

August 2021



ADHYATAN

TPM Newsletter

Issue 8 of 2021

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Trade Remedial Actions in India

Number of investigations initiated	2
Number of findings issued	5
Duties imposed or continued	.....	0
Duties recommended but not imposed	.....	3
Ongoing anti-dumping investigations	.....	52
Ongoing anti-subsidy investigations	.....	3
Ongoing safeguard investigations	.....	1

Other Trade Updates

Number of non-tariff notifications by India	.....	1
Number of non-tariff notifications by others	.....	282

India

Changes in application proforma for domestic industry (29 Jul)

DGTR has issued Trade Notice No. 5/2021, dated 29th July 2021 prescribing a new application proforma for filing applications seeking initiation of anti-dumping investigation. A number of additions have been made to the old proforma. The major additions made are listed below:

- a. Status of each Indian producer (whether supporter, opposer or neutral) has to be stated.
- b. The supporter has to provide details of installed capacity, production quantity and sales value and volume for domestic, export and captive consumption.
- c. The impact of the duty on the end use product has to be quantified and shared.
- d. Details of end-users of like article and sales quantity and value for each of them has to be given.
- e. Details of volume losses due to shut down or force-majeure situations has to be provided. Further, the affect of such shutdown has to be segregated.
- f. Details of any constraints related to raw materials shortage, power shortage, impact of any tax differential, lack of adequate capacity or investment have to be provided.
- g. Evidence of lost sales has to be provided.
- h. In case of major new investment for the product under consideration during the injury period, date of installation of machinery, its average useful life on such date and its detailed project report as submitted to the relevant authorities/ financial institutions or, if not so submitted, as approved by the management of the company to be provided.

It would appear that the requirements have increased. However, it is felt that introduction of these requirements would bring clarity, simplify requirements, expedite the process and would help the DGTR in addressing arguments that are routinely raised by the interested parties.

Simplification of questionnaire responses for exporters, importers and users (29 Jul)

DGTR has issued Trade Notice Nos. 6/2021, 7/2021 and 8/2021, dated 29th July 2021 simplifying the questionnaire responses for foreign producers / exporters, importers and consumer industry.

Under the new trade notice, various requirements under the exporters' questionnaire response have been removed which include total production volume of all products produced, sales negotiation process, details of duties on imported raw material, etc. Performance parameters such as inventories held, cost of sales, selling price in domestic market, selling price in export markets, profit, etc. have also been deleted.

With regards to the importers' questionnaire response, requirements concerning list of products sold, names of users, post-invoicing/sale discounts or rebates, etc. have been removed. Further, the importers are no longer required to provide details on product comparison, comparative advantages with foreign producers as well as the effect of anti-dumping duties on the market. Finally, Appendix 5 requiring details of utilization of the product under consideration, has been deleted.

With regards to the users' questionnaire response, users are no longer required to provide details on product comparison, comparative advantages with foreign producers as well as whether they are in favour of imposition of duties or not. However, the users are required to quantify the likely impact of imposition of the duties on the end-users. Additionally, the users are now required to furnish transaction wise details of purchase of the subject goods during the period of investigation.

It is expected that the participation from the foreign producers would increase with reduction in requirements.

Requirements for applications by fragmented industries (29 Jul)

The DGTR has issued Trade Notice 9/2021 in order to simplify the difficulties faced by fragmented industries. As per the new Trade Notice, a fragmented industry may file an application through an association. However, domestic producers constituting 50% of the domestic production must provide entire injury information, including information with regard to capacity, production, sales, selling price, cost of sales, profitability, etc.

After receiving such information, the DGTR may limit the detailed examination of applicant domestic producers to a limited number of producers. For this purpose, the DGTR shall select a sample set of producers, which would be required to furnish complete costing information. However, in order to avail this relief, the application will have to include injury information for those domestic producers whose collective production is more than 50% of production. This is despite the fact that domestic producers can collectively file application if their production exceeds 25% of the Indian production. However, if these domestic producers have to file application through association, then the association would have to first provide data for producers constituting 50% share of production. It, therefore, appears that the Trade Notice has, in fact, increased the threshold for filing an application. Accordingly, in a fragmented industry comprising of hundreds or thousands of producers, filing an application may continue to remain difficult.

