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The Centre for WTO Studies was set up by the Department of Commerce, Government of India in 1999. The intent was to create an independent think tank with interest in trade in general and the WTO in particular. The Centre has been a part of the Indian Institute of Foreign Trade since November 2002. The Centre provides research and analytical support, and allied inputs to the Government for WTO and other trade negotiations. The Centre also has its own body of publications, and conducts outreach and capacity building programmes by organizing seminars, workshops, and subject specific meetings to disseminate its work, create awareness on recent trade topics and build consensus between stakeholders and policy makers.

India to push for WTO talks on ease of global trade in services

Asit Ranjan Mishra, Live Mint

New Delhi, April 14, 2017 : Amid growing resistance to its proposal for a trade facilitation in services (TFS) agreement, India will soon seek a meeting of the special session of council for trade in services under the World Trade Organization (WTO) to kickstart formal negotiations at the multilateral forum.

Like the trade facilitation agreement (TFA) in goods trade, TFS is expected to cover discrepancies in trade in services as well as procedural and administrative issues and principles that apply to all. It will not delve into market access issues because that will involve domestic regulations which the proposed agreement does not seek to address. India also wishes to address the contentious issue of professional visa fee hikes by the likes of the US and UK, which India claims are discriminatory.

India first submitted the concept paper for trade facilitation in services on 6 October and followed it up with an "element paper" with more details before it submitted the draft legal text on 23 February.

However, the proposal has not been received with much enthusiasm by some key WTO members. A group of countries led by Australia is advocating domestic regulation disciplines that would cover a large part of TFS.

"We have argued that TFS goes beyond domestic regulation. The US is arguing that since market access is already low in current services commitments under WTO, even with facilitation, gains will not be significant. We have argued that the gains will increase as market access increases. We need to build the foundation for it now," a government official said, speaking under condition of anonymity.

"We want formal negotiations to start. Let everybody put across their point of view formally and we will try to accommodate as much as we can," the official added.

The African Group has also questioned the benefits of the TFS proposal for African countries and said they are analysing what the proposed agreement would mean for the least developed countries (LDCs).

India has maintained that the TFS proposal aims to reduce bottlenecks and streamline procedures to ease services trade and intends to strike a balance between obligations and voluntary compliance. The proposal suggests setting a transition period for developing countries to comply with the provisions and only "encourages" LDCs to do so.

"Some WTO members expressed interest in discussing the cross-border temporary movement of professionals (also known as mode 4) but some questioned whether this was feasible given the current political climate. Others expressed concerns about immigration issues, including social security contributions and multiple-entry visas. Some members expressed reservations about the provisions on cross-border information flows, facilitation of movement of health patients and insurance portability," WTO said in a statement on 23 March.

At a workshop organized by the commerce ministry with the World Bank on 23-24 March, participants suggested some other approaches as against India's proposal to address trade facilitation in services through a consensus-based standalone agreement on TFS as a services counterpart to the goods-specific TFA.

"Some participants suggested that while trade facilitation is important, the level of ambition should be raised by addressing market access barriers as well for realizing the full potential for global trade in services. Some participants have voiced concerns that the Indian draft proposal includes contentious elements on Mode 4 including disciplines on immigration and social security measures, disciplines on data protection as a barrier to cross border flow of data critical for supply of services through mode 1, cross border insurance coverage, etc. India emphasized the critical relevance of these elements for realizing the full potential of trade in services," the commerce ministry said in a statement.

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IMF, WTO, OECD vow to defend free trade against protectionism

Business Standard

Berlin, April 10, 2017: The chiefs of the IMF, WTO and OECD vowed today in a joint statement to defend free trade against creeping protectionist trends, amid growing global alarm over US President Donald Trump's "America First" call.

"Disappointing trade growth figures and the danger of increasing protectionist tendencies give us a clear incentive to support the international trading system even more," said the statement, also signed by the heads of the World Bank and the ILO, as well as host of the meeting, German Chancellor Angela Merkel.

