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In the June 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:

WTO holds first formal meeting on dispute settlement reform

WTO members met at Heads of Delegation level on 30 May for their first formal meeting on dispute settlement reform, with an initial focus on how to resolve issues regarding appeal/review and accessibility. The facilitator of the process, Ambassador Usha Dwarka-Canabady of Mauritius, said the discussions revealed a “strong appreciation for the dispute settlement system overall” as a core element of the WTO system.

EU requests WTO consultation on Colombia’s compliance in frozen fries dispute

The EU has launched WTO compliance proceedings against the Republic of Colombia in view of its failure to comply with rulings by the WTO Panel and of the Multi-Party Interim Appeal Arbitration Arrangement’s (MPIA) Appeal Arbitrators concerning anti-dumping duties on imports of frozen fries from Belgium, the Netherlands and Germany. Colombia claimed to have implemented the findings and recommendations. However, the EU considers that Colombia artificially created and/or inflated the dumping margins by using WTO-incompatible methodologies.

Uzbekistan plans to join World Trade Organization by 2026

Uzbekistan plans to join the World Trade Organization before the 14th Ministerial Meeting, which will be held in 2026 in Cameroon. The chairman of the working group, Ambassador of South Korea Yoon Sung-dok noted the “accelerated pace of negotiations”, emphasizing that the process of Uzbekistan’s accession to the WTO “has reached a new level”.

Turkmenistan Officials in Georgia to Prepare for WTO Application

A delegation from Turkmenistan has arrived in the Georgian capital of Tbilisi on a study visit to research the best practices for accession to the World Trade Organization (WTO), and promotion of national trade policy. This was reported by the state media agency Turkmen portal.

The visit, organized by the OSCE Centre in Ashgabat, will reportedly last from 27 to 31 May. The delegation includes representatives of the Ministry of Finance and Economy, Ministry of Justice, the Central Bank, and the State Customs Service.

WTO talks on deal to end fishery subsidies likely to reconvene in June

World Trade Organization (WTO) members are expected to reconvene in June to negotiate a deal that eliminates harmful fishery subsidies, according to Ernesto Fernández Monge, a senior



officer at The Pew Charitable Trusts who has been a leading observer of the talks across the course of their failed attempts. In the Abu Dhabi Ministerial held this year, progress was made on limiting subsidies that go toward distant-water fishing activities; however, WTO members remain deadlocked on the extent and phase-in periods of exemptions for developing nations that wish to pay subsidies to artisanal fisheries. Some developing countries, with India leading the charge, object to any deal that limits payments to subsistence fishing, arguing that leading industrialized fishing nations are the chief culprits of overfishing globally and should be the primary targets of the ban on subsidies. The progress made in Abu Dhabi will help to form the basis of discussions during the next negotiating process.

Support to farmers, food security, outdated data — WTO members question India's agriculture policies

Several member countries of the World Trade Organization (WTO), including Canada, Brazil, Australia, Japan, the UK, and the US, have questioned India over the 50 percent increase in the support it provided its farmers in 2022-23. Other decisions, too, by the Indian government have come under question, such as the 21 percent increase in the amount it has allocated for public stockholding for food security.

India opposes US, Australia allegations on its sugar subsidies breaching WTO limits

India has firmly opposed a joint counter notification submitted by the US and Australia at the WTO alleging that its sugar subsidies breached WTO norms by a wide margin. It questioned the methodology used for calculating the subsidies and argued against the use of the rupee in making the calculations on the ground that the currency was "heavily" impacted by inflation.

EU's deforestation law that could hit Indian exports opposed by many WTO members

India's concerns on the EU's new Regulation on Deforestation-Free Products (EUDR), that would restrict exports of several items to the bloc from this year-end (December 30 2024), have been shared by a number of other WTO members who all asked for its postponement at a recent meeting in Geneva. New Zealand, Australia, Brazil, Indonesia, Paraguay, Ecuador, Guatemala, Thailand, and the United States, all shared their misgivings on the new law and asked for postponement of its implementation.

British poll cloud over India-UK FTA, freeze on trade expansion

The India-UK free trade agreement (FTA) appears to be heading for another stalemate after 13 rounds of negotiations over 2 years and several deadlines, as a successful fruition of the deal looks elusive, even as the UK and India reiterated the ongoing commitment to negotiate a mutually beneficial FTA during the annual UK-India Strategic Dialogue meeting on 17 May 2024. The India-UK FTA covers 26 subjects, key ones being goods, services, IP, government procurement, SPS measures, TBT, competition, rules of origin, trade facilitation, customs



cooperation, small and medium-sized enterprises, trade and sustainable development, labour, gender, digital trade, dispute settlement, general provisions and transparency.

