INDIA'S TRADE NEWS AND VIEWS
15 April to 30 April 2018

Breakdown in trade relations could threaten ongoing economic expansion : WTO
A breakdown in trade relations among major players could threaten the ongoing economic expansion and put many…

India may move WTO if US denies preferential treatment to exports
India could approach the dispute settlement body of the World Trade Organization (WTO) if the US denies it…

India likely to file dispute at WTO if US rejects exemption on tariffs: Sources
India would lodge a trade dispute against the United States at the World Trade Organisation if Washington does not grant…

Govt working with US to address trade issues: Suresh Prabhu
The government on Tuesday said it is working with the US to resolve all trade issues even as America has decided to review…

US rejects India's plea to join safeguard consultations at WTO over steel tariff hike
The US has rejected a request from India to enter into what are called safeguard consultations at the World Trade Organization…

Trump trade war spurs India to import more oil, drones from US
India is seeking more oil, drones and aircraft from the US to help narrow its $28 billion trade surplus…

A trade tutorial for US President Donald Trump
US President Donald Trump has declared that America's $500 billion trade deficit with China means that the US…

India hauls US to WTO against import tariffs
With the US refusing to roll back the higher duties on steel and aluminium imports from India…

India continues to figure in US' intellectual property priority watch list

India continues to figure in the US' Priority Watch List that identifies trade barriers to US companies due to intellectual property…

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

India is looking for greater market access in the European Union for items such as textiles and leather and seeking…

Framework for national e-commerce policy to be finalized soon this year

A think tank of key stakeholders headed by commerce minister Suresh Prabhu will finalize a framework for a national e-commerce policy…

Industry, govt think-tank to discuss national e-comm policy

A cross-section of e-commerce, telecom & IT companies and representatives from the government will…

India, Mongolia to enhance bilateral trade, investments

India and Mongolia today discussed economic cooperation in areas such as infrastructure development, energy, services and IT and agreed to…

Agriculture ministry in talks with Russia to speed up nod for export of dairy and meat units

The agriculture ministry is in talks with the Russian government to expedite testing and clearing of Indian dairy, fish and meat processing units for exports…

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Breakdown in trade relations could threaten ongoing economic expansion : WTO

The Hindu

Washington, April 21, 2018 : A breakdown in trade relations among major players could threaten the ongoing economic expansion and put many jobs at risk, the World Trade Organization has said, amid an escalating US-China trade war.

Noting that global cooperation will be essential in easing tensions and safeguarding the strong growth that they are being seen now, Roberto Azevedo, Director-General of the WTO. The trade body which was created as a forum for members to hold each other to account, will play its proper role in this process.

“The improved outlook for trade is welcome news, but there are a number of downside risks threatening the world economy and the recovery of world trade. Economic factors include the expected tightening of monetary policy in developing nations and the reining in of credit and fiscal expansion in large emerging market economies,” Azevedo told the annual spring meeting of the International Monetary Fund.

“However, the larger threat is posed by increasing trade tensions and the possibility that we enter a sequence of unilateral, tit-for-tat measures, all of which generate uncertainties for global trade and GDP growth. It is not possible to accurately map out the effects of a major escalation, but clearly they could be serious,” he said.

“A breakdown in trade relations among major players could derail the recovery that we have seen in recent years, threatening the ongoing economic expansion and putting many jobs at risk.,” Azevedo said.

Indeed, it can be argued that without the WTO, a wave of protectionist measures would have been stirred up by the 2008 crisis, significantly worsening the economic effects of that downturn, he said.

A strong, rules-based multilateral trading system — as embodied in the WTO — provides the necessary stability and predictability for global commerce to function smoothly and play its full role in supporting economic growth and development.

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Breakthroughs include the Trade Facilitation Agreement, the agreement to eliminate agricultural export subsidies, and a series of steps to support our least-developed members. In addition, a group of members struck a deal to expand the Information Technology Agreement, which eliminates tariffs on a wide-range of information technology products, he said.

A potential trade war has been brewing between the two nations since April 2017 when Trump directed the Commerce Department to investigate whether imports of foreign steel from China and other countries could be a threat to national security.

