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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.

India expresses reservation on new issues at WTO informal meeting

Business Line

New Delhi, June 4, 2018: India has reservations on the introduction of new issues such as investment facilitation in the World Trade Organisation (WTO) due to which fundamental issues in agriculture and development get neglected, Commerce and Industry Minister Suresh Prabhu said.

Speaking at the informal gathering of Trade Ministers from WTO-member countries in Paris recently, Prabhu also rejected discussions on binding multilateral rules for e-commerce stating that it was premature to do so and members should stick to the agreed work programme for e-commerce.

Twenty-eight member countries of the WTO, including India, and the Director-General of the WTO Roberto Azevedo attended the informal meeting.

A number of countries at the WTO, including powerful members like the US, the EU and Australia, are trying to launch negotiations on new issues such as investment facilitation, e-commerce and gender. At the last WTO Ministerial meeting in Buenos Aires in December 2017, some of the proponents of new issues said that they may launch plurilateral discussions if all members are not ready to join in.

Alluding to such references, Prabhu said while some countries viewed plurilateral discussions as a stepping stone to multilateral agreements, such initiatives could, on the contrary, weaken the multilateral trading system and undermine the inclusive institutional structure of the WTO.

The Minister said that there were already a number of Ministerial mandates to guide work at the WTO and negotiators have been working for years on many issues. He said that work should be resumed based on existing mandates, declarations and decisions, expressing the belief that it would be counterproductive and harmful to the system to ignore the Ministerial mandates and all the work done so far and re-set the negotiations.

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India considering to bring together 8-10 WTO members to work on future agenda

The Economic Times

June 10, 2018: India is considering to bring together a group of 8-10 member countries of the WTO to prepare an agenda for creation of a conducive atmosphere in Geneva to ensure smooth functioning of the global trade body, a top government official said.

It would be an informal group within the World Trade Organisation (WTO), which may also include countries like Brazil, China, South Africa, China, Indonesia and Columbia.

"We are thinking about taking 8-10 countries together to look at a way forward for the global trading system. Nobody is suggesting anything, only attacking each other. We will take the initiative within the WTO. We will prepare an agenda," the official said.

The official added that the main idea would be to create a proper structured agenda forward which will be acceptable to all countries to reduce the tension today.

The commerce ministry would be discussing the issue internally and work on the structure.

"The main objective is to create a conducive atmosphere so that global trading system works well," the official said.

The initiative assumes significance as trade tensions have escalated after the US imposed high customs duties on certain steel and aluminium products. Other WTO members too have retaliated, which is leading to trade war-like situation.

In trade wars, countries try to restrict imports by resorting to tariff and non-tax related barriers.

Increase in customs duties on a product makes that item less competitive in the importing nation.

Following collapse of talks in Argentina in December 2017, India had organised a mini-ministerial meeting of about 45 WTO members in New Delhi on March 19-20 to revitalise the multi-lateral trade body.

The objective of the meeting was to initiate a free and frank discussion on various key issues and challenges facing the Geneva-based organisation.

The talks at the WTO's 11th Ministerial Conference collapsed after the US went back on its commitment to find a permanent solution.

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India facing real challenge at WTO, says Suresh Prabhu

The Indian Express

Chennai, June 21, 2018: With the US going back on its commitment to finding a permanent solution to the public food stockholding issue, India is facing a “real challenge” at the World Trade Organisation, Union minister Suresh Prabhu said on Thursday.

“For the first time, the country is seeing a real challenge at WTO and the global trading system itself. Because, first time, countries are putting roadblocks and (it) is going to be real, real issue,” Prabhu said. In a disappointment to developing countries like India, talks at the WTO’s 11th ministerial conference at Buenos Aires collapsed in December last year, with the US going back on its commitment to finding a permanent solution to the public food stockholding issue.

As the US refused to engage, the 164-member World Trade Organisation (WTO) failed to reach a common ground for resolving the food security issue, a demand raised prominently by India. Addressing industrialists at an event, organised by the Federation of Indian Exports Organisation (FIEO) here, the minister said “We are not enemies (with countries) as far as trade is concerned.”

“We want to make friendship. With China, we had a huge trade deficit. I invited the Chinese Commerce Minister (Zhong Shan) to India and signed many agreements and decided not only to reduce trade deficit but (bring in) balance in trade,” Prabhu said. Referring to agricultural production in the country, he said it stood at 285 million tonnes while horticulture was at 300 million tonnes last year.

“This year, hoping the monsoon is good, production of agriculture and horticulture will be more than 620 million tonnes…,” he said. Prabhu said to boost agriculture exports, the government was planning to roll out an “agriculture export policy.” On a large number of offices set up by Japan External Trade Organisation (JETRO) to boost that country’s exports, Prabhu said India would also set up export promotion offices in other countries that would integrate with the global economy.

Prabhu told the industrialists present at the venue that the government was doing more than what they wanted. “Government can provide umbrella support. But when it comes to business to business, that can be done only by you businessmen,” he said.

Prabhu, who is also the Civil Aviation minister, earlier called on chief minister K Palaniswami and discussed with him about setting up a second big airport for Chennai.

“I also discussed with the chief minister on rolling out a startup policy for Tamil Nadu..,” he added.

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Global trade facing serious headwinds; need to tackle challenges properly, says Suresh Prabhu

The Indian Express

New Delhi, June 18, 2018:Global trade is facing headwinds and these challenges are needed to be tackled properly to boost world economy, Commerce and Industry Minister Suresh Prabhu said on Monday.

He said there are several empirical evidences that growth in global trade helps boost domestic economies as well and “therefore we really need to focus on it adequately”.

The US decision to impose high import duties on certain steel and aluminium products have led to a trade war kind of situation, with other countries too raising their tariff walls. “We are facing serious headwinds at a time when the global economy post 2008 had become extremely fragile. Institutions are under deep scrutiny.

“This was the first time in the last several decades, we are seeing that people are challenging not only the institutions but also the concept of trade itself. It is really a very serious issue. We need to tackle it properly because world trade benefits all and it has been demonstrated,” he said here at a CII function. Emphasising on the importance of the World Trade Organisation (WTO), the minister said he is talking to some countries to make sure that the WTO becomes more relevant to global trading system.

“…WTO must be reformed. Institutions need to be reformed but we need WTO to promote global trade,” he added. Prabhu also said trade in services is growing at a faster pace and there is need to focus on reviewing norms for movement of professionals. “The pre-requisite thing for delivery of services is movement of people and that must be recognised globally and we should work on that,” he said. Talking about exports growth in India, he said the ministry has prepared a detailed strategy to increase the shipments. Exports of goods and services in 2017-18 grew by about 12 per cent, he added.

India’s economy would touch USD 5 trillion in next eight years and “we definitely need to have USD one trillion from exports of goods and services and we are ready with the strategy for this,” he said.

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India-US Trade meet: 'India won't retaliate if US gives duty relief'

The Indian Express

New Delhi, June 29, 2018: India is open to reviewing its retaliatory tariff worth around $235 million against 29 US goods before it takes effect on August 4, subject to an acceptable positive outcome, an official source said on Wednesday.

