



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

## INTERNATIONAL TRADE LAW MONTHLY ALERT

APRIL 2024 EDITION





In the April 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 agree on timetable for market access thematic sessions, discuss trade concerns**

The Committee on Market Access (CMA) agreed on a timetable for 2024 thematic sessions focusing on supply chain resilience and on how to promote a greener Harmonized System (HS) in collaboration with the World Customs Organization (WCO). Members also addressed a high number of trade concerns and elected Mr Kenya Uehara of Japan as interim Chair of the Committee.

### **WTO and EIF host discussion on trade policy and women’s economic empowerment**

The WTO and the Enhanced Integrated Framework (EIF) hosted an event titled ‘a joint conversation on women’s economic empowerment’ on 26 March 2024. It provided a platform to showcase recent advances and initiatives aimed at addressing gender inequality in trade and fostering women’s empowerment.

### **WTO panel issues report regarding Australian duties on certain Chinese goods**

The WTO, on 26 March 2024, released a panel report on China’s complaint against Australia regarding anti-dumping and countervailing duty measures on three products: wind towers, stainless steel sinks, and railway wheels. China launched the complaint in June 2021. The panel found some technical issues with how the duties were calculated. The panel recommended that Australia conform its measures to its obligations under the GATT 1994.

### **Members make progress with SPS Agreement Sixth Review, discuss trade concerns**

The Sixth Review of the Operation and Implementation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measure (SPS Agreement) addressed modern challenges, regionalization, technology, transparency and follow-up to the MC12 SPS Declaration work programme at a meeting of the SPS Committee on 20-22 March 2024. Members also took note of the Declaration adopted at the 13th Ministerial Conference (MC13) in Abu Dhabi on the implementation of special and differential treatment (S&DT) provisions of the SPS Agreement and the Agreement on Technical Barriers to Trade (TBT).

### **Talks on Costa Rica’s accession to government procurement agreement intensify**

Parties to the Government Procurement Agreement 2012 (GPA 2012) intensified negotiations on 20 March on Costa Rica’s accession to the GPA 2012 at a meeting of the Committee on Government Procurement. This was the Committee’s first meeting since Costa Rica circulated earlier this month



its initial market access offer, a key document required to kick off negotiations. Parties also held a workshop on 21 March, discussing the role of digital technologies in supporting trade and competition in government procurement.

## **Working group on small business discusses way forward post MC13, welcomes 99th member**

The Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) considered possible topics for discussion in their future work, at its first meeting of the year on 19 March 2024. The Group welcomed the Democratic Republic of the Congo as a new participant. The group discussed an update on the Trade4MSMEs platform, aimed at improving MSMEs' ability to trade internationally, and discussed various issues facing small businesses.

## **EU and the Philippines announce resumption of negotiations for a free trade agreement**

The EU and the Philippines have announced the resumption of negotiations for an ambitious, modern, and balanced free trade agreement (FTA) with sustainability at its core. An FTA with the Philippines, a booming economy of 115 million people in the heart of the strategically important Indo-Pacific region, would be a valuable addition to the EU's network of trade deals. The EU and the Philippines will now make their respective technical preparations for the first round of the resumed negotiations, expected to take place later this year.

## **Russia formally accepts Agreement on Fisheries Subsidies**

The Russian Federation deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 18 March 2024. Ambassador Nikolai Platonov presented Russia's instrument of acceptance to Director-General Ngozi Okonjo-Iweala.

## **TBT Committee adopts guidelines on certification, transparency in follow-up to MC13**

WTO members, at meetings of the Committee on Technical Barriers to Trade (TBT Committee) on 13 – 15 March 2024, adopted practical guidelines to support regulators in the choice and design of conformity assessment procedures. These procedures help determine whether products fulfil the requirements established by relevant technical regulations or standards.

## **Co-convenors mark recent round of e-commerce negotiations an important milestone**

The second round of e-commerce negotiations, held from 11 to 14 March, reviewed a second iteration of the Chair's text that had been circulated shortly before the WTO's 13<sup>th</sup> Ministerial Conference. Co-convenors of the talks – Australia, Japan, and Singapore – said that this version is comprehensive and could pave the way for the conclusion of the agreement by the summer.



