

# **CUTS Dossier on Preferential Trade Agreements**

## **October-December 2013**

### **(Vol. VII, No. 4)**

*(For all previous issues of PTA Dossiers, please visit:  
<http://www.cuts-citee.org/PTADossier.htm>)*

#### **Table of Contents**

1. [Taiwan, Singapore Ink Economic Cooperation Agreement](#)
2. [Bangladesh, US Sign TICFA](#)
3. [Australia and South Korea Ink Free Trade Deal](#)

#### **1. Taiwan, Singapore Ink Economic Cooperation Agreement**

Taiwan and Singapore signed an Economic Partnership Agreement (EPA) on November 07, 2013 to boost bilateral trade and economic cooperation, the culmination of nearly three years of negotiations, the two sides announced.

The pact, officially called the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP), was signed in Singapore by Hsieh Fadah, Taiwan's representative to Singapore, and Calvin Eu, Singapore's representative to Taiwan. Both sides agreed in December 2010 to launch negotiations after respective feasibility studies and the first round of negotiations began in May 2011. All negotiations on ASTEP were completed in May 2013.

Taiwan Foreign Minister David Lin told reporters in Taipei following the signing ceremony that the deal is the first economic cooperation agreement with a Southeast Asian country, which he said helps create an environment conducive to Taiwan's continued efforts to join regional trade blocs, such as the US-led Trans-Pacific Partnership (TPP) and China-led Regional Comprehensive Economic Partnership (RCEP).

Lin said Taiwan has respectively completed the feasibility of concluding similar agreements with India and Indonesia and the feasibility study with the Philippines is almost complete.

Taiwan Economic Affairs Minister Chang Chia-juch hailed the agreement with Singapore, the island's fifth largest trading partner and fourth largest export market, as a milestone achievement for Taiwan's progress toward economic liberalisation and their participation in regional economic integration. To integrate into regional economies, Chang said all TPP and RCEP members are possible targets for talks on bilateral trade pacts.

"There are no priority countries. Nor do we have any set procedures for negotiations," he said. We can conduct feasibility studies first or we can begin negotiations right away. ASTEP is a comprehensive and high quality agreement covering areas, such as trade in goods, trade in services, investment, dispute settlement, e-commerce, government procurement and customs procedures, the two sides said in a joint announcement.

It is expected that ASTEP will enhance economic cooperation between Singapore and Chinese Taipei and bring about significant mutual benefits for the peoples of both sides.

According to a study conducted by Chung-hwa Institution of Economic Research, ASTEP is expected to increase Taiwan's gross domestic product by NT\$700mn, its total national output by US\$1.4bn, and add a total of 6,154 jobs in Taiwan after 15 years.

Taiwan will liberalise 99.48 percent of its tariff lines, excluding 40 products, such as rice, mangos, garlic, and shiitake mushrooms, while for certain products that are used domestically or are less competitive, such as home appliances, auto engines, auto parts, and motorcycles, ASTEP allows for a longer transition period. Singapore will liberalise 100 percent of its tariff lines, including six kinds of alcoholic beverages (beer and samsu), which will boost Taiwan's beer expansion in the Singaporean market.

Both sides agree to meet within one year after the agreement comes into force and twice a year thereafter to review the implementation of the agreement and establish related committees and working groups to insure effective enforcement of the deal.

Taiwan also signed a similar economic cooperation agreement with New Zealand in early July as part of its push to liberalise its trade environment and join regional trade blocs such as the US-led TPP. It already has free trade agreements (FTAs) with several diplomatic allies in Central America, namely Panama, Guatemala, Nicaragua, El Salvador and Honduras, as well as an Economic Cooperation Framework Agreement with China inked in 2010.

Taiwan is Singapore's eighth largest trading partner and 10<sup>th</sup> largest export market. Bilateral trade in 2012 totalled US\$23.2bn.

