

# Far and Wide

Every week we share selection of six news from six continents that we believe will impact our world in the near or distant future

December 2024 | Issue #74



## India and EU Agree to First Strategic Foreign Policy Dialogue Ahead of India-EU Summit

**Welcome to the latest edition of Far and Wide, where we embark on a journey to explore intriguing stories and global developments.**

To address key geopolitical challenges, including tensions in the Indo-Pacific and China exerting dominance, India and the European Union (EU) have agreed to hold their first-ever ministerial Strategic Foreign Policy Dialogue. The decision was made following a phone conversation between Indian External Affairs Minister S. Jaishankar and EU High Representative for Foreign Affairs and Security Policy, Kaja Kallas. This decision is seen as a precursor to the upcoming India-EU Summit scheduled for 2025, which is expected to result in stronger partnerships between India and EU in security, trade, and digital infrastructure.

The dialogue will provide a platform for both sides to develop joint strategies on global security issues, focusing on security cooperation, trade, the green transition, and digital governance. Kallas emphasized that the global security challenges are interconnected, and India and the EU aims to work together to address them. The dialogue is part of ongoing efforts to strengthen bilateral ties, following the launch of the India-EU Trade and Technology Council (TTC) in February 2023. The TTC has already established working groups focused on strategic technologies, green energy, and resilient value chains.

Both sides are committed to increasing cooperation in security, particularly in maritime security in the Indian Ocean, and in tackling the Russia-Ukraine conflict. This new dialogue aims to ensure that both India and the EU are prepared for the 2025 summit with a clear agenda and tangible outcomes.

### INSIDE

## Stories in Focus



### Policy

India and African Nations Resist China-led WTO Investment Pact and Advocates for Fair Subsidies



### Global Trade & Economy

Portugal Urges on Early Conclusion of EU-India FTA to Counter Protectionism

India Pursues Trade Deals with Peru and Chile to Secure Mineral Supply Chains

India and Australia review FTA negotiations, aiming for an early agreement

India-UAE leaders discuss India-Middle East-Europe Corridor

Indian Exports to US Show Consistent Growth in FY24

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## Europe

### Portugal Urges on Early Conclusion of EU-India FTA to Counter Protectionism

Portuguese Foreign Minister Paulo Rangel emphasized on the urgency of concluding the EU-India Free Trade Agreement (FTA) to counter rising protectionism and transactional diplomacy in the global trade landscape. During his four-day visit to India, Rangel highlighted the fact that such an agreement would benefit both sides and have significant geopolitical value, especially as global powers like China and the U.S. have been dominating the economic scene. He pointed out that an FTA with India would align the EU's economic interests with those of India and South America, shifting the geopolitical balance.

Rangel's visit, his first trip to Asia, came after the EU concluded talks with the South American bloc MERCOSUR. During his discussions with Indian officials, including External Affairs Minister S. Jaishankar and Commerce Minister Piyush Goyal, the focus was on marking 50 years of India-Portugal diplomatic ties, which were historically strained due to India's fight for Goa's liberation from Portugal.

Source : The Hindu

<https://www.thehindu.com/news/national/conclude-eu-india-fta-to-counter-forces-of-protectionism-and-transactionalism-says-portuguese-foreign-minister/article68986200.ece>

India's trade value with the EU reached \$137.41 billion in 2023-24, making it India's largest goods trading partner. The bilateral trade with Portugal is much smaller at \$1.2 billion. The ministers have agreed to hold the next round of official trade talks in Lisbon in January 2025, aiming to advance trade relations and encourage cultural ties between the two nations.

## North America



### Indian Exports to US Show Consistent Growth in FY24

India's exports to the United States reached USD 77.5 billion in FY24, growing at a compounded annual growth rate (CAGR) of 10.3% over the past 30 years, according to a report by the Bank of Baroda. The growth had consistently outpaced overall export growth since FY10, reflecting the increasing importance of the US market for Indian exports. Despite dipping to 10.1% in FY11 following the global financial crisis, the share of the US in India's exports rebounded over the years, now accounting for 18% of total exports in FY24. However, the report advised diversifying India's export markets to reduce dependency on any single destination, especially amid shifting global political dynamics. This diversification was seen as crucial to mitigate risks, given the complex landscape of economic and political changes affecting major export markets.

The report also highlighted the key commodities exported to the US, which included drugs and pharmaceuticals, pearls and precious stones, petro products, telecom instruments, and ready-made garments, together making up 40% of total exports to the country. These sectors had high exposure to the US, with over 30% of their turnover tied to the American market. The report suggested a need for diversification, pointing out that while these commodities performed well, sectors such as carpets, electronic products, yarn products, and marine products had a smaller share in total exports despite a significant percentage of their exports going to the US. This focus on diversification was seen as crucial to mitigate risks associated with economic or political changes in major export markets, ensuring stability and growth in India's export landscape.



Source: The Economic Times

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-us-touch-77-5-billion-in-fy24-growing-at-10-3-cagr-over-30-years-report/articleshow/116311717.cms?from=mdr>

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## South America

### India Pursues Trade Deals with Peru and Chile to Secure Mineral Supply Chains

India is working towards securing critical mineral and petroleum supply chains through potential trade deals with Peru and Chile. While the Indian government has not yet approved the Terms of Reference (ToR) for upgrading the existing Preferential Trade Agreement (PTA) with Peru or negotiating a Comprehensive Economic Partnership Agreement (CEPA) with Chile, discussions are progressing. India aims to secure duty concessions for engineering goods and other exports to both countries with global geopolitical uncertainties and economic slowdowns affecting business.