## **Cabinet approves Inter-Governmental Framework Agreement India and United Arab Emirates on cooperation for the empowerment and operation of the India-Middle East Europe Economic Corridor**

The Union Cabinet chaired by the Prime Minister Narendra Modi, on 13 March 2024, approved the Inter-Governmental Framework Agreement (IGFA) that was signed on 13 February 2024 between India and the United Arab Emirates on Cooperation for the empowerment and operation of the India-Middle East Europe Economic Corridor (IMEC). The aim of IFGA is to enhance bilateral relations and to further strengthen the relations between the two countries in the Ports, Maritime and Logistics sectors.

## **WTO panel issues report regarding EU measures affecting palm oil, palm crop-based biofuels**

A WTO Panel, on 05 March 2024, ruled in a dispute brought by Malaysia against measures taken by the EU under Renewable Energy Directive ('RED II') concerning palm oil and oil palm crop-based biofuels, as well as certain related French measures. The Panel found largely in the European Union's favour and concluded that Malaysia has failed to establish that certain measures brought in under RED II "are inconsistent with the obligation... to ensure that technical regulations are not more trade-restrictive than necessary to fulfil a legitimate objective."

## **TRADE POLICY:**

### **India**

#### **Indian Exporters work on product identification problems under UK's replacement scheme for GSP**

The UK government's replacement of the Generalised Scheme of Preferences (GSP) with the Developing Countries Trading Scheme (DCTS) has caused confusion for Indian exporters as product description under the new scheme is different from one used by India for exports. The new scheme offers import duty concessions similar to the GSP Scheme but changes the origin declaration process for exporters to claim benefits.

#### **India extends ban on onion exports indefinitely ahead of general election**

India has extended its ban on onion exports indefinitely, a move that comes ahead of a general election and is expected to exacerbate high prices in some overseas markets. The ban, imposed in December, was due to expire on March 31. Traders had anticipated the ban would be lifted, but the government issued an order on 22 March 2024.

#### **Centre permits 64,400 tonnes of onion export to UAE, Bangladesh**

The Indian government has permitted the export of 64,400 tonnes of onions to the UAE and Bangladesh through the National Cooperative Exports Ltd (NCEL), according to notifications from



the Ministry of Commerce and Industry. The government previously prohibited onion exports until 31 March 2024. However, exports will be allowed based on permission granted by the central government to other countries.

### **India initiates anti-dumping probe into import of aluminium foil from China**

India has initiated an anti-dumping probe into the import of aluminium foil, used as a packaging material for conservation and preservation of edible and food products, from China. The complaint was filed by Hindalco Industries, Shyam Sel & Power Ltd, Shree Venkateshwara Electrocast, Ravi Raj Foils, GLS Foils Product and LSKB Aluminium Foils, on behalf of the domestic industry.

### **India extends export curbs on deoiled rice bran until end-July**

India has extended restrictions on exports of deoiled rice bran until 31 July 2024. The restrictions were previously extended in December 2023 until 31 March 2024.

### **DGFT partners with DHL for training MSMEs in e-commerce**

The Directorate General of Foreign Trade (DGFT) has signed a Memorandum of Understanding (MoU) with logistics service provider DHL to provide training sessions and workshops for MSMEs in 76 districts of India to make them "export-ready". The DGFT has actively been engaging in boosting e-commerce exports from the country, leveraging its 'District as Export Hubs' initiative.

### **Government imposes minimum export price of \$2,000 per tonne on honey until December**

The Indian government has imposed a minimum export price (MEP) of USD 2,000 per tonne on natural honey until December 2024, or until further orders, whichever is earlier. During April 2023-January 2024, natural honey exports reached USD 153.21 million, up from USD 203 million in 2022-23. Major exporting destinations include the US and the UAE.

### **Centre exempts gold import by RBI from customs duty, agri cess**

The Indian government has announced that gold imported by the Reserve Bank of India will be exempted from import duty and Agriculture Infrastructure Development Cess (AIDC). The import of gold typically attracts 15% duty, including 5% of AIDC. This was done to end tax advantage in importing gold and silver in findings form than in bars.

