Association for Global Economic Development-India

Corporate Office: A/111, Mittal Court, Nariman Point, Mumbai -India 400 021.

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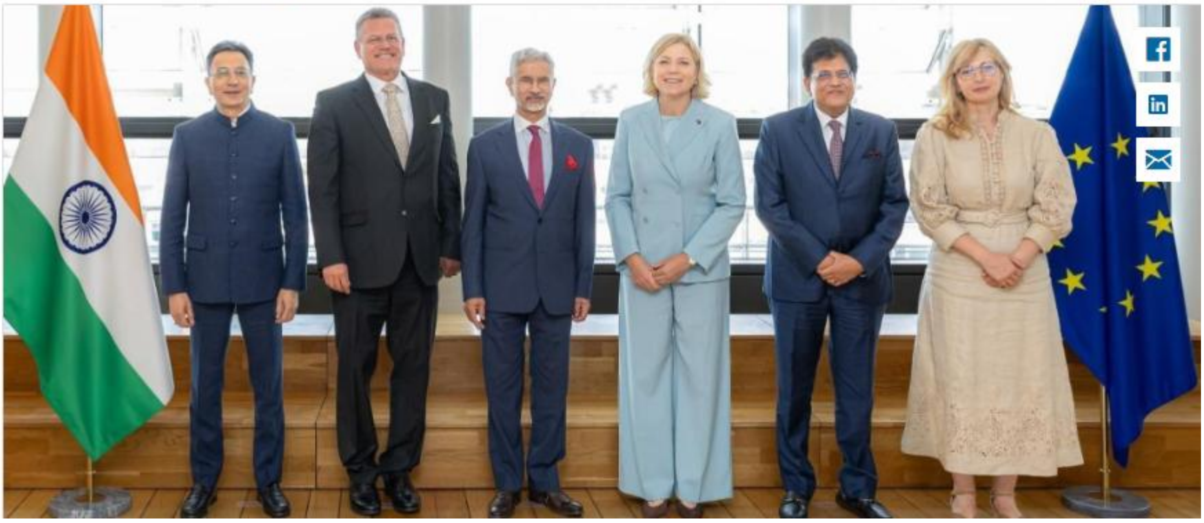
India starts formal talks on Horizon Europe association



EU and Indian officials at the Trade and Technology Council meeting in Brussels

The EU and India have kicked off formal negotiations on association to Horizon Europe, hoping to reach a deal before the end of this year, the European Commission has announced.

“By bringing India closer to Horizon Europe and connecting nearly half a million start-ups, we are building a partnership designed to turn shared ambition into global impact,” said Ekaterina Zaharieva, the European commissioner for start-ups, research and innovation.

The two parties reached an agreement on moving forward with association talks during the third meeting of the EU-India Trade and Technology Council in Brussels on July 15.. The Horizon Europe deal has been rolled into a broader set of bilateral collaborations in research and innovation, which are part of political negotiations for a future free trade agreement between Europe and India.

“We are working flat out to ensure speedy ratification of our EU-India Free Trade Agreement, targeting entry into force in 2027,” said Maroš Šefčovič, the European commissioner responsible for trade.

The EU and India also agreed to establish a joint innovation hub on electric vehicle charging technologies and testing, to launch a deep-tech start-up partnership, and work on joint projects in AI and high-performance computing, including joint research on natural hazards, climate change and bioinformatics.

In the second half of 2026, the EU and India will also exchange expertise on Hydrogen Valleys, an EU initiative to accelerate the development of renewable hydrogen.

The road to Horizon Europe association

India was invited to associate to Horizon Europe in 2025, but talks were sped up after Commission President Ursula von der Leyen visited New Delhi in January 2026.

At an event organised on March 19 by the French Institute of International Relations in Paris, Suman Bery, vice chair of Niti Aayog, the Indian government's in-house policy think tank, said joining Horizon Europe was the best practical step to boost science and technology ties between Europe and India.

