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Grappling with virtual reality

Abhijit Das, Business Line

6 Feb, 2017 : Big business is at it again. Three decades ago, it successfully used the GATT negotiations to protect its windfall profits through an agreement on intellectual property rights. It is now using similar tricks through the WTO to perpetuate its stranglehold on the internet and e-commerce. In pursuit of its narrow commercial objectives, global giants are also using other international forums, such as the G20, to soften opposition to launch of negotiations on e-commerce. India's policymakers and trade negotiators need to take note.

Electronic commerce entered the WTO in 1998, when members agreed not to impose import duties on a narrow category of e-commerce — digital transmissions. This is a temporary moratorium, which is extended every two years. In parallel, WTO members decided to discuss different facets of e-commerce, without negotiating rules in this area. However, over the past few months some countries have been aggressively pushing to initiate negotiations on e commerce even before there is clarity on basic concepts.

Why are global giants in e-commerce so keen for countries to initiate negotiations on e-commerce? The answer is not far to seek.

Great opportunity

Most segments of e-commerce are highly concentrated, with a few big players cornering most of the revenue. WTO negotiations afford a golden opportunity to the global e-commerce giants to use their deep pockets to rapidly penetrate the markets in emerging countries such as India, and throttle the prospects of domestic firms in these countries. Ask the Flipkarts and Olas. David rarely prevails over Goliath in the harsh commercial world.

WTO rules on e-commerce could also curtail the space available to the Government to regulate the market to protect consumer interests, addressing anti-competitive practices and preventing market failures. Global e-commerce giants would be the main beneficiaries of a deregulated market.

The aggressive push for market access through WTO negotiations is being disguised by the big players as an opportunity for developing countries, particularly their small and medium enterprises (SME), to enhance their exports. On behalf of global big business, the International Chamber of Commerce (ICC) appears to be leading the charge on this issue.

The ICC approach

The ICC has, in the past, churned out inflated numbers in the context of WTO trade facilitation negotiations, which, in the words of experts at Tufts University, was based on “too many unjustified assumptions”. Hence, the ICC’s spin on gains for SMEs from negotiations on e-commerce should be viewed with caution.

In partnership with the WTO Secretariat, the ICC has organised several meetings on e-commerce over the past few months. In the next few days the ICC is organising a meeting on this issue in New Delhi. As in previous such meetings of the ICC on this issue, the director-general of WTO, Roberto Azevedo, will participate in the Delhi meeting as well.

We shouldn’t be surprised if, during Azevedo’s visit, some global players and a few Indian industry honchos join the chorus and gush about the pot of gold awaiting India if the country were to adopt a more positive approach to negotiations on e-commerce. Let us examine the reality behind the hype on the gains for India from e-commerce by seeking answers to some key questions.

At the WTO, some countries are pushing to convert the temporary moratorium on import duties on electronic transmissions into a permanent one. They could also seek to expand its coverage beyond electronic transmissions. What is in it for India?

Digital transmissions are projected to become more common and widespread among India’s burgeoning middle class. Thus, a permanent moratorium is likely to result in significant revenue leakage in the coming years. It would also not be a progressive measure, as a vast swath of consumers without access to the digital world would not benefit from it. But a permanent moratorium would inflict a more devastating impact if its scope is expanded beyond electronic transmissions to cover goods purchased over the internet, but physically delivered across borders.

Would India’s own domestic industry be able to survive in such a zero import duty regime? Extremely unlikely.

A more fundamental issue needs to be addressed: Will negotiations on e-commerce help enhance India’s exports of IT and IT enabled services (ITES)? India’s exports of IT and ITES face many hurdles in the European Union, which generally does not allow its companies to outsource data-processing work to India. On account of privacy concerns, the probability of the EU agreeing to a requirement of unrestricted data flows at the WTO is almost nil. Given this reality, the main gains for India’s IT and ITES exports from negotiations on e-commerce may remain a mirage.

The global image

This brings us to another question. Will not India’s global image take a beating if it is seen to oppose negotiations on e-commerce, particularly in the light of the Government’s initiatives under Digital India, Start-up India, Smart Cities and, more recently, cashless economy?

The outcomes of the WTO negotiations are unlikely to have a positive bearing on any of these initiatives of the Government. Embracing these negotiations would constrain Indian firms from blazing the digital trail in future. India must not be apologetic in opposing these negotiations.

So, is this an appropriate time to discuss the possibility of launching negotiations on e-commerce? Certainly not.

Trade negotiations are best conducted in an environment of mutual trust. When the commitment of the US to play by the existing rules of the game is questionable, surely it is not the appropriate time to craft new trade rules. Further, with the US threatening to wield the big stick to browbeat countries that do not fall in line with its wishes, the outcome of negotiations cannot be fair and balanced.

In conclusion, the gains for India from negotiations on e-commerce are uncertain, but losses are definite. The Government must not fall for glib talk and orchestrated views on this issue. It must build coalitions with other like-minded countries and continue to defend its interests by taking a composite view of the impact of these negotiations, instead of viewing it narrowly from the lens of supposed gains for its services exports.

Rushing into rule-making in a rapidly evolving arena of disruptive technologies dominated by a few global giants is fraught with grave risks. With the WTO creaking under its own weight, this should be a time for consolidation and not for new negotiations. With President Donald Trump threatening to tear the fabric of trade rules, the DG's energies are best spent in trying to convince the US of the need to comply with multilateral trade rules.

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India rejects push to set multilateral rules on e-commerce

Asit Ranjan Mishra, Live Mint

New Delhi, 10 Feb, 2017 : India on Thursday rejected a push to set multilateral rules on e-commerce and decided to send a team of trade officials to the World Trade Organization (WTO) headquarters in Geneva to find a permanent solution to the long-pending issue of public procurement of foodgrain.

After a meeting with WTO chief Roberto Azevedo in her office, commerce minister Nirmala Sitharaman said that though she is aware that many discussion papers have been floated on e-commerce, it should not be part of the agenda at the 11th WTO ministerial.

"I am ready to join the talks, but it is not part of my agenda for the upcoming ministerial. Because every country is having a big churn in e-commerce and technology is fast-moving. A final understanding on the matter is yet to be reached. Therefore, it will not be proper to regulate or define e-commerce at present," she told reporters.

The next WTO ministerial is scheduled to be held in Buenos Aires between 11-14 December.