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India, Cuba resist pressure on WTO e-comm rule

Amiti Sen, Business Line

New Delhi, April 10, 2017 : India has joined forces with Cuba to resist pressure from other members at the World Trade Organization to start negotiations on e-commerce rules.

Australia, the EU, Norway and China have stepped up their campaign to include e-commerce in the agenda for the year-end Ministerial meeting in Buenos Aires, and New Delhi is reaching out to countries that share its opposition to the move.

At a recent meeting of the WTO's goods council, India and Cuba took the stand that it was premature to discuss multilateral rule-making in e-commerce, given the digital divide among members, an official familiar with the discussions told Business Line.

Several other members such as Australia, Switzerland, Norway, Brazil and Argentina, however, said that an agreement on e-commerce was necessary for the WTO to demonstrate its continued relevance.

Enormous pressure

“There is a pressure from both developed and developing countries to bring e-commerce formally in the agenda of the WTO negotiations,” the official said. “India opposes it because once discussions begin, members could try to include a lot of aspects into it, including market access. It therefore has to work together with like-minded countries like Cuba.”

Cuba particularly took issue with suggestions to negotiate liberalisation and market access in e-commerce and emphasised that there was no basis for doing so, he added.

Electronic commerce was made a part of the WTO in 1998, but in a limited way. Members had agreed to give a temporary moratorium on import duties on digital transmissions. This moratorium is extended every two years. It was also decided to hold discussions on various aspects of e-commerce, but there was no understanding on negotiating rules.

The stakes in India

The e-commerce sector is extremely sensitive in India as the move to allow foreign investment into the e-retail sector has, so far, been strongly resisted by the owners of small stores who argue that it will disrupt their livelihoods. Allowing multilateral rule-making in the area could lead to political destabilisation.

The African countries and the least developed countries (LDCs) have not opposed discussions on e-commerce, but they insist that the focus be on the development dimension.

Uganda, on behalf of the LDC Group, said that most of the proposals on the table fall outside the scope of the work program on e-commerce, and that development should be the focus of e-commerce talks. South Africa, speaking on behalf of the African Group, similarly said it would like the Goods Council to take up issues that place the needs of developing countries and LDCs at its core.

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India-Australia joint statement: PM Narendra Modi, PM Malcolm Turnbull say committed to CECA

Financial Express

New Delhi, April 11, 2017 : India and Australia on Monday reaffirmed their commitment to the conclusion of a commercially-meaningful Comprehensive Economic Cooperation Agreement (CECA), which addresses the priorities of both sides. In a joint statement issued at the end of talks between Prime Minister Narendra Modi and his Australian counterpart Malcom Turnbull, the two countries expressed their keenness to secure a timely conclusion of a high-quality Regional Comprehensive Economic Partnership (RCEP). “RCEP can provide a boost to regional economic confidence in a time of global uncertainty — but to do so it needs to deliver commercially meaningful outcomes for business,” said the statement.

Earlier, at a joint press event with Turnbull, Modi said they reviewed the entire gamut of ties and took many “forward looking” decisions, including one on early holding of the next round of talks on comprehensive economic cooperation agreement. Emphasising on peace and stability in the Indo-Pacific region, Modi said challenges like terrorism and cyber security require global strategy and solutions.

Both countries at the end of bilateral and delegation level talks inked six MoUs, including on cooperation in fighting international terrorism and on civil aviation security, cooperation in the field of environment, climate and wildlife; cooperation in the field of sports and Indian Space Research Organisation (ISRO) with Geoscience Australia on implementation arrangement on cooperation in earth observation and satellite navigation.

Turnbull arrived on Sunday on a four-day visit, his first to the country after assuming office in 2015. His predecessor Tony Abbott had visited India in September 2014 and this was followed by Modi’s visit to Australia in November that year.

Both leaders inaugurated the TERI-DEAKIN Research Centre on Nano and Bio Technology, which is a classic example of the kind of cutting-edge science and technology cooperation that is happening between the two countries. The Australia-India Research Fund of nearly $100 million has focused on collaborative research projects in the areas such as nano-technology, smart cities, infrastructure, and agriculture and disease control.

