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AHMEDABAD MANAGEMENT ASSOCIATION

"The Five Pillars of Prosperity :
Agriculture, Manufacture, Navigation,
Information Technology, Commerce"

FOREIGN TRADE Update

GoG-AMA Centre for International Trade

November 2019 | For *Private Circulation* | Vol. 15 ♦ No. 11

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Editor's Note

Chinese E-commerce is booming but Indian Entrepreneurs are out of it

In recent months, we have read many reports, studies, ministers' policy comments that exports are the key to India reaching 5 trillion economy by 2025. For that to happen, exports should grow three times from present $330bn to $1 trillion during the same period. At present, our exports are stagnating. Many suggestions have been received from trade associations and other stakeholders. What is missing from the scene is a strategy to seize e-commerce opportunities which are fast growing in various parts of the world. Chinese e-commerce is growing at 30% per annum to reach $100 billion in five years. In addition, African market is growing fast to reach $23 billion, Japan $73 billion and Korea $57 billion. In addition, markets are also growing in Asean, Australia and many other countries. Unfortunately, we have so far, not formulated any strategy to enter these markets in any significant way. Even 1% market share of Chinese market would get us $ one billion sales. Chinese government has



reduced the customs formalities for e-commerce sales, increased the number of products to over 350 and tripled the per person sales from Rs. 22,000 to Rs. 77,000 per annum. However, to crack e-commerce markets, we need a different approach than merchandise exports. Here our Export Promotion Councils' (EPC) present marketing approach, such as trade fairs, B-to-B meetings will not work. What is required is a new EPC which can develop a strategy to reach B-to-C through warehousing in free trade areas, educating SME exporters in foreign language marketing and overall promote a seller facilitation function which Amazon does so successfully for its overseas platforms. The sooner, we can focus attention on e-commerce, the faster, global e-commerce can start contributing to our products basket.

Industries Commissioner's Desk

New MSMEs can start work without Gujarat Government Clearances

To give impetus to Micro, Small and Medium Enterprises(MSMEs), the Gujarat cabinet has approved a draft ordinance to amend the MSME Act. The ordinance will come into force after it receives the Governor's assent. The most important clause in the proposed ordinance allows entrepreneurs to start production without waiting for approvals from government agencies and to secure clearances once their business stabilizes. Someone lakh MSMEs get approvals through the industries Commissionerate portal every year. On average, units need permissions from 12 different departments. In most instances, the start of production is delayed by up to three years.

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Editor: **Suhayl Abidi**

Supporting International Trade through Education, Training and Research.

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Asia's Future is Now

Asia is on track to top 50 per cent of global GD by 2040 and drive 40 per cent of the world's consumption, representing a real shift in the world's center of gravity - McKinsey & Co.



Asia is close to signing a mega trade agreement, The Regional Comprehensive Economic Partnership (RCEP) which is a proposed free trade agreement between the ten member states of the Association of Southeast Asian Nations and its six FTA partners, that is China, India, Korea, Japan, Australia and New Zealand. India has since opted out of this mega agreement but still has one year to change its mind. It is time to take a close look at the emerging opportunities in this vast market.

One of the most dramatic developments of the past 30 years has been emerging Asia's soaring consumption and its integration into global flows of trade, capital, talent, and innovation. In the decades ahead, Asia's economies will go from participating in these flows to determining their shape and direction. Indeed, in many areas—from the internet to trade and luxury goods—they already are. The question is no longer how quickly Asia will rise; it is how Asia will lead.

The common thread across this diverse region is an upward trajectory across key economic and social indicators. In 2000, Asia accounted for just under one-third of global GDP (in terms of purchasing power parity), and it is on track to top 50 per cent by 2040. By that point, it is expected to account for 40 per cent of the world's total consumption. Asia is making not only economic progress but rapid strides in human development, from longer life spans and greater literacy to a dramatic surge in internet use.

