

**IN THIS ISSUE:**

- 1. India seeks WTO consultation on US energy policies**
- 2. Seamless trade across South Asia closer to reality**
- 3. Exports fall marginally, imports fall by 14% in August**

**1. India has recently raised the issue of the U.S.'s policies for clean energy to the World Trade Organisation (WTO).** India has now sought consultations with the U.S over eight states it believes domestic content requirements and subsidies in the energy sector that are inconsistent with various trade rules under the WTO. In its statement, India has stated that certain measures appear to cause 'serious prejudice to the interests of India' through displacement and lost sales in the U.S. of like products imported from India.

Separately, India has lost its appeal to the WTO against its ruling upholding the U.S. complaint. The Indian government is reportedly looking at ways to maintain the thrust on local manufacturing by using government procurement and subsidies.

**2. In a major development for the South Asian region, India and Bangladesh recently concluded the first seamless cross-border cargo movement.** As part of a trial run under the Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicle Agreement (MVA), a cargo truck from Bangladesh drove seamlessly across India's borders upto New Delhi. The trial run is expected to help develop the protocols for implementing the MVA, which was signed in June last year.

Currently, cargo has to be trans-shipped which increase time and costs. Under the trial run, the consignment did not undergo customs clearance at the Petrapole border point and electronic tracking was used instead. The inspected for custom clearance was conducted at the end-point in New Delhi. The BBIN MVA, once operationalised, is expected to benefit companies operating and catering to this region from the reduced transaction costs and improved regional infrastructure and cross-border access.

**3. India's exports fell marginally to \$21.5 billion, with recent months' numbers signalling a possible reversal in the decline seen in much of the past two years.** While sectors like electronics and agriculture registered an uptick in exports, other core sectors like bulk drugs and textiles were in the negative zone. Imports contracted by 14 per cent to \$29 billion owing mostly to reduced gold imports. Trade deficit for August stood at \$7.67 billion – 38 per cent lower y-o-y. Numbers show that India's exports to Europe and the U.S. have increased in August compared to a decline registered in the same period last year. Imports from these partners however, continued its negative growth on a y-o-y basis.

The government has once again increased incentives through the Merchandise Exports from India Scheme (MEIS). It has added about 2000 more items and over Rs 1500 crore of additional support per year. In particular, marine and seafood industry has been identified for special thrust. Part of the measures also include setting up of agencies for aquaculture and fisheries in coastal states. This is expected to include a thrust on advanced technologies, quality seeds, feeds as well as improving product quality and standards. Japan and Korea have reportedly expressed interest in investing in value addition of seafood products in India.

