



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## ECONOMIC SECURITY AND RESILIENCE REVIEW NOVEMBER 2024

*Author*

V.S. Seshadri



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### ABOUT US

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*The views expressed in this publication are those of the author and should not be attributed to the Delhi Policy Group as an Institution.*

### Cover Images:

US President, Donald Trump meeting Indian Prime Minister Narendra Modi during his 2020 state visit to India, on February 24, 2020. Source: [Prime Minister of India](#)

Indian Prime Minister Narendra Modi met the Prime Minister of the United Kingdom, Keir Starmer, on the sidelines of the G20 Summit in Brazil, on November 19, 2024. Source: [X/@Keir Starmer](#)

President of the Republic of Indonesia, Prabowo Subianto, and President of the People's Republic of China, Xi Jinping, witnessed the signing of several cooperation agreements between Indonesia and China, on November 9, 2024. Source: [President of the Republic of Indonesia](#)

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# Economic Security and Resilience Review

by

V. S. Seshadri

## Introduction

The election of Donald Trump for a second term as the US President, and his promise to implement an 'America First' policy, is likely to have an impact on the economic security and economic resilience landscape globally, and also in India. This report examines in some detail what may lie ahead, and how India can prepare itself for it.

The new EU Commission assumed office on December 1, 2024. In a Press interview, the new EU Vice President and Commissioner for Industry, Stephane Sejourne, pitched for a 'Europe First' strategy and said that the Commission would define critical sectors in its first 100 days.

The visits of the Indonesian President Prabowo Subianto to both China and the US during the month presents a study in contrast, showcasing the challenges facing developing countries in which way to pivot or balance as they also seek to address their urgent needs for accelerated economic development. After the bilateral initiatives with China announced earlier this year by other ASEAN countries like Malaysia and Vietnam, this presents a regional challenge for economic resilience and security that is only growing.

This issue also draws attention to the recently held APEC summit in Lima that saw some revival of the earlier idea to forge a Free Trade Agreement of the Asia Pacific (FTAAP), which had lost momentum after US's exit from the TPP in 2017.

President Xi Jinping's bilateral visits to Peru and Brazil during the month could mark a further step in the future evolution of infrastructure connectivity in this part of Latin America, particularly after the inauguration of the Chancay deep sea port on the Pacific coast in Peru, which has been developed and financed by China under the BRI.

The report also briefly dwells on the sanctions on 19 Indian entities by the US for 'aiding' the Russian war in Ukraine. Also covered is the decision taken by PM Modi and his UK counterpart Starmer to resume the India-UK FTA negotiations.

## Election of Donald Trump and what it may mean for economic security and resilience

The election of Donald Trump for a second term as the US President has already led to much speculation and anxiety as to what may be in store for world trade and commerce. On the campaign trail, Trump had talked of imposing tariffs ranging from 10% to 20% on imports from all countries, with more severe tariffs between 60% and 100% on goods from China. Tariffs were projected as central to his strategy of boosting revenues, prioritising American manufacturing and reducing trade deficits. His cabinet picks for trade related issues - Howard Lutnick as Commerce Secretary and Jamieson Greer as the next USTR<sup>1</sup> - also have a history of championing tariffs as a tool to build the US economy.

In this report, we shall mainly look at how aspects like economic security and resilience, which have seen much traction in recent years, can get impacted. More important is what may be in store for India and how we could prepare ourselves. This is even as at this juncture there are more questions than answers as to what really lies ahead.

### Trump 1.0

It was during Trump's first term as US President that taking trade actions on grounds of national security considerations gained prominence. Under Section 232 of the US Trade Act, authorising the President to adjust imports deemed as threatening national security, a tariff of 25% on steel and 10% on aluminium was imposed in March 2018 on all but a few select countries. In the same year, the Trump administration also imposed a high level of tariffs under the Section 301 provision of the US Trade Act on a significant part of imports from China for its policies that allegedly coerced American companies into transferring their technology and intellectual property to domestic Chinese enterprises.

Among other prominent trade actions taken then were the renegotiation of the North American Free Trade Agreement (NAFTA) with Canada and Mexico. That FTA eventually was retitled as the US-Mexico-Canada Agreement (USMCA),

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<sup>1</sup> Howard Lutnick is known to have said "In 1900, at the turn of the century, our economy was rocking and we had no income tax. All we had was tariffs".

