



# Europe India Chamber of Commerce

## Newsletter

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### **IMF projects Indian economy to grow at 6.1 per cent in 2023**

This is reflective of the “momentum” from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment, the International Monetary Fund (IMF) said.

The IMF on Tuesday projected a growth rate of 6.1 per cent for India in 2023, which is a 0.2 percentage point upward revision compared with the April projection. This is reflective of the “momentum” from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment, the International Monetary Fund (IMF) said. “Growth in India is projected at 6.1 per cent in 2023, a 0.2 percentage point upward revision compared with the April projection,” it said in its latest update of the World Economic Outlook.

According to the report, global growth is projected to fall from an estimated 3.5 per cent in 2022 to 3 per cent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity.

Global headline inflation is expected to fall from 8.7 per cent in 2022 to 6.8 per cent in 2023 and 5.2 per cent in 2024, it said. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward, it said.

The IMF said the recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in the US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook, it said. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy, the report said.

Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China’s recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers, it said. “Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient,” said the WEO report.

The IMF said central banks in economies with elevated and persistent core inflation should continue to clearly signal their commitment to reducing inflation. A restrictive stance — with real rates above neutral — is needed until there are clear signs that underlying inflation is cooling. “With fiscal deficits

and government debt above pre-pandemic levels, credible medium-term fiscal consolidation is in many cases needed to restore budgetary room for manoeuvre and ensure debt sustainability," the IMF said.

(Press Trust of India, 25/7/2023)

### **SBI economists say India to be 3rd largest economy by 2027, advance estimate by 2 yrs**

#### Synopsis

In a note that comes a day after Prime Minister Narendra Modi exuded confidence of winning a third term and India galloping to being the third largest till 2029, SBI economists said India's real GDP will grow at over 6.5 per cent in FY24.

Economists at the country's largest lender SBI on Thursday advanced their estimate on the Indian economy becoming the third largest in the world by two years to 2027.

In a note that comes a day after Prime Minister Narendra Modi exuded confidence of winning a third term and India galloping to being the third largest till 2029, SBI economists said India's real GDP will grow at over 6.5 per cent in FY24.

"The path taken by India since 2014 reveals that India is likely to get the tag of the third largest economy in 2027 (or FY28) based on actual GDP data as on March 2023, a movement of 7 places upwards since 2014, when India was ranked 10th and two years earlier than our previous forecast of 2029," the economists said in the note.

PM Modi-led NDA government came to power in 2014. The RBI estimates the real GDP to grow at 6.5 per cent, which is one of the highest estimates by any watchers. At present, India is the fifth largest economy in the world.

The SBI report said the GDP will grow at 8.1 per cent in the first quarter of FY24, which ensures that the overall expansion surpasses 6.5 per cent. It also added that growing at 6.5-7 per cent is the new normal for the country.

Stating that the economy is in a "sustained goldilocks" period, the economists at the state-owned lender said becoming the third largest economy will be a "remarkable achievement by any standards" for India.

The incremental increase of USD 1.8 trillion estimated in the economy's size between 2022-27 will be more than the current size of the Australian economy, the economists said.

India's share in the global GDP will be 4 per cent by 2027, they said, adding that the economy will add 0.75 trillion to its overall size every two years.

Such a pace of GDP expansion will make India a USD 20 trillion economy by 2047 when the nation will be celebrating a century of its existence as a free state.

A nominal growth of 11-11.5 per cent or a real growth of 6.5-7 per cent per annum will help India's compounded annual growth rate come to 8.4 per cent, it said, adding that such a growth is "eminently possible".

Among states, Maharashtra and Uttar Pradesh will breach the USD 500 billion mark on their respective GSDP by 2027, the report said, adding the Yogi Adityanath-ruled northern state is the "land of the midnight sun".

The note also said that PM Modi's recent visits to the US and France will deliver significant long-term economic gains for India in areas of onshoring of chip manufacturing, defence relationship, climate transition and climate finance, trade disputes and creation of special economic zones.

(Press Trust of India, 28/7/2023)

### **India is at forefront of global trade facilitation efforts: UNESCAP survey**

#### Synopsis

India is now the best-performing country amongst all the countries of the South Asia region. The overall score of India has been greater than many developed countries including Canada, France, the UK, Germany etc.

India is at the forefront of global trade facilitation efforts, with an impressive score of 93.55 per cent in 2023 vis a vis 90.32 per cent in 2021, as per the recently released United Nations Economic and Social Commission for Asia Pacific's (UNESCAP) Global Survey on Digital and Sustainable Trade Facilitation.

