

# CUTS CITEE IN ACTION

JULY-SEPTEMBER 2022



## WEBINAR

### Future of the WTO or WTO of the Future?

This is the second webinar in the series on the Future of the WTO or WTO of the Future? organised by CUTS International on July 14, 2022. The virtual session saw enthusiastic participation, with over 50 participants from various parts of the world. Panellists recognised CUTS' contribution over the years in conducting informed discussions and generating awareness on trade-related issues.

The speakers and moderators of the webinar were Montek Singh Ahluwalia, Former Deputy Chairman, Planning Commission of India; Pradeep S Mehta, Secretary General, CUTS International; Anabel Gonzalez, Deputy Director General, World Trade Organisation; Tim Yeend, Associate Secretary, DFAT, Australia; Simon J. Evenett, Professor, University of St. Gallen; Victor Do Prado, Senior Fellow, CEBRI; Stephen Olson, Senior Research Fellow, Hinrich Foundation; Hamid Mamdouh, Senior Legal Counsel King and Spalding.



"We need to redouble our efforts to raise awareness about the importance of the WTO and the role of freer and fairer trade in raising living standards for the common man and woman," said Mehta. He was making introductory remarks at a webinar organised by CUTS to discuss the future of the WTO.

González recognised three factors which were instrumental for the success of MC12 – the perseverance and role of WTO Director-General Ngozi Okonjo-Iweala in leading from the front, the pragmatism shown by Trade Ministers, and an across-the-board willingness to compromise. She observed that a few "common sense, actionable and forward-looking principles" were the need of the hour, which could guide the work of WTO reform going forward. Importantly, she noted that a "fully functional global trading system needs a fully functional Dispute Settlement System."

In his opening remarks earlier, Ahluwalia mentioned the pivotal role of the U.S. as a "benign hegemon" in maintaining trust in the global trading system. He observed that as the U.S' relative economic strength eroded over time, an equally benign hegemonic grouping did not rise to take its place, which was a factor in reduced trust in economic globalisation overall.

<https://cuts-citee.org/webinar-on-future-of-the-wto-or-wto-of-the-future/>



## Managing Climate Change: A Strategy for India

CUTS International organised a webinar on Managing Climate Change: A Strategy for India on July 15, 2022. More than 40 high-profile dignitaries attended it.

The speakers and moderators of the webinar included Montek Singh Ahluwalia, Former Deputy Chairman, Planning Commission of India; Pradeep S Mehta Secretary General, CUTS International; Vibha Dhawan, Director General, The Energy and Resources Institute; Sanjay Vashistha, Director, Climate Action Network South Asia; Malti Goel, Founder, Climate Change Research Society; Pablo Benitz Ponce, Senior Environmental Economist, The World Bank; M. S. Rathore, Director, Centre for Environment and Development Studies; Shantanu Mitra, Head, Infrastructure & Urban Development, British High Commission, Delhi; Suresh Prabhu, Former Minister, Minister of Civil Aviation, Railways Commerce and Industry.

The webinar was held to discuss the paper of the same name co-authored by Ahluwalia, and Utkarsh Patel, Associate Fellow at Centre for Social and Economic Progress.

The paper highlights the broad areas that need to be addressed for India to reduce emissions substantially. These include increasing energy efficiency, a greater thrust on electrification, shifting power generation from fossil fuels, expanding afforestation and developing carbon capture utilisation and storage (CCUS) technologies. It also stresses on the need for greater public-private partnerships to achieve the climate targets.

While giving an overview of the key findings of their research, Ahluwalia flagged the need to decarbonise the power sector and pursue reform of distribution companies, and decarbonisation of industry and transport, as top priority areas for India. He observed that while many technologies that may have potential applications in climate change mitigation seem too expensive today, they may become viable in the coming decades as they achieve economies of scale.



Panellists believed that reductions in emissions would depend upon the rate and extent of technological advancements and their large-scale adoption. Green infrastructure, including the use of sustainable building materials and a greater emphasis on energy audits, is the need of the hour.

