



13 April – 19 April 2024

Free Trade Agreements

India, Peru conclude 7th round of FTA talks

India and Peru concluded the seventh round of negotiations for a free trade agreement (FTA) on Thursday, aiming to deepen economic ties, a senior Indian government official said. The next round of talks is scheduled for the second week of June in Lima, with meetings likely to focus on consensus-building on trade of goods and services, the official added, requesting anonymity.

<https://www.livemint.com/news/india/india-peru-conclude-7th-round-of-fta-talks-11712905848536.html>

Good market access offered on both sides, says UK on India FTA talks

There has been good market access offered on both sides but not enough to secure a free trade agreement (FTA), the UK government has said as Indian negotiators are in London this week to continue discussions with their British counterparts. During a debate in the House of Lords this week, UK Foreign Secretary David Cameron was addressing questions from British peers on the current state of freedom of religion or belief in India.

https://www.business-standard.com/external-affairs-defence-security/news/good-market-access-offered-on-both-sides-says-uk-on-india-fta-talks-124041800999_1.html

More than a decade after it was signed, India-Japan FTA to be reviewed

India's 2011 free trade deal (FTA) with Japan is likely to be reviewed in the coming months, with New Delhi keen to minimize the trade deficit with Tokyo, two people aware of the matter said. While India is working on initiating negotiations with Japan for a review of the deal, called a comprehensive economic partnership agreement (Cepa), the Japanese are also open to a review, one of the persons mentioned

<https://www.livemint.com/news/india/india-and-japan-fta-likely-to-be-reviewed-soon-11713350355795.html>

India's trade deficit with ASEAN expands since FTA of 2010

India's trade deficit with the Association of Southeast Asian Nations (ASEAN) has surged, more than doubling since the implementation of the Free Trade Agreement (FTA) in 2010. According to figures released by the Ministry of Commerce and Industry, India's exports to ASEAN member countries stood at USD 25,627.89 million in the year 2010-11, while imports from these nations amounted to USD 30,607.96 million.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/trade-deficit-with-asean-expands-since-fta-of-2010/articleshow/109401531.cms>

Bilateral Trade

Maldives in discussion with India to pay in local currency for imports: Min

The Maldives is currently discussing with India if the island nation can make payments for its imports from the country in Maldivian Rufiyaa, a senior minister has said. A similar arrangement is also being worked out for imports of goods from China, Minister for Economic Development Mohamed Saeed said and noted that

annually, Maldives imports goods worth USD 780 million and USD 720 million from India and China respectively.

https://www.business-standard.com/world-news/maldives-in-discussion-with-india-to-pay-in-local-currency-for-imports-min-124041200404_1.html

Government imposes port restrictions for exporting essential commodities to Maldives

Amid tensions between Maldives and India, the Directorate General of Foreign Trade on Monday issued a notification imposing port restrictions for export of essential commodities to the island nation during the fiscal year 2024-25. The notification, issued under the Foreign Trade (Development & Regulation) Act, 1992, incorporates specific conditions for exporting essential commodities under the prohibited/restricted category to Maldives.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-imposes-port-restrictions-for-exporting-essential-commodities-to-maldives/articleshow/109320534.cms>

Govt simplifies payment process for merchant importing pulses from Myanmar

The government announced on Saturday, April 13, that it has streamlined and simplified the payment process for merchants who import pulses from Myanmar. According to a statement from the consumer affairs ministry, importers have been asked to use the Rupee/Kyat direct payment mechanism through Punjab National Bank's Special Rupee Vostro Account (SRVA).

<https://www.financialexpress.com/business/industry-govt-simplifies-payment-process-for-merchant-importing-pulses-from-myanmar-3455880/>

India allows onion export to Sri Lanka, gives additional quota to UAE

India has allowed a limited quantity of onion exports to the United Arab Emirates (UAE) and Sri Lanka, at a time when the staple vegetable's outward shipments have been kept under restrictions. The Ministry of Commerce and Industry, through the Directorate General of Foreign Trade (DGFT), issued a notification late Monday evening, permitting the export of an additional 10,000 metric tons (MT) of onions to the UAE (above 24,000 tonne already allowed) and 10,000 tonne to Sri Lanka, facilitated through the National Cooperative Exports Limited (NCEL).