[Back to top]

India may move WTO if US denies preferential treatment to exports

Kirtika Suneja, The Economic Times

New Delhi, April 15, 2018 : India could approach the dispute settlement body of the World Trade Organization (WTO) if the US denies it preferential benefits in retaliation for the barriers Washington claims its exports face here.

Sources said the Generalized System of Preferences (GSP) is a non-reciprocal programme—when developed countries grant trade concessions to developing countries, they should not expect matching offers in return. Hence, the benefits can’t be unilaterally terminated on such basis.

The US wants to review India’s eligibility based on petitions filed by its dairy industry and medical devices industry “given Indian trade barriers affecting US exports in those sectors".

The US GSP is a trade programme instituted on January 1, 1976 to promote economic growth in the developing world by allowing duty-free entry to select goods.

As of now, nearly 129 countries benefit from this preferential duty arrangement for about 4,800 goods.

Experts say India will have a case if the US takes any unilateral action.

"If the US cites so-called market access barriers as the ground for denying us GSP benefits, then we can take them to dispute. This is so because GSP benefits are supposed to be non-reciprocal," said Abhijit Das, professor and head, Centre for WTO Studies at the Indian Institute of Foreign Trade in Delhi.

As per US norms, a beneficiary country must meet 15 eligibility criteria established by the Congress, including combating child labour, respecting internationally recognised worker rights, providing adequate and effective intellectual property protection, and providing the US with equitable and reasonable market access in order to qualify for GSP.

"The US wants to use GSP as a ploy to get more market access in India... They will find some other way to curb the benefits," said an expert on WTO issues.

The US has said that for India, the GSP country eligibility review is based on concerns related to its compliance with the GSP market access criterion.

However, India can challenge the US even if these conditions are not met and benefits are stopped.

In 2002, India had challenged the European Union's GSP regime for seriously drug-affected countries, arguing that it discriminated among developing countries.

The WTO Appellate Body later found that the EU's GSP drug regime then was not based on objective and transparent criteria for the selection of the beneficiary countries. "India should challenge the US because GSP has to be non-discriminatory. It can't put additional conditions on grant of GSP," said Biswajit Dhar, professor at the Centre for Economic Studies and Planning in the School of Social Sciences at Jawaharlal Nehru University in Delhi.

US-India bilateral merchandise trade was $64.5 billion in FY17 with India's exports adding up to $42.2 billion and imports at $22.7 billion.

[Back to top]

India likely to file dispute at WTO if US rejects exemption on tariffs: Sources

The Economic Times

New Delhi, April 23, 2018 : India would lodge a trade dispute against the United States at the World Trade Organisation if Washington does not grant it exemptions from higher tariffs on steel and aluminium, three government officials involved in trade talks told Reuters.

India recently requested exemptions, arguing that its exports of these products to the United States did not create a security concern for a country with whom it has a strategic partnership that goes beyond trade.

Three senior officials who did not want to be named said New Delhi would file a case citing discrimination with the WTO as a first course of action if the U.S. did not grant the exemptions.

Indian Steel Minister Chaudhary Birender Singh declined to say how India might respond if its request for exemption was rejected.

"Our proposal is still pending with the U.S. government and they have assured us they will reconsider," Singh told Reuters.

However, an internal note prepared by his ministry and seen by Reuters showed India could also consider temporarily raising the basic customs duty on some U.S. goods in the event the exemptions were not granted.

Following an outcry over the U.S. tariffs announced in March, Trump agreed to suspend their imposition until May 1 for Argentina, Australia, Brazil, South Korea, Canada, Mexico and the European Union, the biggest U.S. trading partner, in order to allow discussions to continue.

"Why should there be artificial barriers when everyone else seems to be getting an exemption? We are not a security threat," one of the officials involved in the discussions told Reuters.

Earlier this month, U.S. Assistant Trade Representative Mark Linscott held talks with India's trade minister, Suresh Prabhu, and other senior officials in New Delhi.

India exported less than 1 million tonnes of steel to the U.S. in 2017, and was the tenth biggest supplier, according to an internal note prepared by the steel ministry. Steel exports to the United States account for 2.2 percent of India's total steel exports, it showed.

India's goods trade deficit with the United States fell by nearly six percent to less than $23 billion last year.

