



PROGRESS HARMONY DEVELOPMENT

Estd. - 1905

Trade & Investment Facilitator

A stylized blue world map with a large blue arrow pointing from the left towards the right, positioned behind the main title text.A circular orange logo with the letters 'TIF' in white, positioned to the right of the main title.

Executive Summary (TIF – Feb-March 2015)

The last month witnessed India taking a leap forward in improving 'Ease of Doing Business' by reducing 7 and 10 mandatory documents required for export and import of goods to 3 documents each. DGFT(Directorate General of Foreign Trade) has operationalised online filing of Importer Exporter Code(IEC) applications, online processing and issue of e-IECs in digital format. Ministry of Finance has launched a new upgraded and secure user friendly web site for filling and processing of applications for Foreign Direct Investment (FDI) requiring government approval among others.

Prime Minister Shri Narendra Modi visit to three nations Seychelles, Mauritius and Sri Lanka in the month of March also marked significant developments. Highlighting few, India and Seychelles agreed to establish a Joint Working Group to expand cooperation on the blue economy ; MOU between India and Mauritius was signed for mutually beneficial cooperation for exploration and capacity development in the field of marine resources, fisheries, green tourism, research and development of ocean technology, exchange of experts and other related activities; India and Sri Lanka signed an agreement on cooperation between customs authorities to simplify trade and reduce non-tariff barriers between the nations.

Ms. Christine Lagarde Managing Director, International Monetary Fund (IMF) who was on her second visit to India from 14th-18th March, 2015 portrayed a bright picture about Indian economy. She highlighted that India is among the few major economies with a strong growth outlook; growth in India has picked up, even as the world economy is faced with subdued demand conditions, particularly in Europe and Japan, and recent slowdown in China.

India's exports for the month of February 2015 stands at around USD 21.5 billion with a (Y-O-Y) growth of around (-)15% as compared to USD 25.3 billion in February 2014 with a (Y-O-Y) growth of (-)3.6%. The FDI equity inflows in the month of January 2015 are estimated at around US\$4.4bn as against about US\$2.1bn in January 2014, posting a growth (Y-o-Y) of around 105%.

Amongst bilateral trade and investments developments India and USA have undertaken new initiatives to enhance clean energy including launch of "Innovative Finance Forum"; established "PACE Setter Funds" to support innovative clean energy access projects among others. While, during the 7th round of India Kenya Joint Trade Committee meeting the two nations reviewed the bilateral trade and reiterated their commitment towards strengthening mutually beneficial relationship. India and Central Asian Republic of Kyrgyzstan signed a Memorandum of Understanding (MoU) with an objective to strengthen bilateral cooperation in the three major fields: Textiles & Clothing; Silk & Sericulture; Fashion

The Government has given a strong indication to set up an Advisory Committee to suggest thrust areas and key measures which can yield quick results as well as help formulate a long term export strategy. This will be instrumental for boosting India's exports in the coming times.

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Highlights

Mandatory documents required for export and import reduced to 3 each

DGFT operationalises online filing of IEC applications online processing and issue of e IECs in digital format

Prime Minister Shri Narendra Modi visited to three nations Seychelles, Mauritius and Sri Lanka to strengthen the cooperation between India and Island nations.

India and Kyrgyzstan signed a MoU to strengthen bilateral cooperation in the three major fields: Textiles & Clothing; Silk & Sericulture; Fashion

February merchandise exports decline by around (-)15%

January FDI grew by more than 100%

1. Developments in India's foreign trade

1.1 Exports

1.1.1 February merchandise exports decline by around (-)15% - India's exports for the month of February 2015 stand at around USD 21.5 billion with a (Y-O-Y) growth of (-)15.02% as compared to USD 25.3 billion in February 2014 with a (Y-O-Y) growth of (-)3.6%. During February 2015, the imports were USD 28.3 billion with a (Y-O-Y) growth of around (-) 15.66% as compared to USD 33.6 billion in February 2014 with a (Y-O-Y) growth of (-)17.09%. The balance of trade stands at around USD (-)6.8 billion during February 2015 as compared to USD (-)8.3 billion during January 2015.

Value of Merchandise Trade		USD billion	
Period	January	February	April- February
Exports			
FY 15	23.8	21.5	286.5
Growth (%)	(-)11.19	(-)15.02	0.88
Imports			
FY 15	32.2	28.3	411.8
Growth (%)	(-)11.39	(-)15.66	0.71
Trade balance			
FY 15	(-) 8.32	(-)6.8	(-)125.2

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Govt of India

1.1.2 January services exports stands at USD 14.2bn - India's services exports for the month of January 2015 stand at around USD 14.2 billion and services imports stand at USD 7.7 billion. The trade balance in services stands at USD 6.5 billion for the month of January 2015.

Value of Service Trade		(USD billion)	
Period	December	January	
Exports			
FY 15	14.3	14.2	
Imports			
FY 15	7.2	7.7	
Trade balance			
FY 15	7.06	6.4	

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Govt of India

1.1.3 India's total export of computer services & ITES/BPO services rise by 14% in 2013-14 - The Reserve Bank of India (RBI) released data related to the results of the annual survey on Computer Software and Information Technology Enabled Services Exports for 2013-14.

