

TARGET MAINS 2022

CURRENT AFFAIRS

**INTERNATIONAL
RELATIONS-2**

Topics to be discussed

1. ✓ India – UAE CEPA
 2. ✓ India – Australia ECTA
 3. ✓ India – Central Asia Summit
 4. ✓ I2U2 Summit
 5. ✓ Indo-Pacific Economic Framework
- FTA

1. India - UAE CEPA

West Asia
UAE
Saudi Arabia

1) Energy Security

2) Indian Diaspora → >10 million → 3 million - UAE → Workforce

3) Security + Counter-Terror

Barriers to Trade - FTA

Tariff - Taxes

Non-Tariff

Infra Connectivity
Visa

✓ RCEP → India
Quit

- In Feb 2022, India and UAE inked a trade pact, Comprehensive Economic Partnership Agreement (CEPA)

- With the aim of increasing bilateral merchandise trade to \$100 billion by 2030

Domestic Industry → India → Cheap Imports → 3rd Countries → ASEAN

- The last major FTA India signed was with Japan in 2011

UAE
Aus

Exports → Goods
Services

- The agreement is the first in a series of FTAs that India is pursuing to boost exports sharply to 1 trillion dollars each in merchandise and services by 2030. India is also pursuing FTAs with UK, Canada, Israel and the EU and has signed one recently with Australia.

1. India – UAE CEPA ✓

- Under the agreement, the UAE is set to eliminate duties on 80% of its tariff lines, which account for 90% of India's exports to the UAE by value. ✓
[Duty-Free Access]
- This will include leather, processed agriculture and dairy products, handicrafts, gems and jewellery, furniture, pharmaceuticals, food and beverages, engineering products and nearly the entire spectrum of items produced by the Indian economy. ✓
[Gems + Jewellery]
- Apart from the goods sector, it will also include the services sector. ✓

1. India – UAE CEPA

- The deal has strong anti-dumping measures integrated into it which will prevent any country from dumping its products into the Indian market by using the route of the UAE.

- It also has very strong rules of origin clauses that will disallow any country to export goods to India taking advantage of relaxed tariff on the Indian side.

