

# GTRI wants India to prep exporters to deal with EU deforestation compliance

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India should increase awareness among exporters regarding the compliance requirements of the European Union's (EU's) Deforestation Regulation, rather than expecting any exemptions from the trade bloc, according to think tank Global Trade Research Initiative (GTRI).

GTRI suggested that India should collaborate with other affected countries to address the issue at the World Trade Organization, as the regulation infringes upon the principles of the most-favoured nation.

In terms of compliance, exporters need to ensure that their produce adheres to relevant laws in the country of origin, covering aspects such as land use, labour, and human rights.

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requirements can the exporter submit a due diligence statement to the EU-based importer, allowing export to the EU,” it said.

The new regulation on deforestation-free products within the trade bloc dictates that products exported to the EU must not originate from recently deforested land or

have contributed to forest degradation. The European Commission introduced these rules to reduce carbon emissions resulting from EU consumption and prevent EU and global deforestation and forest degradation through the products Europeans purchase.

The new rules will be applicable to large firms from

December 2024 and to small firms from June 2025.

GTRI predicts that the Deforestation Regulation will negatively impact India's agricultural exports worth \$1.3 billion to the EU, affecting items such as coffee, leather hides, skin preparations, oil cake, paper, paperboard, and wood furniture.

“Even if the exporter is certain that a product is not grown on deforested land, he still has to follow all the elaborate requirements. This differs from quality standards, where the quality of the final product alone matters. The EU just wants to raise the cost of imports to help local producers through a complex compliance mechanism,” the report observed, adding that Indian exports may suffer more than those from other competing countries due to India's higher deforestation rate.

