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## **India pushes its case at WTO headquarters in Geneva**

The Economic Times

New Delhi, March 22, 2017 : A team of officials has recently visited WTO headquarters in Geneva for discussion on issues of India's interest, including the proposed trade facilitation pact in services.

India has recently tabled a proposal at the WTO for an agreement on trade facilitation in services (TFS), Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Rajya Sabha.

"A team of capital-based officers has visited Geneva for discussion on issues of India's interest, including TFS," she said.

The TFS proposal aims at liberalising rules for movement of professionals and other steps to reduce transaction costs to boost growth of the services sector.

India is pitching for this trade facilitation agreement in services as the sector contributes over 60 per cent to the GDP and 28 per cent to total employment.

The move is aimed at developing a broader framework governing global services in trade just like a TFA on goods.

TFS will focus on issues like liberalised visa regime, long-term visas for business community and freer movement of professionals for the greater benefit of both India and the world, among others.

To a separate question, she said the government has approved the proposal for redevelopment of Pragati Maidan into a world-class Integrated Exhibition-cum-Convention Centre at a total cost of Rs 2,254 crore.

She also said the India Trade Promotion Organisation (ITPO) will utilise Rs 1,200 crore out of its free reserves towards funding of the project.

The completion time for phase-I of the project is proposed as 24-30 months from the date of award to the project executor.

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## **India's Trade Facilitation for Services proposal draws mixed response**

D. Ravi Kanth, Live Mint

Geneva, March 16, 2017 : India's proposal on trade facilitation for services, which seeks to eliminate several hurdles in global trade in services, has received a mixed response from members of the World Trade Organization (WTO). Several developing countries said on Tuesday that it would impose burdensome commitments on them, according to negotiators familiar with the development.

India made a formal presentation of the 13-page draft legal text at a meeting of the WTO's Working Party on Domestic Regulation on Tuesday. India explained that the underlying rationale of the TFS (Trade Facilitation for Services) which is drawn up on the lines of the Trade Facilitation Agreement for goods is to simplify procedures to ensure that market access for services remain "effective" and "commercially meaningful".

India emphasized that the TFS "is not about new market access" for services. It argued that the draft legal text covering Mode 1 (cross-border services), Mode 2 (consumption abroad) and Mode 4 (movement of short-term services providers or natural persons) is based "on a careful mix of certain mandatory obligations, and those qualified as 'to the extent practicable,' or as 'endeavor' obligations."

It provides for special and differential treatment provisions under which developing countries are offered a transition period while least-developed countries are exempted from undertaking any commitments arising out of the TFS agreement, India argued.

Major industrialized members such as the European Union (EU), Canada, Switzerland, Australia and New Zealand, among others, welcomed the Indian proposal, signalling their intention to discuss various issues set out in it. Australia posed around 25 questions on the Indian proposal, giving an impression that it

would face rough weather in making progress, according to a services negotiator who asked not to be quoted.

Turkey praised the Indian proposal which covers several issues in Mode 4 and cross-border insurance. Turkey said it is ready to work on the basis of the elements proposed in the Indian proposal.

The EU welcomed India's engagement in services, suggesting that the overarching notion in the Indian proposal is valuable and promising, the negotiator cited above said. The EU suggested that substantive issues in the Indian proposal must be discussed, pointing that substance should prevail over form.

Switzerland said it would support the idea of TFS as proposed by India. It asked for a further clarification of several issues. Norway sought to know whether issues raised in the Indian proposal could be taken up along with other proposals to improve domestic regulation disciplines for trade in services.

China said the proposal demonstrates India's intention to negotiate strong disciplines in domestic regulation.

But the US, which matters most in global trade in services and which is currently tightening the procedures for the movement of short-term services providers under its H1B visa regime, remained conspicuously silent.

Significantly, the Indian proposal was subjected to critical scrutiny by the African Group of countries, Bolivia, and Venezuela among others on grounds that it would impose burdensome requirements on developing countries.

On behalf of the African Group, South Africa expressed sharp concern over the Indian proposal as it remains "broad" in its commitments without any prior mandate. South Africa said the Indian proposal would impose burdensome/costly multilateral obligations, suggesting that it cannot be fitted into the template for trade facilitation agreement for goods.