The three Indian officials involved in the trade talks said New Delhi could seek support, if needed, from other WTO member nations worried about the direction of U.S. trade policy. The commerce ministry did not respond to Reuters' emails seeking comment.

[Back to top]

Govt working with US to address trade issues: Suresh Prabhu

Live Mint

New Delhi, April 17,2018: The government on Tuesday said it is working with the US to resolve all trade issues even as America has decided to review India’s eligibility to enjoy duty-free access for certain products under a tax benefit scheme. The US has also added India to its watch list of countries alleging questionable foreign exchange policies.

Besides, it has dragged India to WTO’s dispute settlement mechanism challenging Indian export incentive schemes. Commerce and industry minister Suresh Prabhu said the US is India’s important trading partner and the latter has a large trade surplus with it.

“We have special relation with the US, which is multi-faceted, multi dimensional and also very strategic. We are working with the US to address the trade issues,” he told reporters here.

He said that over four million Indians are living in the US and it is one of the major markets for goods and services exports.

“In a situation like this, the US has taken certain unilateral actions. So we will follow the rules of WTO (World Trade Organisation) as well as we will talk to them. We are completely in the control of situation,” he added.

Prabhu said that the assistant US Trade Representative (USTR) was here last week and “we are in touch with the US at all levels”.

On the issue of imposing high duties on steel and aluminium by the US, he said India's exports of these two commodities to America is not significant.

"I can assure you one thing that the only guiding principle for engagement with the US is to protect India's commercial interest in its entirety," he added.

As many as 3,500 Indian products from sectors such as chemicals, medical devices and engineering get duty free access to the US market under the Generalized System of Preferences (GSP), introduced in 1976.

The review can impact exports of those 3,500 Indian products to the US market as removal of duty benefits would make those items uncompetitive.

According to the USTR, the total US imports under GSP in 2017 was $21.2 billion, of which India was the biggest beneficiary with $5.6 billion, followed by Thailand ($4.2 billion) and Brazil ($2.5 billion).

The bilateral trade between the countries has increased to $64.52 billion in 2016-17 from $62.11 billion in the previous fiscal.

[Back to top]

US rejects India's plea to join safeguard consultations at WTO over steel tariff hike

D. Ravi Kant, Live Mint

Geneva, April 23, 2018: The US has rejected a request from India to enter into what are called safeguard consultations at the World Trade Organization (WTO) on additional duties imposed by US President Donald Trump on steel and aluminium imports last month.

On 8 March, the US enacted tariffs of 25% on steel and 10% on aluminium against all countries, invoking national security. Several countries— China, India, the European Union (EU), Russia and Thailand among others—called upon the US to enter into safeguard consultations.

In its request on 17 April, India said it considers the US measure to "be an emergency action/safeguard measure within the meaning of Article XIX of the General Agreement on Tariffs and Trade, 1994, (GATT 1994) and the Agreement on Safeguards."

“As an affected member with significant export interest to the United States for the products at issue,” India said it wants “consultations with the United States pursuant to Article 12.3 and Article 8.1 of the Agreement on Safeguards and Article XIX:2 of the GATT 1994.”

New Delhi said it reserves the right to “consult on the specifics of the measures and its right to determine appropriate trade compensation with the United States.”

The US, however, dismissed India’s request on the grounds that the additional duties are not based on rules set out in the WTO Safeguards Agreement. The US said that under Section 232 of its Trade Expansion Act, 1962, Trump has determined that tariffs are necessary to adjust imports of steel and aluminium articles that threaten to impair the national security of the US. Washington emphasized the US “actions are not safeguard measures, and therefore, there is no basis to conduct consultations under the Agreement on Safeguards with respect to these measures.”

The US also rejected requests from China, the EU and Russia to enter into safeguard consultations.

Meanwhile, in a separate development, India also said it wants to join the trade dispute proceedings launched by China against the US at the WTO over steel and aluminium tariffs. China raised trade dispute proceedings on a parallel track saying the US duties violate global trade rules. India said it wants to join the dispute consultations because of its “substantial interest” as a significant exporter of steel to the US.

[Back to top]

Trump trade war spurs India to import more oil, drones from US

Archana Chaudhary, Live Mint

New Delhi, April 24, 2018: India is seeking more oil, drones and aircraft from the US to help narrow its $28 billion trade surplus amid rising concerns of possible collateral damage to its economy from President Donald Trump’s trade spat with China.

