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WTO in particular. The Centre has been a part of the Indian Institute of Foreign Trade since November 2002. The Centre provides research and analytical support, and allied inputs to the Government for WTO and other trade negotiations. The Centre also has its own body of publications, and conducts outreach and capacity building programmes by organizing seminars, workshops, and subject specific meetings to disseminate its work, create awareness on recent trade topics and build consensus between stakeholders and policy makers.

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WTO chief sees no end in sight to US blockage

Live Mint

Philip Blenkinsop , Reuters, February 22, 2019: World Trade Organization members are now clear what the United States's concerns are over how the group settles disputes, but there is no sign of resolution to a crisis that threatens to paralyse the global trade body, the WTO head said on Thursday.
The United States has blocked appointments at the WTO appellate body, which hears appeals in trade disputes between countries, threatening the biggest crisis in the 24-year history of the WTO.
The organisation normally has seven members but currently only has three, and two of those are set to complete their mandates in December.
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"What is clear to me is that the clock is ticking," WTO Director-General Roberto Azevedo told a news conference in Bucharest before meeting EU ministers responsible for trade over dinner.
Azevedo said there would be a significant slowdown of cases and "eventually paralysis down the road".
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The European Union has made proposals for WTO reform, agreeing with China, India and other countries on changes to the WTO's dispute settlement. However, it has struggled to engage the United States on the topic.
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Azevedo said there was at least clarity about US concerns, some of which were also shared by other WTO members.
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"But what is not clear yet is what solutions can we find to fix those problems," he said.
"I would say there is a consensual view that we need to address this, that this is a big priority. But I don't have at this point in time any signals that I could use to say we have a light at the end of the tunnel. At this point in time, I don't see that."

India, Australia locked in sugar trade dispute at WTO

D. Ravi Kant, Live Mint

Geneva, 8 March, 2019: India has to enter into consultations and answer all the specific issues within 30 days after Australia told the World Trade Organization (WTO) that the minimum support prices

(MSP) and export subsidies provided to sugarcane and sugar producers by the Narendra Modi government and several state governments violate global trade rules.
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If Australia and India fail to settle the dispute during the consultations, which is the first step towards resolving the trade dispute on sugar, Canberra can call for establishing a dispute settlement panel, experts said.
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Australia's 1 March allegation comes even as the centre faces accusations of failing to spend enough to resolve the woes of farmers.
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Over the past two years, a group of industrialized countries, including the US, Canada, Australia, and the European Union, have launched a sustained campaign against agricultural support programmes of the centre and several state governments for cotton, cereals, pulses and sugar.
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India has provided domestic subsidies to its sugarcane growers through the minimum support price (MSP) mechanism and other measures well above 10% of the value of sugar production, according to Australia, which has spearheaded the legal challenge to the subsidies. Under global trade regulations, India is allowed to provide up to 10% as domestic subsidies.
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Australia has also challenged the subsidies provided by the governments of Andhra Pradesh, Bihar, Haryana, Karnataka, Maharashtra, Tamil Nadu, Uttarakhand and Uttar Pradesh to their sugarcane growers through the "state advised price" that sugar mills in these states are required to pay.
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India has also violated trade regulations by providing export subsidies to enable sugar producers to sell sugar below its cost price in the international market, Australia contended.
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New Delhi had already dismissed the charge about sugar subsidies when the issue was raised at the meetings of the WTO's committee on agriculture, saying India's sugar exports are insignificant and will not cause any ripple in the international sugar market.
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India has been targeted over its farm subsidy programmes under regulations crafted more than 30 years ago under the Uruguay Round of trade negotiations.
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The dispute comes at a time when the future of world trade body's highest adjudicating body, the Appellate Body, hangs in the balance because of American opposition to filling vacancies.

India, EMs make case for special treatment at WTO

Live Mint, Asit Ranjan Mishra

New Delhi, February 21, 2019: India, along with China, South Africa and Venezuela, has insisted on continuing with the special and differential (S&D) treatment for developing countries at the World Trade Organization (WTO), countering efforts of the US, which is seeking equal treatment for all members at the multilateral trade body.

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In a paper submitted to the WTO on Monday, the four countries said self-declaration of developing member status had been a long-standing practice and best serves the WTO objectives. The paper said the persistence of the enormous development divide between the developing and developed members of the WTO is reflected on a wide range of indicators such as levels of economic development, GDP per capita, poverty levels, levels of under-nourishment, production and employment in the agriculture sector, among others.

</br></br> “Against this background, recent attempts by some members to selectively employ certain economic and trade data to deny the persistence of the divide between developing and developed members, and to demand the former to abide by absolute “reciprocity" in the interest of “fairness" are profoundly disingenuous," it added.

</br></br>Under the S&D provisions, developing countries get longer time periods for implementing WTO agreements and commitments.

</br></br>At the mini-ministerial of trade ministers, on the sidelines of the World Economic Forum at Davos in January, India’s commerce secretary Anup Wadhawan made a strong case for continuing with the S&D measures for developing countries. “The (WTO) reform process must fully take into account the reality that despite some significant success stories in developing countries, on the average, they continue to lag far behind developed countries. Consequently, developing countries should not be expected to take the same obligations as the developed countries."

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In his speech at the WTO Ministerial in Buenos Aires in December 2017, United States Trade Representative (USTR) Robert Lighthizer had criticized the S&D treatment enjoyed by large developing countries like India. “We cannot sustain a situation in which new rules can only apply to the few, and that others will be given a pass in the name of self-proclaimed development status. There is something wrong, in our view, when five of the six richest countries in the world presently claim developing country status," he added.

</br></br>However, India’s trade minister Suresh Prabhu had retorted that the discourse on development at the WTO is sought to be deflected by specious arguments based on aggregate GDP figures. “While in India we are proud of our GDP and growth rates in recent years, propelled by innovative economic policies of my government, we cannot ignore that India is home to more than 600 million poor people," he said. “Therefore, we are legitimate demanders for special and differential treatment for developing countries. It is also noteworthy that many developed countries of today have benefitted from long periods of derogation from GATT (General Agreement on Tariffs and Trade) rules in the area of agriculture and textiles," he added.

US wins WTO ruling on Chinese grains; decision may also affect India

Live Mint

Geneva, Beijing, March 1, 2019: The United States won a World Trade Organization (WTO) ruling on China's price support for grains, successfully challenging a calculation methodology that is also used by India.

</br></br>A WTO adjudication panel agreed on Thursday with the US complaint that China had paid farmers too much for wheat, Indica rice and Japonica rice in 2012-2015. A disputed corn subsidy had already expired.