According to the survey, India's total export of computer services and ITES/BPO services (excluding commercial presence) during 2013-14 was estimated at US\$71.4bn, exhibiting 14.1% growth over the previous year. Exports of 'computer services' and 'ITES/BPO services' accounted for 73.6% and 26.4%, respectively, of the total software services exports. Public limited companies accounted for 63.6% share of the total software services exports during 2013-14.

1.1.4 Foreign Tourist Arrivals(FTAs) grew by 4% in January 2015(y-o-y) - Ministry of Tourism reported that FTAs during the Month of January 2015 was 7.90 lakh as compared to FTAs of 7.59 lakh during the month of January 2014 and 7.20 lakh in January 2013. There has been a growth of 4% in January 2015 over January 2014. The Percentage share of Foreign Tourist Arrivals (FTAs) in India among the top 15 source countries was highest from USA (16.35%) followed by UK (11.82%), Bangladesh (9.29%), Canada (4.70%), Australia (3.63%), Russian Federation (3.50%), France (3.16%), Germany (3.12%), Sri Lanka (2.93%), Malaysia (2.91%), Japan (2.63%), China (2.30%), Rep.of Korea (1.89%), Afghanistan (1.76%) and Oman (1.54%).

1.1.5 India's February polished diamond exports rose by 5% - According to preliminary data from the Gems & Jewellery Export promotion Council (GJEPC), India's polished diamond exports increased 4.4% (y-o-y) to around US\$2.3 billion in February. Polished imports, meanwhile, fell 15.2% to US\$405mn, leaving net exports up 18.3% at US\$1.9bn. India's polished diamond exports for the first two months of 2015 rose 26.7% (y-o-y) to US\$4.09bn, while polished imports fell 27.8% to US\$778mn, leaving net exports up 54% at \$3.3bn.

1.1.6 Coffee export fell 19% – According to Coffee Board, India's coffee exports fell by 19% to 49,272 tonne during the January-February period of this year on account of sluggish price trends in the global market. In value terms coffee exports fell to Rs 888.69 crore, as against Rs 903.08 crore in the same period of 2014. Major India's export markets for coffee were Italy (11,115 tonne), followed by Germany (4,252 tonne), Turkey (3,579 tonne), Russian Federation (2,869 tonne) and Belgium (1,872 tonne) in January-February, 2015.

1.1.7 India keen to increase services exports to China - The Government of India is keen to promote services exports to China so as to fill the existing trade gap between the two economies. Thus, the Government is focusing on promoting services from key Indian sectors, information technology, pharmaceuticals, tourism, textiles and agricultural products, in the Chinese markets. Furthermore, a joint working group with Beijing is also being proposed to discuss growth prospects and further plan a strategy to market Indian services in China.

1.1.8 India world's largest importer of weapons, military equipment - India has emerged as the world's largest importer of weapons and military equipment as accounted for 15% of global weapon imports between 2010 and 2014 followed by Saudi Arab, China and UAE. Russia is reported to have supplied 70% of arms to India in 2010-14 followed by US with 12% and Israel with 7%.

1.1.9 Potato exports rose over two-fold - India's potato exports rose more than two-fold during April-December period of this fiscal to 2.5 lakh tonnes. The country had exported 1.18 lakh tonnes in the year-ago period. According to data compiled by the National Horticultural Research and Development Foundation (NHRDF), potato exports stood at 2,50,781 tonnes during April-December of FY2015 against 1,18,158 tonnes in the corresponding period of the previous fiscal.

1.2 Imports

1.2.1 Potash imports by India is expected to rise at five-year high - According to Fertiliser Association of India, potash imports by India, is expected to rise by 22% to 5 million metric tonnes in the year beginning 1 April from a year earlier as demand increases for the crop nutrients. This would be the highest since 2010-11.

1.2.2 Silver imports surged in 2014 - In 2014, silver registered record high imports of 6,842 tonnes up 18% in the same period of the previous year. However, the import bill fell because of decline in the prices of the metal. Silver imports in 2014 were worth US\$3.46 billion as compared with US\$3.64 billion in the previous year. Germany has emerged a major exporter of silver to India, while China, Hong Kong and Taiwan, the UK, Germany and Russia are also on the list of top exporters.

2. Developments in India's Foreign Investments

2.1 January FDI rises by more than 100% - The FDI equity inflows in the month of January 2015 were estimated at around US\$4.4bn as against about US\$2.1bn in January 2014, posting a growth (Y-o-Y) of around 105%. The growth in FDI equity inflows stood at around 96.28% in December, (-)6.17% in November, 116.6% in October and (-) 35.1% in September. The total FDI equity inflows, in the period April-January 2014-15 are estimated at around US\$25.5bn; representing an increase of around 36% over the FDI equity inflows of about US\$18.7bn for the corresponding period last year.

