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The Centre for WTO Studies was set up by the Department of Commerce, Government of India in 1999. The intent was to create an independent think tank with interest in trade in general and the WTO in particular. The Centre has been a part of the Indian Institute of Foreign Trade since November 2002. The Centre provides research and analytical support, and allied inputs to the Government for WTO and other trade negotiations. The Centre also has its own body of publications, and conducts outreach and capacity building programmes by organizing seminars, workshops, and subject specific meetings to disseminate its work, create awareness on recent trade topics and build consensus between stakeholders and policy makers.

India's trade pacts in a changing world

Live Mint

March 12, 2016: The Economic Survey 2015-16's analysis of the impact of India's free trade agreements (FTAs) on the economy is a valuable attempt to address a gap in the policymaking ecosystem. Its conclusion—a conditional one, for it acknowledges the need for more analysis—is unsurprising. Controlling for potential non-FTA trade growth, India's FTAs have on the whole had significant impact, boosting trade without introducing inefficiency due to trade diversion. So far, so good. But this raises interesting questions about New Delhi's long-standing preference for multilateral trade liberalization and the global shift to the contrary.

New Delhi's preference for multilateralism under the aegis of the World Trade Organization (WTO) is based on two factors. The first is the "spaghetti bowl" problem that bilateral and regional pacts present; creating a tangle of trade commitments that can both overlap and work at cross-purposes. The second is the potential for collective bargaining at the WTO, where developing economies can push for flexibility in the rate, quantum and scope of tariff reduction.

New Delhi's attempts to exploit that potential, however, haven't been particularly successful. Its ratification of the WTO's trade proposal agreement was a signifier of its failure to hold the line on the organization's agricultural subsidy issues, crucial for domestic food security, as we have argued in these pages. That followed increasing isolation on the issue and the concurrent diplomatic risk of being perceived as the villain of the piece. As a consequence, the Doha agenda with its focus on development issues is now a relic.

The WTO's Non-Agricultural Market Access (NAMA) negotiations—crucial, given that the vast majority of the world's merchandise exports fall under this rubric—haven't been making significant headway either. Initiated in 2002, they, like so much WTO business, are held hostage by the lack of progress on agricultural issues.

New Delhi's push for greater flexibility in NAMA-mandated tariff reductions—the so-called Less than Full Reciprocity principle—is thus in limbo for the time being. Meanwhile, the WTO's *World Tariff Profiles 2015* report shows that the difference between India's bound tariff rate (the maximum customs rate under a country's WTO obligations) and its applied rate is substantial. This is typical of developing countries; developed economies tend to have a far smaller binding overhang. But this also means trade with a developing country is more unpredictable given the greater potential for tariff creep—another liability.

So it isn't particularly surprising that an emphasis on bilateral and regional pacts is growing globally. The Trans-Pacific Partnership agreement is, of course, the poster child. Taken together with the Transatlantic Trade and Investment Partnership currently under negotiation, it will cover a substantial majority of global trade. New Delhi's focus on multilateralism is both understandable and necessary. But a parallel push for bilaterals and regionals is now a necessity to preserve export competitiveness.

That means confronting a number of domestic and policy challenges. Chilean economist Alejandro Foxley has argued that bottom-up approaches with supply chains created across borders are more effective in fostering regional integration that top-down diplomatic approaches. The disappointing results of India's trade under Bimstec—the Bay of Bengal free trade agreement—due in substantial part to poor connectivity and supply infrastructure, show the damage the lack of such linkages causes. And restrictive foreign direct investment (FDI) norms serve as barriers to the trade plus investment arrangements that typically result in greater success.

Consider the India-European Union FTA with its many setbacks; New Delhi's inability to make concessions on FDI in multi-brand retail, accountancy and legal services comes in the way of its securing market access for services.

There are a host of other domestic inefficiencies—from a heavily distorted agricultural sector to poor infrastructure undercutting exporters and the poor regulatory regime in the drug sector that has given the EU and the US a handy weapon against Indian generics—waiting in the wings.

New Delhi faces a difficult balancing act: between trying to regain lost ground at the WTO and protecting its flanks via bilaterals; between securing trade pacts and checking the trade imbalance that has seen its existing FTAs result in a sharper rise in imports than exports; between protecting domestic industries and making the concessions that will allow it to extract its own concessions for leveraging its strong services sector. The Survey has started a necessary conversation.

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Is it finally time for a change?

David Torstensson, Financial Express

March 4, 2016: The biggest piece of international news of 2015 arguably was the signing and publication of the Trans-Pacific Partnership (TPP). An ambitious trade deal, the TPP covers close to 40% of world GDP and, while not perfect, sets an important new benchmark in the realm of protection of IP rights.

The TPP agreement brings to mind how much time (21 years!) has actually elapsed since the Uruguay round, when the WTO came into being and the TRIPS agreement set an internationally-binding minimum standard for the protection of IP rights.

