



Luthra *and* Luthra
LAW OFFICES INDIA

INTERNATIONAL TRADE LAW MONTHLY ALERT

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In the March 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:

Members agreed to keep customs duties on electronic transmissions off until the 14th Session of the Ministerial Conference

During the 13th Ministerial Conference held in Abu Dhabi, WTO members agreed to maintain the moratorium on customs duties on electronic transmissions until the 14th Session of the Ministerial Conference or 31st March 2026, with the moratorium and Work Programme set to expire. The Ministerial Conference agrees to continue re-invigorating the Work Programme on Electronic Commerce, focusing on its development dimension for developing and least-developed country Members. They will deepen discussions on e-commerce, examine the impact of a moratorium on customs duties, and collaborate with intergovernmental organizations.

Ministerial Decision on a fully functional dispute settlement system accessible to all Members by 2024

The 13th Ministerial Conference of the WTO instructed the officials to accelerate discussions to having a fully and well-functioning dispute settlement system accessible to all members by 2024 in an inclusive and transparent manner, build on the progress made, and address unresolved issues to achieve the objective set at MC12.

Ministerial Declaration to enhance Special and Differential Treatment implementation for developing Members, including LDCs

WTO issued a ministerial declaration on precise, effective and operational implementation of special and differential treatment (S&DT) provisions of the SPS Agreement and TBT Agreement. Taking note of G90 Agreement Specific Proposals, it has been decided to request improvements in training and technical assistance provided under WTO Technical Assistance and Training Plan and to the existing compilation of comment periods with respect to SPS and TBT Agreements. It has also been decided to instruct officials to continue work towards enhancing implementation of S&DT and on improving the application of S&DT in relevant venues in WTO.

WTO, ITC launch USD 50 million global fund for women exporters in the digital economy

The WTO and the International Trade Centre (ITC) have launched a \$50 million global fund – the Women Exporters in the Digital Economy (WEIDE) Fund – to help women tap into opportunities in international trade and the digital economy. The fund aims to assist women-led businesses and entrepreneurs in developing economies and least-developed countries in adopting digital technologies and expanding their online presence.



WTO, FIFA strengthen cotton partnership, call for increased investment in African cotton

WTO Director-General Ngozi Okonjo-Iweala and FIFA President Gianni Infantino unveiled the "Partenariat pour le Coton" brand at the 13th Ministerial Conference in Abu Dhabi, aiming to strengthen the WTO-FIFA cotton partnership and support African countries' participation in cotton value chains. They also called for increased investment in African cotton.

Draft decision to extend moratorium on TRIPS non-violation and situation complaints until MC14

The Chair of the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) has circulated a draft decision to extend the moratorium on TRIPS non-violation and situation complaints. The draft decision is based on the text of the 2022 extension decision in document WT/L/1137.

Barbados, Dominica, Senegal, Uruguay formally accept Agreement on Fisheries Subsidies

Four more WTO members, Barbados, Dominica, Senegal, and Uruguay, deposited their instruments of acceptance for the Agreement on Fisheries Subsidies on 14 February 2024. These newly deposited instruments of acceptance bring the total number of WTO members that have formally accepted the Agreement to 60. This is 55 per cent of what is needed for the Agreement to come into effect (two-thirds of the WTO membership).

Indonesia launches WTO dispute against EU over fatty acids

Indonesia filed a complaint at the World Trade Organization against the European Union for its import duties on fatty acids. The EU began imposing, opens new tab duties of between 15.2% and 46.4% on Indonesian imports in January 2023, saying they were harming European industry.

Joint Statement: Sustainable economic growth in the EU and Canada through the Comprehensive Economic and Trade Agreement

The European Union-Canada Comprehensive Economic and Trade Agreement (CETA) has seen significant benefits for both countries, with two-way trade in goods increasing by over 50% since its provisional implementation in September 2017. CETA has also positively impacted EU-Canada two-way trade in services and bilateral investment flows. The agreement has enabled further diversification in key sectors and supply chains, particularly in the wake of Russia's war of aggression against Ukraine.

