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Data protection integral to Right to Life, will issue regulations for it: Centre to SC
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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.

Nirmala Sitharaman in Shanghai to attend BRICS trade ministers meet

The Indian Express

Beijing, July 31, 2017 : Commerce Minister Nirmala Sitharaman arrived in Shanghai on Monday to attend the two-day BRICS trade Ministers meeting starting on Tuesday during which she is expected to raise India's concerns over growing trade deficit with China.

The seventh meeting of the Brazil, Russia, India, China South Africa (BRICS) will discuss expanding e-commerce cooperation in an upcoming annual meeting, China's Ministry of Commerce (MOC) said. E-commerce cooperation, such as in the areas of logistics and payments, is developing fast among the five countries, with many of their products gaining traction on the Chinese market, Zhang Shaogang, director with the Department of International Trade and Economic Affairs with the MOC said. Economic and technological cooperation will be included in the agenda for the first time in the trade ministers meeting's history to improve the bloc's capabilities in service trade, e-commerce and other fields, he said.

On the bilateral front, Sitharaman is expected to discuss with her Chinese counterpart the trade deficit in India-China bilateral trade which now crossed over USD 50 billion in little over USD 70 billion over all trade between the two countries. Also ahead of the meeting, the MOC said India should avoid abusing trade remedy measures and called for settling trade disputes through consultation.

Reacting to India's move to launch an anti-dumping investigation over photovoltaic cells and units imported from the China, Taiwan, and Malaysia, Wang Hejun, head of the MOC's trade remedy and investigation bureau said China is paying close attention to the investigation and hopes India will conduct it in a prudent manner and as per relevant rules.

Wang said adopting restrictive measures for the trade of photovoltaic products would not only harm photovoltaic sector development in India, but also dampen the sector's long-term development worldwide as well as economic and trade cooperation between China and India.

Indian and Chinese officials are taking part in a host BRICS meetings ahead of September summit of the group scheduled to be held next month in China's Xiamen city.

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Pakistan yet to transition fully to MFN status for India: Nirmala Sitharaman

The Indian Express

New Delhi, July 31, 2017 : Pakistan is yet to award the most favoured nation (MFN) status to India and it maintains a negative list of 1,209 items which are not permitted to be imported from India, Parliament was informed today. Commerce and Industry Minister Nirmala Sitharaman said in a written reply that the government has not taken any decision to review the MFN status accorded to Pakistan, so far.

As per a World Trade Organisation (WTO) rule, every member of WTO requires to accord this status to other member countries. India has already granted this status to all WTO members including Pakistan.Under MFN, a WTO member country is obliged to treat other trading nation in a non-discriminatory manner, especially with regard to customs duty and other levies.

"However, Pakistan is yet to transition fully to MFN status for India," Sitharaman said.

The neighbouring country allows only 137 products to be exported from India through Wagah/Attari border land route, she added. The bilateral trade between the countries stood at $ 2.28 billion in 2016-17. India mainly exports cotton, dyes, chemicals, vegetables and iron and steel wehile it imports fruits, cement, leather, chemicals and spices.

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Nirmala asks IIFT candidates to give inputs for FTP

Business Standard

July 28, 2017 : Commerce and Industry Minister Nirmala Sitharaman today sought inputs for review of the foreign trade policy (FTP) from candidates pursuing courses at Indian Institute of Foreign Trade (IIFT).

IIFT is a prestigious institute under the ministry.

"I would draw your attention and seek your participation in the FTP, which is being reviewed. The major part is almost done. We did lot of stakeholder consultations. I would like you to look at the FTP and tell us what do you think will have to be changed, tweaked or amended. Give your inputs," Sitharaman said.

She was addressing students and faculty at the 51st convocationof the Indian Institute of Foreign Trade.

The ministry is expected to release the FTP (2015-20) by September.

Sitharaman also asked the doctorate students to consider academics as a career and being in teaching profession.

"There is today a desperate move to have a good faculty members teaching foreign trade," she said.

Exports are recording positive growth and it will be an important area in which "I would require academic inputs to come and for which we need good faculty members", she added.

The minister further said that global economies are tightening their positions and not following the principles of free and fair trade.

Protectionism is increasing and trade barriers are really coming up from most unexpected quarters, she said adding due to this global economy has to be understood, studied and analysed by experts.

"I think there is an immense scope for India at every level to build its capacity," the minister said.

Sitharaman said that there is a shortfall of well trained trade negotiators, experts in international negotiations and experts who have a cross-pollinated view.

"IIFT can give people of that calibre. Give India that kind of negotiator and experts," she said.

Talking about trade in services, she said it is in the range of USD 10 trillion globally and India has also presented a paper to the WTO where it wants a framework for a trade facilitation agreement in services.

"That paper is gaining lot of momentum and it is under discussion in WTO. In my recent visit to Geneva, I discussed as how it can move forward," she said.

Further, she added that people from different areas should also be part of the faculty at IIFT.

Indian trade service officers may also come for a short duration to meet the academic shortage.

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IPR remains one of top bilateral trade issue with India: US report

The Economic Times

Washington, July 26, 2017 : The Intellectual Property Rights remains to be one of the top bilateral trade issues between India and the US even as India became the ninth single country trading partner for the US in 2016, an official US report said today.

India remained on the priority watch list in 2016 due to a lack of measurable improvement to its IPR regime, said the annual report 'The Year in Trade 2016', released by the US International Trade Commission (USITC).

"IPR protection remained one of the top bilateral trade issues between the two countries," said the annual report.

India remained on the priority watch list in 2016 due to a lack of measurable improvement to its IPR regime, it noted.

According to the annual USITC report, India's economic growth also slowed, decreasing from 7.9 per cent in 2015 to 6.8 per cent in 2016.

Although, it still had one of the highest growth rates in the world in 2016, India has notably fewer linkages to the global economy than China does.

India's services sector accounts for the majority of its growth, and it has a relatively small manufacturing sector and a per capita income of USD 6,590 in 2016.

"As a result, India's economy does not spur strong demand for imports," USITC said.

The report notes that in 2016, India became the US' 9th- largest single-country trading partner (based on two-way merchandise trade), rising from 10th-largest in 2015.

US two-way merchandise trade with India increased 2.2 per cent to USD 67.7 billion in 2016.

In addition, India's share of total US merchandise trade with the world rose to 1.9 per cent, up from 1.8 per cent in 2015.

USITC said although US exports to India went up slightly in 2016, the US merchandise trade deficit with India rose 4.2 per cent to USD 24.3 billion in 2016 as imports grew even more than exports.

Although India was again the United States' seventh- single largest country services trading partner, based on two-way trade, it continued to be the only top trading partner with which the US has a services trade deficit, the report said.

However, this trade deficit has slowly decreased since 2014, it said.

In 2016, US exports again rose slightly more than US imports of services, which resulted in a 1.6 per cent decline in the US services trade deficit to USD 6.8 billion.

Total US services trade with India grew 10.3 per cent to USD 46.7 billion in 2016, it said.

USITC said in 2016, there were several active WTO dispute settlement proceedings involving the United States and India.

In March, India requested consultations with the US about measures concerning non-immigrant temporary work visas.

In July, the US requested arbitration regarding a dispute with India concerning the importation of certain agricultural products on the basis that India failed to bring its measures into compliance within the agreed reasonable period of time, it said.

In September, India requested consultations with the US regarding alleged domestic-content requirements in the renewable energy sector provided by several US states.

Finally, in October 2016, the Dispute Settlement Body adopted the Appellate Body report and the panel report, as modified by the Appellate Body report, regarding India's purchase power agreements with solar firms and domestic- content requirements.

Noting that in 2016, the US and India continued dialogue on improving bilateral trade and investment, including IPR protection, the report said that in June, then US President Barack Obama and Prime Minister Narendra Modi met in Washington, DC, for their third major bilateral summit.

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‘Enough political will to seal RCEP talks’

Arun S, The Hindu

Hyderabad, July 24, 2017 : India is ‘fully committed’ to taking forward the negotiations for a mega Free Trade Agreement (FTA) called the Regional Comprehensive Economic Partnership (RCEP), to ensure that it is a ‘balanced’ pact that benefits all the 16 Asia-Pacific nations including itself that are participating in the talks, according to commerce secretary Rita Teaotia.

The senior official, in effect, dismissed speculations that the India-China border standoff will have an adverse impact on the trade talks.

While the RCEP negotiations — aiming to liberalise norms in the 16 countries including India and China to boost trade and investment in the Asia-Pacific region — are underway behind closed doors at the Hyderabad International Convention Centre, several people's groups from across the country held demonstrations demanding a halt to the talks.