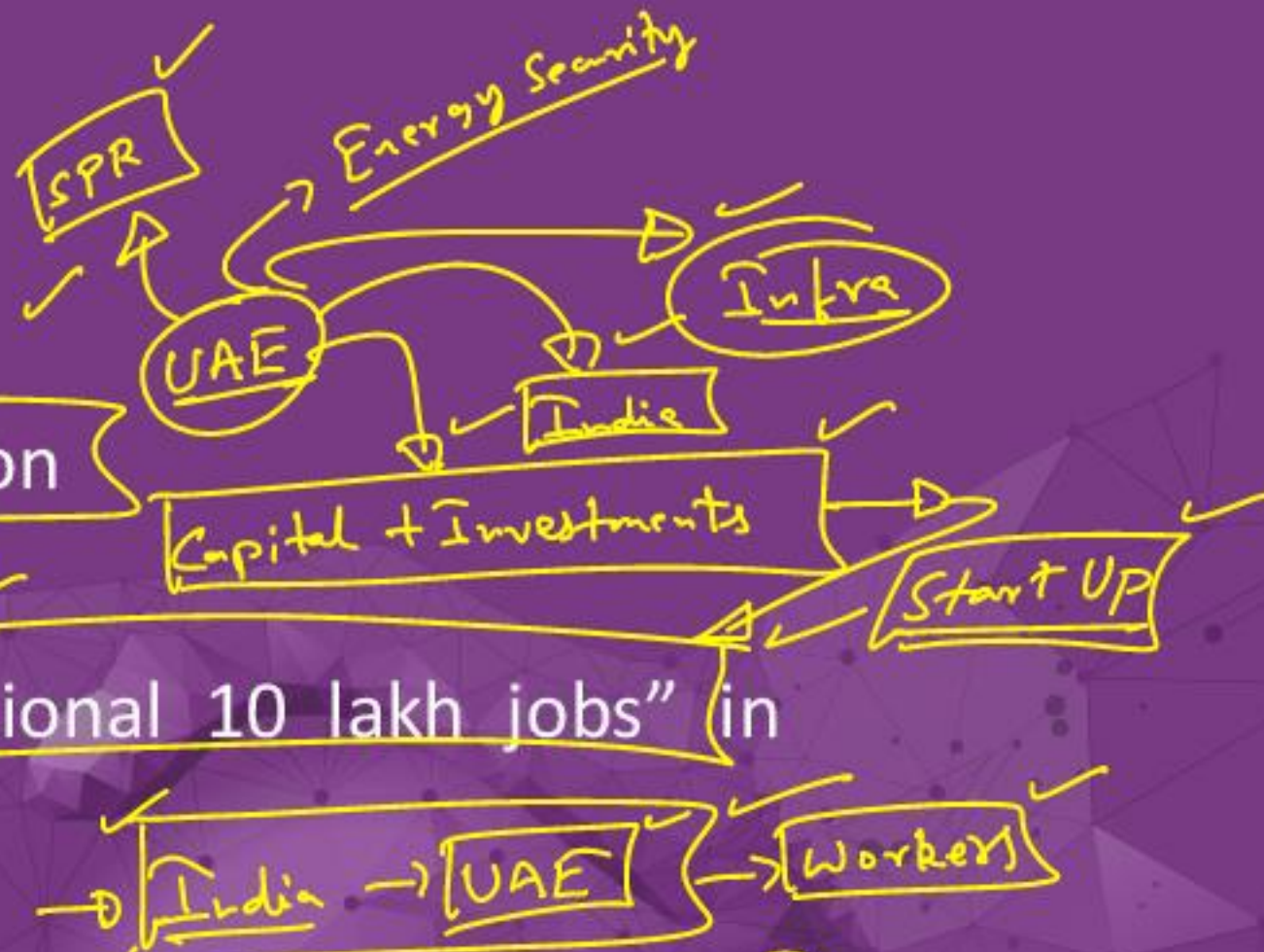
- India wants 40% value addition into a product from a third country before it could be exported to India through UAE.

Concerns → 3rd Country
ADD ✗

UAE → India
40% Value Addition

1. India – UAE CEPA

- Boost bilateral trade to \$100 billion
- Expected to generate "an additional 10 lakh jobs" in India.
- FTA will also increase remittances as Indian investments in UAE will bring Indian employees into the Gulf country.



1. India – UAE CEPA ✕

Expected Questions

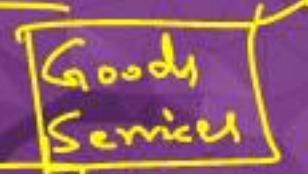
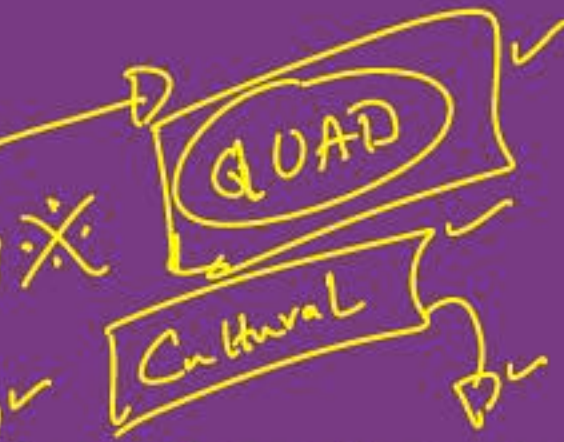
1. India and UAE share very strong economic and strategic relations. How will the signing of the Comprehensive Economic Partnership Agreement boost the relations? Examine.
2. India is increasingly become a key economic player in West Asia. Discuss with examples.

