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Centre for WTO Studies, 7th Floor, IIFT Bhawan, B-21, Qutab Institutional Area, New Delhi – 110016
Tel: 91-11-26965124, 26965300, 26966360 Ext-725,710 Fax: 91-11-26853956 Email: cws@iift.ac.in

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.

Doublespeak at the WTO

D. Ravi Kanth, Live Mint

Oct 12 2016 : Buenos Aires, the capital of Argentina and the land of football and tango, will host the biennial trade ministerial summit of the World Trade Organization (WTO) next year. If all goes well, the famous Argentinian capital could serve two major objectives: a formal burial of the Doha Development Agenda (DDA) trade negotiations and a launch of the Buenos Aires round of trade negotiations focusing on e-commerce and stringent disciplines for small and medium enterprises (SMEs). Early indications of what is going to happen at the eleventh ministerial meeting in South America came from almost identical statements made by the global trade elite.

New trade deals will fructify at the WTO, *The Economist*said in its edition dated 1 October. WTO director-general Roberto Azevedo, it says, “can imagine the WTO brokering another global trade deal, but only when expectations have been managed down from Doha”. So the Doha Round could find its mortuary in Buenos Aires.

“As for the WTO, it will for now push ‘plurilateral’ deals of its own, which embrace enough of WTO members to be significant but which avoid the quagmire of having to secure the agreement of all its 164 members,” *The Economist* wrote.

“Indeed, the failure of TPP (Trans-Pacific Partnership) and TTIP (Transatlantic Trade and Investment Partnership) agreements”, according to the global mouthpiece of liberal trade and globalization, “could provide an opportunity for the WTO to re-emerge as the main forum for the trade-liberalization agenda”. Indian trade policymakers, who are increasingly devaluing their role at the WTO in preference of regional trade agreements, ought to pay attention to these signals coming from different quarters.

Writing in the same magazine on 8 October, US President Barack Obama made a strong case for technological advances fuelled by “the Internet, mobile broadband and devices, artificial intelligence, robotics, advanced materials, improvements in energy efficiency and personalized medicine”. Obama suggested that the Internet and the new transformational technologies must now contribute to boosting productivity for overcoming the crisis in global capitalism.

“Lifting productivity and wages also depends on creating a global race to the top in rules for trade,” the US President argued. Despite existential opposition for concluding the TPP and the TTIP agreements in the face of an anti-trade and anti-globalization tirade in the US and other countries, Obama has decided to keep pushing for these two agreements, as they will “level the playing field for workers and businesses alike”.

Close on the heels of those pronouncements from Obama and the US administration, the WTO director-general has also contributed his mite when he made a strong case for trade in a keynote lecture he delivered at the National Press Club in Washington DC on 7 October. Denouncing the growing anti-trade and protectionist sentiments, almost on the lines of what President Obama wrote in *The Economist*, Azevedo underscored the need for a "global, systemic response" along with "active and creative (domestic) approaches" for labour market policies.

Azevedo, who in his earlier avatar as Brazil's trade envoy had championed the cause of 19th and 20th century trade issues such as reform in global agriculture, rules of origin, and even exchange-rate misalignment and trade remedies (5 November 2012), has now embarked on 21st century trade issues that are at the heart of tech giants in the US and other industrialized countries. The director-general suggested e-commerce (apparently worth around $22 trillion) and SMEs as the appropriate candidates for the global trade reform.

Of the three issues he highlighted in his lecture, two areas—"how to harness the power of e-commerce to support inclusiveness" and "how to ensure support for small and medium enterprises"—are what Washington and Brussels are pushing hard at the WTO—despite a total disconnect with half of the world and its poor inhabitants.

The third issue—"how to open goods and services trade to new players in developing and developed countries"—seems like crocodile tears when Azevedo knows fully well that little will happen on this count. For example, India's concept paper on trade facilitation in services which seeks to eliminate the bottlenecks and barriers in global trade in services is already trashed by the US, Canada and other western countries. Even if they move an inch on New Delhi's proposal, they will ask for a pound of flesh from India to agree to e-commerce and disciplines on SMEs as a trade-off. They will also turn their back on the so-called permanent solution for public stockholding programmes in developing countries. India must watch out that it is going to be targeted for its domestic farm subsidies after the US succeeds in its trade dispute against the Chinese subsidies for rice, wheat, and corn.

Puzzlingly, Azevedo's emphasis on e-commerce to support inclusiveness coincided with calls to "connect the world" by Facebook's founder Mark Zuckerberg, and "a cloud for global good" in which Microsoft's Satya Nadella wants "the computing clouds to be inclusive"—to promote their technology enterprises worth tens of billions of dollars.

In short, the bread-and-butter issues that could address real hunger—such as the public food security programmes in the least-developed and developing countries, or industrialization programmes which are smothered by WTO rules such as the Trade-Related Investment Measures Agreement as witnessed in the recent US solar dispute against India—are nearly pushed into the coffin. Little wonder that the Orwellian doublespeak by the director-general and his supporters in the Western world has created an anti-trade sentiment and fertile ground for furthering the Marie Antoinette-type of global systemic solutions—let peasants eat cake if they are starved of bread—for another four years.

