



**18 May – 24 May 2024**

### **Trade Updates**

#### **India's electronics, pharma, engineering goods exports beat global trade slowdown during FY24**

Only a few Indian sectors—engineering goods, electronic goods, and drugs & pharmaceuticals products—have seen a rise in their annual export value during FY24, a year that saw high interest rates globally curb demand and geo-political conflicts increase energy prices. Now, with the World Trade Organization (WTO) expecting global goods and merchandise trade to recover gradually, these sectors, plus iron ore, are expected to drive exports during FY25 too.

<https://www.livemint.com/economy/indias-electronics-pharma-engineering-goods-exports-beat-global-trade-slowdown-during-fy24-11716286524903.html>

### **Free Trade Agreements**

#### **India, Eurasian Economic Union to soon start FTA negotiations**

India will soon start negotiations for concluding a free trade agreement (FTA) with Russia-led Eurasian Economic Union (EAEU) that will give the country a smooth access to markets of five resource-rich post-Soviet states. Indian exporters from sectors such as engineering goods, electronics and agriculture will get a boost from the agreement, experts on the EAEU said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-urasian-economic-union-to-soon-start-fta-negotiations/articleshow/110258506.cms>

#### **India, UK reaffirm their FTA commitment at annual Strategic Dialogue**

India and Britain have reaffirmed their commitment to conclude a mutually beneficial free trade agreement (FTA) at the annual UK-India Strategic Dialogue here, as the two sides reflected the "good progress" on the 2030 Roadmap since the last review. Foreign Secretary Vinay Kwatra, who is on a visit to the UK, held discussions with his counterpart, Sir Philip Barton, Permanent Under-Secretary at the Foreign, Commonwealth and Development Office (FCDO) on Friday.

[https://www.business-standard.com/world-news/india-uk-reaffirm-their-fta-commitment-at-annual-strategic-dialogue-124051800099\\_1.html](https://www.business-standard.com/world-news/india-uk-reaffirm-their-fta-commitment-at-annual-strategic-dialogue-124051800099_1.html)

### **Bilateral Trade**

#### **India, China have agreed to cooperate in paying in local currency for imports: Maldives**

The Maldives on Wednesday said both India and China have agreed to cooperate in efforts to pay for imports in their respective countries' currency instead of the US dollar, which is likely to help Male save almost 50 per cent of the annual USD 1.5 million imports bill from the two countries. Maldives' Economic Development Minister Mohamed Saeed said he met with the Indian High Commissioner Munu Mahawar two weeks ago, who in turn, said that New Delhi would support and cooperate in arranging for the settlement of import payments in Indian Rupee.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-china-have-agreed-to-cooperate-in-paying-in-local-currency-for-imports-maldives/articleshow/110329147.cms>

### **Trade ties with India suspended due to 'heavy duties': Pakistan Foreign Minister**

Foreign Minister Ishaq Dar has said that trade ties between Islamabad and New Delhi have remained suspended since 2019 due to the imposition of "heavy duties" by India on imports from Pakistan after the Pulwama attack. In a written reply submitted to the National Assembly on Saturday, Mr. Dar, who also holds the deputy Prime Minister's slot, said: "India decided to impose 200% duty on imports from Pakistan, suspended the Kashmir bus service and trade across the Line of Control after the Pulwama attack."

<https://www.thehindu.com/news/international/trade-ties-with-india-suspended-due-to-heavy-duties-pakistan-foreign-minister/article68192826.ece>

### **India seeks to acquire graphite blocks in Sri Lanka**

After scouting for critical minerals in Australia and some African nations, India is now in preliminary talks with Sri Lanka to acquire graphite blocks for mining, sources aware of the development told FE. "We had a discussion with Sri Lanka on Monday. They have the purest form of graphite and are ready to cooperate with India," one of the official sources said. Earlier in January, the mines ministry held two meetings with industry stakeholders to discuss opportunities for mining of critical minerals in Sri Lanka and Australia.