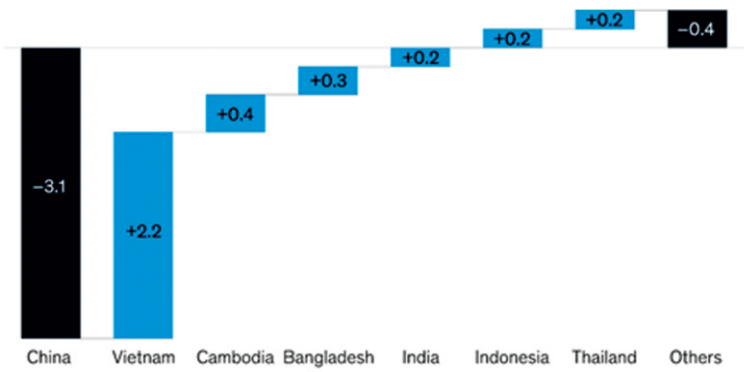
The region's rise has not only lifted hundreds of millions out of extreme poverty; it has also raised living standards more broadly for people of every income level. Urbanization is fuelling economic growth and opening doors to education and public health services. Recent McKinsey Global Institute (MGI) research examined 71 developing economies and singled out 18 of them for consistently posting robust economic GDP growth. All seven long-term outperformers, and five out of 11 recent outperformers, are located in Asia. In recent decades, several Asian countries have propelled themselves into the ranks of middle-income and even advanced economies. This reflects the region's ongoing industrialization and urbanization, its rising demand and productivity growth, and its dynamic corporate sector.

These trends represent a real shift in the world's center of gravity. Scholar Parag Khanna asserts that the "Asian century" has begun and observes that the region's rise is not cyclical but structural. Emerging Asia's evolution has reached a stage that requires deeper global acknowledgment. It is upending assumptions—long held in the West, in other emerging economies, and even in Asia itself—about the world's economic balance.

As consumption rises, more of what gets made in these countries is now sold locally instead of being exported to the West. Over the decade from 2007 to 2017, China almost tripled its production of labour-intensive goods, from $3.1 trillion to $8.8 trillion. At the same time, the share of gross output China exports has dramatically decreased, from 15.5 per cent to 8.3 percent. India has similarly been exporting a smaller share of its output over time. This implies that more goods are being consumed domestically rather than exported. Furthermore, as the

As China decreases exports of labor-intensive manufactured goods, other emerging Asian countries are stepping into that role.

Change in share of emerging-market exports in labor-intensive manufacturing, 2014–17, percentage points



Source: IMF; WTO; McKinsey Global Institute analysis

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region's emerging economies develop new industrial capabilities and begin making more sophisticated products, they are becoming less reliant on foreign imports of both intermediate inputs and final goods.

The previous era of globalization was marked by Western companies building supply chains that stretched halfway around the world as they sought out the lowest possible labour costs—and often their supply chains ran through Asia. Now labour arbitrage is on the wane. Only 18 per cent of today's goods trade now involves exports from low-wage countries to high-wage countries—a far smaller share than most people assume and one that is declining in many industries.

For some in the region, the window is not closed yet. As wages rise in China and the country moves into higher-value activities, its share of global exports of labour-intensive goods has declined by three percentage points. This has created an opening for other countries to step in. In the past decade, Vietnam, India, and Bangladesh have managed to grow their exports of labour-intensive manufactured goods (particularly textiles) by annual rates of 15 per cent, 8 per cent, and 7 per cent, respectively (Exhibit 1). This trend can turn unknown cities into new manufacturing hot spots.

Nevertheless, infrastructure, workforce skills, and productivity will be critical to competitiveness in the decade ahead. Low-cost labor alone will not be enough. All industry value chains now rely more heavily on R&D and innovation—and the share of value generated by the actual production of goods is declining. These shifts, combined with a wave of new manufacturing and logistics technologies, mean that countries across Asia will need to alter their investment priorities and develop new types of skills to compete in a more knowledge-intensive trade landscape.

Companies are increasingly focused on speed to market and improving coordination and visibility across the entire value chain—goals that are hard to achieve when suppliers are halfway around the globe. As a result, supply chains are becoming shorter and more localized. Intra-regional trade is increasing at the expense of long-haul trade.

Because of its diversity and geographic sweep, Asia is not and likely will never be the same kind of tightly integrated trade entity as the European Union or NAFTA. Although it is a looser constellation of countries, trade ties and cooperation are deepening across the region. Today 52 per cent of Asian trade is intra-regional, compared to just 41 per cent in North America. This points toward a new trend of firms building self-contained regional supply chains to serve Asian markets. It also indicates deepening trade ties among Asian countries themselves—with much more room to grow.

