

NEWS ROUND UP



NATIONAL MEDIA

India for staggered free trade pacts for faster outcomes



Trade

20/03/2025

Source:  FINANCIAL EXPRESS

India has suggested that talks for free trade agreements (FTAs) should initially focus on core trade issues and that the comprehensive agreements can be concluded in phases, commerce secretary Sunil Barthwal said on Wednesday. This will deliver results faster, he said at the 10th CII India-Latin America and Caribbean Conclave. The commerce secretary said India has put forward the suggestion to some of its FTA partners. "Even if it is the first phase of that comprehensive agreement, some kind of outcome should come out of these negotiations," he said. India has followed this approach with Australia and both sides promptly concluded an Economic Cooperation and Trade Agreement (ECTA).

Believe in 'Make in India', says FM

19/03/2025

Source:  Business Line



Economy

Finance Minister Nirmala Sitharaman urged the Opposition to "believe in Make in India" as it is yielding results. She added that the Centre is committed to bringing normalcy to Manipur and assured all support for the economic growth of the State. Replying to a debate on the supplementary demands for and Manipur Budget in the Rajya Sabha, she said 'Make in India' has actually given us good results. We took step after step, after step, to strengthen the manufacturing of this country," she said. "Believe in Make In India. It is giving you results," the Minister informed the House.

Wholesale inflation p in Feb on sticky fuel, power prices



18/03/2025

Source: **mint**

Economy

India's inflation based on wholesale prices rose to 2.38% in February, up from 2.31% in the previous month, according to provisional data released by the commerce ministry. The rise in wholesale prices in February was led by a slower pace of contraction in fuel and power inflation and a pick-up in the prices of manufactured products. The latest wholesale inflation, a proxy for producer prices, was marginally higher than the 2.36% projected by economists in a Reuters poll. Food prices, a major contributor to the index, increased by 5.94% annually in February, but eased from December's 8.85% rise and January's 7.47%. In February, cereal prices rose 6.77% annually, but were down from the 7.33% growth reported in January.

Bilateral trade pact on track, but yet to talk US reciprocal tariffs

18/03/2025

Source: **ET**

Trade

India has not broached the issue of reciprocal tariffs in its trade talks with the United States, but the two countries are finalising the scope and schedules of the proposed Bilateral Trade Agreement (BTA), officials said. These could be finalised in the next few weeks. New Delhi is proactively engaging with Washington following the positive talks that commerce and industry minister Piyush Goyal had in person with his American counterparts during his recent visit, officials said. "The US has not publicly said that they are applying reciprocal tariffs on India. There is a legal process... We don't know if reciprocal tariffs will come on April 2, because they will complete the investigation till April 1, after which they will ask for recommendations," one of the officials said. "But nobody is sure about reciprocal tariffs. Till now, we know there is an investigation that they are doing."

Feb exports shrink 10.9% the worst show in 20 mths



Trade

18/03/2025

Source: [Business Standard](#)

India's merchandise trade deficit plummeted to a three-and-a-half-year low of \$14.05 billion in February, as exports and imports saw a sharp contraction due to softening global petroleum prices and rising economic uncertainty amid restrictive trade practices by the United States. The trade deficit — the gap between imports and exports — stood at \$19.52 billion in February 2024. Data released by the Commerce Department on Monday showed outbound shipments from India contracted at the sharpest pace in 20 months, falling 10.9 per cent year-on-year to \$36.91 billion in February. However, officials said the decline in exports could also be attributed to a high base of \$41.4 billion in the same period a year ago.

Govt assessing gains challenges from US tariffs: Commerce secy

18/03/2025

Source: [Business Standard](#)



Trade

The government is holding stakeholder consultations and assessing the challenges, opportunities, and broader impact of the additional tariffs imposed by the US on Indian exports, Commerce Secretary Sunil Barthwal said. While India is proactively engaged with the US administration, there has been forward movement in the talks. India expects a “positive outcome” from the trade discussions, Barthwal told reporters. His comments came against the backdrop of Commerce and Industry Minister Piyush Goyal’s meeting with top officials in the US administration — including US Trade Representative Jamieson Greer and US Secretary of Commerce Howard Lutnick — in Washington from March 4 to 6. The meeting took place ahead of the implementation of reciprocal tariffs by the US from April 2.

