

ECONOMIQUITY

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MC14 Blues: When a Turning Point Turned into a Pause

The global trading system is at a precarious crossroads. Recent developments at the World Trade Organization and beyond underline a deepening fragmentation in trade governance, even as national economies grapple with rising uncertainty.

The failure of the WTO 14th Ministerial Conference to deliver a consensus or a reform roadmap is emblematic of this drift. The lapse of key moratoriums, particularly on e-commerce, and the growing reliance on plurilateral arrangements signal a shift away from universal rulemaking toward selective coalitions. This weakens the multilateral core and risks institutional irrelevance. While India's upcoming Trade Policy Review reflects its growing integration into global trade, the broader system it operates within is clearly under strain.

Simultaneously, geopolitical tensions are reshaping trade flows. The Middle East crisis has disrupted logistics, driven up oil prices, and exposed India's structural vulnerability as a major energy importer. The resulting pressure on the rupee, inflation, and fiscal balances highlights the macroeconomic risks of external dependence. Comparisons with China's proactive energy strategy only sharpen concerns about India's policy execution gaps.

Trade policy responses, both globally and domestically, reveal a turn toward pragmatism. The United States' proposed tariffs on pharmaceutical imports reflect a resurgence of unilateralism, though India's generic drug exports may remain relatively insulated. Ongoing India-US engagement, including talks between Vikram Misri and Marco Rubio, signals efforts to deepen cooperation on trade, defence, and critical minerals amid broader regional tensions.

Yet, resilience is uneven. Falling exports amid West Asian instability, volatile edible oil imports, and a weakening currency underscore persistent fragility. At the same time, strong growth in defence exports points to emerging strengths in niche sectors, suggesting that targeted industrial strategies can yield results.

The road ahead demands sharper, more targeted choices. At the multilateral level, India must move beyond defensive postures and actively shape the evolving trade architecture, whether by setting terms for plurilateral agreements at the World Trade Organization or building coalitions on digital trade and supply chains. Bilaterally, deepening strategic economic ties such as the ongoing engagement with the United States will be crucial to secure market access, technology flows, and critical minerals.

Equally, domestic credibility will hinge on execution. Energy vulnerability, export volatility, and policy delays are no longer abstract risks but immediate constraints. Without faster implementation and sector-specific strategies, India risks being reactive in a system increasingly defined by speed and alignment.

International Trade

1.	<p><i>WTO likely to release India's trade policy review report in July</i></p> <p>Businessline</p> <p>April 14, 2026</p>	<p>India's World Trade Organization Trade Policy Review report is underway and expected in July, with inputs from both the government and WTO Secretariat. Reviews occur periodically based on trade share. The process enhances transparency. India's global trade presence has grown significantly, with rising shares in merchandise and services exports since 2005.</p>
2.	<p><i>The World Trade Organization is flailing</i></p> <p>The Hindu</p> <p>April 06, 2026</p>	<p>The WTO 14th Ministerial Conference exposed deep crises in trade multilateralism, failing to deliver consensus or reform direction. Key moratoriums lapsed, plurilateral efforts stalled, and dispute settlement remains unresolved. Rising unilateralism and fragmented rule-making threaten the WTO's relevance, underscoring the urgent need for institutional reform and stronger leadership from members like India.</p>
3.	<p><i>China insulated itself against energy shocks. India is 'all talk, no walk'</i></p> <p>The print</p> <p>April 04, 2026</p>	<p>China has reduced its vulnerability to global energy shocks through long-term investment in coal gasification, energy security, and industrial planning. In contrast, India has relied heavily on imports and policy announcements without execution, exposing its energy and fertiliser vulnerabilities</p>
4.	<p><i>Trump's 100% pharma tariff raises global concerns, but Indian generics seen safe: Jefferies</i></p> <p>The Tribune</p> <p>April 05, 2026</p>	<p>Donald Trump has announced a 100% tariff on select pharmaceutical imports, raising global concerns over supply chains and pricing. However, Jefferies expects limited impact on India, as generic drugs crucial for affordable US healthcare are likely to remain exempt. Some exposure exists for firms like Sun Pharma, though impacts may be capped.</p>
5.	<p><i>WTO Swings and Misses on Key Reforms, But the Game Isn't Over</i></p> <p>US Chamber of Commerce</p> <p>April 03, 2026</p>	<p>The WTO 14th Ministerial Conference ended without agreement, despite near-consensus on key issues like the e-commerce moratorium. While progress was made, last-minute disagreements blocked outcomes. A group of members is now pursuing plurilateral solutions, with talks likely to resume, reflecting ongoing efforts to sustain a rules-based trading system.</p>

