



## FROM THE DESK OF PRESIDENT

If there is a point on which most economists agree, it is that trade among nations makes the world better off. Yet international trade can be one of the most contentious of political issues, both domestically and between governments. Under the rules-based international trading system centered in the WTO, trade policies have become more stable, more transparent, and more open. And the WTO is a key reason why the global financial crisis did not spark widespread protectionism. However, as seen most recently with the Doha Round of WTO trade negotiations, the institution faces big challenges in reaching agreements to open global trade further.

Despite successes, restrictive and discriminatory trade policies remain common. Addressing them could yield hundreds of billions of dollars in annual global benefits. But narrow interests have sought to delay and dilute further multilateral reforms. A focus on the greater good, together with ways to help the relatively few that may be adversely affected, can help to deliver a fairer and economically more sensible trading system. We, at SGCCI, took a new initiative of Mission 84 : SGCCI GLocal Connect where we shall be exploring new opportunities in the International trade food MSME sector. We shall be coming up with a virtual platform where global stakeholders will collate and entrepreneurs shall be getting a bundle of opportunities in terms of leads, inquiry and structured opportunities like Tenders.



**RAMESH VAGHASIA**  
President 2023-2024

## FROM THE DESK OF EDITOR

This issue of Infazine fosters discussion on the various interrelationships between economic growth at national and international levels and international trade. The capsules will emphasize the implications that trade policy exerts on economic growth and vice versa, as well the role of national governments, international organizations and the business community on related issues of worldwide concern.

**SANJAY PUNJABI**  
Editor, Infazine



## FREE TRADE AGREEMENTS ( FTA ) MAY CREATE BUSINESS OPPORTUNITIES.

India is hoping to conclude free trade agreements (FTA) with Canada, UK and European Union (EU) in the next few months to revive and promote exports, according to Commerce and Industry Minister Piyush Goyal. He urged manufacturers to focus on quality and sustainable manufacturing processes to capitalize on business opportunities in the developed world.

"We can leverage the free trade agreements with the UAE and Australia and we are hopeful that in the next few months, we will finalise many more free trade agreements to help you grow your business with zero duty on finished leather products and footwear available for you to exploit bigger and better markets," Goyal said while addressing footwear industry representatives here.



India and the four-nation bloc EFTA have agreed for early conclusion of negotiations for a free trade agreement, which aims at increasing economic ties between the countries, the commerce ministry said on Wednesday.

India and European Free Trade Association (EFTA) states – Iceland, Liechtenstein, Norway, and Switzerland – are negotiating the Trade and Economic Partnership Agreement (TEPA).

Commerce and Industry Minister Piyush Goyal held discussions on the progress of the agreement with a delegation from the European Free Trade Association, led by the Swiss State Secretary for Economic Affairs, Helene Budliger Artieda, in London on July 11 and 12.

Helene Budliger Artieda was also accompanied with the industry stakeholders from pharmaceutical, machinery and electronics of EFTA states. "The deliberations between the minister Piyush Goyal and state secretary Helene Budliger Artieda were fruitful and detailed discussions on crucial issues, with the shared goal of swiftly concluding the TEPA negotiations," it said.

The primary objective of these negotiations is to establish a fair, mutually beneficial, and comprehensive trade deal between India and EFTA.

Over the past few months, India and EFTA have intensified their engagement, highlighting the commitment of both parties to achieving an early conclusion to the TEPA negotiations, it added. The meeting in London further bolstered this commitment, with both sides demonstrating a strong willingness to progress towards a final agreement. Goyal expressed his satisfaction with the progress made during the meeting, highlighting the constructive and collaborative nature of the discussions. The meeting in London added momentum to the ongoing negotiations between India and EFTA.

"Both sides have reaffirmed their commitment to expedite the conclusion of the TEPA, recognizing the potential for enhanced economic cooperation and trade between the two regions," it said, adding the successful conclusion of the agreement will set the stage for a new deeper economic collaborations. Under such pacts, two trading partners significantly reduce or eliminate customs duties on the maximum number of goods traded between them, besides easing norms to promote trade in services and investments.

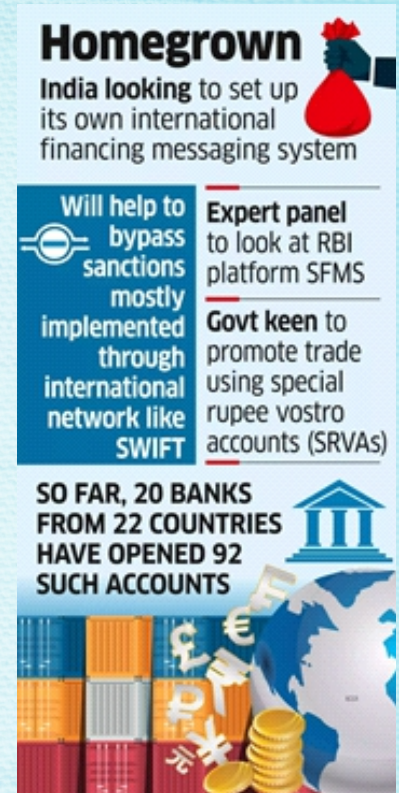
EFTA countries are not part of the European Union (EU). EFTA is an inter-governmental organisation for the promotion and intensification of free trade. It was founded as an alternative for states that did not wish to join the European Community. India's exports to EFTA countries during April-February 2022-23 stood at USD 1.67 billion as against USD 1.74 billion in 2021-22. Imports aggregated at USD 15 billion during the 11-month period as compared to USD 25.5 billion in 2021-22. The trade gap is in favour of the EFTA group.