Contours of trade del with US to be finalised in 2-3 weeks



18/03/2025

Source: FINANCIAL EXPRESS

Trade

India has not brought up the issue of reciprocal tariffs in its discussions with the US, and talks are concentrating on the scope of the Bilateral Trade Agreement (BTA) and the ways to increase the bilateral trade to \$500 billion by 2030. "It is not known whether reciprocal tariffs will be sectoral, product-based or country-wide. We have not broached this subject. We are discussing what the India-US joint statements talk about," a senior official said. The official said the scope and the nature of the BTA will be finalised soon. "All the schedules and (other details) we will finalise in due course. Give us 2-3 weeks to define contours of the scheme," he added.

China welcome Modi's positive remarks on ties

18/03/2025

Source: TOI



International Relations

India and China should be partners contributing to each other's success and a cooperative "pas de deux" between the dragon and the elephant is the only right choice for the two countries, Beijing said while welcoming PM Modi's "positive" remarks in a podcast in which he has endorsed signs of a rapprochement in ties since Oct last year. In this interaction with Lex Fridman, Modi has also strongly backed Donald Trump's policies and the US president even shared he podcast on his social media platform, Truth Social. Modi has said that the border situation with China was normalising since his meeting with President Xi Jinping in Kazan in Oct and trust would return in the relationship "slowly but surely".

India, New Zealand firm up ties with trade, defence agreements



18/03/2025

Source: Hindustan Times

Trade

India and New Zealand on Sunday launched negotiations for a “comprehensive and mutually beneficial” free trade agreement, paving the way for second bilateral trade deal in the Oceania after concluding an FTA pact with Australia in April 2022. “We are delighted to announce the launch of India-New Zealand Free Trade Agreement (FTA) negotiations. This marks a significant milestone in our partnership, reflecting our shared vision to deepen trade ties and expand economic opportunities,” commerce minister Piyush Goyal said in a post on X.

India cuts China bulk-drug reliance

17/03/2025

Source: mint



Trade

Indian companies have started manufacturing important bulk drugs or active pharmaceutical ingredients (APIs) under the government’s production linked incentive (PLI) scheme. The production of Penicillin G and Clavulanic Acid began in October last year. Other APIs already in production include Atorvastatin, Sulfadiazine, Telmisartan, Olmesartan, Para Amino Phenol (raw material for paracetamol) and Oxcarbazepine. The development is set to make India less reliant on China for imports of raw material used by the pharmaceutical industry.

INTERNATIONAL MEDIA

Fed slashes growth forecast as Trump tariffs cast shadow over US economy



20/03/2025

Source: **FT**

Economy

The Federal Reserve yesterday slashed its US growth forecast and raised its inflation projection, underscoring concerns that Donald Trump's tariffs and deep cuts to government spending will damage the world's biggest economy. The Fed's latest set of projections showed officials now expect GDP to expand 1.7 per cent this year, with prices forecast to rise 2.7 per cent. The central bank kept its main interest rate on hold at between 4.25 per cent and 4.5 per cent after the two-day meeting. Chair Jay Powell said after the meeting that the US president's plan to hit trading partners with sweeping tariffs had affected the bank's outlook for inflation and the economy.

Drugmakers say tax rise will hit investment

20/03/2025

Source: **FT**

Taxes

Drugmakers have warned that a recent rise in the UK's medicine sales tax has left the country "uninvestable", as the government prepares for a summit to try to repair relationships with large pharmaceutical companies. The Association of the British Pharmaceutical Industry today said the voluntary scheme for branded medicines pricing, access and growth (Vpag) was leading companies to cut staff and abandon partnerships with the NHS. A number of pharma groups were delaying launching some new medicines in Britain because of the clawback tax, the lobby group said, adding that the "levy makes the UK uninvestable". Designed to limit the NHS drugs bill, Vpag is based on a complex formula that calculates how many new drugs are bought by the health service each year and in what quantity.