</br></br>"China's excessive support limits opportunities for U.S. farmers to export their world-class products to China," US Trade Representative Robert Lighthizer said in a statement. "We expect China to quickly come into compliance with its WTO obligations.

</br></br>China said on Friday it regretted the lack of support from experts, noting that government support for agriculture was a common practice and allowed under WTO rules.

</br></br>China would continue to promote development of its agriculture sector in line with WTO rules and safeguard the stability of the multi-lateral trade system, the Ministry of Commerce said in a statement.

</br></br>The US trade representative's office filed the complaint in September 2016, saying China had paid farmers nearly $100 billion more than allowed by the WTO rules. That provided an artificial incentive for farmers to produce more, lowering prices worldwide.

</br></br>China's WTO membership agreement permits trade-distorting subsidies of up to 8.5% of the total value of production.

</br></br>China argued that it was not breaching that limit because only the grains procured by government should be counted as subsidised. The United States successfully argued that state buying at a guaranteed price raised the whole market.

</br></br>The ruling, which may be appealed, could have ramifications for India, which has made similar arguments to China.

</br></br>At a meeting of the WTO's agriculture committee on Wednesday, the United States and Canada rejected India's claim that its market price support for pulses was 1.5% of the value of production, saying that it was actually 31% to 85%, far above allowed limits.

India considers moving WTO against US over withdrawal of import sops

Live Mint

New Delhi, March 7, 2019: India is exploring various options, including approaching the WTO dispute body, to deal with the US decision to withdraw import incentives for about 2,000 domestic goods under the trade preference scheme, sources said.

</br></br>Providing fiscal support to domestic exporters of those sectors hit by the US decision and imposing retaliatory duties are also among the options considered by India, they said.

</br></br>On 5 March, the US decided to withdraw import duty benefits, which was in the range of 1-6%, under its Generalized System of Preferences (GSP) programme.

</br></br>The GSP programme provides non-reciprocal, duty-free imports of certain products from certain developing countries. Currently, about 121 developing countries including India, Brazil, Afghanistan and Botswana are availing these benefits.

</br></br>The decision could impact India's exports worth USD 5.6 billion under this scheme. Removal of the benefits would result in imposition of duties by the US on these 2,000 products, making them uncompetitive in the American market in terms of pricing.

</br></br>However, another source said that it might be a long drawn process in the World Trade Organisation (WTO) and the better option would be to resolve the issues through bilateral dialogues, as India has trade surplus with the US.

</br></br>India approaching the Geneva-based WTO's dispute settlement body would depend whether the US is differentiating among the developing countries by excluding India based on WTO's non-compatibility criteria.

</br></br>In 2003, India had won a case in the WTO against the European Commission following its denial of GSP incentives for textiles and drugs exporters.

</br></br>Besides, India has an option to impose retaliatory tariffs on the 29 US products, deadline for which has been extended until April 1. India has extended the deadline to impose these duties for six times.

</br></br>Trade experts said that India has the option to drag the US in the WTO dispute over the GSP issue and impose retaliatory tariffs.

</br></br>"India can file a complaint to the WTO's dispute settlement body. But I think bilateral negotiations are the best options to find a solution to the issue," Professor Biswajit Dhar of Jawaharlal Nehru University (JNU) said.

</br></br>Another source said that GSP benefits are provided to developing countries and LDCs by developed countries on MFN basis. No discrimination can be made by the US on developing countries on biased criteria. The US has to remove GSP benefits for all developing countries. It cannot cherry pick as per their whims and fancies. If they do so then India can file dispute at WTO, the source said.

</br></br>According to Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta has said that the US decision to withdraw duty benefits will have a impact on few domestic sectors such as processed food, leather, plastic, and engineering goods.

</br></br>The other sectors that were enjoying the duty benefits include building material and tiles; hand tools (spanners, wrenches, drilling equipments); engineering goods such as spark ignition, turbines and pipes, parts of generators, cycles; made-ups (pillow and cushion covers); and women's woven dresses, he has said.

</br></br>India has said that the US government's move to withdraw duty concessions will not have a significant impact on exports to America as the benefits amount to only about USD 190 million annually.

</br></br>The bilateral trade between the countries has increased to $74.5 billion in 2017-18 from $64.5 billion in 2016-17. The US is one of the few countries with which India has a trade surplus, which stood $21 billion in 2017-18.

UK approved to rejoin $1.7 trillion WTO procurement deal

Live Mint

February 27, 2019: The United Kingdom won approval to remain in a key World Trade Organization agreement that governs $1.7 trillion worth of annual public procurement opportunities.

</br></br>A group of 46 nations, including the U.S. and Japan, agreed on Wednesday to let Britain stay in the Government Procurement Agreement, according to a WTO statement.

</br></br>Maintaining membership ensures that U.K.-based contractors will retain their preferential access to foreign public procurement opportunities if Britain leaves the European Union without a withdrawal accord. It also ensures that the GPA’s signatories will continue to have access to the U.K.’s 67 billion-pound ($89 billion) public procurement marketplace in the case of a no-deal Brexit.

</br></br> “The agreement is another huge step in the U.K. establishing itself as an independent WTO member, continuing to bang the drum for free trade and U.K. business," British International Trade Secretary Liam Fox said in a statement on Twitter.

</br></br>More Transparent

</br></br>The purpose of the GPA is to open up, in a reciprocal manner, government procurement markets to foreign competition, and to help make public purchasing more transparent.

</br></br>The U.K. currently participates in the GPA via the EU; Britain never independently ratified the agreement and must now rejoin as a member in its own right in order to ensure continuity following its planned departure from the bloc. The U.K.’s offer replicates its current GPA commitments as an EU member and does not increase or decrease access to its public procurement marketplace.

</br></br>The agreement will now be laid before the U.K. Parliament for 21 sitting days to provide the opportunity to raise any objections to the accord. There is no indication that any members of Parliament intend to object to the deal.

</br></br>The U.K.’s accession to the GPA will take effect 30 days after the U.K. government submits its instrument of acceptance to the WTO.

</br></br>Regardless of Wednesday’s approval, the U.K. will remain a member of the GPA under its current terms if the British government approves a withdrawal agreement or extends its negotiations with the EU beyond the scheduled Brexit date of March 29.

</br></br>Brexit Continuity

</br></br>The decision marks a positive development in the U.K.’s effort to become an independent member of the WTO in preparation for its exit from the European trading bloc.