They claimed that the mega-regional FTA will, among other things, adversely impact not only farmers' rights but also access to affordable medicines, besides threatening the protections to India's digital industry.

Surge feared

However, the commerce secretary told The Hindu that "all the 16 countries, including India, have expressed willingness to constructively engage in the talks and have put forward revised offers in goods and services to negotiate a mutually beneficial outcome." Amid fears that the FTA will result in a surge in inflow of cheap goods into India from these countries including China, in turn impacting the Indian industry and farmers, the senior official said the Indian negotiating team is confident that they can "protect India's interests and ensure that the FTA is not unfair to India."

"We are going to have more frequent rounds of negotiations. There will also be a Ministerial meeting in September," she said, indicating that there is enough political will to expedite the conclusion of the talks.

This is the 19th Round of the RCEP Trade Negotiating Committee meeting at the technical level. In addition to this, so far there have been four Ministerial Meetings and three 'Inter-sessional Ministerial Meetings'.

India Inc. is learnt to have reservations against India undertaking any binding commitment to immediately eliminate duties on most traded goods, as part of the FTA. However, Ms. Teaotia said "one should not underestimate India's strengths in various sectors." She added that FTA negotiations are always on the basis of "give and take" and that there will be "gains for India" from the pact.

India is pushing for liberalisation of services, including easing norms for movement of professionals across borders for short-term work. However, the slow progress of the services negotiations has been worrying India.

The sources said though there are demands from some RCEP countries to open up the public procurement segment, India is not willing to undertake any binding commitment on that.

According to the government, procurement of common use goods and services required by the Central and state Government agencies and departments as well as state-owned companies in India is estimated to be worth over ₹ 5 lakh crore annually. The government is keen to retain its policy space to ensure development of local industry and the social sector using the public procurement process.

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Asia-Pacific nations to discuss Ecomm for regional trade pact

Kirtika Suneja, The Economic Times

New Delhi, July 19, 2017 : Sixteen countries, including India, China, Japan and Australia, will discuss issues such as electronic signatures, data security and cross-border data flows for the first time under a mega-trade agreement being negotiated among Asia-Pacific nations.

Discussions will take place when the Regional Comprehensive Economic Partnership (RCEP) meets for negotiations in Hyderabad next week.

Issues including digital certification, paperless trading, online consumer protection and customs duties in e-commerce have been identified for discussion during negotiations, which are scheduled to end on July 28.

Before this, working groups will meet for technical sessions from July 18-24. While India has been opposed to making commitments in the e-commerce sector under the trade agreement, experts have raised the red flag and said that talks on these issues could be the first step towards New Delhi taking binding obligations.

"Concepts like 'technological neutrality' may creep in even though it never got formalised in the World Trade Organization. This would mean that countries will have to accept future technologies that they are not even aware of at present," said Jane Kelsey, Professor at the University of Auckland and an expert on e-commerce issues.

The discussions follow the setting up of a panel on e-commerce two years ago by RCEP countries in response to a Japanese proposal on easing foreign direct investment in the sector under which member countries would exchange best practices linked to online commerce.

"Countries were only feeling each other's pulse till now on e-commerce issues but now they want discussions on being able to sell their products in India (market access) and regulatory standards. India will have to be careful of what it does in this round," said a New Delhi-based expert on trade matters.

RCEP is a comprehensive free trade agreement subsuming goods, services, investment, competition, economic and technical cooperation, dispute settlement and intellectual property rights between 16 countries – 10 members of the Association of Southeast Asian Nations and their six free-trade agreement partners – Australia, China, India, Japan, Korea and New Zealand.

Experts fear RCEP talks could be used by developed countries to get an outcome at the WTO ministerial in Argentina later this year. Apart from Japan, Australia is a proponent of e-commerce commitments in the regional trade agreement.

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RCEP trade panel head confident of closing talks in 2018

The Economic Times

Hyderabad, July 24, 2017 : The 16-nation Regional Comprehensive Economic Partnership (RCEP) today expressed confidence about concluding discussions on a trade agreement next year provided a consensus is reached on some contentious issues.

The RECP is touted to be the largest trade pact among 16 nations - 10 ASEAN member-states, plus India, Australia, China, Japan, New Zealand and South Korea - which together control a quarter of the USD 75 trillion global economy.

Addressing the media, Iman Pambagyo, the chair of the 19th RCEP trade negotiations committee, said "I am optimistic (of concluding the talks). I keep on saying that we can fix the finishing line. I remain positive. This negotiations could be concluded sometime in 2018 provided the countries accept some more flexibility to help address issues.

The 19th round of negotiations of the RECP trade agreement began here on July 17 and will end July 28. The talks started in Phnom Penh, Cambodia, in November 2012.

"The last round of talks in 2017 will be help in October. Before that, we have ministerial meeting in September in the Philippines," he said.

On the impact of the current border stand-off between India and China on the negotiations, he said the row will have no bearing on the ongoing talks.

"What I could say, frankly those are non-trade issues. Those non-economic issues do not intervene into our process of negotiations and RCEP agreement. I think China has been quite constructive and India is also equally constructive," said the RCEP trade negotiating committee chief.

On the 'One Belt One Road' initiative launched by China to link Asia with Europe, the Indonesian official said it has nothing to do with legal commitments in terms of market integration, though there would be some cooperation from the Asia's biggest economy in terms of money to fund this project.

New Delhi has stayed away from the past talks on this mega project driven solely by Beijing.

According to him, the discussions are broadly categorised into two issues -- market access and the rules to govern them.

"We've concluded the chapter on economic and technical cooperation and we've also concluded on small and medium enterprises. We are near to conclude talks on competition," said Pambagyo.

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Civil society groups flag concerns on impact of regional trade pact with APAC

Kirtika Suneja, The Economic Times

New Delhi, July 19, 2017 : Experts, academics and researchers have flagged concerns on India's participation in a regional trade agreement with 15 countries in the Asia Pacific region.

Apart from India not gaining much in export of goods and services from the Regional Comprehensive Economic Partnership (RCEP) agreement, they highlighted inclusion of new issues like e-commerce and investment as being detrimental to the country.

Agreeing to RCEP's drastic cuts in import duties will not only impact livelihoods, but also deprive the government of crucial revenues for the provision of public services, they said.

"There is singular focus on market access. India should not take a backseat while others set the agenda for the talks," said Biswajit Dhar, professor at JNU at a conference here.

As per Dinesh Abrol, scientist and professor, there will be no gains for India in export of goods and services.

The civil society groups flagged their concerns as the 19th round of RCEP negotiations began in Hyderabad. While the subject-wise Working Groups formed under the RCEP are meeting this week, the high-level Trade Negotiation Committee (TNC) with chief negotiators from 16 countries will have discussions from 24-28 July. 700 officials from the 16 negotiating countries – ASEAN 10 plus ASEAN's six FTA partners including India, China and Australia, Japan, South Korea and New Zealand, are gathering to negotiate the RCEP.

Another concern with respect to RCEP is the insertion of 'new' content like that on investment and e-commerce in the negotiations.

They fear that RCEP will further empower corporations at international arbitration tribunals as the proposed investment chapter in RCEP allows for investors to sue governments, while bypassing domestic courts.

"India is already the target of 40% of all cases filed against RCEP countries," said Benny Kuruvilla from the Transnational Institute (TNI), citing a report that will be released in Hyderabad.

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Looking at measures in FTP to support exporters: Rita Teaotia

The Economic Times

New Delhi, July 25, 2017 : The commerce ministry is looking at measures to be announced as part of the review of the foreign trade policy (FTP) to boost exports, Commerce Secretary Rita Teaotia said today.

She said that the review of the policy is now almost coming to its logical conclusion and the exercise will be completed by September.

"We are looking to see what are those measures by which we can actively support the exporting community," she said here.

She was speaking at the curtain raiser event of a mega international food and beverage trade show 'Indus Food', to be held in January next year at Greater Noida.

The secretary said although Indian exporters continue to participate in international events, organising a big show in India would give a large platform to domestic players to interact directly with global buyers.

About 400 participants from 35 countries are expected to participate in the two-day show starting from January 18 next year. The Trade Promotion Council of India (TPCI) is organising this show with the ministry.

"The show will give an opportunity to Indian exporters to showcase their wide range of products in the food sector," she added.

Food and beverages is a USD 33 billion per year business globally.

he show will create a marketplace for Indian products to showcase to global buyers.

When asked about increasing non-trade barriers in the sector, she said this is reality in the global market place today but the government is helping exporters to deal with such hurdles.

The food processing ministry is also organising a three- day World Food India 2017 in November here.