2. India – Australia ECTA

- In April 2022, India & Australia signed an Economic Cooperation and Trade Agreement (ECTA).

- It is expected to increase trade between the two sides to \$45-50 billion over five years, from the current estimate of \$27 billion, and create over 10 lakh additional job opportunities.

- Under this agreement, India will give 85% of Australia's exports zero-duty access to its domestic market. India is expected to get zero-duty access to Australia for its goods over five years.



2. India – Australia ECTA

- It has a section on goods exports, and lays out clearly “Rules of Origin” that are aimed at creating anti-dumping measures. ✕
- There are also sections that are aimed at providing remedies and mechanisms for resolving trade disputes. ✕
- This is the first trade deal signed by India that has a compulsory review mechanism after 15 years of implementation. ✕

2nd Country

Value Addition

WTO

2. India – Australia ECTA

- Australia will get the opportunity to export certain varieties of agricultural produce like potatoes, lentils, and meat products with some caveats. However, bovine meat is not part of the agreement. ✗



- Australia may also send machineries that are required for food processing under this agreement. ✓

- In a historic first, India may open up to a wide-range of alcoholic and non-alcoholic drinks including Australian beer & wine. ✓

India ✓

2. India – Australia ECTA

- Australia will provide 'preferential access' to "all the labour-intensive sectors" of export items from India such as gems and jewellery, textiles, leather, footwear, furniture, food, engineering products, medical devices and automobiles. ✓ India ✓ Jobs

- India will also allow Australia to export raw materials under preferential terms like coal and mineral ores. ✓

- Australia has "offered wide ranging commitments" for Indian services sector like IT, ITES, business services, health, education and audio-visual services. ✓

- Visa liberalisation for students & professionals. } People

2. India – Australia ECTA

Expected Questions

1. Evaluate the India – Australia FTA signed recently and examine which sectors would benefit the most in India.
2. After a long gap, India has signed a couple of important FTA's and is in the process of concluding few more. In this context, examine the pros and cons of signing FTA's with examples.

Intro

Body

Provisions

Sectors

3. India – Central Asia Summit ✕

- First India-Central Asia Summit held in virtual format in Jan, 2022.

