

REPORT ON INDIA'S TRADE



Contents

1. Introduction	2
2. Export Trade: India	4
2.1 Top 20 Export countries	4
2.2 Top 20 Export commodities	5
2.3 Total exports	7
3. Import trade: India	9
3.1 Top 20 Import Countries	9
3.2 Top 20 Import Commodities	11
3.3 Total Imports	13
4. Trade b/w EU and India	15
5. Trade b/w EFTA and India	16
6. Key polices/initiatives of Gol	18
6.1 Foreign Direct Investment (FDI) Policy	18
6.2 Make in India (MII)	19
6.3 India Investment Grid (IIG)	19
6.4 Startup India	20
7. Trade Agreements of India	20
8. Key States in India where the goods/services are manufactured/produced	22
9. Setting up business in India	24
10. Sources	30

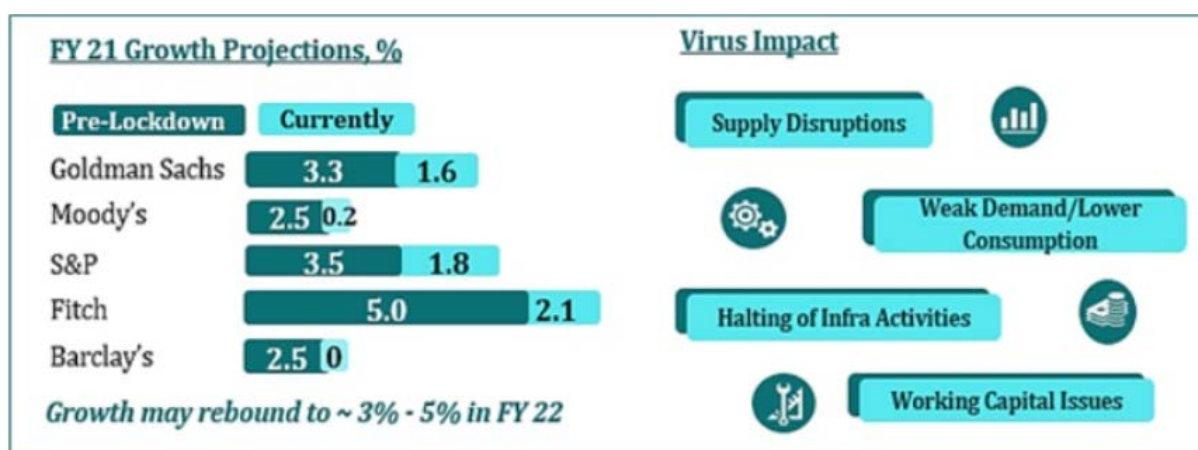
1. Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's Nominal GDP (Gross Domestic Product) Growth was reported at 7.527 % in Mar 2020. This records an increase from the previous number of 7.386 % for Dec 2019.

The Covid-19 outbreak in India has severely impacted the economy in myriad ways, with the lockdown halting the entire nation. It came at a time when the Indian economy was already slowing due to weaknesses in the financial sector and falling consumer demand for goods/services. Sectors already suffering, including logistics, aviation, transport, and tourism, are struggling to absorb the impact on the economy of the coronavirus pandemic.

There are parallels between the emerging economic crisis and the financial crash of 2008. Like then, investment institutions and banks, including the IMF and Goldman Sachs, as well as the global rating's agencies, such as Moody's and S&P, have slashed growth projections, with India and other countries forecast to enter a 'deep recession'. But the scale of the 2020 downturn is likely to be far greater than what followed 2008.



Efforts by the Indian government to flatten the virus curve through stringent lockdown measures will result in a steep economic contraction. Hon'ble Prime Minister of India on May 12th, 2020, announced the Special economic and comprehensive package of Rs. 20 lakh crores - equivalent to 10% of India's GDP – to fight COVID-19 pandemic in India. He gave a clarion call for Aatma Nirbhar Bharat or Self-Reliant India Movement. He also outlined five pillars of Aatma Nirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

India has retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups, with about 1,300 new start-ups being founded in 2019, according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 till August, taking the total tally up to 24.

- The Government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defence, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others. According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 469.99 billion during April 2000 and March 2020, indicating that Government's effort to improve ease of doing business and relaxing FDI norms

has yield results. FDI equity inflow in India stood at US\$ 49.97 billion in 2019-20. Data for 2019-20 indicates that service sector attracted the highest FDI equity inflow of US\$ 7.85 billion, followed by computer software and hardware at US\$ 7.67 billion, telecommunications sector at US\$ 4.44 billion, and trading at US\$ 4.57 billion. For more details on FDI Equity inflows in India, please [click here](#)

- The EU's share in foreign investment inflows to India more than doubled from 8% to 18% in the last decade. EU foreign direct investment stocks in India amounted to €68 billion in 2018, which is significant but way below EU foreign investment stocks in China (€175 billion) or Brazil (€312 billion).
- India improved its ranking in the [World Bank's Doing Business Report](#) by 14 spots over last year and is ranked 63rd among 190 countries in 2020 edition of the report. India performed better in six of the ten parameters used for ranking including starting a business, dealing with construction permits, trading across borders, resolving insolvency, paying taxes and getting electricity.
- 2019 saw the Indian entrepreneurial ecosystem make a paradigm shift. The country's startup landscape saw the emergence of seven new unicorns and value creation of \$90 billion. Little wonder, then, that India is globally ranked third in its number of startups, behind only the US and China. The first half of 2019 saw \$3.9 billion invested across 292 domestic investment deals, marking an increase of more than 44% over the same period in 2018. Emerging startups also benefited from the windfall. A recent Nasscom report, 'Indian Tech Startup Ecosystem 2018: Approaching Escape Velocity', highlighted the growth in early-stage funding in India. More than \$1.6 billion was invested in newer business ventures, marking a year-on-year increase of 70%. The increasing maturity of the startup ecosystem is being complemented by the emergence of world-class Indian startups, such as Flipkart, Oyo and Zomato, going global. These developments are indicative of the massive growth potential of the Indian entrepreneurial ecosystem, which is expected to be home to 100,000 startups and 100 unicorns by 2025. That said, these numbers alone do not paint an in-depth picture of entrepreneurial growth.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The [United States](#) Trade Representative's (USTR's) office has classified India as a developed economy and has removed India from its list of developing countries. The US removed India from the list on account of it being a G-20 member and having a share of 0.5% or more of world trade. The move has cast a shadow on India being able to restore preferential benefits under the Generalised System of Preference (GSP) as part of its trade talks with the US, as only developing countries are eligible for it.

As a fastest growing large economy in the world, India's scale is extraordinary. By 2025, one-fifth of the world's working age population will be Indian. By 2030 there will be over 850 million internet users in India. By 2035 India's five largest cities will have economies of comparable size to middle income countries today.

There is no market over the next 20 years which offers more growth opportunities than India. The drivers of Indian growth are deeply structural which suggests they are also sustainable. They include the urbanisation of the world's largest rural population, the gradual movement of the informal economy, currently comprising 90% of India's workers, into the formal economy, a young demographic with a mean age of 27, considerable investment in infrastructure, and the beginnings of an ambitious program to upskill 400 million Indians.

These structural drivers will likely keep India on a relatively strong growth path. I have deliberately taken a moderate view of the rate of growth out to 2035, assuming that it will be in the order of 6–8% each year over the next 20 years. This assumes incremental rather than radical structural reforms. But for what is already the world's fastest growing large economy to grow by 6–8% each year for the next two decades will still be transformative for India itself, its region and its economic partners.

Most of all India has scale. It will by 2035 overtake China as the world's most populous country. This means a deep domestic market which will likely make India the world's third largest economy by 2035 after China and the United States measured by market exchange rates. It is already the third largest economy measured by purchasing power parity.

