



4 May – 10 May 2024

Trade Updates

Indian exports up in 115 nations out of 238 destinations in 2023-24

India's exports have surged to as many as 115 countries out of the total 238 destinations during 2023-24 despite the global economic uncertainties, according to a recent report by the Ministry of Commerce. These 115 export destinations, which account for 46.5 per cent of India's export basket, include the US, UAE, Netherlands, China, UK, Saudi Arabia, Singapore, Bangladesh, Germany and Italy.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exports-up-in-115-nations-out-of-238-destinations-in-2023-24/articleshow/109978944.cms>

Exim Bank expects 12.3% growth in exports during Apr-Jun quarter to \$116 bn

The Export-Import Bank of India on Thursday said India's merchandise exports would grow by 12.3 per cent year-on-year to USD 116.7 billion in the April-June quarter this fiscal. "These positive growth rates are expected to be witnessed in continuation of the positive growth witnessed during the last two quarters of the previous financial year," India Exim Bank said in a statement.

https://www.business-standard.com/economy/news/exim-bank-expects-12-3-growth-in-exports-during-apr-jun-quarter-to-116-bn-124050901233_1.html

Free Trade Agreements

India, Australia review progress on trade and investment negotiations, discuss way forward for its completion

India and Australia have held discussions under the Comprehensive Economic Cooperation Agreement (CECA) negotiations between the two countries to review the progress made after nine rounds and the way forward for its completion to reach a balanced outcome. An Indian delegation led by Commerce Secretary Sunil Barthwal had "very constructive and productive discussions" on various trade and prospective investment-related issues with the Australian delegation led by Deputy Secretary George Mina

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-australia-review-progress-on-trade-and-investment-negotiations-discuss-way-forward-for-its-completion/articleshow/109852894.cms>

CECA talks: India collecting industry feedback on non-tariff barriers in Australia

With Australia eager to expedite negotiations on the proposed full-fledged Comprehensive Economic Cooperation Agreement (CECA) with India soon after the country's general elections are over, the Commerce Department, is collecting inputs from the Indian industry on non-tariff barriers faced in the Australian market across sectors to make a case for their removal, sources have said.

<https://www.thehindubusinessline.com/economy/ceca-talks-india-collecting-industry-feedback-on-non-tariff-barriers-in-australia/article68142406.ece>

Bilateral Trade

India, Ghana agree for operationalisation of UPI on Ghana interbank systems

India and Ghana are working to link their payment systems - Unified Payments Interface (UPI) and Ghana Interbank Payment and Settlement Systems (GHIPSS) respectively to permit users to make instant, low-cost fund transfers on a reciprocal basis. The two countries have also delved into discussions regarding the possibilities of a Memorandum of Understanding on Digital transformation Solutions; Local Currency Settlement System and the opportunities offered by African Continental Free Trade Agreement (AfCFTA).
https://www.business-standard.com/finance/news/india-ghana-agree-for-operationalisation-of-upi-on-ghana-interbank-systems-124050500413_1.html

Govt allows export of 14,000 tn of non-basmati white rice to Mauritius

The government on Monday permitted exports of 14,000 tonnes of non-basmati white rice to Mauritius. The export is permitted through National Cooperative Exports Limited (NCEL), the Directorate General of Foreign Trade (DGFT) said in a notification. Though exports of non-basmati white rice have been banned since July 20, 2023 to boost domestic supply, exports are allowed on the basis of permission granted by the government to certain countries to meet their food security needs on request.
https://www.business-standard.com/industry/news/govt-allows-export-of-14-000-tn-of-non-basmati-white-rice-to-mauritius-124050601236_1.html

Met coal imports from Russia up nearly three-fold in last 3 financial years

Imports of metallurgical coal from Russia have sputtered around three-fold in the last three years to around 15.1 million tonnes in 2023-24 mainly due to lower prices while the same from Australia have declined, according to a research firm. Russia's share in India's metallurgical coal imports of 73.2 million tonnes (MT) has risen to around 21 per cent from around 8 per cent in 2021-22, research firm Big Mint said in a statement.
https://www.business-standard.com/economy/news/met-coal-imports-from-russia-up-nearly-three-fold-in-last-3-financial-years-124050500334_1.html

