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Russia to review decision on allowing buffalo meat from India

Business Line (The Hindu)

New Delhi, 20 **September 2013:** Russia has agreed to hold a review on allowing import of buffalo meat and egg powder from India next month and has assured a satisfactory resolution of the issue.

The issue, discussed between Commerce and Industry Minister Anand Sharma and his Russian counterpart Denis Manturov in St Petersberg, is important as Russia is a large importer of bovine meat and India is one to the top exporters of the same.

Russia recently lifted a temporary ban on import of rice/rice cereals and peanuts that was placed after traces of khapra beetle was found in some rice and peanuts consignments.

Sharma pressed for regulatory simplification for supply of Indian generic medicines to Russia. He said that as Indian pharma companies are keen to establish manufacturing facilities in Russia, it is imperative that the Government addresses their concerns in an expeditious manner.

Both sides agreed that that there was considerable scope of cooperation in modernisation of steel manufacturing facilities. Sharma was informed that Russian companies in power sector are keen to participate in modernisation of old power plants and heavy engineering units based in India.

While acknowledging India’s efforts in opening up the economy further, the Russian Minister said it was important to maintain regulatory certainty and stability in policy regime.

He was alluding to the problems faced by Russian telecom company Sistema in India after the Supreme Court cancelled its licences as a fallout of the 2G scam.

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India to seek market access for mangoes, bovine meat from South Africa

PTI

Johannesburg, 29 September 2013: India is expected to seek from South Africa market access for mangoes, grapes and bovine meat in order to increase the country's exports.

The issue is likely to be raised by Commerce and Industry Minister Anand Sharma during his meeting with South African Trade and Industry Minister Rob Davies on Tuesday here. Sharma is here for the 3rd India-Africa Trade Ministers meeting.

The South African authorities are in the process of conducting a Pest Risk Analysis (PRA) for import of mangoes and grapes from India.

"The Minister would ask his counterpart to expedite the PRA and consider granting market access to Indian mangoes and grapes, as our request of market access is pending for a long time now," an official told PTI.

Sharma would also express his concerns over the temporary suspension placed by the South African authorities on frozen boneless buffalo meat imports from India.

South Africa had put a temporary suspension on imports of frozen boneless buffalo meat from India in 2011.

"The minister would request that the matter may be looked into as the Indian meat conforms to the highest international norms and standards," the official said.

Both the sides are also expected to discuss the proposed Bilateral Investment Promotion and Protection Agreement.

Further, the official added that both the ministers would review the progress of the talks on India and Southern African Customs Union (SACU) preferential trade agreement. Under such a pact, countries provide duty concessions to each other on few products.

India has proposed an average Margin of preference (MOP) of 70 per cent in the agreement. MOP is expressed as percentage of tariff concession offered. 20 per cent MOP would mean that imports will be charged 20 per cent less than the prevailing duty.

SACU includes Botswana, Lesotho, Namibia, South Africa and Swaziland. The last round of negotiations was held in New Delhi in October, 2010.

India is one of the largest importers of South African coal.

"There existed tremendous scope for co-operation and joint ventures between public sector undertakings of the two countries in this sector and India was also be keen on investing in the energy market of South Africa," the official said.

For January-July period, the bilateral trade between India and South Africa stood at USD 8.75 billion. It was USD 13.58 billion in 2012, a decline from USD 14.48 billion in 2011.

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Export incentives for cotton, meat products scrapped

K.R.Srivats & Vishwanath Kulkarni, Business Line (The Hindu)

New Delhi, 1 January 2014: The New Year has started on a seemingly bad note for cotton, its yarn and meat product exports.

The Finance Ministry has done away with certain export promotion incentives on cotton, cotton yarn, meat and meat product exports.

The apparent surge in export value of these products in recent years has prompted the Government to remove these export promotion incentives for these products, official sources said.

More blow for yarn

Exports of these products will not be eligible for the benefits of the focus market scheme, the revenue department has said. The objective of the focus market scheme is to offset high freight cost and other externalities to select international markets with a view to enhancing the export competitiveness.

Cotton yarn exports will also not be eligible for benefits of incremental export incentive scheme.

This has come as a jolt to the cotton yarn exporting fraternity, which termed the removal of these export incentives as "illogical", saying it could stifle "job creation" within the country.

