

ECONOMIQUITY

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US-China Trade Time-out; Asia's Trade Ascendancy

In the second fortnight of October, all eyes were on Asia as leaders gathered for the 47th Association of Southeast Asian Nations (ASEAN) Summit and related meetings in Malaysia, followed by meetings in South Korea in the run-up to the APEC Summit. A key highlight was the US-China trade truce, with the two sides committing to hold off trade restrictions (particularly export controls) on rare earths and chips for a year, along with marginal tariff relief for China. Apart from these, the US signed fresh trade “deals” with Cambodia, Malaysia, Thailand and Viet Nam. As before, these seem to be more in the nature of framework agreements rather than legally binding pacts, but the USTR, through Factsheets, seeks to tout them as another set of “landmark deals”.

Along the sidelines of the ASEAN Summit, the upgraded ASEAN-China Free Trade Agreement was signed, marking the latest upgrade in the set of ASEAN+1 FTAs. Leaders of the member economies of the Regional Comprehensive Economic Partnership (RCEP) also met for the 5th RCEP Summit, recommitting to enhance the full and effective implementation of the RCEP Agreement and commence preparation for the RCEP's General Review in 2027. In each case, ASEAN leaders and dialogue partners recognised them as complements, not substitutes to trade multilateralism, and reaffirmed their support for a rules-based multilateral trading system with the World Trade Organization (WTO) at its core. This is heartening, and a clear sign that greater Asian engagement will be instrumental in shaping the future of global trade.

For its part, India's engagement with the US on a potential trade pact resolving the ongoing tariff situation remains dynamic and evolving. President Trump continues his carrot-and-stick approach, alternating between provocations and praise for India. India was among the first off the block in initiating talks with the US on trade irritants in the shadow of tariffs, and has done well to maintain a balanced stance – engaging without capitulating.

The positive energy around the ongoing India-European Union (EU) FTA negotiations also continues. Engagements between the two sides have seen a steady uptick, with back-to-back visits on both official and political levels, indicating the real push being made to meet the year-end deadline. This has also stimulated rich discussion on domestic preparedness to fully realise gains of FTAs. This edition of *Economiquity* captures some of these stories, along with other prominent developments shaping the global trade landscape.

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 will be published by trade and policy experts over the next 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 upon India to ensure its Bilateral Investment Treaty (BIT) model is balanced and effectively addresses investor concerns, while preserving regulatory autonomy in key areas.

International Trade

1.	<i>US and China agree one-year trade truce after Donald Trump-Xi Jinping talks</i> Financial Times October 30, 2025	Donald Trump and Xi Jinping have agreed to postpone export controls on rare earths and chips as part of a broad one-year trade deal reached by the US and Chinese leaders at a summit in South Korea. The US and China said they also reached agreements on American tariffs related to fentanyl and tit-for-tat levies on each other's shipping industries, as both leaders sought to ease tensions in their first meeting in six years.
2.	<i>Why Trump can't rush the Indian elephant into a trade deal</i> The Economic Times October 30, 2025	Trump's tariff strategy has also not worked with India the way he might have wanted. India is not willing to be rushed into a deal with threats of high tariffs and sanctions. India's equipoise through trade talks and its quiet resolve have often disturbed the US as reflected in harsh commentary by Trump and some of his officials. In a world increasingly shaped by economic nationalism and realpolitik, India's measured and self-assured stance may set a template for other countries negotiating with larger powers.
3.	<i>'Battered and bruised but still standing': WTO chief on global trade after tariffs</i> CNBC October 30, 2025	Global trade is not broken, despite the disruption, pressure and shock of trade tariffs introduced by the U.S. this year, the head of the World Trade Organization (WTO) told CNBC. "Many people have the impression that, because of the unilateral actions of the U.S., that global trade is broken. Yes [they've] been a great disruption - the greatest disruption of global trade in 80 years - but we are pleased to see the resilience of the system," WTO Director-General Ngozi Okonjo-Iweala said.
4.	<i>China fills US void at ASEAN Summit with push for trade multilateralism</i> Reuters October 28, 2025	China pressed for open trade and stronger economic ties at a regional summit in Malaysia dominated by the shadow of steep U.S. tariffs. A day after Trump's six-hour blitz of meetings and trade announcements at the Association of Southeast Asian Nations (ASEAN) summit in Kuala Lumpur, Chinese Premier Li Qiang called on regional leaders to uphold free trade and oppose protectionism, a phrase China has used to call out Trump's tariffs.
5.	<i>Trump administration quietly pays overdue WTO fees</i> Financial Times October 28, 2025	The Trump administration has paid more than \$25mn in overdue membership fees to the WTO despite its frequent attacks on the global trade body, according to emails seen by the Financial Times. Despite continuing to neuter the WTO's ability to enforce global trade rules by refusing to supply judges to the appellate body, diplomats said the US was continuing to engage with the technical work of the WTO at an administrative level.

