

NON-TARIFF MEASURES ON INDIAN EXPORTS

PART-2



Export-Import Bank of India

Non-tariff Measures on Indian Exports Part II

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This paper is an attempt by EXIM Bank to disseminate the findings of research studies carried out in the Bank. The results of research studies can interest exporters, policy makers, industrialists, export promotion agencies as well as researchers. However, views expressed do not necessarily reflect those of the Bank. While reasonable care has been taken to ensure authenticity of information and data, EXIM Bank accepts no responsibility for authenticity, accuracy or completeness of such items.

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INTRODUCTION

Part I of this Report examined in detail the trade restrictions, in particular the non-tariff measures (NTMs), faced by India's exports. The discussion there provides insights into different NTMs, link between tariffs and NTMs (which is more complex than generally perceived), utilisation of free trade agreements, the changing pattern and complexity of NTMs and the varying impact of different NTMs. These measures are becoming more complex over time. The discussion in Part I is intended to help

better understand the issues arising due to NTMs and to address them through better informed and equipped domestic systems.

This part of the Report, i.e. Part II, provides some detail on the NTMs applied in the major export markets of India. The relevant countries are selected from those economies which account for at least 1% of India's merchandise exports. Table 1 shows that such countries together account for 81% of India's exports.

Table 1. Top 22 Trading partners of India with export share of each country more than 1% (Financial Year 2017-18)

Rank		Country	Export Value (US\$)	% Export Share	% Cumulative Export Share
1	*	EU	53597.93	17.66	
2	*	USA	47878.48	15.77	33.43
3	*	U ARAB EMTS	28146.12	9.27	42.71
4	*	HONG KONG, CHINA	14690.27	4.84	47.55
5	*	CHINA P RP	13333.53	4.39	51.94
6	*	SINGAPORE	10202.82	3.36	55.30
7	*	BANGLADESH PR	8614.35	2.84	58.14
8	*	VIETNAM SOC REP	7813.08	2.57	60.71
9	*	NEPAL	6612.96	2.18	62.89
10	*	MALAYSIA	5701.56	1.88	64.77
11	#	SAUDI ARABIA	5410.70	1.78	66.55
12	#	TURKEY	5090.70	1.68	68.23
13	*	JAPAN	4734.22	1.56	69.79
14	#	SRI LANKA DSR	4476.46	1.47	71.26
15	*	KOREA RP	4460.98	1.47	72.73
16	#	AUSTRALIA	4012.32	1.32	74.06
17	#	INDONESIA	3963.77	1.31	75.36
18		SOUTH AFRICA	3825.21	1.26	76.62
19	#	MEXICO	3782.79	1.25	77.87
20	#	THAILAND	3653.83	1.20	79.07
21	#	ISRAEL	3364.05	1.11	80.18
22	#	BRAZIL	3063.49	1.01	81.19

Source: Department of Commerce, Government Of India

Notes: * = Detailed discussion of NTMs; # = More summary discussion, with a greater focus on TBT and SPS measures.

Countries covered in Part II of the Report

This Report covers all the economies in Table 1, except for South Africa. Detailed information on NTMs of South Africa is not available in TRAINS of UNCTAD. Thus, the economies covered in this Report account for almost 80% of India's exports (Table 1).

More detailed discussion on NTMs is provided for twelve economies, i.e. India's top ten export markets, Japan and the Republic of Korea. An important reason for the details on Japan and Korea is that India has major free trade agreements with them. These trade agreements are broader than the conventional free trade agreements and include several areas of common interest, creating a comprehensive economic partnership agreement or comprehensive economic co-operation agreement. The economies for which a more detailed discussion of NTMs has been provided are indicated by an asterisk (*) in Table 1. Together, these twelve economies account for 67.5% of India's exports.

Nine other countries from Table 1 have been covered in the last section of this part of the Report, with a more summarised form of the NTM discussion. These are indicated by '‡' in Table 1. These nine economies account for 12.1% of India's exports.

Those interested in information on South Africa could refer to sources such as WTO¹, USTR², and South Africa Customs³ (in particular the list of prohibited and restricted goods⁴). It is noteworthy that the Indian Government and industry have raised concerns regarding South Africa's trade-related policies with respect to marine products, mangoes, grapes, bovine meat, pharmaceutical products and automobiles.

Organisation of the country sections

For the detailed discussions on NTMs, the countries are organised in the order of the size of the export markets for India. Thus, the first section is on the European Union, second on the United States of America, and so on.

The last part of this Report covering nine countries (Australia to Turkey), provides the information in less detail. In that part the Report, the countries are organised in alphabetical order of their names. Thus, Australia is the first country and Turkey the last one in that part of the Report.

Framework of the section on each country

The discussion on NTMs in this Report is based on a combination of the USTR's National Trade Estimate Report on Foreign Trade Barriers⁷, the European Commission's Report on Trade and Investment Barriers⁶, and Trade Policy Review Reports at the WTO⁷. These Reports differ in their focus and coverage, and this Report has features from all of them. The discussion here describes the NTMs in individual countries, the areas of concern as notified by the Indian Government and industry, and in certain cases also mentions the likely or potential areas of concern for India based on products for which specific trade concerns have been raised by other countries at the WTO.

The details for each economy broadly follow the framework of the USTR Report. Subject matter areas relevant to Indian export-related concerns are selected from those mentioned in the USTR Report. The content is based on the USTR Report as well as the focus in WTO Trade Policy Reviews and the EU's Report on Trade and Investment Barriers.

¹See https://www.wto.org/english/thewto_e/countries_e/south_africa_e.htm and also documents for South Africa using the WTO document symbols which are provided in the reference for various topics covered in the case of other countries.

²Pages 413 to 416 of the 2018 Report on Foreign Trade Barriers by USTR; and

³<https://www.export.gov/article?id=South-Africa-Market-Overview>

⁴<http://www.sars.gov.za/ClientSegments/Customs-Excise/Pages/default.aspx>

See, <http://www.sars.gov.za/ClientSegments/Customs-Excise/Pages/Prohibited-and-Restricted-goods.aspx>

⁵<https://ustr.gov/sites/default/files/files/Press/Reports/2018%20National%20Trade%20Estimate%20Report.pdf>

⁶http://trade.ec.europa.eu/doclib/docs/2018/june/tradoc_156978.pdf

⁷https://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm

Similar to the USTR Report, the section on each country begins with trade between India and the country concerned, followed by an overview and then a discussion on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS). This is followed by a section on Import Policies, which comprise tariffs, tariff rate quota, import prohibition, import licensing, subsidies (in some cases) and contingent trade protection policies (anti-dumping, countervailing and safeguards measures).

The discussion of NTMs includes NTM-related concerns raised bilaterally or at WTO by India. In addition, concerns raised by the Indian exporters are also mentioned under the topics concerned, mainly TBT and SPS. Another feature included in the country-specific discussion is the information based on a feedback from a survey of Indian exporters. These responses are summarised and reported under the 'Overview' for each country.

The specific concerns raised by the Government and Indian industry provide a basis to identify issues to address through bilateral and multilateral discussions, as well as inputs into trade negotiations with specific nations. In addition, they provide a list of concerns to be addressed through domestic policy initiatives.

Important information sources

The information provided in Part II is based on WTO documents and websites (especially for TBT and SPS), USTR, EU, individual Government websites (especially Trade Portals and Customs), UNCTAD database in their TRAINS database on Non-Tariff Measures⁸, and a number of other information sources which are shown in footnotes whenever used. The footnotes and the references serve two purposes. One is to allow the reader to get more detailed information if required. The second is to

allow the possibility of updating the information over time, using several of these sources which in turn have updated information from time to time. This approach reflects some important insights with respect to the existing knowledge base regarding NTMs faced by Indian exports.

In preparing this Report, it became clear that information on NTMs is scarce in general, and significant parts of the industry are not well informed about the sources of information and the opportunities or obstacles that affect their trade with specific economies. It is in this context that the discussion provides information sources that could be used on a longer-term basis to get better insights into the existing NTMs in any particular market abroad.

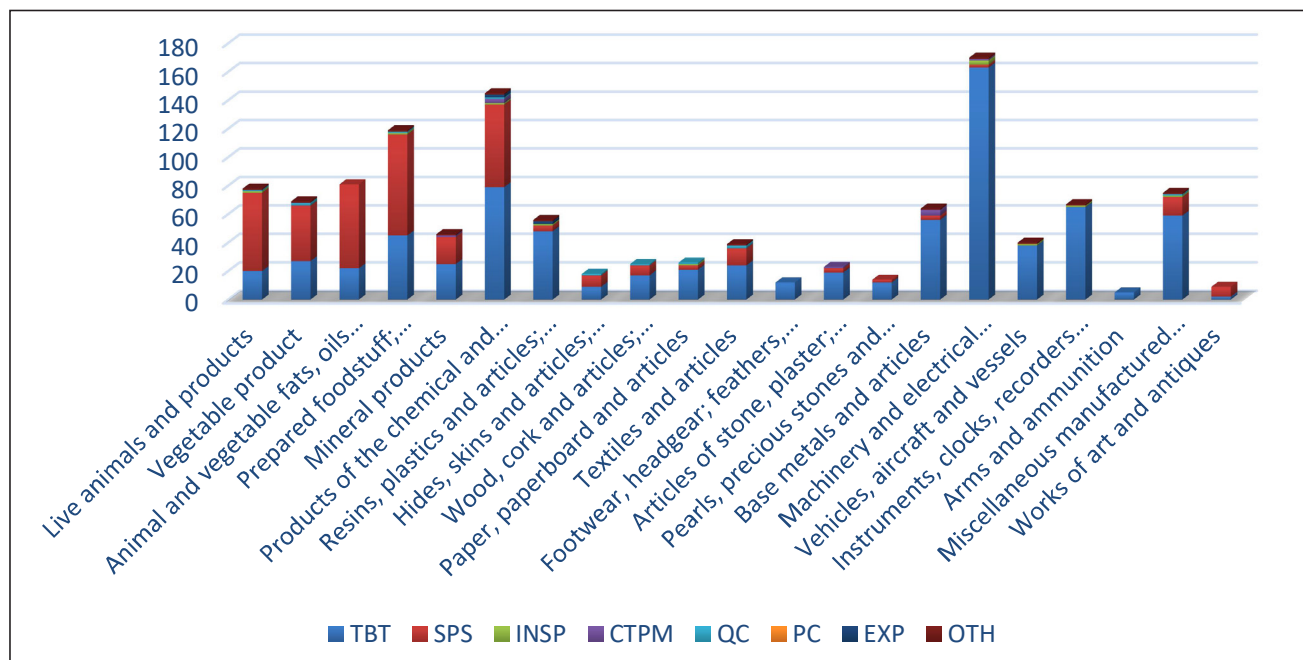
The large volume of information that has been collected from diverse sources, in particular WTO and USTR, may have been reproduced in this Report using the words within the source. In those places where the text is a quotation, the source is clearly specified. In addition, the source is mentioned in several other parts of the discussion. The main sources are also acknowledged in a general way here.

HS sections and NTM categories used in the overview for each economy

For most economies covered in this Report, NTM data is available in the UNCTAD's Trade Analysis Information System (TRAINS) database; the exception is Bangladesh. This Report begins with an overview chart based on TRAINS for each economy (except Bangladesh), which shows the incidence of various NTMs across different sectors. An example is the chart below, which is a reproduction of Figure 1 for the EU.

⁸<https://trains.unctad.org/Forms/TableView.aspx?mode=modify>

Figure 1. EU imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

The full form of the abbreviations used for NTMS are as follows: TBT=Technical Barriers to Trade, SPS=Sanitary and Phytosanitary Measures, INSP=Pre-Shipment Inspection, CTPM=Contingent Trade Protective Measures, QC= Quality Control Measures, PC=Price Control Measures, EXP=Export-related Measures, OTH=Other Measures.

The picture which emerges from Figure 1 is that the largest number of NTMs are TBT and SPS. While TBT is present across most product categories, SPS measures apply mainly to agricultural products and chemical products. The relatively large prevalence of TBT and SPS is valid for all countries. However, in certain cases, other NTMs such as Quality Control, Price Control and Export-related Measures are also a significant part of the NTM regime.

Countries with the largest number of NTMs

Among the countries covered in this Report, those with the largest number of NTMs are China, US,

Republic of Korea, Australia, Japan, Brazil and Thailand. These countries are also among those with the largest number of NTMs for most product categories (Table 2).

China, US, South Korea and Australia figure among the top users of NTMs for most product categories. Japan and Brazil are also among high NTM users in several product categories. Saudi Arabia, Thailand, Malaysia, Vietnam, Indonesia and UAE have a high incidence of NTMs for some products such as agricultural products and more traditional export items from developing countries.¹¹

It is noteworthy that the EU is not among those with the largest number of NTMs. However, as shown in the discussion on the EU, its NTM regime is seen to impose TBT and SPS measures which are considered by exporters to be stringent, difficult to meet and with increasingly higher standards replacing existing ones.

¹¹Examples are HS Sections 1 to 4, 8, 12 and 14.

Table 2. Economies with largest number of NTMs in different product categories (HS Sections)

HS Section	Product description	Top Five Countries: Number of NTMS
1	Live animals and products	USA, China, Australia, South Korea and Thailand
2	Vegetable product	USA, China, South Korea, Australia and Brazil
3	Animal and vegetable fats, oils and waxes	China, South Korea, Australia, USA and Thailand
4	Prepared foodstuff, beverages, spirits, vinegar, tobacco	USA, China, Thailand, Australia and Malaysia
5	Mineral products	China, USA, Japan, South Korea and Australia
6	Products of the chemical and allied industries	China, USA, Japan, Australia and Brazil
7	Resins, plastics and articles, rubber and articles	South Korea, China, USA, Japan and Brazil
8	Hides, skins and articles, saddlery and travel goods	South Korea, China, Japan, Saudi Arabia and USA
9	Wood, cork and articles, basket-ware	China, USA, Japan, South Korea and Australia
10	Paper, paperboard and articles	China, South Korea, Japan, USA and Australia
11	Textiles and articles	China, USA, South Korea, Australia And Brazil
12	Footwear, headgear, feathers, artif. flowers, fans	China, South Korea, Saudi Arabia, USA and Australia
13	Articles of stone, plaster, ceramic prod., glass	China, South Korea, USA, Japan and Australia
14	Pearls, precious stones and metals, coin	China, South Korea, UAE, Japan and Indonesia
15	Base metals and articles	China, South Korea, USA, Japan And Brazil
16	Machinery and electrical equipment	China, USA, Australia, Japan and South Korea
17	Vehicles, aircraft and vessels	China, Australia, USA, South Korea and Brazil
18	Instruments, clocks, recorders and reproducers	China, South Korea, USA, Japan and Brazil
19	Arms and ammunition	China, USA, Japan, South Korea and Vietnam
20	Miscellaneous manufactured articles	China, South Korea, USA, Australia and Japan
21	Works of art and antiques	China, USA, Vietnam, Saudi Arabia and South Korea

Source: TRAINS, UNCTAD

HS sections with a relatively larger incidence of NTMs

The analysis of NTM data indicates the sectors which have a higher incidence of such measures and others which have a relatively lower number of NTMs. Table 3 shows the percentage distribution of NTMs across different product categories, for two sets of export destinations – the top 5 and top 20 export destinations for India's merchandise exports. It is interesting to note that the distribution of the

sectors in terms of the proportion of total NTMs affecting India's exports is similar for both these categories, i.e. top 5 and top 20 export destinations of India.¹²

Trade restraints identified by Indian exporters

Part I has discussed various aspects of the feedback from a survey of exporters seeking information on their concerns arising due to NTMs in export markets. The exporters reported NTM-related

Table 3. Percentage of NTMs in different product categories as a percentage of total for all categories for top export destinations of India (%)

Product description	India's Top 5 Export Destinations	India's Top 20 Export Destinations
ALL CATEGORIES	100	100
Mineral products	26.5	26.7
Vegetable products	18.9	22.6
Products of the chemical and allied industries	17.2	19.5
Prepared foodstuff, beverages, spirits, vinegar, tobacco	18.8	19.5
Pearls, precious stones and metals, coins	19.6	17.4
Machinery and electrical equipment	7.5	8.3
Resins, plastics and articles, rubber and articles	7.1	7.6
Live animals and products	5.4	7.3
Hides, skins and articles, saddlery and travel goods	6.2	7.2
Footwear, headgear, feathers, artif. flowers, fans	7.4	7.2
Paper, paperboard and articles	7.0	7.1
Arms and ammunition	6.1	6.7
Base metals and articles	5.6	5.2
Textiles and articles	3.8	4.1
Instruments, clocks, recorders and reproducers	3.6	3.9
Vehicles, aircraft and vessels	3.0	3.2
Articles of stone, plaster, ceramic prod., glass	2.7	2.8
Animal and vegetable fats, oils and waxes	2.3	2.6
Miscellaneous manufactured articles	2.1	2.3
Wood, cork and articles, basket-ware	1.9	2.0
Works of art and antiques	1.8	1.7

Source: TRAINS, UNCTAD

¹²The NTMs for food and vegetables and products are high because both SPS and TBT apply to these product categories.

problems for many more export markets than those covered in this Report (i.e. Part II). They did cover several of the main export markets of India in their responses, which are summarised in the 'Overview' discussion for individual export markets. In addition, the NTMs identified by exporters during the discussion organised by Export Promotion Councils are mentioned as specific trade concerns and are listed in the discussion of NTMs imposed by individual export markets.

Table 4 below provides a comprehensive summary of the NTMs mentioned by the Indian exporters who took part in the survey. More details of the survey results are discussed in the preceding part of this

Report (i.e. Part I). Here, Table 4 shows the broad features of NTM-related problems faced by Indian exporters. This will provide a background for the detailed discussion of NTMs in each major export market of India.

Some of the concerns mentioned in Table 4 cover more than one aspect of NTMs. For example, concerns relating to regulatory requirements and stringent conditions would also cover import licensing, Customs procedures, prior approval and/or Customs clearance. Thus, the information in Table 4 should be seen in terms of the overlapping impact of NTMs that create complications at different levels or stages of the international trade process.

Table 4. Feedback from Indian exporters on NTMs faced by them in markets abroad

Customs duties and charges	Sector
High Customs duties and charges (Competing countries with Free Trade Agreements benefit them in such situations)	Agriculture products, Food products, Seafood, Leather and Footwear, Garments/Apparel, Textiles, Gems and Jewellery, Engineering products, Electronic equipment, Chemicals
Frequent changes in Customs duties	Seafood
Prior Approval/Registration	
Burdensome prior approval requirement, new exporters face problems getting approvals for selling goods	Chemicals
Increased requirements due to production, storage and handling facilities to be registered with FDA and advance notice to FDA for exports	Food products
Quarantine and risk analysis permission difficult	Agriculture products
Pre-shipment requirements	
Pre-shipment requires many documents and formalities, Pre-shipment requirements burdensome and lengthy	Food products, Leather and Footwear, Textiles, Chemicals
Customs Valuation	
Problems arising from Customs valuation	Agricultural products, Food products
Customs Procedures	
Difficulties with Customs procedures	Food products, Leather and Footwear, Garments/Apparel, Engineering products, Chemicals

Customs Procedures	Sector
Customs clearance and inspection processes are lengthy and complicated	Garments/Apparel, Oil and Gas, Gems and jewellery
Documentation requirements create problems	Food products, Leather and Footwear, Gems and Jewellery
Problems with clearance procedures	Electronic Equipment
Standards/Regulatory Requirements	
Complex and stringent standards/regulatory requirements. Adds to cost and operational difficulties	Food products, Seafood, Leather and Footwear, Garments/Apparel, Textiles, Pharmaceuticals, Paper, Engineering products, Electronic equipment, Chemicals
Changes in regulations without adequate basis. Sometimes changes made frequently. Adds to cost and operational difficulties	Food products, Garments/Apparel, Engineering products, Electronic equipment, Chemicals
Non-harmonised charges/regulations/procedures	Food products, Leather and Footwear, Textiles, Gems and Jewellery, Pharmaceuticals, Electronic equipment
Non-transparent, discretionary, restrictive procedures and standards and conformity assessment procedures resulting in higher costs and more time compared to internationally recognised standards	
Very strict implementation of regulatory conditions (full consignment returned even if one small part does not meet requirement)	Food products, Chemicals, Garments/Apparel
Transportation, quality and regulations vary by locality and mark-ups at various stages push up a product's final cost	Pharmaceuticals
Impractical plant quarantine procedures including zero tolerance for insects/pests. Consignments refumigated despite SPS certificates, detailed labelling requirements with extensive products/content description, standards and product registration requirements cumbersome or unclear	Food products
Difficult testing procedures	Food products, Garments/Apparel
Rejection of product without due reason or due to presence of antibiotics and pathogenic bacteria but not substantiated with technical standards	Seafood
Major import restrictions on certain products	Leather products, Garments/apparel
Conditions getting complicated day by day	Agriculture products

Standards/Regulatory Requirements	Sector
Not agreed to recognition of EIC certification on account of the costs and the complications involved	Seafood
Additional trade documents and certificates required	Seafood, Textiles
Packing and labelling are complicated. Requirement of complete details of the materials before the products are packed	Seafood, Leather and footwear, Engineering products
Clearance procedures take time	Food products, Electronic equipment, Chemicals
Very stringent imposition of SPS and TBT conditions	Seafood, Electronic equipment, Chemicals
Testing and certification procedures are highly restrictive in terms of time frames and cost of compliance	Electronic equipment
Enhanced sampling frequency (50%) even when the establishments meet high standards, re-listing of the de-listed establishments is not done even when all actions are completed against the Rapid Alert System for Food and Feed (RASFF), establishments are de-listed even for sea-caught material when the compliance standard relates to antibiotic residue in aquaculture	Marine products
Obtaining new licence is a complicated process	Seafood, Garments/Apparel
Import Quotas/Licensing	
Import quota is small	Food products (rice, mangoes), Leather and Footwear, Textiles
Import licences not always honoured	Agriculture products
Delays due to difficult procedures and requirements	
Delays and other difficulties due to slow, time-consuming or stringent procedures	Food products, Agriculture products, Seafood, Garments/Apparel, Textiles, Gems and Jewellery, Paper, Chemicals, Pharmaceuticals, Engineering products, Electronic equipment
Delay in clearance of chilled/frozen fish consignments (average 20-30 days), leading to demurrage and making the perishable product unfit for consumption	Marine products
Contingent Trade Protection Measures	
Anti-dumping/Countervailing duties imposed or increased	Food products, Seafood

Government Procurement	Sector
Government procurement policies are rigid or discriminatory, government procurement getting more complicated and difficult	Food products, Textiles, Pharmaceuticals, Automobiles
Non-transparent tendering process and conditions, frequent change in government procurement policy which makes the process very complicated and sometimes lengthy too	Food products
Lack of information or clarity about requirements	
Inadequate information when policies are changed	Food products, Electronic equipment, Chemicals
Not clear how to obtain and apply for licence	Food products
Sometimes relevant documents are not available on the website	Engineering products
Problems arising due to the language	
Barriers of language and geographical distribution a major hurdle	Food products, Textiles
Language problem during the Customs procedures	Food products, Leather products
Payment Risks	
Risk is involved due to uncertainty on whether or not the payment would be received after the goods reach the importer	Food products, Textiles, Engineering products
Others	
Problems related to TRQ, import quotas or import licence	Food products, Leather and Footwear, Electronic equipment
Less time than required is provided for importing the product	Food Products, Garments/Apparel, Textiles
Restriction on redistribution within importer territory market	Garments/Apparel, Textiles
Proper transportation facilities are not available	Chemicals
Price under-cutting by competitors	Agriculture products, Food products, Electronic equipment

Source: Survey of Indian Exporters

We now provide a detailed discussion of the NTM regime in the major export markets of India.