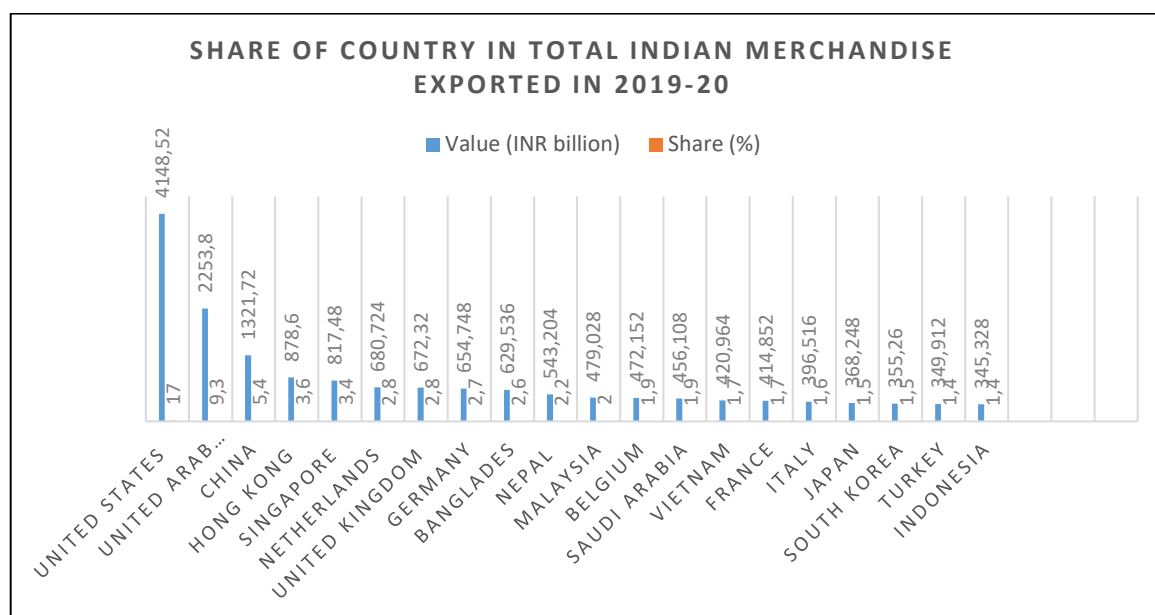
2. Export Trade: India

2.1 Top 20 Export countries

As per data available on [Trading Economics website](#), top 20 countries include: United States (17% of the global total), United Arab Emirates (9.3%), China (5.4%), Hong Kong (3.6%), Singapore (3.4%), United Kingdom (2.8%), Netherlands (2.8%), Germany (2.7%), Bangladesh (2.6%), and Nepal (2.2%) etc.

Top 20 Export destinations: 2019					
S. No.	Country	Value (billion)			Share (%)
		INR	EURO	USD	
1	United States	4148.52	49.78	54.3	17
2	United Arab Emirates	2253.8	27.04	29.5	9.3
3	China	1321.72	15.86	17.3	5.4
4	Hong Kong	878.6	10.54	11.5	3.6
5	Singapore	817.48	9.80	10.7	3.4
6	Netherlands	680.724	8.16	8.91	2.8
7	United Kingdom	672.32	8.06	8.8	2.8
8	Germany	654.748	7.85	8.57	2.7
9	Bangladesh	629.536	7.55	8.24	2.6
10	Nepal	543.204	6.51	7.11	2.2
11	Malaysia	479.028	5.74	6.27	2
12	Belgium	472.152	5.66	6.18	1.9
13	Saudi Arabia	456.108	5.47	5.97	1.9
14	Vietnam	420.964	5.05	5.51	1.7
15	France	414.852	4.97	5.43	1.7
16	Italy	396.516	4.75	5.19	1.6
17	Japan	368.248	4.41	4.82	1.5
18	South Korea	355.26	4.26	4.65	1.5
19	Turkey	349.912	4.19	4.58	1.4

20	Indonesia	345.328	4.14	4.52	1.4
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Source: <https://tradingeconomics.com/india/exports-by-country>

From a continental perspective, 48% of India's exports by value were delivered to fellow Asian countries while 20% were sold to European importers. India shipped another 22% worth of goods to Americas. Smaller percentages went to Africa (9%), Latin America excluding Mexico but including the Caribbean (3%), and Oceania led by Australia (1.1%).

For more information please [click here](#)

2.2 Top 20 Export commodities

As per data available on [Department of Commerce website](#); Petroleum products are the biggest exporting item from India. It accounts for a 13.7% share of total Indian export followed by Gems, precious metals with 11.67%; machinery and mechanical appliances (6.6%); Organic Chemicals (5.6 %) and vehicles, parts and accessories (5.3%).

Below table is showing the commodity-wise share in the financial year 2018-19 & FY 2019-20.

S.No.	Commodity	2018-19			2019-20 (Apr-Feb(P))		
		INR (Billion)	Euro (Billion)	%Share	INR (Billion)	Euro (Billion)	%Share
1	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes.	3354.74	40.25	14.53	2825.32	33.90	13.72
2	Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Pre.Metals, Clad With Pre.Metal And Artcls	2827.93	33.93	12.25	2402.93	28.83	11.67

	Thereof; Imit. Jewelry; Coin.						
3	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof.	1466.52	17.59	6.35	1367.06	16.40	6.64
4	Organic Chemicals	1275.66	15.30	5.52	1145.54	13.74	5.56
5	Vehicles Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof.	1265.33	15.18	5.48	1097.15	13.16	5.32
6	Pharmaceutical Products	1032.39	12.38	4.47	1063.63	12.76	5.16
7	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Image And Sound Recorders And Reproducers,And Parts.	891.92	10.70	3.86	999.44	11.99	4.85
8	Iron And Steel	680.74	8.16	2.94	610.94	7.33	2.96
9	Articles Of Apparel And Clothing Accessories, Not Knitted Or Crocheted.	581.35	6.97	2.51	518.75	6.22	2.52
10	Articles Of Apparel And Clothing Accessories, Knitted Or Corcheted.	546.91	6.56	2.36	496.35	5.95	2.41
11	Articles Of Iron Or Steel	509.82	6.11	2.20	463.90	5.56	2.25
12	Plastic And Articles Thereof.	560.78	6.72	2.43	456.82	5.48	2.21
13	Cereals.	568.2	6.81	2.46	420.862	5.05	2.04
14	Fish And Crustaceans, Molluscs And Other Aquatic Invertabrates.	438.32	5.259	1.89	410.25	4.92	1.99
15	Cotton.	550.20	6.60	2.38	373.44	4.48	1.81

16	Aluminium And Articles Thereof.	398.75	4.78	1.72	332.84	3.99	1.6
17	Miscellaneous Chemical Products.	323.96	3.88	1.40	331.80	3.98	1.61
18	Other Made Up Textile Articles; Sets; Worn Clothing And Worn Textile Articles; Rags	367.68	4.412	1.59	330.17	3.96	1.60
19	Ships, Boats And Floating Structures.	392.58	4.71	1.70	303.38	3.64	1.47
20	Tanning Or Dyeing Extracts; Tannins And Their Deri. Dyes, Pigments And Other Colouring Matter; Paints And Ver; Putty And Other Mastics; Inks.	231.24	2.77	1	226.45	2.71	1.10

Source: <https://commerce-app.gov.in/eidb/>

India's top 10 exports accounted for over 65% of the overall value of its global shipments.

Electrical machinery and equipment represents the fastest growing among the top 10 export categories, up 23.6% from 2018 to 2019. In second place for improving Indian export sales were pharmaceuticals which gained 12.5%. India's shipments of unknitted and non-crocheted clothing or accessories recorded the third-fastest gain in value due to a 6.4% increase year over year.

There were three declining top categories for Indian exports: gems and precious metals via its - 8.7% drop mainly due to India's plummeting international sales of diamonds, coins and precious metal scrap; vehicles (down -6%); then iron and steel (down -3.1%).

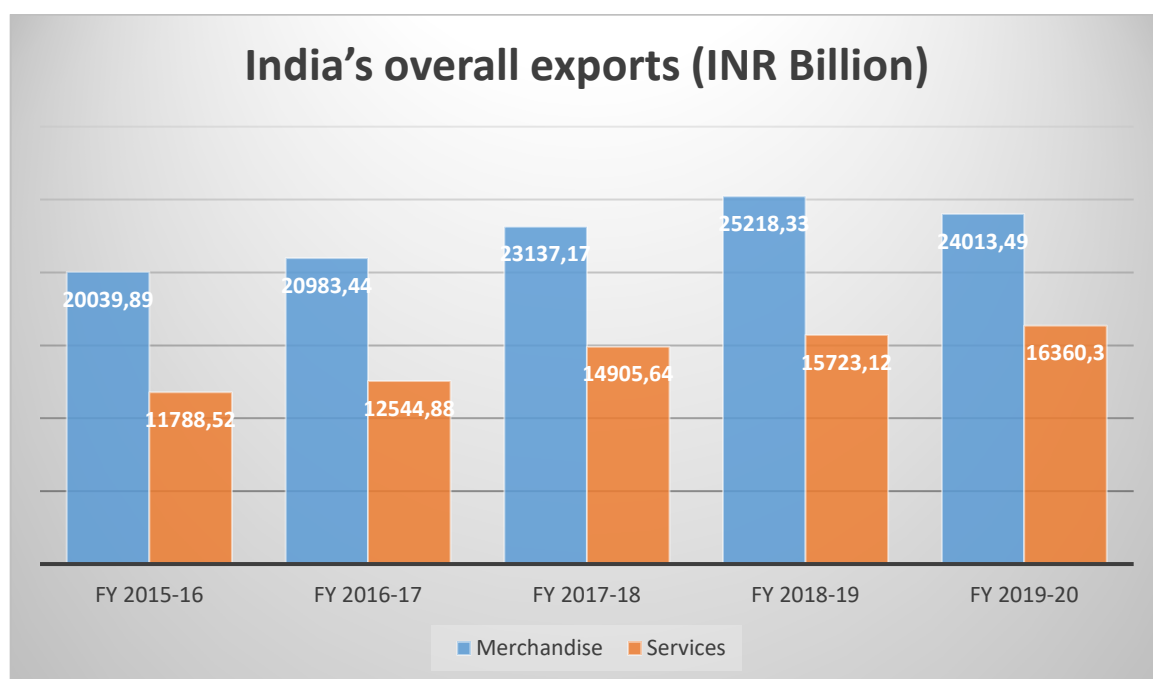
Note: the results listed above are at the categorized two-digit Harmonized Tariff System (HTS) code level. For more information, please [click here](#)