Recent trend in FDI equity inflows (FY2015)

Financial Year 2014-2015 (Apr - January)		Amount of FDI inflows	
		(In Rs. Crore)	(In US\$ mn)
1	Apr-14	10,290	1,705
2	May-14	21,373	3,604
3	Jun-14	11,508	1,927
4	Jul-14	21,022	3,500
5	Aug-14	7,783	1,278
6	Sep-14	16,297	2,678
7	Oct-14	16,288	2,655
8	Nov-14	9,486	1,537
9	Dec-14	13,562	2,161
10	Jan-15	27,880	4,481
2014-15 (up to January 2015)		155,489	25,526
2013-14 (up to January 2014)		113,401	18,749
%age growth over last year		(+) 37%	(+) 36%

Source: PHD Research Bureau compiled from Department of Industrial Policy & Promotion.

3. Key Approvals & Proposals: 'External Sector'

Implementation of Eastern Dedicated Freight Corridor (EDFC) and Western Dedicated Freight Corridor (WDFC) sanctioned

The Ministry of Railways has sanctioned implementation of Eastern Dedicated Freight Corridor (EDFC) and Western Dedicated Freight Corridor (WDFC) with freight train speeds of maximum 100 Kmph. Alignment for both WDFC & EDFC has been finalized. WDFC starts from Jawaharlal Nehru Port Trust (JNPT), Mumbai and passes through the States of Maharashtra, Gujarat, Rajasthan, Haryana, and terminate at Dadri in Uttar Pradesh. The total length of the Western DFC is about 1500 Kms. The Eastern Freight Corridor, starts from Sahnewal near Ludhiana in Punjab and passes through the States of Haryana, Uttar Pradesh, Bihar, Jharkhand and terminate at Dankuni in West Bengal, total length being 1856 Kms. The WDFC and EDFC is targeted to be completed in December 2019.

Agreement on the New Development Bank and the BRICS Contingent Reserve Agreement

The Union Cabinet has given its approval for establishing the New Development Bank (NDB) and the BRICS Contingent Reserve Arrangement (CRA). The signing of the Agreement for the establishment of NDB is expected to allow India to raise and obtain more resources for the much needed infrastructure development. Besides, the governance structure and decision making in the Bank will be equitable unlike the existing multilateral development banks. For all the signatory countries, the establishment of the Bank will help them raise and avail resources for their infrastructure and sustainable development projects. It would also reflect the close relations among BRICS countries, while providing a powerful instrument for increasing their economic cooperation.

Government Approves Eleven (11) proposals of Foreign Direct Investment (FDI) amounting to about Rs. 1075.91 Crore

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on 4th February 2015, Government has approved Eleven (11) proposals of Foreign Direct Investment amounting to Rs. 1075.91 crore approximately.

Proposal for 101 more National Waterways

A proposal for declaration of 101 additional waterways as National Waterways is under consideration of the Government. The proposal covers waterways across the country which has potential for year round commercial navigation. Inland Waterways Authority of India (IWAI) is conducting feasibility studies on the proposed new waterways for finding out their potential for year round commercial navigation.

4. Bilateral Trade and Investment Developments

4.1 Clean Energy Co-Operation between India and US - Ministry of New and Renewable Energy reported that India and USA have undertaken new initiatives to enhance clean energy including launch of "Innovative Finance Forum"; established "PACE Setter Funds" to support innovative clean energy access projects and a Joint Indo-US PACE Setter Fund has been established with a contribution of US\$ 4 million (INR 25 crores) from each side for providing grants for seed capital for innovative clean energy projects.

4.2 Joint Trade Committee meeting held between India and Kenya - The 7th round of India Kenya Joint Trade Committee meeting was held during the month of February and the two sides reviewed the bilateral trade and reiterated their commitment towards strengthening mutually beneficial relationship. The two sides had intensive discussions and agreed to enhance cooperation in the fields of bilateral investment, Infrastructure, SMEs, agriculture, health, energy, skill development & entrepreneurship, pharmaceuticals and tourism.

4.3 India-Myanmar 5th Joint Trade Committee Meeting - During the month of February, the representatives of India and Myanmar had intensive interaction and exchange of views to find ways and means to enhance the bilateral trade and investment ties. Both sides agreed to work together to remove the bottlenecks hampering the bilateral trade and investment such as lack of good connectivity, lack of banking arrangement both for regular and border trade. In this context, India offered to support Myanmar to develop infrastructure at the border trade points, upgrade trade training institutes in Yangon, and also provide training to Myanmar officials on WTO and international trade related issues besides supporting subsidized direct shipping links between India and Myanmar to promote bilateral trade.

The two countries made commitment towards strengthening mutually beneficial relationship especially in the field of promoting two-ways investment, infrastructure development particularly to promote border trade, connectivity, agriculture, energy, skill and entrepreneurial development, pharmaceutical and people-to-people contacts.