*Source: [www.globalpost.com/dispatch/news/kyodo-news-international/131106/taiwan-singapore-ink-economic-cooperation-agreement](http://www.globalpost.com/dispatch/news/kyodo-news-international/131106/taiwan-singapore-ink-economic-cooperation-agreement)*

#### **CUTS Comments**

*The impact of this agreement on India's trade with the two countries (Singapore and Taiwan) will depend on basket of commodities traded.*

*Trade statistics reveals that in 2012 the value of total exports from India to Taiwan was US\$2828mn. In the same year, the value of total exports from Singapore to Taiwan was US\$14451mn, roughly about 5 times higher compared to exports from India. In the wake of the new dynamics of Taiwan entering into an economic cooperation agreement with Singapore, one can argue that the overall position might tilt in favour of Singapore and might lead to more export from Singapore to Taiwan.*

*A comparison of major export items from India and Singapore to Taiwan demonstrates that two countries compete with each other in at least three product segments in their top ten exported goods. These include mineral fuels, oils, distillation products, etc; organic chemicals; machinery, nuclear reactors, boilers, etc. Out of the three products, while India is placed better in one product segments; Singapore has relative advantage over India in case of organic chemicals; machinery, nuclear reactors, boilers, etc. (Table 1.1). Presently, it is observed that export from India in the competing product segments is growing at a faster pace compared to export from Singapore during the period 2008-12. This might not sustain in the coming period primarily because of this agreement. One*

can expect that the recently signed FTA might lead to some amount of trade diversion in competing product segments. To cope up with the emerging challenges, India needs to diversify its export in other product segments. Such diversification can help India maintain and improve its overall position in the Taiwanese market.

In non-competing product segments namely iron and steel; cereals; cotton; residues, wastes of food industry, animal fodder; zinc and articles thereof; fish, crustaceans, molluscs, aquatic invertebrates nes; and salt, sulphur, earth, stone, plaster, lime and cement, India may continue to remain a dominant player in the Taiwanese market vis-à-vis Singapore.

Overall, while the new agreement might adversely impact some product segments in which both India and Singapore compete with each other, the impact might not be significant in other segments as India enjoys comparative advantages. The scope for trade diversion in non-competing product segments appears limited at least in the short run.

**Table 1.1**

India's exports to Taiwan (Exports in 2012: US\$2,828mn)		Singapore's exports to Taiwan (Exports in 2012: US\$14,451mn)		
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.)
1605.24	31	Mineral fuels, oils, distillation products, etc.	401.72	(-10
225.49	16	Organic chemicals	302.88	4
208.76	33	Iron and steel	...	...
110.12	-3	Cereals	...	...
73.00	36	Machinery, nuclear reactors, boilers, etc.	2240.87	26
72.42	9	Cotton	...	...
67.53	13	Residues, wastes of food industry, animal fodder	...	...
66.39	52	Zinc and articles thereof	...	...
58.24	57	Fish, crustaceans, molluscs, aquatic invertebrates nes	...	...
34.82	6	Salt, sulphur, earth, stone, plaster, lime and cement	...	...
		Electrical, electronic equipment	7756.00	17
		Plastics and articles thereof	571.23	25
		Miscellaneous chemical products	514.62	5
		Optical, photo, technical, medical, etc. apparatus	467.69	13
		Aircraft, spacecraft, and parts thereof	317.96	36
		Pearls, precious stones, metals, coins, etc.	251.75	14
		Vehicles other than railway, tramway	225.00	2
2522.00 (89%)		<b>Top 10 Products (percentage of total exports)</b>	13049.71 (90%)	

*Source: ITC Database*

Trade statistics reveals that Taiwan is better positioned in Singapore's market in comparison to India. In 2012, India's exports to the Singapore were valued at approximately US\$13,552.71mn. This is a little over two-third of exports from Taiwan valued at US\$20,139.27mn. Considering the existing gap in value of exports and also the current agreement, one can argue that Taiwan's position in the Singaporean market will further improve. However, impact on India's trade will be restricted to major competing products.

A comparison of top ten export segments shows that the two countries compete with each other in seven product segments, namely mineral fuels, oils, distillation products, etc; ships, boats and other floating structures; organic chemicals; pearls, precious stones, metals, coins, etc; machinery, nuclear reactors, boilers, etc; optical, photo, technical, medical, etc apparatus; and electrical, electronic equipment. Data relating to growth in competing products reveals that while India is in advantageous position in four segments – mineral fuels, oils, distillation products, etc; organic chemicals; pearls, precious stones, metals, coins, etc; and optical, photo, technical, medical, etc apparatus; Taiwan is better positioned in other three segments.

In non-competing segments like vehicles other than railway, tramway; aircraft, spacecraft, and parts thereof; and nickel and articles thereof, India may continue to remain a dominant player compared to Taiwan (Table 1.2).