EUROPEAN UNION

TRADE

The EU is India's largest export market and the second largest source of merchandise imports. India's merchandise exports were about US\$53.60 billion in 2017-18, and imports from the EU were about US\$ 47.83 billion during the same period.

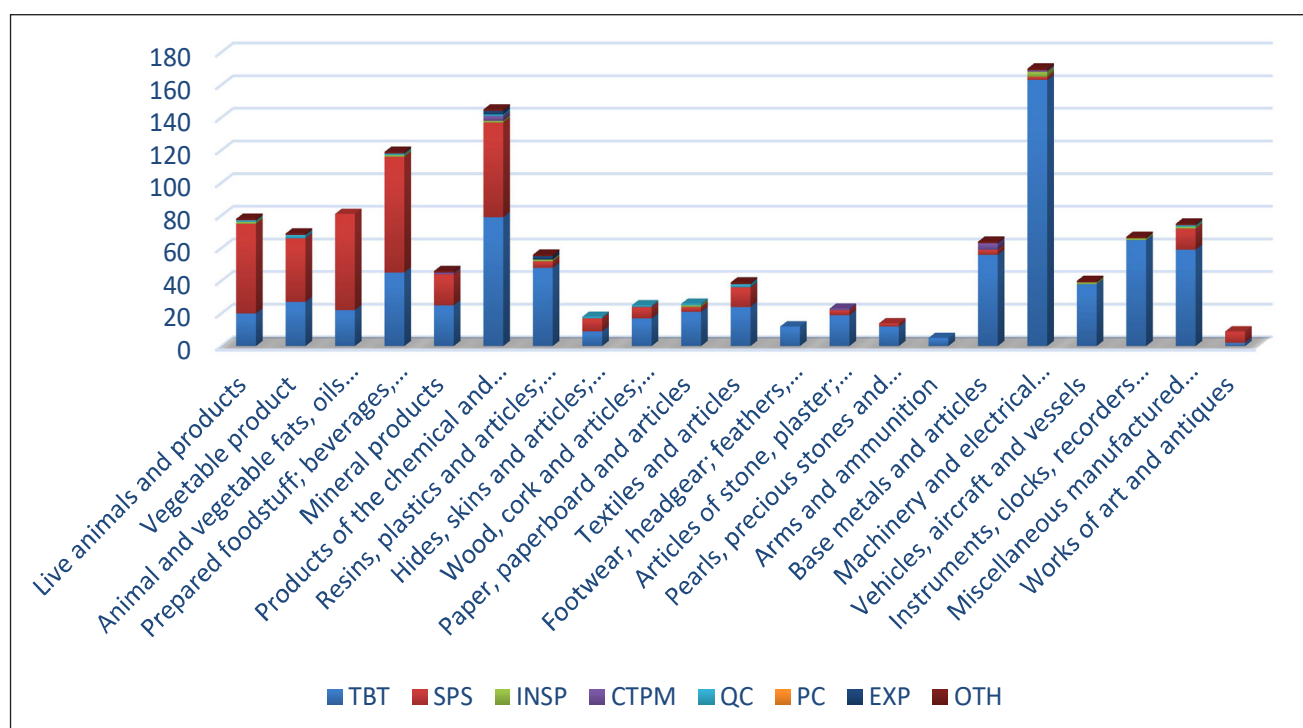
OVERVIEW

Meetings at the Ministerial or senior official level are conducted with the EU as well as a large number of individual Member States, to discuss India's trade-related concerns. Meetings with the EU and the UK are held annually (and sometimes more than once if required), while other meetings are held at least once in two years. Within the past two years, over fifteen such meetings have taken place. The most recent meeting with the EU was held in mid-November 2018.

Figure 1 shows that the EU has high NTMs in several sectors, with SPS being the dominant one in agricultural products, and TBT in sectors producing chemicals, machinery vehicles, and certain foodstuff. It is noteworthy that significant SPS measures apply also to products of the chemical sector and mineral products.

The overall trade policy is conducted at the EU level, though certain policies such as those relating to standards and labelling requirements are also decided at the Member State level. As the harmonised EU standards are fully implemented, these differences would be ironed out. However, at present there are some trade-related policies at the Member State level different from those at the EU level.

Figure 1. EU imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Notes: TBT=Technical Barriers to Trade; SPS=Sanitary Phytosanitary Measures; INSP=Pre-Shipment Inspection; CTPM=Contingent Trade Protective Measures; QC=Quantity Control Measures; PC=Price Control Measures; EXP=Export Related Measures; OTH=Other Measures.

For this Report, over 600 Indian exporters were surveyed through a questionnaire. For EU trade policies, they mentioned a substantial number of concerns, primarily related to high tariffs

and charges, and processes and requirements relating to standards. A summary of the main type of Trade Barriers faced by them is provided in Table 1 below.

Table 1. Summary of Main Trade Measures Experienced by Indian Exporters to the EU

Type of Trade Measure	Export Sector
High Customs duties and charges	Agriculture Products, Food Products, Leather & Footwear, Garment/Apparel, Textile, Gems & Jewellery, Engineering products, Electronic Equipment, Chemical
Frequent changes in Customs duties	Sea Foods
Concerns with pre-shipment requirements	Leather & Footwear, Textile
Customs valuation	Food Products
Difficulties with Customs procedures	Food Products, Leather & Footwear, Garment/Apparel, Engineering products, Chemical
Price under-cutting by competitors	Agriculture products, Food Products, Electronic Equipment
Problems related to TRQ, import quotas or import licence	Food products, Leather & Footwear, Electronic Equipment
Complex and stringent standards/regulatory requirements. Adds to cost and operational difficulties.	Food Products, Sea Foods, Leather & Footwear, Garment/Apparel, Textile, Pharmaceuticals, Paper, Engineering products, Electronic Equipment, Chemical
Rejection of product without due reason	Sea Foods
Difficult testing procedures	Food Products, Garment/Apparel
Delays and other difficulties dues to slow or strict procedures	Food Products, Garment/Apparel, Textiles, Gems & Jewellery, Paper, Engineering products, Chemical
Less time provided for importing the product than is required	Food Products, Garment/Apparel, Textiles
Non-harmonised charges/regulations/procedures in Member countries	Food Products, Leather & Footwear, Textiles, Gems & Jewellery, Pharmaceuticals, Electronic Equipment
Changes in regulation without adequate basis. Sometimes changes made frequently. Adds to cost and operational difficulties	Food Products, Garment/Apparel, Engineering products, Electronic Equipment, Chemical
Documentation requirements create problems	Food Products, Leather & Footwear, Gems & Jewellery
Need for mutual agreement	Food Products
Government procurement policies are rigid	Textile
Sometimes relevant documents are not available on the website	Engineering products
Barriers of language and geographical distribution also a major hurdle	Textiles
Others	Food Products Leather & Footwear

Source: Field Survey of Indian Exporting Firms

Trade-related concerns about the EU market mostly emerge from the export sectors which have a relatively high incidence of NTMs shown in Figure 1.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

India's discussions with the EU focus mainly on addressing specific issues relating to TBT and SPS. Progress has been made on some items in these meetings, but more needs to be done to improve the trade conditions that have been adversely affected by the extensive and highly detail-oriented TBT/SPS regime of the EU.

EU has an extensive system and requirements for technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS). In WTO, during 1995-2018, the largest number of specific trade concerns have been raised regarding the TBT and SPS policies of the EU. These concerns raise a number of operational problems for exporters to the EU. Complications arise due to the requirements which keep being updated, making them go much beyond international standards. There are variations in certain cases across Member States. The standards are created through processes that are not always adequately inclusive. The certification process is expensive, and testing or conformity assessment facilities are limited in a number of instances. The exporters have to meet very detailed requirements for monitoring, assessment and record-keeping in many cases. These requirements are particularly burdensome for small and medium enterprises.

The EU approach has been criticised by India and several other countries within the WTO, as it uses a 'hazard-based cut-off criteria' approach for its regulation¹³ which 'would disrupt international trade without providing a meaningful benefit to public health. Further, this approach would not include

a risk assessment, and has left open the scope for the interpretation of "negligible risk" and other terms, which would result in lack of clarity in its implementation'.¹⁴

Policies addressing safety requirements and environmental objectives are in place for several products, for example, toys (including on products or substances that are contained in toys, such as phenol, bisphenol, phthalates, flame retardants), and certain metals and chemicals, azo dyes, cosmetic products, jewellery (lead in jewellery), radio equipment, electrical equipment, materials that would come in contact with food, feeding bottles, packaging and packaging waste.

The EU has a number of restrictions on waste management, together with regulations and directives for environmental protection. Important implications arise particularly for a wide range of consumer goods and consumer electronics. Examples include the Directive 2012/19/EU of 4 July 2012 on waste electrical and electronic equipment (WEEE), and Directive (EU) 2017/2102 on hazardous waste.

Wide-ranging packaging, labelling and marking requirements are in place for the restricted products, including chemicals, textiles, food items (with particular emphasis on food for children and medicinal purposes), energy-related products, and electronic and electrical equipment.

The TBT and SPS measures on India's top 5 export categories are shown in Tables 2 and 3. Some of the top export categories of India to the EU have a high incidence of TBT measures. Fewer top exports sectors are subject to SPS measures because India's top export products to the EU do not include agricultural items.

¹³Details on this matter are provided in WTO Document G/SPS/GEN/204/Rev.18, dated 20 February 2018. Examples include the views presented in paragraph 2.237 of this WTO document.

¹⁴Ibid., India's views are shown in paragraph 2.245 of the WTO document.

Table 2. TBT Measures on India's Top 5 Product Categories Exported to the EU

Classification	NTMs
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B7, B82, B83, B84, B89, B31, B859, B32, B15, B85, B33, B22, B853, B852, B9, B6, B14, B41	Product quality or performance requirement, Testing requirement, Certification requirement, Inspection requirement, Conformity assessment related to TBT n.e.s., Labelling requirements, Traceability requirements n.e.s., Marking requirements, Registration requirement for importers for TBT reasons; Traceability information requirements, Packaging requirements, Restricted use of certain substances, Distribution and location of products after delivery, Processing history, TBT Measures n.e.s., Product identity requirement, Authorization requirement for TBT reasons, TBT regulations on production processes
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins.
B22+F20:G28, B11, B84, B31, B33, B14, B15, B83, B7	Restricted use of certain substances, Prohibition for TBT reasons, Inspection requirement, Labelling requirements, Packaging Requirements, Authorization requirement for TBT reasons, Registration requirement for importers for TBT reasons, Certification requirement, Product quality or performance requirement
	HS Chapter 29: Organic Chemicals
B31, B15, B11, B14, B83, B851, B19, B42, B33, B84, B6, B7	Labelling requirements, Registration requirement for importers for TBT reasons, Prohibition for TBT reasons, Authorization requirement for TBT measures, Certification requirement, Origin of materials and parts, Prohibitions/ restrictions of imports for objectives set out in the TBT Agreement n.e.s., TBT regulations on transport and storage, TBT regulations on transport and storage, Inspection requirement, Product identity requirement, Product quality or performance requirement
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B14, B83, B31, B851, B7, B11, B21, B84, B33, B15	Authorisation requirement for TBT measures, Certification requirement, Labelling requirements, Origin of materials and parts, Product quality or performance requirement, Prohibition for TBT reasons, Tolerance limits for residues of or contamination by certain substances, Inspection requirement, TBT regulations on transport and storage, Registration requirement for importers for TBT reasons
	HS Chapter 62: Articles of apparel and clothing accessories not knitted or crocheted
B14, B22, B84, B83, B7, B11, B42, B82, B31, B32	Authorisation requirement for TBT measures, Restricted use of certain substances, Inspection requirement, Certification requirement, Product quality or performance requirement, Prohibition for TBT reasons, TBT regulations on transport and storage, Testing requirement, Labelling requirements, Marking Requirements

Source: TRAINS, UNCTAD

Note: For details of the classifications, see

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Table 3. SPS Measures on India's Top 5 Product Categories Exported to the EU

Classification	NTMs
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
A31	Labelling requirements
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins
A31, A22	Labelling requirements, Restricted use of certain substances in foods and feeds
	HS Chapter 29: Organic Chemicals
A42	Hygienic practices during production
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
A15, A19, A83, A84	Registration requirements for importers, Prohibitions or restrictions of products or substances because of SPS reasons n.e.s., Certification requirement, Inspection requirement
	HS Chapter 62: Articles of apparel and clothing accessories not knitted or crocheted.
-	No measures

Source: TRAINS, UNCTAD

Note: For details of the classifications, see

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

The CE marking¹⁵ is mandatory for a large number of products¹⁶ and must be affixed to the product before it is placed on the market. This marking indicates that the products are presumed to conform to the provisions in all the relevant directives.

TECHNICAL BARRIERS TO TRADE

Since 2017, the EU has made 227 TBT notifications to the WTO. They cover chemical substances and technologies, single use plastic products, new motor vehicles and their trailers, wine products, cosmetics, food, children's toys, many kinds of pesticides, hazardous substances, quiet road transport vehicles, alcoholic beverages, biocidal products, unmanned aircraft products, heavy

duty vehicles or engines, welding equipment, construction products, refrigerating appliances with a direct sales function, washing machines, electric motors, electronic displays, light sources, power transformers, motor vehicles, raw and processed agriculture and aquaculture products which are organically produced, electrical and electronic equipment, ICT products, fruits and vegetables, chemical substances, certain toxic products, labelling requirements, and many more.

The objectives addressed by these TBTs include protection of human health and safety, protection of the environment, quality requirements, consumer information and labelling, standardisation, reducing trade barriers and facilitation.

¹⁵<http://www.ce-marking.org/what-is-ce-marking.html>

¹⁶For instance, manufacturing products include Active implantable medical devices, Appliances burning gaseous fuels, Cableway installations designed to carry persons, Construction products, Eco-design of energy related products, Electromagnetic compatibility, Equipment and protective systems intended for use potentially explosive atmospheres, Explosives for civil uses, Hot-water boilers, In vitro diagnostic medical devices, Lifts, low voltage electrical equipment, Machinery, Measuring Instruments, Medical devices, Noise emission in the environment, Personal protective equipment, Pressure equipment, Pyrotechnics, Radio equipment, Recreational craft, Restriction of Hazardous Substances in Electrical and Electronic Equipment, Safety of toys, Simple pressure vessels. See, https://ec.europa.eu/growth/single-market/ce-marking/manufacturers_en

The EU and its Member States have extensive standards to meet environmental and safety (including waste disposal) objectives. Regarding environmental objectives, a particular focus is on 'energy-related products'. The definition of energy-related products is very broad and has a potentially large and indeterminate coverage.¹⁷ Further, these effects are considered over the life-cycle of the product.

Products are periodically identified for evaluation in order to add them to the list of energy-related products. Certain energy-related products which are sold in large quantities, i.e. more than 200,000 units within the EU, are potentially part of a list subject to implementing measures which assess among others, the environmental impact of the identified products. Implementing measures are presently specified for 24 products: air conditioners and comfort fans, air heating and cooling products, circulators, computers, domestic cooking appliances, electric motors, external power supplies, household dishwashers, household tumble dryers, household washing machines, industrial fans, lighting products in the domestic and tertiary sectors, heaters and water heaters, power transformers, professional refrigerated storage cabinets, refrigerators and freezers, simple set-top boxes, solid fuel boilers, standby and off mode electric power consumption of household and office equipment and network standby, televisions, vacuum cleaners, ventilation units, and water pumps.¹⁸ Several of these are of export interest for India.

TBT-specific trade concerns raised at the WTO:

India has raised a number of specific trade concerns regarding the EU's technical barriers to trade

in the past two years. These include: Revised proposal for the categorisation of compounds as endocrine disruptors dated 19 February 2013 by DG Environment; Laws, regulations, procedures and guidelines on marketing authorisation for medicinal products; and the Regulation on the Registration, Evaluation and Authorisation of Chemicals (REACH).

Earlier in 2014-2015, India has raised concerns about the withdrawal of equivalence for processed organic products, and Italy's testing requirement on import of steel cutlery products.

In the WTO's Committee on TBT, India has bilaterally raised two issues with the EU in 2018. One is the RAPEX alert de-notification for incense sticks (Italy) and the other relates to endocrine disruptors. The following points are noteworthy regarding the RAPEX alerts:

Multiple RAPEX alerts on Indian incense have been issued in Italy over the past few years. All RAPEX alerts on Indian incense give benzene and toluene emissions as the main reason for the alert. On May 15, 2017, an Italian court ruled in favour of Indian incense, stating that the levels of benzene and toluene emissions are not toxic for human health and safety. India has raised this issue as recently as November 2018, seeking resolution. The incense industry in India says that issuing a RAPEX alert is both discriminatory and inconsistent with technical standards. They point out that the laboratory tests did not establish any violation. Further, Indian Incense (agarbattis) are given less favourable treatment than that accorded to other like products such as scented candles and combustible air fresheners which are more popular in the European market than Indian incense

¹⁷ Article 2[1] of Directive 2009/125/EC defines energy related product as: "Any good that has an impact on energy consumption during use which is placed on the market and/or put into service, and includes parts intended to be incorporated into energy-related products covered by this Directive which are placed on the market and/or put into service as individual parts for end-users and of which the environmental performance can be assessed independently." <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:285:0010:0035:en:PDF>

¹⁸ Article 2[1] of Directive 2009/125/EC defines energy related product as: "Any good that has an impact on energy consumption during use which is placed on the market and/or put into service, and includes parts intended to be incorporated into energy-related products covered by this Directive which are placed on the market and/or put into service as individual parts for end-users and of which the environmental performance can be assessed independently." <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:285:0010:0035:en:PDF>

Relevant concerns raised by other nations: Other nations have raised some TBT-related trade concerns in WTO about EU's TBT policy and measures, which would be relevant for India as well. These include: Application of Regulation 1169/2011 and Regulation (EC) No. 1924/2006 for labelling of food products, Draft Implementing Regulations amending Regulation (EC) No. 607/2009 laying down detailed rules for the application of Council Regulation (EC) No 479/2008 on protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products, Regulation of the European Parliament and of the Council on rules and procedures for compliance with and enforcement of Union harmonisation legislation on products and amending relevant regulations, Quality Schemes for Agricultural Products and Foodstuffs, Organic production and labelling—Maté and, Italy—Labelling requirements of the origin of grains used in the preparation of dried pasta.

Other general trade-related concerns: The main general concerns regarding EU's TBT policies include:

Difficulties due to cumbersome standards and conformity assessment procedures: The EU's emphasis on following European regional standards and not international standards for the same product creates additional burden and confusion. Further, the EU keeps shifting the goal post for standards-related requirements and/or processes over time, making it more and more difficult for exporters even if they meet international standards. The 'New Legislative Framework' of the EU and the standards developed under that have created even more detailed requirements that have to conform to the region-specific conditions. The exporter has to maintain meticulous and detailed records/paperwork but approval still remains uncertain because it is unclear what detail of the records would suffice to meet the requirements (more detail below).

Limited number of companies that perform conformity assessment: The conformity assessment process for EU can be performed only in a limited number of places.

