

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

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India-UK FTA dialogue to enter final stage in January 2024

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

The upcoming 14th and final round of India-UK free trade agreement (FTA) negotiations is to happen in the second week of January 2024. The session will take up the technical issues of business mobility, Scotch whiskey, automobiles, farm products, pharmaceuticals, rules of origin, and a separate pact to boost bilateral investments, as per the information from officials with direct knowledge of the matter.

The earlier, 13th round of negotiations for the trade pact took place from September 18 to December 15. The official stated that India demands liberalising business mobility for a short duration to facilitate trade between the two countries, particularly in services. While, the UK aims for greater access to the Indian market for items such as dairy products, automobiles including electric vehicles, and Scotch whiskey. Challenges with the trade include India's high import duties on automobiles (100%) and whiskey (150%). At the same time, India expresses readiness to reconsider these tariff levels, with expected reciprocity from London in treating premium Indian whiskies at par with Scotch.

The official cited that the India-UK FTA negotiations were launched on January 13, 2022, and 24 out of the total 26 chapters have been mutually agreed and the two partners converged on many points in the remaining chapters. The talks have been delayed due to the change in leadership in the UK and also due to the differences over the protest by Khalistani elements in British cities. Compared to this, India concluded two FTAs in 2022, an India-UAE Comprehensive Economic Partnership Agreement (CEPA) which came into force in May 2022 and the India-Australia Economic Cooperation and Trade Agreement (ECTA) operationalised in December 2022. With both countries pursuing wider deals through a Comprehensive Economic Cooperation Agreement (CECA).

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Ship shortage holds up Chinese EV sales in Europe



Europe

Ship shortage holds up Chinese EV sales in Europe



Source: Financial Times
<https://www.ft.com/content/4e85e5d6-82a8-457d-87a5-b2a15e396475>

The shipping prices have been **pushed up to record levels** due to the **shortage of car-moving ships** impacting the export of **electric vehicles from China to Europe**. The scarcity is due to the shipping companies **scrapping older vessels in 2020** (post-pandemic), along with **delays in replacement carriers** as they're not expected to be ready for **another three years at least**. The **unexpected recovery** of global automobile demand and the **Chinese export push** have led to the industry facing a **shipping bottleneck**. In 2023, according to shipping agent Clarksons, the number of cars shipped across the oceans is expected to **have risen 17 per cent to a record high of 23.4mn**, along with European imports **growing by 40%** while China is projected to have **shipped 4.3mn vehicles in the same year**. Daily charter prices **have surged to \$115,000**, a 10% increase from 2022 and **seven times higher than 2019**.

According to the analysts, the scenario is particularly **affecting Chinese brands** that sell EVs in Europe, while the exports were being pushed **due to overcapacity in domestic factories**.

While many Chinese companies have **plans for local European factories**, the initiation of production could **take up to a decade from now**, about **one in four electric vehicles** sold in Europe comes from mainland China. This shortage is a result of the **"perfect Covid storm"**, while the older vessels were scrapped **due to sunken demand in automobiles** and shipping companies chose to **limit their supply and keep prices as high as possible**. New vessels are not anticipated for at least another two years, **posing a significant challenge to the industry**.



North America

North America Confectionery Market Growth Forecast 2023-2030: Consumer Trends Toward Gourmet Offerings

A recent **market analysis report** captures the **robust growth trajectory** and evolving trends in the **confectionery landscape of North America**, with a detailed breakdown of **growth forecasts from 2023 to 2030 - 4.4% CAGR is predicted**. The shift is fueled by **increasing purchasing power**, allowing consumers to indulge in **luxury confectionery items**. The industry is responding to these lifestyle changes with a surge in **product diversification, incorporating organic ingredients, unusual fruit flavours, and exotic nuts**.

The report highlights a **comprehensive overview of the North American confectionery market**. The **exhaustive analysis** under the report points out a notable **prevalence of chocolate consumption**, particularly in Canada, where **individuals consume an average of 160 chocolate bars per person annually** surpassing the United States, **making it a pivotal driver for market growth** across North America. While the **United States remains a dominant force in the North American confectionery market**, Canada shows a strong growth trajectory, and **Mexico exhibits promising forecasted growth**, contributing to the region's overall market dynamism.

The report lists **key players in the industry**, including Mars, Inc., Nestle S.A, Mondelez International, Inc., Ferrero Group, Lindt & Sprungli AG, The Hershey Company (Hershey Trust Company), Meiji Holdings Co., Ltd., Lotte Corporation, Delfi Limited, and Ezaki Glico Co., Ltd.



Source: Yahoo Finance
https://finance.yahoo.com/news/north-america-confectionery-market-growth-155100679.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLnNvbS8&guce_referrer_sig=AQAAALdwlkoCh_ffC46Y4JAnAy-7DfEe0_t3ze38DgdO_-PEiTpPcQ3AJ6MuOrl6uNQPmy4FFGbHGbdsvbnuy_9oWmWnj8tUalxeRhCkklLH_hhXxnTZws-2jaRskUWDLTn0VRDFhIZoXL4FKTjoqbR7_ZrfRmNrJqNvP1kWAkrAIBQF



South America

Avian influenza or 'bird flu' has devastated wildlife across South America. Antarctica could be next

Despite a suspected case, the discovery of a **single bird with the potential** of carrying avian influenza **has raised concerns among scientists**. The **H5N1 strain of bird flu**, known to be **highly contagious and deadly**, has been causing **devastation in South America for months**. With this case, the concern of the disease reaching the tip of the **Antarctic Peninsula** has been raised.

