ECONOMIQUITY

News Wrap – #2/September, 2025

Make Trade Multilateralism Great Again

In the second fortnight of September, the attention of the global trade policy community shifted to Geneva. The World Trade Organisation (WTO) organised its annual Public Forum, complemented by a range of events on its sidelines. A key message that emerged from all these was that the despite the onslaught on trade multilateralism, the WTO remains an important pillar underpinning global trade and commerce. There were loud voices highlighting the urgency of meaningful and effective WTO reform, most prominently at a high-level event organised by CUTS. The road ahead to MC14 in Cameroon, less than six months away, will be closely watched to see how WTO members make progress on shaping a reform agenda.

In a related development, China has undertaken to not avail special and differential treatment benefits during WTO negotiations. This is a significant milestone and will shape the future of development debates and coalition-building at the WTO. How other major developing countries, including India, calibrate their positions in the wake of China's decision remains to be seen.

On the FTA front, the conclusion of trade talks between the EU and Indonesia mark a pivotal moment. As the world continues to grapple with the impact of US' tariff-led uncertainties, countries and blocs are expediting efforts to formalise preferential trade arrangements with their trading partners. This trend is likely to continue.

Another prominent development is the formal commencement of the review process of the US-Mexico-Canada Agreement (USMCA), which will give clear indications of the Trump Administration's future thinking on trade relationships with key partners. Having already reneged on multilateral trade commitments, and on many of their bilateral ones, the USMCA review process will provide further clarity of US thinking on the sanctity (or lack thereof) of trade deals.

Back home, trade-related engagements continue to occupy prime policy space. A new report on the Assessment of Logistics Cost in India has just been released, and preparations are underway for fresh rounds of trade talks with the EU, Chile and Peru. This edition of Economiquity captures these stories, along with other prominent developments shaping the global trade landscape.

We are also 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 insights to bolster India's trade policy, enhance competitiveness and navigate the ongoing turbulence in global trade.

International Trade		
1.	*Global Trade at a Crossroads: CUTS-led Panel Calls for Imperative of WTO Reform* **The Economic Times** September 20, 2025	At a roundtable organised by CUTS International, Secretary General Pradeep S. Mehta underlined that WTO reforms must be inclusive and responsive to the needs of developing nations, SMEs and women exporters. The high-level panel concluded that a "coalition of the willing" may be essential to revive the WTO. Without such progress, panellists warned that the WTO risks being seen as irrelevant by the global community.
2.	*China opens way to WTO reform by ceding future 'developing country' benefits* **Financial Times** September 24, 2025	China will drop its claim to benefits available to developing countries in trade negotiations under the WTO in a move that follows long-standing US objections to the practice. China's Premier Li Qiang announced the plan to refrain from claiming "special and differential treatment" on the sidelines of the UN General Assembly meeting in New York, potentially removing one barrier to much-needed reforms of the WTO.
3.	*AI set to transform global trade, says World Trade Organization report* **Reuters** September 17, 2025	Artificial intelligence (AI) could boost the value of trade in goods and services by nearly 40% by 2040, but without adequate policies it could also exacerbate economic divides, a new WTO report warned. Lower trade costs and enhanced productivity could drive substantial increases in trade and GDP by 2040, with global trade projected to rise by 34-37% under various scenarios.
4.	*WTO flays India for 'blocking' investment pact* **Financial Express** September 17, 2025	WTO chief Ngozi Okonjo-Iweala criticised India, South Africa and Turkiye for blocking the Investment Facilitation for Development (IFD) pact, saying it hurts poorer nations' ability to attract investments. India argues the pact undermines policy autonomy and consensus rules.
5.	*EU and Indonesia agree trade deal* **Financial Times** September 16, 2025	The EU and Indonesia have concluded talks on a trade deal and plan to sign it soon as they accelerate efforts to reduce their dependence on China and the US. The EU concluded a deal with the Mercosur bloc in South America in December 2024 and is in talks with several other countries including India, Malaysia, the Philippines and Australia.