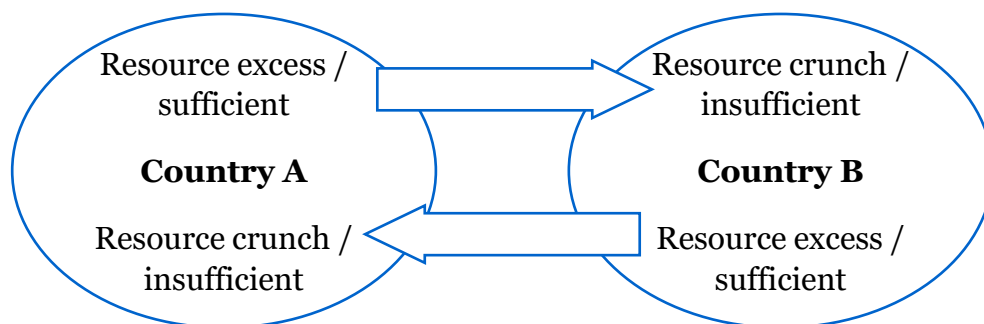
Trade Balance in Global Economic Integration under FTAs

Dilbar Singh, Market Research Associate

Free Trade Agreements are mutually agreed upon contracts between two or more nations. The basic concept and purpose of these agreements is to allow free flow of goods and services between nations while eliminating all or most of government interventions namely tariffs, taxes and duties on imports and exports.

FTAs play a key role for economies like India. Although lack of FTAs might be beneficial for the local industries, it can potentially lead to stagnation in terms of competitiveness. By allowing free flow of goods from other countries, local industries are put head-to-head against global companies, forcing them to innovate and upgrade to stay competitive. Apart from this, FTAs also boost the economic development of a nation through an increase in Foreign Direct Investments, introduction of newer technologies and facilitating healthy diplomatic relations among countries. However, this all can be achieved only when an FTA is able to maintain desired balance. An FTA negotiated in the right framework will most likely strike a balance between free trade economy and healthy domestic industry.

Generally, the goal of a nation is to maintain a positive trade balance or have a trade surplus in commodities being produced domestically. A negative trade balance or trade deficit is inevitable or acceptable in certain situations, where either the partner country has natural advantage or the deficit is in commodities not being produced domestically. An FTA is desired to have potential to exploit the resource advantages enjoyed by the partner countries and should not put any partner country in a disadvantageous position. Further, while it is important to understand availability or unavailability of a resource or commodity during negotiations; it is also important to then adopt right resource allocation by the industry after agreement enters into force.



All global economies have a number of operational Trade agreements. However, their impact, whether positive or negative, may vary depending upon the exporting capabilities and importing requirements of the respective nations. The exporting capabilities and importing requirements are critical to be understood during negotiations. Better the understanding in terms of resource balance, the more efficient an agreement will be.

Following are major FTAs signed by major global economies around the world:

- China has operational trade agreements with Australia (20th December 2015), South Korea (20th December 2015), New Zealand (1st October 2008), and Chile (1st October 2006).

- USA has operational trade agreements with Australia (1st January 2005), Bahrain (1st August 2006), South Korea (15th March 2012), Oman (1st January 2009), and Singapore (1st January 2004).
- Japan has operational trade agreements with Singapore (30th November 2002), Malaysia (13th July 2006), Chile (3rd September 2007), Thailand (1st November 2007), Indonesia (1st July 2008), Brunei (31st July 2008), ASEAN (1st December 2008), European Union (1st February 2019), Vietnam (1st October 2009), India (1st August 2011), and Australia (15th January 2015).
- South Korea has operational trade agreements with Chile (26th June 2005), Singapore (28th June 2005), ASEAN (29th June 2005), India (2nd July 2005), European Union (1st July 2011), USA (15th March 2012), Australia (12th December 2014), Canada (1st January 2015), China (20th December 2015), New Zealand (20th December 2015), Vietnam (20th December 2015), and England (1st January 2021).
- India has operational trade agreements with Sri Lanka (1st March 2000), Thailand (1st September 2009), Singapore (1st August 2005), South Korea (2nd July 2005), ASEAN (1st January 2010), Japan (1st August 2011), Malaysia (1st July 2011), and Chile (17th August 2007).

Upon analysing the trade flow under these operational trade agreements before and after they entered into force, it is observed that India has been in a more disadvantageous position as compared to other major economies. Other major economies are either in advantageous position or the situation is not as significantly disadvantageous.

