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Centre for WTO Studies, 7th Floor, IIFT Bhawan, B-21, Qutab Institutional Area, New Delhi - 110016

Tel: 91-11-26965124, 26965300, 26966360 Ext-725,710 Fax: 91-11-26853956 Email: cws@iift.ac.in

The Centre for WTO Studies was set up by the Department of Commerce, Government of India in 1999. The intent was to create an independent think tank with interest in trade in general and the 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.

WTO rules against India over US meat imports ban

D. Ravi Kanth, Business Line

Geneva, June 04, 2015: India on Thursday lost a major dispute with the US after the World Trade Organization's (WTO) appellate body upheld an earlier ruling against New Delhi's avian influenza-related measures imposed on poultry meat, eggs and live pigs supplied by American producers.

The WTO appellate body dismissed India's challenge against the earlier ruling on several grounds, prominent among them being the measures' lack of scientific basis and thorough risk assessment.

Last year, a three-member dispute settlement panel had pronounced that New Delhi's avian influenza measures were not based on international standards and scientific assessment. India's measures "are arbitrary and unjustifiably discriminate between members where identical or similar conditions prevail" and "constitute a disguised restriction on international trade", it said.

The appellate body said the panel was right to dismiss the measures because they arbitrarily and unjustifiably discriminated between members where identical or similar conditions prevailed. The measures were found to be significantly more trade-restrictive than required for the level of protection from risk. Also, they were found to have been applied beyond what was necessary to protect human and animal life and health.

India's measures violated several core provisions of WTO's pact on sanitary and phyto-sanitary provisions, the appellate body said, adding that the panel was correct in concluding that the measures lacked scientific basis as New Delhi was unable to provide conclusive evidence.

More importantly, the WTO body concurred with the panel that India's measures violated Article 3.1 of the Sanitary and Phyto-sanitary Agreement as they were not based on international standards. The ruling added that the prohibitive measures violated articles 6.1 and 6.2 of the agreement.

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India's patent law may face legal hurdle at WTO

D. Ravi Kanth, Live Mint

Geneva, June 12, 2015: India's amended national patent law, particularly a provision which defines what inventions are, could face a legal challenge arising from an aggressive move by the US and Switzerland.

The move, which could hurt India's pharma companies, arises from efforts by the US and Switzerland to terminate the existing moratorium on non-violation complaints to the World Trade Organization's trade-related intellectual property rights (TRIPS) agreement.

Non-violation complaints refer to complaints by a WTO member that claims another member's actions or policies caused it a loss, even if there is no violation of a WTO agreement. Developing countries such as India are understandably wary of these complaints. Currently, there is a moratorium on such complaints till later this year.

The US, which has always opposed the moratorium, has specifically raised concerns about the section 3(d) in the amended Indian patent Act on the ground that it "may have the effect of limiting the patentability of potentially beneficial innovations" in its 2015 Special 301 Report.

In reality, the 3(d) provision prevented pharmaceutical companies from continually extending their 20-year drug patents by tweaking with minor changes or improvements, an "evergreening" process in the IPR jargon. The provision led to the cancellation of the patent for Novartis AG's cancer drug Glivec.

India will have to forego these flexibilities and policy space if non-violation complaints are allowed under the TRIPS agreement, analysts said.

On Wednesday, India and Brazil with support from a large majority of countries, including Norway, asked the WTO's TRIPS council to recommend to the upcoming 10th ministerial conference in Nairobi, Kenya, later this year that non-violation complaints "shall" not apply to the settlement of disputes under the TRIPS agreement.

The majority of countries at WTO want a permanent moratorium in place, a South American trade official said.

During the meeting, the US and Switzerland stood completely isolated in their demand for terminating the moratorium, several participants said.

The US and Switzerland must "seriously reflect on the concerns expressed by overwhelming number of delegations in this meeting and earlier and should join the consensus that non-violation complaints as identified in Article XXIII:1 (b) and (c) of the GATT 1994 be determined inapplicable to the TRIPS agreement, in the interest of the stability and certainty of the multilateral system," an Indian official said at the meeting.

Ahead of the meeting, India and Brazil submitted a joint proposal, which was co-sponsored by 17 other countries, including China, Bolivia, Colombia, Cuba, Ecuador, Egypt, Indonesia, Kenya, Malaysia, Pakistan, Peru, Russia, Sri Lanka and Venezuela, calling for continuing with the moratorium on non-violating complaints under the TRIPS agreement.

