ADHYATAN

TPM Newsletter

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- An insight into the use of non-trade remedial measures along with the challenges with regard to the same.
- Conclusion of free trade agreement between the UAE and Kenya.
- Indian Government to extend RoDTEP benefits to companies in SEZs and EOUs.
- WTO Panel finds US measures inconsistent with obligations under ASCM.

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Key Highlights

Indian Updates

Government of India to undertake review of custom duties on key manufacturing inputs

In the light of duty inversions under various trade agreements signed, the Government has decided to undertake a comprehensive review of customs duties. Further, the government officials have also notified that in cases where specific changes are required urgently to safeguard a particular sector, a decision can be taken even before a thorough scrutiny and stakeholders' consultations.

Global Updates

Indonesia initiates WTO dispute complaint against duties imposed by the EU on imports of Fatty Acids (12 Feb)

Indonesia has requested Consultations in the Dispute Settlement Body against imposition of measures by the European Union on imports of Fatty Acids from Indonesia. In January 2023, the EU imposed anti-dumping duty ranging between 15–46% on imports of Fatty Acids from Indonesia. Indonesia considers that such measures and the investigation leading to the imposition of the measures appear to be inconsistent with the Anti-dumping Agreement and GATT, 1994.

European Commission initiates first investigation under its Foreign Subsidies Regulation

The European Commission has initiated its first investigation under the Foreign Subsidies Regulation to examine the potential market distortive role of foreign subsidies received by foreign companies located within EU. The investigation aimed at preserving the domestic companies of EU against foreign subsidies that may give an unfair advantage to foreign entities in winning public contracts in EU. The investigation was initiated after CRRC Qingdao Sifang Locomotive, a subsidiery of a Chinese state-owned manufacturer, that has received foreign subsidies, responded to a procurement procedure launched by Bulgaria's Ministry of Transport and Communications.

Key Highlights

Government to extend the benefit under RoDTEP to SEZs and EOUs

The Ministry of Commerce has announced that it will extend the benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to companies in the Special Economic Zones (SEZs) and Export Oriented Units (EOUs). This inclusion will be notified by the Directorate General of Foreign Trade. The demand for this inclusion has been made and backed by the Parliamentary Standing Committee on Commerce.

Comoros and Timor-Leste accede to WTO

Comoros and Timor-Leste were formally approved and welcomed with the WTO membership deals at the 13th WTO Ministerial Conference (MC13). This is a significant step in for both the countries to accelerate economic and political reforms.

13th WTO Ministerial Conference held in Abu Dhabi. (01 Mar)

The 13^{th} WTO Ministerial Conference was held at Abu Dhabi. While the Conference was initially schedule for $26^{th} - 29^{th}$ February, it was extended for one day. The Members adopted the Abu Dhabi Ministerial Declaration, where they committed to preserve and strengthen the ability of the multilateral trading system, with the WTO at its core. Among other things, the Members agreed to improve the use of the special and differential treatment provisions for developing and least developed countries (LDCs). Various WTO members also deposited their instruments accepting the WTO Fisheries Subsidies Agreement. Most importantly, the Members adopted a Ministerial Decision aimed at having a fully and well-functioning dispute settlement system accessible to all members by 2024. The Members agreed to Continue negotiations in all areas where discussions were not held at MC13.

Non-tariff measures as a means of Trade Regulation

- Non-Tariff Measures are a useful tool for consumer protection, quality assurance, market credibility, and creating a level playing field.
- However, imposition of non-tariff measures may act as a restriction to free trade as it leads to increase in compliance burden.
- The most commonly used non-tariff measures include Technical Barriers to Trade (TBTs) and Sanitary and Phytosanitary (SPS).
- Technical Barriers to Trade are intended to achieve policy objectives such as protection of human health and safety, protection of the environment, or prevention of deceptive practices.
- SPS measures seek to strike a balance between the right of WTO members to protect health and safety, and the need to allow smooth flow of goods across international borders.
- Despite certain challenges, non-tariff measures are expected to become increasingly important in trade regulation as domestic interest in health, quality, and the environment become increasingly relevant.

Introduction

Non-tariff measures (NTMs) are governmental actions, other than customs or other duties, that may have an economic impact on global commerce in products. Along with tariff measures, they are often used as tools shaping international trade. Non-tariff measures (NTMs) are policy measures that play a crucial role in trade regulation and can have an effect on international trade. The phrase "NTMs" encompasses a diverse range of measures, including Technical Barriers to Trade, Sanitary & Phytosanitary Measures, Quotas, Price Control, Distribution Restrictions, Government Procurement, Pre-Shipment Conditions, etc.

The primary goal of NTMs is often protection of the environment, public health, and quality of the material. These measures are intended to regulate

supply in one's own domestic market, as they are invariably applicable on imports and at times even on exports. Further, while the purpose of NTMs is ensuring required quantity and quality of the materials, the certification process, extensive information required, stringent compliance norms, and procedural expenses have a significant impact on trade for the product attracting such measures. Thus, while the objectives of NTMs may vary, they invariably have an impact on international trade.

Purpose of NTMs and how they help in trade regulation?

Non-tariff measures are applied for a variety of objectives, which can broadly be summarized as below.