The 2023 survey covers more than 140 economies and evaluates 60 trade facilitation measures.

With this, India is now the best-performing country amongst all the countries of the South Asia region. The overall score of India has been greater than many developed countries including Canada, France, the UK, Germany etc.

The country continues to demonstrate its commitment to digital and sustainable trade facilitation, according to a release issued by the Ministry of Finance.

The 2023 Survey has recognized India's exceptional progress across various sub-indicators, with the country achieving a perfect score of 100 per cent in four key areas: Transparency, Formalities, Institutional Arrangement and Cooperation, and Paperless Trade, as per the official release.

The scores are a testament to India's relentless efforts in streamlining trade processes, enhancing transparency, and promoting cooperation among stakeholders through initiatives such as Turant Customs, Single Window Interface for Facilitation of Trade (SWIFT), Pre-Arrival data processing, e-Sanchit, Coordinated Border Management etc. India has witnessed a substantial improvement in the score for the "Women in Trade Facilitation" component from 66.7 per cent in 2021 to 77.8 per cent in 2023 thereby indicating commitment to gender inclusivity and the empowerment of women in the trade sector.

India's overall score has continued to improve year by year indicating a strong commitment to further enhancing the ease of Doing Business by undertaking next generational Trade Facilitation measures.

The UNESCAP conducted Global Survey on Digital and Sustainable Trade Facilitation covers WTO Trade Facilitation Agreement (TFA) along with set of nearly 60 trade facilitation measures categorized into eleven sub-groups, namely: Transparency; Formalities; Institutional arrangement and cooperation;

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Editor: **Secretary General**

Transit facilitation; Paperless trade; Cross-border paperless trade; Trade facilitation for SMEs; Agricultural trade facilitation; Women in trade facilitation; Trade finance for trade facilitation; and Trade facilitation in times of crisis.

The survey is fact-based rather than perception-based. A three-step approach to data collection and validation is generally followed, implemented over a six-month period every 2 years.

The Survey reflects the efficacy of Trade facilitation measures taken by Indian Customs such as Turant Customs comprising of Faceless Customs, Paperless Customs and Contact Customs, in enhancing India's ease of doing business and promoting a trade facilitative environment in the country, as per the official release.

(Economic Times, 8/7/2023)

### **India-UK FTA: Half the chapters in pact agreed on; working to complete deal early, says UK International Trade Minister**

#### Synopsis

UK's proposal to complete the free trade pact with India, which is crucial for the former's shift towards the growing markets in the Indo-Pacific, has no specific deadlines. UK's Minister for International Trade, Nigel Huddleston, said 50% of the deal has been concluded, including negotiations in the service sector and investments, but the complete agreement on both goods and services is very important for the country, even though no specific deadlines are set.

The United Kingdom is keen that free trade pact being negotiated with India is completed at the earliest as it re-focuses its attention of the growing markets of the Indo-Pacific, however the financial powerhouse is not setting any deadlines for the agreements which will include deals on service sector and investments.

UK's Minister for International Trade, Nigel Huddleston, in an exclusive interview to PTI said that half the chapters in the deal have already been concluded and work is on to complete the negotiations as soon as possible.

"We have made good progress on the FTA ... we have concluded negotiations on half the chapters in the pact. We want a comprehensive agreement on both goods and services. It (the pact with India) is going to be very important as part of our shift towards the Indo-Pacific," the UK Minister said.

"We are particularly keen to get this FTA with India as we have strong historic ties," he added.

British Prime Minister Rishi Sunak had earlier last week indicated that both countries were aiming for a "truly ambitious trade deal." The FTA which has been in the works for some years now is expected to be a comprehensive pact covering not only goods and services trade but also in investments.

Huddleston pointed out that 80 per cent of Great Britain's economy was dependant on services and the chapters on services are therefore an important part of the deal being negotiated for both the countries.

Britain which has an USD 3.1 trillion economy according to World bank data, has long been a service sector powerhouse. The city of London, which is one the world's biggest financial markets, has also long attracted Indian companies seeking to raise funds from the global market.

"It's a negotiation, so I really can't reveal our hand," he said with a smile when asked about sticking points in the agreement.

The Minister also said the pact, which would include chapters on investments from both countries, would take care to see that not only big business but small and medium enterprises from both countries gained by the agreement.

Speaking on sub-deals on trade in whiskey, automobiles, etc., the Minister said, "we would like to see tariffs come down ... (However) our pacts are not just about tariff but also a lot about non-tariff barriers."

