

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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Limited Benefit for India in trade deal with UK

As per a new research report, the free trade agreement between the UK & India may provide limited benefits for India since the UK has low or zero tariffs on many of its imports. The fast-paced discussion to sign an FTA between the countries is expected to take shape by the end of this month when UK Prime Minister Rishi Sunak is expected to visit the latter country. As per the Global Trade Research Initiative (GTRI), “While textiles, apparel, footwear, agricultural products and certain other items stand to benefit from tariff reductions, substantial growth in Indian exports to the UK will ultimately hinge on product quality improvements rather than the FTA alone.”

Historical data shows that signing an FTA may not necessarily lead to substantial increases in India's exports of labour-intensive goods. For instance, as per the report, India's textiles and apparel exports to Japan did not see significant gains from the FTA. From 2007-09 to 2019-21, India's exports to Japan grew from \$257.7 million to \$368.6 million, a cumulative growth of 43.1%, while India's global exports grew by approximately 67.9% during the same period.” The highlighted increase in exports to Japan could be substantiated by natural growth factors and not the FTA. Presently, India imposes 100% tariffs on British cars and up to 150% on Scotch whisky and wines. The simple average tariff in India on goods imported from the UK is 14.6%. The FTA may be considered as a reforming step in trade terms of the countries involved, it could lead to a reduction of tariff on these goods. In all likelihood, creating new trade opportunities.

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Europe

European Union to bar import of goods made using 'forced labour'



The **European Union** has decided to establish a system to keep products made using **forced labour out of its market**, with internal market and international trade committees **adopting it on 23rd October 2023**. The decision has raised concerns among developing countries regarding the use of non-trade barriers that **could violate** WTO rules.

The draft regulation establishes a framework to **investigate the use of forced labour in companies' supply chains**. If violations are found, all imports and exports of the related goods will **be halted at EU Borders**. These goods will only be allowed if the company can demonstrate that they **have stopped** using forced labour in their operations and supply chain activities. Considering the geographical areas and economic activities, the European Commission will identify a list highlighting the risk areas of using forced labour. For goods from these areas, the burden of proving the use of unforced labour shifts to companies rather than authorities. Forced labour will be defined according to **ILO standards and include** "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily". Specific details are pending, and concerns of the developing countries will have to wait, but it's seen as **a potential trade barrier** for developing nations.

Source: The Times of India

<https://timesofindia.indiatimes.com/business/european-union-to-bar-import-of-goods-made-using-forced-labour/articleshow/104510374.cms?from=mdr>



North America

Conflicts, restrictive US monetary policy could impact Indian economy, says economic review

September **Economic Review by the Indian Finance Ministry** suggests that the Indian economy may face challenges due to factors such as oil price volatility in the Persian Gulf, the ongoing issuance of U.S. treasuries, and the U.S.'s restrictive monetary stance. The economic review quoted, "There are imminent fears of rising crude oil prices in H2 FY24, given that the average price during Q2FY24 (\$86.8/bbl.) was higher than Q1FY24 (\$77.9/bbl.) and ongoing speculation and wait-and-watch situation emerging from the recent **geopolitical situation** in the middle-East." Meanwhile, interest rates in the US are expected to stay higher for a longer period to get inflation back to the **US central bank's 2% target**. Higher U.S. interest rates can negatively affect emerging markets by increasing borrowing costs and reducing demand.

Despite challenges, India's economy is expected to maintain its position as the **fastest-growing major economy in FY24**, as highlighted by the Department of Economic Affairs under the Ministry of Finance, India has shown a consistent drop in inflation. India's domestic economic fundamentals, cooling inflation, and increased factory output suggest positive prospects. The Economic Review projects a **higher rate of growth opportunities** in 2024.