India is the key producer of rice, wheat, milk, sesame, mango, banana and marine products.

Speaking on the occasion, Mohit Singla, Chairman, TPCI, said in spite of such a huge potential, India lacked a platform of its own, which highlights the food production capacities of the country.

"We are organising this show on the lines of globally established food trade shows like SIAL, Anuga and Gulfood. We are sure that Indus food will immensely help the buyers to establish the required network and expand their businesses internationally," he said.

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India, South Korea reviewing FTA to boost trade

The Economic Times

New Delhi, July 30, 2017 : India and South Korea are carrying out a review of their free trade agreement to further boost bilateral trade and investment, a senior commerce ministry official has said.

The agreement, officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), between the two countries was implemented in January 2010.

Both the sides have constituted sub-groups on issues such as goods, services, investments and rules of origin.

"Review is on to see how we can improve utilisation of this pact. Discussions are underway," the official said and added "we are also looking at how trade between the countries have behaved" since the implementation.

Exporters' body FIEO (Federation of Indian Export Organisations) said that there is a huge scope of increasing trade and investment with South Korea.

"We can look at increasing exports of marine products and other commodities besides huge investment opportunities are there for South Korean companies in India," FIEO Director General Ajay Sahai said.

The bilateral trade between the countries stood at USD 16.83 billion in 2016-17. The trade is in favour of South Korea.

India's imports during the last fiscal was USD 12.59 billion, while exports were only USD 4.24 billion.

India has received USD 2.26 billion foreign direct investment from South Korea between March 2000 and April 2017.

Under a free trade agreement, duties on most of the products traded between the countries are either eliminated or reduced sharply.

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Global use of trade restrictions has slowed: WTO

Tom Miles, Live Mint

Geneva, July 24, 2017 : More steps to free up trade globally have been taken since Donald Trump was elected than measures to restrict it, the World Trade Organization (WTO) said, despite concerns his administration would introduce a raft of punitive rules to protect US jobs.

The WTO's global monitoring report, debated at a trade policy review on Monday, covers the period between October 2016 to May 2017.

"The report shows an encouraging decrease in the rate of new trade-restrictive measures put in place—hitting the lowest monthly average since the financial crisis," WTO director-general Roberto Azevêdo said in a statement.

The semi-annual report, largely coinciding with the period since the election of US President Donald Trump, showed that the 164 WTO members put 74 new restrictive measures in place, including tariffs, customs regulations and quantitative restrictions, with an impact of $49 billion of trade.

At the same time, they took 80 steps to help trade, such as cutting tariffs or simplifying customs procedures, affecting a much bigger $183 billion of trade.

Trade-restrictive steps peaked at 22 per month in 2011, roughly twice the level in the period of the latest report.

During the period under review, the US introduced new restrictions including a provisional duty on Canadian softwood lumber, suspecting it of being unfairly priced.

It also brought in "buy America" provisions to ensure that, subject to some conditions, state loan funds are not used for water infrastructure projects unless all the steel used in the project was produced in the United States, the WTO report said.

Trump had also liberalized trade by scrapping broadband privacy rules, allowing internet service providers to commercialize user data without explicit permission from the US federal communications commission, the report said.

China, routinely the WTO member most often accused of unfair pricing and illegal subsidies, had introduced new restrictions with a cyber security law, requiring data generated in China to be stored in China, and a film production law, requiring Chinese movies get two-thirds of the screen time at Chinese cinemas.

But it also eased approval requirements for foreign-owned banks to invest in Chinese banks and to supply some investment banking services in China, the WTO report said.

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Nirmala Sitharaman urges WTO chief to find early solution to food stocks issue

Financial Express

New Delhi, July 20, 2017 : Commerce Minister Nirmala Sitharaman has urged the WTO chief to "vigorously" follow the efforts of the member countries for finding solution to the issue of food stockpiling. The issue was raised by the minister during her meeting with WTO Director General Roberto

Azevedo at Geneva. She also mentioned the kind of outcomes India would like to see at the upcoming eleventh ministerial conference (MC11), the highest decision making body of the WTO, in Argentina in December. “She particularly stressed that the MC11 outcomes must include a permanent solution on public stockholding (PSH) for food security purposes on which there is a ministerial mandate,” the ministry said in a statement today.

Sitharaman also urged Azevedo “to follow up vigorously to support the efforts to reach finality on PSH and the agricultural Special Safeguard Mechanism (SSM)”. Further, the minister stressed that any attempts at seeking outcomes on new issues such as e-commerce and investment facilitation should “not” be at the cost of other long pending issues on the agenda of the Doha Round. The new issues which are being pushed by developed world include investments, competition, labour, government procurement, environment and global value chains. A permanent solution to the issue of food stockpiling is important for smooth implementation of India’s food security programme.

As per the global trade norms, a WTO member country’s food subsidy cap should not breach the limit of 10 per cent, which is based on the reference price of 1986-88.There are apprehensions that full implementation of food security programme may breach this cap. So India wants amendments in the formula to calculate the food subsidy cap. There is a peace clause currently according to which no country can ask WTO to take action against a country that breaches the 10 per cent cap. This clause is there till a permanent solution is found for the food stockpiling issue. This has enabled India to continue procurement and stocking of foodgrain for distribution to poor under its food security programme without attracting any kind of action from WTO members even if it breaches the 10 per cent subsidy cap as prescribed by the multilateral trade body.

SSM is a toll demanded by developing countries, including India, to support poor farmers from sudden surge in imports. Several developed countries give massive subsidies to their farmers and in such a case SSM would help India in protecting the farmers. High subsidies distort prices and makes Indian farmers vulnerable when the products hits the domestic markets.

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TFS proposal gets mixed response from WTO members, says Nirmala Sitharaman

The Financial Express

July 19, 2017 : India’s proposal at the World Trade Organization to negotiate a trade facilitation pact in services has received a mixed response from member countries, Parliament was informed today. In February, India had circulated the draft legal text on the Trade Facilitation in Services Agreement (TFS) at the WTO. Commerce and Industry Minister Nirmala Sitharaman said the proposal has been discussed at the relevant services bodies of the WTO. The proposal provides a framework to address various impediments to trade in services in a comprehensive and holistic manner, she said in a written reply to the Rajya Sabha.

“India’s proposal received a mixed response from the WTO members. Some members appreciated India’s proposal as being comprehensive in scope and well balanced. “However, several developed and developing country members expressed concern on the scope and content of the draft agreement,” she said. However, she added that the proposal has imparted the much needed momentum to the discussion on services and India has urged members to engage constructively on this initiative.

Replying to a separate question, Sitharaman said an association of pharmaceutical manufacturers of America has asked US Trade Representative to continue to keep India on its Priority Watch List in the Special 301 Report. The Special 301 Report issued by the US is a “unilateral measure” to create pressure on countries to enhance IPR (intellectual property rights) protection beyond the WTO rules.

Under the WTO regime, any dispute between two countries needs to be referred to the dispute settlement body and unilateral actions are not tenable under this regime, she added. “Special 301 is an extra territorial application of the domestic law of a country, which is inconsistent with the established norms of the WTO,” the minister said.

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India rejects naysayer tag at WTO

Kirtika Suneja, The Economic Times

New Delhi, July 20, 2017 : Rejecting developed countries’ claims of India being obstructionist in global trade talks, Commerce and Industry Minister Nirmala Sitharaman has said that India is cautious of agreeing to trade deals because livelihoods of millions of its farmers depend on such decisions.

“So, contrary to what some may claim, we are not naysayers just for the sake of it,” she said in her ‘Reclaiming multilateralism’ address at the Graduate Institute of International and Development Studies in Geneva.

Many countries are pushing for new issues like e-commerce and investment to get included in WTO’s negotiating agenda which India has opposed as it awaits the resolution of the food security concerns.

“In the same spirit of openness that is urged upon us, no one should ascribe a negative connotation when we say no on some issues,” she said, according to the written speech released by the government.

Sitharaman categorically stated that expecting a few emerging developing countries, such as India, to make binding concessions for keeping markets open, while the key players in the developed world tread the path of protectionism, is not acceptable.

RISING PROTECTIONISM

She said the rising tide of protectionism in many large economies manifests in non-tariff barriers, as well as procedural bottlenecks that these trade flows face.

DOHA DEVELOPMENT AGENDA VS NEW ISSUES

Sitharaman stated that tardy progress in completing the Doha Round has weakened the negotiating function of the WTO.

“Failure to conclude the negotiations does not reduce the relevance or significance of the issues particularly relevant for most developing countries,” she said, referring to the unfinished agenda of the Doha Development Round and finding a permanent solution for public stockholding concerns of developing countries by the end of this year.