Overall, it is expected that the agreement between Taiwan and Singapore might lead to trade diversion given the current competing nature of trade between India and Taiwan in Singapore's market. Therefore, India needs to have a close watch on the new developments and think of diversifying its export basket.

**Table 1.2**

India's exports to Singapore (Exports in 2012: US\$13,552.71mn)			Taiwan's exports to Singapore (Exports in 2012: US\$20,139.27mn)		
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.)	
8168.66	30	Mineral fuels, oils, distillation products, etc.	4625.51	13	
1417.58	16	Ships, boats and other floating structures	164.77	45	
627.98	41	Organic chemicals	253.64	9	
590.75	12	Pearls, precious stones, metals, coins, etc.	175.83	(-3)	
369.91	-3	Machinery, nuclear reactors, boilers, etc.	664.05	9	
366.28	44	Vehicles other than railway, tramway	...	...	
255.36	32	Optical, photo, technical, medical, etc. apparatus	129.39	2	
220.58	-5	Electrical, electronic equipment	12703.07	27	
134.51	-7	Aircraft, spacecraft, and parts thereof	...	...	
122.54	179	Nickel and articles thereof	...	...	
		Iron and steel	272.71	(-5)	
		Plastics and articles thereof	212.17	9	
		Articles of iron or steel	115.88	3	
12274.14 (91%)	<b>Top 10 Products (percentage of total exports)</b>		19317.00 (96%)		

Source: ITC Database

### ***Food for Thought***

*India does have a Comprehensive Economic Cooperation Agreement (CECA) with Singapore and also in early phase of negotiation with Taiwan for an FTA. In the wake of emerging dynamics, should India expedite signing the FTA with Taiwan to counter challenges to India's export penetration in the Taiwanese market? Will such an agreement be able to protect India's raising export interests in both markets?*

## **2. Bangladesh, US Sign TICFA**

Bangladesh and US have signed the much talked-about Trade and Investment Cooperation Forum Agreement (TICFA) on November 25, 2013 establishing a platform to identify and overcome the obstacles to increasing bilateral trade and investment between Bangladesh and the US. Commerce Secretary Mahbub Ahmed and Deputy US Trade Representative Wendy Cutler inked the deal in Washington on behalf of the respective governments, said a Foreign Ministry press statement, describing the pact as historic.

The signing ceremony, held at the office of the US Trade Representative (USTR), was attended, among others, by Bangladesh Ambassador to USA Akramul Qader, USTR Ambassador Michael Froman, US Assistant Secretary of State of South and Central Asian Affairs Nisha Desai Biswal and senior officials of Bangladesh and US governments.

The agreement will enable the countries to establish a 'forum' with representatives from both parties to discuss opportunities and interests of bilateral trade and investment, identify and work to remove impediments in the trade and investment sectors.

While aiming at fostering bilateral trade and investment for creating jobs, improving technology and enhancing development, the agreement recognises the importance of promoting the observance of other issues, such as intellectual property rights, environment, and workers' rights in accordance with laws of each country and in line with the international agreements as applicable to the countries.

TICFA will now provide a formal mechanism for Bangladesh and US to engage in regular discussion on trade and labour issues, such as Generalised System of Preference (GSP) action plan and enable the countries to work together for improving labour condition and workers' rights in Bangladesh, said USTR Ambassador Michael Froman in his opening remarks.

Ambassador to US Akramul Qader said that this was an opening of a new chapter in the US-Bangladesh bilateral relationship, which would pave the way for stronger engagement between the parties to resolve some crucial trade issues, such as GSP restoration and duty-free quota-free (DFQF) access of Bangladesh's exportable to US market.

After the signing ceremony, the two sides held discussions on Bangladesh GSP action plan.