Chinese, Japanese experts hold dialogue on world economy, bilateral cooperation

Chinese and Japanese economists had a constructive dialogue in Tokyo, exchanging views on the global economy under geopolitical tensions and areas where the two countries can strengthen cooperation. More than 50 experts and scholars from China and Japan attended the dialogue co-sponsored by the Japan Forum on International Relations and the Institute of Japanese Studies, Chinese Academy of Social Sciences, and conducted reports and discussions on a range of economic topics of common concern.

India fighting pressure at WTO to allow 'plurilateral pact' on investment facilitation

India is under pressure at the WTO to give its consent for inclusion of the proposed China-led investment facilitation for development (IFD) pact in the formal WTO framework as a plurilateral agreement (endorsed by some of the members), but it is refusing to give in. India continued to oppose the move stating that investment is not an issue for discussion at the WTO.

Qatar formally accepts WTO agreement on fisheries subsidies

Qatar has formally accepted an agreement on fisheries subsidies as part of efforts to protection of the maritime ecosystem, and environmental sustainability, the World Trade Organisation (WTO), announced on May 22, 2024.

India plans to challenge EU carbon tax at WTO

Indian plans to file a complaint to the World Trade Organisation over the European Union's proposal to impose 20% to 35% tariffs on imports of high-carbon goods like steel, iron ore and cement from India. This is part of New Delhi's strategy to combat the EU's Carbon Border Adjustment Mechanism (CBAM) designed to push local industries to invest in new technologies to bring down carbon emissions, while also raising the issue in bilateral talks.

Mauritius formally accepts Agreement on Fisheries Subsidies

Mauritius deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 13 May, advancing the tally of formal acceptances to 75. Ambassador Usha Chandnee Dwarka-Canabady presented Mauritius's instrument of acceptance to Director-General Ngozi Okonjo-Iweala.

Lao PDR formally accepts Agreement on Fisheries Subsidies

The Lao People's Democratic Republic (PDR) deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 13 May. Ambassador Latsamy Keomany presented Lao PDR's instrument of acceptance to Director-General Ngozi Okonjo-Iweala.



New Zealand and UAE initiate FTA negotiations

In a significant development for international trade relations, New Zealand and the United Arab Emirates are set to commence negotiations on a Comprehensive Economic Partnership Agreement. This announcement was made in Dubai by New Zealand's Trade Minister Todd McClay and his UAE counterpart.

Cambodia formally accepts Agreement on Fisheries Subsidies

Cambodia deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 6 May. Minister of Commerce Cham Nimul presented Cambodia's instrument of acceptance to Deputy Director-General Angela Ellard.

TRADE POLICY:

India

Paper industry voices concern as imports rise 34% in FY24

As per the data released by DGCI&S, paper imports reached 19.3 lakh tonnes in FY24, a rise of 34% over 14.3 lakh tonnes imported in the previous year. The surge of 34% comes on top of a 25% jump in paper imports in FY23. ASEAN has come to account for the largest chunk of the import pie in the country accounting for 27% share. Indian Paper Manufacturers Association has urged the government to increase the basic customs duty (BCD) on the import of paper and paperboard from 10 to 25% (WTO bound rate for India is 40%).

Govt pursuing customs mutual recognition agreements with nations: CBIC

India has signed mutual recognition agreements (MRAs) with customs authorities of seven nations and is actively pursuing negotiations for such pacts with other countries. The Central Board of Indirect Taxes and Customs and the Federal Customs Service, Russia, in the month of May, 2024, signed the Authorized Economic Operator (AEO) MRA to provide reciprocal benefits to accredited and trusted exporters of both signatories in the clearance of goods by the customs authorities of the importing country. AEO MRA is already in place for 7 countries, including Korea, UAE, Hong Kong and Taiwan.

Govt plans to formulate SOPs for negotiating free trade agreements

India is considering formulating standard operating procedures (SOP) for negotiating free trade agreements (FTAs) as the country is engaging with several trade partners for such pacts, an official said. To discuss the various aspects of these agreements, the commerce ministry is organising a two-day 'Chintan Shivir' on FTA strategy and SOPs for trade negotiations.

Government working to help exporters deal with countervailing duty cases



The government is developing a verification system for exporters under the RODTEP scheme to ensure compliance with countervailing duties. This system will involve a joint mechanism with DGFT, DGTR, and DoR officials to check subsidy allegations on Indian products.

