

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 and Japan make progress in defence and security ties

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

During talks in Tokyo, **External Affairs Minister S Jaishankar** and his Japanese counterpart **Yoko Kamikawa** emphasized the importance of adapting the India-Japan bilateral relationship to **evolving geopolitical, geo-economic, and geo-technological trends**. Jaishankar highlighted advancements **in defense and security cooperation**, citing joint military exercises and **enhanced logistical engagement**. The discussions also covered cooperation in emerging domains such as **cyber and space, alongside progress in defense equipment collaboration**.

Economic cooperation featured prominently, with Jaishankar **advocating for increased Japanese investment in India**, particularly from small and medium enterprises (SMEs). Both countries aim to achieve a target of five trillion yen in overall investments. Jaishankar stressed the **importance of timely execution of infrastructure projects like the Mumbai-Ahmedabad high-speed railway and welcomed Japan's developmental role in India's northeastern states**.

The ministers explored opportunities for coordinated development initiatives in third countries and discussed enhancing economic security and supply chain resilience, focusing on trade, technology, semiconductors, green technologies, and digital payments. Jaishankar urged for a more facilitative visa regime for Indian travelers to Japan and emphasized facilitating mobility for Indian talent and skills to Japan. Overall, the talks underscored the commitment of India and Japan to deepen their strategic partnership across various sectors, including defense, economic, and people-to-people exchanges.



INSIDE

Stories in Focus



Policy

Australian government to slash nearly 500 tariffs to boost trade

Trade between Tanzania and India is set to break the earlier record



Global Trade & Economy

India signs trade agreement with EFTA: What is the deal's significance?

The US has bolstered partnerships with allies like India amid China's ascent



Technology

Europe's world-first AI rules are set for final approval. Here's what happens next

Jaishankar, Japanese FM discuss economic security, trade, technology



Europe

European Union's AI Act sets clear regulatory framework, say experts



Source: Business Standard

https://www.business-standard.com/world-news/european-union-s-ai-act-sets-clear-regulatory-framework-say-experts-124031401237_1.html

The European Parliament's approval of the **world's first rules to govern artificial intelligence (AI) sets a clear regulatory framework**, prompting experts to note that Indian companies operating within or serving clients in the European Union (EU) must comply with these regulations. The Act delineates guidelines for managing specific risks linked with AI utilization in domains like **biometric authentication, facial recognition, healthcare, and deep fakes**. Industry experts anticipate that this comprehensive framework will amplify the cost and compliance obligations for such companies. **Somshubhro Pal Choudhary, Co-founder of Bharat Innovation Fund (BIF)**, a venture capital firm focused on deep tech, emphasised the necessity for Indian companies to align their AI systems with prescribed standards, undergo conformity evaluations, and implement risk mitigation measures, particularly for those falling within higher risk categories. Jameela Sahiba, Senior Programme Manager at The Dialogue, noted that while the **Act necessitates compliance within a stipulated time frame**, it also offers support for **innovation through regulatory sandboxes**, presenting an opportunity for Indian startups to develop and test responsible AI solutions before market entry.

Moreover, Sahiba emphasized that while the **risk-based approach aligns with EU requirements**, India's distinct socio-economic context, technological infrastructure, and **regulatory landscape warrant nuanced considerations**. She underscored the Indian government's focus on a 'user-harms perspective' in AI regulation discussions, indicating a clear regulatory framework emphasizing stringent regulations for high-risk AI systems to ensure user trust through rigorous assessments, human oversight, and explainability mandates.



North America

India signs trade agreement with EFTA: What is the significance of the deal?

India signed a trade agreement with **the European Free Trade Association (EFTA)** comprising Iceland, Liechtenstein, Norway, and Switzerland, securing \$100 billion in investment over 15 years. The agreement aims to diversify India's imports away from China and boost joint ventures. This timing is critical as global elections may **pause free trade agreements (FTAs), hindering** investment amid a shifting global supply chain moving away from China. **India competes with ASEAN nations and Mexico for investment**, and delays in integrating with global markets risk geopolitical opportunities. While the **India-EFTA deal is secured**, uncertainties persist in major **deals like those with the UK and EU**.

India's **push for investment commitment** in the EFTA deal addresses its trade deficit with top partners, exacerbated by high tariffs..

Past FTAs, notably with ASEAN, benefited partners more due to India's higher tariffs. The EFTA deal is expected to further widen the trade gap. Although the legality of EFTA's investment commitment remains unclear, it presents an opportunity for India to boost economic activity and jobs in exchange for market access to EFTA



Source: Indian Express

<https://indianexpress.com/article/explained/explained-economics/india-to-sign-trade-agreement-with-efta-today-what-is-the-significance-of-the-deal-9205526/>



South America

The US has bolstered partnerships with allies like India amid China's ascent



In his final **State of the Union Address**, President Joe Biden underscored the US commitment to **revitalizing partnerships with allies like India, Australia, and Japan** amidst rising tensions with China. **Biden accused Beijing of engaging in unfair economic practices** and threatening peace across the Taiwan Strait. Emphasizing competition over conflict with China, **Biden asserted America's position to prevail** in the 21st century. China's increasing military actions against Taiwan have raised global concerns, prompting Biden to **reaffirm US support for peace in the region**. Biden's remarks follow Chinese Foreign Minister Wang Yi's accusations of **US attempts to contain China** through sanctions.