He pointed out that the way forward for promoting ease of doing trade would be to reduce "paperwork and increase digital signatures."

Nigel Huddleston who was appointed Minister for International Trade in February this year with charge of all global trade negotiations, has been an important Tory leader in the UK and has been Government Whip (Lord Commissioner of HM Treasury) before this.

Huddleston told PTI that temporary business visas and inter-company transfer of people "was part of the conversation" to make it easier for businessmen and highly skilled professionals to travel between the two countries.

UK companies have invested about USD 33,87 billion in the Indian market while some 900 Indian firms operating in the UK are believed to generate USD 68 billion in turnover, according to Invest India.

(Economic Times, 6/7/2023)

### **Roadmap for 2030 will benefit UK and India: UK trade minister Nigel Huddleston**

#### Synopsis

"The 2030 roadmap agreed by our Prime Ministers in May 2021 is a practical plan to transform the relationship between United Kingdom and India. It will bring immense benefits for both the countries. We have committed to doubling trade between the two great nations," Huddleston said.

UK Trade minister Nigel Huddleston on Tuesday said the 2030 roadmap with India will bring immense benefits for both countries. Speaking at an event here, the minister said it will deepen cooperation and bring both the countries even closer.

"The 2030 roadmap agreed by our Prime Ministers in May 2021 is a practical plan to transform the relationship between United Kingdom and India. It will bring immense benefits for both the countries. We have committed to doubling trade between the two great nations," Huddleston said.

He said both UK and India have global interests and global reach. "We are science and technology superpowers. We worked together on the Covid vaccine which saved hundreds of lives in several countries," Huddleston said.

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In 2022, the volume of bilateral trade between India and the UK stood at GBP 36 billion, supporting half a million jobs in both the countries.

The minister said of the great global challenges, none is more urgent than climate change. "We are proud to work with India and support initiatives such as the International Solar Alliance and the coalition for disaster-resilient infrastructure," the minister said.

He also announced deepening of cooperation between the UK and West Bengal in electric mobility and sustainable construction sectors.

He said to address the barriers for faster adoption of electric vehicles, UK had worked with the West Bengal government to bridge the skill gaps in the ecosystem in the EV space.

"Together (UK and West Bengal) we will make the transition to zero emission vehicles faster, more affordable and accessible to all," he added.

Meanwhile, both the UK and India are negotiating a free-trade agreement which has completed the tenth round of talks.

Huddleston, who arrived here on Monday on a two-day visit to the metropolis, also met former West Bengal finance minister Amit Mitra.

"A pleasure to speak with @DrAmitMitra to reaffirm the UK's commitment to bolstering economic growth in this vibrant state. Also committed participation in the Bengal Global Business Summit, to which we brought the largest international delegation last year," he tweeted.

The UK minister also met Sanjiv Goenka, the chairman and MD of the RPG Sanjiv Goenka Group, and discussed business ties and opportunities.

"Really productive meeting with Sanjiv Goenka - Chairman and MD of @rpsggroup. We discussed UK-India trade and how a UK-India FTA could help address obstacles to trade, reduce tariffs, and open doors for businesses - creating jobs and opportunities for economic growth," the minister tweeted.

India is its 12th largest trading partner accounting for 2.1 per cent of its total trade.

The Department for Business and Trade (DBT) said Huddleston is on a three-day visit to South Asia, which covers Kolkata and Dhaka in Bangladesh, focused on unlocking more opportunities for British companies to grow trade and two-way business flows.

(Press Trust of India, 5/7/2023)

### **India, Germany to strengthen bilateral ties, increase investments: German Vice Chancellor**

#### Synopsis

India and Germany are looking to strengthen bilateral cooperation and increase investments and collaboration, according to Robert Habeck, Germany's Vice Chancellor and Minister of Economic Affairs and Climate Action. While China remains Germany's biggest trading partner, there is concern about being too reliant on a single market, and Habeck said de-risking and diversification is important. He noted that other partnerships, such as the Indo-German partnership, are gaining importance.

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Editor: **Secretary General**

Germany's Vice Chancellor and Minister of Economic Affairs and Climate Action Robert Habeck on Thursday said India and Germany want to further strengthen bilateral cooperation and increase investments and collaboration among companies. He arrived on a three-day visit to India on Thursday.

Talking to reporters on the sidelines of the Indo-German Business Forum in New Delhi, Habeck also said China is Germany's biggest trading partner and a lot of German and European companies have invested in that country.