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Narendra Modi calls for intra-BRICS trade target of $500 billion by 2020

The Economic Times

Benaulim, Oct 16, 2016 : The 8th BRICS Summit concluded here on Sunday with Prime Minister Narendra Modi calling upon leaders of the group of emerging economies to double the size of intra-grouping trade to $500 billion by next five years.

"In 2015, intra-BRICS trade stood at about $250 billion. We should set ourselves a target to double this number to $500 billion by 2020," Modi said addressing the BRICS (Brazil, Russia, India, China, South Africa) leaders plenary here.

"This requires businesses and industry in all five countries to scale up their engagement.

And, for governments to facilitate this process to the fullest," he said.

"Our agreement on a tax and custom cooperation framework is a good start," he added, referring to an outcome of the summit here.

Declaring that in a world of new security challenges and continuing economic uncertainties, BRICS stands "as a beacon of peace potential and promise", the Indian Prime Minister said that the five-nation group's work holds much meaning for the developing world.

"In the past year, BRICS have played an active role in shaping the global agenda for change and development. Our association with Agenda 2030, the Paris Climate Agreement, and the Addis Ababa Action Agenda on Financing for Development has been purposeful and productive.

"And, we remain at the forefront of pushing change in the global governance architectures. BRICS should push for empowering the global governance institutions to reflect today's reality," he added.

At a meeting earlier in the day, Modi exhorted the BRICS Business Council to work with member countries for strengthening mutual trade and said events like the first BRICS Trade Fair help to generate greater business awareness and commercial exchanges.

"We count on the BRICS Business Council to work with us to achieve our common aim of strengthening mutual trade, enhancing business opportunities, building investments linkages, promoting innovation and removing bottlenecks to intra-BRICS commerce," Modi said at a meeting of the leaders with the BRICS Business Council.

"India hosted the first BRICS Trade Fair in New Delhi two days ago with active participation from all your countries. Such activities must be promoted to generate greater business awareness and commercial exchanges," he added.

The BRICS Business Council Report was also presented on the occasion.

In the report, the council has recommended the member countries to continue dialogue for a new rating agency for emerging economies.

Besides, with a huge scope for intra-BRICS cooperation in infrastructure development and financing, the formation of a group of angel investors was also one of its key recommendations.

With the expansion of the BRICS agenda, the council also emphasised on the need to enhance business cooperation in agriculture by way of sharing of best practices among members.

Addressing the gathering, BRICS New Development Bank President K.V. Kamath said the lender is targeting an incremental revenue of $2.5 billion in the next year and that member countries would be approached to mobilise funds through bond markets.

"Looking forward, we are targeting incremental revenue of $2.5 billion for the next year and we believe that this will be largely in the area of sustainable infrastructure, green infrastructure... we plan to raise $1.5 billion through bonds," he said.

He also said that the NDB had begun the process of establishing its credentials as an institution which supports green and sustainable infrastructure.

Kamath also said that the bank would seek to mobilise funds in the markets of the member countries, adding that there were plans to approach the bond market in India as part of the exercise.

Talking to media later on the sidelines, Kamath said that the Shanghai-headquartered NDB, which has completed one year of operations, had approved loans to the tune of $911 million for development of the renewable energy sector in member countries.

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Call for a multilateral competition regime

Pradeep S.Mehta, Live Mint

Oct 12, 2016 : Four current multibillion-dollar deals in the agriculture sector are ringing alarm bells around the world—the takeovers of Syngenta by ChemChina and of Monsanto by Bayer; and the mergers between Dow Chemical and DuPont, and between Potash and Agrium. Consequently, the global agricultural input market will get further concentrated, which in turn would have an impact on the global food value chain (GFVC). After ‘defence’, it is ‘food’ that is the most important consideration for a nation’s security. Thus, the fact that control over GFVC is getting consolidated in fewer private hands could pose serious security concerns. It is suggested that Brics (Brazil, Russia, India, China, South Africa) countries should tackle this jointly through a coordinated competition policy.

Unlike many countries, it may not be an immediate concern for India, but having allowed foreign direct investment in the food sector, it needs to closely track such global developments. It should become a partner to any global strategy to deal with increasing consolidation in GFVC and associated concerns such as abuse of dominance. A key element of any such strategy would be competition policy.

The core of competition law enforcement is ‘economic analysis’, which in turn is guided by the ‘economic doctrine’ followed by the enforcing country. While some will emphasize ‘efficiency’ during economic analysis, others may like to include the ‘public welfare’ angle.

There may also be different treatment for different sectors. For instance, the farmers’ margin getting increasingly squeezed between input providers and commodity buyers. Such uneven bargaining power in GFVC might not come into the ambit of the competition lens from the ‘efficiency’ and ‘optimal resource allocation’ angles. On the contrary, such analysis might favour consolidation among ‘input providers’ and ‘commodity buyers’.

