

CUTS Dossier on Preferential Trade Agreements

**April-June 2013
(Vol. VII, No. 2)**

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1. Costa Rica and Colombia Sign Free Trade Deal

Colombian President Juan Manuel Santos and Costa Rican President Laura Chinchilla penned a bilateral free trade agreement (FTA) that will help pave the way for Costa Rica to become a full member of the Pacific Alliance, a Latin American trade bloc launched in 2012. The signing of the trade deal took place on the eve of seventh Pacific Alliance Summit, set to take place in Cali.

Current members of the Alliance include Colombia, Mexico, Chile and Peru. Membership requires Costa Rica to have bilateral FTAs with each alliance member country. With signing, Costa Rica – currently an observing member – is in compliance with that requirement. Santos called the Pacific Alliance "the most important integration process that Latin America has undertaken in history."

These are four economies that are growing at higher rates than the rest of Latin America, and these economies bring the most investment and are creating most jobs. "Our aim is to maintain that growth. We're laying the foundation for an even better relationship [between Costa Rica and Colombia]. We share a vision that is increasingly solidifying in the region, which is the understanding that free trade is the motor of growth", Chinchilla said in a brief speech at the signing ceremony.

70 percent of the negotiated tariff items in the trade agreement will be eliminated immediately, while 26 percent of tariffs will be phased in over a period of three to 15 years. Trade between Costa Rica and Colombia reached US\$500mn in 2011. For Santos, the agreement "will help generate more confidence among Colombian investors" looking

to do business in the *Central American* neighbour to the northwest. "What is ahead are more trade, more investment, more prosperity for Costa Rica and more prosperity for Costa Rica. If we do not grow, if we do not open markets, we will become stagnant as has happened to practically every country that does not believe in free trade," the Colombian President said.

Source: www.ticotimes.net/More-news/News-Briefs/Costa-Rica-and-Colombia-sign-free-trade-deal_Wednesday-May-22-2013

CUTS Comments

Trade statistics reflects that in 2012, the value of total exports from India to Costa Rica was US\$77.69mn. In the same year, the value of total exports from Colombia to Costa Rica was US\$274.49mn, 3.5 times higher than export from India. In the wake of the new dynamics of Costa Rica entering into an FTA with Colombia, the overall position can further tilt in favour of Colombia.

A comparison of major export items from India and the Colombia to Costa Rica demonstrates that the two countries compete with each other in at least four product segments. They include miscellaneous chemical products; electrical, electronic equipment; plastics and articles thereof; and paper and paperboard, articles of pulp, paper and board. Out of the four competing products, in terms of value Colombia has definitive edge over India in all product segments (Table 1.1). However, the growth trend over the last four years (2008-12) indicates that in all the four competing items, India has fared relatively better. In the light of recently signed FTA deal, India needs to take necessary measures to maintain/increase its competitiveness in these product segments and to capture increased export market in Costa Rica. India does not have Preferential Trade Agreement (PTA) with Costa Rica and, therefore, one can expect that the impact on competing Indian exports could be significant as a result of this agreement.

It is also observed that in product segments, namely essential oils, perfumes, cosmetics, toiletries; articles of apparel, accessories, knit or crochet; furniture, lighting, signs, prefabricated buildings; mineral fuels, oils, distillation products, etc; machinery, nuclear reactors, boilers, etc; and articles of apparel, accessories, not knit or crochet, India does not export much to Costa Rica even when India enjoys moderate advantage in some of the product segments. Improvement in India's competitiveness in these segments could improve India's overall position in the Costa Rican market.

Table 1.1

India's Exports to Costa Rica (Exports in 2012: US\$77.69mn)		Colombia's Exports to Costa Rica (Exports in 2012: US\$274.49mn)		
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors	Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)
18.75	67	Vehicles other than railway, tramway	...	
11.77	20	Pharmaceutical products	...	
9.38	-1	Miscellaneous chemical products	23.34	-4
5.61	68	Electrical, electronic equipment	10.56	-26
4.35	3	Organic chemicals	...	
3.67	50	Iron and steel	...	
3	20	Rubber and articles thereof	...	
2.35	67	Plastics and articles thereof	55.29	2
2.29	49	Paper and paperboard, articles of pulp, paper and board	14.02	-11
2.06	179	Aluminium and articles thereof	...	...
		Essential oils, perfumes, cosmetics, toiletries	20.28	22
		Articles of apparel, accessories, knit or crochet	15.05	16
		Articles of apparel, accessories, not knit or crochet	12.20	7
		Machinery, nuclear reactors, boilers, etc.	9.35	3
		Furniture, lighting, signs, prefabricated buildings	7.15	12
		Mineral fuels, oils, distillation products, etc.	7.09	-24
63.25 (81%)		Top 10 Products (percentage of total exports)	174.33 (64%)	

