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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

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Need to revive global economic cooperation to defeat trade war, protectionism, says WTO official Yonov Frederick Agah

Financial Express

April 13, 2018: The world needs to unite and revive global economic cooperation, liberalisation and growth to defeat trade protectionism and the rising threat of a trade war, a World Trade Organisation (WTO) said. “No issue is more urgent today than reviving global economic cooperation, liberalisation and growth,” Yonov Frederick Agah, the deputy director general of WTO told delegates at the Annual Investment Meeting (AIM) being held at the Dubai World Trade Centre. He said the signs of “rising trade tensions” are not only a cause but a symptom of a global economy that has “largely stopped opening and integrating” in recent years, holding back growth when it is “most needed” to secure a prosperous and peaceful world.

“The picture was very different just a decade ago. Between 1990 and 2008 — the high-water mark of globalisation — world trade expanded nearly three-fold — double the pace of economic growth — while FDI grew almost seven fold. “It was not just new technologies that helped fuel this expansion, but the success of major new global and regional liberalisation initiatives as well –- the Uruguay Round; China’s accession to the WTO; the creation of the European Single Market, NAFTA, Mercosur, and many others,” he said.

The AIM, a three-day congregation of high-profile officials that include 25 federal ministers, 19 mayors, eight organisation heads, one head of parliament and investors, will see the signing of a number of agreements and announcements that will help countries boost the flow of Foreign Direct Investment (FDI). Sultan bin Saeed Al Mansoori, UAE Minister of Economy, said, he did not think that the current situation between “two big economic powers” will escalate to a “trade war”.

“Things are still developing and we have to wait to see where it reaches,” he said. “The UAE firmly believes in cooperation and partnership and that’s how we have built our economy though cooperation and we will continue to do that. Currently, we have nothing to worry. However, a full-scale trade war will affect all of us,” he added.

Georgia First Vice Prime Minister and Minister of Economy and Sustainable Development Dimitry Kumsishvili said his country believes in growing together through liberalisation, cooperation and openness. “We are a small country and can’t afford protectionism. We have signed free trade agreements with countries with a population of 2.3 billion. Protectionism is not good for global growth,” he said.

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India says will not take sides in US-China trade spat

Beijing, Live Mint

April 15, 2018: India on Sunday said it would not take sides in the ongoing trade spat between US and China amid differences with Beijing over its controversial Belt and Road Initiative (BRI).

Remarks by NITI Aayog vice-chairman Rajiv Kumar came as he held the fifth Strategic Economic Dialogue (SED) dialogue with his Chinese counterpart He Lifeng, the chairman of China’s top planning body the National Development and Reform Commission (NDRC) in Beijing on Saturday.

During the talks, the BRI also came up for discussion. “India suo motu has been the supporter of the rule-based multilateral trading order. In that sense, we don’t have to take sides either one-way or the other,” Kumar told the media when asked about India’s stand on the current trade spat between China and US.

The SED, a key platform between India and China to discuss trade and economic issues, was resumed this year after last year’s disruption amid Dokalam standoff.

The meeting took place amid growing rapprochement between the two countries after the standoff.

“India has always taken independent position on trade issues,” Kumar told the Indian media. His remarks came as the US and China announced tit-for-tat tariffs on each other’s products.

US President Trump is ramping up pressure on China to cut the $375 bilateral billion trade deficit. “While India does not like any measures that harm the rule based international trade regime, there is no reason to take sides in this,” he said.

“We are not that level of player in the market. Our shares are much smaller. We are the takers of the rules than makers,” he said.

Kumar mentioned the US and Japanese trade war in late 1980 when Washington successfully pressured Japan to cut the trade deficit. “That is what the US is still expecting. If you notice, both sides have announced their position (to cut tariffs) but they have not given the dates. This is posturing,” he said.

“I don’t think anybody is interested in trade war trade crisis,” he said. In his address at the SED on Saturday, Kumar made a strong pitch for China to allow India’s exports of soybean and sugar.

Soybean is regarded as most important for US farmers and China is the largest importer. China has threatened to impose 25% tariffs on its imports if Trump went ahead with his tariff plan for China.

Elaborating on his stand in asking China to import soybean and sugar from India, he said, “My hint was much more towards agricultural tariffs in China than anything else”.

China’s agricultural tariffs are high and India’s agricultural exports suffer as a result of it. Asked whether the US-China trade spat is advantageous to India, he said, “If war happens, elephants fight and grass gets affected. We are part of the grass. We don’t want that” Kumar said, adding that the US and China being the world’s top two economies are giants. “We are not there yet,” he said.

Apparently, China has raised the BRI at the SED for which India responded raising its concerns over the sovereignty issue regarding the China-Pakistan Economic Corridor (CPEC) as it is being laid through Pakistan-occupied Kashmir (PoK).

