

**CUTS Dossier on Preferential Trade Agreements**  
**October-December 2015**  
**(Vol. IX, No. 4)**

*(For all previous issues of PTA Dossiers, please visit:  
<http://www.cuts-citee.org/PTADossier.htm>)*

**Contents**

1. Singapore concludes free trade negotiations with Turkey .....	1
2. Brazil Pushes for New EU-Mercosur Trade Agreement.....	5
3. South Korea ratifies free trade agreement with China.....	8

**1. Singapore concludes free trade negotiations with Turkey**

Turkey and Singapore have concluded negotiations for the Turkey-Singapore Free Trade Agreement (TRSFTA). Minister for Trade and Industry (Trade) Lim Hng Kiang, who is in Istanbul for the Trade Ministers Meeting (TMM), attended a meeting with Turkey's Minister of Economy Nihat Zeybekci to discuss the signing of the agreement. MTI said that the agreement will enter into force as soon as possible after the signing in November 2015... In a statement, MTI said: Singapore and Turkey businesses can look forward to a high quality FTA that will help to reduce barriers to trade and investment, as well as promote greater connectivity and flow between businesses and people. Minister Lim also said that the FTA would create more business and investment opportunities for Singapore and Turkish companies. The TRSFTA will be Turkey's first comprehensive FTA in a single undertaking.

*(<http://business.asiaone.com/news/singapore-concludes-free-trade-negotiations-turkey>)*

**CUTS Comments**

Turkey-Singapore Free Trade Agreement (TRSFTA) will be a comprehensive trade agreement covering a wide range of areas, including trade in goods, trade in services, investment, government procurement, and other areas such as intellectual property rights, e-commerce, competition and transparency. This new equation is likely to have some impact on the export basket of India. Our research based on ITC database and TradeSift software shows that the presence of India and Turkey in Singapore's market and that of India and Singapore in Turkey's market are in a relatively moderate number of products. However, this FTA may affect India's export interest in sectors like electronics, machinery, nuclear reactors, boilers and pearls, precious stones, metals products.

Trade statistics reveal that in 2014 total value of India's export to Singapore was approximately US\$ 9.7 billion. In the same year, total value of Turkey's export to Singapore was approximately US\$ 370.6 million. Thus, in terms of the value of total export, India is enjoying a significant advantage in Singapore's market vis-à-vis that of Turkey.

As shown in Table 1.1, India and Turkey are competing in five product segments (among their top 10 export to Singapore) such as mineral fuels, oils, distillation products; ships, boats and other floating structures; pearls, precious stones, metals, coins, etc.; machinery, nuclear reactors, boilers, etc.; and electrical, electronic equipment. Currently, India is better positioned than Turkey in these products but this FTA may affect India's export interest in these markets.

Furthermore, in the competing product segments, annual growth rate of export items of India during 2010-14 was not that favorable than that of Turkey. On the other hand, there are products like nickel and articles thereof; aircraft, spacecraft, and parts thereof; organic chemicals; optical, photo, technical, medical apparatus, etc.; and cereals, where, as compared to Turkey, India is likely to remain a leading player in Singapore's market.

<b>India's Export to Singapore (Export in 2014: US\$ 9676.62mn)</b>		<b>Turkey's Export to Singapore (Export in 2014: US\$ 370.62mn)</b>		
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
5009.5	0	Mineral fuels, oils, distillation products	115.0	-21
1046.9	0	Ships, boats and other floating structures	39.0	-38
517.9	808	Nickel and articles thereof	...	...
499.7	2	Pearls, precious stones, metals, coins, etc.	53.1	74
441.3	4	Machinery, nuclear reactors, boilers, etc.	18.7	17
345.0	28	Aircraft, spacecraft, and parts thereof	...	...
262.5	3	Organic chemicals	...	...
220.6	-9	Electrical, electronic equipment	19.7	10
159.1	-7	Optical, photo, technical, medical, apparatus, etc.	...	...
106.7	53	Cereals	...	...
		Iron and steel	15.6	-51
		Pharmaceutical products	14.4	19
		Stone, plaster, cement, asbestos, mica articles, etc.	9.2	10
		Rubber and articles thereof	7.9	2
		Edible fruit, nuts, peel of citrus fruit, melons	7.0	32
8609.20 (89%)		<b>Top 10 Products (percentage of total export)</b>	299.60 (81%)	