It also serves as a reminder of how much the world has changed since the release of the US Chamber's Global Intellectual Property Center's first edition of the International IP Index. Launched in 2012, the inaugural edition of the International IP Index covered 11 developed and emerging economies. Out of those 11, India ranked the last. Four editions later and while the IP Index has grown over three-fold, covering 38 economies—and a good number of those economies are racing towards new, 21st-century IP standards in the TPP—India is still ranked at the bottom, ahead of only Venezuela.

In many ways today, 21 years after the coming into force of TRIPS, 11 years after the introduction of TRIPS in India, four years since the first IP Index, India continues to sit on the international IP sidelines.

The Modi government has taken some tentative steps with a new national IPR strategy set to be published at some point in 2016 and positive statements on the need for aligning with international patents standards coming from the prime minister himself. Yet, looking at concrete action, what stands out most from 2015 is that the proposed patent guidelines for Computer Related Inventions—which would have addressed a major area of uncertainty—were suspended at the last minute.

Unfortunately, this inactivity has an economic cost. Beginning last year as part of the IP Index, we began to more actively explore the relationship between the strength of a national IP environment and rates of economic activity, whether general or sector specific. For indicator after indicator —whether it be innovation output as measured by the Global Innovation Index, access to the latest technologies, number of researchers in the workforce or levels of clinical research—India consistently lagged behind both other emerging markets and established high income economies. While there are many potential factors explaining India's poor performance, the one core common denominator is the challenging IP environment.

The cost of this can be quantified. For example, India has great potential in becoming a major player in the global pharmaceutical arena, not only on the generic front but also in the biopharmaceutical innovation process. Yet, the current rates of clinical trials are well behind those of much smaller and less developed markets. Our research suggests that if India improved its clinical research policy environment to roughly the median level of international best practices (including IP reform), the number of new clinical trials per year could increase to above 800 and add over $600 million in direct monetary transfers and indirect economic gains, more than 50% of which would be directed to hospitals, related services and patients.

A few years ago, in these very same pages, my colleague Professor Meir Pugatch posed the question of whether or not it was time to question the Indian model on IP rights. With the policy environment on IP still stuck in neutral, I will reiterate this query: Isn't it time India should consider using IPRs in order to leverage its huge untapped potential and take its rightful place as a global leader in innovation?

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Column: Not quite, Mr Subramanian

Abhijit Das and Jayant Dasgupta, Financial Express

March 9, 2016: It is not often that an official publication from one arm of the government significantly undermines the publicly stated positions of another department in international negotiations. By relying on selective use of facts, innuendo and conjecture, the recently released Economic Survey pulls the rug from under the feet of India's trade negotiators at the WTO and raises doubts in the minds of stakeholders. As the document is read by people around the globe, the section on trade policy in the first chapter of the Economic Survey would surely be music to the ears of trade negotiators from the developed countries. It can be faulted on at least seven other counts as well.

First, the Economic Survey questions the rationale for India seeking the flexibility to impose additional tariffs, popularly called special safeguard mechanism (SSM), to counter import surges and low priced imports in agricultural products. It sermonises that India should call for a discussion of SSM "not as a generic issue but as a pragmatic negotiating objective covering a small part of agriculture tariffs".

India's need for SSM arises from pragmatic considerations and not due to any "lofty theologizing about freedom and sovereignty needs", as contended in the Economic Survey. Further, unlike the assertion in the Economic Survey, India's need for SSM must not be confined only to those products in which the tariff bindings are in the range of 10-40%. It should also include products with higher bindings, but in which the applied tariffs have been close to the bound rates in some of the past few years, e.g., rice, wheat, olive oil and poultry products.

India's requirement of SSM is further strengthened by the fact that the developed countries have been reluctant, if not hostile, to comply with the commitments they made during the negotiations in 2008 to cut their farm support and accept product-specific subsidy ceilings. Consequently, Indian farmers are perpetually threatened by highly subsidised and unfair exports, especially of the developed countries. Domestic subsidies of the developed countries have been particularly high compared to the value of production in the following products: United States – canola (61%), dairy (30%), rice (82%) and sugar (66%); and European Union – apples (68%), butter (71%), rice (66%), wheat (22%), olive oil (76%) and white sugar (116%). Given these subsidy levels in the developed countries, SSM would be an important policy instrument for India to protect its farmers from unfair trade, if the developed countries wriggle out of agriculture subsidy cuts in the WTO negotiations. The Economic Survey has chosen to remain silent on this crucial aspect.

Second, the Economic Survey acknowledges that India must have the freedom to provide support to its farmers. However, in the same breath it makes the following intriguing assertion: "The particular policies which are being defended are those that India intends to move out". As is well known, the main agriculture support programme being defended by India at the WTO is its minimum support price (MSP) scheme. Is the Economic Survey hinting that the MSP will be withdrawn? Further, have the implications of withdrawal of MSP on domestic availability of rice and wheat been carefully examined? The Economic Survey provides no answers to these questions.

