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Free Trade Agreements

India, Oman conclude trade talks; to sign deal after elections

Negotiations for a free trade agreement (FTA) between India and Oman have concluded, and it's likely to be signed after the formation of a new central government in the coming months, two people aware of the matter said. The pact, officially known as the Comprehensive Economic Partnership Agreement (CEPA), will boost Indian exports to the West Asian country by eliminating duties, especially on petroleum products, textiles, electronics, pharmaceuticals, machinery, and iron and steel.

<https://www.livemint.com/news/india/india-oman-conclude-trade-talks-to-sign-deal-after-elections-11712486923899.html>

India-UK FTA tops commerce ministry's 100-day agenda

The Union commerce ministry has placed the finalization of the India-United Kingdom (UK) free trade agreement at the top of its 100-day agenda after a new government takes charge following the Lok Sabha elections, two persons aware of the development said. Besides, the ministry aims to conclude most of the chapters of trade pacts with Sri Lanka, Peru, South Korea, ASEAN Trade in Goods Agreement (ATIGA),

<https://www.livemint.com/economy/indiauk-fta-tops-commerce-ministry-s-100-day-agenda-11712740670033.html>

India's trade talks with South American trade bloc on the back burner

Talks between India and South American trade bloc Mercosur have been put on the back burner with both sides focused on concluding their long-pending free-trade agreements with other regions, a person with direct knowledge of the matter told Mint. The talks were meant to expand the number of products enjoying low- or no-tariff benefits under a preferential trade agreement from about 450 to 1,500-2,000.

<https://www.livemint.com/economy/indias-trade-talks-with-south-american-trade-block-on-the-back-burner-11712660393796.html>

India-EU FTA next round to start in early May

The eighth round of negotiations for the India-European Union free trade agreement (FTA) are slated to start next month, with India making changes to its negotiating team to speed up the process, two people aware of the matter said. While both sides have indicated a willingness to adjust their positions on certain contentious issues, India intends to take a firm stance on persistent challenges such as non-tariff barriers.

<https://www.livemint.com/news/india/indiaeu-fta-next-round-to-start-in-early-may-11712575133470.html>

India- Peru Trade Agreement: Seventh round of talks kick-start

Taking a step forward in India-Peru trade relations, the seventh round of India-Peru Trade Agreement negotiations have kick started. As reported earlier by Financial Express Online, the talks will continue till April 11, and the proposed agreement aims to strengthen bilateral trade and investments by reducing or eliminating customs duties on goods and promoting trade in services.

<https://www.financialexpress.com/business/industry/india-peru-trade-agreement-seventh-round-of-talks-kick-start/3450220/>

India-Chile free-trade agreement talks may begin after Lok Sabha polls

India and Chile are expected to start discussions on a free trade agreement (FTA) to boost bilateral economic ties after the Lok Sabha election, said people aware of the matter. Currently, both countries have a limited trade agreement, also known as a preferential trade agreement (PTA), in place. The discussions are expected to start after the polls, said one of the persons cited above. A trade deal with Chile will help India get greater access to the Latin American region.

https://www.business-standard.com/economy/news/india-chile-may-kickstart-free-trade-agreement-talks-after-elections-124040900703_1.html

India reviewing Asean trade pact with an eye to boost domestic manufacturing

India has begun looking at several products where taxes on input items are higher compared to the finished goods as part of a comprehensive review of its trade pact with the 10-member Asean to correct several anomalies that have undermined domestic manufacturing. Imbalances in import duties, rules of origin, and non-tariff barriers will come in for a closer look, people familiar with the details told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/with-eye-on-make-in-india-asean-pact-review-begins/articleshow/109226880.cms>

Bilateral Trade

India removes export restrictions on rice, onions, sugar, 6 others to Maldives

India on Friday removed the restrictions on export of specified quantity of nine products including potatoes, onions, eggs, rice, wheat flour and sugar to Maldives for the current fiscal year. "The export of above items of Republic of Maldives will be exempted from any existing or future restriction/prohibition on export," the Directorate General of Foreign Trade (DGFT) said in a notification, adding that these exports have been permitted to Maldives under bilateral trade agreement between the countries during 2024-25.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-removes-export-restrictions-on-rice-onions-sugar-6-others-to-maldives/articleshow/109072005.cms>