Asia’s third-largest economy could bridge the surplus by up to $4 billion through oil imports alone, government officials said, asking not to be identified as they are not authorized to speak to the media.

India is among partner countries seeking to allay US trade deficit fears by raising imports as the Trump administration redraws bilateral trade plans and seeks to alter world trade norms. Earlier this month the US added India to a list of countries it's monitoring for possible currency manipulation aimed at boosting exports. India, which denied its central bank interventions help exports, fits one of the main criteria for countries making the list—a bilateral trade surplus of at least $20 billion.

Along with South Korea, India was the only other country to cut its surplus—merchandise and services—with the US after Trump took charge. The surplus dropped to $28 billion in 2017 from the $30.8 billion in 2016, according to data from the Office of the US Trade Representative. Its merchandise trade surplus with the US in 2017 fell 6.1% to $22.9 billion, mostly helped by more than doubling imports of aircraft and parts from the US in fiscal 2017 to $4.24 billion, data from India's commerce ministry show.

The number may narrow further this year after the US lifted its four-decade-long curbs on crude oil exports, the officials said. India, which received its first US oil shipment in August 2017, could import oil worth $4 billion, according to one of the officials. On 19 April, Trump cleared the 'US Policy on the Export of Unmanned Aerial Systems' that could allow India to buy drones.

India, which imports more than 80% of its crude oil requirement, sourced nearly 12 million barrels of crude oil from the US in the last six months. Its 37 billion cubic feet of natural gas purchases over the past couple of years will help correct trade imbalances with India, US energy secretary Rick Perry said in New Delhi on 17 April.

Counter productive

"India importing more from the United States, if it is in its interest, is a good thing. But Trump's approach to trade has been fairly negative and counter productive," said Joshua P. Meltzer, Washington-based senior fellow at the Brookings Institution. "It forces countries to think about how do they narrow bilateral deficits."

It's too early to say how it will affect the World Trade Organisation, but there's a danger that a longer stint for Trump in the White House could mean countries will reposition themselves in a more permanent way, Meltzer said.

In the meantime, conflicts over trade tariffs remain. India is seeking an exemption to steel and aluminum tariffs imposed by the US even as it last week asked to join the WTO's dispute consultations between China and US It alleged the Trump administration's measures violated WTO's most-favored nation principle, officials said.

The south Asian nation plans to discuss its market access demands, concerns over H1B visas and changing rules to allow its information technology workers US social security benefits at the trade policy forum scheduled to be held in New Delhi in October or November.

[Back to top]

A trade tutorial for US President Donald Trump

Asad Jamal, Live Mint

April 26, 2018: US President Donald Trump has declared that America's $500 billion trade deficit with China means that the US is "down" $500 billion. Apparently, he thinks that trade surpluses and deficits amount to profit and loss statements for countries. He could not be more wrong.

Let's say that a developer, erecting an apartment building in New York City, purchases $50 million worth of construction material from China, and spends another $50 million on local services. If the developer then sells the building to American buyers for $110 million, he has made a profit of $10 million.

The venture, it seems clear, made good business and economic sense. The $50 million spent on Chinese imports certainly would not be considered a "loss." Yet that is precisely what Trump's logic implies. Worse, Trump would demand that, to "even things out", China purchase $50 million of US products—or face tariffs that make it more expensive for future US developers to purchase construction materials from China.

If, for example, the new tariffs totalled 25% of the "loss," or $12.5 million, the same project's total cost would jump to $112.5 million. A $110 million sale would then imply a $2.5 million loss, rather than a $10 million profit. A smart developer would work this out in advance, and potentially scrap the project altogether (unless they could find local suppliers to offer a better deal). That would hurt the entire economy, especially if the tariffs affected a large number of investments, as Trump's steel and aluminium tariffs will.

For the sake of any who share Trump's flawed logic, the point can be clarified further. The $50 million the developer spent in China was exchanged for $50 million worth of goods. That makes it an equal and balanced transaction. Demanding that China purchase $50 million worth of US goods would have no impact; it would simply produce another equal and balanced transaction.