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-allows-onion-export-to-sri-lanka-gives-additional-quota-to-uae/articleshow/109336817.cms>

India's pharma exports to US surge 15% in 11 months of FY24

After a lull, India's pharma exports to the US have surged 15% in the first 11 months of the last financial year despite regulatory challenges and rising pricing pressures. The pace of exports has more than doubled from the 6.18% growth in the same period of FY23, according to estimates by Pharmaceutical Export Promotion Council (Pharmexcil). Exports to the US climbed to \$7.83 billion during the April-February period from \$6.8 billion in the same period in FY23.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-pharma-exports-to-us-surge-15-in-11-months-of-fy24/articleshow/109294213.cms>

India's tariff removal on several US products benefiting farmers: Katherine Tai

US Trade Representative Katherine Tai said on Tuesday that India's decision to remove retaliatory tariffs on several US products has improved access to chickpeas, lentils, almonds, walnuts, and apples and is benefiting farmers across the country. In her testimony before the House Ways and Means Committee Hearing on the President's 2024 Trade Policy Agenda, Tai mentioned that India and the US resolved the final outstanding WTO dispute in September last year, and India agreed to reduce tariffs on several US products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-tariff-removal-on-several-us-products-benefiting-farmers-katherine-tai/articleshow/109360448.cms>

India's exports to Europe may be affected due to Iran-Israel conflict

Exporters are in a wait-and-watch mode as they expect air freight volume to Europe to rise 10-15%, logistics and insurance costs to rise and engineering exports demand to Europe to get impacted following Iran's attack on Israel. Already, the unfolding crisis in the Red Sea region is leading to shifting of large amount of cargo traffic to air mode such as leather goods, which were traditionally sent by ships, pushing up air freight volume.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-europe-may-be-affected-due-to-iran-israel-conflict/articleshow/109294304.cms>

Raw materials, minerals push India's exports to China but trade deficit a worry

India's exports to China increased by 8.74% from \$15.33 billion in FY23 to \$16.67 billion in FY24, according to commerce ministry data, while imports from China rose 3.29% to \$101.75 billion in FY24 from \$98.51 billion in FY23. Ajay Srivastava, founder of Global Trade Research Initiative (GTRI), said, "India's trade with China is a continued concern. In FY24, India's exports to China were \$16.67 billion, even lower than in FY19, and consisted mainly of raw materials and minerals."

<https://www.livemint.com/economy/indias-exports-to-china-rise-8-74-in-fy24-but-remain-below-pre-pandemic-levels-11713417502816.html>

Sectoral Updates

Automobile exports from India dip 5.5% in FY24 due to monetary crisis

Automobile exports from India declined 5.5 per cent in FY24 due to the monetary crisis in various overseas markets, according to the latest data shared by industry body SIAM. Overall exports stood at 45,00,492 units in the last fiscal compared to 47,61,299 units in FY23. Commenting on the drop in overseas shipments last fiscal, SIAM President Vinod Aggarwal said the situation remains volatile in various overseas markets.

<https://economictimes.indiatimes.com/industry/auto/auto-news/automobile-exports-from-india-dip-5-5-in-fy24/articleshow/109284365.cms>

Govt rules out possibility of permitting sugar exports in 2023-24 season

The government on Monday ruled out possibility of allowing sugar exports in the current 2023-24 season ending October, the industry's persistent demand notwithstanding. Currently, there are curbs on export of sugar for an indefinite period. However, Indian Sugar Mills Association (ISMA) has requested the government to allow export of 10 lakh tonne of sugar in the 2023-24 season, anticipating healthy closing stock by the season-end.

https://www.business-standard.com/industry/news/govt-rules-out-possibility-of-permitting-sugar-exports-in-2023-24-season-124041500389_1.html