FTAs signed by USA (M-R* 2)				
Partner country	M-R*	Impact	Observations (if deficit)	Inference
Australia	23	Trade surplus increased		
Bahrain	80	Trade surplus increased		
South Korea	5	Trade deficit increased		
Oman	72	Deficit converted to surplus		
Singapore	25	Trade surplus decreased		
FTAs signed by China (M-R* 1)				
Australia	23	Trade surplus decreased		
New Zealand	54	Trade deficit increased	Major imports into China are of dairy produce, wood, meat, cereals, fruits, fish	Imports are of essential items (where partner country has natural advantage)

FTAs signed by China (M-R* 1)				
South Korea	5	Trade deficit decreased		
Chile	51	Deficit decreased	Major imports are of ores, fruits, wood, meat	Imports are of essential items (where partner country has natural advantage)
FTAs signed by Japan (M-R* 3)				
Singapore	25	Surplus increased		
Malaysia	24	Deficit increased	Major imports into Japan are of mineral fuels/ oils, wood, animal/ vegetable oils, rubber, copper	Imports are of essential items (where partner country has natural advantage)
Chile	51	Deficit increased	Major imports are of ores, fish, wood, beverages/ spirits	Imports are of essential items (where partner country has natural advantage)
Thailand	19	Surplus increased		
Indonesia	10	Deficit increased	Major imports are of mineral fuels/ oils, pearls/ precious stones, nickel, wood	Imports are of essential items (where partner country has natural advantage)
Brunei	111	Deficit increased	Almost all imports are of mineral fuels/ oils	Imports are of essential items (where partner country has natural advantage)
Vietnam	38	Deficit increased	Major imports are of clothing, footwear, wood/ articles of wood	Imports are of essential items (where partner country has natural advantage)
India	6	Surplus increased		
Australia	23	Deficit almost remained same	Major imports are of mineral fuels/ oils	Imports are of essential items (where partner country has natural advantage)

FTAs signed by India (M-R* 6)				
Sri Lanka	61	Surplus increased		
Thailand	19	Deficit increased	Major imports into India are of electrical machinery, machinery, inorganic chemicals, copper articles	Imports are of non-essential items
Singapore	25	Deficit to surplus		
South Korea	5	Deficit increased	Major imports are of electrical machinery, machinery, plastics & articles, organic chemicals	Imports are of non-essential items
Japan	3	Deficit increased	Major imports are of electrical machinery, machinery, plastics & articles, inorganic chemicals	Imports are of non-essential items
Malaysia	24	Deficit increased	Major imports are of animal/ vegetable oils, mineral fuels, electrical machinery, machinery, organic chemicals, plastics & articles	Imports are of non-essential items (other than some essential items, where partner country has natural advantage)
Chile	51	Deficit increased	Major imports are of ores, organic chemicals	Imports are of non-essential items
FTAs signed by South Korea (M-R* 5)				
Chile	51	Deficit increased	Major imports into South Korea are of mineral fuels/ oils, copper	Imports are of essential items
Singapore	25	Surplus increased		
India	6	Surplus increased		
Australia	23	Deficit decreased	Major imports are of mineral fuels/ oils, ores, meat	Imports are of essential items
China	1	Surplus decreased		

FTAs signed by South Korea (M-R* 5)				
New Zealand	54	Deficit to surplus	Significant are of wood, dairy produce, fruits	Imports are of essential items
Vietnam	38	Surplus Increased		

Major manufacturing economies either have trade surplus or have trade deficit only as they are importing huge volumes of essential commodities like ores, mineral oils/ fuels, wood, dairy produce, food & beverages wherein, partner countries have natural advantage, or significant production and the economies are largely dependent on imports due to inadequate availability of the desired product. Imports into India are however more of non-essential commodities or commodities, wherein domestic industry is sufficiently equipped to supply those products.

As the industry has been raising concerns regarding operational trade agreements; cognizance of the same has been taken by the Government. One of the major steps in this regard was that India eventually decided not to be a part of RCEP (Regional Comprehensive Economic Partnership) Agreement. However, India should not and cannot remain out of this chain of global integration through trade agreements. In the long run, non-participation in FTAs might have significant negative impact on the trade economy of India, and therefore some effect on overall economy. Instead, timely studies, right framework, and active participation of the industry can ensure smooth integration of the Indian economy into global free trade economy through trade agreements. Government conducts rigorous consultations during negotiation of agreements when various inputs from industry are required/ desirable. Timely, detailed, specific inputs with clear justifications by industry helps in negotiations. Industry should also attempt monitoring trading activity under trade agreements and provide their inputs to the Government in timely manner as and when desired for various purposes including reviews. Further, the approach must also change from being always defensive to being aggressive; and look at free trade agreements not only from import perspective but also in terms of what opportunities lies under the agreements for increasing exports.