Source: [www.theindependentbd.com/index.php?option=com\\_content&view=article&id=194576:al-terms-bnp-talks-denial-a-drama&catid=129:frontpage&Itemid=121](http://www.theindependentbd.com/index.php?option=com_content&view=article&id=194576:al-terms-bnp-talks-denial-a-drama&catid=129:frontpage&Itemid=121)

### **CUTS Comments**

*This 'TICFA' between Bangladesh and the US aims to establish a platform to identify and overcome the obstacles to increasing bilateral trade and investment between Bangladesh and the US. Directly, it might not have immediate impact on Bangladesh and the US trade relationship with India.*

*Trade statistics reflects that in 2012 the value of total exports from India to Bangladesh was US\$4936.67mn. In the same year, the value of total exports from US to Bangladesh was US\$501.93mn; or say one-tenth of India's export to Bangladesh. Indian export at the moment enjoys significant advantage over US because of its close proximity and various other factors with Bangladesh. It is very unlikely that TICFA will have any significant impact on Indian exports even in the longer run.*

*A comparison of major export items from India and US to Bangladesh demonstrates that the two countries compete with each other in at least eight product segments. These include cotton; cereals; machinery, nuclear reactors, boilers, etc; sugars and sugar confectionery; residues, wastes of food industry, animal fodder; manmade staple fibres; iron and steel; and electrical, electronic equipment. Out of the eight competing products, in terms of value, India has definitive edge over US in seven product segments (Table 2.1). Also, the growth trend over the last four years (2008-12) indicates that in most of the competing items, India is relatively better positioned. The situation might remain same even in the light of recently signed agreement. However, to further strengthen its position, India needs to take necessary measures to maintain/increase its competitiveness in these product segments and to capture increased export market in Bangladesh. Considering that Bangladesh is a member of SAFTA, one can expect that the impact on competing Indian exports could be minimal even after this agreement.*

*It is also observed that in product segments namely optical, photo, technical, medical, etc. apparatus; and products of animal origin, nes, India does not export much to Bangladesh. Improvement in India's competitiveness in these segments could improve India's overall position in the Bangladesh's market.*

**Table 2.1**

India's exports to Bangladesh (Exports in 2012: US\$ 4936.67mn)			US's exports to Bangladesh (Exports in 2012: US\$ 501.93mn)		
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.)	
1389.22	26	Cotton	84.94	7	
451.98	7	Cereals	29.55	5	
412.69	18	Vehicles other than railway, tramway	...	...	
272.53	20	Machinery, nuclear reactors, boilers, etc.	75.60	6	
263.81	71	Sugars and sugar confectionery	2240.87	26	
200.09	12	Residues, wastes of food industry, animal fodder	16.53	31	
126.33	29	Manmade staple fibres	21.42	1	
120.69	12	Organic chemicals	...	...	
119.61	-10	Iron and steel	58.28	9	
118.33	21	Electrical, electronic equipment	32.41	-3	

		Optical, photo, technical, medical, etc. apparatus	26.03	11
		Products of animal origin, nes	22.00	44
3475.27 (70%)	<b>Top 10 Products (percentage of total exports)</b>		379.28 (76%)	
<b>Source: ITC Database</b>				

Trade statistics reveals that India is better positioned in US market in comparison to Bangladesh. In 2012, India's exports to the US were valued at US\$37,170.69mn, which is substantially high that of Bangladesh's export to the US. In 2012, the Bangladesh's export to US was valued at US\$5,107.5mn. Considering the gap between exports of India and Bangladesh to US, it appears that competition is not at all intense between the two countries.

A comparison of top ten export segments of India and Bangladesh shows that the two countries compete with each other in three product segments, namely other made textile articles, sets, worn clothing etc; articles of apparel, accessories, not knit or crochet; and articles of apparel, accessories, knit or crochet. Even in these product segments India is better positioned in two product segments than Bangladesh. However, in the long run, this position might change.

In non-competing segments like pearls, precious stones, metals, coins, etc; lac, gums, resins, vegetable saps and extracts nes; pharmaceutical products; articles of iron or steel; organic chemicals; electrical, electronic equipment; and machinery, nuclear reactors, boilers, etc, India may continue to remain a dominant player compared to Bangladesh (Table 2.2). However, in product segments namely headgear and parts thereof; commodities not elsewhere specified; fish, crustaceans, molluscs, aquatic invertebrates nes; footwear, gaiters and the like, parts thereof; tobacco and manufactured tobacco substitutes; vegetable textile fibres nes, paper yarn, woven fabric; and plastics and articles thereof, India does not export much to the US. Overall, it is expected that the agreement between US and Bangladesh will not lead to much trade diversion.