Third, the Economic Survey claims that the government is “committed to providing direct income support to farmers and crop insurance which will not be restricted by WTO rules”. Under the WTO rules an income support scheme that is not restricted by a monetary ceiling has to comply with stringent conditions. To illustrate, the amount of support shall not be dependent upon what the farmer produces, or the volume of production or the current price of his produce. Given the sheer number of farmers, it would be extremely difficult to implement such a scheme in India. The Economic Survey provides no details of any such scheme that may be contemplated by the government.

Fourth, the Economic Survey suggests that India should offer reducing its “very high tariff bindings and instead seek to provide higher levels of domestic support”. This goes against the grain of the negotiations and is an extremely dangerous and impractical suggestion. While this suggestion may be well suited for a few developed countries with deep pockets, it is totally inappropriate for India. The reality of negotiations is that no country is going to agree to raise the level of agriculture domestic support for anyone else.

Far from being in a position to secure higher subsidy limits, India is already under considerable pressure to curtail the existing elbow room available to it for providing farm support. Thus, securing higher subsidy limits in negotiations should be completely ruled out. If India were ever to tread on this path, it will end up with reduced tariffs and no gains on the subsidy front.

Fifth, in order to buttress the argument for a change in India’s negotiating approach in favour of seeking higher subsidy limits and lowering its tariffs, the Economic Survey contends that this would be especially true for pulses. It is unfortunately wrong. A back-of-the envelope calculation shows that the government can increase the procured quantity of pulses by at least 5-6 times compared to the current level and continue to remain within the subsidy limits mandated by the WTO Agreement on Agriculture. If still higher levels of procurement are required in future and at higher procurement prices, then India could seek recourse to the peace clause agreed to by the WTO members at Bali in 2013 and in Geneva in November 2014. Enhancing support for pulses cannot be an excuse for adopting the “tariff for subsidy approach” in the WTO negotiations.

Sixth, the Economic Survey puts the onus on India and other emerging economies for “making it attractive for trading partners to engage in the WTO”. It suggests that India, China and similar other countries must offer to open up their markets and undertake greater commitments in future WTO negotiations. This approach is deeply flawed and risky. It almost absolves the developed countries from making any commitments in the negotiations and implicitly supports their constant back-sliding on earlier commitments in the Doha Round. In addition, given the penchant of the developed countries to keep on asking for more from the developing countries, without themselves making credible offers, the approach suggested in the Economic Survey will result in an unbalanced negotiating outcome. India would end up making significant concessions, without securing anything tangible in return.

Also, what offers would be attractive for the developed countries? Would it be total elimination of tariffs on agricultural and industrial products or conceding to negotiate rules on the so-called new issues such as investment, competition, government procurement, labour, environment standards etc?

All these "attractive offers" are at significant divergence from the government's publicly stated negotiating approach.

Seventh, on the Trans-Pacific Partnership Agreement (TPP), the Economic Survey asserts that as India was excluded, hence the agreement does not take into account India's interest. It refers to the rules on intellectual property rights (IPRs) as an illustration. The logical conclusion to be drawn from this illustration is that if India had engaged in the TPP negotiation, its interest in IPRs would have been protected. One of the objectives of the US in TPP is to extend the monopoly protection of IPRs enjoyed by its pharmaceutical MNCs. While India has been resisting this in bilateral and multilateral talks, the extent to which it could have influenced the final outcome on IPRs in the TPP is at best a matter of wild speculation.

Overall, one is left wondering whether the government has jettisoned the carefully-crafted negotiating approach that had evolved over the tenures of several governments, after successive rounds of consultations with different groups of stakeholders and instead has now embraced the new vision articulated in the Economic Survey. If the government does not clear the confusion created by the Economic Survey, it would seriously increase the odds against the department of commerce at the WTO negotiations.

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India, other developing nations press WTO to deliver on 'Nairobi promises'

Amiti Sen, Business Line

New Delhi, March 10, 2016: India and other members of the G-33 group in agriculture have pressed the World Trade Organisation (WTO) to start work on a special safeguard mechanism (SSM) for farmers in developing countries and a permanent solution to the public stockholding programme as promised in the Nairobi Ministerial meeting in December.

Developed countries such as the US and Canada, on the other hand, have warned the WTO against rushing into formal negotiations, stating that they need time to think. The discussions took place at the meeting of the WTO's Committee on Agriculture on Wednesday, which was the first after the Nairobi meeting.

"Different members stressed on the importance of different aspects of the negotiations. The chair of the meeting said that he would have another round of consultations to pin down the content as well as format of the negotiations," an official tracking the meeting told *BusinessLine*.

The G-33 group's stress on starting negotiations on SSMs and finding a permanent solution to the public stockholding programme by the next ministerial in 2017 was backed by the least-developed countries (LDC) group, and the group of African, Caribbean, and Pacific States, the official added.

The G-33 comprises more than 40 developing countries that seek to protect interests of their poor farmer such as China, India, Vietnam, Thailand, Sri Lanka, Venezuela and Cuba.

