

India's trade with Latin America grows faster than our overall trade volume

India's trade relations with Latin America (except Mexico) has grown considerably in recent years and it has untapped potential for further expansion. Bilateral trade with the region has grown 8.6% annually since 2007-08, which is faster than India's overall trade growth of 5.5%. The share of Latin America in India's total trade has grown from 2.4% in 2007-08 to 3.4% in 2019-20. With a population of 490 million, Latin America is as large as the European Union, in terms of the size of the consumer market. Even though the per capita income of the consumers in Latin America is far less than that of the European Union, India has tremendous scope to enhance trade relations with the former as bilateral trade accounts for hardly 3.4% of total trade.

India has a trade deficit with Latin America as it largely imports crude oil, vegetable oil, gold and other precious stones from these countries. Our trade deficit with this region grew from USD 286 million in 2007-08 to USD 17 billion in 2013-14, before declining to around USD 7 billion in 2019-20. Our trade deficit with Latin America varies widely across different years, depending on the price of crude oil, gold, iron ore and other natural resources in the global market. On account of the sharp decline in crude oil prices from 2013-14, India's trade deficit also declined with this region since that year. Crude oil accounts for 45% of India's import bill from Latin America and this is followed by gold (22%), vegetable oils (10%), minerals and ores (5%). Thus, more than 80% of our imports from Latin America comprise of these primary articles and processed food (vegetable oil). On the other hand, India's exports to Latin America include automobiles and auto-components (16%), pharmaceuticals (9% share), agro-chemicals (9%), yarns and fabrics (9%), petroleum products (4%), readymade garments (3%) etc. India also exports iron and steel, dyes, other chemicals, plastic and plastic products etc.

Considering the huge population in Latin America, there is tremendous scope for enhancing exports of processed food, handicrafts (carpets, handlooms), toys, ceramic products, electronic goods, among others. India's foreign trade policy (2015-20) provides special focus for export to Latin America. India has also signed preferential trade agreements with Chile and MERCOSUR bloc (Argentina, Brazil, Paraguay and Uruguay). India is negotiating similar trade agreements with Peru and it has taken preparatory steps to enter into such pacts with Ecuador and Columbia. Except for Venezuela, most other Latin American countries have been placed under low-to-moderate risk categories for trading purpose by Export Credit Guarantee Corporation of India. Indian exporters can also participate in annual global trade fairs held in Brazil, Uruguay, Guatemala, Chile, Columbia and other countries across various sectors to explore market opportunities in the region.

Indian government has full-fledged diplomatic presence in 13 Latin American countries. Further, the government is establishing dedicated commercial posts in Brazil, Venezuela, Argentina, Chile, Columbia, Peru, Panama, Trinidad & Tobago and Costa Rica to assist Indian exporters explore market potential in these countries. The Department of Commerce, Government of India has also established nine posts of Marketing Assistants in this region to promote Indian exports to these countries.

Notifications

Tariff fixation for edible oil, brass scrap, poppy seeds, areca nuts

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1660308>

India, Australia partners in vocational education and training

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1660441>

Daily Bulletin on COVID 19

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1660359>

DGFT

Extension of period for installation of Radiation Portal Monitors and Container Scanners

<https://content.dgft.gov.in/Website/dgftprod/295fce96-6c33-40c8-9052-4a50c12766f2/PN%2021%20English.pdf>

Submission of eligible ICLCs for export of onions

<https://content.dgft.gov.in/Website/dgftprod/9b2cabb1-344d-43f3-844b-4beed0cea145/TN28.pdf>

CBIC

Imposition of 5% Basic Customs Duty on Open Cells

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs35-2020.pdf>

Sea Cargo Manifest and Transhipment Regulations

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt94-2020.pdf>

Tariff fixation on edible oil, brass scrap, poppy seeds, areca nuts

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt93-2020.pdf>