Extensive requirement for documentation and record-keeping: A number of EU's regulatory processes require detailed information and processes that involve extensive monitoring, evaluation and follow-up. For example, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation stipulates several requirements, including that EU manufacturers and importers of chemical substances (whether on their own, in preparations or in certain articles) to gather comprehensive information on the properties of their substances produced or imported in volumes of 1 tonne or more per year, and to register such substances prior to manufacturing in or import into the EU.

If the exporter does not have certification for meeting the relevant EU standard, then detailed records have to be kept to show that all the required steps have been taken and all procedures followed. Despite this, there is no certainty that the EU authorities would approve of these. The requirement for detailed and extensive information is necessary to meet several standards, both for TBT and SPS. This system is especially cumbersome for small and medium enterprises.

More clarity required for the processes being followed by EU: Even developed economies such as the US have found that the recent regulatory processes of the EU 'lack clarity and efficacy with respect to ensuring that technical regulations, guides, or recommendations within the scope of the WTO Agreement on Technical Barriers to Trade (TBT Agreement) are properly notified.'¹⁹

Indian exporters find TBT measures extremely burdensome in terms of costs as well as the

¹⁹Page 155, USTR's 2018 National Trade Estimate Report on Foreign Trade Barriers.

detailed procedures involved. Examples from some sectors are given below, based on the experience of Indian exporters as well as those from some other countries.

Chemicals: Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) imposes major obligations on the producers and exporters. It has a wide-ranging impact because each entity registering a chemical under the legislation must account for the uses of that chemical in the products it places or intends to place on the EU market. The information relating to the EU processes and products being evaluated for its potentially hazardous effect is not available to all potential exporters. Greater transparency would be useful for the exporters, particularly those from developing countries.

Cosmetics: Regulation (EC) No. 1223/2009 of 30 November 2009 is the main framework regulation for cosmetics. This has been amended several times, including four times in 2018.²⁰ Risk assessment of the ingredients used in cosmetics is conducted by EU's Scientific Committee on Consumer Safety (SCCS). This assessment determines the EU policy on restrictions applied to cosmetics. Greater transparency and inclusiveness of the SCCS process would help to clarify key concerns and suggest ways in which the process may be facilitated.

The most recent regulation restricts the use of Biphenyl-2-ol and its salts, specifying maximum concentration levels for these products.²¹ From 17 June 2019 onwards, cosmetic products not meeting the requirements for Biphenyl-2-ol, Sodium 2-biphenylate, Potassium 2-biphenylate or 2-aminoethan-1-ol; and 2-phenylphenol as preservatives, cannot be placed in the EU market. From 17 September 2019, these products are prohibited in the EU market.

Standards at the Member States Level: In certain cases, EU Member States have additional requirements which create complications for the exporter. Examples include waste management policies, labelling policies and sustainability requirements. An example is Netherlands' Sustainable Trade Initiative (IDH) standards for soybeans and the Forest Stewardship Council (FSC) standards for wood pellets. These provisions require cumbersome certification requirements.

Member State Measures:

Pharmaceutical Products: Several Member State policies affect market access for pharmaceutical products, including non-transparent procedures and a lack of meaningful stakeholder-input into policies related to pricing and reimbursement, such as therapeutic reference pricing and other price controls. Such policies reportedly create uncertain and unpredictable conditions for investment in these markets and can undermine incentives to market and innovate further. These policies have been identified in several Member States, including: Austria, Belgium, Cyprus, the Czech Republic, France, Hungary, Italy, Lithuania, Poland, Portugal, Romania and Slovakia.

Country of Origin Labelling (COOL) in Member States: Eight EU Member States have launched national mandatory labelling schemes for certain food products. These are Finland, France, Greece, Italy, Lithuania, Romania, Spain and Portugal.²² Most of the schemes launched by the Member States are announced on a two-year trial basis.

The rules for indicating the country of origin or place of provenance of the primary ingredient of a food were notified in May 2018, and the legal Act will apply from 1 April 2020.

²⁰https://ec.europa.eu/growth/sectors/cosmetics/legislation_en

²¹Commission Regulation (EU) 2018/1847, dated 26 November 2018. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.300.01.0001.01.ENG&toc=OJ:L:2018:300:TOC

²²More details are in Table 1 of the document at [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625182/EPRS_BRI\(2018\)625182_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625182/EPRS_BRI(2018)625182_EN.pdf)

The COOL scheme applies to different kinds of ingredients and finished products. Different Member States will not implement this from the same date nor have similar labelling contents. On 4 January 2017, the EU Commission published a draft implementing regulation laying down common rules regarding the indication of the country of origin or place of provenance of primary ingredients.

The main products covered are milk and milk used in dairy products, meat used in processed foods, as well as fresh, chilled and frozen pork, sheep and goat meat and poultry (unprocessed meat).²³ The information required could include for example the country of birth, fattening and slaughter of animals, country of milking, packaging or processing for dairy products and country of cultivation and processing for wheat.

Another concern is that some of the measures could selectively eliminate the requirements for processed foods produced in EU Member States, Turkey, or EFTA countries that are part of the European Economic Area, and thus be unfairly biased towards them.

Concerns raised by Indian exporters: Discussions with Indian exporters show some additional concerns with EU TBT policies. These include:

Automotive components:

- According to the new set of rules under GSP (Generalised Systems of Preferences) the exporters to EU have to self-certify the origin of content. Any error in the procedure could lead to rejection of products and blacklisting. Earlier the rules under GSP allowed exporters to get their products certified by accredited agencies. Given the change in rule, and lack of clarity on the self-certification process, a solution acceptable to both parties needs to be found.
- Due to the strict safety and emission norms in EU, and a lack of consensus between EU members

regarding some regulations, foreign exporters are forced to develop different products for different markets, making production less economical and complex.

- High automotive regulatory standards are applied in Germany, which leads to additional cost burdens and import restrictions. Further a foreign supplier has to provide a guarantee that he/she will provide an adequate supply of imported parts while entering the market. Distributors are reluctant to take new products from foreign players unless the manufacturer guarantees that significant investment has been made for the production of the particular automotive part.

Pharmaceutical Products

Delay in the exported consignments reaching the market: EU conducts a lab analysis of each batch of pharmaceutical products imported at the port itself. This delays the entry of the product into the market, sometimes even by 2-3 months. Other major regulatory agencies like USFDA permit the entry of consignments based on the exporting company's self-certification. There is no reason why EU cannot adopt a similar practice.

High cost of meeting technical and procedural requirements:

- Generic formulation dossiers may need to be frequently changed even after market authorisation. To get all such changes ratified, they have to be filed along with the prescribed fee. The fee levied in such cases becomes very high when authorisation from multiple countries is required for a product. Besides, every post-approval safety review (PASR) has to be ratified through a format called '1b' showing the compliance of safety approval. The fee levied in such cases is very high and varies from country to country.

²³[http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625182/EPRS_BRI\(2018\)625182_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625182/EPRS_BRI(2018)625182_EN.pdf)

- Sometimes the address of the manufacturing site changes due to administrative procedures of the local government of the State/city even though a physical shift is not involved. Examples include a change in address on account of bifurcation of States or reorganisation of districts in a State. Recently 10 districts of Telangana were reorganised into 31 districts, resulting in a change in administrative addresses of all the manufacturing units situated in Telangana State. Such changes in address are considered by the EU in the same way as a physical shift of the site and a fee is levied accordingly. This increases cost of exports and a reasonable approach needs to be developed to avoid such costs.

SANITARY AND PHYTOSANITARY BARRIERS

Since 2017, EU has submitted 193 SPS notifications to WTO. They covered live animals and animal products, cereals, novel foods, animals, products of animal origin, preparations used in animal feeding, wine products, edible vegetables and certain roots and tubers, food products, composite products, hay and straw, food additives, edible fruits and nuts, materials and articles in contact with food including catering containers and materials in contact with drinking water, pesticide active substances, broiler meat, capsicum, GMOs, vegetable oils, foods for infants and young children, fine bakery products for nutritional uses, fishery products, flavouring, food, ethoxyquin as a feed additive and all types of animal feed containing ethoxyquin, preparation of a kind used in animal nutrition, meat preparations, meat products, domestic bovine animals, fresh meat of domestic bovine, ovine and caprine animals, multiple products, poultry meat, and egg products.

These notifications address objectives relating to food safety, plant health, human health, animal health, animal feed, feed additives, polychlorinated

biphenyls, pesticides, maximum residue limits (MRLs), contaminants, dioxins, aflatoxins, mycotoxins, salmonella, escherichia coli, adoption and/or entry into force of the regulation, invasive species, territory protection, bacteria, modification of content/scope of regulation, animal diseases, Bovine Spongiform Encephalopathy (BSE), Transmissible Spongiform Encephalopathy (TSE), zoonoses, labelling, packaging and certification, control and inspection.

India discusses its concerns regarding EU's sanitary and phytosanitary measures at bilateral as well as multilateral meetings. In its recent meetings, India has discussed SPS issues related to a number of products including rice, organic products, processed food, soybeans, peanuts, and costs of certification.

SPS-related specific trade concerns raised at WTO:

India has raised a number of specific trade concerns relating to EU's SPS measures. India's specific trade concerns about the EU's SPS policy that have been raised in the last two years include the application and modification of the EU Regulation on novel foods, EU's revised proposal for categorisation of compounds as endocrine disruptors, and maximum residue levels (MRLs) for buprofezin, diflubenzuron, ethoxysulfuron, ioxynil, molinate, picoxystrobin and tepraloxym.

Other concerns raised in recent years (in 2016) include a ban on mangoes and certain vegetables from India, the withdrawal of equivalence for processed organic products, and MRLs for bitertanol, tebufenpyrad and chlormequat. The first two were raised by India at the WTO, within the past two years.

These wide-ranging policies have a potential impact on several products. India is one of several countries that raised concerns regarding such policies at WTO, e.g. with reference to the hazard-based cut-off criteria used for Categorisation of Compounds

as Endocrine Disruptors²⁴, and Pesticide Maximum Residue Limits.²⁵

Endocrine Disruptors: The EU has the authority to make some products ineligible for authorisation, without risk assessment. This results in trade restrictions on products which are considered safe and used widely in other jurisdictions, including other developed economies. The EU has made efforts to devise scientific criteria for its policy implementation. In this context, it has engaged simultaneously on the issue of biocidal (BP) and plant protection products (PPP).²⁶ The BP criteria have been published and have been in effect from 7th June 2018 onwards.²⁷ The PPP criteria too have been published and have been in effect from 10th November 2018.²⁸ However, the conditions specify a scientific weighing method, which the EU, on several instances in the past, has interpreted narrowly and in a trade-restrictive manner deviating from other internationally accepted practices. This exercise too would be based on weightage given to different factors, positive and negative, and may emerge with unpredictable and conservative conclusions.²⁹

Pesticide Maximum Residue: An example of this conservative approach is the fixing of Pesticide Maximum Residue Limits (MRLs) by the EU. MRLs are established based on a risk-based process³⁰ under a separate legislation, Regulation (EC) No.

396/2005, which is risk-based and not hazard-based. However, for products not approved under the approval criteria under Regulation 1107/2009, the EU has the authority and mandate to ignore the risk assessment process and automatically reset MRLs and import tolerances to the default level of 0.01 mg/kg. This is commercially not viable.

Default MRLs: Notably, MRLs apply to 315 fresh products and to these same products after processing, taking into account the changes they undergo during the process. The legislation covers around 1,100 pesticides currently or formerly used in agriculture in or outside the EU. A general default MRL of 0.01 mg/kg applies where a pesticide is not specifically mentioned.

It is in this context, that the US has stated that it is 'concerned about a number of measures the EU maintains ostensibly for the purposes of food safety and protecting human, animal, or plant life or health. Specifically, the United States is concerned that these measures unnecessarily restrict trade without furthering their safety objectives because they are not based on scientific principles, maintained with sufficient scientific evidence, or applied only to the extent necessary'.³¹

REFIT Evaluation of these Regulations: Recently, the EU's legislation on plant protection products and pesticides residues (Regulation (EC) No. 1107/2009

²⁴Specific trade concerns were raised by Argentina, China, India, and US. They were supported by Australia; Benin; Brazil; Burkina Faso; Burundi; Canada; Central African Republic; Chile; Colombia; Costa Rica; Dominican Republic; Ecuador; Egypt; The Gambia; Ghana; Guatemala; Guinea; Indonesia; Jamaica; Kenya; Korea, Republic of; Madagascar; Malaysia; Mexico; New Zealand; Nigeria; Pakistan; Panama; Paraguay; Peru; Philippines; Senegal; Sierra Leone; South Africa; Chinese Taipei; Thailand; Togo; Uruguay; Viet Nam; and Zambia. <http://spsims.wto.org/en/SpecificTradeConcerns/View/382>

²⁵Specific trade concerns were raised by Argentina, China, Côte d'Ivoire, Ecuador and India. These were supported by Brazil, Pakistan and Thailand. The US has also raised this issue in the USTR's

²⁶This was based on (EU) No. 528/2012 and (EC) No. 1107/2019, respectively for BP and PPP. These are at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012R0528> and <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32009R1107>

²⁷https://eur-lex.europa.eu/eli/reg_del/2017/2100/oj

²⁸<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R0605> and https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.111.01.0010.01.ENG

²⁹An example of the weights give to factors can be seen in Table 1 of <https://fsa.onlinelibrary.wiley.com/doi/epdf/10.2903/j.efsa.2018.5311>

³⁰Regulation (EC) No. 396/2005. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32005R0396>. This is amended by various EU Regulations which specify Minimum Residue Levels in various products. https://ec.europa.eu/food/plant/pesticides/max_residue_levels/eu_rules/mrls_2018_en

³¹Page 165 of USTR's 2018 National Trade Estimate Report on Foreign Trade Barriers.

and Regulation [EC] No. 396/2005) were evaluated under the Regulatory Fitness and Performance (REFIT) process.³² To quote from the Executive Summary of the evaluation³³: *'The study finds that the two Regulations are overall effective and relevant. ... Still, there is room to improve. ... there is still no cumulative risk assessment in place to assess acceptable MRLs for combinations of pesticides in food ... The benefits of Regulation 396/2005 clearly outweigh costs. ... Regulation 1107/2009 ... It is particularly difficult for smaller companies to meet the requirements of the legislation and to bear the [associated] costs of research and development. The current data requirements and procedures are not considered to be appropriate and proportionate to low-risk biological solutions. This is a particular concern for SMEs, which are among the main innovators in this field. ... There are concerns, however, that the cut-off criteria of Regulation 1107/2009 are not coherent with the risk-based approach used in most international acts [Sanitary and phytosanitary measures (SPS) agreement, Codex Alimentarius, OECD best practices]. ... Coherence with other EU legislation could be enhanced. There are inconsistencies between Regulation 396/2005 and Regulation 609/2013 on baby food, as different MRLs for pesticide residues could be established under each Regulation. There is also an inconsistency between Regulation 1107/2009 and Regulation 528/2012 on biocidal products. As there is derogation for the hazard-based cut-off criteria in Regulation 1107/2009, an active substance could be approved under one Regulation but not under the other. There is also an overlap in the scope of application of Regulation 2003/2003 on fertilisers and Regulation 1107/2009.'*

The additional costs mentioned in the REFIT review for SMEs are even more relevant for developing

country exporters. It is hoped that the EU would take into account the areas for improvement mentioned in the REFIT evaluation and improve the system, making it more cognizant of the risk-assessment analysis and the difficulties faced by exporters.

Pathogen Reduction Treatments: The EU maintains measures that prohibit the use of any substance other than water to remove contamination from animal products unless the substance has been approved by the Commission.

EU Flavourings: The food industry can only use flavouring substances that are on the EU list. Periodically, substances are deleted from the list, even if some of these may be recognised as safe in other major markets.

Onerous and costly certification requirements: The EU's detailed and complex processes create burdensome requirements which are costly and difficult, especially for developing country exporters. For instance, the requirements for the specified risk materials (SRM) certification require strict monitoring of both source inputs and the final exported product incorporate those inputs. These requirements are much more than the OIE recommendations.

Agricultural Chemicals: As mentioned above, low MRLs are specified for certain agricultural chemicals, and the changes are not always consistent across different regulations. This causes disruption, uncertainty and loss of market opportunities, in addition to an increase in operational costs for the exporters as they try to meet the new requirements. In certain cases, the new requirements are based more on the results of specific research which may not always be broad-based in terms of verification.

³²Study supporting the REFIT Evaluation of the EU legislation on plant protection products and pesticides residues (Regulation [EC] No 1107/2009 and Regulation [EC] No 396/2005), 10 October 2018. https://ec.europa.eu/food/plant/pesticides/refit_en

³³See pages 11 to 14 of <https://publications.europa.eu/en/publication-detail/-/publication/5f718af5-d349-11e8-9424-01aa75ed71a1>

Member State SPS Measures: In certain cases, Member States have their additional requirements. For example, a ban on food packaging containing Bisphenol A (BPA) in France. This is different from the view of the European Food Safety Authority (EFSA). The EFSA is now conducting an assessment of the expert studies on the toxicity of BPA, after receiving feedback from public consultations that questioned the process and basis for specifying toxicity of BPA. The EFSA's Panel on Food Contact Materials, Enzymes and Processing Aids (CEP) will re-assess the potential hazards of BPA in food and review the temporary safe level set in EFSA's previous full risk assessment from 2015. This new assessment should be ready by 2020.³⁴ In this context, the French Agency for Food, Environmental and Occupational Health and Safety (ANSES) recommended in October 2017, that the specific objective criteria set by EFSA and national health agencies be standardised, based on the results of the EFSA assessment of risks associated with BPA.

A new **Animal Health** Law was notified on 9 March 2016³⁵, to become applicable on 21 April 2021. Likewise, a new **Plant Health Law** was notified on 26 October 2016³⁶, to become applicable from 14 December 2019. The exception in this case is for the provision on 'Information items, format and deadlines of notifications, and notifications in the case of suspected presence of pests', which will be applicable from 1 January 2021.³⁷

Specific concerns of India that have been bilaterally discussed with EU authorities: India has bilaterally discussed its concerns at the WTO, as well as through bilateral trade-related meetings. At the SPS Committee of WTO, India discussed the fixing of MRLs for ethoxyquin in crustaceans, the suspension

of approval for the feed additive ethoxyquin, MRLs in tea, adoption of MRLs for the pesticide tricyclazole and the status update of issues related to carbendazim, tricyclazole, content of aflatoxin in peanuts and market access for organic products.

Bilateral discussions at the SPS Committee of WTO included fixing of MRLs for ethoxyquin in crustaceans, suspension of approval of the feed additive ethoxyquin, fixing of Maximum Residue Limits (MRLs) in tea, MRLs for the pesticide tricyclazole, status update of issues related to carbendazim, tricyclazole, content of aflatoxin in peanuts and market access for organic products.

Other issues that were bilaterally discussed include:

MRLs of tricyclazole in rice: The EU drastically reduced MRLs for Basmati rice. The Italian authorities as Rapporteur Member State (RMS) assessed the issue and sent an evaluation report to the European Food Safety Authority (EFSA) in April 2018. EFSA has examined the evaluation report and asked for some additional information. India is co-ordinating on this matter and providing the information requested. Once the EFSA process is complete, the European Commission will require eight months for consultation with Member States, inter-service consultation, parliamentary scrutiny, adoption and publication/adoption of the revised MRL.

Buprofezin residues in rice: The EU has stated that it will not provide time beyond June 2019 for marketing of products that have burprofezin residues.³⁸ India has raised this issue in the WTO's SPS committee meeting, and this concern was endorsed by over 20 WTO members including USA, Canada and several

³⁴<https://www.efsa.europa.eu/en/press/news/180904>

³⁵ Regulation (EU) 2016/42. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0429>

³⁶ Regulation (EU) 2016/42. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R2031>

³⁷ Another exception, to be implemented from 1 January 2021, is for certain provisions relating to a phytosanitary certificate for exports.

³⁸ Clarity is also needed on EU decision in respect of stocks imported into EU before June, 2019.

Latin American countries. India's Federation of European Rice Mills (FERM) has approached the EFSA in this regard.

High levels of aflatoxin in peanuts: Codex (WHO standards) has set the maximum limit at 15 PPB (parts per billion) for peanuts. The present EU levels of aflatoxin in peanuts for direct human consumption are 2 µg/kg for B1 and 4 µg/kg total aflatoxin, 8 µg/kg B1 & 15 µg/kg total aflatoxin for further processing and 20 µg/kg total Aflatoxin for bird feed. India initiated Codex work to create a new category of ready to eat (RTE) peanuts with 10 µg/kg level of total aflatoxin which is at par with tree nuts. The Working Group established for this issue recommended 10 µg/kg level of total aflatoxin for ready to eat (RTE) peanuts. However, acceptance of this recommendation has been deferred by three years. An examination of the Code of Practice for prevention and reduction of aflatoxin contaminants in peanuts³⁹ has also been called for.

Withdrawal of equivalence by EU for processed organic products: India's National Programme for Organic Production (NPOP) was recognised by the European Commission (EC) in 2006 to be equivalent with that of European Standards. The scope of equivalence was for crops and processed products of Indian origin. To expand the export basket, it was felt that a very small portion of imports of certain ingredients could be added, such as flavours, colours, additives, and herbs of other origin. In September 2012, India drew up guidelines for the import of such ingredients and re-export of blended organic value-added products. India's import guidelines clearly mentioned that the percentage of imported ingredients would be within the range of 5% which is certified by EU accredited certification bodies as per EU standards for re-export to EU. However, from 1st

April 2013 onwards, EU has withdrawn the processed products equivalency for organic products.