4.4 India Invited entrepreneurs from Lebanon to invest in Mega Food Parks and Cold Chain - India invites Lebanon to avail investment opportunities in India in the setting up of Mega Food Parks and Cold Chain for ensuring better supply chain and also asked Lebanon to participate in international food fairs to promote exchange of information on processing techniques including modern technologies of fruits and vegetables and new packaging techniques for food products. In response Lebanon has shown interest to enhance bilateral relations to newer heights. While, the country asked to simplify visa procedures which will eventually help to strengthen bilateral trade.

4.5 India signed agreement with World Bank for Special Climate Change fund Assistance of US\$8mn - A Grant Agreement was signed between India and the World Bank for assistance of US\$8mn for Sustainable Livelihoods and Adaptation to Climate Change (SLACC) Project. The grant project is funded through the Special Climate Change Fund of US\$8mn. SLACC project will help community institutions of the rural poor, particularly women farmers, to foster improved resilience in the production system in collaboration with government programs such as

MKSP and MGNREGS. Climatic hazards that affect the availability of natural resources, adversely affect the livelihoods of the poor by impacting production, affecting incomes and preventing building up of assets. The project aims to improve adaptive capacity of the rural poor engaged in farm-based livelihoods to cope with climate variability and change in Bihar and Madhya Pradesh and scale up the demonstrated best practices and lessons into the Government of India's National Rural Livelihoods Mission.

4.6 India and ADB sign loan agreements - Government of India and Asian Development Bank (ADB) signed agreements for US\$350mn loan to upgrade district roads in state of Madhya Pradesh and for US\$50.2mn loan to support Assam's power sector improvement. The Madhya Pradesh (MP) District Connectivity Sector project will improve about 1,600 kilometers of major district roads in Madhya Pradesh through lane widening, surface improvements, strengthening of culverts and bridges. The agreement has been signed for a loan of US\$50.2mn to continue to support improvements to transmission and distribution systems in the State of Assam for better electricity service to end users.

4.7 Textiles MoU between India and Kyrgyzstan

India and Central Asian Republic of Kyrgyzstan signed a Memorandum of Understanding (MoU) on 17th March, 2015 with an objective to strengthen bilateral cooperation in the three major fields : Textiles & Clothing; Silk & Sericulture; Fashion

The MoU aims to achieve this via:

- Cooperation in development of trade, economic and investment relations.
- Techno-commercial collaboration, joint trade missions.
- Stimulation of investment cooperation, such as joint ventures, industrial cooperation, marketing, leasing and management.
- Mutual assistance in R&D, technical collaboration in product development and manufacturing, testing and certification.
- Mutual assistance in skill development, training and retraining of personnel, carrying out of joint scientific, industrial and other meetings and exchanges.
- Cooperation in export promotion.
- Facilitating of participation of business delegations, exhibitors and buyers of each other in the trade exhibitions, buyers sellers meets, business forums.
- Mutual assistance in organizing visits of technical experts, specialists and scientists.

The two countries have agreed to set up a Joint Working Group (JWG) to explore details of cooperation within the scope of the MoU and the steps required to facilitate bilateral trade and investment.

It may be mentioned that of India's total exports to Kyrgyzstan 50% are from the textiles sector itself. Kyrgyzstan hoped that the trade volume between the two countries reaches US\$2.5 billion, from the current US\$ 25 million.

4.8 Prime Minister's visit to Seychelles, Mauritius and Sri Lanka (10th -14th March)

Prime Minister Shri Narendra Modi visited to three nations Seychelles, Mauritius and Sri Lanka paid for five days from 10th-14th March to strengthen the cooperation between India and Island nations.

Key developments of these visits are as follows

Visit to Seychelles

The key agreements and announcements during the PM Modi's visit are enumerated below:

- India and Seychelles agreed to establish a Joint Working Group to expand cooperation on the blue economy. This cooperation will increase understanding of marine ecology and resources.
- PM Modi announced to provide one more Dornier aircraft to Seychelles. In addition, announcement was made to grant free visas for three months and facility of visa-on-arrival to the citizens of Seychelles.
- PM Modi appreciated the efforts of Seychelles with respect to the launch of the Coastal Surveillance Radar Project which will enable Seychelles to continue to make a contribution to the safety and security of the Indian Ocean Region.
- The two nations stressed to support for expansion in the bilateral trade and investment relations.
- India announced that the agreement with Seychelles on hydrographic survey, will add a new dimension to the maritime cooperation between the two nations
- Both the nations highlighted that the agreement on the development of infrastructure in the Assumption Island will give a strong boost to the partnership between the nations and will improve ability to harness new possibilities of the ocean in a sustainable and balanced manner.
- India highlighted the significance of partnership with Seychelles in development of human resources and capacity building in the island nation.
- Lastly PM Modi expressed that Seychelles would be able to quickly utilize the committed US\$75mn in grants and credit in accordance with its priorities.