Kumar said Chinese brought up the BRI issue and the Indian delegation responded by saying it is a matter of sovereignty which cannot be compromised.

The Chinese side “extolled” the BRI virtue and emphasised how it is “completely nonconflictual and respectful of sovereignty and independence”, he said. “After hearing India’s response they chose to ignore it,” he said.

But at the same time there was no reference to the CPEC and it is covered in the sovereignty-related concerns raised by India, Kumar said.

“Both sides recognise the differences over the issue. But there is sufficient scope within the defined redlines to take the development cooperation forward,” he said.

There was a discussion at the SED about the Bangladesh, China, India, Myanmar (BCIM) corridor. While China says it is a part of the BRI, India says the project predates that.

Kumar said the main focus for India is Asian trilateral highway. The BCIM is work in progress. Currently Bangladesh and Myanmar are not interested in it in view of the Rohingya refugee crisis, Kumar said.

China for its part appreciated India’s Act East Policy to improve connectivity in the north-eastern states. He said the core message from the SED was that “we must focus incessantly and unremittingly on the development cooperation possibilities despite differences”.

“Major take away for India was that China has expressed interest in joining the International Solar Alliance mooted by India,” Kumar said.

“It seems we have an opening. If that happens it can be a big shot the arm,” he said. There were some “positive noises” from China on investing in Prime Minister Narendra Modi’s scheme for housing for all Indians by 2022.

Kumar on Saturday said that there was immense potential to set up special clusters for Chinese investments like textiles, leather, food processing, electronic components and pharmaceuticals.

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US-China tariff war may be a boon for India, say experts

The Economic Times

Kirtika Suneja, April 5, 2018 : With the US and China reducing their engagement in the area of trade, India could seize the opportunity to increase its presence in the two markets, say trade experts.

“Because of their growing disengagement as they slap tariffs on one another, it gives India a platform to engage more with both the countries and increase presence,” said a Delhi-based trade analyst.

his means investment-led trade with China and more strategic engagement with the US in terms of defence, technology and space, among others.

China has already extended the olive branch to India by expressing interest in investing here and addressing the huge trade deficit that India has with it.

“India will become a very important player as the two largest economies of the world deny each other market access,” said another trade expert. Though the consumption profiles of the US and China differ from India, some of their goods could find their way to India, the expert added.

Though experts have found a silver lining in the China-US tariff war, engineering exporters are worried about getting caught in the crossfire.

“Our stakes are quite high in the unfolding global trade tensions between the US and China. We would not like to be caught in the crossfire,” said EEPC India chairman Ravi Sehgal.

Indian engineering exports to the US, the number one destination for these goods, had gone up by over 47% and to China by 76% between April-February 2017-18, according the EEPC India.

Sehgal said rising import tariffs in the wake of US action on steel and aluminium and the complaint filed against India in the WTO with regard to various export promotion schemes would be challenging issues for the exporters.

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India, EU try to revive free trade talks as US shadow looms over world trade

Amiti Sen, Business Line

April 11, 2018: India is looking for greater market access in the European Union for items such as textiles and leather and seeking ‘data secure’ status to the country at the ongoing bilateral trade talks in Brussels where negotiators from both sides are making a last-ditch effort to re-start the stalled Free Trade Agreement (FTA) negotiations.

“With the US adopting an aggressive posture against its trade partners, including the EU, the bloc may be in a more flexible mood this time round. It could be a last political effort by both sides to save the free trade talks,” a government official told *BusinessLine*.

The India-EU FTA talks, formally called the Broad-based Trade and Investment Agreement (BTIA), were officially kicked off in 2007, but saw several ups and downs with disagreements over market access issues.

What India wants

In 2013, the BTIA talks reached a complete standstill as the EU was unhappy with India’s offers for items such as wines and spirits and automobiles as well as financial services and retail. India, on its part, wanted more market access for key manufacturing items, grant of ‘data secure’ status that would bring more off-shore business to its companies and greater flexibility in H1-B visa rules.

“There were at least five stock-taking meetings of relative positions of both sides since 2013, but so far differences could not be narrowed enough for talks to re-start,” the official said.

However, this time things could be a little different. “The EU, and also to some extent India, have been on the receiving side of the abrasive trade measures of the Donald Trump-regime in the US. Hard positions may see some softening,” the official said.

The Indian industry, especially the textiles and garments sector, is eager that India formalises the BTIA with the EU soon as its competitors such as Bangladesh and Vietnam enjoy preferential tariffs in the region.

Two-way trade between India and the EU is well balanced with India's exports to the region in 2016-17 at $47 billion and imports at $42 billion. The EU accounts for about 17 per cent of India's total exports.