"It is a huge market and this goes the same for India and for the US for example. On the other hand we see that being dependent on only one market could be a risk and even more so if we see that economic issues are not politically neutral, that interests are interwoven in the economic relations," he said.

He further said "we can't decouple from China" but de-risking and diversification is of highest importance.

Diversification, he said means that other partnerships, the Indo-German partnership and other ones as well, become more and more important.

"My understanding also from the talks ahead with the Indian partners is, that goes the same for India. So there is a mutual interest from the German side and the Indian side to strengthen our cooperation and bringing more companies together, bringing more investments, creating a common trade sphere also as an answer that we are not becoming too dependent on only one country and from the German side that is also China," he said.

He further said from the European side, the Russian aggression on Ukraine is unprecedented and it has destroyed the European peace order built after the second World War.

"I know that Europe is a little bit away from Asia of course, but on the other hand this is of such importance that I urge all democracies worldwide to be clear in language and political position that this is not acceptable," Habeck said.

Referring to the price cap imposed on purchase of Russian crude oil, he urged countries "not to use the sanctions system to give credit, more money to Russia that they can fuel their war in Ukraine".

To a question regarding the situation in Manipur, Habeck said "this is not on the table for me".

He said he would be discussing economic matters during his meetings with the Indian side, besides the energy matters regarding sanctions and renewable energy.

(Economic Times, 21/7/2023)

### **Piyush Goyal to visit UK for FTA negotiations, review progress of TEPA**

#### Synopsis

The India-UK bilateral trading relationship was worth Pound 34 billion in 2022, growing by Pound 10 billion ( Rs 102 crore) in one year, according to official UK government statistics. During the visit, the minister is also expected to meet with the ministers and officials from the EFTA member countries, (Switzerland, Norway, Iceland, and Liechtenstein), to assess the progress made in the ongoing negotiations of the TEPA with EFTA.

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Editor: **Secretary General**

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Piyush Goyal, will start his three-day visit to the United Kingdom on Monday with a focus on the Free Trade Agreement (FTA), Ministry of Commerce and Industry said in a release.

During his three-day visit from July 10-12, the Commerce Minister will meet ministers from the European Free Trade Association (EFTA) member countries to discuss the progress of the Trade and Economic Partnership Agreement (TEPA).

"The visit comes at a crucial juncture, as both India and the UK are committed to expanding their economic ties and exploring avenues for enhanced bilateral trade. With the FTA negotiations gaining momentum, the visit aims to further propel the discussions and pave the way for a comprehensive and mutually beneficial agreement that would drive economic growth and strengthen ties between the two nations," the official release read.

"During the visit, the Commerce and Industry Minister will engage in high-level meetings with his UK counterparts, including the Secretary of State for International Trade, as well as representatives from various sectors and industries. These meetings will provide an opportunity to discuss the key priorities and objectives of the FTA negotiations, with a focus on addressing trade barriers, promoting investments, and fostering greater cooperation in areas such as technology, innovation, and intellectual property rights," it added.

The India-UK bilateral trading relationship was worth Pound 34 billion in 2022, growing by Pound 10 billion ( Rs 102 crore) in one year, according to official UK government statistics.

During the visit, the minister is also expected to meet with the ministers and officials from the EFTA member countries, (Switzerland, Norway, Iceland, and Liechtenstein), to assess the progress made in the ongoing negotiations of the TEPA with EFTA.

European Free Trade Association (EFTA) is an intergovernmental organisation for the promotion and intensification of free trade. EFTA was founded as an alternative for states that did not wish to join the European Community (EC).

The TEPA aims to enhance trade and economic cooperation between India and the EFTA member countries, fostering an environment conducive to increased investments, reduced trade barriers, and greater market access.

The visit of the Commerce and Industry Minister underscores the commitment of the Indian government to actively engage with its international partners and explore opportunities for economic growth and development.

It reflects the determination to forge strong and mutually beneficial trade relationships that will not only benefit the economies of both India and the UK but also contribute to the overall prosperity and welfare of their respective citizens, as per the statement.

(Economic Times, 10/7/2023)

### **India to have billion-plus Middle Class by 2047: Study**

Super Rich population doubled to 1.81 mn in 5 years through 2021.

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Editor: **Secretary General**



The size of the Indian Middle Class, a major driver of economic growth, will jump from 31% of the population in 2020-21 to 61% in 2046-47, according to a new study. The Middle Class (`5-30 lakh annual income) will be nearly 1.02 billion in 2046-47, up from 715 million in 2030-31 and 432 million in 2020-21, as per the estimates based on PRICE's ICE 360° pan India primary surveys.