Visit to Mauritius

1. MOUs/Agreements signed :

- **MOU in the field of Ocean Economy:** The MoU will provide an extensive framework for cooperation in the field of Ocean Economy and will provide for mutually beneficial cooperation for exploration and capacity development in the field of marine resources, fisheries, green tourism, research and development of ocean technology, exchange of experts and other related activities.
- **MOU for the Improvement in Sea and Air Transportation Facilities at Agalega Island of Mauritius:** This MoU provides for setting up and upgradation of infrastructure for improving sea and air connectivity at the Outer Island of Mauritius which will go a long way in ameliorating the condition of the inhabitants of this remote Island.

- **MoU on Cooperation in the field of Traditional System of Medicine and Homeopathy:** This MoU will promote cooperation in the field of traditional system of health and medicine between the two countries. It envisages exchange of experts, supply of traditional medicinal substances, joint research and development and recognition of the traditional systems of health and medicine in both countries.
- **Programme for Cultural Cooperation for the year 2015-18 :** The programme envisages exchange of cultural troupes, training in fine arts, organization of cultural exhibitions, preservation of cultural heritage, promotion of Indian languages, exchange of students, etc. This programme will also enhance greater people-to-people participation between the two countries.
- **Protocol for the importation of fresh mango from India:** The aim of this Protocol is to facilitate importation of fresh mango fruits from India by Mauritius so that our Mauritian brethren can also relish the flavor of the world-renowned Indian mangoes.

2. Other Key announcements

- India has offered a concessional line of credit of USD500mn for civil infrastructure projects for Mauritius.
- India has expressed intention to build petroleum storage and bunkering facility in Mauritius.
- PM Modi offered support for construction of second cyber city in Mauritius.
- Both nations agreed to continue discussion over the revision of the Double Taxation Avoidance Convention and on Comprehensive Economic Partnership Agreement.
- PM Modi reiterated India's commitment to cooperate in effort to secure mauritius's Exclusive Economic Zone.
- Both nations committed to strengthen people to people cooperation wherein India has decided to waive the fee on the Electronic Travel Authorisation. In addition launch of multi-disciplinary youth forum has been decided.

Visit to Sri Lanka

- India and Sri Lanka signed agreement on cooperation between customs authorities to simplify trade and reduce non-tariff barriers between the nations.
- India announced its decision to set up a Joint Task Force on Ocean Economy .
- Both nations signed an MOU on cooperation in youth affairs for long term investment in bilateral relationship.
- In order to enhance people to people relations, India extended the facility of "Tourist Visa on Arrival - Electronic Travel Authorization" Scheme to Sri Lankan citizens. In addition announced imminent start of direct flights between New Delhi and Colombo.
- PM Modi announced its readiness to cooperate in developing a Ramayana Trail in Sri Lanka and a Buddhist Circuit in India and organize a Festival of India in Sri Lanka later this year; and
- India as the development partner for Sri Lanka announced the provision of a fresh Line of Credit of up to USD318mn for the railways sector.
- The Reserve Bank of India and the Central Bank of Sri Lanka agreed to enter into a Currency Swap Agreement of USD1.5bn.
- Lanka IOC and Ceylon Petroleum Corporation agreed to jointly develop the Upper Tank Farm of the China Bay Installation in Trincomalee on mutually agreed terms. A Joint Task Force will be constituted soon to work out the modalities.
- Lastly, PM Modi expressed the importance of resolving the fishermen issue and urged that fishermen's associations of India and Sri Lanka meet at the earliest to find a mutually acceptable arrangement.

4.9 Highlights of recent visit of Ms. Christine Lagarde Managing Director, IMF

India's growth outlook strong....

Ms. Christine Lagarde Managing Director, International Monetary Fund (IMF) was on her second visit to India from 14th-18th March, 2015. During her visit she highlighted that India is among the few major economies with a strong growth outlook; growth in India has picked up, even as the world economy is faced with subdued demand conditions, particularly in Europe and Japan, and recent slowdown in China.

While addressing at Lady Shri Ram College of Commerce, Ms. Christine Lagarde quoted that "India is more than just India it is more than the sum of its parts, intimately connected with the world. It has become a leader in information technology, sciences, pharmaceuticals, biotechnology, with many home-grown experts working in multiple companies around the world. She added that not only has India managed to find the most cost-effective way to send a mission to mars, it also gave us yoga, ayurveda, bollywood, and chicken tikka masala!"

The IMF Chief recited the Gitanjali poem by Rabindranath Tagore to describe where India is:

"Where the mind is without fear and the head is held high;

Where knowledge is free;

Where the word has not been broken up into fragments by narrow domestic walls..."

- According to the IMF Chief **this is a special moment for India** as other countries are grappling with low growth, India has been marching in the opposite direction. This year already India's growth rate is expected to exceed that of China and by 2030, it will overtake China as the most populous country in the world.
- The IMF Chief held the view that **in this cloudy global horizon, India is a bright spot**. Recent policy reforms and improved business confidence have provided a booster shot to economic activity. She added that using new GDP series, the IMF expects growth to pick up to 7.2 % this fiscal year and accelerate further to 7.5% next year- making India the fastest growing large economy in the world.
- IMF Chief highlighted that **by 2019 Indian economy will more than double in size compared to 2009**. When adjusting for differences in purchase prices between economies, India's GDP will exceed that of Japan and Germany combined.
- IMF Chief highlighted that **by 2030, India is expected to have the largest labour force in the world** . At more than one billion people of working age, India's labour force will be larger than the combined labour force in the United States, the Euro Area and Indonesia.