Trade conflict will endanger global growth, OECD warns



18/03/2025

Source: **FT****Trade**

Donald Trump's trade war is taking a "significant toll" on the global economy, the OECD has warned, as it cut growth forecasts for a dozen G20 countries. Global growth will slow this year and next, from 3.2 per cent last year to 3.1 per cent and 3 per cent in 2025 and 2026 respectively, while inflation will be stickier than expected, the Paris-based OECD said in its interim outlook. GDP growth in the US will decelerate from 2.8 per cent last year to 2.2 per cent this year and 1.6 per cent in 2026, the OECD said. Higher trade barriers will contribute to persistent inflation, leading the Federal Reserve to keep interest rates unchanged until the middle of 2026, it predicted.

India's protectionist walls crack under Washington pressure

18/03/2025

Source: **FT****Trade**

US President Donald Trump is pushing Prime Minister Narendra Modi to do what India for decades could not or would not do: lower the high tariff walls that have surrounded its economy since independence. Piyush Goyal, India's commerce minister, was in Washington earlier this month for discussions on a bilateral trade agreement meant to fend off Trump's threat of reciprocal tariffs. The US ultimatum has prompted what some analysts say is a broader realignment on trade by New Delhi. India in February relaunched talks with the UK and pledged to complete a deal with the EU within the year.

China economy surprisingly strong



17/03/2025

Source: **WSJ**

Economy

China reported surprisingly robust economic activity to start the year, giving Beijing some wind at its back as it faces the prospect of increased tensions with President Trump's second administration. Retail sales, a measure of consumer spending, accelerated, and investment and industrial production grew more than expected, though unemployment rose to a two-year

high and the beleaguered property market remained under pressure, according to official data. The numbers come a day after Beijing released a policy plan to expand domestic consumption, including raising wages, increasing pensions and creating incentives for child birth.

US shoppers tighten belts as tariffs and market volatility sap confidence

17/03/2025

Source: **FT**

Economy

US shoppers are cutting back on spending and sentiment is sliding as Donald Trump's tariffs and market volatility threaten to undermine one of the key drivers of the world's largest economy. Many retailers reported solid sales late last year but warned of slower growth in 2025 and industry data shows their forecasts are already playing out. Footfall to US stores fell 4.3 per cent year on year in early March, according to RetailNext, a consultancy, extending declines that began at the start of the year. PlaceRai, which aggregates signals from consumers' mobile devices, has recorded fewer visits to big-box stores including Walmart, Target and Best Buy in recent weeks.

QUOTES OF THE WEEK

• **Narendra Modi, Prime Minister:** I have seen President Trump in his first and second term. This time, he is more prepared and is very clear and focused on the steps, the roadmap ahead. Since the 21st century is Asia's century, we want India and China to compete in a healthy and natural way. Competition is not a bad thing, but it should never turn into conflict. I invited Pakistan for my swearing-in (in 2014) to turn over a new leaf, but every noble attempt at fostering peace was met with hostility and betrayal. Through RSS, I found a life of purpose; I feel blessed to gain life's values from such a sacred organisation. I welcome criticism; I have a strong belief that it is soul of democracy.

• **Jyotiraditya Scindia, Communications Minister:** India's market is open for anyone and everyone who wants to come and participate... and provide a service.

• **S. Jaishankar, External Affairs:** This a reality of the world. You fight for your business, because you are fighting for your employment; you are fighting for your comprehensive national power, of which business makes a very important contribution.

• **Piyush Goyal, Commerce Minister:** In any (trade) agreement, we also look to ensure that non-market economies (like China) do not make use of a region as a route to come to India.