Regional Trade		
1.	<i>ASEAN Summit: China, ASEAN sign upgraded free trade pact</i> Deutsche Welle October 27, 2025	The 11-nation Association of Southeast Asian Nations (ASEAN) bloc signed an upgraded version of their free trade agreement with China, expanding cooperation into areas such as the digital and green economies. Beijing hopes the updated trade deal will strengthen its economic ties with the Southeast Asian bloc and offset the impact of US tariffs.
2.	<i>Egypt brokers African consensus on AfCFTA rules of origin after four years of talks</i> Daily News Egypt October 29, 2025	Egypt, in its capacity as Chair of the African Continental Free Trade Area (AfCFTA) Ministerial Council of Trade Ministers, has secured consensus among member states on the long-pending rules of origin (RoO) for the textile, apparel, and automotive sectors. The breakthrough, achieved through a transitional implementation mechanism, marks the culmination of more than four years of negotiations.
3.	<i>ASEAN at the centre of the struggle for open trade</i> East Asia Forum October 27, 2025	Both the economic and political cases for sticking with openness are overwhelming but the path ahead is fraught with challenges. Implementing RCEP in full would both lift regional incomes and employment as well as help ASEAN project and defend its interests through a strong institutional platform. It would complement other initiatives like the CPTPP and engagement outside the region, such as with the European Union.
4.	<i>US has granted India a six-month exemption from sanctions on Chabahar port, confirms MEA</i> The Economic Times October 30, 2025	The United States has granted India a six-month exemption from sanctions for operations through Iran's Chabahar port along the Gulf of Oman, confirming what is a major relief for New Delhi's regional connectivity plans. The Chabahar Port is a crucial component of India's broader regional trade and humanitarian agenda.
5.	<i>East Africa: AfDB launches \$1.56M initiative to boost regional trade</i> Africa News Agency October 29, 2025	The African Development Bank (AfDB), in partnership with the East African Community (EAC) Secretariat and UNCTAD, launched a \$1.56 million capacity-building project which aims to enhance the EAC's multi-country trade portal, reduce trade barriers, and modernize customs using digital solutions and integrated trade information systems. It will increase transparency and facilitate intra-regional trade and with the AfCFTA.

National Trade

1.	<i>Making a case for India's revised 'bilateral investment treaty' model to ensure investor protection</i> The Economic Times October 21, 2025 	As GoI addresses the twin objectives of dismantling internal barriers through domestic reforms and attracting foreign investment, India must ensure its Bilateral Investment Treaty (BIT) model is balanced and effectively addresses investor concerns, while preserving regulatory autonomy in key areas. Focus should be on investor protection within the country, and better design of regulatory action that is susceptible to disputes, such as any change in law, or any decision that modifies or cancels permissions and licenses granted.
2.	<i>As FTAs loom, India must push sector-specific efficiencies in value chains</i> Business Standard October 29, 2025	It is important that the interim period between the signing and implementation of an FTA be used to prepare well to maximise potential trade creation possibilities. This is particularly relevant in the textiles and clothing sector. It is critical that India's accelerated pace of FTA negotiations be accompanied by sector-specific production strategies for technological upgradation and alignment with global standards.
3.	<i>Reimagining QCO framework offers the next critical frontier for Indian industries</i> The Economic Times October 27, 2025	Global trade shows a paradox: countries must import to export. Restricting intermediates through rigid Quality Control Orders (QCOs) risks blunting India's climb up the export value chain. The imperative is not to abandon standards but to calibrate them. India must move from a blanket approach to a strategic framework that evaluates readiness before imposing QCOs.
4.	<i>Commerce ministry launches coal analytics dashboard 'Koyla Shakti'</i> The Hindu Business Line October 30, 2025	The National Industrial Corridor Development Corporation, under the Commerce Ministry, has launched 'Koyla Shakti', a coal analytics dashboard. The platform enables real-time monitoring of coal production, transportation, and consumption, supporting greater efficiency, transparency, and sustainability across the entire value chain, ensuring real-time visibility across the coal supply chain.
5.	<i>Govt plans Bharat Aayat Niryat Lab Setu to link exim testing, inspection agencies</i> The Economic Times October 27, 2025	The Directorate General of Foreign Trade (DGFT) said it plans to launch a pilot of Bharat Aayat Niryat Lab Setu, a digital single-window platform to link testing and inspection agencies nationwide for faster and paperless certification of export and import consignments. The initiative seeks to streamline the process of testing and certification by digitally connecting exporters, importers, and accredited testing and inspection agencies through a unified online interface.