At the Nairobi Ministerial meet, 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.

Agriculture items exporting countries such as Brazil, Argentina, Colombia, Mexico and Paraguay expressed hope that the areas of domestic support and market access should remain clear priority for future work.

"Canada, however, said that it prefers that members should take time to review the landscape on domestic support. The US supported Canada's views and said that the process of reflection will take time, and members must avoid the impulse to force formal negotiations too soon," the official said.

Some members also raised new issues in agriculture such as export restrictions, sanitary and phyto-sanitary standards, private standards in agriculture products, and subsidies for bio-fuel and bio-energy.

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Special cell set up to gather data on subsidies of other nations

Arun. S, The Hindu

March 5, 2016: The government has set up a special cell to compile information on subsidies given by other countries to their industry, official sources told *The Hindu*. The constitution of the special cell — as well as proposed measures including changes in laws such as Customs Act —is also aimed at indirectly helping India Inc file applications before the government seeking imposition of anti-subsidy duties on subsidised imports of items, such as steel, harming local industries.

The development comes in the backdrop of slowdown in global trade and measures taken (including against merchandise exports from India) by several countries such as the U.S. to protect their domestic industries from unfairly low-priced imports.

Under the WTO norms, subsidies refer to financial contribution (loan, loan guarantee, grant, import duty exemption, equity infusion, fiscal incentives and purchase of goods) by the government or state agencies resulting in advantages to those players availing it. Action against subsidies is meant to level the playing field.

Digital India

The move to create a special cell — with representatives from several ministries including commerce and finance — also comes at a time when the government is keen to boost local manufacturing through initiatives such as Make In India, Start-up India and Digital India.

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Govt may extend antidumping duty on Chinese chemical

Financial express

March 8, 2016: Government may re-impose anti- dumping duty of up to $144 per tonne on import of a chemical from China that is used in several sectors including pottery and ceramics so as to safeguard domestic industry from below cost in-bound shipments**.**

In its ‘sunset review’ of anti-dumping duties imposed on import of “Barium Carbonate” from China, the Directorate General of Anti-dumping and Allied Duties (DGAD) has concluded that there is “continued dumping” of the product and was causing injury to the domestic industry.

DGAD has suggested two duties within the range of USD 96.94 per tonne and USD 144.82 per tonne on these imports.

The authority “considers it necessary to recommend continued imposition of definitive anti-dumping duty on imports,” the DGAD said in a notification.

First time, the restrictive duty was imposed by the government in 2011. The duty of up to USD 236 per tonne was imposed for five years.

After that the Small Scale Barium Manufacturers Welfare Association have filed an application on behalf of the domestic producers requesting for review, continuation and enhancement of the anti-dumping duties, imposed on the imports.

Imports of the chemical from the country increased to 7,923 tonne during April 2013 to September 2014 (18 months) from 6,683 tonne in 2010-11.

Countries initiate an anti-dumping probe to determine whether their domestic industries have been hurt because of surge in cheap import of any product. As a counter measure, they impose duties under the multilateral regime of the WTO.

The duty is aimed at ensuring fair trading practices and creating a level-playing field for domestic producers vis-a-vis foreign producers and exporters resorting to dumping of goods at below-cost rates.

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Exports from SEZs slump 1.89% in Apr-Dec 2015

Business Standard

New Delhi March 14, 2016: Exports from special economic zones (SEZs) declined 1.89% year-on-year to Rs 3.41 lakh crore in April-December 2015, Parliament was informed Monday.

In 2014-15 too, exports from these zones fell 6.13% to Rs 4.63 lakh crore.

In order to boost exports from SEZs, the government periodically reviews the policy and operational framework of these zones and takes necessary steps to facilitate speedy and effective implementation of SEZs, Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Lok Sabha.

She also said that during the last three years and current financial year (up to February 2016), the Board of Approval (BoA) has granted more time to as many as 132 developers of SEZs across the country to complete projects.

The BoA is an inter-ministerial body headed by the Commerce Secretary, dealing in SEZ-related issues.

Time and again, SEZ developers and units have complained that imposition of the minimum alternate tax and the dividend distribution tax has impacted exports from these zones.

Replying to a separate question, the minister said the government has not imported foodgrains (wheat and rice) for the central pool since 2008-09.

"At present, there is no proposal to import wheat and rice for the central pool stock," she added.

In a separate reply, she added that the government has no proposal to ban the import of wheat.

To another query on WTO, the minister said India has been emphasising on a constructive discussion on public stockholding for food security and a special safeguard mechanism at meetings held in Geneva.

"In future meetings also, India will continue to pursue these issues in coordination with other developing countries," she said.

In a separate reply, she said the government is committed to pressing the issue of public stockholding at WTO in order to take forward the mandate given in the Bali and Nairobi ministerial conferences.

"India has sought to implement the decisions on the issue through active and constructive engagement by members," she added.