Trade Remedial Actions in India

Initiation of investigations

- Sunset review of anti-dumping duty imposed on imports of colour coated / pre-painted flat products of alloy or non-alloy steel from China PR and European Union. (26 Jul)
- Sunset review of anti-dumping duty imposed on imports of wire rod of alloy or non-alloy steel from China PR. (28 Jul)

Cessation of duties recommended

- Anti-dumping duty on imports of barium carbonate from China PR pursuant to a sunset review. (20 Jul)
- Anti-dumping duty on imports of viscose staple fibre from China PR and Indonesia. (31 July)

Termination of investigation

- Bilateral safeguard investigation on imports of PVC suspension grade resin from Japan. (23 Jul)

Duties recommended

- Anti-dumping duty on imports of rubber chemical PX-13 from China PR and Korea RP. (26 Jul)
- Continuation of anti-dumping duty on imports of seamless tubes, pipes & hollows profile of iron, alloy or non-alloy steel from China PR. (30 Jul)
- Continuation of anti-dumping duty on imports of phenol from European Union. (30 Jul)

Duties recommended but not imposed

- Anti-dumping duty on imports of copper & copper alloy flat rolled products from China PR, Korea RP, Malaysia, Nepal, Sri Lanka and Thailand. (2 Jul)
- Anti-dumping duty on imports of plain medium density fibre board having thickness less than 6mm from Malaysia, Indonesia, Thailand and Vietnam. (20 Jul)
- Anti-dumping duty on imports of acrylonitrile butadiene rubber (NBR) from China PR, European Union, Japan and Russia. (20 Jul)

Customs Notification issued

- Extension of anti-dumping duty on imports of polytetrafluoroethylene from Russia till 30th November 2021. (31 July)

Trade Remedial Actions against India

Australia

Initiation of exemption inquiry of certain goods in relation to anti-dumping and anti-subsidy measures on imports of zinc coated (galvanized) steel from China PR, India, Malaysia, Korea RP, Taiwan and Vietnam. (9 Jul)

The Australian Anti-Dumping Commission has initiated an exemption inquiry into certain galvanized steel that meet specific characteristics for exemption from anti-dumping and anti-subsidy measures on the request of Austube Mills Pty Ltd. The Commission will investigate whether such goods can be exempted from the scope of anti-dumping and anti-subsidy measures imposed on the product.

Canada

Initiation of expiry review investigation of anti-subsidy measures on imports of certain flat hot-rolled carbon and alloy steel sheet and strip from India. (12 Jul)

CBSA has initiated an expiry review of anti-subsidy measures imposed on flat hot-rolled carbon and alloy steel sheet and strip imported from India to determine whether there exists likelihood of dumping in the event of expiration of duties. CITT has also initiated a similar review to determine likelihood of injury in the event of expiry of duties. The original measures were imposed on 12th August 2016.

CBSA issued final determination in the anti-dumping and anti-subsidy investigation on imports of certain grinding media from India. (29 Jul)

CBSA has determined that imports of certain grinding media from India are being dumped and the exporters are receiving subsidies from the government. CITT is yet to make positive determinations on injury caused to the Canadian industry, post which duties are likely to be imposed.

Taiwan

Final affirmative determination in anti-dumping investigation on imports of ceramic tiles from India, Indonesia, Malaysia and Vietnam. (14 Jul)

The Taiwan Ministry of Finance has issued final determinations in the anti-dumping investigation on imports of tiles from India, Indonesia, Malaysia and Vietnam. Three sampled producers from India have been awarded negative dumping margins. However, the rate of duty for other exporters is 20.07%. The final decision of Ministry of Economic Affairs, regarding whether such imports have caused injury, is awaited.

Ukraine

Termination of safeguard investigation on imports of ceramic tiles. (23 Jul)

Ukraine had initiated a safeguard investigation into imports of Ceramic Tiles, which included exports from India. However, the investigation has been terminated, without imposition of any measures.