<https://www.financialexpress.com/business/industry-india-seeks-to-acquire-graphite-blocks-in-sri-lanka-3498087/>

### **IMEC: Indian team in UAE discusses start of work on trade route**

An Indian delegation visited three ports in the United Arab Emirates this week, including the Port of Fujairah in the Indian Ocean Region, and held discussions with the customs authorities on kickstarting the India-UAE leg of the proposed India-Middle East-Europe Economic Corridor (IMEC), said people with knowledge of the matter. The visit aimed at preparing the India-UAE leg of the IMEC while awaiting peace in the region for the Israel part, they said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/imec-indian-team-in-uae-discusses-start-of-work-on-trade-route/articleshow/110238342.cms>

### **Crude imports widen trade deficit with Russia by 33% in FY24**

India's trade deficit with Russia has ballooned to \$57.18 billion in FY24, up 33% annually, on the back of rising crude imports, data from the commerce ministry showed. Imports from Russia stood at \$61.44 billion in FY24, up 33% annually, and exports at \$4.26 billion, up 35%. Crude oil imports from Russia stood at \$46.49 billion during FY24, up from \$31.03 billion in the previous fiscal, registering a 49.82% annual rise. Indian imports and trade deficit with Russia have risen steadily since FY21.

<https://www.livemint.com/news/india/crude-imports-widen-trade-deficit-with-russia-by-33-in-fy24-11716205715554.html>

### **India calls for details on ambit of proposed EU deforestation norms**

India has sought information from the European Union about its proposed regulation that seeks to benchmark exporting countries as low or high risk basis deforestation levels. The EU's deforestation-free product regulation has implications for India's coffee, cocoa, soya, wood products, rubber and its products, and leather goods exports. The regulation requires firms to ensure that the product exported to the EU has been grown on land which has not been deforested after December 31, 2020.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-calls-for-details-on-ambit-of-proposed-eu-deforestation-norms/articleshow/110254604.cms>

## **Sectoral Updates**

### **India's oilmeal exports start 2024-25 on a weak note, drop 6% in Apr**

India's overall oilmeal exports during April 2024 were 6 per cent lower on a yearly basis at 4.65 lakh tonnes. During the same month last year, the total exports were 4.93 lakh tonnes, industry data showed. In break up, exports of soybean meal rose while that of mustard meal declined. Oilmeals are the residue left over after the extraction of oil from oilseeds and it is widely utilized as livestock feed globally.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-oilmeal-exports-start-2024-25-on-a-weak-note-drop-6-in-april/articleshow/110244232.cms>

### **India may export 14,000 tonnes of non-basmati rice to Mauritius and 7,500 tonnes of onions to Qatar**

India is planning to export 14,000 tonnes of non-basmati rice to Mauritius, and 7,500 tonnes of onions to Qatar through National Cooperative Exports Ltd. (NCEL), after the ministry of external affairs (MEA) requested for some relaxation in the export ban, a senior official said. The government-to-government export comes against the backdrop of an export ban since last July, and the government lifting ban on onion exports but slapping a \$550 per tonne minimum export price (MEP) and 40% export duty on onions earlier this month.

<https://www.livemint.com/news/india-export-ban-non-basmati-rice-export-onions-exports-11716099464037.html>

### **India exports over 45,000 tonnes onion after lifting ban, says official**

India has exported more than 45,000 tonnes of onion since the ban on outbound shipments was lifted early this month, a top government official said on Wednesday. These exports provided relief to farmers after curbs were imposed to keep domestic supplies steady ahead of general elections. The world's biggest vegetable exporter banned exports of the bulb last December and then extended it in March, after a rise in prices triggered by sluggish production.

[https://www.business-standard.com/economy/news/india-exports-over-45-000-tonnes-onion-after-lifting-ban-says-official-124052200714\\_1.html](https://www.business-standard.com/economy/news/india-exports-over-45-000-tonnes-onion-after-lifting-ban-says-official-124052200714_1.html)

### **Why it's a good time for the producers and exporters of premium, flavoured orthodox teas**

It's a good time for the producers and exporters of premium, flavoured orthodox teas. The demand from Iran and Iraq for orthodox teas is almost two decades high and both the countries are expected to import 40 - 50 million kg each from India which is likely to increase the overall tea exports by 10 per cent in calendar year 2024 touching 250 million kg. In 2023, India's tea exports stood at 228 million kg. In 2023, India had exported around 5.5 million kg of orthodox teas to Iran and 33 million kg to Iraq.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/why-its-a-good-time-for-the-producers-and-exporters-of-premium-flavoured-orthodox-teas/articleshow/110370907.cms>

### **Dairy product exports dip to \$468 m despite rise in volumes on lower prices**

India's dairy exports for 2023-24 slid by a fifth to \$468 million despite a 10 per cent rise in volumes on account of lower prices of skimmed milk powder and other products. India's dairy exports stood at a record \$588.93 million in 2022-23. In volume terms, the exports of dairy products during 2023-24 stood at 1.73 lakh tonnes, up from previous year's 1.56 lakh tonnes.