2.3 Total exports

Total export from India (Merchandise and Services) has shown an increasing trend from 2016-20, except for a small dip in 2020. The decline in exports has been mainly due to the ongoing global slowdown, which got aggravated due to the current Covid-19 crisis. Total export from India (Merchandise and Services) stood at US\$ 528.45 billion (€471.5 billion) in April-March 2019-20, registered a negative growth of (-) 1.36% over the same period last year.

	Merchandise (bn)			Services (bn)		
	INR	EURO	USD	INR	EURO	USD
FY 2015-16	20039.89	240.5	262.3	11788.52	141.5	154.3
FY 2016-17	20983.44	251.8	274.65	12544.88	150.5	164.2
FY 2017-18	23137.17	277.6	302.84	14905.64	178.9	195.1

FY 2018-19	25218.33	302.6	330.08	15723.12	188.7	205.8
FY 2019-20	24013.49	288.2	314.31	16360.3	196.3	214.14



Merchandise trade:

Since 2011-12, India's exports have been hovering at around \$300 billion (INR 22920 billion). During 2017-18, the overseas shipments grew by about 10% to \$303 billion (INR 23149.40 billion) and further to \$330.08 billion (INR 25212.21 billion) in 2018-19.

In 2019-20, India's total exports, due to a steep decline in shipments of leather, gems and jewellery and petroleum products, dragged down to \$314.31 billion (INR 24013.49 billion), registered a negative growth of 4.78% over the same period last year.

Services trade:

India's services trade has been a major driver of its exports over the past two decades. The country has emerged among the fastest growing nations in global services trade. India's export of services has shown an increasing trend from 2016-20. The estimated value of services export for 2019-20 stood at US\$ 214.14 billion (INR 16360.44 billion), registering a positive growth of 4.13% over the same period last year. Service sector contributes about 38% of total exports.

YEAR WISE SERVICES Export TRADE DATA						
Services	2017-18			2018-19		
	INR (Billion)	EURO (Billion)	USD (Million)	INR (Bn)	EURO (Bn)	USD (Mn)

Telecommunications, Computer, and Information services	6099.8	73.2	79840	6596.682	79.16	86344
Business services	2853.2	34.2	37346	2988.15	35.85	39112
Travel	2166.3	26	28355	2172.9	26.07	28441
Transport	1332.5	16	17441	1487	17.84	19464
Financial Services	394.5	4.7	5164	371.15	4.453	4858
Other Services not included elsewhere	1436.9	17.24	18807	1537.8	18.45	20128
Insurance	191.45	2.3	2506	203.3	2.43	2661
Construction	172.4	2	2256	258.85	3.10	3388
Personal, cultural, and recreational services	123.6	1.5	1618	141.56	1.7	1853
Government Not Included Elsewhere	50.7	0.6	664	46.6	0.56	610
Charges for the use of intellectual property n.i.e.	55.9	0.67	732	52.8	0.63	692
Maintenance and repair services n.i.e.	16.12	0.2	211	14.4	0.18	189
Manufacturing services on physical inputs owned by others	11.2	0.13	147	198.8	2.4	260
Total			195089			2,08,000

Source: <https://www.indiaservices.in/Service-Trade-Data>

As part of Indian National Standardization Strategy (INSS), Government of India has identified twelve Champion Services Sectors (CSS) for focussed attention so as to realise the potential of these sectors. These include: Information Technology & Information Technology Enabled Services (IT & ITeS), Medical Value Travel, Transport and Logistics Services, Tourism and Hospitality Services, Accounting and Finance Services, Audio Visual Services, Communication Services, Legal Services, Construction and Related Engineering Services, Environmental Services, Financial Services and Education Services.

3. Import trade: India

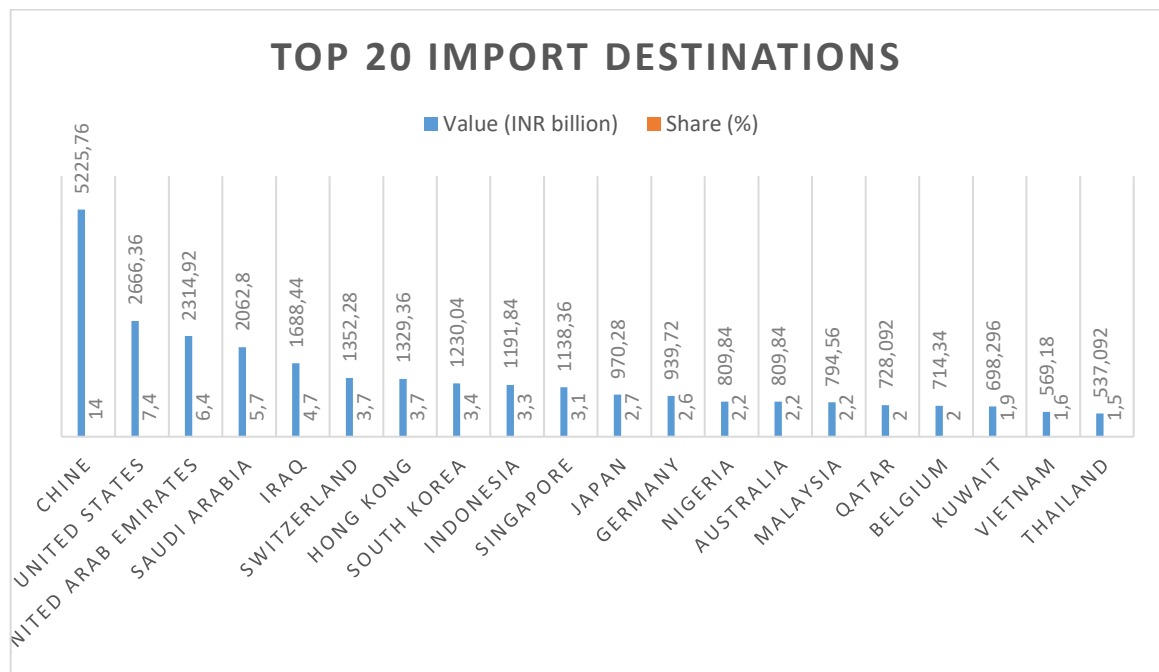
3.1 Top 20 Import Countries

China continues to be the largest exporter to India followed by USA, UAE and Saudi Arabia. In recent times, Hong Kong, Korea and Singapore have also emerged as significant exporters to India.

Top 20 Import Destinations (Billion): 2019					
S. No.	Country	INR	EURO	USD	Share (%)

1	China	5225.76	62.70	68.4	14
2	United States	2666.36	31.99	34.9	7.4
3	United Arab Emirates	2314.92	27.77	30.3	6.4
4	Saudi Arabia	2062.8	24.75	27	5.7
5	Iraq	1688.44	20.26	22.1	4.7
6	Switzerland	1352.28	16.22	17.7	3.7
7	Hong Kong	1329.36	15.95	17.4	3.7
8	South Korea	1230.04	14.76	16.1	3.4
9	Indonesia	1191.84	14.30	15.6	3.3
10	Singapore	1138.36	13.66	14.9	3.1
11	Japan	970.28	11.64	12.7	2.7
12	Germany	939.72	11.27	12.3	2.6
13	Nigeria	809.84	9.71	10.6	2.2
14	Australia	809.84	9.71	10.6	2.2
15	Malaysia	794.56	9.53	10.4	2.2
16	Qatar	728.092	8.73	9.53	2
17	Belgium	714.34	8.57	9.35	2
18	Kuwait	698.296	8.37	9.14	1.9
19	Vietnam	569.18	6.83	7.45	1.6
20	Thailand	537.092	6.44	7.03	1.5

Source: <https://tradingeconomics.com/india/imports-by-country>



From a continental point of view, 61% of India's total imports by value in 2019 were purchased from fellow Asian countries. European trade partners supplied 16% of import purchased by India while 13% worth originated from Americas with another 7.8% coming from exporters in Africa.

