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1. EU-Japan FTA: Basic Agreement to Be Reached by End 2015

Japan's Prime Minister Shinzo Abe, European Council President Donald Tusk, and EU President Jean-Claude Juncker agreed to accelerate negotiations over a long-deadlocked Free Trade Agreement between the European Union and Japan. The leaders gathered on the occasion of the latest annual meeting between both parties. Prime Minister Abe said that "in the area of economy, we agreed to accelerate the Japan-EU EPA (Economic Partnership Agreement) negotiations, aiming to reach a basic agreement within this year while stressing both speed and quality"… On top of discussing the FTA and China concerns, Japanese and European leaders also pointed out that they continued to cooperate on other issues, such as the conflict in Crimea.

(<http://defence.pk/threads/eu-japan-fta-basic-agreement-to-be-reached-by-end-2015.379210/>)

CUTS Comments

The FTA between EU and Japan is likely to have some impact on the export basket of India. Our research based on ITC database and TradeSift software shows that the presence of India and EU in Japan's market and that of India and Japan in EU's market are competing on relatively moderate number of products. Though the expected competition on account of the EU-Japan FTA may not be so detrimental to India in Japan's market in the short-run (see Table 1.3), the situation may change in the long-run. However, this new equation may affect India's export interest in EU's market in sectors like electronics, organic chemicals.

Trade statistics reveal that in 2014 the total value of India's export to EU was approximately US\$ 51.6 billion. In the same year, total value of Japan's export to EU was approximately US\$ 71 billion. Thus, in terms of the value of total export, Japan is enjoying a significant advantage over India in the EU market.

As shown in Table 1.1, India and Japan are competing in four product segments (among their top 10 exports to EU) such as organic chemicals; machinery, nuclear reactors, boilers, etc., vehicles other than railway, tramway; and electrical and electronic equipment. Currently, Japan is better positioned than India in these products and as a result of this FTA it may further strengthen its position in the EU market.

However, in the competing product segments, annual growth rate of some export items of Japan during 2010-14 was less than that of India. On the other hand, there are products like mineral fuels, oils, distillation products, etc.; pearls, precious stones, metals, coins, etc.; articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; articles of iron or steel; and footwear, gaiters and the like, parts thereof, where, as compared to Japan, India is likely to remain a leading player in the EU market.

Table 1.1				
India's Export to EU-28 (Export in 2014: US\$ 51569.53mn)		Japan's Export to EU-28 (Export in 2014: US\$ 71008.89mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
4972.40	-4	Mineral fuels, oils, distillation products, etc.	...	...
3767.80	13	Pearls, precious stones, metals, coins, etc.	...	...
3479.32	7	Articles of apparel, accessories, not knit or crochet	...	...
3309.81	14	Articles of apparel, accessories, knit or crochet	...	...
3202.44	14	Organic chemicals	1994.78	-7
2762.79	14	Machinery, nuclear reactors, boilers, etc.	18639.26	-2
2259.84	-1	Vehicles other than railway, tramway	15377.60	-4
2129.29	-6	Electrical, electronic equipment	11001.84	-7
1899.63	17	Articles of iron or steel	...	...
1889.70	11	Footwear, gaiters and the like, parts thereof	...	...
		Optical, photo, technical, medical apparatus, etc.	5905.90	-3
		Commodities not elsewhere specified	5025.06	0
		Plastics and articles thereof	1814.48	-2
		Rubber and articles thereof	1577.75	-3
		Miscellaneous chemical products	921.10	-4
		Photographic or cinematographic goods	795.54	0
29673.02 (58%)	Top 10 Products (Percentage of Total Export)		63053.32 (89%)	
Source: International Trade Centre Database				

In 2014, India's export to Japan was valued at approximately US\$ 5.8 billion and EU's export to Japan was approximately US\$ 70 billion. Following this FTA between EU and Japan, it is expected that India's export to Japan may get affected in some product segments. Though Japan's export similarity and complementarity are low (see Table 1.3), trade diversion in favour of the EU may not be ruled out.