## TAILORED SWIFT SYSTEM TO PUSH RUPEE TRADE

India is planning to establish its own international financing messaging system to assist with the government's goal of internationalizing the Indian currency, according to insiders. An expert committee is exploring options and is aiming to issue findings by August. State Bank of India, Bank of Baroda and Central Bank of India are among the banks being consulted.

"One of the suggestions was to have an independent financing messaging system that can be used with countries where we have bilateral trade agreements. This committee will now suggest measures on how to make this operational and what are the challenges. Accordingly, the issue will be taken up with other stakeholders, including the Reserve Bank of India (RBI)," a bank official told the publication. The panel will also be looking into Structured Financial Messaging System or SFMS, RBI's current platform. The report also stated that the government is pushing banks to conduct outreach programmes with the international trading community, in order to promote trade using Special Rupee Vostro Accounts (SRVAs). Till now, 20 banks from 22 countries, including Bangladesh, Germany, and Russia, have opened 92 such accounts.



## MEGHALAYA EXPORTING OVER 1.3 TONNES OF PINEAPPLES TO THE MIDDLE EAST

The government has been actively working towards building community-centric, grassroots level solutions. These efforts are slowly coming to fruition now. The government has been working towards mobilizing the farmers to form farmer cooperatives and farmer producer organizations (FPOs) across the state and over 350 such collectives have been formed in the last 3 years.

Following on the successful export of Khasi mandarin last year, the Department of Agriculture and Farmers Welfare, Government of Meghalaya and Meghalaya Basin Management Agency (MBMA) has recently

facilitated market linkages of over 1.3 tonnes of Pineapples to the Middle East.

The sweet and succulent pineapples from Meghalaya are now prominently displayed and sold across renowned malls in Dubai, Kuwait, and Sharjah, further solidifying the region's reputation as a premium supplier of tropical fruits. In a bid to expand the market for Meghalaya's pineapples, the state government is set to organize a grand Pineapple Festival in Delhi, scheduled post Independence Day





celebrations, to showcase the diversity and quality of the state's pineapple produce.

Amidst the celebration of the pineapple industry's growth, the Department of Agriculture remains committed to mitigating distress sales of table-variety pineapples, ensuring fair returns for the hardworking farmers. The department has proactively explored market linkages with local retailers and recently established successful collaborations with Reliance Retail stores across Guwahati. This strategic intervention has led to a commendable outcome where farmers are now earning over two times the price for their table-variety pineapples from Meghalaya, marking a significant positive impact on their livelihoods.

Under the visionary leadership of the state government, Meghalaya has been actively focused on empowering its farmers and addressing their challenges through community-centric and grassroots level solutions. By mobilizing farmers to form farmer cooperatives and farmer producer organizations (FPOs) throughout the state, the government has created a strong support system for the agricultural community. Over 350 such collectives have been successfully formed in the last three years, enabling farmers to collectively address challenges, access resources, and develop sustainable agricultural practices.

## EXPORT OF DEOILED RICE BRAN UNTIL NOVEMBER

"Export of de-oiled rice bran under ITC HS code 2306 and under any other HS code is prohibited until November 30, 2013," the DGFT said in a notification. India is a leading exporter of deoiled rice bran, which is used in the cattle feed industry.

India's decision to ban the export of many varieties of rice has led to fears that food inflation will rise and that countries in the Global South will be most affected due to already high debt levels and inflated food and fuel bills. The ban by the world's biggest rice exporter has brought chaos to global food markets with repercussions felt even in richer countries, including the US where consumers are hoarding Indian varieties of rice.

The export has been prohibited to control milk prices, which are rising due to soaring fodder prices, of which de-oiled rice bran is a key ingredient. Non-basmati white rice's export was also prohibited over a week ago.





## INDIA TALKS WITH EU ON REFURBISHED ITEMS

India has begun thrashing out its plan of action on the issue of import of remanufactured goods such as cars, electronics and plastics as part of its free trade agreement (FTA) negotiations with the European Union. Brussels has insisted that such items should be treated at par with new ones and be eligible for tariff concessions, while New Delhi has concerns it will lead to dumping of e-waste and impact India's domestic manufacturing.

