ADHYATAN

TPM NEWSLETTER

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In this Edition

- Insight into the interpretation of the word 'negligibility' as used in the WTO Anti-Dumping Agreement for examining cumulative effect of injury for imports from multiple sources.
- WTO Panel finds that additional customs duties imposed by China on imports of certain products from USA are inconsistent with the GATT
- Imports by SEZ units excluded from scope of Quantitative Restrictions on imports of Isopropyl Alcohol
- Government of India announces plans for revitalizing tyre, chemicals and petrochemicals industry



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Key Highlights

<u>India</u>

Government of India to issue new guidelines for tyre industry (01 Aug)

After witnessing a surge in demand for tyres, both in the domestic market and for exports, the Ministry of Commerce and Industry has announced certain new guidelines for tyre manufacturers committing to invest in India in brownfield or greenfield projects for manufacturing tyres, falling under the restricted list. Presently, import authorizations for new pneumatic tyres have been placed under 'Restricted Category'.

Non-applicability of safeguard measures in the form of quantitative restrictions on imports made by SEZ unit (31 Aug)

The DGFT has notified that the safeguard measures in the form of quantitative restrictions imposed on imports of Isopropyl Alcohol (IPA) on 31st March 2023 are applicable only for imports into the Domestic Tariff Area. Accordingly, any imports made by SEZ units will not be subjected to the quantitative restrictions. However, the SEZ units shall not be allowed to sell the IPA into the Domestic Tariff Area.

Government of India to bring PLI scheme for chemicals and petrochemicals sector

Finance Minister Nirmala Sitharaman announced that the Government of India is considering to bring in PLI scheme for the chemical and petrochemical sector. This initiative has been taken to help various sectors to focus on green growth and become energy independent by 2047. The government aims at creating manufacturing capacity keeping in mind sustainability, carbon emission, general pollution and groundwater pollution.

<u>WTO</u>

Australia drops WTO case against China (04 Aug)

The Australian government has announced its decisions to withdraw the WTO case against China after China removed tariff on imports of Australian barley. Australia initiated the case in 2020 after China imposed tariffs on Australian exports of certain products, including barley, beef and wine.

WTO issues Panel Report in two disputes between India and the United States (08 Aug)

In June 2023, after PM Narendra Modi's visit to the U.S. and meeting with President Joseph Biden, the two countries agreed to terminate six outstanding disputes at the WTO, of which three were initiated by India, while the other three were initiated by the U.S. Accordingly, the WTO has issued Panel Report in two of these disputes, that is, United States — Certain Measures on Steel and Aluminium Products and India — Additional Duties on Certain Products from the United States. The Panel has provided a brief description of the disputes with a note that mutually agreed solutions have been reached.

Indonesia initiates WTO dispute against anti-subsidy duties imposed on imports of Biodiesel (15 Aug)

Indonesia has requested a WTO dispute consultation with the European Union on the grounds that the anti-subsidy duties imposed by the EU on imports of Biodiesel are inconsistent with a number of provisions of the WTO Agreement on Subsidies and Countervailing Measures and the General Agreement on Tariff and Trade 1994.

The Negligibility Clause under the Anti-Dumping Agreement

- Where imports from different countries are being subject to investigation simultaneously, it may be difficult to examine injurious effect of imports in respect of each individual country.
- As a result, the investigating authorities are allowed to cumulate the injurious effects of imports from different sources.
- For the purpose of cumulation, the Anti-Dumping Agreement requires the Authority to consider that, inter alia, the volume of imports is not negligible.
- While the Anti-Dumping Agreement lays down the threshold at which the volume of imports may be considered negligible for purpose of acceptance of an application, it can be argued that the same is not applicable for cumulative assessment of injury.
- Further, it is relevant to consider that for the purpose of cumulative assessment of injury, thresholds which have reference to the domestic production or consumption are more relevant.
- Lastly, the period over which negligibility is to be examined also needs to be clearly defined.

In an investigation, the investigating authority is required to examine whether the dumped imports are causing injury to the domestic industry. However, there may be imports from multiple countries. In such a case, the obvious question that arises is how the investigating authority may cumulate the imports from all countries or sources, to examine injury suffered by the domestic industry.

Before such cumulation though, it is important to consider whether it would be appropriate to lump imports from all sources together to examine their injurious effects. For instance, it may be possible that imports from a certain country are of a particular grade, which is higher priced and not injurious to the domestic industry. However, if imports from all countries are clubbed or cumulated, the injurious effects of other imports may result in a situation where it appears that the non-injurious imports from that country are also injurious. For this purpose, the Anti-Dumping Agreement and domestic laws of various WTO members lay down certain conditions which must be met before imports from different countries may be cumulated. Article 3.3 of the Agreement provides that investigating authorities may cumulatively assess the effect of imports only if, (a) the margin of dumping that is established in relation to the imports from each country is more than '*de minimis*', (b) the volume of imports from each country is not '*negligible*' and (c) a cumulative assessment of the effects of the imports is appropriate in light of the conditions of competition between the imported products and the conditions of competition between the imported products.

While the term 'de minimis' in respect of dumping margin is well-defined, with the article referring to de-minimis as provided under Paragraph 8 of Article 5; no such reference is provided for the term 'negligible'. As a result, the term "negligible" remains undefined.

In this regard, Article 5.8 explains what volume of imports may be considered as negligible, in stating that the investigating authority shall not initiate an investigation when the volume of imports are negligible. For this purpose, Article 5.8 defines "negligible" as volume of imports from a particular country accounting for less than 3 per cent of the total imports, unless individual countries accounting for less than 3 per cent of the imports collectively account for more than 7 per cent of imports. Nevertheless, an argument could be made that reading this definition into Article 3.3 might not be correct as both the Articles deal with different stages of an anti-dumping investigation. While Article 3 provides the manner of examination of injury, Article 5 deals with initiation of investigation.

