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Beyond Tariffs: India's Response to a Changing Trade Order

Think beyond tariffs – this is a broader response to the uncertainty created by a weakening multilateral trade system. India's trade policy is also moving in this direction as it undertakes regulatory reforms. Recent steps, from easing rupee-denominated export payments to revisiting the model Bilateral Investment Treaty (BIT) and advancing talks with the UAE, EU and ASEAN, show that New Delhi is seeking greater resilience in its external economic engagement.

For example, the Directorate General of Foreign Trade's decision to treat eligible rupee export receipts on par with foreign-currency earnings is welcome. It reduces regulatory uncertainty and could make rupee settlement more attractive, especially for partners facing dollar shortages. But this alone will not internationalise the rupee. India will also need stronger banking links such as affordable hedging tools, export credit and easier ways for overseas holders of rupees to invest, convert and repatriate funds.

International Trade		
1.	*After two decades of talks, a year-long push towards action.* **New Indian Express** August 05, 2026	After two decades of negotiations, the India-EU FTA is expected to enter into force in early 2027. Progress on CBAM and strategic cooperation is encouraging, but gaps remain on sustainability, geographical indicators and investment. The partnership's success will depend on effective implementation, technological collaboration, mobility, connectivity and pragmatic management of differences.
2.	*Trump administration sued by 25 states over new tariffs on trading partners* **ALJAZEERA** August 04, 2026	The states claim the new levies are a pretext to re-impose tariffs that were ruled illegal by the US Supreme Court. The lawsuit, filed in the US Court of International Trade on Monday, targets new double-digit tariffs imposed on 60 trading partners last month over allegations they were not doing enough to stop the importation of goods produced with forced labour.
3.	*Stock markets decline in early trade on spike in crude oil prices* **THE HINDU** August 10, 2026	The 30-share BSE Sensex dipped 19.38 points to 78,479.79 in early deals and the 50-share NSE Nifty skidded 5.10 points to 24,567.45 Market benchmark indices Sensex and Nifty drifted lower in early trade on Monday (August 11, 2026) amid a spike in crude oil prices due to geopolitical uncertainties. Despite this, foreign investors showed continued buying interest in the equity markets.
4.	*Putin Threatens Retaliation Over EU Moves to Seize Russian Ships* **BLOOMBERG** August 12, 2026	Russian President Vladimir Putin threatened to retaliate against any European Union moves to seize his country's commercial ships, calling such actions piracy. As part of a new sanctions package last month, the bloc approved a mechanism allowing member states to sell oil and other goods seized from sanctioned vessels detained at sea. European countries and the UK have boarded, detained or seized several Russia-linked or so-called shadow-fleet vessels since late 2024.
5.	*Trump's 'energy emergency' could fast-track massive expansion of Plaquemines LNG export terminal* **AP NEWS** August 13, 2026	Less than two years after opening, a liquefied natural gas terminal near New Orleans is seeking a multi-billion-dollar expansion under a new Trump administration "emergency" permitting process that shortens environmental review and may weaken protections for surrounding wetlands and waterway. The U.S. Army Corps of Engineers granted Plaquemines LNG, on the Mississippi River between Myrtle Grove and Port Sulphur, fast-tracked permitting under a national energy emergency .