When the talks broke-off, India had agreed to bring about significant cuts in tariffs for automobiles and wines and spirits, but it was not enough for the EU which argued that it had got a much better deal in its free trade pacts with other nations. The EU also wanted India to take commitments on market openings in financial services and retail, but New Delhi had its doubts.

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How will US-China trade tensions impact Indian tyre manufacturers?

Vatsala Kamat, Live Mint

April 10, 2018 : Rubber prices on the Tokyo Commodity Exchange have plummeted 17% in just three months. And the domestic price of RSS Grade 4 rubber also fell 6% in three months and about 24% from the year-ago level.

The initial trigger was the forecast of a rubber supply overhang in international markets for 2018. But in the last few weeks, prices of this commodity that widely supports the automobile industry as the key input in the manufacture of tyres, succumbed on fears of an intensifying trade war between the US and China.

The problem lies in that China is the world's largest producer of automobile tyres, followed by the US. But the bone of contention is China's position as the world's largest exporter of tyres—it exports nearly two-thirds of its production. In fact, the US's position in the international markets has weakened with tyre exports contracting by a fourth (2016 data).

So the worrisome question is—will China's tyre industry get caught in the tariff crossfire between the two nations? According to a *Bloomberg* report, the Chinese products in the proposed US tariff list includes new and retreaded pneumatic tyres and non-radial rubber tyres used in aircraft. Analysts expect that with China's retaliation, the scenario may worsen in terms of including a wider range of products.

Any cutback in US imports due to unviable duty structures is bound to puncture the revenue and profits of Chinese tyre firms. In July 2015, when the US imposed hefty punitive tariffs on Chinese tyres, there was collateral damage to rubber exports from South-East Asian countries, that finally saw prices plunging down.

Further, the Chinese industry is already suffering from lower production due to environmental restrictions and a slowdown in domestic automobile growth rates.

Therefore, the speculation and fall in rubber price futures is not surprising. Meanwhile, trade tensions have come at a time when the international markets had already estimated a supply glut in rubber during the year. In fact, spiralling rubber prices had started cooling off since October in international markets.

In domestic markets, the price of RSS Grade 4 rubber is down by nearly 25% in a year on better-than-expected production. And weak international sentiment is fuelling the fall.

Tumbling rubber prices bode well for this industry, where rubber comprises about two-thirds of the total cost of production. Further, this could offset the adverse impact of rising crude oil prices—another input in tyre production.

Tyre sales have been zooming and will continue to do well on the back of rising domestic vehicle sales. Demand from both the original equipment and replacement market segments is estimated to sustain at the current robust levels, at least for another year. Therefore, strong revenue and low raw material cost is the perfect recipe for improving profitability. Hence the euphoria seen in tyre stock counters is justified. Stocks such as Apollo Tyres Ltd, MRF Ltd, and JK Tyre and Industries Ltd have jumped by 15-20% since October, backed by strong revenue growth in the last two quarters.

But one must tread cautiously as there could be some negative implications for the Indian tyre industry if China decides to dump surplus tyre production at throwaway prices to clear stock. So far, the anti-dumping duty in India is keeping Chinese imports that wreaked havoc on Indian tyre manufacturers, at bay. But industry experts say that tweaking the tyre grades can help circumvent the tariff classification.

For the near term, domestic tyres firms are on a roll, as rubber prices are low and sales continue to grow.

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Donald Trump considers re-joining Pacific trade pact he quit after soon after assuming presidency

Financial Express

April 13, 2018: United States President Donald Trump, who withdrew from the Pacific trade pact days after assuming the presidency in January 2017, has proposed to re-join the agreement if the country gets a better deal than offered during Barack Obama's administration. Donald Trump on Friday in a tweet said that since the United States is already having a bilateral deal with six of the eleven nations in Pacific trade pact, he will join the deal if he gets a "substantially better" deal.

Donald Trump's comments came after the White House announced that US Trade Representative Robert Lighthizer and top economic adviser Larry Kudlow were re-examining the position of the United States over this pact. The Pacific trade pact is an agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and United States, which was signed but never ratified.

While there is not much development on the issue, AFP reported Japan welcoming the proposal. "If it's true, I would welcome it," Japanese Finance Minister Taro Aso told reporters after a cabinet meeting on Friday and before Trump's tweet. Aso added that the facts needed to be verified. Trump "is a person who could change temperamentally, so he may say something different the next day", Aso said.

Donald Trump since he assumed the presidency has been quitting out pacts which he claims to be unfair to the United States. Last August, he decided to pull out of Paris Agreement while he kept the option of negotiations open. Currently, fears loom large over the possible trade war between the US and China.