Earlier in the day, Azevedo said India is within its rights to oppose any proposal on e-commerce at the WTO. "Negotiations on e-commerce at this stage are very vague. There are 11 papers submitted on the issue. I myself am not very optimistic that we will solve very contentious issues such as server localization, data flows. I have not heard anybody talk about market access yet," he said.

Azevedo was speaking at an event organized by the Confederation of Indian Industry.

He met executives from technology start-ups like Flipkart, Snapdeal and Paytm on Wednesday under the aegis of India International Chamber of Commerce. When asked about the deliberations at the closed door meeting, Azevedo said representatives were generally curious about policy developments in the field of e-commerce.

On the issue of public stockholding of foodgrain, Sitharaman said India needs a permanent solution because it has to procure large amounts of foodgrain every year to meet the constitutionally mandated public distribution program.

“We have to maintain adequate stock to meet the shortfall in procurement during drought years. We have provided enough data that our procurements are not market-distorting,” she said.

The issue of public stockholding of food revolves around the procurement of foodgrain from farmers at prices fixed by governments in order to promote the food security of poor countries. As these prices involve a degree of government subsidy, there is a cap on these subsidies as they could otherwise end up distorting global prices. However, developing countries insist that they should not be penalized for breaching any limits, arguing that such stockholdings are crucial for food security.

Though under the interim solution developed countries have pledged not to drag developing countries into disputes if they breach permissible subsidy levels, strict disclosure norms and the provision that a country cannot launch any new food program under the so-called Bali pact have virtually made the pact infructuous.

The deal incorporated India’s stand that a temporary solution on public stockholding for food security reached at Bali in 2013 will continue indefinitely and not just for four years, as agreed earlier, after Prime Minister Narendra Modi’s government opposed the deal, calling it “unbalanced” because it failed to take care of the concerns of developing nations on food security.

India also opposes a WTO rule that caps subsidies to farmers at 10% of the total value of agricultural production based on 1986-88 prices. It argues that the base year is now outdated and it needs to be given leeway to stock enough foodgrain to ensure food security for millions of poor people. India has proposed replacing the old base year with the dynamic average of foodgrain prices of three recent years.

Sitharaman said within a few days India will submit to the WTO a legally vetted document on its proposal of trade facilitation in services and wants it to be part of the 11th WTO Ministerial in December.

Sitharaman also told Azevedo that the pending issues of the ministerial declarations of Bali and Nairobi have to be taken up at the Buenos Aires ministerial, indicating India’s insistence on continuing with the Doha Development Agenda.

On a possible deal on curbing fisheries subsidies, Sitharaman said India too does not want illegal, unreported and unregulated (IUU) fishing but it should have the policy space to support small, traditional fishermen living in coastal areas.

Representatives of over 80 civil society groups met Azevedo to convey their concerns related to the current negotiations at the WTO, especially those on agriculture.

Dipa Sinha, an assistant professor at Ambedkar University in Delhi and an activist with the Right to Food Campaign, said, “Food security cannot be ensured for India’s poor consumers without ensuring the ability of farmers to produce. The very difficult compliance conditions of the current Peace Clause on the Food Security Proposal for public food stockholding makes it ineffective in protecting essential and minimum domestic subsidies through the MSP (minimum support price) and must be replaced by the permanent solution that fully allows such subsidies by 2017."

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India protests against WTO chief's assessment of agriculture proposal

D. Ravi Kanth, Live Mint

Geneva, 10 Feb, 2017 : India has strongly protested against an assessment provided by World Trade Organization (WTO) director general Roberto Azevedo on Monday about "wide divergences" on a proposal aimed at protecting millions of resource-poor farmers in developing countries. India's trade envoy Anjali Prasad told a closed-door meeting of trade envoys that the director general must not make "value-loaded" statements even before the launch of negotiations for the 11th ministerial meeting in Buenos Aires later this year, according to people familiar with the development.

On Monday, Azevedo, who is also the chair of the trade negotiations committee, gave his assessment on outstanding issues in the Doha agriculture dossier, including the possible outcomes for the Buenos Aires meeting. He said several issues such as the permanent solution for public stockholding programs for food security, the special safeguard mechanism (SSM) to curb unforeseen imports of agricultural products in developing countries, and export restrictions had been discussed in the run-up to the WTO's 10th ministerial meeting in Nairobi, Kenya, over two years ago.

But on SSM, which has been a major demand from developing countries led by Indonesia and India since 2008, the director general said there "were wide divergences" among members in the run-up to the Nairobi meeting, said a trade envoy, who asked not to be quoted.

Azevedo also said there was "lot of interest" in export restrictions—a proposal made by Japan to ensure that countries did not place barriers on exports of farm products.

India defended the SSM proposal, suggesting the director general had failed to provide an accurate assessment. The Indian trade envoy raised concerns on process-related and substantive grounds over Azevedo's opening remarks. On the process part, she said, "I would urge the chair not to make value-loaded statements on issues about having wide divergences and great interest" when the actual negotiations have not even started. Such statements by the DG, Prasad suggested, could "poison" the discussions as everybody knows "how things work in this house."

Without naming countries, she suggested that key members stonewalled negotiations on SSM in the run-up to the Nairobi meeting. It is common knowledge that during the special meetings convened by the former chair for Doha agriculture negotiations ambassador Vangelis Vitalis, WTO members such as the US, the European Union, Australia and Brazil rejected the SSM being demanded by India and 46 other countries. Australia had said that it will not engage on SSM without discussing issues in market access, a stand that was repeatedly echoed by the US, the EU and Brazil.

India along with members of the G-33 farm coalition had called for amending the WTO's agreement on agriculture in order to include a new article for the SSM that would enable developing countries to impose additional duties on farm produce when they cross certain price and volume thresholds on a three-year rolling average.

The SSM, according to the proponents, was critical for its farmers in the current context of volatile global farm prices underpinned by the huge subsidies provided by major industrialized countries to their agricultural sectors.

India said the Buenos Aires meeting must produce outcomes on the permanent solution for public stockholding programs for food security and SSM. Proposals on outcomes for domestic support at the 11th ministerial meeting, according to Prasad, are difficult to accept as they are changing the terms of the discussion. Kenya strongly supported India’s call for a permanent solution for public stockholding programs for food security while Indonesia on behalf of the G-33 group emphasized the importance of outcomes on PSH and SSM. Turkey concurred with India that there has to be an outcome on SSM. Brazil also supported the demand for a permanent solution for public stockholding programs.

