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## **WTO says global trade rebounding, sees 2017 growth of 3.6%**

Tom Miles, Live Mint

Geneva, September 25, 2017 : Global trade is rebounding strongly, the World Trade Organization (WTO) said on Thursday, with commerce expected to grow by 3.6% in 2017, well above last year's figure of 1.3% and also up from the WTO's April forecast of 2.4%.

The rapid acceleration was due to last year's low base, a resurgence of Asian trade flows and recovering North American import demand.

The pace will moderate next year and is estimated at 3.2%, within a range of 1.4-4.4%, the WTO said.

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## **India faces tough prospects at Buenos Aires WTO meet**

D. Ravi Kanth

Geneva, September 25, 2017 : Developing countries, particularly India, are likely to face difficult prospects at the World Trade Organization's (WTO) eleventh ministerial meeting in Buenos Aires beginning 10 December.

A group of industrialized countries and their allies in the developing world are considering launching plurilateral trade negotiations for establishing rules in investment facilitation, disciplines for small and medium enterprises, and even fisheries subsidies, said people familiar with the development.

Such a development is being considered as part of a Plan B, if the Buenos Aires meeting fails to accomplish any substantive agreements on the outstanding Doha Development Agenda (DDA) issues because of differences among key members, said a South American trade envoy, who asked not to be named.

A major industrialized country remains opposed to any substantive agreements based on the Doha agenda, including a permanent solution for public stockholding programs for food security—a key Indian demand.

Plurilateral agreements are based on 'coalitions of the willing', instead of involving the entire membership of the WTO on a multilateral basis. Effectively, plurilateral negotiations will undermine the multilateral framework of the WTO on a permanent basis, the envoy argued.

Further, plurilateral negotiations for crafting rules in investment facilitation, disciplines for small and medium enterprises, electronic commerce, and even fisheries subsidies, are much more harmful than plurilateral negotiations on tariffs, said another trade envoy from an African country, who asked not to be identified.

India had consistently opposed any negotiations on investment facilitation and disciplines for MSMEs (micro, small, and medium enterprises) on the grounds that they were outside the WTO mandate.

The Plan B has almost become an imperative due to a shortage of time and continued opposition from major industrialized countries, particularly the US, for finalizing outcomes based on the Doha work program in areas such as developmental flexibilities, domestic support for cotton, and permanent solution for public stockholding programs for foods security, the envoy suggested.

The US along with other industrialized countries said on 14 September that they would not engage in any discussions for improving the special and differential flexibilities for developing countries in different WTO agreements in the Doha work program, as demanded by more than 100 developing and poorest countries.

India strongly supported the demands by the African Group, ACP (Africa, Caribbean and Pacific) group, and the LDC (least-developed countries) group for improving special and differential flexibilities in different covered agreements, according to a person who attended the meeting

Already, the US Trade Representative Robert Lighthizer has signalled that the Buenos Aires meeting is “unlikely” to produce any negotiated outcomes. “There are some areas where the US would like to see action, but it appears that members are unable to agree on any issues,” Lighthizer said, according to a report in *Washington Trade Daily* on 19 September. “At best, the Buenos Aires meeting will end with agreement on an agenda for moving forward on issues next year,” Lighthizer added.

Despite such strong signals from Washington, it is business as usual at the WTO. Roberto Azevedo, Director-General of the WTO, met the trade envoys of the European Union, China, India, Brazil, the US, and Japan, among others, on a one-on-one basis to elicit their assessment on the state of play in the negotiations.

On 21 September, the director general convened an informal heads of delegations meeting to issue an ambiguous report on how the negotiations will be conducted in the run-up to the Buenos Aires meeting.

Azevedo called for prioritizing issues that are do-able in terms of negotiated outcomes and the unresolved issues that will require a work program for further negotiations after Buenos Aires. He said these two baskets of issues must be finalized proceeding to Buenos Aires. The director general called for a consensual document on the format for conducting negotiations at Buenos Aires, so as to avoid the controversial Nairobi decision-making process, according to participants present at the meeting.

The African Group of countries want “the principles of full participation, inclusiveness, and transparency, in the run up to, as well as during the MC11.”

“Buenos Aires must deliver on development-related issues in accordance with the letter and spirit of the Doha Development Agenda,” a representative of the African Group said.