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US China trade war: Beijing issues this warning to Donald Trump

Financial Express

April 12, 2018: China is well prepared and will not hesitate to fight back if the United States escalates its trade spat with Beijing, the commerce ministry said on Thursday, adding Chinese President Xi Jinping's pledge to cut import tariffs is not a concession. Xi on Tuesday vowed to open the country's economy further and lower import tariffs on products like cars. U.S. President Donald Trump responded in a tweet saying he was “thankful” for Xi’s kind words on tariffs and access for U.S. automakers, as well as his “enlightenment” on the issue of intellectual property.

It would be misleading to say Xi’s pledge at the Boao Forum this week – Asia’ version of Davos – was a concession to the United States, commerce ministry spokesman Gao Feng said at a regular press briefing in Beijing. Xi was merely outlining China’s strategy to open up further, which had nothing to do with its trade friction with the United States, Gao said.

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Trade deficit with India decreased in 2017; concerned over trade barriers: US

The Economic Times

April 4, 2018: The trade deficit between India and the US dropped by almost six per cent in 2017 compared to the previous year, the US Trade Representative (USTR) has said, even as it continued to harp on issues such as market access and high tariffs on several American products being imported into India.

"The US goods trade deficit with India was USD 22.9 billion in 2017, a 5.9 per cent decrease (USD 1.4 billion) over 2016," said the National Trade Estimate 2018 released by the USTR. India is one of the few countries with which US' trade deficit has decreased in the last one year.

US goods exports to India were USD 25.7 billion, up 18.7 per cent (USD 4.0 billion) from the previous year. The corresponding US imports from India were USD 48.6 billion, up 5.6 per cent. India was the US' 15th largest goods export market in 2017, the annual report said.

Similarly, US exports of services to India were an estimated USD 23.1 billion in 2017 and US imports were USD 28.7 billion. Sales of services in India by majority US-owned affiliates were USD 24.5 billion in 2015 (latest data available), while sales of services in the United States by majority India-owned firms were USD 14.7 billion, the voluminous report said.

US foreign direct investment (FDI) in India (stock) was USD 32.9 billion in 2016 (latest data available), a 10.0 per cent increase from 2015. US direct investment in India is led by prof., scientific, and tech. services, manufacturing, and wholesale trade, it said.

However, the Trump administration continued to harp India on a number of issues, including market access, high tariff and protection of intellectual property.

"In 2017, India implemented price controls on coronary stents and knee implants that do not fully differentiate for advanced technologies within a product class," it said.

National US companies have applied to withdraw technologically advanced products from the market, but the requests have been rejected, forcing the US to sell certain products at a loss. India has indicated it may apply similar price controls on additional medical devices, it said.

According to National Trade Estimate, India continues to maintain some of the highest average tariff rates worldwide. The large gap between India's WTO bound and applied tariff rates allows India to make frequent adjustments to the level of protection provided to domestic producers by modifying tariff rates, it said.

For example, in 2017 India increased tariffs on pulses from zero to 30 and 50 per cent. India also raised tariffs on certain high-tech information and communication technology products from zero to between 10 and 20 per cent. The US companies have raised significant concerns with these actions, it alleged.

"The United States continues to raise these concerns through bilateral engagement with the Indian government, including through the US-India Trade Policy Forum," the USTR said.

According to the report, the US has actively sought bilateral and multilateral opportunities to open India's market, and the government of India has pursued ongoing economic reform efforts. Nevertheless, US exporters continue to encounter tariff and nontariff barriers that impede imports of US products into India, it said.

Noting that India imposes onerous requirements on dairy imports, the report said India continues to require that dairy products be derived from animals which have never consumed any feeds containing internal organs, blood meal, or tissues of ruminant origin.

India has explained that its position is based on religious and cultural grounds, it said. This requirement, along with high tariff rates, continues to prevent market access for US milk and dairy product exports to India, one of the largest dairy markets in the world.

"In order to address India's religious and cultural concerns, in 2015, the US proposed a labelling solution to allow for consumer choice between dairy products derived from animals that have or have not consumed feeds with ruminant protein," the USTR said.

India has so far rejected that proposal, and the US continues to press India to provide access to the Indian dairy market, the report claimed.

The US, it said, has raised concerns about India's sanitary and phytosanitary (SPS)-related trade restrictions in bilateral and multilateral fora including the TPF, the WTO SPS Committee, and Codex.

According to the report, the US continues to work with India to open market access for US poultry products into India consistent with the WTO ruling. Until then, the US considers the dispute unresolved, it said.

Observing that India maintains zero tolerance standards for certain plant quarantine pests, such as weed seeds and ergot, that are not based on risk assessments and result in blocked imports of US wheat and barley, the report said bilateral discussions to resolve these issues, including at the senior official level, have achieved little success to date.

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After China, now US to review eligibility of trade preference for India

The Economic Times

New Delhi, April 14, 2018 : The United States will review if India's exports need any preferential accessto its market, potentially impacting nearly 3,500 goods including mechanical and electrical machinery, organic and inorganic chemicals, plastics and vegetables that get duty free access to the world's biggest market. Washington has announcedeligibility reviewof India for the Generalized System of Preferences (GSP), a sort of quota for each country at zero or low duty, along with that for Indonesia and Kazakhstan.