</br></br>In October, several countries including the U.S., New Zealand and Moldova objected to the U.K.’s offer to rejoin the GPA because they said it was outdated and should include further concessions, like increased access to U.K. visas. The situation threatened to blow up the U.K.’s post-Brexit access to the $1.7 trillion deal since each member has a veto.

</br></br>On Wednesday, the GPA parties acted 'rationally and pragmatically,' said Julian Braithwaite, the U.K.’s ambassador to the WTO. 'The economic interest in providing continuity

outweighed all the interests that have been raised that could have blocked our accession,' Braithwaite told Bloomberg in a telephone interview.

</br></br>The U.S. ambassador to the WTO, Dennis Shea, said that 'keeping the U.K. in the GPA is very important for this agreement' and noted that the U.K. accounts for over a quarter of the EU's total procurement covered by the GPA, according to a statement.

</br></br>As part of Wednesday's agreement, the U.K. will renegotiate certain aspects of its GPA membership over the next three months in order to account for certain government entities that did not exist before Brexit -- like the Department for International Trade.

</br></br>Braithwaite said Britain won't liberalize its current public procurement commitments, which restrict foreign access to the U.K. rail system and the National Health Service.

</br></br>'We won't change our market access,' Braithwaite told Bloomberg. The U.K. is 'already the most open and liberal European economy in the GPA.'

Global trade growth will continue to slide in 2019, says WTO

Live Mint

Geneva, February 19, 2019: Global trade growth is on track to slide further the first quarter of 2019, the World Trade Organization (WTO) said. The WTO in September said it expects world merchandise trade growth will slow to 3.7% this year down from 3.9% in 2018.

</br></br> "These estimates could be revised downward if trade conditions continue to deteriorate," the WTO said in its latest World Trade Outlook Indicator report released on Tuesday. "The simultaneous decline of several trade-related indicators should put policy makers on guard for a sharper slowdown should the current trade tensions remain unresolved."

</br></br>The quarterly WTO report registered "steep declines" in most indexes for export orders of air freight, automobile production, electronic components and agricultural raw materials. The organization said its trade assessment was the weakest since March 2010.

</br></br>The report comes as US and Chinese officials hold talks in Washington, D.C. this week aimed at resolving their trade conflict. President Donald Trump has threatened to increase tariffs to 25% on $200 billion worth of Chinese goods if negotiators are unable to forge an agreement by March 1.

</br></br>The Geneva-based trade body previously warned that an array of trade conflicts is affecting business confidence and investment decisions. Last year the WTO cut its outlook for global commerce through 2019 and warned that tension between major trading partners is threatening economic growth.

'United States seeking to sabotage multilateral dispute mechanism'

Suhasini Haidar, The Hindu

February 17, 2019: Warning that the U.S. is seeking to sabotage the World Trade Organization (WTO),Marianne Hagen , Deputy Minister, Norwegian Ministry of Foreign Affairs, says that India must work to strengthen the multilateral trading organisation, and also calls for India to join a WTO Ministerial convention to end fishing subsidies for illegal fishing units in 2019. Ms. Hagen was in Delhi and Mumbai this past week for meetings with Commerce Minister Suresh Prabhu. Excerpts from an interview:

</br></br>The focus of your India visit has been the blue economy. What kind of collaboration do you envisage with India?

</br></br>We are very encouraged that PM Modi made the blue economy one of the most important issues in the Budget. It has been just a month since our PM [Erna Solberg] and PM Narendra Modi met, and the speed with which their agreements have moved is also very encouraging. We have now signed a letter of intent for cooperating on marine pollution and we have identified areas for cooperation. We also spoke of developing ferry services that are eco-friendly. Norway has about 70 electric or hybrid ferries running, and India could benefit from our technologies as well as our logistics services.

</br></br>You are also discussing WTO issues with Commerce Minister Suresh Prabhu. What are the big concerns?

</br></br>I think the WTO as an organisation is clearly under stress, and it is so important for all smaller countries [like Norway], that when the U.S. is sabotaging the dispute settlement system, we cannot look at that problem in isolation, but work with other countries so that the problem doesn't block the system. We want to have discussions with India and other countries on what they need in order for the WTO to work better for them, so that we can modernise the organisation.

</br></br>Specifically, what would you want India to work with Norway on?

</br></br>To start with, we must address the dispute settlement system. Then, we must look at development, which is no longer fair. Norway doesn't have a solution, but Norway can be part of the search for it. Norway is part of the Canadian group, for example, a group of 13 countries that aims at modernising the world trading system. I think the world order is under stress from many things.

</br></br>The WTO is the best we have and it can't be replaced, but it can be made better and more representative of the present day realities. If the WTO goes, and countries go back to working on problems bilaterally, that might work for the bigger economies [U.S., China] and India, but what about the rest of us?

</br></br>We are all small potatoes, and we will not be the first choice for trading with. So we will just stand in line and it will never be our turn to negotiate free trade agreements with India. That is why we need the WTO.

</br></br>You said the U.S. was 'sabotaging' the system but others are also losing interest in multilateral organisations...

</br></br>The WTO system is like the diaphragm or the base on which global trade stands. I know that not everyone has benefitted from globalisation, but if you look at the world as a whole and see the millions who have been brought out of poverty because of global trade, you can see how important it is.

</br></br>And the WTO, or the rule-based global system, is what small countries have in order to keep a fair share of it.

</br></br>And, we want developing countries to realise that when they ask for investments and private sector growth in their economies, they need to see the problems of countries like Norway. So, Norway is trying to bring these problems at the top level. We need presidents and prime ministers to engage at the WTO, not only trade ministers or diplomats.

</br></br>Norway is also working towards an agreement at the WTO on ending fishing subsidies...

</br></br>Overfishing, or what is called Illegal, Unreported and Unregulated (IUU) fishing is another example of the unfair practices that we want to talk about. Overfishing is to a large extent done by subsidised fishing vessels and subsidised fleets in developing countries.

</br></br>Those fishing subsidies hurt the economy of India, especially its coastal states, and at the same time contribute to overfishing. I am trying to connect the ocean agenda and the blue economy, with the conversations we are having at the WTO on fishing subsidies and the need to level the playing field. This has to be finished by December 2019, and if we conclude an agreement we will achieve two outcomes: lessen the pressure on the fish stocks by reducing fleets responsible for overfishing, and we will build more investment in the WTO.

</br></br>One of the success stories we have seen with Russia, despite our other problems, is that we have been able to work out quota systems and resource management systems between us that have worked for 40 years. Maybe, that is a lesson to be learnt here in India too [with Pakistan and Sri Lanka].

