Association for Global Economic Development-India

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Asean, China set to boost trade with upgraded deal

From left: Chinese Premier Li Qiang and Minister of Commerce Wang Wentao, with Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz and Prime Minister Datuk Seri Anwar Ibrahim at the signing ceremony.

KUALA LUMPUR (Oct 28): Asean and China on Tuesday signed an upgraded Asean-China Free Trade Area 3.0 (ACFTA 3.0), marking a new phase of bilateral trade between the bloc and the world's largest economy.

Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz and Chinese Minister of Commerce Wang Wentao signed the Asean-China Free Trade Area (ACFTA) 3.0 Upgrade Protocol.

The signing ceremony was witnessed by Prime Minister Datuk Seri Anwar Ibrahim and Chinese Premier Li Qiang. The signing was held on the last day of the 47th Asean Summit and Related Summits.

Tuesday's ceremony marks an important milestone in Asean-China economic cooperation, building on over two decades of strong and mutually beneficial partnership under the ACFTA.

The ACFTA was the first free trade agreement established between Asean and an external partner, as well as with China.

The original agreement, signed during the 6th Asean-China Summit in November 2002, and the full establishment of the Asean-China FTA in January 2010 have provided a strong foundation for enhancing Asean-China economic relations.

Meanwhile, the ACFTA 3.0 Upgraded Protocol expands cooperation into new areas, such as the digital and green economies, supply chain resilience, competition and consumer protection, as well as support for micro, small and medium enterprises.

(Source: The Edge)

US' Golden Gate move signals a likely shift in India strategy

The US has granted India a six-month sanctions waiver for its operations at Iran's Chabahar Port, a move seen as a strategic concession amidst ongoing trade deal negotiations. This extension supports India's regional connectivity plans, particularly its gateway to Afghanistan and Central Asia, signaling Washington's willingness to accommodate New Delhi's geopolitical interests.

The US has extended its sanctions waiver for India's operations at Iran's Chabahar Port, a move that on the surface looks procedural but in reality tells a larger story about where Washington's priorities lie.

The timing couldn't be more telling. The extension came just as New Delhi and Washington entered possibly the final stretch of talks on a long-anticipated trade deal that could reshape the tariff landscape between the world's two largest democracies.

The US waiver had expired earlier this week, but sources told Economic Times that India managed to persuade Washington of the port's critical role in its regional connectivity plan, especially its utility as a gateway to Afghanistan and Central Asia.

This isn't just about logistics. Chabahar represents India's strategic autonomy, allowing it to reach landlocked neighbours and Central Asian markets while bypassing Pakistan.
(Source: The Times of India)

Japan-Southeast Asia Market Forum 2025 at Singapore

India’s FTA

Half of EU FTA deal wrapped up: Piyush Goyal

India and the European Union are nearing a free trade agreement. Negotiations have concluded 10 chapters, with more broadly decided. Sensitive issues like steel and automobiles require further discussion. Both sides aim for a balanced pact, recognizing mutual strengths. The EU trade commissioner's visit in November is expected to bring further breakthroughs.

New Delhi: India and the European Union (EU) have concluded negotiations on 10 out of 20 chapters of the proposed free trade agreement (FTA), while another 4-5 chapters have been settled in principle, commerce and industry minister Piyush Goyal said Wednesday.

Trade negotiators of the two sides will meet next week to iron out sensitive issues, including trade barriers on steel and automobiles. They aim to conclude the FTA negotiations by December.

Goyal said India expects a further breakthrough when the EU trade commissioner visits India in late November and that both sides were moving ahead "recognising mutual sensitivities and strengths" as they work to bridge gaps in the remaining areas of the pact.

Sri Lanka says tourists not required to obtain Electronic Travel Authorisation anymore

Sri Lankan Ambassador to India said that all ETA and visa issuance services would continue to function as they were before October 15.

Sri Lanka on Thursday withdrew the requirement for tourists to obtain an Electronic Travel Authorisation (ETA) prior to arrival. The decision was earlier implemented by the country’s Department of Immigration and Emigration from October 15.