Instead of being a development-centered proposal, the TFS actually imposes onerous requirements on many African countries, particularly the least-developed countries, South Africa said. It maintained provisions such as creation of a "single window", resolution of appeals on a fast track, and several other elements are costly and difficult for African countries to implement at this juncture.

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## **'Large number of countries support TFS proposal'**

The Economic Times

New Delhi, March 24, 2017 : A large number of WTO member countries are supporting in principle India's proposal for negotiating a trade facilitation agreement (TFA) in services, a senior government official said today.

Additional Secretary in the Commerce Ministry Anup Wadhawan also said that India is pursuing this proposal in the WTO in a serious manner.

Without specifying the names of these countries, he said: "large number of countries have supported it in principle".

He was briefing the media after the conclusion of two-day workshop on TFS.

On the lines of the trade facilitation pact in goods, India has submitted a detailed proposal to the World Trade Organization (WTO) to negotiate a trade facilitation pact in services.

It aims at liberalising rules for movement of professionals and other steps to reduce transaction costs to boost growth of the services sector.

Wadhawan said that like trade facilitation pact in goods would help in reducing barriers, TFS too would cut hurdles in promoting global trade in services.

India's Ambassador Designate to the WTO, J S Deepak said that the workshop was useful as several experts shared their views and suggestions on ways to take the proposal forward.

World Bank supported the commerce ministry in organising this seminar.

When asked whether the proposal will become part of the forthcoming ministerial meeting in December at Argentina, Wadhawan said that the agenda has not been worked out yet.

On this, Deepak said that proposals are introduced in different fora and it will be discussed in the special session of the committee on trade and services in Geneva.

## **African bloc junks Indian proposal to ease services trade, movement of professionals**

Kirtika Suneja, The Economic Times

New Delhi, March 31, 2017 : A group of African countries junked an Indian proposal to ease services trade and movement of professionals across borders.

Citing high compliance cost, the group led by South Africa said provisions on single window, appeals and fast-track were difficult to comply with for many African countries. They also asked whether the proposed Trade Facilitation in Services (TFS) agreement was "realistic" in the current political climate.

India's paper, however, found support from Brazil, Colombia and Turkey. A senior commerce ministry official said a large number of the WTO member countries supported the proposal in principle, meaning that there was agreement on the need for such a pact. The African group argued that the proposed agreement had many elements for which there was no negotiating mandate an issue which can't be taken lightly especially when the World Trade Organization is a rules-based organisation.

The observations were made last week in Geneva when commerce ministry officials made a pitch for India's proposal at the WTO. A person in the know said that the African group flagged its concerns after India submitted its proposal in February and that it was not in response to the Geneva meeting. Some other countries asked about the need for a new framework for services when the WTO already has a General Agreement on Trade in Services.

India suggested multiple entry visas for those who meet the host country's immigration criteria in a comprehensive proposal on cross-border movement of services and asked such countries to rely on the companies employing workers to judge their competence. The proposal is part of India's bigger plan to build a global consensus on cross-border business workers.

Though the African group is examining the proposal, it also has raised doubts on any long-term gains for the continent as net services importers.

Besides, the group called it inappropriate to simply fit the template of the Trade Facilitation Agreement in goods, which was only limited to customs procedures, to an entirely new services agreement.

India's paper has provisions relating to facilitating trade in services, development as well as institutional provisions and follows a concept note floated in October and a detailed elements paper in November last

year.

"Everyone has suspicions about any new proposal and the idea was to have a discussion," said an official privy to the details.

The less developed countries in the African grouping said they don't have the capacity or resources to comply with the transparency obligations proposed.

In addition, the group has serious concerns about how the proposed TFS would impact its members' right to regulate.

Though the Africa group said there were many issues which required in-depth analysis, it felt elements such as Mode 4 could be useful for them.

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## **India offering 'far deeper' proposals in RCEP: Rita Teatia**

The Economic Times

New Delhi, March 27, 2017 : Pitching for liberalisation of trade in services, India today said it is offering "far deeper" proposals in the proposed mega deal RCEP than most of the other member nations of the grouping.

The Regional Comprehensive Economic Partnership (RCEP) is a mega trade agreement being negotiated among 16 countries including ASEAN, India, China, Japan, South Korea, Australia and New Zealand.

Commerce Secretary Rita Teatia also said India will give more concessions in RCEP than any other country will do.