India is the 25th largest importing sources for Japan. Products like mineral fuels, oils, distillation products, etc.; fish, crustaceans, molluscs, aquatic invertebrates nes organic chemicals; pearls, precious stones, metals, coins, etc.; ores, slag and ash; iron and steel; machinery, nuclear reactors, boilers, etc.; articles of apparel, accessories, not knit or crochet; vehicles other than railway, tramway; and electrical, electronic equipment are major export items from India to Japan. If we compare the data shown in Table 1.2, India and EU are competing with each other in some of those products, especially in organic chemicals; machinery, nuclear reactors, boilers, etc.; and vehicles other than railway, tramway.

Additionally, if we look at the export growth trend of these products during 2010 to 2014 it indicates that in most of these items India is relatively better positioned. This situation may not change immediately after this FTA but may affect India's trade in the long-run. In order to strengthen its position in these markets, India requires necessary measures to maintain and increase its trade competitiveness in these products.

Table 1.2

India's Export to Japan (Export in 2014: US\$ 5756.88mn)			EU-28's Export to Japan (Export in 2014: US\$ 69915.2mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	
2082.4	6	Mineral fuels, oils, distillation products, etc.	...	...
431.5	8	Fish, crustaceans, molluscs, aquatic invertebrates, nes			
337.1	18	Organic chemicals	2934.2	-8	
308.0	3	Pearls, precious stones, metals, coins, etc.	...	...
265.4	5	Ores, slag and ash	...	...
258.1	-5	Iron and steel	...	...
247.6	28	Machinery, nuclear reactors, boilers, etc.	9664.7	9	
178.4	11	Articles of apparel, accessories, not knit or crochet			
154.5	51	Vehicles other than railway, tramway	10723.0	12	
133.1	26	Electrical, electronic equipment	...	...
		Pharmaceutical products	8167.6	6	
		Optical, photo, technical, medical apparatus, etc.	6273.5	3	
		Electrical, electronic equipment	3993.5	5	
		Aircraft, spacecraft, and parts thereof	1762.3	45	
		Meat and edible meat offal	1667.4	13	
		Beverages, spirits and vinegar	1476.0	5	
		Articles of leather, animal gut, harness, travel goods	1407.1	6	
4396.06 (76%)		Top 10 Products (Percentage of Total Export)	48069.4 (69%)		
Source: International Trade Centre Database					

Given this composition of trade between the three countries, a quick simulation using Degrees of Similarity in Export Structures (Finger-Kreinin Index) and Relative Export Competitive Pressure Index can give an indication of competitive strengths and weaknesses with direct competitors in respective markets.

The Finger-Kreinin Index (FKI) measures how similar two sets of countries are in respect to their trade in a destination country. It is used to compare the similarity between either the structure of a country's import or export with any two partner countries so as to see how similar a country's export pattern is to its import pattern, whether geographically or by product or to compare the structure of production in two different countries. It explains how similar the import of a given product is from two different suppliers. It is useful to measure overall similarity of export of two countries and, therefore, their degree of competitiveness/complementarity either with respect to a particular market or with respect to trade with the rest of the world. If $FK=1$ then export structures would be exactly similar and if $FK=0$ there would be no similarity.

The Relative Export Competitive Pressure Index (RECPI) calculates the average degree of competition that country X faces in country Y's market from country Z. It takes into account both the structure and level of competing countries' trade. Country X will be interested in the value of country Z's export to country Y, and also to the extent to which country Z's export is in direct competition with country X's export. A low RECPI explains less competition between the competitors.

The FKI in Table 1.3A varies between 0.16 and 0.18 and shows no tendency to increase over the years, indicating stability in the similarity of export of India and Japan to the EU. This means that at the aggregate level and to some extent though India and Japan were competing in the EU market, it was stable over time. On the other hand, the level of competition between India and EU in Japan's market was moderate but increasing (Table 1.3B).

Similar to the results of the Finger-Kreinin Index, Table 1.3C shows that during 2010 to 2014 the RECPIs of India with the EU were low and decreasing, indicating that a low degree of competition between India and Japan in the EU market. However, the same was not true for India and EU in Japan's market (Table 1.3D).