The obvious positive outcome that New Delhi wants is an exemption from the Trump administration's move to tax steel and aluminium supplies from India. If that happens, which India is hopeful of getting, there is no case for retaliation, said the official.

Senior officials of both the countries concluded a three-day meeting here and agreed to huddle again in July in the US to work out a package that will contain ways to bolster bilateral trade…, said the official.

Earlier this month, India had notified the World Trade Organization (WTO) a revised list of 30 US items, including almonds, apples, phosphoric acid and motorcycles with engine capacity more than 800 cc (including Harley-Davidson), on which it intended to impose retaliatory tariffs.

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Trump trade chief vows to protect US interests against EU tariffs

The Indian Express

Washington, June 27, 2018: US Trade Representative Robert Lighthizer lashed out on Tuesday against retaliatory tariffs imposed by the European Union, China and other World Trade Organization members, saying that the United States would "take all necessary actions" to protect its interests. Four days after the EU imposed tariffs on American motorcycles, bourbon, orange juice and other products in response to US steel and aluminum tariffs, Lighthizer said there was no legal basis for the EU response.

Countries imposing retaliatory tariffs "falsely assert" that US steel and aluminum tariffs are "safeguard" actions intended to protect US producers from imports," he said in a statement. The US tariffs were imposed under a national security threat, which is allowed under WTO rules. "These retaliatory tariffs underscore the complete hypocrisy that governs so much of the global trading system," Lighthizer said. The EU, China and others claim to be champions of WTO rules, he said, "but their recent tariffs prove that they simply ignore WTO rules whenever doing so is convenient."

Asked what actions the United States would take in response to the EU and other tariffs, a senior USTR official said these would likely include WTO challenges. He declined to comment when asked whether the United States would impose retaliatory tariffs of its own. President Donald Trump on Tuesday threatened Harley-Davidson Inc with unspecified higher taxes over the motorcycle maker's decision to move some production out of the United States to its international facilities in response to EU motorcycle tariffs.

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Simply Put: How India, US duties trade off

Deepak Patel, Anchal Magazine ,The Indian Express

New Delhi, June 22, 2018:In a notification Wednesday night, India hiked duty on 29 items imported from the US. This was in retaliation against a US announcement in March imposing tariffs on steel and aluminium items — 25% and 10% respectively — imported from all countries except Canada and Mexico. What will be the effect of these moves?

As per UN COMTRADE-WITS data sourced by the government, US imports steel items worth approximately $795 million and aluminium products worth $424 million from India. The US move will help it collect an additional $241 million on imports from India — about $198.6 million from the duty on steel products, and $42.4 million from the duty on aluminium goods.

Balancing act

Last week, India told the World Trade Organization (WTO) that it plans to increase the customs duty on 30 products imported from the US. It told the WTO that it has decided these additional duties in a way that it would help the government earn an additional $241 million. "India wishes to clarify that suspension of concessions shall be equivalent to the amount of trade affected by United States' measures. To this end, India reserves the right to adjust the specific products for which suspension of concessions is effectuated, and its right to adjust the additional rate of duty imposed on such products," India said.

The motorcycle

The 30 items listed by India included lentils, boric acid, fresh apples and shelled almonds. Another product listed was motorcycles with internal combustion engine capacity over 800 cc. On Wednesday, India left out such motorcycles and announced imposition of duties on the 29 other products.

In the original list to the WTO, India had said it may impose an additional duty of 50% on such motorcycles. This measure was targeted at Harley-Davidson motorcycles. In an address to a joint session of Congress in 2017, US President Donald Trump had hinted at mistreatment to companies such as Harley-Davidson by way of high import duties, up to 100% in some markets, but he did not name India. On February 26, days after India abruptly announced slashing of duties on imported motorcycles, Trump made it clear that he did not think these this was enough.

These motorcycles constituted a small fraction of the overall trade involving the 30-product list. In 2017, India imported motorcycles (over 800 cc) worth $10.6 million.

Almonds biggest

Of the duty-hiked 29 products, the category that will bring in the highest additional duties is almonds that are fresh or dried in shell. According to Indian government estimates, India imported such almonds worth $580.63 million from the US in 2017. On Wednesday, India increased the duty from Rs 35 per kg to Rs 42. This means it will earn additional duty of $116.13 million from almonds in shell alone.

The second biggest impact will involve fresh apples. India, which imported fresh apples worth $96.57 million from the US in 2017, has increased the import duty from 50% to 75%. The additional duty this will bring is estimated at $24.14 million. The product facing the third biggest impact will be diagnostic reagents, for which the duty has been doubled to 20%.

Way ahead

Commerce and Industry Minister Suresh Prabhu went on a two-day visit to the US earlier this month to discuss these matters with top officials including Secretary of Commerce Wilbur Ross and United States Trade Representative Robert Lighthizer. On June 26-27, senior government officials of the two countries will hold meetings to discuss these matters further.

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In a tit-for-tat action, China slaps additional tariffs on $50 billion worth of US goods: All you need to know

The Indian Express

New Delhi, June 16, 2018:China on Saturday announced its decision to impose additional tariffs on American products worth $50 billion, in response to the United States' declaration of levying 25 per cent duties on Chinese goods, a day earlier. The trade war between the two countries escalated after US President Donald Trump on Friday announced 25 per cent tariff on $ 50 billion worth of Chinese goods as he also went on to accuse China of intellectual property theft and unfair trade practices.

According to the state media, Xinhua, the Chinese government imposed additional duties of 25 per cent on 659 items of American products, while also revealed a list of items which will be subjected to additional tariffs. Out of the 659 items, tariffs on 545 items worth about $ 34 billion including agricultural products, vehicles and aquatic products will be effective from July 6, 2018, while the date for implementation of tariffs on remaining 114 items, which include chemical products, medical equipment and energy products, will be declared later, Reuters reported China's Customs Tariffs commission as saying.

China's government took the decision based on relevant provisions of the Foreign Trade Law of China and the Regulations of the People's Republic of China on Import and Export Duties, as well as the fundamental principles of international laws.

On Friday, the US imposed additional tariffs of 25 per cent on import of Chinese goods worth $ 50 billion, of which tariffs on $34 billion worth of Chinese products will be charged from July 6, while the remaining $ 16 billion worth of Chinese products will undergo further review in a public notice and comment process.

China opposed this move saying, "The US move violates the relevant rules of the World Trade Organization, goes against the consensus already reached in bilateral economic and trade consultations, seriously infringes upon the legitimate rights and interests of the Chinese side and undermines the interests of China and its people. The Chinese side firmly opposes that."

The additional tariffs on Chinese goods in the US will "substantially change" the trade conditions of these products, also affecting relevant producers and trade companies as well as the production and operation of the upstream and downstream industries, an official in charge of the Office of the Customs Tariff Commission. He further said the China's decision to impose tariffs on US products was necessiated by the circumstances that arose out of the US violations of international obligation.

The official also said the US statement, which said Washington would continue to impose additional tariffs if China takes retaliatory measures, has come to China's notice and it reserves the rights to take corresponding measures.