"In RCEP and several negotiations in terms of investments and services, India is able to offer far deeper offers and proposals than most of the counterpart countries," she said here at a function.



She said that in RCEP, "The difficulty is that, while we see countries able to match the breadth of India's offers, so far it is very hard for countries to match the depth".

The statement assumes significance as India is pressing for greater market access in the services sector, particularly easy movement of professionals, in the RCEP negotiations.

The mega trade deal aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.

Emphasising on the importance of trade in services, she said the sector holds huge potential to boost economic growth and create employment in all economies.

Further talking about the second review of India-Singapore free trade agreement, the secretary said there have been difficulties in concluding this review because of certain "small" issues.

India and Singapore implemented the comprehensive economic cooperation agreement (CECA) in August 2005. Timely reviews are part of these pacts.

Citing certain issues, she said the asset management ratio for Indian banks has tended to be higher than it is for counterpart banks from other nationalities.

In India, this ratio is same for both foreign or Indian banks, "but in Singapore, it is hard to know on exactly what premise the asset management ratio is based and therefore it leads to worries and concerns in the industry".

The other issue, she said, is the restrictions in the movement of professionals.

Meanwhile a report released by Research and Information System for Developing Countries on India-Singapore CECA has suggested certain steps to further increase bilateral trade.

It suggested early action for mutual recognition agreements to be reached in the areas of accounting, architecture, dental and medical services within a year.

"It would be very important to bring more predictability in the regulatory aspect regarding employment passes particularly in relation to Indian banks and IT companies in Singapore," the report said.

## **Bumps in the road for India-US trade**

Sarah Watson, Live Mint

March 15, 2017 : US President Donald Trump's views on trade in goods and services, and his reputation as a deal-maker, have been a source of both angst and comfort for those concerned with the US-India relationship. Pessimists point out that Trump's declared intention of bringing jobs and investment back to the US is directly contradictory with Prime Minister Narendra Modi's "Make In India" policy, while optimists applaud Trump's decision to sink the Trans-Pacific Partnership (TPP), which excluded India. The release of the US trade representative's (USTR) annual Trade Policy Agenda offers an excellent opportunity to test these assumptions against reality. The agenda and the accompanying annual report strongly suggest that India will be navigating an increasingly difficult trade terrain in the next few years—and that negotiations between US and Indian trade negotiators may resemble an irresistible force meeting an immovable object.

The Trade Policy Agenda lays out a general approach to trade that is, in its own words, aggressive and that in many cases appears to be strongly at odds with India's own position. The document opens with a broadside against the World Trade Organization (WTO), arguing that WTO decisions are not binding on American businesses unless Congress chooses to implement them. This threatens to relegate the WTO to the long list of international agreements that the US has refused to make part of domestic law, gutting the strength of the organization and possibly triggering a round of punitive tariffs by other nations. India, by contrast, has made the WTO the primary focus of its trade negotiation efforts and is poised to make a major play towards updating the Trade in Services Agreement.

Why Trump's withdrawal from Trans-Pacific trade deal is a boon for China

The agenda highlights the US withdrawal from TPP as a sign of Trump's commitment to a new trade order. Indian negotiators have expressed their belief that the end of TPP will make its South-East Asian partners more willing to sign on to a favourable Regional Comprehensive Economic Partnership (RCEP). The latest round of talks on RCEP offered glimmers of promise but no breakthroughs. Whatever the direct impact of TPP's demise, India may find that the upheaval in the world trade order Trump's approach will cause will far outweigh the benefit it gains from the end of TPP.

A second key section of the agenda decries the "significant barriers" facing American exports in many markets. India's local sourcing rules, and its relatively high average tariffs (more than twice the world average), could certainly meet the description of "significant barriers". The agenda promises to respond to such barriers by using "all possible leverage" to encourage trading partners to open their markets. The US is India's largest goods export market, and the current debate over H-1B visas shows how vulnerable India is to a possible US clampdown on services exports as well.

Finally, breathing new life into an old debate, the agenda places strong emphasis on intellectual property protection, making it one of the new administration's top 10 trade objectives. Although every US administration has been concerned about intellectual property protection, the Barack Obama administration soft-pedalled the issue to a certain extent. The agenda suggests that intellectual property will be back on the front burner.