India withdrew its guidelines in 2013, and no product with imported ingredients was exported to EU. The European Commission was informed of this decision, but the EU withdrew the equivalence arrangements relating to India's processed organic products with effect from 1st April 2013. This matter is being discussed bilaterally since then.

High cost of certification: One view of the European Commission is that there are a significant number of control bodies approved by the EC for export certification for organic processed food to the EU. The EU has recognized 6 Certification Bodies for EU Certification in 2013 and 2014.⁴⁰ Exporters who want to export processed products to EU have to get the product re-certified only by these six.⁴¹ Of these, only two⁴² are domestic Certification Bodies in India. The other four are counterparts of International Bodies with certification linked with their Principal Offices. This has increased costs for exporters besides creating a barrier to trade and resulting in loss of business for other Certification Bodies who do not have direct EU accreditation. This issue would be addressed by restoring equivalency, which was there until 2013.

In this context, a bilateral process has been underway for over five years, and India has provided all the information requested during this period. In February 2017, the European Commission informed that they had completed the review of the documents and the submissions provided by India's Agriculture and Processed Food Export Development Authority (APEDA), were found it to be satisfactory and thus the audit recommendations have been formally closed.

³⁹https://www.nutfruit.org/files/multimedia/1488439273_gap-8_4505.pdf

⁴⁰These Certification Bodies are M/s. Ecocert, M/s. IMO Control Pvt. Ltd., M/s. Lacon, M/s. Control Union Certifications, M/s. Onecert and M/s. Indocert.

⁴¹In the case of crops, certification by India's National Programme for Organic Production (NPOP) is enough.

⁴²M/s. Indocert and M/s IMO.

In this context, another related step arises due to the information received in 2016 that the European Commission would not grant unilateral equivalence to any third country unless reciprocal equivalence for EU organic products is granted by that country in line with the Commission Implementing Regulation No. 442/2014 of 30 April 2014. India is ready for this and has taken necessary steps in this regard. However, as yet the EU has not made any formal request for bilateral equivalency and reciprocity, which is a necessary step to take forward the bilateral process of equivalence.

According to the Indian exporters, a number of measures act as non-tariff barriers for India's exports of fish and fish products:

- Enhanced sampling frequency (50%) even when the establishments meet high standards
- Re-listing of the de-listed establishments is not done even when all actions are completed against the Rapid Alert System for Food and Feed (RASFF)
- Establishments are de-listed even for sea-caught material when the compliance standard relates to antibiotic residue in aquaculture
- Delay in clearance of chilled/frozen fish consignments (average 20-30 days), leading to demurrage and making the perishable product unfit for consumption

Milk Products: Market access for milk products is not provided even when the processing plants are under the official control of Export Inspection Council of India (EIC) for monitoring, supervision and pre-shipment testing and are in compliance with the requirements of EC Regulation 178/2002.

Wheat: The European Union is implementing a regulation that rejects approval of the active substance isoproturon in accordance with

Regulation (EC) No 1107/2009. Existing authorised plant protection products containing isoproturon will be withdrawn from the market. The non-approval is based on the first evaluation of the substance for use as a pesticide active substance in the EU under Regulation (EC) No 1107/2009. However, following non-approval, separate action is to be taken to lower MRLs to the limit of quantification (LOQ). This pesticide is registered for use in India on wheat at 0.1 ppm. If implemented, this regulation will hit wheat exports from India.

Organic products: EU does not allow any kind of value addition in organic products if the ingredients used originate from a non-EU region. This is unlike the practice of some other developed economies such as the US and Australia. This restricts product variants, as some products e.g. organic rooibos, are only available in South Africa and cannot be substituted. There is great demand from EU buyers for this, but a blended product cannot be sent as non-EU imported components are not allowed. To market differentiated products and create a sustainable competitive advantage, flexibility of multi-origin sourcing would be required.

IMPORT POLICIES

The EU has a relatively large number of NTMs. Its NTM regime keeps evolving, and new issues keep emerging. Its tariff regime on the other hand has been stable for quite some time, with high tariffs for agriculture, fisheries, textiles and clothing. Other products in general have much lower tariffs.⁴³ This combination of tariffs is evident from the EU tariffs on India's major exports as shown in Table 4 below.

Tariffs and other Charges on Imports

Basmati rice is one of the two agricultural products in this list of the main export categories of India (the other being castor oils – see Table 4). As mentioned in the section on SPS, there are certain concerns with respect to these exports. A number of tariff lines

⁴³See page 79 of WTO's World Tariff Profiles 2018. https://www.wto.org/english/res_e/booksp_e/tariff_profiles18_e.pdf

that are among the major export items from India face double-digit tariffs. These products face an additional handicap because the major competing economies (Bangladesh and Vietnam) have duty free access in the EU market for them.⁴⁴

Duty derogation on Basmati rice does not account for certain varieties: The general duty on rice is high. In this context, a special agreement on this product between the EU and India becomes important. An Agreement through Exchange of Letters was concluded between the European Commission (EC) and India on August 20, 2004 as a result of which EU's import duty is zero on husked Basmati rice (de-husked brown rice). The tariff rate for husked rice is 65 euros per tonne. This Agreement was based on negotiations as per Article XXVIII of the GATT 1994, and relates to the modification of concessions with respect to rice provided for in EC schedule CXL annexed to the GATT 1994.

Based on this, Annexure I to the Commission Regulation (EC) No. 1549/2004 dated August 30, 2004 provides transitional rules for import of Basmati rice for eligibility of duty concession for the following varieties: Basmati 370, Basmati 386, Type-3 (Dehradun), Taraori Basmati (HBC-19), Basmati 217, Ranbir Basmati, Pusa Basmati, Super Basmati. Specific rules for import of Basmati rice and a transitional control system for determining their origin have been laid down vide Commission Regulation (EC) No.972/2006 dated June 29, 2006.

Subsequent to this agreement signed in August 2004, several new varieties of Basmati have been notified by Government of India under the Seeds Act, 1966. At present there are 30 notified varieties of Basmati, of which the new ones currently occupy about 75% of the area under cultivation. However, the duty derogation for Basmati is not available to these new varieties. Basmati rice is now a certified GI

product of India. It is important that duty derogation on Basmati is provided by EC on all varieties of rice notified by India as Basmati under the Seeds Act, 1966. India took up the matter with EC seeking duty derogation for all varieties of Basmati. The Joint Statement of the India-EU Summit (October 6, 2017) states: 'India welcomes EU's intention to expeditiously initiate the process of recognizing additional seed varieties of Basmati rice under Article 28 of the GATT 1994 for duty derogation, as already requested by India'. As yet, however, this duty derogation to the excluded varieties of Basmati has not been provided by the EU.

Excise Taxes by Member States: In certain cases, Member States charge excise taxes which are different from the EU's standardised rates. These rates vary across the member States and cover products such as beverages, coffee, tea, environmental packaging, non-alcoholic beverages, motor vehicles, motorcycles, crystals, chinaware, ice cream, chocolate, incandescent lamps, electrical fuses, tyres, pesticides, batteries, hair products, ceramic tiles, glass sheets, iron bars and iron rods.⁴⁵

Tariff Rate Quota

The EU maintains tariff rate quotas (TRQ) for agricultural products, autonomous MFN quotas, and imports from certain countries pursuant to preferential agreements. The EU grants preferential TRQs for unilateral or reciprocal trade agreements. Most tariff rate quotas are country or region-specific quotas to implement free trade agreements.

About 230 TRQs are open to all importers. They apply to fish, chemicals, metals, machinery and equipment, and agricultural products (about 110 TRQs, covering cereal and cereal products, rice, garlic, cucumber, sugar, oils and fats, dairy products, beef and veal, sheep and goat meat, fresh fruits and vegetables, chocolates, biscuits and processed fruits

⁴⁴Bangladesh already has duty-free treatment, and Vietnam has a new Free Trade Agreement with the EU which will give it duty free treatment under Tariff Rate Quotas.

⁴⁵More detail is in Table 3.7 of the WTO Secretariat report for Trade Policy review of EU, 2017.

Table 4. Tariffs on India's Major Exports to EU (at Tariff Line Level)

HS Section	HS Code	Product	Share in Total Exports (%)	Tariff (%)
5	27101930	High speed diesel (hsd)	3.79	0
14	71023910	Diamond(othrthnindstrl diamond)cut or otherwise worked but not mounted or set	3.70	0
5	27101920	Aviation turbine fuel (atf)	3.04	0
16	84111200	Turbo-jets of a thrust>25 kn	1.87	2.7
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	1.41	3
17	88033000	Othrprts of aeroplanes/helicopters	1.37	2.7
17	87032291	Motor car wthcylndrcpcty>=1000cc but < 1500cc wthsprk-igntn	1.33	10
11	61091000	T-shirts etc of cotton	1.27	12
14	71023100	Non-industrial diamonds unworked/simplely sawn cleaved or bruted	1.06	0
6	30049099	Other medcne put up for retail sale n.e.s	0.97	0
6	3061790	Other shrimps and prawns	0.96	12
2	10063020	Basmati rice	0.71	65/175 EUR/ tonne
15	76011010	Aluminium ingots-not alloyed	0.70	3
7	40117000	Of a kind used on agricultural or forestry vehicles and machines	0.68	4
15	72104900	Othrpdrcts of iron/non-alloy steel otherwise pltd/ cotdwth zinc	0.65	0
11	63053200	Flexible intermediate bulk containers of man made textile materials	0.58	7.2
14	71131910	Jewellery of gold unset	0.57	2.5
11	61112000	Babies garments etc of cotton	0.56	12
11	62064000	Blouses,shirtsetc of man-made fibres	0.56	12
11	62052000	Mens or boys shirts of cotton	0.55	12
6	29420090	Other diloxanidefuroate, cimetidine, famotidine nes	0.53	6.5
14	71131930	Jewellery of gold set with diamond	0.53	2.5
11	62063000	Blouses,shirts and shirts-blouses of cotton	0.52	12
15	76012020	Aluminium billets - alloyed	0.50	6
3	15153090	Castor oilanditsfrctnsothrthnedble grade	0.50	5.1

Source: DGCIIS Data, Department of Commerce

and vegetables). The autonomous quotas and those pursuant to preferential arrangements are allocated on a first-come, first-served basis. India has TRQs for rice and sugar.⁴⁶ Imports under agricultural TRQs by the EU for 2017-18 can be seen in WTO document G/AG/ N/ EU/48, dated 30 October 2018.

From time to time, the EU provides greater market access to meet domestic demand for products, operating this scheme through TRQs. Some recent examples of these policies include notification of 20 December 2018, removing tariffs and introducing TRQs for 87 products, and extending the date for TRQs on 720 products (while removing suspension of Customs duties for 210 products)⁴⁷, another notification on the same date, which combines new TRQs for market liberalisation and removing tariff suspension and TRQs for a number of others⁴⁸, introduction of TRQs for 85 products on 25 June 2018, continuing through till end-2022 for most of these products⁴⁹, another notification creating market openings through TRQ on the same date for 18 products, with different conditions for the different groups of products covered.⁵⁰

In response to the trade diversion due to tariffs of 25% on steel imposed by the US under its Section 232, the EU initiated an investigation on 26 March 2018 and imposed provisional safeguard measures on 18 July 2018, covering 26 steel product categories.⁵¹ These measures will be implemented through TRQs. For each category, a tariff of 25% will apply once imports exceed the average over the last

three years. The quota is allocated on a first come-first served basis. Developing countries with limited exports to the EU are exempted.⁵² India is subject to these TRQs for 15 product categories, with TRQs for India specified in 12 categories⁵³. In three cases the TRQ for India is part of the quantity allocated for 'other countries'.⁵⁴

After the import quota allocations are announced by the Commission, Member States must issue import or export licences for the quantities applied for within the respective tariff quotas.

Prohibition

The EU applies import prohibitions or conditional prohibitions on a number of products. These are :⁵⁵

Prohibition: Mercury and mercury products, hazardous chemicals, certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment, procedures and control regimes for the shipment of waste, depending on the origin, destination and route of the shipment, the type of waste shipped and the type of treatment to be applied to the waste at its destination.

Conditional Prohibition: Substances that deplete the ozone layer, certain animals and plant species for the protection of species of wild fauna and flora, certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment and procedures and control regimes for the shipment of waste,

⁴⁶<https://agridata.ec.europa.eu/reports/Allocation%20Coefficients%20TRQs-Import.pdf>

⁴⁷Council Regulation (EU) 2018/2069, 20 December 2018. Page 4 of <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:331:FULL&from=EN>

⁴⁸Council Regulation (EU) 2018/2069, 20 December 2018. Page 197 of <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:331:FULL&from=EN>

⁴⁹Council regulation (EU) 2018/914. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0914&from=EN>

⁵⁰Council regulation (EU) 2018/913. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0913&from=EN>

⁵¹Details of the products and the investigation are in WTO Document G/SG/N/8/EU/1 G/SG/N/10/EU/1 G/SG/N/11/EU/1/Suppl.1 dated 4 January 2019.

⁵²http://europa.eu/rapid/press-release_IP-18-4563_en.htm

⁵³Non-Alloy and Other Alloy Cold Rolled Sheets, Metallic Coated Sheets, Organic Coated Sheets, Non-Alloy and Other Alloy Quarto Plates, Stainless Cold Rolled Sheets and Strips, Stainless Hot Rolled Quarto Plates, Stainless

⁵⁴Electrical Sheets (other than GOES), Tin Mill products and Stainless Hot Rolled Sheets and Strips.

⁵⁵Details at the HS category level for these controlled products are in WTO document G/MA/QR/N/EU/4, dated 28 September 2018.

depending on the origin, destination and route of the shipment, the type of waste shipped and the type of treatment to be applied to the waste at its destination, fish caught by vessels flying the flag of a non-cooperating country as defined in the EU Regulation to fight against Illegal, Unregulated and Unreported (IUU) fishing and Kimberley Process certification scheme for trade in rough diamonds.

Import Licensing

Import licensing is used for import surveillance, quantitative import restraints, and safeguard measures. The licenses are used for surveillance of products subject to restrictions in the EU. Quantitative restraints are imposed on imports of certain textiles and clothing, footwear, steel, aluminium, wood products, and potassium chloride.⁵⁶

The products subject to import licensing applicable in general include: Agriculture (cereals and rice sugar – cane or beet, milk and milk products, beef and veal, pig meat, poultry meat, eggs and products in the egg sector and egg albumin, garlic, preserved mushrooms, ethyl alcohol of agricultural origin, hemp), textiles, steel, aluminium, ozone-depleting

substances, rough diamonds, waste shipments, harvested timber, endangered species (CITES), drug precursors.⁵⁷

Product categories subject to licensing are shown in Table 5. Most of the licensing requirements apply to agricultural products. Some are in place to implement international agreements to protect the environment or similar (e.g. CITES, Montreal Protocol, Basel Convention, Kimberley Process).

CONTINGENT TRADE PROTECTION MEASURES

The EU has applied all the three types of contingent trade protection measures on Indian exports.

Anti-Dumping Measures

At the end of 2018, the EU had five anti-dumping measures on exports from India.

Countervailing Measures

At the end of 2018, EU had five countervailing duty measures on exports from India.

Safeguard Measures

The EU has recently implemented safeguard measures for several steel products, as discussed in the section on Tariff Rate Quotas.

⁵⁶<http://trade.ec.europa.eu/sigl/>

⁵⁷For detail, see WTO document G/LIC/N/3/EU/7, dated 3 October 2018.

Table 5. Import Licensing Schemes in EU

Product	Regime
Non-Automatic Licensing:	
Agriculture (cereals and rice, sugar, olive oil and table olives, milk and milk products, beef and veal, pigmeat, poultry meat, eggs and egg products including egg albumin, garlic, preserved mushrooms, ethanol from agricultural products, hemp)	Mainly to administer TRQs (including for preferential agreements, import duty suspensions)
Endangered species (CITES)	To control imports of endangered species listed in Appendices I, II, and III of CITES
Ozone-depleting substances	To control prohibited or restricted Ozone Depleting Substances (ODS) goods
Rough diamonds	To implement the Kimberley Process Certification Scheme
Textiles	Quantitative restrictions from Belarus and the Democratic People's Republic of Korea; outward processing traffic arrangements, surveillance regime
Bluefin tuna	To implement the International Convention for the Conservation of Atlantic Tunas (ICCAT)
Automatic Licensing:	
Drug precursors	To monitor trade and authorization of imports of drug precursors
Harvested timber	To implement the voluntary EU FLEGT scheme for legally harvested timber
Iron and steel products	Surveillance of iron and steel products
Shipment of waste	To control the import of waste and hazardous waste pursuant to the Basel Convention

Source: G/LIC/N/3/EU/7, dated 3 October 2018; WTO document G/MA/QR/N/EU/4, dated 28 September 2018; Table 3.9 of WTO Secretariat report for Trade Policy review of EU, 2017.

Advance notice must be given for wood packaging material and plant health checks.⁵⁸

⁵⁸Commission Implementing Decision (EU) No.2018/1137, dated 10 August 2018. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018D1137&from=EN>

UNITED STATES OF AMERICA

Trade Summary

The United States of America (US) is India's second largest merchandise export market (after the European Union), and second largest merchandise import source. India's merchandise exports to US in the financial year 2017-18 were about US\$ 47,478 million and imports were US\$ 26,611 million.

Overview

The primary bilateral forum for discussing trade issues is the India-United States Trade Policy Forum (TPF), held annually and co-chaired by India's Minister of Commerce and Industry and the United States Trade Representative. The most recent TPF was held in October 2017 in Washington, D.C. In addition, senior-level inter-sessional meetings are held between India and the United States, including meetings under the India-US Strategic and Commercial Dialogue. These discussions take account of various B2B discussions as well, such as those in the India-US CEO Forum.

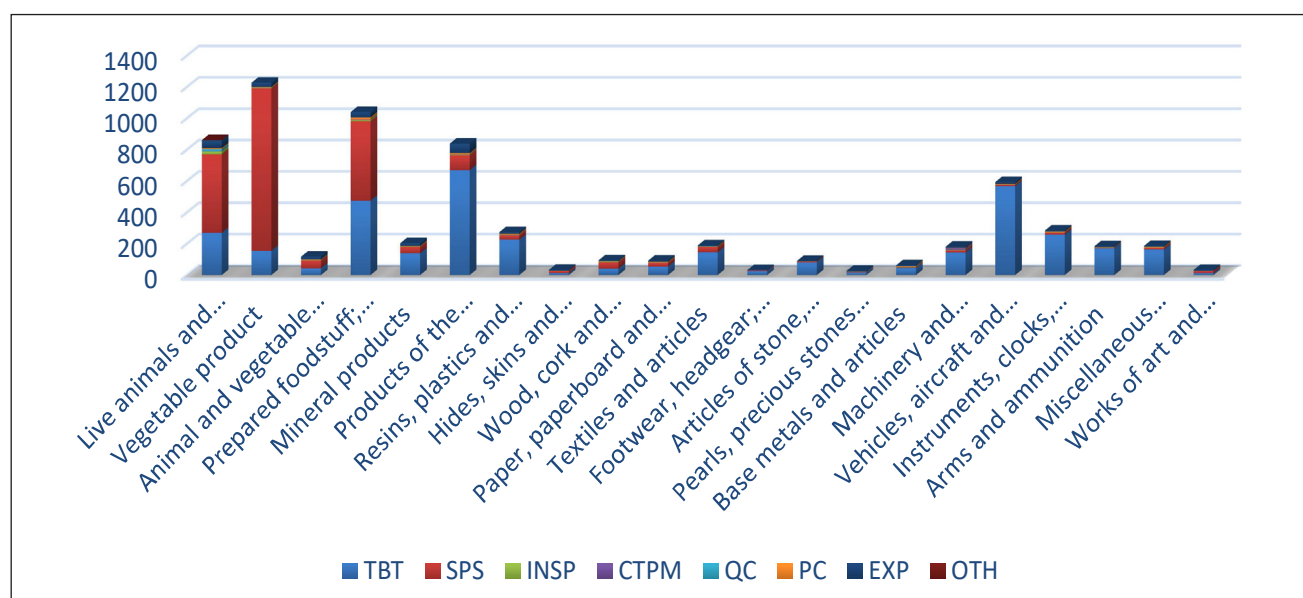
Among the major export markets of India, the US

has the second-largest number of NTMs, second to China. SPS measures pre-dominate for agriculture and food categories, and TBT for the other product categories. The product categories with the highest incidence of NTMs are live animals and products, vegetable products, prepared foodstuff, beverages, spirits, vinegar, tobacco, products of the chemical and allied industries, machinery and electrical equipment (Figure 1).

An important feedback from Indian exporters of certain products subject to high NTMs⁵⁹ was that the US authorities have made efforts to improve the situation, including through bilateral co-operation initiatives of relevant agencies with India and the US. There is much more to be done to facilitate operational conditions, and efforts to that end are progressing in the right direction. However, there are a number of sectors where more sustained progress is needed to improve the situation.

The concerns expressed by Indian exporters relate to high Customs tariffs for certain products, quotas

Figure 1. US imposition of NTMs for All members and Bilaterally on India



Source: TRAINS database, UNCTAD 2018

⁵⁹For example, pharmaceuticals.