<https://www.thehindubusinessline.com/economy/agri-business/dairy-product-exports-dip-to-468-m-despite-rise-in-volumes-on-lower-prices/article68200267.ece>

### **Govt comes out with detailed guidelines to prevent EtO contamination in spices exports: Official**

India has come out with detailed guidelines to prevent EtO (ethylene oxide - a carcinogenic chemical) contamination in spices for exports, an official said on Monday. The government has put in place other preventive measures like mandatory testing of spices being exported to Singapore and Hong Kong, the official added. The steps assume significance amid reports on the recall of two Indian spice brands' -- MDH and Everest -- products in Singapore and Hong Kong due to the presence of EtO residue in certain spices.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-comes-out-with-detailed-guidelines-to-prevent-eto-contamination-in-spices-exports-official/articleshow/110277194.cms>

### **Smartphones become India's fourth largest export item with 42% growth**

Smartphones are now the fourth-largest export item from India with 42 per cent growth to \$15.6 billion in FY24, up by one notch in the ranking from the preceding year. India started collecting data for smartphones separately from April 2022. While India's top export items are dominated by petroleum products, smartphones replaced motor gasoline to become the fourth-largest exported commodity in FY24.

[https://www.business-standard.com/industry/news/smartphones-become-india-s-fourth-largest-export-item-with-42-growth-124052201622\\_1.html](https://www.business-standard.com/industry/news/smartphones-become-india-s-fourth-largest-export-item-with-42-growth-124052201622_1.html)

### **Share of passenger vehicle output geared for export at 10-year low in 2023**

The share of passenger vehicle (PV) exports relative to total production in India reached its lowest in a decade in 2023, notwithstanding the government's ambitions to transform the country into a global auto manufacturing hub, according to the latest data from BNP Paribas. India's share of production geared for export is the lowest in Asia, trailing South Korea, Thailand, Japan, and Indonesia.

[https://www.business-standard.com/industry/auto/share-of-passenger-vehicle-output-geared-for-export-at-10-year-low-in-2023-124052301477\\_1.html](https://www.business-standard.com/industry/auto/share-of-passenger-vehicle-output-geared-for-export-at-10-year-low-in-2023-124052301477_1.html)

### **Leather exporters seek national policy to attract investments, create jobs**

Apex body for leather and footwear exporters CLE has asked the government to formulate a national policy for the sector with a view to attract investments, boost India's shipments and create jobs. In a letter to Niti Aayog CEO BVR Subrahmanyam, Council for Leather Exports (CLE) said that though there are schemes and support measures at central and state levels, there is a need for holistic development of the entire sector through a national policy.

[https://www.business-standard.com/industry/news/leather-exporters-seek-national-policy-to-attract-investments-create-jobs-124052300902\\_1.html](https://www.business-standard.com/industry/news/leather-exporters-seek-national-policy-to-attract-investments-create-jobs-124052300902_1.html)

### **Gold imports could fall by a fifth as record price prompts jewellery swaps**

India's gold imports in 2024 could fall by nearly a fifth from the previous year, as record high prices spur retail consumers to exchange old jewellery for new items, the head of an industry body told Reuters. Lower imports by India, the world's second biggest consumer of the precious metal, could cap a rally that carried global prices to a record this week. "Affordability is severely affected by the rapid price increase," said Prithviraj Kothari, president of the India Bullion and Jewellers Association (IBJA).

[https://www.business-standard.com/industry/news/gold-imports-could-fall-by-a-fifth-as-record-price-prompts-jewellery-swaps-124052201073\\_1.html](https://www.business-standard.com/industry/news/gold-imports-could-fall-by-a-fifth-as-record-price-prompts-jewellery-swaps-124052201073_1.html)

### **Pulses imports from more countries likely**

India is aiming to import pulses from several countries including Brazil, Argentina, Australia and African countries to augment domestic supplies aimed at curbing inflation in pulses. The government has removed import duties on several varieties of pulses – tur, urad (black matpe), masoor (lentils), yellow peas and bengal gram (desi chana). This concession will be in place till the end of FY25, which is expected to boost domestic supplies.