It would not be easy for individual, particularly developing countries to deal with cross-border competition concerns. If approached individually, it is more likely that their economic analyses would get influenced by the 'economic doctrine' practised by powerful, rich countries. Therefore, affected countries, especially developing country blocks such as Brics should come together to deal with global competition concerns.

Fortunately, there have been some positive developments on this front. Competition authorities from Brics countries have signed a cooperation agreement and patent authorities are having separate meetings. In addition, there is a Brics food working group to develop suitable strategies. And above all, the theme—"Building Responsive, Inclusive and Collective Solutions"—of the eighth Brics summit, to be held in India this month, is very apt in the given situation. All this adds to the suitability of the forum in the present "time and space" to take a lead in developing an agenda for a multilateral competition policy. A suitable approach for Brics nations could be to first have a plurilateral competition policy among them and then open it for other like-minded countries to join the arrangement.

Albeit, as China's own state enterprise, ChemChina, is acquiring Syngenta, it would like a facilitative approach and may like to "exploit the global market" in future. Though China has said that it is acquiring Syngenta to improve domestic agriculture productivity, it may be interesting to note here that while the US has given a green signal to the ChemChina-Syngenta deal, China seems to have done the same for Bayer-Monsanto.

The agenda on trade and competition policy was introduced at the World Trade Organization (WTO) in 1996 as "new issues", along with investment and transparency in government procurement. To begin with, it was a study approach, but later it became a negotiating agenda. This was opposed by the developing world and finally all of them, other than trade facilitation, were withdrawn from the WTO Doha Development Agenda in 2004. Since then there has been a sea change in global economic architecture, following the two WTO ministerial meetings at Bali in 2013 and Nairobi in 2015. In all probability, competition policy and investment policy may be on the future negotiating agenda at WTO as plurilateral agreements. With substantial experience of trade and globalization in the developing world, the developing countries should participate proactively in such negotiations so that they can influence the contents and ensure that they are balanced.

In any multilateral negotiation, contentious issues arise mainly because of two factors: (1) aggressive agenda of market access; and (2) the defensive agenda, which includes protection of policy space to address national concerns. For example, inclusion of intellectual property rights in the WTO acquis was the most contentious issue during the Uruguay round. This was finally settled when trade and intellectual property rules allowed policy space for nation states to address their concerns, particularly with respect to agriculture (seed) and health (pharmaceuticals).

Today finding common ground on the regulation of market distortions in the highly sensitive sectors of food and agriculture through better and cooperative competition regimes, and more so in the multilateral trading system, is an imperative which we can ignore at our own peril. Brics can offer a middle path and introduce it at WTO.

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India-US trade relationship to grow: US Trade Representative Michael Froman

The Economic Times

Washington, Oct 15, 2016 : Describing the reforms undertaken by the Indian government as "work in progress", a top Obama Administration official has linked the growth in bilateral trade between the two countries to India opening up and liberalising its economy.

"Prime Minister Modi came in with a very ambitious agenda, including to improve the business environment, the Make in India initiative, the Digital India initiative," US Trade Representative Michael Froman told PTI in an exclusive interview ahead of his next week's travel to India to attend the US-India Trade Policy Forum meeting.

There have been a number of important reforms - the Goods and Services Tax bill, the Bankruptcy Law, the creation of commercial courts, the issuance of a national IP strategy, the opening of certain sectors to investment -- that are important and help contribute to a better business environment, he said.

"However, it is a work in progress, and there continues to be issues around investment and restrictions that can be addressed in order to improve the business environment," said Froman who is scheduled to travel to Mumbai and New Delhi next week.

One of the key architect of India-US trade relationship in the Obama Administration, Froman said India had been successful in increasing its growth rate, and is now one of the fastest growing economies in the world.

"And as it opens up to further trade and investment, I think we will see the relationship expanding further," he said when asked about the timeline to achieve the goal set by Prime Minister Narendra Modi and US President Barack Obama to increase the bilateral trade to USD 500 billion a year.

"The United States is quite an open economy, so the key is that as India continues down the path of reform, and opens and liberalises its economy, it will help grow the US-India trade relationship," Froman said.
Froman said the Obama Administration had worked with India on an array of intellectual property rights issues.

"We both care a lot about strong copyright protection and the enforcement of copyrights, and the new

(Indian) National Policy includes a focus on trade secrets, which we think is important. We appreciate the process that India went through in developing its IPR Policy," he said.

"We continue to work in the pharmaceutical area, and we very much believe that there is no contradiction in promoting innovation and promoting access," Froman said.

Asserting that the US is very much committed to the public health objective, Froman said with the government of India, the Obama Administration had talked about a whole array of issues about access to medicines, including tariffs on imported medicine and opening up the health services market so that there are more providers in the market.

"We try to take a holistic approach to this," he noted.

The US Food and Drug Administration (FDA) has a very high safety standards, he said, when asked about the delay in FDA's clearances for Indian drug and pharma companies.

"We do not compromise that for anybody. The primary mandate of the FDA is safety. I'm sure it is a process that takes some concerted effort, but at the end of the day, it means that Indian firms will be meeting a very high standard," he observed.

