

Recent Trade Agreements of India



India – UAE

Comprehensive Economic Partnership Agreement (CEPA)

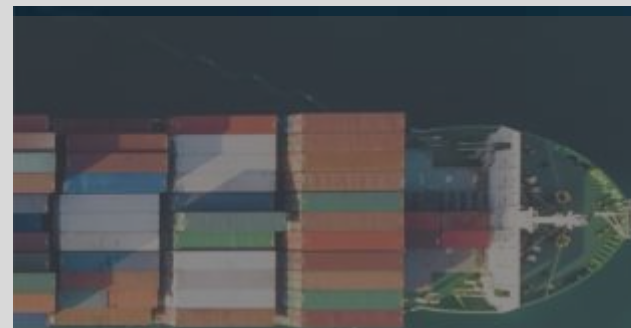


India – Australia

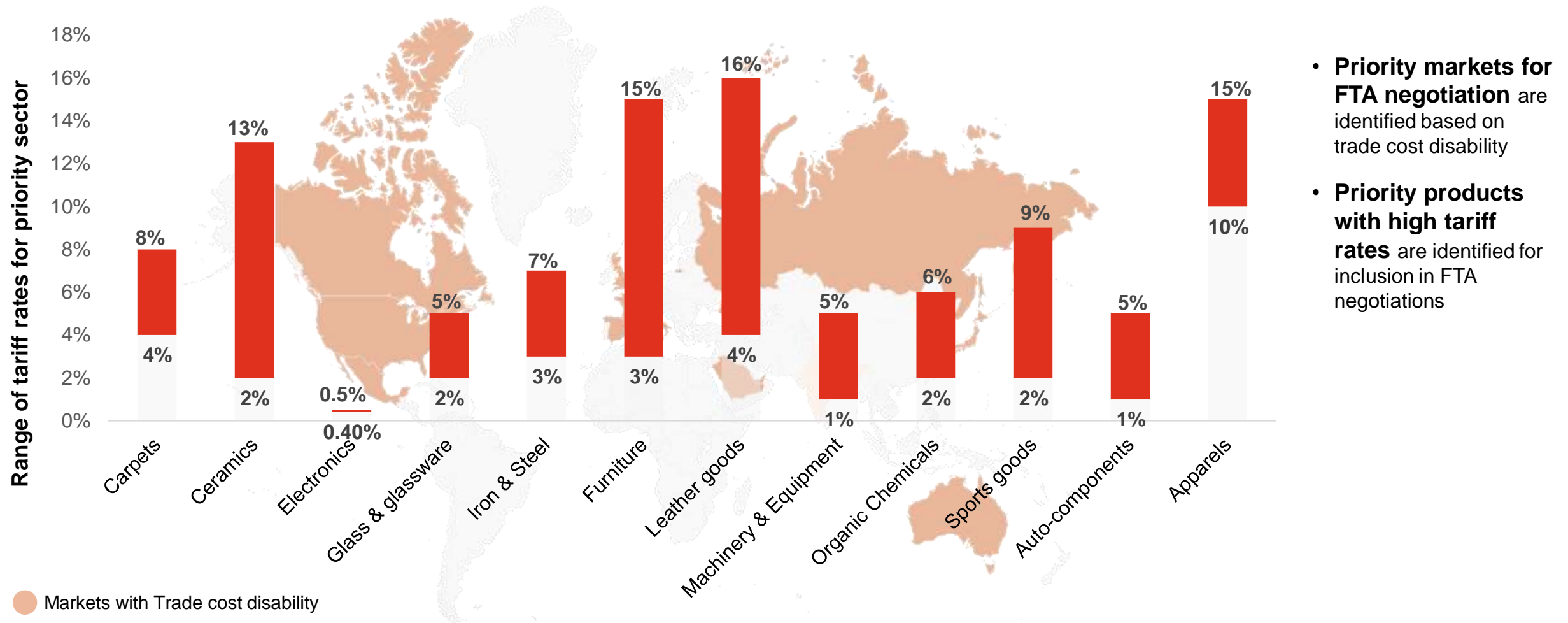
Economic Cooperation and Trade Agreement (ECTA)



Export Promotion Bureau,
Department of MSME & Export Promotion,
Government of Uttar Pradesh



In an export ecosystem study, GoUP had identified the products and markets with a trade cost disability, for which FTA negotiations may be undertaken by GoI