This trade war comes days after the two countries held several rounds of talks following Trump's demand to slash bilateral trade deficit by $ 100 billion in a month followed by $ 200 billion to address the $ 375 billion deficit. Earlier ,in mid-May, the US and China had announced a cease-fire after two rounds of trade negotiations.

In a joint statement, the two countries had said that China would "significantly increase" purchases of US farm and energy products to reduce the trade imbalance. However, ten days later, the White House abruptly announced its decision to proceed with the tariffs. Another round of trade talks took place in Beijing earlier this month but failed to yield any breakthroughs.

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China urges United States to make 'wise choice' as Donald Trump reviews trade tariff

The Indian Express

Beijing, Washington, June 15, 2018:China urged the United States on Thursday to make a "wise choice" on trade, saying it was ready to respond in case Washington chose confrontation, as US President Donald Trump prepares to decide whether to impose tariffs on Chinese goods.

Trump is due to unveil revisions to his initial tariff list targeting $50 billion of Chinese goods on Friday. People familiar with the revisions said the list would be slightly smaller than the original, with some goods removed and others added, particularly in the technology sector.

Another administration official said a draft document showed the new list would still be close to $50 billion, with about 1,300 product categories, but both the dollar amount and quantity of products were still subject to change.

Speaking to reporters in Beijing, with US Secretary of State Mike Pompeo at his side, the Chinese government’s top diplomat, State Councillor Wang Yi, said there were two choices when it came to the trade issue.

“The first choice is cooperation and mutual benefit. The other choice is confrontation and mutual loss. China chooses the first,” Wang said. “We hope the US side can also make the same wise choice. Of course, we have also made preparations to respond to the second kind of choice.”

The move towards imposing US tariffs on Chinese goods follows negotiations between US and Chinese officials centered on increased purchases by Beijing of American farm and energy commodities and cutting the US trade deficit with China.

Commerce Secretary Wilbur Ross this month met Chinese officials in Beijing and brought back a Chinese proposal to buy around $70 billion worth of additional commodities and manufactured goods. But that offer has not been accepted by Trump, people familiar with the matter said.

Wang said a basic consensus reached by the two countries during the recent talks was a pact to use “constructive means” to handle disagreements.

“We hope the US side can meet China halfway and earnestly implement this important consensus, and promote the appropriate resolution of the relevant issue through a win-win and not lose-lose manner,” he said.

“In this process, we hope the US side does not unilaterally take any non-constructive actions, and does not create new obstacles for the next phase of consultations.”

Pompeo said the US deficit with China was still too high, but that they had had good talks.

“I stressed how important it is for President Trump to rectify that situation so that trade becomes more balanced, more reciprocal and more fair, with the opportunity to have American workers be treated fairly. We had good and constructive discussions,” he said.

Pompeo met with Chinese President Xi Jinping later in the evening, and wished Xi a happy birthday for Friday.

“President Trump asked me to send his regards. I have watched your interactions. He truly values the relationship personally between the two of you and the relationship between our two countries,” Pompeo said.

Xi told Pompeo he hoped that the United States could “cautiously and appropriately” handle sensitive issues like trade and self-ruled Taiwan – claimed by China as its own – to avoid “major disturbances” to Sino-US ties, the Chinese Foreign Ministry said in a statement.

MOVE COULD COME FRIDAY

It remains unclear when Trump would activate the tariffs, if he decides to do so. Several industry lobbyists told Reuters they expected the move to come as early as Friday, with publication of a Federal Register notice, or it could be put off until next week.

If Washington adopts tariffs, Beijing is expected to hit back with its own duties on US imports, including soybeans, cars, chemicals and planes, according to a list it released in early April.

Under the 1974 trade law that Trump invoked to pursue a tariff investigation into China’s intellectual property practices, he could delay the activation by 30 days. He can also delay the tariffs by another 180 days if the US Trade Representative’s office finds negotiations with China are yielding progress.

“The president’s trade team has recommended tariffs. If there are not tariffs, it will be because the president has decided that he’s not ready to implement tariffs,” a person familiar with the administration’s deliberations told Reuters.

But that recommendation came prior to Trump’s trip late last week to Canada for the G7 leaders’ summit and to Singapore for talks with North Korean leader Kim Jong Un to defuse a nuclear standoff on the Korean peninsula.

Trump returned to Washington early on Wednesday. In an interview aired on Wednesday, Trump told Fox News he was “very strongly clamping down on trade” with China.

Asked how strong, Trump said: “Well, I think very strongly. I mean you’ll see over the next couple of weeks. They understand what we are doing.”

Trump did not specifically mention the tariffs and added that he had “a very good relationship with President Xi (Jinping) of China.”

The administration’s trade hawks, including US Trade Representative Robert Lighthizer and White House trade and manufacturing adviser Peter Navarro, have advocated a tougher approach to address

US allegations that China has misappropriated American intellectual property through joint venture requirements, state-backed acquisitions of US technology firms and outright theft.

Amid the rising trade tension, China's Commerce Ministry spokesman Gao Feng said Chinese exporters have been front-loading their shipments due to changes in the international trade environment.

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India, US agree to hold comprehensive talks to address trade issues

The Indian Express

Washington, June 13, 2018: India and the US have agreed to hold official-level comprehensive talks to address trade and economic issues, days after President Donald Trump accused New Delhi of charging 100 per cent tariff on some of the US' goods.

The decision in this regard was taken during a series of meetings visiting Commerce and Industry Minister Suresh Prabhu had with US Commerce Secretary Wilbur Ross and US Trade Representative Robert Lighthizer. "We will now work together to expand (bilateral) trade," Prabhu told a group of Indian reporters here yesterday at the conclusion of his two-day trip to the US.

India will send an official team to work out the details and initiate a comprehensive negotiation on all issues concerning trade and economic relationship between the two countries. "The team will come within the next few days," Prabhu said. Acknowledging that both sides have trade and tariff issues with each other, the minister said officials would hold talks on all of them. President Trump, in a press conference in Canada's Quebec City where he attended the G7 summit, took a swipe at India along with the world's other top economies and accused New Delhi of charging 100 per cent tariff on some of the US' goods, as he threatened to cut trade ties with countries who are robbing America. Indian Ambassador to the US Navtej Singh Sarna said New Delhi has written to the US on steel and aluminum tariff.

A full-fledged case has been made by India for waiver of steel and aluminum tariffs, he added. “It has been a very positive engagement.” In addition to Ross and Lighthizer, Prabhu held talks with Agriculture Secretary Sonny Perdue. He also met two powerful Senators John Cornyn and Mark Warner – the two co-chairs of the Senate India caucus. “The meetings were held in a friendly and cordial atmosphere, with appreciation for each other’s points of view. Discussions centered around bilateral trade and commercial relations between the two countries and focused on finding the way forward to address concerns of both sides,” the Indian Embassy said in a readout of the meetings. “In this context, it was agreed that Indian and US officials would meet at a senior level at an early date to discuss various issues of interest to both sides and carry forward the discussions in a positive, constructive and result oriented manner,” it said.

