

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 #75



India-Kuwait Strategic Partnership: Advancing Trade, Energy, and Investment Ties

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

India and Kuwait have upgraded their bilateral ties to a “Strategic Partnership,” reflecting a shared vision for deeper cooperation in trade, energy, defence, and technology. This shift aligns with Kuwait’s presidency of the Gulf Cooperation Council (GCC) in 2024, providing an opportunity to expand collaboration. Key initiatives include the resumption of negotiations for the India-GCC Free Trade Agreement (FTA), which aims to eliminate trade barriers and foster economic growth in areas like technology, manufacturing, and infrastructure. India-Kuwait trade continues to flourish, with India’s exports to Kuwait growing by 35% in FY 2023-24, reaching over \$10 billion.

Energy remains a cornerstone of the relationship, with Kuwait being one of India’s top oil suppliers. However, the focus is shifting from a traditional buyer-seller relationship to a more collaborative partnership. Both nations are exploring joint ventures in upstream and downstream energy sectors, as well as renewable energy technologies such as green hydrogen and ammonia. Kuwait’s participation in India’s Strategic Petroleum Reserve Program also highlights the growing importance of energy security in their bilateral agenda.

Beyond trade and energy, India and Kuwait are working to boost investment flows, with a potential Bilateral Investment Treaty (BIT) to provide a clearer framework for investment in sectors like infrastructure, healthcare, and digital technologies. Prime Minister Modi’s recent visit to Kuwait, the first by an Indian Prime Minister in 43 years, underscores the deepening political and economic ties, paving the way for further collaboration in the future.

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Europe

UK Prime Minister Hosts Indian Business Leaders to Strengthen Economic Ties

On December 18, 2024, UK Prime Minister Sir Keir Starmer hosted a delegation of 13 Indian companies at Downing Street, aiming to boost UK-India economic collaboration. The delegation, which has collectively invested over £10 billion in the UK, discussed strategies to further enhance investment and job creation between the two nations. The meeting followed the Prime Minister's recent discussions with Indian Prime Minister Modi at the G20, focusing on the ambitious UK-India Comprehensive Strategic Partnership.

During the visit, the delegation met with senior UK ministers, including Chancellor Rachel Reeves and Foreign Secretary David Lammy, to explore opportunities under a potential UK-India trade deal. With current bilateral trade valued at £42 billion, both countries are negotiating an agreement to fuel economic growth and job creation.

Source : Government UK

<https://www.gov.uk/government/news/uk-prime-minister-hosts-indian-business-leaders-at-downing-street>

Sunil Bharti Mittal, leader of the delegation, highlighted India's growing economy and the critical role the UK-India Free Trade Agreement negotiations will play in fostering mutual growth and cooperation. The day concluded with a reception at the Indian High Commission in London.

North America



US Push for India to Cut Import Duties May Have Limited Impact

The United States' push for India to reduce import duties is unlikely to yield significant results, as only a small percentage of US products face tariffs above 30%. According to a Moneycontrol analysis, only 0.4% of India's trade is affected by high tariffs. US Ambassador to India, Eric Garcetti, highlighted the need for fair trade by lowering tariffs at the US India Business Council event on 20th December 2024. This follows similar comments from President-elect Donald Trump, who has criticized India's tariff structure and indicated a reciprocal approach toward trade relations.

Analysis of 3,638 tariff lines for the 2023-24 period shows that 63.5% of US imports to India face tariffs below 10%, while 17.9% fall between 10-20%. Only a few categories, such as cars, motorcycles, and electric vehicles attract high duties, with electric vehicles being taxed at 125%. The highest duties, at 150%, apply to alcoholic beverages like wines and whiskies. Despite these high tariffs on certain products, they only account for a small fraction of trade, which is \$5.12 billion out of India's total imports of over \$40 billion.

Reducing tariffs on these high-duty items may increase US imports by only \$5 billion, showcasing a modest impact. In the case where the US captured the entire market share in these categories, the overall effect on India's imports would remain limited.



Source: Moneycontrol

<https://www.moneycontrol.com/news/business/economy/over-80-of-us-goods-exported-to-india-attract-less-than-20-tariff-mc-analysis-12896289.html>

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South America

Brazil and India Explore Growing Agricultural Trade Opportunities

India and Brazil share a dynamic trade relationship, with bilateral trade surpassing \$15 billion. Brazil, a global agricultural powerhouse and the world's largest net exporter of agricultural products, leads in producing sugar, ethanol, coffee, and oranges, while ranking second in soybeans and third in maize and bananas. India imports Brazilian commodities such as crude oil, soybean oil, raw sugar, and kidney beans, while exporting apparel, iron, steel, and organic chemicals in return.