Addressing **economic achievements**, Biden highlighted **a decrease in the US trade deficit with China** and restrictions on technology exports to China.

Source: Economic Times

<https://economictimes.indiatimes.com/news/international/world-news/us-to-revitalise-partnership-with-nations-like-india-amidst-chinas-rise-biden/articleshow/108317389.cms?from=mdr>

With the **US presidential election campaign intensifying**, Biden positioned the **US as leading the global economic landscape**. The address also featured **criticism of his predecessor**, Donald Trump, on various issues. Biden's remarks set the stage for a **potential rematch** with Trump in the **upcoming election**.



Asia

Jaishankar, Japanese FM discuss economic security, trade, technology

India and Japan **reaffirmed their commitment** to enhancing their bilateral relationship during talks held in Tokyo between **External Affairs Minister S Jaishankar** and his Japanese counterpart **Yoko Kamikawa**. Jaishankar highlighted **progress in defence and security cooperation, citing joint exercises** and a new logistics arrangement facilitating engagement between the **Indian Army and Japan's Self-Defense Force**. Both sides emphasized the need to adapt to **evolving geopolitical, geo-economic, and geo-technological trends**.

Discussions encompassed **military jointness, cyber, and space cooperation**, as well as advancements in **defence equipment collaboration**. Economic cooperation **featured prominently**, with Jaishankar advocating for increased Japanese investment in India, particularly **from small and medium enterprises**. Key infrastructure projects like the **Mumbai-Ahmedabad high-speed railway** and **Japan's development initiatives** in India's northeastern states were underscored.

The ministers also **explored coordinated development partnerships** in third countries and discussed **enhancing economic security and supply chain resilience**. Collaboration in semiconductor technology, green technologies, and digital payments was highlighted. Jaishankar advocated for a more facilitative visa regime for **Indian travelers to Japan and greater mobility for Indian talent** in Japan.



Source: Hindustan Times

<https://www.hindustantimes.com/india-news/jaishankar-japanese-fm-discuss-economic-security-trade-technology-101709824533551.html>



Australia

Australia government to slash nearly 500 tariffs to boost trade

The **Albanese Labor Government of Australia** has announced **plans to abolish nearly 500 import tariffs starting July 1**, marking the **largest unilateral tariff reform** in over two decades. The **reform targets a wide range of imported goods**, including clothing, menstrual and sanitary products, **with aims to simplify trade**, reduce compliance costs, and enhance productivity. This move is expected to **benefit Australian businesses, particularly small to medium enterprises**, by eliminating the burden of navigating tariffs and associated costs.

The government **estimates that abolishing these tariffs will streamline approximately Au\$8.5 billion** worth of trade annually and save businesses over **Au\$30 million in compliance costs each year**. Notably, items such as protective footwear, pyjamas, and fishing reels will see the **removal of 5 per cent customs duties**.

Source: Fibre2fashion News

<https://www.fibre2fashion.com/news/textile-news/australian-government-to-slash-nearly-500-tariffs-to-boost-trade-293692-newsdetails.htm>

The reform **aligns tariff policy with previous changes to the GST** and ensures benefits for businesses without negatively impacting **Australian industries or complicating future Free Trade Agreements negotiations**. **Treasurer Jim Chalmers emphasized** that the reform will reduce red tape, boost productivity, and cut business costs, providing meaningful **economic benefits across Australia**.



Africa

Trade between Tanzania and India is set to break an earlier record

During the Tanzania/India Business Forum, **Mr. Manoj Verma**, an official of the **Indian High Commission in Tanzania**, announced that bilateral trade between **India and Tanzania is poised to exceed \$7 billion**, making **Tanzania India's largest trading partner in Africa**. Verma attributed this growth to favorable trade policies and initiatives. India has emerged as the **primary destination for Tanzanian exports**, benefiting from a **duty-free scheme for over 90% of Tanzanian goods entering India**. India has also been a **significant investor in Tanzania, ranking among the top five investors with investments exceeding \$3.39 billion**. Last year, bilateral trade was further **boosted by investments from over a dozen Indian investors**. Additionally, **Indian-assisted development projects worth an estimated \$1.2 billion** are underway in Tanzania.

Key imports from **Tanzania to India include gold**, dried leguminous vegetables, and cashew nuts, while Tanzania imports products like **scooters, motorcycles, and petroleum products from India**. **Indian billionaire Gautam Adani has also expressed interest in entering the Tanzanian market**.



Source: Business Insider Africa

<https://africa.businessinsider.com/local/markets/trade-between-tanzania-and-india-is-set-to-break-its-record/fvgzpph>