“The TRIPS agreement, unlike other WTO agreements,” said India and Brazil, “is a sui generis agreement which is not designed to protect market access or the balance of tariff concessions but rather to establish minimum standards of intellectual property protection, which, if abused, may even undermine market access.”

Therefore, non-violation complaints are unnecessary as they raise “serious concerns on the ambiguity, incoherence and limit on flexibilities” that members currently avail in the TRIPS agreement, an Indian official told the meeting.

Moreover, such complaints affect the development of robust pharmaceutical industry in developing and poorest countries due to the legal challenges and enormous litigation costs, the official argued.

Currently, non-violation complaints are only allowed for trade in goods and trade in service to ensure tariff and market access concessions are not undermined because of opaque governmental actions. Effectively, they only deal with market access in goods and services.

But the complaints are not permitted in the TRIPS agreement, which deals only with minimum standards to be implemented by WTO members for protecting intellectual property rights. The TRIPS agreement is not about the market access and currently there is a moratorium in force for not allowing these complaints to apply to TRIPS agreement since 2003.

On behalf of the big pharmaceutical companies such as Pfizer Inc., Merck & Co. Inc., Eli Lily & Co., Bristol-Myers Squibb Co., Roche Holdings Ltd, and Novartis, the US and Switzerland are mounting a warlike effort to end the moratorium at WTO’s 10th ministerial conference in Nairobi.

The US and Swiss companies which lost major IPR disputes in various developing countries, including India, reckon that patent provisions such as 3(d) in the amended Indian patent Act or compulsory licensing provisions can only be stopped in their tracks by raising non-violation legal complaints at WTO under the TRIPS provisions, said a pharma analyst in Geneva.

Given the rising strength of the Indian generic companies in the international market, the US and Switzerland can only regain their dominance and market access in India and elsewhere through launching disputes under non-violation complaints at WTO, the analyst added.

The US and Swiss IPR officials made a strong case that the time has come for terminating the moratorium saying that if there is no consensus on extension of moratorium at the 10 ministerial conference in Nairobi then non-violation complaints will automatically apply, according to participants at the meeting.

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India gets a pat on the back for trade policies

D. Ravi Kanth, LiveMint

Geneva, June 03, 2015: Several members of the World Trade Organization (WTO) on Tuesday praised India for pursuing open and liberal trade and macroeconomic policies while increasing its global presence as a roaring economy.

With an eye on the rapidly expanding size of the Indian market, industrialized and leading developing countries want New Delhi to do more by liberalizing trade and investment policies as well as reducing anti-dumping and other trade-restrictive measures.

At India's sixth trade policy review (TPR) meeting at WTO, trade envoys from both industrialized and developing countries welcomed government's pro-industry and pro-trade policies, including the impressive economic growth performance over the past four years.

The trade policy review lets the members review the overall trade and economic policies of a country under the scanner. It comes every four years for developing countries and every two years for industrialized countries.

During the two-day review, members listed their immediate day-to-day trade concerns in the country under scrutiny.

Ahead of the meeting, the WTO Secretariat issued a comprehensive report, running into about 174 pages, chronicling all major initiatives India had taken over the last four years. The report also listed trade-restricting export and import measures adopted in the past four years.

India's commerce secretary Rajeev Kher delivered an upbeat report on the policies implemented during 2011-15 against the backdrop of a fluctuating international trade and economic environment.

Kher said "new beginnings" over the past 12 months charted out "a brand new agenda for reform, growth and investment", based on a model of "better governance with less government".

The commerce secretary said the government has placed considerable emphasis on developing strong infrastructure, creating a road map for reforms, promoting ease of doing business, ramping up investment, rationalizaing subsidies, and creating a competitive, predictable and clean tax policy framework.

"Fifteen years ago, India occupied a very small space on the global trade canvas," Kher told the trade envoys. "Today, foreign trade is a significant part of the Indian economy."

“As various new initiatives of the government start showing results, India will become more competitive in several product areas which would, in turn, open up better trade prospects,” he maintained.

India’s two-way merchandise trade crossed $760 billion during 2013-14 and it now accounts for 44.1% of gross domestic product. If services trade is added to the trade in goods, then India’s total trade is estimated at around $1 trillion.

Services account for more than 50% of gross value added in the country, while the share of agriculture has witnessed a gradual decline and now accounts for 19%. The share of industry is around 44%.

Kher also listed new policy initiatives such as Make in India, Digital India and Skill India, which enable India to respond adequately to new external challenges and simultaneously keep in step with a rapidly evolving international trade architecture.

The discussant for the India TPR meeting, Esteban B. Conejos, agreed with Kher saying that India has made tremendous strides in different areas, including in trade facilitation, self-assessment, risk management and investment rules.