Discussions also raised the need to adopt adaptation techniques to deal with the resulting impacts of climate change, in addition to focusing on mitigation.

<https://cuts-ccier.org/managing-climate-change-a-strategy-for-india/>



## Indo-Pacific Economic Framework: *More than meets the eye?*

CUTS International organised a “Indo-Pacific Economic Framework: More than meets the eye?” webinar on August 05, 2022. The virtual session saw enthusiastic participation, with over 50 participants from various parts of the world. Panellists recognised that platforms like CUTS were important in helping the government prepare a roadmap to navigate these issues better.

The speakers and moderators of the webinar included Montek Singh Ahluwalia, Former Deputy Chairman, Planning Commission of India; Pradeep S Mehta Secretary General, CUTS International; Pritam Banerjee, Consultant, Asian Development Bank; Gopal Krishna Agarwal, National Spokesperson, Economic Affairs, BJP; V. Ranganathan, Former RBI Chair Professor, Indian Institute of Management, Bangalore; Badri Narayanan Gopalakrishnan, Lead (Advisor) (Trade and Commerce) NITI Aayog, Government of India; Amita Batra, Professor, School of International Studies Jawaharlal Nehru University; Deepak Mishra, Director and Chief Executive, Indian Council for Research on International Economic Relations.



“India needs to be much more open, integrate with the global economy, have confidence in its producers, and not be cowed down by more defensive producers,” said Ahluwalia. He delivered a keynote address at a webinar by CUTS International to discuss the Indo-Pacific Economic Framework for Prosperity (IPEF) and its implications and potential for India.

The programme saw several distinguished panellists discussing the prospects of the IPEF and how India should navigate it.

In his opening remarks, Mehta stated that most debates on the IPEF have focused on its form rather than its possible content. He recognised that, as of now, only the process to establish the IPEF had been launched, while the actual framework would be shaped over the coming months as negotiations under its four pillars progressed.

Batra stated that IPEF is being pushed forward only as an arrangement, not an agreement. The IPEF is essentially the economic leg of a strategic structure that has evolved in global geopolitics. He suggested that India should not shy away if the U.S. brings in issues of tariff and market access provisions within the IPEF later. She stated that India should push forward for the IPEF and strengthen its trade pillar.

<https://cuts-citee.org/cuts-webinar-on-indo-pacific-economic-framework-more-than-meets-the-eye/>



## International Trade - A Blessing in Disguise

Trade has helped increase the number and quality of jobs in developing countries and stimulated economic growth. Trade integration is important not only because of the boost to growth that it can provide but also because there is room for it to be executed in ways that more effectively overcome the constraints faced by the extremely poor.

Trade works as an engine of economic growth and a critical tool for combating poverty. With appropriate trade reforms, governments can loosen constraints while lowering transaction costs, promoting competition, and setting clear rules for cross-border commerce.

Therefore, this Occasional News Wrap has reviewed and compiled various relevant articles in print and electronic media on the implications of trade on poverty specifically and on the economies in general.

<https://cuts-citee.org/pdf/trade-onw-3.pdf>



## The outcome of Bangladesh Prime Minister Sheikh Hasina's Visit to India

The Prime Minister of Bangladesh, Sheikh Hasina, was on a four-day visit to India and held bilateral talks with the Indian Prime Minister Narendra Modi to review and strengthen the relationship between both nations.

After many informal talks held since 2018, Bangladesh finally agreed to start negotiations on a Comprehensive Economic Partnership Programme (CEPA) soon. The primary purpose of the proposed CEPA would be to reduce the huge gap between India and Bangladesh and open up new opportunities.

Therefore, this ONW has reviewed and compiled various relevant articles on her visit and the corresponding outcomes in print and electronic media.