India is the largest beneficiary of GSP among developing countries at $5.6 billion with 3,500 products getting duty-free access to the US market. The US has been looking at imports from countries with which it runs a large trade deficit and has already announced tariffs on $60 billion worth of Chinese imports.

The United States Trade Representative (USTR) said that it is launching a selfinitiated GSP eligibility review of India based on concerns related to its compliance with the GSP market access criterion and is also accepting two petitions related to the same criterion.

"All this is part of putting pressure on us. This is a sword hanging on us every year," said a Delhi-based trade expert.

The petitions filed by the US dairy industry and the US medical device industry requested a review of India's GSP benefits, given that Indian trade barriers affecting the US exports in those sectors.

India has implemented a wide array of trade barriers that create serious negative effects on the US commerce, the USTR alleged. “The US might stop the benefit this year because they don’t consider us a developing country anymore,” the trade expert added.

Congress had last month voted to renew the GSP through 2020. “GSP provides an important tool to help enforce the Trump administration’s key principles of free and fair trade across the globe. The president is committed to ensure that those countries which receive GSP benefits uphold their end of the bargain by continuing to meet the eligibility criteria outlined by Congress,” said deputy US Trade representative Jeffrey Gerrish.

In October 2017, the USTR announced a new triennial process to assess GSP beneficiary country eligibility and examined the country’s policies and practices related to each of the 15 eligibility criterion established by the Congress. These include respecting arbitral awards in favour of US citizens or corporations, combating child labour, respecting internationally recognised worker rights, providing adequate and effective intellectual property protection, reducing barriers to services trade and investment and providing the US with equitable and reasonable market access.

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EU-India FTA: MSF raises concerns about IP provisions’ effect on generic medicines

Live Mint

New Delhi, April 12, 2018: Ahead of discussions on the long-stalled EU-India free trade agreement (FTA) on 12 April in Brussels, international charity Médecins Sans Frontières (MSF) has flagged concerns on the possible effects that the intellectual property (IP) provisions proposed in the negotiations could have on the supply of quality assured generic medicines.

A leaked draft of the agreement, which has been under discussion, pushes for proposals from the EU that would impose higher standards of IP protection and enforcement on India than required by the World Trade Organization (WTO).

MSF provides emergency medical assistance to people in distress in more than 70 countries. With the discussions likely to begin on Wednesday, Els Torreele, executive director, MSF Access Campaign has written to Cecilia Malmstrom, Commissioner, Trade, European Commission raising concerns about the detrimental effects of proposed IP provisions proposed in the negotiations. MSF has called on EU to prioritize public health interests by removing and rejecting harmful intellectual property rules that will put millions of lives at risk.

“As talks start, MSF remains concerned today and would like to reiterate the importance of a moratorium on the introduction of TRIPS-plus measures and of completely removing additional enforcement provisions from the FTA negotiations,” reads the letter. *Mint* has seen a copy of the letter.

MSF and the Networks of People Living With HIV highlighted that there are certain provisions that put the timely entry of generic competition at risk, including patent term extensions and data sensitivity. “A range of IP enforcement provisions which go beyond the requirement of WTO TRIPS agreement have been proposed by the EC and remain on the negotiating table. The EUs proposals that apply to pharmaceutical patents include a stricter injunction system, a third party liability regime and boarder measures,” added the letter.

The MSF has suggested removing the border measures from the FTA negotiations. "Patents, test data and civil trademark disputes should be completely excluded from the scope of enforcement provisions," the letter further read.

MSF's concern is based on an EC report published in February. According to the MSF, the report criticized India's criteria for patentability, compulsory licensing and revocation of patents under the Patents Act.

"The World Trade Organization's intellectual property rules often stand in the way of MSF's ability to have access to the medical innovations needed for our programs in an affordable way, from safer and more easy-to-use antiretroviral medicines for HIV, to new drugs that improve treatment outcomes for drug-resistant tuberculosis, the recent breakthrough cures for Hepatitis-C, and new lifesaving vaccines that protect kids from pneumonia. Given our past experiences, we remain concerned that the EU-India trade agreement will be used as a platform to push for excessive intellectual property measures that will further jeopardize India's ability to produce and supply affordable generic products. Spiraling drug prices prevent people from accessing the lifesaving medicines they need, causing preventable misery and deaths, and impacting governments' abilities to effectively address global public health challenges. We call on the EU to live up to its commitment to prioritize public health interests by removing and rejecting harmful intellectual property rules that will put millions of lives at risk," said Els Torreele.