Indian researchers can already join Horizon Europe projects, but they are not eligible to receive EU funding, which means they have to find alternative funding sources to meet the cost of their participation.

Australia, New Zealand, Canada, South Korea and Japan have recently associated to Horizon Europe, but it is yet unclear how Brussels will reconcile the flurry of global research deals with its focus on technology sovereignty and sensitive dual-use technology.

Moreover, the EU's international partners in Horizon Europe are asking for a greater involvement in agenda setting. University lobbies from four countries associated to Horizon Europe are also worried about being locked out of governance and sensitive calls.

India’s FTA

Need strict Rules of Origin safeguards under UK-India CETA

The Association of Indian Medical Device Industry (AiMeD) has said that the India-UK Comprehensive Economic and Trade Agreement (CETA) opens doors for export growth and fair competition with British manufacturers, there is a risk of third-country producers exploiting reduced duty access through the UK.

The India–United Kingdom CETA, along with the Agreement on Social Security, also known as the Double Contribution Convention (DCC), has formally entered into force on July 15, marking a milestone in the economic partnership between the two countries.

"The UK–India CETA marks a pivotal moment for Indian medical devices. While the agreement opens doors for export growth and fair competition with British manufacturers, AiMeD cautions against the risk of third-country producers exploiting reduced duty access via the UK," said Rajiv Nath, forum coordinator, AiMeD.

"Strict Rules of Origin Customs Safeguards are essential to protect India’s nascent, import-dependent industry at this critical stage, ensuring Make in India gains are consolidated rather than undermined,” he added.

Indian Imports of medical devices from all over world went up last year by 17% from Rs. 77,000 crore to Rs. 89,000 crore ($9.3 billion) while exports are hovering at $4 billion.

Currently India’s exports to UK of Medical Devices are stagnant at approximately $130 million and imports at $227 million. Indian manufacturers face steep challenges in accessing the UK market due to the fair but very costly and time-consuming regulatory approvals required by the UK MHRA or the EU’s CE mark.

UK manufacturers, in contrast, obtain CDSCO approvals through a relatively faster and less expensive process that does not even involve factory inspections.Perhaps the time has come to require such inspections, to ensure that only genuine UK-origin products are shipped to India, and not third-country goods using the UK as a transit point, said Nath.

Announcing the commencement of the agreement on July 15, Rajesh Agrawal, commerce secretary informed that all pending issues had been resolved within the stipulated timeline and that all requisite notifications had been issued by both sides.

Necessary trade facilitation measures, including arrangements relating to Rules of Origin certification and customs preparedness, had also been put in place to ensure that stakeholders could begin availing the benefits of the Agreement from the very first day.

He noted that more than USD 140 million worth of goods were being exported to the United Kingdom on the first day of implementation under the India–UK CETA. He expressed confidence that sustained utilisation of the Agreement would strengthen India–UK trade and encourage the pursuit of other trade initiatives currently under consideration.

The Agreement is expected to increase bilateral trade by over £25 billion annually
(Source: Pharmabusiness.com)

International Business

IHC unit, Adani Group to develop $11.5bn aluminium project in India

International Resources Holding (IRH), the Abu Dhabi-based natural resources investment platform and an IHC Group company through 2PointZero, and Adani Enterprises Limited (AEL), the flagship company of the Adani Group, on Thursday signed a memorandum of understanding (MoU) with the Government of Odisha to develop an integrated greenfield aluminium project in the mineral-rich state.

AEL and IHC, through its subsidiary IRH, will form a 50:50 joint venture for the proposed project, said a statetment.

The proposed investment, valued at approximately ₹1.08 lakh crore ($11.5 billion), is expected to be Odisha's largest Foreign Direct Investment (FDI) proposal and India's largest foreign direct investment in the metallurgy sector.