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Solar module exports rises 116% in April-July

Debjoy Sengupta, The Economic Times

Kolkatta, Oct 14, 2016 : Indian exports of solar modules and cells rose 116% during April-July 2016 and touched $41 million. During that same period India imported modules and cells worth $580 million, up 52 % compared to the same four-month period (April-July) of 2015.

China is the single largest exporter of solar modules and cells to India, accounting for 82% of India’s total solar imports. Malaysia is the second largest exporter to India, accounting for a 12% share of India’s overall imports.

“Currently, United States accounts for only 1% of India’s total solar imports and it remains to be seen if imports from U.S. will increase after the recent ruling from the World Trade Organization (WTO) is enforced, which found India’s domestic content requirement discriminatory against U.S. manufacturers,” said Priyadarshini Sanjay, managing director Mercom Communications India.

The United Kingdom imported the largest amount of Indian solar modules and cells, accounting for 34.1% of India’s total solar export. Italy accounts for 11.4% of India’s solar exports and is closely followed by China with 10.7%.

According to Mercom’s India Solar Project Tracker, cumulative installations in India at present stands at 8.6 GW.

“In order to reach the goal of installing 100 GW by 2022, developers will have to continue importing cheaper cells and modules to be able to compete in hypercompetitive auctions and build projects that yield decent returns,” said Raj Prabhu, CEO of Mercom Capital Group.

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'Chinese goods' sale in India hit record high despite boycott'

The Economic Times

Beijing, Oct 14, 2016 : Calls for boycott of Chinese goods in India following China's opposition to a UN ban on JeM chief Masood Azhar have failed as sales of Chinese products in the country hit a record high during the festive season, official media here said today.

"Diwali, one of the most important Hindu festivals and one of the biggest shopping seasons in India, is coming at the end of October, but encouragement to boycott Chinese goods has been spreading in the last few days on Indian social media, and even a few Indian politicians are exaggerating facts," an article in the state-run Global Times said.

"However, regardless of the passionate boycott in India and Indian media's hysteric reports of a "doomsday" for Chinese products, Chinese goods have never been condemned by Indian government and are popular across the nation," it said.

"The boycott has not achieved success. Sales figures for Chinese products on the top three Indian online retailers in the first week of October hit a new record. Amazingly, the Chinese mobile phone company Xiaomi sold half a million phones in just three days on the Flipkart, Amazon India, Snapdeal and Tata CLiQ platforms," the article said.

Referring to the boycott calls over China's technical hold on moves to bring about a ban on Azhar as well Beijing obstructing India's membership in the Nuclear Suppliers Group, (NSG), it said.

"Chinese products are often the victim when regional situations get tense, and this phenomenon has been existing for quite a few years. Now Chinese goods are on the stage again due to the Kashmir issue," it said.

"The bilateral trade relationship is one of the pillars of the Sino-Indian relationship. The trade volume was over USD 70 billion in 2015, and China's investment in India soared to around USD 870 million in 2015, six times what it was in 2014," it said.

India has been expressing concern over the trade deficit which last year touched USD 46 billion.

"To some extent, the economic relationship is the barometer of the political relationship. There shouldn't be huge fluctuation in terms of economic cooperation if the political relationship keeps steady between the two," it said.

"For the dragon and elephant, enhancing economic ties would be a preferable way to promote the comprehensive bilateral relationship. The more economic cooperation exists, the more opportunities there will be for Chinese products to enter the Indian market.

"India is a big potential market, and people using smartphones and doing online shopping has become the irreversible trend in the new era," it said.

The commercial cooperation between these two countries could also be focused on e-commerce, service and financial investment.

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WTO panel to discuss India's paper on TFA in services on Oct 6

The Economic Times

New Delhi, Oct 02, 2016 : The first meeting of a WTO panel to discuss the new concept paper floated by India on a proposed trade facilitation agreement in services will be held on October 6 in Geneva.

India is pitching for this agreement with a view to reduce transaction costs by doing away with unnecessary regulatory and administrative burden on trade in services.

"The Indian concept paper will be discussed at a meeting of the WTO's working party on domestic regulation on October 6," an official said.

The country's move assumes significance as the services sector contributes significantly in the economies of developing nations.

Services sector contributes about 60 per cent to India's economy and 28 per cent in the total employment.

With the growing importance of the sector, India has time and again pitched for liberalisation and streamlining of norms for the sector in the Geneva-based World Trade Organisation (WTO).

In its concept note, India has proposed for simplification of procedures and clarity in work permits and visas for smooth movement of professionals.

India is making the case for this pact in line with the Trade Facilitation Agreement (TFA) in goods, signed by WTO in 2014, which aims at expediting movement, release and clearance of goods as well as co-operation on customs compliance issues.

"There is need for a counterpart agreement in services, an Agreement on Trade Facilitation in Services (TFS Agreement), which can result in reduction of transaction costs associated with unnecessary regulatory and administrative burden on trade in services," India's concept note has stated.

It said there is a need to look at the disciplines on measures relating to taxation, fees/charges, discriminatory salary requirements, social security contributions in relation to temporary entry in order to ensure that these do not unfairly disadvantage foreign service suppliers.