China remained silent during the meeting. In his concluding statement, Azevedo said it is his duty to give an assessment and that he will keep doing his duty, according to another trade envoy present at the meeting.

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Indian business leaders discuss trade reforms with WTO chief

The Economic Times

New Delhi, 9 Feb, 2017 : Over 50 representatives from various sectors in the country, including online retail and technology firms, have met WTO chief Roberto Azevedo to discuss issues pertaining to global trade.

Azevedo, Director-General of the World Trade Organisation (WTO), met with Indian business leaders yesterday for discussions on future of global trading system at a round-table hosted by the International Chamber of Commerce (ICC), a statement said today.

ICC Chairman Sunil Bharti Mittal and ICC Secretary General John Danilovich joined over 50 senior representatives from key sectors for the discussions that focussed on trade reforms to boost inclusive growth and other world trade developments, it added

Mittal, who is also Chairman of India's largest telecom firm Bharti AirtelBSE 0.01 %, asked participants to consider ways in which WTO could re-energise cross-border trade to drive job creation and development.

He also urged them to discuss the trade barriers they experience in their daily operations.

"It's clear that we must do more to make the case for global commerce. And also to ensure that the benefits of trade reach all parts of society," Mittal said.

The meeting featured a detailed briefing by Azevedo on the state of play of trade negotiations in Geneva, with focus on preparations for the next WTO Ministerial Conference to be held in Buenos Aires in December.

"It's vital that we -- the global business community -- do all we can to ensure that that Ministerial delivers tangible results to support trade and inclusive development," Mittal said.

The state of global trade was also central to discussion, particularly with ongoing concerns regarding the slow rate of global trade growth in recent years.

Azevedo said advancing multilateral trade negotiations was more important than ever and stated that the imminent entry into force of the Trade Facilitation Agreement would be an important boost to the global trading system.

Ahead of a meeting with Commerce Minister Nirmala Sitharaman, Azevedo welcomed India's continued strong engagement in Geneva discussions and paid tribute to the country's leadership in the multilateral trading system.

Indicating that agriculture issues would be at the top of the agenda during his talks with Sitharaman, Azevedo acknowledged the importance of agriculture for India and highlighted some of the decisions that had been taken at the Bali and Nairobi Ministerial Conferences in this regard.

Azevedo said he was also looking forward to hearing more about India's Trade Facilitation in Services proposal - a key issue discussed with ICC business leaders, with strong support shown among the round-table participants for the Indian proposal, the statement said.

The meeting was attended by representatives of companies including Paytm, Google and Snapdeal.

Asked by some ICC members about e-commerce issues being advanced by a number of countries at the WTO, Azevedo confirmed that while there was a lot of interest on the issue, no consensus had been reached on how to move forward.

Azevedo acknowledged that some countries had expressed a number of concerns and reservations, the statement said.

With this in mind, he said it would be important for those countries advocating work on this issue to better define their objectives if they hoped to progress.

During the round-table, ICC India offered its strong support to the WTO and the Director-General in the work of the global trade body and would continue to advocate outcomes that supported Indian industry interests and objectives in WTO Geneva discussions, it added.

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WTO doesn't decide priority of issues to be discussed, says WTO chief

Kirtika Suneja, The Economic Times

New Delhi, 9 Feb, 2017 : Stating that countries themselves decide which issues are to be taken up for negotiations at the World Trade Organization, WTO chief on Thursday said that it’s up to India to get other members interested in its proposals and take them forward.

“It is up to India to get other members interested… There's no hierarchy or prioritisation of issues. Members decide the agenda,” WTO Director General Roberto Azevedo said at an interactive session with the Confederation of Indian Industry.

India has been pushing to get a permanent solution for public stockholding at the WTO and is also keen to start discussion on a trade Facilitation in services for which it has submitted a concept paper to the organization.

On food security, Azevedo said that G-33 proposal is the only one on public stockholding. In 2013, the G-33, now comprising 48 members, had asked for a change in WTO rules on agriculture which bring food procurement from poor farmers to feed the poor under a subsidy which is fixed at 10% for developing countries.

“I'm not sure convergence can be found without further revisions,” Azevedo said for the G-33 proposal which also demanded a change in the methodology for subsidy calculation that does not account for inflation and is based on a price index of 1986-88.

Global Trade

World trade is likely to post a meagre growth of 1.7% in 2016, the lowest since the financial crisis, Azevedo said.

In 2017, growth could be between 1.8-3.1%.

Without mentioning any country, he said that eight out of ten jobs are lost because of increased innovation and the negative reaction of the global community with more inward looking policies, is a setback for global trade.

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Trade deals in the Trump era

D. Ravi Kant, Live Mint

8 Feb, 2017 : A coherent global response is lacking as the Trump-tsunami violently turns the global trading system upside down. President Donald Trump has already acted on his trade-related campaign promises such as pulling out of the 12-member Trans-Pacific Partnership (TPP). He has begun the process of unravelling the North American Free Trade Agreement. His spokesperson, Sean Spicer, has suggested a 20% tax on all imported Mexican goods to pay for a US-Mexico border wall.

The US Congress is busy radically changing the H1B visa programme regardless of the warm exchanges between Trump and Prime Minister Narendra Modi during their telephone conversation. The proposed changes to the H1B visa regime, along with stringent US immigration policies, are bound to undermine India's IT exports.

Trump's China trade war is slowly taking shape. The new head of Trump's trade council, Peter Navarro, told the *Financial Times* on 1 February that Washington wants to unwind and repatriate the international supply chains that are critical for the day-to-day business of US multinational companies. "It does the American economy no long-term good to only keep the big box factories where we are now assembling 'American' products that are composed primarily of foreign components," he told the *FT*.

"The unequal treatment of the US income tax system under biased WTO rules is a grossly unfair subsidy to foreigners exporting to the US and a back-door tariff on American exports to the world that kills American jobs and drives American factories offshore," Navarro said.

In effect, the tsunami unleashed by the new US president is real and will impose unilateral "Buy American, Hire American" trade policies. Meanwhile, the two major intergovernmental organizations located around Lake Geneva, whose raison d'être is to ensure proper conduct of global trade, have remained silent. Until now, there has been no response from these two multilateral bodies to the emerging crowbar threats.