Conejos, however, listed five areas where the WTO members want to see more progress in India’s trade and economic policies.

They include managing agriculture subsidies, reducing the recourse to sanitary and phyto-sanitary measures and technical barriers to trade, rationalizing the complex structure for import and domestic tariffs, enhancing the transparency in the regulatory bodies, and lowering the use of anti-dumping measures.

“Overall, members welcomed India’s trade and economic policies,” Conejos told *Mint*.

The European Union (EU) has expressed confidence that the Indian economy is on a sustained growth path.

European Union ambassador Angelos Pangratis said that Brussels looks forward to “more business and investor-friendly” policies so as to ensure India’s foreign trade regime remains “more open and transparent”.

India should also embark on creating “investor-friendly FDI policy” as well as a predictable and clean tax policy environment, the EU said.

Pangratis said the Secretariat report drew attention to import procedures/import bans, local content requirements, trade-related investment measures, and the impact of subsidies

Brazil's trade envoy Marcos Galvao said, "Brazil and India have played an important role in global trade and economic relations. Trade between the two countries has increased rapidly. But we want to diversify our trade with India by enlarging the scope for more products in different areas."

China welcomed India's rise as beneficial for the global economy. The Chinese official did not express any concerns with the Indian trade measures or policies.

The US, however, cautiously welcomed India's trade and economic policies but made several demands. It called for a stronger intellectual property regime as well as lower agriculture tariffs.

Washington also called for further opening up of the services sector and slashing of market-support-price incentives.

Envoys from over 30 countries who spoke at the meeting asked India to clarify its policy measures in economic environment, the trade policy regime, trade policies and practices, and sectoral policies.

India will answer over 500 questions raised in these areas by Thursday when the meeting comes to a close.

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WTO: India cutting back on anti-dumping action

Business Line

Kolkata, June 5, 2015: India appears to be facing fewer dumping threats. The World Trade Organisation in a review said India initiated about 80 anti-dumping investigations against 23 trading partners in the past four years, but did not impose any anti-dumping measures on any of them.

In contrast, India imposed 207 anti-dumping measures during the previous four-year review period between 2007 and 2011. In the 2007-2011 period, India also initiated a higher number of 209 anti-dumping investigations against 34 trading partners.

In its sixth and the latest review of India's policy actions on the international trade front, WTO said India remained one of the most active users of anti-dumping measures among its members.

However, the WTO data suggested a gradual fall in India's anti-dumping actions.

The sixth review of India's trade policies and practices is currently under way (from June 2 to 4). The basis for the review is a report by the WTO Secretariat and a report by the Government of India. During 2011-2015, India made significant changes in its anti-dumping legislation including new rules defining situations that are considered to represent the circumvention of anti-dumping duties, and providing for anti-circumvention investigations.

Countervailing probe

India initiated one countervailing investigation during the period between 2011 and 2015. Since its last review, India has also initiated 18 safeguard investigations, the WTO noted in its latest review report.

Average MFN rate up

India's simple average tariff rate for most favoured nations (MFN status allowed to all WTO members) rose to 13 per cent in 2014-15, up from 12 per cent in 2010-11. "This reflects a rise in tariffs in agriculture, particularly for cereals and preparations, oilseeds and fats, and sugars and confectionary", WTO noted.

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WTO ruling on US chicken: Govt mulls scientific options to stop imports

Amiti Sen, Business Line

New Delhi, June 5, 2015: The Indian poultry industry is likely to face competition from cheap chicken leg imports from the US which could soon flood the domestic market if New Delhi is not able to come up with fresh reasons why poultry from the world's largest producer should not be allowed.

The World Trade Organisation's (WTO) Appellate Body (top decision making body) on Thursday ruled that India's ban on US poultry items on the ground of checking spread of avian influenza was not based on science and has to be scrapped.

"India has up to 18 months to implement the decision after which one could expect chicken legs from the US, priced much lower than the ones available locally, to take over the domestic market," a Government official told *BusinessLine.*

However, if India is able to put in place fresh restrictions that could better withstand scientific scrutiny, the situation could be saved, he said.

The Commerce Ministry has asked poultry associations to examine the feasibility of restrictions such as banning of chicken which are fed genetically modified food or ones that are kept frozen for long periods.

But before new restrictions are introduced, India has to be sure about two things: “Any new restriction should have scientific validity. Moreover, it should be such that the domestic industry should not have any issues implementing it as these would apply on all poultry,” the official said.