- Consumer Protection: NTMs are primarily designed to protect consumers from substandard and unsafe products. They help in ensuring that consumers receive products that meet specified quality standards, which reduces the risk of health hazards and financial losses.
- Quality Assurance: NTMs mandate that the manufacturers conform to specific quality standards. They help in enhancing the overall quality of products available in the market and promote a culture of quality assurance among manufacturers.
- Market Credibility: Products that comply with requirements of NTMs often carry the certification mark, which is a symbol of quality and safety. This mark is an evidence of the credibility of that product in the market and can lead to increased consumer trust.
- Level Playing Field: NTMs create a level playing field for manufacturers by establishing uniform quality standards. This ensures fair competition and prevents unscrupulous manufacturers from gaining an advantage by producing substandard products.

However, there has been growing evidence that non-tariff measures have a significant impact on trade flows, prices, and economic development. Non-tariff measures imposed can significantly increase the compliance burden, thereby acting as a restriction to free trade.

Who imposes NTMs?

Non-Tariff Measures are imposed based on decisions taken by the regulating authorities, such as authorities for food safety, consumer protection, defence, drugs, cosmetics, and the telecommunication sector of the Government. The regulating authorities impose necessary licensing or registration conditions, which are prerequisites for supply for domestic and imported goods and become a part of the foreign trade policy of respective country.

Commonly used types of non-tariff measures

The most commonly used types of non-tariff measures are:

- Technical Barriers to Trade (TBTs)
- Sanitary and Phytosanitary (SPS)

Technical Barriers to Trade (TBTs)

Technical Barriers to Trade are technical regulations and standards, intended to achieve legitimate policy objectives such as protection of human health and safety, protection of the environment, or prevention of deceptive practices. The WTO Technical Barriers to Trade Agreement ensures that such measures are imposed in a non-discriminatory manner, and do not create unnecessary obstacles to trade. In order to ease trade, members are strongly encouraged under the TBT Agreement to base their measures on international standards. It also seeks to establish a stable trading environment through transparency in the regulations.

The TBT Agreement is applicable to all products, including industrial and agricultural products. In essence, the Agreement requires that TBTs should not result in products imported from any member country getting a less favourable treatment than domestically produced product or the product imported from third countries. Where the proposed TBT is not in accordance with an international standard, the member imposing the TBT is required to notify the proposed measure to other members through the WTO Secretariat and allow them to present any comments on the same. The Agreement envisages that where a member may be required to justify the technical regulations introduced. Finally, the Agreement requires that the procedures for examining conformity with the TBT be applied in a consistent and non-discriminatory manner, and not applied with a view to create unnecessary obstacles to trade.

India has also imposed TBTs in the form of technical standards and regulations like Bureau of Indian Standards, labelling/ packaging & storage requirements, Customs procedures, technical regulations in electronics & IT, Pharmaceuticals & medical devices regulations, environmental standards,

intellectual property rights. For instance, recently, Quality Control Orders have been imposed on various products such as steel products, copper products, polyester yarn and fibers, and a host of other products.

Sanitary and Phytosanitary (SPS) Measures

The Sanitary and Phytosanitary Measures are measures introduced to ensure safety of products. They are governed by the Agreement on Sanitary and Phytosanitary Measures, which seeks to strike a balance between the right of WTO members to protect health and safety, and the need to allow the smooth flow of goods across international borders. The SPS Agreement recognizes the right of WTO members to adopt legitimate measures to protect public health, and animal and plant health, while ensuring these measures are not applied for protectionist purposes.

The Agreement provides that measures which conform to international standards, guidelines or recommendations shall be presumed to be consistent with the relevant provisions of the WTO Agreements. The Codex Alimentarius Commission (food safety), the International Plant Protection Convention (plant health), and the World Organization for Animal Health (animal health and diseases transmissible to humans) are three pertinent international expert bodies that have developed the health and safety standards that WTO members are encouraged to base their regulations on. However, members are allowed to impose measures which result in a higher level of protection, subject to the conditions of the Agreement. WTO members seeking to enforce more stringent regulations must be able to support their actions with a scientific evaluation of the dangers to public, animal and plant health.

SPS Measures imposed by India include food safety regulations such as those implemented by FSSAI, animal quarantine and certification requirements, plant quarantine regulations, residue limits for pesticides, veterinary health certificates, seafood export and import regulations, and phytosanitary measures for wood & timber products.

Challenges

NTMs are aimed at regulating quality and are effective instruments for regulating the supply of goods and services in the market. However, these benefits come along with a few challenges. Some of these are mentioned below.

- **Compliance Costs**: Achieving compliance with NTMs can be costly. It may need investments in upgrading facilities, acquiring testing equipment, and obtaining certification.
- **Complexity**: NTMs can be complex, with stringent technical requirements. Manufacturers and traders may find it difficult to understand and implement these standards, especially if they lack technical expertise.
- **Enforcement Challenges**: Ensuring that targeted industries comply with NTMs can prove to be challenging for regulatory authorities.
- **Impact on Innovation**: Some argue that strict adherence to NTMs may stifle innovation, as the industry may focus on meeting existing standards rather than developing new and innovative products.