<https://cuts-citee.org/pdf/onw-1-september-2022.pdf>



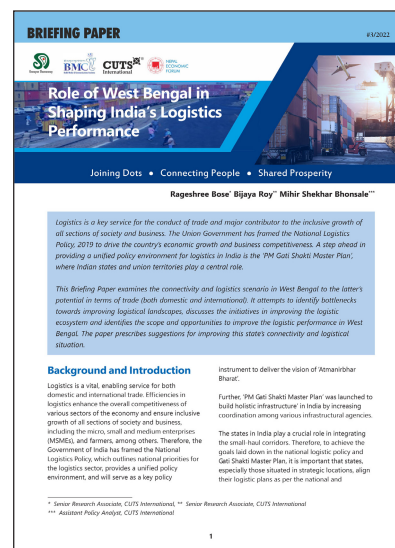


## Role of West Bengal in Shaping India's Logistics Performance

Logistics is a key service for the conduct of trade and a major contributor to the inclusive growth of all sections of society and business. The Union Government has framed the National Logistics Policy, 2019 to drive the country's economic growth and business competitiveness. A step ahead in providing a unified policy environment for logistics in India is the 'PM Gati Shakti Master Plan', where Indian states and union territories play a central role.

This Briefing Paper examines the connectivity and logistics scenario in West Bengal to the latter's potential in terms of trade (both domestic and international). It attempts to identify bottlenecks towards improving logistical landscapes, discusses the initiatives in improving the logistic ecosystem and identifies the scope and opportunities to improve the logistic performance in West Bengal.

<https://cuts-citee.org/pdf/bp-role-of-west-bengal-in-shaping-indias-logistics-performance.pdf>

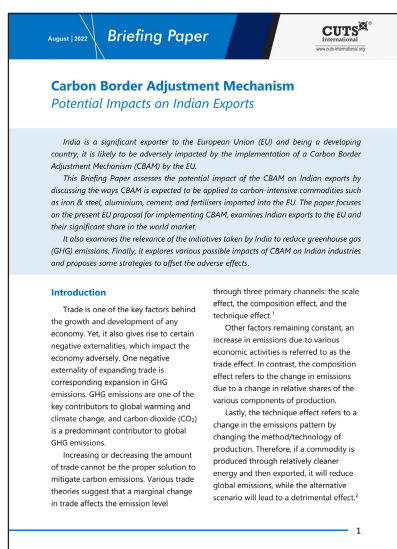


## Carbon Border Adjustment Mechanism: Potential Impacts on Indian Exports

India is a significant exporter to the European Union (EU) and being a developing country, it is likely to be adversely impacted by the implementation of the Carbon Border Adjustment Mechanism (CBAM) by the EU.

The Briefing Paper assesses the potential impact of the CBAM on Indian exports by discussing the ways CBAM is expected to be applied to carbon-intensive commodities such as iron & steel, aluminium, cement, and fertilisers imported into the EU. The paper focuses on the present EU proposal for implementing CBAM, and examines Indian exports to the EU and their significant share in the world market.

<https://cuts-citee.org/pdf/bp-carbon-border-adjustment-mechanism-potential-impacts-on-indian-exports.pdf>