As a result, different jurisdictions have provided different parameters for examination of "negligibility". India, for instance, uses the same benchmark for "negligible imports" as provided under Article 5.8. European Union, on the other hand, determines negligibility in terms of market share of imports in total demand. For this purpose, the market share of imports from a particular country below 1% is considered negligible unless imports from all countries which individually are below 1% collectively account for 3% or more of the market share.

However, the Anti-Dumping Agreement does not lay down a consistent manner for determination of negligibility in the context of cumulation. Even if the definition of negligibility as given under Article 5.8 can be read into Article 3.3, there are various

issues that may need addressing. *Firstly*, the main factor in cumulation is to determine whether imports deemed potentially negligible have the capacity to contribute significantly to the injury experienced by the domestic industry. However, the negligibility under Article 5.8 does not have any relationship between the threshold of negligibility to the production and sale of the domestic industry in the importing country. Therefore, various members have argued that negligibility criteria should be seen in relation to total consumption in the importing country instead of in relation to total imports.

Secondly, some members argue that Article 5.8 is also silent on the time-period over which negligibility is to be measured, i.e., what must be the time-period for which the import volume must be less than 3% and overall volume less than 7% for imports to be considered negligible. This may allow investigating authorities to cherry-pick the same on an arbitrary and resulted-oriented basis.

The lack of a clear definition for the term 'negligible' under the WTO Anti-dumping Agreement has led to variations in its interpretation across jurisdictions. This allows different investigating authorities to set different benchmarks for the purpose of cumulative assessment of injury. Further, in view of the interpretation adopted by different statutes, India may also consider adopting a threshold of "negligible" imports with reference to total consumption, as done by EU.

 Aastha Gupta, Joint Partner Harish Kesav, Associate

From the WTO Panel

<u>China – Additional Duties on certain products</u> <u>from the United States</u>

WT/DS558/R

Decision dated 16th August 2023

- Additional tariffs imposed by the U.S. on China under Section 232 were not safeguard measures. Accordingly, no retaliatory measures could be invoked in response to the same under the Agreement on Safeguards.
- Imposition of additional duties by China on imports from the U.S. in retaliation to the Section 232 duties, were violative of the GATT.
- This is because the additional duties imposed by China conferred an advantage to imports from other countries in the form of lower duties, which was not extended to the U.S.
- Further, the duties were in excess of the bound rates, as per Schedule of Commitments agreed to by China.
- China was directed to bring its measures in consistence with its WTO obligations.

The present dispute arose with regards to certain additional customs duties imposed by China on products imported from the U.S. The additional customs duties were imposed by China in retaliation to the Section 232 measures imposed by the U.S. in 2018. In April 2018, the U.S. imposed additional 25% customs duties on imports of Steel and 10% duties on Aluminium products from China. In response, China imposed additional duties on imports of goods from the U.S. under 128 tariff codes, covering Seamless Steel Tubes, Aluminium Waste, Fruits, Meats and their Derived Products.

The U.S. requested the Dispute Settlement Body for establishment of a Panel to examine whether the additional measures imposed were inconsistent with China's obligations under GATT 1994. Particularly, the Panel was requested to examine the consistency of the additional measures under Article I:1, Article II:1(a) and II:1(b) of GATT 1994.

Arguments by the parties

The U.S. challenged the measures before the Panel and contended that the measures were inconsistent with Article I:1 of the GATT as the additional duties imposed by China resulted in an advantage of lower tariff rates being extended to products imported from other countries, while higher duties were imposed on products from the U.S. As

such, this violated the Most Favoured Nation treatment that was accorded to other countries and less favourable treatment was granted to imports from the U.S.

Further, the U.S. also contended that the measures were inconsistent with Articles II:1(a) and II:1(b) of the GATT, since it resulted in imposition of ordinary customs duties by China in excess of the bound rate commitments contained in its Schedule of Commitments.

On the other hand, China argued that the challenged measures were covered under Article 8.2 of the Agreement on Safeguards and Article XIX:3(a) of the GATT 1994, and thus, could not be considered violative of Articles I and II of the GATT 1994. Under Article 8.2, in case where WTO members do not arrive at an agreement pursuant to consultations, a member can suspend equivalent concessions or obligations with respect to trade in goods from the other members. China claimed that pursuant to imposition of Article 232 measures, China requested the U.S. for consultation. However, since no agreement was reached between the members, China proceeded to suspend consultations by virtue of Article 8.2 of the Agreement on Safeguards. Thus, such measures were not violative of Articles I:1, II:1(a) and II:1(b) of GATT.

Decision of the Panel

The Panel considered the arguments of both the members. With regards to the contention of China that the measures were covered under Article 8.2 of the Agreement on Safeguards, the Panel noted that the Section 232 measures imposed by the U.S. were maintained under Article XXI of the GATT, which provides for imposition of measures in light of national security. Accordingly, Section 232 measures were not measures under the Agreement on Safeguards. Thus, China's retaliatory measures could not be covered under Article 8.2 of the Agreement on Safeguards.

With regards to the argument of the U.S., the Panel observed that the measures are inconsistent with Article I:1 of the GATT since imposition of additional duties fails to accord an advantage granted to products originating in other countries, to products originating in the U.S.

Further, it was observed that the measures are inconsistent with Article II:1(a) and II:1(b) of GATT as the additional duties imposed were in excess of the bound rates mentioned in China's Schedule of Commitments. Thus, the Panel has directed China to bring its measures in consistence with its WTO obligations.