India has sought comments and suggestions from all the WTO members on this note.

The 164-member body makes rules for global trade.

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WTO mini-ministerial: Trade ministers to meet in Oslo in Oct

The Economic Times

New Delhi, Oct 03, 2016 : Trade ministers from nearly 20 countries, including India and the US, are expected to converge in Oslo later this month to deliberate on the road ahead, including the post-Nairobi programme, for WTO.

"It will be a kind of WTO mini-ministerial meeting. About 20-22 trade ministers may attend the meeting. Commerce and Industry Minister Nirmala Sitharaman is likely to participate, besides WTO Director General Roberto Azevedo and others," an official said.

The meeting assumes significance as India has recently floated a concept note pitching for a trade facilitation agreement (TFA) in services. The official said issues like implementation of the TFA in goods and work programme for the post-Nairobi meet may be discussed.

TFA in goods will come into force once two-thirds of members have completed their ratification process. It contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective co-operation between Customs and other appropriate authorities on trade facilitation and compliance issues.

The 2-day meeting will start from October 21.

After the 5-day talks in Nairobi last year, India had expressed its disappointment over non-reaffirmation to conclude 14-year-old Doha Round issues. The WTO trade ministers concluded their talks without any commitment on rich countries being asked to check their domestic subsidies.

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India, Sri Lanka to sign ETCA pact this year: Wickremesinghe

The Economic Times

New Delhi, Oct 06, 2016 : Sri Lanka expects the Economic and Technology Co-operation Agreement (ETCA) with India to be signed by the end of this year, which will help strengthen economic ties, Sri Lankan Prime Minister Ranil Wickremesinghe today said.

"The proposed ETCA will be signed by the end of this year... Prime Minister Modi and I have decided that we must conclude it by the end of this year," he said here at the India Economic Summit.

He impressed upon the audience the importance of this pact for Sri Lanka and South IndianBSE 0.21 % states.

The five states -- Karnataka, Tamil Nadu, Andhra Pradesh, Kerala and Telangana -- have a population of 250 million and a combined GDP of nearly USD 450 billion and with the addition of Sri Lanka of 22 million people and USD 80 billion economy, the GDP "in the sub-region will be USD 500 billion", he said.

"Just imagine if we work together," the Prime Minister said, adding that ETCA has the potential to promote growth of USD 500 billion sub-regional economy.

ETCA is expected to help Sri Lanka gain better access to India's rapidly growing market. Wickremesinghe also said the economic asymmetry between the countries is going to increase in future when the "latter (India) emerges as the major global player in an increasingly multi-polar world".

He added that India and Sri Lanka FTA will be further expanded and deepened to go beyond trading in goods to cover trade in services, investments and technology co-operation.

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Substituting imports with domestic goods real test for India

The Financial express

New Delhi, Oct 7, 2016 : The real challenge before the country is to substitute imported goods with domestic products like in the defence sector, Bharat Forge CMD Baba Kalyani today said.

“Like in defence, huge amount of imports is taking place and that’s only going to keep growing exponentially unless we do something,” he said here at the India Economic Summit, jointly organised by CII and WEF.

He said relaxing FDI norms in the defence sector is a welcome step but at the end of the day, India has to create an ecosystem to manufacture products locally.

Kalyani expressed hope that in 6 to 12 months, ‘Make in India’ in defence will be a reality.

The government has relaxed FDI norms in the defence sector to promote manufacturing.

“We need to make sure that whatever India consumes, we start producing, be it in defence or other sector,” he said adding that in the medium term, Indian industry needs to scale up dramatically.

He pointed out that in engineering products, India is highly competitive.

On exports, he said the problem is the volatility in global markets.

“Personally, I do not think you need incentives for exports. I think we are a competitive economy as far as exports are concerned,” he added.

M&M Executive Director Pawan Goenka seconded Kalyani’s views, however saying that the government needs to ensure that bilateral agreements do not hurt the domestic industry.

He also emphasised on the need to build Indian brands with the cooperation of both government and industry.

ABB India CEO and Managing Director Sanjeev Sharma said India should start using more high end technologies to give a boost to manufacturing.

Speaking at the session, NITI Aayog CEO Amitabh Kant said states would have to work on land and labour related issues to push manufacturing.

He said a free trade agreement with the EU would help both the auto and textile sectors to get greater market access there.

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Utilise CEPA more to boost export to Japan, government tells companies

The Economic Times

New Delhi, Oct 06, 2016 : Indian companies should utilise CEPA (Comprehensive Economic Partnership Agreement) much more to increase exports to Japan and help bridge the trade deficit, Commerce and Industry Minister Nirmala Sitharaman said today.

The CEPA, signed in 2011 between the two nations, is one of the most comprehensive agreements. It has covered areas such as goods and services, rules of origin, IPR, government procurement, customs procedure etc.

"There are opportunities for Indian companies to utilise this agreement much more as trade deficit is a matter of concern," Sitharaman said at a seminar organised by Research and Information Systems for Developing Countries.

