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INTERNATIONAL TRADE & CUSTOMS

2023 In-Review and Outlook for
2024



INSIDE PAGES

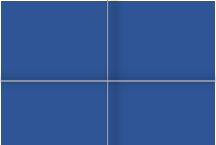
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TRADE STATISTICS

India remained one of the fastest growing economies in the world. It is poised to **grow at 6.2% in the FY 2024-25, and its GDP is likely to surpass USD 4 Trillion in the FY 2024-25.**

In 2023, India witnessed a decline in both exports and imports. **The exports declined by 5% and imports declined by 7%.**



The imports have declined at a faster pace on account of the lower crude oil prices, lower commodity prices and efforts of the government to curtail non-essential imports through instruments such as PLI and mandatory quality control orders.

The trade deficit in merchandise trade has narrowed to USD 238 billion. This is a significant development considering the high trade deficit in 2022.

Particulars	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Exports of Merchandise (in Billion USD)*	324	276	395	453	432
Export YoY Growth Rate (%)		-15%	43%	15%	-5%
Import of Merchandise (in Billion USD)*	486	373	573	720	670
Import YoY Growth Rate (%)		-23%	54%	26%	-7%
Total Trade (in Billion USD)	810	650	969	1,173	1,101
Net Trade of Merchandise Surplus/(Deficit) (in Billion USD)	-162	-97	-178	-267	-238
GDP (in Billion USD)**	2836	2672	3150	3390	3732
Share of Merchandise Trade in Total GDP (in Billion USD)	28.57%	24.32%	30.75%	34.62%	29.50%
Share of Merchandise Exports in Total GDP (in Billion USD)	11.44%	10.35%	12.55%	13.37%	11.56%

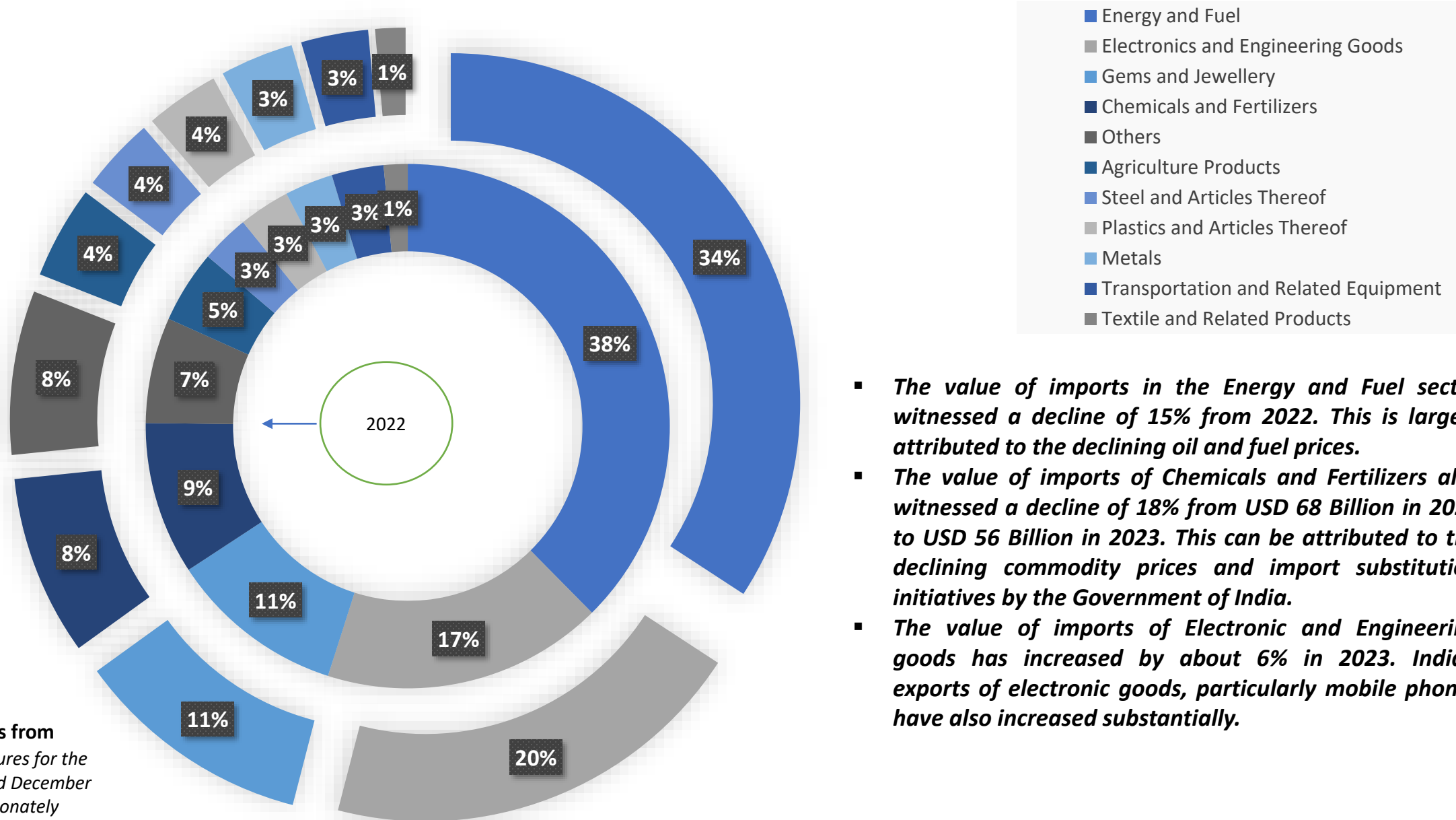
Source: Trade statistics from commerce.gov.in and GDP statistics from IMF

Note:

*: Figures for the months of November and December 2023 have been proportionately extrapolated

** : GDP figures have been taken as reported by IMF

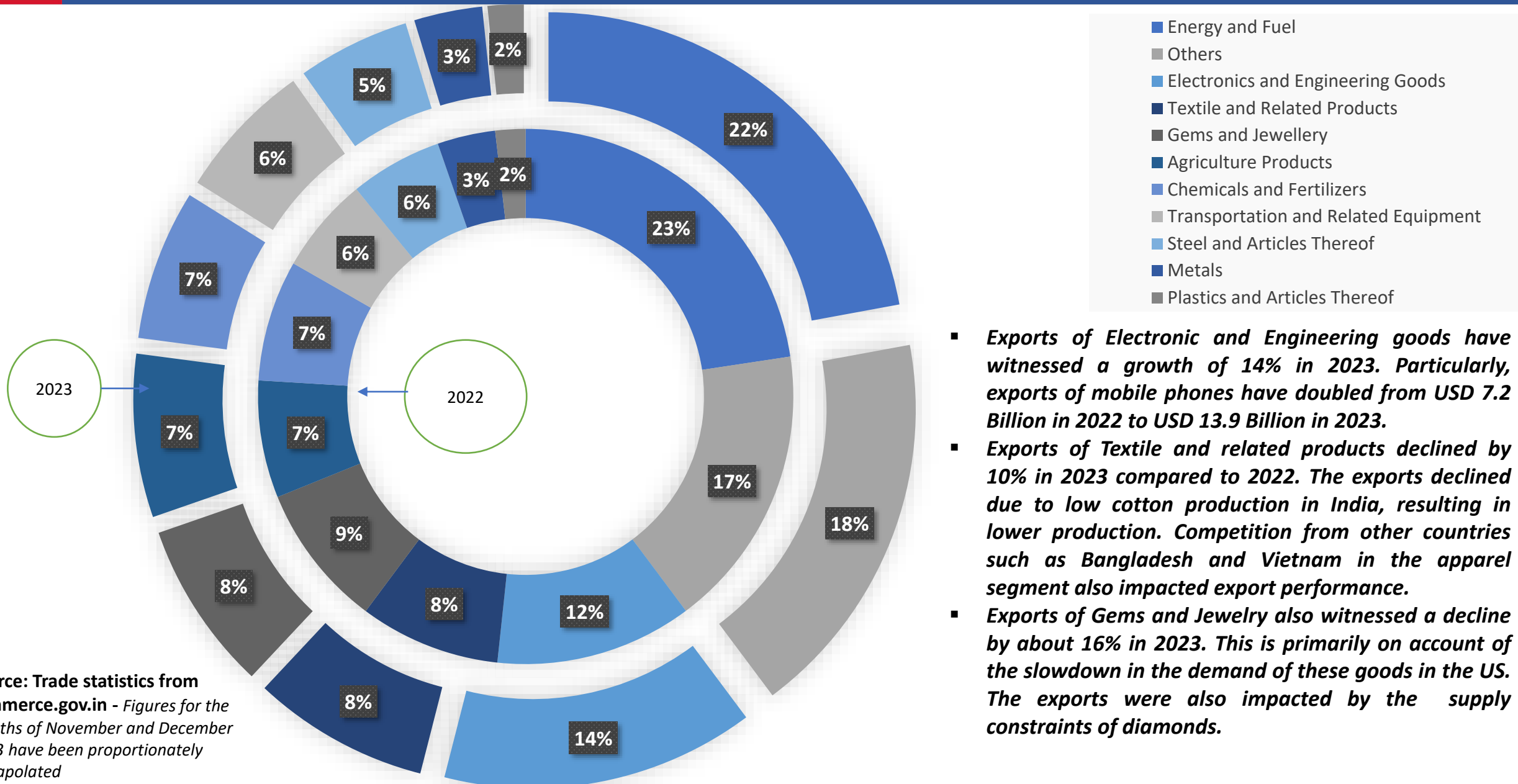
Sectoral Distribution of Imports of Goods



- **The value of imports in the Energy and Fuel sector witnessed a decline of 15% from 2022. This is largely attributed to the declining oil and fuel prices.**
- **The value of imports of Chemicals and Fertilizers also witnessed a decline of 18% from USD 68 Billion in 2022 to USD 56 Billion in 2023. This can be attributed to the declining commodity prices and import substitution initiatives by the Government of India.**
- **The value of imports of Electronic and Engineering goods has increased by about 6% in 2023. India's exports of electronic goods, particularly mobile phones have also increased substantially.**

Source: Trade statistics from commerce.gov.in - Figures for the months of November and December 2023 have been proportionately extrapolated

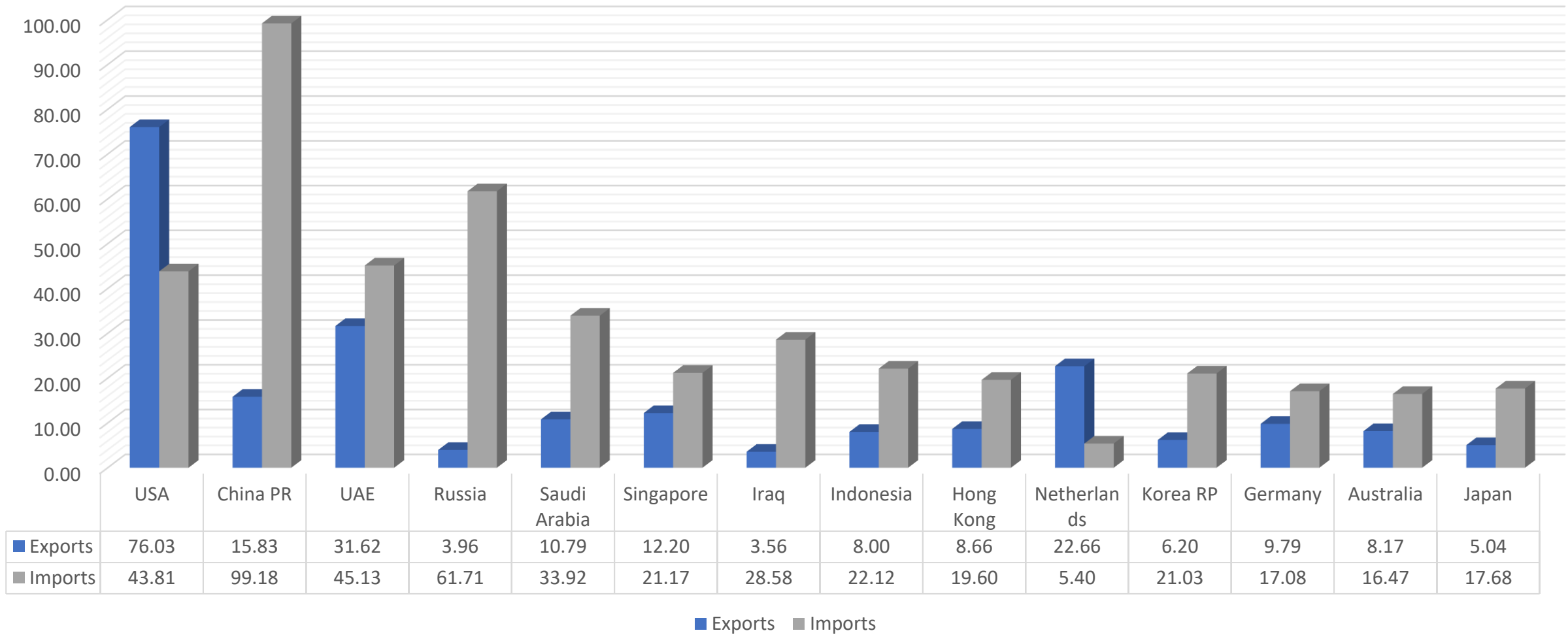
Sectoral Distribution of Exports of Goods



- Exports of Electronic and Engineering goods have witnessed a growth of 14% in 2023. Particularly, exports of mobile phones have doubled from USD 7.2 Billion in 2022 to USD 13.9 Billion in 2023.
- Exports of Textile and related products declined by 10% in 2023 compared to 2022. The exports declined due to low cotton production in India, resulting in lower production. Competition from other countries such as Bangladesh and Vietnam in the apparel segment also impacted export performance.
- Exports of Gems and Jewelry also witnessed a decline by about 16% in 2023. This is primarily on account of the slowdown in the demand of these goods in the US. The exports were also impacted by the supply constraints of diamonds.

Source: Trade statistics from commerce.gov.in - Figures for the months of November and December 2023 have been proportionately extrapolated

Top Trading Partners



Source: Commerce.gov.in - Figures for the month of November and December 2023 have been proportionately extrapolated - Amounts in USD Billion

Outlook for 2024

2023 witnessed a contraction in India's overall merchandise trade. This was influenced by the economic slowdown and decline in oil and commodity prices.

The exports of electronics, capital goods (machinery), automobiles and auto components, and pharmaceuticals are likely to grow further in 2024.

With growing emphasis on trade agreements with like minded partners, overall trade is likely to grow.

India remained one of the fastest growing economies and is poised to grow at 6.2% in 2024.

While there exist short term challenges for trade on account of the increased freight and insurance costs due to the Red Sea crisis and other geopolitical concerns, India's trade with its partners is expected to be resilient.



TRADE REMEDIES

The number of measures initiated and concluded by India's investigating body, the DGTR, has seen a remarkable increase in 2023.

The DGTR initiated about 32% more original investigations in 2023 compared to 2022.

2023 has seen more investigations on complex engineered and capital goods products, such as Wheel Loaders and Industrial Laser Machines. This paves the way for the Indian industry to approach the Government of India for protection from unfair imports of high-end/complex finished goods at the top of the value chain.

India has initiated 3 *suo-moto* anti-dumping investigations concerning imports from China PR pursuant to representations received from MSME Industries.

India has implemented its first safeguard quantitative restriction measures on Iso-Propyl Alcohol during the year. Also, India eliminated tariff concession on Ferro Molybdenum on imports from Korea RP pursuant to a Bilateral Safeguard investigation under the India-Korea CEPA.

The Ministry of Finance has issued customs notification in over 70% of the recommendations made by the DGTR, which is a shift in recent years' trends.

