

ECONOMIQUITY

News Wrap – #1/December, 2025



Rebuilding Confidence in Global Trade Governance

As 2025 draws to a close, global trade debates are intensifying amid rising tariff pressures, regional realignments, and growing concern over the erosion of multilateral rules. The World Trade Organization (WTO) remains under severe strain, aggravated by US trade actions and proliferating unilateral measures. Yet, the system has not been abandoned. With MC14 scheduled for March 2026 in Yaoundé, governments, experts, and institutions are again turning their attention to whether the multilateral trading system can be stabilised before fragmentation becomes irreversible.

Encouragingly, reform-oriented momentum is emerging beyond the traditional major powers. Middle economies are actively shaping the conversation through initiatives such as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the Future of Investment and Trade Partnership (FIT-P). CUTS International's launch of the TRaNTA initiative in Tokyo adds intellectual and policy depth to this effort, reinforcing the argument that multilateralism still governs nearly 70 per cent of global trade. At the WTO, members are signalling a preference for a focused, realistic MC14 agenda.

At the regional level, trade activity continues to evolve rapidly. ASEAN leaders have reaffirmed that regional agreements complement rather than replace multilateralism. Elsewhere, SAARC remains dormant, sidelined by persistent geopolitical tensions, fragile regional ties, and shifting priorities, with no summit held in over a decade. On the brighter side, the proposed India–Qatar FTA signals a shift toward diversified, future-oriented partnerships spanning digital trade, renewables, and infrastructure, linking South Asia more closely with the Gulf.

India's trade policy is also navigating multiple fronts simultaneously. Negotiations with the European Union have gained pace, though differences remain on tariffs, sustainability rules, and sensitive sectors. India is exploring export expansion to Russia, recalibrating ties with Afghanistan through resilient trade links. Together, these developments underscore a central message: India's engagement, whether through reform leadership, regional integration, or domestic readiness, will significantly shape the credibility and resilience of the global trading system in the years ahead.


We are pleased to share that CUTS is curating a compilation of op-ed pieces in *The Economic Times* under a "Trade-Off" column, covering select priority trade policy topics. These pieces, which are being published by trade and policy experts over the past few months, are intended to generate actionable and implementable insights for the Government of India to bolster India's trade policy, enhance competitiveness, and navigate the ongoing turbulence in global trade. The [first story in the National Trade section](#) is this edition's *Trade-Off* story, which calls for a comprehensive review of state-level regulations using rigorous regulatory impact assessments.

International Trade

1.	<p><i>CUTS International launches TRaNJA initiative to reshape WTO and global trade</i></p> <p>ET Bureau</p> <p>December 08, 2025</p>	<p>CUTS International launched its global TRaNJA initiative in Tokyo to help reposition the WTO amid rising unilateralism and shifting global trade dynamics. Co-chaired by Shashi Tharoor and Pascal Lamy, the initiative brings together 21 global experts to promote evidence-based WTO reform. CUTS Secretary General Pradeep S. Mehta emphasized the WTO's continued relevance, noting that 70% of global trade still operates under MFN rules, and called for a positive narrative to revive multilateralism.</p>
2.	<p><i>Amid Tariff Crisis, The World Trade Organisation Has To Be Revived Now</i></p> <p>Deccan Chronicle</p> <p>December 14, 2025</p>	<p>The WTO is in deep crisis due to US trade actions and outdated rules, raising risks to global public goods and trust. Middle powers are pushing reform through initiatives like CPTPP and FIT-P, even as talk of a Minus America Trade Agreement (MATA) grows. With MC14 looming, India must move from resistance to constructive leadership to help revive the multilateral trading system.</p>
3.	<p><i>Why Trump's tariffs may have reached their 'high-water mark' and what companies are asking for now</i></p> <p>MC World Desk</p> <p>December 11, 2025</p>	<p>U.S. companies reliant on imports say Trump's sweeping tariffs are driving up costs, cutting production, and fuelling inflation, prompting calls for exemptions. Limited relief so far has barely offset household costs, while studies show tariffs raise prices. Legal challenges and political pressure are mounting, raising doubts about the sustainability of broad-based tariffs versus a more targeted trade strategy.</p>
4.	<p><i>Why is Mexico raising tariffs on Indian goods? How big will the impact be?</i></p> <p>FP Explainers</p> <p>December 11, 2025</p>	<p>Mexico's sweeping tariff increases, taking effect on January 1, 2026, will hit thousands of products from non-Free Trade Agreement partners, including India. With duties rising to as high as 50 per cent, major Indian sectors such as automobiles, engineering goods, chemicals, metals, and machinery face sharp cost pressures in one of Latin America's key markets.</p>
5.	<p><i>DG Okonjo-Iweala emphasizes need for focused agenda ahead of "consequential" MC14</i></p> <p>WTO News</p> <p>December 12, 2025</p>	<p>At the WTO TNC meeting, DG Ngozi Okonjo-Iweala stressed delivering a focused, realistic agenda for MC14 in March 2026. Members reaffirmed a Geneva-first approach, limited ministerial items, and inclusivity. Fisheries and agriculture require further work, while development issues may advance procedurally through the General Council.</p>