GoUP had reached out to the Govt. of India for establishing FTAs with key target markets, detailing on the **existing disability gaps**, **priority countries** for negotiations and the **products that shall be covered** under such FTAs

The recent agreements with UAE and Australia creates a favourable environment for Uttar Pradesh's exporters to scale up exports

India – UAE Comprehensive Economic Partnership Agreement (CEPA)

Signed on 18 February 2022

Operationalized on 1 May 2022

7500+ Tariff lines covered

Key advantage

India – UAE CEPA positions India's exporters at a competitive advantage in terms of trade cost as compared to other competitors



India – Australia Economic Cooperation and Trade Agreement (ECTA)

Signed on 2 April 2022

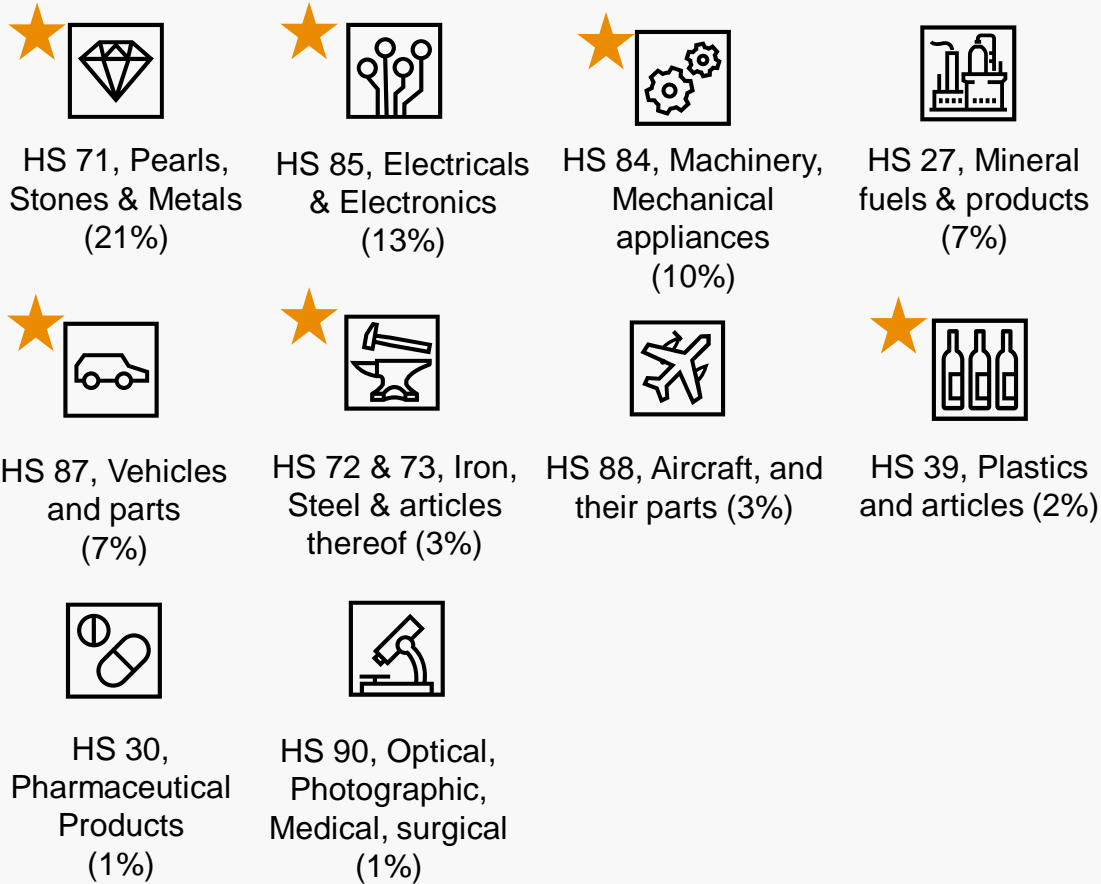
5,200+ Tariff lines covered

Key advantage

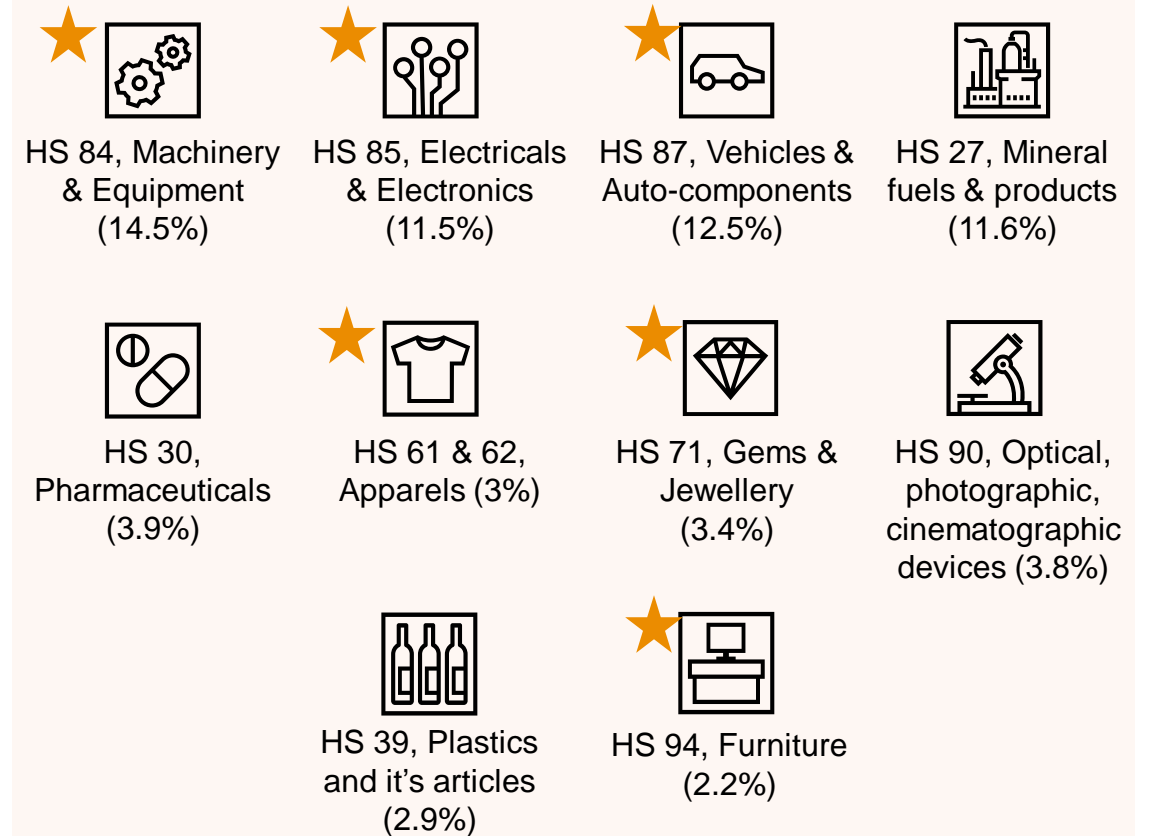
India – Australia ECTA has reduced the tariff for India at par with key competitors; thus, providing a level playing field for exporters

UAE's and Australia's import markets are more than USD 200 Bn in size; the top 10 sectors account for a 60% - 70% share

UAE is a USD 264 Bn import market; ~70% of the total import demand is catered by 10 key sectors