Trade Remedy Actions in 2023 – No. of Investigations Initiated

Instrument Wise - Trade Remedial Investigations Initiated

Type of Investigation	No of Initiations -2022	No of Initiations -2023
Anti-dumping Investigations	27	30
Anti-subsidy Investigations	2	5
Safeguard Investigations	2	1
Anti-circumvention Investigations	2	1
Grand Total	33	37

Original and Review Investigation Initiations

Particulars	Initiation 2022	Initiation 2023
Original Investigations	19	25
Review Investigations	12	11
Other Investigation (Anti-circumvention)	2	1
Grand Total	33	37

Sectoral Distribution of New Trade Remedial Investigations in 2023

Sector	Initiations 2023
Organic and Inorganic Chemicals	8
Industrial Goods	8
Petrochemicals	4
Consumer Goods	2
Capital Goods and Automotive	2
Metals	1
Grand Total	25

- Initiations in 2023 have increased by over 12% in 2023 from 2022. Historically, the Indian Industry has not pursued anti-subsidy measures as a remedial instrument. However, 2023 witnessed an increase in the initiation of anti-subsidy investigations. The DGTR initiated 5 anti-subsidy investigations in 2023, as compared to the 2 initiated in 2022.
- Anti-dumping measures continue to be the most preferred trade remedial instrument, accounting for over 81% of the total initiations.
- There is a remarkable increase of 32% in the original investigation initiations by the DGTR.

Trade Remedy Actions in 2023 – No. of Measures Recommended

Type of Investigation	Recommendation - 2023			Recommendation - 2022		
	Total No of Recommendations	Positive Recommendation	Negative Recommendation	Total No of Recommendations	Positive Recommendation	Negative Recommendation
Anti-dumping	25	92%	8%	37	95%	5%
Anti-subsidy	2	100%	0%	4	75%	25%
Safeguard	2	100%	0%	0	0%	0%
Anti-circumvention	2	100%	0%	0	0%	0%
Grand Total	31	94%	6%	41	90%	10%

Positive Recommendation: Findings where the applicant received a positive recommendation i.e., duties, or an extension of duties etc

Negative Recommendation: Findings where the applicant received a negative recommendation i.e., termination of investigation

Type of Measures	Original Investigations	Review Investigations	Total
Anti-dumping	13	12	25
Anti-subsidy	1	1	2
Safeguard	2	0	2
Anti-circumvention	2	0	2
Grand Total	18	13	31

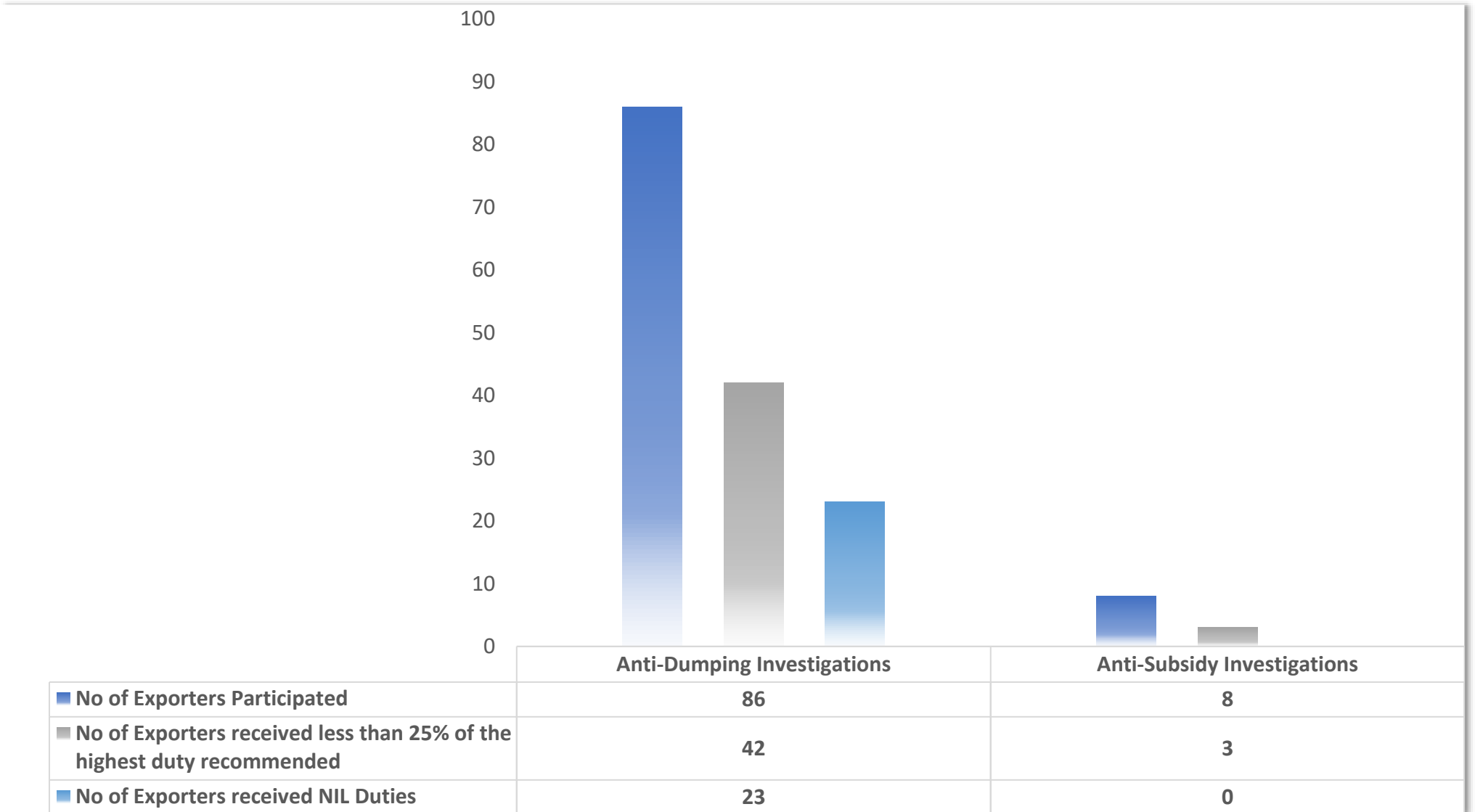
- *The DGTR has made positive recommendations in over 90% of the final findings issued in 2023. In particular, the DGTR made recommendations to impose duties in all the anti-subsidy, safeguard and anti-circumvention investigations initiated by it.*
- *Out of the 2 negative recommendations by the DGTR, one was a sunset review of anti-dumping duties imposed on imports from Malaysia and the other was an original investigation against China PR.*
- *Anti-dumping measures contributed to almost 81% of the total trade remedial actions. Out of the total anti-dumping measures, about 48% accounted for extension of duties pursuant to reviews.*

Trade Remedy Actions in 2023 – No. of Measures Recommended

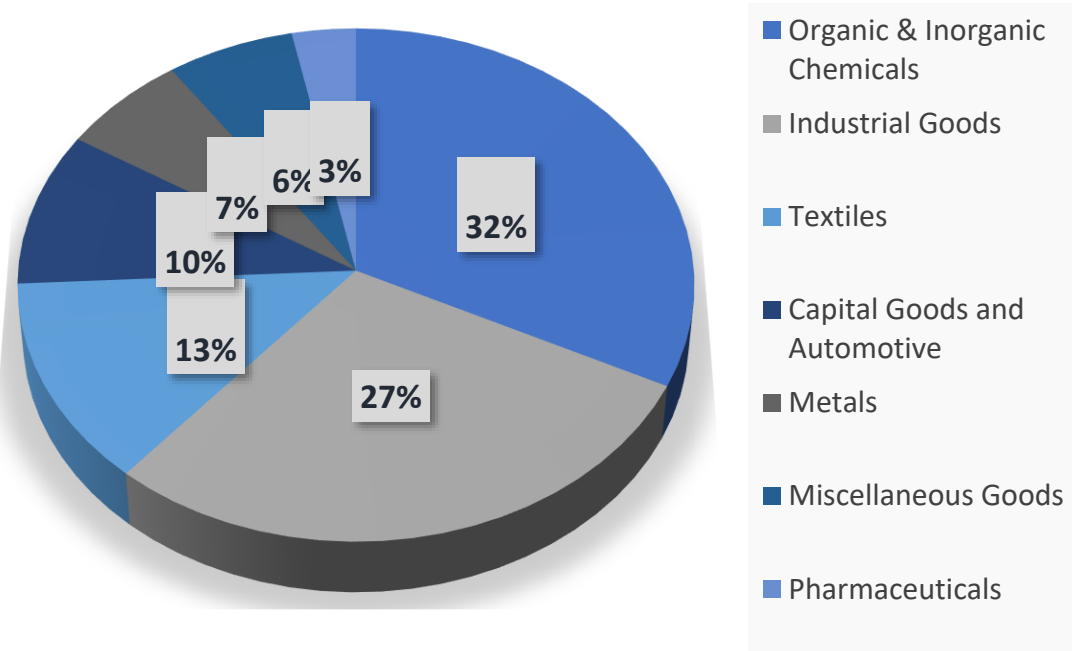
Type of Duty	Anti-dumping Measures	Anti-subsidy Measures	Grand Total
Fixed duty	17		17
<i>Ad valorem</i>	5	2	7
Reference Price	1		1
Grand Total	23	2	25

- *The DGTR has recommended fixed duties in about 68% of the recommendations, and ad-valorem measures in about 28% of the recommendations.*
- *The ad-valorem form of duty is preferred for anti-subsidy measures. Notably, the DGTR has also recommended ad-valorem anti-dumping duties for goods with significant price fluctuations. Ad-valorem anti-dumping duties have also been recommended in investigations where the price of the products within its scope varies significantly.*

Trade Remedy Actions in 2023 – Participation and Individual Margins

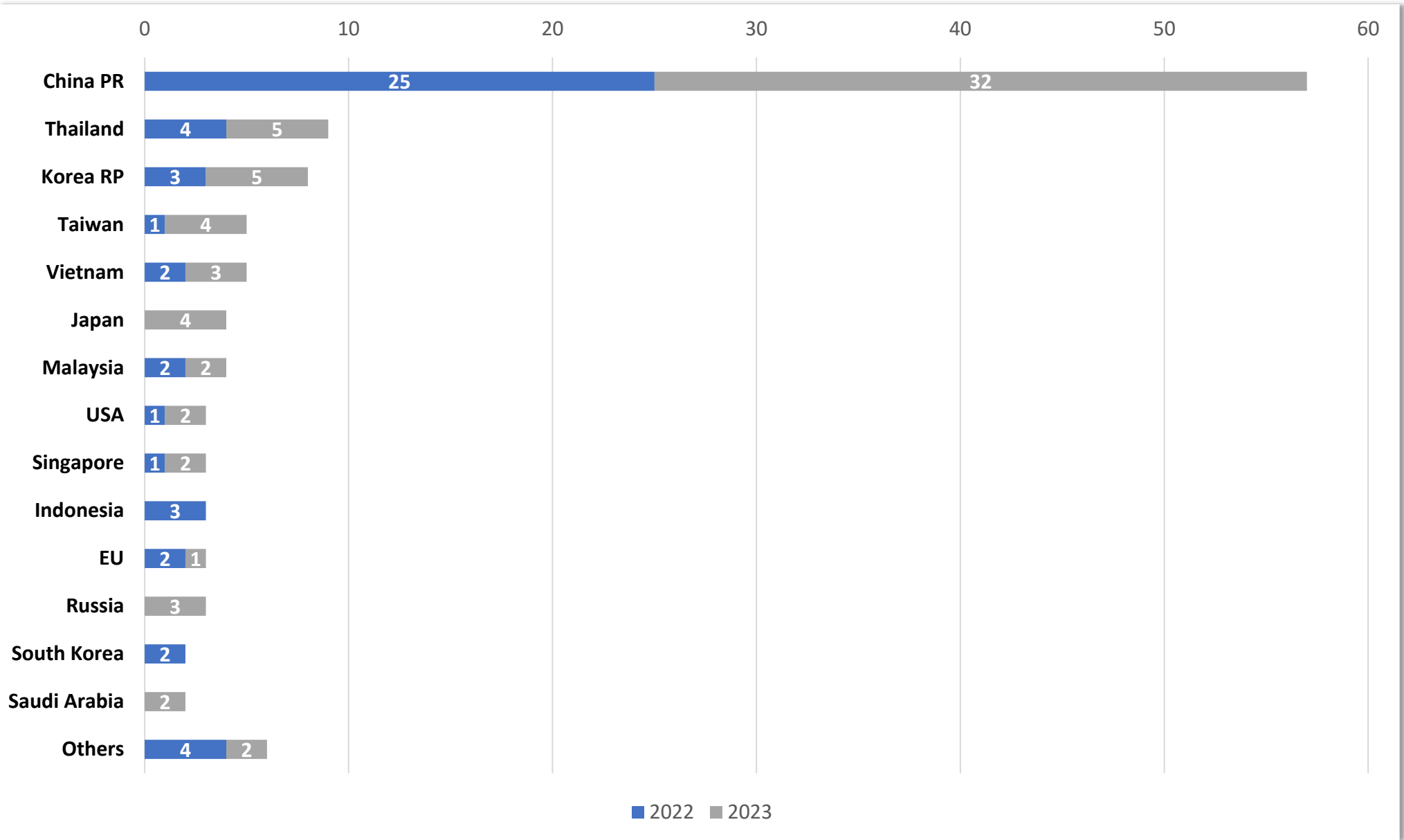


No. of Recommendations

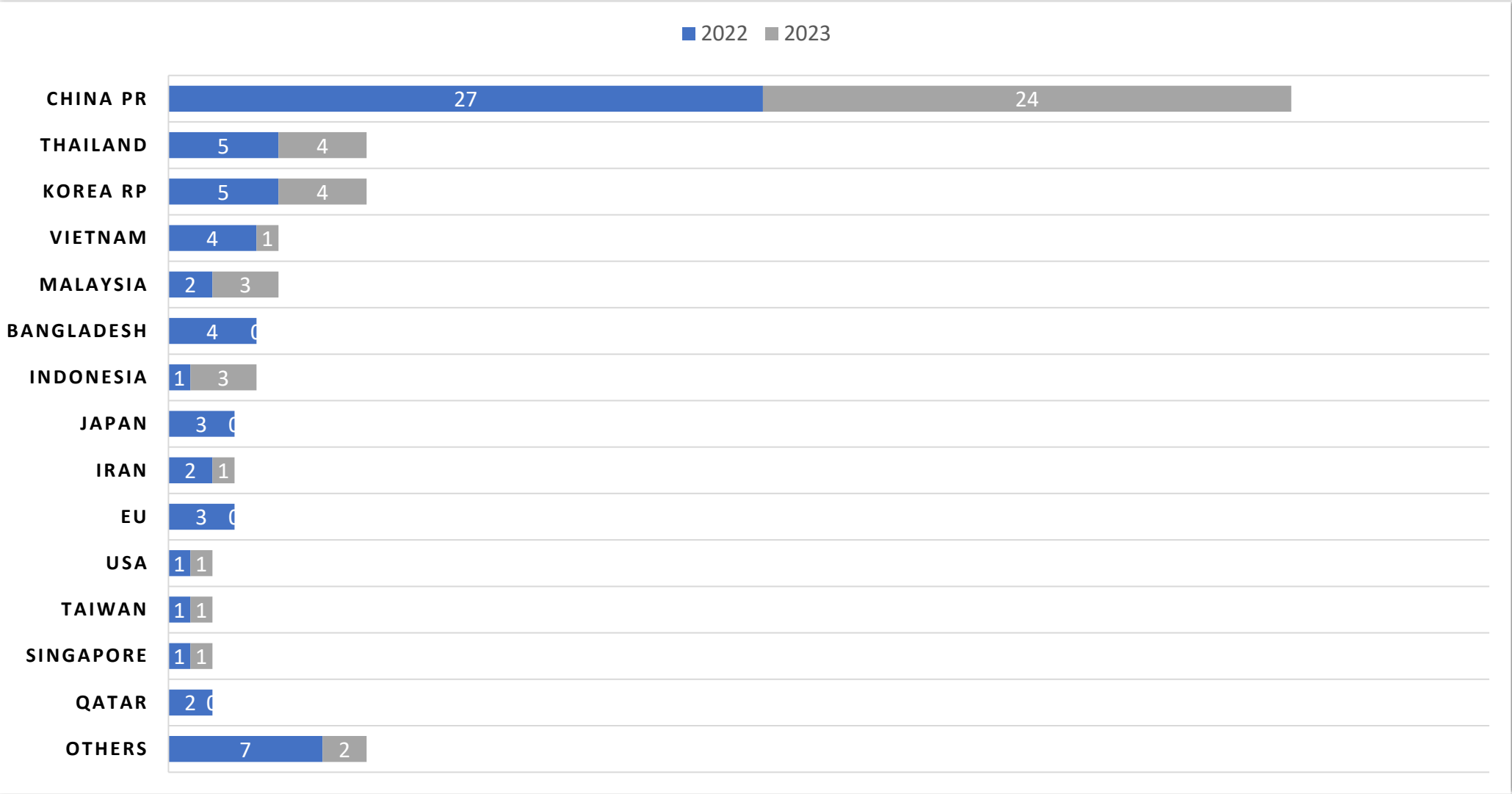


- India’s organic and inorganic chemical sectors continued to be the most frequent users of the trade remedial actions.
- However, newer sectors have such as the construction equipment industry and the electronics sector are now also seeking trade remedial relief.
- The chemical sectors accounted for 32% of the measures recommended by the DGTR followed by the industrial products sector, which accounted for 27% of the trade remedial actions.

