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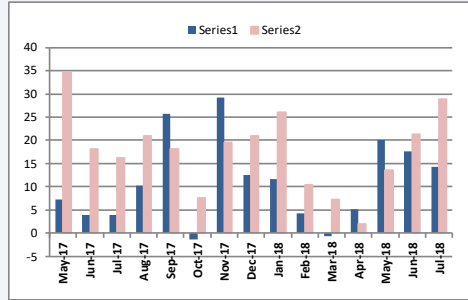
**1. Singapore RCEP Ministerial Outcome:** The 6<sup>th</sup> Regional Comprehensive Economic Partnership (RCEP) Ministerial Meeting was held on 30-31 August 2018 in Singapore. Commerce Minister Suresh Prabhu led the Indian delegation. Reportedly, other RCEP members have agreed to India's ask to liberalize their services market and allow movement of skilled professionals as part of the trade deal. Minister Prabhu has requested members to put forward their offers by 5th October. It was also agreed that tariff reduction goals would be taken forwards through a bilateral pairing process on a request and offer basis. Each member will sit with the other to discuss their respective ambitions and agree a mutually acceptable tariff reduction level. This is also in line with India's ask. In addition, The Ministers acknowledged the good progress with conclusion of four chapters, namely Economic and Technical Cooperation; Small and Medium Enterprises; Customs Procedures and Trade Facilitation; and Government Procurement. While, the RCEP negotiations are not expected to conclude by the end of this year, the Ministers adapted and endorsed 'The Package of Year End Deliverables'. They also directed the negotiations on all issues where differences remain, such as level of tariff reduction, be intensified during the 24th RCEP Auckland Round from 17th to 24th October 2018.

**2. India @ the BIMSTEC Summit:** The two-day 4<sup>th</sup> Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Summit concluded in Nepal on August 31, 2018. BIMSTEC is an economic group of seven countries – Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar and Thailand. Adopting the [declaration](#), the Prime Ministers agreed to enhance cooperation in areas – [Blue economy](#), regional connectivity, trade and investment, poverty alleviation, climate change and counter-terrorism. In October 2016, just after the cancellation of SAARC summit, Prime Minister Narendra Modi convened a BRICS-BIMSTEC outreach summit in Goa, where he committed to revive BIMSTEC as India's priority organization to promote regional cooperation. He emphasized that the Bay of Bengal countries are the natural platform for India to simultaneously implement its regional connectivity, Neighbourhood First and Act East policies. The total goods trade between India and the BIMSTEC grouping grew 19% y/y to \$35 billion in FY2017-18 and India runs an overall trade surplus of \$14.8 billion.

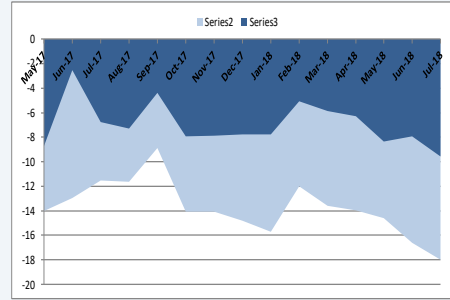
**3. Update: WTO Export Subsidy Dispute:** The EU and eleven other countries have backed the US complaint against India's export promotion schemes at the World Trade Organisation (WTO). Brazil, Canada, China, Egypt, the EU, Japan, Kazakhstan, Korea, Russia, Sri Lanka, Taiwan and Thailand have filed petition as third parties, such that if the ruling goes against India, they will also benefit alongside the US. In May, the US had challenged India's export programmes at the WTO citing that these could impact international workers and manufacturers. It pegged the subsidies at \$7 billion including sector specific schemes like Electronics Hardware Technology Parks Scheme, SEZs, and Export Promotion Capital Goods Scheme. Reportedly, the GoI is now considering to allow duty-free import of capital goods (from 7.5% currently) in its efforts to work out a WTO compliant scheme as the export subsidies will have to be phased out or withdrawn. The scheme, if implemented, will be linked to employment rather than exports.