Following complaints from the US, a WTO panel had ruled last year that that India’s ban on US poultry product imports flouted global norms. India appealed against the verdict in January this year.

After hearing India’s appeal, the WTO Appellate Body upheld the panel’s findings that India’s avian influenza measures were neither ‘based on’, nor ‘conformed to’, the relevant international standards.

India’s over four lakh poultry farmers – who produce an estimated 3.5 million tonne every year – could lose up to 40 per cent of their domestic market once US products start flowing in, according to industry estimates.

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India’s import framework remains complex: WTO review

Business Line

New Delhi, June 3, 2015: India is streamlining its Customs procedures and implementing trade facilitation, but the country’s import structure still remains complex, WTO has said.

India, it said, took to self-assessment for Customs procedures in 2011 to facilitate trade, and around 97.6 per cent of imports were processed through the risk management system.

“Despite the implementation of these measures, India’s import regime remains complex, especially its licensing and permit system, and its tariff structure, which has multiple exemptions, with rates varying according to product, user or specific export promotion programme,” the Geneva-based multi-lateral organisation said.

According to the sixth Trade Policy Review of India, prepared by WTO, the country has taken several initiatives to modernise its intellectual property regime (IPR) administration and continues its efforts to enforce IPRs.

Acknowledging India's support for the multilateral trading system, it said the country has historically been party to a few regional trade pacts.

"However, despite India's reservations, regionalism has increasingly become an element of its overall trade policy objective of enhanced market access for its exports. This is evidenced by the 15 agreements currently in force and its involvement in the negotiation of other agreements," it added.

Tariff levels

It said that the simple average MFN (most favoured nation) tariff rate rose to 13 per cent in 2014-15 from 12 per cent in 2010-11.

"This reflects a rise in tariffs in agriculture, particularly for cereals and preparations thereof, oilseeds and fats, and sugars and confectionery," it added.

It also took note of India's WTO-bound tariff levels "much higher than the applied rates", especially for many agricultural products.

It said these gaps allow the government to modify tariff rates in response to domestic and international market conditions, but at the same time, they reduce tariff predictability.

India, the report added, continues to apply import quotas on marble and similar stones and sandalwood.

"State trading applies to certain agricultural goods, urea, and certain petroleum oils as a policy tool to ensure, inter alia, a fair return to farmers, food security, supply of fertiliser to farmers, and functioning of the domestic price support system," it said.

The report also mentioned India's recognition that structural issues act as a barrier to higher growth.

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WTO urges India greater tax reform, FDI liberalisation

Nayanima Basu, Business Standard

New Delhi, June 5, 2015: The 161-member World Trade Organization (WTO) on Thursday urged India to undertake greater tax reform and liberalise the country's Foreign Direct Investment (FDI) policy.

Concluding the country's sixth trade policy review, the WTO stated India needed greater tax reforms to increase investment in infrastructure. Members also stated effort by the government to introduce a goods and services tax (GST) were a welcome step.

"Members urged India in particular to pursue further tax reforms, which may increase government revenues, as well as investment in infrastructure. They welcomed its steps to introduce a nationwide goods and services tax," the WTO said in a report concluding India's trade policy review conducted over June 2-4.

Trade policy reviews are a mandatory WTO exercise to examine policies of its member countries. India's trade policy review was previously conducted in 2011. The review took place at the WTO headquarters in Geneva and the Indian delegation was led by Commerce Secretary Rajeev Kher.

Lauding the government's initiative to increase FDI limits in insurance and railways, the WTO stated there was scope for further improvement.

The members also applauded the Make In India programme to transform India into a manufacturing hub and the setting up of a portal to facilitate business.

The WTO also patted India on the back for taking steps to facilitate trade under the Trade Facilitation Agreement (TFA) signed last November, which is yet to be ratified.

"While some members commended India's recent initiatives to improve the transparency and predictability of its trade and related policies, such as inviting public comments on new legislation, members urged India to provide timely public consultations on draft regulations, submit notifications on a regular basis to the WTO, and provide a reasonable period between the announcement of new regulations and their entering into force," the report stated.

However, the WTO expressed concerns of over the "complexity and uncertainty" in the country's tariff structure, including an additional duty and a special additional duty, and the large difference between applied and bound rates.

Some of the members also complained against India's customs valuation and import licensing requirements on particular products, although they noted India had not introduced any new trade barriers to safeguard its agriculture or manufacturing sectors.

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US-India exports: WTO's poultry ruling fails to ruffle industry

Shruti Srivastava, The Indian Express

New Delhi, June 6, 2015: Even though the US has won the poultry ban case against India, potentially getting access to a sizable portion in the market of 1.2 billion people, the industry does not seem to be too worried about its immediate impact.