While Modi noted that Australia was ready to supply uranium to India, Turnbull said his government was looking forward to exporting uranium to India “as soon as possible”. Though it seems increasingly likely that will be without a formal agreement for some time yet.

The coalition government had previously held hopes the India-Australia trade deal could be sealed by the end of 2015 and then end of 2016.

Welcoming India’s membership to the Missile Technology Control Regime (MTCR), Turnbull noted Australia’s strong support for India’s membership of the Nuclear Suppliers Group. Australia also expressed its support for India’s membership of the Australia Group and the Wassenaar Arrangement.

The two welcomed both countries’ increased engagement with ASEAN, including recent milestones and achievements in their respective relationships, forthcoming leaders’ summits in both countries with ASEAN, and noted the growing strategic importance of Southeast Asia. They recognised ongoing cooperation in other regional bodies such as the ASEAN Regional Forum, and ASEAN Defence Ministers’ Meeting Plus (ADMM+), and the Asia Europe Meeting. The visiting leader reiterated Australia’s support for India’s membership of the Asia Pacific Economic Cooperation forum (APEC).

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Committed to CECA review with India, says Singapore

The Economic Times

Singapore, April 06, 2017 : Singapore's Ministry of Trade and Industry has said it is committed to working with India to conclude the second review of their free trade agreement, it was reported here today.

Responding to a query by The Straits Times, the ministry said it had not received official notification from India that the review of the pact, officially dubbed the Comprehensive Economic Cooperation Agreement (CECA), had been put on hold.

The report assumes significance as both the sides are facing difficulties in concluding this review.

"India has not put the India-Singapore CECA on hold. It continues (to be) in force," a spokesman of India's Commerce Ministry said in response to a query from The Straits Times.

Certain issues related to visa and banking, among others, have cropped up during the second review of the pact, which was implemented way back in 2005. Timely reviews are part of these pacts.

India's Commerce Secretary Rita Teaotia had recently said there have been difficulties in concluding this review because of certain "small" issues.

Meanwhile, the National Association of Software and Services Companies (Nasscom) has complained that the movement of Indian software professionals to Singapore had been reduced to a "trickle" since January last year.

The body added that the restrictions are hurting software firms, some of which were even looking to relocate out of Singapore.

Indian IT companies use Singapore as a gateway to serve clients in the region. All major Indian tech companies, including TCSBSE 0.62 %, HCL, Infosys and Wipro, have a presence in Singapore.

The visa issue has been brewing for over a year now, and Nasscom has been engaged in a dialogue with authorities in India as well as Singapore to resolve the matter.

"This is really not keeping with the overall objectives of the Comprehensive Economic Cooperation Agreement (CECA), which is to encourage economic activities in both directions," Nasscom President R Chandrashekhar had said.

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Why India could be the winner of a US-China trade war

The Economic Times

April 10, 2017 : The prospect of a trade war between China and the U.S. elicits frequent warnings of the risk to the global economy. India sees it somewhat differently.

Senior officials in Prime Minister Narendra Modi’s party say India stands to benefit from the tensions. President Xi Jinping will need India’s huge market as President Donald Trump threatens punitive measures against Chinese manufacturers and U.S. firms that produce goods offshore, according to Seshadri Chari, a national executive member of the Bharatiya Janata Party.

The requirement for Beijing to maintain economic growth and domestic political stability also gives New Delhi geopolitical leverage as it seeks to counteract China's inroads in South Asia, including in Pakistan, he said.

"China's production strength requires a market, and the U.S. is no longer a Chinese market," Chari said in an interview. "China at this stage cannot risk a meltdown in its economy. It's too politically risky for Xi Jinping. They need a big market. And in Asia, we are the largest market."

China and the U.S. have both indicated they are keen to avoid a full-blown trade war, and Trump is yet to follow through on campaign pledges to take action against Beijing. But with Trump meeting Xi on Friday after a renewed bout of Twitter criticism and a pledge to review U.S. trade deficits, the future of the trade relationship is unclear.