</br></br>Norway has often been accused of encouraging its own oil industry, while advising developing countries on climate change commitments. How do you respond?

</br></br>If you compare the emissions from the Norwegian gas and oil industry, the new technologies we are developing make 16 times less emissions than other oil productions. But fossils will always be fossils and the world’s need for energy is expected to increase by 30% by 2050, and the energy has to come from somewhere.

</br></br>So, we can replace coal, which is the worst source, with oil and replace oil with more environmentally-friendly oil, then gas, and then renewables. We can’t switch off the fossils yet, but we can work really hard on trying to replace them.

</br></br>With India’s growing population and need for energy, India has fantastic opportunities for solar and offshore wind production of electricity. India’s growth must be as sustainable as possible.

China says working with US day and night to get trade deal

Live Mint

9 March, 2019: China and the United States are still working day and night to achieve a trade deal that matches the interests of both sides and the hopes of the world, including eliminating tit-for-tat tariffs, a senior Chinese official said on Saturday.

</br></br>Chinese Vice Commerce Minister Wang Shouwen said he was optimistic about negotiations with Washington, but added any trade mechanism achieved must be equal and fair.

</br></br>The governments of the world's two largest economies have been locked in a tariff battle for months as Washington presses Beijing to address long-standing concerns over Chinese practices and policies around industrial subsidies, technology transfers, market access and intellectual property rights.

</br></br>Advances in talks drove the White House to indefinitely delay hikes in tariffs on $200 billion worth of Chinese imports that were set to kick in on March 2.

</br></br>Wang, speaking at a news conference on the sidelines of China's ongoing annual meeting of parliament, said slapping tariffs on each other was bad for workers, farmers, exporters and manufacturers.

</br></br>"It hurts investor confidence and delays corporate investment decisions," said Wang, who has been deeply involved in the trade talks with the United States.

</br></br>"Now, the economic and trade teams of the two sides are making full efforts to communicate and negotiate in order to reach an agreement in line with the principles and directions decided by the two heads of states," he added.

</br></br>"That is to remove all the tariffs imposed on each other, so that bilateral trade relations between China and the United Statescan return to normal."The trade talks have seen senior officials shuttling backwards and forwards between Beijing and Washington.

</br></br>Giving rare details into the talks, Wang said the two countries had been making extra effort to find areas in common. During the talks Vice Premier Liu He and US Trade Representative Robert Lighthizer enjoyed take out food, he said.

</br></br>"Vice Premier Liu had a hamburger, and Lighthizer had eggplant and chicken," he added, describing a common Chinese dish.

</br></br>"Throughout the negotiations, there was coffee and tea, but the two of them did not drink any coffee, did not drink any tea. They both drank hot boiled water. This is to find common ground."

</br></br>It is unclear when or where senior negotiators from both sides will next meet.

</br></br>Trump administration officials have not made any new plans to send a team to China for face-to-face trade talks though there is much work left to be done to reach a deal, White House trade adviser Clete Willems said on Friday.

US-China trade deal leaves currencies as next fighting ground

Enda Curran & Tian Chen , Bloomberg, Live Mint

Hong Kong, 6 March, 2019: The US and China are edging closer to resolving differences on currencies that have bogged down economic talks for nearly two decades. The only question is how meaningful the deal will be.

</br></br>With both nations inching towards a trade deal that’s expected to include a provision for China to hold the yuan stable, US President Donald Trump is shifting his gaze to the dollar’s strength. During a largely unscripted two-hour speech on Saturday, he targeted Federal Reserve chairman Jerome Powell as someone who “likes raising rates". Even though his treasury secretary sets currency policy, Trump pointed to Powell as a “gentleman that likes a very strong dollar".

</br></br>For China, a possible weaker dollar will lead to a stronger yuan, pressuring officials to halt its appreciation as the economy slows. That will risk triggering blunt criticism from Trump, who used his presidential election campaign to routinely accuse China of deliberately weakening its currency in order to boost exports.

</br></br>'Trump wants the dollar to stay lower because of the impending election to counter the strengthening effects of his budget and Fed policy," said Douglas Paal, vice president for studies at the Carnegie Endowment for International Peace. "But if you were to ask him why, he might offer the excuse of China’s currency."

</br></br>Keeping the yuan on a stable path won’t be easy given the slowing domestic economy and drawing on lessons from previous currency pacts such as the 1980s Plaza Accord, said Cliff Tan, MUFG Bank Ltd’s East Asia head of global markets research. "We still think a weaker economy and credit problems should mean a weaker yuan later in the year," Tan said.

</br></br>The government in Beijing on Tuesday used its report to the annual National People’s Congress to lower its growth goal for the year to a target of 6% to 6.5% and pledged to keep the yuan basically stable at reasonable equilibrium levels, while also allowing greater flexibility.

</br></br>That suits China’s own interests, given the risk of capital outflows and market instability that would be triggered by a currency slump. Yet it’s less clear how much sovereignty over the yuan China will want to cede in any trade agreement with the US.

</br></br>China’s reluctance

</br></br>"It looks unrealistic to us that China would accept any explicit clause putting down ranges for the dollar-yuan rate or incorporating a vigorous monitoring process," wrote Frances Cheung, head of Asia macrostrategy at Westpac Banking Corp., in a note Tuesday. "A rigid exchange-rate policy would have wide implications on China’s multi-year reform on the foreign-exchange system and the opening-up of capital markets."

</br></br>China’s yuan surged 2.6% against the dollar this year, making it the best performing currency in Asia, and has rallied to the highest level since July versus a basket of exchange rates. That’s a far cry from 2018, when the yuan tumbled more than 5% amid concerns over the US-China trade war and monetary easing by the central bank.

</br></br>A currency accord will likely require China to avoid devaluing to gain a competitive advantage, US trade representative Robert Lighthizer said last week, though he also said that there isn't yet a final agreement. That was a shift from Treasury Secretary Steven Mnuchin's previous remarks that the US and China had concluded "one of the strongest agreements ever on currency".

</br></br>Currency provisions have become an increasingly common feature of US trade deals in recent years. The Barack Obama administration insisted on including a commitment to not engage in competitive devaluations in the Trans-Pacific Partnership it negotiates with Japan and 10 other economies. The Donald Trump administration insisted on the inclusion of something similar in a renegotiated Nafta.

</br></br>But by and large the provisions have been seen as symbolic and toothless. The Trump administration has also proven reluctant to act on the president's rhetoric before. During his 2016 campaign Trump promised to officially label China a currency manipulator and take tough action. Two years into his presidency, however, the US treasury has declined to follow through on that threat.