India, EFTA announce \$100-bn free trade pact to promote investments

India signed a free trade agreement with four-nation European bloc EFTA to promote investments and exports of key domestic services sectors such as IT, audio-visual, and movement of skilled professionals. The EFTA members are Iceland, Liechtenstein, Norway and Switzerland. India had sought an investment commitment of \$50 billion during the first 10 years after the implementation of the agreement and another \$50 billion over the next five years from the member countries of the



bloc and to facilitate the generation of 1 million direct employment in India through such investments. This commitment would be linked to duty reduction under the agreement.

India seeks greater market access for steel, rice, shrimp from S Korea

India is seeking greater market access for specific products like steel, rice, and shrimp in negotiations with South Korea for upgradation of their existing free trade agreement, officially known as Comprehensive Economic Partnership Agreement (CEPA). India has raised concerns about Korean firms not purchasing Indian steel and is demanding better market access for these products. The negotiations also cover sectors including auto components and chemicals.

TRADE POLICY:

India

Government extends 20% export duty on parboiled rice, zero-duty import for yellow peas

The Indian government has extended the 20% export duty on parboiled rice indefinitely amid the rising rice prices. It has also decided to continue allowing zero-duty import regime for yellow peas, subject to the Bill of Lading issued on or before April 30, 2024.

India Initiates Anti-dumping Probe Into Imports Of Solar Glass From China, Vietnam

India has launched an anti-dumping probe into the import of certain solar glass from China and Vietnam, following a complaint from domestic players. The commerce ministry's Directorate General of Trade Remedies (DGTR) is investigating the alleged dumping of 'Textured Tempered Coated and Uncoated Glass' from China and Vietnam. Borosil Renewables Ltd filed an application for the probe and the imposition of anti-dumping duty on imports.

Russia Turns to India for Bananas Amidst Dispute with Ecuador

Russia has pivoted its banana import reliance from Ecuador to India amidst a diplomatic dispute between Russia and Ecuador, traditionally Russia's primary banana supplier, over arms trade arrangements.

Govt directs ECGC to maintain moratorium on insurance rates for exporters

The government of India has instructed the Export Credit Guarantee Corporation (ECGC) to maintain a moratorium on insurance rates for Indian exporters in response to the Red Sea crisis. ECGC, a state-owned export promotion organization, provides credit insurance covers to improve Indian exports' competitiveness.



India, Israel discuss agro-tech collaboration; grape, date farming in focus

Rajasthan's Agriculture Minister, Kirodi Lal Meena, met with Israeli Ambassador Naor Gilon and an Israeli delegation to discuss opportunities for technical collaboration in agriculture and horticulture in the state. The meeting discussed the potential for grape and date cultivation, exploring innovative techniques using high voltage electricity and pH water for agricultural production.

Finance ministry asks banks to expeditiously resolve issues of exporters

The Indian finance ministry has called on banks and insurance companies to expeditiously resolve issues faced by exporters and facilitate overseas trade. Banks were advised to classify issues faced by them and to consider seeking regulatory guidance from the Reserve Bank of India (RBI) and also develop standard operating procedure through the Indian Banks Association.

Bangladesh will import 34,000 tonnes of potatoes from India to tame price

Bangladesh has approved the import of 34,000 tonnes of potatoes from India to check high prices. 25 tonnes of potatoes arrived in the country through Dinajpur's Hili land port, bringing the price of potatoes down to Taka 25-30 per kg at retail markets from Taka 40-45 per kg. The government has decided to import potatoes from India to reign in the soaring price of the vegetable ahead of Ramadan.

Govt extends export incentive scheme for apparel, garment till March 2026

The Indian government has approved the continuation of the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for apparel, garments, and made-ups until March 31, 2026. The scheme compensates for the state and central taxes and levies, in addition to the rebate provided under the duty drawback scheme, on exports of these products.

United States

USTR Releases Annual Report on China's WTO Compliance

The US Trade Representative has released its 2023 Report on China's WTO Compliance, which details the Biden-Harris Administration's assessment of the People's Republic of China's (PRC) membership in the World Trade Organization. The report provides an updated assessment of China's WTO membership.