### **EoUs, SEZs to get RoDTEP sops, till September 30**

Indian Government has announced that outbound shipments from Special Economic Zones (SEZs) and Export Oriented Units (EOUs) will be eligible for tax refunds under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme. Exporting firms using the Advance Authorisation (AA) scheme will also benefit from the RoDTEP scheme. The benefits kick in from 11 March 2024 for EoUs and AA holders, SEZs will have to wait till their IT systems are integrated with the automated ICEGATE system. The RoDTEP benefits for these producers will be valid till 30 September 2024 for now.



## **RBI asks OMCs to pay for some oil imports in Rupees next FY**

The Reserve Bank of India has urged state-owned oil refiners to persuade Persian Gulf suppliers to accept at least 10% of oil payments in rupees in the next financial year. The move aims to boost the Indian currency in international trade and reduce dependence on dollars. However, oil exporters are hesitant due to currency risk and conversion charges.

## **United States**

### **U.S. Updates Export Curbs on AI Chips and Tools to China**

The Biden administration, on 29 March 2024, has revised rules aimed at making it harder for China to access US artificial intelligence (AI) chips and chipmaking tools. The rules, released in October 2023, seek to halt shipments of more advanced AI chips designed by Nvidia and others to China over concerns its advancing tech sector could help boost China's military. The new rules went into effect on 04 April 2024 and clarify that restrictions on chip shipments to China also apply to laptops containing those chips.

### **US pushes India to reverse laptop trade policy, says they will 'think twice' about future business**

India reversed a laptop licensing policy after lobbying by US officials, who remain concerned about New Delhi's compliance with WTO obligations and new rules it may issue, according to U.S. trade officials and government emails seen by Reuters. In August, India imposed rules requiring firms like Apple, Dell, and HP to obtain licenses for all shipments of imported laptops, tablets, personal computers, and servers, raising fears that the process could slow down sales. However, New Delhi rolled back the policy within weeks, saying it will only monitor the imports and decide on next steps a year later.

### **EPA issues new auto rules aimed at cutting carbon emissions, boosting electric vehicles and hybrid**

The US Environmental Protection Agency (EPA) has announced new automobile emissions standards. The new rules relax initial tailpipe limits proposed last year but eventually get close to the same strict standards set out by the EPA. The auto industry cited lower sales growth in objecting to the EPA's preferred standards unveiled last April. The EPA said that under its final rule, the industry could meet the limits if 56% of new vehicle sales are electric by 2032, along with at least 13% plug-in hybrids or other partially electric cars.

### **SEC Adopts Rules to Enhance and Standardize Climate-Related Disclosures for Investors**

The Securities and Exchange Commission (SEC) adopted rules to enhance and standardize climate-related disclosures by public companies and in public offerings on 06 March 2024. The rules reflect the Commission's efforts to respond to investors' demand for more consistent, comparable, and reliable information about the financial effects of climate-related risks on a registrant's operations



and how it manages those risks while balancing concerns about mitigating the associated costs of the rules.

## **European Union**

### **EU and Peru agree on cooperation activities to ensure respect of labour rights**

The European Commission and the Peruvian government have agreed on a list of technical cooperation activities to implement the labour rights commitments taken under the EU-Columbia-Peru-Ecuador Trade Agreement. The list aims to strengthen the labor system in Peru as a whole. It builds on ongoing cooperation in six priority areas of social dialogue, freedom of association, child labor, forced labour, labour informality, and the labour inspection system.

### **French Senate votes against ratification of EU-Canada free trade deal CETA**

A large majority of French senators voted against the ratification of the free trade deal between the European Union and Canada (CETA), after farmers slammed liberal trade policies. French farmers, who have pressured the government to obtain more aid, claim CETA favors Canadian rivals with looser environmental standards.

### **EU backs law against forced labour in supply chains**

A majority of 17 out of 27 European Union countries have agreed to a law requiring companies to ensure their supply chains do not cause environmental damage or use forced labour. The Corporate Sustainability Due Diligence Directive (CSDDD) will require European companies to document that products they import adhere to environmental and human rights standards, such as not involving child labour. They will also be required to prevent or minimise potential harm and to communicate their findings. However, compromises made following weeks of negotiations on the draft text mean only larger businesses with 1,000 employees or more and a net turnover of at least €450m will be affected.