Australia imports ~USD 200 Bn of commodities per year; priority sectors contributes to 60% of the total imports



★ Sectors for which UP has a strong manufacturing base

% indicates the share of sector in the country's total imports

The India UAE CEPA positions India's exporters at a competitive advantage in terms of trade cost as compared to key competing countries, like, China, USA & Germany (1/2)

S.N.	Sector	Total Value of UAE's imports	Value of India's exports to UAE	Value of UP's exports to UAE	Tariff rate for India		Tariff rate for key trade partners		
					before CEPA	after CEPA	China	USA	Germany
1	Gems & Jewellery	31,452	4,808	166	3.74%	0%	3.74%	3.74%	3.74%
2	Electricals & electronics	28,762	2,610	1151	0%	0%	0%	0%	0%
3	Machinery & mechanical appliances	22,647	866	31	4.07%	0%*	4.07%	4.07%	4.07%
4	Auto-components	12,589	480	5	5%	0%	5%	5%	5%
5	Plastics & its articles	5,803	455	12	5%	0%	5%	5%	5%
6	Iron & steel	8,028	1,747	31	5%	0%#	5%	5%	5%
7	Apparels	6,148	1,918	134	5%	0%	5%	5%	5%
8	Furniture	2,958	55	10	5%	0%	5%	5%	5%
9	Essential oils, perfumes & cosmetics	2,511	175	8	5%	0%	5%	5%	5%
10	Organic Chemicals	2,464	676	3	3.25%	0%*	3.25%	3.25%	3.25%