Rice exporters face Rs 2,000 crore tax bill

Customs authorities in India have demanded additional duty payments from about 45 major rice exporters due to imposition of 20% export duty, potentially disrupting future rice shipments from the country. The department has issued notices to these exporters for the September 2022 to January 30, 2023 period, and the tax demand could be about Rs 2,000 crore, said people aware of the development.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rice-exporters-face-rs-2000-crore-tax-bill/articleshow/109293550.cms>

Iran-Israel conflict: Exporters of basmati rice, tea worried

Indian exporters of basmati rice and tea are worried following Iran's attack on Israel, fearing it could impact outward shipment of the two commodities, even as edible oil importers said sunflower oil prices could start to rise. Iran accounted for \$598 million of the total nearly \$4.59 billion worth of basmati rice exported in the first 11 months of last fiscal, as per government data. Exporters are also hoping to ship 40 million kgs of tea to Iran this year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/iran-israel-conflict-exporters-of-basmati-rice-tea-worried/articleshow/109294017.cms>

India's FY24 pulses imports hit 6-year high as red lentil purchases jump

India's pulses imports in fiscal 2024 surged 84% year-on-year to their highest level in six years after lower production prompted India to allow duty-free imports of red lentils and yellow peas, government and industry officials said on Thursday. Higher imports by India, the world's biggest importer, producer and consumer of protein-rich pulses, have been supporting global prices and helping bring down stocks in exporting countries such as Canada, Australia, and Myanmar.

https://www.business-standard.com/industry/agriculture/india-s-fy24-pulses-imports-hit-6-year-high-as-red-lentil-purchases-jump-124041800786_1.html

India exports record 4.8 mn tonnes oilmeal animal feed in FY24: SEA

India exported a record 48.86 tonnes of oilmeal -- used as animal feed -- during the 2023-24 financial year on revival of shipments of soyabean meal, industry body SEA said on Thursday. In value terms also, the country's oilmeal exports were highest at Rs 15,368 crore during 2023-24 fiscal. The previous record was 43.81 lakh tonnes achieved in 2013-14 fiscal, while in value terms shipments stood at Rs 11,500 crore. "This is the highest export of oilmeals since 2013-14 in terms of quantity and value," the Solvent Extractors Association of India (SEA) said in a statement.

https://www.business-standard.com/industry/news/india-exports-record-4-8-mn-tonnes-oilmeal-animal-feed-in-fy24-sea-124041800552_1.html

After modules, govt now considering non-tariff barrier for solar cell imports

After reimposing the 'approved list of models and manufacturers (ALMM)' for solar modules starting 1 April, the Centre is now considering a similar norm for cells used for making modules in order to curb Chinese imports and promote Indian-made cells, said two people aware of the development. ALMM is a list featuring the names of the models and manufacturers of solar modules which are allowed to supply to government-supported projects.

<https://www.livemint.com/news/india/after-modules-govt-now-considering-non-tariff-barrier-for-solar-cell-imports-11713094070506.html>

On an upswing: Engineering goods exports pick up pace in H2FY24, shows data

After a tepid start in FY24, demand for engineering goods picked up from December, commerce department data showed. The exports of engineering goods — comprising over a fourth of India's export basket — grew 2.1 per cent to \$109.3 billion. The top five export destinations from April to February (2023-24) included the United States, United Arab Emirates, Saudi Arabia, Germany, and Italy. Indian exporters also sold engineering goods to new markets such as Macao, Georgia, Croatia, and Azerbaijan.

https://www.business-standard.com/economy/news/on-an-upswing-engineering-goods-exports-pick-up-pace-in-h2fy24-shows-data-124041801008_1.html

Crude import bill down 16% in FY24; dependence increases marginally to 87.7%

Lower oil prices helped India cut its crude oil import bill by 16% YoY to \$132 billion in 2023-24 even though volumes remained the same, according to the oil ministry data. The country imported 232 million metric tonnes (MMT) of crude oil in 2023-24. Domestic crude oil production was 29 MMT, little changed from the output in the previous year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/crude-import-bill-down-16-in-fy24-dependence-increases-marginally-to-87-7/articleshow/109382580.cms>