During his two-day visit to Washington DC, Prabhu addressed business and industry leaders in meetings organised by US-India Business Council (USIBC) and US-India Strategic Partnership Forum (USISPF) and held meetings with other stakeholders. “It’s a great time to join hands with each other. And that’s the realisation within the (Trump) administration as well. Therefore, we have really decided to move on. As you know, we always hear the trade disputes between US and India, but when I had meeting with the USTR, with the Commerce Secretary, with Agriculture Secretary, with Senators, it is very clear that we must move on, keep the issues behind,” Prabhu told industry leaders at a reception hosted by USIBC in association with the FICCI and Manhattan Chamber of Commerce.

In his interaction with industry leaders at an event organised by the USISPF, Prabhu spoke about the improvements that have been made in the trade relationship, including trade deficit reduction. “Every great partnership has areas of agreement and disagreement. I’m hopeful that the US investment corridor is only going to grow, and I’m confident that we will be able to bridge our gaps,” Prabhu noted. The industry interaction included senior officials from leading US companies such as: Boston Scientific, FedEx, Walmart, Abbott, UTC, Honeywell, PhRMA, MoneyGram International, Lockheed Martin, Koch Industries, Amway, Uber, 21st Century Fox, and Medtronic. Noting that India and the US have an important strategic relationship and shared goals, USIBC president Nisha Desai Biswal said the council is a constructive partner in achieving the full potential of the US-India commercial opportunity.

The USIBC roundtable organised in association with the CII comprised of US and Indian industry giants from the energy, aerospace, ICT, life sciences and defence sectors who reiterated India’s position as a critical market while also raising issues facing their companies such as data localization and price controls, as well as public procurement and operational hurdles. In engaging with critical stakeholders, Prabhu highlighted the ongoing policy reforms being pursued by India to improve its business climate and remove bureaucratic hurdles.

Prabhu noted that India will soon release its new Industrial Policy, aimed at transforming India into a modern, flourishing, economic powerhouse. During the interaction, he emphasized the importance of a dispute redressal mechanism, and resolving such issues together in a way that does not derail but rather strengthens bilateral ties. Under Trump, trade dispute between India and the US has increased, with his administration asking New Delhi to lower its trade barriers and open up its market.

Trump has repeatedly raked up the issue of India imposing high import duty on the iconic Harley-Davidson motorcycles and threatened to increase the import tariff on “thousands and thousands” of Indian motorcycles to the US.

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Trade barriers: US threats may hit one

Deepak Patel, The Indian Express

New Delhi, June 12, 2018: When US President Donald Trump took a swipe at duty-free imports of goods from India into the US at the G7 summit Sunday, his target was the Generalised System of Preferences (GSP) programme. A silver lining in India’s otherwise lacklustre exports story, around one-fourth of all imports into the US under the GSP, which provides low or zero duty access to over 3,500 products, is from India.

GSP provides low or zero duty access to over 3,500 products and exports from India to the US under it have been rising consistently over the last three years, bucking the broader declining trend in overall exports during this period.

Incidentally, a senior Indian Embassy official in Washington was documented telling a Washington DC-based medical device lobby group Advanced Medical Technology Association (AdvaMed) late last year that “in the grand scheme of things GSP (Generalised System of Preferences) is not a big deal” in India-US trade overall and that he “wasn’t going to lose sleep over it”.

Union Commerce Minister Suresh Prabhu is presently on a two-day visit to the US to discuss various trade issues, including the Trump Administration’s decision to review the GSP scheme. India told the US on June 5 that their decision to review GSP was “discriminatory”, “arbitrary” and that it “will cause irreparable damage” to India’s exports.

AdvaMed is one of the two lobby groups — apart from the US dairy industry — that had filed petitions requesting a review of India’s GSP benefits citing “Indian trade barriers” affecting US exports in those sectors, based on which the review has now been undertaken. AdvaMed primarily represents US medical device, pharma and tech majors such as Abbott, Boston Scientific Corporation, Medtronic, BD, Pfizer, GlaxoSmithKline, Apple and Microsoft.

In April this year, the office of the United States Trade Representative (USTR) launched a self-initiated GSP eligibility review of India based on concerns related to India's compliance with the GSP market access criterion. It also accepted two petitions, which were filed by the US dairy industry and AdvaMed, requesting a review of India's GSP benefits as there are "Indian trade barriers" affecting the US exports in those sectors.

Exports from India to the US under GSP have been rising steadily, bucking the broader declining trend in overall exports. Exports from India to the US under GSP rose from $4.58 billion in 2015 to $4.68 billion in 2016 and to $5.58 million in 2017. The total GSP imports from all countries into the US ranged between $17.54 billion and $20.77 billion in the three-year time period of 2015-2017.

Meanwhile, India's overall exports have faltered, down from $310.53 billion in 2014-15 to $262.29 billion in 2015-16, before recovering marginally to $276.55 billion in 2016-17. The GSP is a discretionary programme that expired on December 31, 2017.

On October 18, 2017, Abby Pratt, vice president for Global Strategy and Analysis, AdvaMed, wrote an email to officials of various US departments, including the State Department and the USTR. In her email, Pratt talked about her meeting with Puneet Kundal, designated as Minister (Commerce) in the Indian Embassy in Washington DC. This meeting was held around the time Pratt's email was sent.

"Earlier today, AdvaMed submitted the attached GSP petition to USTR and our CEO Scott Whitaker issued the following statement to select media outlets. Later in the day, I paid a courtesy call to Minister of Commerce Puneet Kundal at the Indian Embassy informing him of our decision to move forward with the petition. I'm quite sure Puneet was aware of our plans and therefore not overly surprised," Pratt wrote in her email.

"He appreciated the heads up and understood that AdvaMed was doing what it believed was in the interest of its members. He stiffened a bit towards the end, saying that in the grand scheme of things GSP is "not a big deal" (in terms of overall trade) and he "wasn't going to lose sleep over it". He admitted that the situation is political and "when the PM makes an announcement, the bureaucracy falls in line," stated the mail.

In response to specific queries sent by The Indian Express regarding the contents of Pratt's email, Kundal stated: "The letter quoted by you is presumably a communication from a private US body to the office of USTR. I am not party to the contents of that correspondence … The GSP is a significant bilateral program, which we believe is beneficial to both the countries. The US Government is in the process of reviewing GSP; we continue to engage with them intensively for continuation of these benefits to India."

In order to make medical devices affordable, India had imposed price caps on coronary stents and knee implants in February and August 2017.

AdvaMed has strongly opposed these caps stating that it has the “potential to block innovations and limit access to world-class medical care and options to deserving patients”. In response to specific queries regarding the aforementioned Pratt’s email, AdvaMed stated: “As part of this ongoing dialogue, we have been in touch with several stakeholders and have conducted multiple conversations – each possessing its own context and background. Therefore, to pick isolated conversations without putting that in perspective, and to also understand the background may not reflect the true picture. Thereby, it will lead to misguiding the audience.”

It added: “We would like to take this opportunity to provide our view and intent that will help you understand the overall picture and place some of the conversations in their rightful place. We believe that AdvaMed, as well as the Government of India, are aligned towards the larger goal of ensuring access to affordable and quality healthcare while building an environment that is ‘innovation-friendly, predictable and sustainable’.”