Conclusion/ Outlook

Despite their challenges, NTMs are anticipated to become increasingly important in trade regulation as domestic interests in health, quality, and the environment have become increasingly relevant. This increase in reliance on NTMs could be driven by protectionist tendencies or legitimate objectives. However, the diverse and complex nature of NTMs can create challenges for businesses due to compliance requirements. In this regard, it becomes important to ensure that the requirements of various WTO Agreements, such as the Agreement on Technical Barriers to Trade and Agreement on the Application of Sanitary and Phytosanitary Measures, are complied with, to ensure that any measure imposed does not lead to inconsistencies with the WTO obligations, and bring the measures under scrutiny by the WTO Dispute Settlement Body. Nevertheless, to the extent that such measures are imposed for bona fide purposes, and are not discriminatory, they may serve as valuable tools for regulating supply in the country.

> - Nihit Gupta, Joint Partner Tushar Sehgal, Business Analyst

United States – Anti-dumping and Countervailing Duties on Ripe Olives from Spain (Article 21.5 of DSU)

The present dispute concerns non-compliance by the USA to bring its antisubsidy measures in conformity with the recommendations of the WTO Panel. The European Union requested the establishment of a Panel under Article 21.5 of the WTO Dispute Settlement Understanding to determine whether the USA had implemented the ruling of the original WTO Panel.

Background of the case

In January 2019, the European Union (EU) approached the WTO Panel challenging the anti-dumping and countervailing duties imposed by the USA, on imports of Ripe Olives from Spain. The EU alleged that Section 771B of the US Tariff Act, 1930 was inconsistent with Article VI:3 of the GATT 1994 and Article 10 of the ASCM, among other things.

In its determination, the US Department of Commerce (USDOC) found that benefit of subsidies received by upstream raw olive growers was passed on fully to the downstream ripe olive producers, as per Section 771B. Under Section 771B, there exists an underlying presumption that the entire benefit of a subsidy provided to a raw agricultural input producer is passed on to the downstream processed agricultural producer, if two factual circumstances are fulfilled. The factual circumstances include whether demand for prior stage producer is dependent on latter stage product and whether the processing operation adds limited value to raw product.

The original WTO Panel found that Members are not entitled to simply presume that a subsidy bestowed on an input product would pass through to the downstream product and it must be analysed how much of the subsidy has been passed to the downstream producer. It was concluded that Section 771B was inconsistent with the WTO provisions as it presumes pass-through of the subsidy in full without consideration of additional relevant facts and circumstances apart from the two conditions specified in the Section.

Implementation of the Panel report

In order to bring its measures into conformity with the Panel Report, the

USDOC initiated proceedings under Section 129 of the Uruguay Round Agreement Act to re-evaluate its determinations. The USDOC analysed additional factors beyond those specified under Section 771B and reinterpretated the terms "raw agricultural product" and "prior stage product". Finally, the USDOC issued preliminary findings and provided a detailed analysis that the benefit received by the upstream raw agricultural producers was passed through the downstream producers.

The EU argued that in order to conform with the findings of the Panel, USA is required to amend its law, repeal the provision or change it in such a manner that it is interpreted in a WTO-consistent manner on a prospective basis. It is argued that simply "re-interpreting" the law cannot be considered as compliance with the ruling of the Panel. The EU alleged that the USDOC did not amend its findings and merely applied Section 771B in the same manner as it was applied in the original findings. The EU requested the Panel to direct the USA to rescind the imposition of duty on imports from Spain.

Decision of the Panel

The Panel concluded that the USDOC's "re-interpretation" of Section 771 cannot be said to comply with the decision of the original Panel. It was held that the "re-interpretation" of certain terms in Section 771B did not allow discretion to the USDOC to take into consideration certain other additional facts and circumstances. The Panel found that even where the USDOC analysed other factors, Section 771B still required the USDOC to determine that the benefit of the subsidy was fully passed on, if the two factual circumstances were fulfilled. USDOC did not address the problem with Section 771B insasmuch it directs the USDOC to find that the entire benefit of a subsidy provided to upstream producer of raw agricultural input passes through to the downstream processed agricultural product, without any consideration of additional facts and circumstances.

With respect to the request of EU that the Panel should direct USA to rescind the imposition of duties, the Panel held that it did not have the authority to direct a member to rescind or impose any measure and that it could only direct members to bring their measures in conformity with the WTO obligations.

The Panel found that the USA failed to bring its measures in conformity with the recommendations of the original Panel and recommended that the measures must be made WTO compliant.

Foreign Trade Policy

Amendment in Handbook of Procedures with respect to Advance Authorisation Scheme (12 Feb)

The Ministry of Commerce has amended the Handbook of Procedures with regards to the Advance Authorisation scheme and allowed the clubbing of authorisations that have been issued within 24 months from the date of issue of earliest authorisation that is sought to be clubbed. Earlier, authorisations that were issued 18 months from the date of issue of earliest authorisation were clubbed. However, this is subject to the condition that upon clubbing only exports made within 48 months from the date of issue of earliest authorisation will be considered and any exports made beyond 48 months of earliest authorisation will not be acceptable for clubbing.

Indian Trade Classification (Harmonised System) of Export Items, 2023 notified (13 Feb)

The Ministry of Commerce has notified the export policy for Chapter 01-39 of Schedule 2 of the ITC (HS), 2023. The Ministry also clarified that this policy only simplifies Schedule 2 of ITC (HS) Export policy, 2018 while confirming that the policies of all chapters in the schedule remain unchanged. This export policy does not include any new policy changes or amendments and the policies as applicable before shall continue.