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India files trade dispute against US over temporary work visas

Business standard

Zurich, March 4, 2016: India has filed a complaint against the United States over non-immigrant temporary working visas, the World Trade Organization (WTO) said on Friday.

India has disputed measures imposing increased fees on certain categories of temporary work visas for the United States and limits on their numbers, the WTO said in a statement.

India said these measures appear inconsistent with commitments that the United States has made by treating persons from India working in sectors such as computer services in the United States less favourably than U.S. persons, it added.

The United States had 10 days to respond to the request, which will go to the Dispute Settlement Body if India and the United States cannot come to a satisfactory agreement.

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India's trade deficit with China swells to $51.9 bn in 2015

Business Standard

New Delhi, March 14, 2016: India’s trade deficit with China increased to $51.86 billion with a bilateral trade of $71.22 billion in 2015, Parliament was informed Monday. During this period, India's exports to China came in at $9.68 billion while imports were $61.54 billion

"Increasing trade deficit with China can primarily be attributed to the fact that Chinese exports to India rely strongly on manufactured items meeting the demand of fast-expanding sectors like telecom and power while India's exports to China are characterised by primary products, raw material and intermediate products," Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Lok Sabha.

In a separate reply, she said Indian Ministry of Micro, Small and Medium Enterprises (MSMEs) are facing significant competition from Chinese imports.

"In respect of 12 major product groups largely manufactured by MSMEs, imports from China grew at a higher rate than respective imports from all other countries combined during 2011-2 to 2014-15," she said.

So far, there have been 322 anti-dumping cases, of which 177 cases involve China.

"In order to boost exports and maintain balance of trade with China, India has impressed upon China to recognise the need for reduction in trade imbalance for a long term, sustainable and harmonious development of economic cooperation between the two countries," Sitharaman added.

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Govt plans new steel import duty to prevent hawala transactions

Asit Ranjan Mishra , Live Mint

New Delhi, Mar 15 2016**:** Fearing that the high minimum import price (MIP) imposed on steel items may lead to illegal “hawala” transactions, in turn fuelling an inflow of black money, the commerce ministry has written to the finance ministry to seize the price differential between MIP and the actual import price.

On 5 February, the government announced the MIP for 173 steel products in a bid to curb the dumping of cheap steel by countries such as China, Russia, Japan and South Korea.

However, since the MIP is higher than the import price of steel, it is apprehended that bulk importers may over-invoice imports and transfer the price differential to India through the hawala route.

A commerce ministry official, on condition of anonymity, said that since the actual import price remains the same even after the imposition of MIP, the ministry has written to the revenue department suggesting the levy of an additional duty equivalent to the price differential on steel importers. “This would basically prohibit anybody from importing steel,” the official said.

The government is closely watching the situation and will check any attempt by steel companies to form a cartel, he said.

“In Delhi, the maximum price hike per tonne of steel is Rs.2,600 for any product after MIP was imposed. We are closely monitoring the price movement on a weekly basis and will not allow steel companies to form a cartel. We will not allow anybody to run away with the price because our whole downstream engineering industry is relying on steel as input,” he added.

India’s engineering and auto components industries rely on cheaper steel imports and hold the view that the government protects large domestic steel firms through measures such as hikes in import duties and MIP, thus making them uncompetitive in global markets.

Cautioning that the imposition of MIP on steel products will lead to further erosion in engineering exports, T.S. Bhasin, chairman of lobby group Engineering Export Promotion Council of India, sought from the government a compensatory mechanism to make up for the increased raw material price, which the distressed exporters, mostly in the SME (small and medium enterprise) segment will be made to bear, following the protection given to large steel manufacturers.

“The introduction of MIP on steel products will raise the cost of raw materials for engineering products by about 6-10%, depending upon the nature of the product. This will have a serious debilitating impact on engineering exports, which have already declined by a huge 15% in the first nine months of the current fiscal,” Bhasin said.

Segments such as auto and auto parts, and industrial and electrical machinery, which in any case have low margins and face cut-throat competition, now face a sudden escalation in raw material prices, giving a further jolt to exporters, he said.

There has been a surge in imports over the past 12 months as China’s overcapacity in steel and Japan and Korea’s predatory pricing impact new markets. Imports grew 71% in 2014-15, with China accounting for close to 36% of the total imports.

China accounts for almost half of the global steel production capacity of 2,200 million tonnes per year, as against India’s 110 million tonnes. As China undergoes a domestic slowdown, it is attempting to dump its steel in global markets at cheaper prices.

The official cited earlier said the government is aware that the downstream industry will be adversely impacted by the MIP, "but it is a trade-off between saving the domestic steel industry and downstream industries".

"If all the steel companies become sick, including SAIL (Steel Authority of India Ltd), it won't be possible again to revive the industry. And then China will start jacking up steel prices. That's why the government had to take a very calibrated view on this. You cannot let such a crucial domestic industry die," the official added.

India Ratings and Research maintains a negative outlook on the steel sector for 2016-17 as it believes that the industry will continue to face headwinds.

