



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

## INTERNATIONAL TRADE LAW MONTHLY ALERT

JULY 2024 EDITION





In the July 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, Korea start trade pact review**

The talks between India and Korea on the review of the Comprehensive Economic Partnership Agreement (CEPA) have made significant headway, with both sides exchanging the list of ‘requests’ where they want further opening up of trade. From the Korean side the demand has come in regard to sectors like automobiles, textiles, chemicals and petrochemicals while India is seeking greater access to the Korean markets for steel, rice, shrimp and clothing.

### **Discussions on for comprehensive free trade agreement with India: Australian diplomat**

Australian Deputy High Commissioner Nicholas McCaffrey on June 25 said his country is currently engaged in discussions with the Indian government to establish a comprehensive free trade agreement between the two nations. Speaking at an interactive session organised by the Confederation of Indian Industry, McCaffrey highlighted that while there is an existing Economic Cooperation and Trade Agreement (ECTA) with India, signed in 2022, Australia aims to upgrade this pact to enhance its scope and impact.

### **India, the US and 12 other nations sign Indo-Pacific region economic pact**

The US and 13 nations in Asia signed agreements on the Indo-Pacific Economic Framework, part of Biden's strategy to counter China's influence. The pact includes major economies like Japan, India, and South Korea, focusing on renewable energy, climate change, taxation, corruption, and supply-chain management.

### **BRICS calls for enhanced use of local currencies in trade between member countries**

The BRICS ministers of Foreign Affairs held discussions in Russia’s Nizhny Novgorod, focusing on the use of local currencies in trade and financial transactions. They acknowledged the need for global financial reform and recalled the Johannesburg II Declaration's task for Finance Ministers and Central Bank Governors to consider local currencies, payment instruments, and platforms.

### **Heads of WTO, Afreximbank sign agreement to boost cooperation on food, trade, fisheries**

The WTO and the African Export-Import Bank (Afreximbank) signed a Memorandum of Understanding (MoU) on June 28 to enhance cooperation and collaboration on a range of issues, including food and agricultural trade, trade finance, and fisheries subsidies. The MoU also establishes a broad framework for collaboration in other potential areas of mutual interest.



## **China, Peru Completed 'Substantial Negotiations' to Upgrade FTA**

China and Peru have achieved "substantial conclusion of negotiations" on the upgrading of a free trade agreement between both countries. In a meeting with Peruvian President Dina Boluarte in Beijing, President Xi Jinping said both sides should coordinate and promote cooperation in fields such as minerals, energy, manufacturing, agriculture and others. Peru and China had signed a free trade agreement in 2009, which helped the South American nation boost its exports.

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

Montenegro deposited its instrument of acceptance of the Agreement on Fisheries Subsidies on 14 June 2024. The Agreement prohibits support for illegal, unreported and unregulated (IUU) fishing, bans support for fishing overfished stocks and ends subsidies for fishing on the unregulated high seas.

## **European Union initiates compliance proceedings over Colombian duties on frozen fries**

The European Union has requested WTO consultations with Colombia to address measures taken by Colombia to comply with an earlier WTO panel ruling and arbitration award regarding Colombia's anti-dumping duties on imports of frozen fries originating in Belgium, the Netherlands and Germany. The request for consultations was circulated to WTO members on 4 June 2024.

## **TRADE POLICY:**

### **India**

## **India supports African Group's demand for policy space to pursue green industrialisation**

India has supported a crucial proposal made by the African Group at the WTO for recalibration of multilateral rules, such as those on subsidies and investments, to allow developing countries to have the policy space to pursue green industrialisation. A comprehensive work plan on the proposal, that was also supported by Russia, China, Brazil, Indonesia, the LDC group and the Pacific Group, will be presented by the African Group in July. With the EU already throwing challenges for developing countries with its Carbon Border Adjustment Mechanism (CBAM) and Deforestation Regulations (DR), the proposals hold additional significance.