Concerned about the negotiations, Leena Menghaney of MSF Access Campaign said, "The European Commission committed to not pursue the issue of patent term extension any longer in the negotiations, and to ensure that the FTA will not require India to introduce any kind of data exclusivity provisions. We encourage the current negotiators to maintain this red line to ensure that TRIPS-plus measures, which are detrimental to public health and access to affordable medicines, are not part of the negotiations".

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India, EU to resume FTA dialogue on April 12: Diplomat

The Economic Times

Guwahati, April 10, 2018: India and the European Union will meet on Thursday in Brussels to take forward discussions on the Free Trade Agreement between the two regions, a top diplomat said today.

"The goods and services trade with India exceeded 100 billion Euro last year. The current trade deficit is very balanced between India and the EU," EU Ambassador to India Tomasz Kozlowski told reporters here.

Identifying India as a "natural partner", he said the country will remain one of the main trade destinations for the EU.

On the Free Trade Agreement (FTA), Kozlowski said, "We are in the process of formalising the FTA. This is a complex issue, but we are approaching with an open mind. On April 12, another meeting will take place in Brussels between the FTA chief negotiators."

The EU and India have decided to work in partnership in a host of areas such as water management, climate change, renewable energy and sustainable development, he said.

Talks for an India-EU FTA began in 2007, but was put on hold in 2013. The matter came up for discussion again during the 14th India-EU Summit held in Delhi in October last year, followed by the EU's chief negotiators for the FTA meeting the Indian side informally in November.

Kozlowski said the EU and India have decided to step up their association in handling radical and terror elements in both the region as well as at the global level.

"Radicalisation is a challenge to both India and the EU. So, we have decided to convene a meeting between the law enforcing agencies to have better coordination and how handle the challenge in a better way," he said, adding the talks will take place in May in New Delhi and NIA will represent India.

The diplomat said that the EU upgrades the list of terror outfits and terrorists every six months.

Regarding the issue of immigration, he said migration is a big challenge globally, especially since 2005. "We had challenge in handling it, but it is now under control. We are not accepting any new migration for any economic reason and doors are closed for that."

Kozlowski said discussions on a global level are needed to handle matters related to migration.

"The EU organised many high-level meetings. We are trying to work out a principle and resolution. But we think that a global solution is needed on migration issues. We are stepping up our cooperation with India on migration issue as India is also facing the same," he said.

Asked about India-EU relations post the Brexit, the diplomat said there should not be a major change in trade in view of it.

"Brexit will not have any negative impact on EU-India. EU will remain the main partner for India. I don't expect a big change in trade between EU and the UK as the overall customs duty is very less. The UK will remain a major market for the EU," he added.

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US responsible for trade frictions, negotiations currently impossible: China

Kevin Yao, Live Mint

Beijing, April 9, 2018: China stepped up its attacks on the Trump administration on Monday over billions of dollars worth of threatened tariffs, saying Washington is to blame for trade frictions and repeating it was impossible to negotiate under “current circumstances”.

The comments come after US President Donald Trump on Sunday predicted China would take down its trade barriers, and expressed optimism that both sides could resolve the issue through talks.

Chinese state researchers and media talked down the likely impact of US trade measures on the world’s second largest economy and described the Trump administration’s posturing on trade as the product of an “anxiety disorder”.

“Under the current circumstances, both sides even more cannot have talks on these issues,” foreign ministry spokesman Geng Shuang told reporters at a regular news briefing.

“The United States with one hand wields the threat of sanctions, and at the same time says they are willing to talk. I’m not sure who the United States is putting on this act for,” Geng said.

The trade frictions were “entirely at the provocation of the United States”, he added.

Beijing did not want to fight a trade war, but was not afraid of one, vice commerce minister Qian Keming said at the Boao Forum for Asia in the southern province of Hainan.

The focus this week will be on the forum, with President Xi Jinping and International Monetary Fund managing director Christine Lagarde delivering speeches on Tuesday.

“Great wall of denial”

The US move last week to threaten China with tariffs on $50 billion in Chinese goods was aimed at forcing Beijing to address what Washington says is deeply entrenched theft of US intellectual property and forced technology transfers from US companies.

Beijing claims that Washington is the aggressor and is spurring global protectionism, though China’s trading partners have complained for years that it abuses World Trade Organization rules and practices unfair industrial policies that lock foreign companies out of crucial sectors with the intent of creating domestic champions.

After repeated pledges by Beijing to open up sectors such as financial services have yielded little substantial progress, Trump has said that the United States will no longer let China take advantage of it on trade.

On Monday morning in Washington Trump tweeted that China puts 25% tariffs on cars imported from the United States, while cars it imports from China face 2.5% duties.

“Does that sound like free or fair trade. No, it sounds like STUPID TRADE,” Trump said in his post.