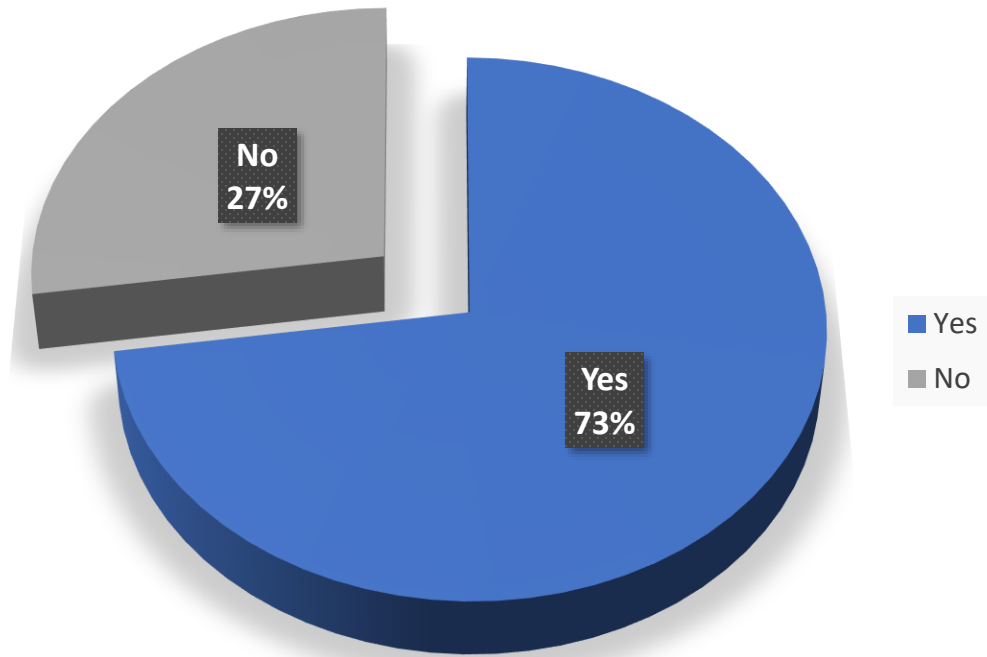
Country-Wise Trend of Trade Remedial Investigations Initiated by the DGTR



Country-Wise Trend of Recommendations by the DGTR in Trade Remedial Investigations



No. of Measures Enforced



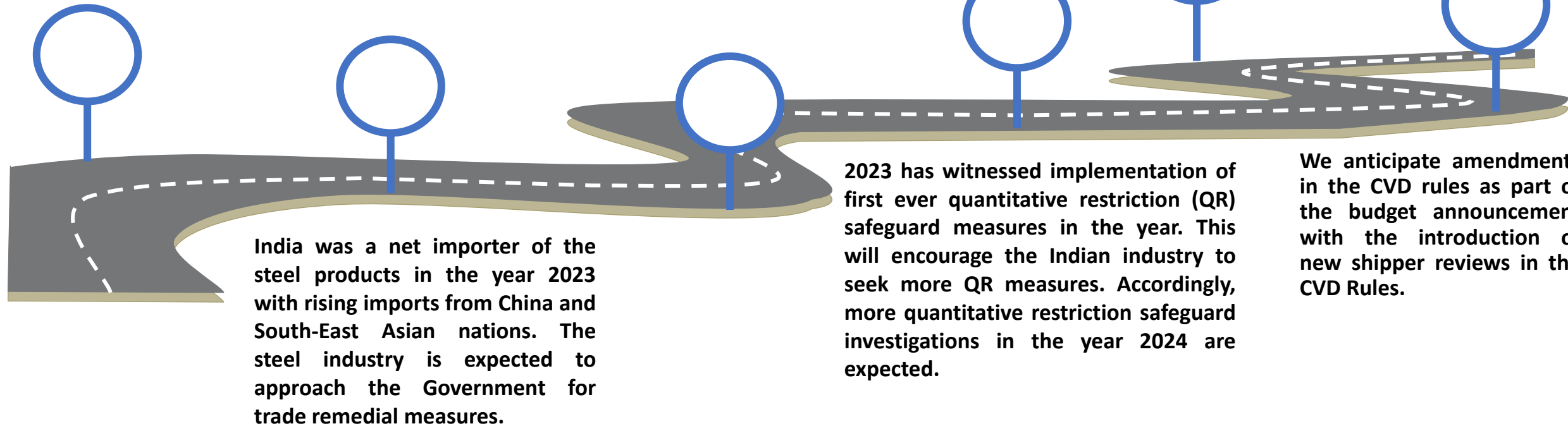
- Ministry of Finance’s trend of not imposing recommended duties in 2022 has reversed in 2023. The Ministry of Finance has imposed duties in 16 out of 22 positive recommendations made by the DGTR (73%).
- Out of the measures recommended by the DGTR, but not implemented by the Ministry of Finance:
 - 4 recommendations which were made in sunset reviews. This includes a review of countervailing duties as well.
 - 1 recommendation was a safeguards quantitative restriction investigation, for which there is no prescribed deadline to impose the measures recommended. In other words, it is technically still possible for the Ministry of Commerce and Industry to levy this.
 - The Ministry of Finance appears to have refrained from imposing duties on raw materials for the textile sector (such as High Tenacity Polyester Yarn, Viscose Filament Yarn etc.).

Outlook for 2024

New trade remedial investigations have increased significantly in 2023. The reversed trend of the Ministry of Finance implementing measures recommended by the DGTR has encouraged the Indian Industry to seek trade remedial protection. Therefore, it is likely that we will see a continued surge in the initiation of new investigations in 2024.

The Indian industry sought and received trade remedial measures on construction equipment and capital goods in the year 2023. More applications on such goods can be expected in 2024.

With falling commodity prices and market sentiments, the Indian chemical industry is likely to continue as the largest user of trade remedial instruments in the year 2024.



India was a net importer of the steel products in the year 2023 with rising imports from China and South-East Asian nations. The steel industry is expected to approach the Government for trade remedial measures.

2023 has witnessed implementation of first ever quantitative restriction (QR) safeguard measures in the year. This will encourage the Indian industry to seek more QR measures. Accordingly, more quantitative restriction safeguard investigations in the year 2024 are expected.

We anticipate amendments in the CVD rules as part of the budget announcement with the introduction of new shipper reviews in the CVD Rules.



TRADE REMEDIES – LITIGATION IN INDIA

In the recent past, the Ministry of Finance did not impose anti-dumping duties despite a positive recommendation by the DGTR to levy such duties.

The aggrieved domestic industry(s) filed appeals under Section 9C of the CTA before the Hon'ble CESTAT i.e., under the provision prevailing before its amendment vide the Finance Act, 2023.

Several writs were also preferred before the Hon'ble High Courts and the Hon'ble Supreme Court.

One of the issues before the Hon'ble CESTAT was whether the Ministry of Finance's decision not to levy duties is appealable and the same was decided in the affirmative by the Hon'ble CESTAT in the cases heard thus far.

These affirmative decisions of the Hon'ble CESTAT were challenged before the Hon'ble High Courts and the Hon'ble Supreme Court – and the same are currently *sub-judice*.

Section 9C of the CTA – Whether the Decision of the Ministry of Finance is Appealable? (Contd.)

Meanwhile, the Government of India retrospectively amended Section 9C of the CTA.

The retrospective amendment aims to clarify that an appeal can only be preferred against the DGTR's determination of dumping, injury, and causal link i.e., the recommendation/final finding rendered under the relevant rules prescribed under Sections 8B, 9, 9A and 9B of the CTA.

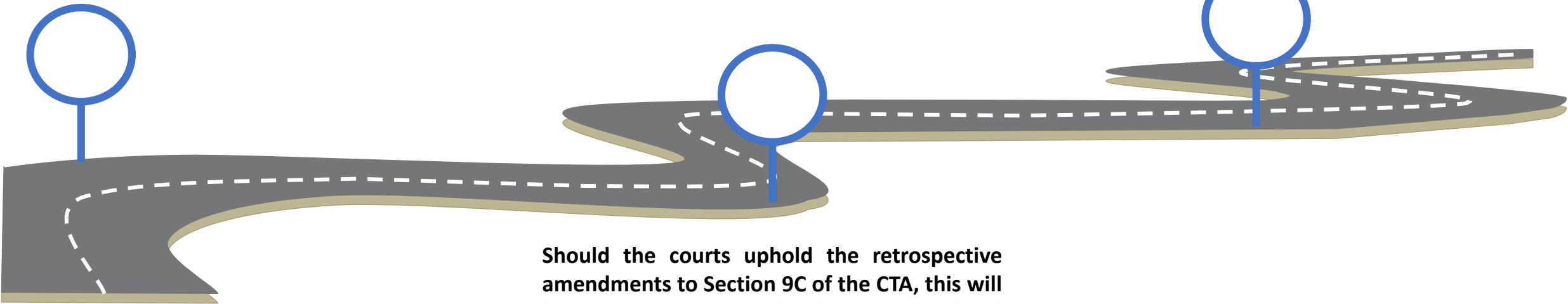
The adjudication on whether the said amendment is ultra vires is *sub-judice* before the Courts.

Outlook for 2024

The Indian courts are expected to render their decision on the legality of retrospective amendments to Section 9C of the CTA.

This will in turn provide greater clarity to the Indian industry on whether the decisions of the Ministry of Finance, which are normally based on public interest concerns, may be challenged vide an appellate process. More clarity is also expected on whether the Ministry of Finance exercises a quasi-judicial or a legislative function.

Should the courts uphold the retrospective amendments to Section 9C of the CTA, this will have implications on the decisions rendered by the Hon'ble CESTAT wherein it was held that the Ministry of Finance's decision not to levy duties is appealable.





TRADE REMEDIAL MEASURES AGAINST INDIA

	ANTI-DUMPING	COUNTERVAILING
USA	<ul style="list-style-type: none"> ▪ Certain Paper Shopping Bags ▪ Mattresses ▪ Paper File Folders ▪ Aluminium Extrusions ▪ Stainless Steel Flanges ▪ Non-Refillable Steel Cylinders 	<ul style="list-style-type: none"> ▪ Stainless Steel Flanges ▪ Certain Paper Shopping Bags ▪ Paper File Folders ▪ Frozen Warmwater Shrimp ▪ Brass Rod ▪ Non-Refillable Steel Cylinders
EU	<ul style="list-style-type: none"> ▪ Ceramic Tiles, ▪ Graphite Electrode Systems, ▪ Oxalic Acid, ▪ Optical Fibre Cables 	<ul style="list-style-type: none"> ▪ Graphite Electrode Systems
Korea RP	<ul style="list-style-type: none"> ▪ Ferrosilicomanganese ▪ Polyethylene Terephthalate Film 	

	ANTI-DUMPING	COUNTERVAILING
Indonesia	Hot Rolled Coils	
Turkey	<ul style="list-style-type: none"> ▪ Certain vulcanized rubber threads and ropes, Hinges, Hat-racks, hat-pegs, brackets and similar fixtures of base metal, ▪ Tube or pipe fittings, ▪ Polyester textured yarn, ▪ Certain types of metallized yarn ▪ Transmission Belts ▪ Hot Rolled Coil Steel 	
Eurasian Economic Union	Graphite Electrodes	

The Advance Authorization Scheme has historically been countervailed by the United States (and other jurisdictions) for the lack of a verification system in place.

However, in 2023, the United States found the Advance Authorization Scheme to be non-countervailable in a specific instance where the Indian government had verified the inputs consumed in the production of the subject goods and had allowed duty free imports of only such imports. This is a positive sign for the Indian exporters facing trade remedial measures outside of India.

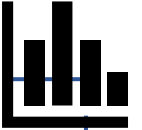
RODTEP was also countervailed by the European Union and the United States this year

- The countervailability of the RODTEP is significant since it was introduced in India as a WTO-compliant scheme.
- RODTEP refunds the duties/taxes/levies at the Central, State, and Local level borne on the exported product including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product.
- The investigating authorities have found that the refund is not calculated in relation to actual inputs consumed in the exported products and that the Indian government has no system in place to verify the same.



Anti-subsidy

- The government’s inaction or failure to collect fees, fines, and penalties (including those in place to enforce laws, regulations, and policies related to property rights, human rights, labor, and environmental protections) may qualify as a countervailable subsidy.
- If a party provides Commerce with sufficient evidence demonstrating government inaction on certain issues (weak, ineffective, or non-existent property rights, human rights, labor, and environmental protections), Commerce may find prices from the respective country to be unreliable and/or unreasonable to serve as benchmarks.
- Cross-border subsidies or subsidies provided by governments outside of the country of export can be covered as countervailable subsidies.



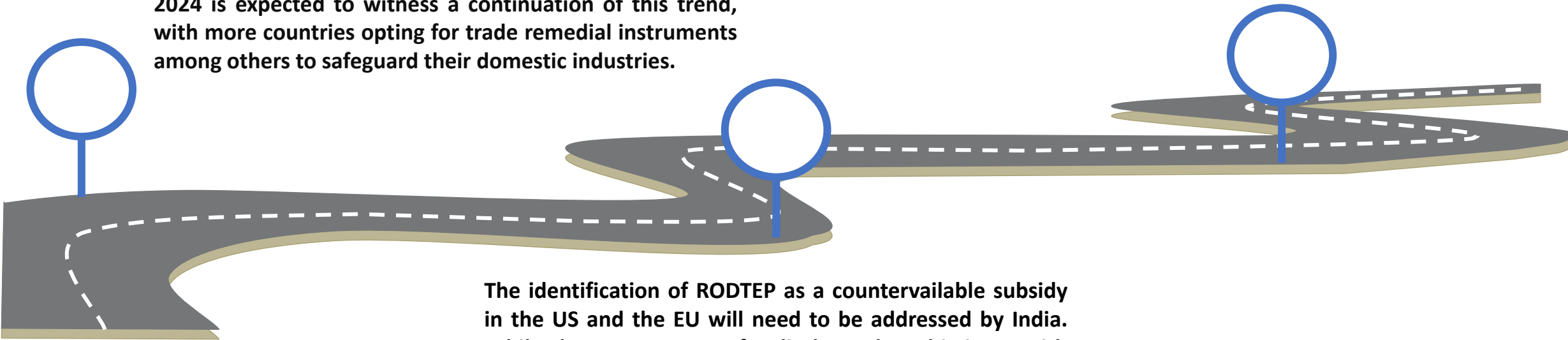
Anti-dumping

- Commerce may conclude that the input values in the third country are distorted and therefore reject data from the respective country as surrogate values for certain inputs to calculate normal value.
- The proposed amendment provides an illustrative list of scenarios for particular market situation. For example, overcapacity of a significant input used to produce the subject merchandise, or significant control of the input production by state-owned enterprises or other public entities.

Outlook for 2024

The persisting geopolitical tensions and inward-looking view by the countries and industries, may increasingly turn to trade remedial measures as instruments for defense. 2024 is expected to witness a continuation of this trend, with more countries opting for trade remedial instruments among others to safeguard their domestic industries.

A notable development in 2024 is the US' step towards incorporating sustainability into its trade remedial investigations, through the proposed amendments in its trade laws. This move reflects a broader global trend towards aligning trade policies with sustainable development goals. India is also expected to follow suit in the coming years.