United States of America

DOC issues preliminary affirmative determination in the anti-subsidy investigation on imports of granular polytetrafluoroethylene (PTFE) resin from India. (6 Jul)

DOC has preliminarily determined that countervailable subsidies are being provided to producers and exporters of granular polytetrafluoroethylene (PTFE) resin from India. DOC has allocated a subsidy margin of 4.75% to Gujarat Fluorochemicals Limited as well as all exporters from India.

DOC issues affirmative final determination in the expedited expiry review of anti-subsidy measures on imports of polyethylene terephthalate (PET) resin from China PR and India. (23 Jul)

DOC has determined that revocation of anti-subsidy measures on imports of PET resin from China PR and India is likely to lead to continuation or recurrence of countervailable subsidies being provided by the governments of the countries. The original measures were imposed on 6th May 2016.

DOC issues affirmative final determination in the expedited expiry review of anti-dumping measures on imports of polyethylene terephthalate (PET) resin from Canada, China PR, India and Oman. (30 Jul)

DOC has determined that revocation of anti-dumping measures on imports of PET resin from Canada, China PR India and Oman is likely to lead to continuation or recurrence of dumping of the subject goods in US. The original measures were imposed on 6th May 2016.

Vietnam

Imposition of provisional anti-dumping measures on sorbitol products from China PR, India and Indonesia. (6 Jul)

The Ministry of Industry and Trade in its preliminary investigation determined that the dumped imports are causing injury to the domestic industry and preliminary duties in ranges of 39.63% - 68.50% have been imposed on the product. The final determination will be made in the third quarter of 2021.

Other Trade Remedial Actions

Argentina

- Initiation of expiry review investigation of anti-dumping duties on imports of multi-functional food processing machines from Brazil. (1 Jul)
- Final determination issued in expiry review investigation of anti-dumping duties on imports of helical drills with cylindrical end from China PR. (23 Jul)
- Final determinations issued in expiry review investigation of anti-dumping duties on imports of electrical connection terminal from China PR and Germany. (30 Jul)

Australia

- Initiation of continuation inquiry of anti-dumping measures on imports of A4 copy paper from Brazil, China PR, Indonesia and Thailand. (2 Jul)
- Affirmative final determination in expiry review investigation of anti-dumping measures on imports of A4 copy paper from Brazil, China PR, Indonesia and Thailand. (7 Jul)
- Termination of anti-dumping investigation on imports of kraft paperboard from USA. (15 Jul)

Brazil

- Initiation of anti-dumping investigation concerning imports of ethylene glycol monobutyl ether from France. (14 Jul)
- Initiation of sunset review investigation concerning imports of seamless, non-alloy carbon steel tubes, circular section, with an external diameter not exceeding 374 mm from China PR (20 Jul)
- Initiation of sunset review investigation concerning imports of powdered magnesium from China PR. (20 Jul)
- Affirmative final determination in anti-dumping investigation on imports of seamless alloy steel cylinders from China PR. (23 Jul)

Canada

- CITT issued final determination concluding injury has been caused to the domestic industry due to dumping of certain concrete reinforcement bars from Oman and Russia. (2 Jul)
- Initiation of anti-dumping investigation on imports of certain oil country tubular goods from Mexico. (2 Jul)
- Initiation of anti-dumping investigation on imports of certain oil country tubular goods from Austria. (7 Jul)
- Initiation of expiry review investigation of anti-dumping measures on imports of certain flat hot-rolled carbon and alloy steel sheet and strip from Brazil, China PR and Ukraine. (12 Jul)

Canada (Contd.)

- CBSA issued final determinations in the expiry review investigation of anti-dumping and anti-subsidy measure on imports of certain carbon and alloy steel line pipe from China PR. (30 Jul)

China

- Initiation of review investigation of anti-dumping measures on imports of grain oriented flat-rolled electrical steel from Japan, Korea RP, and European Union (23 Jul)

Columbia

- Negative final determination in review investigation of anti-dumping measures on imports of galvanized flat steel sheets from China PR. (23 Jul)

Eurasian Economic Union

- Final determination issued in review investigation of anti-dumping measures on imports of commercial vehicle tyres from China PR. (2 Jul)
- Final determination issued in review investigation of anti-dumping measures on imports of seamless pipes and tubes of stainless steel from Ukraine. (22 Jul)

European Union

- Initiation of review investigation of anti-dumping measures on imports of silicon from China PR. (2 Jul)
- Imposition of definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel from Turkey. (6 Jul)
- Initiation of review investigation of anti-dumping measures on imports of sodium cyclamate from China PR and Indonesia. (16 Jul)
- Initiation of review investigation of anti-dumping measures on imports of aspartame from China PR. (29 Jul)

Malaysia

- Final affirmative determination in the review of anti-dumping measures on imports of pre-painted, painted or colour coated steel coils from China PR and Vietnam. (21 Jul)

Mexico

- Initiation of anti-dumping investigation on imports of steel wire rods from China PR. (22 Jul)
- Final determinations issued in the sunset review investigation of anti-dumping measures on imports of partially hydrogenated fatty acid from USA. (23 Jul)

Mexico (Contd.)