“China’s reaction to Mr. Trump’s legitimate defence of the American homeland has been a Great Wall of denial—despite incontrovertible evidence of Beijing’s illicit and protectionist behaviours,” White House trade advisor Peter Navarro said in a commentary in the Financial Times on Monday.

“Nothing less than the US’s economic future is at risk from China’s assault on American technology and IP, and its mercantilist bid to capture emerging high-tech industries,” he said.

Chinese officials deny such charges, and responded within hours of Trump’s announcement of tariffs with their own proposed commensurate duties. The move prompted Trump to threaten tariffs on an additional $100 billion in Chinese goods.

None of the latest measures have yet gone into effect, offering some hope for compromise and a watering down of the proposals even as both sides’ rhetoric grows more strident.

China’s ambassador to the United States Cui Tiankai said in an interview in China’s Securities Daily newspaper that the United States should “adopt a more responsible attitude” on trade or it would harm itself with its own policies.

“Some people in the United States are still accustomed to being the world leader, and haven’t adapted to the change in the global situation,” Cui said.

The Chinese Communist Party’s official newspaper, the People’s Daily, described U.S. trade policies as a populist tilt by Trump ahead of the US mid-term elections, but that the steps would ultimately end up hurting US consumers through higher prices.

“In the world’s perception, the US is overshadowed by an anxiety disorder and is very keen to show its anxiety,” the paper said.

"Impact will be limited"

A researcher with China's state planning agency said China's economy will see little impact from the dispute, as its vast domestic market can compensate for any external impact.

Even with the US tariffs, China can still reach its 2018 GDP growth target of around 6.5% and the impact on employment will be limited, Wang Changlin, a researcher at the National Development and Reform Commission (NDRC), wrote in a post on the commission's official microblog account.

Fan Gang, an influential economist and adviser to China's central bank, on Sunday flagged the possibility of a US trade war as the US economy faces pressure from China's rapid development.

Discussion of the trade dispute also touched on the possibility of China leveraging its massive holdings of US government debt, which has been dubbed the "nuclear option".

Zhang Yuyan, a researcher at the Chinese Academy of Social Sciences, a government think-tank, said China was unlikely to sell off its holdings of US Treasuries as a tactic in the trade dispute.

"On whether China will reduce its foreign exchange reserves, how policymakers think, I don't know. I personally believe this possibility is very small," Zhang said on Sunday in Boao.

China is evaluating the potential impact of a gradual yuan depreciation as a tool in the trade dispute, Bloomberg News reported on Monday, citing people familiar with the matter, though it said the analysis doesn't mean officials will carry out the move.

The yuan has been nearly unchanged against the dollar over the last month as the trade dispute heated up and has appreciated about 3% so far this year.

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Dumping duty imposed on ‘fishing net’ imports from China, Bangladesh

Business Line

April 22, 2018: The Finance Ministry has imposed definitive anti-dumping duty on ‘fishing net’ imports from China, Bangladesh. This anti-dumping duty, unless revoked earlier, will last for five years.

Based on the recommendations of the Designated Authority in the Commerce Ministry, the Revenue Department has imposed an antidumping duty of $2.69 per kgon ‘fishing net’ imports from Bangladesh. In the case of China, the duty ranged from $1.51 per kg to $2.19 per kg depending on the producer.

On behalf of the fishnet manufacturers in India, the Indian Fishnet Manufacturers’ Association (IFMA) had filed the petition seeking anti-dumping duty on “fishing net” imports from China and Bangladesh.

Fishing nets, which are used to catch fish, are devices made from fibres woven in a grid-like structure. Fishing nets are usually meshes formed by knotting a relatively thin thread.

Due to the technical characteristics of Nylon, nylon fishnets constitute more than 65-70 per cent of the total fishnet consumption world over. IFMA petition includes nylon fishing nets only — whether 100 per cent or blended.

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India, Peru to hold next round of free trade agreement talks this week

Live Mint

April 10, 2018: Senior officials of India and Peru will hold next round of negotiations for a proposed free trade agreement (FTA) in the South American nation this week to boost two-way commerce between the countries.

“Officials from commerce ministry are there in Peru for the second round of negotiations for the pact,” a government official said.

In an FTA, two countries significantly reduce or eliminate duties on most of the goods traded between them besides relaxing norms and rules to promote trade in services and increase bilateral investments.

With growing uncertainties in its traditional markets, including the US and Europe, India is looking to enhance its engagements with regions like Africa, South America and Central Asia. Exporters body Federation of India Export Organisations (FIEO) said that Peru holds huge potential for exports.

"The FTA would help boost our exports. India should look at South American market aggressively as Peru is also a member of MERCOSUR (a six country trade bloc with Brazil, Argentina, Paraguay and Uruguay as its members)," FIEO director general Ajay Sahai said.