The project comprises a 4 million metric tonnes per annum (MMTPA) alumina refinery, a 2 MMTPA aluminium smelter, a 4,000-megawatt (MW) captive power plant and a 1 MMTPA downstream manufacturing park, supported by enabling infrastructure. It is expected to generate around 53,500 jobs across construction and operations.

The MoU was signed in the presence of Mohan Charan Majhi, Chief Minister of Odisha; Sampad Chandra Swain, Minister for Industries and Skill Development & Technical Education; and senior officials of the Government of Odisha.

The ceremony was attended by Syed Basar Shueb, CEO, Managing Director and Board Member of IHC; Ali Rashed AlRashdi, CEO of IRH; and Mohamed Hesham, CEO of ePointZero. Karan Adani, Managing Director, Adani Ports and Special Economic Zone (APSEZ) and Director, Adani Cement, along with Sagar Adani, Executive Director, Adani Green Energy Limited (AGEL), represented the Adani Group.

The event also brought together leading industrialists, industry associations, students from the World Skill Centre and senior government officials. Their participation reflected the wider ecosystem that will benefit from the project's downstream potential and support its successful implementation.

Majhi said: "Today marks Odisha's entry into the global aluminium supply chain. Already India's leading hub for metals and mineral-based industries, the state is now poised to become a global centre for aluminium and value-added manufacturing. This investment will enable Odisha to develop the complete aluminium value chain, from mining and refining to smelting and downstream manufacturing, creating greater value within the state. It is an important step towards Samruddha Odisha 2036 and our contribution to Viksit Bharat 2047."

The project will be developed in two phases, with investments of approximately ₹66,000 crore in Phase I and ₹44,000 crore in Phase II.

During the construction period, the project is expected to create around 35,000 jobs, while the project's mining, alumina refining, aluminium production and downstream manufacturing operations are expected to support another 18,500 jobs. The project is also expected to generate significant indirect employment across logistics, engineering, maintenance and ancillary industries.

The investment will deepen value-added aluminium manufacturing in Odisha while strengthening India's position in global aluminium supply chains. The downstream manufacturing park is expected to attract manufacturers producing components for transport, construction, power, packaging, renewable energy and advanced engineering, supporting the growth of micro, small and medium enterprises (MSMEs) across the state.

Once operational, the project is expected to strengthen India's aluminium manufacturing base while reinforcing Odisha's position as one of Asia's leading destinations for large-scale industrial investment.

Following the signing of the MoU, the joint venture partners, AEL and IRH, together with the Government of Odisha, will advance the next phase of the project, including land acquisition, statutory approvals and infrastructure planning.

IHC is one of the world's largest investment firms, with a market capitalisation of $233 billion and a portfolio of more than 1,300 subsidiaries spanning technology, infrastructure, financial services and consumer. IRH, an IHC Group company through 2PointZero, is a global mine-to-market platform that strategically invests across the value chain of minerals critical to the energy transition and technological advancement.

Home to some of India's largest bauxite reserves, Odisha is already a major producer of alumina and aluminium. The investment will reinforce the state's position as a global aluminium manufacturing hub by integrating the aluminium value chain, from mining to downstream manufacturing. **– TradeArabia News Service**

Air Transport

1st flight to Abu Dhabi from Navi Mumbai International Airport

NEW DELHI: Adani Airport Holdings Ltd. (AAHL) announced on Tuesday the commencement of scheduled international operations at Navi Mumbai International Airport (NMIA), with Air India Express launching direct services between Navi Mumbai and Abu Dhabi, the capital of the United Arab Emirates (UAE), from July 15, 2026.

The thrice-weekly service opens NMIA's international network in less than 200 days after the airport commenced domestic operations on December 25, 2025.

Arun Bansal, Chief Executive Officer (CEO), AAHL, said, “The launch of our first scheduled international flight marks the beginning of a new phase in Navi Mumbai International Airport's journey. As we expand our network with more airline partners and destinations, our focus remains on delivering seamless operations and a world-class travel experience while strengthening Navi Mumbai's position as a preferred gateway for international travel."