“It is from this perspective that the African Group expects an outcome that will constitute a solid foundation for a bright future of our economies, particularly the elimination of imbalances inherited in the Uruguay Round Agriculture Agreement and provisions for special and differential treatment that create an enabling environment for industrialization in Africa,” the representative said.

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### **WTO warns of global ramifications of local labour policies shortcoming**

Kirtika Suneja, The Economic Times

New Delhi, September 28, 2017 : The World Trade Organization (WTO) has warned countries of global ramifications due to shortcoming in their domestic labour policies.

In its World Trade Report 2017, the organisation said: “Today’s labour market problems are largely traceable to domestic policy shortcomings, but a failure to find answers could have global ramifications.”

WTO noted that adjusting to economic change is a global challenge that requires a global response. The fact that some countries seem to be adapting to technological change and globalization better than others, by reducing obstacles to labour mobility suggests that government policy can play an important role in helping economies and societies to adjust to a changing world, it said.

The report showed that India and China have experienced a relative decline in the labour force participation of both men and women.

Between 1990 and 2016, China’s participation fell from 77% to 71% while India’s rate dropped from 59% to 53%.

he report showed that the estimated share of jobs at risk of automation is also substantial in emerging economies, such as 69% for India and 77% for and China.

The report quoted studies saying that casual employment accounts for 66% of all wage employment in India and that physical distances have likely played a role in limiting the movement of workers in rural India.

Economies in Sub-Saharan Africa and South and Southeast Asia experience particularly high informal employment, such as Cambodia (77 %), India (80%), Madagascar (97%), Mali (76%), Nepal (91%) and Zimbabwe (94%).

Given the sectoral structure of their employment, women may also face higher tariff barriers to export. Existing evidence on India shows that women tend to work in sectors that face higher barriers to export in the destination country.

“The result that trade has widened regional disparities in terms of wages and employment is quite general,” WTO said.

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## **Over 100 nations back India-China plan on farm subsidies before WTO meet**

D. Ravi Kanth

Geneva, September 21, 2017 : More than 100 countries have backed a joint proposal by China and India for eliminating the most trade-distorting farm subsidies of \$160 billion in the US, the European Union, Japan, Canada, Norway, and Switzerland among other nations at the upcoming World Trade Organization’s 11th trade ministerial summit in Buenos Aires, said people familiar with the development.

But Argentina, which is hosting the summit beginning on 10 December, warned that the China-India proposal is a recipe for the breakdown of the Buenos Aires meeting, said a person who asked not to be named.

On another mandated issue concerning the permanent solution for public stock-holding (PSH) programmes in developing countries, India has served notice to its the European Union, Australia, Argentina, Brazil, Paraguay and Pakistan among others that New Delhi will not offer any further concessions for market access or enter into trade-offs in the negotiations for a permanent solution on PSH programmes at the Buenos Aires meeting.

During informal meetings for finalizing the outcomes in agriculture at Buenos Aires last week, India’s trade envoy J.S. Deepak mobilized support of a large majority of developing and poorest countries for securing credible outcomes on the permanent solution for PSH programmes as well as the elimination of trade-distorting farm subsidies, the person said. Deepak told his counterparts on 15 September that “India had already paid during the current Doha Round of negotiations”, implying India had already agreed to provide market access in areas sought by others, including the trade facilitation agreement.

The time has come for India's core demand for an effective permanent solution for PSH programmes for food security in developing countries at the Buenos Aires meeting, he said, according to the person present at the meeting.

Indonesia, India, China and other members of the G33 coalition tabled a draft legal text for finalizing the permanent solution on PSH programmes. The G33 proposal called for incorporating a new annex in the WTO's Agreement on Agriculture for exempting PSH programmes from subsidy reduction-commitments. Indonesia said the group will not accept "onerous and cumbersome transparency requirements" as demanded by some opponents.

In sharp opposition to the G33 proposal, Australia, Paraguay, and Pakistan among others said they will not accept the permanent solution for PSH programmes unless it contains strong safeguard and transparency provisions.

The EU, Brazil, Peru, Colombia and Uruguay circulated a proposal for exempting PSH programmes for food security from subsidy reduction commitments along with a proposal for reducing the overall trade distorting domestic support on a percentage basis.

The EU-Brazil proposal also called for intrusive transparency and notification provisions for implementing PSH programmes.