Foreign Trade Policy

Regularization of RoDTEP for 18 HS Codes under Heading 5208 (03 Aug)

On 25th March 2023, based on the recommendations of the RoDTEP Committee, certain additions were made in Appendix 4R to include 18 HS Codes under Heading 5208 (woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/m2), with rates applicable for exports from 28th March 2023. However, on 3rd August 2023, the DGFT has superseded this notification and regularised RoDTEP for exporters who have claimed the benefit with effect from 1st January 2021.

Annual SCOMET 2023 notified (28 Aug)

The DGFT has notified the Annual SCOMET Update – 2023 and updated the Appendix 3 (SCOMET Items) to Schedule-2 of ITC (HS) Classification of Export and Import Items, 2018, which is available on the DGFT portal.

Registration Fees under Steel Import Monitoring System amended (28 Aug)

The registration fee under the Steel Import Monitoring System was earlier set at Rs. 1 per thousand subject to minimum of Rs. 500 and maximum of Rs. 1 lakh on CIF value. The DGFT has now amended the registration fee to Rs. 500 with immediate effect.

Trade Agreements

Indian Updates

Peru and India relaunch trade negotiations

India and Peru have agreed to relaunch negotiations for a free trade agreement after the G20 summit scheduled in September. The negotiations aim to discuss market access for goods, trade in services, movement of professionals, investments, dispute resolution, technical barriers to trade, trade remedies, rules of origin for goods, and customs procedures and trade facilitation.

India and EU hold their third high-level dialogue on bilateral trade agreements.

India and EU held their third High-Level Dialogue (HLD) to assess the progress of three key negotiations between India and the EU: the India-EU Free Trade Agreement, a standalone Investment Protection Agreement, and a Geographical Indications Agreement. In addition, the two parties are set to hold high level meetings in the coming month to discuss concerns over EU's proposed carbon tax on imports of high-carbon goods like steel and iron ore.

India and the ASEAN bloc agree to review ASEAN-India Trade in Goods Agreement (AITIGA) by 2025

India and the ASEAN countries have agreed to review the ASEAN-India Trade in Goods Agreement which has been a long-standing demand of Indian businesses. The AITIGA Joint Committee has finalised the Term of Reference and the Work Plan of the AITIGA Review Negotiations. The two parties have set 2025 as the goalpost for concluding the review to address the "asymmetry" in bilateral trade.

Global Updates

Iran and Pakistan sign a Bilateral Trade Deal

Iran and Pakistan have signed a five-year trade plan which aims to boost bilateral trade. The deal comes at a time when Iran is seeking long-term partnerships to revive its sanctions-hit economy. The discussions on the trade deal aim to encompass banking and financial issues to facilitate cross-border trade and cooperation between the two countries.

Indonesia and Peru launch negotiations on the Indonesia-Peru Comprehensive Economic Partnership Agreement

Indonesia and Peru have initiated negotiations on the Indonesia-Peru Comprehensive Economic Partnership Agreement, with the aim of increasing bilateral trade and investments. The IP-CEPA opens up non-traditional export markets of South America for Indonesian products. The negotiations are expected to proceed incrementally, beginning with discussions on the trade of goods, followed by services, investment, and various other areas of cooperation.

China and South Africa conclude trade agreement

China and South Africa have concluded trade deal worth 2.2 billion US dollar. The agreement aims to boost South African exports to China and Chinese investment in Southern Africa.

Serbia and Uganda sign a Memorandum of Understanding for trade and agriculture cooperation

Serbia and Uganda have signed a Memorandum of Understanding, offering Uganda a gateway to markets previously inaccessible to Africa. Due to its Free Trade Agreements with the EU, Turkey, and the UAE, Serbia acts as an entry point for Ugandan products such as coffee, fresh produce and cocoa. Serbia has agreed to purchase processed goods, including coffee, clothes, food, and leather from Uganda.

Bureau of Indian Standards

Amendment of Standards (09 Aug)

The Bureau of Indian Standards has notified amendment to the following standards with effect from 2nd August 2023. However, the previous unamended standards will remain in force concurrently till 1st February 2024.

- IS 6603 : 2001 Stainless Steel Bars and Flats Specification (First Revision)
- IS 9755 : 2021 Textiles High Density Polyethylene (HDPE)/ Polypropylene (PP) Woven Sacks for Packaging Fertilizers — Specification (Sixth Revision)

Substitution of Standards (09 Aug)

The Bureau of Indian Standards has notified substitution of the standard **IS 2095** (**Part 1**) : **2023** Gypsum Plaster Boards — Specification Part 1 Plain Gypsum Plaster Boards (Fourth Revision) with effect from 2nd August 2023. However, the previous unamended standard **IS 2095** (**Part 1**) : **2011** Gypsum Plaster Boards — Specification Part 1 Plain Gypsum Plaster Boards (Third Revision) will remain in force concurrently till 2nd August 2024.

Substitution of Standards (09 Aug)

The Bureau of Indian Standards has notified substitution of certain standards including the following with effect from 2nd August 2023. However, the previous unamended standards will remain in force concurrently till 2nd September 2023. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian	No., Year and Title of the Indian
Standard established	Standard withdrawn
IS 14407 : 2023 Aluminium Cans for	IS 14407 : 1996 Aluminium Cans for
Beverages — Specification	Beverages — Specification
IS 18340 : 2023 Vinyl Sulphone — Specification	NA

Amendment of Standards (09 Aug)

The Bureau of Indian Standards has notified amendment to the following standards with effect from 2nd August 2023. However, the previous unamended standard will remain in force concurrently till 1st February 2024.