Source: CNBC TV18

<https://www.cnbctv18.com/market/commodities/brazil-india-agricultural-trade-set-for-growth-as-regulations-improve-expert-19525785.htm>

Experts believe agricultural trade between the two nations holds immense potential. Paula Soares of Apex-Brasil highlights the opportunity to increase exports to India, citing a \$166 billion agricultural export figure largely dominated by China, the U.S., and Europe. Improved regulations and collaborative efforts could bridge existing gaps and bring mutual benefits, including sharing advanced agricultural methods.

Meanwhile, Bruna Tagliari of Citrus Tree notes that Brazil recently gained access to India's lime market. Though logistical challenges persist, Brazilian exporters remain optimistic about exploring opportunities in India's growing market.

Asia



India-Kuwait Strategic Partnership: Advancing Trade, Energy, and Investment Ties

India and Kuwait have elevated their relationship to a "Strategic Partnership," focusing on expanding cooperation across trade, energy, defence, and technology. This shift aligns with Kuwait's presidency of the Gulf Cooperation Council (GCC) in 2024 and underscores a commitment to mutual benefit and regional collaboration. Prime Minister Narendra Modi's visit to Kuwait in December 2024 marked a significant milestone, reaffirming the shared desire to enhance ties in key sectors, including healthcare, agriculture, and transportation.

Trade relations between India and Kuwait have long been strong, and the resumption of talks on the India-GCC Free Trade Agreement (FTA) is expected to further bolster economic ties. Both countries have seen substantial growth in trade, with India's exports to the GCC reaching \$44 billion in FY 2021-22. The FTA negotiations promise to streamline trade, remove barriers, and open new opportunities across sectors like technology, infrastructure, and manufacturing.

Energy cooperation remains a critical aspect, with Kuwait supplying about 3% of India's crude oil needs. Beyond traditional trade, both nations are exploring joint ventures in upstream and downstream energy sectors, including renewable energy and green hydrogen. These initiatives aim to ensure long-term energy security and contribute to a sustainable energy future.



Source: Financial Express

<https://www.financialexpress.com/business/defence-india-kuwait-relations-a-strategic-shift-towards-partnership-trade-and-energy-cooperation-3698930/>

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Australia

India Becomes 8th Largest Tourism Market for Western Australia

According to Tourism Western Australia Managing Director Anneke Brown, India has risen to become the eighth largest international tourism market for Western Australia (WA). In the year ending June 2024, 35,000 Indian visitors have travelled to WA, contributing AUD 118 million in tourism revenue. India has grown from 11th to 8th place, reflecting a significant surge in demand, driven by a large Indian community of around 61,000 residents, including nearly 9,600 international students.

To further capitalize on this growth, Western Australia is focusing on improving direct aviation access from India, with a direct flight still under development. Meanwhile, existing one-stop services through hubs such as Kuala Lumpur and Singapore are being promoted in collaboration with airlines such as Batik Air, Jetstar, Malaysia Airlines, Singapore Airlines, and Scoot.

Source : CNBC TV18

<https://www.cnbctv18.com/travel/india-becomes-8th-largest-tourism-market-for-western-australia-19525955.htm>

Tourism WA aims to continue promoting its "Walking on a Dream" brand to raise awareness and drive visitor demand in India. Known for its vast landscapes and diverse attractions, Western Australia remains committed to strengthening its position as a top global holiday destination, with attractions ranging from stunning rock formations to world-class wineries. The state is Australia's largest and spans nearly one-third of the country.

Africa



India-Africa Ties: Strengthening Diplomatic and Trade Relations

External Affairs Minister Dr. S. Jaishankar met with journalists from 15 East and Southern African countries in New Delhi on December 18, 2024. During the meeting, he discussed India's ongoing transformation, its commitment to the Global South, and the growing ties between India and Africa. Jaishankar highlighted India's foreign policy choices, trade relations with Africa, and cooperation on digital public infrastructure, appreciating the journalists' interest in these areas.

To strengthen India-Africa relations, Prime Minister Narendra Modi visited Nigeria in November 2024, marking the first visit by an Indian Prime Minister to the country in 17 years. During the trip, PM Modi met with Nigerian President Bola Ahmed Tinubu to discuss cooperation in defence, technology, health, and education. The two leaders agreed to enhance their partnership, including sending 20 tons of humanitarian aid to assist Nigeria's flood relief efforts.

Both leaders also focused on strengthening the India-Nigeria strategic partnership, agreeing to collaborate on trade, investment, energy, security, and regional issues. President Tinubu acknowledged India's efforts to address the concerns of developing nations through initiatives like the Voice of the Global South Summits.



Source: ANI

<https://www.aninews.in/news/world/asia/eam-jaishankar-meets-african-journalists-speaks-of-transformations-in-india20241219045123/>