The countries most likely to be affected by Donald Trump's protectionism

For long-time observers of US-India trade relations, the biggest India-specific development in this year's report is that the brief section on US trade strategy towards India omits all mention of attempts to negotiate a Bilateral Investment Treaty (BIT). A BIT, which would set protections for investors, is a long-sought goal of US trade negotiators, and in the 2016 report, the USTR had pledged to "continue to assess prospects for moving forward with discussions on a high standard bilateral investment treaty". In the intervening year, however, US and Indian negotiators met to discuss the texts of their respective BITs and determined that there was insufficient overlap between the two models to justify further discussions.

It's important not to overstate the need for a BIT: Foreign direct investment in India has continued to climb in the year since India released a model BIT that was widely seen as offering too little protection to foreign investors. But signing an agreement could persuade some investors who are on the fence about entering India.

It's important to note that the new Trade Policy Agenda was written quickly, in the first month of the Trump administration, and that Robert Lighthizer, Trump's nominee for US trade representative, has not yet been confirmed. This means that while the broad strokes of the agenda reflect the President's vision, the details are yet to be fleshed out. It's also possible that the newly created National Trade Council, based out of the White House and led by well-known China trade hawk Peter Navarro, will take on some of the role once played by the USTR in setting trade policy. India, which has no free trade agreement with the US and was not part of the TPP, is relatively insulated from immediate upheavals in the Obama-Trump transition. Nor does it rank as high as China on the Trump administration's list of perceived trade malefactors, so it is unlikely to come under the same pressure. But India is likely to find the US a less yielding partner in the quest to reach \$500 billion in bilateral trade.

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## **Donald Trump 1, free trade 0: G20 nations bows to US pressure**

The Financial Express

Berlin, March 19, 2017 : The world's biggest economies have dropped a long-standing public endorsement of free trade at their first meeting with the US President Donald Trump's administration.

Finance Ministers and central bank Governors from the G-20 group of leading economies, including the US, China, Mexico, Germany and India, held two days of tough talking in the German town of Baden-Baden.

The formal statement issued after the meeting on Saturday contained only a bland reference to "working to strengthen the contribution of trade to our economies", CNN reported.

Conspicuous by its absence was the phrase “we will resist all forms of protectionism” that was contained in the communique from the last meeting of the group in China in July 2016.

It also did not contain a pledge to finance efforts to combat climate change, Efe news said.

US Treasury Secretary Steven Mnuchin, however, downplayed the content of the statement.

“This is my first G20, so what was in the past communique is not necessarily relevant from my standpoint,” Mnuchin said.

In a press conference afterward, he described the meeting as extremely productive and stressed that Trump’s administration believed in free trade.

However, he added that it was good for the US as long as it was balanced.

He said the US, which since Trump took office has withdrawn from the Trans-Pacific Partnership (TPP) and called for the North American Free Trade Agreement (Nafta) to be renegotiated, was looking to enter into trade deals that are a “win-win” situation for the parties involved.

The Finance Minister of host Germany, Wolfgang Schauble, said for his part that the negotiations were very difficult but that a door had been left open for future talks.

He added that the final communique contained language that was not very concrete but which reflected the economies’ shared commitment to fair trade, as demanded by the US, and rejection of currency manipulation.

Trump has accused two G20 members, China and Japan, of currency manipulation, while one of his top trade advisers has leveled the same complaint against Germany.

Given the opposition from the US and Saudi Arabia, the G20’s communique also differed from its 2016 statement in that no reference was made to the members’ readiness to finance the battle against climate change.

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## India 'sleeper trade' can avoid US whims, Toby Nangle says

Live Mint

New York, March 31, 2017 : India offers an overlooked opportunity because reforms there may help growth, and the nation is better shielded than other emerging markets from risks tied to policy shifts in the US, said Toby Nangle, head of multi-asset allocation at Columbia Threadneedle Investments.

“It’s a bit of a sleeper trade,” he said on Thursday in an interview on *Bloomberg Television*. “There’s a nice, clear structural story which isn’t contingent on the whims of Washington.”

India’s S&P BSE Sensex Index has jumped 11% this year, part of a global rally in emerging markets from Argentina to Vietnam on optimism about US President Donald Trump’s focus on growth. India has been pursuing the most significant economic reform since the 1990s as the government moves toward the launch of a nationwide sales tax regime, and sovereign bonds have been gaining on speculation that a stronger currency will lure more foreign inflows into its debt market.