- IS 17263 : 2022 Textiles Polyester Staples Fibres Specification
- IS 17266 : 2019 Textiles Viscose Staple Fibres Specification

Substitution of Standards (09 Aug)

The Bureau of Indian Standards has notified substitution of certain standards, including the following, with effect from 3rd August 2023. However, the previous unamended standards will remain in force concurrently till 3rd September 2023. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian	No., Year and Title of the Indian
Standard established	Standard withdrawn
IS 296 : 2023 Sodium Carbonate, Anhydrous — Specification	IS 296 : 1986 Specification for Sodium Carbonate, Anhydrous (Third Revision)
IS 330 : 2023 Chromium Trioxide — Specification (Third Revision)	IS 330 : 1992 Chromium Trioxide — Specification (Second Revision)
IS 4910 (Part 4) : 2023 Tyre Yarns,	IS 4910 (Part 4) : 1989 Tyre Yarns,
Cords and Tyre Cord Fabrics Made from	Cords and Tyre Cord Warpsheets Made
Man-Made Fibres — Methods of Test	from ManMade Fibres — Methods of
Part 4 Dip Pick-Up (Second Revision)	Test Part 4 Dip Pick-Up (First Revision)

Substitution of Standards (12 Aug)

The Bureau of Indian Standards has notified substitution of certain standards, including the following, with effect from 7th August 2023. However, the previous unamended standards will remain in force concurrently till 7th September 2023. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian Standard established	No., Year and Title of the Indian Standard withdrawn
IS 6307 : 2023 Rigid PVC Sheets — Specification (Second Revision)	IS 6307 : 1985 Specification for Rigid PVC Sheets (First Revision)
IS 8551 : 2023 1-(4-Sulphophenyl)-3- Methyl-5-Pyrazolone — Specification	IS 8551 : 1977 Specification for 1-(4-Sulphophenyl)-3-Methyl-5-Pyrazolone
IS 10457 : 2023 N-Methyl-J-Acid — Specification (First Revision)	IS 10457 : 1983 Specification for N-Methyl-J Acid
IS12618: 20236-Chloro-2-Aminophenol-4-SulphonicAcid,Technical — Specification	IS12618:19896-Chloro-2-Aminophenol-4-SulphonicAcid,Technical — Specification

Substitution of Standards (12 Aug)

The Bureau of Indian Standards has notified substitution of certain standards, including the following, with effect from 2nd August 2023. However, the previous unamended standards will remain in force concurrently till 2nd August 2024. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian Standard established	No., Year and Title of the Indian Standard withdrawn
IS 261 : 2023 Copper Sulphate — Specification (Third Revision)	IS 261 : 1982 Specification for Copper Sulphate (Second Revision)
IS 573 : 2023 Trisodium Phosphate — Specification	IS 573 : 2023 Trisodium Phosphate — Specification (Fifth Revision)
IS 711 : 2023 Ferric Chloride, Technical — Specification	IS 711 : 1970 Specification for Ferric Chloride, Technical
IS 799 : 2023 Ammonia, Liquor — Specification (Third Revision)	IS 799 : 1985 Specification for Ammonia, Liquor (Second Revision)
IS 2124 : 2023 Sodium Bicarbonate — Specification	IS 2124 : 2000 Sodium Bicarbonate — Specification
IS 2142 : 2023 Bromine, Technical — Specification (Third Revision)	IS 2142 : 1992 Bromine, Technical — Specification (Second Revision)

Withdrawal of Standards (12 Aug)

The Bureau of Indian Standards has notified withdrawal of certain standards including the following, with effect from 7th August 2023. For a full list of products, please refer to the attached <u>link</u>.

- IS 4430 : 1979 Specification for Mould Steels (First Revision)
- IS 9175 (Part 34) : 1986 Certain Rationalized Steels for the Automobile and Ancillary Industry
- IS 12313 : 1988 Specification for Hot Dip Terne Coated Carbon Steel Sheets
- IS 12367 : 1998 Specification for Cold Rolled Carbon Steel Strips/Coils for Manufacture of Welded Tubes

Amendment of Standards (24 Aug)

The Bureau of Indian Standards has notified amendment to the following standards with effect from 10th August 2023. However, the previous unamended standard will remain in force concurrently till 9th February 2024.

- IS 73 : 2013 Paving Bitumen Specification (Fourth Revision)
- IS 702 : 2022 Industrial Bitumen Specification (Third Revision)

Substitution of Standards (24 Aug)

The Bureau of Indian Standards has notified substitution of certain standards, including the following, with effect from 10th August 2023. However, the previous unamended standards will remain in force concurrently till 10th September 2023. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian	No., Year and Title of the Indian
Standard established	Standard withdrawn
-	IS 12628 : 1989 Dye Intermediates — 2- Amino-4- Nitrophenol, Technical — Specification
IS 13842 : 2023 m-Ureidoaniline, Technical — Specification (First Revision)	IS 13842 : 1993 m-Ureidoaniline, Technical — Specification

Withdrawal of Standards (29 Aug)

The Bureau of Indian Standards has notified withdrawal of certain standards, including the following, with effect from 11th August 2023. For a full list of products, please refer to the attached <u>link</u>.

- IS 8080 : 1976 Specification For Silver Coated Copper Wire
- IS 11392 (Part 1/Sec 1) : 1985 Dimensions Of Mounting Accessories Of Pot Cores For Printed Circuit Board Mountings Part 1 For Pot Cores Of Size 18 X 11 Mm Sec 1 Type 1
- IS 11392 (Part 2/Sec 2) : 1988 Dimensions Of Mounting Accessories Of Pot Cores For Printed Circuit Board Mountings Part 2 Pot Cores Of Size 26 X 16 Mm: Sec 2 Type 2

Withdrawal of Standards (29 Aug)

The Bureau of Indian Standards has notified withdrawal of certain standards, including the following, with effect from 11th August 2023. For a full list of products, please refer to the attached <u>link</u>.

