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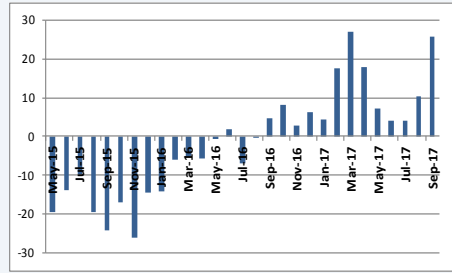
1. India's Trade and Oil price spill over: Crude oil producers saw a year of revival since the historic low of \$28/barrel in January 2016. Geopolitical uncertainties, drawdown in inventories (especially in US) and production re-adjustment by OPEC have pushed crude oil prices back to \$64/barrel range in mid-November. India imports around 80% of its crude oil requirements. Commentators expect sustained increase in oil prices could affect the current account deficit (CAD). Increase in oil prices may also impact trade deficit. For instance, in October India's trade deficit reached three-year high widening to \$14bn as higher crude price pushed petroleum import bill to \$9.2 billion – 28% increase from a year ago. Last year, when crude price was below \$50 in October 2016, the trade deficit stood at \$11.1bn and petroleum import bill was \$7.2 billion. Fiscal deficit touched 96% of its target of 3.2% of GDP (£64.75bn) till October, compared to 79.3% in the corresponding period of the previous year on account of lower tax receipts and higher expenditure. Overall, the Reserve Bank of India estimates that for every \$10 per barrel rise in oil price, India's GDP growth will be affected by around 0.15 percentage point.

2. India-Canada 4th annual Ministerial Dialogue on Trade and Investment was held in New Delhi on 13th November 2017. Commerce Minister Suresh Prabhu, and Mr. François-Philippe Champagne, the Canadian Minister for International Trade discussed ways for early conclusion of the bilateral Comprehensive Economic Partnership Agreement (CEPA). Ahead of Canadian Prime Minister Justin Trudeau's visit to India in February 2018, both sides are looking for a breakthrough in negotiations that began in 2010. Following the 10th round of the India-Canada CEPA talks held in August, both sides noted the exchange of wish lists on services front. India highlighted the importance of services with an interest to create more jobs for the IT professionals by facilitating easier work visas under the trade agreement. Both Ministers also took note of the progress made under the Foreign Investment Promotion and Protection Agreement (FIPA) and expressed their hope for an early conclusion. India's total merchandise trade with Canada stood at \$6.1bn in 2016-17.

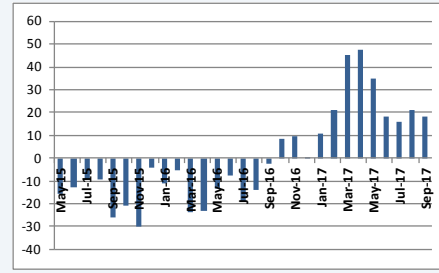
3. India – EU meet to set in motion the proposed Bilateral Trade and Investment Agreement (BTIA), as India's Chief Trade Negotiator Anup Wadhawan from the Ministry of Commerce and Industry and Helena König from EU took stock on the stalled free trade pact and expressed willingness to address issues in a time-bound manner. . The negotiations for the proposed BTIA were launched in June 2007 and last held in 2013 as both sides are attempting to bridge issues such as intellectual property rights, duty cut in automobiles and spirits and visa related to movement of professionals. India is asking for 'data secure nation' status to be granted by the EU as it believes this will help Indian IT companies wanting market access. Two-way trade between India and the EU registered slight uptick to \$89.5bn in 2016-17, after previously dipping to \$88.4bn in 2015-16 from \$98.5bn in the previous fiscal.

Merchandise trade: exports/imports / trade balance

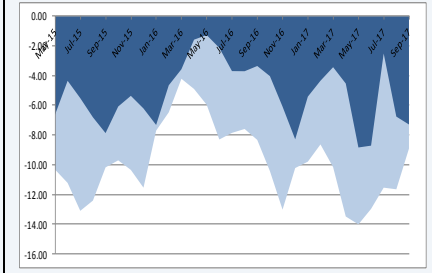
Export growth (% y/y)



Imports (% y/y)

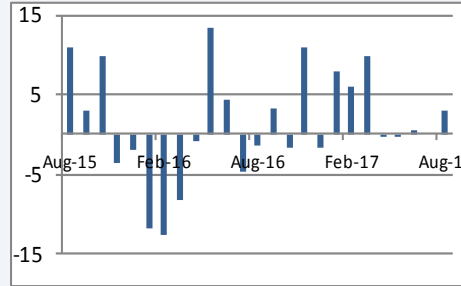


Trade balance (\$bn)