India suspends tariffs on Australian chickpeas, grains

Australian desi chickpea prices rose sharply after India suspended tariffs on imports, opening the door to a revival of a trade once worth hundreds of millions of dollars. Higher prices and increased demand from India will encourage farmers to plant more chickpeas in the coming months, said industry body Grains Australia. India, the world's biggest chickpea consumer, on May 4 suspended tariffs until March 31 next year following a poor local harvest. Australia, the largest exporter of chickpeas, is in pole position to benefit.
<https://www.thehindubusinessline.com/economy/agri-business/india-suspends-tariffs-on-australian-chickpeas-grains/article68144580.ece>

Flood of cheap Chinese steel into India at an eight-year-high

Steel coming into India from China saw a whopping 91 per cent rise in volumes, y-o-y, per a report of the Steel Ministry. China's property market bust has saddled its steelmakers with a glut that they are offloading globally, including India. In FY24, China — banking on the lower priced metal offerings — emerged as the largest seller to Indian traders. Nearly 2.7 million tonnes (mt) of the finished produce came in, the highest in eight years.
<https://www.thehindubusinessline.com/markets/commodities/flood-of-cheap-chinese-steel-into-india-at-an-eight-year-high/article68145659.ece>

Sectoral Updates

Onion exporters find new conditions impractical

The government's decision to allow onion exports at a minimum price of \$ 770/tonne might not result in significant shipments from the country because of the higher price band approved compared to prices offered by other countries such as Pakistan and China, traders said. On Saturday the government lifted a ban on onion exports imposed in December last year and put a minimum export price (MEP) of \$550/tonne and 40% export duty on the staple vegetable.
<https://www.financialexpress.com/business/industry-onion-exporters-find-new-conditions-impractical-3478984/>

Decision on resumption of sugar exports months away, says food secy

India's government is not ready to take a decision about whether or not to allow sugar exports this year, and will need several months to assess the issue, a government official said on Wednesday. India, the world's second largest sugar producer after Brazil, has banned sugar exports since June 2022 with the aim of guaranteeing to cover local consumption, as well as diverting sucrose to ethanol production.

https://www.business-standard.com/industry/news/decision-on-resumption-of-sugar-exports-months-away-says-food-secy-124050801456_1.html

Exports from key labour intensive sectors decline 12% compared to pre-pandemic levels

While India's exports have been largely flat, the country's exports from labour intensive sectors such as textiles, leather, gems and jewellery and marine products are seeing a sharp dip. India's shipments from these four high job generating sectors have declined nearly 12 per cent compared to the pre-pandemic levels five years ago (FY18) amid an overall weakness in demand from developed nations and stiff competition from Vietnam and Bangladesh.

<https://indianexpress.com.cdn.ampproject.org/c/s/indianexpress.com/article/business/exports-from-key-labour-intensive-sectors-decline-12-compared-to-pre-pandemic-levels-9308326/lite/>

Apparel exports to FTA countries grow

The impact of free trade agreements (FTAs) has been positive for the traditional export sector of readymade garments, with exports to Australia growing 5.7% on year in the first 11 months of the last fiscal, while shipments to Mauritius grew 16.8% even though the overall exports fell. "The advantages from FTAs are now visible...The signing of FTA in the near future with the UK, which accounts for roughly 8% of Indian apparel exports, will provide a much-needed fillip to the garment industry," Sudhir Sekhri, chairman of Apparel Export Promotion Council (AEPC), said.

<https://www.financialexpress.com/business/industry-apparel-exports-to-fta-countries-grow-3480126/>

Toy exports down at \$152 mn in 2023-24, need strategy to push it: GTRI

The country's toy exports declined marginally to USD 152.34 million in 2023-24 from USD 153.89 million in the previous financial year, according to a report by economic think tank GTRI. The Global Trade Research Initiative (GTRI) said that India's toy exports did not benefit much from the mandatory quality control orders. It said that while the domestic measures were primarily aimed at boosting local industry and ensuring safety, they did not significantly enhance India's toy exports.

https://www.business-standard.com/industry/news/toy-exports-down-at-152-mn-in-2023-24-need-strategy-to-push-it-gtri-124050700889_1.html

Lab grown diamonds export may grow by 7-9% to reach \$1,500-1,530 mn in FY25

Exports of lab-grown diamonds are expected to rise by 7-9 per cent to USD 1,500-1,530 million in 2024-25 as demand for naturally mined diamonds remains sluggish, a report by CareEdge Advisory said on Monday. Both domestic consumption and exports of man-made diamonds are expected to increase this fiscal due to their low cost, the report said. "The LGD (lab-grown diamonds) exports are expected to witness a revival with expected growth of 7-9 per cent to reach USD 1,500-1,530 million in FY25.