Table 1. Trade-Related Concerns Expressed by Indian Exporters to the US

Customs charges are high, FTA countries benefit in such situation	Agriculture products, Food products, Seafood, Garment/Apparel, Electronic equipment
Quota/Tariff Rate Quota	Food products, Leather and footwear, Textiles
Anti-dumping/Countervailing duties imposed or increased	Food products, Seafood
Import licences not always honoured	Agriculture products
New exporters face problems getting approval for selling goods	
Import quotas	Food products
Detailed labelling requirements with extensive products/content description	Food products
Risk is involved in whether or not the payment would be received after the goods reach the importer	Food products, Textiles, Engineering products
Standard requirements cumbersome or unclear, product registration requirement	Food products
Production, storage and handling facilities to be registered with FDA and advance notice to FDA for exports	Food products
Government procurement changes frequently which makes the process very complicated and sometimes lengthy too	Food products
Clearance procedures take time	Food products, Electronic Equipment, Chemicals
Very stringent imposition of SPS and TBT conditions	Seafood, Electronic Equipment, Chemicals
Inadequate information when policies are changed	Food products, Electronic Equipment, Chemicals
Non-recognition of EIC certification on account of the costs and the complications involved	Seafood
Additional trade documents and certificates required	Seafood, Textiles
Packing and labelling are complicated. Complete details of the materials required before the products are packed	Seafood, Leather and footwear, Engineering products
Obtaining new licence is a complicated process	Seafood, Garment/Apparel
Pre-shipment requirement requirements burdensome and lengthy	Leather and footwear, Chemicals
Custom clearance and inspection processes are lengthy	Garment/Apparel, Oil and Gas
Proper inspection of products is quite lengthy and complicated	Gems and jewellery
Testing and certification are highly restrictive in terms of procedure time frames and cost of compliance	Electronic equipment

Source: Field Survey of Indian exporting firms

or tariff rate quotas for specific products, anti-dumping measures (the largest number faced by Indian exporters compared to any other country they export to), difficulties at times with import licences and the inspection process, stringent standards requirements (including packaging and labelling), and certain processes that are time-consuming and increase costs of implementation (Table 1). The main product categories for which this feedback was obtained are agriculture products, food products, seafood, textiles and apparel, chemicals, engineering products and electronic equipment. These are the categories which face a larger number of NTMs in the US (Figure 1), and some of them are also among the major export items from India to the US (Tables 2 and 3).

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) in the US are imposed

at the Federal level, as well as within specific States.⁶⁰ The products covered include a wide variety, for example cosmetics, footwear, clothing, packaged baby food, jewellery, machinery and equipment and certain chemicals. In addition to technical or health-related conditions, labelling and testing/certification requirements apply to large number of products, with particularly stringent conditions for products used by children (e.g., toys, chairs, cribs, beds, strollers, textiles). Individual States also have their own environmental regulations and energy-efficiency standards.

Tables 2 and 3 show the TBT and SPS measures on India's top 5 product categories exported to the US. All these sectors face restrictions in terms of TBT, and restriction on the use of the products for SPS reasons are in place mostly for HS chapters 27, 30 and 63 (mineral fuels, pharmaceuticals, made-up textiles). They are also subject to several requirements which the Indian industry finds time-consuming and burdensome.

Table 2. TBT Measures on India's Top 5 Export categories to the US For All Exports and Additionally on India

Classification	NTM
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins
B14, B85, B6, B31, B82, B33, B21, B22, B7	Authorisation requirement for TBT measures, Traceability Information Requirements, Product identity requirement, Labelling requirements, Testing requirement, TBT regulations on transport and storage, Tolerance limits for residues of or contamination by certain substances, Restricted use of certain substances, Product quality or performance requirement
	HS Chapter 71 for India: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins
B89, B85	Conformity Assessment related to TBT, Traceability Information Requirements

⁶⁰These include, for instance, ban on sale of children's jewellery if there is more than trace levels of cadmium by California, Connecticut, Illinois, Maryland, Minnesota, Rhode Island, and Washington, with the levels not the same across all these States.

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
B42, B33, B31, B7, B83, B82, B32, B89, B15, B85, B42, B9, B14, B84, B21, B81, B852, B49, B22, B6, B8	TBT regulations on transport and storage, TBT regulations on transport and storage, Labelling requirements, Product quality or performance requirement, Certification requirement, Testing requirement, Marking Requirements, Conformity Assessment related to TBT, Registration requirement for importers for TBT reasons, Traceability Information Requirements, TBT regulations on transport and storage, TBT measures n.e.s., Authorization requirement for TBT measures, Inspection requirement, Tolerance limits for residues of or contamination by certain substances, Product Registration Requirement, Processing history, Production or post-production requirements, Restricted use of certain substances, Product identity requirement, Conformity Assessment related to TBT
	For India: HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
B83, B42, B33, B89, B85	Certification requirement, TBT regulations on transport and storage, TBT regulations on transport and storage, Conformity Assessment related to TBT, Traceability Information Requirements
	HS Chapter 30: Pharmaceuticals
B7, B42, B82, B33, B31, B83, B89, B14, B853, B84, B32, B22, B85, B9, B6, B21, B15, B81, B852, B41, B852, B8, B859, B81, B851, B49, B11	Product quality or performance requirement, TBT regulations on transport and storage, Testing Requirement, Packaging Requirements, Labelling requirements, Certification requirement, Conformity Assessment related to TBT, Authorization requirement for TBT measures, Distribution and location of products after delivery, Inspection requirement, Marking Requirements, Restricted use of certain substances, Traceability Information Requirements, TBT measures n.e.s., Product identity requirement, Tolerance limits for residues of or contamination by certain substances, Registration requirement for importers for TBT reasons, Product Registration Requirement, Processing history, TBT regulations on production processes, Processing history, Conformity assessment related to TBT n.e.s., Traceability Requirements n.e.s., Product registration requirement, Origin of materials and parts, Production or post-production requirements, Prohibition for TBT reasons
	For India: HS Chapter 30: Pharmaceuticals
B89, B19, B83, B42, B89, B9, B85, B83, B85, B33, B83	Conformity Assessment related to TBT, Prohibitions/ restrictions of imports for objectives set out in the TBT Agreement n.e.s., Certification requirement, TBT regulations on transport and storage, Conformity Assessment related to TBT, TBT measures n.e.s., Traceability Information Requirements, Certification requirement, Traceability Information Requirements, Packaging Requirements, Certification requirement

Classification	NTM
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
B83, B31, B82, B85, B7, B852, B84, B89, B32, B853, B9, B6, B859, B14, B15, B33, B22, B41, B11	Certification requirement, Labelling requirements, Testing requirement, Traceability information requirements, Product quality or performance requirement, Processing history, Inspection requirement, Conformity assessment related to TBT n.e.s., Marking requirements, Traceability requirements n.e.s., TBT Measures n.e.s., Product identity requirement, Traceability requirements n.e.s., Authorization requirement for TBT reasons, Registration requirement for importers for TBT reasons, Packaging requirements, Restricted use of certain substances, TBT regulations on production processes, Prohibition for TBT reasons
	HS Chapter 84 for India: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
B42, B89, B83, B33, B85	TBT regulations on transport and storage, TBT regulations on transport and storage, Certification requirement, Packaging requirements, Traceability information requirements
	HS Chapter 63: Other made up textile articles, sets, worn clothing and worn textile articles, rags
B852, B31, B7, B82, B89, B84, B83, B32, B15, B14, B11, B85, B6	Processing history, Labelling requirements, Product quality or performance requirement, Testing requirement, Conformity assessment related to TBT n.e.s., Inspection requirement, Certification requirement, Marking requirements, Registration requirement for importers for TBT reasons, Authorization requirement for TBT reasons, Prohibition for TBT reasons, Traceability information requirements, Product identity requirement
	HS Chapter 63 for India: Other made up textile articles, sets, worn clothing and worn textile articles, rags
B83, B42, B33	Certification requirement, TBT regulations on transport and storage, Packaging requirements

Source: TRAINS, UNCTAD 2018

Table 3. SPS Measures on India's Top 5 Export categories to the US For All Exports and Additionally on India

Classification	NTM
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls there of, imit. jewellery, coin.
A53, A51	Fumigation, Cold/heat treatment
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
A82, A22, A31, A53, A51, A89	Testing requirement, Restricted use of certain substances in foods and feeds., Labelling requirements, Fumigation, Cold/heat treatment, Conformity assessment related to SPS n.e.s.

Classification	NTM
	HS Chapter 30: Pharmaceuticals
A14, A53, A51, A31, A84, A32, A852, A22, A63, A33, A42, A82, A89	Special Authorization for SPS reasons, Fumigation, Cold/heat treatment, Labelling requirements, Inspection requirement, Marking requirements, Processing history, Restricted use of certain substances in foods and feeds, Food and feed processing, Packaging requirements, Hygienic practices during production, Testing requirement, Conformity assessment related to SPS n.e.s.
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
A53, A51	Fumigation, Cold/heat treatment
	HS Chapter 84 for India: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
A83, A84	Certification requirement, Inspection requirement
	HS Chapter 63: Other made up textile articles, sets, worn clothing and worn textile articles, rags
A21, A53, A51, A86, A89, A14, A64	Tolerance limits for residues of or contamination by certain substances, Fumigation, Cold/heat treatment, Quarantine requirement, Conformity assessment related to SPS n.e.s., Special Authorization for SPS reasons, Storage and transport conditions
	HS Chapter 63 for India: Other made up textile articles, sets, worn clothing and worn textile articles, rags
A84, A14, A89, A32, A53, A14, A84, A83, A32	Inspection requirement, Special Authorization for SPS reasons, Conformity assessment related to SPS n.e.s., Marking requirements, Fumigation, Special Authorization for SPS reasons, Inspection requirement, Certification requirement, Marking requirements

Source: TRAINS, UNCTAD 2018

TECHNICAL BARRIERS TO TRADE

Since 2017, the US has submitted 607 TBT notifications to the WTO. They cover a range of plants and products, coffee, poultry, pork, fruits beer, organics, bio-engineered food, other food items, leather and imitation leather products, lithium batteries, devices, appliance testing, ceiling fans, machinery, commercial and industrial equipment (including medical equipment), firearms, brake fluids, chemical substances, petroleum products, labelling requirements, biological products, chemicals, brake fluids, wood heaters, plastic products, engineering products (including

nuclear power plant engineering), greenhouse gas emission standards, cosmetics, light sport aircraft, LED lamps, school buses, motor vehicles, jewellery, precious metals and pewter, central air conditioners, portable air conditioners, flammable refrigerants, household appliances, pesticides, toxic or hazardous substances, electronic waste electric powered vehicles and many more.

The TBT requirements cover production methods, transport and packaging, and use of products, as well as marking and labelling⁶¹, testing, certification and record keeping. It is noteworthy that some

⁶¹T Special marking and labelling requirements are in place for several products such as watches and clocks, certain agricultural products, food items, wood packing materials, textiles, cosmetics, steels, knives, scissors, surgical and dental instruments, scientific and laboratory instruments, and alcohol.

of the standards are in the process of being implemented, e.g., some certification requirements for formaldehyde emission standards for composite wood products will be in force by 22 March 2019, and for laminated products to comply with the requirements relating to hardwood plywood emission standards, testing, certification, and record-keeping requirements by 22 March 2024.

The main objectives for the TBT notifications have been protection of human life and safety, protection of the environment, prevention of deceptive practices and consumer protection, consumer information and labelling, quality requirements, standardisation, and cost saving and productivity enhancement.

Specific trade concerns raised at the WTO: India has not raised any specific trade concern regarding TBT measures of the US.

A number of other countries have, however, raised such concerns at WTO which may be relevant in the Indian context as well⁶². Since 2017, four specific trade concerns have been discussed at the WTO. These relate to: TSA certification on security screening equipment, energy conservation programme (energy conservation standards for compressors), standards of identity for cheese, and Wisconsin butter laws.

India has discussed certain TBT-related concerns bilaterally with the US at the WTO as well as through periodically-held bilateral meetings to address trade concerns. These have focused on TBT issues with reference to footwear, chemicals, pharmaceuticals and machinery. At the sidelines of the WTO's TBT Committee meetings, India raised concerns regarding mandatory testing for EMI/EMC and wireless requirements for telecom and radio products by the US, and removal of footwear from the provisions of CPSIA or to enhance the limits of

lead content requirement to 150 ppm instead of 90 ppm.

Specific concerns of the Indian industry include the auto-components sector and pharmaceuticals.

Pharmaceuticals: Registration/Other charges for Pharma

The US has increased the registration fees for pharmaceutical products,⁶³ and has a lengthy time period for registration. This makes it difficult for exporters (especially small and medium size companies) to enter the markets.

Auto-components: Local content

The condition specifying use of US parts for small cars restricts the market for Indian small cars. Further, under the Federal Acquisition Regulations System auto parts using speciality metal are prohibited from being imported into the US if the process of melting or the process of manufacturing the part has not been carried out in US or any other qualifying country or region. This restriction impedes imports of auto parts having speciality metals from India which does not fall in the qualifying country list, despite being competitive with respect to US manufactured auto parts.

Auto-components: Procedural complications/ Documentation

Most of the States in the US have enacted their own administrative procedures which govern development and adoption of technical regulations and conformity assessment procedures by the State agencies. This forces a foreign manufacturer to have customised offerings for each of the States that it targets, making the manufacturing less economical and thereby reducing the competitiveness of the product. This is a systemic or structural barrier which restricts market access, increases costs and adversely impacts the process of harmonisation of products.

⁶²20 specific trade concerns regarding TBT measures of the US have been raised since 2011.

⁶³The increase took place on 1 October 2018. In certain cases, this increase in registration fees is about 17 per cent.

Auto-components: Discriminatory Taxes and additional cost

Auto and autopart exporters have reported a number of additional customs impediments, such as import user fees and excessive invoicing requirements which have resulted in additional costs similar to tariffs. The most significant user fee that has been levied is the Merchandise Processing Fee (MPF), which has been levied on all imported merchandise except for products from the least developed countries. This makes the imported product less competitive and acts a non-tariff barrier to trade.

SANITARY AND PHYTOSANITARY MEASURES (SPS)

Since 2017, the US has submitted 177 SPS notifications to the WTO. These include brassica, leafy greens, rosemary, flax seed and grain, food for human and animal consumption, food additives, beans, live bovines, fruits and nuts, beets, sugar, vegetable roots, leafy greens, multiple commodities, food additives, fish and fish products, meat and poultry, egg products, other food products, alfalfa, forage, pork and pork products, ginseng, potato, other vegetables, partially hydrogenated oils for use in human food, barley bran, barley flour, corn, grain, cereal, peppers, poppy seed, orchids, tea, cotton seed, sesame seed, fresh mango, rice grain, rice hulls, cacao bean, sunflower sub-group, sugarcane and other multiple commodities.

The objectives addressed included addressing issues relating to food safety, human health, plant health, irradiation, animal health, animal disease, BSE, avian influenza, maximum residue limits (MRLs), pesticides, labelling, packaging, pest or disease-free regions/regionalisation, modification of content or scope of regulation, equivalence, certification, control and inspection and change in date of adoption/enforcement.

In this context, importers have to meet the US food safety requirements and verify the food safety of foreign suppliers and imported food, under the Food Safety Modernisation Act (FSMA), signed into law on

4th January 2011. The FDA inspects food facilities, and may enter into agreements with foreign Governments to facilitate the inspection of foreign establishments. The US has a Voluntary Qualified Importer Programme that reduces the time required for review and import of food.

The Animal and Plant Health Inspection Service (APHIS) agency collects Agriculture and Quarantine Inspection (AQI) fees and shares them with the US Customs and Border Protection (CBP) under an agreed allocation. A new fee, US\$142 in 2018, is set to increase to US\$237 from 28 December 2019. This fee covers only the cost of APHIS supervision. Additional charges are to be paid for veterinary and laboratory services.

India has raised concerns about US sanitary and phytosanitary (SPS)-related trade restrictions in bilateral and multilateral meetings including the TPF, the WTO SPS Committee, and Codex. More recently, the focus has been on fruits such as mangoes, pomegranates, table grapes and Indian lychees.

Specific trade concerns raised at WTO: In the WTO, India raised two SPS specific trade concerns in 2016, which it has subsequently kept raising at the bilateral level. These two concerns relate to the high cost of certification of mango exports to the US, and US non-acceptance of OIE categorization of BSE.

Other countries have raised some specific trade concerns regarding SPS measures of the US, which may be relevant for Indian exports as well. Since 2017, three such concerns have been raised, namely the US seafood import monitoring programme, US MRLs for chlorpyrifos, and US import restrictions on apples and pears.

At the WTO meetings, some issues relating to market access for grapes and pomegranates and the status of transition of pre-clearance inspection of mangoes, have been raised bilaterally. Some detail on certain concerns include the following:

High Cost of Certification for Inspection: Mangoes:

The US imports mangoes from India after irradiation treatment. Inspectors from USDA-APHIS supervise the pre-clearance activity by stationing their inspectors in India. The cost for supervision, monitoring and irradiation activity by inspectors is USD 377 per MT which is estimated at about 12% of the FOB cost of mangoes. India has requested the US to allow mangoes to be irradiated both before export (in India) and on arrival at destination in the US. At India's request, a pilot programme was established for the 2018 mango season to facilitate trade. After auditing a successful implementation of a pilot audit programme, the US has agreed that India's National Plant Protection Organization (NPPO) would be allowed to supervise the irradiation treatment.

Pomegranates: The US has also agreed for a waiver of on-site pre-clearance for the export of pomegranates from India.

Notification of the decision for both mangoes and pomegranates is expected soon. Pre-shipment inspection is not required because Indian mangoes and pomegranates are irradiated.

Pomegranate arils: The US has banned imports of pomegranate arils, on the grounds that a pest (fruit fly) was found in the product. India is addressing this issue.

Table Grapes: India requested USA for market access of table grapes in September 2007. In February 2014, USDA-APHIS agreed to give market access for table grapes subject to irradiation treatment and sought detailed information on 36 pests to initiate Pest Risk Analysis (PRA). India has provided the details. In July 2017, the issue was discussed with USDA-APHIS at a bilateral meeting. For 14 pests, India agreed to provide the mitigation method and also the cold treatment efficacy data on two fruit flies. The USDA-APHIS carried out risk mitigation by specialists in the March 2018 grape harvest season, and has sought more information on the treatment details

from India's NPPO before they consider clearance. The process is moving ahead.

Indian Litchis: Exports of litchis to the US have to meet the specified requirements, including for approved pack houses, conditions for cold treatment and use of USDA certified containers. The Animal and Plant Health Inspection Service (APHIS) of the US ensures that the specified conditions are met. India has initiated training of domestic producers/exporters to meet these conditions.

Honey: Honey consignments are held on the suspicion of it being Chinese honey, and a mineral profile is used for analysis. However, the pollen analysis that is used in India, is a globally accepted technique for origin. This should be accepted by the US Authorities.

Processed Food Products: USDA insists on a certificate from the Animal Quarantine Department although such quarantine certification is not applicable for processed food products (having very small content of animal origin products). The Export Inspection Council of India (EIC) complies with the requirements laid down in the Federal Register of USDA for such products, and that should be accepted as adequate.

IMPORT POLICIES

India has a number of concerns due to tariff and non-tariff barriers that impede imports of products into the US. For example, in the context of agriculture exports, Indian exporters have noted that they do not have any Tariff Rate Quota for peanuts. High tariffs have been mentioned as a concern for items such as dehydrated onion and garlic, butter and other fats and oils derived from milk, dairy spreads and gherkins.

Tariffs and other Charges on Imports

Table 4 gives the tariffs for the main export categories of India to the US, at the tariff line level. This list combines products with zero duty and those with tariffs in or near double-digits. Those

with relatively higher tariffs are textiles and apparel products. As shown in Tables 2 and 3, a number of these product categories are also subject to several NTMs.

Table 4. Tariff on India's Major Export Items to US

HS Section	HS Code	Product	Share in Total Exports [%]	Tariff [%]
14	71023910	Diamond (othrthnindstrl diamond) cut or otherwise worked but not mounted or set	15.76	0
1	03061790	Other shrimps and prawns	4.09	0
6	30049099	Other medcne put up for retail sale n.e.s	3.89	0
5	27101290	Other	2.77	7
14	71131930	Jewellery of gold set with diamond	2.70	5 to 7
14	71131120	Silver jewellery set with gems	1.66	5 to 13.7
5	27101219	Other	1.44	7
11	63026090	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton, other than handloom	1.33	9.1
17	88033000	Othrppts of aeroplanes/helicopters	1.25	0
17	87089900	Otrpptsandaccsrs of vhcls of hdg 8701-8705	1.15	0 to 2.5
17	89059090	Other under hdng 8905	0.93	0
11	63041910	Bedsheets and bed covers of cotton	0.87	4.4 to 14.9
11	61091000	T-shirts etc of cotton	0.83	16.5
17	87032391	Motor car wthcylnrdrcpcty>=1500cc but <3000cc wthsprk-igntn	0.82	2.5
16	84111200	Turbo-jets of a thrust>25 kn	0.82	0
2	13023230	Guargum treated and pulverised	0.68	0
15	73269099	All other articles of iron/steel nes other steering or rudder equipment for ships and boats, n.e.s.	0.61	0 to 8.6
6	30049069	Other nonsteroidal antiinflammatory, analgestics and antipyritic drugs	0.60	0
6	30049079	Other antihypertensive drugs	0.57	0
6	38089390	Other herbicides-anti-sprouting products	0.55	0 to 6.5
11	62052000	Mens or boys shirts of cotton	0.55	8.7 to 14.2
5	27101930	High speed diesel (hsd)	0.54	6.4
17	87032191	Motor car wthcylnrdrcpcty<=1000 wthsprk-igntn	0.54	2.5
5	27101920	Aviation turbine fuel (atf)	0.51	6.4

Source: DGCIS Data, Department of Commerce

Customs User Fees

A number of Customs user fees, including fees for processing and inspection services were instituted by the Consolidated Omnibus Reconciliation Act of 1985 (PL 99-272) (COBRA). These fees are collected for services including the issuance of annual Customs broker permits, dutiable mail, processing of private vessels, commercial trucks and passengers and cargo arriving by air, sea or rail. The fees have been increased by 4.886% for the fiscal year 2019.⁶⁴

Tariff Rate Quotas (TRQs)

The US maintains TRQs under general trade as well as under its Free Trade Agreements.⁶⁵ Most of the general TRQs are established under the WTO system. Some additional products are also specified within the list of TRQs established by the US.