“The earlier announcement making ETA mandatory for all short-stay visitors from all countries from 15 October 2025 has been revoked until further notice,” Sri Lankan Ambassador to India Mahishini Colonne posted on X. She added that all ETA and visa issuance services would continue to function as they were before October 15.

Sri Lanka eyeing 5 lakh Indian tourists in 2025

The decision to withdraw ETA comes as Sri Lanka intensifies efforts to attract five lakh Indian tourists in 2025, with a special push toward wedding and MICE (Meetings, Incentives, Conferences and Exhibitions) tourism.

International Business

Amazon says India's e-commerce exports top $20 bn, despite US tariffs

- **Amazon: Indian sellers top $20 bln exports ahead of 2025 target**
- **U.S. tariffs pose short-term challenge; long-term outlook firm**
- **Seller base hits 200,000 across 200 cities; small towns surge**
- **Sets $80 bln export goal for 2030 as reforms boost e-commerce**

NEW DELHI, Oct 27 (Reuters) - Amazon (AMZN.O), opens new tab on Monday said it has helped Indian sellers surpass $20 billion in total exports, including nearly $7 billion this year, as small operators work to offset the impact of new U.S. import tariffs that were imposed in August.

The company said it remained confident in its long-term growth and set a new target of reaching $80 billion in exports by 2030, driven by rising global demand for cosmetics, toys, furniture and apparel.

The Reuters Tariff Watch newsletter is your daily guide to the latest global trade and tariff news. Thousands of Indian artisans and small businesses were affected after the U.S. doubled tariffs on certain goods to 50% starting on August 27. The tariffs were a response to India's purchases of Russian oil.

Amazon executives said the broader export impact remained limited. "We focus on controllable inputs, not short-term trade headwinds," said Srinidhi Kalvapudi, the head of Amazon Global Selling India, in an interview.

"Our long-term story is structural, not cyclical - and for e-commerce exports, it's still day one." Amazon's Global Selling programme, unveiled in 2015, enables Indian small- and medium-sized enterprises to sell to customers in 18 global markets, including the U.S., Britain, Germany, Canada and the United Arab Emirates.

The U.S. is the top destination for Indian sellers on Amazon, followed by Britain, Germany and Canada, Kalvapudi said.

According to data from India's commerce ministry, exports to the U.S. fell to $5.43 billion in September from $6.87 billion in August, as tariffs hit shipments of textiles, shrimp, gems and jewellery.

Amazon’s exporter base has grown to about 200,000 sellers, up 33% in a year, spanning 28 states and seven union territories including Delhi, Uttar Pradesh, Tamil Nadu, Maharashtra, Rajasthan, Gujarat and Haryana, Kalvapudi said.

The milestone of $20 billion in exports was achieved ahead of the end-2025 target, led by rising shipments from smaller cities like Panipat, Bhadohi, Karur and Erode, he said.

"What’s most inspiring is that exports are no longer limited to metros - small towns are now major contributors,” Kalvapudi said.(Source: Reuter)

Amway to invest $12 million in India to enhance physical presence

Amway plans a USD 12 million investment in India over the next three to five years. This will establish new stores nationwide, aiming to boost Amway's presence. The company also intends to increase exports from India. Amway sees India as a significant growth market with strong potential for its health and wellness products.

