

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

May 2024 | Issue #49



India Signs 10-Year Deal with Iran to Develop Strategic Chabahar Port

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

India signed a 10-year agreement with Iran to develop and operate the Chabahar port, marking a significant step in enhancing bilateral relations and strengthening regional trade routes. Despite the port's strategic importance, its development has been hindered by U.S. sanctions on Iran.

During the signing ceremony in Tehran, India's Shipping Minister Sarbananda Sonowal highlighted the port's critical role in connecting India with Afghanistan and Central Asia. The deal underscores the strategic collaboration between Indian Ports Global Limited (IPGL) and Iran's Port & Maritime Organisation, involving an investment of \$120 million from IPGL and an additional \$250 million in financing, totalling \$370 million. Since IPGL began operating the port in 2018, it has managed over 90,000 TEUs of container traffic and more than 8.4 million tonnes of bulk and general cargo. Notably, the port has facilitated the shipment of 2.5 million tonnes of wheat and 2,000 tonnes of pulses from India to Afghanistan, showcasing its vital role in regional trade.

However, the agreement has drawn attention from the U.S., with State Department deputy spokesperson Vedant Patel reiterating that U.S. sanctions on Iran remain firmly in place. Patel warned entities engaging with Iran to be cognizant of the associated risks and potential sanctions. Indian Foreign Minister S. Jaishankar expressed optimism that the agreement would pave the way for further investments in the port, reinforcing India's commitment to enhancing trade connectivity and economic cooperation in the region.

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Georgia passes controversial 'foreign agents' bill despite widespread opposition

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8th India-Peru trade agreement negotiations are scheduled for July



Global Trade & Economy

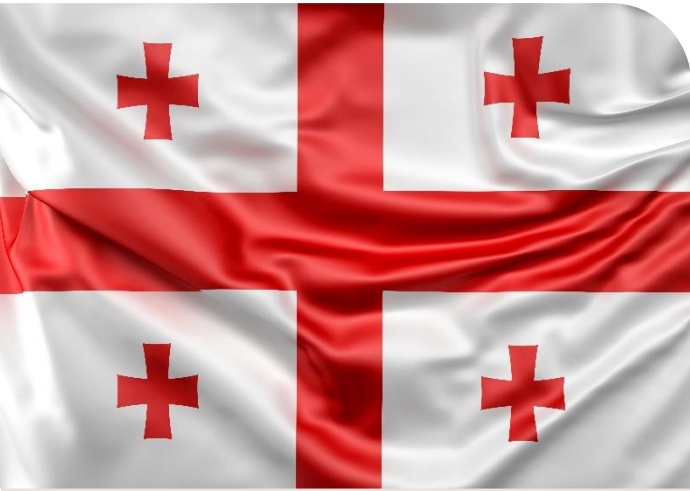
India is poised to benefit from US tariff hikes on Chinese products

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Health

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Europe

Georgia passes controversial 'foreign agents' bill despite widespread opposition

Despite warnings from the European Union, The Parliament of Georgia passed the **foreign agents bill on 14th May'2024**. The law that was approved by **84 lawmakers** in favour to **30 against** will require media and NGOs that receive **more than 20%** of their funding from overseas sources to register as '**agents of foreign influence**' and be postulated to '**pursue interests of a foreign power**'. This measure has received widespread criticism and protest from the public and has been described as authoritarian and influenced by similar legislation in Russia.

The European Union has said that the law will diminish the chances of Georgia to join **the 27-nation bloc** that the country has been **long-term pursuing** even after being conferred with official candidacy last year.

Source: CNN World

[Georgia passes controversial 'foreign agents' bill despite widespread opposition | CNN](#)

Moreover, The United States also warned of travel restrictions and financial sanctions if the **law is not brought in compliance** with western standards. Georgian President, Salome Zourabichvili has vowed to veto the bill however, the same can be overridden by a simple majority, paving the way for it to **pass into effect in the coming few weeks**. Despite warnings and protests by thousands of Georgians across the country, the ruling party, **Georgian Dream has maintained its position** and has stated that the bill will promote transparency and national sovereignty.