In South Asia, potential changes to U.S. policy toward the region could prove a boon for New Delhi, particularly if Washington decides to erect protectionist measures against Chinese manufacturers -- or cuts military aid to India's rival Pakistan.

‘A Position Of Strength’

Yashwant Sinha, a senior BJP member who served as both foreign and finance minister in previous governments, said if the U.S.-China relationship "were to implode," India would not be the only country trying to profit. Still, India's vast domestic market means it has an advantage with both countries, he said.

"The consuming class in India is far, far bigger than the population of many countries, so we represent a huge market, we don't have to go around advertising it," Sinha said. "That is our big leverage. That gives us the heft to demand concessions in return for Indian goods and services" and the movement of personnel.

The statements from Sinha and Chari offer a glimpse into the BJP's foreign policy calculus at a time of global uncertainty. They also reveal the confidence India brings into trade negotiations, where it has often held back from signing or moving ahead on deals granting greater access to its more than 1.2 billion people.

Still, there are potential risks to India if China and the U.S. engaged in a fully-fledged dispute. And more broadly, India has found itself in the cross-hairs of Trump’s efforts to clamp down on visas often used by Indian technology workers in the U.S.

Prime Minister’s Office spokesman Jagdish Thakkar and Commerce Ministry spokeswoman Mattu Singh did not respond to requests to comment.

Collateral Risk

"A protectionist America hurts China more than it hurts India, though India is not without concerns," said Ashok Malik, a distinguished fellow at the Delhi-based Observer Research Foundation.

China could respond to trade frictions by starting a destabilizing currency war. And while India is a potential market for Chinese infrastructure funds, it is "not a market for the whole range of consumer goods that the U.S. is,” he said.

"While there are political benefits to a deteriorating relationship between the U.S. and China, the economic impact of that is likely to be much more mixed, and could have collateral impact on India and on several other countries."

Pakistan Question

The U.S.-China tensions come as Modi’s rhetoric becomes more explicit about Beijing’s $55 billion investment in the China Pakistan Economic Corridor. China is funding infrastructure in the Pakistan-administered part of Kashmir, which India claims as its territory.

"If China wants to hurt India’s economic interest" by investing in CPEC, then "we will hurt China’s economic interest," Chari said, without giving details.

"Today, India is dealing with China from a position of strength," he added. "China is losing the American market very fast."

The view that India could benefit from a deteriorating relationship between the world's two largest economies crosses party lines.

Shashi Tharoor, a lawmaker with the opposition Congress party and chair of India's parliamentary standing committee of foreign affairs, suggested China-U.S. tensions could push both countries toward India.

"If the U.S. and China don't get along, the U.S. will turn increasingly to India as a large Asian actor," said Tharoor, who was a junior foreign minister in the previous Congress government. "And China, if its U.S. market contracts, will need to diversify its markets and investment outlets, including towards India."

Still, it would be "premature" to assume U.S.-China ties will nosedive given the scale of their interdependence, said Ashok Kantha, a former ambassador to China and director of the Institute of Chinese Studies in New Delhi.

"India is becoming a more important market for China," he said. But given India's $52 billion trade deficit with China, "our appetite for absorbing redirected exports from China is limited."

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View: India is losing faith in free-trade agreements

Mihir Sharma, The Economic Times

April 10, 2017 : Till fairly recently, it looked like two massive new agreements would compete to define the future of world trade. The Trans-Pacific Partnership, backed by the U.S., would try to move the global trade architecture toward new norms, with harmonized regulations at its center. Meanwhile, the Regional Comprehensive Economic Partnership, backed by China, would drastically reduce remaining tariffs across a swathe of Asia and push the existing model of trade and manufacturing as far as it could go.

The TPP is now history, thanks to Donald Trump. But the RCEP can't exactly declare victory yet. The 16 countries involved -- China, Japan, Korea, Australia, New Zealand and much of Southeast Asia -- have discovered a familiar hurdle in their path: India.