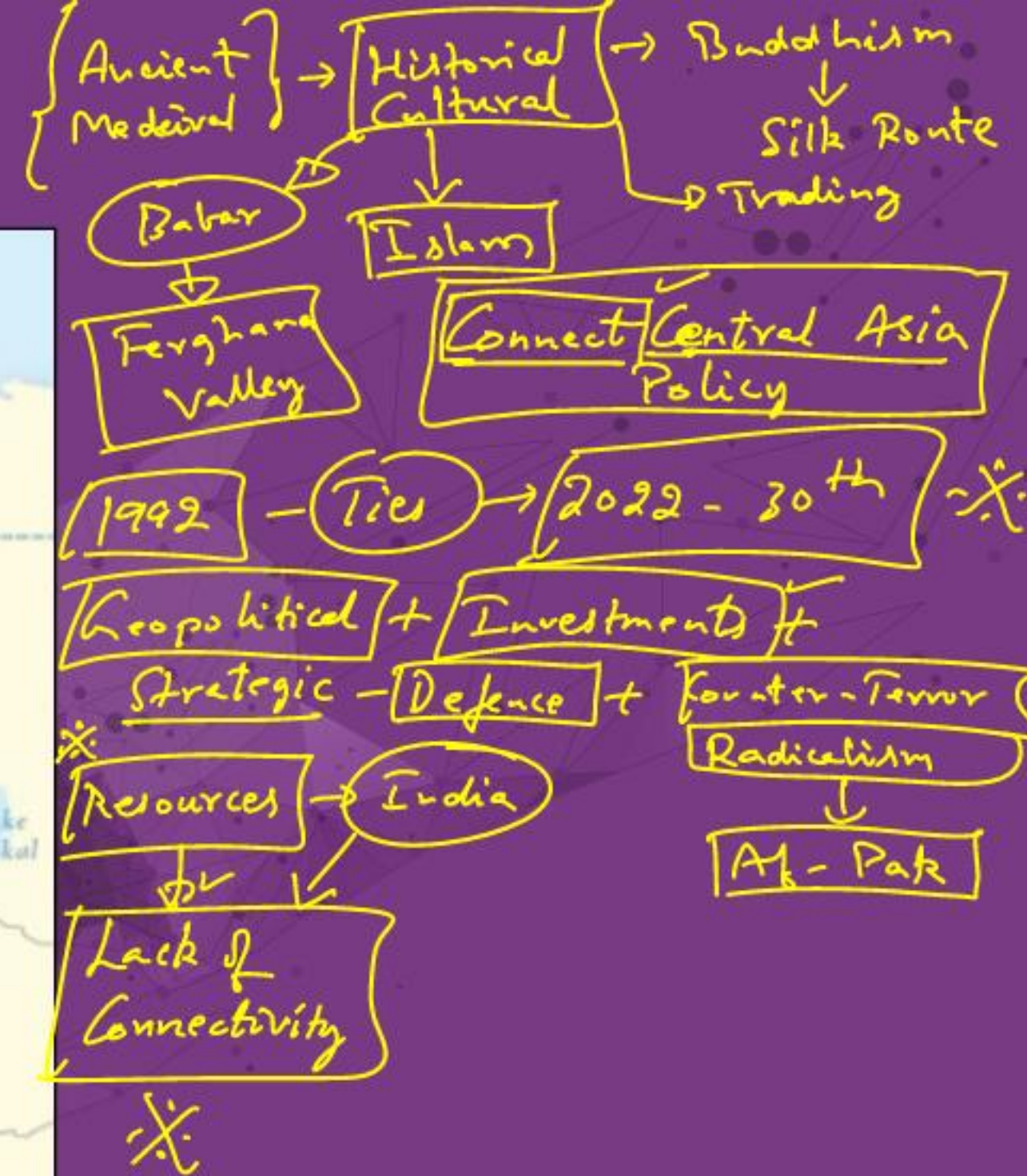


Republic Day

- Coincided with the 30th anniversary of establishment of diplomatic relations between India and Central Asian countries.