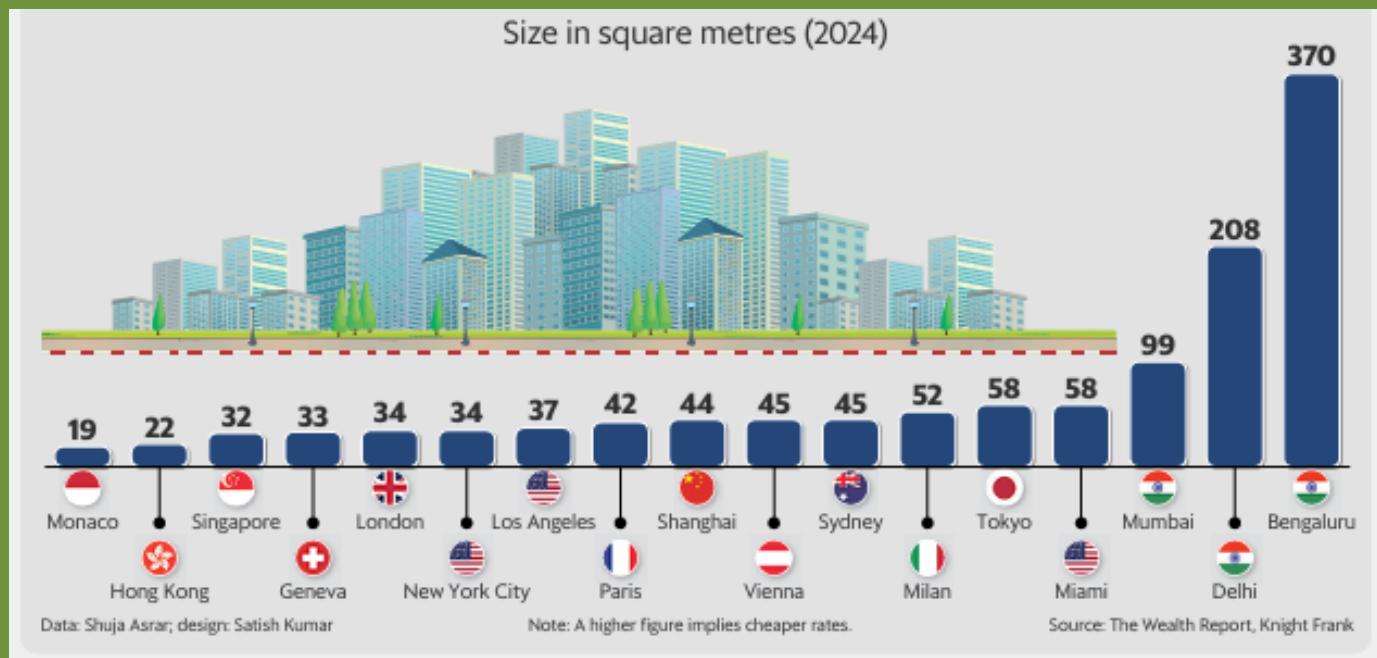
• **Joel Kaplan, Meta's Chief Global Affairs Officer:** We have seen that America innovates, the EU regulates and India innovates for a scale and that is working quite well for India.

DATA GRAPHICS

How much real estate can you buy with \$1 million?

18/03/2025

Source: **mint**



More Chinese market access may help counter Trump tariff impact

18/03/2025

Source: **Business Standard**

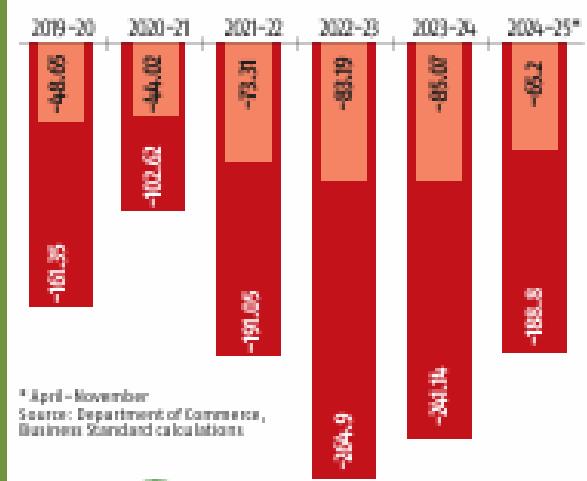


TRADE TIES WITH CHINA

India's trade balance with China (\$ billion)

India's total trade balance (\$ billion)

India's trade balance with China as % of India's total trade balance



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