

# CUTS CITEE in Action

April-June 2014

## Events

### Financial Intermediaries and Trade Facilitation in South Asia

CUTS International is implementing a project entitled 'Financial Intermediaries and Trade Facilitation in South Asia: *Lack of Reliable and Fast payment Options to Facilitate Trade Transactions in South Asia*'. This project is being supported by The Asia Foundation.

#### 2<sup>nd</sup> Focussed Group Meeting

In order to achieve the objective of improved trade financing services second focussed meeting between clientele group and the service providers was held at Dhaka, Bangladesh on April 08, 2014.

The objective of this meeting was to invite recommendations from financial service providers (bankers) which they think should be embraced through compelling policy reforms to address issues related to rejection of Letter-of-Credits and other trade-related financial instruments in the context of India's trade with Pakistan and Bangladesh.



#### 3<sup>rd</sup> Focussed Group Meeting

In association with Federation of Indian Chambers of Commerce and Industry (FICCI) and with support from the Asia Foundation, CUTS organised third and the final focussed meeting as part of a series to present the memorandum of recommendations to South Asian Association for Regional Cooperation (SAARC) Secretariat. The Memorandum comprises of key policy and procedural remedies to address issues of payment defaults and trade related financial services in context of trade between India-Bangladesh, India-Pakistan in particular, and South Asia, in general.

The objective of the meeting was to present the recommendations provided by the industry and the financial service providers before the apex financial regulators of India, Bangladesh and Pakistan to help them understand and address the issue of lack of reliable and fast payment options to facilitate trade transactions in South Asia.

The meeting was attended by representatives of trade and industry organisations including representations from SAARC CCI, FICCI, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and SAARC Secretariat.

[www.cuts-citee.org/FITF/](http://www.cuts-citee.org/FITF/)

## Sustainable Development in South Asia

CUTS International, with the support from Australian Government's Department of Foreign Affairs and Trade (DFAT), is one of the portfolio partners for the recently developed Sustainable Development Investment Portfolio (SDIP) for South Asia. This 12-year investment strategy aims to achieve increased water, food and energy security in South Asia to facilitate economic growth and improve livelihoods, targeting the poorest and most vulnerable, particularly women and girls. The project will be implemented for 12 years in three phases of four years each. CUTS will be implementing the first phase of this investment portfolio from October 2013-October 2016.

CUTS identified eight strategic partners in South Asian countries (Bangladesh, Bhutan, India, Nepal and Pakistan) for achieving the objectives of SDIP by influencing the project specific domains and pre-conditions of change and a workshop was organized with these selected strategic partners in Kathmandu, Nepal on May 15-16, 2014. The main objectives of this workshop were to:

- develop a shared understanding of SDIP objectives, preconditions and domains of change among the strategic partners;
- know each partner and its developmental approach;
- build understanding on partnership approach; and
- discuss CUTS activity plan with strategic partners.



[www.cuts-citee.org/SDIP/](http://www.cuts-citee.org/SDIP/)

### In Media

#### Rule-making in Mega FTAs: Potential Impact on India

*Business World, June 20, 2014*

**By Surendar Singh**

The emergence of mega free trade agreements in the developed world, led by the United States, is threatening the multilateral trade framework under the World Trade Organisation. The US and the European Union are negotiating a Trans-Atlantic Trade and Investment Partnership (TTIP). It is expected to cover two-third of world gross domestic product and one-third of world imports.

[www.cuts-citee.org/print/article-Rule-making\\_In\\_Mega\\_FTAs\\_Potential\\_Impact\\_On\\_India.htm](http://www.cuts-citee.org/print/article-Rule-making_In_Mega_FTAs_Potential_Impact_On_India.htm)

#### Neighbourly trade

*The News on Sunday, May 11, 2014*

**By Pradeep S Mehta**

Trade is expected to be big part of India's foreign policy when the new government comes in this summer. More importantly, States will be closely engaged in the strategy, which would also allow them to speak with their counterparts in neighbouring countries to enhance trade. Let us review the current situation of trade with neighbours. Only 137 items are allowed to be traded via the Attari-Wagah post bordering India and Pakistan. 'Ridiculously small' is an under-statement because there are more than 10,000 items, which are legally traded across the globe.