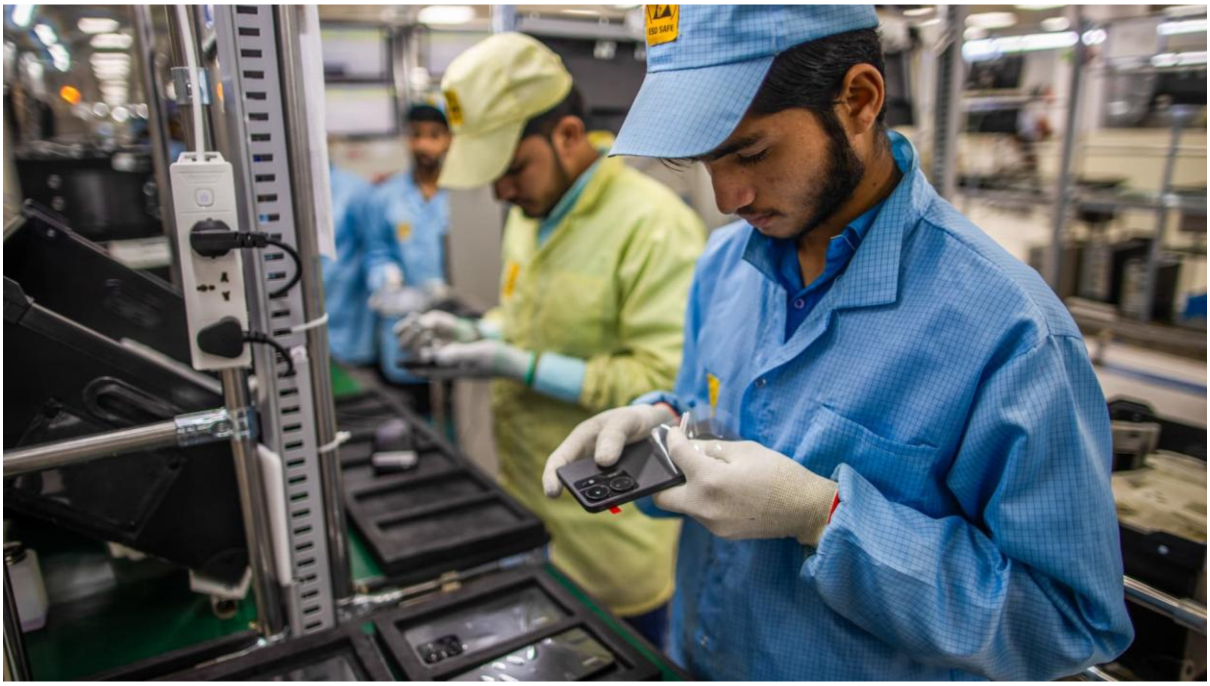
will invest USD 12 million (around Rs 100 crore) in India over the next three to five years to set up stores across the country, which it expects to become among its top three global markets, its President and Global CEO Michael Nelson said on Wednesday.

The company, which has completed ten years of manufacturing in India, is looking to enhance exports from the country, Nelson, who is in his maiden visit to India since assuming the President and CEO role, told PTI Videos in an interview.

"We are committing, and I'm talking to my team this week about an additional USD 12 million investment," he said. The investment is aimed at enhancing Amway's business owner/distributor capabilities, strengthening and expanding its physical presence, and elevating customer experience.

India- Special Report

Change in India's dependent on China for electronic components.



- India approved its first seven projects worth $626 million under its $2.7 billion electronic component manufacturing scheme.
- The country exported electronics worth $38.56 in 2024-25, while importing electronic components worth $36.8 billion during the same time.
- The ECMS seeks to reduce import dependence, and enhance self-sufficiency in the sector.

In a move aimed at cutting India's import dependency for electronic components, the government has approved the first set of projects under its $2.7 billion program, yet another measure in its stated self-sufficiency mission against a trying trade environment.

Electronic goods were India's third largest exports in fiscal year 2025, having jumped eight-fold over the last 10 years, to $38.56 billion in the year ended March 2025, according to government data. But those were nearly offset by imports of electronic components worth $36.8 billion.

Most of the electronic component imports came from China (nearly 40%), followed by Hong Kong (over (16%) in the first half of fiscal year 2025.

At a time when both the U.S. and China have resorted to export controls of critical goods such as rare earths and high-end tech, India has been doubling down on its efforts to secure its future by promoting schemes aimed at gaining self-sufficiency.

The seven projects approved on Monday under the Electronics Component Manufacturing Scheme will receive grants worth 55.32 billion rupees ($626 million).

They will help set up local manufacturing of electronic components such camera modules, multi-layered printed circuit boards and advanced high-density PCBs used in smartphones, wearable devices, medical and aerospace components, according to the government.

The ECMS has received 249 applications from local and global companies committing investment of 1.15 trillion rupees (nearly $14 billion) in proposed investments.

India's Minister for Electronics & IT Ashwini Vaishnaw said that "20% of our domestic demand of PCBs and 15% of Camera Module sub-assembly will be met through production from these [seven] plants," adding that about 60% of total production from these plants will be exported.