The first one, which claims to be the "custodian" of liberal international trade rules, has decided to adopt a posture of business as usual. The second, which evolved as the trade union for developing countries for global trade issues since 1964, has disappeared from the scene. The older among the two is the World Trade Organization, which replaced the General Agreement on Tariffs and Trade (GATT) in 1995. GATT was established in 1948 to give life to American liberal trade priorities. The second one—United Nations

Conference on Trade and Development—came into existence to represent the interests of developing countries in global trade. Their respective heads—Roberto Azevedo and Mukhisa Kituyi—are yet to issue a statement on the “Buy American, Hire American” slogan.

Azevedo, however, is going to make a strong pitch for launching e-commerce negotiations today in New Delhi. Until now, the bread-and-butter issues raised by developing countries, such as the special safeguard mechanism to curb unforeseen surges in imports of agricultural products, a permanent solution for public stockholding programmes, and a host of other mandated issues in the Doha Development Agenda, are given a raw deal.

Clearly, any call for launching negotiations in e-commerce in the face of a huge digital divide in medium and the poorest developing countries and massive opposition from the African countries, is inappropriate. Further, it would sound hollow at a time when countries like India are being denied the comparative advantage in providing IT services. The proposed changes by the US administration in the H1B visas is a classic case where the movement of natural persons/short-term services providers, or non-immigrant visas, under Mode 4 of General Agreement on Trade in Services (GATS) will ensure that one major limb of trade in services will remain paralysed.

Even if the other limbs such as Mode 1—involving cross-border flow of services, Mode 2—concerned with consumption abroad such as medical tourism, and Mode 3—allowing commercial presence, function normally, GATS is meaningless for developing countries which have a comparative advantage in the supply of short-term services providers.

In its submission on “possible elements of a trade facilitation in services agreement” circulated on 14 November 2016, India had lamented that Mode 4 (movement of natural persons or short-term services providers) has not been able to contribute significantly to services trade owing to a lack of a number of facilitative elements”.

New Delhi suggested that the TFS (Trade Facilitation in Services) Agreement could address some of the critical bottlenecks impacting Mode 4 delivery of services.” The facilitative provisions include “an additional clarification and publication requirement that allows for providing and making publicly available, explanatory material on all relevant immigration formalities, in particular for the categories of natural persons specifically committed by Members”; temporary entry to include multiple entry permits for natural persons committed in a Member’s schedule; and exemption of committed categories of natural persons from payment of additional costs and charges, including social security payments, etc.

Against the backdrop of the Trump-tsunami in global trade, there is simply no appetite for negotiations. More so, at a time when the Trump administration has signalled its intentions, it would be naive to expect that anything would happen for the next two years. Perhaps one has to live with unilateral trade policy based on “Buy American, Hire American” unless China, India, and other developing countries call the bluff.

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US makes changes in export control laws to benefit India

The Economic Times

Washington, 8 Feb, 2017 : Recognising India's status as a 'Major Defence Partner', the US has made necessary changes in its export control laws that would benefit India by facilitating smoother transfer of technologies and arms to it.

The new rule that makes necessary changes in the export control laws "creates a presumption of approval" for Indian companies seeking to import Commerce Department-controlled military items, except Weapons of Mass Destruction-related goods.

This means that only under the rarest circumstances will India be denied licenses, a source familiar with the changes said.

"I'm pleased to see India's status as a 'Major Defence Partner' - a designation that we have strongly supported - be translated into tangible regulatory reform," said Mukesh Aghi, president of US India Business Council (USIBC).

The new rule also amends the law so that companies will not need a license at all after becoming a Validated End User (VEU).

"Indian and US companies operating in India can seek VEU status for both civil and military manufacturing, and by doing so not need to obtain individual licenses. This makes it far more convenient to build a global supply chain and react quickly to changing market conditions," explained Benjamin Schwartz, USIBC's Director for Defence and Aerospace.

Over 810 licenses representing some USD 5 billion in trade in the last half decade have been granted for goods covered under this new rule.

Most of these licenses being focused on aerospace systems and ground vehicles. Additionally, under the new regulation, Indian companies will not be required by US law to seek approval for the re-export of platforms that contain less than 25 per cent US content.

"This is a very favourable policy for Indian companies. The rule will make business substantially easier for Indian companies in the defence sector, especially those partnering with American companies. This gives Indian companies and US companies operating in India the ability to be reactive in real time to meet their supply chain needs," Schwartz said.

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Trump’s policies to impact India but govt not to rush with its view: Nirmala Sitharaman

Kirtika Suneja, The Economic Times

New Delhi, 1 Feb, 2017 : There will be an impact of US President's Donald Trump's visa policies on India but the government will not rush to give its view, commerce and industry minister Nirmala Sitharaman said on Monday.

A legislation has been introduced in the US House of Representatives calling for more than doubling the minimum salary of H-1B visa holders to $130,000. This will make it difficult for firms to use the programme to replace American employees with foreign workers including from India.

Indian information technology firms would be the worst hit due to the new H-1B visa norms.The current H1B minimum wage of $60,000 was established in 1989 and has remained unchanged since then.

"The issue of minimum wages may need congressional approval...we will not rush with a view on it. There will be an impact," she said at conference.

The commerce ministry will meet Nasscom and companies with presence in the US after February 9 to have a clearer picture of the matter.

"There's increasing protectionism that is being expressed in bilateral and multilateral talks," she said.

Following Trump 's inward looking measures including increasing H1B visa fees that will harm Indian IT and pharma exporters and also impact flows coming into India, finance minister Arun Jaitley had voiced his concern while presenting the Budget last week.

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India complains against US at WTO over subsidies

D. Ravi Kanth, Live Mint

Geneva, 1 Feb, 2017 : India has complained against the US at the World Trade Organization (WTO) for what it calls illegal subsidies and domestic content requirements for the renewable energy sector in eight American states, even as the Donald Trump administration pursues a Buy American, Hire American policy.

According to New Delhi’s complaint reviewed by *Mint*, India has called for establishing a WTO dispute settlement panel to adjudicate over the subsidies and domestic content requirements worth tens of billions of dollars in Washington, California, Montana, Massachusetts, Connecticut, Michigan, Delaware and Minnesota.

India’s request will come up for consideration on 20 February.

In all likelihood, the US would block India's first time request for the panel as defendants invariably do at the WTO. Washington, however, will not be able to prevent the panel's establishment when India makes a second request on the same issue.

In the first stage of their dispute in November, India and the US held consultations for an amicable outcome. But the two sides failed to reach an agreement, following which India opted for the panel.