Though talks on Doha have not moved forward, many countries are pitching for discussing new issues. She said the rationale for e-commerce as a trade facilitating platform must not become the back door for securing market access objectives, which can be better achieved in a balanced way by taking the Doha agenda forward.

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'Mixed Response' to India's services trade proposal at WTO

The Economic Times

New Delhi, July 20, 2017 : India’s proposal for a global agreement on trade in services, which includes easing border restrictions on travel for work, has evoked mixed response from WTO members, commerce and industry minister Nirmala Sitharaman said.

The draft legal text on Trade Facilitation in Services Agreement (TFS), which was circulated in February, was criticised by the African nations but found support from Brazil, Colombia and Turkey.

“India's proposal received a mixed response from the WTO members. Some members appreciated India’s proposal as being comprehensive in scope and well balanced,” Sitharaman said in a written reply to the Rajya Sabha.

India has suggested multiple entry visas for those who meet the host country’s immigration criteria in a comprehensive proposal on cross-border movement of services, and asked such countries to rely on the companies employing workers to judge their competence, as it looks to build a global consensus on cross-border business workers. Further, it wants cross-border transfer of information including personal information by electronic means to boost supply of services among various countries, which is being understood as ecommerce by the African group.

Explaining that the proposal provides a framework to address various impediments to trade in services in a comprehensive and holistic manner, the minister said the proposal has been discussed at the relevant services bodies of the WTO. “However, several developed and developing country members expressed concern on the scope and content of the draft agreement," she said.

Nevertheless, the proposal has imparted the much needed momentum to the discussion on services and India has urged members to engage constructively on this initiative, she said.

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India pushes for decision on public stockholding of food at WTO meet in December

Business Line

New Delhi, July 20, 2017 : India has stressed at the World Trade Organisation that a permanent solution on public stockholding has to be part of the outcome of the next Ministerial meeting in Buenos Aires in December.

Commerce & Industry Minister Nirmala Sitharaman, in a meeting with WTO Director-General Roberto Azevedo earlier this week, asked him to follow up vigorously to support the efforts to reach finality on public stockholding and the agricultural Special Safeguard Mechanism (SSM), according to an official release.

“She stressed that any attempts at seeking outcomes on new issues such as e-commerce and investment facilitation should not be at the cost of other long pending issues on the agenda of the Doha Round,” the release stated..

At the Nairobi Ministerial meet in December 2015, all members agreed to work on a SSM for developing countries that would enable them to raise import duties on agriculture items in case imports rose steeply or there was a sharp fall in domestic prices. The Nairobi declaration also stated that meetings must be held in an “accelerated time frame” to arrive at a permanent solution to the problem of public stockholding which is necessary to avoid a situation when such programs get penalised.

However, not much movement towards a solution have happened at the Committee of Agriculture of the WTO on the two issues so far.

The Minister also had a meeting with selected Ambassadors and Chairs of various WTO Negotiating Group on future of the WTO negotiations and likely outcomes from the eleventh ministerial meeting in December. “The participants shared their views and insights on various aspects of the WTO negotiations. Common positions and stands were identified during the interaction,” the release said.

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Public stockholding: At WTO, FCI type stocks a bad idea; why India must not defend this

The Financial Express

July 25, 2017 : Going by newspaper reports, India is using the G-33 platform to try and push a proposal at the 11th WTO ministerial in December to remove public stockholding operations—conducted in India by FCI—from the Aggregate Measure of Support (AMS) calculated for farm produce. A joint paper by India and China, according to The Hindu BusinessLine, puts OECD farm subsidies at $160 billion. The reason why OECD countries are able to get away with much higher subsidies—9.5% of the output price in the US, 19.6% for the EU and 59.7% in Norway according to ongoing Icrier research—as compared to the 5% of crop value that is allowed for developed countries is the subterfuge called the ‘green box’. This allows unlimited subsidies as long as they don’t distort trade—so the trick is to move as much of government support as possible into the ‘green box’. The US, for instance, offers its farmers income support through insurance—if prices differ from a reference price by more than a certain amount, insurance firms make good the difference; the insurance premium is paid for by the US government and is considered ‘green box’.

If you go by India’s latest submission to the WTO for FY14, its total support was $57 billion, but just $15.9 billion of this was AMS—given the output of $350 billion in that year, the AMS is 4.5% or less than half what is legally allowed. But this presumes the WTO will accept India’s $14.8 billion of food-stocking costs as ‘green box’ or $22.8 billion of subsidies to low-income farmers as ‘special and differential treatment’ that is also not included in AMS. This is what the China alliance is about. While the move will be worth it if it succeeds, there is the danger that it won’t—even if you ignore the OECD protests, Pakistan has already distanced itself from this. If the move doesn’t work, India can get bracketed with a China whose support levels are as high as 14.9% according to Icrier calculations.

The larger point the government should keep in mind is that FCI-style food-stocking distorts India’s domestic agriculture, benefits just 5-6% of farmers and, because of FCI’s huge inefficiencies, raises wheat/rice prices considerably. The current scheme of subsidies also encourages over-use of water/electricity/fertiliser which, as in the case of Punjab, has hurt the soil and dragged the state into low-productivity agriculture. If India’s agriculture has to grow, and small farmers to benefit, it needs to move to cash-transfers instead of subsidies and free-markets instead of guaranteed procurement. Which is why, it makes little sense for the country to be aligning with China in order to fight what is likely to be a losing battle with OECD. India’s energy is better spent on building coalitions that are in its genuine interest.

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India submits farm data to WTO; says no immediate obligation to cut subsidies

Amiti Sen, Business Line

New Delhi, july 16, 2017 : India has submitted details of its domestic support programme in agriculture to the World Trade Organisation and has asserted that it is under no obligation at the moment to cut any of its subsidies.

On its minimum support programme (MSP) for various foodgrains such as rice, wheat and coarse grains, which is continuously being questioned by the US and Australia, among other members, the notification points out that the outgo for each item was below the ceiling level.

For cotton and sunflower, too, the outgo on MSP is much below the permitted level.

“Support for each of the listed products is below the relevant ‘product-specific’ *de minimis* level,” the notification pointed out.

De minimis is the minimal amount of trade-distorting subsidy (classified as Amber box) the WTO permits at 1986-88 prices. For developing countries like India, the *de minimis* level is 10 per cent of agricultural production.

The domestic support numbers provided by India are for the years 2011-12 to 2013-14.

“This is a very important notification. The fact that it covers the period 2013-14 as well is significant as it covers all the schemes mentioned in the Bali Ministerial decision,” pointed out Abhijit Das, Head, Centre for WTO Studies.

The notification also gave details of input subsidies for farmers for items such as fertilisers, pesticides which, at $22.82 billion in 2013-14, was much higher than the MSP support, but New Delhi pointed out that these were permissible under WTO rules as the beneficiaries were resource-poor farmers.

“As per the agricultural census for 2000-01, 98.97 per cent of farm holdings are of low-income or resource-poor farmers, which has increased to 99.15 per cent as per the census for 2005-06,” the notification said.

The breakdown of expenditure for general services such as pest and disease control, training services, extension and advisory services, market promotion services and buffer stock operations were also provided.

Green box

These are covered under the ‘Green box’ of permissible subsidies as these are not viewed as trade-distorting.

New Delhi is trying to get subsidies under its MSP programme treated as Green box (permissible) subsidies, but is facing resistance from a number of developed countries and some developing countries that import food.

It has submitted that at least the calculation of the subsidy provided under MSP should be correctly linked to current market prices and the existing practice of comparing it to 1986-88 prices should be dropped (as it inflated the subsidies given).

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India's protectionist bent for agriculture products delaying FTA: Australia

The Economic Times

Melbourne, July 25, 2017 : Australian trade minister Steve Ciobo has said India has adopted a "reasonably protectionist bent" for its agricultural products, delaying any achievement in the talks for the long-pending Free-Trade Agreement (FTA).

"I'm still engaging constructively with India on a regular basis, but I'm just not making the headway there that we'd like to see because India is adopting a reasonably protectionist bent when it comes to some of their agricultural products. So we just have to keep chipping away," Ciobo told a TV channel recently.

"India is a high priority for me, but it takes two to tango," Ciobo said adding that, "At this point in time, I'm not seeing a willingness from India that would reflect a desire to achieve an FTA."

He said India is the world's largest democracy and there is a lot of agricultural interests that India had challenges in terms of trying to liberalise that segment of the market.

"So it is a key priority, but it's just hard work, so you roll your sleeves up and you keep chipping away," the minister said.