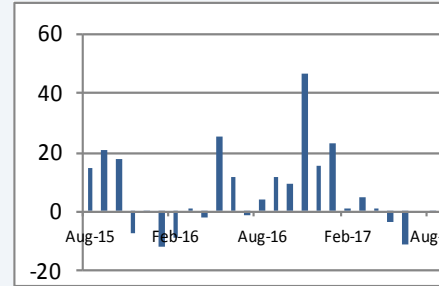


Services trade: exports / imports / trade balance

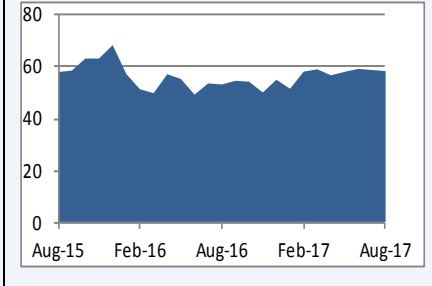
Export growth (% y/y)



Imports (% y/y)

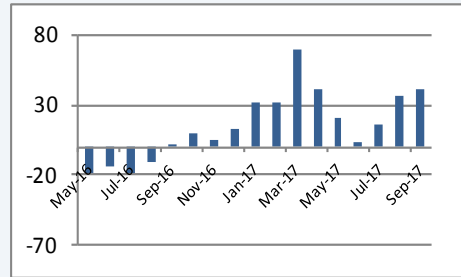


Trade balance (\$bn)

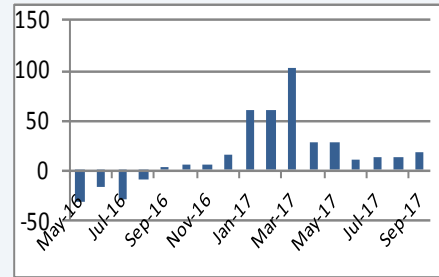


Petroleum Oil Lubricant (POL) trade

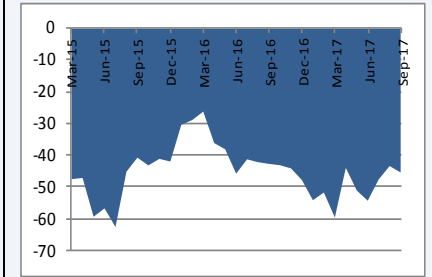
Export growth (% y/y)



Imports (% y/y)

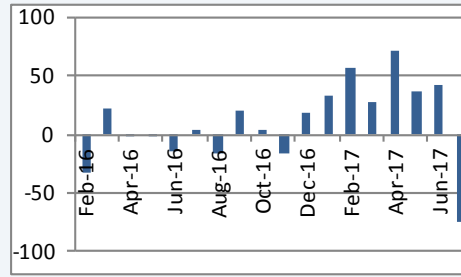


Trade balance (\$bn)

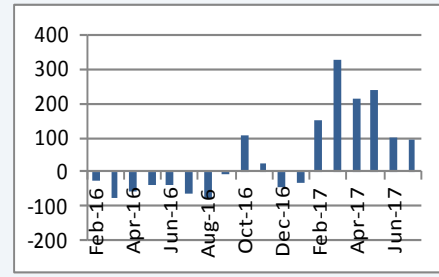


Gold trade

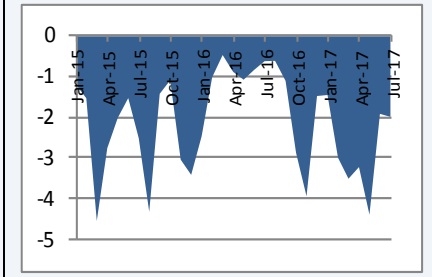
Export growth (% y/y)



Imports (% y/y)

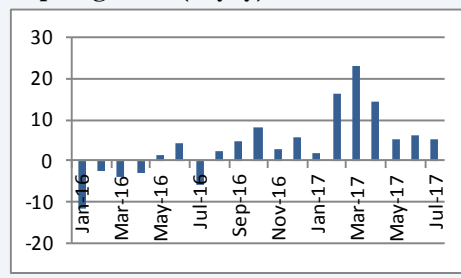


Trade balance (\$bn)

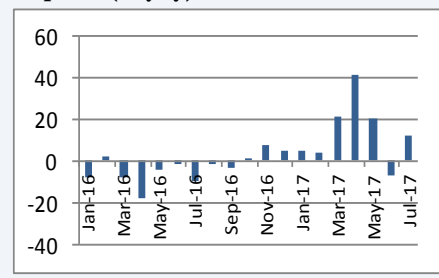


Non oil/Non gold trade

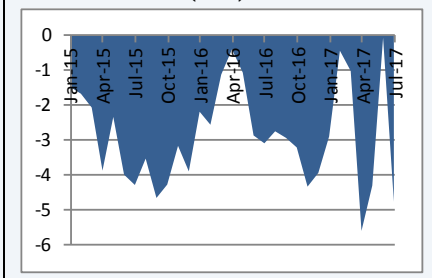
Export growth (% y/y)



Imports (% y/y)



Trade balance (\$bn)



Data Sources : Government of India and Reserve Bank of India official statistics

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