Source: Live Mint

<https://www.livemint.com/economy/conflicts-restrictive-us-monetary-policy-could-impact-indian-economy-says-economic-review/amp-11698055471684.html>



South America

An ancient disfiguring skin infection is quietly spreading across America

Leishmaniasis, an ancient disfiguring disease, which most Americans haven't heard of is recognized by various alarming names worldwide, such as Baghdad boil, Calcutta ulcer, and Jericho button. Evidence found, suggests that the parasitic skin infection that was found mainly among international travellers is now endemic in parts of the US primarily in Texas, Oklahoma, and Arizona. With its distinct American identity, infections are now occurring in non-travellers. The shift towards the endemic nature is attributed to factors like climate change and a ready supply of critters capable of transmitting and harboring the infection. Mary Kamb, a medical epidemiologist with the Centers for Disease Control and Prevention highlighted, "Now, for the first time, we have a distinct genetic fingerprint from a relatively large cluster, providing further evidence that leishmaniasis may be well-established in some parts of the US." The results were presented Thursday at a scientific meeting in Chicago. This infection, transmitted by sand flies, is concerning as it can cause long-lasting ulcerating sores in humans. The parasites responsible are transmitted by **around 70 species of sand flies** while **Lutzomyia** insects being the **primary culprits** in the **Western hemisphere**. Animals like cats and dogs in America have also been found infected which raises concerns on the trade of animals to other countries that could lead to the spread of the disease. Mary Kamb, also highlights that "Dermatologists in Texas are accustomed to spotting the infection, but it's not as well recognized in other states. That's hampered efforts to determine how widely the parasites have spread,"

Source: Hindustan Times

<https://www.hindustantimes.com/lifestyle/health/an-ancient-disfiguring-skin-infection-is-quietly-spreading-across-america-101697799545574.html>



Asia

Limited Benefit for India in trade deal with UK

As highlighted by the Global Trade Research Initiative (GTRI), The Free Trade Agreement (FTA) may not greatly benefit India as exports to the UK and low or zero tariffs. The discussion on signing the FTA between countries is set to form a concrete base by the end of this month when the UK Prime Minister is expected to pay a visit to India. It is believed that the growth of Indian exports to the UK heavily relies on product quality and not FTA alone. As historical data (in the case of India's textile and apparel exports to Japan) suggests signing an FTA may not necessarily lead to substantial increases in India's exports of labour-intensive goods. The simple average tariff in India on goods imported from the UK is 14.6%. The FTA could lead to a reduction of tariffs on goods like cars, scotch whisky wines etc. creating new trade opportunities.

India's hesitance to cut tariffs in sensitive sectors like dairy highlights the importance of selective import opening to enhance the quality of domestic products.



Source: Live Mint

<https://www.livemint.com/news/limited-benefit-for-india-in-trade-deal-with-uk-11697480563233.html>



Australia

Australian Hydrogen gets a Headstart



The Australian Government has announced a **\$2 billion hydrogen Headstart program as a part of budget 2023-24**, which aims to catalyse Australia's Hydrogen Industry. The program is being implemented through the **Australian Renewable Energy Agency (ARENA)** with a vision to foster unparalleled opportunities to become a **global hydrogen leader**. Projects seeking to produce renewable hydrogen or derivatives at scale can avail of production credits delivered over ten years. The development of the program involved a collaborative approach, with a broad range of stakeholders, 114 written submissions and three public forums with over 400 participants. ARENA has been a key player in this industry, having already invested over \$308 million in 46 renewable hydrogen projects since 2017. The program's CEO, Darren Miller, sees it as a pivotal step towards transforming Australia as a global leader in renewable hydrogen. Applications are open for registration until November 10, 2023.

Source: ARENA Government of Australia
<https://arena.gov.au/news/australian-hydrogen-gets-a-headstart/>



Africa

South Africa to probe Meta, Google competition with news publishers

South Africa's Competition Commission plans to probe digital platforms like Meta and Google with news publishers. The commission plans to examine the various attributes including market characteristics that could potentially impact the competition between news media organizations and media platforms for advertising revenue. Commissioner Doris Tshepe informed journalists, "The inquiry comes at a critical moment for the media industry as news consumption rapidly shifts online and traditional sources of funding to print and broadcast advertising decline." The said investigation will comprise various digital entities involved in the business, major search engines (Google & Bing), social media platforms (Meta & X) and available advertising networks. In addition, the examination will also focus on generative artificial intelligence tools such as ChatGPT, to understand how they incorporate original news content into their generated output



Source: The Economic Times
<https://economictimes.indiatimes.com/tech/technology/south-africa-to-probe-meta-google-competition-with-news-publishers/articleshow/104511911.cms?from=mdr>