Pharma exports grow 10% in FY24 despite global disruptions, quality concerns

India's pharmaceuticals exports seem to be bucking the trend. Just when the geopolitical tensions and global demand slump have led to a contraction in overall goods exports, pharma exports jumped 9.6% to touch \$27.8 billion in FY24. This is the highest exports growth for the pharma sector in the past three years. Experts said that key categories such as generic formulations (73% of total exports) and API (active pharmaceuticals ingredients) categories witnessed robust growth from critical markets such as US, Europe, and Africa.

<https://www.financialexpress.com/business/industry-pharma-exports-grow-10-in-fy24-despite-global-disruptions-quality-concerns-3461468/>

India seeks global collaborations to explore new tech, use of methanol, ammonia as ship fuel

An Indian delegation in Singapore has sought to partner with global shipping industry to explore new technologies and the potential of using methanol and ammonia as ship fuels, a senior government official said on Monday. The Indian delegation is here to participate in the Singapore Maritime Week, which is being attended by over 10,000 delegates from around the world.

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/india-seeks-global-collaborations-to-explore-new-tech-use-of-methanol-ammonia-as-ship-fuel/articleshow/109332670.cms>

State Updates

Maharashtra, UP, Karnataka, Tamil Nadu lead in imports

Maharashtra, Uttar Pradesh, Karnataka and Tamil Nadu are leading in consumption of imported goods and thus, in garnering the highest tax revenue from integrated GST or IGST levied on imports and inter-state trade, showed official data for FY24 upto February, indicating the consumption power of these major state economies. The top 10 importing states which also include Gujarat, Rajasthan, Telangana, Madhya Pradesh, West Bengal and Bihar account for half of the IGST proceeds collected by all states on imports and inter-state trade in the first 11 months of FY24, showed data from GSTN, the company that processes GST returns.

<https://www.livemint.com/news/india/maharashtra-up-karnataka-tamil-nadu-lead-in-imports-11713104891739.html>

TN continues to be number one State in electronic goods exports in FY24

Tamil Nadu continued to be the numero uno in the export of electronic goods. It achieved a record-breaking \$9.56 billion in electronics exports in FY 2023-24 - a whopping 78 per cent growth over the previous year's performance of \$5.37 billion. Companies like Tata Electronics and Pegatron, starting their production in the last couple of years helped Tamil Nadu to achieve such a performance. The State now has over 15 leading electronics manufacturers, including Foxconn, Tata Electronics, Salcomp and Pegatron.

<https://www.thehindubusinessline.com/news/national/tn-continues-to-be-number-one-state-in-electronic-goods-exports-in-fy24/article68078896.ece>

Other Key Coverage

India's merchandise exports dip marginally in March, FY24 shipments at \$437 bn

India's merchandise exports declined marginally in March to \$41.68 billion, while for the entire 2023-24 it dipped 3.11 per cent to \$437.06 billion, as geopolitical issues continued to hamper global shipments. Imports, too, declined 5.98 per cent to \$57.28 billion in March, taking the trade deficit to \$15.6 billion during the month.

<https://www.thehindubusinessline.com/economy/indias-merchandise-exports-dip-marginally-in-march-fy24-shipments-at-437-bn/article68067665.ece>

Indian exporters revisit pacts amid disruption at high sea

Indian exporters, particularly those exporting to Europe and northern or eastern African countries are reaching out to lawyers to revisit their contracts and agreements in the wake of recent attacks on merchant ships by Houthi rebels in the Red Sea and Somali pirates in the Indian Ocean. Exporters and shipping companies are revisiting clauses that deal with grounds of termination, indemnifications, limitations of liabilities and damages, carve-outs about any losses, delays, claims, defaults etc.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exporters-revisit-pacts-amid-disruption-at-high-sea/articleshow/109293986.cms>

