

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

October 2024 | Issue #68

India Unveils 10-Point Action Plan at 21st ASEAN-India Summit

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

The 21st ASEAN-India Summit, held in Vientiane, Lao PDR, on October 10, 2024, marked a significant milestone, celebrating a decade of India's Act East Policy. Prime Minister Narendra Modi attended the summit alongside ASEAN leaders to review the progress of the ASEAN-India Comprehensive Strategic Partnership and to discuss future directions for cooperation.

In his address, the Prime Minister reaffirmed India's unwavering support for ASEAN Unity, ASEAN Centrality, and the ASEAN Outlook on the Indo-Pacific. He described the 21st century as the "Asian century," underscoring the critical role that India-ASEAN relations play in shaping the region's future.

In line with the chair's theme of "Enhancing Connectivity and Resilience," PM announced a comprehensive 10-point plan aimed at deepening cooperation. Key initiatives include celebrating 2025 as the ASEAN-India Year of Tourism with a commitment of USD 5 million for joint activities and hosting various people-centric activities to commemorate a decade of the Act East Policy. Additionally, the plan includes organizing the ASEAN-India Women Scientists Conclave, doubling scholarships for ASEAN students at Nalanda University, and reviewing the ASEAN-India Trade in Goods Agreement by 2025. Other proposals involve enhancing disaster resilience, initiating a new Health Ministers' track, establishing a regular ASEAN-India Cyber Policy Dialogue, and conducting workshops on green hydrogen.

The summit concluded with the adoption of two joint statements. The first focused on strengthening the ASEAN-India Comprehensive Strategic Partnership for peace and stability in the region, recognizing the contributions of India's Act East Policy. The second statement highlighted India's leadership in digital transformation and welcomed partnerships in digital public infrastructure. The leaders agreed to create a new ASEAN-India Plan of Action for 2026-2030, which will serve as a framework for realizing the full potential of the partnership.

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Europe

India's Commerce and Industry Minister, Piyush Goyal, raises concerns about EU standards

India's Commerce and Industry Minister, Piyush Goyal, has expressed concern over the European Union's (EU) "unreasonable standards" and additional tariffs, suggesting they could negatively impact business relations during the ongoing free trade negotiations. He stated that the EU's trade barriers, such as the proposed carbon border adjustment mechanism (CBAM), undermine the 2015 Paris climate agreement. CBAM imposes tariffs on high-carbon goods like steel, cement, and aluminum to reduce carbon emissions, all of which is being opposed by India. He also emphasized that these unfair standards create obstacles for expanding trade and noted that EU safeguard duties on select steel imports, extended until 2026 will have a negative impact on Indian exports. He indicated that India may have to consider reciprocal measures, which could potentially affect commercial relations.

Source : Reuters

<https://www.reuters.com/world/india/indias-trade-minister-says-irrational-eu-standards-unfair-rules-hurt-ties-2024-10-11/>

Negotiations between India and the EU to establish a free trade agreement were revived in 2022, with a goal to finalize the deal by the end of 2023. However, a little progress has been made, largely due to disagreements over trade policies like CBAM and extended tariffs. Goyal voiced apprehension regarding the "unreasonable duties" imposed over the past five to six years, suggesting that India's patience with the EU's trade policies may be diminishing.

North America



India Finalizes \$4 Billion Predator Drone Acquisition to Enhance Defense Capabilities

India's Cabinet Committee on Security, led by Prime Minister Narendra Modi, has approved two key defense projects: the procurement of 31 US-made MQ-9B Predator drones and the indigenous development of two nuclear-powered attack submarines. Valued at nearly \$4 billion, the drone deal is a significant milestone in India's defense modernization efforts and highlights the strengthening US-India strategic partnership. The agreement is expected to be finalized by October 31, 2024.

The 31 MQ-9B Predator drones, equipped with advanced intelligence, surveillance, and reconnaissance (ISR) capabilities and precision-strike weapons, will enhance India's maritime and territorial security. The Indian Navy will receive 15 drones, while the Army and Air Force will each acquire eight, bolstering India's defenses, particularly in monitoring the Line of Actual Control (LAC) with China and the Indian Ocean region.

The deal, facilitated by General Atomics' CEO Dr. Vivek Lall, underscores the growing cooperation in defense technology between India and the US. This acquisition contributes to India's "Make in India" initiative by involving local companies in the maintenance and potential production of drone components.



Source: Financial Express

<https://www.financialexpress.com/business/defense-india-secures-4-bn-predator-drone-deal-contract-to-be-signed-soon-3636089/>

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South America

Argentina's Foreign Minister's Visit to India Strengthens Economic Ties

The Minister of Foreign Affairs, International Trade and Worship of Argentina, H.E. Ms. Diana Mondino, concluded a five-day official visit to India which was targeted at strengthening bilateral relations. FM Mondino co-chaired the 7th India-Argentina Joint Commission Meeting with India's External Affairs Minister, Dr. S. Jaishankar. The meeting covered key sectors of cooperation such as defence, energy, space, nuclear energy, IT, railways, healthcare, pharmaceuticals, education, agriculture, and mining, focusing on mutual growth and investment. Ms. Mondino also met with Minister of Petroleum and Natural Gas, Mr. Hardeep S. Puri and Minister of Commerce and Industry, Mr. Piyush Goyal. The delegation of Argentina, representing sectors like mining, agriculture, biotechnology, pharmaceuticals, and nuclear energy, interacted with the Indian officials and participated in a business event organized by CII, presided over by FM Mondino and Minister of State, Mr. Jitin Prasada.