The identification of RODTEP as a countervailable subsidy in the US and the EU will need to be addressed by India. While the Government of India has taken this issue with the US, the countervailability of RODTEP can be addressed by putting in place a verification system for exporters who request the same.



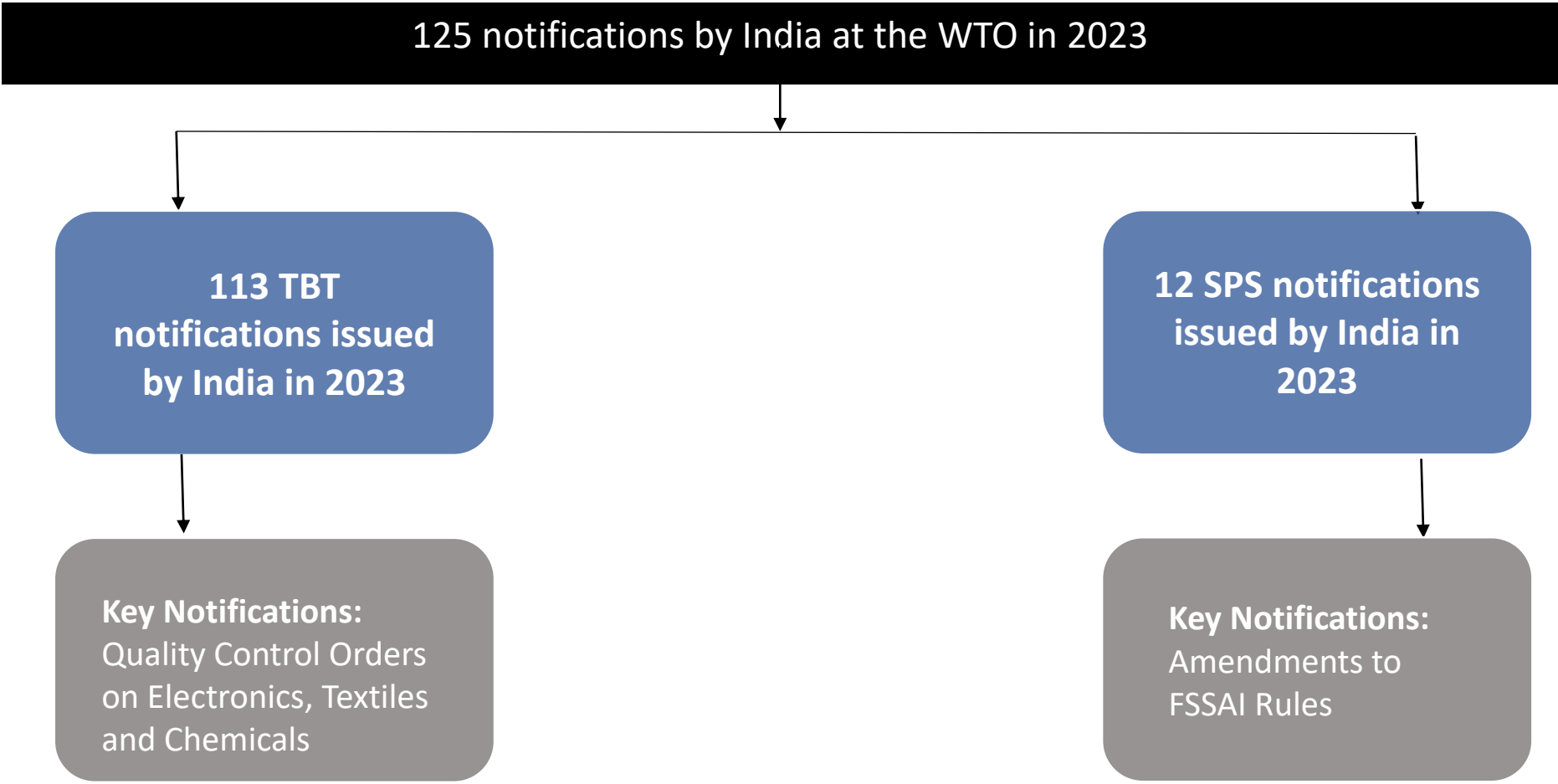
NON-TARIFF BARRIERS

NON-TARIFF BARRIERS

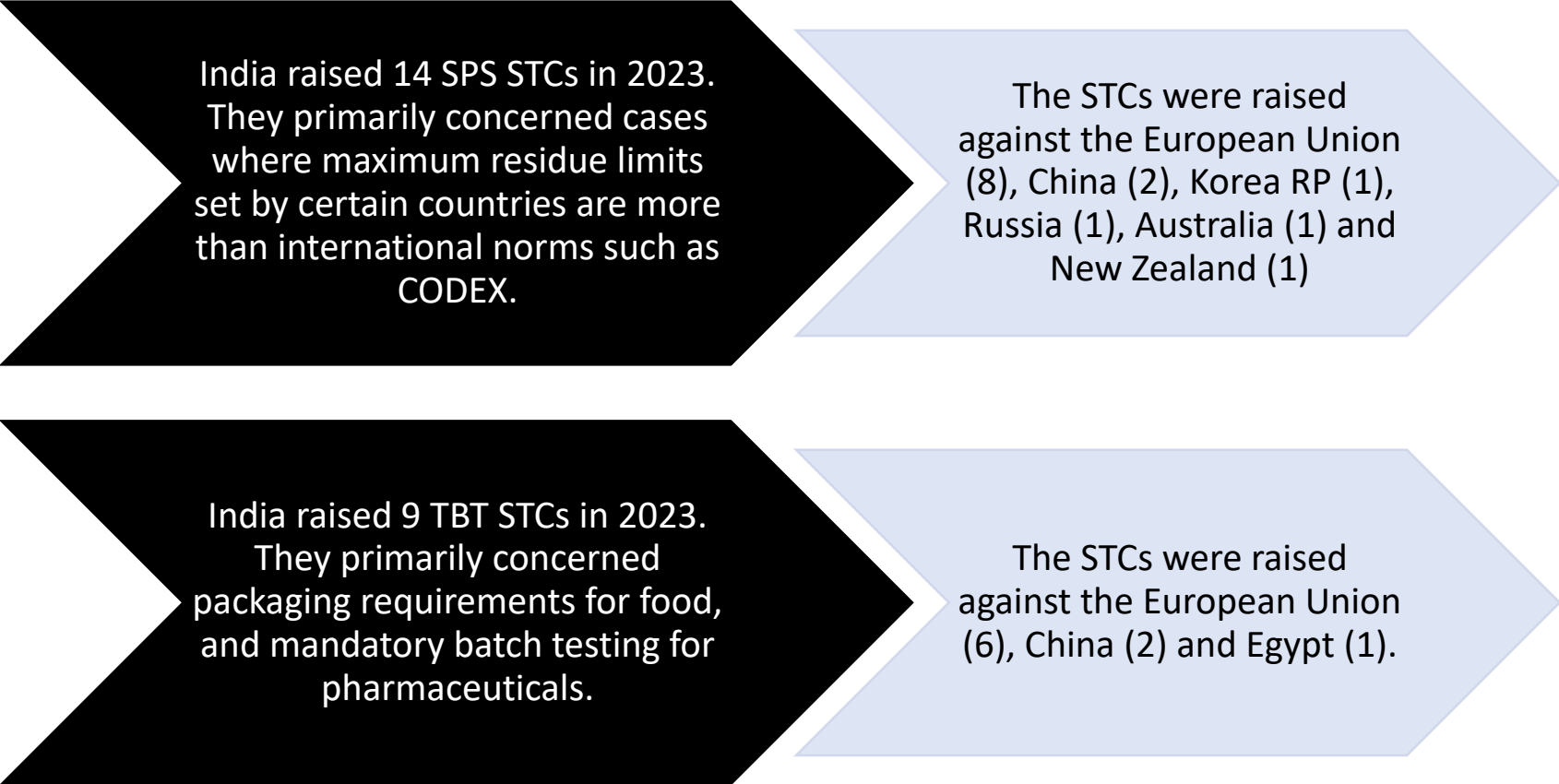
Non-tariff barriers have been rising globally as tariffs reduce. India operates a scheme of Sanitary and Phytosanitary Measures and Technical Barriers to Trade measures within its regulatory framework.

RECENT PAST

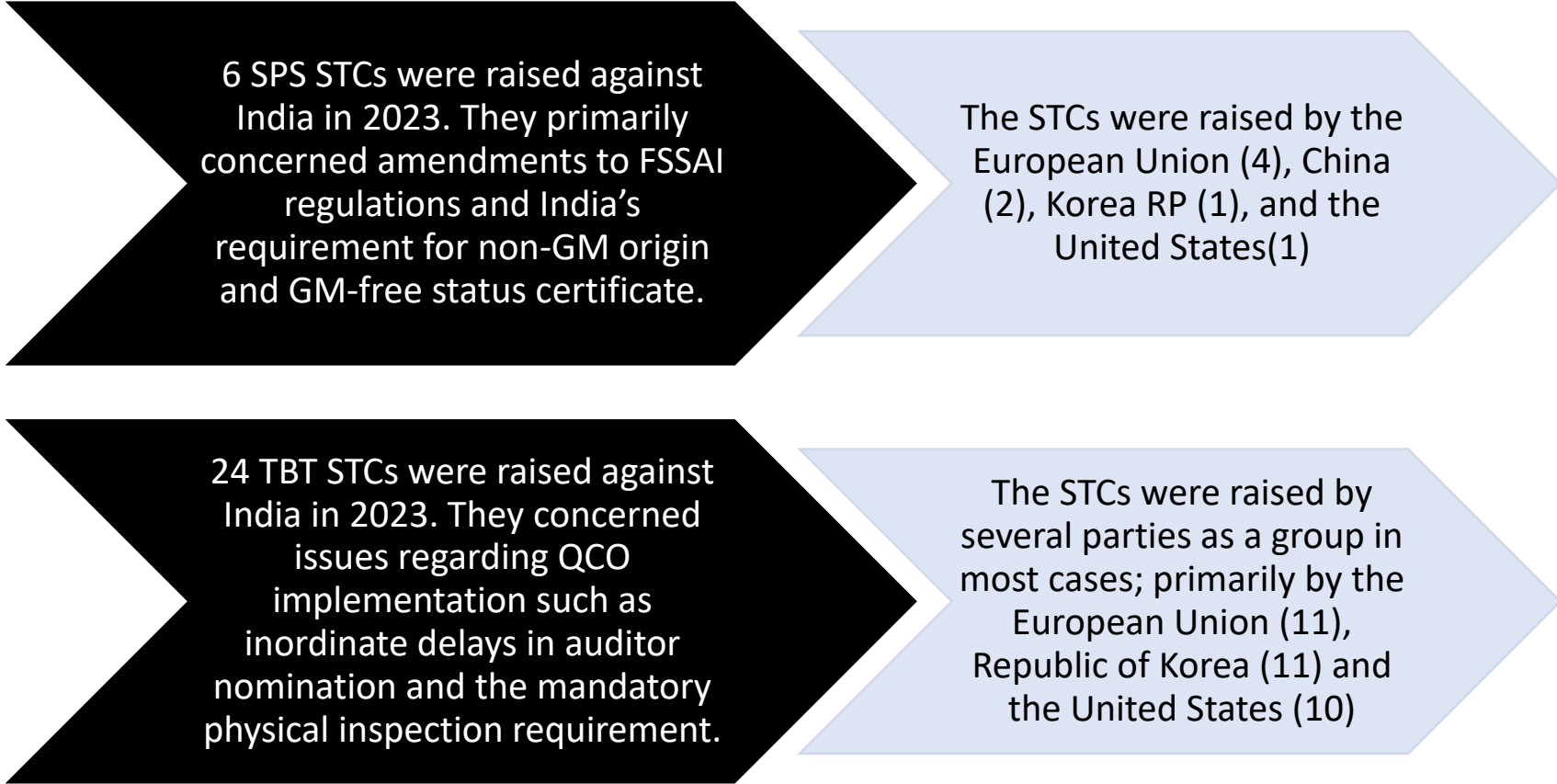
In the recent past, the BIS i.e., India's national standard setting body, has become particularly important as mandatory certification as per the BIS issued standards and adherence to conformity assessment procedures have been put in place for various products. These are actioned through the issuance of "Quality Control Orders" or **QCOs** by various Indian Ministries.



Specific Trade Concerns (STCs) Raised by India at the WTO in 2023



Specific Trade Concerns (STCs) Raised Against India at the WTO in 2023



India's major export markets in the developed market often have low tariffs but a high incidence of non-tariff barriers that affect the largest components of our export basket such as:

- Agricultural goods
- Pharmaceuticals

Companies such as the EU, Australia and the USA have signalled that they may rollout similar climate-based measures soon.

NTMs of note

Indian seafood exporters could not export to the Russian Federation due to the non-listing of Indian processing units by Russia's Federal Service for Veterinary and Phytosanitary Supervision's (FSVPS) list of approved units for export.

India faces an increased level of sampling and testing on farmed shrimps exported to the European Union.

India has faced issues regarding the classification of anthraquinone as a pesticide by the EU and the setting of the EU MRL at 0.02 mg/kg for tea. There is no Codex MRL for anthraquinone in tea.

India's soybean exports have been potentially stifled due to Australia's reduction of the level of MRLs to stricter than Codex standards for glufosinate and glufosinate-ammonium and glyphosate. India was the largest producer of non-genetically modified (GM) soybeans and had export potential to Australia.

Countries like the EU are imposing a number of environmental non-tariff measures (E-NTMs) which are poised to stonewall India's exports as a whole if not complied with.

Key EU Environmental NTMs

S.NO.	REGULATION	STATUS	OBJECTIVE	SECTOR
1	<i>Carbon Border Adjustment Mechanism</i>	Entry into force from October 2023	To combat carbon leakage	Cement, Iron & Steel, Aluminum, Fertilizers, Electricity, Hydrogen
2	<i>EU Deforestation Regulations</i>	Entry into force from June 2023	To restrict the sale and export of goods made using deforestation	Agriculture, Livestock, Manufacturing
3	<i>Ecodesign for Sustainable Products Regulation</i>	Proposal made in March 2022	To improve the environmental performance of products by setting standards for energy efficiency	All
4	<i>Corporate Sustainability Due Diligence Directive</i>	Proposal made in February 2022 - negotiations ongoing	To check greenwashing	All

The EU Commission proposed a new "Ecodesign for Sustainable Products Regulation" for more environmentally sustainable and circular products i.e., a product that minimizes waste and promotes sustainability.

This regulation aims to enable the setting of performance and information requirements for almost all categories of physical goods placed on the EU market.

The framework will allow for the setting of a wide range of requirements, including on

- product durability, reusability, upgradability and reparability
- presence of substances that inhibit circularity
- energy and resource efficiency
- recycled content
- remanufacturing and recycling
- carbon and environmental footprints
- information requirements, including a Digital Product Passport

The new "Digital Product Passport" will provide information about products' environmental sustainability.

Outlook for 2024

India is expected to continue its rollout of QCOs for a wider ambit of goods as part of its quality upgradation strategy.

Accordingly, India is likely to be much more active in its issuance of SPS and TBT notifications and development of new standards.

In order to deal with upcoming E-NTMs, India must ensure that its industry possesses the capacity to comply with these regulations.

As of 2023, 672 products are under QCOs; the government has signaled that about 2500 additional products are intended to be added to this framework.

India can expect more STCs raised against it as a reaction to its expansion in QCOs. Specifically, there is growing concern about the temporary pause in audits for China and other ASEAN nations, creating uncertainty for businesses.



FREE TRADE AGREEMENTS

Ongoing Negotiations

INDIA - UK

- As per news reports; expected to be closed in 2024.
- Fourteenth round to take place in January 2024.
- Both parties pushing to conclude negotiations by the next round but divergences remain on issues such as Geographical Indication protection, EV tariff concessions, and Rules of Origin.
- Bilateral trade in 2023 totaled about USD 20 billion; with a surplus of about USD 5 billion for India.

INDIA - OMAN

- Second round concluded in December 2023.
- Agreement expected to be reached soon, as both parties are optimistic about outcomes.
- Bilateral trade in 2023 totaled about USD 9 billion; with a deficit of about USD 600 million for India.