- The IMF chief **appreciated the budget** and said that it is a step in the right direction and contained several promising elements such as the emphasis on increasing spending to upgrade India's infrastructure.
- The chief **welcomed India's recent adoption of flexible inflation targeting**. According to her this framework is expected to provide robust institutional foundation for maintaining price stability as growth is picking up.
- The IMF chief said that for a strong and sustainable growth a healthy financial sector with **strong balance sheets is needed**.
- To make India's growth more inclusive Ms. Christine Lagarde highlighted that there is need to unleash the potential of women. She also highlighted that **33% women participated in labour force in India which is lower than the global average of 50%** and that the rate of female participation in labour force has been declining since 2005, in contrast to most other regions.
- **While addressing distinguished audience at Reserve bank of India on 17th March, 2015**, Miss Christine Lagarde highlighted that the unconventional monetary easing in the large advanced economies following the global financial crisis is an important concern for the central bank and for India's colleagues in other emerging market economies. The IMF Chief said that the risks of such monetary policy "spillovers" must be thought over and what can be done to minimize their potentially adverse consequences.

5. India and WTO

5.1 Ban on Import of Poultry Products from United States – Ministry of Commerce and Industry reported that in the World Trade Organization (WTO) dispute DS430 (Measures Concerning the Importation of Certain Agricultural Products from the United States), the WTO Panel had ruled that the import restrictions, imposed vide the Government of India (GoI) Notification No. S.O. 1663(E) dated 16 July, 2011, on account of outbreak of Avian Influenza in the country of export, is inconsistent with the WTO Agreement, in particular, the Agreement on Sanitary and Phytosanitary (SPS) Measures. GoI has filed Appeal before the WTO Appellate Body on certain rulings of the panel which GoI considers legally inconsistent with the WTO Law.

5.2 India not in favour of new US proposal on food stockholding at the WTO - India and other members of the G-33 grouping have opposed a new US proposal for a permanent solution to the factious issue of food stockholding for food security in developing countries at the second informal meeting at the WTO this year. India is of the view that the US proposal may result in an outcome where countries are advised as to what kind of food security programmes they should adopt, which is not part of the existing mandate. The G-33 countries - led by India and including China and the Philippines - want public stockholding for food security purposes to come under the 'Green Box' -- subsidies that cause no or minimum trade distortion.

6. Policy Developments

6.1 Mandatory documents required for export and import reduced to 3 each - India took a leap forward in improving `Ease of Doing Business` by reducing the mandatory documents required for import and export of goods to 3 documents each. The Directorate General of Foreign Trade (DGFT) issued a Notification to this effect on 12th March 2015. Based on the recommendations of the report, the RBI has agreed to do away with the `Foreign Exchange Control Form (SDF)` by incorporating the declaration in the `Shipping Bill` (for exports) and dispensing with the `Foreign Exchange Control Form (Form A-1)` (for imports).

Customs have also agreed to merge the `Commercial Invoice` with the `Packing List` and have issued a Circular for accepting `Commercial Invoice cum Packing List` that incorporates the required details of both the documents. The exporters and importers, however, have the option of filing separate `Commercial Invoice` and `Packing List` also, if they so desire. Shipping Ministry has also agreed to do away with the requirement of `Terminal Handling Receipt` and make the process online. As a consequence, after issue of the DGFT's Notification dated 12-3-2015, only three documents each would be mandatory documents for export and import.

MANDATORY DOCUMENTS FOR EXPORT & IMPORT		
S. No.	EXPORTS	IMPORTS
1	Bill of Lading/ Airway Bill	Bill of Lading/ Airway Bill
2	Commercial Invoice cum Packing List	Commercial Invoice cum Packing List
3	Shipping Bill/ Bill of Export	Bill of Entry

6.2 DGFT operationalises online filing of IEC applications online processing and issue of e IECs in digital format - Directorate General of Foreign Trade has started operationalising online filing of Importer Exporter Code (IEC) applications, online processing and issue of e-IECs in digital format. Now new entrepreneurs/exporters/importers can apply online for issue of new IEC from the comfort of their home/IT Kiosk with no more visits to the Regional Authority's office required, and upload the documents and pay the required fee through Net banking. Even the processing of such applications by Regional Authority of DGFT would be done online (no paper work in the office; less storage space required and no misplaced documents) and the digitally signed e-IEC (no more IECs in physical form) would be issued/emailed to the applicants within two working days.

6.3 Minimum Export Price on Potato export removed - With a view to check the rising prices of potato and augment domestic supplies, the Ministry of Commerce & Industry had decided to impose Minimum Export Price (MEP) of USD 450 PMT FOB with effect from 26th June, 2014. However, keeping in view of the prevailing lower prices and higher domestic availability of potato, the Government has decided to remove the MEP on export of potato. The removal of existing MEP on potato will help farmers in realising better and remunerative prices and would also help the exporters in earning valuable foreign exchange for the country through exports.