*Source: International Trade Centre Database*

In 2014, India's export to Turkey was valued at approximately US\$ 5.6 billion and Singapore's export to Turkey was approximately US\$ 554 million. Following this FTA it is expected that India's export to Turkey may get affected in a large number of product segments. Though Singapore's export similarity and complementarity are moderate (see Table 1.3), trade diversion in favour of Singapore as well as Turkey may not be ruled out.

India is the 10<sup>th</sup> and 12<sup>th</sup> largest importing sources for Turkey and Singapore, respectively. Products like mineral fuels, oils, distillation products; vehicles other than railway, tramway; machinery, nuclear reactors, boilers; manmade filaments; plastics and articles thereof; organic chemicals; aircraft, spacecraft, and parts thereof; cereals; and manmade staple fibres are major export items from India to Turkey. If we compare the data shown in Table 1.2, India and Singapore compete with each other in five of these products.

Additionally, if we look at the export growth trend of these products during 2010 to 2014, it indicates that in most of these items India is relatively better positioned. However, in order to strengthen its position in these markets, India requires necessary measures to maintain and increase its trade competitiveness in these products.

<b>Table 1.2</b>				
<b>India's Export to Turkey (Export in 2014: US\$ 5603.10mn)</b>			<b>Singapore's Export to Turkey (Exports in 2014: US\$ 554.02mn)</b>	
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
1545.1	49	Mineral fuels, oils, distillation products, etc.	...	...
579.5	24	Vehicles other than railway, tramway	...	...
362.2	45	Machinery, nuclear reactors, boilers,	90.0	16
337.0	39	Manmade filaments	16.4	37
287.7	11	Plastics and articles thereof	53.4	9
236.2	4	Organic chemicals	32.9	70
209.7	500	Aircraft, spacecraft, and parts thereof	16.9	24
208.7	191	Cereals	...	...
206.3	3	Manmade staple fibres	...	...
204.3	29	Tanning, dyeing extracts, tannins, derivs, pigments, etc.	...	...
		Electrical, electronic equipment	74.2	6
		Commodities not elsewhere specified	73.5	-7
		Optical, photo, technical, medical apparatus, etc.	31.2	49
		Tin and articles thereof	30.6	21
		Articles of iron or steel	22.5	58
4176.70 (75%)		<b>Top 10 Products (percentage of total export)</b>	441.60 (80%)	

Source: International Trade Centre Database

Given this composition of trade between the three countries, a quick simulation using Degrees of Similarity in Export Structures (Finger-Kreinin Index) and Relative Export Competitive Pressure Index can give an indication of competitive strengths and weaknesses with direct competitors in respective market.

The Finger-Kreinin Index (FKI) measures how similar two sets of countries are in respect to their trade in a destination country. It is used to compare the similarity between either the structure of a country's import or export with any two partner countries so as to see how similar a country's export pattern is to its import pattern, whether geographically or by product or to compare the structure of production in two different countries. It explains how similar the import of a given product is from two different suppliers. It is useful to measure overall similarity of export of two countries and, therefore, their degree of competitiveness/complementarity either with respect to a particular market or with respect to trade with the rest of the world. If  $FK=1$  then export structures would be exactly similar and if  $FK=0$  there would be no similarity.

The Relative Export Competitive Pressure Index (RECPI) calculates the average degree of competition that country X faces in country Y's market from country Z. It takes into account both the structure and level of competing countries' trade. Country X will be interested in the value of country Z's export to country Y, and also to the extent to which country Z's export is in direct competition with country X's export. A low RECPI explains less competition between the competitors.