[www.cuts-citee.org/article-Neighbourly\\_trade.htm](http://www.cuts-citee.org/article-Neighbourly_trade.htm)

#### India: new trade policy for a new government

*East Asia Forum, May 02, 2014*

**By Pradeep S Mehta and Bipul Chatterjee**

In India, 150 million new and better jobs need to be created, lest the country's perceived demographic dividend fails to become a reality and, instead, becomes a burden. To achieve this, and provide much-needed lift for the economy, India can follow a combination of consumption-, investment- and trade-led growth. This is because of the size of its domestic market, investment requirements, and increasing outward-orientation. Trade is already no small part of the economy – over the last five years merchandise trade as a percentage of GDP is more than 40 percent and is growing steadily.

[www.cuts-citee.org/article-India\\_new\\_trade\\_policy\\_for\\_a\\_new\\_government.htm](http://www.cuts-citee.org/article-India_new_trade_policy_for_a_new_government.htm)

## Upcoming Events

### India in the International Trading System

New Delhi, India, October 20-22, 2014

**D**ue to India's growing influence in the in the global economy, CUTS will be hosting a conference entitled 'India in the International Trading System' at New Delhi, on October 20-22, 2014. The conference will invite esteemed speakers from various organisations and will serve as a platform to discuss how India can navigate more effectively within the international trading system; and play a more constructive role in its engagements at both the multilateral and regional levels.

After more than two decades of ministerial conferences resulting in less than optimum outcomes, the Bali Ministerial Conference, held in December 2013, marked the first substantive breakthrough of the WTO since the launch of the Doha Round. Not only did the successful outcome of the ninth ministerial conference restore faith in a system that many had begun to view as defunct, it also paved the way for the implementation of specific trade-related rules and regulations that are expected to have large benefits for the global economy.

As a result of lack of progress at the multilateral level, the international trading system witnessed a dramatic shift towards regional trading agreements resulting in a four-fold increase in these preferential trading agreements in the space of twenty years. With the recent success of the Bali Ministerial however, the WTO has reasserted its primacy as the pre-eminent forum for global trade within the international trade system. This development however now places countries in a position where they now need to identify how best to steer themselves within the complex network of both multilateral and regional trading rules.

### Addressing Barriers to Rice Seeds Trade between India and Bangladesh

Jaipur, India, July 18, 2014

**S**ince the inception of the project in January 2013, RISTE project has achieved several targets through a set of activities. In this context, a mid-term review meeting will be held in Jaipur on July 18, 2014 to set the future direction of project and review the progress made so far. This meeting will invite persons associated with the project in various capacity and few key stakeholders.

## Participation

- Veena Vidyadharan attended a panel discussion on 'Trends in India's Weather Forecasting and Climate Prediction Industry' at New Delhi on June 06, 2014. The panel provided a platform where key persons from government, private sector, researchers interacted and explored the possibilities of collaboration in weather forecasting.
- Archana Jatkar participated and presented in Challenge Fund Partner's Meeting organised by The Asia Foundation on 'Regional Trade and Economic Integration in South Asia' at Kathmandu on June 23-24, 2014. The objective of the meeting was to take stock and learn from the experiences of implementation of the Challenge Fund Grants so far, and plan for future activities and projects based on this learning.  
She also spoke on 'Opportunities in India's Public Procurement Market and Entry Barriers' in the EU-India Investment seminar organised by the Delegation of European Union at New Delhi on April 15, 2014.
- Suresh P Singh participated and presented a paper at the 5<sup>th</sup> Indian Seed Congress 2014 at Mumbai during May 20-23, 2014. The objective of the conference was to present major developments and innovations taking place with regard to sustainability in agriculture.
- Joseph George attended the launch meeting of 'SARCist', a new initiative by the Centre for Policy Research at New Delhi on May 15, 2014. The 'SARCist', a web-based network, is intended to provide a platform for stakeholders to engage in policy discussions on regional economic cooperation in South Asia.
- Bipul Chatterjee attended a workshop on 'Inclusive Growth' organised by Global Development Network at Paris, on May 12, 2014. It facilitated an in-depth discussion with experts from around the world.
- Purna C Jena participated in an Interactive Session with Additional DGFT CLA and his team – A Niryat Bandhu Initiative of DGFT at New Delhi on April 28, 2014. The objective of the session was to discuss and debate some of the critical issues of the forthcoming Foreign Trade Policy, 2014-19, in particular, to catalyse India's exports, mentor first generation entrepreneur and provide various types of incentives to exporters.