<https://www.financialexpress.com/policy/economy-pulses-imports-from-more-countries-likely-3496574/>

### **Paper, paperboard imports up 34% on higher supplies from Asean bloc: IPMA**

Imports of paper and paperboard in the country rose by 34 per cent to 19.3 lakh tonnes in 2023-24, driven by higher shipments from ASEAN countries, an industry association said on Wednesday. The Indian Paper Manufacturers Association (IPMA) in a statement said that the increasing imports of these products are hurting the domestic industry. Paper and paperboard imports, as per the commerce ministry data, were 14.3 lakh tonnes in the financial year ended on March 31, 2023, the IPMA said.

[https://www.business-standard.com/industry/news/paper-paperboard-imports-up-34-on-higher-supplies-from-asean-bloc-ipma-124052200985\\_1.html](https://www.business-standard.com/industry/news/paper-paperboard-imports-up-34-on-higher-supplies-from-asean-bloc-ipma-124052200985_1.html)

### **Govt reaffirms restrictions on import of non-compliant electronic products**

India has reaffirmed restrictions on the import of unregistered or non-compliant electronics products, an order that has been in place since 2021, according to a government order dated Monday. "There is no implication of this notification. The import policy for these categories in question were restricted anyway, so its status quo," a government official aware of the matter said on Tuesday.

[https://www.business-standard.com/industry/news/govt-reaffirms-restrictions-on-import-of-non-compliant-electronic-products-124052100271\\_1.html](https://www.business-standard.com/industry/news/govt-reaffirms-restrictions-on-import-of-non-compliant-electronic-products-124052100271_1.html)

### **India's tyre capacity sufficient, no need for liberalising imports: ATMA**

India has sufficient tyre manufacturing capacity and imports should not be liberalised through FTAs by way of duty concessions, industry body Automotive Tyre Manufacturers' Association said on Monday. The automotive tyres rank at the forefront of those sectors where domestic manufacturing capabilities can render imports unnecessary, Automotive Tyre Manufacturers' Association (ATMA) has communicated to the Centre. This was in response to the government seeking feedback about sectors in which India has capabilities to be self-reliant

so that upcoming FTAs could be drafted while safeguarding the interests of domestic industry, ATMA said in a statement.

[https://www.business-standard.com/industry/auto/india-s-tyre-capacity-sufficient-no-need-for-liberalising-imports-atma-124052000650\\_1.html](https://www.business-standard.com/industry/auto/india-s-tyre-capacity-sufficient-no-need-for-liberalising-imports-atma-124052000650_1.html)

### **Indian Army ammo imports down significantly due to indigenisation: Official**

Indigenisation in the defence sector under the Make in India policy has helped the Indian Army significantly cut down its dependence on imports to meet its requirements. Senior defence officials said the rise of the private sector industry in the field of ammunition has helped the force in a big way to achieve this. The Indian Army has stated that in the next couple of years, it wants to completely stop the import of ammunition other than a few types, which would not be commercially viable to be produced in the country.

[https://www.business-standard.com/india-news/indian-army-ammo-imports-down-significantly-due-to-indigenisation-official-124051700552\\_1.html](https://www.business-standard.com/india-news/indian-army-ammo-imports-down-significantly-due-to-indigenisation-official-124051700552_1.html)

## **State Updates**

### **From Tamil Nadu to the world: Google may export made-in-India drones to the US, Australia and other countries**

Google is in talks with the Tamil Nadu government to make drones in the state for export to the US, Australia, and other countries. Google's parent company, Alphabet, is set to begin manufacturing drones and Pixel smartphones in the Indian state of Tamil Nadu, according to people familiar with the matter who spoke to MoneyControl. Wing, Alphabet's drone delivery arm, currently offers drone delivery services to businesses in the US, Europe, and Australia. As reported, Wing will set up drone assembly lines in Tamil Nadu.