The FKI in Table 1.3A varies between 0.37 and 0.40 and shows no tendency to increase over the years indicating stability in similarity of export of India and Turkey to Singapore. This means that while at the aggregate level India and Turkey are competing in Singapore's market, this competition is stable. On the other hand, the level of export similarity between India and Singapore in Turkey's market was low (Table 1.3B).

Similar to the results of the Finger-Kreinin Index, Table 1.3C shows that during 2010 to 2014 the RECPI of India with Singapore were low, indicating stable competition between India and Turkey in Singapore's market. On the other hand, India's RECPI with Turkey is low and stable, indicating that the level of competition is also low between India and Singapore in Turkey's market (Table 1.3D).

<b>Table 1.3: FKI and RECPI among India-Singapore-Turkey (2010-14)</b>											
<b>A. India's FKI with Singapore</b>						<b>B. India's FKI with Turkey</b>					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Turkey	0.37	0.34	0.28	0.36	0.40	Singapore	0.06	0.04	0.07	0.08	0.05
<b>C. India's RECPI with Singapore</b>						<b>D. India's RECPI with Turkey</b>					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Turkey	0.07	0.03	0.02	0.02	0.03	Singapore	0.01	0.00	0.00	0.01	0.00

*Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software*

### **Food for Thought**

*As a result of this FTA, a wide range of products of Singapore and Turkey will receive reciprocal preferential treatment in their respective market. India and Turkey do not have a bilateral trade agreement. On the other hand, India has a comprehensive FTA with Singapore. In the wake of expected changes in trade in goods, services as well as in investment relationship among India, Singapore and Turkey, India should put more emphasis in strengthening its supply chain with Singapore.*

## 2. Brazil Pushes for New EU-MERCOSUR Trade Agreement

A bilateral commercial agreement between Mercosur partners and the European Union is a priority for Brazil and could be signed by 2016. Brazil is repositioning its commercial policies. Brazil has launched the National Export Plan, which has as one of its objectives to include the country in the international network of trade and investment agreements, said Monteiro during a conference in São Paulo with members of European trade chambers. According to data from the European Commission the EU is Mercosur's largest trading partner. In 2013 it accounted for twenty percent of Mercosur's total trade. EU-Mercosur trade in 2013 was €\$110 billion. Mercosur's biggest exports to the EU are agricultural products (approximately 43 percent of total exports) and raw materials, while the EU exports mostly manufactured products such as machinery and transport equipment, and chemical to Mercosur members. The EU is also the biggest foreign investor in the region. The latest data by the European Commission registers that in 2012 foreign direct investments by EU members to Mercosur partners surpassed €\$280 billion in 2012 compared to €\$130 billion in 2000.

*(<http://riotimesonline.com/brazil-news/rio-business/eu-mercosur-close-to-signing-trade-agreement/>)*

### CUTS Comments

The new trade agreement between EU and MERCOSUR is likely to have some impact on India's export. Currently, India and EU are in deep competition (see Table 2.1). Trade statistics reveal that in 2014 total value of India's export to MERCOSUR was approximately US\$ 8.2 billion, whereas that of the EU to MERCOSUR was approximately US\$ 67.7 billion. This shows that at the moment the EU is better positioned in MERCOSUR's market.

As shown in Table 2.1, India and the EU are competing in some product segments (in their top 10 exports) such as mineral fuels, oils, distillation products, etc.; organic chemicals; vehicles other than railway, tramway; miscellaneous chemical products; pharmaceutical products; machinery, nuclear reactors, boilers; and electrical, electronic equipment. However, in most of these competing product segments, the annual export growth of India during 2009-2014 was greater than that of the EU. The new trade equation may change the growth momentum in favour of the EU and further strengthen its position in these product segments.