The Minister further said Indian traders and manufacturers must find greater market access in Japan.

"The share of Indian companies in Japanese drug market continues to be low and it is limited only to Active Pharmaceutical Ingredients (APIs). So more has to be done in that area," she said.

Japanese Pharmaceutical sector offers a huge untapped potential for India's pharma companies, she noted.

On IT exports to the country, she said it is very low at USD 1 billion. "I am sure will be able to serve Japanese market better," she said.

The Minister said the trade between the two countries pre-CEPA in 2010 was USD 10.4 billion and currently it stands at USD 14.5 billion.

She also expressed concern over India's rising trade deficit with respect to Japan.

"However, trade deficit with respect to Japan was USD 3.1 billion pre-CEPA, and now it is USD 5.2 billion," Sitharaman said.

The economic engagement witnessed significant rise after both countries signed a Comprehensive Economic Partnership Agreement (CEPA) in 2011.

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Government asks industry to use trade pact with Japan to reduce deficit

The Economic Times

New Delhi, Oct 07, 2016 : The government has asked industry to help reduce India’s widening trade deficit with Japan by making more effective use of the Comprehensive Economic Partnership Agreement (CEPA) with the country. "There are opportunities for Indian companies to utilise this agreement much more as trade deficit is a matter of concern,” commerce and industry minister Nirmala Sitharaman said on Thursday. The minister was addressing a seminar organised by the external affairs ministry’s think tank Research and Information Systems for Developing Countries.

Although trade between India and Japan has grown to $14.5 billion from $10.4 billion in 2010, the minister pointed out that the trade deficit has widened to $5.2 billion from $3.1 billion before the pact was signed in 2011.

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Brexit provides India chance to hike trade with UK: Navtej Sarna

The Economic Times

London, Oct 09, 2016 : Britain's decision to leave the European Union has provided India a chance to increase its trade with the UK, India's outgoing High Commissioner to the country Navtej Sarna has said.

"There is a mind-shift in the UK government towards India and Britain's decision to part with the EU has provided India a chance to hike its trade with the UK," Sarna, who is leaving for Washington as India's ambassador to the US, said at his farewell dinner here last night.

In his welcome address, G P Hinduja, Co-Chairman of the Hinduja Group, described Sarna's tenure here as "short and sweet".

"It is every diplomat's objective to retire as Ambassador to the US, serve as Foreign Secretary or enter politics. You have all the qualities which are amazing and you have been able to win the hearts of everyone.

"You have built such a bridge with the British government, its Prime Minister is visiting Delhi in November. You are a change-maker - you came and there was Brexit and you have changed the Prime Minister. You are going to Washington and you will change the President (there)," he said.

India needs investment and the US has liquidity and Britain expertise and historically they know how to deal with India, Hinduja said while asking Sarna to try to bring America, the UK and India "closer”.

India should treat NRI investment on par with Indians' investment, he said at the event hosted by the NRI Platform headed by Joginder Sanger and attended by Lord Khalid Hameed, Lord Meghnad Desai, Lord Raj Loomba, Lord Suri, Kartar Lalvani, Founder-Chairman of Vitabiotics and leading NRIs Vijay Goel and Prof Nat Puri.

The UK chose to leave the 28-nation European Union 43 years in a historic referendum held on June 23 after an acrimonious campaign.

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India, UAE set to kick off political and business talks

The Economic Times

New Delhi, Oct 10, 2016 : India and the United Arab Emirates will launch a political and economic dialogue later this month in Dubai as a prelude to Abu Dhabi Crown Prince Sheikh Mohamed bin Zayed Al Nahyan’s presence as the chief guest for next year’s Republic Day celebrations, with the oil-rich Gulf nation looking to invest in the growing real estate sector besides ports and hydro-carbon related fields here.

Led by road transport, highways and shipping minister Nitin Gadkari and minister of state foreign affairs MJ Akbar, the Modi government will hold detailed discussions with UAE's political leadership as well as local industry captains between October 18 and 20. UAE had announced that it will invest $75 bn in the National Investment and Infrastructure Fund. "Oil-rich and cash-rich UAE is looking east as it plans to diversify its economy.

The government in UAE feels that India is a natural partner with similar cultural traits, food habits and centuries-old trading ties. There is a natural synergy and the UAE leadership enjoys a level comfort with the biggest country in South Asia. India should try to cash in on the opportunity that currently exists there," explained an official source familiar with the developments in UAE.

In what would be first political level meeting between the two sides since the Abu Dhabi Crown Prince accepted India's invite for the R-Day celebrations, Akbar would seek to expand counter-terror partnership that has evolved in the past few years. The United Arab Emirates had come out strongly in India's support after the Uri strikes, backing action by the Modi government against the terrorists.

The Gulf nation, in keeping with its core strengths in the real estate sector, development and expansion of ports and oil & associated sector, is eyeing to fund such projects, a person familiar with Indo-UAE economic partnership told ET. Two other areas that UAE investors are keen to explore are hospitality and healthcare in India.