It is also estimated that the population of the destitute (less than `1.25 lakh annual income) and aspirer groups (`1.25-5 lakh) will correspondingly decrease from almost 928 million in 2020-21 to 647 million by 2030-31 and further to 209 million by 2046-47.

The top income segment – the rich – will soar from 56 million to an estimated 169 million and 437 million.

While Middle Class has expanded quite rapidly, the most significant point is that there has been an even faster growth among various categories of the Rich. For instance, the number of Super Rich, earning more than `2 crore, has almost doubled to 1.81 million in five years through 2021.

By 2030-31, the number of Super Rich households is expected to increase even faster, to 9.1 million households, and by 2046-47 this is expected to go up to 32.7 million households.

An interesting aspect is that the growth of higher-income classes among rural households has been greater than urban households with the former growing by 14.2% and the latter by 10.6% between 2015-16 and 2020-21. Significantly, the urban poor have become poorer during this period.

Maharashtra is the richest state with 6,40,000 Super Rich households, followed by Delhi with 1,81,000, Gujarat (1,41,000), Tamil Nadu (1,37,000) and Punjab (1,01,000).

Less than 2% of the country's Destitute live in India's top 63 million plus population cities versus 98% in the rest of India. And, despite their low population share, 55% of the country's Super Rich, 44% of the Sheer Rich, 42% of Clear Rich, 37% of Near Rich and 27% of the Middle Class live in these cities.

The study covered over 40,000 households, both rural and urban from 25 states.

"It is necessary to understand why middle class is important because half of the income, expenditure and saving is with this section. Moreover, 55% of the incremental consumption by 2031 will be by the middle class," said Rajesh Shukla, Managing Director and CEO of PRICE.

Speaking at the report launch event, India's G20 Sherpa Amitabh Kant said that the bulging middle class holds immense power to drive sustained economic, political and social growth.

(Financial Express, 7/7/2023)

### **Govt seeks to upgrade capacity for FTA talks as plans multiply**

India-UK talks to provide know how for future FTAs

As foreign trade agreements (FTAs) proliferate and turn more complex, the department of commerce is looking to increase its capacity to deal with the challenges posed by the situation, a senior official said. The idea is to expedite the process of ironing out differences with the potential partner countries and conclude more deals.

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Editor: **Secretary General**

Apart from the FTAs that are under negotiation now with the UK, European Union, Australia and Canada, South American and African countries too have put out feelers of late to New Delhi for agreements to ease two-way trade in goods and services.

Given that multilateral trade liberalisation process has slowed, India is eyeing FTAs as an efficient way to boost foreign trade and is favourably inclined to several of these proposals.

“Negotiations (on FTAs) really consume time, energy and human resource, so we are trying to increase the bandwidth within the department,” the official who did not wish to be named said.

While more human resources and outside help will aid the efforts, the experience gained in the intense negotiations on the spate of FTAs being negotiated or signed would help build capacity.

In this respect, the FTA being negotiated with the UK is most important as it is the most complex one India has attempted and will be the first comprehensive trade agreement signed with a developed country.

“We would have developed some kind of a know-how once we would have closed the FTA with the UK. A lot of clarity on the new issues which we want to deal with would have come,” the official said.

India-UK FTA includes discussions on 26 policy areas of which tariffs are just one part. Areas being negotiated include environment, labour, intellectual property rights, services and digital trade.

India has offered FTA to African countries collectively or individually. It is also planning to upgrade its existing trade agreements to broad-based FTAs. India and Gulf Cooperation Council (GCC) – which includes the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait – are also looking to negotiate a trade pact with India.

“A delegation from Latin American countries has met us and they are interested in FTAs with us. We are looking deeply into this,” the official said.

India already has a Preferential Trade Agreement (PTA) with trading bloc MERCOSUR that comprises Argentina, Brazil, Paraguay and Uruguay. India has another PTA with Chile.

“We would like to go for FTAs because it is in the interest of both sides. Broad Based FTAs reduce tariffs and non-tariff barriers and then trade grows between the two,” the official said.

Within the 10–member Association of South East Asian Nations (ASEAN) India is interested in converting its existing preferential trade agreements to FTAs. “So whatever PTAs which we have done, we will be converting them into full Comprehensive Economic Partnership Agreements.

India has signed trade agreements with Asean as a bloc and with individual member states like Singapore and Thailand.