Table 2.1				
India's Export to MERCOSUR (Export in 2014: US\$ 8194.93mn)			EU's Export to MERCOSUR (Export in 2014: US\$ 67704.50mn)	
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
4300.8	36	Mineral fuels, oils, distillation products, etc.	2712.4	8.7
447.7	10	Organic chemicals	3169.3	0.8
391.7	30	Vehicles other than railway, tramway	6175.6	-1.4
388.7	28	Miscellaneous chemical products	2365.4	12.1
365.1	37	Pharmaceutical products	6250.9	8.8
272.2	2	Machinery, nuclear reactors, boilers	15699.3	5.2
257.9	6	Manmade filaments	...	...
178.3	51	Articles of apparel, accessories, not knit or crochet	...	...
177.9	13	Electrical, electronic equipment	5555.2	0.4
174.1	25	Tanning, dyeing extracts, tannins, derivs, pigments, etc.	...	...
		Optical, photo, technical, medical, etc apparatus	3117.2	6.0
		Plastics and articles thereof	2307.0	5.1
		Aircraft, spacecraft, and parts thereof	2246.7	2.8
6954.40 (85%)		<b>Top 10 Products (percentage of total export)</b>	49599.00 (73%)	

Source: International Trade Centre Database

At the same time, in 2014, India's export to the EU was valued at approximately US\$ 51.6 billion, whereas that of MERCOSUR to the EU was approximately US\$ 58.9 billion. It is expected that India's export interest may get further affected as a result of this agreement.

In 2014, India was the 12<sup>th</sup> largest source of import for MERCOSUR and 24<sup>th</sup> largest source of import for the EU. Products like mineral fuels, oils, distillation products; pearls, precious stones, metals, coins; articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; organic chemicals; machinery, nuclear reactors, boilers; vehicles other than railway, tramway; electrical, electronic equipment; articles of iron or steel; and footwear, gaiters and the like, parts thereof are major exports from India to the EU.

If we compare the data from Table 2.2, India and MERCOSUR are competing in products such as mineral fuels, oils, distillation products and machinery, nuclear reactors, boilers. However, at present the competition between India and MERCOSUR in the EU's market is very low.

It was also observed that in products like pearls, precious stones, metals, coins; articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; organic chemicals; electrical, electronic equipment; articles of iron or steel; and footwear, gaiters and the like, parts thereof, India has an edge over MERCOSUR. Because of this advantage, it has the potential to improve its overall position in the EU's market.

<b>India's Export to EU 28</b> (Exports in 2014: US\$ 51569.53mn)		<b>MERCOSUR's Exports to EU 28</b> (Export in 2014: US\$ 58908.00mn)		
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
4972.4	-4	Mineral fuels, oils, distillation products	6883.5	35.6
3767.8	13	Pearls, precious stones, metals, coins	...	...
3479.3	7	Articles of apparel, accessories, not knit or crochet	...	...
3309.8	14	Articles of apparel, accessories, knit or crochet	...	...
3202.4	14	Organic chemicals	...	...
2762.8	14	Machinery, nuclear reactors, boilers	2302.6	2.5
2259.8	-1	Vehicles other than railway, tramway	...	...
2129.3	-6	Electrical, electronic equipment	...	...
1899.6	17	Articles of iron or steel	...	...
1889.7	11	Footwear, gaiters and the like, parts thereof	...	...
		Residues, wastes of food industry, animal fodder	9102.4	5.4
		Ores, slag and ash	6492.6	-3.5
		Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	4115.7	3.9
		Coffee, tea, mate and spices	3525.1	4.6
		Meat and edible meat offal	2368.8	0.5
		Pulp of wood, fibrous cellulosic material, waste, etc.	2082.0	-1.6
		Iron and steel	1952.3	6.0
		Vegetable, fruit, nut, food preparations, etc.	1587.3	0.3
29672.90 (58%)		<b>Top 10 Products</b> (percentage of total export)	40412.30 (69%)	

*Source: International Trade Centre Database*

The FKI in Table 2.3A varies between 0.21 and 0.24, indicating stable similarity of exports of India and the EU to MERCOSUR than that of India and MERCOSUR to the EU market. This means that at the aggregate level similarity of India and the EU's exports to MERCOSUR is, to some extent, more similar than that of India and MERCOSUR in the EU's market.

Similar to the results of the Finger-Kreinin Index, Table 2.3C shows that during 2010-2014 the RECI of India with MERCOSUR were moderate indicating that the degree of competition between India and the EU in MERCOSUR's market is increasing but there is no clear indication whether India and MERCOSUR are in competition in the EU's market (Table 2.2).