India's trade envoy said India will not accept any linkage between the permanent solution for PSH programmes on the one side, and an agreement for reducing the overall trade-distorting domestic support as demanded by the EU and Brazil along with their partners on the other, according to another trade official from a South American country who attended the meeting.

On the joint China-India proposal for eliminating most trade-distorting domestic subsidies in industrialized nations, many countries—the Africa Group, the ACP (Africa, Caribbean, and Pacific) group, the least-developed countries, as well as South Africa among others—said it is the best option for pursuing the reforms in agriculture.

In their proposal, India and China said it is a prerequisite to address "the imbalance in the existing AoA (Agreement on Agriculture) where only some members (the US, the EU, Japan, Canada, Switzerland, Norway and a few developing countries) have access to bound AMS"—bound Aggregate Measurement of Support (entitlements to provide billions of dollars for most trade-distorting subsidies)"—which allows them much "more policy space."

"On the other hand, most developing Members are strictly limited by their de minimis," and "any overall capping or reduction in their de minimis will further reduce their policy space for developing countries," the two largest developing countries argued.

"Therefore, in order to achieve the long outstanding reforms in agriculture subsidies the AMS entitlements of developed Members [the US, the EU, Canada, Norway, and Switzerland among others]

must be eliminated as a prerequisite for consideration of other reforms in domestic support negotiations,” China and India argued.

“Only in this way will it help reduce some of the inequities built into the WTO rules in favour of the developed countries,” they argued.

Opposing, Argentina said the joint proposal will lead to a collapse of the Buenos Aires meeting. The European Union and Brazil also opposed to China-India proposal.

The EU, Brazil, Peru, Colombia, and Uruguay called for reducing the overall trade distorting domestic support in both industrialized and developing countries on a percentage basis.

Australia, which had tabled another joint proposal with New Zealand, Canada and Paraguay for reducing the overall trade-distorting domestic support on a nominal basis, said it is willing to work with the EU for preparing a compromise proposal.

The US expressed scepticism at the continued differences among members, suggesting that Buenos Aires meeting must be used for reflection rather than reaching substantive agreements.

The US is going to neither accept the permanent solution demanded by India and the G33 group, nor the China-India joint proposal for eliminating the AMS, said a South American trade envoy who asked not to be identified.

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## **Ready for global trade regime with WTO at ‘core’: China to US**

The Indian Express

Beijing, September 19, 2017 : that it posed an “unprecedented” threat to the world trading system even as Beijing expressed readiness to improve the multilateral trade regime with the WTO at its “core”.

“The sheer scale of their coordinated effort to develop their economy, to subsidise, to create national champions, to force technology transfers and to distort markets in China and throughout the world is a threat to the world trading system that is unprecedented,” US Trade Representative Robert Lighthizer had said yesterday.

He added that the threat of China's economic model cannot be addressed under current global rules.

Refuting Lighthizer's charge, Foreign Ministry spokesman, Lu Kang said here that since its accession to the World Trade Organisation (WTO), China had fulfilled all obligations and has made important contributions to the development of a multilateral trade regime.

"US and China are members of the WTO. Whether their behaviours as the two largest economies are appropriate WTO has clear stipulations. We can have clear judgements," he said.

All countries had benefitted from trade with China, he said.

"As important members of the WTO, China and US can join hands to improve the multilateral trade regime with the WTO at its core," he said.

Lighthizer argued that the WTO and the rules that underlie the international trade arbitrator were not designed to deal with China's approach to its economy.

Last month, US President Donald Trump ordered an inquiry into China's alleged theft of intellectual property in the first direct trade measure by his administration. His order came as part of US efforts to pile up pressure on Beijing to rein in North Korea over its nuclear and missile programme.

With USD 567 billion in bilateral trade last year, China is the largest trading partner of the US. Trump wants to cut the whopping USD 347 billion trade deficit with Beijing with more bilateral trade deals instead of trading under WTO rules which Lighthizer argued favour China heavily.

Lighthizer said he gets "an awful lot of complaints", especially from American CEOs of major companies about having to hand over their technology to joint-venture partners in China, and on piracy-related issues. Lu said for its part, China is committed to opening up and reform and play a decisive role in allocation of resources.

"China supports open economy and improves its business environment. We are an advocate, contributor and architect of the multilateral trade regime," he said.