Nipun Aggarwal, Chairman, Air India Express, said, “We are delighted to launch international operations from Navi Mumbai with direct flights to Abu Dhabi, creating a convenient new gateway to the UAE for travellers from the Mumbai Metropolitan Region. Navi Mumbai is a key pillar of our dual-airport strategy, complementing our network from Chhatrapati Shivaji Maharaj International Airport.”

In less than seven months, NMIA has connected 46 domestic destinations, served more than 2.3 million passengers and now handles around 150 Air Traffic Movements (ATMs) each day.

The inaugural international flight also carries NMIA's first global perishable export shipment, establishing the airport as a new gateway for high-value, time-sensitive cargo. The milestone is expected to improve international market access for Indian exporters while strengthening NMIA's growing cargo capabilities, said AAHL in a statement.

It added that as the airport expands its airline partnerships and destination network, it is poised to play an increasingly important role in strengthening Mumbai's aviation capacity while supporting India's growing international connectivity, trade and tourism.

India will be able to export 1.1 million tonnes of steel to the UK duty-free

The Comprehensive Economic and Trade Agreement (CETA) between India and the UK, which came into force on 15 July, will provide Indian steel exporters with duty-free access for volumes exceeding 1.1 million tonnes annually. This was reported by BigMint.
The new arrangement significantly increases India's individual quotas for key steel products and provides exclusive limits under the UK's Authorised Use Scheme (AUS). This will help mitigate the negative impact of the UK's protective measures. From 1 July 2026, the UK will restrict duty-free steel imports by reducing total quota volumes by 51%, which is less than the 60% proposed in March. Supplies exceeding these levels will be subject to a 50% tariff.

Under the provisional allocation of quotas for the period from July 2026 to June 2027, India's total quota for hot-rolled coil (HRC) has been reduced by approximately 6%. In particular, the specific quota for this category stood at just 12.4 thousand tonnes, raising concerns about the ability to increase supplies to the UK against the backdrop of a decline in its domestic production.

However, following protracted negotiations during the implementation of CETA, India secured a significant improvement in the terms. The updated duty-free access regime for over 1.1 million tonnes of steel per year includes:

- 168,000 tonnes under the country's individual quotas;
- 945,000 tonnes under an exclusive limit under the AUS scheme for further processing.

The greatest progress has been made in the hot-rolled coil category, where India's individual quota has almost tripled — from 12,4 thousand tonnes to 33,5 thousand tonnes. In addition, around 95% of India's exports of non-alloy wire were exempted from protective measures. The quota for non-alloy structural sections was increased almost tenfold (to 4,500 tonnes), and that for welded tubes to 16,300 tonnes.

In 2025, India increased its steel exports to the UK by 17% — to over 620,000 tonnes, accounting for around 9% of total UK imports. The new agreements eliminate the risk of supply restrictions and guarantee stability for Indian steelmakers.

As reported by GMK Center, India revising the tariff concessions under its free trade agreement with the UK if its steel exports were not exempted from the proposed British safeguard duties, which would have entailed a sharp reduction in duty-free import quotas and the introduction of a 50% duty on supplies exceeding the limits. (Source: GMK Centre)

India's Imports From China Reach $80 bn in First Half of 2026

India V/s China


The deficit has expanded significantly over a year even as India remains concerned over the import-

New Delhi: Spurred by merchandise imports and rising prices of petroleum and related products, India's trade deficit with China widened very significantly in June 2026 to $15.3 billion – a 430% jump over a one year period, reports the *Hindu*. India's exports to China rose 27.5% to $5.6 billion over this time.

India's trade deficit for the entire year (2026-27), will exceed last year's $116 bn, said the *Hindu*, based on the current figure of $67 bn. In the first half of 2026, India's imports from China touched a record $79.41 billion. At the same time, India’s exports to China have also registered strong growth, up by 37.2% to $12.31 billion in the first half of 2026-27.