### Bone of Contention

India, EU to discuss remanufactured goods imports in FTA negotiations

**Remanufactured goods** are those which have undergone transformation

India restricts spares of refurbished computers, ACS

### OPPOSES CONCESSIONS FOR REMANUFACTURED GOODS

Concerned that move will lead to dumping of e-waste

6th round of talks in Brussels in Oct



## ELECTRONICS EXPORTS GREW 56% IN Q1

As per experts, at this rate, electronics is likely to emerge as the third largest category of exports in the coming quarters as its gap with the current gems and jewellery segment is narrowing fast. Electronics have overtaken chemicals and drugs and pharmaceuticals to jump from sixth largest exports category to become the fourth largest in Q1 FY24.

Electronics became the fourth largest exported item from India in the June quarter, jumping two spots, as the category grew the fastest amongst the top 30 exported items. As per an analysis of the data released by the Ministry of Commerce, electronics exports grew over 56% in the April-June period, reaching Rs 57,220.24 crore as against Rs 36,533.18 crore in the same period last year.

Experts predict that at this pace, electronics might soon surpass the gems and jewellery segment and emerge as the third-largest category of exports in the upcoming quarters. The electronics category has already overtaken chemicals and drugs, as well as pharmaceuticals, rising from the sixth-largest to the fourth-largest export category in Q1 FY24.

Notably, the gap between electronics and gems and jewellery exports has significantly narrowed, with the electronics sector rapidly closing in on the leading position. In the first quarter, the difference was only Rs 4,660 crore, compared to the situation a year ago when it was a much higher Rs 42,449 crore. This indicates the rapid growth of the electronics sector.

The driving force behind this surge in the electronics industry is the mobile phone segment, which experienced tremendous growth following the introduction of the production-linked incentive (PLI) scheme in 2020. Over the last 15 months, mobile phones have contributed 52 per cent to the total electronics exports, amounting to Rs 30,000 crore in the first quarter of the current fiscal year. This represents a significant increase from the 38 per cent contribution seen a year ago.

Apple's iPhones have played a dominant role in these exports, constituting 35 per cent of all electronics exports and 66 per cent of total mobile exports in FYQ1. In the June quarter, iPhone exports from India alone surpassed Rs 20,000 crore. Apple's contract manufacturers, namely Foxconn Hon Hai, Wistron, and Pegatron, have committed to exports worth Rs 61,000 crore in FY24, showcasing the success of the PLI scheme for mobile phones.



## INDIA'S 440-ODD GI PRODUCTS TO GET SHOWCASED AT GI FAIR

India's 440 GI-tagged products (Geographical Indication) will be exhibited at the second edition of the GI Fair India which will be held in Greater Noida. GI tag is given to products having distinct qualities and tradition linked to their place of origin.



The Export Promotion Council for Handicrafts (EPCH) said that the five day fair opens for overseas buyers, domestic trade and consumers on July 20 at India Expo Centre and Mart in Greater Noida. The fair will also include theme areas highlighting GI clusters & hubs, Live demonstration of GI products, Knowledge seminar on Introduction to Export Business, and Unlocking Packaging Convenience for Export Target Markets.

## FOCUS ON JOINT PROJECTS DURING SRI LANKAN PRESIDENT RANIL WICKREMESINGHE'S INDIA VISIT

Sri Lanka's President Ranil Wickremesinghe will arrive in Delhi for two-day official visit on July 20, the first anniversary of his election to office in extraordinary circumstances by the country's Parliament. Sri Lanka's Presidents are directly elected — but Wickremesinghe's predecessor Gotabaya Rajapaksa had been dramatically swept out of office by a popular movement that emerged out of the Sri Lankan economic crisis. Earlier, in an attempt defuse the protests, Rajapaksa had appointed Wickremesinghe as his Prime Minister.



In India-Sri Lanka relations, a year is a long time for a new President to be making his first official visit to New Delhi. Over the last three decades, it has been the practice for India to receive a new Sri Lankan head of state within weeks. In November 2019, External Affairs Minister S Jaishankar had broken that tradition to rush to Colombo within three days of Rajapaksa's election as President, and invited him to New Delhi. Rajapaksa had visited on November 29, 2019, in the same month as he took office.



## U.K. PRIME MINISTER RISHI SUNAK BACKS PLANS FOR NEW OIL AND GAS EXPLORATION



UK Prime Minister Rishi Sunak has backed plans for new fossil fuel drilling off Britain's coast, saying in a Sunday newspaper interview he would be "pragmatic and proportionate" about reaching net zero.

The prospect has infuriated environmental campaigners, who argue that stopping all new fossil fuel exploitation is essential if Britain is to decarbonise by mid-century.

They accuse the British leader of lacking conviction on climate policies and playing politics with the issue, as he eyes a general election due next year amid a cost-of-living crisis.



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