	Regional Trade	
1.	*China hits US with sanctions, drone export curbs ahead of Xi visit* **CNN WORLD** August 05, 2026	Beijing announced a swath of measures against the United States and its firms on Wednesday, in what it described as retaliation against recent moves by Washington targeting Chinese companies. Entities and people within China are prevented from doing business or cooperating with the listed firms. The tit-for-tat sanctions come weeks ahead of an expected summit between Chinese leader Xi Jinping and President Donald Trump in the US next month.
2.	*Kazakhstan, Uzbekistan Join Forces to Pursue New Export Markets in Syria and Iraq.* **THE ASTANA TIMES** August 07, 2026	Kazakhstan and Uzbekistan are expanding their economic partnership beyond bilateral trade by jointly targeting new export markets in Syria and Iraq, reflecting a broader strategy to position Central Asia as a supplier to rapidly growing reconstruction and import-dependent economies. The initiative signals a shift in regional trade strategy. Officials estimate that around six million housing units are planned, creating sustained demand for building supplies.
3.	*Indian-ASEAN officials to meet beginning August 11 for ASEAN Trade in Goods Agreement review* **THE TIMES OF INDIA** August 10, 2026	Facing Trump tariffs, Government seeks to shore up other FTA negotiations in the next few months. A delegation of the 10-nation ASEAN, or the Association of South East Asian Nations, will hold talks with Commerce Ministry officials from August 11-14, sources confirmed, for the next round of talks on a review of the ASEAN-India Trade in Goods Agreement (AITIGA).
4.	*Yen Intervention Put China's Yuan Under More Pressure* **BLOOMBERG** August 12, 2026	The boost to the yen from US-Japan intervention in late July spilled over to other Asian currencies, including the Chinese yuan. This exacerbated an upward trend in the yuan that's at odds with a widening yield disadvantage against the dollar and weakness across much of the economy outside a thriving tech sector.
5.	*India, Southern African customs bloc revives trade pact talks* **CNBC AFRICA** August 13, 2026	India and the five-member Southern African Customs Union signed terms of reference on Wednesday to start talks on a preferential trade agreement. The move revives talks between India and SACU, comprising South Africa, Botswana, Namibia, Lesotho and Eswatini, after five rounds of negotiations between 2002 and 2010 ended without a deal. The pact could become India's first major trade agreement with an African regional bloc.

National Trade		
1.	*India parliamentary panel urges swift US trade deal, support for exporters hit by tariffs* **REUTERS** August 06, 2026	An Indian parliamentary panel on Thursday urged the government to quickly conclude a proposed bilateral trade pact with the United States, while safeguarding domestic interests and securing stable, predictable market access for key exports. The pact should cover sectors including generic medicines, critical minerals, smartphones, engineering goods, auto components, chemicals, textiles, marine products, leather goods, gems and jewellery.
2.	*India's latest trade deals to open new global markets for Arunachal farmers, manufacturers* **INDIA GAZETTE** August 07, 2026	India's recent trade agreements will create wider global market opportunities for farmers, metal producers and manufacturers in Arunachal Pradesh, Union Commerce and Industry Minister Piyush Goyal said on Friday, as the government seeks to connect producers from the northeastern state with international markets. India has expanded its network of trade agreements in recent years, with nine agreements spanning 38 countries, according to the Ministry of Commerce and Industry.
3.	*Critical minerals being prioritised in trade, investment engagements: Govt tells Parliament* **THE ECONOMIC TIMES** August 11, 2026	The government has identified energy, fertilisers, electronics and semiconductors, critical minerals, pharmaceuticals, medical devices and other strategic manufacturing sectors as priorities for strengthening and diversifying India's supply chains, Critical minerals are essential for clean energy and electric vehicle technologies. Trade deficit reflects imports needed for economic growth and industrialization.
4.	*India weighs friendlier investment treaty rules as Cabinet nod nears: DEA Secretary* **ET Bureau** August 08, 2026	India is reviewing its bilateral investment treaty model to attract more foreign capital. This review aims to make the treaty more investor-friendly and address existing concerns. Private investments are showing steady growth, benefiting from public capital expenditure increases. The government is also considering relaxing timelines for foreign investors to pursue global arbitration. India seeks to ensure stability and predictability for international capital during global turmoil.
5.	*Rupee falls 6 paise to 95.42 against US dollar in early trade* **THE NEW INDIAN EXPRESS** August 13, 2026	The rupee fell 6 paise to 95.42 against the US dollar in early trade on Wednesday, weighed down by the sharp rise in Brent crude toward USD 90/bbl, as hopes of a quick US-Iran agreement and reopening of the Strait of Hormuz faded. Forex traders said the principal driver behind the rise in Brent crude prices is the uncertainty over the Strait of Hormuz.

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