Source: ITC Data base

Trade statistics reflects that India is better positioned in Colombian market than that of Costa Rica. In 2012, India's exports to the Colombia were valued at US\$927.70mn, which is nearly 15 times more than that of Costa Rica's export to the Colombia. In 2012, the Costa Rica's export to Colombia was valued at US\$62.82mn. Considering the gap between exports of India and Costa Rica to Colombia, it appears that competition is not that intense between the two countries.

A comparison of top ten export segments shows that the two countries compete with each other in two product segments, namely pharmaceutical products; and plastics and articles thereof. Even in these two product segments India is better positioned than Costa Rica.

In non-competing segments like vehicles other than railway, tramway; cotton; organic chemicals; miscellaneous chemical products; machinery, nuclear reactors, boilers, etc; iron and steel; articles of iron or steel; and manmade staple fibres, India may continue to remain a dominant player compared to Costa Rica (Table 1.2). However, in product segments namely optical, photo, technical, medical, etc. apparatus; lead and articles thereof; miscellaneous edible preparations; rubber and articles thereof; beverages, spirits and vinegar; raw hides and skins (other than furskins) and leather; electrical,

electronic equipment; and oil seed, oleaginous fruits, grain, seed, fruit, etc, nes, India does not export much to the Mexican due to lack of comparative advantage in most of the segments. Overall, it is expected that the agreement between Costa Rica and Mexico will not lead to much trade diversion, though India needs to have a close watch on the developments.

Table: 1.2						
India's Export to Colombia (Exports in 2012: US\$927.70mn)			Costa Rica's Export to Colombia (Exports in 2012: US\$62.82mn)			
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors		Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	
378.89	34	Vehicles other than railway, tramway	...	...	...
105.41	27	Cotton	...	...	...
53.71	13	Organic chemicals	...	...	...
41.23	54	Manmade staple fibres	...	...	...
40.65	39	Machinery, nuclear reactors, boilers, etc	...	...	...
38.65	3	Pharmaceutical products	3.96	-43		
35.07	27	Iron and steel	...	...	...
31.18	51	Articles of iron or steel	...	...	...
27.64	18	Miscellaneous chemical products	...	...	...
25.57	55	Plastics and articles thereof	7.51	18		
		Optical, photo, technical, medical, etc. apparatus	7.80	63		
		Lead and articles thereof	6.04	54		
		Miscellaneous edible preparations	5.62	101		
		Rubber and articles thereof	4.80	47		
		Beverages, spirits and vinegar	2.98	11		
		Raw hides and skins (other than furskins) and leather	2.42	103		
		Electrical, electronic equipment	2.23	4		
		Oil seed, oleaginous fruits, grain, seed, fruit, etc., nes	2.08	0		
777.99 (84%)		Top 10 Products (percentage of total exports)	45.44 (72%)			
Source: ITC Data base						

Food for Thought

India does not have any PTA with either Costa Rica or Colombia. Considering that proliferation of PTA is a new trade mantra and is here to continue, should India expedite a PTA negotiation with Colombia and Costa Rica to protect its export interests?

2. China and Switzerland Sign MoU on Free Trade Agreement

China and Switzerland signed a memorandum of understanding (MoU) on concluding negotiations on a bilateral FTA. The MoU was signed during a meeting between visiting Chinese Premier Li Keqiang and Swiss President Ueli Maurer.

The two sides also announced the establishment of a financial dialogue mechanism. The China-Switzerland relations, having withstood vicissitudes of international situations over more than 60 years, are ever refreshing and have kept pace with the times, Li said, adding both sides have shown the courage to make innovations and breakthroughs. Li said China and Switzerland announced the launch of FTA negotiations three years ago when he visited the Alpine nation, and now reached a mutually beneficial agreement of high level and high quality after making unremitting efforts.