In its 11-page request, India argued that the dispute with the US arose "from certain measures in the form of incentives which are granted and/or maintained contingent upon the use of domestic over imported goods in the renewable energy sector by various States of the US at sub-federal level."

These measures include "renewable energy cost recovery incentive payment program" (Washington) "the self-generation incentive program" and "Los Angeles Department of Water and Power's Solar Incentive Program" (California), Montana tax incentive for Ethanol Production in (Montana), Renewable Energy Credits (Michigan), Delaware Solar Renewable Energy Credits (Delaware), and Made in Minnesota Solar Incentive Program (Minnesota), among others.

India has argued that these programs violate Articles 3.1 (b) and 3.2 of the Subsidies and Countervailing Measures Agreement as they are contingent upon the use of domestic over imported goods, Article III:4 of national treatment because of the failure to treat imported products on par with domestically manufactured like products, and Article 2.1 of the Trade-related Investment Measures Agreement (TRIMS). More important, the US did not notify the measures to the WTO until now which, in itself, is a violation of Article 25 of the SCM Agreement, India complained.

India's move to take the dispute to the second stage comes after a humiliating blow that New Delhi suffered in its dispute with US over the Jawaharlal Nehru Solar Energy Mission that included incentives for domestically produced solar cells and modules.

In 2016, the WTO's Appellate Body, the highest court for resolving trade disputes, struck down India's local content requirements for solar cells and modules.

The inordinate delay in launching the current dispute with the US has denied New Delhi the strategic leverage normally availed of by WTO members in tit-for-tat trade disputes.

At a time when India has to implement the appellate body ruling against its own domestic content requirements, New Delhi has to wait for several years to secure relief from the WTO's highest court, legal analysts said.

New Delhi was similarly delayed in calling for establishing a dispute settlement panel against the US over Washington's alleged barriers on the movement of short-term services providers, or non-immigrant visas. India raised the dispute on several measures concerning the US's fees and numerical commitments for H-1B visas in April last year.

Subsequently, the two sides held consultations in Geneva in May last year but failed to reach an agreement. Until now, India has not made a request for the establishment of the panel.

It remains to be seen whether New Delhi will raise a fresh dispute on the proposed conditions for H-1B programme which would make it difficult for Indian short-term service providers to operate in the US because of the proposed wages and social security conditions, analysts said.

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India business partnership summit to take place in Bahrain

The Economic Times

Dubai, 1 Feb, 2017 : The first Indian Business Partnership Summit will be held in Bahrain next week to further cement bilateral trade and economic ties.

The summit, organised by India's PHD Chamber of Commerce and Industry will in association with Hilal Conferences and Exhibitions (HCE), is scheduled to take place on February 7 on the sidelines of the Gulf Industry Fair at the Bahrain International Exhibition and Convention Centre.

The Indian Business delegation to Bahrain will be led by Senior Vice President of the PHD Chamber, Anil Khaitan, along with 30 Indian companies, with diverse business interests with multiple products and services.

Khaitan said that detailed discussions will be held to further cement the trade and economic ties between India and Bahrain.

The delegation led by PHD will feature business leaders involved in a variety of sectors such as energy including solar, real estate, financial services, rural e-commerce, venture capital funds, logistics, ports and maritime, startups, aluminum, manufacturing, industrial metals (steel and alloys) and academic and research bodies.

"PHD Chamber is organising this Summit at Bahrain for the first time. This energy is in great measure due to the persistence and co-operation with our partners HCE in Bahrain," Khaitan said.

India and Bahrain enjoy excellent bilateral relations characterised by strong political, economic and cultural contacts. This positive relationship is seen in the latest trade figures which valued trade between the two countries to be over 1 billion US dollars.

"The India Business Partnership Summit is the result of a vision shared by HCE and PHD Chamber to build on the bilateral trade and investment currently between Bahrain and India by engaging a wider audience of entrepreneurs and businesses from both countries," Jubran Abdulrahman, Managing Director of HCE, said.

The Chairman of the Housing and Urban Development Committee of PHD Chamber, Manish Aggarwal, the deputy leader of the delegation, said that the growth of "Housing for All" policies in India offers business opportunities for industry to service the smart cities of India.

"Bahrain is also moving along the policy of creating smart urban hubs which could provide excellent cross-fertilisation of ideas and products between India and Bahrain," he said.

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Peru Free Trade Agreement could help India diversify in LatAm region

The Financial Express

New Delhi, Feb 8, 2017 : A proposed comprehensive free trade agreement (FTA) between India and Peru covering goods, services and investments may not only raise India's export volumes to the western South American nation but also the latter's various preferential trade partners. The share of India's merchandise exports to Latin America was barely 2.9% of the country's total goods exports in 2015-16, down from 3.7% in the previous fiscal.

The below-potential trade volume is despite the fact that India's export of goods to the Latin American region grew 10-fold during 2000-09, benefiting from declining transport costs. So with an FTA with Peru, Indian exporters can get easier access to Peru's preferential markets like Mexico and Argentina with lower import tariffs. At present, India's bilateral trade to the Latam region is heavily concentrated in Brazil, with more than 35% of Indian goods landing in the country in 2015-16. Peru was the third-largest destination for Indian goods in the region with exports of $703.12 million during 2015-16. An FTA with Peru was originally thought of as test case to leverage the markets of the latter's preferential trade partners in the region, observed Sandip Samaddar, head, Americas, Federation of Indian Chamber of Commerce (FICCI).

Peru has preferential trading arrangement with about 53 countries. Given the fact that nearly 95% of Peru's exports are covered by FTAs, this seems to be viable strategy. In order to implement this strategy, Indian companies have to aggressively integrate with the regional value chains in the Latin American region. This requires resource commitment from companies and a well-laid-out plan that would bear fruit only in the long run.

India's export basket to Peru is concentrated in goods only from a few sectors such as automobiles, motorcycles, steel items and cotton yarn, among others. An FTA has the potential to accelerate the current pace of exports of these products through tariff cuts, lowering/eliminating non tariff barriers, in addition to bilateral cooperation in other relevant areas. A study conducted by FICCI found that altogether, a total of 1,320 products represent India's offensive interest vis-à-vis Peru under the proposed bilateral FTA.