## India Bangladesh Trade Potentiality An Assessment of Trade Facilitation Issues



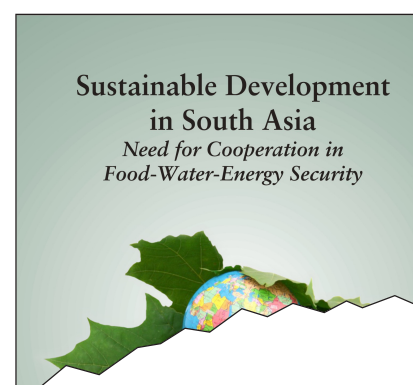
India and Bangladesh have a strong commitment to expanding bilateral trade but the devil lies in implementation. While “border haats” are locally useful along the India-Bangladesh border, the ultimate challenge for both India and Bangladesh is to bring informal trade into formal channels. For that to happen infrastructure, simple and transparent rules and regulation, quick disposal of sanitary and phyto-sanitary issues, harmonisation of standards, mutual recognition of standards certification are tasks that have to be tackled urgently. This study has identified bottlenecks and provided useful recommendations that should help policy-makers find appropriate solutions.

[www.cuts-citee.org/IBTA-II/pdf/India-Bangladesh\\_Trade\\_Potentiality-An\\_Assessment\\_of\\_Trade\\_Facilitation\\_Issues.pdf](http://www.cuts-citee.org/IBTA-II/pdf/India-Bangladesh_Trade_Potentiality-An_Assessment_of_Trade_Facilitation_Issues.pdf)

## Sustainable Development in South Asia Need for Cooperation in Food-Water-Energy Security

Sustainable development in the ambits of food, water and energy is a matter of paramount concern for all the nations throughout the world and specifically for South Asia. The region faces the brunt of interminable population growth rate. Consequently, the basic sectors of human sustenance are gripped by the claws of excessive resources degradation that has raised concerns over the quality of human life and brought the concept of sustainability to the forefront. The paper has tried to use the concept of sustainable development in three vital sources of human sustenance for addressing the challenges of insecurity and scarcity. The paper has laid emphasis on the need for having strong and efficient regional governance frameworks as a key to address these challenges in South Asia.

[www.cuts-citee.org/SDIP/pdf/Sustainable\\_Development\\_in\\_South\\_Asia-Need\\_for\\_Cooperation\\_in\\_Food\\_Water\\_Energy\\_Security.pdf](http://www.cuts-citee.org/SDIP/pdf/Sustainable_Development_in_South_Asia-Need_for_Cooperation_in_Food_Water_Energy_Security.pdf)



## Regional Comprehensive Economic Partnership Agreement in Asia Challenges and Opportunities for India

India is currently involved in negotiations for a Regional Comprehensive Economic Partnership (RCEP) Agreement. Once concluded, the RCEP Agreement will have the potential to be the world's largest free trade area with a total gross domestic product (GDP) of almost US\$20tn and an integrated market of over three billion people accounting for more than a quarter of world trade. Having recently concluded the second round of negotiations in late September 2013, this paper will give a brief analysis of India's participation in RCEP and provide recommendations on a way forward in these negotiations.

[www.cuts-citee.org/pdf/Briefing\\_Paper14-Regional\\_Comprehensive\\_Economic\\_Partnership\\_Agreement\\_in\\_Asia-Challenges\\_and\\_Opportunities\\_for\\_India.pdf](http://www.cuts-citee.org/pdf/Briefing_Paper14-Regional_Comprehensive_Economic_Partnership_Agreement_in_Asia-Challenges_and_Opportunities_for_India.pdf)

## National Foreign Trade Policy of India Focus on Development Dimensions

The National Foreign Trade Policy (NFTP) is one of India's main pillars of trade promotion. Its purpose is to streamline India's domestic policies to meet the supply-side constraints faced by export-oriented sectors and thereby create advantages for such products in destination markets. The NFTP and its annual supplements contain several specifically targeted schemes or policy instruments, which were tailor-made to use trade expansion as an instrument for employment generation. This Briefing Paper reflects the results of a study that was undertaken across various clusters throughout India to garner local perspectives on how to enhance the use of this policy as an instrument for inclusive growth.

[www.cuts-citee.org/NFTP/pdf/Briefing\\_Paper14-National\\_Foreign\\_Trade\\_Policy\\_of\\_India-Focus\\_on\\_Development\\_Dimensions.pdf](http://www.cuts-citee.org/NFTP/pdf/Briefing_Paper14-National_Foreign_Trade_Policy_of_India-Focus_on_Development_Dimensions.pdf)