Highlighting that Australia was eyeing to strike free trade agreements which were comprehensive and high in ambition, Ciobo said, "If for example, we were only able to get 70 or 75 per cent of coverage of products, then that's not a great starting point for negotiations."

"So, you know, I continue to engage with India," he said.

Currently, Australia has been eyeing to conclude FTA negotiations including Indonesia, Hong Kong, Peru, Pacific Alliance countries and European Union.

Former trade minister Andrew Robb had started free trade negotiations with India and managed to conclude three other deals with China, Japan and Korea.

Last week, Australian foreign minister Julie Bishop made similar statements during her official visit to India and said that two nations should take the next leap in realising the full potential of bilateral trade.

"There has to be benefits to our respective economies. We need to remove trade barriers to integrate our economies," she had said.

The talks for Comprehensive Economic Cooperation Agreement (CECA) or FTA between the two sides started in 2011 in a bid to boost bilateral trade and investment.

Both sides were expecting to conclude negotiations by December 2015, however, there were differences in areas like duty cut on dairy products and wines.

Several rounds of negotiations have been completed for liberalising trade and services regime, besides removing non- tariff barriers and encouraging investments.

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G-20 leaders fail to generate 'international economic cooperation'

D. Ravi Kant, Live Mint

July 19, 2017 : When parts of Hamburg almost came under a siege on the evening of 7 July following violent protests by anti-globalization activists, leaders from a score of dominant countries were inside the security bubble enjoying a classical music concert at Elbphilharmonie, a newly constructed hall on the waterfront. As host of the G20 summit, German Chancellor Angela Merkel corralled the leaders—from the US President Donald Trump to Prime Minister Narendra Modi, Russia's President Vladimir Putin to China's President Xi Jinping, and from the newly elected French President Emmanuel Macron to Brazilian President Michel Temer, among others—for a performance of Beethoven's ninth symphony "Ode to Joy". And it was a surprise to see Modi physically moving his fingers and feet during the final movement by vocal soloists in a chorus. Perhaps Modi was immersed in tandol, the movement of body, as against mandol, the turmoil of the soul.

That the ninth symphony, "a hymn to humanity, peace, and international understanding," is one of the finest works in the mainstream repertory of Western classical music is well known. But, the G20 leaders failed to generate that peace and international understanding which was at the heart of Beethoven's final symphony. Otherwise, it is difficult to explain why the leaders had to settle for a set of discordant compromises that fail to address the grave challenges on various fronts. Issues such as macro-economic imbalances, the growing debt problem of developing countries, inequality, poverty, and the existential challenge of climate change were not even adequately addressed.

"The battle-lines are drawn," and "the stage is set for a clash between a protectionist America and a free-trading Germany," wrote *The Economist* magazine on 7 July, when the leaders began their deliberations. While "Mrs Merkel is absolutely right to proclaim the message of free trade", she and her compatriots “need to understand that Germany’s surpluses are themselves a threat to free trade’s legitimacy,” it suggested.

However, the issue of current and trade account imbalances did not even remotely figure in the blueprint for “building resilience” in the world. The Hamburg Declaration, for example, contains several issues under the title of “building resilience”. The issues include a “resilient global financial system”; “international financial architecture”; “international tax cooperation and financial transparency”; “safeguarding against health crises and strengthening health systems”; and, “combating antimicrobial resistance (AMR).”

It underscored the importance of “an open and resilient financial system, grounded in international standards,” and the need to finalize the Basel III framework without significantly increasing overall capital requirements across the banking sector. The Basel III framework aims at a global, voluntary regulatory framework on bank capital adequacy, stress testing, and market liquidity risk.

The declaration mentioned the progress made in transforming “shadow banking into resilient market based finance since the financial crisis” and underscored the need for completing the 15th General Review of International Monetary Fund Quotas, including a new quota formula, by the annual meetings of 2019. The 20 industrialized and developing countries agreed to continue further work on “a globally fair and modern international tax system” and cooperating on “pro-growth tax policies”. It suggested that there is a “satisfactory level of implementation of the agreed international standards on tax transparency” for tackling tax evasion and illegal bank accounts.

India claimed that at its insistence the language on tackling “terrorist financing” was strengthened. “As an important tool in our fight against corruption, tax evasion, terrorist financing and money laundering we will advance the effective implementation of international standards on transparency and beneficial ownership of legal persons and legal arrangements, including the availability of information in the domestic and cross-border context,” the Hamburg declaration maintained.

Shockingly, the G20 countries did not even address the frictions stemming from bulging capital surpluses of a few countries while the rest of the world, including the US, are locked up in continued deficits. The US President complained about the issue of trade surpluses and deficits, but it was set aside. The recurring tensions between the surplus countries and the deficit nations has continued to manifest in one form or the other since 1960s. And it has become much more serious with the Trump administration threatening retaliatory measures against the surplus countries almost on a daily basis.

“When there are excessive imbalances, when there is excessive inequality, or instability in the financial system, all those three are bad for stability, for the sustainability of growth... We do not shy away from saying that,” Christian Lagarde, the head of the IMF, has warned, according to a report in *The Guardian* on 17 April. Yet, the G20 leaders did not even address the issue of excessive imbalances because of the continued opposition from Germany.

On global trade and multilateral trade liberalization, the leaders merely struck bland compromises that would precipitate the problems arising from continued asymmetries in the international trading system. The G20 trade sherpas who are tasked with finalizing the declaration remained divided because the US refused to acknowledge the problem of "protectionism". The Trump administration had also refused to pursue "multilateral" and "developmental" solutions as demanded by developing and the poorer countries and insisted that it will only embrace bilateral outcomes in which the US industry and workers secured maximum benefits.

Hours before the meeting came to a close on 8 July, the US agreed to include "protectionism" and the need to "keep markets open" in the final Hamburg declaration. In return, for including its core trade priorities such as "reciprocal and mutually advantageous trade and investment frameworks" and a "level playing field," the US agreed to include the language on the need to "continue to fight protectionism including all unfair trade practices."

Due to the continued US opposition to multilateral trade and developmental initiatives, the Hamburg declaration failed to suggest the outcomes that members of the World Trade Organization must accomplish at the WTO's 11th ministerial meeting in Buenos Aires in December. In short, the summit of the G20 leaders has not proved to be a "premier forum for international economic cooperation."

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Outcome of India's trade deals focus of Nirmala Sitharaman's first Geneva visit

D. Ravi Kant, Live Mint

Geneva, July 17, 2017 : On her first visit to Geneva as India's trade minister, commerce minister Nirmala Sitharaman is expected to underline the need to deliver development outcomes of trade deals that would address the asymmetries in the global trading system that deny equitable results to developing and poorest countries, according to people familiar with the visit.

Sitharaman, who will be on a two-day visit to Geneva beginning on 18 July, will meet the chiefs of the World Trade Organization and the United Nations Conference on Trade and Development as well as hold a series of meetings with trade envoys.

During these meetings which will last until 19 July, Sitharaman will assess the state of play in the ongoing negotiations on a range of unresolved issues of the Doha Development Agenda as well as controversial new issues being pushed by major industrialized countries along with some developing countries, said a person familiar with her programme.

The Indian minister will hold an open house at Geneva's Graduate Institute where she will deliver a lecture on the importance of multilateral trade initiatives as opposed to bilateral arrangements. The Trump administration in the US is increasingly opting for bilateral outcomes under the banner of America First and Buy America and Hire American slogans as opposed to multilateral trade liberalization.

Sitharaman is coming to Geneva at a time when there is still no clarity on the likely scenario for the WTO's 11th ministerial meeting in Buenos Aires in December.

The leaders of the G20 countries on 8 July merely said that their countries will "work together with all WTO members to make the eleventh WTO Ministerial Conference a success." WTO members are mandated, as per the Nairobi ministerial decision of December 2015, to negotiate a permanent solution for public stockholdings for food security programs and deliver a meaningful result on special safeguard mechanism for developing countries in Buenos Aires.

But there is little or no progress on these issues, which are meant to guard developing countries against unforeseen surges in the imports of agricultural products and which are at the core India's trade agenda.

On Friday, trade envoys from select countries held a brief meeting on these two issues without making any progress.

Major industrialized countries continued to resort to stonewalling, insisting that India and other members of the G33 group of countries must table "revised" proposals for making progress.

The G33 developing countries had demanded that market price support for public stockholding programs must be exempt from any subsidy reduction commitments like the green box programs that are exempt under the WTO rules.

But the US and the European Union—which spend more than $200 billion on green box support schemes that are found to be trade-distorting—have rejected the G33's demand time and time again.

