

# Economic Diplomacy Division Ministry of External Affairs

Weekly Newsletter  
4th March to 10th March

## Insights

India has signed a significant trade and economic partnership agreement with the European Free Trade Association (EFTA), comprising Iceland, Liechtenstein, Norway, and Switzerland, aiming to boost trade and investments between the two regions. This is a watershed moment for the EFTA countries as the agreement is expected to bring several benefits to Indian consumers and the economy.

This trade and economic partnership agreement will likely attract US\$ 100 billion in investments over 15 years. It is expected to benefit sectors like pharma, medical devices, processed food, and industrial goods.

One of the major benefits of this trade pact is the phased-out custom duties on imported goods, which will enable domestic consumers to access high-quality Swiss products such as watches, chocolates, biscuits, and clocks at lower prices.

The agreement also includes tariff concessions on a range of products imported from Switzerland, including seafood, coffee, oils, sweets, processed foods, and wine. This will lead to a drop in the prices of these products in Indian markets, making them more affordable and accessible to Indian consumers.

The EFTA members have reached this agreement after a gap of 16 years, marking a milestone in their Free Trade Agreement (FTA) history. Negotiations began in 2008 but were halted in November 2013 and resumed in October 2016.

Over 21 rounds of negotiations took place with all the parties working together and culminating in this significant agreement.

The trade agreement symbolizes our shared agreement to open fair, equitable trade, as well as generate growth and employment for the youth." - **PM Narendra Modi in a statement**

## National

### Services sector PMI eases in Feb to 60.6 from 61.8 in January

Despite the decline, service activity reached its second-highest level in five months. However, milder growth clouded the business outlook. Of the 400 firms surveyed, 26% expect growth in the year ahead, while 2% predict a decline.

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### Passenger vehicles industry to grow up to 9% this fiscal, says ICRA

The report said that dealer inventories remain high despite strong retail sales, and the pace of growth is expected to taper off in the coming financial year. ICRA said that during the recently concluded festive season, retail sales grew 6% year-on-year.

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### Indian M&E sector expected to reach INR 2.5 trillion: FICC-EY Report

The Indian media and entertainment (M&E) sector is expected to witness a growth rate of 10.2%, reaching INR 2.55 trillion by 2024 and further expanding at a 10% CAGR to touch INR 3.08 trillion by 2026, as per the FICC-EY Report 2024.

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### Apple set to hit sweet spot with INR 70,000-crore India sales

According to two industry executives, Apple India exceeded the US\$ 8 billion (INR 66,000 crore) sales milestone in February. They said this will be the second consecutive year in which sales at the iPhone maker have grown over 40%.

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## Bilateral

### **India, South Korea to expand cooperation in new technologies, semiconductors**

The meeting, co-chaired by EAM S Jaishankar and his South Korean counterpart Cho Tae-yul, also reviewed cooperation in trade, investments, defence and security, science and technology and people-to-people exchanges.

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### **UK delegation visits India for proposed trade agreement talks**

Sources said that issues such as the British demand for a cut in customs duties on electric vehicles may come up for discussion. So far, 13 rounds of talks have been completed. The 14th round was started in January.

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### **US-based health firms look to expand in India: Aaron Capital**

Big brands in the US healthcare sector are considering expanding their base in India, and one such brand is almost on the verge of announcement shortly, said David Wolfe, chairman of US-based investment bank Aaron Capital.

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### **Jaishankar urges Japanese firms to manufacture and export from India**

Jaishankar is on a three-day visit to Japan to meet with his Japanese counterpart, Yoko Komikawa. He acknowledged that while investments into India from Japan have been robust, bilateral trade has been less robust.

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## Multilateral

### **India, EFTA announce US\$ 100-bn free trade pact to promote investments**

India and the four-nation European bloc EFTA signed a free trade agreement to help promote investments and exports of key domestic services sectors such as IT, audio-visual, and the movement of skilled professionals.

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### **India allows export of 64,400 tonnes of onions to UAE, Bangladesh**

The Indian government allows the export of 64,400 tonnes of onions to the UAE and Bangladesh through NCEL, of which 14,400 tonnes will go to the UAE and the rest to Bangladesh.

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### **Really do hope negotiations will start again on EU-India FTA after Indian elections Jensen**

Danish Parliament Speaker Søren Gade Jensen has expressed hope that negotiations for a free trade agreement between India and the European Union will "again start" after the 2024 general elections.

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### **India poised to become largest member of World Trade Centers Association (WTCA)**

India's rise in the global economy positions it to become the largest member of the World Trade Centers Association (WTCA) within five years, potentially surpassing China.

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## Editorial

### **Towards a Viksit Bharat: The farm sector must play a bigger role in our economy**

India's ambition to become a developed nation by 2047 depends on the strategic implementation of enabling reforms. While innovative ideas have been proposed for a Viksit Bharat, the primary sector has largely been left out. Despite being home to 18% of the world population with a median age of 28.2 years, we tend to overlook our core strength—i.e., domestic private consumption, which constitutes nearly 61% of GDP—while focusing on export-led growth.

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