runup to the national election.

<https://www.livemint.com/industry/the-silver-lining-in-slowing-domestic-demand-for-steel-higher-exports-11712223520112.html>

Silk goods exports jumped 20% to ₹1534 crore during April-January 2023-24

India's exports of silk products have risen by about a fifth during the April-January period of financial year 2023-24 on rise in overseas demand for fabrics, made-ups and readymade garments from markets such as the United States and Europe.

<https://www.thehindubusinessline.com/economy/agri-business/silk-goods-exports-jumped-20-to-1534-crore-during-april-january-2023-24/article68012784.ece>

Centre to set up labs for testing marquee textiles meant for exports

With sub-standard pashmina shawls and silk exports hurting India's image, the Union textiles ministry is planning to set up new laboratories and upgrade existing ones to test and validate pure textiles, including pashmina, silk, cotton and coarse-wool products before they are shipped, two persons aware of the matter said.

<https://www.livemint.com/economy/centre-to-set-up-labs-for-testing-marquee-textiles-meant-for-exports-11712056007248.html>

Apparel exports to go up by 8-9% in FY2025 led by replenishment of stock in US and EU regions, says ICRA

Following the tepid demand environment in FY2024, Indian apparel export industry is expected to report a muted 8-9 per cent recovery in revenues, to Rs 28,150 crore in FY2025 from Rs 26,000 crore in FY2024, ICRA said. In a survey of its sample companies, ICRA said that this recovery will be driven by low base and replenishment of stock in the US and the EU regions.

<https://www.financialexpress.com/business/industry-apparel-exports-to-go-up-by-8-9-in-fy2025-led-by-replenishment-of-stock-in-us-and-eu-regions-says-icra-3446424/>

Part-time relief to French luxury shoemakers; Centre extends QCO implementation

Norms mandating foreign luxury shoemakers and popular athleisure brands such as Nike and Adidas to stamp their shoes with the ISI mark – ubiquitous in India but not so elsewhere – will come into force in August, two officials said, outlining a move that is set to be resisted by these footwear firms. Currently, foreign shoemakers, including well known French luxury brands such as Louis Vuitton, Dior and Christian Louboutin, are able to export their shoes to India without such restrictions and this exemption has been extended till August.

<https://www.livemint.com/news/india/parttime-relief-to-french-luxury-shoemakers-centre-extends-qco-implementation-11711876431237.html>

Tesla begins making cars in Germany for export to India this year

Tesla has begun production of right-hand drive cars at its plant in Germany for export to India later this year, three people aware of the company's plans told Reuters, as it moves ahead with a possible entry into the world's third-largest car market. A team from Tesla is expected to visit India later this month to look at sites for a local car manufacturing plant that would require an investment of about \$2 billion, said two of the three people, who declined to be named because the plans are not public yet.

https://www.business-standard.com/companies/news/tesla-begins-making-cars-in-germany-for-export-to-india-this-year-124040400899_1.html

WTO

RBI, NPCI officials discuss remittance cost analysis with WTO members

Senior officials of the RBI and the National Payments Corporation of India (NPCI) have made a presentation to the WTO members on reducing cost of remittances on March 25, an official said. India is pressing for the adoption of open and inter-operable payment systems like UPI, among WTO (World Trade Organisation) members with a view to cut the cost of money transfers or remittances.

https://www.business-standard.com/industry/news/rbi-npci-push-for-upi-adoption-at-wto-urge-for-cutting-remittance-costs-124040400693_1.html

Other Key Coverage

Merchandise exports may shrink despite expecting double-digit growth in Mar

Merchandise exports from India for the financial year 2023-24 (FY24) may show a contraction of around 1-1.5 per cent after two consecutive years of growth, even as March is likely to witness robust double-digit growth, according to initial trade data estimates. The final data is still being compiled and will be released by the commerce department on April 15.

https://www.business-standard.com/economy/news/merchandise-exports-may-shrink-despite-expecting-double-digit-growth-in-mar-124040300823_1.html

At \$445 billion, FY24 goods exports a tad below FY23 level

The last-quarter spurt would see India's merchandise exports to be around \$445 billion in the financial year 2023-24, about 1.3% lower than previous year's level of \$451 billion. The new year is challenging and growth from hereon will depend on inflation-interest rate dynamics in the key markets of the US and Europe, trade experts said, "The merchandise exports in March are expected to be around \$ 40 billion, as \$ 5-6 billion will be added to the monthly shipments number.