**Table 2.2**

India's exports to US (Exports in 2012: US\$ 37170.69mn)			Bangladesh's exports to US (Exports in 2012: US\$ 5107.49mn)		
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.)	
6233.81	12	Pearls, precious stones, metals, coins, etc.	...	...	
5250.06	141	Lac, gums, resins, vegetable saps and extracts nes	...	...	
3020.73	34	Pharmaceutical products	...	...	
1899.49	20	Other made textile articles, sets, worn clothing etc.	188.43	13	
1850.74	9	Articles of iron or steel	...	...	
1744.98	4	Articles of apparel, accessories, not knit or crochet	3449.51	9	
1744.62	17	Organic chemicals	...	...	
1640.79	10	Electrical, electronic equipment	...	...	
1634.63	14	Machinery, nuclear reactors, boilers, etc.	...	...	
1306.03	3	Articles of apparel, accessories, knit or crochet	1070.90	3	

	Headgear and parts thereof	121.26	12
	Commodities not elsewhere specified	91.06	114
	Fish, crustaceans, molluscs, aquatic invertebrates nes	44.59	-23
	Footwear, gaiters and the like, parts thereof	27.78	68
	Tobacco and manufactured tobacco substitutes	17.55	29
	Vegetable textile fibres nes, paper yarn, woven fabric	17.31	10
	Plastics and articles thereof	14.29	-2
26325.88 (71%)	<b>Top 10 Products (percentage of total exports)</b>	5042.67 (99%)	

*Source: ITC Database*

### ***Food for Thought***

*India does not have a PTA with Bangladesh, but Bangladesh is a member of South Asian Free Trade Area (SAFTA). India does not have any trade agreements with US. In the wake of emerging dynamics, should India find out some ways to start a broad based bilateral trade negotiation with Bangladesh and US to further strengthen its position in the US market?*

### **3. Australia and South Korea Ink Free Trade Deal**

Agreeing on a free trade deal with South Korea on December 05, 2013, Australia is set to eliminate the competitive edge American beef exports have had in the East Asian nation since a similar US agreement came into effect in March 2012.

The deal will help South Korean firms in sectors, such as steel and textiles to boost their presence in Australia, and will remove tariffs on key Australian exports, such as agricultural products and energy.

South Korea is one of the biggest importers of Australian beef, but since tariffs were scrapped for American products in 2012, US beef has been comparatively cheaper.

“The differential between Australia and the US stands at about five percent”, said Matt Linnegar, CEO of the Australian National Farmers Federation. But it would have been eight percent in 2014 without the deal, so we would have been at an increasing disadvantage.

The FTA will have to be approved by the two countries’ cabinets before coming into effect.

*Source: <http://business.time.com/2013/12/05/australia-and-south-korea-ink-free-trade-deal/>*

### ***CUTS Comments***

*Even if the target of the recently signed free trade deal between Australia and South Korea is not India, its impact might be felt on India’s exports as well. The potential impact could cover several export segments.*

*Trade statistics reveals that in 2012 the value of total exports from India to Australia was US\$2,633.04mn. In the same year, the value of total exports from South Korea’s to Australia was US\$9,250.48mn, 3.5 times higher compared to that of exports from India.*

*In the wake of the new dynamics of Australia entering into an Free Trade Deal with South Korea, one can expect that the overall position might further tilt in favour of South Korea and might lead to lesser export from India to Australia.*

*A comparison of major export items from India and South Korea to Australia demonstrates that the two countries compete with each other in at least five product segments in their top ten exported goods. These include electrical, electronic equipment; machinery, nuclear reactors, boilers, etc; articles of iron or steel; mineral fuels, oils, distillation products, etc; and vehicles other than railway, tramway. Out of the five products, while India is placed better in one product segments; South Korea has relative advantage over India in other four product segments (Table 3.1). It is, however, observed that export from India in the competing product segments grew at a faster pace compared to export from South Korea during the period 2008-12. This might not sustain in the light of new trade deal. During 2008-2012, it became visible that India will be facing biggest challenge in electrical, electronic equipment segment. A decline in export from India to Australia coincides with increase in exports from South Korea. To cope up with the emerging challenges, India needs to diversify its export in other product segments in order to maintain its position in the Australian market. One can expect that the recently signed free trade deal might lead to some trade diversion in competing product segments.*

*In non-competing product segments namely pearls, precious stones, metals, coins, etc; pharmaceutical products; other made textile articles, sets, worn clothing etc; lac, gums, resins, vegetable saps and extracts nes; and optical, photo, technical, medical, etc apparatus, India may continue to remain a dominant player in the Australian market vis-à-vis South Korea.*