- **IS 3193 : 1984** Specification for Cotton Yarn for Braiding for Reinforcement and Electric Cables (First Revision)
- **IS 8569 : 1977** Specification for Jute Fabrics used in the Packing of Textile Products
- IS 9336 : 1979 Specification for Cotton Yarn for Underground Cables

Substitution of Standards (29 Aug)

The Bureau of Indian Standards has notified substitution of certain standards, including the following, with effect from 22^{nd} August 2023. However, the previous unamended standards will remain in force concurrently till 22^{nd} September 2023. For a full list of products, please refer to the attached <u>link</u>.

No., Year and Title of the Indian	No., Year and Title of the Indian
Standard established	Standard withdrawn
IS 64 : 2023 Barium Sulphate Pigments	IS 64 : 1972 Specification for Barium
for Paints — Specification (Second	Sulphate Pigments for Paints (First
Revision)	Revision)
IS 10692 : 2023 Textiles — High Density	IS 10692 : 1983 Specification for High
Polyethylene Webbing — Specification	Density Polyethylene Webbing
(First Revision)	

Amendment of Standards (31 Aug)

The Bureau of Indian Standards has notified amendment to certain standards, including the following, with effect from 23^{rd} August 2023. However, the previous unamended standards will remain in force concurrently till 22^{nd} February 2024. For a full list of products, please refer to the attached <u>link</u>.

- IS 12084 : 2018 Morpholine Specification (First Revision)
- IS 13893 : 1994 Polyurethane Sole, Semirigid Specification
- IS 14929 : 2022/ISO 10572 : 2009 Mixed Polyolefin Fibre Ropes (First Revision)

Non-Tariff Measures

<u>India</u>

Draft Poly Vinyl Chloride (PVC) Homopolymers (Quality Control) Order, 2023 (11 Aug)

India has notified the WTO of its draft Quality Control Order concerning PVC Homopolymers falling under IS 17658: 2021. The draft order was issued by the Ministry of Chemicals and Fertilizers for seeking comments from WTO members before the measure is introduced by India. WTO members can file comments within 60 days, that is by 10th October 2023. The measure would be adopted upon publication in the official gazette.

Draft Polypropylene (PP) Materials for Moulding and Extrusion (Quality Control) Order, 2023 (15 Aug)

India has notified the WTO of its draft Quality Control Order concerning Polypropylene materials for moulding and extrusions falling under IS 10951: 2020. The draft order was issued by the Ministry of Chemicals and Fertilizers for seeking comments from WTO members before the measure is introduced by India. WTO members can file comments within 60 days, that is by 14th October 2023. The measure would be adopted upon publication in the official gazette.

Draft Hinges (Quality Control) Order, 2023 (17 Aug)

India has notified the WTO of its draft Quality Control Order concerning Hinges falling under IS 205:1992, IS 206:2010, IS 362:1991, IS 3818:1992, IS 3843:1995, IS 18297:2023, IS 12817:2020 and IS 1341:2018. The draft order was issued by the Department for Promotion of Industry and Internal Trade (DPIIT) for seeking comments from WTO members before the measure is introduced by India. WTO members can file comments within 60 days, that is by 16th October 2023. The measure would be adopted upon publication in the official gazette.

Draft Safes, Safe Deposit Locker Cabinets and Key Locks (Quality Control) Order, 2023 (22 Aug)

India has notified the WTO of its draft Quality Control Order concerning Safes, Safe Deposit Locker Cabinets and Key Locks falling under IS 550 (Part 1): 2014, IS 5244: 2020 and IS 17566: 2021. The draft order was issued by the Department for Promotion of Industry and Internal Trade (DPIIT), for seeking comments from WTO members before the measure is introduced by India. WTO members can file comments within 60 days, that is by 21st October 2023. The measure would be adopted upon publication in the official gazette.

Quality Control Orders for certain Base Metals (31 Aug)

The Ministry of Mines has notified the Quality Control Order for Aluminium and Aluminium Alloys, Copper and Nickel. The order concerning the products shall come into force on 1^{st} December 2023. For more details, please refer this <u>link</u>.

<u>Global</u>

<u>USA</u>

Amendments proposed to the Test Procedures for Air-Cooled, Evaporatively-Cooled, and Water-Cooled Commercial Package Air Conditioners and Heat Pumps (18 Aug)

The Office of Energy Efficiency and Renewable Energy (OEERE), Department of Energy, United States of America has proposed to amend test procedures for Air-cooled, Evaporatively Cooled, and Water-cooled Commercial Package Air Conditioners and Heat Pumps with a rated cooling capacity greater than or equal to 65,000 Btu/h. These procedures are proposed to be incorporated into the current test procedures applicable to the industry. The objective of this measure is to prevent deceptive practices and protect consumers.

Trade Remedial Actions

<u>Chapter 25 – Salt; sulfur; earths and stone; plastering materials, lime and cement</u>

Trade remedial actions against India

<u>USA</u>

Initiation of administrative review of anti-dumping and anti-subsidy duties on imports of Quartz Surface Products from India. (03 Aug)

The USDOC has initiated an administrative review of anti-dumping and anti-subsidy duties on imports from India. In the previous review, USDOC preliminarily determined that there was no dumping of products by Pokarna Engineered Stone Limited and Marudhar Rocks International Private Limited. Further, a net subsidy rate of 83.79% was determined for Pokarna Engineered Stone Limited.