India, Nigeria agree to early conclusion of local currency settlement system agreement

India and Nigeria have agreed to conclude a local currency settlement system agreement to strengthen economic ties. The agreement, signed during a joint session of the India-Nigeria Joint Trade Committee, aims to promote the use of the Indian Rupee and Nigerian Naira for cross-border transactions. The agreement will enhance bilateral trade and mutually beneficial investments in sectors such as crude oil, natural gas, pharmaceuticals, power, renewable energy, agriculture, education, transport, railway, aviation, and MSMEs development.

United States

Fear of coming change in US sends shock waves down Morbi's famed tiles cluster

Tiles companies allege that a minimum of 25% of US orders have been suspended, with potential for further halts following the petition for anti-dumping duty submission to the US government. This setback comes amidst already reduced demand, attributed to increased duties in Gulf Cooperation Council (GCC) countries and economic deceleration in Europe. The US ceramic tiles business is heavily import dependent and India is one of the exporters. There are fears among US companies that they may have to end up paying heftier import levies if the anti-dumping duty is imposed in retrospective effect. As a result, many have currently halted orders to India.

Buchanan Obtains Preliminary Win with U.S. Department of Commerce's Affirmative Subsidy Determination in Trade Case on Glass Wine Bottles from China

In a victory for the U.S. glass industry, the U.S. Department of Commerce has preliminarily determined that the government of China unfairly subsidizes its glass wine bottle industry. Commerce calculated affirmative preliminary countervailing duty rates ranging from 21.14% to 202.70% for all Chinese producers.

US Department of Commerce hits Ecuador, Indonesia with antidumping duties on shrimp

The U.S. Department of Commerce (DOC) has unveiled its preliminary determinations on antidumping duties for Ecuador and Indonesia, with most companies in Ecuador facing an additional charge of over 10 percent. Most shrimp companies in Ecuador are now facing a 13.47 percent duty on shrimp exports to the U.S., while most Indonesian companies have been hit with a 6.3 percent duty.



AD/CVD laws to create 'significant disadvantage' for SE Asian PV imports

The flurry of recent tariff changes for solar imports to the US is likely to make products from Southeast Asia less attractive to buyers, according to renewables analysis firm Clean Energy Associates (CEA). The combination of the newest antidumping and countervailing duty (AD/CVD) tariff investigation and President Biden's recent removal of tariff exemptions on bifacial solar modules "could significantly disadvantage products from Southeast Asia in the US market", CEA said.

House Republicans propose increased tariffs on Chinese-made drones

A group of House Republicans proposed legislation that would hike U.S. tariffs on Chinese-made drones by 30% and bar imports of drones that contain critical components made in China by 2030.

European Union

Commission Implementing Regulation imposing anti-dumping duty on Chinese imports of seamless pipes and tubes of stainless steel

The European Commission published Commission Implementing Regulation (EU) 2024/1475 of 30 May 2024 imposing a definitive anti-dumping duty on imports of certain seamless pipes and tubes of stainless-steel originating in China following an expiry review.

Germany, France Push EU to Halt Import of Fraudulent Biofuel

Germany and France are urging the European Union to intensify measures against the import of fraudulent biofuel, particularly from China, which uses ingredients like used cooking oil. These imports are disrupting global markets and undercutting EU producers. France, Germany, and the Netherlands suggest stricter EU rules for verifying biofuel production facilities before imports are allowed. EU producers claim they are being undercut by Asian companies mixing cheaper feedstocks and mislabeling fuels to qualify for EU incentives.

EU hit as China launches tit-for-tat anti-dumping probe amid rising trade tensions

China has launched an "anti-dumping" investigation into chemical imports, in what appears to be a response to trade barriers introduced by the EU, the US and other countries.

EU tackles circumvention of anti-dumping tariffs on birch plywood imports

The European Commission has extended anti-dumping measures on imports of birch plywood from Russia to imports from Kazakhstan and Türkiye. The extension follows an investigation which concluded that EU anti-dumping duties on imports of birch plywood from Russia were being circumvented by imports transhipped from Russia to Kazakhstan and Türkiye, or sent for final completion to these countries, preceding shipment of the finished product to the EU.

China



China urges EU to stop anti-subsidy probe into electric vehicles

China has urged the European Union to stop its anti-subsidy investigation into Chinese electric vehicles as soon as possible so as not to disrupt China-EU economic and trade cooperation and the stability of industrial and supply chains.