- Final determinations issued in the sunset review investigation of anti-dumping measures on imports of epoxidized soybean oil from USA. (26 Jul)
- Final determinations issued in the sunset review investigation of anti-dumping measures on imports of liquid caustic soda from USA. (26 Jul)
- Final determination issued in sunset review investigation of anti-dumping investigation measures on imports of stearic acid from USA. (30 Jul)

Peru

- Imposition of provisional anti-dumping duties on imports of zippers and their parts from China PR. (2 Jul).
- Initiation of sunset review investigation of anti-dumping duties imposed on imports of all varieties of footwear with the upper part of rubber or plastic and natural leather from China PR. (7 Jul)
- Termination of review investigation of anti-dumping duties on imports of steel cutlery of thickness not greater than 1.25 mm from China PR. (9 Jul)

Turkey

- Imposition of anti-dumping measures on imports of welded stainless steel tubes, pipes and profiles from Vietnam. (12 Jul)
- Initiation of review investigation of anti-dumping measures on imports of motorcycle tires and tubes from Taiwan and Vietnam. (12 Jul)
- Initiation of review investigation of anti-dumping measures on imports of bicycle tires and tubes from Taiwan, Vietnam and Sri Lanka. (12 Jul)
- Continuation of anti-dumping measures on imports of suspension type polyvinyl chloride from USA and Germany. (14 Jul)
- Initiation of review investigation of anti-dumping measures on imports of baby carriages from China PR. (15 Jul)
- Continuation of anti-dumping measures on imports of ball point pens from China PR. (15 Jul)
- Initiation of review investigation of anti-dumping measures on imports of iron or steel ropes and cables from China PR and Russia. (16 Jul)
- Initiation of review investigation of anti-dumping measures on imports of seamless tubes, pipes and hollow profiles of iron (other than cast iron) or steel from China PR. (30 Jul)

United States of America

- USITC finds that US industry is materially injured due to subsidized imports of utility scale wind towers from Malaysia. (8 Jul)
- USITC finds that US industry is materially injured due to dumped imports of seamless refined copper pipe and tube from Vietnam. (19 Jul)

United States of America (Contd.)

- USITC finds that US industry is materially injured due to dumped imports of standard steel welded wire mesh from Mexico. (20 July)
- DOC issues affirmative final determination in the anti-dumping investigation on imports of methionine from Japan and Spain. (23 Jul)
- Initiation of anti-dumping investigation on imports of acrylonitrile butadiene rubber from France, Korea RP and Mexico. (27 Jul)
- Initiation of anti-dumping and anti-subsidy investigation on imports of urea ammonium nitrate from Russia and Trinidad and Tobago. (27 Jul)
- USITC finds that US industry is materially injured due to dumped imports of utility scale wind towers from Spain. (27 Jul)
- USITC finds that US industry is materially injured due to dumped imports of metal lockers from China PR. (27 Jul)
- USITC finds that US industry is materially injured due to dumped imports of silicon metals from Malaysia. (27 Jul)
- Initiation of expiry review investigation of anti-dumping measures on imports of ironing tables and certain parts from China PR. (30 Jul)

Foreign Trade Policy

Issuance of benefits/ scrips on hold (8 Jul)

Issuance of benefits/ scrips under MEIS, SEIS, ROSL, RoSTCL schemes would be on hold for temporary period due to changes in the allocation procedure. During this period, no fresh applications would be allowed to be submitted through the online IT module of DGFT for these schemes and all submitted applications pending for issuance of scrips would also be on hold.

Amendment in Handbook of Procedures concerning quarterly returns by exporters (12 Jul)

Chapter 2 of Handbook of Procedures to FTP has been amended to reduce regulatory compliance burden. Exporters are no longer required to furnish quarterly return/ details of their exports of different commodities to concerned registering authority. Further, a new format for Registration Cum Membership Certificate (RCMC) has been notified.