India's Aspirations

India has a long history of grumbling about trade agreements. In the past, it has almost single-handedly held up consensus at various World Trade Organization meetings. But it seemed much of that was changing in the past decade or so. Under its previous prime minister, Manmohan Singh, an understanding had begun to develop in New Delhi that trade agreements aren't just about the mechanics of who gains and loses; they're about international relations, and how to tie countries and economies closer together. Under Singh, India negotiated dozens of free-trade agreements -- including one with the Association of Southeast Asian Nations, which he hoped would lead to a "pan-Asian" agreement.

But he never won over his bureaucrats or even many within his own party. And his successors seem far less enthusiastic about the possibilities of free trade. Partly that's because of India's experience with the ASEAN deal, which began in 2010. It infuriated domestic industry and farmers' organizations. One chamber of commerce claimed that, since 2010, India's exports to ASEAN had stagnated, while imports had grown by a third. Farmers in the south, meanwhile, have argued that they can't compete with spices and vegetable oil from Southeast Asia. The government failed to stand up to these voices; it announced a "review" of existing trade deals early on in Narendra Modi's tenure, and there was the strong suggestion that new ones would be frowned on -- effectively ending Singh's policy of economic integration.

This same skepticism seems to be guiding the government's behavior at the RCEP negotiations. If ASEAN decimated Indian plantation farming and caused Indian companies to struggle, the argument goes, just imagine what free trade with China could do. India has been worried about Chinese overcapacity and its tendency to dump goods for awhile.

Thus, when Malaysian Prime Minister Najib Razak flew to New Delhi last week, he was prepared to push hard on behalf of RCEP. But it didn't quite work. Modi, standing next to Najib, never even mentioned the negotiations. Other Indian officials made all the right noises, but it was clear that the only sort of agreement they were willing to countenance was a very weak one indeed. India is hoping to drive a wedge between China and ASEAN -- for instance, by offering the latter deeper tariff cuts than China would receive -- though it seems Indian diplomats found few takers for their cunning plan.

Unless New Delhi feels it has more levers to keep Chinese imports out, it appears that it will simply not agree to any draft, and keep negotiations dragging on as long as possible. There are growing murmurs that India should just be dumped from the process altogether, and that the other countries should move on to a deal that they already largely agree on.

Modi, when he took office in 2014, declared that Singh's "Look East" policy would be replaced with an "Act East" policy of more engagement with Southeast Asia and the Pacific Rim. As is often the case with India's government, when you look behind the slogans, there's not much there. In fact, Modi's government has been moving backward on trade. This is a pity -- because Singh was right. His much-maligned deal with Southeast Asia may not have boosted exports. But tapping into foreign supplies of vegetable oils, for example, has helped ensure that consumers enjoyed low and stable prices for an essential part of their diet.

Moreover, India's engagement with the thriving commercial networks of Southeast Asia and southern China is the only way it can possibly develop an export-focused, job-generating manufacturing sector. Of course, it needs to operate in parallel with domestic reform -- freeing up labor and land markets, and further reforming taxes. The government needs to open Indian industries up to competition, give them the tools to compete and then be confident that they will. But, judging by its response to RCEP, it doesn't intend to do that at all. Is Modi's India really so much less confident than Singh's?

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India, UK to consider free trade pact after Brexit

The Economic Times

New Delhi, April 5, 2017 : India and the United Kingdom may look at a free trade agreement (FTA) after Britain formally leaves the European Union.

Finance minister Arun Jaitley and UK chancellor of the exchequer Philip Hammond discussed the possibility of FTA among other things on Tuesday at the 9th UKIndia economic and financial dialogue wherein Britain pitched for increased trade engagement with India.

The two leaders also agreed to set up a 240-million-pound fund, called Green Growth Equity Fund, — to finance clean energy projects. It would be a sub-fund of the Centre's National Infrastructure and Investment Fund to boost infrastructure financing.

On its part, India said a formal dialogue on a possible bilateral trade agreement can start only after the completion of Brexit, which is expected to take about two years.

British Parliament last month approved the Brexit Bill, paving the way for exit of the United Kingdom from the 27-nation EU.