## PARTICIPATION

- Pradeep S Mehta attended the WTO Public Forum 2022, in Geneva, Switzerland during September 27-30, 2022. The Public Forum is the WTO's largest annual outreach event, which provides a platform for participants to discuss the latest developments in world trade and propose ways of enhancing the multilateral trading system. This year, the forum's objective was: "Towards a sustainable and inclusive recovery: an ambition to action."
- Yatika Agrawal attended a webinar on 'Regional Connectivity: BIMSTEC Master Plan for Transport Connectivity' organised by South Asia Watch on Trade, Economics & Environment (SAWTEE) on September 23, 2022.
- Arnab Ganguly, Mihir Shekhar Bhonsale, and Sohom Banerjee attended the 2<sup>nd</sup> East India Summit, 'Creating a Sustainable Infrastructure Roadmap for East and Northeast India-Linking Global Investments' organised by the Confederation of Indian Industry in Kolkata on September 12-13, 2022.
- Deepmala Ghosh attended a Session on the Gravity model and the WITS SMART model organised by the South Asian Network on Economic Modeling (SANEM) on September 04-05, 2022. These sessions were conducted by Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, and Prabir De, Professor, Research and Information System for Developing Countries (RIS), New Delhi and were part of the 'Bay of Bengal Regional Trade and Connectivity Capacity Building Programme.'
- Mihir Shehar Bhonsale attended a Discussion: 'Evolving Riverine Connectivity in Eastern Hinterland' organised by the Institute of Social and Cultural Studies in Kolkata on September 03, 2022.
- Aratrika Deb and Shiksha Srivastava attended a webinar on 'Looking Back on Reforms: Agenda for The Future' by the EGROW Foundation with Ahluwalia as the speaker on August 19, 2022.
- Veena Vidyadharan and Deepmala Ghosh participated in the TROSA sustainability workshop organised by Oxfam Novib in Kathmandu during August 09-11, 2022. The objective of this workshop was to brainstorm the possible options to make the results and impact of TROSA Phase-1 more lasting, from the local to the regional level and agree upon a sustainability strategy.
- Mehta Spoke at the Policy Circle Webinar on 'India's Global Economic Ambitions and Business Environment Challenges' August 31, 2022. He also spoke at the ORF India Think Tank Forum, 2022, INDIA@75: IN A MULTIPOLAR WORLD ORDER during the session on 'Multipolarity and Multilateralism: India in the Emerging World Order' in New Delhi on August 04, 2022.
- Swati Verma, Deepmala Ghosh and Aratrika Deb attended various sessions under WTO Aid for Trade Global Review 2022 during July 27-29, 2022. The objective was to showcase highlighted areas where developing and least developed countries need support to overcome supply-side constraints limiting their participation in global trade.
- Bipul Chatterjee participated in a Policy Dialogue on 'Transforming the Logistics Sector,' organised by the United Nations Economic and Social Commission for Asia and the Pacific and the Asian Institute of Transport Development in New Delhi on July 15, 2022. He was a panellist in the Session on *Priorities for transforming the logistics sector: Stakeholder perspectives*.
- Mihir Shekhar Bhonsale, Sucharita Bhattacharjee and Sumanta Biswas attended a Special Lecture: 'Regional Connectivity and Indo-Bangladesh Economic Expansion' by Dr. Atiur Rahman, Former Governor, Bangladesh Bank & Bangabandhu Chair Professor, Department of History, the University of Dhaka at Jadavpur University, Kolkata on July 15, 2022.
- Swati Verma, Aratrika Deb, Deepmala Ghosh, Deepak Gupta, and Yatika Agrawal attended Africa Continental Free Trade Area (AfCFTA) Training Workshop for Micro, Small & Medium Enterprises (MSMEs) organised jointly by CUTS and International Trade Centre. The objective was to enable and ensure the participation of MSMEs in using AfCFTA to enhance trade and commerce.



## Improve railway logistics to ease trade in the Bay of Bengal region

ARTNeT, July 13, 2022 • By Bipul Chatterjee and Suresh P Singh

While the railway is considered an economical and efficient mode of transportation, cross-border railway connectivity in the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) region is constrained by varying track gauge factors. Therefore, it is crucial for the BIMSTEC members to upgrade their railway logistics, particularly for transshipment at border points, to make the movements of goods and passengers easy and efficient with respect to time and cost. In this context, we need to look at the BIMSTEC Master Plan for Transport Connectivity, which includes a comprehensive list of railway projects to strengthen this mode of cross-border transportation.