<u>Chapter 27 – Mineral fuels, mineral oils and products of their distillation;</u> <u>bituminous substances; mineral waxes</u>

<u>USA</u>

• Affirmative determination by the USDOC in the sunset review of anti-dumping duty on imports of Foundry Coke Products from China. (07 Aug)

<u>Chapter 28 – Inorganic Chemicals</u>

Eurasian Economic Union

• Initiation of anti-dumping investigation into imports of Titanium Dioxide from China. (17 Aug)

Chapter 29 – Organic Chemicals

Trade remedial actions against India

USA

Initiation of administrative review of anti-dumping and anti-subsidy duties on imports of Glycine from India. (03 Aug)

The USDOC has initiated an administrative review of anti-dumping and anti-subsidy duties on imports from India. In the previous review, the USDOC determined a net subsidy rate in the range of 3% to 3.11% and dumping margin in the range of 3.90% to 52.03%.

Other trade remedial actions

<u>Brazil</u>

- Continuation of anti-dumping duty on imports of Acetic Esters from Mexico and USA. (16 Aug)
- Continuation of anti-dumping duty on imports of n-Butanol from USA. (16 Aug)

<u>USA</u>

• Continuation of anti-dumping duty on imports of Dioctyl Terephthalate from South Korea. (18 Aug)

<u>Chapter 31 – Fertilisers</u>

<u>Australia</u>

• Termination of anti-dumping investigation into imports of Ammonium Nitrate from Chile, Lithuania and Vietnam. (08 Aug)

<u>Chapter 32 – Tanning or dyeing extracts; tannins and their derivatives; dyes,</u> <u>pigments and other colouring matter, paints and varnishes; putty and other</u> <u>mastics; inks</u>

Trade remedial actions against India

<u>USA</u>

Initiation of new shipper review by the USDOC of anti-subsidy duty on imports of Carbazole Violet Pigment- 23 from India. (02 Aug)

The USDOC has initiated a new shipper review of anti-subsidy duty on imports from India, pursuant to a request by Sudarshan Chemical Industries Limited. The review was initiated since Sudarshan started exporting the products only after the original duties were imposed and was not affiliated to any producer / exporter that exported the products when duties were first imposed.

<u>Chapter 34 – Soap, organic surface-active agents, washing preparations,</u> <u>lubricating preparations, artificial waxes, prepared waxes, polishing or scouring</u> <u>preparations, candles and similar articles</u>

<u>EU</u>

• Initiation of anti-dumping investigation into imports of Alkyl Phosphate Esters from China. (11 Aug)

<u>Chapter 35 – Albuminoidal substances; modified starches; glues; enzymes</u>

<u>USA</u>

• Initiation of anti-dumping and anti-subsidy investigations into imports of certain Pea Protein from China. (07 Aug)

Chapter 38 – Miscellaneous chemical products

EU

- Continuation of anti-dumping duty on imports of Tungsten Carbide and Fused Tungsten Carbide from China. (09 Aug)
- Initiation of anti-circumvention investigation concerning anti-subsidy duty on imports of Biodiesel from Indonesia by products imported from China and the UK. (17 Aug)

<u>Chapter 39 – Plastics and articles thereof</u>

Trade remedial actions against India

<u>USA</u>

Preliminary affirmative determination issued by the USDOC in the administrative review of anti-subsidy duty on imports of Polyethylene Terephthalate Films, Sheets and Strips from India. (02 Aug)

The USDOC has preliminarily determined that Jindal Poly Films Limited has received countervailable subsidies during the period of review, that is 1st January 2021 to 31st December 2021. The subsidy margin determined for Jindal Poly Films Limited is 116.96%.

Preliminary negative determination issued by the USDOC in the administrative review of anti-dumping duty on imports of Polyethylene Terephthalate Films, Sheets, and Strips from India (03 Aug)

The USDOC has preliminarily determined that the two mandatory respondents were dumping in the United States during the period of review, that is 1st July 2021 to 30th June 2022. The dumping margin for both, Jindal Poly Films Limited and SRF Limited was determined as 0%.

Initiation of mid-term review by the USDOC of anti-dumping duty on imports of Polyethylene Terephthalate Films, Sheets, and Strips (PET film) from India. (22 Aug) The USDOC has initiated mid-term review to determine whether Garware Hi-Tech is the successor-in-interest to Garware Polyester Limited, with respect to the anti-dumping duty imposed. The duty applicable to Garware is currently 4.45% and have been imposed since July 2002.

Other trade remedial actions

<u>China</u>

• Preliminary affirmative determination issued in the anti-dumping investigation into imports of Polycarbonate from Taiwan. (14 Aug).

<u>Chapter 40 – Rubber and articles thereof</u>

<u>Brazil</u>

• Initiation of sunset review of anti-dumping duty on imports of Nitrile Rubber (NBR) from France and South Korea. (10 Aug)

<u>China</u>

• Initiation of expiry review of anti-dumping duty on Halogenated Butyl Rubber from EU, Singapore, UK and USA. (20 Aug)

<u>USA</u>

• Continuation of anti-dumping duty on imports of Emulsion Styrene-Butadiene Rubber from Brazil, Mexico, Poland and South Korea. (14 Aug)

<u>Chapter 44 – Wood and articles of wood; wood charcoal</u>

<u>EU</u>

• Initiation of anti-circumvention investigation concerning anti-dumping duty on imports of Birch Plywood from Russia by products imported Türkiye and Kazakhstan. (21 Aug)

<u>Chapter 48 – Paper and paperboard; articles of paper pulp, of paper or of</u> <u>paperboard</u>

Trade remedial actions against India

<u>USA</u>

Continuation of anti-dumping and anti-subsidy duties on imports of certain Lined Paper Products from India and China. (18 Aug)

The USDOC and USITC have determined that revocation of duties on Indian imports is likely to result in continued dumping of the subject goods. The USDOC accordingly issued orders for continuation of duties. The duties applicable on Indian imports is in the range of 3.91% to 23.17%.