**Merchandise trade: exports/imports / trade balance**

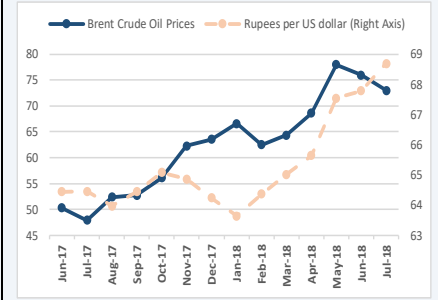
**Export/Imports growth (% y/y)**



**Trade balance (\$bn)**

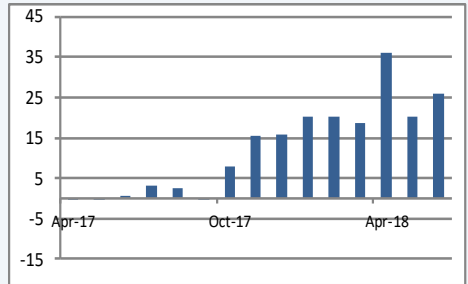


**Global Oil Price vs. Rupee Depreciation (\$)**

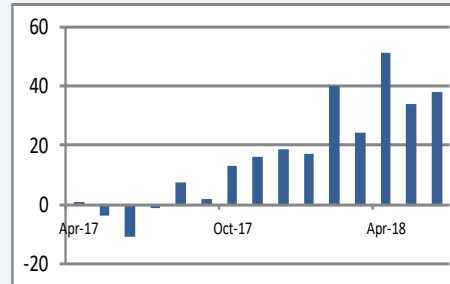


**Services trade: exports / imports / trade balance**

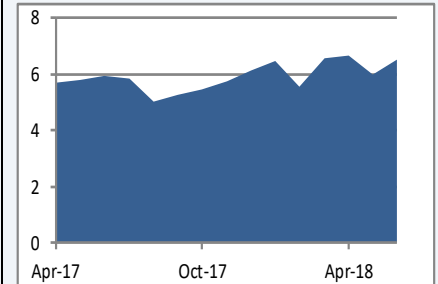
**Export growth (% y/y)**



**Imports (% y/y)**

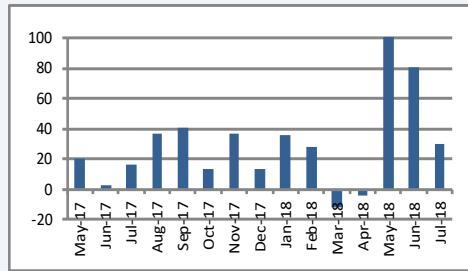


**Trade balance (\$bn)**

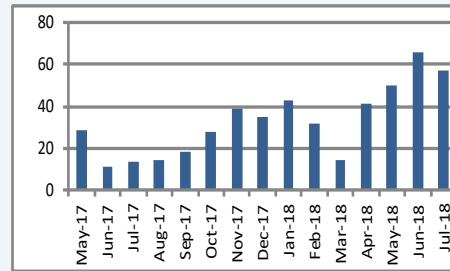


**Petroleum Oil Lubricant (POL) trade**

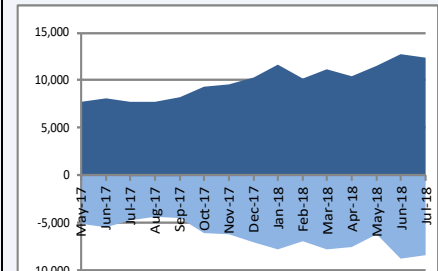
**Export growth (% y/y)**



**Imports (% y/y)**

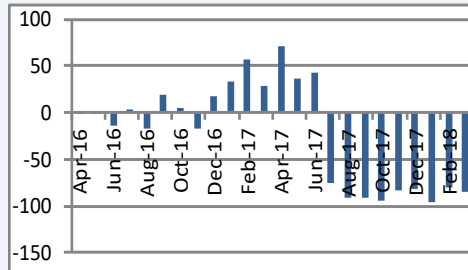


**Trade balance (\$bn)**

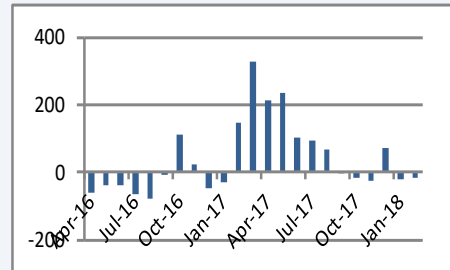


**Gold trade**

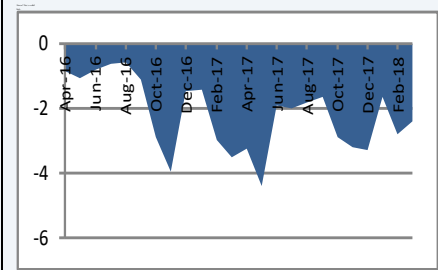
**Export growth (% y/y)**



**Imports (% y/y)**

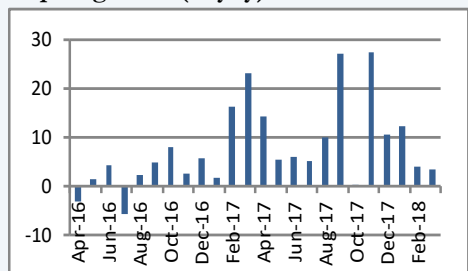


**Trade balance (\$bn)**

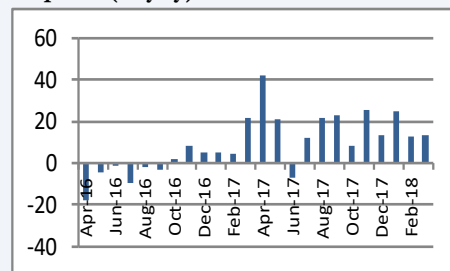


**Non-oil/Non gold trade**

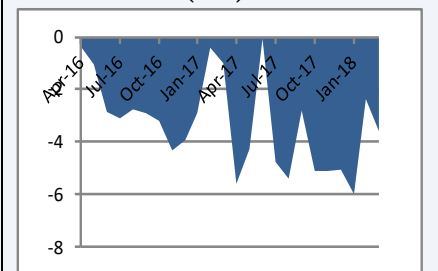
**Export growth (% y/y)**



**Imports (% y/y)**



**Trade balance (\$bn)**



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

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Read our analysis on the [India Economic Share Point](#)