United States and Oman Convene the Inaugural Meeting of the Subcommittee on Environmental Affairs under the U.S.–Oman Free Trade Agreement

The United States and Oman held their inaugural meeting of the Subcommittee on Environmental Affairs under the United States-Oman Free Trade Agreement (FTA) and the fourth meeting of the Joint Forum on Environmental Cooperation under the United States-Oman Memorandum of Understanding on Environmental Cooperation (MOU). The Subcommittee reviewed progress in ensuring compliance with the FTA's obligations, while the Joint Forum discussed future environmental cooperation under the 2024-2027 Plan of Action.



EU wins WTO compliance action against US in ripe olives dispute

The World Trade Organization (WTO) has confirmed that the EU was right to challenge the US for not complying with a ruling relating to ripe olives from Spain. The WTO panel report confirms that the US failed to implement the recommendations of the original panel, namely the finding that the US law, based on which anti-subsidy duties on Spanish ripe olives were imposed, is incompatible with WTO rules.

PURIS secures initial victory in anti-dumping case vs China

US producer PURIS has claimed an initial victory after the US Department of Commerce announced preliminary duties on certain Chinese pea protein imports. The DOC found that Chinese pea protein is being sold in the US at "less than fair value" and announced preliminary duties on dumped imports of high protein content (HPC) pea protein of between 112% and 270%.

European Union

New global rules to simplify trade in services enter into force in the WTO

The World Trade Organization (WTO) has introduced new rules to simplify and streamline trade in services, benefiting 92% of world trade. The rules, agreed in the Joint Initiative on Services Domestic Regulation, aim to streamline authorisation requirements and ease procedural hurdles faced by businesses, particularly micro, small and medium-sized enterprises. The agreement will reduce the costs of global services trade by over €110 billion annually by ensuring transparency, efficiency, and predictability of authorisation and qualification requirements and procedures.

EU and partners expand list of common high priority items to further weaken Russia's war effort

The European Union, in cooperation with the US, UK and Japan, published an updated common list of high priority 'battlefield' items on 22 February. The list is an important contribution to the efforts to curtail Russia's ability to wage its brutal, illegal and unjustified war against Ukraine. It lists specific prohibited dual-use goods and advanced technology items critical to the development, production, or use of Russian military systems. This helps exporters increase their compliance with export restrictions and help customs and enforcement agencies fight circumvention.

EU to decide on steel safeguard extension

The European Commission has initiated an investigation to determine if the safeguard measure for imports of certain steel products should be extended beyond 30 June 2024. The initiation follows a substantiated request received from fourteen EU Member States. The Commission will determine if the measure is necessary to prevent or remedy serious injury to the EU steel industry and if the industry is adjusting. The investigation will be concluded before the expiry date of the existing safeguard measure on 30 June 2024.



China

China Round Table looks at Arab perspectives on WTO accession

The 12th China Round Table on WTO Accessions, held in Abu Dhabi, aimed to explore how trade and active participation in the WTO can be used to foster economic development and resilience, especially in the Arab region. WTO Director-General Ngozi Okonjo-Iweala stressed the need to understand and address the unique challenges Arab countries face when acceding to the organization.

China extends anti-dumping duties on Indian chemical for five years

China will retain the anti-dumping duties on India's o-chloro-p-nitroaniline imports for another five years, starting from February 13. China first imposed the duties for five years as of 12 February 2018 at rates of 31.4-49.9 per cent.

Rest of the World

UK anti-dumping body recommends lifting limits on steel imports

The UK's Trade Remedies Authority has recommended that measures limiting the import of certain steel products be lifted following the decision to close the blast furnaces at Port Talbot. The decision comes after Tata Steel announced plans to shut the last two blast furnaces at the Port Talbot steelworks in south Wales, causing over 2,800 job losses.

INDIAN CUSTOMS:

The government not considering any cuts in import duty on rubber as of now

The Indian government is not considering any reduction in import duty on rubber as the differential between local and international prices is maintained. A senior official stated that the differential is already maintained on account of import duties, so there is no consideration for reducing import duties as of now. The custom duty on compound rubber was increased in the Union Budget 2023-24, from 10 per cent to 25 per cent or Rs 30 per kg, whichever is lower (at par with natural rubber) to curb circumvention on duty.