Greer had in a written testimony to the US House of Representatives last year stated "I view China's ambitions - as currently articulated and pursued - as an existential threat to the American way of life, our physical safety, our personal privacy, our economy and jobs and even our system of governance." Jamieson Greer was also chief of staff of Robert Lighthizer who was USTR during Trump-1 Presidency.

and the FTA with the Republic of Korea revised, because they were both deemed as not providing fair and reciprocal benefits to the US.

The Trump-1 administration also removed India on June 1, 2019 from the list of beneficiaries under its GSP programme after determining that it has not assured the US that it will provide "equitable and reasonable access" to its markets.

The driving element behind all these trade actions was to use tariffs or revocation/threat of trade agreements as a tool for getting trading partners to the negotiating table for making trade concessions.

### **Biden Administration expands focus to economic resilience**

This approach shifted significantly during the Biden Administration, even as the additional tariffs on Chinese goods remained and the steel and aluminium tariffs too were not revoked. There was, however, a clear realisation, buttressed also by the severe supply chain disruptions experienced during the COVID period, that economic resilience was no less important than economic efficiency. Excessive dependence on one source or market was deemed a vulnerability that needed derisking by re-shoring, near-shoring or friend-shoring of industrial capacities. Issues relating to China's overcapacities in several areas, and the consequent impact they had on depressing prices and manufacturing capacities in other markets, gained ground. Boosting domestic capacities in the clean energy, semiconductors and electric vehicles sectors acquired particular focus, with the deployment of industrial policy approaches like the Inflation Reduction Act and the CHIPS and Science Act.

Externally, it was recognised by the Biden Administration that building a credible and derisked global supply chain network required trusted partnerships not only among US allies but also friendly partner countries in the Indo-Pacific and Latin America regions. Hence were born initiatives like the Indo Pacific Economic Forum (IPEF) and the Minerals Security Partnership (MSP), as well as the launch of high level dialogues and cooperative moves on critical and emerging technologies. The Biden Administration also arrived at certain voluntary restraint arrangements on steel and aluminium with partners like the EU, Japan and India that enabled lifting of the US 232 tariffs for them.

In respect of India too, the environment for forging closer trade and economic relations vastly improved. Meetings of the India-US bilateral Trade Policy Forum and the India-US Commercial Dialogue focussed on building areas of convergence and developing a process of mutual accommodation on differences. This enabled settling of the seven bilateral trade disputes that had

been lodged with the WTO by the two sides. India's membership of the IPEF and MSP was facilitated, and mechanisms created for high level cooperation on critical and emerging technologies. Bilateral MOUs on semiconductors and critical minerals were also signed.

## Outlook for Trump 2.0

From all indications, it appears that Trump 2.0 beginning January 20, 2025 will push the 'Make America Great Again' (MAGA) narrative even more aggressively, with tariffs continuing to be a preferred instrument of negotiation and coercion. Economic security of the US will surely be advanced, as in Trump 1.0, as a reason for taking certain trade actions. But the level of importance that may be attached to economic resilience, particularly as a collective objective among like minded countries, remains very much in doubt.

Already, Trump has threatened a 25% tariff against all imports from Canada and Mexico that will come into effect on the first day of his administration and remain in effect 'until such time as drugs, in particular fentanyl, and all illegal aliens stop the invasion of our country'. A 10% additional tariff against all goods from China also formed part of this announcement, which is to last until Beijing prevents the flow of illegal drugs into the US. In a further post, Trump faulted Beijing for failing to follow through on a promise that he claimed Chinese officials had made to carry out the death penalty for people caught dealing with fentanyl.

Yet another early announcement made is a threat of 100% tariffs against BRICS member countries unless their governments agreed not to create a new reserve currency to challenge the US dollar. Considering that the prospects for creating such an alternative is nowhere near possible realisation, this may be more of a warning for countries to avoid making any such moves.

If these threats are actually carried out, it will mark an escalation from Trump 1.0, when tariffs were used as a tool largely for perceived trade related concerns. Extending this to addressing concerns on immigration, drugs or currency matters would be a new high. It is also not clear under which domestic legal provision such links can be drawn and trade actions enforced.

Similarly, during his recent election campaign, Trump had vowed to end IPEF "on day one." It will be recalled that Trump withdrew the United States from TPP on his first day in office in 2017 during his first term. He has called IPEF "TPP Two." But his argument that it would hollow out US manufacturing and create job losses lacks any substance, considering that IPEF does not involve grant of market access.