The country's electronics components' market is projected to reach $150 billion by 2030, according to EY estimates, with overall electronics market — components and finished goods — set to scale to $500 billion as per the government. Currently the global electronics market is valued at $1.8 trillion, 60% of which is dominated by China, according to data provided by EY.

India is in a unique position as it has a growing consumer base and is seen as a manufacturing alternative to China as companies diversify supply chains, experts said, adding that by setting up plants in India, global electronics companies can tap into the local demand, while exporting from the same locations.

A case in point is Apple whose exports from India rose 42% year on year to $12.8 billion in 2024 and the company is shifting more production to India as it moves away from China. In the quarter ended September 2025, India overtook China to become the top smartphone exporter to the U.S., with a 240% jump in smartphone manufacturing volumes.

According to the Indian government, the country has become the world's second largest mobile phone manufacturer globally.

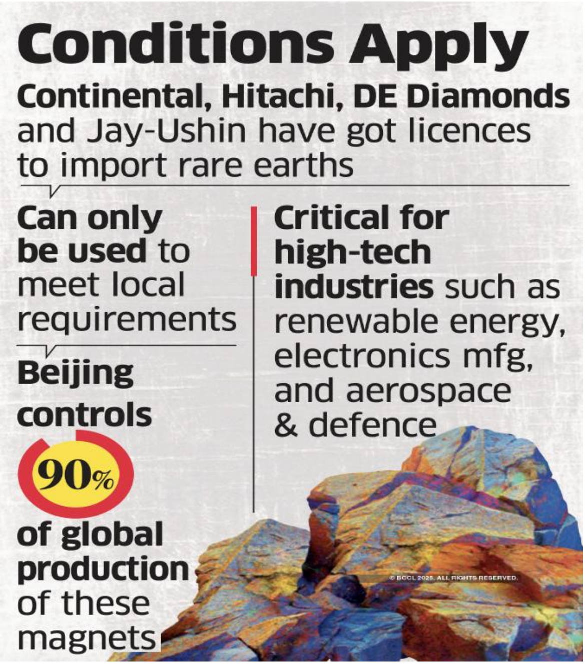
The ECMS shows that the government is recognizing "that a mere assembly ecosystem cannot sustain itself without a strong domestic component manufacturing base," said Kunal Chaudhary, partner and leader of Inbound Investment Group at EY India.

The ECMS will strengthen the domestic component ecosystem, reduce import dependence, and India's enhance global competitiveness, he added.

Ashok Chandak, president of India Electronics and Semiconductor Association, said the scheme will accelerate the country's emergence as a global hub for advanced electronics and semiconductors and at the same time reduce import dependence."

India’s Foreign Trade

China green flag up: 4 Indian cos can import rare earth magnets



China has restarted supplying heavy rare earth magnets to India after a six-month halt. This brings relief to Indian companies in electric vehicle, renewable energy, and consumer electronics sectors. However, China has imposed conditions.

These magnets cannot be re-exported to the US or used for military purposes. This development follows a meeting between US and Chinese leaders.

New Delhi: China has resumed supplying heavy rare earth magnets to India after six months, providing relief to companies in the electric vehicle, renewable energy, and consumer electronics sectors.

Beijing has, however, imposed conditions - these magnets can't be re-exported to the US nor can they be used for military purposes, said people aware of the development. China and the US are embroiled in a trade war though both sides have agreed to take steps to partly ease tensions following US President Donald Trump's meeting with his Chinese counterpart Xi Jinping on Thursday.

Chinese exporters to four companies in India - Hitachi, Continental, Jay-Ushin and DE Diamonds - secured approvals from local authorities for supplying the rare earth magnets, the people said.(Source: Economics Times)

Yellow peas import to attract 30 pc duty from 1st Nov

Beginning November 1, a 30% import duty will be levied on yellow peas. Any shipments with a bill of lading dated on or before October 31 will avoid this charge. Previously, the government allowed duty-free imports until March 2026, but this new regulation significantly impacts future yellow pea imports.