Other trade remedial actions

EU

• Continuation of anti-dumping and anti-subsidy duties on imports of Coated Fine Paper from China. (22 Aug)

<u>Chapter 55 – Man-made staple fibres</u>

<u>USA</u>

• Affirmative determination issued by the USITC in the sunset review of anti-subsidy duty on imports of certain Polyester Staple Fibres from China. (24 Aug)

<u>Chapter 56 – Wadding, felt and nonwovens; special yarns; twine, cordage, ropes</u> <u>and cables and articles thereof</u>

Trade remedial actions in India

Continuation of anti-dumping duty on imports of Fishing Nets originating from China and exported from China and Malaysia. (29 Aug)

The Central Government on 29th August 2023 issued notification continuing the antidumping duty in force on imports of Fishing Nets originating from China and exported from China and Malaysia. The continuation of anti-dumping duty was recommended by DGTR vide Final Findings F.No. 7/22/2022-DGTR, dated the 8th June 2023. The antidumping duty applicable on imports of Fishing Nets is USD 2.19 per kg.

<u>Chapter 57 – Carpets and other textile floor coverings</u>

Indonesia

• Initiation of expiry review of safeguard measures on imports of Carpets and Other Textile Floor Coverings. (24 Aug)

Chapter 69 – Ceramic products

Trade remedial actions against India

<u>GCC</u>

Initiation of anti-dumping investigation into imports of Ceramic Sanitary Fixtures from China and India. (13 Aug).

The TSAIP has initiated anti-dumping investigation into imports of Ceramic Sanitary Fixtures from China and India. The request for initiation of investigation was made by Saudi Ceramics, Porsalina Arabian Company for Ceramics and SIDC Ceramics. These companies, supported by SRAYA from Saudi Arabia and RAK Ceramics from the UAE, represent over 80% of the GCC's total production of the said products.

Chapter 70 – Glass and glassware

Trade remedial actions in India

Final Findings issued in anti-dumping investigation into imports of Toughened Glass for Home Applications from China. (28 Aug)

The DGTR on 28th August 2023 issued final findings recommending imposition of antidumping duty on imports of Toughened Glass for Home Applications from China. The application for initiation of the anti-dumping investigation was filed by Federation of Safety Glass. The DGTR concluded that the product was being dumped into India and causing injury to the domestic industry as the volume of imports increased in absolute terms as well as in relation to domestic production and consumption in India at prices below the cost of sales of the domestic industry. The domestic industry suffered financial losses, cash losses and recorded a negative return on capital employed.

Other trade remedial actions

UK

• Initiation of scope review of anti-subsidy duty on imports of Continuous Filament Glass Fibre Products from Egypt. (09 Aug)

Chapter 72 – Iron and steel

Trade remedial actions against India

<u>USA</u>

Affirmative determination issued by the USITC in the sunset review of anti-dumping duty and anti-subsidy duties on imports of Cut-to-Length Carbon Quality Steel Plates from India, Indonesia and South Korea. (23 Aug)

The USITC determined that revocation of the anti-dumping and anti-subsidy duties on imports from India, Indonesia and South Korea would lead to continuation of material injury to the industry in the U.S. The USDOC would now issue continuation of duty orders.

Other trade remedial actions

<u>EU</u>

• Initiation of anti-circumvention investigation concerning anti-dumping and antisubsidy duties on imports of Stainless-Steel Cold-Rolled Flat products from Indonesia by products imported from Taiwan, Türkiye and Vietnam. (14 Aug)

<u>UK</u>

• Final affirmative determination issued in the transition review of anti-dumping duty on imports of Hot-rolled Flat and Coil Products from Brazil, China, Iran, Russia and Ukraine, and anti-subsidy duty on imports from China. (29 Aug).

<u>USA</u>

- Termination of the suspension agreement and imposition of anti-dumping duty on imports of Cut-to-Length Carbon Steel Plates from Russia. (14 Aug)
- Continuation of anti-subsidy duty on imports of Carbon and Alloy Steel Wire Rod from Turkey. (18 Aug)
- Preliminary affirmative determination issued by the USDOC in the anti-dumping investigation into imports of Tin Mill Products from Canada, China and Germany, and preliminary negative determination issued in the anti-dumping investigation into imports from the Netherlands, South Korea, Taiwan, Turkey and UK. (22 Aug)
- Continuation of anti-dumping duty on imports of Carbon and certain Alloy Steel Wire Rod from Belarus, Italy, Russia, South Africa, South Korea, Spain, Turkey, Ukraine, UAE and the UK. (24 Aug)

<u>Chapter 73 – Articles of iron or steel</u>

Trade remedial actions against India

<u>Canada</u>

Initiation of sunset review of anti-dumping duty on imports of certain Carbon Steel Welded Pipes from Chinese Taipei, India, Oman, South Korea, Thailand and UAE, and anti-subsidy duty from India. (22 Aug)

The CITT and CBSA initiated sunset review of anti-dumping duty and anti-subsidy duty on imports of certain carbon steel welded pipe imported from India, among other countries. The measures have been in force since 11th December 2012 and were last extended on 15th October 2018. Interested exporters that are willing to participate in the review can file response to the questionnaire issued by the CBSA by 28th September 2023.

<u>USA</u>

Initiation of administrative review by the USDOC of anti-dumping duty on imports of certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India. (03 Aug) The USDOC has initiated an administrative review of anti-dumping duty on imports from India. In the previous review of anti-dumping duties, the USDOC preliminarily determined a weighted-average dumping margin of 0.58% for Goodluck India Limited and 3.50% for Tube Products of India Limited.

