

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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Coal India Explores Lithium Blocks in Argentina with U.S. Collaboration

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

Coal India Ltd. is looking at lithium reserves in Argentina alongside a U.S. firm, representing a crucial move to secure critical minerals for battery production. This venture is part of India's involvement in the U.S.-led Minerals Security Partnership (MSP), aiming to diversify and stabilize mineral supply chains essential for zero-carbon goals.

The focus is on the Kachi block in Argentina, a region attracting multiple international interests. This strategic effort is designed to reduce India's reliance on China for lithium, a vital component for electric vehicle batteries and renewable energy storage. India's participation in MSP also includes exploring rare earth deposits in Malawi's Kangankunde block through state-owned IREL (India) Ltd., reflecting its broader strategy to secure access to critical minerals.

The Indian government is engaging with various countries to enhance lithium processing capabilities and establish a diversified supply chain. This underscores the importance of international cooperation in the critical minerals sector, with India and the U.S. committed to developing robust, sustainable supply chains to support the global clean energy transition.

Additionally, India proposed a critical minerals trade deal with the U.S. to eliminate tariffs between the two countries, similar to an existing agreement between the U.S. and Japan. Currently, both nations are negotiating a bilateral Critical Minerals Memorandum of Understanding (MoU).

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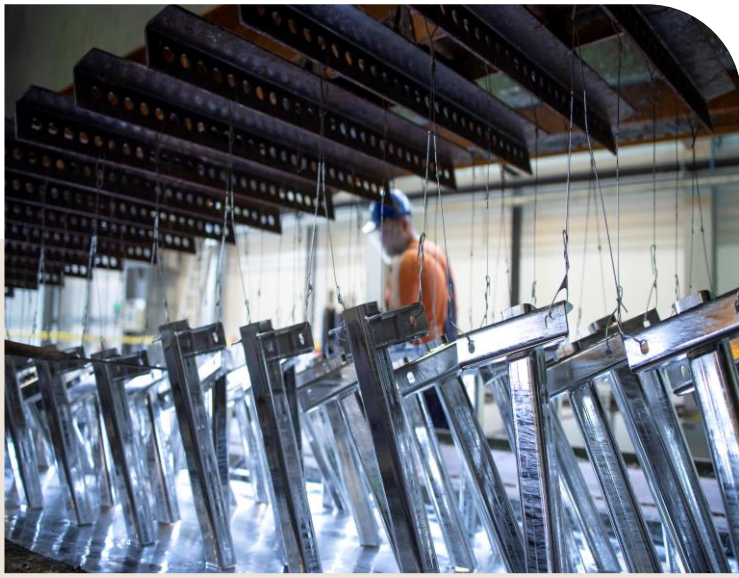
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Europe

India, EU fail to reach agreement on compensation for steel safeguard duties

India and the European Union (EU) have not agreed on compensatory measures concerning the EU's extension of safeguard duties on steel imports.

The EU decided to extend these duties, originally set to expire on June 30, 2024, for an additional two years. India sought trade concessions to offset the impact on its steel exports but did not receive acceptable proposals from the EU during consultations on June 7, 2024.

Under the WTO's Safeguards Agreement, members can temporarily restrict imports if their domestic industry is seriously injured, generally for no more than four years. However, developing countries with less than 3% of the product's exports are excluded. The EU's safeguard duties aim to protect its steel industry by imposing tariffs once an import quota is exceeded, which India and other countries argue violate WTO rules.

A WTO dispute panel had previously found these measures inconsistent with international trade regulations. India, alongside China, Russia, and others, criticizes the EU's extension, viewing it as a response to the US's 2018 duties on EU steel imports. With no adequate compensation offered, India notified the WTO of its intent to suspend equivalent concessions, potentially escalating a trade conflict. This issue underscores the ongoing global trade policy tensions, especially in sectors like steel, where protectionism often conflicts with free trade principles.

Source: The Hindu Business Line

<https://www.thehindubusinessline.com/economy/india-eu-fail-to-reach-agreement-on-compensation-for-steel-safeguard-duties/article68301270.ece>



North America

Amazon is getting rid of plastic air pillows in North America

Amazon is set to eliminate plastic air pillows from its delivery packaging in North America. The company announced on 20th June that it has already replaced 95 percent of plastic air pillows with paper filler and aims to stop using plastic air packaging entirely by the end of this year.