Why markets should pay attention to the latest India-US trade spat

Harsha Jethmalani, Mobis Philipose, Live Mint

March 6, 2019: There is a trade conflict brewing between India and the US. But it did not seem to matter for India's financial markets; both the rupee and the stock markets rallied on Tuesday. Of course, the financial markets aren't always the best barometer to assess the impact of policy decisions, especially those with long-term implications.

</br></br>The Indian government, too, has played down the impact of the US move to withdraw duty benefits on Indian products under the Generalized System of Preferences (GSP) scheme. But experts disagreed.

</br></br> "According to some media reports, the government is saying there will be a minimal impact of about $190 million. It looks like they are downplaying the issue. We don't know the basis of this calculation. Since the US is a key export market for India, any impact is sure to have adverse implications, especially on small firms," said Biswajit Dhar, professor of economics at Jawaharlal Nehru University, Delhi (JNU).

</br></br>To be sure, the macro impact of this development cannot be ignored. At a time when India's export growth remains sluggish, and trade deficit remains a concern, any impact on exports can only worsen the scenario.

</br></br>It could also translate into loss of employment, since the predominant share of exports under the GSP scheme is from small and medium enterprises, which are typically labour-intensive.

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An Indian government official had said at a US government hearing that “the predominant share of GSP beneficiary items exported from India are intermediaries and semi-manufactured goods".

</br></br>As far as the impact on overall exports go, it may be fair to conclude that the loss may not be very high. After all, total exports of around $5.6 billion under the GSP scheme amounted to around 12% of total exports to the US in 2017, and a far smaller proportion compared to India’s total exports.

</br></br>But even if there is a $1-2 billion impact as a result of the withdrawal of GSP scheme, the eventual impact on the country’s balance of payments will be greater, said the head of research at a multinational brokerage firm, requesting anonymity. The gap would need to be made up through higher capital flows, increasing other exports or by reducing imports, none of which can be taken as a given.

</br></br>As the chart above shows, India’s trade relations with the UShave only grown in size over the years. But recent developments could mean a reversal in trend. The withdrawal of the GSP scheme for Indian companies comes on the back of far greater restrictions on visa issuances for Indian firms under the Donald Trump administration. While Indian IT companies have adapted by increasing local hiring, this comes at the cost of lower margins. “Visa issuances are at about a fifth of what they used to be a few years ago," said an analyst at a multinational brokerage firm.

</br></br>Coming back to the trade spat, it must be noted that India had challenged a similar move by the European Union (EU). “In 2002, EU rewrote their GSP preferences that discriminated against India. One of the sectors that got severely hit was textiles and clothing. India had then approached the Dispute Settlement Body of the WTO (World Trade Organization) contesting the case of discrimination against us, which was a violation of GSP rules. And considering the slowdown in the global economy, it will be challenging for Indian exporters to compensate for the potential losses in the US," added Dhar.

</br></br>India has had a part to play in the strained trade relations as well, point out analysts, with its new restrictions in the e-commerce space, which have curtailed activities of US companies such as Walmart Inc. and Amazon.com Inc.

</br></br>Indeed, the US review of GSP preferences for India was conducted after complaints by a body of US dairy product makers and a medical devices manufacturer, both of whom said that the country hasn’t reciprocated, and has instead created barriers for entry in these segments.

</br></br>But the blanket removal of the GSP scheme for India means that about 1,900 products exported by the country to the US will be hit. “Popular items that India exports to the US under the GSP programme includes many intermediary products such as mechanical spare parts, ferro alloys,

food products, gems and jewellery, textile products, electronic products like motors, wires etc.," said Rahul Khurana, associate partner at Economic Laws Practice, a law firm.

</br></br>Interestingly, one of the reasons the financial markets are doing well lately is the prospect of an end to the US-China trade war. While that would be an event to celebrate, the trade tension between the US and India clearly does not bode well.

Opinion | American aggression on trade could worsen

Live Mint

March 5, 2019: After achieving what looks like the outline of a trade truce with China, US President Donald Trump is now increasing pressure on India so that American products can be sold here with greater ease. Addressing US Congressional leaders through a letter, he has declared his intent to withdraw the benefit of duty-free entry granted to a slew of Indian exports under its Generalized System of Preferences (GSP) because India has failed to assure US companies "equitable and reasonable access" to its markets. If the move goes through, the impact could kick in as early as mid-May, with tariff barriers rising against Indian exports that totalled an estimated $5.6 billion last year. Given the country's annual exports of more than $300 billion, that is no big deal. However, Trump's move cannot be brushed off as one of low significance. The broad message it sends out is that Trump is ready to push countries that run a trade surplus with the US into adopting measures that would strike an import-export balance. In other words, India needs to batten the hatches for more salvos to come.

</br></br>Although bilateral ties have been marked by trade friction for some time now, what seem to have triggered Trump's latest offensive are India's recent policy decisions that could hurt American online retailers and pharmaceutical companies. Key among these are restrictions placed on e-commerce companies that have upset Amazon and Walmart. India has also directed firms such as Mastercard and Visa to store user data locally (and not overseas). Price caps on medical implants are another sore point. In addition, the Trump administration wants India to cut import duties on its agricultural goods, dairy output, and some technology products. India has said that it is willing to concede ground on some US demands—on heart implants, for instance—and review its policy. Negotiators have also argued that providing concessions on IT and telecom equipment would work to the advantage of countries such as China more than the US. The US, though, unsatisfied with what India has on offer, has complained of a "wide array of trade barriers" that it accuses the country of having erected. It is true that Indian custom duties have been going up bit by bit, and not just in retaliation to US measures such as its steel tariffs imposed last year, a hit-back over which India has dithered more than anything. Moreover, add-on levies often make the real rate hard to determine. What's worse, at least from a policy perspective, is that the list of items that have seen duty tweaks does not look coherent. Ad hoc changes here and there have not helped. Last year, India unilaterally halved its import duty on high-end motorcycles after Trump criticized the tariffs on these. It led the US president to boast that all it took was two minutes of his talking for India to back down.

</br></br>What comes next is hard to foretell, but there are signs enough that India urgently needs to get its act together. To begin with, the country needs clarity on both the principles and pragmatism of its approach to world trade. If the country is to rebuff American efforts at arm-twisting it for the sake of America Inc., New Delhi would have to make a forthright argument that is consistent with its broad stance, while quietly calculating what might be worth yielding and for what gains.