https://www.business-standard.com/industry/news/lab-grown-diamonds-export-may-grow-by-7-9-to-reach-1-500-1-530-mn-in-fy25-124050600976_1.html

Diesel, petrol export revenues dip 20% to \$33 bn in 2023-24

India's exports of diesel and petrol fell by a fifth year-on-year to \$33 billion in 2023-24 as international prices declined. The combined export volumes of petrol and diesel, however, changed little in a year at 41.6 million metric tonnes in 2023-24, according to the oil ministry data. Diesel generates the largest share of export revenues for Indian refiners. Diesel alone fetched \$22 billion of the \$48 billion earned by exports of refined fuels in 2023-24.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diesel-petrol-export-revenues-dip-20-to-33-bn-in-2023-24/articleshow/109927551.cms>

Govt removes import duty on chana, extends dutyfree imports of yellow pea

Amid concerns over a likely decline in chana output, the government has removed the import duty on desi chana (Bengal gram) till the end of FY25. Desi chana used to attract a 66% import duty, a move aimed at encouraging domestic production. The government also extended dutyfree imports of yellow peas, for the

second time, till October 31. In December last year, the government had allowed dutyfree imports of the pulses variety, while an import duty of 50% was earlier imposed in 2017.

<https://www.financialexpress.com/business/industry-govt-removes-import-duty-on-chana-extends-dutyfree-imports-of-yellow-pea-3479106/>

DGTR recommends anti-dumping duty on water treatment chemical from China, Japan

The commerce ministry's arm DGTR has recommended the imposition of anti-dumping duty on imports of a chemical, used for water treatment, from China and Japan to protect the domestic industry from cheap inbound shipments. The Directorate General of Trade Remedies (DGTR) has recommended the duty on 'Trichloro isocyanuric acid' after conducting an investigation on the dumped imports of the chemical from these two countries.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dgtr-recommends-anti-dumping-duty-on-water-treatment-chemical-from-china-japan/articleshow/109882301.cms>

WTO

India offered sugarcane sop vastly in excess of WTO limits: US and Australia

US and Australia alleged India of giving subsidies to sugarcane farmers far exceeding limits set in global trade norms. The two countries told the WTO that they estimated that over the period 2018-19 to 2021-22, New Delhi provided sugarcane subsidy between 91-100%, which was "vastly in excess of the limits set out" at 10% of value of food production in the case of India and other developing countries. These subsidies or domestic support is called aggregate measurement of support (AMS) in trade parlance.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-offered-sugarcane-sop-vastly-in-excess-of-wto-limits-us-and-australia/articleshow/109927731.cms>

India to leverage South Africa's WTO case to push for relaxation of EU food safety standards

India plans to leverage a new case filed by South Africa challenging the strict food safety regulations imposed by the European Union (EU) on citrus fruit to also call for relaxations in standards that currently hinder a whole range of Indian food exports, two people aware of the development said. The EU's stringent safety norms have significantly limited India's exports of chilies, tea, basmati rice, milk, poultry, bovine meat, fish, and chemicals.

<https://www.livemint.com/politics/policy/india-to-leverage-south-africas-wto-case-to-push-for-relaxation-of-eu-food-safety-standards-11714904411036.html>

India calls for reinvigorating discussions on development agenda at WTO

India has called for re-energising discussions in the World Trade Organisation (WTO) on the development dimension to achieve tangible progress and meaningful outcomes. In a communication to the WTO, the country said that there is a substantial unfinished development agenda emanating from the recently concluded 13th ministerial conference of the WTO in Abu Dhabi. "We seek to strengthen the discussions and debate on the issue of development in the working of all regular bodies of this organisation.

https://www.business-standard.com/industry/news/india-calls-for-reinvigorating-discussions-on-development-agenda-at-wto-124050801279_1.html

Other Key Coverage

Facing delays, exporters seek priority shipment for MSMEs

Indian exporters have sought priority shipment facilities for local micro, small and medium enterprises (MSME) as transshipment of Bangladesh's export cargo to third countries through the Delhi Air Cargo complex is causing delays, inflating freight expenses. The Noida Apparel Export Cluster (NAEC), where 80% of the apparel production and export units are MSMEs, has sought a 25% quota for such units in the cargo with priority in shipment. Air freight has quadrupled in the past two months, say exporters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/facing-delays-exporters-seek-priority-shipment-for-msmes/articleshow/109958318.cms>