It expects steel consumption demand to grow to 6.3-6.5% in fiscal 2017 on the back of traction in key end-user industries such as construction, capital goods and consumer durables.

"However, the benefit of gradual domestic demand growth will be offset by the weak product pricing capability caused by global overcapacity and cheap imports," it said in a report released on Wednesday.

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Kuwait bans Indian poultry items' import

Dilip Kumar Jha, Business Standard

Mumbai, March 9, 2016: In a major setback for Indian exporters, the government of Kuwait has banned the import of poultry products from this country, due to the fear of transportation of the H5N1 (popularly known as bird flu) virus. The news was conveyed by Kuwait government to the Agricultural and Processed Food Products Exports Development Authority (Apeda).

Despite Kuwait being a very small market (o.1 per cent of our total export), there could be a spillover to other countries. Oman, for instance, which takes 40 per cent by volume. In value terms, Oman is nearly 20 per cent of Indian shipment; Saudi Arabia's is seven per cent.

"If similar action follows elsewhere in the Middle East, India would go out of the poultry export markets," said a senior Apeda official.

This has come after a H5N1 outbreak in Tripura this January, and then in Mizoram, resulting in the culling of thousands of birds. The central government and the health department of these states later declared the virus was gone. “The government of Kuwait has taken a preventive measure, which could be temporary in nature and might be reviewed after the government intervenes,” hoped the Apeda official.

In 2014-15, Kuwait bought 24.2 tonnes of poultry products, valued at $120,000.

With the low shelf life of poultry meat and eggs, its export from India is largely to nearby countries, with a focus on the West Asian region. Apeda data shows our total export of poultry products was 556,698.80 tonnes (worth $106.4 mn) in 2014-15 from 437,674 tonnes (worth $92.8 mn) in 2013-14 and 577,864 tonnes ($91.2 mn) in 2012-13.

Oman was the largest importer in FY15, with 221,224 tonnes ($22.9 mn). Saudi Arabia was the fourth largest importer, at 18,740 tonnes ($7.8 mn).

The outbreaks in Tripura were after three years, in 2011, which in turn was after three years from an earlier one in 2008.

“The government of Kuwait has taken a preventive measure which could be temporary in nature and might be reviewed soon after India government’s intervention,” the Apeda official quoted earlier said, on condition of anonymity.

India has steadily increased its focus in the exports of poultry products. But given the short shelf life of poultry meat and eggs, exports are largely confined to nearby countries with special focus on the Middle East.

Data compiled by Apeda showed India’s total exports of poultry products jumped to 556,698.80 tonnes (worth $106.38 mn) in 2014-15, against 437,673.53 tonnes (worth $92.83 mn) in 2013-14 and 577,864.24 tonnes (valued $91.24 mn) in 2012-13.

Oman is the largest importer with 221,224 tonnes ($22.94 mn) in 2014-15 versus 107,953.71 tonnes ($13.26 million) in 2013-14 and 31,210.33 tonnes ($4.77 mn) in 2012-13. Also, Saudi Arbia proved the fourth largest importer of poultry products import from India its share of 18,740.42 tonnes ($7.77 mn) in 2014-15 in comparison with 14,018.78 tonnes ($7.94 mn) in 2013-14 and 31652.38 tonnes ($8.28 mn) in 2012-13.

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WTO's ruling on domestic content requirements may hit Indian solar industry's $100 billion opportunity

Jayashree Nandi, The Economic Times

New Delhi, March 05, 2016: India's solar manufacturing industry is likely to be in the pits and thousands of job opportunities lost, thanks to a recent World Trade Organisation (WTO) ruling. Solar module manufacturers are extremely concerned about the WTO decision against India's domestic content requirements (DCR) for the national solar mission, which aims to install 100 gig watt by 2022.

The worrying bit is also that these module-manufacturing units are low-investment industries that have the potential to employ a very large number of semi-skilled labours. Interestingly, the manual solar module-making units employ a lot of women because of their soldering skills. About three years after the US approached the WTO against India's DCR because it will affect their trade interests, the WTO panel ruled against India's contentions last month. TOI spoke to solar manufacturers and industry associations based in NCR about the impact of the WTO ruling.

"It's very bad news for the Indian solar industry. If the opportunity to manufacture panels and cells for the 100-giga watt mission is lost, then we are probably losing business worth a$100 billion. We are just letting other countries have it. These are smallto medium-sized industries that can be easily set up and the manual units employ a large number of women," said Ajayprakash Shrivastava, president of Solar Energy Society of India (SESI) and who runs a manufacturing company. In his manual unit alone, 60 out of 80 employees were women till recently. "They are better at soldering so they are preferred," he added.

Manufacturers also question how "Make in India" will happen if important sectors like these are pushed back."The ruling is having a reverse effect on startups in the sector .From being one of the most attractive; it has lost its sheen. We will support the government in whichever way possible to fight this out," added Prafulla Pathak, secretary general of SESI.

