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India wants early trade pact with African nations

Economic Times

Johannesburg, 2 October 2013: India has pitched for early conclusion of the preferential trade pact with African nations, which is expected to help enhance business ties between India and minerals rich countries of the continent. Commerce and industry minister Anand Sharma urged his South African counterpart Rob Davies to expedite the much delayed India-SACU preferential trade pact that will reduce tariffs on several key products.

Sharma is in Johannesburg for the third Indo-Africa Trade ministers meet. The Southern African Customs Union (SACU) consists of Botswana, Lesotho, Namibia, South Africa and Swaziland.

India has been waiting for the response from the African side on its proposal of an average margin of preference of 70%. This means imports from SACU will be subject to a tariff 70% lower than the most favoured nation rate.

The bilateral trade target of \$100 billion by 2015 and \$200 billion by 2020 is a modest one and is certainly achievable, Sharma said. Air connectivity and visa related issues were the two other concerns raised at the second India-Africa Business Council (IABC) meet here, co-chaired by Bharti group chairman Sunil Mittal. Indian business chamber FICCI is the institutional partner of the council. Sharma assured that the air connectivity issue has been taken up at the highest level and that Air India will resume its flights to Africa from 2014 onwards.

"The issue of air connectivity has to be addressed. The matter has been looked into at the prime ministers' level, and at my level. You will soon see resumption of flights by Indian carriers both Indian private and public", Sharma said addressing the council. On liberalisation of visa regime, Sharma said that both sides can identify the apex industry chambers that can help in this process.

He also strongly took up the case of Indian pharmaceuticals industry saying that India is a supplier of quality low-cost generics drug."There is a concerted campaign by vested interest groups and multinational cartels to confuse the discourse which questions the credibility and efficacy of Indian generics. We must remain vigilant against such voices," he said. India exports low-cost generic drugs to over 230 countries in the world and 1/5th of them are directed towards Africa.

Industry leaders collectively identified pharma, agri, minerals and mines and oil as priority sectors of private investment and integration and presented a report to the trade ministers.

India also sought support from the African nations ahead of the ninth WTO ministerial in Bali in December to safeguard interest of the developing nations. India has been pushing for the food security proposal of the G-33 nations, which wants the subsidies that are a part of the procurement for public stockholding from poor and marginal farmers not to be regarded as a prohibited subsidy by the WTO.

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Funds no constraint for trade facilitation pact'

Amiti Sen, Business Line (The Hindu)

17 March 2014: India to help small businesses in Africa increase exports, says Arancha Gonzalez of International Trade Centre In an interview with Business Line , ITC Executive Director Arancha Gonzalez discusses the project and a range of activities being undertaken by her centre such as working with developing countries for smooth implementation of the World Trade Organisation's Trade Facilitation agreement and helping them meet the ever-rising quality standards in the West. Excerpts:

What is the objective behind the 'India-Africa' cooperation partnership that ITC has launched and how is it going to work?

India has a programme of trade preferences for Least Developed Countries. The project is about helping LDCs in Africa take advantage of the market access that India offers. We want to help develop contacts between Indian and African small businesses and facilitate exports to India. I am going to work with the CII and the Exim Bank here.

It will be the private sector in India helping private sectors in five countries in Africa – Rwanda, Uganda, Kenya, Tanzania, Ethiopia. The project is being financed by the UK's Department for International Development (DFID, India). It is a great example of triangular cooperation.

Can Indian companies also expect to gain from this or is it just about helping industry in poorer countries?

The project is also about promoting Indian investments in Africa. Many Indian companies are already investing there. Through this, they get to know better a number of industrial sectors and they get to know better the small enterprises that are actors in those markets.

Gradually, we want to expand to other African countries and also develop similar business links between India and other Asian countries.

Following the Agreement on Trade Facilitation reached at the World Trade Organisation's Ministerial meet in Bali, smaller countries would need a lot of technical and financial support to upgrade infrastructure. What is ITC doing to help?

Immediately after the Bali deal was agreed upon, we published a guide to help private sector understand better what the agreement contains and through that help them comply with the terms of this agreement. We are now 100 per cent ready to help developing countries implement this agreement. We have struck a partnership with the Unctad. We have undertaken to help any developing country wanting our assistance to implement the Trade Facilitation deal. Now the priority is to make sure that we translate this text in concrete legislative changes and practical changes on the ground.

What about funding?

The WTO convened a meeting in the beginning of the year to take stock of the Bali agreement and called upon all donor agencies that could help in implementing this deal. The sense that I get is that funding is available. Donors are forthcoming. They understand they now need to honour part of the commitment they took in Bali to help implement this deal.

The question now is activating the deal. We have to work with developing countries to understand how much assistance they would require and in which areas so that donor support could be mobilised.

Developing countries often face problems in meeting the tough and ever-changing quality standards in developed countries. How can your organisation help?

We don't see a reduction in standards happening anywhere. So, the only way out is to increase the ability of companies to match those standards, and this is where we come in. ITC helps units to identify and meet quality standards, safety standards and sanitary standards.

We are the only organisation in the world to have mapped about 160 private standards worldwide on products such as coffee, tea, dairy products and chocolates. We have analysed the requirements of each and identified specific conditions that have to be fulfilled to meet those standards. We are helping companies with programs, technical support and expertise to help them match those standards.

Can Indian companies also benefit from the standards that ITC has mapped?

Yes, they can. It is a free-of-charge publicly available web-based tool that allows any company to access the standards for different products in different countries.

The project is also about promoting Indian investments in Africa. Many Indian companies are already investing there. Through this they get to know better a number of industrial sectors.

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