India received \$111 bn in remittances in 2022, highest by any country: UN

India received over \$111 billion in remittances in 2022, the largest in the world, becoming the first country to reach and even surpass the \$100 billion mark, the United Nations migration agency has said. The International

Organisation for Migration (IOM), in its World Migration Report 2024 launched Tuesday, said that in 2022, India, Mexico, China, the Philippines and France were the top five remittance recipient countries.

https://www.business-standard.com/economy/news/india-received-111-bn-in-remittances-in-2022-highest-by-any-country-un-124050800154_1.html

'Trade in Indian rupee will be the biggest way forward': Amit Shah says India in final stages of rupee trade pacts with many countries

India is close to finalizing agreements with several nations to facilitate trade settlements in Indian rupees, according to Union home minister Amit Shah. In an interview with ET, Shah said this is a top priority for the new government, although discussions have been temporarily paused due to the ongoing elections. Shah explained, "Moving ahead, trade in Indian rupee will be the biggest way forward.

<https://timesofindia.indiatimes.com/business/india-business/trade-in-indian-rupee-will-be-the-biggest-way-forward-amit-shah-says-india-in-final-stages-of-rupee-trade-pacts-with-many-countries/articleshow/109971639.cms>

Claims of Indian herbs, spices high in pesticide 'false and malicious': FSSAI

The Food Safety and Standards Authority of India (FSSAI) has categorically denied recent media claims suggesting that it has permitted higher pesticide residue levels in herbs and spices. Labeling these reports as "false and malicious," the food safety regulator clarified its position through a press note, on May 5 as per ANI. A controversy erupted when the Center for Food Safety (CFS) in Hong Kong detected ethylene oxide—a prohibited pesticide—in various pre-packaged spice products from MDH and another Indian brand, Everest.

<https://www.livemint.com/news/india/claims-of-indian-herbs-spices-high-in-pesticide-false-and-malicious-fssai-11714894698722.html>

Govt, industry must work together to reduce import dependence: Pharma secy

Government and industry should work together to bring down import dependence in the medical device segment to below 50 per cent over the next five years, Department of Pharmaceuticals Secretary Arunish Chawla said on Tuesday. Highlighting the critical need to focus on quality to ensure that India becomes globally competitive, he noted that the government is in the process of formulating standards for over 2,000 medical devices being produced in the country in order to make them globally competitive.

https://www.business-standard.com/industry/news/govt-industry-must-work-together-to-reduce-import-dependence-pharma-secy-124050700797_1.html

Amid global concerns over India-made drugs, Govt plans an exports revamp

India's drug regulator is gradually overhauling the approvals process for pharmaceutical exports following concerns by global authorities over the quality and safety of medicines shipped from the country. The latest decision involves upgrading India's Certificate of the Pharmaceutical Product (CoPP) to be at par with the World Health Organization's good manufacturing practices certification,

<https://www.livemint.com/companies/news/drug-exports-centre-revamp-plan-amid-global-regulatory-concerns-11714981906355.html>

Notifications by DGFT

Extension in Import Period for Yellow Peas under ITC(HS) Code 07131010 of Chapter 07 of ITC (HS) 2022, Schedule –I(Import Policy) -reg

<https://content.dgft.gov.in/Website/dgftprod/03ba3774-7c3f-485f-a5a1-c524f5e6d869/English%20Noti%2012.pdf>

Export of food commodities through National Cooperative Exports Limited (NCEL).

<https://content.dgft.gov.in/Website/dgftprod/7a13db7d-e93c-490f-beb0-4fcc9d2602bd/Notification%20No%2011-2024-25-English.pdf>

Amendment in the Export Policy of Onions

<https://content.dgft.gov.in/Website/dgftprod/4b6e4af0-79f3-4a57-a00d-b869f956e12e/Notification%20No.%2010%202024-25-English.pdf>

Suspension of inoperative SIONs - reg

<https://content.dgft.gov.in/Website/dgftprod/b54ddb61-cb47-44e6-9bb0-14a703e46d8e/Public%20Notice%20No.%2003%20English.pdf>

Clarification on the applicability of 3% amount on account of non-achievement of minimum Value Addition as mentioned in para 4.49 (b) and amount equivalent to 10% of the CIF value in Para 4.49 (a)(ii) of HBP 2023 - reg

<https://content.dgft.gov.in/Website/dgftprod/565f917d-8b40-41ff-9443-429394270ecf/Policy%20circular%20No%2002.pdf>