He claimed that member countries of the WTO commended China's multilateral trade regime and expect China to play an even bigger role.

"As for the trade relations between the US and China, its nature is mutually beneficial. Upholding the sound and steady development of trade relations, serves the common interest of two peoples," he said.

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## **India calls for ‘early comprehensive’ United Nations reform**

Lalit K. Jha, Live Mint

New York, September 22, 2017 : External affairs minister Sushma Swaraj has pressed for an “early comprehensive” reform of the United Nations, including the Security Council. Swaraj was addressing a trilateral meeting of India, Brazil and South Africa.

She met with the foreign ministers of the three countries. “We must also press for early comprehensive reform of the United Nations, including of the Security Council,” Swaraj said on the sidelines of the annual General Assembly Sessions of the United Nations.

“We firmly believe in the multilateral trading system that is fair, open and transparent with WTO at its centre,” Swaraj was quoted as saying by external affairs ministry spokesperson Raveesh Kumar. IBSA Forum, she said, should play its rightful role in “shaping global discourses” and share its wisdom with the world community.

Observing that the complete elimination of poverty is the foremost objective of the implementation of Sustainable Development Goals, Swaraj said Prime Minister Narendra Modi’s flagship initiatives reinforce the spirit and implementation of the Sustainable Development Goals.

“Our path-breaking initiative for an International Solar Alliance is intended to make efficient solar technology available to all,” Swaraj said.

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## **PM Narendra Modi, Shinzo Abe commit to practice free trade between the two nations**

The Indian Express

Gandhinagar, September 24, 2017 : India and Japan on Thursday committed to resist protectionism while making a strong case for rule based multilateral trading system for sustainable growth. Prime Minister Narendra Modi and his Japanese counterpart Shinzo Abe held strategic discussions on a wide range of issues under the Special Strategic and Global Partnership between the two countries.

“The two Prime Ministers underlined the crucial role of the rules-based multilateral trading system, and enhancing free, fair, and open trade, for achieving sustainable growth and development.

“They committed to resist protectionism including unfair trade practices and underlined the need to remove trade-distorting measures,” said a joint statement issued after the meeting.

Modi and Abe reaffirmed their commitment to work together to implement the Bali and Nairobi Ministerial decisions and make the 11th WTO Ministerial Conference a success. They also decided to steadily implement WTO’s Trade Facilitation Agreement.

Japan reaffirmed its support to India’s membership in the Asia-Pacific Economic Cooperation (APEC), a forum for 21 Pacific Rim member economies. The two leaders decided to work towards liberalisation and facilitation of trade and investment in the Asia-Pacific region.

“They reaffirmed to cooperate towards conclusion of a modern, comprehensive, high quality and mutually beneficial Regional Comprehensive Economic Partnership (RCEP) Agreement, in order to achieve a balanced outcome,” the statement said.

Modi and Abe also reaffirmed their commitment to further strengthening cooperation and to working with partners to tackle excess capacity in steel.

In this regard, they called for the removal of market-distorting subsidies and other types of support by governments and related entities. “They also reaffirmed their commitment to developing concrete policy solutions at the Global Forum on Steel Excess Capacity by November 2017,” the statement said.

They welcomed the progress made in the bilateral IT and IoT cooperation through the bilateral Joint Working Group on IT and Electronics, in particular by the signing of the Memorandum of Understanding (MoU) between the NASSCOM and IoT Acceleration Consortium (ITAC) of Japan.

The two leaders also welcomed the opening of the first lithium-ion battery factory in India by a joint venture of three Japanese companies – Suzuki, Toshiba and Denso as well as a new automotive factory this year.

It was also decided to further promote public and private sector collaboration to make environmentally friendly and energy efficient technologies accessible and affordable to the general public.

They underlined the importance of support measures to promote eco-friendly vehicles including in terms of ‘Make in India’ and transfer of technology.

Modi updated Abe about his government’s efforts for the country’s economic and social development. Prime Minister Abe reiterated Japan’s strong support for the initiatives such as ‘Make in India’, ‘Digital India’, and ‘Skill India’.

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## **Strategy group formed to boost India-Korea trade, investments**

The Indian Express

New Delhi, September 24, 2017 : Seeking greater economic cooperation with South Korea, Commerce and Industry Minister Suresh Prabhu on Sunday said a joint panel has been set up to identify areas of high-end technological components to boost trade and investments between the two countries.