Amendment in Handbook of Procedures with respect import of scrap (14 Feb)

The Ministry of Commerce has amended the Handbook of Procedures and added Adani Gangavaram Port to the list of designated seaports from where import of scrap can take place. Further, the Pre-shipment Inspection Certificate is exempted in case of import of metallic waste and scrap coming from safe countries.

Suspension of certain Standard Input-Output Norms (22 Feb)

The Ministry of Commerce has suspended certain Standard Input-Output Norms (SION) with effect from 1st April 2024. The representation for reinstatement of any these SION due for suspension can be made not later than 15th March 2024. The list of SION due for suspension is available at the <u>link</u> herein.

Relief in Average Export Obligation under Export Promotion Capital Goods (22 Feb)

The Handbook of Procedures provides that for those sectors where total exports in a year have declined by more than 5% as compared to the previous year, the average Export Obligation (EO) for the year may be reduced proportionate to the reduction in exports of that particular sector during the relevant year as against the preceding year. Accordingly, the Ministry of Commerce has requested all the Regional Authorities to re-fix the annual average EO for Export Promotion Capital Goods (EPCG) Authorizations for the year 2022-23. A list of Product Groups which experienced a decline of more than 5% in exports in 2022-23 compared to 2021-22 is available at the link herein.

Amendment in Standard Input Output Norms for Stainless Steel Seamless Tubes / Pipes (28 Feb)

The Ministry of Commerce has amended the Standard Input Output Norms (SION) for Stainless Seamless Tubes / Pipes (Cold Finish). The details of the updated norms are available at the <u>link</u> herein.

Amendment in Foreign Trade Policy with respect to Merchant Trading (29 Feb)

The Ministry of Commerce has amended the Foreign Trade Policy and permitted Merchant Trading within one specific foreign country, subject to compliance with the RBI guidelines. However, trading is not allowed for goods listed in the CITES Appendices, or under SCOMET.

Trade Agreements

Indian Updates

India and the European Union begin the seventh round of FTA talks

India and the European Union have begun the seventh round of negotiations on the free trade agreement. The talks also aim to cover an Investment Protection Agreement (IPA) and a pact on Geographical Indications (GIs). EU expects removal of trade barriers for smaller European firms, while protecting the interests of India's MSMEs, opening up services and the Indian public procurement market.

India and the ASEAN to review trade agreement ASEAN-India Trade in Goods Agreement

Eight sub-committees have been set up to negotiate and review the ASEAN-India Trade in Goods Agreement (AITIGA). The AITIGA Joint Committee held its third meeting in India on topics such as market access, rules of origin, and standards to the Joint Committee.

India and Peru hold negotiations for a bilateral trade agreement

India and Peru held the sixth round of trade negotiations on trade agreement. India is seeking to increase import of essential minerals and metals in order to tap the untapped Latin America and Caribbean (LAC) region. Meetings were also held on other issues including trade in goods, rules of origin, trade in services, movement of natural persons, customs procedures and trade facilitation, and dispute settlement.

South Korea and India set to upgrade the free trade pact

South Korea and India will commence negotiations to upgrade their bilateral trade pact, with a focus on improving the deal regarding tariffs on goods and services, investment, and origin rules.

India and the United Arab Emirates sign an agreement on a transcontinental trade corridor

India and the United Arab Emirates have signed an agreement for establishing a trade corridor that would connect Europe with India through parts of the Middle East by sea and rail. The corridor aims to extend from India across the Arabian Sea to the United Arab Emirates and through Saudi Arabia before connecting through Jordan and Israel to Europe.

Global Updates

The United States and China finalise a preliminary trade agreement

The US and China have signed 'phase one' of a trade agreement aiming to thaw the trade tensions between the two sides. The agreement addresses critical issues including intellectual property, technology transfer, and market access. The deal also includes mutual commitments to eliminate tariffs. However, certain issues such as China's subsidies to state-owned enterprises and forced technology transfers are yet to be resolved.

The United Arab Emirates and Kenya conclude terms of CEPA

The UAE and Kenya have concluded negotiations for a trade agreement. The agreement will allow exports from the UAE to reach important markets in Asia and the Middle East, and also encourage investments in key potential areas such as tourism, logistics, infrastructure, and others.

Sri Lanka signs trade deal with Thailand

Sri Lanka and Thailand have signed the Sri Lanka-Thailand Free Trade Agreement with an aim to promote investment in fisheries, food processing, tourism, and green energy. This marks Sri Lanka's second agreement with an ASEAN country, after Singapore.

Non-Tariff Measures

Indian Updates

Quality Control Order for Steel & Steel Products (09 Feb)

The Ministry of Steel has issued the Steel and Steel Products (Quality Control) Order, 2024. The order covers various steel and steel products as provided under Schedule 1 and Schedule 2 of this Order. The Order requires all products under Schedule 1 to comply with the corresponding Indian Standards. The Order would be implemented with immediate effect for all products under Schedule 1, except for certain products which shall have a different date of implementation. For articles under Schedule 2, the Order would be implemented with immediate effect for "Stampings or Laminations or cores of transformers (with or without winding)" for which the effective date of implementation was 31st December 2020.