Some manufacturers say the US moved against India's DCR because the western country is one of the biggest manufacturers of the thin film technology as opposed to the crystalline technology. Randeep Bora, who represents a solar developer, said ruling may affect investments of large Chinese companies in the manufacturing sector.

"It was about to become one of the most attractive job sectors. The small ones at least employ 50 to 60 people. Usually, the 250-300 watt-sized panels are machine-made. The smaller ones are manual," said another manufacturer. Pankaj Gupta, also a manufacturer, said, "We are already paying import duties for panels, now this decision makes it worse." The WTO ruling also comes as a setback to fighting climate change. Pujarini Sen, campaigner , Greenpeace India, said" India's setting of the

DCR was based on a worthy core principle: Increasing economic opportunities and creating thousands of green jobs while taking critically important steps in the global fight against climate change."

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Indian envoy takes on Sri Lankan Opposition over economy pact

T. Ramakrishnan**,** The Hindu

March 6, 2016: India’s High Commissioner Y.K. Sinha has taken on former President Mahinda Rajapaksa and the Joint Opposition, an informal coalition of pro-Rajapaksa parties and groups, over the proposed Economic and Technology Cooperation Agreement (ETCA) between India and Sri Lanka.

Referring to reported observations of the former President and members of the Joint Opposition against the ETCA, Mr. Sinha, who did not mention the name of any Sri Lankan leader opposing the pact, told members of the Sri Lanka-India Society on Friday that he was “surprised” to come across Mr. Rajapaksa’s statements in sections of the local press on the issue.

Recalls CEPA talks

It was Mr. Rajapaksa’s government that held negotiations with India over the Comprehensive Economic Partnership Agreement (CEPA), which had included “trade in services.” He described as “quite amusing” the statements of members of the Joint Opposition, some of whom were Ministers during the Rajapaksa regime, when the CEPA, he said, was negotiated.

Mr Sinha’s response was in the context of views expressed in certain quarters that the proposed ETCA would deprive job opportunities for Sri Lankans in a host of fields including information technology and the Free Trade Agreement, effective since March 2000, had not been beneficial to Sri Lanka.

“Constrained to join the debate”

Qualifying his rebuttal, the diplomat said “I hesitate to get into the political controversy” but he felt “constrained” to join the debate because “I do not think we should let naysayers take all the public space on this issue without anyone else trying to put the facts.”

Emphasising that he had not seen any draft text of the ETCA, he said what he received “two days ago” was a draft text of the framework agreement, which might form the basis for further negotiations. He hastened to add that the draft framework agreement “is not necessarily an indication” of the nature and coverage of the discussions to be held in future.

Says 2005-2008 talks “almost concluded”

Giving an account of the CEPA negotiations during 2005-2008 (when Mr. Rajapaksa was President), he said the CEPA, “which is [now] a dirty word here,” was “almost concluded.” Sixteen rounds of negotiations were held, many of which were “detailed.”

Even the two countries had “tentatively” agreed on a draft. “At the last minute, the Government of Sri Lanka indicated its inability to sign that agreement,” which was subsequently “shelved.”

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Opening two sectors against India’s 80

T. Ramakrishna**,** The Hindu

March 6, 2016: As part of the now-aborted agreement, under Mode 4 [of the General Agreement on Trade in Services] which pertained to “movement of natural persons,” Sri Lanka had agreed to open up two sectors -- marine ship building and information technology (IT)/ IT-Enabled Services, both of which were “very limited fields,” while India would throw open nearly 80 sectors.

Even in the respect of the two fields of the services sector, it was sought to be done at the request of the government of Sri Lanka, which felt that India could help it immensely. “We do not know what the ETCA will do because serious negotiations have not begun,” Mr. Sinha pointed out.

How the pact began

Tracing the genesis of the proposed pact, the High Commissioner said Sri Lanka’s Prime Minister Ranil Wickremesinghe, during his visit to New Delhi in September, had set “very ambitious timelines,” according to which the framework agreement should be concluded by 2015 end or 2016 early and the final agreement by June 2016.

The diplomat expressed the hope that there would be an understanding over the framework of the ETCA soon.

Indian investment since 2003

On the rationale behind the fresh pact, he said there was no formal agreement in place to regularise "investment and services" even though India invested $one billion since 2003 and another $1.5 billion to 2 billion was in the pipeline, apart from the existence of three modes of trade in services and the issue of 350-400 employment visas by Indian High Commission to Sri Lankan nationals last year.

Terming "absurd" the argument that the 16-year-old FTA had not been beneficial to Sri Lanka, he said that in 1999, the value of Sri Lankan exports to India was $49 million and this went up to $645 million in 2015. Noting that there had not been much increase in the value of Sri Lankan exports since 2005, he raised the question whether this was due to "limited" base of the exports. He added that that the regulatory framework in India was "non-discriminatory."