Although India has not signed RCEP agreement, we have Free Trade Agreements with Asean, Sri Lanka, Japan and South Korea. There are a large number of opportunities to sell to Asian countries leveraging our currents FTAs. (condensed from Asia's Future is Now, McKinsey Institute)

GoG-AMA Centre for International Trade

USEFUL TRAINING PROGRAMMES

Day/ Date	Time	Topic
Friday, Nov. 22	10.00 am to 12.30 pm	Trade & Investment Opportunities: Morocco, Tunisia & Algeria
Friday, Nov. 22	5.30 pm to 8.00 pm	Selling on Global eCommerce Marketplace
Saturday, Nov. 23	9.30 am to 5.00 pm	Foreign Exhcnage Markets, Exchange Rates and Risk Management
5 days, Nov. 23-24, 29-30, Dec. 8	9.30 am to 5.00 pm	Sourcing International Trade Information
Sunday, Nov. 24	9.30 am to 12.30 pm	How to Import
Thursday, Nov. 28	4.30 pm to 7.30 pm	Entrepreneurs to EXPORTERS
Sunday, Dec. 1	9.30 am to 12.30 pm	Introduction to International Trade & Business: Purchasing, Packaging & Labelling of Export Goods
Saturday, Dec. 7	9.30 am to 1.00 pm	Export Opportunities for Medical Devices [Focus on Afro - Asean Countries]
Sunday, Dec. 8	9.30 am to 12.30 pm	Introduction to International Trade & Business: Export Business Techniques - How to Identify, Locate, Retain Overseas Buyer & How to Import
Fri., Sat., & Sun. Dec. 13, 14 & 15	9.30 am to 5.00 pm	Certificate Programme on International Marketing
Sunday, Dec. 15	9.30 am to 12.30 pm	Introduction to International Trade & Business: Shipping of Dangerous Goods & Hazardous Cargoes
Sunday, Dec. 22	9.30 a.m. to 12.30 p.m.	Introduction to International Trade & Business: Impact of Transportation on Logistics Cost

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Profile of Tunisia



Tunisia's GDP is $45 billion on a purchasing power parity basis, vastly greater on a per-person basis than any of its neighbours. It is the 14th highest GDP in Africa, competing with such economic powerhouses as Egypt and Nigeria, which rank higher not because their citizens are smarter or work harder but mainly because of the huge geographic disparity with Tunisia. On a per-person basis, Tunisia is one of the most highly educated and highly economically productive countries but the population numbers only 11.5 million.

Since the Tunisian revolution of January 2011, political and economic stability in Tunisia remains fragile. FDI inflows were impacted as they declined steadily over this period (UNCTAD World Investment Report 2018). In 2017, they amounted to USD 880 million, a decrease of 1% compared to 2016 and 45% compared to 2012.

Tunisia is in the process of economic reform and liberalization after decades of heavy state direction and participation in the economy. Prudent economic and fiscal planning have resulted in moderate but sustained growth for over a decade. Tunisia has several strengths that can be exploited. In addition to its geographic proximity to Europe, Tunisia also possesses agricultural and agro-food potential, which could spur growth and generate jobs. It has a diversified industrial base automotive parts, aeronautics, chemical industry, plastics, pharmaceutical leather and textiles and offers good export opportunities for intermediate industrial products.

Located at the junction of the eastern and western basin of the Mediterranean, and only 140 km from Europe, Tunisia enjoys a privileged geographical position which makes it a regional hub for investment as well as for trade and production. Within less than three hours flying time from European capitals and major cities of the Middle East, Tunisia is at the heart of the Euro-Mediterranean logistic chain. It is also the favourite destination for those who decide to access a market of 500 million consumers.

Tunisia was the first country to develop the pharmaceutical sector in Africa. According to a World Bank Study, the pharmaceutical industry in Tunisia has grown at an average annual rate of 15% — much higher than the global average. The industry meets 49% of the country's need for medicines (mainly generics).

Tunisia Economic City - The Concept of this, $50 bn. project is to build, in phases, a global and integrated modern city in Enfedha city in Tunisia with strong base in Culture, Tourism, Education and Commerce, to be the international Centre and hub connecting East and West, North and South for Trade, cultural and educational exchange. This project will contribute in the formulation of the overall economic and future development map of Tunisian Republic, and the wider region, with a new vision evolving from the region of new nations and the world affected by them. The Economic City has several components such as a deep port, healthcare city, industrial city, logistics city, pharmaceutical city, sports city, media city, silicon Africa and University city etc.