China to gradually lift restrictions on purchases of new-energy vehicles, in major boost for sector

China will gradually lift restrictions on the purchase of new-energy vehicles in various regions, according to a decarbonization action plan released on May 29, which is set to offer another major boost to the industry. The move comes after the US and the EU have taken protectionist moves against Chinese electric vehicles (EVs) based on claims of "overcapacity" in China, with Washington imposing steep tariffs on Chinese EVs and Brussels launching a so-called anti-subsidy probe into Chinese EVs.

Chinese industry to seek probe into EU pork imports

Chinese industries plan to ask the authorities to start an anti-dumping investigation into pork imports from the European Union. It is the latest hint via state media that China is ready to take retaliatory steps against the bloc amid escalating trade tensions.

Chinese auto industry insider urges temporary tariff rate hikes on imported cars with large engines to meet 'dual carbon' goals

China should consider raising the temporary tariff rate on imported cars with large-displacement engines, in order to reduce imports as part of the country's broader efforts to cut emissions and promote the green development of the auto industry, a Chinese auto industry insider told the Global Times.

Rest of the World

Brazil decides to impose AD measures on cold-rolled stainless steel products of grades 200 series & 410 from China

On May 24, the Brazilian authority announced that it decided to impose anti-dumping duty (AD) measures on imports of cold-rolled stainless steel products of grades 200 series and 410 originating in China. The AD for all China's exporters was set at US\$629.44/ton.

Ukraine will Review Anti-Dumping Measures against imports of Cement from Russia, Belarus and Moldova

The Interdepartmental Commission on International Trade (ICIT) will review anti-dumping measures against imports of cement from Russia, Belarus and Moldova to Ukraine due to their expiration. As reported, in 2019, the ICIT applied anti-dumping duties on imports of cement clinkers and Portland cement to Ukraine under codes 2523 10 and 2523 29 at the level of 57.03%



for cement from Belarus; 94.46% for cement from Moldova; 114.95% for cement from Russia. The duties were set for a period of five years.

Sri Lanka to amend Anti-Dumping and Safeguard Laws

The Cabinet of Ministers has approved to publish two draft bills on trade remedies. Accordingly, Cabinet approval has been granted to publish the draft bills for Anti – Dumping and Countervailing Duties Act, No. 2 of 2018 and the Safeguard Measures Act No. 3 of 2018 in the Government gazette notification. The Government said that the amendments were deemed necessary during the preparation of the Economic Transformation draft bill, highlighting the need for stronger measures to prevent dumping and counter unfair trade practices.

UK imported e-bikes could be £260 cheaper if government follows Trade Remedies Authority recommendation

The Trade Remedies Authority (TRA) has said current anti-dumping and anti-subsidy tariffs on e-bikes from China should be revoked. The TRA say this move could save consumers on average £260 per e-bike, benefit the economy by £51m a year, and result in 31,000 more e-bike sales. The current anti-dumping and anti-subsidy measures were put in place to protect the EU and UK e-bike market from cheaper products coming from overseas. However, having reviewed the effect of both tariffs, the TRA found that the economic penalty they impose is greater than the benefits they bring.

SANCTIONS:

EU launches new sanctions framework targeting Russia regarding human rights violations

On May 27, 2024, the EU adopted a new sanctions regime in relation to deemed human rights violations and internal repression in Russia. The new sanctions measures include asset freezes and export restrictions targeting equipment used for internal repression and information security.

India's engineering exports to Russia surge amid Ukraine conflict but sanctions remain a concern

The geopolitical situation has reshaped India's export patterns, particularly in the engineering and machinery sectors. While opportunities in the Russian market have expanded, exporters must navigate the complexities of sanctions and banking reluctance to capitalize on this growth.

US Announces New Sanctions Over North Korea-Russia Arms Transfers

The United States announced sanctions on Thursday on two Russian individuals and three Russian companies for facilitating arms transfers between Russia and North Korea, including ballistic missiles for use in Ukraine.



INDIAN CUSTOMS:

Advance Authorizations: DGFT Clarification: AA issued before March 11, 2024 not under Notification 71/2023

Trade Notice No. 03/2024 addresses the applicability of Notification No. 71/2023 dated March 11, 2024 issued by the Directorate General of Foreign Trade. The notification clarifies that the provisions of Notification No. 71/2023 are not applicable retrospectively. Advance Authorizations (AA) issued before March 11, 2024 will be governed by the provisions in place at the time of their issuance. The notification also states that amendments to include Quality Control Order (QCO) exemption on AA issued before March 11, 2024 are not allowed. Additionally, the clubbing of AA issued under Notification No. 71/2023 with those issued before that date is not permitted.