Smaller percentages arrived in India from Latin America (3.4%) excluding Mexico but including the Caribbean, and Oceania (2.4%) led by Australia. For more information please [click here](#)

3.2 Top 20 Import Commodities

As per data available on Department of Commerce website; Mineral fuels, oils and waxes and bituminous substances are the biggest importing item to India with 32% of total imports followed by pearls, precious and semi-precious stones and jewelry (11.6%); electrical machinery and equipment (10.5%); nuclear reactors, boilers, machinery and mechanical appliances (9.2%); and organic chemicals (4.2%). (Tabled below)

S.No.	Commodity	2018-19			2019-20 (Apr-Feb)		
		INR (Billion)	EURO (Billion)	%Share	INR (Billion)	EURO (billion)	%Share
1	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes.	11,747.15	140.97	32.67	10015.9	120.2	32.06
2	Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Pre. Metals, Clad With Pre.Metal And Artcls Thereof;Imit.Jewlry;Coin.	4,515.05	54.18	12.5604	3638.8	43.7	11.6
3	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Image And Sound Recorders And Reproducers,And Parts.	3,641.52	43.70	10.1	3265.9	39.2	10.45
4	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof.	3,063.68	36.76	8.52	2880.4	34.56	9.22
5	Organic Chemicals	1,565.52	18.79	4.3551	1308.42	15.70	4.18
6	Plastic And Articles Thereof.	1,065.91	12.79	2.96	936.81	11.24	2.99
7	Iron And Steel	879.89	10.56	2.4478	715.31	8.58	2.28
8	Animal Or Vegetable Fats And Oils And Their Cleavage Products; Pre. Edible Fats; Animal Or Vegetable Waxex.	697.50	8.37	1.94	647.77	7.77	2.07

9	Aircraft, Spacecraft, And Parts Thereof.	535.31	6.42	1.48	614.02	7.36	1.96
10	Optical, Photographic Cinematographic Measuring, Checking Precision, Medical Or Surgical Inst. And Apparatus Parts And Accessories Thereof;	673.52	8.08	1.87	607.87	7.29	1.94
11	Fertilisers.	464.57	5.57	1.29	462.42	5.54	1.48
12	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals, Of Rare-Earth Metals, Or Radi. Elem. Or Of Isotopes.	532.37	6.39	1.481	421.70	5.06	1.35
13	Miscellaneous Chemical Products.	417.48	5.01	1.16	362.65	4.35	1.16
14	Vehicles Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof.	430.32	5.16	1.19	343.20	4.11	1.09
15	Copper And Articles Thereof.	368.73	4.42	1.02	336.02	4.03	1.07
16	Ships, Boats And Floating Structures.	407.93	4.90	1.1348	323.01	3.87	1.03
17	Articles Of Iron Or Steel	356.58	4.28	0.992	308.97	3.70	0.98
18	Aluminium And Articles Thereof.	381.66	4.58	1.06	292.34	3.50	0.93
19	Edible Fruit And Nuts; Peel Or Citrus Fruit Or Melons.	253.24	3.04	0.70	216.42	2.59	0.69
20	Rubber And Articles Thereof.	259.80	3.12	0.72	205.84	2.47	0.65

Source: <https://commerce-app.gov.in/eidb/lcom.asp>

India's top 10 imports accounted for about four-fifths (79.4%) of the overall value of its product purchases from other countries.

Imported fertilizers posted the fastest increase in value among India's top 10 import categories,

up 23.3% from 2018 to 2019. The other top category to gain was machinery including computers via a 1.6% improvement.

Leading the decliners were organic chemicals (down -9.3%), mineral fuels including oil (also down -9.3%) then gems and precious metals (down -7.8%).

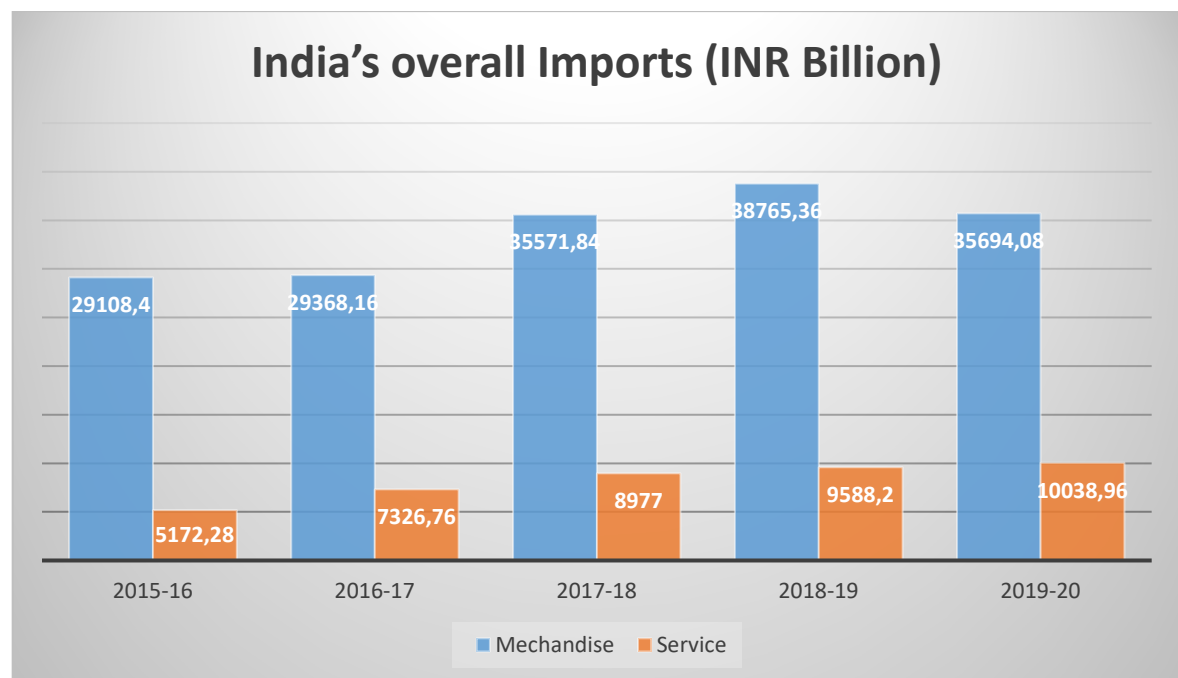
Note: the results listed above are at the categorized two-digit Harmonized Tariff System (HTS) code level. For more information please [click here](#)

3.3 Total Imports

In FY 2019-20*, overall imports are estimated to be USD 598.6 billion (INR 45733.43 billion), exhibiting a negative growth of (-) 6.33% over the same period last year. Import sectors which registered negative growth during 2019-20 include gold, silver, electronic goods, transport equipment, machine tools, iron and steel, coal, petroleum and chemicals.

As per Data, Oil imports in FY 2019-20 dipped by 8.15% to \$129.43 billion (INR 9888.54 billion), while non-oil imports were down by 9.49% to \$337.76 billion (INR 25805.08 billion).

	Merchandise (Bn)			Services (Bn)		
	USD	INR	EURO	INR	EURO	USD
FY 2015-16	381	29108.4	349.30	5172.28	62.06	67.7
FY 2016-17	384.4	29368.16	352.41	7326.76	87.92	95.9
FY 2017-18	465.6	35571.84	426.86	8977	107.72	117.5
FY 2018-19	507.4	38765.36	465.18	9588.2	115.05	125.5
FY 2019-20	467.2	35694.08	428.32	10038.96	120.46	131.4



Merchandise trade:

The merchandise import stood at US\$ 467.2 billion (INR 35694.38 billion) in 2019-20, registered a negative growth of (-) 9.12% over the same period last year.

Services trade:

The estimated value of services import for 2019-20 stood at US\$ 131.4 billion (INR 10039.05 billion), registering a positive growth of 5.16% over the same period last year.