The US maintains 54 TRQs which correspond to about 200 tariff lines. The dairy sector (dried milk, butter, butter oil, cream, cheeses, ice cream, etc) has 19 TRQs.⁶⁶ The list of the TRQs is as follows.⁶⁷

(a) Established under the Uruguay Round Limits established under the WTO: Animal Feed, Articles Containing Over 10% By Dry Weight of Sugar, Articles Containing Over 65% By Dry Weight of Sugar, Beef, Blended Syrups, Canadian Cheddar Cheese, Card Strips Made from Cotton, Chocolate and Low Fat Chocolate Crumb, Cocoa Powder, Cotton, Dairy Products, Dried Milk, Dried Cream, Dried Whey, Fibers of Cotton, Harsh or Rough Cotton, Ice Cream, Infant Formula, Milk and Cream, Milk and Cream, Mixed Condiments and Mixed Seasonings, Mixes and Doughs, Peanut Butter and Paste, Peanuts, Raw Cotton (Staple length < 28.575mm), Sugars (Raw, Refined, Specialty, Including Sugar Cane), Tobacco.

(b) Others: Brooms, Whiskbrooms, Other Brooms, Ethyl Alcohol, Milk and Cream, Olives, Satsumas (Mandarins), Tuna, Upland Cotton, Worsted wool fabric, Cotton shirting fabric.

Quotas with low fill rates are generally administered on a first come, first served basis.⁶⁸ The sugar TRQs are country-specific. They are adjusted taking into account the conditions in the US sugar market.⁶⁹ India has a quota and would hopefully have a larger quota.⁷⁰

An import licence or approval is required to import these products into the US at in-quota tariff rate (i.e. the lower tariff rate applied within the TRQ).

India does not have any TRQ for products such as peanut butter (USA is the largest market for peanut butter). The Indian industry strongly feels that India should be provided a TRQ in this product.

Import Licensing Regime

The import licensing regime is enforced by seven agencies, namely, the Departments of Agriculture, Commerce (steel), Energy (natural gas), Interior (fish and wildlife), Justice (firearms, explosives, and drugs), the Treasury (alcohol and tobacco), and the Nuclear Regulatory Commission.

The Steel Import Monitoring and Analysis System (SIMA) is operated under the authority of the International Trade Administration (ITA) of the Department of Commerce. This programme has been extended until 21 March 2022.

The products subject to import licensing and the relevant agencies are provided in Table 5 below. Additional information on import licensing regime is in WTO document G/LIC/N/3/USA/15, dated 5 October 2018.

⁶⁴For the US Federal Register Notice, see <https://www.govinfo.gov/content/pkg/FR-2018-08-01/pdf/2018-16510.pdf>

⁶⁵The list of TRQs is provided by <https://www.cbp.gov/trade/quota/guide-import-goods/commodities> covering the TRQs in general, as well as those under specific free trade agreements with different countries/regions.

⁶⁶The list of agricultural TRQs for 2017 is in WTO Document G/AG/N/USA/123, dated 31 October 2018.

⁶⁷<https://www.cbp.gov/trade/quota/guide-import-goods/commodities>

⁶⁸TRQ allocation methods are described in WTO document G/AG/N/USA/2/Add.3, 5 October 2001.

⁶⁹WTO document G/AG/N/USA/117, dated 4 October 2017 provides details on applicable to TRQ imports of sugar and sugar-containing products for FY2018

⁷⁰For US tariff rate quotas on Sugar, see WTO document G/AG/N/USA/122 dated 15 October 2018.

Table 5. Product Categories Subject to Import Licensing

Category	Product	Agency	Purpose	Additional Information
Animals and animal products	Certain animal and animal products	Department of Agriculture	To protect domestic agriculture from the introduction or entry of animal diseases or disease vectors	All persons, firms and institutions in the United States may apply for permits
Controlled substances and listed chemicals	Controlled substances and listed chemicals	Department of Justice, Drug Enforcement Administration	To restrict the quantity of imports of controlled substances and listed chemicals (not monetary value) and to maintain a monitoring system	Importation only by approved, registered importers
Dairy products	Certain dairy products	Department of Agriculture	An administrative tool that governs importations of certain dairy products subject to TRQs resulting from the Uruguay Round Agreement	Importers or manufacturers of dairy products may apply for import licences if they meet the Import Regulation performance criteria on the quantity of imports entered in a previous 12 month period, and for manufacturers the specified level of dairy production in a previous 12 month period. Manufacturers must be listed in USDA's Dairy Plants Surveyed
Distilled spirits (beverages), wine, and malt beverages	Distilled spirits (beverages), wine, and malt beverages	Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau	To provide an enforcement mechanism to ensure that importers comply with all requirements of federal law relating to alcohol	Any person, firm or institution may apply for a licence

Distilled spirits or alcohol for industrial use	Distilled spirits or alcohol for industrial use, including denatured spirits	Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau	To prevent tax fraud	Any person, firm or institution may apply for a licence
Explosives	Explosives, blasting agents and detonators	Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives	To protect against the misuse and unsafe storage of explosive materials	All persons, firms, and institutions may apply for a licence
Firearms and ammunition	Firearms and ammunition	Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives	To administer licensing provisions under three statutes	All persons, firms, and institutions may apply for a licence
Firearms, ammunition, and defence articles	Defence articles on the U.S. munitions list	Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives	To regulate international trafficking in arms, consistent with U.S. national security and foreign policy interests	All persons, firms, and institutions may apply for a licence
Fish and wildlife	Fish and wildlife including endangered species	Department of the Interior, U.S. Fish and Wildlife Service	To identify commercial importers and exporters of wildlife; and require records that fully and correctly disclose each importation or exportation of wildlife and the subsequent disposition of the wildlife by the importer or exporter	All persons, firms, and institutions may apply for a licence
Natural gas	Natural gas, including LNG and CNG	Department of Energy	To fulfil the requirements of the Natural Gas Act requiring authorization to import	All persons, firms, and institutions may import natural gas

Nuclear facilities and materials	Production and utilisation facilities, special nuclear materials, source materials, and by-product materials, including when such materials are contained in radioactive waste	Nuclear Regulatory Commission	To protect public health and safety and the environment, and maintain the common defense and security of the United States, by exercising prudent controls over the possession, use, distribution, and transport of such items	All persons, firms and institutions must have a permanent (physical) address within the United States
Plant and plant products	Certain plant and plant products	Department of Agriculture	To protect against the entry of plant pests and diseases, and to protect endangered plant species	Persons, firms, and institutions resident in the United States may apply for a permit
Steel	All basic steel mill products	Department of Commerce, International Trade Administration	To provide fast and reliable statistical information on steel imports to the Government and the public	Only registered users may file steel licences; registration is available to all and is free
Sugar	Raw and refined sugar	Department of Agriculture	To administer the sugar TRQ and the sugar re-export programme	All importers are eligible to apply for certificates for specialty sugars. Only U.S refiners may apply for licences to import quota exempt sugar
Tobacco products	Tobacco products, processed tobacco, and proprietors of export warehouses	Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau	Primary purpose is to ensure proper collection of federal excise tax revenue on tobacco products	Any person, firm or institution may apply for a licence

Source: Table A3.3 of WTO Secretariat Report for the US Trade Policy Review, 2018.

Import Restrictions

Import restrictions include: (1) prohibited imports (2) imports allowed under certain conditions (3) imports allowed subject to special conditions e.g. through

designated ports or routing restrictions. Table 6 gives the list of products and relevant prohibitions, restrictions or conditions that have to be met for exporting to the US.

Table 6. Prohibition, Restriction or Requirement For Exporting to the US

Product	Prohibition, Restriction, or Requirement
Art materials	Conform to the provisions of the Labelling of Hazardous Art Materials Act
Bicycles and bicycle helmets	Bicycles to meet regulations issued under the Federal Hazardous Substances Act and helmets must meet CPSC's Safety Standard
Biological drugs	Domestic as well as foreign manufacturers of such products must obtain a US licence for both the manufacturing establishment and for the product intended to be produced or imported
Biological materials and vectors	Prohibited unless they have been propagated or prepared at an establishment with a US licence for such manufacturing issued by the Secretary of the Department of Health and Human Services
Cheese, milk and dairy products	Subject to requirements of the Food and Drug Administration and the Department of Agriculture
Cigarette lighters and multi-purpose lighters	Compliance with child-resistant safety standards
Commercial and industrial equipment	Energy performance standards to be met
Counterfeit articles	Articles bearing facsimiles or replicas of coins or securities of the United States or of any foreign country cannot be imported
Dog or cat fur	The importation, exportation, transportation, distribution or sale of any product that consists of any dog fur, cat fur, or both, is prohibited
Fireworks	Labelling requirements and technical specifications to be met
Flammable fabrics	Conform to applicable flammability standard under the Flammable Fabrics Act
Foods, cosmetics, etc.	Prohibits the importation of articles that are adulterated or misbranded and products that are defective, unsafe, filthy, or produced under unsanitary conditions
Foods, drugs, cosmetics, and medical devices	Subject to the requirements of the Public Health Security and Bio Terrorism Preparedness and Response Act of 2002
Fruits, vegetables, and nuts	Import requirements relating to grade, size, quality, and maturity
Fur	Must be tagged, labelled, or otherwise clearly marked with specific information
Gold and silver	Articles made of gold or alloys thereof are prohibited from importation into the United States if the gold content is one half carat divergence below the indicated fineness
Hazardous substances	Substances must be shipped to the United States in packages suitable for household use
Household appliances	Energy standards to be met, and labelled to indicate expected energy consumption or efficiency

Product	Prohibition, Restriction, or Requirement
Insects in a live state that are injurious to cultivated crops, and the eggs, pupae, or larvae of such insects	Prohibited from importation, except for scientific purposes, under regulations prescribed by the Secretary of Agriculture
Lead in paint	Banned if they contain more than 0.06% lead by weight of the dried plant film
Livestock and animals	Inspection and quarantine requirements of the Animal and Plant Health Inspection Service (APHIS)
Matches, fireworks, knives	Certain matches, fireworks, and knives are prohibited
Meat, poultry, egg products, and (since 1 March 2016) Siluriformes fish and fish products	Subject to USDA regulations and must be inspected by the Food Safety and Inspection Service (FSIS)
Pesticides	The regulations require importers to submit to CBP an EPA Notice of Arrival that the EPA has reviewed and approved before the importation arrives in the United States
Products of convict or forced labour	Merchandise produced, mined, or manufactured, wholly or in part, by means of the use of convict labour, forced labour, or indentured labour under penal sanctions is prohibited from importation
Radiation and sonic radiation producing products	Compliance with a radiation performance standard
Radio frequency devices	Subject to radiation performance standards
Refrigerants	The EPA regulates the importation of ozone-depleting substances
Seeds	Provisions of the Federal Seed Act of 1939 and regulations of the Agricultural Marketing Service govern importation into the United States
Textile products	Must be stamped, tagged, labelled, or otherwise marked with the specific information
Toxic substances	Imports will not be released from CBP custody unless proper certification is presented to CBP indicating that the import “complies with” or “is not subject to” TSCA requirements
Toys and children’s articles	Compliance with applicable regulations issued under the Federal Hazardous Substances Act
Wood packing materials	Import regulations require wood packing material to be treated and marked
Wool	Must be tagged, labelled, or otherwise clearly marked with specific information

Source: This mainly reproduces Table A3.2 of WTO Secretariat Report for the US Trade Policy Review, 2018.

In addition to Table 6 above, there is a recent list of products specified by the US⁷¹ which gives some additional products subject to prohibition or conditional prohibition. These additional controlled products are:

Prohibited imports (additional list): Shrimp and shrimp products which have been harvested with commercial fishing technology that may adversely affect sea turtles, any fish, wildlife or plants, with some exceptions, taken, possessed, transported or sold in violation of relevant U.S. or foreign laws.

Conditional prohibition of imports (additional list): Yellowfin tuna caught using purse seine fishing gear in the Eastern Tropical Pacific Ocean, Marine mammals and marine mammal products, Certain toxic substances, Certain ozone-depleting substances, Endangered and threatened species, Certain species pursuant to CITES, African elephant ivory, Exotic bird species, Bald and Golden eagles, and Migratory birds.

Government Procurement

U.S. policy with respect to market access for government procurement is based on reciprocity and is governed by specific trade agreements, including the GPA. The Trade Agreements Act of 1979 generally prohibits federal agencies from purchasing goods and services from countries that are not a party to the GPA or other trade agreements that cover government procurement (non-designated countries).

Under the Buy American Act of 1933 (BAA), the purchase of supplies and construction materials by government agencies is limited to those defined as 'domestic end-products', in accordance with a two-part test that must establish that the article is manufactured in the United States, and that the cost

of domestic components exceeds 50% of the cost of all the components. Under the Trade Agreements Act of 1979, the President may grant waivers from the BAA and other procurement restrictions. The President has delegated this authority to the USTR.

On 18 April 2017, Executive Order No. 13788, Buy American and Hire American⁷², was issued in relation to the implementation of Buy American laws.⁷³ Government procurement at the sub-federal level is governed by State or other sub-federal government laws and procurement regulations. Where procurement is funded with federal money, States must comply with certain federal statutory requirements. Local governments have their own procurement agencies, as well as their own procurement policies.

Subsidies

The 2014 Farm Bill was amended in early 2018, through the passage of the Bipartisan Budget Act of 2018. The legislative process for the 2018 Farm Bill is ongoing.

In July 2018, the Department of Agriculture announced its intention to provide a short-term aid package designed to assist agricultural producers with market disruptions caused by retaliatory tariffs.⁷⁴ The USDA's Agricultural Marketing Service (AMS) will administer a food purchase and distribution programme to purchase up to \$1.2 billion in commodities subject to tariff retaliation. The Market Facilitation Programme under this initiative will provide payments to cotton, corn, dairy, hog, sorghum, soybean and wheat producers who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. The Food Purchase and Distribution Programme addresses products such as fruits, rice, beef, dairy, lentils, beans, pork, sweet corn.⁷⁵

⁷¹WTO document G/MA/QR/N/USA/4, dated 3 October 2018.

⁷²82 Fed. Reg. 18837 [21 April 2017].

⁷³See, <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-buy-american-hire-american/>.

⁷⁴For more information, see <https://www.usda.gov/media/press-releases/2018/09/04/usda-launches-trade-mitigation-programs>.

⁷⁵<https://www.usda.gov/media/press-releases/2018/09/04/usda-launches-trade-mitigation-programs>

The agriculture subsidy programmes address a number of objectives. They include Price Loss Coverage (maize, soybeans, wheat, other feed grains, other oilseeds, peanuts, pulses, rice, and seed cotton), Agricultural Risk Coverage for specified commodities (maize, soybean, wheat), Marketing Loan Programme to provide income support based on the statutory loan rates fixed for this programme, Crop Insurance covering about 130 crops, and commodity specific support such as for sugar (including through Refined Sugar Re-Export Programme and Sugar-Containing Products Re-Export Programme) and dairy products. The support for different products varies, including being zero in certain years.⁷⁶

CONTINGENCY PROTECTION MEASURES

Anti-Dumping

At present, 22 anti-dumping measures are in place on Indian exports and 5 investigations are underway. The number of measures in place have increased over time, as shown in Table 7.

Table 7. Anti-Dumping measures in force on Indian exports to US, 2015-2018

	2015	2016	2017	2018
India	15	19	21	22

Source: Government of India

The Enforce and Protect Act of 2015 (EAPA), which came into force in 2016 is aimed at preventing evasion of contingency measures, and has created a new framework for CBP to investigate allegations of evasion of AD/CVD orders.⁷⁷ This has complicated the existing anti-dumping investigations and extends to the possibility of re-interpreting parts of the international supply chains as well. More needs to be done to ensure clarity and certainty of the scope of such investigations.

The EAPA also calls for cooperation with foreign countries on preventing evasion of trade remedy laws, by seeking to negotiate and enter into bilateral agreements with their Customs authorities or other appropriate authorities. These bilateral agreements should allow for the provision of production, trade, and transit documents and other information necessary to determine whether exports from the exporting country are subject to the importing country's trade remedy laws; they should also allow the importing country to participate in verification in the exporting country, including through a site visit. Interim regulations on CBP Investigations of Claims of Evasion of Anti-dumping and Countervailing Duties became effective in August 2016.⁷⁸

Anti-Dumping measures on shrimp: The Indian industry has pointed out that anti-dumping measures have been in place for a long time. Each year there has been a review. So far, twelve administrative reviews have been conducted. A very low applicable rate was specified by the last Review for Indian companies, i.e. 1.35 %. Another review has been initiated and the result will come out in the near future. This low rate appears to be unreasonable, and it may be worthwhile to review the case and consider closing it.

Countervailing Duties

The US has 17 countervailing duty measures in place on Indian exports, while four investigations are taking place in additional cases.

Safeguards

The US has two safeguard measures in place, one on large residential washers, and another on solar cells and modules. India has been exempted from these measures, together with a large number of other countries.

⁷⁶Table 4.6 of the WTO Secretariat Report for Trade Policy Review of US, 2018.

⁷⁷For Federal register Notice of the process, see <https://www.govinfo.gov/content/pkg/FR-2016-08-22/pdf/2016-20007.pdf>

⁷⁸Section 421 of the EAPA requires that regulations be prescribed as necessary and, within 180 days of TFTEA's enactment, to implement the provisions of the EAPA that establish procedures for investigating claims of evasion of AD/CVD orders. WTO documents G/ADP/N/1/USA/1/Suppl.25 and G/SCM/N/1/USA/1/Suppl.24, 26 August 2016.

Section 232 Investigations

On 26th April 2017, the US initiated two investigations under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). These were to determine the effect on national security of imported steel and aluminium. The President proclaimed adjustments to the imports of steel articles by imposing the following additional duties:

- 25% ad valorem tariff on steel articles⁷⁹
- 10% ad valorem tariff on certain aluminium articles⁸⁰

While some countries have been exempted from these duties, India is not among the countries exempted.

On 23 May 2018, the USDOC initiated a Section 232 investigation into auto imports.

India has imposed retaliatory tariffs on 28 items in response to the previous actions on steel and aluminium. India has also requested a WTO Panel to address its complaint regarding US duties on steel and aluminium. A Dispute Settlement Panel has been established and composed at the WTO.

⁷⁹USHTS six-digit subheadings 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90.

⁸⁰USHTS six-digit subheadings 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90.

UNITED ARAB EMIRATES

Trade

The United Arab Republic (UAE) is India’s third largest export destination. In 2017-18, India’s merchandise exports to UAE were about US\$ 28.17 billion and imports were US\$ 21.74 billion.

UAE is an import hub for trade. Documentary and other requirements depend on the destination of the import.⁸¹

Overview

The Indian Government meets the UAE and Gulf countries’ Government at the Minister and senior official levels, to discuss trade-related issues and to prepare for greater trade and investment opportunities. This includes, for example, a recent currency swap agreement between the UAE and India.

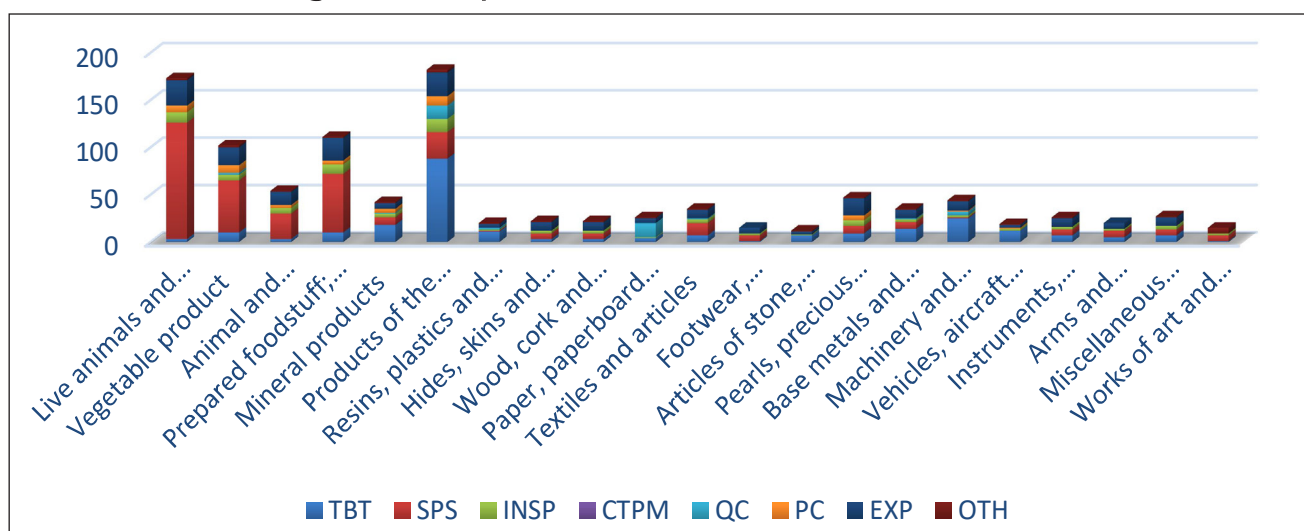
Figure 1 below shows that most of the NTMs used by UAE are Technical Barriers to Trade (TBT) or Sanitary and Phytosanitary Measures (SPS). The product categories with the largest number of NTMs are, respectively: Products of the chemical and allied industries, live animals and products, prepared

foodstuff, beverages, spirits, vinegar, tobacco, vegetable products, animal and vegetable fats, oils and waxes. The agricultural products have mainly SPS related NTMs, and chemicals are mainly subject to TBTs.