India has held seven rounds of trade talks with Peru, aiming to diversify its imports, particularly essential metals and minerals. The latest round of negotiations were concluded in April 2024, with the eighth round expected to start after approvals from the relevant ministries in India. Peru is India's third-largest trading partner in Latin America, with bilateral trade reaching \$3.68 billion in 2023, up from \$66 million in 2003.

India already has a Preferential Trade Agreement with Chile since 2005, is also eager to deepen trade ties and expedite the CEPA negotiations. Additionally, India is in talks with MERCOSUR, a trade bloc of Brazil, Argentina, Paraguay, and Uruguay, to broaden its trade agreements. With these initiatives, India aims to reduce its reliance on China and enhance trade relations with Latin American nations.

Source: CNBC TV18

<https://www.cnbc.tv/18.com/business/india-looks-to-secure-supply-chains-for-critical-minerals-petroleum-with-potential-trade-deals-with-peru-chile-19524137.htm>



## Asia



### India-UAE leaders discuss India-Middle East-Europe Corridor

Prime Minister Narendra Modi emphasized the India-Middle East-Europe Corridor (IMEEC) as a historic initiative to boost regional connectivity and prosperity during his meeting with UAE Deputy Prime Minister and Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan in New Delhi on Thursday. The talks also included warm wishes for UAE President Sheikh Mohamed bin Zayed Al Nahyan, reflecting the frequent high-level exchanges between the two countries. Discussions focused on strengthening the Comprehensive Strategic Partnership, particularly in technology, energy, and people-to-people ties. The UAE Foreign Minister shared perspectives on the situation in West Asia, with PM Modi reiterating India's commitment to supporting long-term peace, stability, and security in the region. Sheikh Abdullah bin Zayed Al Nahyan was in New Delhi to attend the 4th Strategic Dialogue and the 15th India-UAE Joint Commission Meeting.

During the talks on Thursday, Prime Minister Modi emphasized the implementation of the India-Middle East-Europe Corridor as a 'historic initiative' to foster regional connectivity and prosperity. The meeting also conveyed warm wishes for UAE President Sheikh Mohamed bin Zayed Al Nahyan. The discussions highlighted the importance of high-level visits and exchanges between the two countries, including the recent visit of Crown Prince Sheikh Khaled bin Mohamed bin Zayed Al Nahyan to India in September 2024, underscoring the generational continuity in bilateral relations. The UAE Deputy Prime Minister was in New Delhi to participate in the 4th Strategic Dialogue and the 15th India-UAE Joint Commission Meeting..



Source: NDTV

<https://www.ndtv.com/india-news/pm-modi-uae-foreign-minister-discuss-india-middle-east-europe-corridor-7236340>

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## Australia

### India and Australia review FTA negotiations, aiming for an early agreement

India and Australia have reviewed the progress of their Free Trade Agreement (FTA) talks, focusing on the implementation of an interim trade pact that was put in place in December 2022. Both countries are now negotiating to broaden the scope of the agreement to establish a Comprehensive Economic Cooperation Agreement (CECA). The discussions, which took place over three days in New Delhi, highlighted key areas of the agreement such as trade in goods, services, mobility, agri-tech cooperation, and market access modalities that align with India's food security objectives.

The Indian delegation, led by Additional Secretary and Chief Negotiator at the Department of Commerce, Rajesh Agrawal, and the Australian delegation, led by First Assistant Secretary and Chief Negotiator at the Department of Foreign Affairs and Trade, Ravi Kewalram, reviewed the progress made so far. They discussed ways to move forward towards an early conclusion of the CECA, with a focus on deepening trade ties between the two countries.

Source : Business Standard

[https://www.business-standard.com/world-news/india-australia-assess-progress-in-fta-talks-eye-early-agreement-124120900616\\_1.html](https://www.business-standard.com/world-news/india-australia-assess-progress-in-fta-talks-eye-early-agreement-124120900616_1.html)

Discussions also covered strategic cooperation in areas like agri-tech, reflecting the shared interest in expanding bilateral trade and enhancing economic ties. Both parties agreed on the importance of aligning their trade objectives and ensuring that the CECA addresses mutual concerns, including market access for goods and services. The aim is to reach a comprehensive and mutually beneficial agreement that supports long-term economic growth and partnership between India and Australia

## Africa



### India and African Nations Resist China-led WTO Investment Pact and Advocates for Fair Subsidies

India, along with South Africa, Namibia, and Turkey has opposed the China-led Investment Facilitation for Development (IFD) agreement at the WTO, voicing concerns over eroding policy space for developing nations. Despite backing from 128 of 166 WTO members, including Pakistan, India and other nations remain steadfast in their resistance, highlighting that the pact could harm developing countries. The IFD, proposed in 2017 seeks to enhance the global investment climate, particularly benefiting developing nations. However, it could restrict India's policy-making autonomy on FDI.

In addition to this, India has also proposed a "per capita distribution of subsidies" approach to tackle overfishing and overcapacity within WTO discussions. Pointing to its fisheries subsidy of \$35 per fisher which is significantly lower than the \$76,000 provided by some European nations, India advocates for intensity-based subsidies that address sustainability without harming livelihoods. A detailed proposal will be presented during the WTO General Council meeting in Geneva later.

The WTO is negotiating a broader fisheries subsidy discipline framework, building on the 2022 agreement to curb subsidies contributing to illegal and unregulated fishing. India asserts the fact that an equitable criterion is essential for balancing ecological concerns with the economic realities of developing countries.



Source: Indian Express

<https://indianexpress.com/article/business/s-africa-namibia-turkey-back-india-in-opposing-china-led-wto-pact-official-9717950/>