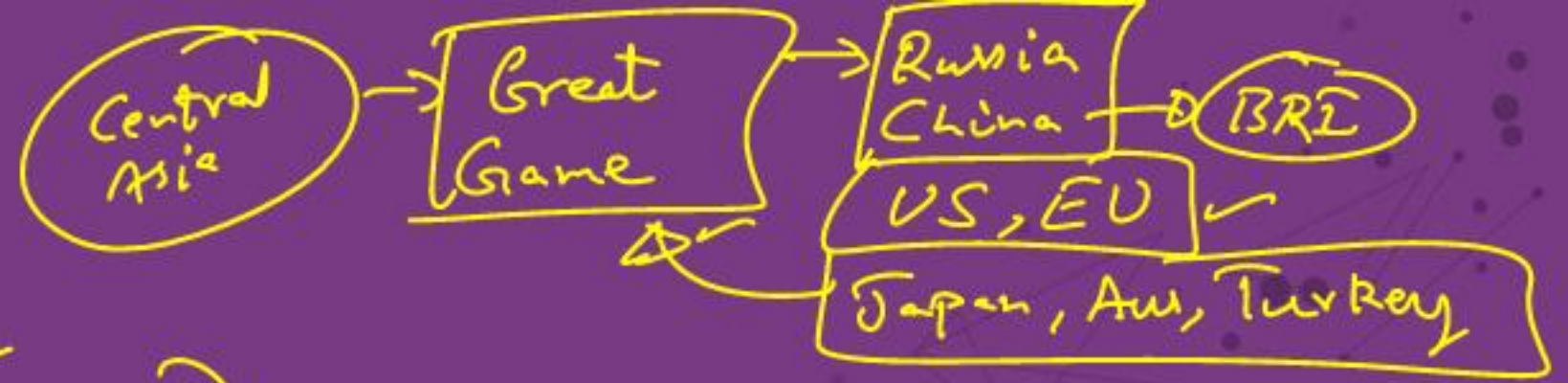
1992 ✕ India Central Asia

- Leaders agreed to institutionalize the Summit mechanism by deciding to hold it every 2 years. They also agreed on regular meetings of Foreign Ministers, Trade Ministers, Culture Ministers & NSA's.



3. India – Central Asia Summit

- An India-Central Asia Secretariat ^{HQ} in New Delhi would be set up to support the new mechanism.
- Further cooperation in areas of trade and connectivity, development cooperation, defence and security and, in particular, on cultural and people to people contacts ✂



3. India – Central Asia Summit

- Round-Table on Energy and Connectivity
- Joint Working Groups at senior official level on Afghanistan and use of Chabahar Port