North America

India is poised to benefit from US tariff hikes on Chinese products

President Joe Biden has announced sharp tariff hikes on a range of Chinese products including Electronic Vehicles (EVs), Solar cells, batteries, medical supplies, and critical minerals. Tariffs on Chinese EVs **have quadrupled from 25% to 100%**, doubled on **solar cells from 25% to 50%** and tripled on steel and aluminium products and non – lithium-ion batteries **from 7.5% to 25%**. Moreover, products such as face masks, critical minerals, and ship-to-shore cranes which were not previously taxable, will now attract a 25% tariff. This decision aims to **combat unfair trade practices by China** and is set to impact approximately **\$18 billion worth of imports from China**.

This has opened doors for the Indian market if it can maximise its potential to enhance the manufacturing capabilities in certain sectors, especially in EVs. Moreover, India is the second largest producer of PPE kits and medical supplies, allowing India to **penetrate the US market**.



Source: Mint

[India poised to benefit from US tariff hikes | Mint \(livemint.com\)](#)



South America

8th India-Peru trade agreement negotiations are scheduled for July



China's expanding trade and investment presence in Latin America has become a focal point for **US policymakers and businesses**, challenging the traditional dominance of the US in the region. This trend, **evolving over two decades** since China's accession to the WTO and its **Going Global strategy in 2001**, has seen a remarkable surge in bilateral trade, **reaching over \$445 billion in 2021**.

Initially focusing on sectors **like agriculture and energy security**, Chinese investment in Latin America has shifted towards strategic areas like **renewable energy and electric vehicles**, reflecting changing priorities in China's domestic economy.

The recent wave of **Chinese investment, despite pandemic-induced** disruptions, is directed towards technologically intensive projects, including lithium mining and battery production. This shift signifies **China's pursuit of quality over quantity**, aligning with its emphasis on indigenous innovation and self-reliance.

Source: The Print

<https://theprint.in/economy/8th-india-peru-trade-agreement-negotiations-5th-aitiga-jc-meeting-scheduled-for-july/2086753/>

The growing Chinese footprint in Latin America poses geopolitical challenges, prompting the region to devise strategies for harnessing Chinese capital **for its developmental goals**. This dynamic landscape **underscores the evolving nature of global economic influence**, with Latin America emerging as a new arena for competition between China and the US.



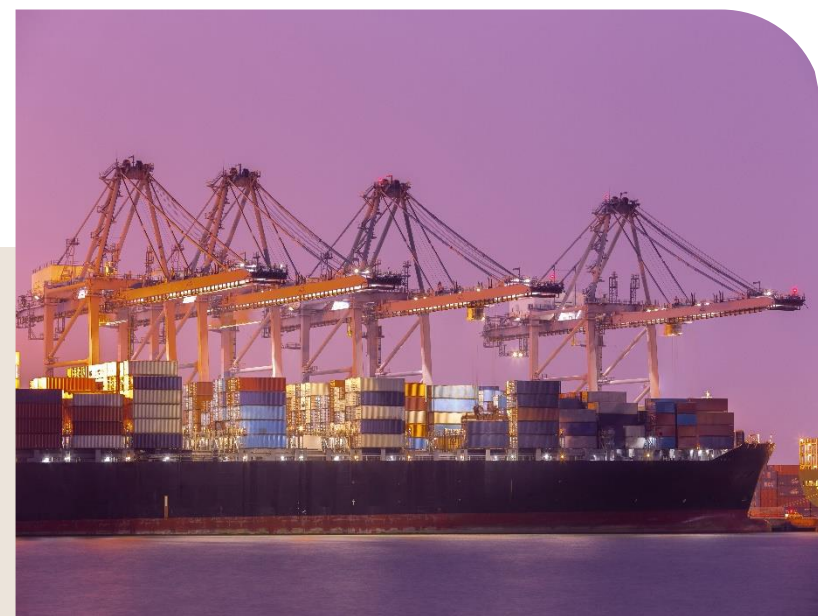
Asia

India inks 10-year deal to operate Iran's Chabahar Port

On 13th May'2024, India entered into a 10- year port agreement with Iran to develop and operate the strategically important Chabahar Port. India has been developing the Chabahar port since 2016 which opened a transit route for Indian goods and products to Afghanistan and Central Asia, bypassing the Karachi and Gwadar Port in Pakistan. India has now entered into a long-term agreement for developing and operating the Port. The \$370 million deal has been signed between Indian Ports Global Limited (IPGL) and the Port and Maritime Organization of Iran to further develop the Port.

India took over operations of the port in 2018 and since then a total of 2.5 million tonnes of wheat and 2000 tonnes of pulses have been shipped from India to Afghanistan.

