



**Luthra *and* Luthra**  
LAW OFFICES INDIA

## INTERNATIONAL TRADE LAW MONTHLY ALERT

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In the February Edition of the Luthra and Luthra Law Offices India – ‘International Trade Law Newsletter’, we cover some of the most pertinent developments in the international trade law over the last month.

## **WTO, FTAs:**

### **India seeks investment commitment from Switzerland under proposed EFTA trade pact: Official**

India has sought investment commitments from Switzerland under the proposed free trade agreement with the four-nation EFTA bloc, a top government official said on Tuesday. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. The investment commitment would help India balance Switzerland's decision to remove customs duties on most of its goods.

### **Turkey appeals WTO dispute panel report regarding Turkish duties on certain US goods**

Turkey notified its decision to appeal the panel report in the case brought by the United States in *Turkey — Additional Duties on Certain Products from the United States (DS561)*. The panel report was circulated to WTO members on 19 December 2023. The appeal was circulated to members on 31 January.

### **Korean government discusses WTO Reforms at the Multilateral Trade Strategy Meeting**

The Korean Ministry of Trade, Industry and Energy held the 8th Multilateral Trade Strategy Meeting in preparation for the 13th Ministerial Conference of the World Trade Organization. The meeting reviewed responses to key agendas including WTO reform, agricultural and fishery industry subsidies, investment facilitation, extension of duty-free practices of electronic transmission and domestic regulation on services.

### **Chair of Agriculture Negotiating Body introduces draft text for agriculture negotiations in runup to MC13**

At an agriculture negotiating body meeting, Türkiye's Ambassador Alparslan Acarsoy introduced a draft negotiating text for members' consideration. Trade officials welcomed the draft, which they said could serve as a useful basis for negotiations among WTO members ahead of the 13th Ministerial Conference (MC13) from 26 to 29 February.

### **US blocks fresh proposal to restart dispute settlement mechanism at WTO**

The US has rejected a proposal backed by 130 WTO members to restart the selection processes for filling vacancies on WTO's Appellate Body in a sign that disputes may continue to pile up at the top trade body, fueling further protectionism in global trade.



This is the 73rd occasion when a proposal moved by Guatemala, a Central American country, on behalf of 130 members was not able to launch the selection processes.

## **Plastics Pollution Dialogue finalizes text for MC13 Ministerial Statement**

The 76 co-sponsors of the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade met on January 26th to celebrate the year's work and reached agreement on the ministerial statement to be issued at the 13th Ministerial Conference.

## **Vietnam says US 'non-market economy' label is bad for bilateral ties**

Vietnam has urged the US to end its 'non-market-economy' label warning that maintaining the resulting punitive duties on Vietnamese goods is bad for increasingly close bilateral ties. Last year, the USDOC was reviewing Vietnam's non-market economy status after Hanoi argued that it should be removed from the list applied in anti-dumping cases given economic reforms of recent years.

## **Duty concessions on petrochemical products a sticking point in India-Oman FTA talks**

The proposed free-trade agreement (FTA), Comprehensive Economic Partnership Agreement (CEPA), between India and Oman faces potential challenges due to demands for customs duty concessions on petrochemical products like polypropylene and polyethylene. Certain domestic players oppose these duty concessions, citing Oman's significant subsidies on raw materials for petrochemical production.

## **TRADE POLICY:**

### **India**

## **Ahead of Budget 2024, govt slashes import duty on mobile phone parts to 10% from 15%**

The Indian government has cut import taxes on a number of mobile phones components to 10% from 15% in a bid to make smartphone exports more competitive and remove interpretation issues arising out of a complicated duty structure.

## **India keeps edible oil import duty lower until March 2025, imposes 50% export tax on molasses**

The Indian government has extended lower import duty on edible oil until March 2025. The government also imposed a 50% duty on exports of molasses with effect from



January 18. India's edible oil imports fell 16% in December due to decreased shipments of crude and refined palm oils.

### **“Significant headwinds continue to prevail”: RBI flags trade risks yet again**

The Reserve Bank of India (RBI) has highlighted the challenges faced by Indian trade, citing a contractionary zone in PMIs for new export orders in December. The RBI also noted that retail inflation in India has gradually descended closer to the target, despite growth beating expectations. The central bank attributed India's growth to strong domestic demand. However, the global supply chain pressures index remained below its historical average in December.

### **No import restrictions on certain IT products like desktop computers: DGFT**

The Indian government has clarified that there are no import restrictions on certain IT hardware products, such as desktop computers. The Directorate General of Foreign Trade (DGFT) stated that only the import of laptops, tablets, all-in-one personal computers, ultra small form factor computers, and servers is restricted, and imports of these goods are allowed against a valid import authorization. The restriction does not apply to any other goods under the tariff head 8471.