The nature of India's exports to China continues to raise concerns as much as the quantum of the trade deficit. Last year, NITI Aayog CEO B.V.R. Subrahmanyam reportedly said, "If you are not able to sell much to China, it is pointless, because it’s an 18-trillion-dollar economy.”

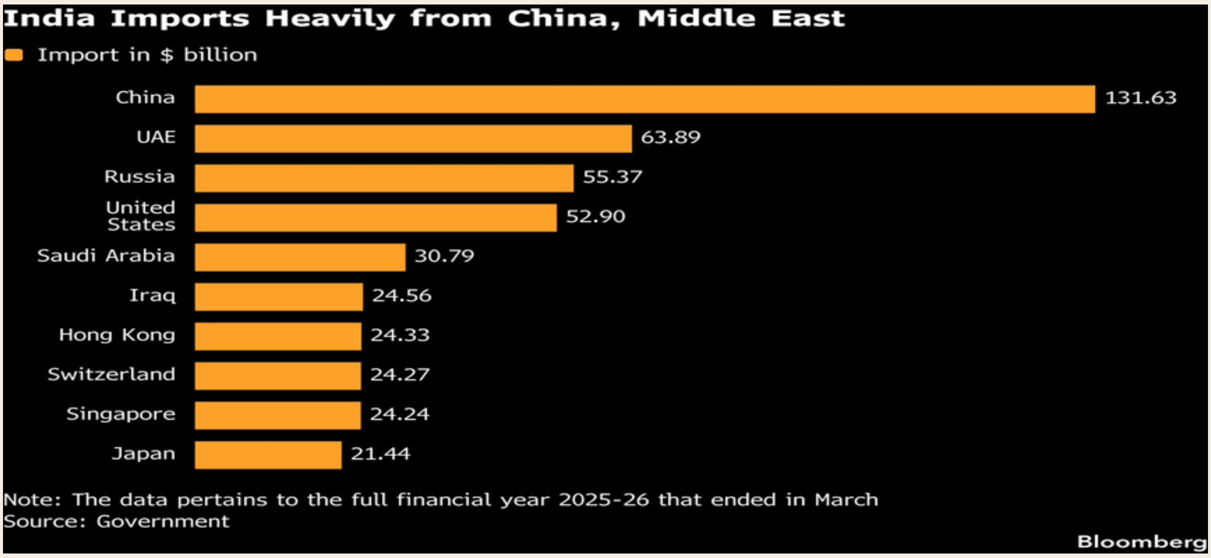
While his remarks advocate greater trade engagement with China ("widening basket of goods"), India later made significant policy changes to allow Chinese-backed investments in the domestic market after a long freeze.

In an apparent response to the concerns expressed in India, Chinese embassy spokesperson Yu Jing on X on Wednesday, July 14, wrote on X: "We welcome more premium Indian products into Chinese market, which is the world's second-largest importer with 500 million middle-class consumers." She added that "China has never deliberately pursued a trade surplus with India".

She wrote that India's imports from China were worth $30.8 billion between April and June 2026, the first quarter of the 2026-27 financial year.

On July 4, the *Hindu* reported India's ambassador to China Vikram Doraiswami as saying that India would like to "be able to" export more to China. "This is nothing unreasonable about suggesting that," he reportedly said. Doraiswami stressed on India's desire for imports from China to be such that value-addition could take place domestically.

"If it is pure consumption goods, that becomes a little harder to sell as a reasonable mechanism [explanation] for the deficit," Doariswami reportedly said at the World Peace Forum, an annual foreign policy forum in Beijing.



India has for long sought to boost exports to China of more value-added items, moving away from raw material and has made slow progress towards intermediary good.

Yu wrote on the topic: "China has never deliberately pursued a trade surplus with India." She stressed that the electronic components, machinery and intermediate goods exported from China "support" India's manufacturing expansion, job creation and industrial upgradation. According to commerce ministry data, China was India's largest trading partner in 2025-26.