<https://cuts-citee.org/improve-railway-logistics-to-ease-trade-in-the-bay-of-bengal-region/>

## Back to the drawing board: WTO reform requires a reassessment of its fundamentals

Economic Times, July 20, 2022 • By Pradeep S Mehta and Sneha Singh

Using the momentum garnered at the 12<sup>th</sup> Ministerial Conference (MC12), the WTO must urgently deliver on institutional reforms. By returning to the drawing board, Members must reassess fundamental principles such as *inter alia* decision-making through consensus and embrace greater flexibility and pragmatism to resolve deadlocks. Even in the best times, international commitments often clash with domestic pressures. However, the current age of poly crises and geopolitical uncertainty has made accommodating different interests harder. Against this backdrop, even as the outcomes of the MC12 of the WTO brought relief to some and cheer to others, it must not be forgotten that the linchpin of the WTO agenda – reforming the institution, remains unbacked by any clear work programme.

<https://cuts-citee.org/back-to-the-drawing-board-wto-reform-requires-a-reassessment-of-its-fundamentals/>

## Transform Transport into Economic Artery

The Rising Nepal, September 11, 2022 • By Suresh P Singh and Yatika Agrawal

A significant challenge for the cross-border trade of Nepal is high transport costs and transit-related expenses arising mainly from underdeveloped transport corridors and cartelisation of this sector by a few major players, estimated at more than 30 per cent of trade logistics. This is further aggravated by the high import tax of 288 per cent on imported vehicles. Therefore, transforming transport corridors into economic corridors, along with imparting greater competition in this sector, is imperative for Nepal to reduce its transport and transit costs, thus, boosting intra-regional trade. According to National Highways 2020-21, published by the Department of Roads under the Ministry of Physical Infrastructure and Transport, Nepal has 80 national highways connecting different parts of the country. Out of them, several are operational, and the construction of others is in progress.

<https://cuts-citee.org/transform-transport-into-economic-artery/>



## Don't be afraid of IPEF

*The Economic Times, September 12, 2022 • By Pradeep S Mehta*

Even though reportedly a decision has not yet been taken, not joining the trade pillar of the Indo-Pacific Economic Framework for Prosperity (IPEF) would be a mistake. First, it is bad signalling at a time when the world is appreciating India's high growth rates. Second, it would adversely impact the international reputation of Prime Minister Narendra Modi. The third setback would be achieving India's first goal of becoming a US\$5tn economy, then a US\$10tn one in the near future. The Government of India needs to revisit how trade liberalisation, including through IPEF, will help India's growth. Furthermore, if India wishes to become a developed country in the next 25 years, it should vigorously explore every opportunity to expand its exports and grow.

<https://bit.ly/3qCCg7L>

## Building a robust India-Bangladesh economic partnership

*Northeast Now, September 14, 2022 • By Bipul Chatterjee and Mihir Shekhar Bhonsale*

The recent visit of Bangladesh Prime Minister Sheikh Hasina to India was a stride forward in building a robust Indo-Bangladesh economic partnership with a focus on trade and connectivity with the announcement of cooperation in energy, road infrastructure, and linkages through rail and inland waterways. Reckoning the significant benefits of bilateral economic and commercial ties, Hasina and Modi decided to kick-start discussions on the Comprehensive Economic Partnership Agreement. Both countries presently are eyeing to sign bilateral Free Trade Agreements with many of their economic partners.

<https://cuts-citee.org/building-a-robust-india-bangladesh-economic-partnership/>

## A case for a railway-led Integrated Check Post in Haldibari

*Northeast Now September 17, 2022 • By Suresh P Singh and Swati Verma*

Haldibari railway station in Cooch Behar, West Bengal, located at a distance of 4.5 km from the international border and 7.5 km from Chilahati railway station in Bangladesh, and donning both customs and immigration facilities, is ideally placed to be upgraded into an Integrated Check Post. That will reduce logistic costs and carbon emissions, enhance bilateral and sub-regional trade, and lead to the prosperity of local people on both sides of the border. The need and importance of railway cooperation as a mode of connectivity between India and Bangladesh is reinforced in the India-Bangladesh Joint Statement released during Prime Minister Sheikh Hasina's recent visit to India. The Joint Statement underscored the importance of implementing bilateral and sub-regional rail and other connectivity initiatives.

<https://nenow.in/opinion/a-case-for-a-railway-led-integrated-check-post-in-haldibari.html>