On Thursday, the World Trade Organization (WTO) ruled that the Indian ban on import of poultry meat, eggs and live pigs from the US was "inconsistent" with the international norms, giving New Delhi 12-18 months to implement the ruling. This has opened the doors of the Indian market for US poultry.

However, "there is no immediate threat to the industry," GB Sundararajan, managing director, Suguna Foods Ltd, told The Indian Express. The consumer market in India is largely driven by "whole chicken and I don't see any immediate impact on the industry. It is only may be two years later that we may see an impact," he said, adding that currently in India almost 96 per cent of retail consumption is of live birds and hardly 4-5 per cent of frozen chicken meat.

India had placed a ban on US poultry in 2007 raising concerns of avian influenza. Following the ban, in 2012 the US trade representative dragged the country to the WTO, which in October last year ruled that the ban was discriminatory and lacked scientific evidence. It held the US had seen no outbreak of high pathogenic avian flu since 2004, while India, despite not allowing US imports, had recorded over 90 such outbreaks. On January 26, India appealed the ruling. However, the WTO appellate body said that India's avian influenza measures are inconsistent because they are not based on a risk assessment.

India is a big market for the US, which is one of the world's largest exporters of chicken meat. The ruling comes at a time when the US's poultry exports have declined sharply to $1.76 billion in 2014 from $2.013 billion in 2013 due to trade ban with Russia effective August 2014. While, simultaneously India's broiler meat consumption has been consistently increasing and is estimated to have touched 3.72 million tonnes in 2014, from 3.45 million tonnes in 2013. Trade experts said that a huge surge in import of chicken legs is expected and tariff may not be the effective tool to curb it. However, its only chicken legs which is likely to be imported from the US. While in the US, consumer preference is for chicken breasts, there is practically no domestic market for legs. The bulk of it is frozen for exporting to other countries.

The US Department of Agriculture sees India's poultry meat consumption growing to 6.4 mt by 2023. India's chicken industry is around Rs 80,000 crore. According to a joint statement by the US Poultry and Egg Export Council and National Chicken Council, once the restrictions are lifted, export to India from US is estimated to be $300 million a year.

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India to push for cut in farm subsidies of rich nations

Nayanima Basu, Businesss Standard

New Delhi, June 4, 2015: India is again expected to strongly demand a substantial cut in subsidies given by rich countries to its farmers, leading to price distortions and large-scale dumping of agricultural produce, affecting agrarians in poorer nations.

The issue was expected to be raised by Minister of State for Commerce and Industry Nirmala Sitharaman at an informal meeting of trade ministers under the aegis of the World Trade Organization (WTO), on the sidelines of a meeting of the Organisation for Economic Cooperation and Development (OECD) in Paris on Wednesday.

"This is something that has not been raised by India in the near past," a senior commerce department official told Business Standard. "We are now going to raise it in a significant way. While we are always seen safeguarding our interests, it is time we talk about the billions of dollars spent by the US and Europe to subsidise their agricultural sector."

India plans to bring the issue to the main agenda of the ministerial conference, the highest decision making of the WTO, at a meet scheduled in Nairobi, Kenya, from December 15-18.

Abhijit Das, head, Centre for WTO Studies, Indian Institute of Foreign Trade, said: "One of the central elements of the Doha mandate was to reform the agricultural schemes of the developed countries. Over the past few years, there has been an effort by these rich countries to gloss over this issue and only discuss market access. Getting the issue of cut in agricultural subsidies will certainly go a long way in making their agricultural sector more market oriented. Besides, it will also impart the much needed momentum in successful conclusion of the Doha round."

According to the (OECD, agricultural subsidies remained substantially high in 2013 in developed countries, distorting market trends, despite a rise in prices of food commodities. In fact, OECD members spent $258 billion, subsidising agriculture in 2013, according to the organisation.

In 2010, the US spent $94 billion on its food aid programmes. In 2011, it filed domestic support of over $139 billion, double the amount filed in 1995.

Last month, WTO Director-General Roberto Azevedo was learnt to have held meetings with the ambassadors of seven key countries — the US, the EU, Australia, Japan, India, China and Brazil. In that meeting, India was believed to have raised this issue significantly. Since coming to power, the Narendra Modi-led government has been able to successfully steer the talks on public food stocks programme in India's favour. It was Sitharaman who threatened to scuttle the Bali deal, clinched in December 2013, and managed to obtain for India the permission to offer unlimited subsidies to its poor and marginal farmers by way of minimum support price until a permanent solution to the issue was found.