- Showcasing of Buddhist exhibitions in Central Asian countries and commissioning of an India-Central Asia dictionary of common words
- Joint counter-terrorism exercises → Intel
- Visit of 100 member youth delegation annually from Central Asian countries to India and special courses for Central Asian diplomats.

3. India – Central Asia Summit

- Expected Questions

1. India's ties with Central Asia is rooted in close cultural relations and driven by the need for better connectivity. Analyse.
2. Examine India's interests in Central Asia and shed light on how India is trying to protect and promote these interests?

4. I2U2 Summit ✕

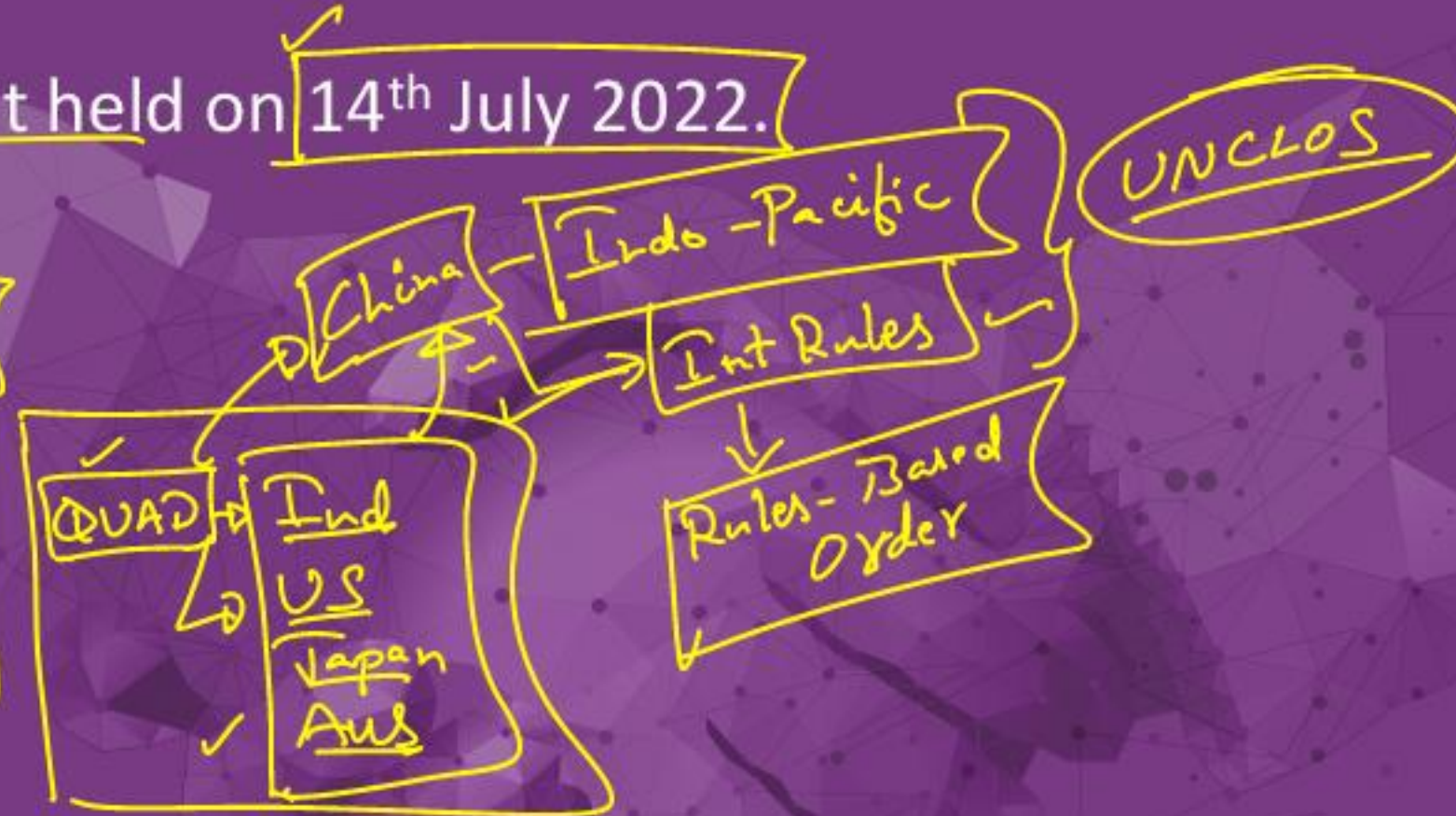
- First ever I2U2 Summit held on 14th July 2022.