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India should flex muscle in face of US protectionism: Sunil Mittal

The Economic Times

June 23, 2018: These two years have been very eventful. The global economy has gone through a lot of challenges. When I took over this position at ICC, the world was seeing 3% to sub-3% growth. But these two years have been quite strong for the economy...Europe kicked in, US kicked in, even Brazil and South Africa have stabilized. China didn’t drop below 6%. India continued to grow at 7.2%. So, overall, I would say market caps, economic momentum, formation of new unicorns, economies have been very good. But equally, there have been events like BREXIT and Trump’s election and a massive narrative on protectionism, anti-globalisation, trade barriers, challenging the global order of trade and investment. These have been the areas where I have come and spent considerable time speaking about free trade. Trump’s point that we want fair trade not free trade, these things are nothing but in favour of protectionism. His treatment of G7. We expect this to probably continue till G20 later this year at Buenos Aires.

During my time, we also got the UN Observer seat in the General Assembly. This is the first private organization to get a permanent seat in the General Assembly. Two seats.

We have an Observer status, we can't rule but we are part of the deliberations now.

Then WTO. We are partners with the WTO. Last week, we had a major meeting in Geneva, then OECD, then G20, B20. And the other part, I would say is WTO issues of trade facilitation agreement which got signed. Only agreement till date which has been signed at the WTO, was done during my term. And the debate around the digital trade, which is e-commerce. We had roundtables, and the trade facilitation on investment, and lastly agriculture. These are big debates going on, raging debates going on in the WTO where ICC is trying to put the voice of various businesses. More importantly, also trying to calm a lot of water.

There is also a general impression that India is against digital trade discussions and negotiations. India is against trade facilitation on investment and I have also taken it upon myself to ensure that India's position is well articulated, that we don't mind digital trade or e-commerce but we want time to understand it. We (India) don't want to rush into it.

Business obviously wants free trade and lower tariffs and that system is now heavily under threat. So apart from its position, what else are ICC's strategies to counter this.
We do talk to governments, whether it's the White House, whether it's Brussels. We are saying global trade is an article of faith, everybody has signed on to it, free flow of investment, goods and trade, no punitive duties, no safeguards, counter bearing duties but occasionally they will land up at the doorsof WTO which have been bilaterally dealt with. We are saying that global trade order of the world which has been established must be respected.

Not just the global trade order, but the entire multi-lateral order today is under threat… whether it is WTO, G7, NATO… so that is a source of concern.
You cannot just simplify and say that there is trade imbalance with you and that's why you are going to claim duties and it is not as simple and straight forward as that. It requires a lot of discussions and it requires gliding paths if you have to fix certain things. What's your input is my output. So, when steel duties are clamped in India, for example, the steel industry is happy but the automobile industry is unhappy or the consumers of steel, or end consumers, are not happy. So, you have to balance out all these things. Once the talk about backlash goes out of control, then the whole world order collapses. Then everybody's might is right. If India has the biggest market, then we should start flexing the muscles. You can't have a situation where you say visas should be restricted, Indian automobile components being questioned for import duties into the US. Once you start touching these issues, because we have a better position in auto components, you can't suddenly clamp down without knowing that these are bigger markets for Facebook and Google and all the tech companies.

Talking about Facebook, Google, has ICC taken any view of the issue of data privacy?
So this is under digital trade. ICC is leading the charge on data protection, data privacy. WTO has asked ICC to come up with new trade instruments for digital trade – for example issues such as defective products, registering grievances, wrong products, no product. All these things have to be sorted out. When you talk about trillions of dollars of digital trade, we still don't have proper rule book for that.

When you talk about data privacy, data localization, EU has just come out with its stringent rules? What is the role that ICC plays in trying to make sure that similar rules or competing rules are framed in places where the date supposedly is more vulnerable, say in South Asian countries like India?

I think, one point you mentioned was localization of data servers. This is again becoming a raging debate, this is again creating borders. In a digital world, there should no borders. The benefit of having cloud-based services is that you are not putting servers in every country. In the end, if one can find a mechanism which all the countries can get comfortable with in terms of global cloud, that would be the most ideal situation. Even smallest countries in Africa have started to save on server. We are telling (countries) that it's a waste of money (to put up local servers). You will increase the cost to serve the customers. And there is a way to monitoring surveillance. These are the sovereign issues that are there, you can satisfy those needs by having a slim server which can mirror.

But the debate in India is should we allow data to be saved in servers based overseas?

All countries, and it's not only India, want to put them (servers) locally. If you want to access it, you will have to access it through our permission – is the view. Companies like Google, Facebook and WhatsApp, they can't operate because they have a global system and for them it will be a nightmare to do all these localizations. Because Facebook is one global Facebook. You can't have an Indian Facebook, Chinese Facebook and European Facebook. What is ICC doing? Obviously, we are only a facilitator, we are not a regulator, we can't decide policies. But we have started e-commerce round tables. We have 60 stake holders, all top companies of the world which are involved in digital trade. So, these debates will generate the answers.

What is ICC's position on data localization?

We are saying, we must have globalized digital trade while satisfying the needs of sovereigns in terms of money laundering, in terms of terrorism, in terms of the privacy of the citizens. Digital trade cannot be fragmented trade, it has got to be a global trade.

Globally, from ICC's point of view, isn't an ironical situation where at one end you are going to new frontiers like digital trade and on the other end, you are trying to sort of guard against going back in time in terms of protectionism.
Look at BREXIT for example, I mean this has been the biggest shock to the whole European system. The issue post BREXIT is, do you have a trade deal with EU or not, or do you want independence to do your global deals? Will there be free movement of people, now the concession is whoever is already in, rest will be treated as fresh, immigrants. These are serious issues. I don't think so anybody was prepared for this and anti-dumping duties on Chinese goods into the US. I think all these have been dismantled for years now. At ICC also, for years if you go back to big import policy hand book, they have all gone. There is free trade, globalized trade, so everything is kind of being dusted and brought back onto the table now and everything is kind of being dusted and brought back onto the table now and everything is being discussed.

So is this a situation of two steps forward and four steps backward?
The fear of that is there now, but thankfully this has not happened in a big way. There is a lot of threat of that happening, specially from the US. I think Europe is not into that disturb mode as yet. I think there is an issue in Italy now. Italy has started to speak a bit of that language. But I would say, if the US does not back down in terms of having a more constructive dialogue with its allies, things will break down.

Three key things that under your tenure has changed in the ICC and its role in the global order?

First, let me start with internal. I have diversified this active board to a very large degree. It's really a global body now. Secondly, I think the use of IT within ICC was low, we have really stepped up on that during my tenure. We have opened up the ICC to a corporate sort of a culture. I have had townhalls where employees had complained about issues.

Externally, the biggest victory for us was at United Nations which they have been fighting for long. During my term, discussions on digital trade has been engaging, five round tables have taken place there. Trade facilitation agreement happened. And, finally in the end, I would say the slogan 'Business is a force for good'. This is what creates employment, this what generates taxes, this is important. I would say it's been a good two years, it's been very satisfying. Lastly, I would say I have lifted the game in terms of the Chairmanship. The succession is Paul Polman, he is the Unilever CEO.