## Will allies and partners get treated differently?

There is clearly no indication as of now that allies or partners will get to be differentially treated, or that Trump will seek to build a collaborative approach with them even if such an approach may differ in design from that of Biden. The only surmise that can be made at this stage is of a possible assumption in the Trump calculus that the threat of tariffs itself may be adequate to persuade allies and partners to fall in line and align their policies and practices with US interests and expectations - something that cannot be taken for granted. China is aggressively spreading its charm offensive using its deep pockets. The European Commission appears to be pitching for its own 'Europe first' policy.

## India needs to prepare its contingency plans

India will need to tread with care, since Trump has called India the 'biggest tariff charger' during one of his campaign speeches. With an average tariff of 17% (and 13.5% for non-agricultural goods), India could well be targeted. Additionally, the fact that Indians constitute the third largest number of undocumented immigrants in the US, after those from Mexico and El Salvador, could be another factor.

The United States is India's largest trade partner both in goods and in services, and together the bilateral two way trade has grown close to US\$ 200 bn in 2023, even as the US could point to the deficit. US services exports have grown faster in recent years to US\$ 34 bn in 2023, thus narrowing the services trade imbalance to only US\$ 2.4 bn in 2023. With the US rapidly increasing its manufacturing capacities in clean energy and advanced semiconductors, and with enhanced defense acquisitions by India, its exports of goods to India could also rapidly rise.

India will have to suitably convey to the US side that our high tariff levels are more to deter cheap imports from third country sources flush with overcapacities, in particular China. At the same time, we can indicate readiness to work with the US and show accommodation on specific products of interest to them, as we had done through Trade Policy Forum meetings in recent years. Moreover, around the time of Trump's official visit to India in February 2020, a mini-deal on trade between the two countries had been talked about<sup>2</sup>. That again could provide another way to tackle the issue.

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<sup>2</sup> The joint statement issued on the visit inter alia talked about "They agreed to promptly conclude the ongoing negotiations, which they hope can become phase one of a comprehensive bilateral trade agreement that reflects the true ambition and full potential of



Similarly, on the issue of the undocumented Indians in the US, we need to show greater readiness in discussing and dealing with this matter from the Indian end. Cracking down on unscrupulous agents involved in such human trafficking needs action, both from a larger domestic and bilateral relations perspective.

Reports indicate that India's economic ministries are brainstorming for readying a plan<sup>3</sup> to address the 'America First' policy. India's external affairs minister Dr. S. Jaishankar has stated<sup>4</sup> that between two major economies like India and the US, there will always be some give and take, while adding that strategic convergences between the two countries have grown deeper, creating an environment for intensifying cooperation.

It would, however, be premature at this point of time for expecting diversion opportunities for India's exports that tariff threats announced against third countries may provide, not least as India could become a target too. In any case targeted countries, particularly China, could divert their surpluses to markets like India. Dealing with such a prospect also needs to be part of any contingency plan. Finally, should any action be taken against India in an arbitrary or unjustified manner by the incoming administration, it would also be necessary to counter it. Identifying possible products for such counter measures must also form part of India's readiness plan.

## EU Commissioner pitches 'Europe First' in response to Trump

The new EU Vice President and Commissioner for Industry, Stephane Sejourne, has called<sup>5</sup> for an 'Europe First' strategy for key business sectors in a bid to prevent collateral damage in the event of a global trade war sparked by US President-elect Donald Trump. Emphasising that the EU has its own strategic and technological interest to develop its industries, to create employment and to create growth, he said that the Commission would focus on strategic sectors like steel, car manufacturing, aerospace and clean technologies. The new Commission which took office on December 1, 2024 will define the critical sectors in its first 100 days. Another initiative will be to bring together the bloc's capital markets to create a better investment

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the bilateral commercial relations, advancing prosperity, investment, and job creation in both countries.

<sup>3</sup> [https://www.business-standard.com/economy/news/india-readies-various-strategies-to-tackle-us-first-trade-policy-124120100262\\_1.html](https://www.business-standard.com/economy/news/india-readies-various-strategies-to-tackle-us-first-trade-policy-124120100262_1.html)

<sup>4</sup> <https://timesofindia.indiatimes.com/india/there-will-be-give-and-take-eam-jaishankar-on-trump-2-0-impact-on-business/articleshow/115910035.cms>

<sup>5</sup> <https://www.ft.com/content/f11247e5-9594-4134-9b79-e008aa4429c6>

environment. Sejourne has said 'We want to give life to a European industrial policy and an economic doctrine which we have not had so far'.