Inputs sought for new Foreign Trade Policy 2021-26 (16 Jul)

DGFT is seeking inputs for new Foreign Trade Policy FTP 2021- 26. The foreign trade policy (2015-2020) was extended till September 2021 due to the pandemic. Directorate General of Foreign Trade created a google form in order to take suggestions / inputs from the stakeholders to prepare a new five year Foreign Trade Policy. The stakeholders include export promotion councils (EPCs), trade / industries body associations, commodity boards, regional authorities and members of trade. The stakeholders were requested to send their submissions by 31st July 2021.

Paper based system for Non-Preferential CoO extended (19 Jul)

DGFT had earlier notified mandatory electronic, contact less single window for non-preferential CoO (Certificate of Origin). On request of trade and associations, paper-based system has been extended upto 30th September 2021. Electronic system shall become mandatory effective from 1st October 2021.

Import of un-shredded metallic scrap allowed from Kamarajar port (20 Jul)

Kamarajar port has been added in the list of ports where import of un-shredded metallic scrap and waste is allowed. Earlier 17 ports were covered under the list. With addition of Kamarajar port, now the total number of such ports are 18.

Amendment in Handbook of Procedures concerning advance authorization (22 Jul)

Para 4.41 of Handbook of Procedures to FTP has been amended whereby, for advance authorizations issued on or after 15th August 2020, only one revalidation shall be allowed in 12 months, instead of two revalidations for 6 months each. Further amendment has been made in para 4.51 and 4.57 of the Handbook to allow submissions of record in online mode

Online system introduced for SCOMET (27 Jul)

DGFT has introduced an online system for seeking export authorization for SCOMET items. A new format ANF 20(d) has been introduced to file application for revalidation under SCOMET export authorization

Online system introduced for refund of terminal excise duty and grant of drawback (28 Jul)

Online system has been introduced to submit applications concerning refund of terminal excise duty, grant of drawback as per AIR and fixation of brand rate for duty drawback.

Process for online payment or refund of fee revised (30 Jul)

DGFT has notified the revised process for online payment or refund of user charges/ penalty/ other applications' fee.

Free Trade Agreement

India begins talks on Free Trade Agreement with UAE

India has started talks on a free trade agreement (FTA) with the UAE, with expectations of a larger pact with the group of Gulf Cooperation Council (GCC) countries.

Bureau of Indian Standards

Amendment of Standards (7 Jul)

The following Standards have been amended with effect from 2nd July 2021. However, the earlier Standards shall continue, without amendment, till 1st January 2022

1. Alumino Ferric [IS 299:2012]
2. High Density Polyethylene /Polypropylene Woven Sacks for packaging for 50 kg/ 25 kg sugar [IS 14968:2015]

The following Standards have been amended with effect from 2nd July 2021. However, the earlier Standards shall continue, without amendment, till 1st October 2021

1. Acetic Acid [IS 695:2020]
2. Formic Acid [IS 9908:2020]

The following Standards have been amended with effect from 6th July 2021. However, the earlier Standards shall continue, without amendment, till 5th August 2021

1. Polyethylene Monofilament Twines for Fishing [IS 6347:2003]
2. Polyamide (Nylon) Monofilament Yarn for Fishing [IS 7533:2017]
3. Citric Acid [IS 13186:1991]
4. Polypropylene Multifilament Netting Twines [IS 14287:1995]
5. Terephthalic Acid [IS 15030:2001]
6. Beta Picoline [IS 16112:2013]

Morocco – Definitive Anti-Dumping Measures on School Exercise Books from Tunisia (DS578)

WT/DS578/R

The present dispute arose as a result of imposition of anti-dumping duty by Morocco on imports of ‘School Exercise Books’ from Tunisia. The duty was imposed pursuant to investigation conducted by the Ministry of Industry, Investment, Trade and Digital Economy (MIICEN) and final determination issued on 5th November 2018. The Panel, in the report, addressed several issues raised by Tunisia including the construction of normal value, comparison of normal value and export price, analysis of injury parameters, analysis of causal link, and on the initiation of the investigation. The various issues are discussed summarily below.

Construction of normal value

Firstly, Tunisia challenged the calculation of “reasonable profit” wherein taxes, credit costs etc. were not eliminated in comparing selling price and cost. Further, the transportation costs and port fees were included in calculation of ex-factory normal value. While Morocco alleged that the exporter had not provided the information properly resulting in ambiguity, the Panel held that such error or ambiguity does not exempt the obligation of the investigating authority to ensure accuracy of information and establish facts properly.