Any unfinished business which you may have wanted to close?
I think this whole issue of business or trade as a force for good is something that needs to be carried

forward. This whole protectionism I would say, this whole noise of going three–four steps back is something we are facing as a real challenge. Paul Polman will have to deal with these issues.

So, when the Indian government levies import duties on certain handsets, as an Indian representing a global board, do you get asked pointed questions?
I was actually on a very strong wicket almost every time I wore my Indian hat because you are not supposed to. I did that. I never had to be shy of anything. It's the most open country in the world in terms of investments, every part of India's economy is open to FDI, including defence, telecom. US still doesn't allow easily telecom investments to go through. Our duty interventions on steel and one or two other products has been very limited. Biggest thing was that the developed world cannot turn its back on us, when it's our turn now. We have opened it (the Indian market). Now suddenly you are telling us we are closing down. It's very good being an Indian during this time.

The Indian Government is nearly completing its term. Have you felt any perceptible shift in how the world looks at India, especially with the narratives which go on internally despite the growth, etc.
I think foreigners are been by and largely pretty happy with it. People who have presence in India are saying growth is very strong here. They have understood the game here. People who are coming afresh are finding a great deal of welcome in terms of FDI. The Prime Minister personally meets all the potential investors. Sometime you hear that the time taken on mergers and acquisitions is too long. But the government is continuously working on it. It is the Indians who are having problems in India but not the foreigners.

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Reports of reduction in essential goods' exports to Maldives misleading: Ministry of External Affairs

The Indian Express

New Delhi, June 25, 2018:India on Monday dubbed as “misleading” media reports that it had reduced exports of essential goods to the Maldives, saying requirements were calculated based on actual utilization in the recent past and were consistent with the trade agreement between the two sides.

According to reports in a section of the media, India has lowered the limits on the export of certain essential commodities such as potatoes and onions to the Maldives.

Reacting to the media reports, that come amid a strain in bilateral ties, Ministry of External Affairs Spokesperson Raveesh Kumar reiterated that India remains firmly committed to strong people to people ties between the two countries and will ensure that the people of Maldives do not have to endure any hardships.

“The reports are misleading. As highlighted in the recent notification by the Director General of Foreign Trade, the requirements are calculated based on actual utilization in recent past and are consistent with the mechanism of the trade agreement signed between India and Maldives in 1981,” Kumar said.

“India’s ties with Maldives nose-dived after it criticised the Abdulla Yameen government for imposing a 45-day emergency in the archipelago nation earlier this year”.

During the crisis, India had ignored calls for military intervention from the opposition parties in the island nation.
The influence of China on the Maldives, an island nation in the Indian Ocean, considered a backyard of India, has been growing and it is seen as a concern in New Delhi.

Maldives neither participated in the multi-national ‘MILAN’ naval conclave, a congregation of littoral navies conducted biennially by the Indian Navy at the Andaman and Nicobar Islands, which was held in mid-March this year, nor did its defense minister lead his country’s delegation to take part in DefExpo2018.

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India is said to overhaul export program to allay US concerns

Live Mint

New Delhi, May 31, 2018: India is planning to scrap financial incentives aimed at boosting exports of certain products after the US complained to the world trade body, people familiar with the matter said.

Instead, Prime Minister Narendra Modi plans to replace the incentives with support to regions that are known to be export-intensive, a practice that is followed by several countries and are compliant with global rules, the people said, asking not to be identified as the matter is not public.

The subsidy payments will be available to all producers in these clusters and won't be exclusive to exporters.

US President Donald Trump has repeatedly singled out India, apart from China, for running a trade surplus. Besides complaining to the World Trade Organization (WTO) that India's export subsidies were hurting American companies, the US has also put India on its watch-list for currency manipulators—triggered by a trade surplus and foreign exchange interventions.

India has been looking to boost its exports which have been through a rough patch, widening the Asia's third largest economy's trade deficit. At the same time, the South Asian nation is wary of upsetting ties with Washington, which have grown much closer in the past two decades with the US emerging as a key defense supplier, in part due to its strategic concerns about China's growing influence in Asia.

Trade surplus—merchandise and services—with the US stood at $28 billion in 2017—marginally lower than the $30.8 billion in 2016. Commerce Ministry spokesman was not immediately available for a comment.

India has told the US its actions don't mean to distort trade. Under the new plan which is expected to be rolled out in the next two months, options include refund of taxes paid on inputs used in manufacturing, incentives to sectors in certain regions and those providing a certain number of jobs.

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The absence of trade finance threatens global trade

Rajrishi Singhal, Live Mint

June 25, 2018: Chinese entrepreneur Jack Ma is known for pithy sound bites. At this year's Davos gathering, he left behind a freshly minted saw: if trade stops, war starts. Sounds like a truism, except it seems prescient: it's already got bloody and it promises to get bloodier as the US and China engage in a fierce trade war. US President Donald Trump is the proverbial bull in the global trade shop: dialling up hostilities at regular intervals, tampering with the global trading system's pressure valves (such as blocking appointments to the World Trade Organization's, or WTO's, dispute settlement body) and reversing hard-won peace deals (reinstating Iran sanctions). Unfortunately, India and other emerging economies are this war's collateral damage.

In reality, trade is unlikely to stop; it's just going to get more difficult. Persisting gaps, inefficiencies and costs in trade finance will make it more challenging. A series of events have adversely affected Indian exporters. Demonetization and teething problems in the goods and services tax (GST) have resulted in working capital logjams, leading to sclerotic export margins. Just when things were getting sorted out, Punjab National Bank's letter of undertaking (LoU) scandal once again upset the trade finance equilibrium with international banks refusing to accept and honour trade finance documents from Indian institutions.

Dissenters might point to data—exports grew 8% during January-May 2018 over the 2017 corresponding period—to reject suggestions that exporters face problems. While they might be partially correct, the truth is slightly more nuanced. Serendipity has played a role. Higher oil prices have partially contributed to increased export receipts; for example, in May 2018, India's oil exports in dollar terms was 104% higher than May 2017.

Even the government seems to be acknowledging, albeit indirectly, that exporters face trade finance problems. A recent *The Times of India* story said the government is exploring ways to ensure exporters get access to dollar credit. This story seems to suggest that government is aware exporters face funding problems which, if left unresolved, could reverse the nascent pick-up in exports.

Trade finance has been stagnant globally for some time, especially after the 2008 financial crisis. There are many reasons for that: heightened regulatory requirements (relating especially to anti-money-laundering and know-your-customer rules), higher Basel-III capital requirements, attendant risk aversion and, consequently, higher volume of paperwork. Natalie Blyth, HSBC Holding's global head for trade and receivables finance, told a November 2017 trade finance conference: "The average trade transaction now requires manual checking of 65 data fields from 15 different documents, with 40 pages to be reviewed."

JP Morgan's 2017 Trade Outlook said with trade activities requiring an average of 36 original documents, 240 copies and the involvement of 27 entities, Fortune 500 companies were spending an additional $81 billion annually on working capital.

