

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 distinct future

July 2023 | Issue #12

India's Vigilance Amidst EU's Labour and Green Violations Proposal

Welcome to the twelfth edition of our newsletter, Far and Wide, where we bring a collection of interesting stories from around the world. As highlighted in our previous editions, this week's lead story revolves around India's concerns regarding a proposed EU legislation on labor and environmental violations. As the Carbon Border Adjustment Mechanism (CBAM) has already impacted India, the country is now closely monitoring an additional EU directive aimed at mitigating the effects of these violations on importers' businesses. The Corporate Sustainable Due Diligence Directive, currently in the draft stage, has caught the attention of Indian officials, as it has the potential to affect India's exporters and micro, small, and medium enterprises (MSMEs). Given that India's exports to the EU in 2022-23 amounted to \$74.8 billion, with key products including mineral fuels, electrical machinery, and iron and steel, this legislation holds great significance. India is studying the law, particularly its application to sectors such as textiles, agriculture, and mineral extraction. The timing of this development is crucial, as India and the EU are currently negotiating a free trade agreement. India has already raised its apprehensions about the CBAM with the EU and the World Trade Organization, further heightening the importance of analyzing this new directive. While the CBAM is scheduled to be implemented in October this year as a global carbon tax on imports to the EU, the due diligence directive is still under development. This story highlights the potential impact of these regulations on India's exporters and MSMEs. Further, it encourages a deeper understanding of the evolving landscape of environmental governance and international trade.

We hope you find this edition informative and thought-provoking.



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Europe

India wary of EU proposal on labour and green violations

India is closely monitoring the European Union's (EU) proposed Corporate Sustainable Due Diligence Directive, which could have significant implications for its exporters and micro, small, and medium enterprises (MSMEs). The directive requires companies to follow stringent rules regarding labor and environmental issues in their global value chains. Non-compliance could lead to substantial fines. India is studying the law, particularly its application to sectors such as textiles and agriculture. This development is particularly important as India and the EU are currently engaged in free trade agreement negotiations. Indian officials are emphasizing the need for international recognition of India's carbon credits, especially in the areas of solar and green technology, to counterbalance the potential impact of these regulations.

Source: Economic Times

<https://economictimes.indiatimes.com/industry/renewables/india-wary-of-eu-proposal-on-labour-and-green-violations/articleshow/101318471.cms?from=mdr>



Asia

Putin Shows Unity at Shanghai Cooperation Organization Summit Amidst Internal Challenges

Russian President Vladimir Putin appeared at the virtual Shanghai Cooperation Organization (SCO) summit, seeking to showcase strength after facing an armed insurrection and dealing with the ongoing conflict in Ukraine. Putin thanked SCO member nations for their support against the attempted rebellion, emphasizing Russian unity. The SCO, led by China and Russia, expanded its reach with Iran becoming a full member and Belarus taking a step toward membership. The organization aims to counter Western-led blocs and promote regional security and cooperation. However, the summit was a toned-down event compared to the previous year, held virtually due to undisclosed reasons. The backdrop of the ongoing Ukraine war and the conflicting interests among SCO members, including India and China, add complexity to the gathering.



Source: CNN

<https://edition.cnn.com/2023/07/04/asia/sco-summit-xi-putin-modi-intl-hnk/index.html>



North America

Biden's Clean Hydrogen Agenda Faces Water Scarcity Challenge

The Biden administration's plan to create a clean hydrogen hub in Corpus Christi, Texas, is encountering obstacles due to the need for energy-intensive and potentially environmentally damaging seawater desalination plants. The proposed hydrogen hub, eligible for up to \$1 billion in funding under President Biden's Infrastructure Investment and Jobs Act, aims to produce low-emissions fuel to decarbonize industries and transportation. However, Corpus Christi's multi-year drought poses a significant challenge for accessing the millions of gallons of water required for hydrogen production. Environmental groups and some local residents and lawmakers are opposing the construction of desalination sites due to concerns about ecosystem destruction and water supply disruption. The situation highlights the conflict between the Biden administration's climate goals and the water scarcity exacerbated by climate change. Several hydrogen hub projects across the United States, including in Texas, are located in water-stressed regions. While desalination could address water demands, it presents high energy costs, potential environmental risks, and expensive infrastructure. The Biden administration is offering significant incentives for hydrogen hub development, but the issue of water scarcity poses a significant hurdle that needs to be addressed.

Source: Reuters

<https://www.reuters.com/sustainability/climate-energy/bidens-green-hydrogen-plan-hits-climate-obstacle-water-shortage-2023-07-03/>



South America

Bolivia Secures Lithium Deals with Russia and China to Tap into Massive Resources

Bolivia has signed lithium agreements with Russia's Rosatom and China's Citic Guoan Group, as the country seeks to tap into its significant lithium resources. The agreements, with a combined investment of \$1.4 billion, aim to boost Bolivia's lithium production and develop its reserves for use in electric vehicle batteries. Bolivia's salt flats hold the world's largest lithium resources, but the country has struggled to achieve industrial production and commercial viability. The investments will support the construction of two lithium extraction plants and the production of 100,000 tonnes of lithium carbonate by 2025. Russia's Rosatom will invest \$600 million, marking its first large-scale lithium venture abroad, while Citic Guoan will invest \$857 million and explore opportunities in battery and vehicle assembly plants. The demand for lithium is growing globally as governments, mining companies, and car manufacturers seek a stable supply for the electric vehicle industry.



Source: Aljazeera

<https://www.aljazeera.com/economy/2023/6/29/bolivia-taps-china-russia-in-bid-to-unlock-huge-lithium-riches>

Africa

Africa Expert Group (AEG) presents Report titled "India-Africa Partnership: Achievements, Challenges, and Roadmap 2023"



India-Africa relations have made steady progress in recent years, but there is room for further advancement. The Vivekananda International Foundation (VIF) Report, titled "India-Africa Partnership: Achievements, Challenges, and Roadmap 2023," examines the evolving dynamics in Africa and its commitment to regional integration, peace, and progress. It acknowledges China's dominant role in Africa as an economic partner. The report suggests that India must periodically review its Africa policy, make necessary adjustments, and prioritize implementation. The roadmap proposes policy recommendations in four key areas: political and diplomatic cooperation, defense and security collaboration, economic and development cooperation, and socio-cultural engagement. These recommendations include strengthening leaders' summits, expanding defense dialogues, promoting trade, enhancing scientific cooperation, and fostering cultural exchanges. The report emphasizes the importance of effective implementation through a dedicated mechanism involving the Ministry of External Affairs and other relevant stakeholders.

Source: The Hindu

<https://www.thehindu.com/opinion/op-ed/a-new-chapter-in-india-africa-ties-can-be-written/article67028121.ece>

Australia

Australian Delegation Explores Trade Opportunities in India

Australian Agriculture Minister Murray Watt is leading a delegation to India to boost trade relations in the agriculture sector. The visit aims to promote Australian produce and explore opportunities for trade. Market access for avocados and okra has already been opened through the Australia-India Economic Cooperation and Trade Agreement. Negotiations for a Comprehensive Economic Cooperation Agreement are underway to expand market access. The visit supports industry-driven projects to diversify markets and address supply chain issues. The focus is on leveraging the Indian market's potential and preparing for future opportunities.



Source: The National Tribune

<https://www.nationaltribune.com.au/minister-to-lead-ag-industry-delegation-to-india/>