Without addressing the unresolved issues of the Doha work program, major industrialized countries and their allies in the developing world want to embark on new issues such as e-commerce, and disciplines for micro, small, and medium enterprises (MSMEs) among others. The EU, Japan, Australia, Canada, Singapore, Colombia, Qatar, and Russia, for example, circulated proposals on 14 July calling for a new "holistic" work program on electronic commerce for starting negotiations after Buenos Aires.

In three separate proposals, they suggested that the time has come for pursuing a new work programme in place of the existing 1998 work programme because of the importance of e-commerce.

The 1998 work programme required members to make recommendations based on the work conducted in four different WTO bodies—the goods council, the council for trade in services, the TRIPS (trade-related intellectual properties) council, and the development division.

Despite 17 years of the Doha Development Agenda negotiations, in which developing and poorest countries were promised developmental outcomes for integrating into the global trading system, there is little or no progress on development issues such as the permanent solution for public stockholding programmes for food security, the special safeguard mechanism, and movement of short-term services providers.

In sharp contrast, the industrialized countries and their allies in the developing world managed to grab an outcome on trade facilitation for goods which was not part of the Doha agenda as it was dropped from the work program in 2003. India's then trade minister Arun Jaitley had opposed what are called the four Singapore issues which include trade facilitation. The other three Singapore issues are: investment, competition policy and government procurement.

But in 2004, trade facilitation was included in the Doha work programme after industrialized countries promised that they will address the developmental issues in agriculture, industrial goods, and services based on the principle of less-than-full reciprocity (LTFR).

The LTFR principle mandated developed countries to commit to sharp reduction commitments for reducing their trade-distorting farm subsidies as well as barriers in market access for agricultural and industrial products while the developing countries were required to undertake commensurate commitments.

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Course correction in place before WTO meeting: India

D. Ravi Kant, Live Mint

Geneva, July 20, 2017 : Commerce minister Nirmala Sitharaman on Wednesday said there is a genuine "course correction" in place for delivering results on mandated issues at the World Trade Organization's (WTO) eleventh ministerial meeting in Buenos Aires in December.

She suggested that "lessons are learnt" from the previous Nairobi ministerial meeting in order to avoid "non-transparent" processes of taking decisions that exclude a large majority of members.

Sitharaman denounced the US Special 301 report in which India was listed in a priority watch list last month for allegedly failing to enforce intellectual property laws and creating trade barriers to US pharma companies. She dismissed reports that India gave an assurance to the US-India Business Council that it will not avail compulsory licences (CLs) for commercial or public health purposes.

During her first visit to Geneva, Sitharaman spoke to *Mint* after meetings with WTO chief Roberto Azevedo and the chairs of different negotiating bodies. "As things stand today the impression I get is that lessons are learnt from the Nairobi ministerial meeting (held in 2015)", she said. The processes which have to be activated before the ministerial and leading to the ministerial and placing the ministerial declaration for ministers to consider it and agreeing it, have not worked before the Nairobi meeting. "It has now been corrected (and) as things stand between now and the Buenos Aires (those opaque processes) will not be repeated," she added.

"I'm now optimistic that the course-correction is happening and a review meeting in Marrakech (in September or October for assessing the deliverables for the Buenos Aires meeting) is the first outcome for course-correction."

As regards China and India joining hands at the WTO for adopting common positions on agriculture and other issues notwithstanding the sudden spike in tensions on the border issues, she said "I think and expect that meetings will happen on mandated items and if mandated items are going to be worked out in great detail then enabling activities like India-China paper (for eliminating trade-distorting domestic support for agriculture to the tune of $160 billion by advanced countries), the European Union's paper (on farm subsidies) all of them will be taken up."

On Monday, China and India jointly circulated a comprehensive proposal on the need to eliminate what is called Aggregate Measurement of Support as a prerequisite for addressing trade-distorting farm subsidies before Buenos Aires.

Commenting on 'new issues'—rules for electronic commerce, disciplines for small and medium enterprises, and investment facilitation which are being aggressively pushed by several industrialized countries—she said India has rejected them.

About India's inclusion in the US Special 301 report, she said, "It is a unilateral action and if I can say it is a crowbar, in putting somebody's nose into a third country's policy," adding, "Nobody has a right to look into somebody's policy area."

"We reject this automatically, totally," she said. "And second even while forming my IPR (intellectual property rights) policy, we made it absolutely plain that it is in the public domain and anybody can comment on it, and after that several delegations (from the US) met me. I told them to talk to the think-tank which has been appointed," she said.

In a lecture on "reclaiming multilateralism" on Tuesday at the Graduate Institute, Sitharaman said only "developmental" outcomes based on the Doha Development Agenda will be able to strengthen multilateralism.

She said a permanent solution for food security for developing countries is an imperative for more than 800 million people who live in hunger and justified price support programmes for food security, saying there should be a lasting solution to the issue.

The Indian trade minister said all fixed and opaque tariffs on agricultural products must be converted into ad valorem equivalents based on the formula that was worked out in 2005.

Sitharman challenged the narrative advanced by industrialized and a few developing countries that negotiating binding rules on e-commerce would bring benefits to small and medium enterprises. Global e-retail platform owners use their considerable market power to the disadvantage of SMEs, in her lecture.

"Multilateralism as embodied in the WTO is at a cross-roads" because of threats rising from nationalist and "insular" economic policies that are paving the way for renewed protectionist measures, she said.

The commerce minister drew several markers for immediate improvements—including safeguarding the independent functioning of the appellate body and a single term of six years for its members to ensure independence.

In the face of growing sanitary and phytosanitary (SPS) measures that invariably result in higher levels of protection, the minister called for strengthening the WTO agreement on SPS whose decisions must be based on scientific justification or scientific risk assessment.

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India-Africa trade may touch $117 billion by 2020-21: Report

The India Express

July 23, 2017 : India's trade with African countries is likely to touch $117 billion by 2020-21 on account of improved economic ties and strong business opportunities, according to a report.

Indian exports to the African continent are expected to grow to $70 billion by 2021-22 from $24 billion in 2015 -16 due to rising complementaries, the PHD Chamber of Commerce and Industry said in the report. Imports from Africa too are likely to increase to $47 billion by 2021-22 from $27 billion in 2015-16.

"India has been able to intensify its presence in African countries through a significant line a credit worth $10 billion for development projects in Africa over a five-year period," PHD Chamber President Gopal Jiwarajka said.

"With consistent expansion in trade, diversification and widening of products should also be focused on while trading with African nations in the coming years," he added.

He observed that efforts should be made to streamline trade procedures, enhance maritime connectivity and develop robust logistics infrastructure to reduce trade costs and to strengthen trade ties between India and Africa.

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'Indian policies discriminating US exports and investment'

The Indian Express

July 24, 2017 : Several policies adopted by India to boost its economy, manufacturing in particular, discriminate against US exports and investment, an influential Congressional committee has said. "India, while striving to improve its economic growth, has been enacting a series of policies to increase domestic manufacturing and protect domestic industries and agricultural production that discriminate against US exports and investment," the House Appropriations Committee said in its report accompanying the annual Appropriations Bill 2018.

The report was prepared by the Commerce, Justice, Science, and Related Agencies Appropriations Subcommittee that has jurisdiction over a diverse group of agencies responsible for combating gangs, violent crime, drug trafficking, financial fraud, terrorism, espionage, and cybercrime; enforcing trade laws; conducting periodic censuses; forecasting the weather; managing fisheries; exploring space; and advancing science.

Noting the importance of US-India bilateral trade and investment, the Appropriations Committee, in its report to the committee on Monday expressed concerned about the standards of intellectual property protection and forced localisation measures.

The powerful committee also expressed its concern over the "alleged unfair treatment by India of US exports of American-produced boric acid, the illegal rebranding and smuggling of US-grown almonds into India, and a whole host of other market access issues."

"The committee understands the Trade Representative has raised these unfair barriers to trade multiple times with the Indian government and supports the efforts of USTR to resolve these issues," the report said.

The committee directed US Trade Representatives (USTR) to continue to pursue free trade agreements with additional countries and trading blocs to continue advancing trade to and from the United States.

The committee expected that the USTR will coordinate and implement a comprehensive and vigorous strategy to address the United States' trade imbalance with China. Within the amounts provided, the USTR is encouraged to maintain staff who can translate trade documents that USTR receives from China. The Committee believes that USTR should have its own translators on staff given the challenges associated with enforcing existing US trade laws with China, it said.