<https://www.financialexpress.com/policy/economy-at-445-billion-fy24-goods-exports-a-tad-below-fy23-level-3442286/>

India's trade policy must learn lessons from the past, not repeat it: Experts

India needs to be active and not reactive in international trade policy, and show greater engagement and leadership in trade rule-shaping, keeping in mind the goal of becoming a developed country, Viksit Bharat, by 2047. The world has transformed since the WTO came into being in 1995 and India can no longer afford to hold on to positions it took 30 years ago. As commented by many, this is India's century.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-trade-policy-must-learn-lessons-from-the-past-not-repeat-it-experts/articleshow/108896012.cms>

Exporters urge exemption from 45-day payment rule for supplies from MSEs

Indian exporters have urged the government to exempt them from the 45-day payment rule for goods bought from micro and small enterprises (MSEs) as it will impact their businesses. In a letter to Prime Minister Narendra Modi, chiefs of major export promotion councils and federation of Indian export organisations have appealed to waive the export companies from section 43B(h) of the Income Tax law.

https://www.business-standard.com/industry/news/exporters-urge-exemption-from-45-day-payment-rule-for-supplies-from-mses-124033100128_1.html

Micro enterprises' share in total exports rises, drops for SMEs

Micro enterprises saw an increase in their share in exports from India in January to 6.63% from 5.79% in 2020-21, whereas the share of small and medium enterprises fell to 10% from 11.64% and to 11.22% from 12.96% respectively, said a report by the Directorate General of Commercial Intelligence and Statistics.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/micro-enterprises-share-in-total-exports-rises-drops-for-smes/articleshow/108884135.cms>

Export growth for 2024 will be led by PLI and Make In India schemes: GTRI

Amidst the complexities of global trade dynamics, India finds itself on a trajectory with notable advancements in export sectors previously considered weak. The implementation of initiatives such as Production-Linked Incentives (PLI) and the Make in India campaign has fueled remarkable growth, particularly in electronics.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/export-growth-for-2024-will-be-led-by-pli-and-make-in-india-schemes-gtri/articleshow/108910894.cms>

SIBUR processes plastic waste in partnership with Indian companies

SIBUR, Russia's largest producer of plastics and rubbers, is collaborating with Indian businesses to process plastic waste. At the end of last year, EcoPartners, co-founded by the Indian entrepreneur Gaurav Sood, opened the largest plant in Russia for recycling plastic packaging waste. The plant has been gradually ramping up to its full capacity of 40 thousand tons per year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/sibur-processes-plastic-waste-in-partnership-with-indian-companies/articleshow/109040977.cms>

Notifications

Export of 1,000 MT of Kala Namak Rice under HS Code 10063090.

<https://content.dgft.gov.in/Website/dgftprod/d7cb0287-4c88-497a-9208-e788c148628c/Notification%20no.%2001-2023-english.pdf>

Export of Onions (under HS Code 07031019) to UAE.

<https://content.dgft.gov.in/Website/dgftprod/1e604bdc-63a4-44df-8e4e-825c9db0c3f2/Notification%20No.%2002-2023-english.pdf>

Directives regarding submission of digitized ANFs, Appendices etc.

[https://content.dgft.gov.in/Website/dgftprod/a6012636-ddd9-4710-8f31-e41a9555b81a/Trade%20Notice%2001%20April2024-%20Directives%20regarding%20submission%20of%20digitized%20ANFs,%20Appendices%20etc.%20%20\(1\).pdf](https://content.dgft.gov.in/Website/dgftprod/a6012636-ddd9-4710-8f31-e41a9555b81a/Trade%20Notice%2001%20April2024-%20Directives%20regarding%20submission%20of%20digitized%20ANFs,%20Appendices%20etc.%20%20(1).pdf)