India may consider these sets of products on which it can seek tariff cuts from Peru to gain market access. Peru is also one of the heaviest users of non-tariff measures (NTMs) in the South American region. Simply, reduction of tariffs on export items that attract relatively high instances of NTMs would not raise it exports levels. Appropriate action needs be taken according to the exact nature and rationale of the NTMs, and acquisition of sufficient policy space which would have to be negotiated with Peru to prevent adverse impact on exports due to application of NTMs. For instance, early warning systems, fast-track resolution mechanisms etc would have to be provisioned within the trade agreement.

Among all the NTMs imposed on Indian exports, SPS and TBT measures (commonly known as technical regulations) are the most frequently used ones. They deal with product quality and standards, which countries sometimes impose in the manner that imports become uncompetitive and the domestic industry is protected. Besides product standards, there are other non-tariff issues such as language barriers, interpretation of laws etc that prevent smaller exporters from the entering domestic market by raising the cost of compliance, thereby hurting competitiveness.

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Countervailing duty on silver, silver products to check misuse of Indo-Asean FTA

Ram Sahgal, The Economic Times

Mumbai, 1 Feb, 2017 : Those misusing free trade agreements between India and Asean nations to import silverware and medallions at concessional duty, melting the same and selling the silver at a rate that included normal 10 per cent duty, will no longer be able to do so.

Budget has imposed a 12.5 per cent countervailing duty on silver coins, medallions and silver articles. The FTAA allowed import of the aforesaid items at 1 per cent duty. Shady traders would melt the items after importing the same from ASEAN under FTAA and sell the metal for up to 10 per cent higher. The CVD makes such trades unviable.

ET had reported in its edition of May 27 last year how such treaties were being misused in the case of gold.

"The arbitrage these traders enjoyed has ended, and that's good because it protects the local silver industry," said Rajesh Khosla, MD, MMTCBSE 0.08 % Pamp.

Also since the government has capped cash transactions at Rs 3 lakh, the tax collected at source for jewellery purchase in cash above Rs 5 lakh stands cancelled.

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Next round of RCEP talks in Japan; India to push for services

The Economic Times

New Delhi, 2 Feb, 2017 : The single-tier duty structure and roadmap to liberalise services sector will be the key areas over which the RCEP members would deliberate during the negotiations beginning February 27 in Japan.

Under single-tier system, the Regional Comprehensive Economic Partnership (RCEP) member countries will discuss finalising the maximum number of goods on which duties will either be eliminated or reduced drastically.

This will be the 17th round of negotiations in Kobe, Japan where chief negotiators will meet and discuss the progress of the mega trade agreement, an official said.

RCEP is a mega trade deal that aims to cover goods, services, investments, economic and technical co-operation, competition and intellectual property rights.

As the domestic industry has apprehensions over a deluge in imports from countries such as China after the duty cut under the agreement, India wants certain deviations for such countries.

Under deviations, India may propose a longer duration for either reduction or elimination of import duties for such countries.

During the meetings, India would press for greater market access in the services sector, particularly easy movement of professionals, the official added.

The talks for the pact started in Phnom Penh in November 2012. The 16 countries account for over a quarter of the world's economy, estimated to be more than USD 75 trillion.

The 16-member bloc RCEP comprises 10 ASEAN members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners -- India, China, Japan, South Korea, Australia and New Zealand.

India already has implemented a free trade agreement with ASEAN, Japan and South Korea. On the other hand, the country is negotiating similar pacts with Australia and New Zealand.

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Duty hike on cashew kernels to help domestic manufacturers

AJ Vinayak, GK Nair, Business Line

Kochi, 2 Feb 2017 : The Central government’s decision to increase basic customs duty (BCD) on ‘cashew nut, roasted, salted or roasted and salted’ from 30 per cent to 45 per cent in the Budget 2017-18 will encourage domestic cashew manufacturers, say the industry representatives.

Walter D'Souza, a Mangaluru-based cashew manufacturer and former Chairman of Cashew Export Promotion Council of India (CEPCI), told *BusinessLine* that the Indian consumer industry is growing at an accelerated pace with increase in the disposable income among the younger generation.

The increase in BCD will be a setback for imported value-added cashews and will encourage more such domestic units in India, he said.

Stating that imported material was available at low prices, Kannan Subramaniam, Executive Director and Secretary of CEPCI, said the country imported 2,034 tonnes of cashew kernels during April-November of 2016-17 against 1,822 tonnes in the corresponding period of the previous fiscal.

Kalbavi Prakash Rao, partner of the Mangaluru-based Kalbavi Cashews, said that some cashew manufacturing countries used to dump their products such as roasted and salted cashews in the Indian market at a very cheap price to create a market for themselves. The increase in the duty structure will make it a little unviable for them to compete in the domestic market, he said.

However, one of the demands of the cashew sector in the country to roll back BCD of 5 per cent on the import of raw cashew nuts did not materialise in this Budget.

D'Souza said that there is an annual deficit of around a million tonnes of raw cashew nuts for the domestic manufacturers. They replenish this deficit with imported raw cashew nuts that attracts a BCD of 5 per cent.

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Export demand lifts prices of tea varieties at Kochi auction

V Sajeev Kumar, The Hindu

Kochi, 3 Feb 2017 : Active blender participation and export demand lifted prices of several tea varieties at the Kochi auctions this week.

With a firm opening, the CTC dust market was dearer by ₹ 2 to ₹ 3 in sale no 5. It also appreciated with longer margins of ₹ 5 to ₹ 7 and more, especially towards the close. The quantity on offer was 7,31,500 kg.

Besides, clean black well-made good liquoring grainier teas witnessed good export enquiry. However, demand from Kerala loose tea traders and upcountry buyers was subdued.

According to auctioneers Forbes, Ewart & Figgis, the orthodox market was also firm to dearer with exporters and upcountry buyers absorbing the quantity on offer of 16,500 kg.

In the Cochin CTC dust quotation, good varieties fetched ₹ 115-159, mediums realised ₹ 110-130 and plain grades quoted ₹ 104-114.

In the leaf category, orthodox prices spurted with the market for Nilgiri brokens, whole leaf and Fanning was firm to dearer. Exporters and upcountry buyers continued to be the mainstay of the market. The quantity on offer was 132,000 kg.

However, for CTC grades, the demand was only fair. The market for high priced brokens was irregular and lower by ₹ 5 to ₹ 10 and sometimes more. The quantity on offer was 65,500 kg.