Further, Tunisia challenged exclusion of certain models of the product under consideration, that are subsidized by the Tunisian government and sold in Tunisia but are subject to an export ban, for the purpose of calculation of “reasonable profit”. While Morocco argued that they are not obligated to “refer to all sales” for the calculation, the Panel found that the Anti-Dumping Agreement permits only the exclusion of those sales “not in the ordinary course of trade” (an argument Morocco chose not to rely on). Hence, disregarding certain domestic sales leads to a “reasonable amount for profits” that is not based on “actual data” as required under Anti-Dumping Agreement.

Comparison of normal value and export price

Tunisia alleged that Morocco failed to allow certain adjustments in the form of license fee paid by one of the cooperative Tunisian exporters to another company to bear its image on their school exercise books. The Panel held that the burden of proof lies on the exporter as well as the investigating authority here. The investigating authority can seek any necessary information from the exporter without putting an “unreasonable” burden of proof on such exporter. If the exporter fails to meet the same, there is no obligation on the investigating authority to meet the adjustment.

The Panel, however, found that Morocco erred in the aggregation of the model wise dumping margins, as it calculated the weighted average dumping margin weighing the model wise dumping margins on the exported amounts and not on exported volumes.

Analysis of injury parameters

On price injury, Tunisia challenged determination of price undercutting, price depression, and suppression. For the calculation of price undercutting, Morocco found that the prices of the domestic industry were not profitable due to price pressure from imports and hence, compared import price with a target selling price (calculated by adding a 15%-25% profit margin) of the domestic industry. Though Morocco argued that there is no obligation to rely on “actual prices”, the Panel disagreed.

For the calculation of price depression and suppression and economic parameters of the domestic industry, Morocco merely compared the data in the base year with the average data in the first four months of the period of investigation thus showing a significant injury. However, the seasonal fluctuations in price were not taken into consideration. The Panel found that Morocco failed to examine the evolution of cost and selling price over the injury period and period of investigation but only relied on an end-to-end analysis.

Tunisia also argued that there was sufficient evidence to suggest that the domestic industry’s negative profitability was not a sign of injury but was a business strategy since the profitability was negative throughout the injury period and period of investigation despite the import price being above the cost of the domestic industry. Analyzing whether there is even a need to examine the alleged business strategy as a part of the injury analysis, the Panel held that the investigating authority is not required to examine whether the negative profitability was attributable to reasons other than imports. However, the Panel found that Morocco failed to examine whether the subject imports had an “explanatory force” for the negative profitability.

Analysis of causal link

On the issue of causal link, Tunisia argued that the Morocco failed to consider domestic competition in the country. The Panel held that “mere knowledge” of a factor other than the subject imports is not sufficient for a non-attribution analysis. In the absence of any evidence, the investigating authority is not required to examine them. Hence, though the existence of domestic competition was “known” to the investigating authority, no evidence on the same causing injury to the domestic industry was provided.

Initiation of the investigation

On the issue of initiation, Tunisia argued that the complaint filed by the domestic industry did not have sufficient evidence of dumping. For normal value, the domestic industry relied on online catalogues of a retail company, without demonstrating they were of the Tunisian product. Though Morocco argued that the same is objective information published on the exporters’ website for books sold in Tunisia similar to those exported, the initiation report itself proved the Tunisian argument on facts. For export price, the domestic industry relied on just one invoice as evidence for export price. The Panel held that obligation to ensure “accuracy” and “adequacy” of the evidence does not entail the obligation to ensure representativeness of the information. However, the Panel held that the evidences provided by the domestic industry, in the absence of corroboration, are insufficient. In the absence of cross-checking against other information, the “accuracy” and “adequacy” of the evidences provided in the complaint cannot be ensured. Hence, Morocco was found to have failed in their obligation as per the Agreement.

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.

From the beginning, TPM was 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 has also assisted 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 assists 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 Argentina, Brazil, Canada, Egypt, European Union, GCC, Indonesia, Korea RP, Turkey and USA.

TPM has an enviable experience in the field, of more than 700 cases. Its unique experience in the field sets it apart from other firms. While the firm is primarily dedicated to trade remedies, it also provides services in the field of trade policy, non-tariff barriers, competition law, trade compliance, indirect taxation, trade monitoring and analysis. It also represents industries before the Government in matters involving customs policy.

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