YEAR WISE SERVICES Import DATA						
FINANCIAL YEAR 2017-18 – 2018-20 (US\$ Million)						
	2017-18			2018-19		
Services	INR	EURO	USD	INR	EURO	USD
Telecommunications, Computer, and Information services	496523.6	5958.2832	6499	566047.6	6792.57	7409
Business services	2798532	33582.384	36630	3087553.2	37050.63	40413
Travel	1491022.4	17892.2688	19516	1658185.6	19898.22	21704
Transport	1345251.2	16143.0144	17608	1568415.6	18820.98	20529
Financial Services	423026.8	5076.3216	5537	266330.4	3195.9648	3486
Other Services not included elsewhere	1367865.6	16414.3872	17904	1164794.4	13977.53	15246
Insurance	129880	1558.56	1700	136756	1641.072	1790
Construction	119566	1434.792	1565	193062.8	2316.75	2527
Personal, cultural, and recreational services	176254.8	2115.0576	2307	196424.4	2357.09	2571
Government Not Included Elsewhere	60661.6	727.9392	794	85109.6	1021.31	1114
Charges for the use of intellectual property n.i.e.	525402.8	6304.8336	6877	613339.2	7360.07	8028
Maintenance and repair services n.i.e.	41790.8	501.4896	547	91756.4	1101.07	1201
Manufacturing services on physical inputs owned by others	3361.6	40.3392	44	3208.8	38.50	42
Total	8979062.8	107748.7536	1,17,527	9630984	115571.80	1,26,060

Source: <https://www.indiaservices.in/Service-Trade-Data>

4. Trade b/w EU and India

India-EU bilateral relations date back to the early 1960s with India being amongst the first countries to establish diplomatic relations with the European Economic Community in 1962.

India and the EU have been working on a Broad-based Trade and Investment Agreement (BTIA) since 2007, but India's trade regime and regulatory environment remains comparatively restrictive. Seven rounds of negotiations have been completed without reaching a Free Trade Agreement. Talks on an EU-India Bilateral Trade and Investment Agreement have stalled after failing to resolve differences related to matters.

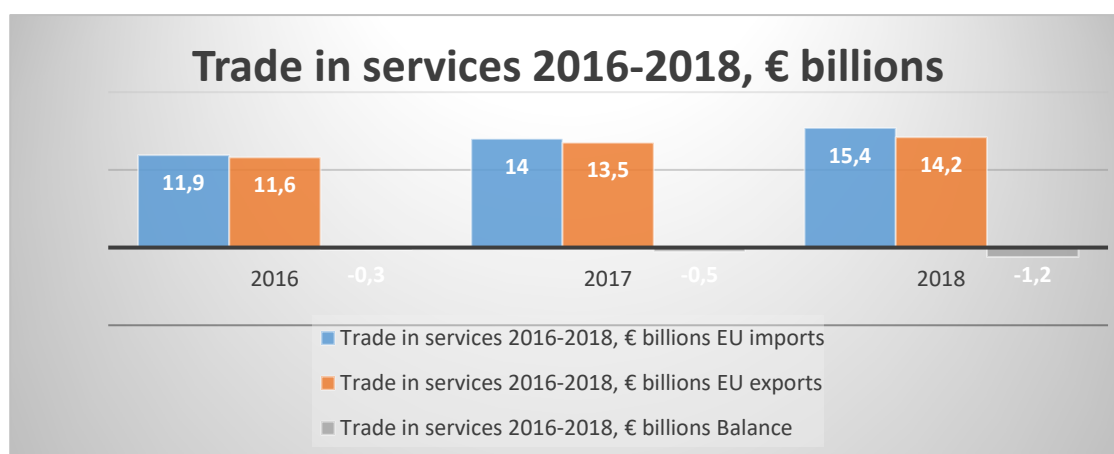
EU & India held its Summit virtually on 15 July, 2020 and endorsed “**EU-India Strategic Partnership: A Roadmap to 2025**” as a common roadmap to guide the joint action and further strengthen the EU-India Strategic Partnership for the next five years.

The key focuses of cooperation are around Security, Climate Change, Clean Energy, ICT, Transport, Green Deal, resource efficiency, circular economy, clean tech, renewables, Artificial Intelligence, R& I, RAIL etc. and importantly to re-commence the EU-India BITA.

Copy of “EU-India Strategic Partnership: A Roadmap to 2025” is available [here>>](#)

Glimpse of India-EU trade:

- The EU is India's largest trading partner, accounting for €80 billion worth of trade in goods in 2019 or 11.1% of total Indian trade, on par with the USA and ahead of China (10.7%).
- The EU is the second-largest destination for Indian exports (over 14% of the total) after the USA.
- India is the EU's 10th largest trading partner, accounting for 1.9% of EU total trade in goods in 2019, well behind the USA (15.2%), China (13.8%) and the UK (12.6%).
- Trade in goods between the EU and India increased by 72% in the last decade.
- Trade in services between the EU and India increased rapidly from €22.3 billion in 2015 to €29.6 billion in 2018.
- The EU's share in foreign investment inflows to India more than doubled from 8% to 18% in the last decade, making the EU the first foreign investor in India.
- EU foreign direct investment stocks in India amounted to €68 billion in 2018, which is significant but way below EU foreign investment stocks in China (€175 billion) or Brazil (€312 billion).
- Some 6,000 European companies are present in India, providing directly 1.7 million jobs and indirectly 5 million jobs in a broad range of sectors.
- Indian companies invested over €50 billion in Europe since 2000.



Source: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/india/>

A report on European Union, Trade in goods with India in 2019 is available [here](#)

5. Trade b/w EFTA and India

EFTA is regional trade organisation and free trade area consisting of four European states, Iceland, Norway, Switzerland and Liechtenstein. It operates in parallel with European Union (EU), and all four member states participate in the European single market.

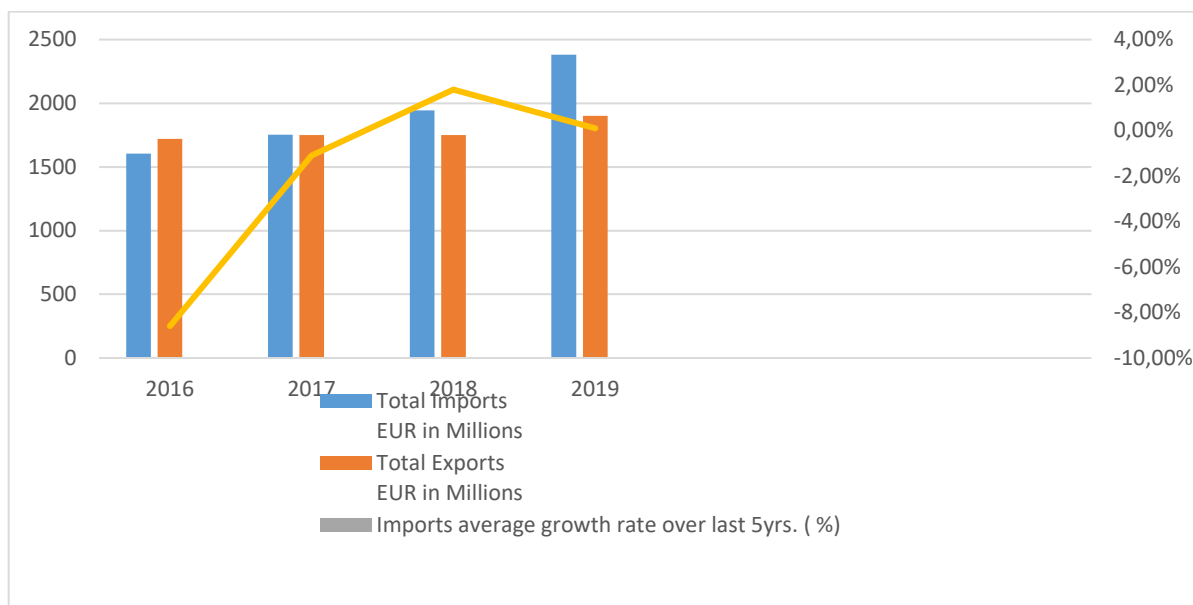
EFTA countries are significant trade partners for India. Trade between EFTA and India during 2019, EUR 4280 million (Imports: 2380 million and Exports: EUR 1900 million), registered a positive growth of 15.8% over the last year.

Although talks on the India-EFTA BTIA were launched in 2008, shortly after the India-EU BTIA negotiations began, they were put on hold in 2013 due to disagreement over a number of issues. Talks resumed in 2016 but significant progress has not been made due to lingering differences in areas such as IPR, services and rules of origin.