According to T S Vishwanath, principal advisor at APJ-SLG Law Offices, the informal meet in Paris was crucial for India to put the agenda of farm subsidies of rich countries at the WTO's Ministerial Conference. "We should talk about significant cuts on the subsidies of developed countries," he added.

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Govt to give farmers power, seeds subsidy in case rains fail

Business Standard

New Delhi, June 5, 2015: The government today announced it will offer subsidy on diesel, power and seeds to farmers in case of deficient monsoon affecting crops.

Agriculture Minister Radha Mohan Singh today held a meeting with senior officials of Indian Meteorological Department (IMD), which earlier in the week had revised monsoon forecast to "deficient", triggering drought fears.

Officials from power, water resource, rural development, food and fertiliser ministries, among others were also present in the meet.

"We will offer subsidy on diesel, power and seeds to farmers like last year to deal with drought-like-situation," Singh said after the meeting.

The minister said the government is fully prepared to face drought-like situation. A nodal officer has been appointed in every departments to deal with deficient monsoon situation.

According to sources, the Centre may continue Rs 10 per litre diesel subsidy this year as well.

The subsidy on seeds could be up to 50 per cent under different schemes, they added. Similarly, free power could be given to farmers for irrigation.

Earlier this week, Singh had said that the Centre is ready with contingency plans for 580 districts and is in touch with States and farm research bodies to tackle the situation.

A new crop insurance policy will be brought in this year to protect farmers' income. The Centre will import pulses to improve domestic supplies and check rising pulses prices.

On June 2, the Met Department revised its forecast from 93 per cent to 88 per cent Long Period Average (LPA), with north-west region of the country expected to be hit the most.

Last year, the country had received 12 per cent less rains, which hit production of grains, cotton and oilseeds.

Growth of agriculture and allied sectors stood at mere 0.2 per cent in the 2014-15 fiscal.

Foodgrains production declined to 251.12 million tonnes in the 2014-15 crop year (July-June) from a record production of 265.04 million tonnes in the previous year.

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EU court rules in favour of Commission over India-EU FTA

Nayanima Basu, Business Standard

New Delhi, June 5, 2015: A European Union court on Thursday ruled in favour of the European Commission (EC) in a long-pending litigation against it over access to information on the proposed India-EU free trade agreement (FTA).

The litigation was filed in February 2011 by the Corporate Europe Observatory (CEO) over the limited access to the negotiating texts concerning the ongoing talks to conclude the FTA — or the India-EU broadbased Bilateral Trade and Investment Agreement, as it is called officially. CEO is a Brussels-based research and campaign group that advocates and promotes transparency in European businesses. “It’s a sad day for citizens when the European Court of Justice effectively sanctions the Commission’s secretive collaboration with, and for, a tiny elite of corporate lobby groups. Particularly baffling is that this ruling comes in the context of growing public pressure against the current direction of EU trade policy,” CEO trade campaigner Pia Eberhardt said. Eberhardt had been spearheading the campaign for four years, after the EC refused to divulge any information on the ongoing talks.

CEO alleged the commission shared the documents concerned with European industry lobby groups such as BusinessEurope. EC had then informed CEO that the documents were highly “confidential” and “sensitive” and cannot be shared. In June 2013, CEO dragged the EC to the General Court of the EU for favouring lobby groups.

Thursday's ruling comes after CEO filed an appeal in the Court of Justice of the European Union against a judgment of the General Court on the case.

CEO said such a practice of making the documents accessible only to a selected few by EC would "not only hampers well-informed and meaningful public participation in EU trade policy-making, but also leads to a trade policy that, while catering for big business needs, is harmful to people and the environment in the EU and beyond."

Talks for concluding the India-EU BTIA started in 2007 and 15 rounds of negotiations have been held. The Narendra Modi-led government has not held any talks with the EU on the FTA, though the issue was discussed informally.

According to officials in the Ministry of Commerce and Industry, the BJP government might initiate negotiations in June. India now seemed ready to relent from its earlier position of taking massive cuts in the duties on automobiles and wines and spirits. But, in the bargain, India has demanded EU grant it "data secure nation" status.

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FTA with Australia on the cards by year-end

Kumar Shankar Roy, Financial Chronicle

Kolkata, Jun 04, 2015 : The free trade agreement between India and Australia, which will cover goods, services and investment among others, is likely to be signed by the end of the year as both nations are half-way through the negotiations, Australian high commissioner Patrick Suckling said here on Thursday.