India exports a wide range of products. Significant among them are Knocked-Down Kits, Automobiles, Electrical Items, Cotton, Mechanical Engines, Organic Chemical Products, Rubber, Rice, Coffee/Spices etc. The annual bilateral trade during 2017 was US$ 403.713 million.

Highlights:

Ranked as one of the most competitive economies in Africa Tunisia is ranked 1st in North Africa in terms of

- Talent Competitiveness | "Global Talent Competitiveness Index 2017, INSEAD"
- Entrepreneurship Ecosystem | "Global Entrepreneurship Index 2017, GEDI"
- Innovation | "Bloomberg Innovation Index 2017, Bloomberg"
- Competitive Industrial Performance | "Competitive Industrial Performance Index 2016, UNIDO"
- ICT Development | "Measuring the Information Society Report, 2016"
- Transition to E-commerce | "B2C E-commerce Index 2016, UNCTAD"

Tunisia Ranks: 1st worldwide exporter of dates; 2nd African producer of car components; 2nd exporter of organic produce in Africa; 3rd worldwide producer of olive oil

Write to us

Please write to us at ama@amaindia.org for feedback, suggestions, comments etc. This will help us in tailoring our offering to meet your knowledge needs in international trade.

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- **FreightBro becomes the first Indian Logistics Startup to join Digital Hub Logistics Hamburg:** FreightBro, India's first freight forwarder facing digital platform that digitizes operations for Freight Forwarders, became the first Indian startup to join the Digital Hub Logistics Hamburg in an exclusive event titled 'Digital Hub Logistics Hamburg Roadshow - An Indo-German Logistics Startups Connect.'Organised by FreightBro, the event focused on the importance and the success of building a digital logistics ecosystem in Germany and the potential of replicating similar ecosystem based models in India.

  Mohammed Zakkiria A, Co-Founder, FreightBro, said, "Joining hands with Digital Hub is a strategically sound decision for us and is the perfect platform for us to connect with the right partners in Germany and plan future expansion in the European market." After the recently established partnership with Port of Wilhelmshaven, this collaboration with Digital Hub Logistics, Hamburg comes as a significant step ahead in strengthening FreightBro's Indo-German ties and establishing a footprint in the European logistics hub, said a release.

Gujarat Export Sectors

- **Brass Industry-Jamnagar:** Jamnagar is home to Asia's largest brass-parts manufacturing cluster, with lock-pins, nozzles, nuts, bolts, frames and screws, among the thousands of brass items it supplies worldwide. There are nearly 5,000 brass parts manufacturing units in Jamnagar and over 80% of them in the small-scale category. The industry employs over 200,000 people, Due to the recent economic slowdown, particularly the automobiles sector, brass parts manufacturers have been forced to scale down production. Industry estimates suggest that brass-parts makers in Jamnagar have cut production by 20%. Besides direct exports, brass parts also constitute indirect exports as these are also used in vehicles which are exported.

  In the first quarter of 2019-20, Gujarat witnessed its steepest decline in automobile sales. Car sales here fell by a significant 36% against the same period of 2018-19, while two-wheeler sales plunged by 30%. Brass parts made in Jamnagar are supplied to manufacturers across India such as Suzuki Motor Corporation, Tata Motors and Bajaj, among others. With domestic and export sales declining, and the consequent piling up of inventory, demand for brass parts has fallen as automakers scale down their production. The economic slowdown which has hit other sectors has also affected demand for brass parts. Industry players the depreciation of the rupee has also hurt production.



While earlier exports formed less than 10% of the industry's total turnover, most of which came from the African region, the industry is now bagging orders from USA and Europe that have pushed share of exports to close to 20%.What's more, the revival of sorts is being attributed to growing adoption of technology for exploring business.

According to Jinesh Shah, managing director of Rajahs Impex Private Limited and member of the Jamnagar Factory Owners' Association (JFOA), from exploring new regions and reaching out to potential clients over the Internet to attending international industry seminars and exhibitions, the new generation of entrepreneurs are redefining the way the brass industry was functioning so far.