It will be the first FTA to be signed between China and a country in continental Europe, which bears realistic significance and has long-term influence on expanding and deepening economic and trade relations not only between China and Switzerland but also those between China and Europe, Li noted. China attaches great importance to ties with Switzerland and is willing to join efforts with the country to nail down the direction of their bilateral relations always in accordance with the developments of the two countries and the world at large, he said.

He called on both sides to respect each other, treat the other as an equal and respect the development path chosen by the other. The China-Switzerland relations can surely enjoy a sound and stable development for a long term if the two sides view each other as friends, Li added. The Chinese premier presented a four-point proposal on furthering bilateral ties.

Firstly, China and Switzerland should grasp any opportunity to expand the scale of investment and trade, and optimize structures, Li said. He said both sides should strengthen mutually beneficial cooperation in such areas as high-end machinery manufacturing, precise instrument, biopharmaceutics, energy conservation and environmental protection and modern agriculture, to boost the comprehensive and rapid upgrade of bilateral economic and trade cooperation.

Secondly, he said the two sides should make good use of their new platform of the financial dialogue mechanism. He called on both sides to deepen cooperation in areas such as financial supervision and regulation, macro policies and improvement of capital market system, and beef up coordination and cooperation within international financial institutions including the International Monetary Fund and the World Bank, in a bid to jointly promote the establishment of a new international financial order featuring fairness, justice, inclusiveness and orderliness.

Thirdly, he said the two countries should expand cultural cooperation. They should enhance communication and cooperation in the areas of culture, education, tourism and

personnel training and expand people-to-people exchanges, so as to build a firmer foundation for the development of bilateral relations.

Fourthly, they should strengthen communication on regional and international affairs, said the Chinese premier. China attaches great importance to the unique role played by Switzerland on the world arena, and is willing to strengthen communication and coordination with Switzerland on multilateral issues and within international organisations such as the UN, to contribute to maintaining world peace and stability and promoting common prosperity and development, he added.

For his part, Maurer said that China, which has made remarkable achievements in its development in recent years, is a fair and reliable partner of cooperation for Switzerland and is an important force in safeguarding world peace and development. The friendly cooperative relationship between Switzerland and China boasts a long history and a solid foundation, and enjoys broad prospects, he said. Noting the Chinese premier's trip has yielded fruitful results, he said the conclusion of FTA talks and the launch of the financial dialogue mechanism mark another milestone in the bilateral relations. Switzerland is willing to further expand the mutually beneficial cooperation and promote common development, the Swiss president said.

Source: http://news.xinhuanet.com/english/china/2013-05/25/c_124761864.htm

CUTS Comments

Signing of MoU for FTA can be considered as an indication of parties' interest to enter into trade agreement. It is, therefore, useful to understand its potential trade impact on India's exports to both the countries.

Trade statistics reflects that in 2012, the value of total exports from India to China was US\$14729.32mn. In the same year, the value of total exports from Switzerland to China was US\$8350.83mn. An examination of the export-basket based on top ten export items of the two countries shows that India and the Switzerland do not have much competitive interest in the Chinese markets.

A comparison of top 10 export items from India and Switzerland to China demonstrates that the two countries compete with each other in only two product segments. These include plastics and articles thereof, machinery, nuclear reactors, boilers, etc. Out of two competing products segments, India appears to have relative advantage over Switzerland in one product in terms of absolute value of exports and the other product in terms of growth rate during the period 2008 to 2012 (Table 2.1). In the light of signed MoU, which could lead to signing of FTA between the two countries, India needs to increase its competitiveness in these product segments in order to retain and maintain its position in the Chinese market. India does not have preferential trade agreement with China and, therefore, one can expect that in future it could have some impact on competing Indian exports.

In non-competing eight top product segments namely cotton; ores, slag and ash; copper and articles thereof; organic chemicals; salt, sulphur, earth, stone, plaster, lime and cement; animal, vegetable fats and oils, cleavage products, etc; iron and steel; and mineral fuels, oils, distillation products, etc, India may continue to remain a dominant player in the Chines market compared to Switzerland despite the two countries signing of FTA in future.

Overall, as indicated above, it appears that the potential future agreement might adversely impact two product segments in which both India and Switzerland compete with each other. In other segments, the impact could be expected to be negligible or low. The scope of trade diversion is therefore quite low limited to a few products only.