Regional Trade

	<p><i>EU-India FTA may boost India's competitiveness in some sectors, says EY report on European economic outlook</i></p> <p><i>The Economic Times</i></p> <p><i>April 04, 2026</i></p>	<p>As Europe grapples with shifting tides in global trade and burgeoning geopolitical tensions, India's trade landscape might pivot dramatically. The anticipated EU-India Free Trade Agreement stands to disrupt numerous sectors, with some European industries bracing for intensified competition from their Indian counterparts.</p>
1.	<p><i>India puts off global steel conference citing Middle East crisis</i></p> <p>Reuters</p> <p>April 08, 2026</p>	<p>India delayed a major global steel conference scheduled for mid-April in New Delhi due to escalating tensions in the Middle East. The crisis has disrupted logistics, travel, and energy markets, reflecting broader risks to global trade flows and industrial supply chains.</p>
2.	<p><i>India weighs austerity amid commodity-driven trade pressure</i></p> <p>Reuters</p> <p>April 07, 2026</p>	<p>India is considering targeted spending cuts as global oil price spikes raise import bills and pressure the fiscal deficit. Despite challenges, officials say export-driven capital investment and infrastructure spending will be protected to maintain trade competitiveness and economic growth momentum.</p>
3.	<p><i>Risks to India's trade outlook rise amid oil supply concerns</i></p> <p>Reuters</p> <p>April 08, 2026</p>	<p>India's economic outlook faces downside risks due to disruptions in oil trade routes and rising energy costs. Heavy reliance on imported oil exposes the country to inflation and currency pressures, while foreign investment outflows signal uncertainty affecting trade balances and macroeconomic stability.</p>
4.	<p><i>Rupee falls most in two weeks as oil spikes on US move to blockade Iran ports</i></p> <p>Reuters</p> <p>April 13, 2026</p>	<p>Rising crude oil prices driven by geopolitical tensions caused the Indian rupee to fall sharply, increasing import costs and foreign investor outflows. The situation highlights vulnerability in India's trade balance due to energy import dependence.</p>

National Trade

1.	<p><i>India allows export zones to sell locally as trade strains grow</i></p> <p>Reuters</p> <p>April 01, 2026</p>	<p>India allowed Special Economic Zone (SEZ) units to sell a portion of their products in the domestic market at reduced customs duties. The move aims to reduce pressure from global trade disruptions, improve capacity utilization, and support exporters facing high freight and geopolitical cost pressures.</p>
2.	<p><i>India's Reliance buys Venezuelan oil directly from PDVSA, document and data show</i></p> <p>Reuters</p> <p>April 06, 2026</p>	<p>Reliance Industries resumed direct crude oil imports from Venezuela after a long gap. The move reflects India's strategy to diversify energy sources amid global oil instability and sanctions-related supply shifts, strengthening crude trade links with Latin America.</p>
3.	<p><i>Misri, Rubio hold talks on trade and Quad; US Secretary plans India visit in May</i></p> <p>Business Line</p> <p>April 10, 2026</p>	<p>Marco Rubio is set to visit New Delhi next month after a productive meeting with Vikram Misri in Washington. Talks covered trade, defence, critical minerals, and the Quad, along with regional developments in West Asia. Both sides reaffirmed strong bilateral ties and explored ways to deepen strategic, economic, and security cooperation, highlighting their shared commitment to stability and prosperity in the Indo-Pacific region.</p>
4.	<p><i>India exports fall 7.44% in March to \$38.92 bn amid Middle East disruption, trade deficit at \$20.67 bn</i></p> <p>The Economic Times</p> <p>April 15, 2026</p>	<p>India's merchandise trade deficit narrowed to \$20.67 billion in March 2026. While exports fell 7.44% year-on-year to \$38.92 billion due to West Asia disruptions, a 6.51% dip in imports helped tighten the monthly trade gap.</p>
5.	<p><i>Govt should cap charges of product testing under quality control order: GTRI</i></p> <p>The Economic Times</p> <p>April 14, 2026</p>	<p>High testing and certification costs for Quality Control Orders (QCOs) are pushing many MSME importers out of business, according to GTRI. The think tank urged the government to cap testing charges and recognize foreign lab reports to support the 'Make in India' initiative and prevent market domination by large importers.</p>