Amendment in Quality Control Order for Automobile Wheel Rim Component (09 Feb)

The Ministry of Heavy Industries has issued an amendment to the Automobile Wheel Rim Component (Quality Control) Order. The new order may be called Automobile Wheel Rim Component (Quality Control) Amendment Order, 2024. It shall come into force on the date of its publication in the Official Gazette.

Amendment in Quality Control Order for Medical Textiles (24 Feb)

The Ministry of Textiles has issued an amendment to the Medical Textiles (Quality Control) Order. The new order may be called the Medical Textiles (Quality Control) Amendment Order, 2024. The effective date of implementation for goods mentioned in Schedule-A of the Medical Textiles (Quality Control) Order, 2023 has been changed to 01st October 2024.

Amendment in Quality Control Orders for Vinyl Acetate Monomer and Methyl Acrylate, Ethyl Acrylate (27 Feb)

The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) has amended the following of Quality Control Orders.

- Vinyl Acetate Monomer (Quality Control) Order, 2021
- Methyl Acrylate, Ethyl Acrylate (Quality Control) Order, 2021

The new orders may be called Vinyl Acetate Monomer (Quality Control) Amendment Order, 2024 and Methyl Acrylate, Ethyl Acrylate (Quality Control) Amendment Order, 2024. The new effective date of the Orders is 31st March 2025.

Quality Control Order for Poly Vinyl Chloride (PVC) Homopolymers, Polypropylene (PP) Materials for Moulding and Extrusion and Diesel Engines (27 Feb)

The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) has issued the following Quality Control Orders.

- Poly Vinyl Chloride (PVC) Homopolymers (Quality Control) Order, 2024.
- Polypropylene (PP) Materials for Moulding and Extrusion (Quality Control) Order, 2024.
- Diesel Engines NOx Reduction Agent AUS 32 (Quality Control) Order, 2024.

These orders shall come into force on expiry of one hundred and eighty days from the date of its publication in the Official Gazette.

Global Updates

<u>China</u>

National Standards of the People's Republic of China for Electrical Fire Monitoring System - Part 6: Current limiting Protector for electric fire prevention (09 Feb)

The State Administration for Market Regulation (Standardization Administration of the PRC), China has issued national standards for the Electrical Fire Monitoring System - Part 6: Current limiting Protector for electric fire prevention. The document specifies the requirements, tests, inspection rules, symbols, and operating instructions for electrical fire protection current limiting protectors. The objective of this measure is protection of human health.

National Standards of the People's Republic of China for Electrical Equipment and System of Industrial Machines-Safety Requirements (09 Feb)

The State Administration for Market Regulation (Standardization Administration of the PRC), China has issued national standards for the Electrical Equipment and system of Industrial Machines-Safety requirements.

The document specifies the safety requirements for electrical equipment and systems throughout their life cycle. The objective of this measure is protection of human health.

National Standards of the People's Republic of China for Point-type smoke detectors using scattered light, transmitted light or ionization (12 Feb)

The State Administration for Market Regulation (Standardization Administration of the PRC), China has issued national standards for Point-type smoke detectors using scattered light, transmitted light, or ionization. The document specifies the classification, requirements, inspection rules, and signs of point-type smoke detectors. The objective of this measure is protection of human health.

Substitution of Standards (06 Feb)

The Bureau of Indian Standards has notified substitution of certain standards including the following with effect from 17th January 2024. However, the previous unamended standards will remain in force concurrently till 17th February 2024. For a full list of products, please refer to the attached <u>link</u>.

Standards Established	Standards Withdrawn
IS 390 : 2024 ISO 4920 : 2012 Textile Fabrics — Determination of Resistance to Surface Wetting (Spray Test) (Second Revision)	IS 390 : 1975 Method for Determining, the Water Repellency of Fabrics by Water Spray Test (First Revision)
IS 11662 : 2024 Preservative Treatments of Textiles —Code of Practice (First Revision)	IS 11662 : 1986 Specification for Preservative Treatments of Textiles
IS 13361 : 2024 Textile Dyestuffs — Identification of Application Classes of Dyestuffs in Substance (First Revision)	IS 13361 : 1992 Textile Dyestuffs - Identification of Application Classes of Dyestuffs in Substance
IS 15200 : 2024 Hydrogen Sulphide — Code of Safety (First Revision)	IS 15200 : 2002 Hydrogen Sulphide — Code of Safety

Substitution of Standards (07 Feb)

The Bureau of Indian Standards has notified substitution of certain standards including the standard IS 13788 : 2024 Kitazin, Technical — Specification (First Revision) with effect from 24th January 2024. However, the previous unamended standard IS 13788 : 1993 Pesticide — Kitazin, Technical — Specification will remain in force concurrently till 24th April 2024. For a full list of products, please refer to the attached <u>li_nk</u>.

Amendment of Standards (09 Feb)

The Bureau of Indian Standards has notified amendment of certain standards including the following with effect from 01st February 2024. However, the previous unamended standards will remain in force concurrently till 30th April

2024. For a full list of products, please refer to the attached <u>link</u>.

- IS 513 (Part 1) : 2016 Cold Reduced Carbon Steel Sheet and Strip Part 1 Cold Forming and Drawing Purpose (Sixth Revision)
- IS 1084 : 2005 Textile Manila Ropes Specification (Fifth Revision)
- IS 6347 : 2003 Textile Polyethylene Monofilament Twines for Fishing Specification (First Revision)
- IS 7533 : 2017 Textiles Polyamide (Nylon) Monofilament Yarn for Fishing Specification (Second Revision)
- IS 15138 : 2010 Textiles Jute Bags for Packing 50 Kg Sugar Specification (First Revision)

Establishment of Standards (10 Feb)

The Bureau of Indian Standards has notified establishment of certain standards including the following with effect from 24th January 2024. For a full list of products, please refer to the attached <u>link</u>.