Table 2.3: FKI and RECPI among India-MERCOSUR-EU 28 (2010-14)											
A. India's FKI with MERCOSUR						B. India's FKI with EU 28					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
EU 28	0.21	0.19	0.21	0.24	0.22	MERCOSUR	0.13	0.13	0.14	0.15	0.14
C. India's RECPI with MERCOSUR						D. India's RECPI with EU 28					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
EU 28	0.95	0.47	0.44	0.68	0.28	MERCOSUR	0.09	0.13	0.27	0.24	0.29

*Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software*

### **Food for Thought**

*India is yet to conclude its bilateral trade and investment agreement with the EU. On the other hand, India and MERCOSUR are connected with each other through a preferential trade agreement. India should put more emphasis on strengthening its supply chain with the EU markets as well as fast tracking its negotiation with the EU. On the other hand, India may consider converting its PTA with MERCOSUR to a comprehensive FTA as the EU may replace some of India's exports to MERCOSUR markets once the EU-MERCOSUR FTA gets operationalised.*

### **3. South Korea ratifies free trade agreement with China**

South Korea's National Assembly approved on 30th November 2015 a long-stalled free trade agreement with China, Korea's largest trading partner that has a market with a population of 1.3 billion...The pact was approved with a 1.6 trillion won (\$1.38 billion) compensation package, which includes tax breaks and subsidies for the country's farmers and fishermen for expected losses. Once put into effect, the free trade deal will eliminate tariffs on \$73 billion in Korea's exports to China and \$42 billion in its imports from China. The Korea-China FTA, expected to eventually eliminate tariffs on about 90 percent of goods traded between the two countries, was finalized in November 2014. China and Korea officially signed the deal on June 1, and it will enter into force once the legislatures on both sides approve it...The plan to create a cooperation fund of 1 trillion won centered on the idea that private companies, public enterprises and agricultural and fisheries cooperatives will voluntarily offer 100 billion won in annual contributions for the next 10 years to support farmers and fishermen.

*(<http://atimes.com/2015/11/south-korean-assembly-ratifies-fta-with-china-after-long-delay/>)*

### **CUTS Comments**

This FTA between South Korea and China is likely to have moderate to high impact on India's export basket. Both South Korea and China are expected to substantially reduce their tariff on 90 per cent of products traded between them. Though at present competition is moderately affecting India the situation may change in favour of South Korea and China in the long-run. Trade statistics reveal that in 2014 total value of India's export to South Korea was approximately US\$ 4.8 billion. In the same year, the value of China's export to South Korea was approximately US\$ 100.3 billion.



As shown in Table 3.1, India and China are competing in six product segments (in their top 10 exports) such as mineral fuels, oils, distillation products; iron and steel; organic chemicals; machinery, nuclear reactors, boilers; electrical, electronic equipment and optical, photo, technical, medical apparatus, etc.

In most of the competing product segments the annual growth of export of India during 2010-2014 was higher than that of China. This is on account of India-South Korea Comprehensive Economic Partnership Agreement. There are products like aluminium and articles thereof; residues, wastes of food industry, animal fodder; cotton; and oil seed, oleagic fruits, grain, seed, fruit, etc., nes, where, as compared to China, India is likely to remain a leading player in South Korea's market.

<b>India's Export to South Korea (Export in 2014: US\$ 4794.90mn)</b>		<b>China's Export to South Korea (Export in 2014: US\$ 100334.60mn)</b>		
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
1655.8	-1	Mineral fuels, oils, distillation products, etc.	2122.2	0
505.2	21	Aluminium and articles thereof	...	...
411.9	6	Iron and steel	8338.9	4
300.7	4	Organic chemicals	2511.9	4
220.8	26	Residues, wastes of food industry, animal fodder	...	...
219.9	-7	Cotton		
129.2	10	Machinery, nuclear reactors, boilers	9074.0	1
116.3	18	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	...	...
80.6	23	Electrical, electronic equipment	36971.0	17
76.7	52	Optical, photo, technical, medical, etc apparatus	4110.9	6
		Articles of iron or steel	2817.5	1
		Articles of apparel, accessories, knit or crochet	2460.3	16
		Articles of apparel, accessories, not knit or crochet	2347.8	11
		Furniture, lighting, signs, prefabricated buildings	1946.0	23
3717.10 (78%)		<b>Top 10 Products (percentage of total export)</b>	72700.50 (72%)	