The minister was in Korea for Asia-Europe (ASEM) Economic Ministers meeting. He also participated in the third Joint Ministerial Review of the India-Korea Comprehensive Economic Partnership Agreement (CEPA).

In a series of tweets, Prabhu said huge untapped potential exists in both the countries to strengthen strategic partnership.

“Let us set ourselves quantitative targets for bilateral trade to drive the negotiations more purposefully. I invite full business delegation from S Korea to India,” he said.

The bilateral trade in 2016-17 increased to \$16.82 billion from \$16.57 billion in the previous fiscal. Both the countries are negotiating to review the existing free trade agreement, officially dubbed CEPA, to enhance trade and investments.

“Unless businesses across both countries partner, full benefit of any bilateral agreement is not materialised. Let us build partnership on ‘leapfrog’ technologies,” he added.

Prabhu said a “joint strategy group with a mission to identify areas of high end technological components has been set up”.

He added that India would be a \$5 trillion economy in next 7-10 years and it would happen on strength of the country’s relationships with countries like South Korea.

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## **India, South Korea discussing ways to upgrade free trade agreement**

The Economic Times

New Delhi, September 24, 2017 : India and South Korea are discussing ways to upgrade the existing free trade agreement with a view to boost trade and investments, a government official said today.

India and South Korea have implemented the trade pact in January 2010, which is officially known as Comprehensive Economic Partnership Agreement (CEPA).

Commerce and Industry Minister Suresh Prabhu was in Seoul last week to participate in the ministerial review of the India Korea CEPA with his Korean counterpart Hyun Chong Kim.

"Both the sides want to upgrade the existing agreement. We have exchanged request lists which are under discussions to widen the scope of the pact. What needs to be tweaked in the current pact, we are looking at that," the official said.

Review of the CEPA assumes significance as domestic industry has raised certain concerns over the utilisation of the agreement and sudden surge in gold imports from Korea.

Upgradation or widening of any free trade agreement means better utilisation of the existing pact and inclusion or elimination of more number of goods.

The review is also important as India had a trade deficit of about USD 8.5 billion in 2016-17. Under the widening the scope of the pact, South Korea wants addition of more products such as machinery and certain kinds of steel products.

Both the countries are also looking at increasing trade in services sector besides enhancing cooperation in renewable energy such as solar power.

The bilateral trade in 2016-17 increased to USD 16.82 billion from USD 16.57 billion in the previous fiscal.

Meanwhile a commerce ministry statement said that the ministers of both the countries affirmed that the negotiations for upgrading CEPA should be concluded within 2018.

"The ministers agreed on the importance of cooperation in the fields of standardisation and conformity assessment and developing mutual recognition agreements," it said.

Further, both the sides agreed to set up a joint future strategy group to identify areas of high-end technological cooperation as a way to realise the vision of co-leadership in the era of fourth industrial revolution.

"The ministers agreed to continue discussions at working level about the detailed mandate of the strategy group with the aim to launch the group, preferably within 2017," it said.

To enhance investments, it said "both the sides agreed to consider favourably the requests made in the joint committee meeting with regard to the investment cooperation".

Prabhu also attended the Asia-Europe (ASEM) Economic Ministers meeting at Seoul.

In the meeting, the official said it was discussed to engage the think tank of ASEM to carry out a study on ways to increase ties in services sector and non-trade barriers.

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### **India to strengthen Korea Plus cell to facilitate investments**

The Economic Times

New Delhi, September 22, 2017 : India will further strengthen the Korea Plus cell created here to promote and facilitate investments, Commerce and Industry Minister Suresh Prabhu said today.

The cell was launched last year to promote and facilitate investments from the east Asian country in India.

Korea Plus comprises a representative each from the South Korean Ministry of Industry, Trade and Energy and Korea Trade-Investment and Promotion Agency (KOTRA). It also includes three officials from Invest India.

"We would further strengthen the Korea Plus cell created to facilitate Korean investments in India," Prabhu said in a series of tweets.

He is in Seoul for Asia-Europe Meeting (ASEM) of economic ministers. This meeting is happening after a gap of 12 years.

He said the key would be to leverage Korea's technological prowess to support industrial growth in India.

India and South Korea are also reviewing their free trade agreement. Officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), the pact was implemented in January 2010.