Economic relations secretary in MEA to visit Rwanda, Uganda, Kenya

Dammu Ravi, secretary, economic relations in the MEA, will visit Rwanda, Uganda and Kenya from April 7-12, as a "reaffirmation of India's commitment" to further strengthen its ties of friendship with the three African countries. The Ministry of External Affairs, in a statement on Saturday, said the visit seeks to "maintain the momentum of high-level contacts" between India and countries in Africa, post the entry of the African Union (AU) as a permanent member of the G20 during the Indian Presidency of the grouping.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/economic-relations-secretary-in-mea-to-visit-rwanda-uganda-kenya/articleshow/109085355.cms>

India-Singapore bilateral trade grows 18.2% to \$35.6 bn in FY 2022-23

The bilateral trade between Singapore and India rose to \$35.6 billion in 2022-23, a growth of 18.2 per cent on the year, a senior diplomat at the Indian High Commission here said on Saturday. Singapore is India's eighth largest trade partner (2022-23), with a share of 3.1 per cent of India's overall trade, T Prabakar, the First Secretary (Commerce) at the high commission said.

https://www.business-standard.com/economy/news/india-singapore-bilateral-trade-grows-18-2-to-35-6-bn-in-fy-2022-23-124040600183_1.html

'Exports to Europe, Latin America register healthy growth in 2023'

Indian exporters made further inroads in European and Latin American nations in 2023, registering healthy growth in countries such as Romania, Montenegro, Austria, and Guatemala, an official said on Friday. India's merchandise export rose 2.1 per cent to the European Union (EU) in 2023 despite headwinds being faced by large developed markets like the EU and the UK due to high cost of living, weak external demand, and monetary tightening, the commerce ministry official said.

https://www.business-standard.com/industry/news/exports-to-europe-latin-america-register-healthy-growth-in-2023-124040500624_1.html

Europe is the saving grace for declining Indian exports in 2023

Despite tough economic conditions, Europe provided a modest boost to Indian merchandise exports during the calendar year 2023, even as overall shipments from the country contracted. Exports to Europe, comprising

27 European Union (EU) countries, four European Free Trade Association (EFTA) nations, and seven other countries, witnessed 2 per cent growth year-on-year (Y-o-Y) at \$98 billion during 2023, while merchandise exports saw a 4.8 per cent contraction in the year.

https://www.business-standard.com/economy/news/europe-is-the-saving-grace-for-declining-indian-exports-in-2023-124040700314_1.html

Majority of commodities exported to China record positive growth in 2023

As many as 90 principal commodities like iron ore, telecom instruments and electronic components exported to China have recorded a positive growth in 2023 out of the total 161 such goods shipped to the neighbouring country, according to commerce ministry data. These 90 commodities account for 67.7 per cent of India's export basket to China, while 71 products that have registered a negative export growth in 2023 constitute 32.3 per cent, the data showed.

https://www.business-standard.com/economy/news/majority-of-commodities-exported-to-china-record-positive-growth-in-2023-124041100423_1.html

China, India top buyers of Russian seaborne fuel oil, VGO in Feb, LSEG data shows

China and India remained the top destinations for Russian seaborne fuel oil and vacuum gasoil (VGO) exports in February, with both countries continuing to buy the fuels to partially replace crude oil, traders said and LSEG data showed. Since the European Union's full embargo on Russian oil products went into effect in February 2023, the bulk of Russia's fuel oil and VGO was redirected to other regions, mostly Asia.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/china-india-top-buyers-of-russian-seaborne-fuel-oil-vgo-in-feb-lseg-data-shows/articleshow/109191959.cms>

Jaishankar raises India's concerns over restrictions of Russian diamonds with Belgium

External Affairs Minister (EAM) S Jaishankar has raised concerns over the fallout of G7 ban on Russian diamond imports with Belgium. Jaishankar met Theodora Gentzis, the Secretary-General of the Belgian Foreign Ministry, here on Tuesday. New Delhi is concerned over Western ban on rough diamond imports from Russia, the world's biggest diamond producer and the biggest source of raw material for India's thriving polished diamond industry located in Surat.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/jaishankar-raises-indias-concerns-over-restrictions-of-russian-diamonds-with-belgium/articleshow/109172532.cms>