Source: Ministry of External Affairs – Press Release

https://www.mea.gov.in/press-releases.htm?dtl/38388/Visit_of_Minister_of_Foreign_Affairs_International_Trade_and_Worship_of_Argentina_to_India_October_59_2024

Ms. Mondino's visit coincided with the 75th anniversary of diplomatic ties and the 5th anniversary of the India-Argentina strategic partnership, in betterment of relations between the two democratic nations. The visit also included engagements at the Observer Research Foundation and meetings with Indian companies with economic interests in Argentina, deepening the bilateral strategic partnerships.

Asia



India Unveils 10-Point Action Plan at 21st ASEAN-India Summit

The 21st ASEAN-India Summit was held on 10 October 2024 in Vientiane, Lao PDR, marking a decade of India's Act East Policy. Prime Minister Narendra Modi, attending the summit for the 11th time, joined ASEAN leaders to review the progress of the ASEAN-India Comprehensive Strategic Partnership and outline future collaboration. PM reaffirmed India's support for ASEAN Unity, ASEAN Centrality, and the ASEAN Outlook on the Indo-Pacific, emphasizing the importance of India-ASEAN ties in shaping Asia's future. He highlighted key achievements, including the doubling of trade to over USD 130 billion and progress in cultural, technological, and financial collaborations.

During the summit, the Indian Prime Minister announced a 10-point plan to enhance connectivity and resilience. Key initiatives include celebrating 2025 as ASEAN-India Year of Tourism with USD 5 million in funding, increasing scholarships at Nalanda University, promoting disaster and cyber resilience, and initiating health and green hydrogen workshops. He also invited ASEAN leaders to join India's 'Plant a Tree for Mother' campaign for climate resilience.

The leaders adopted two joint statements on strengthening the ASEAN-India Comprehensive Strategic Partnership and advancing digital transformation. A new ASEAN-India Plan of Action (2026-2030) will guide future cooperation.



Source: MEA

<https://www.mea.gov.in/press-releases.htm?dtl/38398/Prime+Ministers+participation+in+the+21st+ASEANIndia+Summit+in+Lao+PDR>

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Australia

India-Australia Trade Pact Expansion to Include E-Commerce and Broader Tariff Concessions



Source : Mint

<https://www.livemint.com/economy/india-australia-set-to-expand-trade-pact-focus-on-e-commerce-new-sectors-11728640318870.html>

India and Australia are set to expand their existing Economic Cooperation and Trade Agreement (Ecta) into a broader Comprehensive Economic Cooperation Agreement (Ceca), adding new areas such as e-commerce, intellectual property, sustainability, and digital trade. The 11th round of Ceca talks, scheduled for November, may also include discussions on further tariff concessions for Australian exports like agricultural products, dairy, and base metals. While Australia eliminated tariffs on all products under Ecta, India has only done so for 70% of tariff lines.

Australia is pushing for more concessions from India, including on over 90% of tariff lines and wine imports. Both countries will also finalize Product Specific Rules (PSR), which regulate the use of third-country imports for goods exported under tariff concessions. The goal of these talks is to increase bilateral trade and reach a target of A\$100 billion by 2030.

In fiscal year 2024, India's imports from Australia amounted to \$16.2 billion, while exports were nearly \$8 billion. The trade deal is expected to enhance economic cooperation and deepen ties between the two nations.

Africa

South African Importers welcome India's relaxations on Rice Export

South African importers have welcomed India's decision to ease restrictions on rice exports, which had previously been banned to boost domestic supply in India. The Indian government lifted the ban on non-basmati white rice in September 2023, setting a floor price of USD 490 per tonne and exempting it from export duties. This move is particularly important for South Africa, which imports about 10 million tonnes of rice annually, with India being a major supplier alongside Thailand and Vietnam. Pranav Thakkar of Dev International, a major importer of Indian products to South Africa, noted that this decision would increase India's exports and meet the demand of southern African countries. As soon as the restrictions were lifted, orders were placed, and shipments are on their way to the African country. The lifting of the ban has already started to lower global rice prices, a trend expected to continue with India's upcoming paddy harvest.



Source: Economic Times

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-easing-of-rice-exports-welcomed-in-s-africa/articleshow/113987706.cms?from=mdr>

Wandile Sihlobo, Chief Economist at the South African Agricultural Business Chamber, emphasized that global rice prices had surged following India's July 2023 ban but have since softened due to increasing supplies. He added that South Africa imports 100% of its rice due to unsuitable local climate, and the easing of prices is good news for consumers and businesses, especially those in the restaurant industry.