Table 1.3: FKI and RECPI among India-EU 28-Japan (2010-14)

A. India's FKI with EU-28						B. India's FKI with Japan					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Japan	0.18	0.17	0.17	0.17	0.16	EU 28	0.11	0.12	0.13	0.15	0.16
C. India's RECPI with EU-28											
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Japan	0.14	0.07	0.06	0.10	0.07	EU 28	0.24	0.19	0.16	0.20	0.20

Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software

Food for Thought

As a result of this FTA, a wide range of European and Japanese products will receive preferential treatment in their respective markets. India and EU are yet to have a bilateral trade and investment agreement. On the other hand, India has a Comprehensive Economic Partnership Agreement (CEPA) with Japan. In the wake of expected changes in trade in goods, services as well as investment relationship among India, EU and Japan, India should put more emphasis on the completion of the EU-India Bilateral Trade and Investment Agreement to strengthen its position in the EU market. India should also review its CEPA with Japan as it may lose its market share in favour of the EU in some product segments.

2. Sri Lanka, Japan to link FTA this year

Sri Lanka and Japan plan to formulate and sign a Free Trade Agreement between the two countries to enhance bilateral trade. The Sri Lanka-Japan Business Co-operation Committee says that they are preparing for possible a FTA between Sri Lanka and Japan in 2015. The fact was revealed at a meeting held in Colombo by the Sri Lanka-Japan Business Co-operation Committee under the patronage of Japanese Ambassador in Sri Lanka Nobuhitho Hobo. Therefore, in preparation to ensure that we look after the interests of our membership to further enhance their trading activities with Japan, we will be carrying out comprehensive study on the potential areas of items to include free trade agreement between Sri Lanka and Japan, the committee said. The Sri Lanka Japan Business Co-operation Committee at its annual general meeting last year announced the possibility of finalizing a FTA this year.

(http://www.colombopage.com/archive_15A/Apr19_1429466560CH.php)

CUTS Comments

The FTA between Sri Lanka and Japan is likely to have some impact on India's export. Currently, India and Sri Lanka are not in deep competition (see Table 2.2 & 2.3). However, India and Japan are moderately competing in Sri Lanka's market.

Trade statistics reveal that in 2014 the total value of India's export to Sri Lanka was approximately US\$ 6.4 billion, whereas that of Japan to Sri Lanka was approximately US\$ 907.5 million. This shows that at the moment India is better positioned in the Sri Lanka market.

As shown in Table 2.1, India and Japan are competing in some product segments (in their top 10 exports) such as mineral fuels, oils, distillation products, etc.; ships, boats and other floating structures; vehicles other than railway, tramway; and machinery, nuclear reactors, boilers, etc. However, in some of these competing product segments the annual export growth of Japan during 2010-2014 was greater than that of India. Therefore, the new trade equation may further strengthen Japan's position in these product segments.

Table 2.1

India's Export to Sri Lanka (Export in 2014: US\$ 6434.96mn)		Japan's Export to Sri Lanka (Export in 2014: US\$ 907.45mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %,)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %,)
1935.5	721	Aircraft, spacecraft, and parts thereof	...	...
649.7	0	Mineral fuels, oils, distillation products, etc.	39.07	112
644.0	40	Ships, boats and other floating structures	8.61	320
597.8	-12	Vehicles other than railway, tramway	663.60	6
271.2	111	Cereals	...	...
227.1	4	Cotton	...	...
167.5	9	Iron and steel	...	...
151.4	9	Machinery, nuclear reactors, boilers, etc.	65.19	-13
149.4	8	Pharmaceutical products	...	...
129.1	31	Salt, sulphur, earth, stone, plaster, lime and cement	...	...
		Electrical, electronic equipment	20.35	-26
		Rubber and articles thereof	15.83	7
		Manmade filaments	10.42	15
		Commodities not elsewhere specified	10.07	18
		Plastics and articles thereof	9.91	-13
		Optical, photo, technical, medical apparatus, etc.	8.45	3
4922.65 (76%)		Top 10 Products (Percentage of Total Export)	851.49 (94%)	

Source: International Trade Centre Database

At the same time, in 2014, India's export to Japan was valued at approximately US\$ 5.8 billion, whereas that of Sri Lanka to Japan was approximately US\$ 237 million. It is expected that India's export interest may not get affected much as a result of Sri Lanka-Japan FTA.