Nations such as Mexico and China rely more on exporting to the US, which has been a source of growth for decades. Trump has cast doubt on the endurance of cross-border commerce after saying his country was burned by trade deals.

“India is much more of a three- to five-year trade on some strong fundamental drivers which have been continuing in earnest,” he said.

Nangle helps oversee money at Columbia Threadneedle, the \$454 billion asset manager at Ameriprise Financial Inc. He advocates seeking opportunities that might be too small for major global investors.

‘Lowest hanging fruit’

“Where’s the lowest hanging fruit within emerging markets?” Nangle said. “It looks to be actually India.”

The money manager also has been investing in Japanese equities, which he expects to benefit if inflation picks up. His comments echo remarks from DoubleLine Capital’s Jeffrey Gundlach, who said Tokyo stocks are still cheap.

“We’re pretty positive and have been pretty positive for some time on Japanese equities,” Nangle said. “There’s a whole variety of domestic factors that are driving a lot of that call. But to be honest, it is something which gets a tailwind with a reflation trade.”

Asked about investing in the UK, Nangle advised betting on commercial property through funds that reopened after being shut last year around the time that voters opted to leave the European Union.

“They’re offering real incomes which are really quite substantial,” he said. “Much higher than bonds, much higher than equities. We’re talking about 6 to 7%.” Bloomberg

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## **India bars trade of defence, other goods with North Korea**

The Financial Express

March 21, 2017 : In a recent move, India has prohibited the exports and imports on several products, including defence related goods, aviation fuel and coal, relating to North Korea. A notification released by the government said, “Direct or indirect export and import of certain items whether or not originating in Democratic People’s Republic of Korea (DPRK), to/from DPRK is prohibited.” The items that were prohibited include battle tanks, combat vehicles, combat aircraft, attack helicopters, missiles and light weapons. Other goods banned for exports include luxury goods and aviation fuel.

Indian government has also prohibited imports of certain minerals including as coal, iron, iron ore, gold, titanium, rare earth metals, copper, nickle, silver and zinc. The official letter from the concerned department said, “This notification seeks to update the Foreign Trade Policy 2015-20 to account for current UN Security Council Resolutions concerning DPRK... of November 20, 2016.”

The move came soon the news of US President Donald Trump’s administration considering sweeping sanctions aimed at cutting North Korea off from the global financial system came out. As per US officials, a broad review of measures to counter Pyongyang’s nuclear and missile threat.

The US sanctions is considered to be a part of a multi-pronged approach of increased economic and diplomatic pressure on Chinese banks and firms that do maximum business with North Korea. The move also beefed-up defences by the United States and its South Korean and Japanese allies, Reuters quoted an administration official familiar with the deliberations. While the long-standing option of military strikes against North Korea is still taken into consideration, the new administration is giving priority for now to less-risky options. The U.S. Secretary of State Rex Tillerson warned Pyongyang during his Asia tour last week.

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### **India receives proposal from Georgia to negotiate FTA: Nirmala Sitharaman**

The Economic Times

New Delhi, March 29, 2017 : The government today said it has received a proposal from Georgia to negotiate a free trade agreements (FTA).

Commerce and Industry Minister Nirmala Sitharaman said that the Joint Feasibility Study with Georgia will be conducted to examine the feasibility of the proposed FTA.

She also said that the joint feasibility study group report between the Eurasian Economic Union and its member states and India has been accepted and the first meeting of Trade Negotiation Committee will held after mutual consent.

These "agreements are likely to provide opportunities for generating economic growth and employment as well as increase mutual investment flows," Sitharaman said in a written reply to the Rajya Sabha.

Replying to a separate question she said India continues to engage the the US administration for better access of its professionals in America.

"H-1B and L-1 visa issues, including increase in visa processing fees, high rejection rates and other difficulties faced by the Indian services companies, have been raised with the US at various levels," she



added.

India has also taken up the matter on US visa fee hike in the Dispute Settlement Body of the World Trade Organisation (WTO).

On a separate question on exports, she said there were 36 alerts received for export of fresh fruits and vegetables to EU and 41 number of shipments of these agri-commodities to the US were issued import refusal.

"The rejections were imposed on the charge of adulteration, pesticide residue, contamination, misbranding and product forbidden or restricted for sale," she said.