Table: 2.1

India's Exports to China (Exports in 2012: US\$14729.32mn)			Switzerland's Export to China (Exports in 2012: US\$8350.83mn)		
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors	Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	
3613.27	58	Cotton	...	...
2615.13	-16	Ores, slag and ash	...	...
2194.89	97	Copper and articles thereof	...	...
1022.93	25	Organic chemicals	...	...
608.03	45	Plastics and articles thereof	146.55	5	
573.85	22	Salt, sulphur, earth, stone, plaster, lime and cement	...	...
402.91	15	Machinery, nuclear reactors, boilers, etc.	1749.27	10	
380.04	49	Animal, vegetable fats and oils, cleavage products, etc.	...	...
341.55	65	Mineral fuels, oils, distillation products, etc.	...	...
328.22	15	Iron and steel	...	...
		Clocks and watches and parts thereof	1762.91	31	
		Pharmaceutical products	1123.75	24	
		Optical, photo, technical, medical, etc. apparatus	754.64	19	
		Electrical, electronic equipment	748.78	9	
		Pearls, precious stones, metals, coins, etc.	626.76	14	
		Organic chemicals	543.63	3	
		Articles of iron or steel	66.51	14	
		Articles of leather, animal gut, harness, travel goods	66.10	22	
12080.82 (82%)	Top 10 Products (percentage of total exports)		7588.87 (91%)		
<i>Source: ITC Data base</i>					

In 2012, India's export to the Switzerland was valued at approximately US\$1170.06mn. In comparison, China's export to Switzerland was valued at US\$3492.21mn during the same period, nearly three times higher compared to export from India to Switzerland. Considering the gap between exports from India and China to Switzerland, it is clear that India does not present much competition to China in the Swiss market.

It is also observed that there are two segments in which the two countries compete with each other (organic chemicals and electrical, electronic equipment). In both the product segments, export from India is quite low in comparison to China. In the remaining top eight product segments, there is no competition between the two countries. In case of non-competing eight product segments, India appears to have significant advantage in the Swiss market compared to that of China.

The potential FTA which could emerge from the MoU could help China consolidate its position in the Swiss market. Further, it could put China in more advantageous position vis-à-vis India at least in some product segments.

India's position might not change in segments in which it has significant competitive advantages, such as pearls, precious stones, metals, coins, etc; mineral fuels, oils, distillation products, etc; commodities not elsewhere specified; tanning, dyeing extracts, tannins, derivs, pigments etc; articles of apparel, accessories, knit or crochet; and lac, gums, resins, vegetable saps and extracts nes (Table 2.2).

Table: 2.2

India's Exports to Switzerland (Exports in 2012: US\$ 1170.06mn)			China's Exports to Switzerland (Exports in 2012: US\$ 3492.21mn)	
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors	Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)
258.18	16	Pearls, precious stones, metals, coins, etc	...	...
204.58	8	Organic chemicals	321.36	11
112.87	191	Aircraft, spacecraft, and parts thereof	...	...
81.42	14	Mineral fuels, oils, distillation products, etc	...	...
63.87	47	Electrical, electronic equipment	675.98	14
48.76	32	Commodities not elsewhere specified	...	...
41.87	23	Machinery, nuclear reactors, boilers, etc	...	...
39.68	149	Lac, gums, resins, vegetable saps and extracts nes	...	...
38.62	-10	Articles of apparel, accessories, knit or crochet	...	...
29.26	3	Tanning, dyeing extracts, tannins, derivs, pigments etc	...	...
		Machinery, nuclear reactors, boilers, etc	488.53	14
		Footwear, gaiters and the like, parts thereof	360.80	21
		Articles of apparel, accessories, knit or crochet	241.86	-22
		Articles of apparel, accessories, not knit or crochet	193.09	-16
		Optical, photo, technical, medical, etc	147.22	10

	apparatus		
	Pearls, precious stones, metals, coins, etc	139.67	-10
	Furniture, lighting, signs, prefabricated buildings	110.94	21
	Clocks and watches and parts thereof	79.29	15
919.104 (79%)	Top 10 Products (percentage of total exports)		2758.72 (79%)

Source: ITC Data base

Food for Thought

India does not have PTA with China or Switzerland as of now. A Broad-based Trade and Investment Agreement (BTIA) is under negotiation with Switzerland as part of India-EFTA BTIA. In the wake of emerging dynamics, should India sign FTA with China or expedite BTIA negotiation with EFTA to counter challenges to India's export penetration in Switzerland? Will such an agreement be able to protect India's export interests in the Swiss as well as Chinese markets?