Last year commerce and industry minister Piyush Goyal had released a report on restructuring of the department of commerce which included recommendation for capacity building of Indian Trade Service to drive specialisation and institutional memory.

Restructuring exercise included 'Trade Promotion Body' to drive formulation and execution of promotion strategy, digitization of trade facilitation processes and rehauling of the data analytics ecosystem.

(Financial Express, 17/7/2023)

### **India-UK very close to a free trade pact**

The Indian industry is demanding greater access for its skilled professionals in the UK market while the UK is also looking for more opportunities for UK services into the Indian markets.

The negotiations on India-UK Free Trade Agreement are expected to be completed before the end of the year and right now both sides are working on reaching a common ground on issues of intellectual property rights, rules of origin and investment treaty, a senior official said Friday.

"We are very close to completing the negotiations and the final agreement on all the issues is possible before the end of the year," the official who did not wish to be named told reporters.

On the other contentious issue of automobile tariffs and wines and spirits also both sides have come to a broad consensus. "However, nothing is agreed till everything is agreed."

On automobiles, the UK wants India to cut duties on imports for its manufacturers from the highs of 100% and on spirits from 150%. India is also seeking a change of rules regarding classification of products under the category so that its wines and spirit industry gets access to the UK market.

The Indian industry is demanding greater access for its skilled professionals in the UK market while the UK is also looking for more opportunities for UK services into the Indian markets. The UK has demanded national treatment for its services businesses and greater freedom to its professionals to operate in India. National treatment means being subject to same rules as the the local companies.

On rules of origin both countries are negotiating how much the value addition on each product should be done in each country to qualify for concessional tariffs under the FTA. This is to prevent third countries from using the FTA route to dump its product in either country. Usually in its FTAs with other countries India has agreed to a single number but the UK wants different value addition norms for different products.

The negotiations on the investment treaty which will be concluded along with the FTA is being driven by the Department of Economic Affairs. India relies on its model Bilateral Investment Treaty as a guide in such negotiations. The issue being discussed with the UK is which courts will have the jurisdiction if a dispute on investment matters arises.

The negotiations on FTA were launched in January 2021 is one of the most complex ones being negotiated by India and is the most comprehensive one India has attempted with a developed country.

The negotiations are spread over 26 chapters or policy areas. Of the 26 chapters, 19 have been closed for negotiations, the official said.

The 11th round of talks on the FTA were concluded recently in London. Both Commerce and Industry Minister Piyush Goyal and Commerce Secretary Sunil Barthwal visited London during the course of the negotiations to give the talks a push.

India's merchandise exports to the UK increased 9.03% on year in 2022-23 to touch \$ 11.4 billion while imports rose 27% to \$8.9 billion. FDI from the UK stood at \$1.7 billion in FY23 as against \$1.6 billion in the previous year. India's main exports to the UK are ready-made garments and textiles, gems and jewellery, engineering goods, petroleum and petrochemical products, transport equipment, spices, machinery and instruments, pharmaceuticals and marine products.

The main imports from the UK include precious and semi-precious stones, ores and metal scraps, engineering goods, professional instruments other than electronics, chemicals and machinery.

(Financial Express, 29 July 2023)

### **India, UK concludes 11th round of FTA talks; next meeting in coming months**

#### Synopsis

Commerce and industry minister Piyush Goyal visited the UK on July 10-11 where he discussed with UK's Secretary of State for Business and Trade, Kemi Badenoch and Minister of State for International Trade, Nigel Huddleston, ways to make progress on the FTA negotiations and wider trade and investment opportunities for the UK and India.

India and the UK have held detailed draft treaty text discussions in nine policy areas in the just concluded eleventh round of Free Trade Agreement talks. The commerce and industry ministry said that technical discussions were held across nine policy areas over 42 separate sessions.

On July 18, 2023, the two concluded the eleventh round of talks for the UK-India FTA.

"As with previous rounds, this was conducted in a hybrid fashion - a number of Indian officials travelled to London for negotiations and others attended virtually," it said.

Commerce and industry minister Piyush Goyal visited the UK on July 10-11 where he discussed with UK's Secretary of State for Business and Trade, Kemi Badenoch and Minister of State for International Trade, Nigel Huddleston, ways to make progress on the FTA negotiations and wider trade and investment opportunities for the UK and India.

As per the statement, commerce secretary, Sunil Barthwal also visited the UK during the round where he met with senior UK trade officials and took stock of the progress made in the eleventh round of negotiations.

"The twelfth round of negotiations is due to take place in the coming months," the ministry said.

(Economic Times, 25/7/2023)

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