To use the language of deficits and surpluses that so trips up Trump, the US might have a "currency deficit" of $50 million following the developer's transaction, but it would also have a "goods surplus" worth $50 million. The fact that the US dollar is the main global reserve currency makes this all the more agreeable, because the developer was able to pay for those Chinese materials directly using dollars.

If the dollar were not the main global reserve currency, the US government would have more reason to be concerned about the currency deficit from trade, because the developer would then be forced to purchase $50 million worth of another currency—say, Japanese yen—in order to complete the transaction.

This could raise fears that US reserves of yen would become depleted, and that purchasing more would devalue the US dollar. In that case, the US government might encourage more foreign purchases of US goods, in order to "balance" the currency deficit.

But that is not the situation Trump faces. Instead, the Chinese end up with $50 million in their bank account, in the form of US dollars that they can then use to purchase US government bonds, thereby financing the US budget deficit (as they have long been doing). They can also use those dollars to buy US stocks, helping US businesses and the overall economy, or to buy products from third countries, boosting global trade.

In an open economy, businesses are free to buy and sell products in whatever markets they can access.

In our example, the Chinese neither forced nor duped the developer to purchase their construction material. Instead, a willing buyer chose to engage with a willing seller on the basis of a straightforward economic calculation. The developer most likely chose not to purchase the materials from US suppliers because the cost would have been higher, resulting in lower profits—or even a loss. If a government forces a business to make what is clearly an economically sub-optimal choice—say, by using tariffs—the rest of the economy will suffer.

So if the US runs an $800 billion annual trade deficit, it is simply because US businesses and consumers choose to purchase $800 billion more in goods from the world than the world has purchased from the US, owing to some advantage, such as lower prices than domestically produced equivalents.

In the case of a business, this means a larger profit margin. In the case of consumers, it means more money to spend on other goods and services. Either way, the US economy benefits.

So does the global economy, because that $800 billion of surplus US currency can be used productively by the world to purchase financial or real assets. This does not hurt the US—a unique advantage enjoyed by the reserve currency-issuing country—and boosts global economic dynamism and growth.

From a policy perspective, all the US should be concerned about is ensuring that inflation does not creep in, owing to an excessive supply of US currency. That is not up to the Trump administration, but to the US Federal Reserve, which has a strong record on this front: despite a $14 trillion aggregate currency deficit on trade since 1990, the Fed has managed to keep inflation low.

As for Trump—or at least his advisers—the need for a better understanding of how global trade actually works has become glaringly obvious. Barring that, his administration's reckless interventions are likely to continue, or even escalate, causing severe damage to the US and the global economy.

[Back to top]

India hauls US to WTO against import tariffs

Amiti Sen, Business Line

New Delhi, April 18, 2018 : With the US refusing to roll back the higher duties on steel and aluminium imports from India, the latter has dragged it to the World Trade Organisation (WTO) and has sought discussions on adequate compensation for the losses.

"The decision to approach the WTO was taken after India's attempts to sort out the matter bilaterally with the US did not yield results," a government official told *BusinessLine*.

New Delhi, however, hopes to sort out the issue with Washington at the consultations without having to request for a dispute settlement panel to fight out the matter. "India is clear it in no way deserves to be saddled with the 10 per cent higher import duty on aluminium and 25 per cent duty on steel as it neither poses a security threat to the US nor has it remained unresponsive to the bilateral trade imbalance. If the higher duties on the two items are not rolled back, India has to be compensated as per WTO rules," the official said.

In its submission to the Committee on Safeguards at the WTO, India said it considered the US measure (of raising import duties on steel and aluminium from select countries) to be an emergency action/safeguard measure within the Agreement on Safeguards.

“In accordance with Article 12.3 read with Article 8.1 of the Agreement on Safeguards, India seeks to exercise its right to consult on the specifics of the measures and its right to determine appropriate trade compensation with the US,” the submission added.

Safeguard agreement

Under the provisions of the Agreement on Safeguards, a member proposing to apply, or seek an extension of, a safeguard measure shall endeavour to maintain a substantially equivalent level of concessions and other obligations between it and the exporting members which would be affected by such a measure. This includes agreeing on trade compensation, with a right of retaliation if no compensation can be agreed upon.