In 2014, India was the largest source of import for Sri Lanka and 25th largest source of import for Japan. Products like mineral fuels, oils, distillation products, etc.; fish, crustaceans, molluscs, aquatic invertebrates, nes; organic chemicals; pearls, precious stones, metals, coins, etc.; ores, slag and ash; iron and steel; machinery, nuclear reactors, boilers, etc.; articles of apparel, accessories, not knit or crochet; vehicles other than railway, tramway; and electrical, electronic equipment are major exports from India to Japan.

If we compare the data from Table 2.2, India and Sri Lanka largely compete with each other in products such as fish, crustaceans, molluscs, aquatic invertebrates, nes; articles of apparel, accessories, not knit or crochet; and electrical, electronic equipment.

Also, if we look at the export growth trend of these products during 2010 to 2014 it indicates that in most of these items Sri Lanka is relatively better positioned. This situation may not change after the signing of this FTA but it may affect India's trade in the long-run.

It was also observed that in products like mineral fuels, oils, distillation products, etc.; organic chemicals; pearls, precious stones, metals, coins, etc.; ores, slag and ash; iron and steel; machinery, nuclear reactors, boilers, etc.; and vehicles other than railway, tramway, India has an edge over Sri Lanka. Because of this advantage, it has the potential to improve its overall position in the Japan's market.

Table 2.2

India's Export to Japan (Export in 2014: US\$ 5756.88mn)		Sri Lanka's Export to Japan (Export in 2014: US\$ 236.91mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010- 2014, %)
2082.4	6	Mineral fuels, oils, distillation products, etc.	...	...
431.5	8	Fish, crustaceans, molluscs, aquatic invertebrates, nes	32.59	17
337.1	18	Organic chemicals	...	...
308.0	3	Pearls, precious stones, metals, coins, etc.	...	...
265.4	5	Ores, slag and ash	...	...
258.1	-5	Iron and steel	...	...
247.6	28	Machinery, nuclear reactors, boilers, etc.	...	...
178.4	11	Articles of apparel, accessories, not knit or crochet	34.13	24
154.5	51	Vehicles other than railway, tramway	...	...
133.1	26	Electrical, electronic equipment	11.64	7
		Coffee, tea, mate and spices	52.299	-1
		Rubber and articles thereof	18.716	-3
		Articles of apparel, accessories, knit or crochet	13.842	34
		Vegetable textile fibres nes, paper yarn, woven fabric	11.658	11
		Salt, sulphur, earth, stone, plaster, lime and cement	7.728	9
		Ceramic products	6.735	8
		Miscellaneous manufactured articles	5.298	-2
4396.06 (76%)		Top 10 Products (Percentage of Total Export)	194.64 (82%)	

Source: International Trade Centre Database

The FKI in Table 2.3A varies between 0.09 and 0.22 and shows a decreasing as well as unstable trend over the years, indicating moderate similarity of exports of India and Japan to Sri Lanka than that of India and Sri Lanka to the Japanese market. This means that at the aggregate level similarity of India and Japan's exports to Sri Lanka is slowly decreasing and that of India and Sri Lanka's is stable in the Japan's market (Table 2.3B).

Similar to the results of the Finger-Kreinin Index, Table 1.3C shows that during 2010-2014 the RECPs of India with Sri Lanka were decreasing, indicating that the degree of competition between India and Japan in the Sri Lanka's market is decreasing and there is no clear cut indication whether India and Sri Lanka are in competition in the Japanese market (Table 2.3C &D).