The bilateral trade in 2016-17 increased to \$16.82 billion from \$16.57 billion in the previous fiscal.

The minister will also hold bilateral meetings with leaders from France, Spain and Norway.

"Met Mr. Benjamin Griveaux, Minister of State for Economy and Finance, France: India's all weather friend, strategic partner, largest supplier of nuclear fuel. We are working towards achieving the target of increasing bilateral trade to 12 Billion Euros," Prabhu said.

He added that during the meeting with Norwegian State Secretary of the Ministry of Trade, Industry and Fisheries Dilek Ayhan, he discussed potential to expand trade opportunities in areas including sea food.

At the ASEM, the minister said there are challenges ahead to ensure free and fair trade.

ASEM is an intergovernmental process established in 1996 to foster dialogue and cooperation between Asia and Europe.

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## **India raises market access, barriers issue with Indonesia**

Financial Express

New Delhi, September 25, 2017 : India today raised the issue of market access and regulatory barriers that its companies are facing in Indonesia in sectors such as pharma, dairy and bovine meat, the commerce ministry said today. The issues were discussed during a meeting between Commerce and Industry Minister Suresh Prabhu and his Indonesian counterpart Enggartiasto Lukita here. The ministry in a statement said that the Indonesian side has agreed to conduct inspection visits for registering dairy products, fresh food of plant origin and meat processing facilities.

“The issue of market access to automotive and auto components manufactured in India was raised, along with the greater investment opportunities for joint ventures, textile machinery manufacturing, textile parks and Special Economic Zones,” it said. It added that the ministers agreed to deepen economic cooperation by having greater cooperation of stakeholders, including government, business and entrepreneurs. Both the ministers “agreed to hold a meeting of regulators to resolve issues concerning the pharma and health sectors, it said.

Further the ministers agreed for convening early meeting of the working groups on trade and investment; and trade facilitation and remedies to address the issues impeding trade. “These working groups will also look into facilitation of services and areas of mutual interest between both the countries,” it said. “We agreed to promote business on both sides which will benefit our citizens. We also agreed to explore new areas of cooperation,” Prabhu said in a tweet.

Talking to reporters, he said both the sides agreed to work together to promote business, exports and imports. “We have already identified areas where there are certain issues ... so we have decided to set up working groups to address those issues immediately,” he said. Lukita said that he had a frank and open meeting with the Indian trade minister.

He said that working groups can discuss issues over video calls. If there is anything to resolve at minister’s level, “we can call each other also,” he added. The bilateral trade between the countries increased to USD 16.92 billion in 2016-17 from USD 15.95 billion in the previous fiscal. The trade is highly in the favour of Indonesia.

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## **Commerce Secretary Wilbur Ross tells China to guarantee fair treatment for US firms**

The Indian Express

Beijing, September 26, 2017 : US Commerce Secretary Wilbur Ross told China there was a need for it to “guarantee fair and reciprocal treatment for U.S. firms”, during a visit to Beijing, where he tried to strike an upbeat tone amid trade tensions between the two countries. Ross told Premier Li Keqiang on Monday that the United States hoped for “very good deliverables” when U.S. President Donald Trump visits China, likely in November.

In a statement on Tuesday, the U.S. Commerce Department said that Ross had also pressed China on the “need to rebalance bilateral trade and investment relations”, and urged it to take “meaningful action” on trade issues.

“Secretary Ross once again continued to stress the need for concrete action to address the concerns of U.S. businesses, and that the U.S. would take action to defend American workers and businesses if cooperative efforts bear no fruit,” the Commerce Department said.

China committed to further market opening and welcomed participation by U.S. firms, with both sides supporting talks to resolve trade frictions, it said.

Ross met with senior Chinese officials, including Vice Premier Wang Yang, who handles an annual U.S.-China economic dialogue, and He Lifeng, the head of China's state planning agency, the National Development and Reform Commission.

China's relationship with the United States has been strained by the Trump administration's criticism of China's trade practices and by demands that Beijing do more to pressure North Korea to halt its nuclear weapons and missiles programmes.

Chinese President Xi Jinping and Trump met for the first time in person at Trump's Mar-A-Lago estate in Florida in April. Trump has since played up his personal relationship with Xi, even as he kept up his criticism of China over North Korea and trade.