Preliminary affirmative determination issued by the USDOC in the administrative review of anti-subsidy duty on imports of Finished Carbon Steel Flanges from India (17 Aug)

The USDOC has preliminarily determined that countervailable subsidies were provided to the Indian exporters during the period of review, that is 1st January 2021 to 31st December 2021. The net subsidy rate determined is 2.98% for Norma India Limited, 3.20% for R.N. Gupta & Co. Limited and 3.09% for non-selected companies under review.

Other trade remedial actions

<u>Canada</u>

• Affirmative determination by CBSA in the sunset review of anti-dumping and antisubsidy duties on imports of certain Steel Piling Pipes from China. (10 Aug)

<u>USA</u>

- Initiation of sunset review of anti-dumping duty on imports of Forged Steel Fittings from China, Italy and Taiwan, and anti-subsidy duty on imports from China. (01 Aug)
- Affirmative determination issued by the USDOC in the sunset review of antidumping duty on imports of Steel Wire Garment Hangers from Taiwan. (07 Aug)
- Negative final determination by the USDOC in the anti-circumvention investigation concerning anti-dumping duty on imports of Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan, when completed in Vietnam. (09 Aug)
- Continuation of anti-dumping duty on imports of certain Small Diameter Seamless Carbon and Alloy Standard, Line and Pressure Pipes from Germany. (23 Aug)
- Imposition of anti-dumping and anti-subsidy duties on imports of Collated Steel Staples from China. (24 Aug)
- Preliminary affirmative determination issued by the USDOC in the anticircumvention investigation concerning anti-dumping duty on imports of Collated Steel Staples from China when completed in and exported from Thailand and Vietnam. (24 Aug)

<u>Chapter 84 – Nuclear reactors, boilers, machinery and mechanical appliances;</u> <u>parts thereof</u>

<u>USA</u>

- Preliminary affirmative determination issued by the USDOC in the anti-dumping investigation into imports of Gas Powered Pressure Washers from China. (03 Aug)
- Preliminary affirmative determination issued by the USDOC in the anti-dumping investigation into imports of Gas Powered Pressure Washers from Vietnam. (29 Aug)

<u>Chapter 85 – Electrical machinery and equipment and parts thereof; sound</u> <u>recorders and reproducers, television image and sound recorders and reproducers</u>

<u>USA</u>

• Final scope determination and final affirmative determination issued by the USDOC in the anti-circumvention investigation concerning anti-dumping duty on imports of Crystalline Silicon Photovoltaic Cells from China, which were assembled into modules using Chinese parts in and exported from Cambodia, Malaysia, Thailand and Vietnam. (23 Aug)

<u>Chapter 86 – Railway or tramway locomotives, rolling-stock and parts thereof;</u> <u>railway or tramway track fixtures and fittings and parts thereof</u>

<u>Australia</u>

• Initiation of sunset review of anti-dumping duty on imports of certain Railway Wheels from China and France. (14 Aug)

<u>Chapter 90 – Optical, photographic, cinematographic, measuring, checking,</u> <u>precision, medical or surgical instruments and apparatus</u>

Trade remedial actions in India

Imposition of anti-dumping duty on imports of Dispersion Unshifted Single – Mode Optical Fiber from China, Indonesia and Korea. (03 Aug)

The Central Government on 3rd August 2023 imposed anti-dumping duty on imports of Dispersion Unshifted Single – Mode Optical Fiber from China, Indonesia and Korea. The imposition of anti-dumping duty was recommended by DGTR vide Final Findings F. No. 6/1/2022-DGTR dated the 5th May 2023. The anti-dumping duty imposed is in the range of USD 122.41 per KFKM – USD 857.23 per KFKM.

<u>Chapter 94 – Furniture; bedding, mattresses, mattress supports, cushions and</u> <u>similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or</u> <u>included;</u>

Trade remedial actions against India

<u>USA</u>

Initiation of anti-dumping investigation into imports of Mattresses from Bosnia and Herzegovina, Bulgaria, Burma, India, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan, and initiation of anti-subsidy investigation into imports from Indonesia (23 Aug)

The USDOC initiated an anti-dumping investigation into imports from India, among other countries. The petition requesting initiation of investigation was made on behalf of 11 domestic producers and 2 associations. The period of investigation is 1st July 2022 to 30th June 2023. Further, an anti-subsidy investigation has been initiated into imports of the product from Indonesia.

About Us

TPM was founded in 1999 at a time when the practice of trade remedies in India was in its infancy and there were only a handful of firms in the field. While other firms added these services to their existing portfolios, TPM dealt exclusively in cases in the domain of trade remedies.

TPM began its journey with a staff of merely 2 professionals. Today, it has a team of more than 40 professionals including Cost Accountants, Chartered Accountants, Company Secretaries, Lawyers, Engineers and MBAs.

In its first two decades, TPM was primarily focused on providing consultancy in the field of trade remedies. TPM helps domestic producers suffering due to cheap and unfair imports into India to avail the necessary protection under the umbrella of the WTO Agreements. TPM also assists the domestic producers in other countries to avail similar measures in their respective countries. Besides assisting domestic producers in India and other countries, TPM also represents exporters and importers facing trade remedial investigations in India or other countries. TPM has assisted Indian exporters facing investigations in a number of jurisdictions such as China, Argentina, Brazil, Canada, Egypt, European Union, GCC, Indonesia, South Korea, Turkey and USA.

In the last few years, TPM's reputation has grown in other fields of non-tariff barriers, policy advocacy matters, foreign trade policy, business consulting and litigation. Its vast experience with industry leaders in various sectors puts it in a unique position to effectively and efficiently handle matters relating to policy advocacy before various government forums as well as business consulting. This has brought new avenues of growth for the TPM team and has helped industry find innovative solutions to complex problems.

For more details about the contents of this newsletter, kindly contact <u>aastha@tpm.in</u>.



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