The situation is worse for micro, small and medium enterprises (MSME). According to the Asian Development Bank (ADB), there's a $1.5-trillion gap between demand and supply of trade finance, half of which arises in developing Asia and 70% of which relate to MSME units and mid-cap companies.

The WTO has identified myriad reasons for shrinking trade finance volumes, but regulatory tightening tops the list. Stricter regulation led to a reduction in correspondent banking relationships, especially in the world's poorest parts. This is one of the ironic fallouts from the financial crisis: the Financial Stability Board's directives on banking regulations, prompted by the excesses of western banks, have actually squeezed banks and companies in poor countries.

There's another paradox that needs consideration here. The 2013 WTO ministerial at Bali saw rich countries—led by the US, UK, European Union, Japan and others—force-fitting trade facilitation into the agenda as a pre-condition to finalizing lasting solutions for agriculture trade. The irony is trade facilitation, that too only for merchandise, is now here to stay but solutions still elude trade in agriculture products.

In addition, trade finance was kept outside the scope of trade facilitation for a variety of reasons. The results are there for all to see: while there has been no improvement in either overall trade volumes or values, costs have gone up for emerging and poor economies due to shrinking trade finance.

A white paper from Hyderabad-based Institute for Development and Research in Banking Technology uses blockchain technology to structure a proof-of-concept model for trade finance. However, there have been many proof-of-concept structures so far; the real efficacy of a distributed ledger will be known through live transactions and via scaling up. That still seems 24-36 months away.

Clearly, other alternatives must be explored. One option is to reinforce the emergent cooperative spirit among multilateral development banks (MDBs), regional development banks, export credit agencies and national development financial institutions to fill in the breach vacated by commercial banks. For example, MDBs are expected to support $35-billion of trade transactions during 2018, against only $22 billion in 2016. ADB supported more than 2,800 SMEs in 2017. This also fits with India's support for multilateralism, a necessary foil for growing unilateralism.

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Towards an India e-commerce policy

Vivan Sharan, Live Mint

June 26, 2018: The ministry of commerce is undertaking several rounds of consultations on an e-commerce policy framework for India. This is being done through a think tank constituted of "Indian" tech companies, relevant government bodies, industry associations, civil society and research institutions. The decision to constitute this think tank follows from both domestic and international compulsions. The domestic trigger is largely a fear of ceding the fast-growing e-commerce market to foreign interests, as exemplified by the rhetoric around the recent sale of Flipkart to Walmart. Simultaneously, India is under intense pressure to negotiate international rules on e-commerce under the World Trade Organization (WTO). Naturally, this think tank must carefully evaluate intersections between future domestic and international policy frameworks.

While the e-commerce think tank is ostensibly supposed to be of a multi-stakeholder format, some voices are louder and more prominently represented than others. Accompanied by the facts that the history of the Indian private sector's policy demands from government is chequered with short-termism, and that policy research on the exigencies of the "new economy" is still in its infancy, the government has its task cut out.

To be fair, many within the government recognize that a sober and holistic assessment is required to balance domestic and international concerns, particularly since e-commerce is already shaping the new contours of international trade. For instance, e-commerce has featured in high-level discussions on each of the mega-free trade agreements, including the Regional Comprehensive Economic Partnership (RCEP) of which India is a part. India has resisted the inclusion of e-commerce in RCEP, a position backed by domestic mercantile lobbies. More importantly, the WTO also anticipated a high degree of global attention to e-commerce and established a related "work programme" in 1998. Despite its high stakes in the multilateral system and now also in digital markets, India has maintained a reticent stance even in this forum.

The WTO work programme covers different aspects of e-commerce not limited to e-retail. It examines issues arising from "the production, distribution, marketing, sale or delivery of goods and services by electronic means", which is the de facto multilateral definition of e-commerce. India has only played a nominal role in the work programme, even though the discussions are consultative in nature. Perhaps limited engagement is a function of the lack of specialist capacity within government, which may partly be overcome through lateral entries. But this capacity building will take time.

Meanwhile, Indian negotiators were caught completely off-guard at the 11th WTO ministerial conference last year. Over 70 countries advocated for formal introduction of e-commerce related issues into the Doha Round of negotiations, in a marked departure from disaggregated advocacy through the US and EU-led interest groups in the past.

In days when globalization worked in the favour of advanced countries, they favoured this system over all others. Today, countries such as the US are virtually abandoning multilateralism in favour of a reversion to exceptionalism and mercantilism. It is up to large developing economies such as India to sense and respond to the winds of change. The country must become a propositional leader in the multilateral sphere, rather than embracing inertia or negativity. This transition will require internal clarity on economic and political goals, with well-defined milestones to achieve them.

To begin with, the think tank should adopt an appropriate definitional framework for accommodating a broad vision of e-commerce. India's operating definition of e-commerce derives from foreign direct investment policy, according to which: "e-commerce means buying and selling of goods and services, including digital products over digital and electronic network(s)". This is a very narrow point of departure, envisioned only for e-retail through a "marketplace-based" model. And marketplaces are disallowed from influencing the price of goods or services. Consequently, it is possible to interpret that several services-driven e-commerce companies, such as those operating taxi-aggregation services, currently function in violation of policy. The extant definition also excludes data-driven internet companies which do not engage in front end transactions. A broader approach will help establish greater policy certainty which can drive economic growth.

The recommendations of the think tank should also uphold WTO principles such as "national treatment", to preserve the larger multilateral ethos. Most bilateral investment treaties inked by India also include national treatment clauses, which prevent discrimination between foreign and domestic investments. The think tank could easily seek support for Indian companies, which no foreign entity could call out as discriminatory, such as asking for fiscal farsightedness within an accommodative tax policy or scientific research grants for the tech sector. Earlier in May, the Delhi high court refused to restrain international arbitration initiated by Vodafone and underlined that India should not invoke domestic law for its failure to perform international obligations. The think tank must therefore suggest ways that will insulate India from future international proceedings, and help the government signal that the country is open for business on fair and equitable terms.

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US net neutrality rules expire, court battle looms

The Indian Express

Washington, June 12, 2018:The US open internet rules expired on Monday, handing sweeping new powers to internet providers to block, throttle or offer paid “fast lanes” for web traffic, but a court battle remains ahead. The Federal Communications Commission repealed the 2015 Obama administration’s landmark net neutrality rules in December by a 3-2 vote, sparking a firestorm of criticism on social media websites, opposition from internet firms like Facebook Inc and Alphabet Inc, and protests among Democrats in the Republican-controlled Congress.

New regulations that took legal effect Monday give internet service providers (ISPs) sweeping power to slow, block or offer “paid prioritization” to some websites as long as they disclose the practices. The 2015 order subjected internet providers to strict regulations by the FCC, arguing consumers needed protection from internet provider practices and said internet providers could engage in “just and reasonable conduct.”

FCC Chairman AjitPai said last week the rollback will ensure more investment by providers and will ensure “better, faster, and cheaper Internet access and more broadband competition to the American people”. FCC Commissioner Jessica Rosenworcel, a Democrat who voted against the repeal, said Monday that the decision put the FCC “on the wrong side of history, the wrong side of the law, and the wrong side of the American public”.