Jaitley said India in its communication with the UK government has stated that post Brexit it will look for more open trade, and more trade arrangements.

"Obviously, this can be formally discussed after the Brexit takes place, but it is probably going to imply a far wider and a far higher engagement between the two countries," he said. "What shape it is going to take can only be formalised post Brexit negotiation," he added.

Hammond pointed out that Britain is the largest G20 investor in India in the last 10 years, while India is the third largest investor in the UK.

"We have continued to consolidate past success and to identify new areas where we can work together over the next couple of years, preparing for the point where Britain leaves the EU and is able to engage with Indian colleagues in a deep discussion about a future FTA between the UK and India," he said.

Hammond played down the risks of a so-called 'hard Brexit' in which Britain would lose access to the markets of the EU's other 27 nations if the two sides cannot reach a consensus deal within a twoyear deadline.

“We have made the decision that we will not be part of the structure of the European Union, but we've also made it very clear that we want to negotiate the maximum possible open trade relationship with the European Union,” he said.

Jaitley said, “The United Kingdom, post-Brexit, is looking at a different level of relationship with India. And there's a huge aspiration in India itself also, to add to, and improve on, this relationship.”

The UK is among India’s major trading partners and in 2014-15, it ranked 18th in the list of India’s top 25 trading partners.

At Tuesday’s discussions, both sides decided to enhance cooperation in sharing information on tax offenders. They also discussed efforts to make Indian rupee more freely tradeable on international markets, and promote 'masala' bonds for Indian companies to borrow in their own currency from investors in London. The UK expressed keenness over issuance of masala bonds in London by NHAI, IRFC and IREDA. Hammond however refused to comment on the extradition of businessman Vijay Mallya to India saying the matter was sub-judice.

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Russia - a forgotten trade partner?

Arun S, The Hindu

New Delhi, April 9, 2017 : This year, the world’s largest democracy, India, and the biggest country by area, Russia, are celebrating the 70th anniversary of establishment of diplomatic relations between them. Russia continues to be among India’s major politico-diplomatic and defence partner nations. While India has inked separate strategic partnership pacts with more than two dozen countries, the Indian and Russian governments in December 2010 elevated their bilateral ‘Strategic Partnership’ to what they termed a “Special and Privileged Strategic Partnership.”

The New Delhi-based think tank 'Foundation for National Security Research', which did a comparative assessment of India's strategic partnerships — meaning, 'political-diplomatic, defence and economic cooperation' (during the 10-year period prior to November 2011), had said, "Russia emerges as the most important strategic partner of India (followed by the U.S., France, the U.K., Germany and Japan in that order)." The November 2011 report had found that Russia had provided strong political and diplomatic support to India and helped enormously in building India's defence capability. However, it warned that the "economic content of the (India-Russia) partnership is extremely weak," and recommended that "urgent and vigorous steps need to be taken to improve economic relations if this (India-Russia) partnership is to be sustained and made durable."

New Delhi and Moscow are renewing efforts to bolster their seven-decade-old relationship regardless of the perception of India's increasing closeness to the U.S., Russia's growing friendship with China and even with Pakistan especially in the context of defence and strategic partnership, as well as criticism that India and Russia are neglecting the glory of their past ties due to their preoccupation with other parts of the world. In June this year, Indian Prime Minister Narendra Modi is slated to take part as the Chief Guest in the St. Petersburg International Economic Forum — also known as the 'Russian Davos' after the World Economic Forum, which is an international organisation whose flagship annual meeting is held in Davos, Switzerland.

Watershed events

Until 1990-91, India and Russia — the main constituent of (the erstwhile) Soviet Union — had enjoyed robust trade ties. In 1990, the Soviet Union was India's top goods exports destination with shipments to the tune of $2.9 billion, according to data from the World Integrated Trade Solution (WITS) software. In the list of nations from where India imported goods, Soviet Union figured seventh in value terms with $922 million. Then in 1991, two watershed moments happened — economic liberalisation was introduced in India, and the Soviet Union was dissolved. In the following two-and-a-half decades, Russia remained India's strong politico-diplomatic and defence partner like the erstwhile Soviet Union used to be. However, since 1990-91, India's trade underwent further diversification and Russia is now not anywhere near the top in the list of India's trade partners. WITS data showed that in 2015, India exported goods worth $1.6 billion to Russia, but had shipped more items in value terms to 37 other countries. In 2015, India's imports from Russia were valued at $4.5 billion, but had imported goods worth more than that from 23 other nations.