## **DGTR for continuation of anti-subsidy duty on certain type of steel pipes, tubes from China, Vietnam**

The Directorate General of Trade Remedies (DGTR) has recommended the extension of countervailing duties on welded stainless-steel pipes and tubes from China and Vietnam to



protect domestic players, citing the risk of harm to the local industry if the duty is lifted, proposing a duty of up to 29.88%.

## **India buys record amount of sunoil as Ukraine-Russia fight for market share cuts price**

Indians bought a record 500,000 metric tons of sunflower oil for June delivery, as competition between leading suppliers Russia and Ukraine made it cheaper than soy oil and palm oil. Higher sunflower oil purchases by the world's biggest importer of vegetable oils will help to reduce sunflower oil inventories in the Black Sea region and lift sun oil prices.

## **IT firms grapple with new anti-dumping duty on PCBs under PLI scheme**

Under India's production-linked incentive (PLI) scheme for IT hardware, companies are grappling with an unexpected hurdle: A newly imposed 30 per cent anti-dumping duty (ADD) on bare printed-circuit boards (PCBs). This duty, effective for five years since March, has sparked concerns among industry leaders who argue that it undermines the global competitiveness of their products. Industry insiders also highlighted that the impact varies across different products- a 3-4 per cent rise for lighting products, 1 per cent for IT hardware, and 2-3 per cent for telecom products. This levy is particularly detrimental to firms involved in local PCB assembly, a requirement under the revised IT hardware PLI scheme.

## **Govt permits 2,000 tonnes non-basmati white rice exports to Malawi, Zimbabwe**

The Indian government has approved the export of 2,000 tonnes of non-basmati white rice to Malawi and Zimbabwe through the National Cooperative Exports Limited, despite a ban on such exports since July 2023 to boost domestic supply. The move aims to meet the food security needs of the two African nations. India has earlier also allowed such exports to countries like Nepal, Cameroon, Cote D' Ivore, Guinea, Malaysia, Philippines, and Seychelles.

## **DGFT implements automated system for adhoc input-output norms fixation**

The Directorate General of Foreign Trade (DGFT) has introduced a new automated system to establish adhoc input-output norms, aimed at facilitating foreign trade procedures. This initiative allows exporters to import duty-free raw materials for manufacturing goods meant for export under advance authorisation. Exporters can now apply for customized adhoc norms through a rule-based, automated process if standard norms do not meet their specific requirements.

## **DGTR issues draft proposal for amendment to Customs Tariff Act, Anti-Dumping Rules and Countervailing Duty Rules**

On June 18, Indian Ministry of Commerce and Industry's from all stakeholders on proposed amendments to the Customs Tariff Act and the associated Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (AD Rules) and Customs Tariff (Identification, Assessment and Collection of



Countervailing Duty on Subsidised Articles and for Determination of Injury) Rules, 1995 (CVD Rules).

## **United States**

### **US Lawmakers Seek Crackdown on Chinese Used Cooking Oil Imports Over Fraud Concerns**

A group of U.S. farm state senators is pushing for a regulatory crackdown on surging imports of used cooking oil from China and elsewhere amid concerns some of the shipments could be fraudulent. U.S. biofuels manufacturers have been buying increasing volumes of used cooking oil in recent years to make products like biodiesel that can fetch lucrative federal and state climate subsidies. But some of the cargoes may include virgin palm oil, a product linked to climate and environmental damage from deforestation.

### **USITC votes to continue investigations on disposable aluminium containers, pans, trays, and lids from China**

The United States International Trade Commission (USITC) determined on June 28 that there is a reasonable indication that a U.S. industry is materially injured by reason of imports of disposable aluminium containers, pans, trays, and lids from China that are allegedly sold in the United States at less than fair value and subsidized by the government of China. As a result of USITC's determinations, the U.S. Department of Commerce will continue its investigations of these imports from China, with its preliminary countervailing duty determination due on or about August 9, 2024, and its preliminary antidumping duty determination due on or about October 23, 2024.