In March last year, the situation vis-a-vis trade with China had similar concerns over the basket of goods. Jitin Prasada, minister of state for commerce and industry had informed Lok Sabha that the goods were mainly raw materials, intermediate goods and capital goods such as active pharmaceutical ingredients, auto components, electronic parts and assemblies, mobile phone parts, "which are used for making finished products which are also exported out of India".

He referred in the response to 'Make in India', 'Make in India 2.0', 'Atmanirbhar Bharat' and the Production Linked Incentive (PLI) scheme, all geared to promote domestic manufacturing since 2014, apart from schemes aimed at easing goods transportation and logistics services.

The PLI scheme has had a very modest impact, attracting roughly Rs 1.6 lakh crore across 14 sectors as per the government's own data by November 2025, which rose to Rs 2.16 lakh crore as per data shared in February 2026. The scheme was launched in 2020. The government provides cumulative figures for these investments.

Apart from cost and scale factors, Indian experts have pointed to non-trade barriers and other restrictions limiting exports to China. Of late, the Indian government has stressed on quality concerns and standards as well. Earlier this year, China restricted Indian exports of rice and chilli. China has also moved to restrict exports of rare earth minerals.

India has also imposed anti-dumping duties on certain categories of Chinese imports, such as plastic machines, hoping to stave off the impact of China's low-cost production.

US anti-dumping, countervailing duties hit Indian paprika exports

The duties come on top of the additional tariffs that the US is considering on Indian imports under Section 301 provisions The US Department of Commerce's decision to impose anti-dumping and countervailing duties on oleoresin paprika (red chilli extract) imports from India has left the spice export industry facing significant uncertainty.

According to industry sources, the action follows a petition filed by a US manufacturer with the US International Trade Commission (USITC), alleging that Indian exporters were selling oleoresin paprika at unfairly low prices, causing material injury to domestic producers.

The countervailing duty ranges from 18.56 per cent to 25.41 per cent and has been made applicable from February 2026, while anti-dumping duties ranging from 3.33 per cent to 4.66 per cent have been imposed retrospectively from June this year.

ASEAN, Africa lead India's export growth in first two months of FY27

ASEAN and Africa were the biggest drivers of India's export growth in the first two months of FY27, with exports to ASEAN surging 66.9% to $10.5 billion and shipments to Africa rising 53.1% to $9.6 billion, according to commerce ministry data. Together, the two regions contributed over $7.6 billion in additional exports during April-May.

New Delhi, Asean and African regions emerged as the biggest contributors to India's export growth during the first two months of the current fiscal, according to the commerce ministry data. During April-May 2026-27, exports rose 16.09 per cent year-on-year to USD 88.91 billion.

The data showed that the country's exports to Asean (Association of South East Asian nations) jumped 66.9 per cent to USD 10.5 billion from USD 6.3 billion a year ago, while shipments to Africa surged 53.1 per cent to USD 9.6 billion from USD 6.3 billion.

Together, these two regions have added over USD 7.6 billion in exports compared with the corresponding period of the previous fiscal, accounting for a significant share of India's overall export expansion.

Similarly, shipments to Latin America and the Caribbean (LAC) grew 12.5 per cent to USD 3 billion, Oceania (Australia and New Zealand) recorded a 29 per cent increase to USD 2.1 billion, and exports to the CIS (commonwealth of independent states) countries rose 7.7 per cent to USD 1.1 billion. CIS nations include Russia, Armenia, Belarus, and Kazakhstan.

Compiled by Dr.Sham Choughule through various sources for private circulation

Director

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(International Business, Tourism, and Maritime Transport)

Shamc2001@yahoo.co.in

Association for Global Economic Development-India

Corporate Office: A/111, Mittal Court, Nariman Point, Mumbai - 400 021.

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