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United States, China agree to cooperate on deficit in first trade talks under Donald Trump

The Indian Express

Washington, July 20, 2017 : The United States and China have agreed to cooperate on reducing the trade deficit in the first round of economic talks under the Trump administration, Washington said at the conclusion of the meeting which produced no major breakthroughs. Commerce Secretary Wilbur Ross and Treasury Secretary Steven Mnuchin had opened the talks between the world's top two economies with tough demands for a more "fair, equitable and reciprocal" relationship, with more access for American-made goods and services. The US side on Wednesday blamed the unbalanced relationship — marked by a trade deficit with China of USD 309 billion last year — on Beijing's policies that impede access to their market. China says Washington's own rules restricting US high-tech exports are partially to blame.

But Ross and Mnuchin took a more measured tone in a statement following the conclusion of the talks with the Chinese delegation, led by Vice Premier Wang Yang.

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Trade deficit with China a matter of concern: Nirmala Sitharaman

The Indian Express

July 24, 2017 : India's trade deficit with China is a matter of concern and the government is working for greater access of Indian goods and services into the Chinese market, Lok Sabha was informed on Monday. "Trade deficit with China is a matter of concern. We are discussing the issue with China for greater access for Indian products and services in the Chinese market," Commerce Minister Nirmala Sitharaman said during Question Hour.

Sitharaman said even Prime Minister Narendra Modi has raised the issue with the Chinese authorities at the highest level and the government was working to reduce the trade deficit with China. The minister said China tops the list of 25 countries with which India has trade deficit in last three years. The other countries with which India has trade deficit include Switzerland, Saudi Arabia, Indonesia and South Korea.

Among the countries with which India has favourable trade balance include the United States, United Arab Emirates, Bangladesh, United Kingdom besides others. Sitharaman said the government has taken a number of steps to overcome the trade deficit which include New Foreign Trade Policy (2015-20), Merchandise Exports From India Scheme, the Services Exports from India Scheme, Niryat Bandhu Scheme etc.

She said India has exported merchandise and services worth $230.36 billion between December 2016 and May 2017 to various countries. Of the total exports, in May alone, India has exported merchandise and services valued $37.44 billion, which is 4.40 per cent more than the previous month (April), she said.

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China accuses India of 'abusing' trade remedy measures

The Economic Times

Beijing, July 25, 2017 : China today accused India of "abusing" trade remedy measures and called for settling trade disputes through consultation.

Reacting to India's move to launch an anti-dumping investigation over photovoltaic cells and units imported from the China, Taiwan, and Malaysia, Wang Hejun, head of the Ministry of Commerce's (MOC) trade remedy and investigation bureau, said China is paying close attention to the investigation and hopes India will conduct it in a prudent manner and as per relevant rules.

He was quoted by the state-run Xinhua news agency as saying that India should avoid "abusing" trade remedy measures and hoped the two countries can settle trade disputes through consultation.

Wang's comments come ahead of Commerce Minister Nirmala Sitharaman's visit to Shanghai to take part in the BRICS trade ministers meeting to be held from August 1-2 to discuss expanding e-commerce cooperation.

Wang said adopting restrictive measures for the trade of photovoltaic products would not only harm photovoltaic sector development in India, but also dampen the sector's long-term development worldwide as well as economic and trade cooperation between China and India.

All countries should cooperate for the sustainable and healthy development of the photovoltaic sector, which is significant in fighting climate change, rather than resorting to trade remedy measures and disrupting trade orders, Wang was quoted as saying.

India's photovoltaic market has witnessed fast expansion, with its photovoltaic power generating capacity growing 3.7 times over the past three years, which has also benefited from China's photovoltaic products with reasonable prices and high quality, Wang said ahead of the BRICS meet aimed at expanding e-commerce cooperation.

E-commerce cooperation, such as in the areas of logistics and payments, is developing fast among the five countries, with many of their products gaining traction on the Chinese market, according to Zhang Shaogang, director with the Department of International Trade and Economic Affairs with the MOC.

Meanwhile, economic and technological cooperation will be included in the agenda for the first time in the trade ministers meeting's history to improve the bloc's capabilities in service trade, e-commerce and other fields, the report said.

China imported products worth over USD 70.16 billion from BRICS countries in the first half of 2017, up 33.6 per cent year on year, MOC data showed.

The Xinhua report, however, did not provide details of China's exports to BRICS countries.

During her visit, Sitharaman was also expected to discuss the yawning trade deficit in India-China bilateral trade which has now crossed over USD 50 billion in little over USD 70 billion overall trade between the two countries.

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Commerce Secretary Rita Teotia hopes border row will not hit Indo-China trade

The Economic Times

Hyderabad, July 24, 2017 : Union Commerce Secretary Rita Teotia today expressed hope that the current border standoff between India and China will not have any impact on the bilateral trade.

She also dismissed concerns that the confrontation between the two neighbours on the Sikkim sector will affect the ongoing Regional Comprehensive Economic Partnership (RCEP) negotiations.

"I would hesitate to classify it in such a way (that it would impact bilateral trade). Of course, this is not the remit of the department of commerce, but we would hope that the regular trade between the two countries would move ahead and move in a way that is positive for everybody," Teotia said on the sidelines of the 19th round of negotiations on the RCEP here.

She was in the city to participate in the RCEP trade negotiations committee meeting.

Indian and Chinese soldiers are locked in a face-off at the Doklam area, which is roughly 15 km southeast of the Nathu La Pass that separates India and China and about 30 km southwest of the river Dramana Chhu in Bhutan. Last month, the Indian Army stopped Chinese road construction activities in Doklam area, which is claimed by China as its own, and since then the standoff has continued.

India's trade deficit with China has marginally dipped to USD 51 billion in 2016-17 from USD 52.69 billion in the previous fiscal, commerce and industry minister Nirmala Sitharaman told Parliament today.

The country's bilateral trade with China stood at USD 71.48 billion in 2016-17.

Teotia also allayed the apprehensions that the current standoff between the two largest countries in Asia would impact the RCEP talks, saying "our negotiators would keep in mind" the national interests.

"(In) our negotiations, we are very clear what our trade interests are. Every country is negotiating for moving forward constructively, of course taking care of its own economic interests. And I think our delegation is very aware of that responsibility," Teotia said when asked about the impact of border tension on the trade discussions.

She also said a ministerial-level meeting of the regional trade agreement will be held in Manila in September and all the member countries have actually made conscious efforts to move forward.

"The work on the goods side has been quite substantial also. And now all the member-countries have given their revised offers also. Those will be under discussion now," she added.

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

These 16 countries accounts for over a quarter of the over USD 75 trillion global economy.

She said India is looking for a balanced agreement in which there would be give and take between any two agreed countries in RECP.

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India, China seek reduction in farm subsidies by West

Sidhartha, The Economic Times

New Delhi, July 22, 2017 : Even as the Chinese state media turned shriller on India and accused foreign minister Sushma Swaraj of lying to Parliament on the Doklam impasse, India and China are working together at the World Trade Organization (WTO) to get developed countries such as the US and the European Union members to reduce subsidies for farm products that are detrimental to exports from developing and poor countries.

Earlier this week, the two countries put out a joint proposal to revive talks on a more balanced set of rules for global farm trade in the run up to a meeting of ministers in December. On Thursday, at a meeting in Geneva, India presented the paper and argued that the current WTO agreement on agriculture contains a major asymmetry as it allows developed countries access to enhanced support and sought its removal as a pre-requisite for talks on reforms for subsidies provided in the domestic markets.

“Only in this way will it help to address some of the inequities built in WTO rules,” a source said, quoting an Indian representative. Indonesia, Bolivia, Philippines, Turkey and Uganda have supported the China-India paper, which is meant to reduce some of the inequalities in favour of the West, said sources.

China is also working with the G-33, comprising India and led by Indonesia, to seek a permanent resolution to the problem of spending caps imposed on governments in developing countries for procuring and maintaining food stocks, such as those with the Food Corporation of India. The issue was discussed at length on Friday along with the proposal to provide for a special safeguard mechanism that the developing countries will be able to use in case of a surge in imports.

The two proposals have been thorny issues for India, which had flagged its concerns during the two previous ministerial meetings in in Bali (2013) and Nairobi (2015). In fact, the Narendra Modi government had got the WTO members to agree to change the decisions taken in Bali on stockholding.

But trade is clearly different from border issues. Unlike China, which is playing ball with India at the WTO, Pakistan has chosen to remain hostile. In fact, Islamabad was among those fighting for the cause of up-to-date rules and price calculations for developing countries on public stockholding but at the last minute dropped out of the pack and aligned itself with the US and the EU position.