India will decide policy step once impact of Iran-Israel conflict understood

The Indian government will take a policy decision to mitigate any effect on its trade from the conflict between Iran and Israel after it has fully understood the impact, the country's trade secretary said on Monday. "Policy interventions will only come after we understand the issues traders are facing. Based on that exercise, whatever is needed definitely government will address that," India's Trade Secretary Sunil Barthwal told reporters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-will-decide-policy-step-once-impact-of-iran-israel-conflict-understood/articleshow/109312389.cms>

Will keep diversifying export basket, says Commerce secy Barthwal in view of Iran-Israel conflict

India has diversified its trade to shield it from regional conflicts, commerce secretary Sunil Barthwal said Monday, adding that it will diversify further in view of the ongoing Israel-Iran conflict. The government is monitoring developments in West Asia and will consider their impact before a policy response, he said.

"Exports are well diversified across countries, and we are focusing on diversifying further," Barthwal said at a presser in New Delhi,

<https://economictimes.indiatimes.com/news/economy/policy/will-keep-diversifying-export-basket-says-commerce-secy-barthwal-in-view-of-iran-israel-conflict/articleshow/109322982.cms>

India's outward FDI rises to \$3.91 billion in March, shows RBI data

India's outward foreign direct investment (FDI) commitments rose significantly to \$3.91 billion in March 2024, compared to \$2.63 billion in March 2023. Sequentially, they were also higher than \$3.67 billion in February 2024, according to Reserve Bank of India (RBI) data. Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees.

https://www.business-standard.com/economy/news/india-s-outward-fdi-rises-to-3-91-billion-in-march-shows-rbi-data-124041601111_1.html

Govt asks shipping firms to enhance reporting, tracking on West Asia routes

The government has issued advisories to ship companies to enhance reporting, tracking and security protocols for vessels on West Asian routes and coming into Indian waters. In a circular dated April 10, 2024, the Directorate General of Shipping (Mumbai) advised ship managers, ship masters and seafarers to enhance the mechanism for reporting and tracking maritime activities to safeguard the interest of merchant ships and their crews.

https://www.business-standard.com/industry/news/govt-asks-shipping-firms-to-enhance-reporting-tracking-on-west-asia-routes-124041700741_1.html

Rupee-rouble settlement volume up seven times from 2022: Sberbank

Almost two years after the Reserve Bank of India announced new steps for rupee-settled global trades, Russian banking major Sberbank said it has seen an uptick in volumes for rupee-rouble payments for Moscow's imports, with the lender focusing on drawing more foreign clients to the domestic market. "Sberbank offers its corporate clients a convenient way of carrying out settlements in rupees and roubles.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rupee-rouble-settlement-volume-up-seven-times-from-2022-sberbank/articleshow/109323669.cms>

Notifications

Clarification on discharge of export obligation of Advance Authorisation (AA) bearing Customs Notification No.18/2015-Customs as amended and Customs Notification No.21/2015-Customs as amended both dated 01.04.2015 by making physical exports or by making domestic supplies -reg.

<https://content.dgft.gov.in/Website/dgftprod/3b1fc400-3fcb-4c9f-9706-715113467270/Policy%20Circular%20No%2001%20dated%2012.04.2024.pdf>

Imposition of Port restrictions on supply of Prohibited/Restricted essential commodities to the Republic of Maldives during 2024-25.

<https://content.dgft.gov.in/Website/dgftprod/07deda09-fcd2-470e-b4e3-8893925f60ae/Notification%20No%2006-2023-English.pdf>

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

<https://content.dgft.gov.in/Website/dgftprod/a07dc7f7-02c2-4267-99ef-d7a9fafb55ee/Notification%20No%2007-2023-English.pdf>

Discontinuation of Safeguard measures on import of Isopropyl alcohol (IPA), under Chapter 29 of ITC (HS) 2022, Schedule -1 (Import Policy)

<https://content.dgft.gov.in/Website/dgftprod/a6e63212-e1e2-4ade-8c97-ba705afdcd8/Trade%20Notice%20No.%2002%20dated%2018.04.2024%20on%20IPA%20matter.pdf>