Relief in Average Export Obligation in terms of the para 5.17(a) of Hand Book of Procedures (HBP) of FTP, 2023

The Handbook of Procedures of the FTP, 2023, allows for a reduction in the Average Export Obligation (EO) for sectors with a decline in total exports by more than 5% compared to the previous year. The Directorate General of Foreign Trade has issued a policy circular dated 22 February 2024, identifying the list of sector/product groups that experienced a decline in exports during 2022-23 as compared to 2021-22. The circular requests the Regional Authorities to re-fix the Annual Average



Export Obligation for EPCG Authorizations for 2022-23, and any reductions should be endorsed in the license file and amendment sheet.

India Eases Export Regulations for Human Hair Waste, Introduces Online Application System for Export Authorization

Notification No. 51/2015-2020 amends the export policy for human hair, allowing it to be exported from unworked, unwashed, or scoured waste. To streamline the process, exporters are invited to apply for authorization for export during 2024-25, subject to a Minimum Export Price (MEP) of USD 55000/MT. The application process is online through DGFT's ECOM system, and only one application per IEC will be considered.

SANCTIONS:

Indian company among 27 faces EU sanctions over dual-use exports

The European Union (EU) has imposed export restrictions on companies making electronic components, which could have dual military and civilian uses, as part of the 13th package of sanctions against Russia. The sanctions aim to limit Russia's access to military technologies, such as drones, and to list additional companies and individuals involved in Russia's war effort. The package covers: 17 Russian companies which are involved in the development, production and supply of electronic components, particularly used in connection with drone production; four companies registered in China and "one each registered in Kazakhstan, India, Serbia, Thailand, Sri Lanka, and Türkiye, also trading in the area of electronic components, including of EU-origin.

New US sanctions pose challenges for Russian oil sales to India

India, a major buyer of Russian crude via sea routes, is expected to face disruptions due to US sanctions on Russia, targeting Sovcomflot and 14 associated tankers. The US government claims Sovcomflot breached the G7's price cap on Russian oil. Indian refiners fear increased freight rates and reduced discounts on Russian oil purchases. Industry sources suggest Russia may need to rely more on trading companies to mitigate the risk of further sanctions.



Trade Remedies:

India

S.NO.	PRODUCT	SUBJECT COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Pentaerythritol	China PR, Saudi Arabia, and Taiwan	ADD 06/04/2023-DGTR	Final Finding	20/02/2024
2.	Textured Tempered Coated and Uncoated Glass	China PR and Vietnam	ADD F.No. 6/29/2023-DGTR	Initiation Notification	13/02/2024
3.	Textured Tempered Coated and Uncoated Glass	Vietnam	CVD F. No. 6/32/2023-DGTR	Initiation Notification	13/02/2024

European Union

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Glass Fibre yarns	People's Republic of China	Initial Investigation, Article 5 [AD702]	Notice of initiation	19/02/2024
2.	Aluminium Road Wheels	Morocco	Initial Investigation, Article 10 [AS703]	Notice of initiation	16/02/2024



3.	Steel products (certain)	Erga Omnes	Safeguard General, Article 00 [Safe009R7]	Notice of initiation	09/02/2024
4.	Biodiesel	Argentina	Expiry Review, Article 18 [R812]	Notice of initiation	09/02/2024

United States of America

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Certain Paper plates	China, Vietnam	CVD [C-570-165; C-552-840]	Notice of Initiation	21/02/2024
2.	Finished Carbon Steel Flanges	India	CVD [C-533-872]	Final Findings	20/02/2024
3.	Certain Metal Lockers and Parts Thereof	China	CVD [C-570-134]	Final Findings	14/02/2024
4.	Certain Pea Protein	China	ADD [A-570-154]	Preliminary Results	13/02/2024
5.	Certain Walk-Behind Lawn Mowers and Parts Thereof	China	CVD [C-570-130]	Final Findings	06/02/2024
6.	Xanthan Gum	China	ADD [A-570-985]	Final Finding (SSR)	02/02/2024



This newsletter is only for general informational purposes, and nothing in this edition of newsletter could possibly constitute legal advice (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts). The information has been compiled from different sources and does not reflect the opinion/views of Luthra and Luthra Law Offices India

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