In the dust varieties, Kallyar SFD quoted the best prices of ₹ 159, followed by Sholayar SFD at ₹ 158. Chamraj FOP-S (Green Tea) came to the top in leaf quoting ₹ 361, followed by P's Woodlands Hyson (Green Tea) at ₹ 291.

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Exporters disappointed as RBI keeps repo rate unchanged

Sutanuka Ghosal, The Economic Times

Kolkatta, Feb 8, 2017 : The Reserve Bank of India has disappointed the exporting community by retaining the policy Repo rate (i.e., the rate at which RBI lends money to banks) unchanged even though it acknowledges that the global trade remains subdued, said chairman of the EEPC (Engineering Export Promotion Council) India T S Bhasin on Wednesday.

"A recent RBI survey itself had brought out worsening of the financing conditions for the manufacturing sector. Under such a scenario, there was a strong case for a reduction in the interest rates by the RBI," Bhasin said.

He said, though exports have been looking up in the recent past, the global risks have gone up. Under these circumstances, the exporters would remain at a disadvantage against their competitors.

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Ignored in Budget, exporters hope for sops in foreign trade policy review

Amiti Den, Business Line

New Delhi, Feb 5, 2017 : Exporters, who were largely ignored in the Budget, can hope for some incentives and thrust in the mid-term foreign trade policy (FTP) review in September with the Commerce Ministry ready to begin consultations.

"The Commerce Ministry will kick-off consultations with various export bodies and councils from February 9 to examine their list of demand and re-assess growth potential," a government official told *BusinessLine*.

Another chance

While the Economic Survey for 2016-17 circulated on the eve of the Union Budget made a case for more support for exporters, especially from labour-intensive sectors such as apparels, leather and footwear, the Budget had no specific sops.

"Exporters had made a number of demands such as creation of an export development fund, extension of interest equalisation scheme for merchant exporters and exemption for service tax to be resolved in the Budget. The FTP review is another window for exporters to have their demands examined and met," the official said.

The FTP review would also address issues that might creep up for exporters after the Goods & Services Tax is implemented.

Exporters' concerns

"In the review, we plan to address all concerns that exporters may have on the implementation of the GST and its implications," the official said.

India's goods exports, which posted a decline in the past two fiscal years, is finally starting showing some growth in the on-going fiscal with four consecutive months of increase since September 2016. Global economic uncertainties, however, persist and the expectations that higher exports could push up the GDP by one percentage point 2017-18, articulated in the Economic Survey, is still a pipe dream.

"Exports have started looking up but the ground is still shaky. For high growth next fiscal, exporters would definitely need more hand-holding. The FTP review will examine the growth potential in every sector and the additional incentives that could be provided," the official added. Exporters are disappointed with the Budget for ignoring their key demands. "The global challenges highlighted in the Budget require us to be on our toes and revisit our strategy to push exports in such volatile global conditions. It is disappointing that our proposal for an aggressive marketing strategy through an Export Development Fund did not see the light of the day," said FIEO President SC Ralhan.

Extending sops

The Commerce Ministry has already made a case for expansion of the popular MEIS scheme to the Finance Minister. The scheme allows eligible exporters duty-free scrips, based on a percentage value of their exports (ranging between two per cent and five per cent), which can be used to import inputs by the exporter or sold to other entities.

"We want more items to be covered and higher levels of incentives for certain sectors requiring more support. Once our sectoral consultations are over, we can make more specific demands," the official said.

The Commerce Ministry may have to prune the ambitious target of goods and services export of $900 billion set for 2020 fixed in the five year foreign trade policy.

"We could fix a new target after our sectoral consultations are over," the official said.

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Commerce Dept. special arm may drive foreign trade policy

Arun S, The Hindu

New Delhi, Feb 6, 2017 : India’s future trade (policy) model should have the Commerce Department at the helm, supported by ministries including External Affairs and Finance, while a ‘transformed’ Directorate General of Foreign Trade (DGFT) should be the apex body for all trade promotion activities for the country, according to a government-commissioned report.

India’s foreign trade strategy and policy is currently being piloted predominantly by the Prime Minister’s Office and External Affairs Ministry.

Frost & Sullivan report

The report — prepared by the global consultancy firm Frost & Sullivan and submitted on December 23, 2016, to the commerce & industry ministry — also makes a strong case for a higher profile for the Indian Trade Service (ITS) in matters of trade policies & systems.

At present, the officials belonging to the Indian Administrative Service, Foreign Service and Revenue Service evidently have a relatively superior role over ITS cadre regarding decisions on crucial trade policy matters.

The report proposed that “… a dedicated ministerial arm under Department of Commerce will deal exclusively with trade-related policy inputs, their formulation and their rollout with the bulk of implementation work handled by a digital platform.”

The Frost & Sullivan report advocated that “the operational implementation of the Foreign Trade Policy (FTP) should reside with the department of commerce providing the trade community one single entity to deal with.”

The FTP should be considered a “dynamic document,” according to the report. It added that any change necessitated with respect to the ongoing requirements must be approved by the (commerce) departmental arm responsible for policymaking.

“Once approved by all ministerial stakeholders including the Department of Commerce, Department of Revenue and Ministry of External Affairs, a single communication should be issued by the departmental arm dedicated to FTP,” it stated.

Small, yet efficient

It observed: “The Prime Minister’s preferred model of a small and yet efficient government acting as a facilitator for businesses is most relevant and applicable to the DGFT. Furthermore, there is a critical need to transform the current DGFT by taking a holistic view of the existent trade environment in the country.”

The report mooted that a transformed DGFT should be made accountable for all trade promotion activities for India — providing services such as trade representation in foreign countries, research &

development, market intelligence, business matchmaking services as well as public relations, advertising and marketing services.

The 'DGFT 3.0' — with DGFT pre- and post-liberalisation being the earlier two versions — should also provide (foreign trade) monitoring and training services, hold export promotion campaigns, industrial trade fairs and ensure greater focus on small and medium firms, the report suggested.

"The ITS is the only dedicated cadre within the Ministry of Commerce that has professionals with deep knowledge of trade policies and systems. Given their extensive involvement with DGFT and institutional memory, DGFT is best placed to continue with its role in providing policy inputs and aiding the policy formulation process," the report recommended.

'Recruit professionals'

Noting that the DGFT needs to re-skill its resources to be successful, the report said: "Future recruitment should focus on professionals with experience and qualifications in trade and commerce from reputed institutions."

The report comes at a time when India's goods exports have not yet recovered fully from the impact of a prolonged contraction from December 2014 to May 2016, as well as the government's demonetisation exercise early November.