India's focus on putting the stalled free trade talks, officially called the broad-based trade and investment agreement (BTIA), with both the EFTA and the EU back on track assumes greater importance given the fact that the country walked out of the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) involving 16 countries in November 2019.

EFTA and India Trade details:

Years	Total Imports EUR in Millions	Total Exports EUR in Millions	Imports average GR over last 5yrs. (%)	Exports average GR over the last 5yrs. (%)
2016	1605	1719	1.90%	-8.60%
2017	1754	1751	4.20%	-1.10%
2018	1945	1751	6.40%	1.80%
2019	2380	1900	11%	0.10%

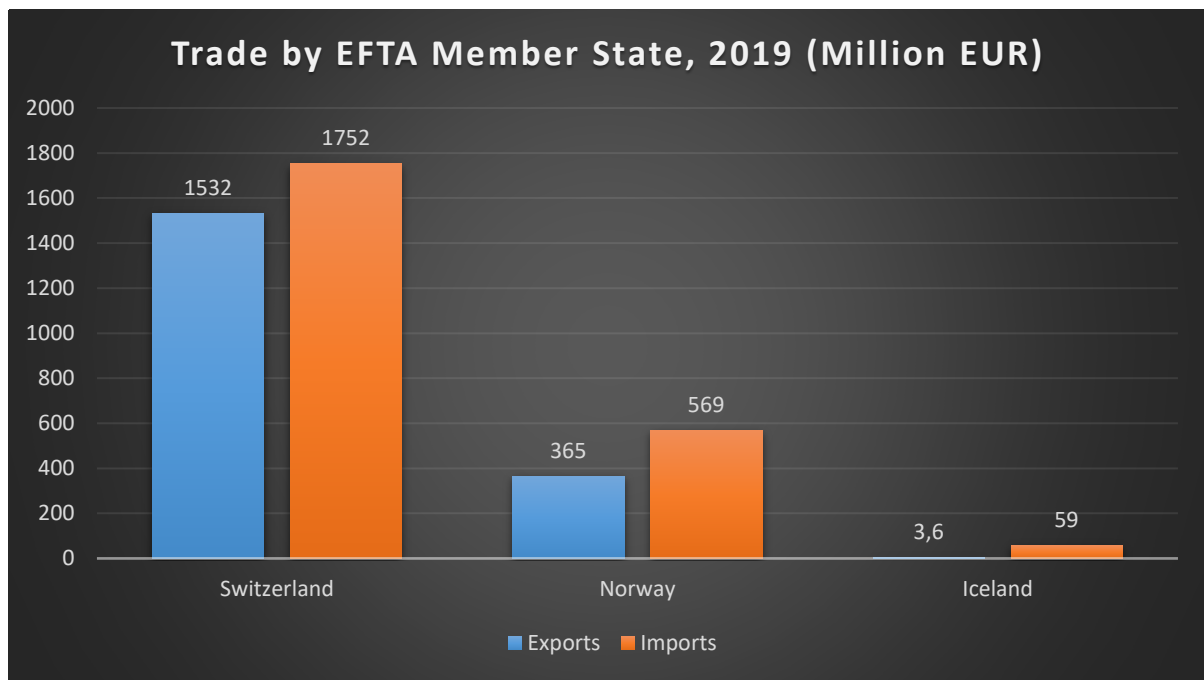


Source: <http://trade.efta.int/#/overview/EFTA/IN/2019/HS2>

Trade by EFTA Member State, 2019:

Trade between Switzerland and India during 2019 stood at €3284 million while Trade with Norway and Iceland stood at €934 million and €63 million respectively.

Trade by EFTA Member State, 2019 (Million EUR)		
EFTA Member State	Exports	Imports
Switzerland	1532	1752
Norway	365	569
Iceland	3.6	59



Source: <http://trade.efta.int/#/country-graph/EFTA/IN/2019/HS2>

6. Key polices/initiatives of GoI

6.1 Foreign Direct Investment (FDI) Policy

Since 1991, the regulatory environment and the process to get FDI has consistently been eased to make it investor-friendly, catapulting India into the position of one of the fastest-growing economies of the world. India has been ranked 9th in terms of FDI inflows for 2019 by United Nations Conference on Trade and Development (UNCTAD) (received \$51 billion in foreign investment in 2019) among the top attractive destinations for inbound investments in the world. The Government with intent to attract and promote foreign investments has put in place FDI regulations in India with a framework that is transparent, predictable and easily comprehensible.

Foreign investment into a domestic entity on a strategic basis is subject to FDI policy in India. The Government of India (GoI) through Department of Industrial Policy & Promotion (DIPP) formulates a consolidated the process of FDI on a yearly basis which is a defined framework for FDI. Most recently, reforms were made for FDI policy in India April, 2020.

Foreign investors can invest directly in India, either on their own or through joint ventures in virtually all the sectors except in a very small list of activities where foreign investment is prohibited.

FDI in the majority of the sectors is under the automatic route, i.e., allowed without any requirement of seeking regulatory approval prior to such investment. Thus, the process to get FDI in most sectors don't require prior approval from the GOI. Eligible investors can invest in most of the sectors of Indian Economy on an automatic basis.

[Download the latest consolidated FDI Policy.](#)

6.2 Make in India (MII)

The Make in India initiative (MII) was launched by Government of India in September 2014 as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation. By 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity.

It had to (a) inspire confidence in India's capabilities amongst potential partners abroad, the Indian business community and citizens at large; (b) provide a framework for a vast amount of technical information on 25 industry sectors; and (c) reach out to a vast local and global audience via social media and constantly keep them updated about opportunities, reforms, etc.

In a short space of time, the obsolete and obstructive frameworks of the past have been dismantled and replaced with a transparent and user-friendly system. This is helping drive investment, fostering innovation, developing skills, protecting Intellectual Property (IP) and building best-in-class manufacturing infrastructure. The most striking indicator of progress is the unprecedented opening of key sectors – including railways, defence, insurance and medical devices – to substantially higher levels of Foreign Direct Investment.

The ministry has engaged with the World Bank group to identify areas of improvement in line with World Bank's 'doing business' methodology. Several workshops with Ministries and State governments have been conducted by the Department for Promotion of Industry & Internal Trade (DPIIT) and World Bank for Business Reforms Action Plan.

An Investor Facilitation Cell (IFC) dedicated for the Make in India campaign was formed in September 2014 with an objective to assist investors in seeking regulatory approvals, hand-holding services through the pre-investment phase, execution and after-care support.

Various sectors have been opened-up for FDI like defence manufacturing, railways, space, single brand retail, etc. Also, for ease of doing business, the regulatory policies have been relaxed to facilitate more investments.

Across various regions of the country; six industrial corridors are being developed. Industrial Cities will also come up along these corridors.

Today, India's credibility is stronger than ever. There is visible momentum, energy and optimism. Make in India is opening investment doors. Multiple enterprises are adopting its mantra. The world's largest democracy is well on its way to becoming the world's most powerful economy.

For more information please [click here](#)

6.3 India Investment Grid (IIG)

India Investment Grid (IIG) is an initiative of Department for Promotion of Industry & Internal Trade (DPIIT) Ministry of Commerce, Government of India and Invest India, the National Investment Promotion and Facilitation Agency.

"New India has emerged as the world's leading investment destination. The India Investment Grid (IIG) showcases a menu of investment options across India on a single interactive platform. An initiative to enhance the ease of doing business, IIG connects potential investors to project promoters across India."

For more information please [click here>>](#)

6.4 Startup India

Government of India (GoI) launched Startup India initiative on 16th January, 2016. It has rolled out several programs with the objective of supporting entrepreneurs, building a robust startup ecosystem and transforming India into a country of job creators instead of job seekers. These programs are managed by a dedicated Startup India Team, which reports to the Department for Industrial Policy and Promotion (DPIIT). **Key Pillars of Support for Startups:**

- **Simplification and Handholding:** Easier compliance, easier exit process for failed startups, legal support, fast tracking of patent applications and a website to reduce information asymmetry.
- **Funding & Incentives:** Exemptions on Income Tax and Capital Gains Tax for eligible startups; a fund of funds to infuse more capital into the startup ecosystem and a credit guarantee scheme.
- **Incubation & Industry-Academia Partnerships:** Creation of numerous incubators and innovation labs, events, competitions and grants.

For more information please [click here](#)

7. Trade Agreements of India

Most of India's existing FTAs are with Asian countries which are quite different from each other in terms of the level of their economic development.

The major FTAs that India has signed and implemented so far include South Asia Free Trade Agreement (SAFTA), India-ASEAN Comprehensive Economic Cooperation Agreement (CECA), India-Korea Comprehensive Economic Partnership Agreement (CEPA) and India-Japan CEPA.