Apparently, five years ago, total exports formed a mere 3-4% of the industry's overall business. However, the same has been gradually increasing since last three years and nearing 20%. In the past, the Jamnagar based industry exported brass parts worth Rs. 300 crore out of its total turnover of Rs. 6,000 crore to mostly African countries. As compared to that, last year in 2014-15, the industry registered exports of about Rs. 2,000 crore to regions like USA and Europe, along with African countries. Exports have also extended to Asian countries like UAE, Saudi Arabia. European brass parts tend to be costlier than those from India which enables the industry to bag export orders from EU countries," said Lakh Bhai, adding that Indian products tend to be almost 30% cheaper than European made brass parts products due to high labour costs. An estimated 90% of the brass used in Jamnagar is imported from the US, and just 10% is procured from within India. The currency depreciation has raised our input costs significantly. When demand is low, it is difficult to absorb higher production costs, as revenue and working capital will be affected. Most brass parts units in Jamnagar are small-scale ones. Small manufacturers don't have deep pockets. If payment cycles are lengthened or input costs rise, it is difficult to sustain production. JFOA members are in talks with the MSME ministry, seeking subsidies on machinery procurement. Due to the overheads involved, shutting down units is not viable. Manufacturers have presently reduced overtime and shifts, to scale down production and cut costs. Apart from automobiles and auto parts makers, a recessionary trend is seen in real estate and the electrical accessories sectors as well.



- **September exports repeat decline, contract by 6.5% to reach 3-month low:** Exports in September contracted for the third time in the first six months of the current fiscal year, with trade decline plaguing all major foreign exchange (forex) earners such as processed crude oil, gems and jewellery, and engineering goods. Outbound trade dropped 6.57 per cent in September, falling to a three-month low. However, policymakers are equally worried about falling imports, which contracted for the fourth straight month in September by 13.85 per cent, showing low demand for both consumer and industrial items — a hallmark of slowdown. As a result, merchandise trade deficit fell to $10.86 billion in September, a seven-month low. Outbound trade had been repeatedly pummelled in 2019-20 (FY20), with a 6.05 per cent contraction in August. This still trailed the 41-month low of 9.7 per cent in June. According to the data released by the commerce and industry ministry on Tuesday, exports stood at $26.03 billion in the latest month. An unprecedented 22 out of the 30 major export sectors saw contraction, while in August, only seven sectors had contracted. Critical exports such as those of processed petroleum took a beating, with receipts falling by more than 18 per cent to $3.4 billion.
- **With exports down, Centre may retain MEIS scheme till March 2020:** Worried about falling exports, the Centre is considering extending the popular Merchandise Export Incentive Scheme (MEIS) till the end of this fiscal, and offering it to fabrics and yarn as well instead of withdrawing it by the end of calendar year 2019.The Remission of Duties or Taxes on Export Product (Rode) scheme, which is scheduled to replace the MEIS from January 1, 2020, but is yet to get Cabinet approval, has not received an enthusiastic response from exporters as the rates under it may be lower than the existing MEIS rates, another government official said.
- **India's organic products exports surge by 50 per cent in 2018-19: APEDA:** India witnessed a jump of nearly 50 per cent in organic product exports touching the Rs 5151 crore-mark ($757 million) in 2018-19. According to estimates by APEDA, flax seeds, sesame, soybean, tea, medicinal plants, rice and pulses such as achar and china are the key organic food products that drove this growth.
- **Marine exports to China may cross $1-billion mark by year-end:** India's marine exports to China are expected to cross the $1-billion mark by the end of this year after touching almost $800 million in the first nine months of 2019, government sources said on Wednesday. Sources also added a Chinese trade delegation visited India on October 9, 2019, and signed a contract for import of marine products worth $500 million in the next two years.
- **Passenger vehicle exports up 4 % in April-September period:** Passenger Vehicle (PV) exports increased by over 4 per cent in the first half of the current fiscal, with Hyundai Motor India leading the segment with dispatches of over 1.03 lakh units to various geographies like Africa and Latin America, as per the latest data by SIAM. PV exports stood at 3,65,282 units in April-September period of the current fiscal as compared with 3,49,951 units in the same period of 2018-19. Car shipments saw a 5.61 per cent increase at 2,86,495 units, while utility vehicle exports saw a marginal rise at 77,397 units during the April-September period.
- **DGFT issues advisory for exports over issue of late cut imposed by the system while applying for MEIS:** Taking note of the representations made by trade and Export Promotion Councils (EPCs) regarding issue of late cut being imposed by the system while applying Merchandise Export from India Scheme (MEIS), DGFT has issued an advisory. In a Trade Notice, DGFT pointed it has been receiving multiple representations from the members of trade and EPCs regarding the difficulties being faced by exporters, when a claim is being made for shipping bills, which have been re-activated in the E-com module.
- **Persistent decline in export of cotton yarn has traders in a spin:** The continuous fall in cotton yarn exports since the start of this fiscal has raised concerns in the textile industry. In fact, shipments logged a negative growth in all months from April. The export of cotton yarn in the first six months of this fiscal year declined 39 per cent, and in value terms, it almost halved to $1.28 billion, against $2.09 billion in the same period last year. Shipments to leading markets such as China, Bangladesh, Vietnam, South

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Korea, Colombia and Turkey has fallen significantly. Moreover, export of value-added products, such as fabrics and made-ups, have grown just 2 per cent this fiscal.