US trade mission to visit India to explore opportunities in agribusiness

A high-powered US trade delegation will visit India later this month to explore opportunities in the country's huge agribusiness sector and further promote American products among India's rising middle class. "India represents a growth economy for the US agribusinesses seeking to capture an increasing share of the household food purchases in the fifth-largest economy in the world," said Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs Alexis Taylor.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-trade-mission-to-visit-india-to-explore-opportunities-in-agribusiness/articleshow/109213179.cms>

India's share of US' ICT Imports falls over years

India's share in US information and communication technology (ICT) imports has contracted as a result of the realignment of trade patterns. Some countries are increasingly looking at "re-shoring" production and shifting trade towards friendly nations, a World Trade Organisation report said Wednesday. Of the total ICT imports by the US, the share of Asian trading partners (mostly India) fell to 32.6% in 2023 from 45.1% in 2018 while for North American partners (mostly Canada) it increased to 23% from 15.7% in the same period, the WTO's Global Trade Outlook.

<https://www.financialexpress.com/business/industry-indias-share-of-us-ict-imports-falls-over-years-3452985/>

Sectoral Updates

Domestic coal import rises 13% in Feb to 21.64 MT ahead of summer

India's coal import rose by 13 per cent to 21.64 million tonnes (MT) in February as some buyers took fresh positions to replenish stocks ahead of summer, according to online marketplace mjunction. The country's coal import was 19.15 MT in the corresponding month of FY23. "Coal imports in February 2024 were up by 13 per cent as against 19.15 MT in February 2023," as per the data compiled by mjunction.

https://www.business-standard.com/industry/news/domestic-coal-import-rises-13-in-feb-to-21-64-mt-ahead-of-summer-124040700148_1.html

Plastic exports grow 14.3% to \$997 mn in February: Plexconcil report

India's plastic exports grew 14.3 per cent year-on-year to USD 997 million in February due to a rise in demand in various product categories, an apex industry body said on Friday. The overall plastic exports stood at USD 872 million in February 2023, Plastic Export Promotion Council Plexconcil said in a statement. According to Plexconcil data, there was significant export growth in February 2024 across the majority of the product panels like plastic raw materials, plastic films and sheets, woven sacks, and floor coverings, among others.

https://www.business-standard.com/industry/news/plastic-exports-grow-14-3-to-997-mn-in-february-plexconcil-report-124040501086_1.html

Govt extends free import duty regime on yellow peas till June

The government on Friday extended duty-free import of yellow peas used as substitute of chana (gram) by two months to June 30, according to a Directorate General Foreign Trade (DGFT) notification. "All imports of yellow peas where the bill of lading (shipped on board) is dated on or before June 30, shall be subject to compulsory registration under the online import monitoring system," according to DGFT.

<https://www.financialexpress.com/business/industry-govt-extends-free-import-duty-regime-on-yellow-peas-till-june-3448112/>

Personal computer imports from China decline 3% during Nov-Feb 2024

The country's imports of personal computers from China dipped 3 per cent to \$917 million during November-February 2024, according to commerce ministry data. The inbound shipments stood at \$950.22 million from the neighbouring country during November-February 2023. Similarly, imports contracted about 48 per cent to \$917 million from China during November 2023-February 2024 as against \$1.75 billion during July-October 2023, the data showed.

https://www.business-standard.com/industry/news/personal-computer-imports-from-china-decline-3-during-nov-feb-2024-124040800884_1.html

India's February silver imports hit record, set to rise by 66% this year

India's silver imports surged by 260% in February to a record high, as lower duties encouraged large purchases from the United Arab Emirates (UAE), government and industry officials told Reuters, adding they were on track to increase by 66% this year. Higher demand in India, the world's biggest silver consumer, could support global prices trading near their highest in three years. India imported a record 2,295 metric tons of silver in February, up from 637 tons in January, said a government official, who declined to be named as he was not authorised to talk to the media.

https://www.business-standard.com/industry/news/india-s-february-silver-imports-hit-record-set-to-rise-by-66-this-year-124040800694_1.html