### **US proposes restrictions for investments in Chinese tech, AI**

The United States Department of the Treasury has fleshed out a proposed rule that would restrict and monitor US investments in China for artificial intelligence, computer chips and quantum computing. The draft rule, issued on June 21, stems from President Joe Biden's August executive order regarding the access that "countries of concern" have to American dollars to fund advanced technologies that could enhance those nations' military, intelligence, surveillance and cyber-capabilities. The order identified China, Hong Kong and Macau as countries of concern.

### **USITC institutes Section 337 investigation of certain wi-fi access points, routers, range extenders, controllers and components thereof**

On June 14, the USITC voted to institute a Section 337 investigation of certain Wi-Fi access points, routers, range extenders, controllers and components thereof that infringe patents asserted by the complainants. The investigation is based on a complaint filed by TP-Link USA Corporation of Irvine, CA, and TP-Link Corporation PTE Ltd. of Singapore. The USITC has identified Netgear Inc. of San Jose, CA as the respondent in this investigation.



## **US Manufacturing Group Calls for Stronger Protection Against Chinese Imports**

A policy group led by the United Steelworkers union and domestic manufacturers is calling for the U.S. to enact stronger trade barriers to Chinese imports. The Alliance for American Manufacturing (AAM) on June 14 published a report on China's excess industrial capacity, saying quick action was needed to stem a rising tide of cheap and subsidized exports that threatens U.S. jobs. The group called for the return of a long-expired import surge protection tool (Section 421 safeguard) that was created when Beijing joined the World Trade Organization in 2001, the event that turned China into a global export powerhouse.

## **European Union**

### **EU extends steel safeguard measure until June 2026**

In a significant policy update, the European Commission has extended its steel safeguard measure for an additional two years, with the new expiration date set for June 2026. This decision, formalized through an implementing regulation on 25 June 2024, also includes adjustments designed to align the measure with current market dynamics. The extension follows an investigation prompted by fourteen EU Member States, which affirmed the necessity of the safeguard measure to avert or mitigate substantial damage to the EU steel industry.

### **EU gains US market access for certain plants**

On June 12, 2024, the US published its final Notice recognising 'country free' status for 21 EU Member States for two plant pests: the Asian long-horned beetle (ALB) and the Citrus long-horned beetle (CLB). Producers of certain plants from 21 EU Member States will soon be able to export to the United States, thanks to the European Commission's efforts to negotiate the removal of US import restrictions. This positive result follows a long and detailed engagement with the US, including requests from Commission Executive Vice-President Valdis Dombrovskis to see this trade restriction lifted.

### **Council approves EU signature of convention on transparency for dispute settlement**

The Council of the EU on June 25 has adopted the decision on the signature of the United Nations Convention on transparency in Investor-State Dispute Settlement (ISDS), also known as the 'Mauritius Convention'. The Convention facilitates the application of the United Nations Commission of International Trade Law (UNCITRAL) Transparency Rules to investment treaties concluded prior to April 01, 2014. The 'Mauritius Convention marks a major step towards greater public access to documents and hearings, as well as the inclusion of civil society in disputes brought by investors against States under investment treaties.

### **Commission launches new public procurement portal**



DG Trade has expanded the online Access2Markets portal with a new public procurement tool, 'Procurement for Buyers', which will serve as a portal for public procurement entities in EU Member States, helping them to understand and apply international procurement rules in a clear and consistent manner. The new tool serves as a public procurement knowledge hub, with easy-to-access information on the rules governing public procurement for contracting entities in the EU Member States.

## **EU begins dispute settlement proceedings against Algeria to defend European companies**

The EU, on June 14, has launched a trade dispute settlement procedure against Algeria and requested consultation with Algerian authorities to address several restrictions imposed on EU's exports and investments. The EU considers that, by imposing these trade restrictive measures since 2021, Algeria is not respecting its trade liberalisation commitments under the EU-Algeria Association Agreement.