Regional Trade		
1.	*India–Bhutan First Rail Links to Redraw Trade Corridors* **Money Control** September 29, 2025	In a landmark move, India will establish Bhutan's first international railway links, enabling faster access to Indian ports and expanding export routes. The initiative signals deeper economic ties, smoother transit of goods, and strengthened regional trade networks, to stimulate bilateral trade flows, strengthen supply chains, and give SMEs on both sides new growth opportunities.
2.	*Asia's Largest Trade Pact Seeks Renewal: RCEP to Revamp Tariffs, Rules & Membership* **DD News** September 22, 2025	Asia's biggest trade bloc is weighing both membership expansion and reforms. The agenda includes lowering tariffs, easing investment rules and reshaping the pact to counter US protectionism. With diverging member interests and mounting global tensions, the bloc seeks to modernise its rules while maintaining balance within the group.
3.	*The US has formally started joint review of USMCA* **Brookings** September 26, 2025	The US-Mexico-Canada Agreement (USMCA) joint review will be a high stakes test of whether the Trump administration is committed to USMCA and by extension its vision of the future of international trade and investment among its largest trading partners. July 2026 will be a defining moment.
4.	*Intra-African trade under the African Continental Free Trade Area Agreement (AfCFTA)* **Geopolitical Intelligence Services (GIS)** September 30, 2025	Although intra-African trade has shown growth since AfCFTA's adoption, it remains far too limited to shield the continent from the uncertainties of global trade dynamics. The current reset in international trade relations offers Africa an opportunity to chart a sustainable, long-term path. Otherwise, the continent risks becoming an arena for continued domination by powerful global actors.
5.	*South Asia Trade Fair 2025: Boosting Regional Trade and Investment* **The Financial Express** September 19, 2025	The four-day South Asia Trade Fair 2025 kicked off in Dhaka, with over 100 business entities from SAARC member countries participating. The event focuses on B2B matchmaking, investment promotion, and regional trade enhancement. Bringing together businesses from across South Asia, the fair highlights opportunities for trade growth, collaboration, and knowledge exchange.

National Trade		
1.	*Commerce Minister launches report on Assessment of Logistics Cost in India* **India Shipping News** September 22, 2025	For the first time, India will have a comprehensive and scientifically derived estimate of logistics costs. This initiative follows the mandate of the National Logistics Policy to establish a uniform framework for measuring logistics costs and benchmarking them against global practices.
2.	*Trump tariffs give India a 1991-like chance to reinvent trade strategy* **The Economic Times** September 16, 2025	India's commerce ministry must have as its mission the creation of 'conditions for economic growth and opportunity for all communities'. India has largely neglected the goldmine it is sitting on, and the vast potential in its domestic market. Developing the domestic market requires close coordination with other ministries dealing with finance, agriculture, industry, power, railways, infrastructure, mining, as well as RBI.
3.	*India must lead WTO revival to protect global trade order* **The Economic Times** September 15, 2025	A weakened WTO benefits no one. For India, the challenge is to defend its core interests while stepping up as a bridge-builder. By combining pragmatism with principle, India can help revitalise WTO and reaffirm its relevance in a fragmented world. In this shifting landscape, India cannot afford to be seen as an obstructionist.
4.	*Rethinking India's export strategy* **Ideas for India** September 22, 2025	For too long, India has tinkered at the edges of export policies and strategic competitiveness issues have lost focus. The aim of quantum jump in exports needs attention across multiple dimensions through a coordinated governmental approach supported by industry. No economy in recent times has scaled the income ladder without a strong emphasis on exports and India is no exception, even during a time of global trade turmoil.
5.	*DGFT urges Indian exporters to harness opportunities under India-UK CETA* **DD News** September 29, 2025	The DGFT Director General highlighted the strategic significance of the India-UK CETA, emphasising tariff concessions, simplified market access, and enhanced opportunities for Indian MSMEs to integrate with global value chains. He encouraged exporters to explore new markets and diversify their offerings under the agreement.

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