'Ambulance service not linked to ETCA'

The Emergency Ambulance Health Protection Service, modelled on the lines of the "108 Emergency Response Services" of India and being implemented with Indian government's grant of $ 7.55 million, has nothing to do with the proposed Economic and Technology Cooperation Agreement (ETCA), Mr. Sinha has said.

Expressing dismay over the controversy on the launch of the scheme, Mr. Sinha said the service was in response to a "specific request" made by Sri Lanka's Prime Minister Ranil Wickremesinghe to his counterpart Narendra Modi during the latter's visit here last year.

"We were not that keen"

Admitting that originally, the Indian side was not "that keen" when the request was made, the High Commissioner said this was because India had already extended its portfolio and it was providing assistance of over $2.6 billion (grants and loans combined). But, the service eventually came through as Mr. Wickremesinghe had followed up the matter with a formal letter and some Sri Lankan Ministers had visited India to study how the service was working.

He clarified that ambulances would be registered in the name of the Ministry of Health and Indigenous Medicine in the government of Sri Lanka and not that of GVKEMRI of India, the implementing agency in the initial phase. The service would be offered free of charge as long as the Indian government was funding it, he added.

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India said to mull taking EU to WTO over threat to drug exports

Shruti Srivastava, Live Mint

New Delhi**,** March 10 2016: India may challenge the European Union over stricter trademark rules that could stop exports of some generic drugs via the bloc to markets such as Latin America, people with knowledge of the matter said.

The nation is considering taking the EU to the World Trade Organization if talks over the regulations fail, the people said, asking not to be identified as the plan isn't public. The rules from this month allow owners of EU trademarks to prevent the transshipment of goods, including medicines, that use those logos or designs without authorization.

"Drug shipments going to Latin America, some African markets and North America will be impacted," said D. G. Shah, secretary general of the Indian Pharmaceutical Alliance in Mumbai. "Anything can be construed as trademark violation — packaging, sign, logo, shape or colour. The industry is concerned anything even remotely similar may attract the new regulation."

Companies such as Sun Pharmaceutical Industries Ltd., Dr. Reddy's Laboratories Ltd. and Lupin Ltd. transformed India into one of the biggest manufacturers of generic medicines, with exports of about $15 billion in fiscal-year 2015. That's stoked tension with global pharmaceutical majors seeking to maximize returns from drugs they developed, patented and marketed.

India wants to remove the risk to shipments transiting through the 28-member EU, even though the bloc signalled exports won't be affected, the officials said. They didn't say how long the discussions with the EU might last.

"The EU has already responded extensively and in full detail to India's questions on EU trademark legislation in the WTO trade policy review," the EU authorities said in an e-mailed statement.

India's commerce ministry declined to comment immediately.

The exact impact of the regulation remains unclear, said Surya Patra, an analyst at PhillipCapital India Pvt. in Mumbai. Companies could turn to hubs outside the EU for transporting medicines, Patra said.

India's 63-member S&P BSE Healthcare index has dropped about 6% this year, partly in the wake of increased scrutiny of quality standards at some companies by the US Food and Drug Administration.

The trade spat follows a dispute last year over an EU ban on some medicines tested by Hyderabad-based GVK Biosciences Pvt., and is flaring just as India struggles to snap a record drop in exports that spans more than a year.

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21% rise in India's oil imports from Iran in February

The Times of India

New Delhi, March 3, 2016: India's oil imports from Iran rose by over a fifth in February, the first month after a nuclear deal that lifted restrictions on Tehran's oil exports, preliminary tanker data obtained by Reuters shows.

Iran emerged from years of economic isolation in January when world powers led by the United States and the European Union lifted crippling sanctions against the OPEC oil producer in return for curbs on Tehran's nuclear ambitions.

Iran is working to regain market share after sanctions relief and exports had already risen by 500,000 bpd in February, Mohsen Ghamsari, director of international affairs at National Iranian Oil Co (NIOC), said on Tuesday.

New Delhi shipped in 215,500 bpd from Tehran in February, a rise of about 21 percent from last month and more than double the about 111,000 bpd in the same month a year ago, the data showed.

India had to cut imports from Iran in February 2015 under pressure from western sanctions.

The sanctions had cut Iranian crude exports from a peak of 2.5 million barrels per day (bpd) before 2011 to just over 1 million bpd in recent years.

In February Essar Oil was the biggest buyer of Iranian oil, shipping in 110,200 bpd, followed by about 69,500 bpd by Mangalore Refinery and Petrochemicals Ltd.

MRPL shipped in just one cargo of Iranian oil in February.

Indian Oil Corp, which rarely buys Iranian oil, received a cargo of oil equivalent to about 35,800 bpd.

A true reflection of the step-up in Indian purchases of Iranian oil will emerge from April, the new contract year, as in the last leg of a fiscal year most companies cut purchases to maintain low inventory ahead of annual results.

Reliance Industries Ltd, which halted supplies from Iran in 2010, is preparing to lift a million barrels each of condensate and oil next month.

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