"For an improvement in India's performance on the ease of doing business – currently ranked 130 out of 190 countries and particularly on the parameter of 'trading across borders' (where India is) currently ranked at a dismal 143 – it is imperative to deploy digital technology to transform the experience of doing trade in the country," according to the report.

It also comes in the backdrop of the World Trade Organisation (WTO) stating in December 2016 that "… the number of new trade-restrictive measures being introduced (by WTO Member countries) remains worryingly high given continuing global economic uncertainty and the WTO's downward revision of its trade forecasts."

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Higher prices may lift basmati exports to last year's levels

Vishwanath Kulkarni, Business Line

Bengaluru, Feb 6, 2017 : The recent uptrend in basmati prices on expectations that Iran would resume rice imports may help India sustain export earnings from the long-grain aromatic cereal for the current financial year at last year's levels.

Basmati shipments in the current financial year, so far, have been sluggish due to the curbs on rice imports imposed by Iran, a large buyer.

“There is a pick-up in price and also volumes. We may be able to catch up with last year’s levels in value terms,” said AK Gupta, Director, Basmati Export Development Foundation (BEDF), under the Agricultural & Processed Foods Export Development Authority (Apeda).

Overall volumes were likely to be marginally lower than last year. “We may see a drop of about 1 lakh tonnes, 2-3 per cent lower than last year’s 40 lakh tonnes,” Gupta told *BusinessLine*. Basmati prices in the international market have risen by around $100 per tonne to $800 in the recent past. The price rise will help in reviving exports, he added.

Though Iran has announced its intent to open up its market for the overseas rice, it is not clear as to when the country will start issuing permits. Iran has a temporary ban on rice imports mainly from end-July to early January next year in order to protect domestic paddy growers. Recently, a trade delegation led by the Apeda Chairman visited Iran to promote Indian rice exports.

Rice exporters are also hopeful of a rebound. “We may be able to achieve more or less the same as last year,” said Rajen Sundaresan, Executive Director of the All India Rice Exporters Association.

After touching a record $4.88 billion or ₹ 29,299 crore in 2013-14, India’s basmati export earnings were on a downtrend over the past three years on a decline in prices and lower purchases by Iran, a large buyer. To supplement domestic production of about 2 million tonnes, Iran imports about 1 million tonnes of rice every year out of which about 7 lakh tonnes (lt) is exported from India.

Purchases by Iran have been on a steady decline in the past three years. From an all-time high of 14.40 lt in 2013-14, exports to Iran dropped to 9.36 lt in 2014-15 and came down further to 6.95 lt in 2015-16.

Shipments to the UAE have grown from 1.48 lt in 2013-14 to 2.79 lt in 2014-15, rising sharply to 6.12 lt in 2015-16. Exports to Iraq have also doubled to around 4.18 lt in 2015-16 from 2013-14.

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Bad news for India’s basmati rice exports as Iran imposes caps on imports, prices

Sandip Das, The Financial Express

New Delhi, Feb 6, 2017 : India’s basmati rice exports to Iran, a major destination for the long-grained aromatic rice from the country, is expected to take a big hit after Tehran put upper limits for import and consumer prices of the cereal. While India’s recent exports of the rice to the West Asian country cost the importer around $950 per tonne (landed price), the ceiling price imposed is $850 a tonne and the maximum consumer price set is $ 1.15 a kg. Clearly, realisations of Indian exporters will diminish under the price caps.

“This is unilateral imposition of a virtual import tariff. Iran government must realise that prices are decided by demand and supply… It is unfair to impose such restrictions,” a leading rice exporter told FE on condition of anonymity.

Iran had been the largest importer of PUSA 1121 variety of basmati rice from India; however, in fiscal 2015-16, India's exports to Iran almost halved (see chart).

Sources said Iran is saddled with excess stocks of basmati rice as FY14 imports of 1.4 million tonnes from India was not exhausted while merchants continued to contract more imports in subsequent years. The high carry-forward stock resulted in shipment to Iran falling to around 900,000 tonnes in the FY15 and further to 700,000 tonnes last fiscal.

Some exporters FE spoke to say that with the ceiling prices, it would not be economically viable to export rice to Iran. Iran consume more than 3 million tonnes of rice annually and a third of this demand is met by imports.

A 20-member Indian trade delegation comprising exporters and commerce ministry officials visited Iran between January 28 and 30 with a view to promoting exports. The delegation visited various Iranian departments including Food and Drug Organization, Government Trading Corporation and Trade Promotion Organization, Iran Chamber of Commerce and Rice Importers Association.

Iran had imposed a ban on rice imports during harvest season between July and November last year. "Domestic supply does not suffice to meet demand. We need imports, but imports that are limited and controlled," Iran's agriculture minister Mahmoud Hojjati had stated in November last year.

Rice shipments to Iran had got a boost when India launched a rupee settlement mechanism from April 2012 with Iran to avoid sanctions from the US and EU. As part of the initiative, state-owned UCO Bank tied up with Iranian lenders — Parsian, Pasargad, Saman and EN Banks — for settlements of dues. Iran and India also had agreed to have referral labs in India for testing rice consignments rejected by Tehran because of presence of pesticide residue.

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Lots need to be done to increase India's exports, says Union Minister Anant Geete at Chemical and Allied Export Promotion Council of India

The Financial Express

New Delhi, Feb 9, 2017 : Admitting that Indian businesses are facing multiple challenges in overseas markets due to the globally competitive environment, Union Minister Anant Geete today said a lot needs to be done to boost the country's shipments. "We need to do a lot in the direction of increasing exports. In this era of globalisation, competition has reached a global level. Our businesses are facing multiple challenges to sustain in the global competitive environment," Union Heavy Industries and Public Enterprises Minister Anant Geete said.

The Minister was addressing the export awards ceremony organised by Chemical and Allied Export Promotion Council of India (CAPEXIL) here.

“Unfortunately, since 2014 the export growth overall has not been very conducive although it has picked up over the last five months. Therefore, I urge all members of this exporting community (CAPEXIL) to find ways and means of boosting India’s exports,” J K Dadoo, Additional Secretary & Financial Advisor in the Ministry of Commerce said.

He pointed out that in 2015-16, exports from chemical and allied products stood at around USD 14 billion, comprising USD 5 billion worth of mineral and USD 9 billion of non-mineral articles.

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