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## **India, Vietnam call truce in trade spat; Delhi pledges pest-free goods**

Amiti Sen, Business Line

New Delhi, 28 March, 2017 : India has decided to extend the hand of reconciliation to Vietnam to avoid a repetition of a recent spat which both countries banning each other's farm products, including coffee beans and peanuts.

Agriculture Ministry officials have assured their Vietnamese counterparts that India will take corrective action to ensure that Vietnam's concerns relating to the presence of live pests in farm consignments from India are addressed, an Agriculture Ministry official told *BusinessLine*.

Vietnam recently banned the import of five agriculture products from India, which would have been effective from June 2017, but after New Delhi retaliated by placing an immediate ban on six Vietnamese products, including coffee, on March 7, it revoked its order.

"We do not want to come across as arm-twisting our trade partners, although we have ourselves been arm-twisted for long," the official said. "We have assured Vietnam that we will take corrective action to make our consignments pest-free and we are in talks on the same."

The corrective measures would include identifying the problem (to establish if just one or two companies were exporting pest-infested products or if it was more widespread), tightening of inspection of fumigation facilities and export procedures.

Since New Delhi, too, has revoked its ban on Vietnamese products, the South East Asian country has similarly said it will address India's concerns, the official added.

The problem started four weeks ago, when Vietnam announced it would suspend import of peanuts, cassia seed, cocoa beans, haricot beans and tamarind from India as it had found live insects in consignments shipped from here.

Days later, India issued an order temporarily suspending the entry of coffee beans, bamboo, black pepper, cinnamon, cassia and dragon fruits from Vietnam, claiming repeated interception of quarantine pests.

However, since India announced the implementation of the ban with immediate effect, Indian coffee producers were impacted at once.

There were also expressions of concern from Vietnamese exporters who had their consignments waiting to be shipped at ports.

“Since business from both sides was getting hurt, the two countries decided to call a truce and lift the ban. Our trading partners have to trust us when we assure them that we are putting in place the processes to ensure pest-free consignments,” the official said.

Vietnam had earlier suspended imports of peanuts from India in April 2015. The ban was lifted in January 2016 after a Vietnamese delegation visited India and inspected fumigation facilities, export procedures and the export certification system for peanuts.

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**Punjab Agro joins ecommerce to sell organic wheat, basmati in US, UK**

Parshant Krar, The Economic Times

Chandigarh, March 21, 2017 : To cater demand for organic products in the US, UK, Canada and other overseas markets, Punjab Agri Export Corporation Ltd. (PAGREXCO) has tied up with ecommerce marketplace TrendyBharat to sell organic wheat, maize, pulses and basmati. The tie up will facilitate ecommerce enablement, digital cataloging, payment processing, global distribution support, marketing support and training & development for selling organic products produced in the state.

"We are looking at the demand from Indian Diaspora spread overseas and within the country," managing director PAGREXCO, K S Pannu told ET. He said that the Corporation has set up specialized processing and value chain to produce and market organic agricultural products including organic certified flour mill, specialized storage equipment imported from Philippines, packaging and retail outlets named organic huts.

The Corporation has also set up two labs accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) that are equipped to detect over 144 pesticides residue.

Punjab Agro Industries Corporation, jointly promoted by Punjab Agro Industries Corporation Limited and Punjab Mandi Board, has mandate to promote organic commodities and has already facilitated the certification of around 1500 farmers through globally renowned organic certification firm SGS India. The Corporation's organic initiative took off in 2015 with an objective to promote & assist export and distant marketing of agriculture produce from the state. The current offerings include organic basmati rice, organic maize flour, organic wheat dalia and organic maize dalia.

"We are eager to cater to rising demand for home-grown, pure and natural produce and so far the feedback is positive from the overseas market," says founder & CEO, Trendybharat.com, Varinder Singh Jawanda told ET. He said that the organic farming practices recommended by the National Organic Standards of NPOP (National Programme of Organic Production) and NOP (National Organic Production) are acceptable for exports in almost all countries," he added.

As per the MoU, the TrendyBharat's logistics partners will facilitate the delivery of the shipments across US, UK, Canada and Singapore overseas and 18,000 pin codes across India. "We have integrated mobile enabled unicommerce, solr search functionality, and Android app (iOS in development) in business model to ensure growth," he said.