The government has imposed a 30 per cent duty on yellow peas import from November 1. However, shipments with a bill of lading on or before October 31 would still be imported with zero duty.

In a notification, the Department of Revenue said import of yellow peas will attract 10 per cent standard rate and 20 per cent Agriculture Infrastructure and Development cess (AIDC) if the Bill of Lading is issued on or after November 1, 2025.

India forms group to address onion storage and export issues

The Government of India will set up a stakeholder group to address onion storage issues and explore new export markets to help recover lost global share.

A delegation of onion exporters met Commerce Minister Piyush Goyal in New Delhi with officials from APEDA to discuss sector challenges. The minister acknowledged their concerns but said raising RODTEP rates or offering transport subsidies was not possible under WTO rules. He directed APEDA to work with the Agriculture Ministry and the Department of Consumer Affairs to develop solutions.

Exporters said erratic weather over the past two years has reduced India's share in key markets such as the UAE, Malaysia, Sri Lanka, and Bangladesh, now supplied by Pakistan, China, Egypt, and Türkiye. They also raised concerns about export bans and government interventions that have pushed prices below production costs.

They urged investment in modern storage systems to reduce post-harvest losses estimated at 40%, as well as incentives for private sector facilities. "Modern storage systems are critical to reduce nearly 40 per cent post-harvest loss," one exporter said.

The Maharashtra State Onion Producers Farmers Association, meanwhile, asked the government not to depress prices ahead of state elections and launched a "phone protest," calling ministers and officials to demand relief from falling onion prices. Source: Businessline

Engineering goods exports grow in Sep, despite 9.4 pc drop in shipments to US: EEPC

Indian engineering exports saw a 2.93 percent rise in September, reaching USD 10.11 billion. This growth occurred even with a drop in shipments to the United States. Exports to China and other regions showed positive movement. The sector's cumulative growth for the first half of the fiscal year stands at 5.35 percent. This indicates resilience in the engineering goods market.

India's engineering goods exports maintained a growth trajectory for the fourth consecutive month in September, with a 2.93 per cent rise year-on-year to USD 10.11 billion, EEPC India said.

Despite a sharp 9.4 per cent decline in shipments to the US, the largest market for Indian exporters of engineering goods, the growth was achieved, it said.

While overall exports crossed the USD 10 billion mark for the second time this fiscal, the growth rate moderated from the nearly 5 per cent witnessed in August 2025, according to the Engineering Exports Promotion Council (EEPC).

The US, which remains the top destination for Indian engineering goods, saw imports drop to USD 1.4 billion in September from USD 1.55 billion in the same month last year, reflecting the "impact of punitive tariffs imposed by the Donald Trump administration", the exporters' body said in a statement.

Shipments to the second-largest market, the UAE, also declined to USD 636.86 million from USD 672.39 million a year ago. However, a 14.4 per cent year-on-year jump in exports to China, which reached USD 302.21 million, and "decent growth" in shipments to ASEAN, North-East Asia, Sub-Saharan Africa, Latin America, and South Asia helped the sector stay in positive territory, it said.

"In the coming years, South-South trade will be a major driver of global trade, and India is in the right direction as it negotiates key FTAs (free trade agreements) with Latin American countries such as Chile, Peru, and MERCOSUR (South American trade bloc) and GCC (Gulf Cooperation Council) countries," Chadha said.

India should continue trade negotiations with US, fasten FTA talks: EAC-PM chairman Dev

EAC-PM Chairman S Mahendra Dev urged India to diversify exports, expedite FTAs, and continue trade talks with the US. He highlighted opportunities for India to boost its share in global merchandise trade, emphasizing the need for stronger export growth and more medium-sized manufacturing units to achieve sustained economic expansion.

India should diversify exports to other countries, fasten free trade agreement (FTA) negotiations and also continue dialogues with Washington to conclude the proposed Bilateral Trade Agreement (BTA) with the US, Economic Advisory Council to the Prime Minister (EAC-PM) Chairman S Mahendra Dev said on Friday.

"As mentioned earlier, India's trade policy for manufacturing should be to diversify exports to other countries in Asia, Latin America, Africa, some developed countries, fasten FTAs and to continue dialogue with the US," he said.

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