He said that India should also look at increasing investments in these regions. Peru ranked third amongst export destinations for India in the Latin America and Caribbean (LAC) region during 2015-16.

The bilateral trade between the nations increased to $1.77 billion in 2016-17 from $1.52 billion in the previous fiscal.

Among the top ten commodities of India's export to Peru are motor vehicle, cars, products of iron and steel, cotton yarn and fabrics. While the imports include bulk minerals and ores, gold, fertilisers crude and zinc.

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Nafta agreement could come in weeks, Pence and Trudeau say

Washington, Live Mint

April 15, 2018: The Nafta trade agreement could be renegotiated in the next few weeks, US vice president Mike Pence and Canada's Prime Minister said Saturday in Peru, avoiding new political opposition that could emerge during Congressional and Mexican elections later this year.

"I'll leave this summit very hopeful that we are very close to a renegotiated Nafta," and "there is a real possibility that we could arrive at an agreement within the next several weeks," Pence told reporters at the Summit of the Americas in Lima.

After the meeting with Pence, Canada's leader Justin Trudeau said the "positive momentum" included the thorny issue of US demands around automobile production. "We would like to see a renegotiated deal land sooner rather than later," he added.

"There is a desire and a recognition by all three Nafta partners that the time-lines imposed upon us by both the upcoming, the imminent Mexican elections and the upcoming American midterms, means that we have a certain amount of pressure to try and move forward successfully in the coming weeks," Trudeau said.

The comments restore some more optimism on Nafta after US President Donald Trump earlier this week canceled a trip to Peru where Nafta could have been discussed further, and said he could let trade talks go on indefinitely because it would deter companies from investing there.

Pence later tweeted that it was "great to speak" with Trudeau. "We discussed progress toward reaching an agreement on Nafta as soon as possible and that a deal must ensure FAIR and RECIPROCAL trade."

Pence also said funding of a wall on the US-Mexico border didn't come up during a meeting with Mexican President Enrique Pena Nieto. "We are very close to the kind of breakthrough on issues of immigration, drug interjection" that will be of benefit to both sides, Pence said.

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Global merchandise trade growth to slow to 4.4%: WTO

D. Ravi Kanth, Live Mint

Geneva, April 13, 2018: Global merchandise trade growth is forecast to hover around 4.4% this year as compared to around 4.7% last year amid "escalating trade tensions" stemming from the continued threats of a trade war between the US and China which could torpedo the current "positive" outlook, the World Trade Organization (WTO) suggested on Wednesday.

In 2019, the growth in global trade is expected to moderate to 4%, which is "below the average rate of 4.8% since 1990 but still firmly above the post-crisis (after 2008) average of 3%," WTO claimed in a press release.

But merchandise trade volume growth has to be taken with a caveat as it may have been inflated due to the persistent weakness of trade over the previous two years that provided a lower base, WTO admitted.

In value terms, global trade notched a growth of 10.7% for merchandise exports and 7.4% for commercial services exports last year. The ratio of trade growth to GDP growth, or "elasticity of trade with respect to income—which remained at 1.5 times faster than world real GDP at market exchange rates for world merchandise trade volumes—has now rebounded from 0.8 in 2016 to 1.5 in 2017".

The latest forecasts "do not factor in the possibility of a dramatic escalation of trade restrictions", WTO director general Roberto Azevedo said. He suggested that trade forecasts do not foresee the "possible policy" actions, without spelling out who is considering such actions.

Last year, exports and imports of developed countries grew by 3.5% and 3.1%, respectively, while developing countries recorded export growth of 5.7% and import growth of 7.2%. Major economies in Asia contributed significantly to buoyant growth in merchandise trade by consuming more imports than their exports to other countries.

The value of global exports of merchandise goods stood at around $17.2 trillion last year while the value of imports remained around $17.5 trillion. The US, for which tackling the growing trade deficit is a core priority, recorded a deficit of more than $800 billion. The Trump administration, particularly its controversial adviser on trade Peter Navarro, has repeatedly demanded "rebalancing" of the deficit with China.

Asked to comment on Navarro's strident demands for rebalancing, the WTO director general said: "It is their call and their view, and they are entitled to have that view."

Azevedo went on to add: "I think we live in an interconnected world; about two-thirds of the global economy is connected to value chains. Trade is somehow connected to global value chains; the previous perception of what a trade surplus and deficit means and the need to look at them with different lenses is simplistic...We have to see the nature of trade surplus and deficits and I'm sure they are doing that".

For global commercial services, the US recorded a surplus of $ 246 billion last year while China recorded a deficit of $ 226 billion. India notched up a modest surplus in commercial services of $ 29 billion.

As regards a trade war between the US and China, Azevedo said: "Technically I would say no, we are not there yet...Still a number of measures have been announced and not implemented [and] there are conversations and dialogues ongoing between these players you mentioned."

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