However, post the signing of the deal, the US has raised concerns and warned of sanctions against any entity that considers business deals with Iran. India's Foreign Minister, S. Jaishankar backed the move and asked US to refrain from taking a narrow viewpoint with regards to the agreement. He further stated that this deal will in fact benefit the entire region.



Source: Reuters

<https://www.reuters.com/world/india/india-sign-10-year-pact-with-iran-chabahar-port-management-et-reports-2024-05-13/>



Australia

Australia launches innovation visa, ends investor migrant programme.

On 13th May'2024, the Australian Government introduced a new innovation visa that is aimed at attracting exceptionally talented skilled workers from around the globe to drive growth in sectors of national importance. The change was revealed in the country's annual budget and is set to replace the economically ineffective migrant program and the Global Talent Visa which is ending later this year. It has also scrapped the 'golden visa' which allowed overseas investors to obtain permanent residence in the country by investing 5 million Australian dollars. Moreover, the surge in post-pandemic students and arrivals has impacted the strained rental market in the country leading to higher inflation rates and the government will implement a ballot system for visa applicants from Indian, China and Vietnam.

Source: Times of India

[Australia launches innovation visa, ends investor migrant programme - Times of India \(indiatimes.com\)](https://timesofindia.indiatimes.com/International/News/News/Australia-launches-innovation-visa-ends-investor-migrant-programme/articleshow/100000000.cms)

The technology sector has been a major driver behind the influx of Indian immigrants and this change offers opportunities for skilled professionals from India will significantly benefit the youthful population of the country and will open doors for Indian talent to contribute to Australian companies and explore new avenues.



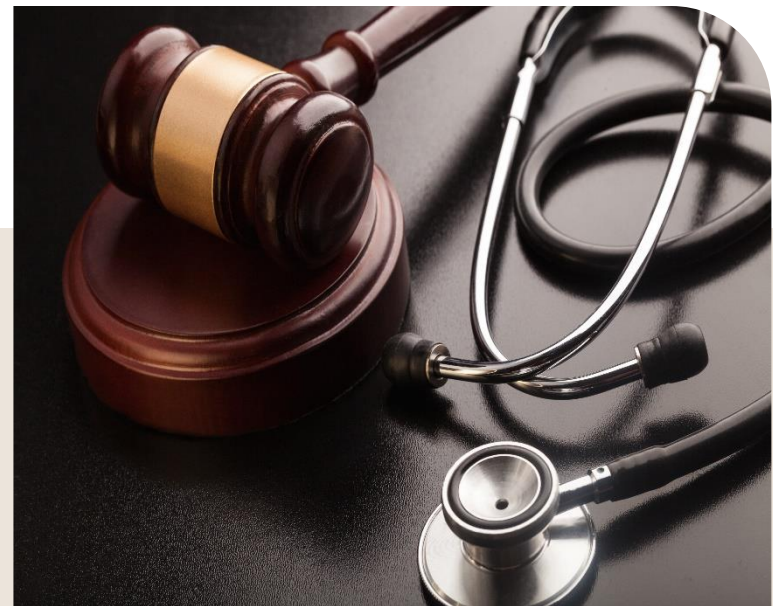
Africa

South Africa signs universal health law despite pushback

The South African President, Cyril Ramaphosa approved a new Universal Healthcare law on 15th May'2024, two weeks before the country's general election. The law promises universal healthcare for all; however, it has faced criticism and resistance from the opposition Democratic Alliance.

At present, only 14% of the population has access to private medical care. The National Health Insurance (NHI) scheme proposes to set up a state fund to cover the medical costs of all South Africans, who are not covered under the existing coverage. However, it prohibits people from opting for private health insurance for treatment paid for and covered under the fund. This is unlike countries that have similar health coverage but allow people to opt for private health insurance if they want to be treated by private doctors and hospitals.

The Government has stated that the NHI will be funded by general taxes, contributions by wealthy individuals earning above a certain threshold and monthly contributions made by employees. However, the budget for implementing the scheme, the threshold for wealthy individuals or the contribution amount by employees has not been specified. On the contrary, South Africa is currently facing a financial crisis as the Government is struggling to provide existing public services like electricity and water to not just business and homes but even to state hospitals.



Source: Economic Times

[International News: S.Africa signs universal health law despite pushback, ET HealthWorld \(indiatimes.com\)](https://economictimes.indiatimes.com/International/News/News/South-Africa-signs-universal-health-law-despite-pushback/articleshow/100000000.cms)