India reserves the right to raise additional issues and make further arguments during consultations, the submission added.

China, which too featured in the list of countries penalised with higher duties on import of steel and aluminium on March 23, announced higher tariffs on a number of items imported from the US in retaliation.

Some others on the original list of targeted partners by the US, such as Canada, Mexico, the EU, Australia, Argentina and South Korea, have got a reprieve. India hopes it too will be exempted.

[Back to top]

India continues to figure in US' intellectual property priority watch list

Kirtika Suneja

April 28, 2017 : India continues to figure in the US’ Priority Watch List that identifies trade barriers to US companies due to intellectual property (IP) laws of other countries.

The United States Trade Representative on Friday said that India remains on the list this year for “longstanding challenges in its IP framework and lack of sufficient measurable improvements, particularly with respect to patents, copyrights, trade secrets, and enforcement, as well as for new issues that have negatively affected US right holders over the past year”.

In its annual Special 301 report, the USTR has placed India, along with China and ten others in the list for not adequately or effectively protecting and enforcing IP rights or denying market access to US innovators and creators.

“These countries will be the subject of particularly intense bilateral engagement during the coming year,” the USTR said in a statement.

Earlier in the day industry secretary Ramesh Abhishek said the government has accorded the highest priority to capacity building and enforcement of IP laws.

“Around 17,000 patent applications were examined during 2015-16, which improved to around 60,000 applications examined during the last fiscal," he said at a FICCI event here.

Though the US has taken cognisance of steps taken by India to improve its IP environment such as the National IP Policy and Startup India, it identified longstanding IP challenges faced by its businesses in India. These include those which make it difficult for innovators to receive and maintain patents in India, particularly for pharmaceuticals.

Another issue relates to enforcement action and policies that are insufficient to curb the problem, copyright policies that do not properly incentivize the creation and commercialization of content, and an outdated and insufficient trade secrets legal framework.

It also cited new and growing concerns with respect to reductions in transparency by India’s pharmaceutical regulator through the removal of a requirement that applicants submit information about a product’s patent status and positions that India supports and voices in multilateral fora on IP issues.

[Back to top]

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

Amiti Sen, Business Line

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

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

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

What India wants

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

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

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

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

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

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

[Back to top]

Industry, govt think-tank to discuss national e-comm policy

Business Line

New Delhi, April 23, 2018 : A cross-section of e-commerce, telecom & IT companies and representatives from the government will discuss issues related to the e-commerce sector such as regulatory regime, taxation policy, data flows, server localisation, intellectual property rights protection and Foreign Direct Investment, in the first meeting of the think-tank on 'Framework for National Policy on E-commerce' on Tuesday.

The meeting, which will be chaired by Commerce Minister Suresh Prabhu, will also include participation from the Reserve Bank of India and independent experts on e-commerce and related aspects, according to an official release.

There is a lot of ground-work to be done to establish a stable and transparent policy framework for e-commerce in the country as the sector is full of grey areas and there is also not much clarity on the definition of e-commerce.

"The think-tank will seek to collectively deliberate on the challenges confronting India in the arena of digital economy with a view to developing recommendations for a comprehensive and overarching national policy on e-commerce," the release said.

Other areas for deliberation of the committee include physical and digital infrastructure, technology flows, responding to disruptions in industrial organisation, need for skill development and trade-related aspects.

"The think-tank will explore options for providing a fillip to entrepreneurship in digital economy. It will identify specific policy interventions for nurturing domestic firms and create jobs in e-commerce," the release added.

Representatives of almost 50 organisations are expected to participate in the first meeting of the think tank. "About nine Ministries and Departments are expected to be represented at the meeting," an official said.

[Back to top]

Framework for national e-commerce policy to be finalized soon this year

Asit Ranjan Mishra, Live Mint

A think tank of key stakeholders headed by commerce minister Suresh Prabhu will finalize a framework for a national e-commerce policy in six months' time that will settle India's stand on key issues such as taxation, competition policy, foreign investment and server localization, among others.

India has been finding it difficult to arrive at a consensus on a domestic e-commerce policy to effectively respond to a proposal for multilateral discipline in e-commerce at the World Trade Organization (WTO) as various government departments have contradictory views on the matter, *Mint* first reported on 7 March, 2017.