3. Israel, Colombia Sign Free Trade Agreement

Colombian Minister of Commerce Sergio Díaz-Granados and Israel Economy and Trade minister Naftali Bennet signed the agreement at a special ceremony in the official residence of President Shimon Peres who received with full state honours visiting Colombian president Juan Manuel Santos. Peres and Santos held an hour long private talks before announcing the conclusion of the free trade treaty, which was followed by the signing ceremony.

Before the meeting President Santos anticipated he would be discussing with his Israel peer how to increase cooperation, trade and investments, and a review world affairs and international politics. "It is a good treaty to the benefit of both countries" said Israel sources' underlining the record time in which the agreement was negotiated that was possible because of 'the commitment from both sides and close relations of the two countries'. The Colombian delegation described 'the treaty as last-generation that goes far beyond trade'.

Under the terms of the agreement, 70 percent exports of two countries will be exempt of tariffs and customs duties as soon as the treaty becomes effective. The percentage will increase gradually in the following ten years until it covers the whole of bilateral trade. Bilateral trade reached almost 700 million dollars in 2012, with an ample 78 percent surplus for Colombia. Israel sells mainly manufactured and high technology goods and services and Colombia provides items such as coal, coffee, emeralds and flowers.

Both presidents said they are hopeful that the free trade treaty will become a jumping board for cooperation in the private sector to promote trade and investments. On his arrival to Tel Aviv in his first joint visit to Israel and Palestine, president Santos said the agreement would mean more jobs for Colombia, and a firm effort to promote peace and stability in the region.

The two governments also signed an agreement on air services which will help increase air traffic between the two countries and another one of technology exchange in science, research and bio-technology.

Colombia is a full member of the Pacific Alliance together with Peru, Colombia and Mexico, and is considered the most promising of regional trade blocks since it is business friendly, supports the private sector, promotes foreign investment and is geared to expand in the Pacific basin. Israel and the Palestinian Authority have FTAs with Mercosur.

Source: <http://en.mercopress.com/2013/06/11/israel-and-colombia-sign-far-reaching-free-trade-agreement>

CUTS Comments

Trade statistics reveals that in 2012, the value of total exports from India to Israel was US\$3804.28mn. In the same year, the value of total exports from Colombia to Israel was US\$525.82mn, over seven times less than that of India. In the wake of the new dynamics of Israel entering into an FTA with Colombia, the overall position may tilt in favour of Colombia and might lead to more export from Colombia to Israel.

A comparison of major export items from India and Colombia to Israel demonstrates that the two countries compete with each other in at least five product segments. These include mineral fuels, oils, distillation products, etc; pearls, precious stones, metals, coins, etc; machinery, nuclear reactors, boilers, etc; plastics and articles thereof; and electrical, electronic equipment. In all the five competing products, India has definitive edge over Colombia in all product segments (Table 3.1), especially in terms of value of exports. There are, however, three product segments in which export from Colombia has grown at a faster pace compared to that of India (pearls, precious stones, metals, coins, etc; machinery, nuclear reactors, boilers, etc; and plastics and articles thereof) during the period 2008-12. India needs to increase its competitiveness in these product segments in order to capture increased export market in Israel and to remain competitive in future. India does not have PTA with Israel and, therefore, one can expect that the recently signed FTA might have some impact on competing products.

In non-competing product segments namely organic chemicals; vehicles other than railway, tramway; aircraft, spacecraft, and parts thereof; optical, photo, technical, medical, etc. apparatus; and miscellaneous chemical products, India may continue to remain a dominant player in the Israel's market compared to Colombia.

Overall, as indicated above, it appears that while the new agreement might adversely impact some product segments in which both India and Colombia compete with each other, the impact might not be significant in other segments as India enjoys comparative advantages. Overall, the scope for trade diversion appears limited at least in the short run.