## Indonesian President Prabowo's visits to China and the US

Indonesia's President Prabowo Subianto made his first set of overseas visits covering China (November 8-10), the US (November 10-12), the UK (November 20-21) and the UAE (November 22-23), apart from also attending the APEC summit in Peru and the G-20 Summit in Brazil. He also met PM Modi on the sidelines of the G-20 summit. In this report, we focus on the outcomes of his visits to China and the US, and what they may mean in terms of the relative reliance Indonesia may eventually accord in developing its economic and mineral resources and infrastructure, which have implications for regional economic security.

### Prabowo's visit to China

Prabowo had visited China in March 2024 after being elected President, and he again chose China as the first foreign country to visit after assuming office. President Xi Jinping noted this in welcoming him, and stated that it spoke volumes about the great importance attached by the Indonesian leader to developing relations with China, and demonstrated the high level and strategic nature of China-Indonesia relations.

As for the outcome of the China visit, agreements valued at US\$ 10 bn were reportedly signed covering sectors including renewable energy, healthcare, downstream processing of minerals, digital technology and agriculture. Chinese businesses are to construct two 200MW floating solar and wind plants and a US\$ 1.4 bn nickel processing plant. The two countries also agreed to enhance collaboration in new energy vehicles, lithium batteries and photovoltaic cells. It was further agreed to establish a 'Green Mineral Resources Partnership'. Prabowo also indicated readiness to participate in high quality BRI projects in Indonesia.

The most significant and somewhat surprising outcome of the visit was the reflection in the joint statement<sup>6</sup> that the two sides reached an important common understanding on maritime cooperation on joint development in areas of overlapping claims, and agreed to establish an inter-governmental Joint Steering Committee to explore and advance relevant cooperation as per the two countries' prevailing laws and regulations. This is because while China holds that Indonesia's exclusive economic zone (EEZ) and continental shelf

<sup>6</sup> [https://news.cgtn.com/news/files/Joint\\_Statement\\_between\\_China\\_and\\_Indonesia.pdf](https://news.cgtn.com/news/files/Joint_Statement_between_China_and_Indonesia.pdf)

around the Natuna Islands overlaps with the southern portion of the “nine-dash line,” Indonesia has in the past rejected these Chinese claims and does not acknowledge any overlapping jurisdiction with China.

This has led to speculation whether the reference to overlapping claims in the joint statement was a concession by Indonesia, and marked a reversal of its earlier position. A commentator has remarked<sup>7</sup> that Prabowo has taken this step in exchange for Beijing’s support for Indonesia’s own domestic and geopolitical goals, particularly regarding its ambition to be part of the electric vehicles global value chain.

In recent days, however, Indonesian Foreign minister Sugiono<sup>8</sup> has clarified in the Indonesian Parliament that the country maintains a position that there is no appropriate international legal basis for the nine-dash line. He pointed out that no areas had yet been identified with China on jointly developing fishing or extracting other resources, and added that the joint statement did not mark any change to the government’s position with regard to Indonesian sovereignty. He also drew attention here to the joint statement’s reference to “prevailing laws and regulations”, but the absence of any reference to UNCLOS and international law still created ambiguity.

We may have to wait and see how Indonesia navigates this issue, but there can be little doubt that the visit has provided for a deeper level of China-Indonesia engagement on economic issues. Interestingly, the joint statement makes no mention of the alarm that the Indonesian Commerce minister had voiced earlier this year about the surge in imports from China of a whole range of items, from textiles and garments to steel and ceramics.

## Prabowo’s visit to the US

During Prabowo’s visit to the US, the two countries announced that under their ‘comprehensive strategic partnership’ they will explore holding a strategic economic dialogue and a U.S.-Indonesia Trade and Investment Framework Agreement (TIFA) meeting<sup>9</sup>. President Biden expressed his support for Indonesia’s efforts towards expedited accession to the Organization for Economic Co-operation and Development (OECD). The two leaders also affirmed their commitment to develop a critical minerals supply chain in both

<sup>7</sup> <https://www.lowyinstitute.org/the-interpretor/understanding-prabowo-s-natunas-gambit-china>

<sup>8</sup> <https://thediplomat.com/2024/12/indonesia-yet-to-create-joint-maritime-development-areas-with-china-fm-says/>

<sup>9</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2024/11/12/joint-statement-from-the-leaders-of-the-united-states-and-the-republic-of-indonesia-commemorating-75-years-of-diplomatic-relations/>

countries through a mutually beneficial partnership that promotes principles of sustainable development, including strong environmental and labor standards. To achieve this, they pledged to expedite ongoing discussions on a critical minerals agreement (Prabowo apparently sought inclusion of Indonesia's minerals under the US's IRA - similar to a pending demand from India as well). The two countries agreed to closely collaborate on Clean Energy, including with other partners on the Just Energy Transition Partnership (JETP).

