

which would be uneven schemes such as Make in India and Start-up India. BRICS would help India to ascertain its stronghold over Indian Ocean both in trade and diplomacy he continues.

Adding to that he says he no longer holds times for air cargo and largely unorganised supply chain and logistics sector are some of the key challenges that are plaguing India's international cargo movement. Additionally rising fuel costs and the lack of uniform digitised processes including e-way bills customs clearance processes and well-trained manpower are contributing to the challenges.

According to Sabharwal a major challenge for India with BRICS is the rising trade deficit. Barring China none of the other BRICS economies top the list of countries that lead in exports from India however in the case of imports China stands at the number one position and contributes almost 50 percent of total imports into India. Russia has been the preferred choice for importing paper material while Brazil contributes to food products imported into India. Another reason for imports from BRICS is the low cost of labour and input raw material which makes landing in India still competitive for

domestic consumption within the country.

He lists some key challenges with the countries

- **Brazil:** It has a protectionist government with internal political laws protecting its own industries thereby restricting expansion. It has stringent customs regulations and informal economy and macroeconomic barriers causing hurdles to smooth trade movement.

- **Russia:** While the defense and technical cooperation between the two countries is growing swiftly trade and economic ties are yet to be nurtured. Some of the major factors being rupee debt payments as well as cheaper and better quality goods imported in India from China and Europe as compared to Russia.

- **China:** Though India and China officially consider no security threat issues keep creeping into the Sino-Indian relationship due to lack of trust and contradictory economic ties. Both countries need to work closely avoiding any point of conflict as together they account for 60 percent of the world's population and 40 percent of the global economy in terms of purchasing power parity. India's reluctance to a Regional trade agreement R



Aditya Vazirani
Director
Robinsons Global Logistics Solutions



Capt Bharat Sabharwal
Vice President – Ocean Freight, Skyways and India Cargo Awards winner 2016

“South Africa is considered as a gateway to Africa with Indian companies having a large presence there

” with China and to grant a market Economy Status (ES) to China are a few areas of concern yet trade between both countries is the most profitable among other BRICS nations.

- **South Africa:** There exist multiple competing interests at present. US is already predominant in exports and trading and lack of emphasis on bilateral relationships with South Africa has further weakened trade.

In contrast, he says that there exist no such challenges. Forwarders have grown and improved with changing times. Earlier goods were flown to Europe and moved by surface under guarded trucks to avoid to overcome extreme winter conditions making transportation by sea difficult.

“It is important to promote bilateral trade relations through a strategy of increasing domestic production in India

”

Trivia

■ India's bilateral trade relations with China have resulted in greater access for Indian exports in pharmaceuticals, food grains, cotton, and petrochemicals. In terms of the Western markets, the repercussions of Brexit have resulted in the US becoming the third largest car importer from India in the fiscal year 2018.