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### **Good scope for increasing bilateral trade between India and Indonesia**

S. Ganeshan, The Hindu

Tiruchi, March 16, 2017 : Given the strong cultural similarities and excellent relationship between India and Indonesia, there is huge potential for increasing bilateral trade, which in recent years has been on the downtrend, said Saut Siringoringo, Consul General of Indonesia, Mumbai, here on Wednesday.

Speaking to "The Hindu" ahead of a meeting with trade representatives in the city, Mr. Siringoringo said bilateral trade between the two countries had come down to US \$ 12.96 billion during 2016 from US \$ 17.65 billion in 2011. There is a trade imbalance between the two countries.

Stating that Indonesia was keen to reverse the trend and promote better trade relations between the two countries, he said there has been a general ignorance among Indonesians about India and vice versa.

“Both the countries are yet to see the urgency to intensify cooperation in economic, science and technology and socio-cultural fields,” he said.

Increasing direct trade between the two countries would be a win-win situation. Both should work together to bridge the knowledge gap about investing in each other’s countries by facilitating frequent exchange of delegations.

India imported mainly coal, palm oil, copper ores and a few other products from Indonesia. Indonesia on the other hand imported machineries, accessories of motor vehicles, corn and wheat.

India’s investment in Indonesia stood at US \$ 343.2 million between 2010 and 2016, while Indonesian investments in India was about US \$ 20.50 million between 2010 and September 2016.

Last year, about 150 persons from India attended the Trade Expo at Jakarta leading to a trade of about US \$ 82 million.

This year, Trade Expo 2017 would be held at Jakarta from October and Indonesia was hoping to attract more Indian businessmen, he said.

He said the number of Indian tourists visiting Indonesia was on the rise and during 2016 about 3.76 lakh Indian tourists visited Indonesian destinations. During the current year, Indonesia was hoping to attract about 5.50 lakh Indian tourists.

He said that he has been impressing upon Garuda Indonesia, the country's national carrier, on providing direct flight connectivity to more Indian destinations. "A service on Mumbai-Jakarta sector was introduced in December. I have proposed the introduction of services on Bali-Mumbai, Jakarta-New Delhi and Medan-Chennai sectors. I hope they will consider the proposals," he said.

Later in the day, Mr.Siringoringo and a group of Indonesian delegation interacted with members of Tiruchi District Chamber of Commerce and made a presentation on the opportunities available for improving bilateral trade.

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## **VAT in UAE will not affect trade: Dubai Chamber chairman**

Kiritika Suneja, The Economic Times

New Delhi, March 16, 2017 : The UAE levying a 5% value added tax from next year will not affect trade, Dubai Chamber of Commerce and Industry Chairman Majid Saif Al Ghurair has said.

"There will be no affect of VAT on trade. The discussion is to have VAT between 4-5%. It is an excellent step to collect information, businesses' capacity and gauge their condition," said Al Ghurair.

The revenue earned can then be used to improve the business environment, he said.

Bilateral trade between India and the UAE is around \$58 billion. While India is UAE's largest trading partner, the UAE is the third largest trading partner of India after China and the US.

Inviting Indian companies to make use of Dubai's storage and port facilities to export to other markets like Africa, Al Ghurair said that the two countries can collaborate in food sectors, healthcare, education, construction and tourism.

With protectionism on the rise globally, he said it is a good time to look East but added that India can make doing business easier if a single window clearance system is put in place.

The chamber plans to open its first office in India office in Mumbai later this year. Of all new companies that registered with Dubai Chamber last year, 29% were Indian, taking the total number of Indian members to over 36,000.

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## **Dehydrated onion exports decrease by 50% this year**

Vimukt Dave, Business Standard

Ahemdabad, March 22, 2017 : Huge carry-forward and less demand led to decline in dehydrated onion exports from India by almost 50 per cent to 15,000 tonnes this year as against 30,000 tonnes in 2016. According to the industry, last year's exports were good due to lower prices, as a result many importing countries like Russia, Germany, France and USA also have sufficient stocks.

"Internationally, Indian dehydrated onion prices are lower than China and Egypt but as consuming countries have sufficient stocks, demand has come down by 50 per cent so far and will not gain much during this year. India's total export may not be more than 40,000 tonnes," said Vitthalbhai Koradiya, managing director of Maharaja Dehydration.

India had exported about 50,000 tonnes in 2016 and the industry is expecting to export about 35,000-40,000 tonnes. India is offering dehydrated onions at \$1,650 per tonne while China and Egypt offer it in \$2,000 a tonne.