- **Amid soaring tensions, India's tea exports to Pakistan tank over 50%:** Uncertainty over payments amid growing tensions between the two sides has led to a drop of over 50 per cent in India's tea exports to Pakistan — to only 3.14 million kg — so far this calendar year. Pakistan is the world's biggest tea importer after Russia in value terms. According to estimates, the country imports about $560 million worth of tea every year, compared with $490 million worth of tea imports by Russia. According to sources, during times of strife between India and Pakistan, Indian exporters mostly route their consignments via other countries to stave off any trade crisis. Dubai in the UAE, Kazakhstan and Egypt are some hubs for such routing of tea to Pakistan.
- **Dwindling sea catch worries exporters, but Mead allay their fears:** The dwindling sea catch on the country's West Coast seems to be a cause of worry for seafood exporters, as they fear that the raw material shortage is likely to impact the country's export basket in the current financial year. Citing climate change as a reason for the declining sea catch, Alex Nina, president, Seafood Exporters Association of India - Kerala Region, said that deep sea catch from Kerala to Gujarat has been witnessing very low arrivals of sea materials, especially shrimp varieties such as psoralen, and Karaikudi. The raw material shortage was almost 60 per cent, including the most sought-after varieties, such as seer fish, pomfret, mackerel, and ribbon fish in the overseas markets

GUJARAT TRADE NEWS

- **Gujarat oil millers expect bumper groundnut crop, spike in exports:** According to oil millers, quality of groundnut crop in Saurashtra and North Gujarat is much better due to very good monsoon. Domestic demand of groundnut and its derivatives too remain high. However, this year Indian exporters will have an upper hand in the backdrop of estimated bumper groundnut crop. Sources say that the groundnut oil lobby of Saurashtra region is hoping to export large quantity of groundnut oil as China is encouraging imports of groundnut oil instead of soyabean oil.
- **Ban on exports: India's onion mess:** The government's decision to ban onion exports and impose stock limits may have arrested the steep rise in prices of the essential vegetable, but experts feel it's more of aknee-jerk response that hurts farmers rather than resolving the country's onion mess. India's onion problem is not so much about managing the shortages as it is about managing the surplus. India does produce much more onion than it consumes.

  Every time exports are banned on ad-hoc basis, exporters lose customers, which they have created after a long effort, as the reliability of exporters come into question. The warning signs of impending shortages are very clear. If government acts with measures like increasing its own stocks and putting timely export restrictions, it can help reduce sharp fluctuations in prices. Instead of that, the government often resorts to export ban and stock limits, as it has done this time. It only hurts farmers, traders said. Ban on exports affects farmers even more. That is because the country produces about 23.5 million tonnes of onion (2018 figure) a year, but consumes only about 14 mt. So, export is necessary to maintain prices and ensure that farmers get a profit. The government intervenes when prices rise, but it didn't show up when onions were selling at 1/kg.

Job Announcements on AMA Notice Board

Ahmedabad Management Association (AMA) has been making its Notice Board available for announcement of Job Openings in various companies since a number of years now, acting as a facilitator for both the employment providers and employment seekers. This facility of displaying the Job Opening is made available free of cost and the sole motive is employment generation.

The Job provider gets to announce his /her vacancy in varied field at no cost.

The vast majority of AMA facility users get to view these advertisements and explore these opportunities thus getting the right candidates in the right fit - creating employment.

The posting would be for a fixed duration of 15 days and would be removed automatically thereafter unless the organization request for a re-posting.

AMA's role would be limited to posting of the vacancy for viewers at AMA Complex.