The top export products of India to UAE are in HS Sections covering animal and vegetable fats, oils and waxes, mineral products, products of the chemical and allied industries, resins, plastics and articles, rubber and articles, pearls, precious stones and metals, coins, base metals and articles, and machinery and electrical equipment. Figure 1 shows that these major export categories combine sectors with high NTMs as well as those with relatively lower NTMs.

A noteworthy feature is that if we consider for each HS Section the top five countries in terms of NTMs among the major export destinations of India, the UAE is among the top five only for pearls, precious stones and metals. Thus, for most product categories, UAE is not among those with the largest number of NTMs affecting Indian exports.

Figure 1. UAE imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

⁸¹More details is at <https://www.dubaicustoms.gov.ae/en/procedures/customsdeclaration/pages/import.aspx>, and <http://www.economy.gov.ae/Publications/UAE%20Imports%20and%20Exports%20Guide.pdf>

A survey of Indian exporting firms shows some interesting responses (Table 1). While for virtually all categories the UAE has relatively low tariffs with peaks of 5% in general, some exporters from India mention that tariffs and charges in UAE are high. These are exporters of food products, seafood, garments/apparel and textiles. While food products do have a high peak tariff, as do beverages and tobacco, this response is likely to reflect the burden of tariffs and charges in general. Among these four product categories, food products have a high peak tariff and both textiles and apparel have comparatively very few duty-free lines.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

UAE develops standards based on international and regional standards (Gulf Cooperation Council/ Gulf Standards Organization). The Emirates Authority for Standardization and Metrology (ESMA) monitors the application of standards and technical regulations and runs the Emirates Conformity Assessment Scheme (ECAS). This programme determines whether imports meet national or international standards for products. ESMA also runs the Emirates National Accreditation Scheme (ENAS) which accredits conformity assessment bodies.

Table 1. Concerns Expressed By Indian Exporters Regarding Trade Measures of UAE

Concern	Exporter Sector
Tariffs are high, Charges (para-tariffs) are high	Food Products, Seafood, Garments/Apparel, Textile
Pre-shipment requires many documents and formalities	Food products, Leather & Footwear, Textile
Documentation requirements can be a burden, and take time	Seafood, Garments/Apparel, Textile, Chemical
Low pricing by competition (for low quality products)	Food products
Rules of origin can become a problem	Food products
Import licensing create problems	Leather & Footwear
Import quota is small (e.g., mangoes)	Food products
For new buyers, very time-consuming process for getting import license	Garments/Apparel
Complicated rules and regulations	Garments/Apparel
Very strict implementation of regulatory conditions (full consignment returned even if one small part dose not meet requirement)	Food products, Chemicals
Custom clearance procedures can take time, delaying delivery to client, could result in additional charges	Garments/Apparel, Engineering products
Language barrier is a challenge	Food products
Non-transparent tendering process and conditions	Food products
Restriction on after sales service & redistribution within importer territory market	Garments/Apparel, Textiles
Delay in receipt of payment	Food products

Source: Firm level Survey

ESMA covers technical regulations and standards. These numbers have been increasing over time, for example the number of technical and control regulations increased from 55 in 2015 to 218 in 2017.⁸² Of these, 80.7% were in food and agriculture [Table 2].

Table 2. Number of Technical and Control Regulations, 2017

Food and agriculture	176
Electrical and electronics	12
Mechanical and vehicles	11
Metrology	5

Chemical and plastics	4
Cosmetics	3
Administrative	3
Oil and gas	2
Other	2

Source: ESMA Annual Report 2017, page 73.

There are a far larger number of standards in comparison to technical regulations. For example, there are 5,995 Mechanical and vehicles standards, 4,916 Electrical and electronics standards, and 3,783 Chemical and plastic standards. In comparison, there are 829 standards for Food and agriculture.⁸³

Table 3. TBT Measures on Top 5 Export Categories of India to UAE

Classification	NTM
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre-metals, clad with pre-metal and articles thereof, imit. jewellery, coins
B31, B14, B6, B7, B32	Labelling requirements, Authorization requirement for TBT measures, Product identity requirement, Product quality or performance requirement, Marking Requirements
	For India HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre-metals, clad with pre-metal and articles thereof, imit. jewellery, coins
B33, B83, B84, B11	TBT regulations on transport and storage, Certification requirement, Inspection requirement, Prohibition for TBT reasons
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
B11, B33, B14, B84, B31, B81, B82, B851, B33, B41, B42, B7, B83	Prohibition for TBT reasons, Authorization requirement for TBT measures, Inspection requirement, Labelling requirements, Product Registration Requirement, Testing requirement, Origin of materials and parts, TBT regulations on transport and storage, TBT regulations on production processes, TBT regulations on transport and storage, Product quality or performance requirement, Certification requirement
	For India: HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
B15, B14, B11	Registration requirement for importers for TBT reasons, Authorization requirement for TBT measures, Prohibition for TBT reasons

⁸²Page 73 of ESMA's Annual Report 2017.

⁸³ESMA Annual report 2017, page 72.

Classification	NTM
	HS Chapter 61: Articles of apparel and clothing accessories, knitted or crocheted
B31	Labelling requirements
	HS Chapter 62: Articles of apparel and clothing accessories, not knitted or crocheted
B31	Labelling requirements
	HS Chapter 89: Ships, boats and floating structures
B7, B14, B15, B31,	Product quality or performance requirement, Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons, Labelling requirements

Source: TRAINS, UNCTAD

Table 4. SPS Measures on Top 5 Export Categories of India to UAE

Classification	NTM
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre-metal and articles thereof, imit. jewellery, coins
A84, A14, A83, A15, A64, A82, A81	Inspection requirement, Special Authorisation for SPS reasons, Certification requirement, Registration requirements for importers, Storage and transport conditions, Testing requirement, Product registration requirement
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
A33, A41, A59, A86, A21, A22, A32, A14	Packaging requirements, Microbiological criteria on the final product, Treatment for elimination of plant and animal pests and disease-causing organisms in the final product n.e.s., Quarantine requirement, Tolerance limits for residues of or contamination by certain substances, Restricted use of certain substances in foods and feeds, Marking requirements, Special Authorisation for SPS reasons
	HS Chapter 62: Articles of apparel and clothing accessories, not knitted or crocheted
A84, A14, A83, A15, A64, A81	Inspection requirement, Special Authorisation for SPS reasons, Certification requirement, Registration requirements for importers, Storage and transport conditions, Product registration requirement
	HS Chapter 61: Articles of apparel and clothing A1:G29 knitted or crocheted
A84, A14, A83, A15, A64, A81	Inspection requirement, Special Authorisation for SPS reasons, Certification requirement, Registration requirements for importers, Storage and transport conditions, Product registration requirement

Source: TRAINS, UNCTAD

TECHNICAL BARRIERS TO TRADE

UAE has standards for items subject to restriction on imports as well as other products subject to safety or operational conditions. These include, for example, hazardous materials, electrical and electronic devices, household appliances, IT and telecommunication equipment, consumer equipment, lighting equipment, electrical and electronic tools, toys, leisure and sport equipment, medical devices and various monitoring and control instruments, jewellery, solar photovoltaic systems, electric cables, unleaded gasoline, unmanned aerial systems, emissions standards for vehicles, tyres, halal products (including halal cosmetic and personal care products, such as lipstick, creams, and soaps).

Since 2017, UAE has made 217 TBT notifications. These include: sharks and shark fins, beverages, commercial and central air conditioners, household air conditioners, labelling that must be written on packaged tobacco products, packaged and pre-packaged foods, food additives, buses, coffee and coffee substitutes, food products in general, lubricants, industrial oils and related products, processes in the food industry, honey, analytical chemistry, sustainable agriculture, cosmetics, toiletries, vegetables and derived products, materials and articles in contact with foodstuffs, cheese, fruits, vegetables, milk and milk products, spices and condiments, poultry and eggs, cereals, pulses and derived products, fish and fishery products, non-alcoholic beverages, passenger car tyres, tyres of multipurpose vehicles, trucks, buses and trailers, instant noodles, frozen taro, mastic, electronic nicotine products, wastes, laundry appliances, dishwashers, electromagnetic compatibility, water saving products, surface active agents, edible oils and fats, sugar, sugar products, spreadable halwa, salted fish and dried salted fish, canned raspberries, frozen tamia paste, plastics, liquid fuels, spices and condiments, fresh beet, tea and herbs bags,

cosmetics and personal care products, lubricants, pesticides and other agrochemicals, canned fruits, ginseng products, canned corned beef and mutton meat, and prepared basbosa powder.

The objectives addressed by these notifications included protection of human health or safety, protection of animal or plant life or health, protection of the environment, customer information, labelling, prevention of deceptive practices and consumer protection.

Specific trade concerns raised at the WTO: India has not raised any specific trade concern (STCs) at the WTO with respect to UAE's TBT.

Other nations have raised some concerns that related to exports from India as well. These concerns are shown in Table 5 below. The measures relate to hazardous substances in electronic and electrical devices, handling of energy drinks, certification requirement for animal products, assessment procedure for automobile products, halal food, and hazardous materials in electronic and electrical devices.

TBT measures relevant to India have also been raised by some other nations as well. Including the concerns of Indian industry, these are:

Halal products: UAE transferred the authority for halal certification from ESMA to other bodies. Among the 50 certification Bodies for halal that are registered with ESMA, one is from India.⁸⁴ This involves a lengthy process and is time consuming.

Energy Drinks: Concerns were expressed by exporters with respect to the labelling requirements for recommended consumption and container size, and differences in these requirements across Gulf Cooperation Council (GCC) Member States.

Cosmetics and Personal Care Products: The GCC draft regulation was not clear whether the proposed

⁸⁴<http://halal.ae/en-us/Open-Data/Pages/LIST-OF-HALAL-CERTIFICATION-BODIES-REGISTERED-WITH-ESMA.aspx#>

Table 5. STCs raised at WTO Regarding UAE's Technical Barriers to Trade, 2017-2018

Title	Member(s) Whose Measure Raised As STC	WTO Member(s) raising STC	First time raised	Last time raised
Kingdom of Bahrain, State of Kuwait, Qatar, Kingdom of Saudi Arabia, Oman, United Arab Emirates, Yemen - GCC Technical Regulations for the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment	Bahrain, Kingdom of; Kuwait, the State of; Qatar; Saudi Arabia, Kingdom of; Oman; United Arab Emirates; Yemen	United States of America; European Union	14-11-2018	
Kingdom of Saudi Arabia, Kingdom of Bahrain, State of Kuwait, Oman, Qatar, United Arab Emirates, Yemen – The Cooperation Council for the Arab States of the Gulf Draft Technical Regulation for “Requirements of Handling Energy Drinks”	Saudi Arabia, Kingdom of; Bahrain, Kingdom of; Kuwait, the State of; Oman; Qatar; United Arab Emirates; Yemen	Switzerland; United States of America; European Union	05-11-2014	14-11-2018
Oman, Kingdom of Bahrain, State of Kuwait, Qatar, Kingdom of Saudi Arabia, United Arab Emirates, Yemen - Guide for control of imported foods – Certification requirements for animal products (ID 540)	Oman; Bahrain, Kingdom of; Kuwait, the State of; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates; Yemen	United States of America; European Union	14 - 06 - 2017	08-11-2017
United Arab Emirates - Control scheme to restrict the use of hazardous materials in electronic and electrical devices	United Arab Emirates	European Union; Japan; United States of America; Switzerland	09 - 03 - 2016	08-11-2017

Source: WTO

regulatory and conformity assessment scheme that will govern market authorisation for cosmetics and personal care products was in addition to the existing schemes. The latter situation would add to complexities and involve duplication of efforts.

Conformity Assessment Marking: GCC Regional Conformity Assessment Scheme and GCC ‘G’ mark have been introduced. The process has been automated and improved. Some Indian exporters

have pointed out that the certification process is cumbersome for them.

The automobile sector: The concerns expressed by the Indian industry are:

- Even if damage to the body of vehicle occurs at the arrival port, a certificate from the competent authority has to be submitted
- As per the standards, the steering wheel must not have been modified

- Vehicles used as taxicabs or by police are not allowed to be imported

SANITARY AND PHYTOSANITARY MEASURES

All live animals, animal products, plants and plant products are subject to quarantine requirements and need to be accompanied by health certificates.

Since 2017, UAE has made 120 SPS notifications to the WTO. They cover: plant products, live poultry and poultry products, beverages, food additives, coffee and coffee substitutes, plants, live animals and their products (not fit for human consumption), all kinds of fresh fruits and vegetables, milk and milk products, cereals, pulses and derived products, poultry and eggs, fish and fishery products, fruits, vegetables, non-alcoholic beverages, spices and condiments, slaughterhouses, live fish, live crustaceans and their products, pesticides and other agrochemicals, and fruits and derived products, including nuts.

The objectives addressed by them included protection of human health or safety, food safety, food additives, animal health and disease, plant health, beverages, labelling, bacteria, avian influenza, contaminants, packaging, territory protection, pest or disease-free regions/regionalisation, zoonoses, withdrawal of the measure, and modification of the content/scope of the measure.

Specific trade concerns raised at the WTO: In the past two years, India has not raised any specific trade concern regarding UAE's SPS policy at the WTO.

During the past two years, other countries have raised two policies relevant also to India. These include Gulf Cooperation Council (GCC) Guide for Control of Imported Foods, and UAE's measures on plant protection products.

Regarding GCC's Guide for Control on Imported Foods, the specific concern was lack of a scientific justification for requiring certain health certificate statements, some of which may not follow relevant guidelines established by the Codex Alimentarius Commission, the International Plant Protection Convention, or the World Organization for Animal Health. As of December 2017, GCC Member States have indefinitely suspended implementation of the Guide.⁸⁵

In addition, the USTR 2018 Report⁸⁶ has raised another concern relating to a measure also relevant for Indian exports. The UAE has banned imports of U.S live cattle after detection of BSE in the United States in 2004. This is despite the US being categorised as a negligible risk country by the OIE since 2013, and no cases of BSE have been detected in over a decade.

IMPORT POLICIES

Tariffs and other Charges on Imports

The UAE is a member of the GCC along with Kuwait, Oman, Saudi Arabia and Qatar. Many goods from the region enter tariff-free. Generally, a Customs duty of 5% is imposed on the cost, insurance and freight (CIF) value of imports. Table 6 shows the tariffs by UAE on the major export products from India. Most of them face tariffs of 5%.

Tariff Rate Quota

UAE does not have tariff rate quotas.

Import Prohibitions

Prohibited products include live swine and other products prohibited on security, health and safety grounds. They include: all kinds of narcotic drugs, e.g. hashish, cocaine, heroin, poppy seeds, hallucination pills (taking into account the control of

⁸⁵See page 462 of the USTR's 2018 National Trade Estimate Report on Foreign Trade Barriers.

⁸⁶This too is mentioned on page 462 of the USTR's 2018 National Trade Estimate Report on Foreign Trade Barriers.

Table 6. Tariffs on India's Major Exports to UAE

HS Section	HS Code	Product	Share in Total Exports (%)	Tariff in 2019 (%)
14	71131910	Jewellery of gold unset	1.14	5
	27101219	Other	0.91	5
14	71081200	Other non-monetary unwrought forms of gold	0.68	5
14	71023910	Diamond(othrthnindstrl diamond)cut or otherwise worked but not mounted or set	0.65	5
17	89059090	Other under hdng 8905	0.63	5
14	71189000	Other coin	0.60	5
14	71023100	Non-industrial diamonds unworked/simplely sawn cleaved or bruted	0.59	5
14	71131930	Jewellery of gold set with diamond	0.56	0
14	71131120	Silver jewellery set with gems	0.55	5
5	27101930	High speed diesel (hsd)	0.55	0
2	10063020	Basmati rice	0.55	5
14	71131940	Jewellery of gold set with precious and semi precious stones other than diamonds	0.52	5
14	71129990	Othrwst and scrp of othrpccsmtlsln.e.s.	0.51	5
5	28182010	Alumina calcined	0.50	5
2	08013220	Cashew kernel, whole	1.14	5
5	27101950	Fuel oil	0.91	5
11	61091000	T-shirts etc of cotton	0.68	5
11	61099090	T-shirt etc of othr fibres	0.65	5
15	74199930	Articles of brass	0.63	5
16	85171290	Other	0.60	5
11	61052010	Men's/boy's shirts synfibres	0.59	5
1	03061790	Other shrimps and prawns	0.56	0
5	27079900	Other oil and oil prodcts of distilation of high temp. Coal tar, etc.	0.55	5
5	27101920	Aviation turbine fuel (atf)	0.55	0
11	61099010	T-shirt etc of syn fibres	0.55	5
15	74031100	Cathods and sectns of cathods of refind cop	0.52	5

Source: DGCIIS Data, Department of Commerce

prohibited items in general and narcotic substances in particular, where certain prohibited goods may be imported or exported subject to producing approvals of the competent authorities), goods intended to be

imported from boycotted countries, goods of Israeli origin or bearing Israeli flags and emblems, gambling tools, machineries and devices of all kinds, nylon fishing nets, live swine, used, reconditioned and

inlaid tires, crude ivory and rhinoceros horn, gambling tools and machinery, radiation and nuclear fallout contaminated substances, items that contradict Islamic faith and public morals, cooked and home-made food, e-cigarettes and electronic hookah, paan and betel leaves and other goods whose imports are banned by UAE laws, including certain products with asbestos.⁸⁷

Import Licensing

Restricted products include pig meat products and alcoholic beverages. These products require import licences and they have high tariffs.

The UAE imposes import controls on a number of products, including alcoholic beverages and products, denatured industrial alcohol, methyl alcohol, methylated and medicated spirits, pork products, medicinal substances, printed matter such as magazines and videos, photographic material, fireworks, firearms and ammunition, explosives, drugs and agricultural pesticides.

This licensing requirement does not apply to goods imported into free zones. Import of some goods for personal consumption does not require an import licence.

Imports of agricultural products listed below must be approved by the Food Control Section of the Public Health Department of the Dubai Municipality:⁸⁸ Cereal and wheat or rye flour, groats or meal, rice and broken rice, products processed from cereals, cereal-based compound feeding stuff, beef and veal, pig meat, poultry meat, eggs, milk and milk products, products processed from fruits and vegetables, olive oil, white and raw sugar without further processing, syrups and other sugar products, and wine.

Table 7 provides a list of products subject to import restrictions and the agencies that control the import

regulatory oversight for these products.

Import permits are required for importing products such as building materials, chemicals and polymers, food products, packaging, consumer durables, heavy machinery and electronics, precious metals and jewellery, pharmaceuticals and textiles.⁸⁹

Documentation and Labelling Requirements

Pre-shipment approval is required for food products, and further enquiry might be made with respect to its ingredients. For all food products, additional certificates are required, such as original health certificates issued by the appropriate government agency in the exporting country, attesting to the product's fitness for human consumption and original halal slaughter certificates for meat and poultry products.

For food products, in addition to product name and ingredients, the label should also have source of animal fat and the animal fats and ingredients should be from halal slaughtered animals.

Import of non-halal meat and poultry is permitted through an exemption issued by the Director, Food Control Section of the municipality, and they can only be sold to non-Muslims via the designated areas/establishments.

With the exception of food, all shipments of goods to the U.A.E. require 'legalisation' of documents.

Several goods such as toys, food, chemical products, industrial products, drinking water, textiles and cosmetics have product-specific labelling requirements.

ESMA has established a number of marks which provide a basis for better market perception of the products. These marks include those used on products that have obtained UAE Quality

⁸⁷The HS categories for these products cover 01031000, 01039100, 01039200, 05071000, 09082100, 09082200, 12079100, 12079910, 12079920, 12113000, 12114000, 12119020, 12119060, 13021100, 13021910, 24039921, 25241000, 25249000, 29399110, 40121100, 40121200, 40121300, 40121900, 40122000, 68114000, 68128000, 68129300, 68132000, and 85437030 [from Table 3.4 of Secretariat Report for Trade Policy Review of UAE, 2016].