### **Europe to battle with US for aluminium if EU opts for Russian ban**

European and US buyers will compete aggressively for Middle Eastern aluminium if the European Union bans Russian metal in coming months. A race for aluminium from Middle Eastern countries will fuel inflation for Western companies in the transport, packaging and construction industries - already facing high raw material and payroll costs. The European Union (EU) is expected to propose another package of import bans in the coming months, potentially sparking price rises reminiscent of 2018 when sanctions were imposed on Russian aluminium.

## **China**

### **China expands access for imported food, agricultural products, fostering globally shared market**

China is expanding its agricultural and food product market access, fostering a globally shared market and generating new development opportunities. China is adopting an opening-up policy for





international high-quality products. As China advances its opening-up policies, more and more foreign brands are seizing the immense opportunities presented by China's vast market potential. The trend has led to an increasing number of international brands expanding within the Chinese market.

### **China opens WTO Dispute against US Subsidies to protect its EV Industry**

China has initiated dispute settlement proceedings against the United States at the WTO to safeguard its interests in the electric vehicle industry. China said it was contesting "discriminatory subsidies" under the U.S. Inflation Reduction Act (IRA) that it said resulted in the exclusion of goods from China and other WTO countries.

### **China asks Netherlands, exporter of world's top chipmaking equipment, to avoid decoupling**

China's commerce minister and Netherland's acting foreign trade minister met to discuss issues like exporting lithography machines to China and strengthening semiconductor industry cooperation. Washington has asked third countries with US business interest to avoid selling sensitive tech-related gear to China, as part of their economic rivalry since a 2018 trade war. Dutch lithography equipment maker ASML has been restricted from selling its advanced line of extreme ultraviolet tools in China for past five years.

### **Taiwan agrees to allow duty-free imports of Paraguayan pork in setback for mainland China**

Taiwan has agreed to allow duty-free imports of Paraguayan pork, a landmark move that could strengthen ties between the two allies. Paraguayan President Santiago Pena had visited the island last year to seek such an outcome. The deal is a boon for Paraguayan producers who have faced weaker demand following US and European Union sanctions levied against Russia after it invaded Ukraine. The agreement also permits duty-free exports of wheat flour, textiles, ethyl alcohol, beef burgers, as well as reduced tariffs for honey and rice biscuits.

## **INDIAN CUSTOMS:**

### **Frozen duck meat imports from US may rise on cut in Customs duty**

India is expected to import 80 per cent more frozen duck meat from the US in 2024 compared to 2021, with the Customs duty reduced to 5%. The reduction was facilitated by the successful G20 New Delhi Leaders' Summit. This year, India is expected to import 20 tonnes of premium frozen duck meat and 10 tonnes of frozen duck organs, including liver. By 2026, these imports are expected to reach 80%.





## **TEPA: Norway to eliminate customs duties for almost 98 pc of imports from India**

Norway has announced that it will eliminate customs duties for nearly 98% of imports from India under a \$100 billion free trade pact signed between India and the European Free Trade Association (EFTA). The pact aims to expand trade across pharmaceuticals, manufacturing, new technologies, and machinery.

## **Indian Newspaper Society Appeals Government to Lift 5% customs duty on newsprint amidst global supply chain challenges**

The Indian Newspaper Society (INS) has appealed for a reconsideration of the 5% Customs Duty on Newsprint, citing its critical role in disseminating affordable knowledge, aiding government communication, and maintaining trust amid online misinformation. The plea comes amid challenges faced by publishers due to global geopolitical uncertainties, logistical complexities, the depreciation of the Indian rupee, and prevailing customs duties on Newsprint.

## **SANCTIONS:**

### **Commerce Rule Advances U.S. National Security by Enhancing Coordination Between Commerce Export Controls and Treasury Sanctions**

The US Commerce Department has imposed additional restrictions under the Export Administration Regulations (EAR) on individuals under fourteen sanctions programs. While the EAR has for many years restricted the export, reexport, and transfer (in-country) transactions involving certain persons and entities identified on the Specially Designated Nationals and Blocked Persons List or pursuant to certain statutory authorities, the new rule ensures that persons and entities blocked under fourteen sanctions programs will also automatically be subject to stringent export, reexport, and transfer (in-country) controls under the EAR.