India becomes net importer of finished steel in FY23-24, shows govt data

India was a net importer of finished steel during the 2023/24 financial year that ended on March 31, according to provisional government data seen by Reuters on Monday. The country imported 8.3 million metric tons of finished steel between April and March, up 38.1 per cent from a year earlier, the data showed. India's steel mills have called for government interventions and safeguard measures against surging imports. However, the federal Ministry of Steel has resisted calls for curbs, citing strong local demand.

https://www.business-standard.com/industry/news/india-becomes-net-importer-of-finished-steel-in-fy23-24-shows-govt-data-124040800471_1.html

India may devote more sugar to ethanol in blow to export hopes: Report

India may allow sugar mills to use more of the sweetener to make ethanol, in a move likely to reduce the odds of easing export curbs any time soon, according to a person familiar with the matter. The government is considering a proposal to permit factories to use an additional 800,000 tons of sugar for biofuel this year, as the crop is likely to be higher than predicted, said the person, who asked not to be identified as the talks are confidential. That would be on top of 1.7 million tons allocated earlier.

https://www.business-standard.com/industry/news/india-may-devote-more-sugar-to-ethanol-in-blow-to-export-hopes-report-124040900827_1.html

Indian coffee exports surge 13.35% to 125,000 tonnes in Jan-Mar, shows data

Coffee shipments from India rose 13.35 per cent to 1,25,631 tonnes during January-March period of this year on higher demand for Robusta coffee, according to the official data. The country had exported 1,10,830 tonnes of coffee in the same period in 2023. India, Asia's third-largest producer and exporter, grows Arabica and Robusta varieties of coffee. Arabica coffee bean has lesser caffeine content than the Robusta.

https://www.business-standard.com/industry/news/indian-coffee-exports-surge-13-35-to-125-000-tonnes-in-jan-mar-shows-data-124040800568_1.html

India's March palm oil imports drop to 10-month low as sunoil jumps

India's palm oil imports in March plunged to their lowest level in 10 months as higher prices prompted refiners to substitute palm oil with sunoil, resulting in sunoil imports reaching the second-highest on record, a leading trade body said. 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://economictimes.indiatimes.com/news/economy/foreign-trade/indias-march-palm-oil-imports-slip-2-5-m/m-trade-body-says/articleshow/109214618.cms>

Tur dal prices rise more than 10% despite open import policy

The prices of tur dal have increased by more than 10% in less than a month despite the open import policy. The pulses processing industry has claimed that it is facing supply shortages of raw tur for converting into tur dal. Though the government suspects hoarding by importers, trade body Indian Pulses and Grains Association (IPGA) has pointed towards hoarding by exporting countries and procurement of tur dal by Gujarat as the reasons for the recent surge in tur dal prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/tur-dal-prices-rise-more-than-10-despite-open-import-policy/articleshow/109204656.cms>

India to stop importing urea by end of 2025, says Mansukh Mandaviya

India will by the end of 2025 stop importing urea as a massive push for domestic manufacturing has helped bridge the gap between supply and demand, Chemicals and Fertilisers Minister Mansukh Mandaviya has said. In an interaction with PTI, the minister noted that the availability of fertilisers is very important for Indian agriculture. He said the country has been using chemical fertilisers for the last 60-65 years to enhance crop production.

https://www.business-standard.com/economy/news/india-to-stop-importing-urea-by-end-of-2025-says-mansukh-mandaviya-124040500265_1.html

Muted exports for auto sector in FY25 amid weak overseas demand: Ind-Ra

In a report released by India Ratings and Research (Ind-Ra), it was revealed that auto-ancillaries and auto exports will remain subdued in FY25 due to likely weak demand from Europe and the US. Despite a modest increase in auto ancillaries' export revenue of 2.7 per cent year-over-year (Y-o-Y) in the first half of FY24 and 5.2 per cent Y-o-Y in FY23, future growth is expected to be affected by economic challenges (macroeconomic headwinds) and geopolitical issues that are likely to impact exports from Q4FY24 to H1FY25, consequently affecting the overall exports revenue for FY25.