- IS 18484 : 2024 ISO 1833-6 : 2018 Textiles Quantitative Chemical Analysis Mixtures of Viscose, Certain Types of Cupro, Modal or Lyocell with Certain Other Fibres Method Using Formic Acid and Zinc Chloride
- IS 18541 : 2024 ISO 1833017 : 2019 Textile Quantitative Chemical Analysis Mixtures of Cellulose Fibres and Certain Fibres with Chlorofibres and Certain Other Fibres Method Using Concentrated Sulfuric Acid

Amendment of Standards (23 Feb)

The Bureau of Indian Standards has notified amendment of certain standards including the following with effect from 16th February 2024. However, the previous unamended standards will remain in force concurrently till 15th August 2024. For a full list of products, please refer to the attached <u>link</u>.

- IS 2266 : 2019 Steel Wire Ropes for General Engineering Purpose Specification (Fifth Revision)
- IS 8471 : 2003 Acetylene Generators Requirements (First Revision)

Substitution of Standards (23 Feb)

The Bureau of Indian Standards has notified substitution of certain standards including the following with effect from 08th February 2024. However, the previous unamended standards will remain in force concurrently till 08th May 2024. For a full list of products, please refer to the attached <u>link</u>.

Standards Established	Standards Withdrawn
IS 1321 (Part 2) : 2024 Textiles — Sisal Ropes — Specification Part 2 Tarred Varieties (Third Revision)	IS1321(Part2):1982SpecificationforSisalRopesPart2TarredVarieties (SecondRevision)
IS 2819 : 2024 Textiles — Braided Cotton Cord — Specification (Third Revision)	IS 11662 : 1986 Specification for Preservative Treatments of Textiles
IS 9959 : 2024 Iron Ore Sinters for Iron Making in Blast Furnaces — Guidelines (First Revision)	IS 9959 : 1981 Guidelines for Iron Ore Sinters for Iron Making in Blast Furnaces
IS 15200 : 2024 Hydrogen Sulphide — Code of Safety (First Revision)	IS 15200 : 2002 Hydrogen Sulphide — Code of Safety

Amendment of Standards (23 Feb)

The Bureau of Indian Standards has notified amendment of certain standards including the standard IS 800 : 2007 General Construction in Steel — Code of Practice (Third Revision) with effect from 10th February 2024. However, the previous unamended standards will remain in force concurrently till 09th March 2024.

Trade Remedial Actions

Chapter 29 – Organic chemicals

Final findings issued in anti-dumping investigation into imports of Pentaerythritol from China, Saudi Arabia and Taiwan. (20 Feb)

The DGTR issued final findings recommending imposition of anti-dumping duty for a period of five years on imports of Pentaerythritol from China, Saudi Arabia, and Taiwan. The investigation was initiated on 12th May 2023, pursuant to an application filed by Kanoria Chemicals and Industries Limited. Since there was a lot of fluctuation in import prices and raw material prices during the period of investigation, the DGTR has quantified injury margin and dumping margin on quarterly basis. The DGTR has concluded that there was a steep decline in the import price of the product leading to decline in selling price of the domestic industry. Due to this, the profitability of the domestic industry has declined significantly.

Chapter 70 – Glass and glassware

Initiation of anti-dumping investigation into imports of Textured Tempered Coated and Uncoated Glass from China and Vietnam. (13 Feb)

The DGTR has initiated an anti-dumping investigation into imports of Textured Tempered Coated and Uncoated Glass from China and Vietnam, pursuant to an application filed by Borosil Renewables Limited. The DGTR noted that there is prima facie evidence of injury to the domestic industry due to increase in volume of dumped imports in absolute and relative terms. The capacity utilization of the domestic industry has declined, and the price undercutting is positive due to which the domestic industry is not able to achieve reasonable rate of returns and has incurred losses and cash losses.

Initiation of anti-subsidy investigation into imports of Textured Tempered Coated and Uncoated Glass from Vietnam. (13 Feb)

The DGTR has initiated an anti-subsidy investigation into imports of Textured Tempered Coated and Uncoated Glass from Vietnam, pursuant to an application filed by Borosil Renewables Limited. The applicant has alleged that the producers in Vietnam have benefitted from a number of subsidies provided by the Government of Vietnam such as import duty exemption on imports of raw material and machinery and equipment, reduction of corporate income tax, exemption and reduction of land and water rent, investment support and investment credit by Vietnam Development Bank. The DGTR found prima facie evidence of the existence of countervailable subsidies which has caused material injury to the domestic industry.