The two sides launched a 100-day economic plan at that meeting, including some industry-specific announcements such as the resumption of American beef sales in China. But U.S. business groups have expressed disappointment that the talks have not yielded more progress in getting China to loosen restrictions on foreign investment in many sectors.

Ross's trip to China to "prepare the ground" for Trump's visit comes after the U.S. administration earlier this month blocked a Chinese-backed private equity firm from buying a U.S.-based chipmaker.

In August, Trump authorised an inquiry into China's alleged theft of intellectual property – the first direct trade measure by his administration against Beijing. China has called that move "irresponsible".

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## **Mexico, Canada, US hold third round of NAFTA talks**

The Indian Express

Ottawa, September 24, 2017 : Representatives from Mexico, Canada and the US began the third round of the North American Free Trade Agreement (NAFTA) talks here. Canadian chief negotiator Steve Verhuel on Saturday said he did not expect this round to see any new US proposal to increase American content requirements for autos, reports Xinhua news agency.

Rules of origin of autos will be "a subject for discussion but we're not expecting to see anything radically new at this point", he added. Under NAFTA's current rules of origin, vehicles must have at least 62.5 per cent North American content to qualify for duty-free movement between Canada, the US and Mexico. Concern has been mounting among trade experts that the year-end deadline for the NAFTA will be

impossible to meet if negotiators did not start during this round to confront some of the most contentious issues, including the rules of origin of autos.

At the first round of negotiations in Washington last month, US Trade Representative Robert Lighthizer pronounced that the North American content requirement must be raised and a specific American content requirement must be added, along with a way to verify that content.

Last week, US Commerce Secretary Wilbur Ross slammed the NAFTA for allowing outside countries to provide parts for vehicles that aren't covered by the content requirement. Canada reportedly believes that resolving American concerns about the exodus of automotive jobs to low-wage Mexico is the key to staving off US President Donald Trump's threat to rip up NAFTA.

A total of seven rounds of discussions are planned for the NAFTA renegotiations, with the first two rounds being held in Washington and Mexico City.

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## **Indian investments into GCC touching \$3 billion: Report**

The Economic Times

New Delhi, September 25, 2017 : India's share of total investments into the six-member Gulf Cooperation Council has risen from 4.7 per cent in 2011 to 16.2 per cent in 2016, according to a research report.

The Gulf Cooperation Council (GCC) investments into India also continued to rise from 0.7 per cent in 2011 to 2.95 per cent in 2016, the 'GCC-India Corridor Investment Opportunities and Challenges' report said.

The GCC is a political and economic alliance of Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain, and Oman. It was established in 1981.

In contrast to the overall decline in total FDI into the GCC, investments from India grew at a compound annual growth rate (CAGR) of 15.9 per cent from USD 1.4 billion in 2011 to \$2.9 billion in 2016, the report, published by Alpen Capital, an investment banking advisory firm, said.

During the period, India's share of the total investments into the GCC increased substantially from 4.7 per cent to 16.2 per cent, it added.

The report presents the state of economic relations between the GCC and India by analysing the trend in investment flows and the strategic government initiatives to strengthen ties.

It assesses the competitiveness of countries in ease of doing business and further identifies and discusses the potential sectors for cooperation and investment in both the regions.

"The GCC nations and India are strengthening historic ties across cultural, trade, economic, defence and political areas. Relations between the two regions are maturing beyond trade, as they realise the potential of strategic cooperation and growth," Rohit Walia, executive chairman, Alpen Capital (ME) Limited, said.

According to Walia, though bilateral trade continues to dominate the multi-billion dollar relationship, investment flows are rising rapidly, as the regions recognise that the GCC-India corridor presents immense opportunities for investors.

Walia said India, as a fast growing and emerging economy, is in the process of upgrading infrastructure, creating a digitally empowered society, increasing local manufacturing and enhancing energy production.

"Such initiatives from both regions will create increased investment opportunities and further strengthen the relations between GCC and India," he added.

"India's share of the total investments into the GCC increased from 4.7 per cent in 2011 to 16.2 per cent in 2016, while GCC investments into India also continued to rise from 0.7 per cent in 2011 to 2.95 in 2016," he said.

Sectors such as oil and gas, food processing, health care, education and infrastructure seem to be the top picks for investors looking towards the GCC as an investment destination, the executive chairman said.

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