On May 16, the US Senate, where Republicans hold only a narrow majority, voted 52 to 47 to overturn the decision by the FCC – which is currently composed of three Republicans and Rosenworcel. Senate Democrats had urged the House of Representatives to vote to reverse the FCC decision before Monday, and still hold out hope of a vote later this year. To restore the net neutrality rules, the House would have to vote in line with the Senate, and President Donald Trump would also have to sign the measure.

‘Horribly misguided’

Opinion polls show overwhelming public support for the net neutrality rules. Many Democrats say the issue will help motivate younger people to vote in congressional elections this November, when all 435 seats in the House and a third of the 100-member Senate will be up for grabs.

“Every Republican who opposed this vote will own any and all of the damaging consequences of the FCC’s horribly misguided decision,” Senate Democratic Leader Charles Schumer said on Monday. A group of 22 states have sued the FCC over the repeal. A federal appeals court in Washington has not set a date for oral arguments. The revised rules were a win for ISPs, whose practices faced significant government oversight and FCC investigations under the 2015 order.

The Internet Association said Monday that the “internet industry remains committed to restoring net neutrality protections through the courts, legislation, and administrative action. Americans in every state and across the political spectrum support rules that ban ISPs from blocking, throttling, and prioritizing web traffic”.

A group representing major cable companies and TV networks said Monday that “despite a new round of outlandish claims and doomsday predictions from groups dedicated to stoking political controversy, consumers will be able to see for themselves that their internet service will keep working as always has and will keep getting better”.

Comcast Corp, Verizon Communications Inc and AT&T Inc have pledged to not block or discriminate against legal content after the rules expire. The Federal Trade Commission will be able to investigate if internet providers engage in anti-competitive behavior. AT&T said Monday that the “internet will continue to function just as it did yesterday”. Comcast said “service isn’t different today. And it won’t be different tomorrow. We still don’t and won’t block, throttle or discriminate against lawful content”.

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What Facebook shared, with whom

Shruti Dhapola, The Indian Express

New Delhi, June 8, 2018: Less than three months after the Cambridge Analytica data harvesting scandal, Facebook is confronted with fresh scrutiny over data-sharing deals it cut with smartphone manufacturers across the world, including brands like Apple, Samsung, Microsoft and BlackBerry, and major Chinese players Huawei, Lenovo, Oppo, and TCL.

An investigation published by The New York Times Sunday revealed Facebook gave smartphone makers “deep access” to data on users and friends, in some cases without their explicit consent. How big is this data partnership scandal, and should normal users of smartphones and Facebook be concerned?

What has Facebook been accused of?

According to The New York Times investigation, Facebook entered into “data sharing partnerships” with over 60 smartphone makers, deals that remained in place for over a decade until April, when the company finally started to wrap up some of them. The deals helped Facebook expand its reach, with features such as the ‘like’ and ‘share’ buttons being integrated into the operating systems of many devices. In 2012, Apple introduced a feature in iOS 6 that allowed the sharing of images, status updates, etc. directly to Facebook without opening the app separately. Apple removed this integration in 2017, with iOS 11.

The data deals, however, went further than just improving convenience, The New York Times said. Some device makers were allowed to pull information on users and their friends’ relationship statuses, political leanings, locations, etc. Data were shared, even if the user’s friends had not given their explicit consent. The report demonstrated how BlackBerry Hub, a feature introduced in 2013 with the BlackBerry 10 OS, was able to pull such data around a user’s friends from their Facebook accounts. BlackBerry no longer builds smartphones; other companies like TCL make its phones. BlackBerry phones are also on Android now, and no longer run the BB 10 OS.

Why are these partnerships a big deal?

They have given rise to concerns over how Facebook handles user data and privacy. There is fear that device makers got a free hand to collect user data. It has also been alleged that Facebook’s partnership deals with the device makers violated a consent decree that the social networking company signed with the US Federal Trade Commission (FTC) in November 2011, under which Facebook was required to obtain explicit consent from users before sharing their data with a third party, and before changing or overriding users’ privacy settings. If found in violation of this decree, Facebook can face legal action.

The FTC had in 2011 noted that third party developers had access to nearly all of a user’s data. It had pulled up Facebook over the so called “Verified Apps” programme, which did not verify the security of participating apps, and for handing over users’ personal information to advertisers.

What is Facebook's defence?

Facebook has said that it "disagrees" with The New York Times, that all deals were tightly controlled, and that the partnerships were not the same as the ones it had with app developers. In a detailed blog post criticising the daily, ImeArchibong, Facebook's vice-president for Product Partnerships, wrote, "All these partnerships were built on a common interest — the desire for people to be able to use Facebook whatever their device or operating system… Given that these APIs enabled other companies to recreate the Facebook experience, we controlled them tightly from the get-go. These partners signed agreements that prevented people's Facebook information from being used for any other purpose than to recreate Facebook-like experiences."

APIs are application programming interfaces — the ones from Facebook would have allowed device makers to create the FB experience on their operating systems. According to Facebook, this was done at a time when there were many operating systems and not all had proper app stores, and in order to expand the reach of the social network. Archibong also wrote that "contrary to claims by The New York Times, friends' information, like photos, was only accessible on devices when people made a decision to share their information with those friends".

But did the smartphone makers store the Facebook data?

There is not a lot of clarity on what sort of deals were struck with different players. But the API would have given most manufacturers access to some data. The NYT report says some device partners could retrieve Facebook user data, but does not specifically mention which partners stored the data on their servers.

Facebook has also not confirmed whether the Chinese players stored user data on their servers, or whether it would ask them to delete this data. Facebook insists Huawei — the company long believed by American officials to be a national security risk — stored data on devices, not on the company's servers. Facebook says most partnerships are either over or in the process of ending. Also, the BlackBerry Hub example cited by NYT would only work if the user signed into their Facebook account on the Hub.

It is unclear how many users' data would have been accessed by such deals. The BlackBerry 10 OS, for example, did not exactly dominate the market, which Android and iOS ruled when it was launched in 2013. Even Microsoft's Windows Mobile OS never really challenged Android or iOS for market share.

That said, the concerns over these deals cannot be brushed aside, given Facebook's record with third party apps. Despite Facebook's claims of tight control over the partnerships, the NYT investigation has showed a BlackBerry Hub could, in fact, pull friends' data without permission.

What do the smartphone makers say?

Samsung has not commented on the partnership with Facebook. Apple has denied having received data from Facebook. NPR quoted Apple CEO Tim Cook as saying, "We were never in the data business," and "The things mentioned in the (New York) Times article about relationship statuses and all these kinds of stuff, this is so foreign to us, and not data that we have ever received at all or requested — zero."

And what's next for Facebook?

The deals with the Chinese players will not escape the scrutiny of US intelligence agencies. Facebook co-founder and CEO Mark Zuckerberg had been called to testify before a joint session of the Senate Commerce and Judiciary Committees after the Cambridge Analytica scandal, and he will likely face more questions from Congress on these data sharing deals. Reuters has reported that the US FTC is investigating Facebook's privacy practices. The company is also facing questions in the European Union over its handling of user data. It has already admitted that the data of 87 million users was compromised by the Cambridge Analytica breach.

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