**TRADE REMEDIES:****India**

S.N O.	PRODUCT	SUBJECT COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Chlorinated Polyvinyl Chloride (CPVC)- 'Whether or not further processed into compound'	Korea RP and China PR	ADD <i>[Case No. SSR-11/2023]</i>	Final Finding (SSR)	25/05/2024
2.	Trichloro Isocyanuric Acid	China PR and Japan	ADD <i>[Case No. : 6/20/2023-DGTR]</i>	Preliminary Findings	01/05/2024

European Union

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Vanillin	People's Republic of China	ADD <i>[C/2024/3241]</i>	Initial investigation	24/05/2024
2.	Lysine	People's Republic of China	ADD <i>[C/2024/3265]</i>	Initial Investigation	23/05/2024



3.	Optical fibre cables	India	ADD [C/2024/3206]	Initial Investigation	17/05/2024
4.	Seamless Pipes and Tubes	People's Republic of China	ADD [C/2024/3225]	Initial Investigation	17/05/2024
5.	Flat-rolled products of iron or non-alloy steel plated or coated with tin ('tinplate')	People's Republic of China	ADD [C/2024/3112]	Initial Investigation	16/05/2024
6.	Multilayered Wood Flooring	People's Republic of China	ADD [C/2024/3186]	Initial Investigation	16/05/2024

United States of America

S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Carbazole Violet Pigment 23	India	CVD [C-533-839]	Preliminary Determination	28/05/2024
2.	Epoxy Resins	China, India, South Korea, Taiwan, and Thailand	ADD,CVD [Inv. No. 701-TA-716-719 and 731-TA-1683-1687]	Determination	24/05/2024



3.	Certain Paper Shopping Bags	India	CVD <i>[C-533-918]</i>	Final Determination	24/05/2024
4.	Disposable Aluminum Containers, Pans, and Trays	China	ADD/CVD <i>[Inv. No. 701-TA-727 and 731-TA-1695]</i>	Initiation Notification	22/05/2024
5.	Truck and Bus Tires	Thailand	ADD <i>[A-549-848]</i>	Preliminary Determination	20/05/2024
6.	Certain High Crome Cast Iron Grinding Media	India	CVD <i>[C-533-931]</i>	Initiation Notification	16/05/2024
7.	Ceramic Tile	India	CVD <i>[C-533-929]</i>	Initiation Notification	16/05/2024
8.	Ceramic Tile	India	ADD <i>[A-533-928]</i>	Initiation Notification	16/05/2024
9.	Certain Hot-Rolled Steel Flat Products	Republic of Korea	CVD <i>[C-580-884]</i>	Final Determination	13/05/2024
10.	Aluminum Extrusions	China, Indonesia,	CVD <i>[C-570-159], [C-560-841],</i>	Preliminary Determination	11/05/2024



		Mexico and Turkey	<i>[C-201-861] and [C-489-851]</i>		
11.	Steel Concrete Reinforcing Bar	Mexico	<i>ADD [A-201-844]</i>	Final Determination	10/05/2024
12.	Carbon Steel Flanges	Spain	<i>ADD [A-469-815]</i>	Preliminary Determination	10/05/2024
13.	Aluminum Extrusions	Taiwan, China, Colombia, Thailand, Ecuador, Malaysia, Mexico, Turkey, United Arab Emirates, Vietnam, South Korea, Italy, India and Indonesia	<i>ADD [A-583-874], [A-570-158], [A-301-806], [A-549-847], [A-331-804], [A-557-826], [A-201-860], [A-489-850], [A-520-810], [A-552-837], [A-580-918], [A-475-846], [A-533-920] and [A-560-840].</i>	Preliminary Determination	07/05/2024



14.	Circular Welded Carbon-Quality Steel Pipe	China	ADD,CVD <i>[Inv. No. 701-TA-447 and 731-TA-1116]</i>	Institution of Five-Year Reviews	01/05/2024
15.	Laminated Woven Sacks	Vietnam	ADD,CVD <i>[Inv. No. 701-TA-601 and 731-TA-1411]</i>	Institution of Five-Year Reviews	01/05/2024
16.	Glycine	China, India, Japan, and Thailand	ADD,CVD <i>[Inv. No. 701-TA-603-604 and 731-TA-1413-1415]</i>	Institution of Five-Year Reviews	01/05/2024
17.	Silicomanganese	India, Kazakhstan, and Venezuela	ADD <i>[Inv. No. 731-TA-929-931]</i>	Institution of Five-Year Reviews	01/05/2024
18.	Welded Line Pipe	Republic of Korea	ADD <i>[A-580-876]</i>	Final Determination	01/05/2024



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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