## **China**

### **China aims for a mutually beneficial EV tariff agreement with the EU**

China is seeking a "mutually acceptable solution" with the EU on proposed tariffs for Chinese electric vehicles (EV) set to start on July 4. Beijing wants the EU to drop these plans. However, the EU expects China to address "injurious subsidisation" of its EV during their technical talks to reach a negotiated outcome.

### **China May Take Provisional Anti-Dumping Steps Against EU Pork Imports**

China may impose provisional anti-dumping measures on pork imports from the European Union as part of a year-long probe that began on June 17. China has opened an investigation into EU pork and its by-products, a step that appears mainly aimed at Spain, the Netherlands and Denmark, after the bloc imposed anti-subsidy duties on Chinese-made electric vehicles.

### **China imposes export controls on aviation and space technology and components**

China announced export controls on aviation and aerospace technology and components, saying it was taking action 'in order to safeguard national security and interests and fulfil international obligations such as non-proliferation'.

## **Rest of the World**

### **Philippines reduces rice import tax to 15%**

The Philippines, one of the world's largest rice buyers and biggest importers of the Vietnamese grain, officially announced a reduction in rice import taxes from 35% to 15%, effective in early



August this year and lasting until 2028. This can be seen as the latest action by the Philippine government to tackle inflation, especially increasing rice prices in the market so far this year.

### **Indonesia to levy 100-200% duties on clothing, ceramics**

Indonesia will impose safeguard duties of 100% to 200% on imports ranging from footwear to ceramics, reviving a plan to protect domestic industries. Trade Minister Zulkifli Hasan told reporters on June 28 that "If we are flooded with (imported goods), our micro, small and medium enterprises could collapse."

## **SANCTIONS:**

### **EU adopts 14th package of sanctions Against Russia for its continued illegal war against Ukraine**

The 14th package of sanctions adopted by EU responds to the needs and findings on the ground, and tackles enforcement issues. As the Russian aggression against Ukraine continues, the EU remains determined to keep acting to further reduce Russia's sources of revenue and capacity to wage war. The package contains important new energy-related measures targeting liquified natural gas (LNG), and measures targeting vessels which support Russia's war.

### **OFAC Sanctions Shadow Banking Network for Iran Military**

On June 25, 2024, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned almost 50 entities and individuals comprising an expansive "shadow banking" network used by Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) and Islamic Revolutionary Guard Corps (IRGC) to gain access to the international financial system, and added these individuals and entities to OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List), noting they constituted Specially Designated Global Terrorists (SDGT).



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

S.N O.	PRODUCT	SUBJECT COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Isobutylene-Isoprene Rubber (IIR)	China PR, Russia, Saudi Arabia, Singapore and United States of America	<a href="#">ADD</a> <a href="#">[AD(OI)-05/2023]</a>	<a href="#">Final Findings</a>	29/06/2024
2.	Continuous Cast Copper Wire Rod	Indonesia, Malaysia, Thailand and Vietnam	<a href="#">CVD</a> <a href="#">[CVD (SSR)-01/2024]</a>	<a href="#">Initiation Notification (SSR)</a>	29/06/2024
3.	Liquid Epoxy Resins	China PR, Korea PR, Saudi Arabia, Taiwan and Thailand	<a href="#">ADD</a> <a href="#">[AD(OI)-22/2024]</a>	<a href="#">Initiation Notification (SSR)</a>	29/06/2024
4.	Anodized Aluminium frame for solar panels/modules	China PR	<a href="#">ADD</a> <a href="#">ADD[OI]-07/2023</a>	<a href="#">Final Finding</a>	29/06/2024
5.	T-Shaped Elevator/Lift	China PR	<a href="#">ADD</a>	<a href="#">Initiation Notification</a>	29/06/2024