<https://timesofindia.indiatimes.com/technology/tech-news/from-tamil-nadu-to-the-world-google-may-export-made-in-india-drones-to-the-us-australia-and-other-countries/articleshow/110369850.cms>

## **WTO**

### **India under WTO scrutiny for alleged ban on rice exports to UN tenders**

Canada, Brazil, Australia, and the UK have asked India to clarify at the WTO whether it had stopped its rice exporters from participating in the UN World Food Program (WFP) tenders earlier this year for broken rice supplies to countries including Cameroon, Togo, and Algeria and whether the decision was contradictory to its commitment to exempt such supplies from export restrictions.

<https://www.thehindubusinessline.com/economy/agri-business/india-under-wto-scrutiny-for-alleged-ban-on-rice-exports-to-un-tenders/article68203651.ece>

## **Other Key Coverage**

### **Govt recovers Rs 852 cr under amnesty scheme for exporters: Official**

The government has recovered about Rs 852 crore under the amnesty scheme for exporters for one-time settlement of default in export obligation by the holders of advance and EPCG authorisations, an official said. The figures are likely to increase further as the exercise is on for the compilation of the data, the official added. The government has fixed March 31 as the last date for payment of customs duty plus interest.

[https://www.business-standard.com/economy/news/government-recovers-rs-852-crore-under-amnesty-scheme-for-exporters-124051900222\\_1.html](https://www.business-standard.com/economy/news/government-recovers-rs-852-crore-under-amnesty-scheme-for-exporters-124051900222_1.html)

### **DGFT conducting study to identify and align best global practices in trade finance**

The Directorate General of Foreign Trade (DGFT) is evaluating best global practices in trade finance and identifying regulatory reforms to align India's future needs to propose comprehensive solutions, Joint DGFT Tirumala Venkatesh said on Friday. Over 2.5 lakh bank realisation certificates (BRCs) have been self-generated under the revamped eBRC system, which was soft launched last November, enhancing the ease of doing business, he said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dgft-conducting-study-to-identify-and-align-best-global-practices-in-trade-finance/articleshow/110207446.cms>

### **Commerce ministry's draft strategy to negotiate future FTAs to be circulated among key departments soon**

The commerce ministry has prepared a draft comprehensive strategy for negotiating future Free Trade Agreements (FTAs) and it will be circulated to certain key departments soon to get their feedback, an official said. The draft strategy in the form of a Standard Operating Procedure (SOP) was recently discussed in a meeting involving former commerce secretaries, senior officers from different ministries and international trade experts.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministrys-draft-strategy-to-negotiate-future-ftas-to-be-circulated-among-key-departments-soon/articleshow/110297128.cms>

### **Govt pursuing customs mutual recognition agreements with nations: CBIC**

India has signed mutual recognition agreements (MRAs) with customs authorities of seven nations and is actively pursuing negotiations for such pacts with other countries, a top official said. The Central Board of Indirect Taxes and Customs and the Federal Customs Service, Russia, this month signed the Authorized Economic Operator (AEO) MRA to provide reciprocal benefits to accredited and trusted exporters of both signatories in the clearance of goods by the customs authorities of the importing country.

[https://www.business-standard.com/amp/india-news/govt-pursuing-customs-mutual-recognition-agreements-with-nations-cbic-124052200730\\_1.html](https://www.business-standard.com/amp/india-news/govt-pursuing-customs-mutual-recognition-agreements-with-nations-cbic-124052200730_1.html)

### **BIS certification must for sale of used imported electronic products: DGFT**

The import of used, repaired, refurbished and reconditioned electronic products will now need to be certified by the Bureau of Indian Standards (BIS) if they are to be sold in India, in a move the industry welcomed saying it was in line with the government's recent thrust to prevent import and sales of poor quality products in the country.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/bis-certification-must-for-sale-of-used-imported-electronic-products-dgft/articleshow/110312797.cms?from=mdr>

### **Notifications by DGFT**

#### **Amendment in Para 2.31 of the Foreign Trade Policy, 2023 and ITC HS 2022 Schedule 1 Import Policy - reg.**

[https://content.dgft.gov.in/Website/dgftprod/e030ebcf-6b7a-482a-85b0-5dc1793a960c/Notification%20no.%2013\\_eng.pdf](https://content.dgft.gov.in/Website/dgftprod/e030ebcf-6b7a-482a-85b0-5dc1793a960c/Notification%20no.%2013_eng.pdf)