Regional Trade		
1.	<p><i>Forming Quadro difficult, but not impossible</i></p> <p>The Sunday Guardian</p> <p>December 07, 2025</p>	<p>Amid global turbulence, a CUTS International-led roundtable debated a “Quadro” involving the US, China, Russia and India. While some questioned its feasibility, others noted that similar past experiments have evolved over time. Ongoing engagement among these powers suggests scope for dialogue. A bottom-up, academic-led process could gradually test ideas and build trust.</p>
2.	<p><i>WTO members review five regional trade agreements, discuss transparency issues</i></p> <p>WTO News</p> <p>December 02, 2025</p>	<p>The WTO Committee on Regional Trade Agreements reviewed five RTAs involving China, the UK, Korea, Israel, Turkiye, and others. Members discussed new and amended notifications, noting that 62 in-force RTAs remain unnotified. Consultations on transparency issues continue, while China urged notification of non-conventional agreements and the Secretariat outlined RTA-related technical assistance plans.</p>
3.	<p><i>A decade of SAARC’s inertia</i></p> <p>The Annapurna Express</p> <p>December 12, 2025</p>	<p>Since the 2014 SAARC summit, South Asia has seen worsening India–Pakistan tensions, fragile India–China ties, political upheavals, and growing Chinese influence, all weakening regional cooperation. India’s pivot to BIMSTEC and internal changes across member states have sidelined SAARC. Despite rising economic, climate, and security challenges, the bloc remains stalled, with no summit for a decade and an uncertain future.</p>
4.	<p><i>India–Qatar FTA in Focus: Implications for Regional Trade Diversification</i></p> <p>Global Trade</p> <p>December 12, 2025</p>	<p>The India–Qatar FTA marks a new chapter in regional trade integration. Going beyond energy, it seeks to promote cooperation in digital technology, renewable energy, and infrastructure. If designed well, it can support innovation, inclusivity, and sustainability, strengthen economic resilience, and become a cornerstone of trade diversification linking South Asia and the Gulf.</p>
5.	<p><i>Experts call for strengthening dialogue through Collective Leadership of major economies</i></p> <p>ET Bureau</p> <p>December 10, 2025</p>	<p>A roundtable of India’s strategic and business experts, hosted by Chintan Research Foundation and CUTS International, called for strengthening global governance, especially the G20, amid rising uncertainty in trade, security, and climate action. Participants pushed for a permanent G20 secretariat and warned of a drift toward the “Kindleberger Trap” if major powers fail to provide global public goods.</p>

National Trade

1.	<p><i>Ease of biz starts in the states</i></p> <p>The Economic Times</p> <p>December 03, 2025</p> 	<p>The piece argues that stronger safety, health, and environmental standards can coexist with ease of doing business, but outdated regulatory thinking imposes excessive burdens on MSMEs and startups. It calls for a comprehensive review of state-level regulations using rigorous regulatory impact assessments. Key reforms include removing prior permissions, adopting real-time monitoring, relying on third-party certification, and reducing compliance paperwork. A centre–state partnership, backed by strong political leadership, could drive scalable, grassroots regulatory reform.</p>
2.	<p><i>Trump’s Tariffs Are Hitting India Hard</i></p> <p>Project Syndicate</p> <p>December 01, 2025</p>	<p>Trump’s steep tariffs have exposed India’s export vulnerability to a few markets and low-value goods, badly hurting labour-intensive sectors. India must pursue diversification, regional supply chains, value addition, and stronger domestic demand to build long-term resilience and reduce dependence on the US market.</p>
3.	<p><i>New road to Kabul: India balances commerce, strategy and Afghan voices</i></p> <p>ET Bureau</p> <p>December 07, 2025</p>	<p>In October, India upgraded its Kabul mission to an embassy, enhancing engagement with the Taliban while keeping formal recognition uncertain. Trade remains resilient, with imports like figs, hing, and raisins rising. Despite Pakistan blocking land routes, Afghan traders in Delhi continue business, aided by reduced freight costs and operational incentives.</p>
4.	<p><i>Trade boost: 300 Indian products identified for Russia export push; govt maps high-potential opportunity sectors</i></p> <p>TOI Business Desk</p> <p>December 14, 2025</p>	<p>India aims to expand exports to Russia across engineering, pharmaceuticals, chemicals, and agriculture, targeting gaps in a \$37.4 billion import market. Current shipments are limited, but opportunities exist in labour-intensive sectors, electronics, and high-value pharma. Enhanced trade could help narrow India’s \$59 billion deficit, supporting the \$100 billion bilateral trade goal by 2030.</p>
5.	<p><i>India and EU will push for trade deal as deadline approaches, Indian minister says</i></p> <p>Reuters</p> <p>December 09, 2025</p>	<p>India and the EU aim to conclude their long-pending FTA soon, though a year-end deadline may slip. Talks have accelerated since 2022, but key differences persist on tariffs, market access, sustainability rules, and sensitive sectors like autos, steel, and carbon levies. The pact could boost bilateral trade, which reached €120 billion in 2024.</p>