Opinion | A bumpy road ahead for India-US trade relations

Abhijit Das, Live Mint

March 9, 2019: The sword hanging over India's preferential access for its exports to the US market has finally fallen. On 4 March, US trade representative Robert Lighthizer announced that the US intends to terminate India's designation as a beneficiary developing country under the generalized system of preferences (GSP) programme. According to the United States trade representative, India's termination from the GSP programme follows "its failure to provide the United States with assurances that it will provide equitable and reasonable access to its markets in numerous sectors". What would be the impact of this action and how should India respond? Also, is there any significance in the timing of this action?

</br></br>The termination of GSP benefits is likely to adversely affect about $5 billion of India's annual exports to the US. This amounts to 10% of India's total exports to that country. At a macro level, the termination of benefits under the GSP would wound the country, but would not prove to be a fatal blow to India's export ambitions.

</br></br>Of course, the specific sectors that benefitted from access under America's preference regime would face the brunt. The loss of the associated benefits would raise the price of exports of these sectors, thereby posing challenges to them in competing with other countries in the American market.

</br></br>So, what are the options available to India? Let us examine them.

</br></br>First, the sectors likely to be adversely affected by loss of benefits under the preference regime need to enhance their cost competitiveness. This will help offset the erosion of the GSP tariff advantage and facilitate the retention of their market share in the US. If need be, the government could provide some financial support as an emergency measure to these sectors. However, this should not be in the form of export subsidies.

</br></br>Second, in July last year, India had announced its intention to impose retaliatory tariffs on the US for the latter's steel and aluminium tariffs, allegedly for protecting America's national security. So far, India has refrained from imposing those retaliatory tariffs. With the preferential benefits at the verge of being terminated, there should be no trade-related reason for India to hold back these tariffs.

</br></br>Third, under the rules of the World Trade Organization, tariff preference schemes such as America's GSP are required to be non-reciprocal. In other words, the US cannot demand reciprocal market access for its exports to India in return for granting benefits under the scheme. As such, the reason stated by the US for terminating these benefits to India—India's supposed failure to provide equitable and reasonable market access to American goods—falls foul of World Trade Organization rules. New Delhi must move fast and challenge the termination of these benefits under the organization's dispute settlement mechanism. This would signal India's intention that it expects America and other countries to play by multilateral, not unilateral, trade rules.

</br></br>Fourth, it is no secret that the US wants India to lower tariffs in many sectors, particularly dairy products and wheat. Cheap and highly subsidized imports from the US in these sectors would result in severe loss of livelihoods in India. It is, therefore, not surprising that India has stood its ground and not given in to this particular demand by Washington.

</br></br>However, can the Indian government identify products where it can provide additional market access to the US, without there being a large-scale negative fallout on employment levels in the country? This engagement should be accompanied with a list of products from India on which it could request the US to lower its tariffs.

</br></br>Why has the US chosen this moment to terminate India's benefits under the generalized system of preferences? Two reasons can perhaps explain the move.

</br></br>First, in the current security environment, India needs the backing of the US, which has chosen a time to strike on trade when India is vulnerable in its international relations. Perhaps the US calculus is that India will succumb on trade issues, in exchange for its continued support of India in geopolitical and strategic matters. India's policymakers and political leaders need to have ample clarity on how to strike an overall balance in the country's interest in different spheres. They need to keep in mind the reality that anything which makes the country economically weaker will also reduce India's heft in the global political arena.

</br></br>Second, at this juncture, the prospect of a deal between the US and China to lower the heat on trade war appears to have brightened. The message that the US is trying to convey to India is the following: If it can extract concessions at the negotiating table from China, then what chance does India have to resist the US? This is clearly a part of the mind game that Washington seems to be playing and which Indian policymakers need to be cautious about.

</br></br>Overall, termination of India's benefits under the generalized system of preferences presages a bumpy road ahead in bilateral trade relations between India and the US. It is essential that the situation does not spiral out of control. The best course for both countries would be to continue to talk and explore ways of resolving their knotty trade issues.

Opinion | We must resist Trump's myopic view of trade

Live Mint

March 4, 2019: Donald Trump has attacked India's tariff regime again. The US president said over the weekend that India is a "very high-tariff nation" and wondered aloud why America should not raise its own trade barriers to match India's. This isn't the first time he has trained his guns on Indian import levies, even though US trade with India constitutes a very small portion of its global shipments. Earlier, he had highlighted how American motorcycle manufacturer Harley-Davidson faces 100% import duty in India, while Indian-made motorcycles virtually get a free pass to the US market. Subsequently, he had grumbled about India's high import duties on American whiskies. Last year, New Delhi had moved to halve the duty on high-end bikes to 50% and Trump had grudgingly welcomed the cut, pointing out that 50% versus zero was still lopsided. Now that the US president has raised the issue again, few are left in doubt that his notion of fair trade is equivalent tariff levels for the same export between trading partners. The threat being wielded is the ejection of India from its Generalized System of Preferences that allows several Indian products easy access to American shop shelves.

</br></br>While Trump sees himself as a negotiator on behalf of America Inc., this talk of imposing tit-for-tat taxes reflects a simplistic understanding of international trade. Even from a short-term perspective, the categories that Trump focuses on are unlikely to yield significant gains for the US, no matter how low Indian barriers go. True, India is a vast market for two-wheelers and whiskies, but most demand is for low-priced products in these categories; the space for top-end products made by American companies is rather limited. Also, India's high import tariffs on such products are aimed at collecting greater revenue from the country's rich, who are unlikely to be deterred by a steep price tag on a luxury purchase. Therefore, even if India slashes duties, it is only going to lose revenue, while sales of imported products are unlikely to witness any major bump up. Then there is the issue of policy sovereignty. Emerging markets often impose higher tariffs on imports from developed countries (than the latter do on the former) as a measure to protect their domestic industries from external competition. This is a valid policy if a particular industry needs such a shield. By and large, however, exposure to the world makes for global competitiveness.

</br></br>Trump, though, seems to be taking a myopic view of international trade, acting like the CEO of America Inc., who bothers more about the impact that tariffs make on business bottomlines in the short-term, than about making the most of trade as an economic opportunity from which all partners benefit. The point of trade is to allow worldwide specialization: Each partner produces what it is relatively better at and then they all exchange their wares. The idea that tariffs have to be set at equal levels for trade to be "fair" is not borne out by trade analysis. All it does is encourage competitive protectionism, eventually drawing other countries into a self-defeating downward spiral that does nobody any good.