As for specific areas of US assistance, the fact sheet following the visit included:

- Agreement between the U.S. Millennium Challenge Corporation and the Government of Indonesia - a US\$ 649 m Indonesia Infrastructure and Finance Compact - which is a five-year grant focused on improving the quantity and quality of infrastructure investments and increasing access to finance for small and medium enterprises.
- The U.S. Department of Energy (DOE) is supporting a Captive Coal study for site-specific decarbonization of the steel, cement, paper, and aluminum industries, which could lead to US\$ 2 billion in investment for clean energy deployments.
- USAID and the U.S. Development Finance Corporation have assisted one geothermal and two small hydropower plants in obtaining \$239.5 million in private investment to support Indonesia's commitment to reach net zero emissions in the energy sector.
- USTDA is supporting mobilization of US\$6 to \$10 million at five sites and will mobilize up to US\$2 billion in investments to convert 500 MW of diesel-to-renewable energy hybrid mini-grids.

## APEC Summit meeting in Peru revives the FTAAP

The annual summit meeting of APEC countries was held in Lima from November 13-15, with the theme 'Empower, Include, Grow'. An interesting highlight was the adoption of the Ichma statement<sup>10</sup> on a new look at the idea of Free Trade Agreement of the Asia Pacific (FTAAP), which talks of collectively supporting and advancing in a comprehensive and systematic manner the FTAAP agenda as an important shared initiative. Noting that it was time to assess how APEC's FTAAP agenda can address changes in the evolving international trade landscape, the statement sets up a new work stream under APEC's Committee on Trade and Investment that is to examine and analyse

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<sup>10</sup> <https://www.apec.org/meeting-papers/leaders-declarations/2024/2024-apec-leaders%27-machu-picchu-declaration/ichma-statement-on-a-new-look-at-the--free-trade-area-of-the-asia-pacific-agenda>

areas of divergence and convergence in FTAs and RTAs practice, and identify relevant emerging issues and topics for APEC's integration goals.

It is interesting that the FTAAP idea, an initiative that was pushed by China when it last held the summit meeting in 2016, should get resurrected in this fashion. This is particularly at a time when the US has shown no interest in returning to sign further FTAs, the RCEP is already under implementation, and China has also applied for membership of CPTPP. So what additionality is China looking for? In any case, noteworthy also is that China will be the host for the 2026 APEC summit, which gives further scope for it to build on this agenda.

## President Xi Jinping inaugurates Chancay deep sea port

President Xi Jinping and Peruvian President Dina Boluarte inaugurated the Chancay deep sea port, built with Chinese assistance under its BRI programme, on November 15, on the sidelines of the APEC Summit. The port involves an investment of US\$ 1.3 bn by China and is projected to generate US\$4.5 billion in annual revenues and create more than 8,000 direct jobs.

The Chancay Port will enhance trade efficiency between Peru and Asia, cutting shipping times to China to 23 days and reducing logistics costs by at least 20 percent. Situated approximately 80 kilometers north of the capital Lima on the Pacific coast, the deepwater port could become a pivotal logistics hub between Latin America and Asia. In particular, its potential is vast if a rail transport link between Peru and Brazil over the Andes can come about, that can provide a Pacific link for Brazil's exports to China and Asia.

The two leaders also issued a joint statement on deepening the comprehensive strategic partnership, expressing readiness to jointly explore new opportunities for cooperation under the framework of the BRI. Xi indicated China's readiness to work with Peru to build a new land-sea corridor between China and Latin America with the Chancay Port as a starting point.