INDIA - EFTA

- Twentieth round concluded in November 2023.
- An impasse discovered in the latest round due to Switzerland’s concerns about the movement of Indian professionals and Switzerland’s suspension of duties for all manufactured goods.
- Trade in 2023 totaled about USD 23.4 billion; with a deficit of about USD 20 billion for India.

INDIA - EU

- Sixth round concluded in October 2023.
- Some progress made but parties are still divergent on issues like concessions on dairy, alcoholic beverages, automobiles, and agriculture.
- Trade in 2023 totaled about USD 138 billion; with a surplus of about USD 12.5 billion for India.

Ongoing Negotiations

INDIA - CANADA

- Negotiations relaunched in March 2022 but put on hold from September 2023.
- Nine rounds held to date, with the most recent round in July 2023.
- Despite nine rounds being held in approximately one year, negotiations were stopped due to political reasons.
- Trade in 2023 totaled about USD 8 billion; with a deficit of about USD 500 million for India.

INDIA - EaEU

- Negotiations to begin in 2024.
- EaEU, i.e. Eurasian Economic Union covers Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan.
- Trade in 2023 totaled about USD 66 billion; with a deficit of over USD 57 billion for India.

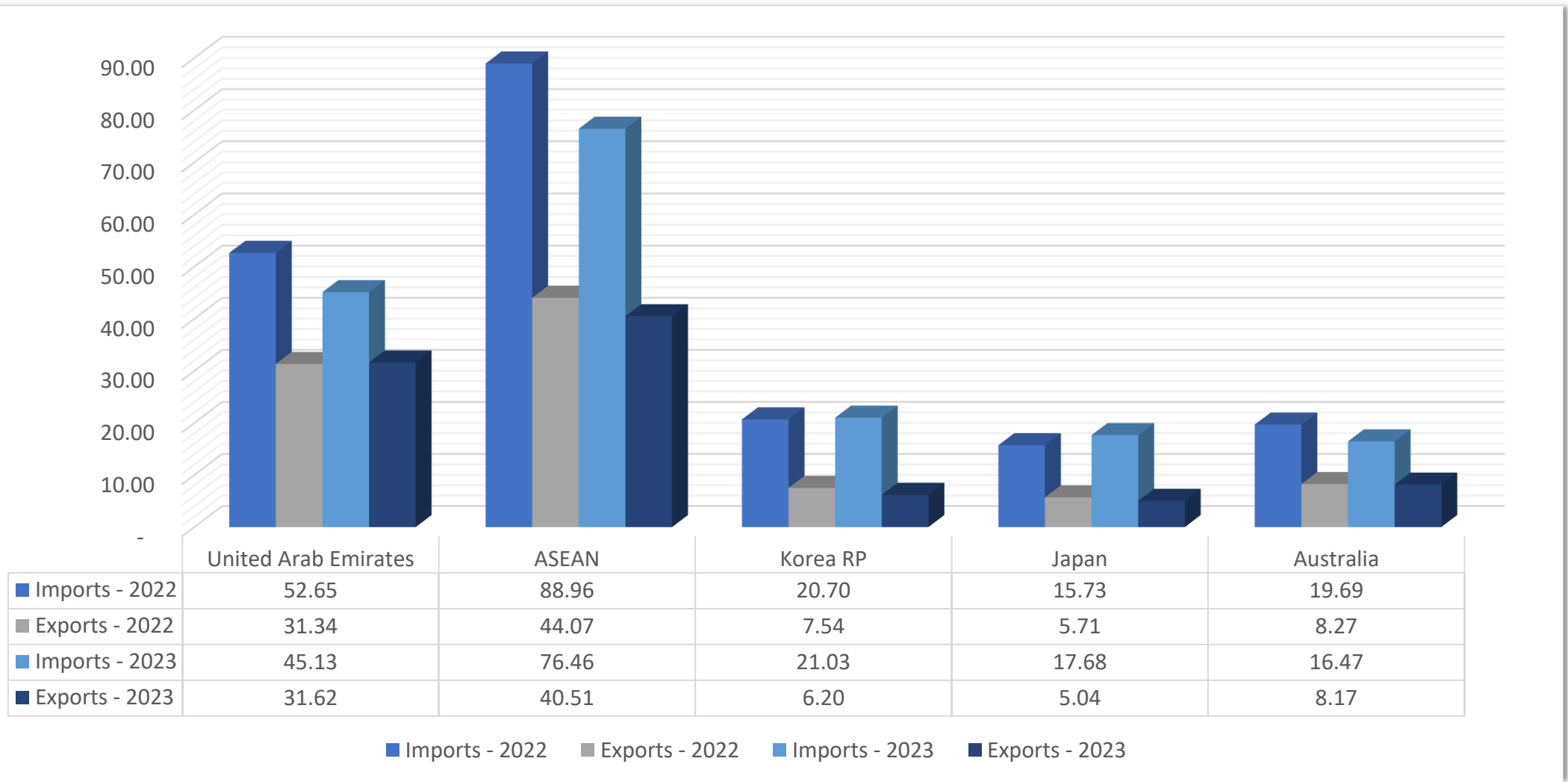
INDIA – SRI LANKA

- The twelfth round was concluded in November 2023.
- Nine ongoing issues resolved, both parties optimistic on other issues.
- Trade in 2023 totaled USD 4.8 billion; with a surplus of about USD 2.2 billion for India.

INDIA - AUSTRALIA

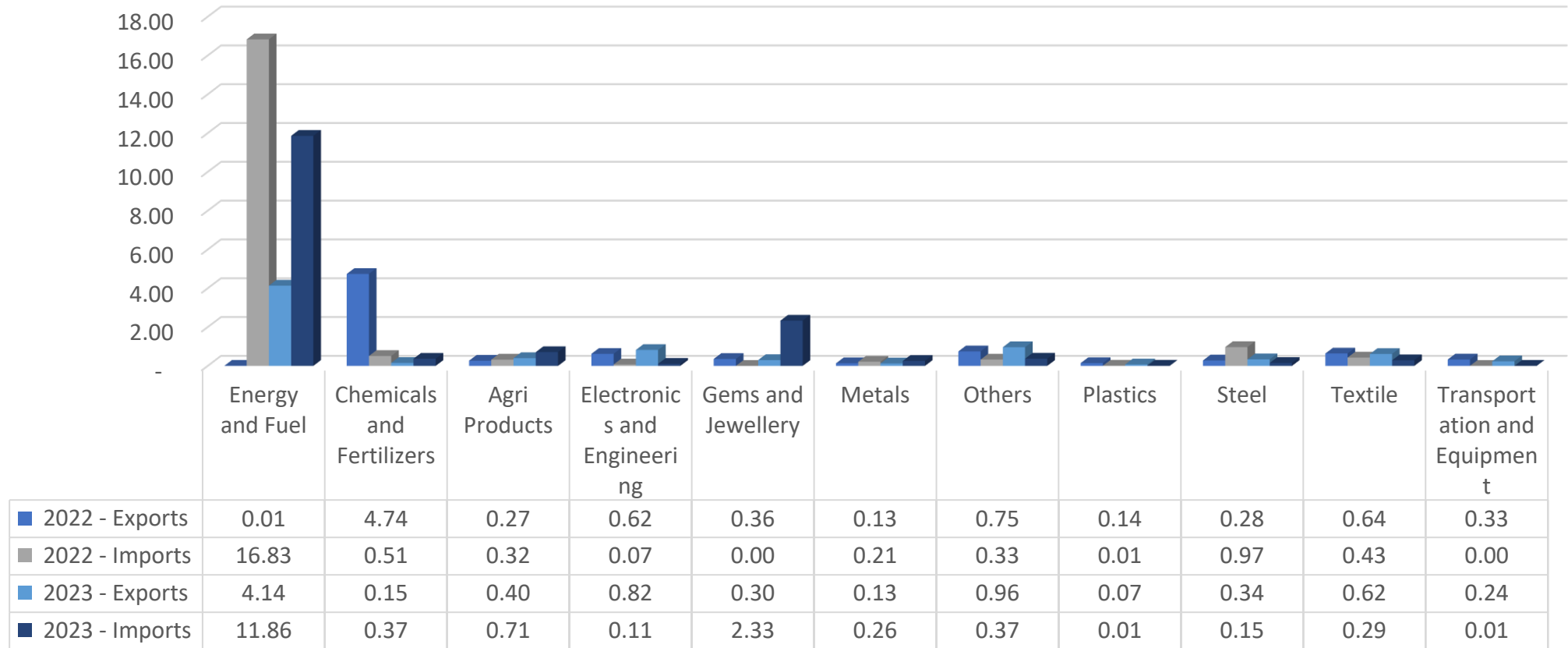
- Interim agreement was signed in 2022; negotiations for comprehensive agreement ongoing.
- Seventh round concluded for a comprehensive agreement in October 2023.
- Negotiations on remaining goods, services, digital trade, government procurement, and rules of origin have progressed quickly.
- Trade in 2023 totaled USD 24.6 billion; with a deficit of USD 8.3 billion for India.

Trade Performance - Review of Existing FTAs



Source: Tradestat, Ministry of Commerce and Industry (2023 data normalized based on January-October data)
 Data in USD billion

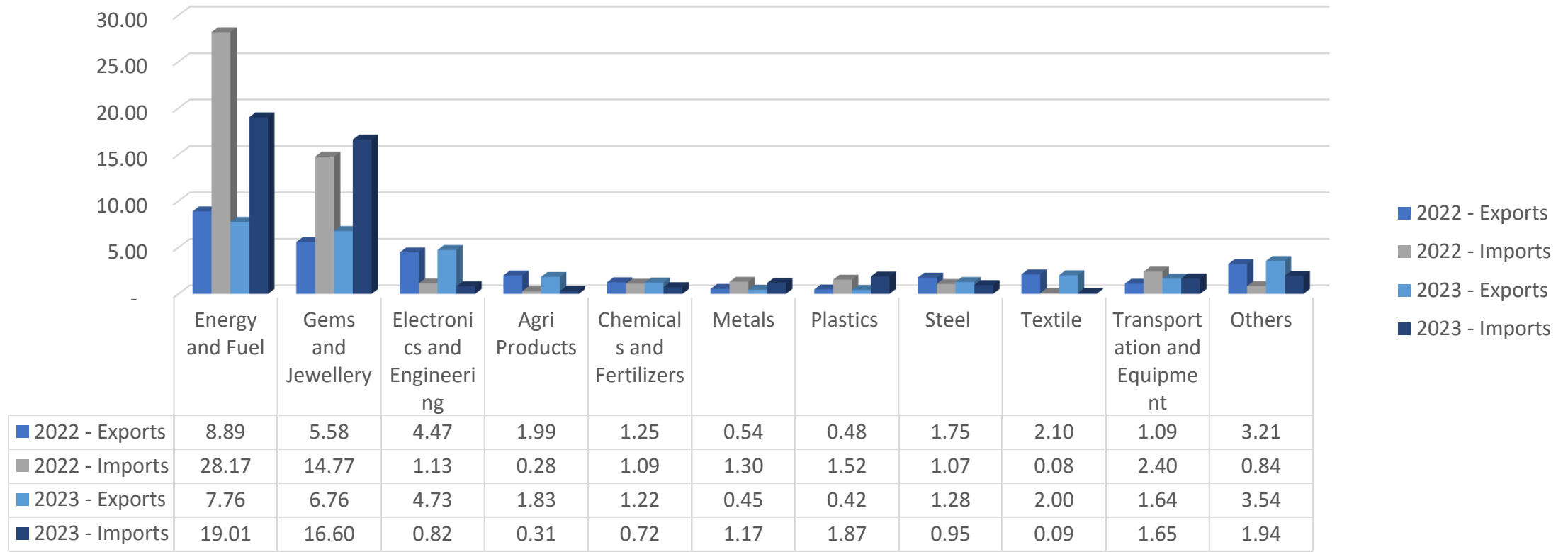
Trade Performance - Review of Existing FTAs: India – Australia ECTA



Source: Tradestat, Ministry of Commerce and Industry (2023 data normalized based on January-October data) - Data in USD billion

- Overall trade has slowed down in the year 2023 compared to the year 2022. Imports have declined significantly whereas exports witnessed a slight decline. The decline in the imports is largely contributed to imports of energy and fuel.
- India’s exports of chemicals and fertilizers declined significantly. This decline has been offset by exports of energy and fuels in the year 2023.

Trade Performance - Review of Existing FTAs: India – UAE CEPA



Source: Tradestat, Ministry of Commerce and Industry (2023 data normalized based on January-October data) - Data in USD billion

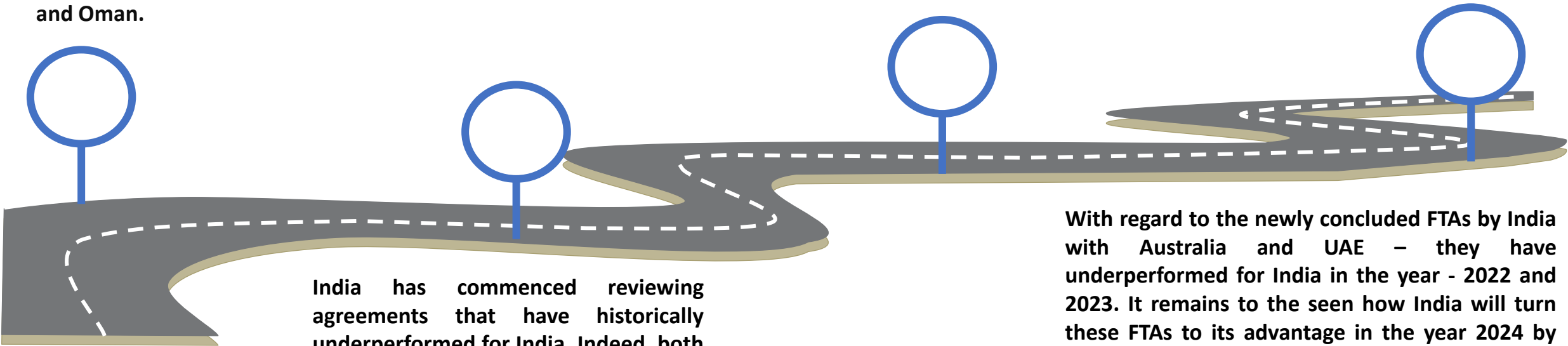
Key Observations:

- Overall Imports have contracted while exports witnessed a slight increase . The decline in the imports largely in the energy and fuel sector.
- India’s top exports comprised of energy and fuels, gems and jewelry, electronics, agricultural products. Except for the Gems and Jewelry sector, India’s exports declined at overall level.

Outlook for 2024

Given the political impetus displayed by India in negotiating multiple FTAs, several agreements will likely be concluded with countries like the UK, and Oman.

It is likely that India will make similar attempts to re-negotiate agreements with Japan and Korea.



India has commenced reviewing agreements that have historically underperformed for India. Indeed, both sides to the India-ASEAN agreement will begin negotiations for its “modernization” in February 2024.

With regard to the newly concluded FTAs by India with Australia and UAE – they have underperformed for India in the year - 2022 and 2023. It remains to be seen how India will turn these FTAs to its advantage in the year 2024 by reducing the trade deficit.



TRADE AND ENVIRONMENT

UNFCC'S COP28 CONCLUDED

India on track to meet NDCs: India updated its NDCs in 2022 to aim at reducing emissions intensity by 45% as well as establishing 50% of its total electricity capacity from non-fossil fuel resources. It is expected that India would exceed these targets as well, ahead of the 2030 timeline.

Fossil Fuel Phase Out: COP28 culminated in a historical decision to phase out fossil fuels. However, India continues to be heavily dependent on coal. The lack of any time limits for the phasing out of fossil fuels will provide India with some flexibility to reduce coal dependency.

Renewable Energy: Renewable energy featured heavily at COP28, most notably with the signing of the Global Renewables and Energy Efficiency Pledge. While India did not sign the pledge, energy demand in the country is expected to double by 2070, and if India wishes to continue its approach of compensating increased emissions with increased climate action, it must address this demand through a mix of both fossil fuels and renewable energy.