For example, while the department of telecom wants server locations of global e-commerce companies operating in India to be based in the country, the ministry of electronics and information technology supports no such restriction.

Briefing reporters after stakeholder consultations on Tuesday, commerce secretary Rita Teaotia said she will head a task force which will go into the details of the inputs received from the stakeholders. "The task force will come out with a set of recommendations which will be brought before the think tank in five months from now. We expect the think tank to finally give its policy recommendations to the government in six months from now. We are also constituting specific sub-groups within the task force because the subjects are wide-ranging," she added.

The meeting was attended by around 50 stakeholders including Competition Commission of India, Telecom Regulatory Authority of India, Reserve Bank of India and secretaries from key departments as well as industry players.

Asked whether India will have a more flexible approach in joining negotiations for a e-commerce treaty at the WTO now, Teaotia said discussions at the WTO on e-commerce are underway in four technical groups and it does not have a negotiating mandate as yet.

"We certainly engage in these discussions. As we flesh out our own policy, our position will be much more informed and clear," she added.

Kunal Bahl, co-founder and chief executive officer of Snapdeal, said he raised the issue of e-commerce ventures providing heavy discounts to customers and violation of marketplace model where no inventory ownership is allowed. “There is obviously a lot of concern about whether this is effectively implemented or not. And if not what is going to be done about it,” he added.

Vijay Shekhar Sharma, founder, Paytm, said he suggested that data access, market access and platform access in India needed to be reciprocal. “While the open market access to India is a big advantage for the global companies, it is not necessary that it will always be an advantage for India. My suggestion was that we should have an obligation for localisation of servers. If we were a small country, it would be understood if we were served from outside. But we have enough infrastructure in this country and all servers and all data should remain only in India,” he added.

[Back to top]

India, Mongolia to enhance bilateral trade, investments

Ulaanbaatar, The Economic Times

April 25, 2018 : India and Mongolia today discussed economic cooperation in areas such as infrastructure development, energy, services and IT and agreed to explore possibility of launching direct air connectivity between New Delhi and the Mongolian capital Ulaanbaatar.

External Affairs Minister Sushma Swaraj during a joint media briefing with Mongolian Foreign Minister D Tsogtbaatar after the 6th Session of the Indian-Mongolia Joint Committee on Cooperation here said the two countries agreed to explore ways to identify new areas of cooperation in all sectors of mutual interest and to enhance bilateral trade and investments.

Swaraj, the first Indian foreign minister to visit the resource-rich country in 42 years, said India sees Mongolia as a factor of stability in East Asia and believes that Mongolia's social and economic development is important for peace and prosperity in the region.

During the Indian-Mongolia Joint Committee on Cooperation, the two sides discussed pressing global challenges, particularly the scourge of terrorism and agreed to collaborate bilaterally and in international arena to thwart the designs of those who extend support to terrorist outfits.

The two sides also reviewed the progress in the ongoing collaborative projects, including the refinery project selected by the Government of M ongolia for implementation with the support of USD one billion Indian Line of Credit.

"We directed our officials to coordinate follow up action on each side for the expeditious implementation of these projects. Our strong political ties must be complemented by commensurate levels of trade, economy and investment," she said.

"Today, India has emerged as one of the fastest growing large economies in the world. With its rich natural resources and strong aspiration for development, Mongolia can be an important partner in India's growth story," she said.

Swaraj, who arrive here yesterday on a two-day visit, said collaboration for the ongoing refinery project is in recognition of this fact.

She said Mongolia is not only India's strategic partner but also a spiritual neighbour.

"We share long historical links. Mongolia is well known in India for the valour of her kings and her strong Buddhist heritage. India was among the first countries, outside the erstwhile Communist bloc, to establish diplomatic relations with Mongolia," she said.

Swaraj said in the six decades of the partnership between the two countries, the bilateral relations have grown from "strength to strength".

"This is reflected in our widening and deepening strategic partnership today, based on the common ideals of democracy and freedom, and enriched by mutual respect and trust."

She said Prime Minister Narendra Modi's "historic visit" in 2015, the first ever by an Indian Prime Minister to Mongolia, provided a fresh impetus to the bilateral relations and qualitatively raised the level of the engagement.