6.4 Shipping ministry eliminates requirement of registration of Ship Repair Units (SRUs)

- To promote ease of doing business in the ship repair sector, the Ministry of Shipping has simplified the procedure and eliminated the requirement of registration of Ship Repair Units (SRUs) with Directorate General (Shipping). Ministry of Finance and Ministry of Commerce & Industry have been informed to extend concessions and facilities to SRUs without insisting on the requirement of registration with DG (Shipping). The concessions and facilities extended to Ship Repair Units include provision of bond facilities, duty free import of components, raw materials, consumables and capital goods; and exemption of Central Excise duty on locally available components and raw materials by the Department of Revenue. For grant of such concessions or facilities, the SRUs were required to be registered with DG (Shipping). DG Shipping was procedurally required to consult Ministries of Commerce, Company Affairs, Finance (Revenue & DEA), Planning Commission, Ministry of Shipping etc. before grant of registration. This procedure was time consuming and cumbersome.

6.5 Finance Ministry launches new upgraded & secure portal for E-filing of applications for FDI

- Department of Economic Affairs, Ministry of Finance has launched a new upgraded and secure user friendly web site for filing and processing of applications for Foreign Direct Investment (FDI) requiring Government approval. Presently the applications are filed online at www.fipbindia.com which had limited features and processing capabilities. The new website <http://fipb.gov.in>, which becomes operational w.e.f 17th February 2015, shall henceforth receive applications regarding FDI in approval route sectors. With the introduction of the new website, applicant will have to submit only SINGLE copy of the application for records with the FIPB Secretariat instead of 15-18 copies being filed earlier. The initiative is part of the Government's ongoing efforts for Good Governance by enhancing transparency and accountability in its procedures and is a step towards Minimum Government and Maximum Governance.

6.6 Use of re-rolled steel obtained from ship recycling yards - According to Ministry of Shipping as a step towards meeting the heightened demand for steel by ship and barge builders, Ministry of Shipping has decided that re-rolled steel obtained from re-cycling yards/ship breaking units, after ascertaining its sourcing and processing, would be certified for use in construction of inland barges, river sea vessels (RSV Types 1 & 2) and port and harbour crafts. The use of re-rolled steel will help in bringing down the cost of constructions of barges, river sea vessels and port and harbour crafts.

6.7 Eleven government services launched on eBiz Portal - The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry today announced the launch of 11 Central Government Services on eBiz portal. Through eBiz portal, a business user can fill the eForms online/offline, upload the attachments, make payment online and submit the forms for processing of the department. He will be provided with copy of challan, which he can save or print, acknowledgement of submission and tracking of status of the form besides receiving sms alerts on important notifications. The certificate/clearance can be downloaded from eBiz. The eBiz platform, thus, enables a transformational shift in the Governments' service delivery approach from being department-centric to customer-centric as a single window portal.

6.9 EU notified lifting of ban on imports of mango from India - The European Commission has notified lifting of the ban on mango through Commission Implementing Decision no. 2015/237 of 12th February, 2015. Indian export of mango to the EU during 2012 and 2013 were valued at US\$ 6.73 million and 10.09 million respectively. Ban on import of vegetables from India has not been

lifted by EU. Standard Operating Procedure (SOP) has been developed by the Government for pest free export of fresh vegetables to EU wherein the vegetables are processed in pack houses approved by Agricultural and Processed Food Products Export Development Authority (APEDA) under the supervision of Plant Quarantine before export to EU.

6.10 Delay in Utilization of Advance Received for Exports - RBI vide its circular dated 9.2.2015 has informed that exporter receiving an advance payment for exports (with or without interest) from a buyer outside India shall be under an obligation to ensure that the shipment of goods is made within the stipulated period from the date of receipt of advance payment, as it has been observed that there is substantial increase in the number and amount of advances received for exports remaining outstanding beyond the stipulated period on account of non-performance of such exports. Further, Banks are advised to efficiently follow up with the concerned exporters in order to ensure that export performance (shipments in case of export of goods) are completed within the stipulated time period besides ensuring compliance with KYC and AML guidelines so that only bonafide export advances flow into India.

6.11 Compulsory registration rule relaxed for groundnut exports – In order to increase shipments from India, the Union Commerce ministry has abolished the compulsory registration rule for groundnut shelling units to export to countries outside the European Union. Under the procedure of compulsory registration the exporters were buying groundnut from shelling units registered with the Agricultural and Processed Food Products Export Development Authority (Apeda) and the shelling units had register them through the Indian Oilseed and Produce Export Promotion Council. Continuous opposition from the shelling units across Gujarat and Andhra Pradesh finally led to the removal of this compulsory registration rule.

7. Miscellaneous

7.1 Government decides to set up two new major ports – Ministry of Shipping reported that the Government has decided to set up two new major ports, one each at Sagar in West Bengal and the other at Dugarajapatnam in Nellore district of Andhra Pradesh.