### **India imposes anti-dumping duty on three Chinese products for five years**

India has imposed anti-dumping duties on three Chinese products for five years, namely, wheel loaders, gypsum tiles, and industrial laser machinery. These duties were imposed following recommendations of the Commerce Ministry's Directorate General of Trade Remedies.

### **Indian Government to come up with 65 QCOs to curb imports of sub-standard goods**

The Indian government is set to issue 65 quality control orders (QCOs) covering over 500 products to curb imports of sub-standard goods and boost domestic manufacturing. The orders require items to bear the Bureau of Indian Standards (BIS) mark for production, sale, trade, import, and stocking. Violations can attract penalties of up to two years of imprisonment or a fine of at least Rs 2 lakh for the first offense which increases to Rs 5 lakh minimum for the second and subsequent offences.

### **India will export 8,606 tonnes raw cane sugar to US in 2024**

India has announced that it will export 8,606 tonnes of raw cane sugar to the US under the tariff-rate quota (TRQ) scheme in fiscal year 2024. The quota will be effective from



October 1, 2023, to September 30, 2024. After the quota is reached, additional imports are subject to a higher tariff.

### **Government bans screw imports priced less than Rs 129 per kg**

The Indian government has prohibited the import of certain types of screws priced below Rs 129 per kg to boost local manufacturing. The DGFT revised the import policy, below this price threshold prohibited, except when their CIF value is Rs 129 or above per kg. The ban is imposed on coach screws, machine screws, wood screws, hook screws, and self-tapping screws.

## **United States**

### **USTR Releases 2023 Review of Notorious Markets for Counterfeiting and Piracy**

The US Trade Representative (USTR) has released the findings of its 2023 Review of Notorious Markets for Counterfeiting and Piracy (the Notorious Markets List). The Notorious Markets List highlights online and physical markets that reportedly engage in or facilitate substantial trademark counterfeiting or copyright piracy. This year's Notorious Markets List's issue focus section examines the potential health and safety risks posed by counterfeit goods. The 2023 Notorious Markets List also identifies 39 online markets and 33 physical markets which includes continuing to identify the China-based e-commerce and social commerce markets Taobao, WeChat, DHGate, and Pinduoduo, as well as the cloud storage service Baidu Wangpan. Other listed markets include seven physical markets in China known for the manufacture, distribution, and sale of counterfeit goods.

### **Certain Glass Wine Bottles From Chile, the People's Republic of China, and Mexico: Initiation of Less-Than-Fair-Value Investigations**

The U.S. Glass Producers Coalition filed antidumping duty petitions with the U.S. Department of Commerce concerning imports of certain glass wine bottles from Chile, China and Mexico. They also filed a countervailing duty petition on Chinese wine bottles imports. The petitioner claimed that these imports are being sold in the U.S. at less than fair value, posing a serious threat to the wine bottle industry.

### **New Antidumping Duty and Countervailing Duty Petitions on Paper Plates from China, Thailand, and Vietnam**

The American Paper Plate Coalition filed antidumping duty petitions on certain paper plates from China, Thailand, and Vietnam and countervailing duty petition on certain paper plates from China and Vietnam. The US Department of Commerce is expected to begin investigations on February 14, 2024.



## **European Union**

### **EU reaffirms trade support for Ukraine and Moldova**

The European Commission has proposed renewing the suspension of import duties and quotas on Ukrainian exports to the EU for another year, while reinforcing protection for sensitive EU agricultural products. These Autonomous Trade Measures (ATMs) have been in place since June 2022, in support of Ukraine and its economy. The measures help alleviate the difficult situation faced by Ukrainian producers and exporters as a consequence of Russia's unprovoked and unjustified war of aggression.

### **EU and Japan hold first working group to discuss economic security and supply chains**

The European Union and Japan have formed a Working Group on international cooperation on policies for building more transparent, resilient, and sustainable supply chains. The group aims to ensure a level playing field by regulating state intervention in support of industrial sectors, discuss trade strategies for diversifying supplies in areas at risk of economic dependencies and developing more sustainable and resilient supply chains.

### **EU suspends WTO dispute against China's trade restrictions on Lithuania**

The European Union has suspended its dispute with China at the World Trade Organization over a de facto trade embargo against Lithuania. The EU requested immediate suspension of its proceedings with China due to technical reasons related to the need to assess elements from the preparation of written submissions. The panel is suspended for the time being.

### **Commission publishes new Guidelines for annual report on dual-use export controls**

The European Commission has issued important new Guidelines on data gathering and processing on export controls, following Commission White Paper, which highlights the need to fully implement the EU's dual-use regulation. The goal is to increase transparency through more information on Member States' licensing decisions in the area of export controls.

### **The European Biodiesel Board moves focus to anti-dumping case**

The European Biodiesel Board (EBB) is focusing on investigating dumping of Chinese imports of biodiesel that are causing damage to the European industry, following its success in identifying fraudulent practices and stopping suspected re-exporting of Indonesian biodiesel through the Port of Hainan. The European Commission is continuing the anti-circumvention investigation, while the registration of imports remains in place.