### **US, G-7 allies warn Iran to back off deal to provide Russia ballistic missiles or face new sanctions**

The US and its allies have warned Iran that major Western economies will impose new sanctions on Tehran if it continues to provide ballistic missiles to Russia for its war with Ukraine. The US has not confirmed whether missiles have moved from Iran to Russia but is alarmed by Iranian officials' comments suggesting a deal is imminent.

### **EU sanctions: new rules to crack down on violations**

The European Parliament has adopted a directive criminalizing the violation and circumvention of EU sanctions. The directive aims to establish a common definition of violations, including not freezing funds, not respecting travel bans or arms embargoes, transferring funds to persons subject to sanctions, or doing business with state-owned entities of countries under sanction.



## Trade Remedies:

### India

S.N O.	PRODUCT	SUBJECT COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Plastic Processing Machines	China PR Taiwan	<a href="#">AD (OI)- 08/2024</a>	Initial Notification	29/03/2024
2.	Aluminium Foil 80 micron and below	China PR, Indonesia, Malaysia and Thailand	<a href="#">AD (MTR)- 01/2024</a>	Initiation Notification_ MTR	29/03/2024
3.	Effect pearlescent pigments or mica pearlescent pigments, excluding effect pigments for automotive applications	China PR	<a href="#">CVD (OI)- 01/2024</a>	Initiation Notification	29/03/2024
4.	Azo Pigment	China PR	<a href="#">AD (OI)- 06/2024</a>	Initiation Notification	29/03/2024
5.	Titanium Dioxide	China PR	<a href="#">AD (OI)- 03/2024</a>	<a href="#">Initial Notification</a>	28/03/2024
6.	Sodium Cyanide (NaCN)	China PR, European	<a href="#">AD (OI)- 03/2023</a>	Final Finding	28/03/2024



		Union, Japan and Korea RP			
7.	Potassium Tertiary Butoxide (KTB) and Sodium Tertiary Butoxide (STB)	China PR, United States of America	<a href="#">AD (OI) - 10/2024</a>	Initiation Notification	28/03/2024
8.	Vitamin-A Palmitate	China PR, The European Union and Switzerland	<a href="#">AD (OI)- 07/2024</a>	Initiation Notification	28/03/2024
9.	Decor Paper	China PR	<a href="#">MTR03/2023</a>	Initiation Notification MTR	28/03/2024
10.	Insoluble Sulphur	China PR and Japan	<a href="#">AD (OI)- 01/2024</a>	Initiation Notification	27/03/2024
11.	Saccharin	China PR	<a href="#">CVD-SSR- 14/2023</a>	SSR- Initiation Notification	26/03/2024
12.	Saccharin	China PR	<a href="#">AD (OI)- 02/2024</a>	Initiation Notification	26/03/2024
13.	Acetonitrile	China PR, Russia & Taiwan	<a href="#">ADD (OI) - 04/2024</a>	Initiation Notification	26/03/2024
14.	Poly Vinyl Chloride PVC Suspension Resins	Taiwan,China PR,Indonesia, Japan,Korea RP, Malaysia	<a href="#">OI (30/2023)</a>	Initiation Notification	26/03/2024



		,Thailand & USA			
15.	Aluminium Foil	China PR	<a href="#">AD (OI)- 31/2023</a>	Initiation Notification	21/03/2024
16.	Polyethylene Terephthalate	China PR	ADD 6/24/2019- DGTR	Initiation Notification	04/03/2024

### European Union

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Mobile access equipment	People's Republic of China	Anti-Subsidy Proceeding AS704	Initial Notification	27/03/2024

### United States of America

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	2,4-Dichlorophenoxyacetic Acid	China and India	ADD,CVD [Investigation Nos. 701-TA-710-711and 731-TA-1673-1674]	Initiation Notification	20/03/2024
2.	Melamine	India, Germany,	<a href="#">CVD [ C-428-853, C-533-</a>	<a href="#">Initiation Notification</a>	11/03/2024



		Qatar, Trinidad and Tobago	<a href="#">925, C-518-002, C-274-811]</a> <a href="#">ADD [A-428-852, A-533-924, A-588-882, A-518-001, A-421-817, A-274-810]</a>	<a href="#">Intitiation Notification</a>	
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*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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