A **senior research fellow** at the **Centre for Pathogen Genomics** at the University of Melbourne mentioned that the **impact of the virus** reaching the area will potentially be **catastrophic**. The suspected **case listed on the Antarctic Wildlife Health Network's** database **involves a bird known as a brown skua**. Confirming the case is challenging due to the remote location, making **sample collection difficult**.

Additionally, analysing samples in laboratories located thousands of kilometres away can **take days or even weeks**. Prevention in case of **confirmation upon suspected** case, is **nearly impossible**.

The virus can **travel to vast distances**, rapidly, citing its **progression across the entire 6,000-kilometer** spine of South America in about six months. While scientists hope that the virus does not reach **the Australian Antarctic Territory**, the arrival of which could bring a tail of destruction.



Source: ABC News

<https://www.abc.net.au/news/2024-01-08/antarctic-bird-flu-h5n1-threat-scientists-fear-worst/103287708>

Asia

The 14th and final round of India-UK free trade agreement (FTA) negotiations to happen on January 10

The **India-UK FTA negotiations** were launched on January 13, 2022, and **24 out of the total 26 chapters** have been **mutually agreed** and the **two partners converged** on many points in the **remaining chapters**. The upcoming **14th and final round of India-UK free trade agreement (FTA) negotiations** is scheduled to happen in the **second week** of January 2024. The session will take **up the technical issues** of **business mobility, Scotch whiskey, automobiles, farm products, pharmaceuticals, rules of origin, and a separate pact to boost bilateral investments**, as per the information from officials with direct knowledge of the matter.

Challenges with the trade include **India's high import duties** on automobiles (100%) and whiskey (150%). At the same time, India expresses **readiness to reconsider** these tariff levels, with **expected reciprocity from London** in **treating premium Indian whiskies at par with Scotch**.

The talks have **been delayed due to the change in leadership** in the UK and also due to the differences over the protest by Khalistani elements in British cities. Compared to which **India concluded two FTAs in 2022**, an India-UAE Comprehensive Economic Partnership Agreement (**CEPA**) which came into force in May 2022 and the **India-Australia Economic Cooperation and Trade Agreement (ECTA)** operationalised in December 2022. With both countries pursuing wider deals through a Comprehensive Economic Cooperation Agreement (**CECA**).



Source: Hindustan Times

<https://www.hindustantimes.com/india-news/indiauk-fta-dialogue-to-enter-final-stage-on-jan-10-101704744069855.html>



Australia

Australia's trade is being threatened by Red Sea cargo ship attacks. Is there a plan B?

Despite being 11,000 km from the Red Sea, Australia is **not immune** to the impacts of **drone and missile attacks** on container ships, by **Iran-backed Houthi rebels**. More than 20 attacks have **come in response to the war in the Gaza Strip** since November 2023, which has further prompted logistic firms like **Maersk, Hapag-Lloyd and Evergreen** to halt movements **through the affected routes**. Even though **just 16 per cent of Australia's container imports come from Europe**, the **disruption in supply is crucial**, as in 2022, Australia imported about \$60 billion in products from Europe, majorly through the Red Sea.

Companies have **started diverting their containers** around South Africa which has led to **major delays, shortages and additional shipping costs**, which are further expected to be passed on to the businesses and customers. The UK is already **experiencing shortages of tea, wine, meat and fish**. Australia, **along with the US and 11 other nations**, condemned the attacks, but **Australia prioritized the Indo-Pacific** over deploying a warship.

Source: SBS NEWS

<https://www.sbs.com.au/news/article/australias-trade-is-being-threatened-by-red-sea-cargo-ship-attacks-is-there-a-plan-b/yjf3yb9ud>

To minimise the **impact of all of these disruptions**, businesses need to **develop backup plans** that can be implemented quickly. The businesses that best prepare will be those best able to ride out and gain from the next disruption.

Africa

How Russia and Africa made 2023 a pivotal year for bilateral relations

The year 2023 seems to have **attracted significant media attention** towards the development of the continent "Africa" and has been **called another "Year of Africa"** and ties **with Russia have strengthened**. Throughout the year many conflicts, concerns as well as negotiations took place for Africa. Many events have **reshaped the perceptions of Russia-Africa relations** to bring progress and visible outcomes to the nations. Including the major boosting elements for the continent like **the expansion of BRICS** and, the addition of the **African Union to the G20** as a full-fledged member. Russia has revisited its **foreign policy**, underpinned by a **more constructive approach** in the new Foreign Policy Concept of 2023. In the **second Russia-Africa summit** (and Russia-Africa Economic and Humanitarian Forum) both Russia and its African partners opted for a **strategic choice to institutionalize the format**, solidifying the framework of partnership and agreed on an **Action Plan Towards 2026**.

Russian Foreign Minister Sergey Lavrov has discussed the prospects for **more food security**, and improved trade, and exchanges in Africa. Additionally, the **Russian Deputy Defense Minister's visit** to Africa marked a **development in Moscow's military cooperation** with its partners on the continent. Russia recently **launched post-graduate training for Africans**, reaching the **highest level of educational interaction**. Other efforts include **training for some 20 African countries** along military lines, part of the **concluded bilateral Defense Agreements**.



Source: The Herald

<https://www.herald.co.zw/how-russia-africa-made-2023-pivotal-year-for-bilateral-relations/#>