On the other hand, the country is having about 20,000 tonnes of dehydrated onion carry-forward stock unsold with the producers. Exports begin in January every year and by June end, the country exports almost 85-90 per cent.

Asgar Chhatariya, managing director of Chhatariya Foods said, "As last year onion production was good and domestic prices were in control onion dehydration had increased to over 75,000 tonnes. After export and domestic consumption, there is about 20,000 tonnes unsold dehydrated onion available with the producers at the opening of the season in 2017."

There are 100 onion dehydration units in India and of it 85 units are located in Gujarat, 10 units are in Maharashtra. Usually at this time dehydration units runs in two shifts but this year, many units are running in one shift.

As per the first advance estimate of department of agriculture, onion production is estimated at 19.73 million tonnes for the year 2016-17, down by 6 per cent from 20.93 million tonnes in 2015-16.

Meanwhile, exports of fresh onion have nearly doubled between April-November 2016. According to Agricultural and Processed Food Products Export Development Authority (APEDA) data, in 2015-16, the total exports of onion between April-November was around 6,07,374 tonnes, while in this fiscal, between April-November 2017, the total exports were around 14,63,552 metric tonnes.



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## **Onion exporters seek continuation of government incentive into the next fiscal year**

Jayashree Bhosale, The Economics Times

Pune, March 21, 2017 : India's onion exporters are seeking the continuation of a federal incentive into the next fiscal year to prevent a price slump of the commodity of which there is a global glut.

With the ongoing rabi (winter-sown crop) harvest at home also expected to be a record, onion traders are seeking the government incentive that is due to lapse on March 31.

"The 5% benefit under the Merchandise Exports from India Scheme (MEIS) has helped boost the exports. Extending the benefit beyond March 31, will help to support prices," said Danish Shah, an onion exporter from Maharashtra.

The earlier record of exports was of 18.73 lakh tonne in 2009-10. The country has already exported 24 lakh tonne onions, worth Rs 3,386 crore, in 2016-17.

"Good weather conditions ensured production of quality onions," said Ajit Shah, a Mumbai-based trader and exporter. The current wholesale prices at the Lasalgaon APMC in Maharashtra are about 30% to 50% lower than the prices in the corresponding period of the previous year.

Traders are confident that even if exports continue, India will have enough onions to meet its domestic demand during the lean monsoon months, when onions are available only from the stored stocks. "We will have sufficient stocks of the bulb to last until October," said Danish Shah.

With a window of one more month available before competition catches up from China or Egypt, Indian exporters are confident of shipping out good volumes in March and April. Although onion prices have declined by about 20% in March from February, traders expect that exports will cushion the fall in prices.

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## **India largest importer of almonds from US: Official**

The Economic Times

Hyderabad, March 21, 2017 : India has emerged as the largest importer of almonds from the US during August 2016 to February 2017, a senior Almond Board of California official said here today.

During the crop year 2015-16, India had stood third behind China and Spain, in terms of such imports from the US at 126 million pounds.

"From August 2016 to February this year, we have already shipped 120 million pounds, which is 59 per cent growth. That has propelled India to become the largest export destination for California almonds (overtaking China and Spain)," the Almond Board of California's (ABC's) Regional Director, India, Sudarshan Mazumdar told PTI.

The ABC looks at India as a market of great potential and importance. This is a reason for the board to continue to invest in resources to run and support an active marketing, trade and market access programme in the country, he said.

"This year, the market is growing and we expect the import figures (for India) to grow further and we are expecting that within this year or next year, we see a demand for 166 million pounds," Mazumdar said.

Almonds offer a lot of health benefits and it is good for heart and weight management and also in controlling diabetes, he said.

"It has got very strong nutrient profile in terms of highest anti-oxidants amongst nuts. The Board aims to build awareness around the multiple nutritional benefits of consuming almonds every day post validating them through learnings obtained from various nutrition researchers," the Regional Director said.

As part of the India programme, the ABC engages with consumers, health care professionals, importers, food companies, government and regulatory agencies to educate on health benefits of almonds.

According to Mazumdar, California grows over 82 per cent of the world production of almonds followed by Australia.

"One-third of almond production in the US is consumed within the country and Canada, and the rest is exported to 90 countries," he added.

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