To resolve trade tangle with US, govt looks at likely tariff cuts on low hanging items

The Indian Express

March 7, 2019: India's Department of Commerce is looking at the possibility of whittling down tariffs in a couple of contentious sectors — the drugs and medical devices and the IT hardware segments — in an attempt to temper the unfolding trade tangle with the US.

</br></br>This comes as the Ministry of External Affairs is learnt to have communicated with Commerce, with a specific reference to the question of whether duty changes can be carried out once the Model Code of Conduct kicks in later this month.
The move to dial down the tension comes a day after the United States announced its intention to "terminate" India's designation as a beneficiary of its Generalized System of Preferences (GSP) duty concession programme, citing that it had failed to provide assurances that it will give the US "equitable and reasonable" access to its markets in numerous sectors.

</br></br>The issue of import duties on smartphones, printer cartridges and other ICT products has been a sticking point and the US has argued that this goes against its multilateral commitments. The US contention is that India maintains "very high" basic customs duties of up to or higher than 20 per cent, on drug formulations, including life-saving drugs and finished medicines listed on the World Health Organization's list of essential medicines. Besides, concerns have been flagged by the US following India's decision to cap prices of cardiac stents in 2017, a move that impacted US stent manufacturers Abbott, Boston Scientific and Medtronic.

</br></br>Both these sectors are being seen as potential low hanging for a possible tempering down of positions. Commerce Ministry officials indicated that the USTR statement Tuesday was unexpected, given the discussions on some of the stick issues "was ongoing" and that India had backed down on "retaliatory tariffs" on sectors such as steel and aluminum that were to be imposed in November. A query sent to the Commerce Minister's office on the issue did not elicit a response.
While the measures announced by the USTR may not take effect until at least 60 days after the notifications are sent to the US Congress and the Government of India, and then enacted by a Presidential Proclamation, the concern on the Indian side is that these measures could kick in midway through the new government formation in Delhi after the upcoming general elections.

</br></br>Officially, in response to the measures announced by the USTR, India has maintained that the withdrawal of benefits, if it were to happen, would have a "minimal" impact and that the government had been engaged in discussions to arrive at a "balance" on the issues raised by the US, including "additional requests" raised by Washington on sectors such as medical devices, dairy products and the IT sector that India has not agreed upon.
The NDA government had slapped a 10 per cent customs duty on mobile phones and other ICT items such as E-readers for the first time in July 2017 and subsequently hiked it to 15 per cent later that year. Customs duties on mobiles were further increased to 20 per cent in last year's Budget. Then in October 2018, the basic customs duty on several telecom equipment were increased and duties were slapped on printed circuit boards. The US has stated at the WTO that India's move to hike tariffs on high-tech information and communication technology products from zero to between 10 and 20 per cent has raised significant concerns for US companies and that most of these items were included in the IT Agreement of the WTO, where tariffs are supposed to zero. The Ministry of Electronics and IT's position on this issue is that the duty hikes were essential to cushion the domestic electronics sector.

</br></br>The World Trade Organization estimates that India's applied most favoured nation import tariffs are 13.4 per cent (simple average) and 7 per cent (trade-weighted average). According to the World Bank, India's applied average tariffs were 6.3 per cent in 2017.

Why is GSP vital to India-U.S. trade ties?

K. Bharat Kumar, The Hindu

March 9, 2019: The Generalized System of Preferences is the largest and oldest United States trade preference programme. The U.S. intended it to promote economic development by eliminating duties on some products it imports from the 120 countries designated as beneficiaries.

</br></br>When was it introduced?

</br></br>It was established by the Trade Act of 1974. According to the website of the U.S. Trade Representative, the GSP helps spur sustainable development in beneficiary countries by helping them increase and diversify their trade with the U.S. The U.S. also believes that moving GSP imports from the docks to U.S. consumers, farmers, and manufacturers supports tens of thousands of jobs in the U.S. The other benefit is that "GSP boosts American competitiveness by reducing the costs of imported inputs used by U.S. companies to manufacture goods in the United States." The Trade Representative says the GSP is important to U.S. small businesses, many of which rely on the programmes' duty savings to stay competitive.

</br></br>Why is it important for India?

</br></br>The Indian export industry may not feel the pinch of the GSP removal for India by the U.S. The loss for the industry amounts to about $190 million on exports of $5.6 billion falling under the GSP category. But specific sectors, such as gem and jewellery, leather and processed foods will lose the benefits of the programme. A producer may be able to bear 2-3% of the loss from the change, but not more. The loss, in export of some kinds of rice for example, may even exceed 10%. The landed price of goods from India has to be the same as it was before the GSP was removed. If not, consumers of those products in the U.S. would gravitate to producers that enjoy the GSP benefits and hence are able to offer lower prices. Obviously, it is difficult to get back a customer that a competitor takes away.

</br></br>Why is India in the cross-hairs?

</br></br>The U.S. conducts periodic reviews of the programme. The review for India, taken up last year, focussed on 'whether it is meeting the eligibility criterion that requires a GSP beneficiary country to assure the U.S. that it will provide equitable and reasonable access to its market.' The Trade Representative accepted two petitions asserting that India did not meet the criterion: one from the National Milk Producers Federation and the U.S. Dairy Export Council, and the other from the

</br></br>Advanced Medical Technology Association. India wants dairy products, which could form part of religious worship, certified that they were was only derived from animals that have not been fed food containing internal organs. Other exporters such as EU nations and New Zealand certify their products, but the U.S. has so far not done so. Second, India has recently placed a cap on the prices of medical devices, like stents, that impacts U.S. exports of such devices.

</br></br>What can the Indian government do?

</br></br>The government must offer fiscal help to the affected sectors. But the obvious question is: what can India do if it has to be compliant with World Trade Organisation rules that protect all its members equally from undue sops given to exporters? A wry answer is that if the U.S. is not playing by WTO rules, other countries too need to be able to protect their industries. But it is possible to offer some breather to producers suffering losses from the GSP removal, even while being WTO-compliant. The Centre could consider refund of taxes for goods not under GST. Use of electricity or petrol in the manufacture of such goods but for which an input credit is not available could qualify here. Helping such sectors would also protect jobs; especially when job creation is at a low.

What is GSP, and how did India gain from being on US trade preference list?

Prabha Raghavan, The Indian Express

March 5, 2019: The announcement by the United States that it intends to "terminate" India's designation as a beneficiary of its Generalised System of Preferences (GSP) could be a big blow for India's competitiveness in items groups such as garments, engineering, and intermediary goods in the American market.