The export registrations for cotton yarn in April-November 2013 jumped 42 per cent to 937.09 million kg from 658.73 mkg in the corresponding period a year ago, mainly on the back of rising demand from China.

The China-intense policy has given India great returns in yarn exports, from almost nothing to accounting for 25 per cent of China's imports.

India's exports of meat and meat products saw a 59 per cent increase in April-October in the current fiscal to Rs 14,389 crore against Rs 9,037 crore in the corresponding period last year.

The Directorate-General of Foreign Trade had given its green signal for this move in September and the revenue department has now implemented this decision, it is learnt.

With the withdrawal of focus market scheme benefits, exports of cotton yarn will not earn duty credit scrip of 3 per cent of free-on-board (f.o.b.) value of exports.

Texprocil Upset

Under the incremental export incentive scheme, 2 per cent was given as incentive on the incremental exports achieved in a year. "The Finance Ministry's move clearly highlights that the Union Government is not willing to see cotton yarn as a manufactured item and that too when about Rs 1,00,000 crore has been invested in this segment," said Manikam Ramaswami, Chairman, Texprocil, an export promotion council for cotton textiles. India's cotton yarn exports stood at about $3.5-4 billion, with about $0.5

billion coming from the focus market countries. Ramasamy told *Business Line* that removal of incentives will hurt cotton yarn export prospects to far-flung markets, which have been identified in the focus market scheme. He flayed the Centre's move to continue doling out focus market scheme incentives for an industry such as steel, while removing export incentives for cotton yarn. This is especially so when steel input item – iron ore – comes at a very low cost for the domestic steel industry and there is also a hefty export duty on the same raw material, thereby, improving local availability, he said.

Reacting to the Finance Ministry's move on withdrawal of focus market incentives for cotton yarn and meat products, Ajay Sahai, Director General & Chief Executive Officer of Federation of Indian Export Organisations, said the Government should give some time to industry to adjust to these changes.
The Finance Ministry's notification is silent on when these changes would come into effect, Sahai said.

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Indian food industry poses trade barriers: USTR

Lalit K Jha, PTI

Washington, 1 April 2014: The US has said Indian policies in the food and poultry sector pose significant barriers in bilateral trade.

"Since 2003, India has imposed unwarranted SPS requirements on US dairy imports, which have precluded US access to India's dairy market, one of the largest in the world. India has insisted on onerous certification requirements and refused to accept US food safety and animal health standards as effective," the US Trade Representatives (USTR) said in its annual report on Sanitary and Phytosanitary (SPS) Barriers to Trade.

The report said that India maintains zero-tolerance standards for certain plant quarantine pests, such as weed seeds and ergot. Such zero tolerance standards block US wheat and barley exports to India. Bilateral discussions to resolve these issues continue.Expressing its displeasure on Indian policy in pulses, the USTR said this requires that shipments of all pulses to India be fumigated with methyl bromide (MB) at the port of origin.

"In August 2004, the United States asked India to permit the exportation of US pea and pulse consignments to India without fumigation at the port of origin provided they are inspected and, if necessary, fumigated at the port of arrival," it said.

"India has enacted, but not implemented a requirement that shipments of all pulses to India be fumigated at the point of origin, allowing MB fumigation on arrival, but has offered no permanent solution. The most recent extension expires on March 31, 2014. The United States continues to seek a permanent resolution to this issue," the report said.

Noting that the Indian import certificate for pork requires importers to make an attestation that the imported pork does not contain any residues of pesticides, veterinary drugs, mycotoxins, or other chemicals above the MRLs prescribed in international standards, the report rued that these certificates fail to identify specific compounds and their corresponding international limits, creating uncertainty for importers.

Similarly, the animal health attestations that India requires for the exportation of pork to India are vague, and India requires extra inspections that do not appear to be consistent with international standards, it said.

"India also prohibits imports from the United States of pork products obtained from animals raised outside the United States, notwithstanding the safety of those products. Further, import certificates are valid for only six months and must be obtained for each imported lot."

"The United States will continue to press India to lift its unwarranted restrictions and to revise its import certificates so as to clarify any legitimate requirements and be valid for a reasonable period of time," USTR said.

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