*Source: International Trade Centre Database*

In 2014, India's export to China was valued at approximately US\$ 13.4 billion, whereas that of South Korea to China was approximately US\$ 145.3 billion. India is the 22<sup>nd</sup> and 28<sup>th</sup> largest import source for South Korea and China, respectively. As shown in Table 3.2, India and South Korea are competing in six product segments (in their top 10 exports) such as copper and articles thereof; mineral fuels, oils, distillation products, etc.; organic chemicals; machinery, nuclear reactors, boilers; plastics and articles thereof; and electrical, electronic equipment. Currently, South Korea is better positioned than India in these product segments.

It was also observed that in products like cotton; ores, slag and ash; salt, sulphur, earth, stone, plaster, lime and cement; and aircraft, spacecraft, and parts thereof, India has an edge over South Korea. Because of this advantage, it has the potential to improve its overall position in China's market.

<b>India's Export to China</b> (Exports in 2014: US\$ 13434.25mn)			<b>South Korea's Export to China</b> (Exports in 2014: US\$ 145327.70mn)	
Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$mn)	Annual Average Growth (2010-2014, %)
2808.9	12	Cotton	...	...
2104.8	-10	Copper and articles thereof	1617.6	-5
1605.5	24	Mineral fuels, oils, distillation products, etc.	7803.5	-1
956.7	7	Organic chemicals	13551.9	10
782.1	-40	Ores, slag and ash	...	...
659.9	21	Salt, sulphur, earth, stone, plaster, lime and cement	...	...
523.0	17	Machinery, nuclear reactors, boilers,	14758.8	-1
405.5	3	Plastics and articles thereof	10381.2	4
325.4	145	Aircraft, spacecraft, and parts thereof	...	...
311.5	8	Electrical, electronic equipment	51182.1	13
		Optical, photo, technical, medical apparatus, etc.	20351.3	-1
		Vehicles other than railway, tramway	7435.6	8
		Iron and steel	3906.6	-1
		Inorganic chemicals, precious metal compound, isotopes	1121.3	-2
10483.30 (78%)		<b>Top 10 Products</b> (percentage of total exports)	132109.90 (91%)	

*Source: International Trade Centre Database*

There was moderate similarity of export from India and China to South Korea. The FKI in Table 3.3A varied between 0.09 and 0.12. This means at the aggregate level India and China's exports are, to some extent, similar and is increasing. On the other hand, the level of export similarity between India and South Korea in China's market is also increasing.

Furthermore, the RECPIs between India and South Korea and that between India and China indicate that export competitiveness was moderate to high for India in South Korea's market and it is similar in China's market (see Table 3.3C and D).

<b>A. India's FKI with Korea</b>						<b>B. India's FKI with China</b>					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
China	0.09	0.11	0.11	0.12	0.12	Korea	0.08	0.16	0.10	0.12	0.13
<b>C. India's RECPI with Korea</b>						<b>D. India's RECPI with China</b>					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
China	0.38	0.24	0.47	1.13	1.02	Korea	0.08	0.49	0.27	0.43	0.95

*Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software*

### **Food for Thought**

*From India's interest, trade potential is high and relatively untapped, which calls for a more positive engagement in both these markets. As a result of this FTA, a wide range of products from South Korea and China will receive preferential treatment in their respective market. In the wake of expected changes in trade in goods, services as well as in investment relationship among India, China and South Korea, India should put more emphasis in concluding the Regional Comprehensive Economic Partnership agreement, where all there are parties to, with a comprehensive coverage of goods, services and investment areas of its interest.*