This slippage in trade is a huge demotion for Russia, considering that the erstwhile Soviet Union was among India's leading trade partners. Worse still, India's goods exports in 2015 to Russia were worth just $1.6 billion as against $40.3 billion during that year to the U.S. — which was India's leading export destination. Also, in 2015, India's goods imports from Russia were worth only $4.5 billion as against $61.6 billion from China — which was India's leading source of imports that year.

If one takes into account India's GDP of about $2 trillion and Russia's GDP of $1.3 trillion, it becomes clear that their bilateral trade and investment ties are far below potential. Pointing out that India-Russia trade in 2015-16 amounted to about $6.7 billion, a concept note by the New Delhi-based think-tank Research and Information System for developing countries (RIS) said while Russia comprised just 1% of India's total trade, India accounts for a minuscule 1.2% of Russia's overall trade.

'Expedite negotiations'

Stating that both the countries have set a target to raise bilateral trade to $30 billion by 2025 and increase bilateral investment from $10 billion to $15 billion, the RIS suggested that expediting the conclusion of negotiations of the proposed India-Eurasian Economic Union (EEU) Free Trade Agreement would provide opportunities to India and Russia for regional cooperation and development as well as concessional trade and investment in the region. Members of the EEU include Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan. The September 2016 meeting of the India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation had identified expeditious implementation of the International North South Transport Corridor (INSTC) project as well as the launch of the 'Green Corridor' project for Customs facilitation (by easing Customs norms) as what would be major steps towards better connectivity and trade facilitation. According to the RIS, the INSTC — a multi-modal transportation route connecting the Indian Ocean and Persian Gulf to the Caspian sea through Iran and onward to Northern Europe through St. Petersburg in Russia — will enhance trade and investment linkages between these regions.

Referring to reports of Russia and China proposing to bring the EEU closer to China's One-Belt-One-Road (OBOR) initiative (a massive project to develop infrastructure in more than 60 countries, primarily in Asia and Europe), Ashok Sajjanhar, former ambassador of India to Kazakhstan, while addressing a recent RIS event, said India should study the impact of this development in the context of the proposed India-EEU FTA. Citing reports of the EEU being supportive of the China-Pakistan Economic Corridor (or CPEC — the so-called 'flagship' project of OBOR), Mr. Sajjanhar said India should look into its impact as well. Incidentally, India has strategic concerns regarding the OBOR as the CPEC is expected to cover areas including Pakistan-occupied-Kashmir. Mr. Sajjanhar said India should also carry out an assessment of U.S.-Iran ties and its impact on INSTC as part of a study on the strategic relevance of INSTC. Gulshan Sachdeva, professor, Jawaharlal Nehru University, said instead of focusing only on the geo-political dimension of OBOR and CPEC, India should consider if it could gain from such mega infrastructure projects from a developmental perspective.

India-Russia trade ties have been below-potential and lopsided (in favour of Russia) as it is primarily a buyer-seller relationship and not one based on collaborations through investments, according to Pranav Kumar, Head (trade and international policy), Confederation of Indian Industry. Besides, if the emphasis continues to be on sectors such as defence, hydrocarbons and nuclear power, it would result in Russia gaining more, he added. Therefore, he said, to ensure a balance, sectors such as IT/ITeS, pharmaceuticals and healthcare — where India has considerable strength — should also be encouraged, apart from seeking Russian investments in India in areas including defence manufacturing to push the 'Make In India' programme and in infrastructure and space technology to take forward the Smart City and Digital India initiatives respectively.