## President Xi Jinping makes a bilateral visit to Brazil

China and Brazil signed 38 cooperation agreements during President Xi Jinping's state visit to Brazil on November 20, 2024 following the G-20 summit. These agreements reportedly<sup>11</sup> focused on aligning the development strategies of the two nations, which included accelerating the integration of China's BRI with Brazil's New Growth Acceleration Program, Neo-industrialization Plan,

<sup>11</sup> <https://news.cgtn.com/news/2024-11-21/China-Brazil-sign-38-cooperation-documents-during-Xi-s-state-visit-1yHWahzydLG/p.html>

Ecological Transformation Plan and South American Integration Route Plan. In addition, the agreements outlined plans for collaboration across a wide range of sectors, including industrial investment, bio-economy, ecological transition and green development, artificial intelligence, the photovoltaic industry, agriculture and livestock, mineral energy, tourism, health and sports. While most of these were apparently broadly couched agreements, Brazil's economic linkages with China are getting deeper. China is Brazil's largest trading partner, with bilateral trade valued at close to \$160 billion in 2023. Over the past decade, Chinese investments in Brazil, particularly in energy and infrastructure, have also surged.

What was also interesting to note was that Celso Amorim, the Brazilian Presidential Adviser for International Affairs, said<sup>12</sup> on November 1 that Brazil under President Lula da Silva will not join the BRI and instead seek alternative ways to collaborate with Chinese investors. According to Amorim, the aim will be to use some of the BRI framework to find 'synergy' between Brazilian infrastructure projects and the investment funds associated with the initiative, without necessarily joining it. What matters, Amorim said, is that there are projects that Brazil has defined as a priority and that may or may not be accepted by Beijing. Prior to these remarks, Amorim and the President's Chief of Staff had travelled to Beijing to discuss the initiative, but were said to have returned unconvinced and unimpressed by China's offers. Analysts have noted that Brazil can potentially still benefit from the BRI project - for example through a proposed Brazil-Peru transcontinental railway (including links to the newly opened Chancay deep sea Pacific port in Peru) that is in the planning stage - while balancing diplomacy between the US and China.

## US sanctions 19 Indian firms for 'enabling' Russia in war against Ukraine

The US Treasury and State Department announced<sup>13</sup> a new list of sanctions against 400 entities and individuals from different countries for 'aiding' the Russian war against Ukraine. This included 19 Indian companies and two individuals. According to the Treasury Department, several Indian companies have been shipping dual use items to Russia. It was stated that the move was aimed to disrupt sanctions evasion and target entities in multiple countries including China, Malaysia, Thailand, Turkey and the UAE, apart from India, for selling 'items and other important dual use goods to Russia, including critical

<sup>12</sup> <https://timesofindia.indiatimes.com/world/south-asia/brazil-follows-indias-lead-2nd-brics-nation-to-decline-participation-in-chinas-belt-road-initiative/articleshow/114727280.cms>

<sup>13</sup> <https://www.livemint.com/news/world/us-sanctions-19-firms-2-indians-for-enabling-russia-in-war-against-ukraine-11730381702758.html>



components that Russia relies on for its weapons systems to wage war against Ukraine'. These included microelectronics and computer numerically controlled items (CNC) on the Common High Priority list (CHPL) as identified by the US Department of Commerce's Bureau of Industry and Security (BIS) alongside the EU, UK and Japan.

In response to this move, the Ministry of External Affairs reportedly stated<sup>14</sup> that it was in touch with US authorities to "clarify issues" following sweeping sanctions against companies and entities. The MEA spokesperson further stated "Our understanding is that the sanctioned transactions and companies are not in violation of Indian laws. Nevertheless, in keeping with India's established non-proliferation credentials, we are working with all the relevant Indian departments and agencies to sensitise Indian companies on applicable export control provisions and also inform them of new measures being implemented that could impact Indian companies in certain circumstances."

## India and the UK to resume FTA talks

Meeting on the margins of the G20 summit, PM Narendra Modi and the UK PM Keir Starmer agreed on the resumption of India-UK FTA negotiations at an early date.

The relevant Press Release<sup>15</sup> issued by India noted the importance of securing a balanced, mutually beneficial and forward looking FTA and that India looked forward to working closely with the UK negotiating team to address the remaining issues to mutual satisfaction. It further stated that the UK was a priority country for India's achievement of its ambitious US\$ 1 trillion export target by FY 2030, by when India's exports to the UK are expected to reach US\$ 30 bn.

The UK Press Release talked of a 'relaunch' of the trade talks in the new year, and stated that UK is committed to negotiating a trade deal with India, and will seek a new strategic partnership including a trade agreement while also deepening cooperation in areas like security, education, technology and climate change.

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<sup>14</sup> <https://www.livemint.com/news/india/india-responds-to-us-sanctions-against-19-companies-over-support-for-russia-not-in-violation-of-laws-but-11730541852423.html>

<sup>15</sup> <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2074931>



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