https://www.business-standard.com/industry/auto/muted-exports-for-auto-sector-in-fy25-amid-weak-overseas-demand-ind-ra-124041001064_1.html

WTO

Global trade to pickup in 2024: WTO

Global goods trade is expected to pick up gradually this year following a contraction in 2023, the World Trade Organization (WTO) said in a forecast Wednesday. The volume of world merchandise trade should increase by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023, it said but cautioned that regional conflicts, geopolitical tensions and economic policy uncertainty pose substantial downside risks to the forecast.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-2023-goods-exports-432-bln-wto/articleshow/109202566.cms>

Other Key Coverage

PMO asks commerce ministry to examine model text of investment treaty

The Prime Minister's Office (PMO) has asked the commerce ministry to examine the model text of the bilateral investment treaty (BIT) and suggest modifications to further improve the ease of doing business, according to

sources. The exercise assumes significance as only seven countries have accepted the existing model text treaty, and most of the developed nations have expressed their reservations on the text with regard to provisions like the resolution of disputes.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/pmo-asks-commerce-ministry-to-examine-model-text-of-investment-treaty/articleshow/109101008.cms>

Comm ministry may seek extension of interest equalisation for exporters

The commerce ministry is likely to seek further extension of the interest equalisation scheme on pre- and post-shipment rupee export credit for another five years to promote the country's outbound shipments, an official has said. The scheme will end on June 30 this year. "The ministry will do revamping of some schemes like interest equalisation scheme. We would propose an extension of the scheme for five years. The scheme is doing good, and it is helping the exporters," the official said.

https://www.business-standard.com/industry/news/comm-min-may-seek-extension-of-interest-equalisation-scheme-for-exporters-124041100626_1.html

Red Sea crisis: RBI, Irdai called in to help limit impact on Indian exports

The Ministry of Finance has written to the Reserve Bank of India (RBI) and the Insurance Regulatory and Development Authority of India (Irdai) to monitor export credit availability, and insurance premium increases to help Indian exporters deal with trade disruptions in the Red Sea due to Houthi attacks on cargo ships.

https://www.business-standard.com/india-news/red-sea-crisis-rbi-irdai-called-in-to-help-limit-impact-on-indian-exports-124041100190_1.html

World goods trade growth in value terms may dip 1.2 pc in 2024: GTRI

The growth in the global merchandise trade is likely to decline by 1.2 per cent, in value terms, due to the ongoing geopolitical uncertainties, economic think tank Global Trade Research Initiative (GTRI) said on Thursday. The US dollar value of world merchandise trade fell 5 per cent in 2023 to USD 24.01 trillion, but this decline was mostly offset by a strong increase in commercial services trade, which rose 9 per cent to USD 7.54 trillion, it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/world-goods-trade-growth-in-volume-terms-may-dip-1-2-in-2024-gtri/articleshow/109218163.cms>

Notifications

Supply of essential commodities to the Republic of Maldives during 2024-25.

<https://content.dgft.gov.in/Website/dgftprod/b59daffc-824e-44a4-8363-cbc309af704c/Notification%20No.%2003-2023-English.pdf>

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

<https://content.dgft.gov.in/Website/dgftprod/bb61b348-02ba-4714-8b2e-f816ee38c4ed/Noti%204%20E%20dated%2004.04.2024%20-%20Yellow%20Peas.pdf>

Amendment in Import Policy Condition for Melon Seeds under ITC (HS) Code 1207 70 90 of Chapter-12 of ITC (HS), 2022, Schedule-I (Import Policy) -reg

<https://content.dgft.gov.in/Website/dgftprod/92d8553e-8d2c-4049-990f-d190ffb9e729/Noti%20No.%2005%20%20E%20dated%2005.04.2024%20-%20Melon%20Seeds.pdf>

Modification of SION E-124 for export of refined Sunflower Oil (Edible Grade)

<https://content.dgft.gov.in/Website/dgftprod/4e0a94be-f1b5-427f-b8b8-b53d4725489b/PN%201%20Eng.pdf>

Implementation of Melon Seeds Import Monitoring System (MS-IMS)-

<https://content.dgft.gov.in/Website/dgftprod/a73d569f-7954-4a7a-8504-9c659c38b905/PN02%20Eng.pdf>