Table 2.3: FKI and RECPI among India-Sri Lanka-Japan (2010-14)											
A. India's FKI with Sri Lanka						B. India's FKI with Japan					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Japan	0.22	0.17	0.17	0.09	0.13	Sri Lanka	0.10	0.10	0.09	0.08	0.11
C. India's RECPI with Sri Lanka						D. India's RECPI with Japan					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Japan	0.06	0.05	0.02	0.00	0.01	Sri Lanka	0.00	0.00	0.00	0.00	0.00

Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software

Food for Thought

India has a Comprehensive Economic Partnership Agreement with Japan. On the other hand, India and Sri Lanka has an FTA as well as are connected with each other through the Agreement on South Asian Free Trade Area (SAFTA). Therefore, India should put more emphasis on strengthening its supply chain. The threat factor is: will the Make in India initiative get affected after the Sri Lanka-Japan FTA? Could the SAFTA network, where India and Sri Lanka are part of, help Japan to enter other markets in the SAARC (South Asian Association for Regional Cooperation) region?

3. Singapore-EU FTA negotiations achieve closure

Singapore and the European Union (EU) have completed the legal scrubbing of the investment protection chapter (IPC) of the EU-Singapore Free Trade Agreement (EUSFTA). The finalised text of the IPC was initialled by the state counsels of both sides. In a statement, the Ministry of Trade and Industry said this marked the closure of the negotiations of the EUSFTA. The IPC, together with the Goods and Services portions of the EUSFTA initialled in September 2013, make up a comprehensive and ambitious free trade agreement. When the IPC comes into force as part of the EUSFTA, it will replace the 12 existing bilateral investment treaties between Singapore and various EU member states that were concluded over the past four decades. The IPC introduces important innovations such as more precise investment protection standards and new rules on the conduct of arbitration.

The EUSFTA is also the first FTA concluded between EU and an Asean country. It is expected to boost bilateral trade and investment relations between the EU and Singapore. The completion of the EUSFTA also signals the EU's commitment to step up its engagement with South-East Asia. It is also a building block towards a potential EU-Asean FTA. Singapore is the EU's 15th largest global trading partner and largest trading partner in Asean. In 2014, its bilateral trade in goods with the EU stood at close to S\$96bil.

<http://www.thestar.com.my/Business/Business-News/2015/05/22/FTA-negotiations-between-Singapore-and-EU-achieve-closure/?style=biz>

CUTS Comments

This FTA between Singapore and EU is likely to have moderate to high impact on India's export basket. Both Singapore and EU are expected to substantially reduce their tariffs on each other's products. Though at present competition is moderately affecting India the situation may further change in the favour of EU in the long-run.

Trade statistics reveal that in 2014 the total value of India's export to Singapore was approximately US\$ 9.7 billion. In the same year, the value of EU's export to Singapore was approximately US\$ 37.7 billion.

As shown in Table 3.1, India and EU are competing in six product segments (in their top 10 exports) such as mineral fuels, oils, distillation products, etc.; ships, boats and other floating structures; machinery, nuclear reactors, boilers, etc.; aircraft, spacecraft, and parts thereof; electrical, electronic equipment; and optical, photo, technical, medical apparatus, etc.

Also, in most of the competing product segments the annual growth of export of EU during 2010-2014 was higher than that of India. However, there are products like nickel and articles thereof; organic chemicals; cereals; and pearls, precious stones, metals, coins, etc. where India is likely to remain a leading player as compared to the EU.

Table 3.1				
India's Export to Singapore (Export in 2014: US\$ 9676.62mn)		EU-28's Export to Singapore (Export in 2014: US\$ 37649.22mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
5009.47	0	Mineral fuels, oils, distillation products, etc.	3880.79	22
1046.92	0	Ships, boats and other floating structures	1213.30	9
517.88	808	Nickel and articles thereof	...	...
499.72	2	Pearls, precious stones, metals, coins, etc.	...	...
441.31	4	Machinery, nuclear reactors, boilers, etc	8921.08	2
344.95	28	Aircraft, spacecraft, and parts thereof	1206.26	-12
262.53	3	Organic chemicals		
220.60	-9	Electrical, electronic equipment	4670.96	0
159.06	-7	Optical, photo, technical, medical apparatus, etc.	2074.71	7
106.69	53	Cereals		
		Vehicles other than railway, tramway	1666.14	6
		Beverages, spirits and vinegar	1579.81	8
		Pharmaceutical products	1265.28	7
		Essential oils, perfumes, cosmetics, toiletries	1088.23	12
8609.12 (88%)		Top 10 Products (Percentage of Total Export)	27566.55 (73%)	

Source: International Trade Centre Database

At the same time, when we talk about export from India to the EU, in 2014, it was valued at approximately US\$ 51.6 billion, whereas that of Singapore to the EU was approximately US\$ 33 billion. It is expected that EU's import from India may get affected in some product segments.