*Access at Year 5: Tariff rates of select products reduced from 5% to 0% in a span of 5 years;

#Access at Year 10: Tariff rates of select products reduced from 10% to 0% in a span of 10 years

The India UAE CEPA positions India's exporters at a competitive advantage in terms of trade cost as compared to key competing countries, like, China, USA & Germany (2/2)

S.N.	Sector	Total Value of UAE's imports	Value of India's exports to UAE	Value of UP's exports to UAE	Tariff rate for India		Tariff rate for key trade partners		
					before CEPA	after CEPA	China	USA	Germany
11	Footwear	1,365	65	23	5%	0%	5%	5%	5%
12	Leather goods	1,099	40	5	5%	0%	5%	5%	5%
13	Toys & Games	1,282	12	2	5%	0%	5%	5%	5%
14	Glass & glassware	729	45	6	4.98%	0%*	4.98%	4.98%	4.98%
15	Textiles	1,144	245	4	5%	0%	5%	5%	5%
16	Ceramics	893	131	1	5%	0%*	5%	5%	5%
17	Carpets	339	50	16	5%	0%*	5%	5%	5%

India-UAE CEPA provides a favourable tariff structure, thus, improving competitiveness of the Indian exporters and positioning India as a key sourcing hub for UAE

*Access at Year 5: Tariff rates of select products reduced from 5% to 0% in a span of 5 years;

#Access at Year 10: Tariff rates of select products reduced from 10% to 0% in a span of 10 years

The India-Australia Economic Cooperation and Trade Agreement (ECTA) has reduced the tariff for India at par with key competitors; thus, providing a level playing field for exporters (1/2)

S.N.	Sector	Total Value of Australia's imports	Value of India's exports to Australia	Value of UP's exports to Australia	Tariff rate for India		Tariff rate for key trade partners		
					before CEPA	after CEPA	China	USA	Japan
1	Machinery & mechanical appliances	36,834	239	10	2.26%	0%	0%	0%	0%
2	Auto-components	33,241	162	8	4.21%	0%	0.22%	0.22%	0.22%
3	Electricals & electronics	28,195	193	7	0%	0%	0%	0%	0%
4	Gems & Jewellery	7,638	365	4	0.89%	0%	0%	0%	0%
5	Plastics & its articles	7,301	85	2	4.71%	0%	0%	0%	0%
6	Iron & steel	5,658	219	9	4.17%	0%*	0%	0%	0%
7	Furniture	5,571	66	7	4.69%	0%	0%	0%	0%
8	Apparels	7,392	274	38	4.82%	0%	0%	0%	0%
9	Toys, games & sports goods	3,393	33	8	2.64%	0%	0%	0%	0%
10	Organic Chemicals	2,483	50	1	0.83%	0%	0%	0%	0%

*Access at Year 5: Tariff rates of select products reduced to 0% in a span of 5 years;

The India-Australia Economic Cooperation and Trade Agreement (ECTA) has reduced the tariff for India at par with key competitors; thus, providing a level playing field for exporters (2/2)

S.N.	Sector	Total Value of Australia's imports	Value of India's exports to Australia	Value of UP's exports to Australia	Tariff rate for India		Tariff rate for key trade partners		
					before CEPA	after CEPA	China	USA	Germany
11	Perfumes, essential oils, etc.	2,117	33	3	4.44%	0%	0%	0%	0%
12	Textiles	2,011	175	11	4.33%	0%	0%	0%	0%
13	Footwear	1,812	25	11	3.76%	0%	0%	0%	0%
14	Leather goods	1,400	81	22	4.3%	0%	0%	0%	0%
15	Ceramics	869	18	1	3.33%	0%	0%	0%	0%
16	Glass & glassware	839	13	2.4	3.47%	0%	0%	0%	0%
17	Carpets	416	88	23	4.2%	0%	0%	0%	0%

With India-Australia CEPA in place, the tariff for most commodities are now at par with competitors. Thus, creating a favourable environment for scaling of exports to Australia

***Access at Year 5: Tariff rates of select products reduced to 0% in a span of 5 years;**

GoUP intends to adopt 2 different strategies for UAE and Australia; In Australia, the export promotion activities shall focus at scaling up, whereas in UAE the focus shall be at diversification