The only operational trade agreement linking India and China — the [Asia Pacific Trade Agreement, or APTA](#). South Korea, Bangladesh, Laos and Sri Lanka are also members of this grouping.

List of Trade Agreements:

S. No.	Trade Agreements
	Current Engagements/ Negotiations
1	Current Engagements of India in RTAs

Agreements already concluded	
1	MoU with Argentina
2	MoU with Colombia
3	Agreement of Cooperation with Nepal to Control Unauthorised Trade
4	Agreement on Economic Cooperation between India and Finland
5	Agreement on SAARC Preferential Trading Arrangement (SAPTA)
6	Agreement on South Asia Free Trade Area SAFTA
7	Asia Pacific Trade Agreement APTA
8	India Singapore CECA
9	India- Singapore CECA protocol amendment of CECA
10	India Malaysia CECA
11	Agreement on implementation of India – Malaysia CECA
12	India ASEAN Agreements
13	India Africa Trade Agreement
14	India Chile PTA
15	Trade Agreement between India and Argentina
16	Expansion India-Chile PTA
17	India Japan CEPA
18	India-Ecuador Joint Economic and Trade Committee (JETCO)
19	India Afghanistan PTA
20	India Korea CEPA
21	India MERCOSUR PTA
22	India Nepal Trade Treaty
23	India Sri Lanka FTA
24	SAARC Agreement on Trade in Services SATIS
25	Treaty of Transit between India and Nepal
26	Agreement of Trade, Commerce and Transit between the Government of the Republic of India and the Royal Government of Bhutan
27	Agreement on India-Argentina JTC- 1981
28	General Trade Agreement with Peru- 1971
29	Trade Agreement with Chile - 1972
30	Trade Agreement with Colombia- 1970
31	Trade Agreement with Cuba- 1979
32	Trade Agreement with Guatemala- 1981
33	Trade Agreement with Argentina- 1966
34	Trade Agreement with Brazil- 1968
35	Trade Agreement with Chile- 1956
36	Trade Agreement with Chile- 1960
Other Agreements/ Negotiations	
1	Framework Agreement with MERCOSUR
2	Framework agreement with Chile
3	Framework Agreement with GCC States
4	Framework Agreement with Thailand
5	India US Trade Policy Forum Joint Statement
6	India and Australia Joint Free Trade Agreement Feasibility Study

7	India Bangladesh Trade Agreement
8	India Ceylon Trade Agreement
9	India DPR Korea Trade Agreement
10	India EU Strategic Partnership Joint Action Plan
11	India Indonesia Joint Study Group Report
12	India Maldives Trade Agreement
13	India Mongolia Trade Agreement
14	India New Zealand Joint Study Report
15	India United States Commercial Dialogue
16	Joint Communiqué for setting up the India Russia Joint Task Force
17	MoU and Mode of operation between India and Bangladesh for establishing Border Haats across the border 2010
18	MoU and Mode of operation between India and Bangladesh for establishing Border Haats across the border 2017
19	MOU between India and Indonesia on the establishment of Biennial Trade Ministers' Forum
20	MOU between India and Viet Nam on the recognition of Vietnam as a Full Market Economy
21	MoU on Establishment of Border Haats across the border between India and Myanmar
22	MoU on Establishment of Joint Trade and Investment Forum between India and Myanmar
23	MoU on Establishment of Joint Trade Committee between India and Myanmar
24	MoU on Establishment of Joint Trade Committee with Brunei
25	Mou on Economic Cooperation between India and Costa Rica
26	MoU on Economic Cooperation between India and Ecuador
27	Five-Year Development Program for Economic and Trade Cooperation between the People's Republic of China and the Republic of India September 18, 2014

List of Trade agreements is available [here](#)

8. Key States in India where the goods/services are manufactured/produced

The industries in India's states have grown at a phenomenal pace. While the most industrialised states have not changed much in terms of rankings, their output and the workforce they employ have skyrocketed.

Different states in India have contributed to the country's growth in the manufacturing sector, but here are the states that have driven India's growth story.

Industrialization Barometer Top 5 States by Gross Value Added (GVA)-2016-17:

- Maharashtra, Tamil Nadu, Gujarat, Uttar Pradesh, Karnataka

- 52% of total GSDP (Gross State Domestic Product)
- 51% of all factories in India
- 57% of aggregate GVA
- Mature policy framework
- Established manufacturing clusters: strong industrial ecosystem and vendor base

These top states own over 50% of India's total factories:

S. No.	States	Significance
1	Maharashtra	IT, Textiles, Logistics, MSME, Carplants, Factories, Petroleum, Automobiles, Electronics, Entertainment, Finance, Grapes Export, Pharmaceuticals, Auto loom, cotton Mill, Cotton Textile industry, cotton processes
2	Tamil Nadu	Steel, Iron ore, plywood, containers logistics, paper power generation and cement, agriculture, Ceramic, stone mines, textile retail market, electronic manufacturing cluster, Textiles and garments, Safety Matches, Fireworks, Printing and Packaging, Pig Iron, Steel and Malleable Iron, Auto mobiles, Plastics, Chemicals
3	Gujarat	Auto-components, Casting and Forgings, Jewelry and Agri machines, Textiles, Diamond, Automobile, Engineering, Pharmaceutical, Chemicals, Electronics, Laser, Oil Refinery, Petrochemicals, Brass Parts, Brass Item Manufacturing, Transformer, electric parts, Power, oil unit, Petroleum, Fertilizer, Metal Fabrication, Sugar etc.
4	Uttar Pradesh	Software, Electronic components, Mobile Phones, Automobiles, ITeS and BPOs, Leather, Chemical, Fertilizers, Iron and Steel, Detergents, Food processing Units, Aerospace, Textiles, Footwear, Electronics, Power, Automobiles, Sugar mills, Sports Equipments, Food Items, Medical Equipments etc.
5	Andhra Pradesh	Biotechnology, Electronics City, Information technology, Auto Parts, Textiles, Paper, oil and gas, Steel, Ship Building, Pharmaceutical, Fertilisers, Coffee, Fishing, Petrochemical, Refinery, Navy weapons, Automotive, Chemicals, Cosmetics, Packaging and labeling, Consumer Products, Plastics, Electrical Components etc.

[https://static.investindia.gov.in/s3fs-public/2020-06/Invest%20India %20Full%20Report Lighter10%20June.pdf](https://static.investindia.gov.in/s3fs-public/2020-06/Invest%20India%20Full%20Report%20Lighter10%20June.pdf)

Emerging Manufacturing Hotspots:

- Haryana, Uttarakhand, Rajasthan, Telangana, Madhya Pradesh, West Bengal, Andhra Pradesh, Himachal Pradesh, Odisha, Punjab, Jharkhand

- 36% of total GSDP
- 37% of all factories in India
- 33% of aggregate GVA
- Attracting manufacturing investments through proactive policies and attractive incentives
- Undertaking industrial infrastructure upgradations

STATES/UTs ATTRACTING HIGHEST FDI EQUITY INFLOWS:

<u>S. No.</u>	<u>STATE</u>	<u>2019-20 (October - March)</u> <u>INR (Billion)</u>	<u>In Euro billion</u>
<u>1</u>	<u>MAHARASHTRA</u>	<u>521</u>	45824.24
<u>2</u>	<u>KARNATAKA</u>	<u>307</u>	27056.48
<u>3</u>	<u>DELHI</u>	<u>285</u>	25068.56
<u>4</u>	<u>GUJARAT</u>	<u>190</u>	16688.32
<u>5</u>	<u>JHARKHAND</u>	<u>132</u>	11623.04
<u>6</u>	<u>TAMIL NADU</u>	<u>72</u>	6362.4
<u>7</u>	<u>HARYANA</u>	<u>52</u>	4574.24
<u>8</u>	<u>TELANGANA</u>	<u>49</u>	4281.2
<u>9</u>	<u>UTTAR PRADESH</u>	<u>17</u>	1529.44
<u>10</u>	<u>ANDHRA PRADESH</u>	<u>15</u>	1298.88

Source: https://dipp.gov.in/sites/default/files/FDI_Factsheet_March20_28May_2020.pdf

For more information please [click here](#)

9. Setting up business in India

India is one of the world's largest consumer markets and with recent government policies for ease of doing business in India like start-up India initiative and make in India, the government has eased compliance burdens and legal requirements to set up businesses in India.

Indian market offers a convenient and advantageous business environment for foreign companies by opening its doors to Foreign Direct Investment through establishing business entities in India.