According to Amazon, this change will eliminate nearly 15 billion plastic air pillows annually. The new paper filler is made from 100 percent recycled content, making it easier for customers to recycle at home. Amazon claims the paper filler provides "the same, if not better, protection" compared to the old packaging.

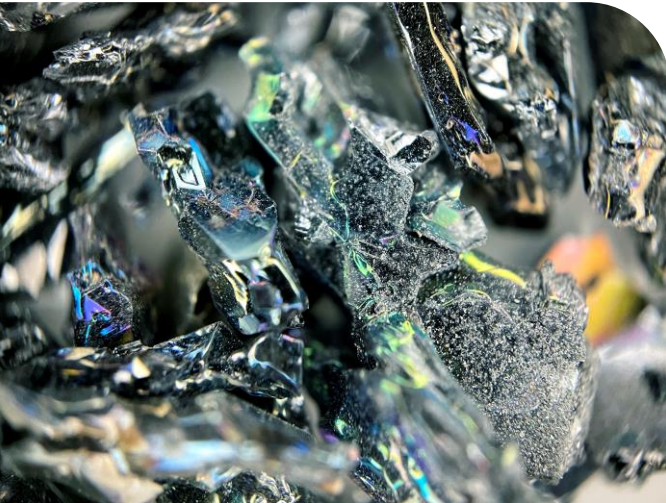
Although Amazon has transitioned away from single-use plastic delivery bags in Europe and India and adopted made-to-fit paper packaging in Australia and Japan, the shift to paper packaging in the U.S. has been slower. Last year, Amazon replaced plastic bubble mailers and air pillows with recyclable paper packaging at a warehouse in Ohio. A recent report from the nonprofit conservation organization Oceana estimates that Amazon generated 208 million pounds of plastic waste from its packaging in the US in 2022. While Oceana welcomes Amazon's commitment to eliminate plastic air pillows in North America, it acknowledges that more work remains.

"While this is a significant step forward for the company, Amazon needs to build on this momentum and fulfill its multiyear commitment to transition its North America fulfillment centers away from plastic," said Matt Littlejohn, Oceana's senior vice president of strategic initiatives. The organization urges Amazon to phase out single-use plastic packaging "everywhere it sells and ships."



Source: The Verge

<https://www.theverge.com/2024/6/20/24182372/amazon-replace-plastic-air-pillows-paper-filler-north-america>



South America

Coal India exploring lithium assets in Argentina with U.S. firm: report

Coal India Ltd. is actively exploring lithium reserves in Argentina in collaboration with a U.S. firm, marking a significant step in securing critical mineral supplies essential for battery production. This initiative is part of India's participation in the U.S.-led Minerals Security Partnership (MSP), which aims to diversify and secure mineral supply chains crucial for achieving zero-carbon goals.

The joint venture focuses on the Kachi block in Argentina, a region of interest to multiple international stakeholders. This exploration is a strategic move by India to reduce its dependence on China for lithium, a key component in electric vehicle batteries and renewable energy storage solutions.

Source: The Hindu

<https://www.thehindu.com/business/coal-india-exploring-lithium-assets-in-argentina-with-us-firm-report/article68303488.ece>

India's involvement in MSP includes joint investments in both lithium and rare earth projects. Notably, alongside the Argentinian venture, India is also exploring rare earth deposits in Malawi's Kangankunde block through its state-owned IREL (India) Ltd. These efforts align with India's broader strategy to secure access to critical minerals. The Indian government has been engaging in talks with several countries to enhance its lithium processing capabilities, aiming to establish a more resilient and diversified supply chain.

The move highlights the growing importance of international cooperation in the critical minerals sector, with both India and the U.S. committed to developing robust and sustainable supply chains to support the global transition to clean energy. India also proposed a critical minerals trade deal with the U.S., which would prohibit the imposition of tariffs between the two countries. This deal would be similar to an existing pact between the U.S. and Japan that grants Japanese automakers wider access to U.S. electric vehicle tax credits, according to a source. However, the U.S. is currently in talks with India for a bilateral Critical Minerals Memorandum of Understanding (MoU).



Asia

India stresses on border peace as China pushes for resumption of direct flights

China is urging India to resume direct passenger flights after a four-year pause, but India remains cautious due to ongoing border tensions. The diplomatic strain originates from a significant military clash in June 2020, which resulted in the deaths of 20 Indian soldiers and at least four Chinese soldiers. Thousands of troops from both nations are still stationed along their shared border.