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223 anti-dumping probes initiated by India since January 2012

The Economic Times

New Delhi, July 24, 2017 : India has initiated as many as 223 anti-dumping investigations between January 2012 and July 14 this year against various countries, including China and Indonesia, Parliament was informed today.

During the period, maximum number of cases were against China (62).

In a written reply to the Lok Sabha, Commerce Minister Nirmala Sitharaman said that from time to time, the directorate general of anti-dumping and allied duties (DGAD) receives applications from domestic producers for imposition of the duty on various products.

"As on July 14, 2017, anti-dumping duty is on force in 141 cases and 54 more cases have been initiated," she said.

Product categories on which the levy was imposed include chemicals, fibre boards, glass & glassware, pharmaceuticals and steel.

Countries impose anti-dumping duties to guard domestic industry from surge in below-cost imports.

Anti-dumping steps are taken to ensure fair trade and provide a level-playing field to the domestic industry.

They are not a measure to restrict import or cause an unjustified increase in cost of products.

In a separate reply, she said during the last five years and this fiscal (June 30), more time have been given to as many as 145 special economic zone developers to complete their projects.

As per SEZ rules, the letter of approval granted to the developer is valid for a period of three years within which time effective steps are to be taken by the developer to implement the approved project.

The board of approval, highest decision making body of SEZ, may grant more time by extending the validity period of the letter of approval.

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Rules may be eased to help e-commerce companies boost exports

Deepshikha Sikarwar, The Economic Times

New Delhi, July 23, 2017 : To enable homegrown ecommerce players such Myntra, Snapdeal and a host of handicraft and garment platforms to expand their global footprint, India is looking to revamp the export framework governing overseas sales by them. The measures under consideration include a complete switchover to e-enabled filing systems and even doing away with the current cap of Rs 25,000 on a purchase.

“A number of steps have been identified to make it easier for the ecommerce sector to trade,” said a senior finance ministry official. A pilot has already been launched in Mumbai and will be expanded to other customs ports. Exports via these online marketplaces rely on couriers and small packages and often involves a lot of paperwork at the ports. Essentially, these couriers act as aggregators for ecommerce platforms.

So, one courier may have to deal with multiple packages but of small value unlike large exporters. The paperwork for each package has to be done separately. They may be allowed to make a single submission for all their packages, which will speed up trade. “The idea is to simplify the process and take it online,” the official said, adding that the cap of Rs 25,000 per package may be substantially enhanced or even removed.

“It would be done shortly.” The restriction is applicable on goods sent through courier companies which have lobbied the governement on these issues. These are currently sent out as samples and products from some sectors such as handloom and garment sectors. They are eligible for export incentives as well under the commerce and industry ministry. The revamp is part of the National Action Plan for Trade Facilitation adopted by the country. The plan was released by finance minister Arun Jaitley on July 20.

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Impact of big data analytics: ‘Concentration of data may bring in new monopolists’

The Indian Express

Bengaluru, July 20, 2017 : Increasing aggregation of data on a few platforms is likely to result in the emergence of new monopolies which control data, the former chairman of the Unique Identification Authority of India, Nandan Nilekani, who crafted the Aadhaar plan for identifying Indian residents, said at a discussion on ‘How Data Analytics and Automation will transform India’.

“I am deeply concerned that data is going to create a new set of monopolists and a whole new model of colonisation,” Nilekani who championed the creation of unique identification numbers based on biometric data to enable direct transfers of government benefits to citizens said at an event on Tuesday.

Nilekani was discussing the impact of a world driven by big data analytics on jobs, policies, corporates, governments and individuals with the former chief data scientist to former US President Barack Obama, Dhanurjay ‘DJ’ Patil, at an event organised by the education start up UpGrad.

“Aggregation of data in a few concentrated platforms is actually a big risk. You end up with data monopoly. With more data and better machine learning you get more customers,” Nilekani said in a warning that big tech companies can farm big data for profits by gathering it without consent via platforms used for transactions or communications by people. There is a need to for new data policies in India to give individuals control over the usage of their data by corporations or governments, Nilekani said. “A big part of public policy discussions around the world is on having a regime where data is portable, shared and yours. We do not have anything like this in India. So, we can think of a fresh policy,” Nandan Nilekani said.

The former chief data scientist in the Obama administration, Patil, warned that companies were gathering data on people without their consent. The data could be in the form of satellite images, online pictures or documents which could be of value to a financial institution or someone else to assess an individual, he said. “This is where a very strong policy would help. India has an opportunity to learn from things that we did not do,” the former chief data scientist said. Artificial intelligence and automation would have a big impact on jobs in the IT industry like the testing of software code, ‘DJ’ Patil said.

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Data protection integral to Right to Life, will issue regulations for it: Centre to SC

The Indian Express

July 21, 2017 : The Centre today told the Supreme Court that data of users was “integral” to the Right of Life and Personal Liberty guaranteed under the Constitution and it would come out with regulations to protect it. It said that there was a need for intervention by the State in the matter as data was connected to the personality of a user. The submission was made before a five-judge constitution bench headed by Justice Dipak Misra which was examining the contentious issue of 2016 privacy policy of WhatsApp.

“Data of user is connected to the personality and it is an integral part of Article 21 (Protection of Life and Personal Liberty of the Constitution). If any contractual obligation impinges upon that, it will have ramifications. We will come out with regulations (on data protection),” Additional Solicitor General P S Narasimha submitted.

The bench also comprising Justices A K Sikri, Amitava Roy, A M Khanwilkar and M M Shantanagoudar observed that it would have to “draw a line” on where data could be used and where it could be “misused”. During the hearing, the court said “arbitrary” conditions could not be imposed on the users and though the Centre has said it would come out with a regulatory regime, the issue was how to control it till the time the regulatory measures were put in place.

“We have already said that do not link privacy issue with this. This case can be argued on another platform. I have a choice. You have a facility. When you are giving a facility, you cannot impose arbitrary conditions,” Justice Misra said. The bench also observed that such platforms cannot impose conditions which violate rights of citizens as choice of the users cannot be “curtailed”.

Senior advocate Kapil Sibal, appearing for WhatsApp, told the bench that the mobile application was not at all against a regulatory regime and no user data was shared on the instant messaging platform. He, however, told the court that since a nine-judge bench of the apex court is adjudicating the issue whether right to privacy is a fundamental right, this matter should be heard after the judgement is pronounced by the larger bench. The court, after hearing the submissions, fixed the matter for further hearing on September 6 as the nine-judge bench was likely to pronounce its verdict on right to privacy by then.

Senior advocate Harish Salve, appearing for two students Karmanya Singh Sareen and Shreya Sethi who have challenged the 2016 WhatsApp privacy policy, argued that their plea was maintainable as they have sought a direction to the Centre that regulations should be put in place to deal with the issue of data sharing. “Merely because you (WhatsApp) are a service provider, you cannot say that I will open your letter and read it,” he said, adding, “This court has the jurisdiction to hear this matter. Where is the question of maintainability?”.

Sibal raked up the issue of why only WhatsApp has been targeted in the petition, saying that the platform has an end-to-end encryption and messages or data shared cannot be accessed by anyone. “It is an indirect way for telecom companies to stop WhatsApp,” he said, adding, “Take any platform, data is shared. Why a petition has been filed against WhatsApp only. Our data is secured. It is not a PIL (public interest litigation) at all.”

Salve took exception to Sibal’s contention that “agents” of telecom companies have come to the court and said, “You cannot say that youngsters, who are students and have come to the court, are agents of telecom companies.” However, Sibal said, “Students and youngsters are not (agents), but there are some agents. Millions and billions of users have no objection. Only two people on the planet have a complaint.” He said that a regulatory regime of the government should be applicable to all platforms which are operating in India and this may have huge economic implications.

Senior advocate Arvind Datar, appearing for Facebook which had acquired WhatsApp in 2014, told the bench that nothing was shared on the messaging platform. Sibal submitted that issue in hand was a serious one and it must be understood first as to how these platforms operated otherwise it would be akin to opening a Pandora’s box which would be hard to control. The Centre told the court that it would come out with a regulatory regime on data protection, but how far it would cover the aspect would depend on the arguments advanced by the parties in the court.

The apex court had in May asked the government to ensure that 160 million Indian subscribers were not “entrapped” in any manner by service providers like WhatsApp, which was providing were services to its users.

The petitioners have claimed that after the 2016 privacy policy, personal data was shared and other data were collected by WhatsApp which were used for commercial purposes. The apex court was hearing the appeal assailing the Delhi High Court verdict on the ground that no relief was granted for the data shared by the users after September 25, 2016 which amounted to infringement of the fundamental rights under Articles 19 and 21 of the Constitution.

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