A foreign company can start its operations in India by setting up a company according to the Companies Act. The total amount of foreign direct investment that is allowed in such companies is 100%.

To set up business in India, a foreign company has the following options:

- As an incorporated entity
- Wholly owned subsidiaries
- Liaison Office
- Branch Office
- Joint venture
- As an office of a foreign entity through

Top 10 sectors by FDI Equity Inflows from April 2000 TO March 2020:

<u>S. No.</u>	<u>Sector</u>	<u>April 2000-March 2020 INR (Billion)</u>	<u>In Euro billion</u>
1	SERVICES SECTOR (Fin., Banking, Insurance, Non Fin/ Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other)	4,717.30	4,15,122.40
2	COMPUTER SOFTWARE & HARDWARE	2,760.06	2,42,885.28
3	TELECOMMUNICATIONS	2,191.88	1,92,885.44
4	TRADING	1,760.05	1,54,884.40
5	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	1,239.64	1,09,088.32
6	AUTOMOBILE INDUSTRY	1,437.42	1,26,492.96
7	CHEMICALS (OTHER THAN FERTILIZERS)	985.54	86,727.52
8	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	1,083.82	95,376.16
9	DRUGS & PHARMACEUTICALS	878.14	77,276.32
10	HOTEL & TOURISM	917.78	80,764.64
11	POWER	826.50	72,732.00
12	METALLURGICAL INDUSTRIES	745.95	65,643.60
13	FOOD PROCESSING INDUSTRIES	618.12	54,394.56
14	NON-CONVENTIONAL ENERGY	571.44	50,286.72
15	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	553.61	48,717.68

16	ELECTRICAL EQUIPMENTS	507.20	44,633.60
17	PETROLEUM & NATURAL GAS	409.15	36,005.20
18	HOSPITAL & DIAGNOSTIC CENTRES	411.55	36,216.40
19	CONSULTANCY SERVICES	347.02	30,537.76
20	INDUSTRIAL MACHINERY	325.88	28,677.44

Source: https://dipp.gov.in/sites/default/files/FDI_Factsheet_March20_28May_2020.pdf

Investing in India: Who can help:

[Invest India](#) is the first port of call for potential investors. It is the official investment promotion and facilitation agency of the Government of India, mandated to facilitate investments into India. Experts provide sector- and state-specific inputs, and handholding support to investors through the entire investment cycle, from pre-investment decision-making to aftercare.

The team assists with:

- Market strategy
- Business plan advisory
- Location identification
- Expediting regulatory approvals
- Facilitating meetings with relevant government and corporate officials
- Initiating remedial action on problems faced by investors

Invest India has signed Memoranda of Understanding/Framework for Investment Cooperation with select Investment Promotion Agencies in select countries. These are:

- JETRO (Japan),
- Invest in America (USA),
- UK Trade & Invest and UK India Business Council (UK),
- Invitalia (Italy),
- UBIFrance & Invest in France (France),
- KOTRA (South Korea),
- BOI Mauritius (Mauritius),
- Czech Invest (Czech Republic),
- Kaznex Invest (Republic of Kazakhstan),
- Saudi Arabian General Investment Authority (Saudi Arabia).

Invest India is also working closely with Indian missions abroad, foreign missions in India and bilateral/multilateral agencies.

Key businesses related legislations in India:

- the Companies 2013 Act- this act governs the incorporation management, restructuring and dissolution of companies

- the Competition Act (which regulates combinations (merger control) and anti-competitive behaviour)
- the Income Tax Act (which prescribes the tax treatment of dividend, capital gains, mergers, demergers and slump sales).
- the Indian Contracts Act- this act basically lays down the general principles relating to the formation and enforceability of contracts
- the FEMA - Foreign Exchange Management Act, 1999, it regulates the inflow and outflow of foreign exchange and investment into/from, India including sector-specific requirements
- the SEBI Act, Securities and Exchange Board of India, SEBI has consistently tried to lay down market rules in line with the best market practices. It enjoys vast powers of imposing penalties on market participants, in case of a breach
- the SCRA, Securities Contracts Regulation Act, 1956, it governs listing and trading of securities on stock exchanges in India and the Listing Agreement with stock exchanges

Important points to keep in mind before entering the Indian Market:



Business opportunities in India: Below are the potential growth sectors in India:

- Manufacturing
- Banking
- Information technology
- Real estate
- Retail industry
- Tourism services

Over the last few years, India has been an outsourcing destination for various organizations. But this scenario is changing rapidly, and trade in services and goods is quickly improving. Cultural barriers along with government barriers are the issues one has to tackle to grow a business here.

- Manufacturing has emerged as one of the high growth sectors in India. Make in India is a national campaign that promotes manufacturing growth for both domestic and international products. The campaign aims to foster innovation, facilitate investment, enhance skill development, protect intellectual property, and build top-of-the line manufacturing infrastructure. India is expected to become the fifth largest manufacturing country in the

world by the end of year 2020*. Government aims to achieve 25% GDP share and 100 million new jobs in the sector by 2022.

- IT is one of India's strengths. In view of this India has also launched digital India. The initiative aims to tap India's IT capabilities and to promote investments into IT and mobile infrastructure.

With both hardware and software coverage, India aims to achieve the following:

- Improvement of electronic infrastructure including fibre optic cables, mobile coverage, and broadband coverage;
- Promotion of electronics marketing;
- Promotion of more e-governance solutions by various government authorities to address business and civilian needs.

Trade Barriers in market access in India identified by European Commission:

Title	Measure	Sector
COVID-19 - related restrictions on exports of essential medical supplies	Export prohibition and other quantitative restrictions	Pharmaceuticals Other Industries Covid-19
Ban on the sale of imported alcoholic beverages products in Canteen Department Stores	Tariff measures or practices, including TRQ	Automotive
Telecommunications - Duties on ITA products	Tariff measures or practices, including TRQ	Telecommunications Equipment
DS304 India's 27 antidumping measures on a variety of EU exports	Trade Defence Instruments	Chemicals Pharmaceuticals Iron, Steel and Non-Ferrous Metals Wood, Paper and Pulp Textiles and Leather
Standards on alcoholic beverages	Standards and Other technical requirements Labelling, marking and packaging requirements Lack or insufficient protection of geographical indications	Wines & Spirits
Restrictions on imports of plants and plant products relating to fumigation treatments - Alternatives to methyl bromide	Treatments (e.g. methyl bromide, cold treatment) Plant health reasons	Agriculture and Fisheries
Cosmetics (registration and standards)	Tariff measures or practices, including TRQ Standards and Other technical requirements	Cosmetics
Export duties on raw and semi-finished leather	Export taxes	Textiles and Leather

Intellectual Property Rights	Lack or insufficient IPR protection, except for geographical indications Lack or insufficient enforcement of IPR	Horizontal
DS 380 India-Certain taxes and other measures on imported wines and spirits	Internal taxation	Wines & Spirits
Mandatory veterinary certificates for importing leather	Standards and Other technical requirements	Textiles and Leather
Local content requirements	Government Procurement Performance requirements for non-services, including LCR (TRIMs)	Horizontal
Telecommunications - licensing requirements/mandatory testing	Standards and Other technical requirements	Telecommunications Equipment
Compulsory registration and labelling of ICT products (notification IND/44)	Standards and Other technical requirements	Electronics
Medical devices	Administrative or customs procedures Other measures, non-classifiable in former categories	Other Industries
Steel products - mandatory certification requirements	Standards and Other technical requirements	Iron, Steel and Non-Ferrous Metals
Export duties on raw and semi-finished steel products and iron ore	Export taxes	Iron, Steel and Non-Ferrous Metals
testing requirements for imported toys	Standards and Other technical requirements	Other Industries
Import Tariffs India - Diamonds	Tariff measures or practices, including TRQ	Other Industries
Indian ban on import of furskins	Quantitative restrictions related to imports	Textiles and Leather
Export restrictions - iron ore	Export taxes	Iron, Steel and Non-Ferrous Metals
Standards for food additives for alcoholic beverages	Standards and Other technical requirements	Wines & Spirits
Certification requirements of tyres	Standards and Other technical requirements	Automotive
Labelling requirements for Maximum Retail Price	Labelling, marking and packaging requirements	Horizontal

Source: https://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=IN

Key Technical challenges of doing business in India:

There is no doubt that India is a huge market but it requires persistence and a change in approach before an international company can expect to reap dividends. Following are the key common technical barriers to trade:

- Short lead time for regulatory changes
- Lack of clarity in the implementation of new regulation
- Lack of harmonization of Indian standards with international standards
- Lack of testing capacity in India

10. Sources

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