UNFCC'S COP28 CONCLUDED

Climate Finance: At COP28, India sought to erase a major hurdle by calling for a universal definition of “climate finance”. India must continue to engage with other developing countries, such as via the Like-Minded Developing Countries group, to consolidate the Global South into a unified negotiating bloc which can reduce fragmentation in demands made to developed countries and improve the quality of finance received.

River Alliance: On the sidelines of COP28, India’s National Mission for Clean Ganga launched the Global River Cities Alliance (“GRCA”). Spanning 275+ global cities and 11 countries, the GRCA is an expansion of India’s existing River Cities Alliance launched in 2021.

Climate to take Centre Stage at WTO's MC13 in 2024

- The Thirteenth Ministerial Conference of the WTO, slated to be held from February 26 to 29, 2024 at Abu Dhabi, is expected to heavily feature discussions on trade & the environment.
- A key issue in focus is expected to be the concerns of developing countries over alleged environment-based trade protectionist measures (such as the EU's CBAM).
- WTO Members disagree over the role environment protection should play at MC13; while developed countries seek to include discussions on the environmental sustainability of trade in the conference's agenda, India and other developing countries oppose the same.
- Members that are part of the Plastics Pollution Dialogue and the Trade and Environmental Sustainability Structured Discussions are also working towards potential statements to be issued at MC13.

WTO Secretariat Endorses Steel Standards Principles

- The WTO Secretariat recently endorsed, under its own responsibility, the "Steel Standards Principles" i.e. six high-level considerations for interoperability between carbon accounting standards for the steel sector.
- The principles were endorsed by key steel producers, standard setting bodies, industry associations and NGOs, as well as by the WTO Secretariat (without consultations with members).
- Some WTO Members (such as India, USA, UK, EU, Australia, etc.) questioned the endorsement of these principles without consulting WTO Members, while others criticized the involvement of the WTO Secretariat in environment related issued.

Indian Carbon Credit Trading Scheme Notified

- In June 2023, the Indian Government notified the country's long-awaited Carbon Credit Trading Scheme.
- The Scheme will operate on a baseline-and-credit model where specific emission targets would be established for entities.
- "Carbon credits" would be granted if emissions do not exceed the entity's targets, and any exceeding emissions must be compensated by purchasing credits.
- Credits can be freely bought and sold on specific exchanges e.g. "Power Exchange India Limited" or the "Indian Energy Exchange Limited".
- The Scheme will be administered primarily by the Bureau of Energy Efficiency.

Green Credit Rules, 2023 Enter Into Force

- Previously notified Green Credit Rules, 2023 have entered into force from October 2023.
- The Rules envision the granting of green credits for 8 types of eco-positive activities, such as tree plantation or waste management.
- Metrics for credit generation are to be decided by the Indian Council of Forestry Research and Education while ensuring parity of effort and resources between different credit types.
- Green credits will be tradeable via specific platforms.

ESG Reporting Regulations

- The Securities and Exchange Board of India has recently introduced the “BRSR Core”, which updates existing BRSR reports with disclosures of key performance indicators across 9 ESG principles.
- The BRSR Core also requires entities to make BRSR disclosures on behalf of their upstream and downstream partners and companies are required to have their reports “reasonably assured” by third-parties.
- Reporting as per the BRSR Core will be enforced in a staggered manner for listed companies based on their market capitalization.

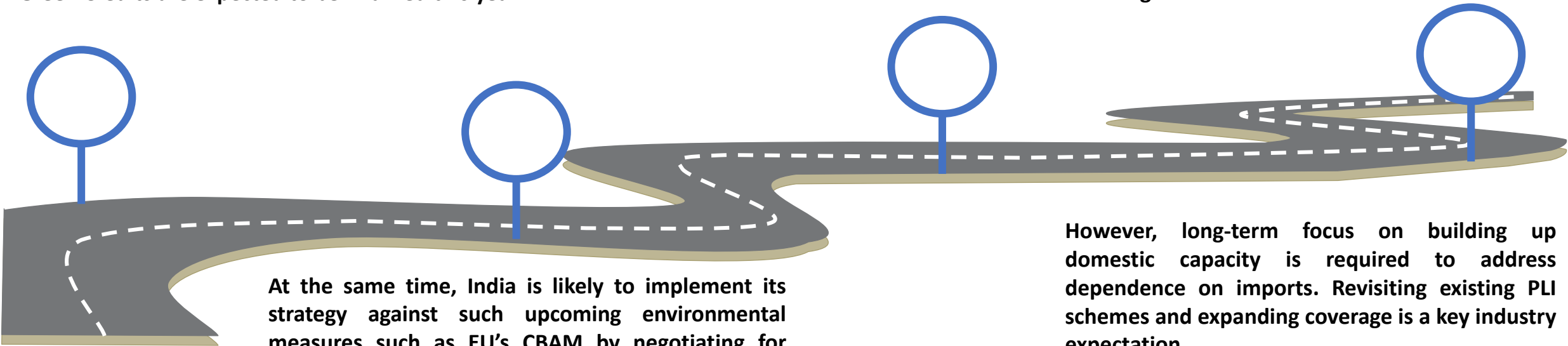
Voluntary Offset Mechanism

- The Indian Government has also notified a voluntary offset mechanism complimentary to the Carbon Credit Trading Scheme.
- While modalities are awaited, the Bureau of Energy Efficiency is tasked with identifying sectors and devising methodologies for the generation of carbon credits.

Outlook for 2024

For 2024, we anticipate a significant increase in environmental measures influencing international trade, with countries such as the European Union taking the lead. India too is expected to follow suit and the regulatory framework for Carbon Credits and Green Credits are expected to be finalized this year.

Addressing India's dependence on solar panel imports from China and Vietnam is a pressing concern. The government's Approved List of Models and Manufacturers (ALMM) had hitherto blocked imports of some modules and components but since March 2023 the order has been put into abeyance for a year and solar developers have been allowed to procure modules globally. It is likely that this would be further extended to address shortages.



At the same time, India is likely to implement its strategy against such upcoming environmental measures such as EU's CBAM by negotiating for exceptions or having interoperability with its own carbon markets and related schemes. Reports state that India is also contemplating its own CBAM-like measure for exports from the EU.

However, long-term focus on building up domestic capacity is required to address dependence on imports. Revisiting existing PLI schemes and expanding coverage is a key industry expectation.



EXPORT CONTROL

New FTP and procedure

- New Foreign Trade Policy 2023 (FTP) vide Notification No. 1/2023 dated March 31, 2023, was released in March 2023. It consolidates the **existing laws on export controls in India** under a dedicated chapter i.e., **Chapter 10**.
- Laws on export controls remain the same under the new FTP – however, the new dedicated chapter now provides exporters with easy access to an overarching framework for export control in India.

Expansion of scope of items eligible for general authorizations

- ***The Indian Government expanded the scope of chemicals that can be exported/re-exported under the GAEC:*** In addition to SCOMET items falling under categories/sub-categories 1C, 1D, 1E, 3D001, and 3D004 (excluding software and technology), certain chemicals specified in Appendix 10(N) to certain specified countries mentioned under Appendix 10(N) can also be exported/re-exported under the GAEC.
- The Government of India amended the procedure to seek authorization for exporting/re-exporting certain SCOMET items i.e., certain Unmanned Aerial Vehicles (UAV) items falling under category 5 of the SCOMET list. Pursuant to this, exporters can seek General Authorization for Export of Drones to export/re-export certain UAV items.

Voluntary self-disclosure

- Upon discovering a violation of export control law, exporters can make a self-disclosure of the same to the DGFT.
- Disclosure allows exporters to protect themselves from stricter penalties, in the event they fail to comply with export control laws.
- The introduction of this mechanism is an important development and is intended to encourage disclosure. However, the guidelines on the form of disclosure and the procedure to be adopted by the DGFT are yet to be provided.

Expansion of the scope of items falling under the SCOMET list

- The Government of India has expanded the scope of SCOMET items falling under:
 - Category 2: Micro-organisms, toxins
 - Category 6: Munitions List (For e.g., Gun mountings designed for arms were added)
 - Category 8: Special Materials and Related Equipment, Material Processing, Electronics, Computers, Telecommunications, Information Security, Sensors and Lasers, Navigation, and Avionics, Marine, Aerospace, and Propulsion. (For e.g., Aircraft" specially designed or modified to be air-launch platforms for "suborbital craft" was added)

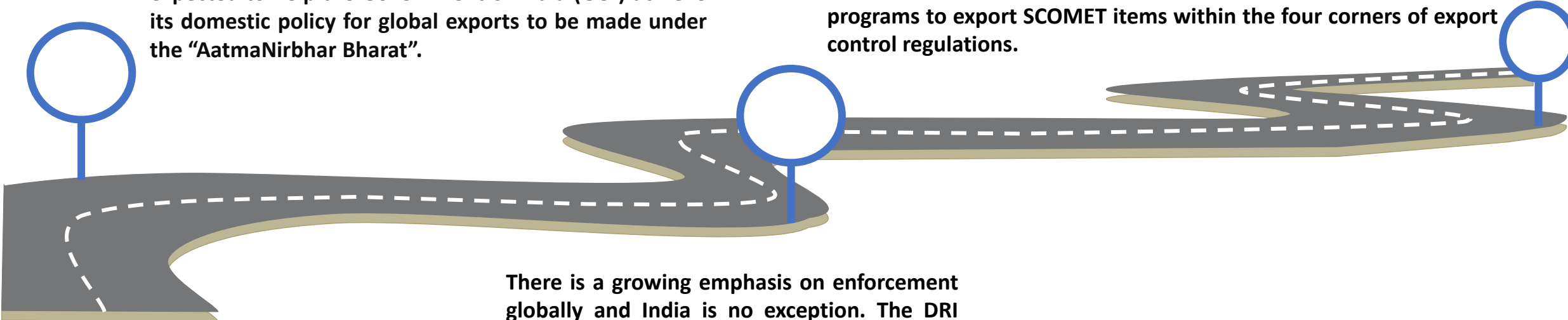
Stock and Sale Policy (Liberalization)

- The Stock and Sale policy was liberalized to allow the following types of Indian companies to receive export authorization for exporting SCOMET items to a company situated abroad (Stockist):
 - Indian parent company exporting to its subsidiary abroad;
 - Indian subsidiary exporting to its parent situated abroad; or
 - Indian subsidiary exporting to another subsidiary of its foreign parent.
- The amended policy also provides discretion to the Inter Ministerial Working Group (IMWG) to relax the above requirement based on the description/end use/end-user of the SCOMET item sought to be exported from India.

Outlook for 2024

The FTP is likely to simplify the export control law in India and encourage strategic exports of dual-use items with important trading partners. Also, the liberalization of the general authorization policies is expected to provide further impetus to exporters for increasing and facilitating timely exports within the four corners of the regulations concerning export control. This, in turn, is expected to help the Government of India (GOI) achieve its domestic policy for global exports to be made under the “AatmaNirbhar Bharat”.

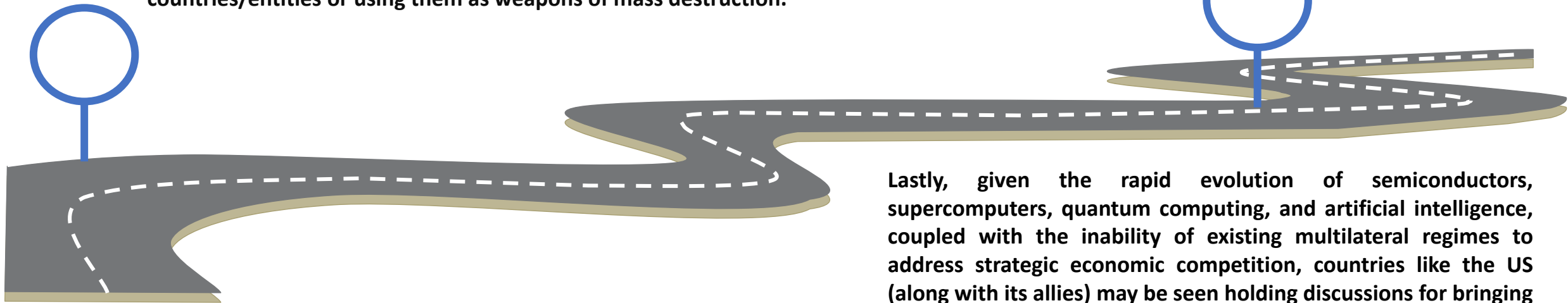
Accordingly, countries including India may be seen channelizing their efforts towards enforcement. Consequently, companies may be seen not only seeking necessary approvals to export but also utilizing the voluntary self-disclosure mechanism provided under the FTP (for inadvertent violations or otherwise of the export control regulations). At the same time, companies involved inter alia in the semiconductor supply chain, defense exports, IT & ITES services-related exports may be seen adopting internal compliance programs to export SCOMET items within the four corners of export control regulations.



There is a growing emphasis on enforcement globally and India is no exception. The DRI recently confiscated exports of certain SCOMET items as no licenses were procured for exporting such items.

Outlook for 2024 (Contd..)

India seems to foray into the semiconductor business, which may involve exporting critical items, software, and technology. Also, given the record increase in defense exports in FY 2022-23, this trend is only expected to increase. Countries may be expected to strengthen their bilateral cooperation in building resilient supply chains as well as refrain from exporting such strategic goods and critical technology to sanctioned countries/entities or using them as weapons of mass destruction.



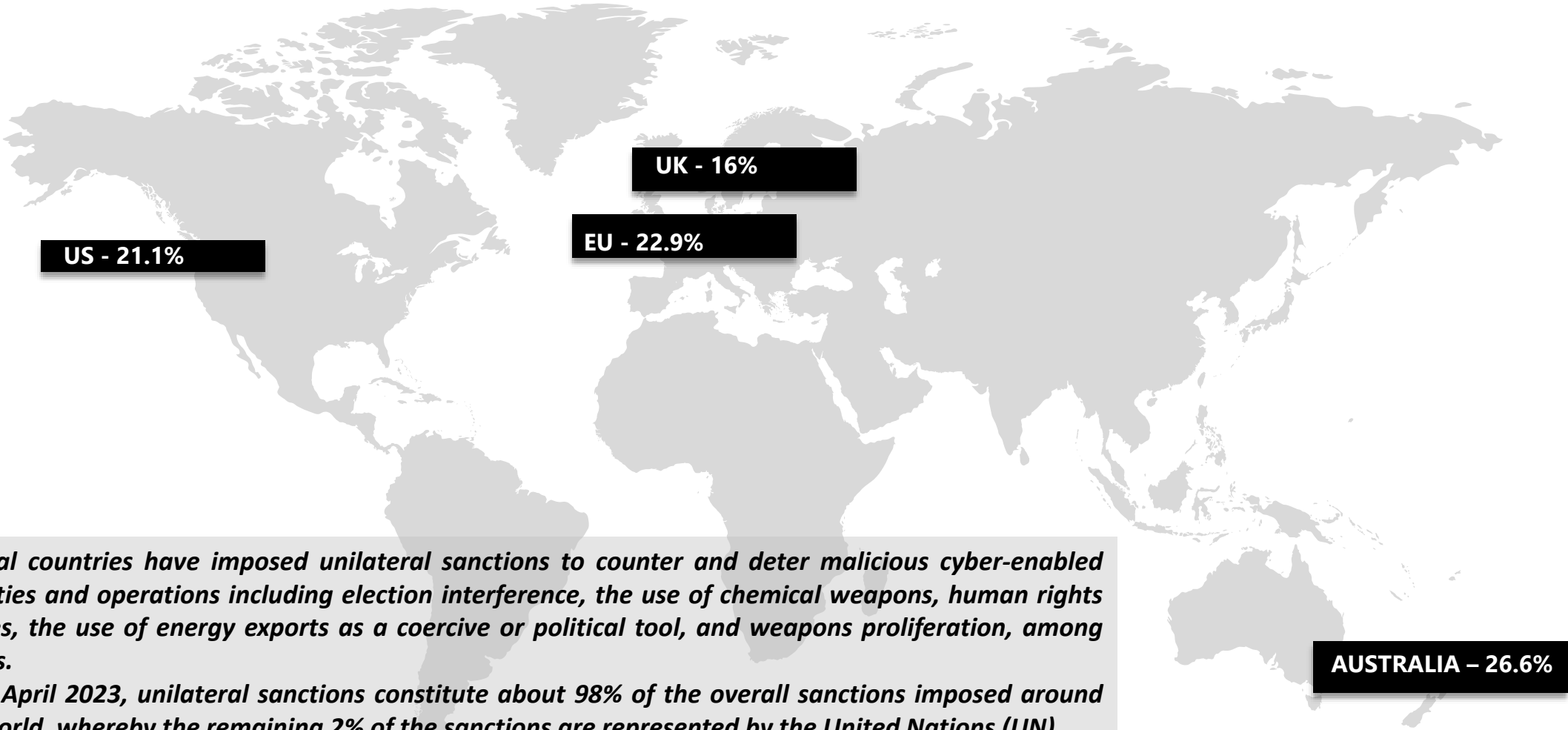
Lastly, given the rapid evolution of semiconductors, supercomputers, quantum computing, and artificial intelligence, coupled with the inability of existing multilateral regimes to address strategic economic competition, countries like the US (along with its allies) may be seen holding discussions for bringing into place a new multilateral export control regime with emphasis on protecting advanced technology, which is in the national interest of a country.