In the last few years, there has been remarkable growth in trading ties between India and Australia, fuelled by the many complementarities between the two economies. India is Australia's 12th largest trading partner with a two-way trade worth approximately A$15 billion.

"We are hopeful that the Comprehensive Economic Cooperation Agreement (CECA) between India and Australia will be signed by the end of 2015," Suckling said at an interaction organised by the Calcutta Chamber of Commerce here.

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Basmati exports to Iran will pick up after October

Tomojit Basu, Business Line

New Delhi, June 12, 2015: First quarter numbers for basmati rice exports to Iran – the biggest buyer, accounting for a fourth of sales overseas – are yet to be released, but industry sources say that volumes are likely to pick up only after October even if issuance of import permits may be undertaken from July.

Policy hassles

The current delays are due to the Iranian government's policy of Indian units and exporters being required to be registered with the Tehran's Health and Medical Education Ministry. The process can only be initiated by an Iranian importer, who has to furnish a list of intended exporters.

"The main factor is the initiation of a new process which requires Indian mills to be assessed for good manufacturing practices. They will be eligible to export to Iran and it's a slow process, since few units have got themselves registered so far," said R Sundaresan, Executive Director, All India Rice Exporters' Association (AIREA).

"Exports to Iran are on, but not at the same quantity or speed as the same time last year. We expect sales to pick up after October, since their own produce is available currently," he added.

While there is no guarantee of basmati sales gathering pace, the issuing of import licenses should begin next month.

"A resumption of issuing import permits will take place after Ramadan, which is in July," said AK Gupta, Director, Basmati Export Development Foundation, APEDA.

Iran stopped issuing authorisations last October which saw India's basmati rice exports slide from $1.4 billion in 2013-14 to $600 million last fiscal.

By volume, exports fell from 1.44 million tonnes (mt) to 0.94 mt over the same period.

Importer cartel

Agriculture Minister Radha Mohan Singh met with his Iranian counterpart Mahmoud Hojjati on the sidelines of the UN's Food and Agriculture Organisation conference in Rome earlier this week to enhance agri-cooperation and increase farm trade.

Some domestic millers alleged that political intervention in granting these import permits is partly responsible for dragging basmati prices down to around $1,000/tonne from $1,400-1,500/tonne during the same period a year ago.

“A syndicate has been created in Iran on the pretext that it’s easier to monitor quality of Indian basmati. There are 5-10 importers who work with a few exporters from here. It’s skewing the market in favour of the buyer and driving prices down,” said Vijay Setia, Executive Director, Maharani Rice, told *BusinessLine* .

The process of selling basmati on a loan-basis under a clean direct-advance (DA) system needed to be corrected as well, he said. “It’s a matter of judgment, once you have a system of import permits, how many people will get them and the number issued is up to the Iran government since it’s their system,” said Gupta.

Prices dip

With the acreage under Basmati expected to rise 5 per cent this year in the counrty against 2.1 million hectares coverage last year, prices could come under further pressure.

“The association has no confirmed reports of a cartel operating in Iran. Prices are lower mainly due to huge production of 8.1 mt last year, up from 6 mt the year before and there’s a lot available at the moment,” said Sundaresan.

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As global sellers offer sops, vegoil imports rise to record

Business Line

Mumbai, June 12, 2015: Vegetable oil imports rose to a record high of 13.71 lakh tonnes (lt) in May compared with10.33 lt registered in the same period last year due to sops offered by the exporting countries.

The high price of soyabean and lower realisations also resulted in lower crushing in the domestic market and lesser availability of edible oil in the market. This resulted in higher imports of soyabean oil and sunflower oil, said BV Mehta, Executive Director, Solvent Extractors’ Association of India.

Import of refined palm oil at 2.75 lakh tonnes last month was the highest in the last few years. The two largest palm product producing countries Indonesia and Malaysia have been pushing exports to

India by removing the export duty a the demand for crude palm oil has plunged due to lower demand from bio-diesel producers. The two countries have dropped price to reduce their burgeoning stock, he said.

The overall import of vegetable oil in the first even months of the oil year was up 26 per cent at 78.33 lt (61.98 lt).

As of May-end, the stock of edible oil at various ports is estimated at 7.50 lt which includes 2.80 lt of crude palm oil, 1.40 lt of refined palm oil, 1.90 lt of degummed soyabean oil, 1.30 lt of crude sunflower oil and 10,000 tonnes of rapeseed (canola) oil. Another 15 lt is in the pipelines.

Total stock at the ports and in pipeline increased to 22.50 lt from 21 lt. India's monthly requirement is about 16 lt against the current inventory of over 22.5 lt, equivalent to 43 days' requirements.