Global Updates

<u>Chapter 11 – Products of the milling industry; malt; starches; inulin;</u> <u>wheat gluten</u>

China

• Initiation of sunset review of anti-dumping duty on imports of Potato Starch from the European Union. (05 Feb)

Chapter 28 – Inorganic chemicals

Japan

• Affirmative determination issued in the sunset review of anti-dumping duty imposed on imports Electrolytic Manganese Dioxide from China. (26 Feb)

Turkey

• Continuation of anti-dumping duty on imports of Sodium Percarbonates from Germany and Sweden. (07 Feb)

USA

• Initiation of sunset review by the USDOC on anti-dumping duty on China on imports of Sodium Hexametaphosphate. (01 Feb)

<u> Chapter 29 – Organic Chemicals</u>

Trade remedial actions against India

<u>China</u>

Continuation of anti-dumping duty on imports of o-chloro-p-nitroaniline from India. (04 Feb)

The MOFCOM has issued final determination for continuation of antidumping duty on imports of o-chloro-p-nitroaniline from India. The Ministry concluded that revocation of the duty is likely to lead to continuation or recurrence of dumping and consequent injury to the domestic industry in China. The duty was first imposed in 2018. The duty in the range of 31.4% to 49.9% has been continued.

Other trade remedial actions

<u>USA</u>

• Affirmative determination issued by the USDOC in the sunset review of anti-dumping and anti-subsidy duties on imports of Sodium Gluconate, Gluconic Acid and derivative products from China. (02 Feb)

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

Trade remedial actions against India

<u>USA</u>

Initiation of administrative review of anti-dumping and anti-subsidy duties on imports of Carbazole Violet Pigments 23 from India. (08 Feb)

The USDOC has initiated administrative reviews of anti-dumping duty on imports of Carbazole Violet Pigments 23. The review for anti-dumping duty has been initiated for 5 Indian exporters, while the review for anti-subsidy duty has been initiated for 3 Indian exporters. The duties were first imposed in 2004.

Chapter 35 – Albuminoidal substances; modified starches; glues; enzymes

USA

• Preliminary affirmative determination issued by the USDOC in the antidumping investigation into imports of certain Pea Protein from China. (13 Feb)

<u>Chapter 38 – Miscellaneous Chemical Products</u>

<u>EU</u>

• Initiation of sunset review of anti-subsidy duty on imports of Biodiesel from Argentina. (09 Feb)

Chapter 39 – Plastic and articles thereof

Trade remedial actions against India

<u>USA</u>

Final determination issued by the USDOC in the administrative review of anti-dumping duty on imports of Polyethylene Terephthalate Film, Sheets, and Strips from India. (05 Feb)

The USDOC has determined that the Indian producers were not dumping the subject goods in the U.S. market during the period of review, that is 1st July 2021 to 30th June 2022. It determined a weighted-average dumping margin of 0% for Jindal Poly Films Ltd, SRF Limited / SRF Limited of India / SRF Limited Packaging Films and Polyplex Corporation Limited.

Preliminary affirmative determination issued by the USDOC in the mid-term review of anti-dumping duty on imports of Polyethylene Terephthalate Film, Sheet, and Strips from India. (26 Feb)

The USDOC issued preliminary determination in the mid-term review of antidumping duty on imports from India. It determined that Garware Hi-Tech Films Limited is the successor-in-interest to Garware Polyester Limited.

Other trade remedial actions

Turkey

• Initiation of anti-dumping investigation on imports of Duplex Stretched Polypropylene Film (BOPP Film) from China, Egypt and Russia. (01 Feb)

<u>USA</u>

• Affirmative determination issued by the USDOC in the sunset review of anti-dumping duty on imports of Xanthan Gum from China. (02 Feb)

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

Turkey

• Continuation of anti-dumping duty on imports of Tires of Heavy Vehicles, Agricultural Vehicles and Construction Machinery Outer Tires (new outer tires from rubber made of rubber) from China. (06 Feb)

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

<u>USA</u>

• Initiation of anti-dumping and anti-subsidy duty on imports of certain Paper Plates from China and Vietnam. (21 Feb)

Chapter 70 – Glass and Glassware

EU

• Initiation of anti-dumping investigation into imports of Glass Fibre Yarns from China. (16 Feb)

Turkey

• Continuation of anti-dumping duty on imports of Colorless Flat Glass product from Russia. (07 Feb)

Chapter 72 – Iron and steel

Trade remedial actions against India

<u>USA</u>

Preliminary affirmative determination in the administrative review of antisubsidy duty on imports of Forged Steel Fluid End Blocks from India. (02 Feb)

The USDOC has preliminarily determined that countervailable subsidies were received by the sample Indian producer during the period of review, that is 1st January 2022 to 31st December 2022. A subsidy rate of 3.76% was determined for Bharat Forge Limited. The USDOC also terminated the review for 11 companies who had not exported the product during the period of review.

Affirmative determination issued by the USITC in the sunset review of antidumping duty on imports of Stainless-Steel Bars from India. (23 Feb)

The USITC has determined that the U.S. industry is materially injured by dumped imports from India, among other countries. The USDOC would now issue the order for imposition of duties.

Other trade remedial actions

<u>EU</u>

• Initiation of review of safeguard measures imposed on imports of certain Steel Products. (09 Feb)

South Africa

• Initiation of safeguard investigation into imports of certain Flat-Rolled Products of Iron and Steel. (23 Feb)

<u>UK</u>

• Initiation of review of tariff rate quota imposed on imports of Non-Alloy and Other Alloy Hot-Rolled Sheet and Strip. (09 Feb)

Chapter 73 – Articles of iron or steel

Trade remedial actions against India

<u>USA</u>

Initiation of sunset review of anti-dumping and anti-subsidy duties on imports of Large Diameter Welded Pipes from India. (01 Feb)

The USDOC and USITC have initiated sunset reviews of anti-dumping and anti-subsidy duties on imports of Large Diameter Welded Pipes. The duties were first imposed in 2018. The USDOC had previously determined a dumping margin of 50.55% and subsidy rate of 541.15% for all Indian exporters.