	Guide Rails and Counterweight Guide Rails		<a href="#">[AD(OI)-12/2024]</a>		
6.	Glufosinate and its salt	China PR	<a href="#">ADD</a> <a href="#">[AD(OI)-17/2024]</a>	<a href="#">Initiation Notification</a>	29/06/2024
7.	Purified Terephthalic Acid (PTA)	Korea RP and Thailand	<a href="#">ADD</a> <a href="#">[SSR-14/2023]</a>	<a href="#">Initiation notification (SSR)</a>	29/06/2024
8.	Acrylic Fibre	China PR, Peru and Thailand	<a href="#">ADD</a> <a href="#">[AD(OI)-14/2024]</a>	<a href="#">Initiation Notification</a>	29/06/2024
9.	Thiram in any form	European Union	<a href="#">ADD</a> <a href="#">[AD(OI)-16/2024]</a>	<a href="#">Initiation Notification</a>	29/06/2024
10.	Glass Fibre and articles thereof	Bahrain, China PR and Thailand	<a href="#">ADD</a> <a href="#">[AD(OI)-15/2024]</a>	<a href="#">Initiation Notification</a>	29/06/2024
11.	Welded Stainless Steel Pipes and Tubes	China PR and Vietnam	<a href="#">CVD</a> <a href="#">[CVD/SSR-09/2023]</a>	<a href="#">Final Finding (SSR)</a>	15/06/2024
12.	Atrazine Technical	China PR	<a href="#">CVD</a> <a href="#">[CVD(SSR)-10/2023]</a>	<a href="#">Final Finding (SSR)</a>	14/06/2024




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**European Union**


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S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Decor paper	People's Republic of China	<a href="#">ADD [C/2024/3695]</a>	<a href="#">Initiation Notification</a>	14/06/2024
2.	Aluminum foil in rolls	People's Republic of China	<a href="#">ADD [C/2024/3498]</a>	<a href="#">Initiation Notification</a>	03/06/2024

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**United States of America**


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S.NO.	PRODUCT	COUNTRY	TYPE OF PROCEEDING	STATUS	DATE
1.	Ferrosilicon	Russia	<a href="#">CVD [C-821-839]</a>	<a href="#">Preliminary Determination</a>	28/06/2024
2.	Ferrosilicon	Russia	<a href="#">ADD [A-821-838]</a>	<a href="#">Preliminary Determination</a>	28/06/2024
3.	Welded Stainless Pressure Pipe	India	<a href="#">ADD [A-533-867]</a>	<a href="#">Final Results of Antidumping Duty Administrative Review</a>	10/06/2024



4.	Forged Steel Fluid End Blocks	India	<a href="#">CVD</a> <a href="#">[C-533-894]</a>	<a href="#">Final Results of</a> <a href="#">Countervailing</a> <a href="#">Duty</a> <a href="#">Administrative</a> <a href="#">Review</a>	10/06/2024
5.	Quartz Surface Products	China	<a href="#">ADD, CVD</a> <a href="#">[A-570-084,</a> <a href="#">C-570-085]</a>	<a href="#">Initiation</a> <a href="#">Notification</a>	03/06/2024
6.	Non-Malleable Cast Iron Pipe Fittings (4th Review).	China	<a href="#">ADD</a> <a href="#">[A-570-875]</a>	<a href="#">Initiation</a> <a href="#">Notification</a>	03/06/2024
7.	Raw Flexible Magnets (3 <sup>rd</sup> Review)	China Taiwan	<a href="#">ADD</a> <a href="#">[A-570-922,</a> <a href="#">A-570-842]</a>	<a href="#">Initiation</a> <a href="#">Notification</a>	03/06/2024
8.	Raw Flexible Magnets (3 <sup>rd</sup> Review)	China	<a href="#">CVD</a> <a href="#">[C-570-923]</a>	<a href="#">Initiation</a> <a href="#">Notification</a>	03/06/2024



*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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