But it is not just Emirati investors who are eyeing the lucrative market, Indian business groups including Lullu which have made it big in UAE and other five Gulf states are also keen to invest in the healthcare space.

The Modi government is hoping to attract funds from UAE for rapid expansion of next generation infrastructure, especially in railways, ports, roads, airports and industrial corridors and parks.

The UAE India Economic Forum, co-supported by Invest India (government's investment promotion arm) scheduled in Dubai on Oct 19-20 participated by top UAE investors besides investors from other Arab nations would help to identity sectors for investments. There will be special session on startups at this Forum.

ET has learnt that the Dubai Ports Authority is keen to develop and expand ports along India's huge coastline. Besides UAE is interested in setting up oil storage tanks in the ports here. Investors from UAE are looking to set up oil storage facilities besides small oil fields in this country.

UAE is already setting up India's maiden strategic oil reserve facility in Karnataka and offering two-third oil for free. It may be noted that India is UAE's second-largest trading partner, and the UAE is India's third largest trading partner, after the US and China.

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China assures greater market access to products of Indian companies

The Economic Times

New Delhi, Oct 14, 2016 : China has assured India of greater market access in a move that could help bridge India’s mounting bilateral trade deficit with the Asian giant.

“The Chinese vice minister assured that China would act on the concerns expressed by India regarding market access for Indian goods in the Chinese markets,” the commerce department said in a statement on Thursday after commerce and industry minister Nirmala Sitharaman met China’s vice minister for finance and commerce Wang Shouwen. Shouwen is here to attend the sixth BRICS trade ministers’ meeting.

In 2015-16, India’s exports to China were $9 billion, while imports were $ 61.7 billion, leaving a trade deficit of $52.7 billion. Sitharaman sought greater market access for Indian goods, especially for rice and pharmaceutical products, and expressed concerns at the long drawn procedures for clearances that tend to frustrate Indian companies seeking business opportunities in China.

The Chinese minister said recently his country had quickened the pace of granting clearances while importing of Indian pharmaceutical products. China also assured India ahead of the Regional Comprehensive Economic Partnership meeting, which it is hosting, that the country’s concerns on a ‘single undertaking’ will be duly taken on board with services being an integral part of the cooperation agreement.

BRICS’ WIDE RANGING COOPERATION
In a move to strengthen the BRICS economic partnership, the trade ministers of Brazil, Russia, India, China and South Africa called for greater cooperation in ecommerce, removal of non-tariff barriers and the need to enhance cooperation in the areas of intellectual property rights. The five-nation grouping had

earlier this year formed the BRICS IPR Cooperation Mechanism.

India assumed presidency of BRICS in February this year and has organised the first BRICS Trade Fair in which the BRICS New Development Bank (NDB) has also participated.“ The cooperative frameworks are non-binding and allow our countries to retain our policy space,” said Sitharaman while inaugurating the fair.

“We would urge NDB to come out with ideas and pilot projects for strengthening MSMEs in the BRICS countries,” she said. On the trade front, the minister called for increasing trade among the BRICS members as it is less than 5% of their total global trade and amounts to around $300 billion. Liberalising services sector should be accorded top priority in the BRICS, she said.

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India, Russia commit to boost bilateral trade

Business Line

Benaulim(Goa), Oct 15, 2016 : India and Russia will review strategies to boost bilateral trade and investment, while committing to improve ease of doing business, including liberalising travel regime, in their countries.

“The leaders recognised the need to constantly reinvent methodologies to realise the target set at the annual summit in December 2014, to increase annual bilateral trade and investment and committed to working towards the objective,” the two sides said in a joint statement.

It was issued after the meeting of Prime Minister Narendra Modi and Russian President Vladimir Putin here at the ongoing summit of the BRICS group, comprising Brazil, Russia, India, China and South Africa.

Both the leaders reiterated their commitment to further easing of business, it said.

Acknowledging that liberalisation of the travel regime for the businessmen is necessary, the two sides called for their timely and effective implementation, it added.

Setting up of bilateral investment fund by National Infrastructure Investment Fund (NIIF) of India with Russian Direct Investment Fund (RDIF) would facilitate high-technology investments in both the countries, it added.

The leaders also called on companies in both the countries to finalise new and ambitious investment proposals in sectors such as pharmaceuticals, chemicals, mining, machine building, implementation of infrastructure projects, railways, fertiliser, auto mobiles and aircraft construction.

They also emphasised on the need to strengthen bilateral diamond trade.

On mutual market access for agricultural and processed food products, including dairy products and bovine meat, the two sides "agreed to continue ongoing consultations between their regulatory authorities and introduce measures to widen the range of such products for bilateral trade", said the statement.

They noted the progress of the Joint Study Group on considering the feasibility of a free trade agreement between the India and the Eurasian Economic Union.

Taking into account the important role of banks in settlement of trade, the leaders expressed hope for the enhancement by commercial banks, including through the development of correspondent relations and increase in lending limits.

Both the countries inked several MoUs in sectors like shipping and railways.