Table: 3.1

India's Exports to Israel (Exports in 2012: US\$3804.28mn)			Colombia's Exports to Israel (Exports in 2012: US\$525.82mn)		
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors	Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	
1717.97	139	Mineral fuels, oils, distillation products, etc	496.06	45	
1209.15	14	Pearls, precious stones, metals, coins, etc.	0.57	48	
250.88	12	Organic chemicals	...	...
64.56	66	Vehicles other than railway, tramway	...	...
62.35	29	Electrical, electronic equipment	0.37	16	
60.92	6	Plastics and articles thereof	0.95	7	
50.57	5	Aircraft, spacecraft, and parts thereof	...	...
34.92	17	Optical, photo, technical, medical, etc. apparatus	...	...
31.79	13	Miscellaneous chemical products	...	...
26.55	6	Machinery, nuclear reactors, boilers, etc.	0.96	18	
		Coffee, tea, mate and spices	14.36	9	
		Arms and ammunition, parts and accessories thereof	7.28	78	
		Wood and articles of wood, wood charcoal	1.96	33	
		Sugars and sugar confectionery	0.86	32	
		Paper and paperboard, articles of pulp, paper and board	0.67	-2	
3509.64 (92%)		Top 10 Products (percentage of total exports)	524.03 (100%)		
<i>Source: ITC Data base</i>					

Trade statistics reflects that India is better positioned in Colombian market than that of Israel. In 2012, India's exports to the Colombia were valued at approximately US\$927.70mn. This is nearly seven times more than that of Israel export to the Colombia valued at US\$142.55mn during the same period. Considering the gap between exports of India and Israel to Colombia, it appears that competition is not that intense between the two countries.

A comparison of top ten export segments shows that the two countries compete with each other in three product segments, namely organic chemicals; machinery, nuclear reactors, boilers, etc; and plastics and articles thereof. Even in these three product segments India is better positioned than Israel both in terms of value of exports and growth rates.

In non-competing segments like vehicles other than railway, tramway; cotton; manmade staple fibres; pharmaceutical products; iron and steel; articles of iron or steel; and miscellaneous chemical products, India may continue to remain a dominant player compared to Israel (Table 3.2).

It is also observed that in some product segments (electrical, electronic equipment; optical, photo, technical, medical, etc. apparatus; manmade filaments; miscellaneous chemical products; wadding, felt, nonwovens, yarns, twine, cordage, etc; inorganic chemicals, precious metal compound, isotopes; and arms and ammunition, parts and accessories thereof), India does not export much to the Colombia due to lack of comparative advantage. In some of these products, India has natural advantage over others, and therefore India could focus on these to increase its penetration in the Colombian market.

Overall, it is expected that the agreement between Israel and Colombia will not lead to much trade diversion, though India needs to have a close watch on the new developments.

Table: 3.2						
India's Exports to Colombia (Exports in 2012: US\$ 927.70mn)			Israel's Exports to Colombia (Exports in 2012: US\$ 142.55mn)			
Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)	Sectors	Export Value in 2012 (US\$mn)	Annual growth (2008-2012, %, p.a.)		
378.89	34	Vehicles other than railway, tramway	...	...
105.41	27	Cotton	...	...
53.71	13	Organic chemicals	4.20	2		
41.23	54	Manmade staple fibres	...			
40.65	39	Machinery, nuclear reactors, boilers, etc.	27.84	14		
38.65	3	Pharmaceutical products	...			
35.07	27	Iron and steel	...			
31.18	51	Articles of iron or steel	...			
27.64	18	Miscellaneous chemical products	...			
25.57	55	Plastics and articles thereof	9.04	13		
		Electrical, electronic equipment	37.59	-15		
		Optical, photo, technical, medical, etc. apparatus	27.31	20		
		Manmade filaments	8.31	9		
		Miscellaneous chemical products	8.30	7		
		Wadding, felt, nonwovens, yarns, twine, cordage, etc.	2.90	36		
		Inorganic chemicals, precious metal compound, isotopes	2.20	-3		
		Arms and ammunition, parts and accessories thereof	2.12	-52		
777.99 (84%)		Top 10 Products (percentage of total exports)	129.81 (91%)			
<i>Source: ITC Data base</i>						

Food for Thought

India does not have PTA with Israel or with Colombia as of now. An FTA is under negotiation with Israel. In the wake of emerging dynamics, should India sign FTA with Colombia or expedite FTA negotiation with Israel to counter challenges to India's export penetration in those markets? Will such an agreement be able to protect India's export interests in those markets?