I2 U2
India-Israel-UAE-USA

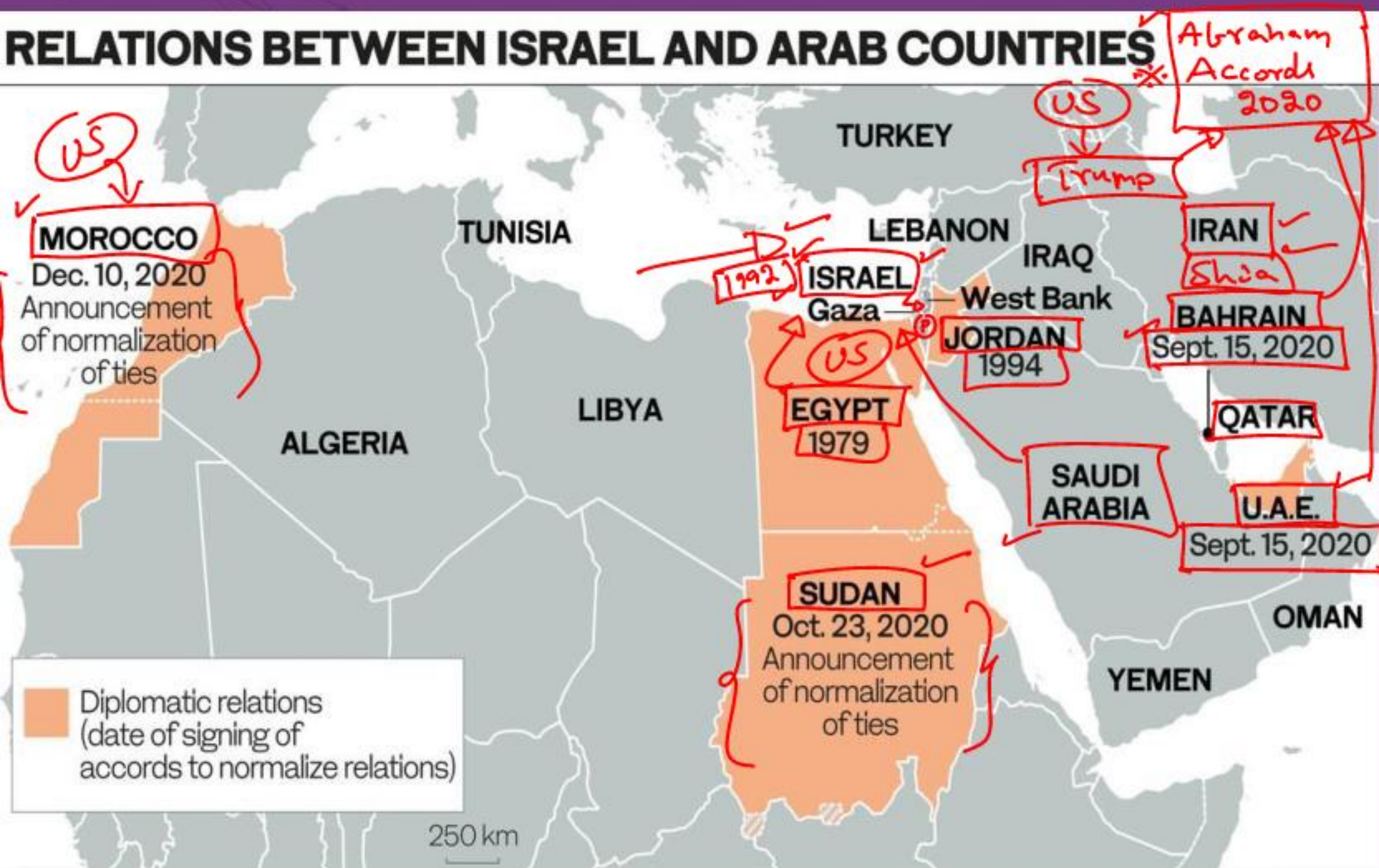
- ✕ West Asian QUAD

Economic
Co-op

China



RELATIONS BETWEEN ISRAEL AND ARAB COUNTRIES



Source: AFP

ARAB NEWS

4. I2U2 Summit

2021

FM

I2U2 – Strategic & Economic Opportunity

- Six areas of cooperation have been identified by the countries mutually and the aim is to encourage joint investments in water, energy, transportation, space, health, and food security.
- With the help of “private sector capital and expertise”, the countries will look to modernize infrastructure, explore low carbon development avenues for industries, improve public health, and promote the development of critical emerging and green technologies.

4. I2U2 Summit

China

Influence

Advantages for India

- India need not balance its relationship with the Arab states and Israel.
- Leverage UAE's capital & energy supplies, Israeli technology, American influence, market & technology.
- The I2U2 will help New Delhi deepen its politico-economic clout in West Asia.

4. I2U2 Summit

Expected Questions

1. I2U2 is being referred to as the West Asian QUAD. Do you agree? How does it deepen Indian influence in West Asia?
2. Abraham Accords have transformed West Asian geo-politics and India stands to gain from this. Critically evaluate.