An MoU was signed between JSC United Shipbuilding Corporation and the Council for Economic Cooperation of Andhra Pradesh on studying perspectives for cooperation in shipbuilding, implementation of infrastructure projects, transfer of technologies and training foreign specialists.

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Agricultural exports from India: Turnaround in the offing

Sandip Das, The Financial express

Oct 10, 2016 : After a sharp fall of 20% last year, India's farm and processed food exports seem to be witnessing a turnaround, reports Sandip Das in New Delhi. Though the growth in agricultural goods exports continued to be in the negative territory in the first five months of the current fiscal, the decline has been modest, and analysts say a revival is under way. According to latest data from the Agricultural

and Processed Food Products and Export Development Authority (Apeda), exports in April-August FY17 stood at R42,846 crore, 1.2% lower than same period last
year. India’s farm and processed foods exports had fallen to R1.05 lakh crore in FY16 against R1.31 lakh crore reported in FY15.

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Oilmeal exports sink 44% in H1 to 4.21 lakh tones

Business Line

Bengaluru, Oct 7, 2016 : Oilmeal exports for September fell 35 per cent to 90,907 tonnes from 1,39,649 tonnes in the corresponding period last year.

For the first half of the current financial year, cumulative shipments were down 44 per cent at 4,21,741 tonnes over the year-ago period on account of lower availability of seeds for crushing and continued disparity in prices in international markets, the Solvent Extractors Association of India said in a statement.

The decline in shipments was across all varieties of oilmeals, including soyameal, rapeseed meal, groundnut and castormeal (see table).

S-E Asian exports dip

April-September shipments to South Korea, the largest buyer of Indian meal, were reported at 329,464 tonnes — 32 per cent lower than the 481,827 tonnes in corresponding period last year.

Similarly, exports to Vietnam also registered a sharp decrease of 66 per cent at 51,823 tonnes during the first half this year compared with 154,940 tonnes in the corresponding period last year.

Purchases of Indian meal by Taiwan were almost down by half at 11,852 tonnes compared to last year’s 21,094 tonnes.

Myanmar also imported lower volumes at 7,707 tonnes against 10,398 tonnes in the year-ago period.

Around 78 per cent of total oilmeal exports were shipped from the Kandla port, 11 per cent from Kolkata, 3 per cent from Mumbai’s Jawaharlal Nehru Port Trust, and 7 per cent from the Mundra port, SEA said.

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South Asia can become fastest growing export region: World Bank

The Financial express

Washington, Oct 6, 2016 : At a time of declining global growth and trade, South Asia can become the next manufacturing and export powerhouse through the right mix of reforms and investments, the World Bank said today.

However, given that countries in the region have not been particularly successful in integrating with each other, challenge to the region's competitiveness remain, it said.

"South Asia is at a turning point. The region is benefiting from a confluence of positive internal and external forces. South Asian countries are starting to receive the competitiveness dividends from the economic reforms and public investments in infrastructure and education carried over the last 25 years," said the World Bank in its report.

With around one million people entering the workforce each month and a growing urban population, South Asia can seize the opportunity to become the next manufacturing and export powerhouse through the right mix of reforms and investments, the bank said.

South Asia it argued will be home to more than a quarter of the world's working adults by 2030 and should take advantage of a confluence of positive forces, such as favorable demographics, increasing education levels, growing cities, and rising labor costs in East Asia.

"To realise this potential, countries should work diligently to increase regional and global integration, take advantage of agglomeration economies, strengthen firm capabilities, and improve the business environment. The region's great competitiveness potential can be shown by the success of its leading firms," the Bank said.

"South Asia's leading firms have risen to standards of global excellence, demonstrating that world class levels of operational performance, efficiency, and innovation can be achieved with the right management, technology and worker training," said Anabel Gonzalez, the World Bank Group's Senior Director for Trade & Competitiveness.

“These flashes of brilliance across a growing number of areas, locations, and leading firms can provide inspiration for reforms and serve as examples for millions of rising firms in the region,” the bank official said.

The Bank said overall South Asian countries have underperformed in terms of both the quantity and quality of their exports – fundamentally because most firms in South Asia have low productivity which is the main driver of sustained competitiveness.

According to the new report, entitled ‘South Asia’s Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse’, the four main policy levers to boost the productivity and thus the competitiveness of firms are to improve the business environment, connect firms to global value chains, leverage agglomeration benefits, and strengthen the capabilities of managers and workers.

“South Asia has tremendous potential to increase incomes and gain market share in exports through policies that enhance productivity and investment,” said Annette Dixon, World Bank South Asia Vice President.

“If the region harnesses its productivity potential, it could be the fastest growing exporting region, for instance, tripling its share in global exports of electronics and motor vehicles by 2030.”

To better connect and expose South Asian firms to international good practices, governments should deepen reforms to improve the capabilities of firms to participate in global value chains, which will require making it much easier for exporters to import what they need, gradually reducing tariffs, while improving trade logistics, the Bank argued.

Policymakers can encourage the flow of resources to more productive firms by actively managing urbanization and reducing congestion constraints, as well as fostering productive agglomerations of firms next to pools of qualified workers with easy access to key domestic and export markets, it said.

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