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

**Table 3.1**

India's exports to Australia (Exports in 2012: US\$ 2633.04mn)			South Korea's exports to Australia (Exports in 2012: US\$ 9250.48mn)		
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.)	
290.27	17	Pearls, precious stones, metals, coins, etc.	...	...	
267.06	40	Articles of iron or steel	259.71	33.00	
224.98	161	Mineral fuels, oils, distillation products, etc.	3092.81	33	
218.59	60	Vehicles other than railway, tramway	2607.56	26	
146.75	37	Pharmaceutical products	...	...	
117.40	8	Machinery, nuclear reactors, boilers, etc.	691.10	15	
115.97	25	Other made textile articles, sets, worn clothing etc.	...	...	
102.21	-15	Electrical, electronic equipment	910.08	0	
99.01	77	Lac, gums, resins, vegetable saps and extracts nes	...	...	
76.98	60	Optical, photo, technical, medical, etc. apparatus	...	...	

	Plastics and articles thereof	251.77	10
	Iron and steel	219.86	2
	Rubber and articles thereof	185.44	10
	Paper and paperboard, articles of pulp, paper and board	162.21	9
	Inorganic chemicals, precious metal compound, isotopes	128.32	12
1659.22 (63%)	<b>Top 10 Products (percentage of total exports)</b>	8508.86 (92%)	

**Source: ITC Database**

*Trade statistics reflects that Australia is better positioned in South Korean market than that of India. In 2012, India's exports to the South Korea were valued at approximately US\$4,076.36mn. This is a little over 20 percent of exports from Australia to South Korea valued at US\$20,540.98mn. Considering the gap between exports from India and Australia to South Korea, Australia appears to be in a much favourable position vis-à-vis India in the South Korean market. The current deal would further consolidate its position.*

*A comparison of top ten export segments shows that the two countries compete with each other in five product segments, namely mineral fuels, oils, distillation products, etc; aluminium and articles thereof; cereals; pearls, precious stones, metals, coins, etc; and machinery, nuclear reactors, boilers, etc. In all of these product segments Australia is better positioned in value terms than India.*

*In non-competing segments like iron and steel; organic chemicals; residues, wastes of food industry, animal fodder; cotton; and zinc and articles thereof, India may continue to remain a dominant player compared to Australia (Table 3.2).*

*Overall, it is expected that the agreement between South Korea and Australia might lead to some amount of trade diversion given the current competing nature of trade between India and Australia in South Korean's market. Therefore, India needs to have a close watch on the new developments and take appropriate measures to protect its interests.*

**Table 3.2**

India's exports to South Korea (Exports in 2012: US\$ 4076.36mn)			Australia's exports to South Korea (Exports in 2012: US\$ 20540.98mn)		
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.)	
1173.63	-6	Mineral fuels, oils, distillation products, etc.	7253.19	6.00	
416.85	9	Iron and steel	...	...	
342.90	13	Organic chemicals	...	...	
264.99	177	Aluminium and articles thereof	649.11	2.00	
244.61	80	Cereals	597.57	127.00	
212.86	-1	Residues, wastes of food industry, animal fodder	...	...	
205.72	9	Cotton	...	...	
162.35	21	Pearls, precious stones, metals, coins, etc.	228.39	3.00	
101.56	35	Zinc and articles thereof	...	...	
100.24	-2	Machinery, nuclear reactors, boilers, etc.	135.37	-8.00	
		Ores, slag and ash	7337.95	29	

	Meat and edible meat offal	759.23	10
	Pharmaceutical products	583.64	20
	Nickel and articles thereof	202.74	27
	Inorganic chemicals, precious metal compound, isotopes	134.40	12
3225.70 (79%)	<b>Top 10 Products (percentage of total exports)</b>		17881.58 (87%)

**Source: ITC Database**

***Food for Thought***

*India does not have a PTA with Australia as of now, but have a Comprehensive Economic Partnership Agreement (CEPA) with South Korea. India is negotiating CECA with Australia. In the wake of emerging dynamics, should India expedite signing the CECA with Australia to counter challenges to India's export penetration in the Australian market? Will such an agreement be able to protect India's export interests in both markets?*