"We also agreed that we should make all efforts to maintain and accelerate the momentum of our interaction in all areas."

She said that in tandem with the countries' "ever growing" engagement, India and Mongolai will have more frequent visits now on at Foreign Minister's level.

Calling upon the Mongolian business community to "seize economic opportunities arising out of "India's growth", she said the two countries have agreed to remove institutional and logistical impediments to to boost trade, tourism and people to people contacts.

"In this regard, we also agreed to explore possibility of launching direct air connectivity between our two capitals," she said.

In the meeting, they discussed economic cooperation in areas such as infrastructure development, energy, services and IT.

She said that India is committed for capacity building programmes for the people of Mongolia, including in areas such as, training in English language and IT.

She said India looks forward to more students from Mongolia visiting the country for pursuing vocational education and training under the Indian Technical and Economic Cooperation programme, also known as ITEC, and through scholarships offered by the Indian Council of Cultural Relations.

"We would encourage students from Mongolia to pursue studies in Indian art, music and culture which would further reinforce our cultural links," she said.

In view of the two countries' common Buddhist heritage, she said, India also encourage students from Mongolia to visit the country for further study and research in the field of Buddhist studies.

Swaraj will participate in a special event to commemorate the birth centenary of the Venerable 19th Kushok Bakula Rinpoche, who was not only an eminent Buddhist leader, but also the longest serving Ambassador of India to Mongolia.

The event will mark his contribution to the promotion of Buddhism in Mongolia and to the deepening of civilizational and spiritual bonds between the two countries.

She said India and Mongolia share a bond of peace through Buddhism.

"As we tread the path of developing our partnership; I am sure, the teachings of Lord Buddha will continue to guide us," she said.

India and Mongolia have close cooperation in trade and economy, science, health, agriculture, culture, education, communication and tourism. The two countries are also working closely to ensure security and curbing international crimes and terrorism.

The total trade between the two countries amounted to USD 25.6 million in 2016.

[Back to top]

Agriculture ministry in talks with Russia to speed up nod for export of dairy and meat units

Madhvi Sally, The Economic Times

May 1, 2018 :The agriculture ministry is in talks with the Russian government to expedite testing and clearing of Indian dairy, fish and meat processing units for exports, a long-standing demand of Indian food processors who are keen to tap its market.

“Russia is in the process to approve several processing plants for dairy, meat and fish. This will give market access and lead to rise in exports,” said an agriculture ministry official.

According to the official, in the past one month there have been deliberations between the two countries and various ministries. Officials from food safety, agriculture and trade recently met to facilitate trade in agriculture and food processing, he said.

“We have come at a basic understanding on issues from health and veterinary, phyto sanitary measures and certification procedures etc,” said the official.

Indian exporters are looking at new markets to expand and Russia has a huge potential, said the official.

“Marine exports have seen a 25% growth in the last 3-4 years, with over 1.2 million tonnes, valued at Rs 40,000 crore, being exported in 2016-17. We are the largest exporter of shrimps to the Eurpoean Union and the US, and Russia can be the next market,” the official said.

In 2015, Russia’s federal inspection agency, Rosselkhoznadzor, had given approval to some dairy units to export after some Western nations imposed sanctions on the country for its role in the Ukraine crisis. However, no exports happened.

“Opening of Russian market for Indian dairy sector will be a good opportunity for India farmers. There is market of over 2 lakh tonnes only for cheese, which we can tap,” said Parag Milk Foods chairman Devendra Shah.

In 2016-17, India had exported 78,000 tonnes of dairy products, including casein, cheese, flavour milk and ghee, valued at Rs 1,500 crore. The sector has been growing at 10-12% annually, according to government data.

Fauzan Alavi, spokesperson for All-India Meat and Livestock Exporters Association, said Russia only wants Indian companies to comply with the animal health requirements as per OIE Terrestrial Animal Health Code, and have foot-and-mouth disease free notification for two years from the state. “Indian manufacturing units are very modern and it will be a huge boost for units in Uttar Pradesh and Telengana if they are allowed to export,” said Alavi.

According to government data for 2016-17, over 1.2 million tonnes of bovine meat, valued at Rs 23,000 crore, was exported. The annual growth in export was 8-9%, it said.

[Back to top]