Since the conflict, India has restricted Chinese investments, banned many popular apps, and suspended passenger flights between the two countries, although cargo flights continue. While both economies would benefit from resuming direct flights, the stakes are particularly high for China, where international travel recovery post-COVID-19 has been slow, unlike India's booming aviation sector.

Over the past year, China's government and airlines have repeatedly approached India's civil aviation authorities to restore direct air links.

Indian airlines, including Indigo, and Chinese carriers are discussing with their governments the feasibility of resuming direct routes. "When the time is right and the governments come to a mutual understanding, we'll assess the market," said Indigo CEO Pieter Elbers. Direct flights peaked in December 2019 with 539 scheduled flights but were halted in early 2020 due to COVID-19. Despite lifting restrictions, direct flights haven't resumed, except for minimal repatriation flights. Travelers now rely on connecting flights, extending travel time and diverting business to carriers like Emirates and Singapore Airlines. Air India CEO Campbell Wilson sees potential but acknowledges factors beyond their control.



Source: Times of India

<https://timesofindia.indiatimes.com/india/india-stresses-on-border-peace-as-china-pushes-for-resumption-of-direct-flights/articleshow/111145324.cms>



Australia

Australia Pushes for Early Trade Deal with India Ahead of 2025 Elections

Australia is expediting efforts to finalize a comprehensive trade agreement with India before the 2025 elections. This initiative aims to enhance economic ties and strengthen Australia's presence in the Indo-Pacific region.

Building on the interim Economic Cooperation and Trade Agreement (ECTA) signed last year, the proposed Comprehensive Economic Cooperation Agreement (CECA) will offer deeper market access and cooperation across various sectors. The ECTA has already reduced tariffs on a significant range of goods and services, with Australia eliminating customs duties on 98.3% of traded goods immediately, while India has committed to removing tariffs on 40% of products immediately, and 70.3% over the next decade.

Source: Business Standard
https://www.business-standard.com/economy/news/eyeing-2025-polls-aus-aims-early-completion-of-trade-deal-with-india-124061900750_1.html

The CECA negotiations, which have seen three rounds of discussions since February, aim to address digital trade, services, rules of origin, and government procurement, among other areas. The fourth round of talks is scheduled for July 2024. This agreement also explores new domains such as competition policy for small businesses, gender equality, innovation, agritech, and critical minerals. Commerce and Industry Minister Piyush Goyal emphasized the potential for bilateral trade to reach \$100 billion by 2030, highlighting sectors like education, research, startups, and agritech as key areas for growth. Goyal also urged for increased Australian investments in Indian infrastructure, citing the mutual benefits of enhanced connectivity and economic collaboration. This trade deal is pivotal, marking one of the first agreements between India and a developed nation, and could set a benchmark for future international trade relationships.



Africa

Africa is losing hundreds of millionaires and tonnes of gold to UAE.

Africa's wealth, encompassing both high-net-worth individuals (HNWIs) and precious commodities like gold, is increasingly shifting to the United Arab Emirates (UAE). This significant resource outflow is driven by complex socio-economic and political factors. According to Henley & Partners, South Africa and Nigeria are poised for a notable exodus of millionaires in 2024.

Projections suggest South Africa will lose around 600 HNWIs, while Nigeria will see 300 millionaires depart. Historically, South Africa has experienced an annual outflow of 300 to 400 HNWIs, but the 2024 estimates indicate an unprecedented surge.

Henley's migration data reveals that many wealthy individuals from Africa are relocating to the UAE. This trend is more than a statistical anomaly; it reflects a country's overall health and stability. The departure of these individuals, who significantly contribute to the economy through investments and spending, could signal a broader economic decline. Beyond human capital, Africa is also experiencing a significant outflow of its natural wealth, particularly gold. According to a recent Swissaid report, an estimated \$23.7 billion to \$35 billion worth of gold is smuggled out of Africa annually, mainly ending up in the UAE for processing. Dubai's strategic location and status as a major trade hub make it a key destination for gold smuggling.



Source: First Post
<https://www.firstpost.com/explainers/why-africa-is-losing-hundreds-of-millionaires-tonnes-of-gold-to-uae-13784385.html>