What would also help in boosting bilateral ties is trading in local currencies, setting up pipelines for direct gas delivery from Russia to India as well as operationalisation of the proposed $1-billion fund through India's National Investment & Infrastructure Fund and the Russian Direct Investment Fund for investment in infrastructure and technology projects.

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Market roundup | Developed economies to lead global trade recovery

Livemint

April 14, 2017 : Developed countries are forecast to lead the global trade recovery. The World Trade Organization (WTO) estimates global trade to expand 2.4% in 2017, up from 1.3% in 2016. Compared to the previous year, most regions of the world are forecast to register better growth in 2017, reflecting recovery in the global economy.

Developed economies are expected to see higher growth in trade, provided the policy actions do not take a turn for the worse, WTO said. Developed economies' exports growth will double from 2016 levels, it said. Exports growth of developing economies is seen to improve from 1.3% in the previous year to 2.2% this year.

Corporate profit forecasts for 2017 rising globally

Around this time of the year, analysts are usually busy trimming their overly optimistic corporate profit forecasts. Not this time. With the return of inflation and improving economic growth, they are instead upgrading their 2017 estimates for earnings around the world. Positive revisions are outnumbering negative ones, according to data compiled by Bloomberg, which bodes well for equities in the coming months. The upgrades are uncommon, say JPMorgan Chase and Co.'s Emmanuel Cau and Mislav Matejka, especially since consensus projections at the start of the year were already elevated.

First-quarter earnings are expected to rise 15% for European companies, 9% for those in the US and 16% for Japanese firms, the equity strategists wrote in a 10 April note. Despite the high expectations, JPMorgan sees scope for positive surprises in the forthcoming earnings season, saying that corporate pricing, operating leverage, commodity prices and credit conditions were all supportive during the three-month period.

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Indian tea export earnings in Jan-Feb up 11.20%

Business Line

Coonoor, April 6, 2017 : India's tea exports, which took a beating in January, picked up in February.

Volume shipped rose by 3.6 million kg over February 2016 and reached 20.9 mkg even as the average price increased by ₹ 14.70 a kg to rule at ₹ 192.91 a kg, resulting in the overall earnings to gain by ₹ 94 crore to touch ₹ 403.40 crore.

This helped the country's export performance in the first two months of 2017 to be higher than in 2016 in respect of volume shipped, price fetched and the overall realisation earned, revealed our analysis of the latest data available with the Tea Board.

The volumes shipped in January-February rose to 39.93 mkg from 37.73 mkg, posting an increase of 5.83 per cent. This helped the overall realisation to rise 11.20 per cent to ₹ 774.23 crore. This is significant because in January end, exports had recorded a decline of 4.14 per cent over January 2016.

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Trade deficit with China at $46.7 bn in Apr-Feb: Govt

Business Standard

New Delhi, April 5, 2017 : India's trade deficit with China was recorded at $46.7 billion during the April-February period of the last fiscal, Parliament was informed on Wednesday.

Overall trade with China during the 11-month period decreased marginally by 0.87 per cent to $64.57 billion, Commerce and Industry Minister Nirmala Sitharaman informed the Rajya Sabha.

During this period, India's exports to China grew by 8.69 per cent to $8.94 billion while imports from the neighbouring nation declined by 2.26 per cent to $55.63 billion, resulting in a shrinkage of 4.1 per cent in India's trade deficit with China, she said in a written reply to a question.

She said both sides have signed a Five-Year Development Programme for Economic and Trade Cooperation in order to lay down a medium-term roadmap for promoting balanced and sustainable development of economic and trade relations.

Replying to a separate question, she said after the launch of the 'Start-up India Action Plan' in January 2016, 742 start-ups have been recognised by the ministry.

On another question on soap, she said technically uniform sphericity and particle size of microbeads create a ball- bearing effect in soaps, skin cream and lotions, enhancing a silky texture, spreadability, smoothness and roundness in the feel.

"Regarding harmful effects, the issue is before the National Green Tribunal for adjudication which is being perused by the Ministry of Environment, Forest and Climate Change," she added.

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