India is the 12th largest import source for Singapore. As shown in Table 3.2, India and Singapore are competing in five product segments (in their top 10 exports) such as mineral fuels, oils, distillation products, etc.; pearls, precious stones, metals, coins, etc.; organic chemicals; machinery, nuclear reactors, boilers, etc.; and electrical, electronic equipment. Currently, India is better positioned than Singapore in these product segments. Also, in competing product segments the annual export growth of India during 2009-2013 was greater than that of Singapore.

It was also observed that in products like articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; vehicles other than railway, tramway; articles of iron or steel; and footwear, gaiters and the like, parts thereof, India has an edge over Singapore. Because of this advantage, it has the potential to improve its overall position in the EU market.

Table 3.2

India's Export to EU-28 (Export in 2014: US\$ 51569.53mn)		Singapore's Export to EU-28 (Export in 2014: US\$ 32925.4mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
4972.40	-4	Mineral fuels, oils, distillation products, etc.	1260.46	-3
3767.80	13	Pearls, precious stones, metals, coins, etc.	661.67	38
3479.32	7	Articles of apparel, accessories, not knit or crochet	...	...
3309.81	14	Articles of apparel, accessories, knit or crochet	...	...
3202.44	14	Organic chemicals	3791.57	-2
2762.79	14	Machinery, nuclear reactors, boilers, etc.	5080.19	-5
2259.84	-1	Vehicles other than railway, tramway		
2129.29	-6	Electrical, electronic equipment	7019.53	-7
1899.63	17	Articles of iron or steel	...	...
1889.70	11	Footwear, gaiters and the like, parts thereof	...	...
		Commodities not elsewhere specified	5729.00	2
		Pharmaceutical products	2856.84	8
		Optical, photo, technical, medical apparatus, etc.	2046.85	14
		Aircraft, spacecraft, and parts thereof	930.80	2
		Ships, boats and other floating structures	522.78	7
29673.02(58%)		Top 10 Products (Percentage of Total Export)	29899.68 (91%)	

Source: International Trade Centre Database

There was moderate similarity of export from India and Singapore to the EU and that of India to Singapore. The FKI in Table 3.3A varied between 0.14 and 0.17 is increasing over time. This means at the aggregate level India and Singapore's exports are to some extent similar and is increasing. On the other hand, the level of export similarity between India and the EU in Singapore's market was also moderate and increasing leaving a high threat to India's exports in both markets.

Furthermore, the RECPIs between India and Singapore and that between India and the EU indicate that export competitiveness was moderate for India in the EU market and moderate to high in Singapore's market (see Table 3.3C and D).

Table 3.3: FKI and RECPI among India-EU 28-Singapore (2010-14)											
A. India's FKI with EU 28					B. India's FKI with Singapore						
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Singapore	0.14	0.16	0.16	0.16	0.17	EU 28	0.22	0.21	0.23	0.25	0.25
C. India's RECPI with EU 28					D. India's RECPI with Singapore						
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Singapore	0.21	0.22	0.26	0.16	0.24	EU 28	0.53	0.39	0.40	0.55	0.73

Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software

Food for Thought

Though India's trade potential is high in both EU and Singapore's markets, a more positive approach is the need of the hour for India to tap this potential. While India and Singapore has a Comprehensive Economic Cooperation Agreement, India and EU are yet to conclude their bilateral trade and investment agreement. In the wake of expected changes in trade in goods, services as well as investment relationship among India, Singapore and the EU, India should fast-track its negotiation with EU and, at the same time, initiates additional trade facilitation measures to strengthen its trade relations with Singapore.