7.2 India pushes EU to revoke ban on four veggies - India is pushing the European Union (EU) to revoke an import ban on four vegetables: brinjal, snake gourd, taro and bitter gourd. The ban was imposed last year after fruit flies were found in some consignments from India. The ban continues to be in force even though import of mangoes, which had been prohibited along with the four vegetables, was resumed earlier this year. The EU had imposed a ban on the import of mangoes and the four vegetables last May for a period of 20 months. India subsequently made it mandatory for exports of all perishable items to the EU be routed through pack-houses certified by the Agriculture and Processed Food Products Export Development Authority.

7.3 Handicrafts and Carpet Sector Skill Council Launched - A new institution, Handicrafts & Carpet Sector Skill Council has been launched by the Ministry of Textiles at its 20th Handicrafts Export Awards Presentation Function on 19th March, 2015. The institution will promote skill development among artisans, craft persons and workers at grassroots level. This will enable them to adopt latest techniques and become more productive. The institution highlights the crucial role of skill development in national development under the ambit of ambitious Make in India Initiative of the Government. It is observed that the percentage of skilled workforce in India is very low as compared to that in China, UK, USA, Japan and Germany, thus there is a great need for skill

development in all sectors of the economy, so that India becomes competitive in production of good quality products.

7.4 MoU signed between Inland Waterways Authority and Dedicated Freight Corridor Corporation for logistic hubs with rail connectivity -A Memorandum of Understanding (MoU) was signed between the Inland Waterways Authority of India (IWAI) and the Dedicated Freight Corridor Corporation of India (DFCCIL) on 19th March, 2015 for creation of logistic hubs with rail connectivity at Varanasi and other places on National Waterways. The joint development of state-of-the-art logistics hubs at Varanasi and other places would lead to convergence of inland waterways with rail and road connectivity. This would provide a seamless, efficient and cost effective cargo transportation solution.

As per the MoU, IWAI and DFCCIL will collaborate for the project and also facilitate business development in the hinterland and its feeder routes. To begin with, IWAI and DFCCIL will work jointly to provide rail connectivity to the proposed inland waterway terminal at Varanasi to make it a logistics hub, with the vision of developing similar facilities at other strategic locations on the other National Waterways and dedicated Freight Corridors. DFCCIL and IWAI will set up a Coordination Group (COG), with two members from each organisation, for effective implementation of the MoU.

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The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers.

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PROGRESS HARMONY DEVELOPMENT

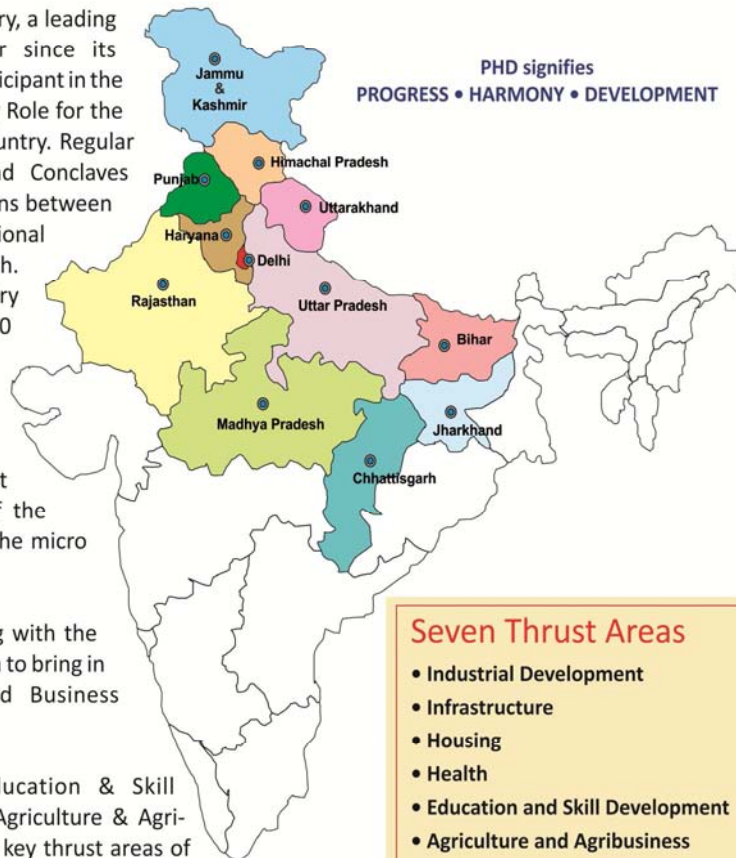
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At a Global level we have been working with the Embassies and High Commissions in India to bring in the International Best Practices and Business Opportunities.

Industrial Development, Health, Education & Skill development, Housing, Infrastructure, Agriculture & Agri-business and Digital India are the seven key thrust areas of the Chamber.



Seven Thrust Areas

- Industrial Development
- Infrastructure
- Housing
- Health
- Education and Skill Development
- Agriculture and Agribusiness
- Digital India



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