The word 'SANCTIONS' is centered in a white, bold, sans-serif font. It is positioned within a large blue rectangular area that is partially overlaid by a white rectangular frame with a thin black border.

Global Sanction Regime

Year-on-Year Increase (%) in Unilateral Sanctions (as of April 2023)



- *Several countries have imposed unilateral sanctions to counter and deter malicious cyber-enabled activities and operations including election interference, the use of chemical weapons, human rights abuses, the use of energy exports as a coercive or political tool, and weapons proliferation, among others.*
- *As of April 2023, unilateral sanctions constitute about 98% of the overall sanctions imposed around the world, whereby the remaining 2% of the sanctions are represented by the United Nations (UN).*
- *In 2023, the majority of the sanctions were against Russia in response to the military aggression against Ukraine.*

Source: The Global Sanctions Index (GSI): Unpacking Worldwide Sanctions, April 2023, Refinitiv/LSEG

UNITED STATES OF AMERICA (USA)

Unlike other countries, **US sanctions laws** have an extra-territorial application. A few instances where the US has sanctioned Indian entities on account of their business with sanctioned countries/entities are:

- Indian entities were sanctioned for purchasing advanced technology and then re-selling it to Russian state-owned enterprises, including entities involved in Russian nuclear weapons-related research and development at the direction of a sanctioned individual.
- An Indian national was sanctioned for sourcing and coordinating the shipment of various goods, including military gear, to Russia on behalf of sanctioned individuals.

UNITED KINGDOM (UK) AND EUROPEAN UNION (EU)

Several critical sectors of economic importance to Russia have been targeted by the West, with a prominent example being the UK's and the EU's prohibitions on imports of Russian-originating iron and steel. To address the circumvention of these prohibitions by Russian-origin iron and steel, the **UK and EU recently introduced new restrictions on third-country processed iron and steel.**

- These restrictions prohibit the import of certain iron and steel products that incorporate iron or steel inputs originating in Russia and undergo processing in other 'third' countries.

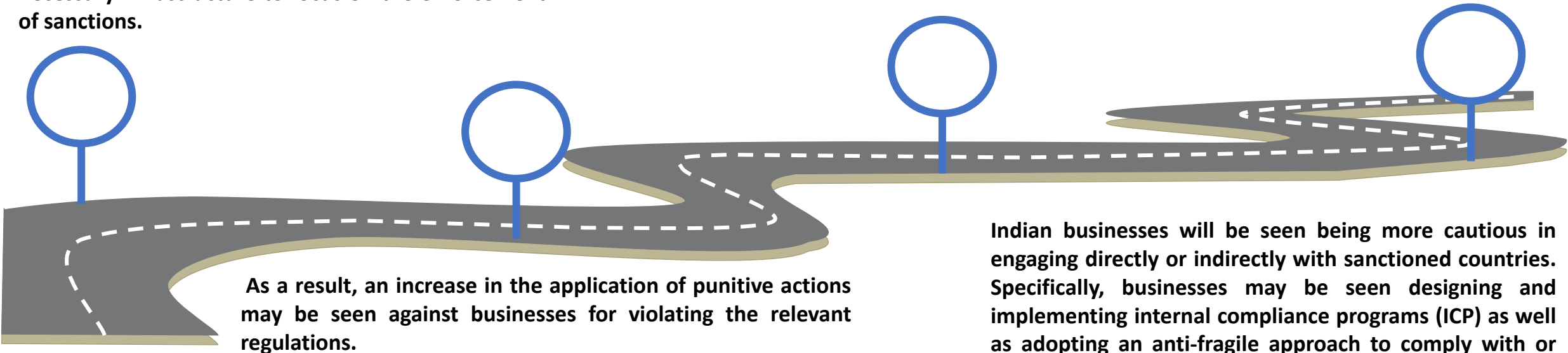
EU's 12th package of sanctions on Russia was issued recently.

- A ban on Russian diamonds polished in a third country will take effect as of March 1, 2024.
- The ban to expand to include lab-grown diamonds, jewellery, and watches containing diamonds, as of September 1, 2024.
- A robust traceability-based verification and certification mechanism for rough diamonds to be established within the G7.

Outlook for 2024

In the recent past, there has been growing emphasis on addressing the circumvention of sanctions regulations (*inter alia* concerning Russian iron and steel and diamonds) by third countries. Moreover, significant efforts are being made to build the necessary infrastructure to focus on the enforcement of sanctions.

Indian businesses with a global presence will be forced to ensure compliance with the unpredictable and ever-evolving terrain of sanction-related regulations across multiple jurisdictions.



As a result, an increase in the application of punitive actions may be seen against businesses for violating the relevant regulations.

Indian businesses will be seen being more cautious in engaging directly or indirectly with sanctioned countries. Specifically, businesses may be seen designing and implementing internal compliance programs (ICP) as well as adopting an anti-fragile approach to comply with or mitigate any potential violation/violation of sanction regulations.



FOREIGN SUBSIDIES



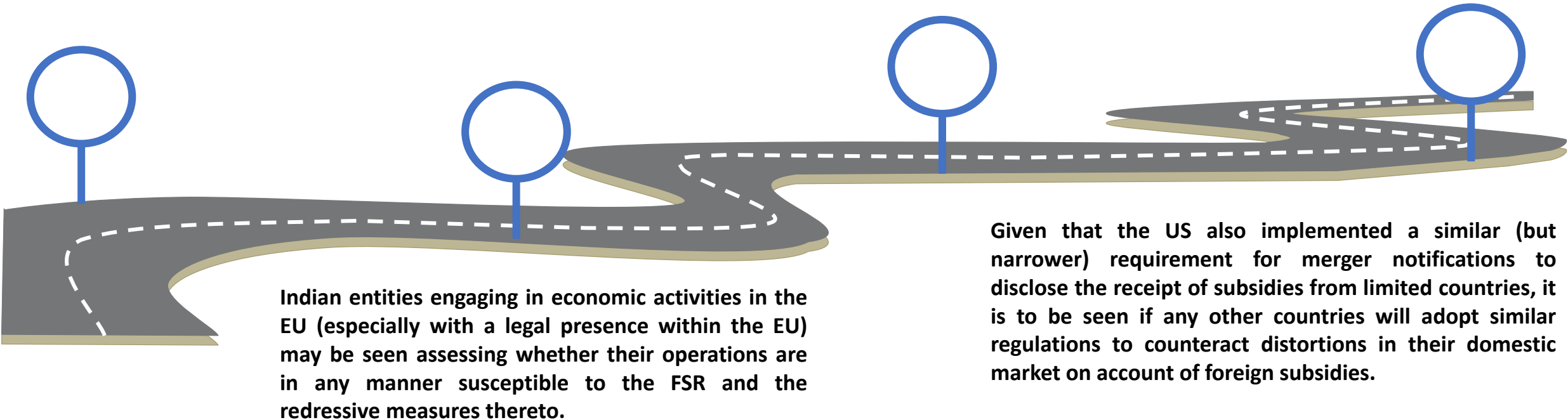
European
Union

- On January 12, 2023, the FSR entered into force. The FSR aims to address distortions caused in the EU market due to foreign subsidies granted by non-EU countries to entities engaging in economic activities in the EU. Additionally, the *ex ante* mandatory notification requirements came into effect on October 12, 2023.
- The FSR is applicable to entities including foreign entities engaging in economic activities in the EU and receiving foreign subsidies from non-EU countries. Such entities are susceptible to redressive measures if the foreign subsidies received by them are found to cause distortions in the EU market. The EU Commission has been conferred with the jurisdiction under the FSR to undertake an investigation of distorting foreign subsidies.
- On July 10, 2023, the EC adopted an implementing regulation which sets forth the form, content, and procedural details of mandatory notifications, and other procedures relevant to conducting the investigations by the EC.

Outlook for 2024

The EU's FSR is applicable to foreign entities engaging in economic activities in the EU. Based on the information available in the public domain, a few complaints have been filed (particularly, alleging “financial doping” of football clubs in the EU). It is anticipated that the EU is already assessing other such complaints.

Entities engaging in mergers and acquisitions and public procurements, upon meeting certain thresholds (i.e., financial contribution and turnover) may also be seen collating and reporting information on receipt of financial contributions to meet the *ex ante* mandatory notification requirements.



Indian entities engaging in economic activities in the EU (especially with a legal presence within the EU) may be seen assessing whether their operations are in any manner susceptible to the FSR and the redressive measures thereto.

Given that the US also implemented a similar (but narrower) requirement for merger notifications to disclose the receipt of subsidies from limited countries, it is to be seen if any other countries will adopt similar regulations to counteract distortions in their domestic market on account of foreign subsidies.



IMPORT AND EXPORT POLICY

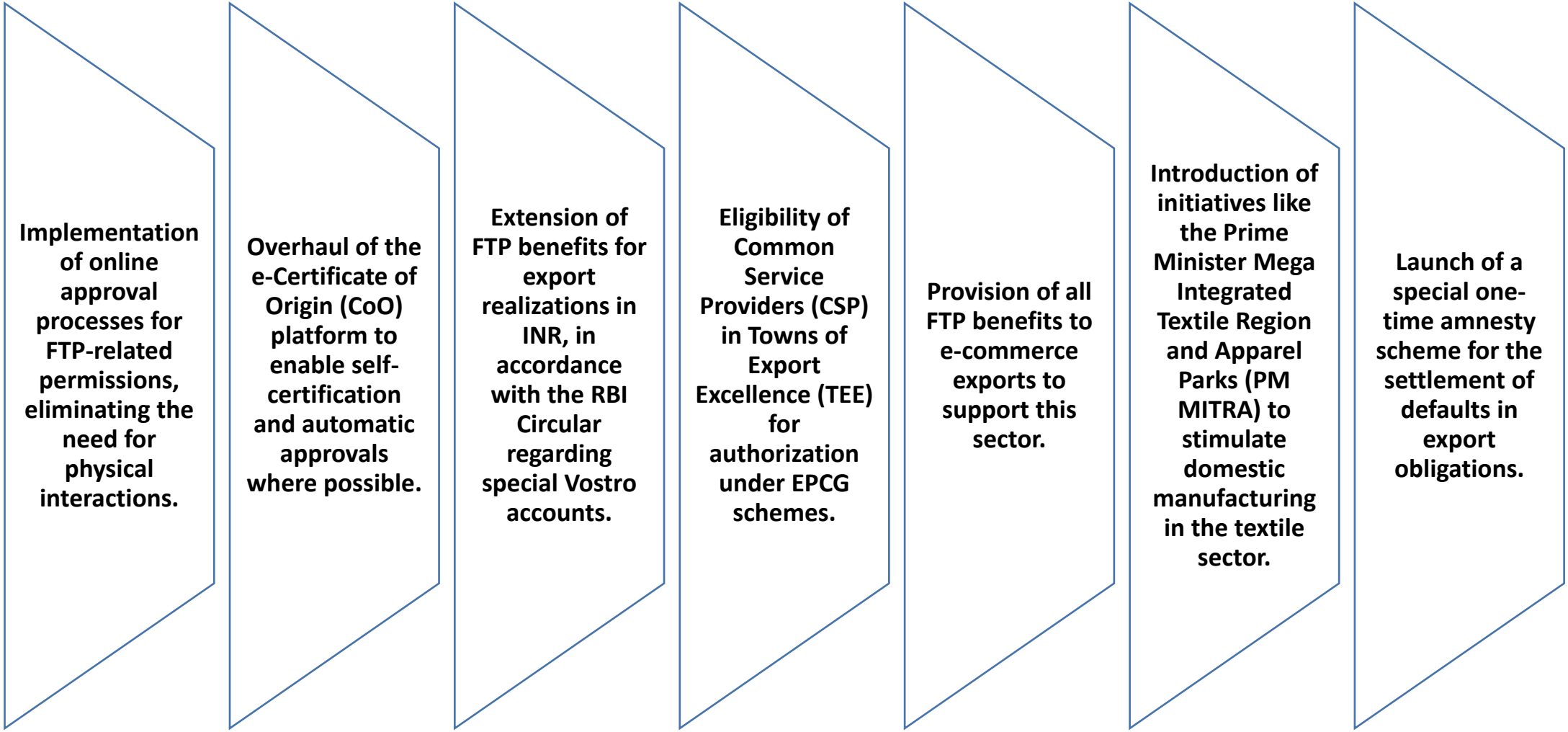
FTP 2015-20 which was to end on March 31, 2020 was extended due to COVID pandemic and volatile geopolitical scenario till March 31, 2023.

2015–2023

2023

The Foreign Trade Policy 2023 was announced as a continuing document. It does not have a sunset clause for expiry of policy.

Foreign Trade Policy 2023 – Key Highlights



Change in Import Policy

Free to Restricted

Gold articles

Free to Prohibited

Cigarette lighters, Apples, Supari, Human gametes

Import Monitoring Systems

Yellow peas, IT hardware

State Trading Enterprise to Restricted

Copra

Minimum Import Prices

Areca nuts, Supari, Cashew kernels, Apples, Cigarette lighters



Change in Export Policy

Free to Restricted

Chrome ore lumps containing 47% Chromic Oxide and above, Chrome ore lumps containing 40% or more but less than 47% Cr2O3, Cough Syrup, Food supplements containing botanicals,

Free to Prohibited

Onions (Till March 31, 2024), De-Oiled Rice Bran (Till November 30, 2024), Non-basmati white rice (Semi milled or wholly milled rice, whether or not polished or grazed)

Restricted to Free

Agri-residue based biomass and briquettes/pellets

Initial Notification No. 23/2023 imposed immediate restrictions on the import of several IT products falling under HSN 8741 category, necessitating a valid license for clearance.

August 3, 2023

August 4, 2023

Notification 38/2023 notifies an exception for items manufactured in SEZs.

October 19, 2023

October 19, 2023

Notification No. 26/2023 deferred the implementation of these import restrictions until October 31, 2023, allowing importers to prepare for the changes.

Policy Circular 6 notifies an import management system for approvals with exceptions for capital goods, parts etc.
Trade Notice No. 31: No more issuance of physical copies of restricted import authorizations.

The Indian government is balancing the protection of its consumers and farmers with the need to support food security in vulnerable nations.