Termination of administrative review of anti-dumping duty on imports of Certain Welded Carbon Steel Standard Pipes and Tubes from India. (06 Feb)

The USDOC terminated the administrative review for 29 companies since Nucor Tubular Products Inc., a domestic producer in U.S. timely withdrew its request for the administrative review. Further, the USDOC also determined that Surya Roshni Limited did not export the subject goods to U.S. during the period of review, that is 1st May 2022 to 30th April 2023.

Final affirmative determination in the administrative review of anti-subsidy duty on imports of Finished Carbon Steel Flanges from India (20 Feb)

The USDOC has preliminarily determined that Indian exporters received countervailable subsidies for the subject goods during the period of review, that is 1st January 2021 to 31st December 2021. It determined a subsidy rate of

2.98% for Norma (India) Limited, 3.20% for R.N. Gupta & Co. Limited and 3.09% for other non-selected companies.

Continuation of anti-dumping and anti-subsidy duties on imports of certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from China, Germany, India, Italy, South Korea, and Switzerland. (23 Feb)

The USDOC has continued the anti-subsidy duty on imports from India, among other countries, based on the affirmative final determinations by the USDOC and USITC. The USDOC had determined a dumping margin ranging from 18.27% to 21.41% and a subsidy rate ranging from 8.07% to 42.77% for the Indian exporters.

Other trade remedial actions

Canada

- Affirmative determination issued by CBSA in the sunset review of antidumping and anti-subsidy duty on imports of Seamless Casing from China (15 Feb)
- Initiation of sunset review of anti-dumping and anti-subsidy duty on imports of certain Carbon Steel Welded Pipe from China. (20 Feb)

USA

- Initiation of sunset review of anti-dumping duty on imports of Large Diameter Welded Pipes from Canada, China, Greece, South Korea and Türkiye, and anti-subsidy duty on imports from China, South Korea and Türkiye. (01 Feb)
- Continuation of anti-dumping and anti-subsidy duties on imports of Forged Steel Fittings from China, Italy and Taiwan. (06 Feb)
- Continuation of anti-dumping and anti-subsidy duties on imports of Drawn Stainless Steel Sinks from China. (20 Feb)

<u>Chapter 74 – Copper and articles thereof</u>

Trade remedial actions against India

<u>USA</u>

Imposition of anti-subsidy duty on imports of Brass Rods from India. (13 Feb) The USDOC has imposed anti-subsidy duty on imports of Brass Rods from India, following as a determination by the USITC that imports of subsidized goods from India were causing injury to the U.S. industry. A subsidy rate of 2.24% was determined for Rajhans Metals Private Limited and all other Indian exporters.

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

Eurasian Economic Union

• Continuation of the anti-dumping duty on imports of Rolling Bearings (excluding needle bearings) from China. (06 Feb)

Chapter 73 – Articles of iron or steel

Trade remedial actions against India

Eurasian Economic Union

Continuation of the anti-dumping duty on imports Graphite Electrodes from India. (13 Feb)

The Eurasian Economic Commission issued its final determination for continuation of anti-dumping duty imposed on imports of Graphite Electrodes from India. The duty within the range of 16.04% to 32.83% on Indian imports has been continued for a further period of five years. The duties were first imposed in 2013, continued in 2018 and were further extended until 2024.

Other trade remedial actions

<u>USA</u>

- Initiation of sunset review of anti-dumping and anti-subsidy duties on imports of Crystalline Silicon Photovoltaic Cells and Modules from China. (01 Feb)
- Imposition of anti-dumping and anti-subsidy duties on imports of Gas-Powered Pressure Washers from China. (12 Feb)

<u>Chapter 87 – Vehicles other than railway or tramway rolling-stock, and</u> <u>parts and accessories thereof</u>

EU

• Initiation of anti-subsidy investigation into imports of certain Aluminium Road Wheels from Morocco. (16 Feb)

Eurasian Economic Union

• Continuation of the anti-dumping duty on imports Aluminium Alloy Wheels from Japan, Thailand, Turkey and Malaysia. (16 Feb)

<u>Chapter 95 – Toys, Games, and Sports Requisites; Parts and Accessories</u> <u>thereof</u>

<u>USA</u>

• Initiation of sunset review of anti-dumping and anti-subsidy duties on imports of Plastic Decorative Ribbons from China. (01 Feb)

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. TPM was the first firm to deal exclusively in the domain of trade remedies. Today, we have completed a journey of 25 years.

TPM began its journey with a staff of merely 2 professionals. Today, it has a team of more than 50 professionals including Cost Accountants, Chartered Accountants, Company Secretaries, Lawyers, Engineers and MBAs.

In its first two decades, TPM was primarily focused assisting domestic producers suffering due to cheap and unfair imports into India and in other countries to avail the necessary protection under the umbrella of the WTO Agreements. 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 nontariff 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.

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