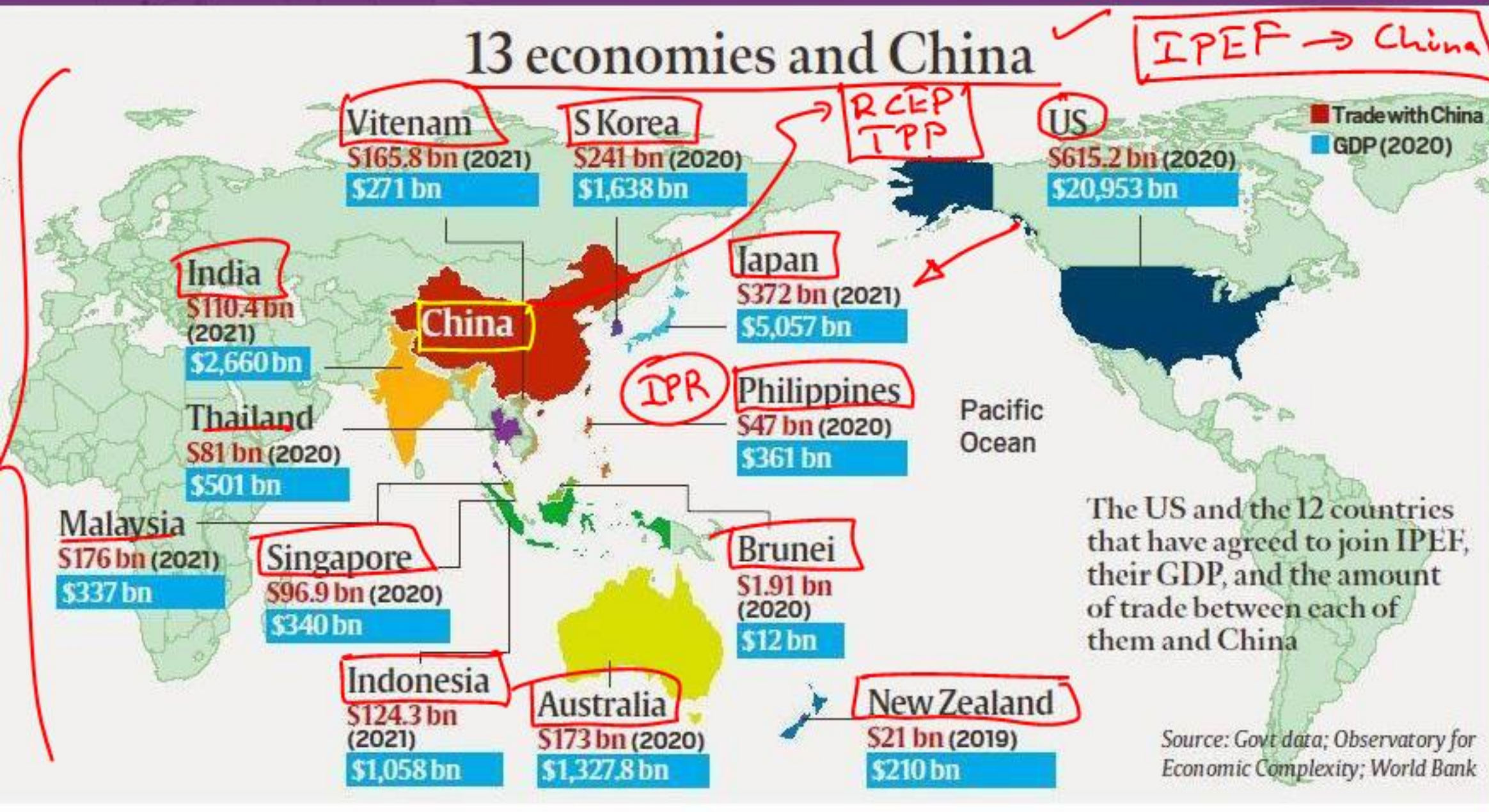
5. Indo-Pacific Economic Framework (IPEF)

- During the QUAD summit in May 2022 US → QUAD Summit launched the much discussed Indo-Pacific Economic Framework (IPEF).

- It has been joined by 12 other countries including India → IPEF

- It is Washington's answer to the Trans Pacific Partnership (TPP) and as well as the Regional Comprehensive Economic Partnership (RCEP)





5. Indo-Pacific Economic Framework (IPEF)

Not
FTA

- US v/s China - Indo-Pacific

US

4 Modules

- The IPEF is not a traditional trade agreement. Rather, it would include different modules covering "fair and resilient trade, supply chain resilience, infrastructure and decarbonization, and tax and anti-corruption".

IPEF

- Countries would have to sign up to all of the components within a module, but do not have to participate in all modules.

5. Indo-Pacific Economic Framework (IPEF) ✱

Expected Questions

1. Indo-Pacific Economic Framework (IPEF) offers a great opportunity for the economic prospects of the region. Illustrate.