</br></br>The GSP, the largest and oldest US trade preference programme, is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries. India has been the biggest beneficiary of the GSP regime and accounted for over a quarter of the goods that got duty-free access into the US in 2017. Exports to the US from India under GSP — at $5.58 billion — was over 12 per cent of India's total goods exports of $45.2 billion to the US that year. The US goods trade deficit with India was $22.9 billion in 2017.

</br></br> "At the direction of President Donald J. Trump, US Trade Representative Robert Lighthizer announced today that the United States intends to terminate India's and Turkey's designations as beneficiary developing countries under the Generalized System of Preferences (GSP) program because they no longer comply with the statutory eligibility criteria," the office of the US Trade Representative said in a media release in Washington DC on Monday evening.

</br></br>The move comes two days after President Trump's reference to India as a "very-high tariff nation" and his demand for a "reciprocal tax" on goods from India, and is in line with Washington's concerted attacks on India's trade stance. In his address to the Conservative Political Action

Conference in Washington DC on Saturday, Trump went back to his often-cited example of Harley-Davidson motorcycles to substantiate his point about India, which came at a time when the US and China have managed a temporary truce over tariffs.

</br></br>India's tariffs used to be high until about the late 1990s, with the peak customs duty — the highest of the normal rates — on non-agriculture products steadily coming down steeply from 150 per cent in 1991-92 to 40 per cent in 1997-98 and subsequently, to 20 per cent in 2004-05 and 10 per cent in 2007-08. According to WTO data, India's average applied tariff is around 13 per cent, and it plans to move towards the ASEAN tariff rates progressively (approximately 5 per cent on average). There has, however, been a move to increase duties on a number of items by the NDA government over the last five years.

</br></br>The US had launched an eligibility review of India's compliance with the GSP market access criterion in April 2018. "India has implemented a wide array of trade barriers that create serious negative effects on United States commerce. Despite intensive engagement, India has failed to take the necessary steps to meet the GSP criterion," the USTR statement said.

India yet to inform Pakistan on MFN status revocation, says trade advisor to Imran Khan

The Hindu

February 17, 2019: Pakistan can raise this issue at different forums including the World Trade Organisation, Advisor to Prime Minister Imran Khan on Commerce Abdul Razak Dawood said.

</br></br>India has not informed Pakistan that it was withdrawing the Most Favoured Nation status to it, a senior Pakistani official said February 17, after New Delhi took strong economic action against Islamabad following the Pulwama terror attack.

</br></br>India on February 15 announced the withdrawal of the MFN status for Pakistan, following the deadly terror attack on CRPF personnel in Pulwama in Jammu and Kashmir, and hiked the customs duty by 200% on goods originating from Pakistan with effect from February 16.

</br></br>Two days after India made the announcement, Advisor to Prime Minister Imran Khan on Commerce Abdul Razak Dawood said New Delhi has not informed Islamabad about withdrawing Pakistan's MFN status, Geo News reported.

</br></br>Mr. Dawood said, "We are looking into the withdrawal of the MFN status by India. We can speak to India about this issue". Pakistan can raise this issue at different forums including the World Trade Organisation as both countries are members of the global trade body, he added.

</br></br>India granted the MFN status to Pakistan way back in 1996. Under the MFN pact, a WTO member country is obliged to treat the other trading nation in a non-discriminatory manner, especially with regard to customs duty and other levies.

</br></br>India's decision would significantly hit Pakistan's exports to India, which stood at $488.5 million (around ₹3,482.3 crore) in 2017-18 as it would drastically increase the prices of its goods.

</br></br> "India has withdrawn the MFN status to Pakistan after the Pulwama incident. Upon withdrawal, basic customs duty on all goods exported from Pakistan to India has been raised to 200 per cent with immediate effect," Finance Minister Arun Jaitley said in a tweet on February 16.

</br></br>The two main items imported from Pakistan are fruits and cement, on which the current customs duty is 30-50% and 7.5%, respectively.

</br></br>Slapping an import duty of 200% effectively means almost banning the imports from Pakistan, official sources said in New Delhi.

</br></br>Items which Pakistan exports to India include fresh fruits, cement, petroleum products, bulk minerals and ores, finished leather, processed minerals, inorganic chemicals, cotton raw, spices, wool, rubber product, alcoholic beverages, medical instruments, marine goods, plastic, dyes and sport goods.

</br></br>The total India-Pakistan trade has increased marginally to $2.41 billion in 2017-18 as against $2.27 billion in 2016-17. India imported goods worth $488.5 million in 2017-18 and exported goods worth $1.92 billion.

</br></br>During April-October 2018-19, India's exports to Pakistan stood at $1.18 billion, while imports were $338.66 billion.

</br></br>India mainly exports raw cotton, cotton yarn, chemicals, plastics, man-made yarn and dyes to Pakistan.

</br></br>At least 40 CRPF personnel were killed and five injured on Thursday in one of the deadliest terror attacks in Jammu and Kashmir when a Jaish-e-Mohammad suicide bomber rammed a vehicle with explosives into their bus in Pulwama district.

Global ecommerce talks strike at roots of WTO, says India

The Economic Times

New Delhi, March 3, 2019: India has told the World Trade Organization (WTO) that it will not join the negotiations to develop trade rules on ecommerce, arguing that it is an idea whose time has not yet come.

</br></br>New Delhi has also argued that the discussions by some countries are not consistent with the mandate of the multilateral trading system.

</br></br> "In our view, these negotiations strike at the roots of the multilateral system and its mandate," India said on Wednesday at a heads of delegations meeting.

</br></br>Stating that it is not persuaded to join the negotiations, India said it is working on a national ecommerce policy, which will be finalised soon. "This policy will inform our international engagements on this important subject," India said.

</br></br>In its draft National E-Commerce Policy, India has proposed regulating cross-border data flows, locating computing facilities within the country to ensure job creation and setting up a dedicated 'data authority' for issues related to sharing of community data.

</br></br>It has asserted that the data generated in the country is a national asset, and citizens and the government have a sovereign right over it. Though New Delhi is opposed to the plurilateral on ecommerce, it will pursue the existing multilateral work programme that prohibits countries from imposing customs duties on electronic transmissions, something that India and South Africa have questioned, citing revenue loss to developing nations.

</br></br>SEEKS REFORMS
</br></br>India has in its submission also sought reforms of the multilateral body and resolution of outstanding issues urgently.

</br></br> "The top most priority is to protect and preserve the system, fix the Appellate Body issue so that the independent dispute settlement mechanism… can function effectively," the Indian trade envoy said, cautioning against debating contentious issues like differentiation, which could be divisive and further reduce trust within the organization.