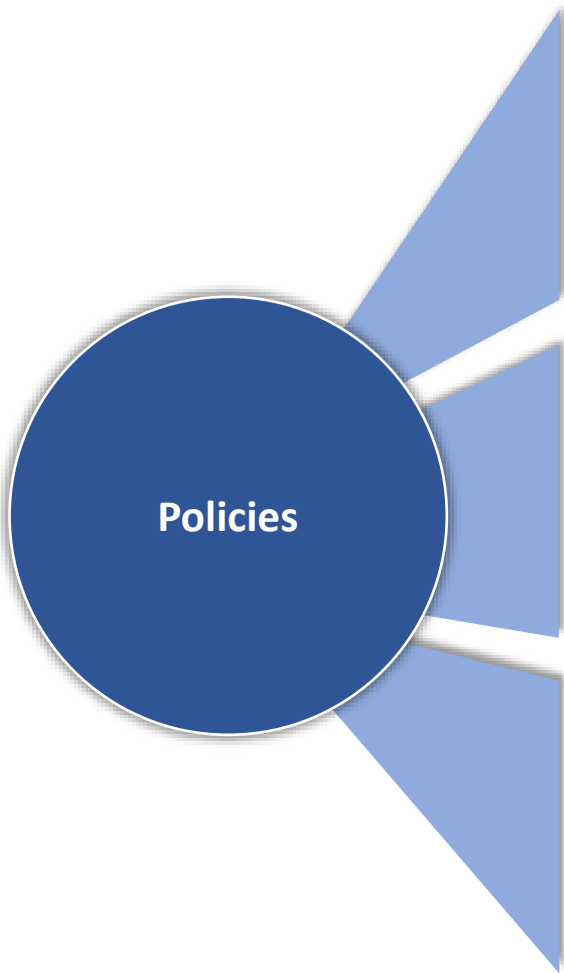
India holds a significant position in global agriculture, being the third-largest cereal producer with 11.2 percent of the world's arable land.

India is the world's largest rice exporter, second-largest sugar and onion exporter, and a significant wheat producer, export bans by India have not been perceived well globally.

Thai rice prices had risen 14% and Vietnam rice prices had risen 22% from July levels by October. Malaysia and the Philippines introduced their own measures to damp rising prices after India's curbs on rice exports in July.

These bans have also likely been impacted by the Ukraine-Russia war. Ukraine is the fifth largest export of wheat.

Notably, the Indian Government allowed for an exemption from the rice bans to the Indian Rice Exporters Federation and Patanjali Ayurved Ltd. for them to donate rice to Nepal for earthquake victims.



- Certain policy amendments were accordingly raised in the WTO Committee on Market Access

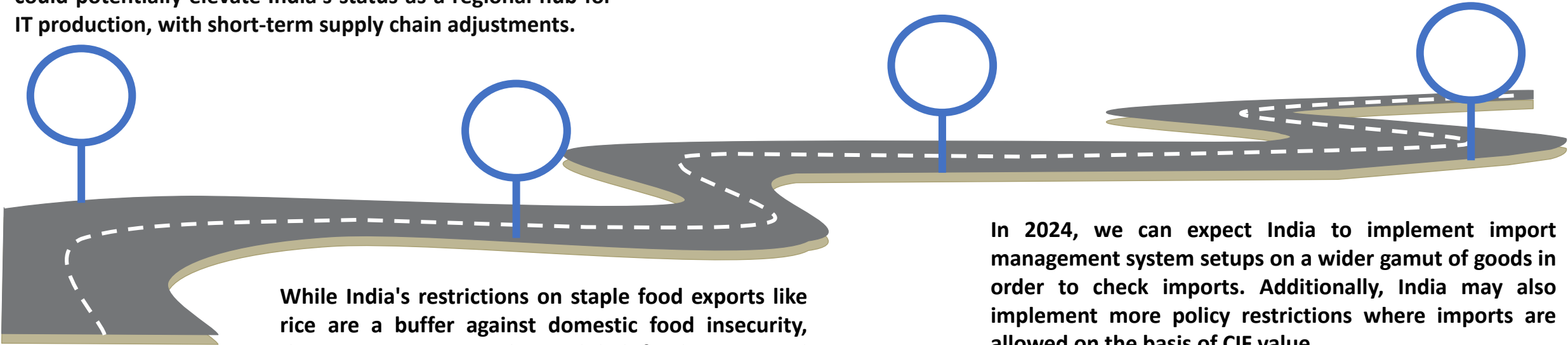
- IT Hardware by US, China, South Korea, Taiwan

- Pulses by Brazil, Canada, the European Union, New Zealand, Switzerland, Thailand, the UK, USA and Australia

Outlook for 2024

The introduction of a new foreign trade policy is expected to bolster domestic industries, boost exports, and reduce dependency on volatile global markets. Particularly noteworthy is India's amended policy regarding IT hardware imports. The resolution of the WTO ICT dispute with the European Union, coupled with the newly introduced policy could potentially elevate India's status as a regional hub for IT production, with short-term supply chain adjustments.

The decision to allow trade settlement in Indian Rupees is likely to mitigate the risks from global currency fluctuations. Additionally, it also enhances trade partnerships with rupee-accepting countries, potentially reshaping regional trade dynamics.



While India's restrictions on staple food exports like rice are a buffer against domestic food insecurity, they raise concerns about global food prices and availability, especially in countries reliant on Indian exports.

In 2024, we can expect India to implement import management system setups on a wider gamut of goods in order to check imports. Additionally, India may also implement more policy restrictions where imports are allowed on the basis of CIF value.



WTO UPDATES

29 WTO Members including the United States, UK and EU officially adopted the Fisheries Agreement. A fresh draft text on curbing subsidies contributing to overcapacity and overfishing through a two tiered system was circulated in September 2023.

The WTO General Council adopted a decision on the extension of support measures for countries graduating from least developed status in October 2023.

Members continued discussions on the [Work Programme on Electronic Commerce](#). Canada and others submitted a paper justifying the need to extend the moratorium. Indonesia also presented regulations for importing digital goods electronically, emphasizing their domestic use.

Ongoing informal talks on reforming the WTO's dispute settlement rules continued with a third "draft text" of a reform package close to finalization at the end of 2023.

India at the WTO: 2023 highlights

WTO Reform: On November 24, 2023, Egypt, India and South Africa circulated a paper (JOB/DSB/7) voicing concerns regarding the ongoing 'informal discussions,' and advocating for a multilateral approach under the chair of the Dispute Settlement Body (DSB). Concerns were raised about the challenges faced by developing countries, particularly LDCs, in actively participating in these discussions due to format, pace, and information asymmetry. It stated that the current informal discussions place undue strain on delegations with limited resources and favour developed countries who are able to follow the process through sustained in-person participation in Geneva.

Investment: In a General Council Meeting held in December 2023, ([WT/GC/262](#)) India strongly objected to efforts of certain countries to push a proposal on investment facilitation at the WTO, saying the agenda falls outside the mandate of the global trade body and cannot be deliberated in formal meetings.

Disputes: India and the US agreed to terminate six outstanding disputes at the World Trade Organization. India also agreed to remove retaliatory tariffs on certain U.S. products including chickpeas, lentils, and other goods. The disputes concerned are as follows:

- United States –
Countervailing Measures
on Certain Hot-Rolled
Carbon Steel Flat Products
from India (DS436);
- India – Certain Measures
Relating to Solar Cells and
Solar Modules (DS456);
- United States – Certain
Measures Relating to the
Renewable Energy
Sector (DS510);
- India – Export Related
Measures (DS541);
- United States – Certain
Measures on Steel and
Aluminium
Products (DS547);
- India – Additional Duties on
Certain Products from the
United States (DS585)

Separately panel reports in the ICT disputes were issued and subsequently appealed by India

INDIA— TARIFFS ON ICT GOODS

- The disputes, brought by EU, Japan and Chinese Taipei, concerned tariff treatment that India accorded to certain ICT products, including telephones for cellular networks or for other wireless networks, base stations, etc. The complainants argued that India's tariffs on these products exceed their stated commitments at the WTO.
- India argued that: (i) its binding tariff commitments are set forth in the Information Technology Agreement (ITA), and those commitments are static and did not change due to their incorporation into India's WTO Schedule; (ii) pursuant to Article 48 of the Vienna Convention on the Law of Treaties (Vienna Convention), aspects of India's WTO Schedule are invalid as a consequence of an error on the part of India during the transposition of its Schedule from the HS2002 to the HS2007; and (iii) the errors in India's WTO Schedule are of a formal nature and were therefore capable of rectification pursuant to the 1980 Decision, such that Japan's objection to India's proposed rectification of its Schedule is inconsistent with the requirements of the 1980 Decision.
- The Panel rejected India's assertions that its binding tariff commitments are set forth in the ITA and found that: (i) the ITA is not a covered agreement within the meaning of the WTO Agreement and the DSU; and (ii) the ITA is not the source of India's legal obligations in these disputes. The Panel also held that India's WTO tariff commitments are not static in nature.
- The Panel further found that India did not satisfy the requirements of Article 48 of the Vienna Convention as India had failed to demonstrate that this assumption constituted an essential basis of India's consent to be bound by the certified Schedule. The Panel also found that India was put on notice of the possibility that its WTO tariff commitments in its HS2007 Schedule may have expanded from those set forth in its HS2002 Schedule, and similarly, that its WTO tariff commitments in its HS2007 Schedule may have expanded from those set forth in the ITA.
- Based on the above analysis, the Panels found that India's tariff treatment of products falling under the identified tariff items was inconsistent with Article II:1 of the GATT 1994 because certain such products are subject to ordinary customs duties in excess of those set forth in India's WTO Schedule.
- ***India has appealed the panel reports in the EU and Japanese cases and is exploring a solution with Chinese Taipei.***

Indonesia requested consultations with the European Union regarding the EU's imposition of countervailing duties on imports of biodiesel from Indonesia.

Panel established at Argentina's request to review duties imposed by the United States on oil country tubular goods (OCTG) imported from Argentina.

A Panel was established at Indonesia's request to examine EU anti-dumping and countervailing duties imposed on imports of stainless-steel cold-rolled flat products from Indonesia.

Panels were established at the European Union's request to examine Chinese measures affecting trade in goods and services with Lithuania as well as China's enforcement of intellectual property rights.

Ukraine requested consultations with Hungary, Poland and the Slovak Republic regarding the continued imposition of import bans by the three countries on certain agricultural products, including grains, from Ukraine.

China — Additional Duties (US)

- The Panel found that China's additional duties measure was inconsistent with Article I:1 of the GATT 1994 because, with respect to customs duties imposed on or in connection with importation, China failed to accord the advantage of lower tariff rates granted to products imported from other countries immediately and unconditionally to products originating in the United States.
- The Panel also found that the additional duties measure was inconsistent with Articles II:1(a) and II:1(b) of the GATT 1994 because it resulted in the imposition of ordinary customs duties in excess of those provided in China's Schedule.
- China has appealed the report.

Turkey — Additional Duties on Certain Products from the United States

- The Panel found that Türkiye's additional duties measure was inconsistent with Article I:1 of the GATT 1994 because, with respect to customs duties imposed on or in connection with importation, Türkiye failed to accord the advantage of lower tariff rates granted to products imported from other countries immediately and unconditionally to products originating in the United States.
- The Panel also found that the additional duties measure was inconsistent with Articles II:1(a) and II:1(b) of the GATT 1994 because it resulted in the imposition of ordinary customs duties in excess of those provided in Türkiye's Schedule.

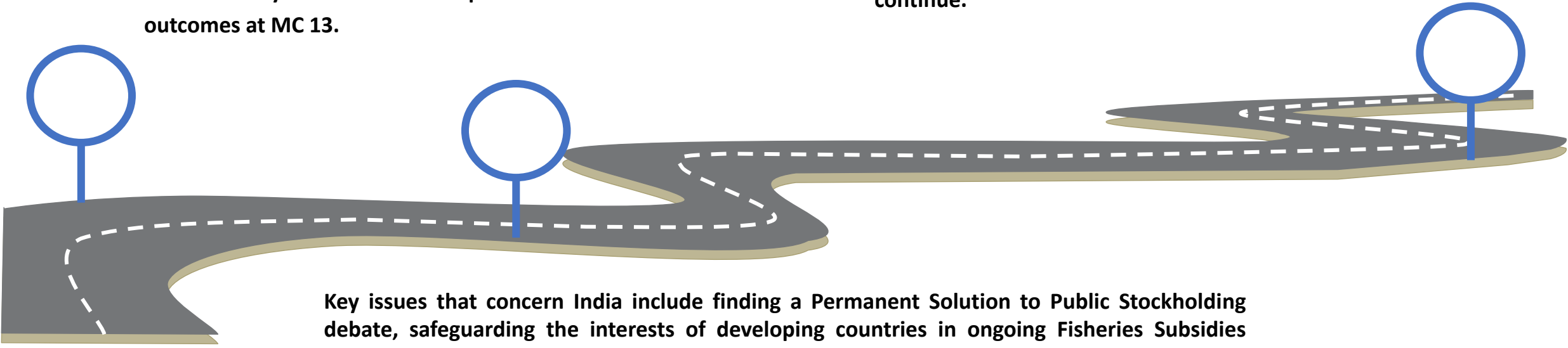
Dominican Republic — Anti-dumping Measures on Corrugated Steel Bars

- This dispute concerned a challenge to the Dominican Republic's imposition of anti-dumping duties on imports of corrugated or deformed steel bars or rods for concrete or concrete reinforcement from Costa Rica.
- Costa Rica challenged the determination of the existence of dumping and the calculation of the margin of dumping by the Dominican Republic's anti-dumping investigating authority as well as procedural aspects of the investigation. Costa Rica's claims were largely upheld by the Panel.
- Costa Rica has appealed the report.

Outlook for 2024

In the [New Delhi Leaders' Declaration](#), the G20 has committed to working constructively to ensure positive outcomes at MC 13.

In the interim India is likely to continue to engage bilaterally with its trading partners to find solutions to its ongoing disputes, such as the ICT. Mutually agreed solutions such as the India-US disputes may also continue.



Key issues that concern India include finding a Permanent Solution to Public Stockholding debate, safeguarding the interests of developing countries in ongoing Fisheries Subsidies discussion, furthering the discussion on the Moratorium on Customs Duties, and last but not the least, focusing on WTO reform and revival of the WTO dispute settlement body. Trade and Environment is also placed to take centre stage with the proliferation of environmental measures such as the CBAM.

List of Abbreviations

AD Rules	Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995
ALMM	Approved List of Models and Manufacturers
ASEAN	Association of South-East Asian Nations
BIS	Bureau of Indian Standards
BRSR	Business Responsibility and Sustainability Report
CBAM	Carbon Border Adjustment Mechanism
CEPA	Comprehensive Economic Partnership Agreement
CESTAT	Customs, Excise and Services Tax Appellate Tribunal

China PR	People's Republic of China
CIF	Cost, Insurance and Freight
CoO	Certificate of Origin
COP28	2023 United Nations Climate Change Conference
CSP	Common Service Providers
CTA or the Customs Tariff Act	Customs Tariff Act, 1975
CVD Rules	Customs Tariff (Identification, Assessment, and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995
CY	Calendar Year

List of Abbreviations

DGFT	Directorate General of Foreign Trade
DGTR	Directorate General of Trade Remedies
DRI	Directorate of Revenue Intelligence
EaEU	Eurasian Economic Union
EFTA	European Free Trade Association
E-NTMs	Environmental Non-Tariff Measures
EU	European Union
EV	Electronic Vehicles

FOB	Free on Board
FSR	Foreign Subsidies Regulation
FSSAI	Food Safety and Standards Authority of India
FSVPS	Federal Service for Veterinary and Phytosanitary Supervision
FTA	Free Trade Agreement
FTP	Foreign Trade Policy
FY	Fiscal Year
G20	Group of Twenty

List of Abbreviations

G7	Group of Seven
GAEC	General Authorization for Export of Chemicals
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GRCA	Global River Cities Alliance
ICP	Internal Compliance Programs
ICT	Information and Communication Technology
IMF	International Monetary Fund

IMWG	Inter-Ministerial Working Group
IT	Information Technology
ITA	Information Technology Agreement
Korea RP	Republic of Korea
LDC	Least Developed Countries
MC13	Thirteenth WTO Ministerial Conference
MRL	Maximum Residue Limit
MSME	Micro, Small and Medium Enterprises

List of Abbreviations

NDC	Nationally Determined Contributions
No.	Number
NTMs	Non-Tariff Measures
PLI	Production Linked Incentive
QCO	Quality Control Orders
QR	Quantitative Restrictions
RBI	Reserve Bank of India
SCOMET	Special Chemicals, Organisms, Materials, Equipment and Technologies

SEZ	Special Economic Zone
SPS	Sanitary and Phytosanitary
STCs	Specific Trade Concerns
TBT	Technical Barriers to Trade
TEE	Towns of Export Excellence
UAE	United Arab Emirates
UK	United Kingdom
US	United States

List of Abbreviations

USD	United States Dollar
WTO	World Trade Organization
YoY	Year-on-Year

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