Electronics sector individually contributes to 60% of UP's exports to UAE; Mobile phones are the key product

S. N.	HS Code	Description	Value of Exports (USD Mn)	% share
1	85	Electricals & electronics	1,253	60%
2	71	Gems & Jewellery	173	8%
3	61 & 62	Apparels	117	6%
4	02	Meat & edible offal	99	5%
5	17	Sugars & sugar confectionary	69	3%
6	84	Mechanical appliances	35	2%
7	10	Cereals	30	1%
8	50	Silk	28	1%
9	64	Footwear	25	1%
10	48	Paper & paperboard	21	1%

Export promotion activities for diversification of UP's export basket in UAE are proposed

Legend: Sector contributing to 60% of state's exports Priority sectors selected for export promotion

UP's export basket to Australia largely comprises of the priority products identified by GoUP

S. N.	HS Code	Description	Value of Exports (USD Mn)	% share
1	61 & 62	Apparels	41	17%
2	42	Leather goods	23	9%
3	57	Carpets	21	9%
4	44	Wood & its articles	11	5%
5	64	Footwear	11	5%
6	84	Mechanical appliances	11	4%
7	63	Made-up textile articles	10	4%
8	72 & 73	Articles of Iron & steel	10	4%
9	87	Auto-components	9	4%
10	94	Furniture	9	3%

Export promotion activities for scaling up of UP's exports to Australia shall be undertaken

To leverage the FTAs being signed, GoUP has reached out to several Indian missions abroad for driving export promotion activities in target markets, including UAE and Australia

GoUP has reached out to 35 Indian missions abroad for driving export promotion activities

35 Indian missions reached out so far

5 Virtual Discussions organized

- **Australia**
- Turkey
- United States of America
- United Kingdom
- Nigeria

6 Telephonic/ email Discussions

- **United Arab Emirates**
- Croatia
- Sweden
- Japan
- Oman
- Saudi Arabia

Potential export promotion activities identified in discussion with Indian missions



Mapping of importers/ buyers/ trade associations for initiating dialogue



Identify trade platforms for showcasing UP's products



Support in organizing B2B meets for UP's exporters



Engagement of foreign buyers in trade events organized in UP



Preparation of a **calendar of key trade events** and **improve participation of UP's exporters**



Mitigation of **information asymmetries**, on how to export, SPS-TBT requirements, etc.

In addition to the this, the state government has been strengthening the on-ground support being provided to exporters/ MSMEs/ artisans

1 MoUs with E-Commerce Platforms

- Amazon
- E-Bay
- Walmart
- Flipkart

2 MoUs to improve product quality

- **Quality Council of India (QCI)** for product standards
- **Indian Institute of Packaging (IIP)** for packaging & labelling standards
- **SBI** to expedite finance requirement of ODOP artisans

3 Collaboration for product development

- NIFT
- NITRA
- UPID

4 Development of supporting infrastructure

- Testing labs
- Design studios
- Tool rooms and R&D labs
- Raw material banks
- Raw material processing centers

List of other key activities being undertaken by GoUP

All Schemes run by the Bureau have been made completely online.

Uttar Pradesh Export Policy 2020-25 promulgated.

Establishment of Export Promotion Committee in every districts.

District Export Plans prepared for all the Districts.

In the first phase Export Development Centres have been established in 10 Districts, viz., G.B. Nagar, Ghaziabad, Saharanpur, Kanpur, Aligarh, Agra, Firozabad, Gorakhpur, Moradabad and Varanasi have been selected. Rest is in process.

Exporters Conclave organised in September 2021 in all districts by the help of Commerce Ministry, Government of India

State Level Vanijya Utsav organised in Lucknow on 21 & 22 September 2021

Niryat Bandhu meetings are organised regularly for the benefit of exporters.

Uttar Pradesh Export Promotion Council addresses the Grievances of Exporters through the established the Help Desk

MOU has been signed with Walmart for promotion of Exports and Awareness workshops for the same are been organised.

E-news Letter-"Niryat Patrika" is being released by UPEPC every month.

13 Exporting units participated in the Export Gateway to Africa in Istanbul Turkey in December 2021 through UPEPC

Interactive sessions have been organised with the related Stake Holders for the promotion of Exports of Services

Thank You