In last one year, refined palm oil prices were down 23 per cent at $667 a tonne while crude palm oil dipped 26 per cent to $647. Similarly, crude soyabean oil and sunflower oil dropped 16 per cent and crude sunflower oil three per cent to $788 and $917, respectively. However, rupee depreciated 7.5 per cent against dollar, partially wiping out the benefit of fall in prices.

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Gold loses shine as imports fall

Rajesh Bhayani, Business Standard

Mumbai, June 13, 2015**:** If gold import trends so far are anything to go by, India's domestic demand for the yellow metal might decline in the April-June quarter, after seeing a 15 per cent increase in the three months ended March. Thanks to estimated gold imports of only around 60 tonnes in May, the total for the current quarter is expected to fall below 200 tonnes, for the first time in five quarters.

This trend might allay Reserve Bank of India (RBI) Governor Raghuram Rajan's concerns, raised during the central bank's monetary policy review last week. Rajan had said: "Gold imports spiked in the month of March and remained elevated in April, owing to festival demand and regulatory relaxations. Notably, the volume of imports has been recording increases, despite the value decline." With imports beginning to moderate now, RBI's concerns might have been partially addressed.

The gold market has already entered a lean season. While urban consumers have largely stayed away from bullion, gold demand among rural consumers is also likely to remain low, given an uncertainty over kharif crop amid weak monsoon projections this year. Earlier, rabi output had also been dismal after hailstorm damaged standing crop.

According to a banking official tracking gold imports “import bill in May could be around $3 billion. This means imports could be around 60 tonnes. With market price quoted at a discount of $3-4 per ounce in Mumbai, imports seem to be losing attractiveness. So, imports in June could be below even the May level.”

Gold imports had stood at 178 tonnes in the January-March quarter of 2014-15 and exceeded 200 tonnes in each of the four preceding quarters, shows data compiled by the World Gold Council. Among reasons for a decline in demand are seasonal slowdown after the wedding season and a general apathy amid a bearish gold price outlook.

“If monsoon remains weak, as forecast by the India Meteorological Department, the gold demand will remain weak. Deficient rains are feared to dent sentiment because the rural population accounts for 60 per cent of India’s total gold demand. Weak rainfall might adversely affect the agricultural output which, in turn, could affect gold buying,” said Ajay Kumar Kedia, commodity advisory, Kedia Commodity.

Investors have been selling gold globally, too. This is reflected by the fall in SPDR Gold Trust, the world’s largest gold exchange-traded fund. The ETF has slipped to its lowest since September 2008, the start of a global economic slowdown after Lehman Brothers filing for bankruptcy. In 2014-15, India’s gold import bill had stood at around $34 billion. But it is expected to be around $8.5 billion in the first quarter of the current year.

According to most analysts, the outlook for gold price remains bearish. The international prices are expected to test the support level of $1,170 an oz. Below this level, there will be the long-time support level of $1,140 and then $1,050.

Natixis commodities, a London-based commodities research house, has said in a recent report that rising bond yields should be watched, as a growing US economy and the possibility of the US Federal Reserve raising rates in September will bring down interest in gold. If bond yields come down up and the equity bubble burst, investors will again be attracted to gold.

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Govt to import pulses to check rising prices

Business Standard

New Delhi, June 10, 2015: To check rising price of pulses, the government today said it will import lentils in large quantities to boost supply and also asked states to take action against hoarders.

In a meeting chaired by Prime Minister Narendra Modi, the Cabinet expressed concern over rising prices and decided to increase imports, among other measures.

Pulses prices have risen by up to 64% in the last one year as domestic production fell by nearly two million tonne in 2014-15 crop year due to unfavourable weather conditions.

"The government is very serious on rising pulses prices. There has been less production of pulses. We will import pulses, whatever quantity is required," Food and Consumer Affairs Minister Ram Vilas Paswan told PTI.

"We have asked state governments to take action against hoarders," he added.

Briefing media after the Cabinet meet, Road Transport Minister Nitin Gadkari said: "Cabinet discussed rising pulses prices and expressed concern about the same. Prime Minister has directed to import pulses in large quantity to keep domestic prices under check.When asked which agencies which will import pulses, Paswan said the modalities will be finalised soon.

Pulses production is estimated to have fallen to 17.38 million tonne in 2014-15 crop year (July-June) from 19.25 million tonne in the previous crop year due to deficient monsoon last year and unseasonal rains and hailstorms during March-April this year. India imports about four million tonnes of pulses, largely through private traders, to meet domestic shortfall.

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