India rallies 51 nations to reject US memo on special treatment: India rallied 51 countries at the World Trade Organization (WTO) on Wednesday to reject a US presidential memorandum, which had sought to deny Special and Differential Treatment (S&DT) to developing countries in current and future trade agreements, said trade envoys. US President Donald Trump had issued the memorandum on 26 July, threatening developing countries such as China, India and South Africa, that if they do not forgo their S&DT flexibilities at WTO within three months ending on 24 October, they will be named and shamed on the White House and the United States trade representative websites. S&DT provides several flexibilities for developing countries, such as longer time periods for implementing agreements and commitments, lower levels of commitment and measures to increase trading opportunities.

Exporters body keen on value added exports to Japan: The Federation of Indian Export Organisations (FIEO) has said that Indian exporters should export value added products to Japan in order to utilise the full potential of the East Asian country. "The current export does not reflect the true potential of trade between India and Japan. The untapped export potential for Japan is more than $3 billion in sectors such as pharmaceuticals, gems & jewellery, marine products, rice, bovine meat, knitted t-shirts, ferro silicon, aluminium," said President, FIEO addressing a session on Trade & Business Opportunities between India and Japan.

FIEO said that Indian exporters should look into value added segment of exports which account for major imports into Japan. In many of the products, the share of India is extremely low. India's share in electric and electronic components (0.09%), machinery (0.36%), pharmaceutical (0.24%) and medical & surgical equipment (0.38%) requires massive improvement as combined imports of these products in Japan is over $250 billion, according to FIEO Director General and CEO.

India, Malaysia eye trade curbs as Kuala Lumpur supports Pakistan on Kashmir: Tensions seem to be brewing between India and Malaysia, with both the countries reportedly eyeing reciprocal trade curbs following Malaysian Prime Minister's support for Pakistan over India scrapping a temporary article in its constitution granting special status to Kashmir, according to news reports. Malaysian Prime Minister has said his government will monitor bilateral trade with India following reports that New Delhi was considering punitive trade measures on the Southeast Asian nation over his criticism of India's actions in Kashmir. Malaysian Prime Minister has said his government will "study the impact of the action taken by India", the state-owned news agency Bernama said. "They are exporting goods to Malaysia too. It's not just one-way trade, it's two-way trade," Malaysian Prime Minister was quoted as saying in the report. India is the world's largest importer of edible oils, and is the biggest buyer of Malaysian palm oil. It bought 3.9 million tonnes of Malaysian palm oil in the first nine months of 2019, according to data compiled by the Malaysian Palm Oil Board.

India can win big from inevitable $350-550 bn exports moving out of China: Credit Suisse: India could potentially be one of the big winners from the US-China trade war, according to a Credit Suisse survey of 100 companies with global sales of $1 trillion that projects $350-550 billion of exports will shift out of China and that this is "inevitable even if slow". This survey insights land at the same time when US Commerce Secretary is saying in New Delhi that India has a "wonderful opportunity right now, to take advantage of trade dissension elsewhere".

After setback at WTO, India likely to 'rework' more export schemes: A WTO dispute settlement panel is learnt to have ruled in favour of the US that had claimed that New Delhi offered illegal export subsidies and "thousands of Indian companies are receiving benefits totalling over $7 billion annually from these programmes". These export subsidies were in violation of the WTO's Subsidies and Countervailing Measures (SCM) pact, the US had alleged. India is awaiting the panel's final report and its precise findings, which is expected soon, said another source, indicating that a detailed impact assessment would be done once the report was received. Last March, the US had challenged many Indian export subsidy programmes, including MEIS, Export Oriented Units Scheme; sector-specific schemes, including Electronics Hardware Technology Parks Scheme; special economic zones; Export Promotion Capital Goods Scheme; and duty-free imports for re-exports.

India and China signs 120 MoUs for exports to China: Private companies from India and China signed more than 120 MoUs for export of various products from India, including sugar, chemicals, fish, plastics, pharmaceuticals and fertilisers recently. "China is working to bring down its trade surplus with India. In the first eight months of this year, India's trade deficit went down by 1.6 per cent to $37.9 billion.

Published by GoG-AMA Centre for International Trade, AHMEDABAD MANAGEMENT ASSOCIATION, Core-AMA Management House, Torrent-AMA Management Centre, ATIRA Campus, Dr Vikram Sarabhai Marg, Ahmedabad 380015 **Phone:** 079-26308601-5 • **Fax:** 079-26305692 **Mobile:** Mobile: 95374 07187, 70699 40917 • **Email:** ama@amaindia.org • **Website:** www.amaindia.org, www.gogama.org