## **Commission counters unfair imports of shipbuilding components from Türkiye and China**

The European Commission has imposed duties on imports of bulb flats, a niche steel product used in shipbuilding, from Türkiye and China to protect 140 jobs in Spain and Italy. The measures were imposed after an anti-dumping investigation found that these imports were seriously harming the EU industry, which would be unable to compete without measures. Therefore, duties of 23% were imposed on imports from China and 13.6% on imports from Türkiye.

### **Rest of the World**

#### **South Africa Imposes Anti-dumping Duties on Chinese-Made Windshields**

South African authorities have imposed tariffs on Chinese-made windshields to protect the country's auto glass industry. The department imposed definitive anti-dumping duties on auto glass products originating from or imported from China. The National Automobile Dealers' Association (NADA) supports the anti-dumping duties on windshields from China into South Africa and the South African Customer Union (SACU) region to control the industry's safety, security and quality standards.

#### **Taiwan's AD measure on cold-rolled stainless steel from China, South Korea to expire in August**

Taiwan's Ministry of Finance has issued a notice regarding the anti-dumping measure implemented on stainless steel cold-rolled steel flat-rolled products from China and South Korea informing the domestic interested parties to apply to the Ministry within one month if they think it necessary to continue to impose duties. This levy was continued after a sunset review concluded on August 29, 2019, with a validity of five years, and it will expire on August 28, 2024.

#### **South Korea Ends 20-Year Anti-Dumping Tariff on Japanese Stainless Steel Bars**

South Korea has announced the end of the anti-dumping tariff on Japanese stainless steel bars, a measure which has been in place since 2004. The move signals increased confidence in the competitiveness of the domestic steel industry. The announcement from the Korea Trade Commission comes after domestic producers, including Seah Changwon Integrated Special Steel Corp., refrained from seeking an extension of the 15.39 percent tariff.



## INDIAN CUSTOMS:

### **Centre raises import duty on gold and silver findings by 15%**

The centre has increased import duties on gold and silver finding and coins to 15%, through five per cent Agriculture Infrastructure Development Cess (AIDC). The import duty on spent catalysts containing precious metals has also been hiked to 14.35 per cent.

### **Textile sector seeks changes in customs duty on fabrics**

The Textile Advisory Group for man-made fibre under the Ministry of Textiles has proposed changes in customs duty on knitted fabrics to reduce imports. Currently, the duty on woven fabric is 20% of the value of imports, or Rs. 115-150 per kg, whichever is higher while the duty on knitted fabric is a flat 20%.

### **EU moving towards paperless customs system from June; Indian exporters must prepare to comply**

Indian exporting firms must prepare to comply with new EU norms as the EU moves towards a paperless customs process from June 3. This is significant for domestic exporters, as the EU accounts for about 17% of India's total merchandise exports. The EU has proposed implementing the second phase of its Import Control System (ICS) from June 3, covering all types of imports using ships, trains, and trucks.





## Trade Remedies:

### India

S.NO.	PRODUCT	SUBJECT COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Cast Aluminum Alloy Wheels or Alloy Road Wheels used in Motor Vehicles	China PR, Korea RP & Thailand	ADD 14/7/2012-DGAD	Final Findings - Sunset Review	06/01/2024
2.	Acrylic Solid Surfaces	China PR	ADD 6/06/2023-DGTR	Initiation Notification	01/01/2024

### European Union

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Bicycles (electric)	People's Republic of China	Anti-subsidy Review C/2024/798	Notice of initiation of expiry review	17/01/2024
2.	Aluminium radiators (certain)	People's Republic of China	ADD Review C/2024/680	Notice of initiation of expiry review	12/01/2024



### United States of America

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Paper Plates	China, Thailand, and Vietnam	AD, CVD [ Inv. No. 701-TA-704-706 and 731-TA-1664-1666 (Preliminary)]	Institution of Investigation	31/01/2024
2.	Methionine	Spain	AD [Inv. No. 731-TA-1536 (Final)]	Notice of Remand Proceedings	17/01/2024
3.	Truck and Bus Tires	China	AD, CVD [Inv. No. 701-TA-556 and 731-TA-1311 (Review)]	Initiation of Five-Year (Sunset) Review	02/01/2024
4.	Common Alloy Aluminum Sheet	China	AD, CVD [ Inv. No. 701-TA-591 and 731-TA-1399 (Review)]	Initiation of Five-Year (Sunset) Review	02/01/2024
5.	Rubber Bands	China and Thailand	AD, CVD [Inv. No. 701-TA-598 and 731-TA-1408 and 1410 (Review)]	Initiation of Five-Year (Sunset) Review	02/01/2024



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