⁸⁸Section 6 of http://agrifade.iift.ac.in/html/Training/Market%20study/UAE_Final_Report.pdf

⁸⁹<https://www.saudiexports.sa/ar/Export-Information/Documents/UAE%20Guide%20-%20En%2020161103.pdf>

Table 7. Products Subject to Import Restriction

Restricted Products	Controlling Authority
Live animals, plants, fertilisers and insecticides	Ministry Of Climate Change & Environment
Vegetable Products, Prepared Food Stuff, personal care, cosmetic products, Chemical Products	Dubai Municipality
Alcoholic beverages	Dubai Police
Arms, ammunitions, explosives, Ammunitions and their parts / accessories, and fireworks	Ministry Of Defence / Armed Forces / Ministry of Interior
Pharmaceutical products and Medical/ Surgical instruments and machines	Ministry Of Health & Prevention
Print materials, publications, and media products	National Media Council
Nuclear energy-related products	Federal Authority for Nuclear Regulation
New tyres	Emirates Authority for Standardization and Metrology
Transmitters and radio equipment, other telecommunication equipment	Telecommunications Regulatory Authority
Pearls, diamonds and rough diamonds	Dubai Multi Commodities Center Authority (DMCC)
Industrial Raw Materials	Ministry of Economy
Tyres / Drinking Water	Emirates Authority for Standardization and Metrology
Rough diamonds	UAE Kimberley Process office
Boats, cruise ships	United Arab Emirates Coast Guard Group

certification, HALAL certification, products that conform to accredited regulations and systems, on regulated biodegradable plastic objects, on electrical appliances and toys to indicate conformity with GCC standards, certifying organic products, a label identifying vehicle tires tracked electronically, electrical appliances categorised by efficient energy consumption, paint and varnish products classified according to environmental efficiency, classifying equipment based on water consumption, a label specifying fuel consumption in vehicles, classifying vehicle tyres based on energy efficiency and performance on wet surfaces, a mark identifying

measurement instruments that provide correct readings, and a mark showing accredited conformity authorities.⁹⁰

CONTINGENT PROTECTION MEASURES

India is subject to a safeguard measure, but not any other contingency measure. In fact, since 1 January 1995, when the WTO was established, the GCC has not imposed any anti-dumping or countervailing measure on India.⁹¹

Anti-Dumping Measure and Countervailing Measure

India does not face any anti-dumping or countervailing measure from UAE. UAE has not

⁹⁰Pages 52-53 of ESMA's Annual report 2017.

<https://www.esma.gov.ae/en-us/Open-Data/Lists/AnnualReports/Attachments/6/EN%20Report.pdf>

⁹¹Since 1 January 1995, only one anti-dumping measure has been taken, on South Korean exports. No countervailing measure has been taken by GCC members.

imposed these measures in general as well.

Safeguard Measure

From 15 May 2018, GCC imposed a specific duty as safeguard measure on certain flat-rolled products of iron or non-alloy steel (HS categories 721070 and 721090).⁹² The safeguard was imposed for 3 years as follows:

Duration	Specific Duty (US\$/Tonne)
From 15 May 2018 to 14 May 2019	169
From 15 May 2019 to 14 May 2020	153

From 15 May 2020 to 14 May 2021	137
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India is subject to this safeguard measure. There is a safeguard investigation being conducted on 'prepared additives for cements, mortars or concretes (chemical plasticizers)'. The GCC-Unified Tariff Code for the item is 38244000. A preliminary decision was reached that the increased imports of this product did cause serious injury but no duty was imposed. The investigation is ongoing.⁹³

⁹²WTO Document, G/SG/N/10/KWT/1/Suppl.2, dated 30 April 2018.

⁹³WTO Document, G/SG/N/8/ARE/2, G/SG/N/8/BHR/2 G/SG/N/8/KWT/2, G/SG/N/8/OMN/2 G/SG/N/8/QAT/2, G/SG/N/8/SAU/2, dated 17 May 2018.

HONG KONG, CHINA

TRADE

India's merchandise exports to Hong Kong, China were about US\$ 14.7 billion in 2017-18, making it the fourth largest export market for India. In the same period, India's merchandise imports were about US\$ 10.7 billion.

OVERVIEW

The main NTMs are technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS). For most product categories, Hong Kong, China [hereinafter HK] has a low incidence of NTMs.

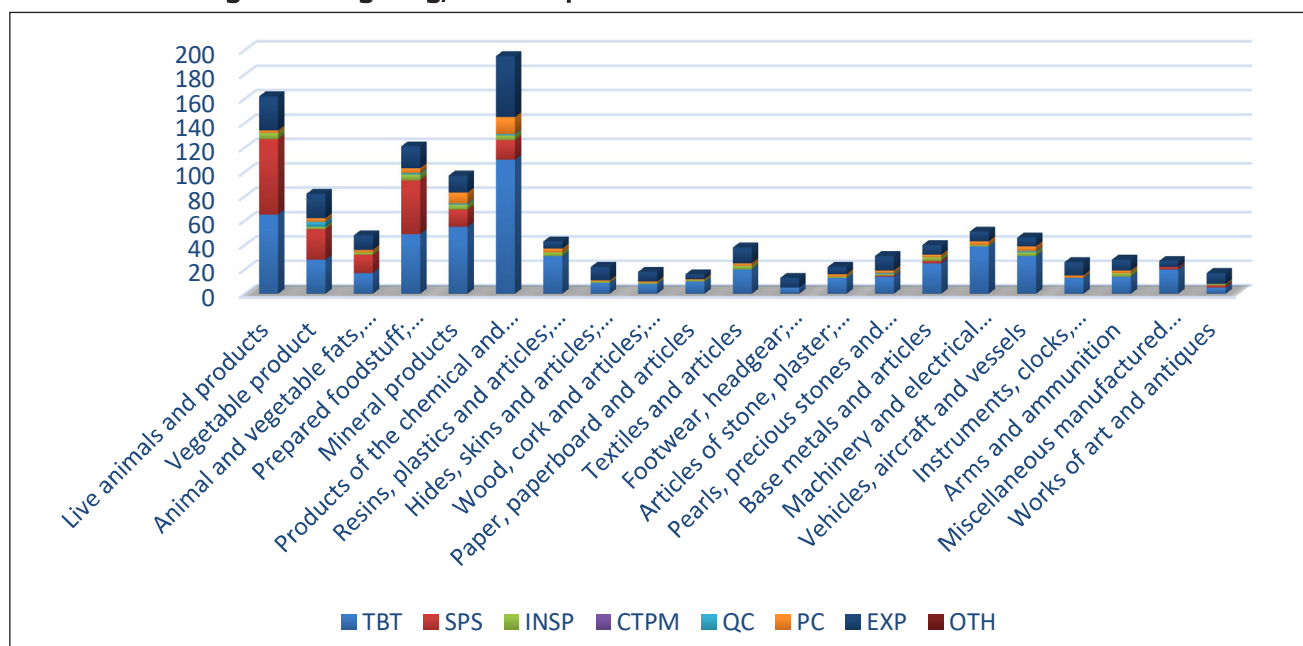
The largest number of NTMs is in the product category 'Products of the chemical and allied industries' with 17% of the total NTMs imposed by HK. The next four are live animals and products (14%), prepared foodstuff, beverages, spirits, vinegar, tobacco (11%), mineral products (8%) and vegetable products (7%). All the other categories have 4% or less of the total number of NTMs.

No major concerns regarding Hong Kong, China's trade restraints were raised by Indian exporters in the firm level survey. Three points that were mentioned were that 1.) firms incur high charges if there is a delay (seafood), 2.) import prohibition/restraints for textiles/garments in Southeast Asia reduce possibilities for garment exporters and 3.) competition from other countries which provide their products at very low prices, undercuts export opportunities.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

The top five export products of India to Hong Kong, China face several TBT measures but very few SPS measures (Tables 1 and 2). This is evident from the fact that most of the SPS measures are mainly on agricultural products, and India's top 5 product categories exported to HK are not among those product groups.

Figure 1. Hong Kong, China: Imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Notes: TBT=Technical Barriers to Trade; SPS=Sanitary Phytosanitary Measures; INSP=Pre-shipment Inspection; CTPM=Contingent Trade Protective Measures; QC=Quantity Control Measures; PC=Price Control Measures; EXP=Export Related Measures; OTH=Other Measures.

Table 1. TBT Measures on Top 5 Product Categories Exported by India to Hong Kong, China

	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artclsthereof, imit. jewellery, coins
B31, B14, B6, B852, B853, B9, B84	Labelling requirements, Authorization requirement for TBT reasons, Product identity requirement, Processing history, Distribution and location of products after delivery, TBT Measures n.e.s., Inspection requirement
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B84, B83, B14, B42, B32, B31, B82, B33, B22, B15, B853, B6, B21, B11, B7	Inspection requirement, Certification requirement, Authorization requirement for TBT reasons, TBT regulations on transport and storage, Marking requirements, Labelling requirements, Testing requirement, Packaging requirements, Restricted use of certain substances, Registration requirement for importers for TBT reasons, Distribution and location of products after delivery, Product identity requirement, Tolerance limits for residues of or contamination by certain substances, Prohibition for TBT reasons, Product quality or performance requirement
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts
B14, B853, B7, B15, B33, B32, B852, B9, B11, B84, B81, B31, B83, B82	Authorization requirement for TBT reasons, Distribution and location of products after delivery, Product quality or performance requirement, Registration requirement for importers for TBT reasons, Packaging requirements, Marking requirements, Processing history, TBT Measures n.e.s., Prohibition for TBT reasons, Inspection requirement, Product registration requirement, Labelling requirements, Certification requirement, Testing requirement
	HS Chapter 41: Raw hides and skins (other than furskins) and leather
B33, B32, B14, B852, B853, B9, B84	Packaging requirements, Marking requirements, Authorization requirement for TBT reasons, Processing history, Distribution and location of products after delivery, TBT Measures n.e.s., Inspection requirement
	HS Chapter 72: Iron and steel
B14, B42, B32, B31, B33, B852, B853, B9	Authorization requirement for TBT reasons, TBT regulations on transport and storage, Marking requirements, Labelling requirements, Packaging requirements, Processing history, Distribution and location of products after delivery, TBT Measures n.e.s.

Source: TRAINS, UNCTAD

Table 2. SPS Measures on Top 5 Product Categories Exported by India to Hong Kong, China

	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre-metals, clad with pre-metal and articles thereof, imitations, jewellery, coins
-	No measures
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
A14	Special A1:G7 requirement for SPS reasons
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts
-	No measures
	HS Chapter 41: Raw hides and skins (other than furskins) and leather
-	No measures
	HS Chapter 72: Iron and steel
-	No measures

Source: TRAINS, UNCTAD

Hong Kong, China's certification system is oriented towards both inland trade as well as re-export of the imported products to foreign markets. Most imports of HK are re-exported (76.6% of merchandise imports in 2017 were re-exported). Thus, the origin of goods that HK exports is based on meeting the requirements of overseas markets.

TECHNICAL BARRIERS TO TRADE

HKC has no central body for the development of standards, and uses international standards or overseas standards as a basis for domestic standards, where appropriate.⁹⁴ Hong Kong, China's Import and Export Ordinance (Cap. 60) regulates its import and export regime, particularly the licensing and certification regime for controlled imports. Section III of the Ordinance relates to 'Prohibited Articles, Etc.' Import controls are in place in line with international agreements and meet health, safety, energy efficiency and security objectives.⁹⁵

⁹⁴<https://www.itc.gov.hk/en/quality/psis/regulations.htm>

⁹⁵Examples are in Table A3.3. of Secretariat report for Trade Policy review of Hong Kong, China, 2018.

⁹⁶https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports.html

⁹⁷List is at https://www.elegislation.gov.hk/hk/cap134?xid=ID_1438402701417_001

⁹⁸List is at https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/drugs.html

⁹⁹https://www.customs.gov.hk/pda/en/traders/trade_facilitation/dutiable.html

¹⁰⁰https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/explosives.html

¹⁰¹https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/firearms_ammunition.html

¹⁰²https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/food.html

The list of 'controlled imports' covers 26 types of products⁹⁶:

- Animals and Plants (live animals, plants and plant pests, endangered animals and plants, animal carcass and products)
- Controlled Chemicals (these cover 29 substances which are precursors or essential chemicals for the manufacture of dangerous drugs or psychotropic substances are placed under statutory control)⁹⁷
- Dangerous Drugs (e.g. opium, morphine, heroin, cannabis, cocaine and amphetamines)⁹⁸
- Dutiable Commodities: Four types of commodities (liquors, tobacco, hydrocarbon oil and methyl alcohol) which are dutiable and require an import licence.⁹⁹
- Explosives¹⁰⁰
- Firearms and Ammunition¹⁰¹
- Food¹⁰²

- Infectious Goods¹⁰³
- Motor Vehicles¹⁰⁴
- Optical Disc Mastering and Replication Equipment¹⁰⁵
- Ozone Depleting Substances¹⁰⁶
- Chinese Herbal Medicines and Proprietary Chinese Medicines¹⁰⁷
- Pesticides¹⁰⁸
- Pharmaceutical Products and Medicines¹⁰⁹
- Prescribed Articles (vehicles, vehicle parts, outboard engines exceeding 111.9 kilowatts [150 horsepower])¹¹⁰
- Radioactive Substances and Irradiating Apparatus¹¹¹
- Radio Transmitting Equipment¹¹²
- Rice, Frozen or Chilled Meat and Poultry¹¹³
 - Rice is the only reserved commodity under the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulation, Chapter 296 sub. Leg., Laws of Hong Kong, China. Licences for rice imported for local consumption are issued only to companies registered with the Trade and Industry Department as stockholders.
 - The import of frozen meat, chilled meat, frozen poultry and chilled poultry is subject to licensing control under the Import and Export Ordinance, Chapter 60, Laws of Hong Kong, China. Every consignment imported into Hong Kong, China must be covered by an import licence issued by the Food and Environmental Hygiene Department
- Transshipment cargo may also be exempted from licensing requirement under certain conditions. [Details in “Transshipment Cargo Exemption Scheme”]¹¹⁴
- Game, Meat, Poultry and Eggs¹¹⁵
- Sand¹¹⁶
- Smokeless Tobacco Products¹¹⁷
- Strategic Commodities (Products such as high-performance digital computers, high speed and high-density integrated circuits, sophisticated communication systems, nuclear materials, high precision machine tools, chemical weapon precursors, small arms, large artillery weapons, ammunition, bombs and all articles for use in connection with nuclear, chemical or biological weapons are generally considered strategic commodities)¹¹⁸
- Rough Diamonds¹¹⁹
- Waste¹²⁰
- Hazardous Chemicals¹²¹
- Weapons¹²²

¹⁰³https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/infectious_goods.html

¹⁰⁴https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/motor_vehicles.html

¹⁰⁵https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/optical_disc.html

¹⁰⁶https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/ozone.html

¹⁰⁷https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/chinese_medicines.html

¹⁰⁸https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/pesticides.html

¹⁰⁹https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/pharmaceutical.html

¹¹⁰More detail in https://www.customs.gov.hk/pda/en/traders/trade_facilitation/prescribed_articles.html

¹¹¹https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/radioactive.html

¹¹²https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/radio_trans.html

¹¹³https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/rice_frozen.html

¹¹⁴Transshipment Cargo Exemption Scheme is at

https://www.customs.gov.hk/pda/en/traders/cargo_clearance/prohibited_articles/exemption.html

¹¹⁵https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/game_meat.html

¹¹⁶https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/sand.html

¹¹⁷https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/tobacco.html

¹¹⁸https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/strategic_commodities.html

¹¹⁹https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/rough_diamonds.html

¹²⁰https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/waste.html

¹²¹https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/hazardous_chemicals.html

¹²²https://www.customs.gov.hk/pda/en/traders/prohibited_articles/imports/weapons.html

Based on these controls, Hong Kong, China's technical regulations cover areas such as air pollution control, antibiotics, boilers and pressure vessels, buildings, consumer goods safety, dangerous drugs, electrical products safety, electricity, environmental impact assessment, food and drug [composition and labelling], gas safety, merchant shipping safety, noise control, ozone layer protection, pesticides, pharmacy and poisons, plant (importation and pest control), public health (animals and birds), public health and municipal services, radiation, road traffic, telecommunications, toys and children's products safety, waste disposal, and water pollution control.

Accreditation certificates are required for several products, such as construction products, electrical and electronic products, food containers, footwear, furniture, garments, telecommunications equipment, textiles, toys and children's products. The section on 'Licensing' provides more detail on the implementation of the TBT regime.

Hong Kong, China's TBT notifications submitted to the WTO since 2017, cover the following:

- Standards required under mandatory energy efficiency labelling schemes: Televisions (HS: 85287210, 85287220, 85401100 and 85401200), Storage type electric water heaters (HS: 85161000), Induction cookers (HS: 85166090), Room air conditioners (HS: 84151000 and 84158100) and Washing machines (HS: 84501110, 84501120, 84501200 and 84501900)
- Voluntary guidelines on marketing (including labelling) and quality for: infant formula, follow-up formula, feeding bottles, teats, pacifiers and food products for infants and young children to manufacturers and distributors, health workers and health facilities. The products are under ICS categories 55.100; 67.230; 83.140; 97.190

- Conformity assessment procedure: Water closets (HS: 3922 9000).¹²³

A concern has been expressed (by the US) that a voluntary standard (e.g. for formula milk) could in effect become mandatory if the hospital authorities specify it as part of a tender. No specific trade concerns have been expressed by any country in the WTO, relating to TBT of HK.

SANITARY AND PHYTOSANITARY BARRIERS

From Figure 1 above, we see that SPS measures predominate in the first four categories, i.e. live animals and products, vegetable products, animal and vegetable fats, oils and waxes, prepared foodstuff, beverages, spirits, vinegar and tobacco. Several of these products are in the list of controlled products mentioned above. Import controls and requirements on food products are imposed for public health reasons, and are based on risk assessment. For controlled imports, including for SPS reasons, the regulatory regime involves the basis for control and its enforcement through licensing.

The authorities responsible for food safety and related issues are the Food and Environmental Hygiene Department (FEHD), the Centre for Food Safety (CFS), and the Food and Health Bureau (FHB). The FEHD works closely with and through the CFS and AFCD. The Agriculture, Fisheries and Conservation Department (AFCD) is the competent authority for animal health and plant protection. It is responsible for enforcing SPS controls on imports of live animals and plants (and parts thereof).

The list of maximum residue limits of pesticide in food products is mostly based on the standards of the Codex Alimentarius Commission and the standards of some major food exporting economies. Imports or sales of food containing a pesticide not included on the list are not permitted unless it is

¹²³This was to provide consumers with information on the levels of water consumption and efficiency ratings of water closets; to facilitate consumers to select water efficient water closets; to promote public awareness on water conservation and efficiency issues; and to achieve actual water savings.

demonstrated that consumption of such food is not dangerous or harmful to health, on the basis of a risk assessment conducted by the CFS.

In October 2018, the Legislative Council completed its scrutiny of the Food Adulteration (Metallic Contamination) (Amendment) Regulation 2018 for better preventing the adverse health effects due to metallic contaminants in food. This Regulation will come into effect on 1 November 2019 for certain types of fresh food with shorter shelf life (i.e. fresh fruits and vegetables and their juice, fresh meat and edible offal of animal and poultry, aquatic animals and poultry eggs). For other food items that have a longer shelf / storage life, the Amendment Regulation will come into effect on 1 November 2020.¹²⁴

The section on Licensing provides more information relating to the SPS regime.

Hong Kong, China's SPS notifications submitted to the WTO since 2017, cover:

- Food for human consumption (Food products in general {ICS Code 67.040}). This relates to a Consultation Document on Proposed Amendments to the Food Adulteration (Metallic Contamination) Regulations (Cap. 132V) (the Regulations)
- Hairy crab of the genus eriocheir intended for human consumption

- Horses from scheduled countries (the list does not include India)

No specific trade concerns have been expressed by any country in the WTO, relating to SPS of Hong Kong, China.

IMPORT POLICIES

Hong Kong, China has a very low tariff economy. Most of the NTMs it uses are TBTs, and as shown by Figure 1, the incidence of the NTM regime too is relatively lower than most other countries. For the objectives to be met through TBT and SPS measures, it has in place a regime with import prohibitions, licensing, permits or approval of imports.

Tariffs and Other Charges on Imports

HK's tariff regime for the major export products of India is very open (Table 3).

Import Prohibitions and Restrictions

The import of munitions, firearms and fireworks is prohibited. In general, controlled import products are allowed subject to relevant import licenses.

Import Licensing

Hong Kong, China applies import licensing schemes for public health, animal health, safety, security and environmental purposes, to comply with international obligations and to facilitate the collection of excise duties. The products subject to import licensing are shown in Table 4, together with the relevant licensing authority.

¹²⁴https://www.cfs.gov.hk/english/whatsnew/whatsnew_fstr/whatsnew_fstr_PA_Food_Adulteration_Metallic_Contamination.html

Table 3. Tariffs on the Main Export Items from India to Hong Kong, China

HS Section	HS Code	Product	Share in Total Exports (%)	Tariffs (%)
1	71023910	Diamond (othrthndstrl diamond) cut or otherwise worked but not mounted or set	67.09	0
2	71131120	Silver jewellery set with gems	12.49	0
3	71131930	Jewellery of gold set with diamond	4.76	0
4	27101930	High speed diesel (hsd)	1.15	0
5	71039100	Otherwise wrkd rubies sapphires and emeralds	1.00	0
6	71131910	Jewellery of gold unset	0.89	0
7	72142090	Others	0.74	0
8	71049010	Laboratory-created or laboratory grown or manmade or cultured or synthetic diamonds	0.68	0
9	27101920	Aviation turbine fuel (atf)	0.67	0
10	71023100	Non-industrial diamonds unworked/simplely sawn cleaved or bruted	0.61	0
11	71131940	Jewellery of gold set with precious and semi precious stones other than diamonds	0.52	0
12	71039990	Other stone cut(topaz aquamarine etc)	0.51	0

Source: DGCIS Data, Department of Commerce

Table 4. Import Licensing Schemes in Hong Kong, China

Goods	Licensing authority	Rationale
Strategic commodities	Trade and Industry Department (TID)	To prevent HKC from being used as a conduit for the proliferation of weapons of mass destruction, and to ensure HKC's continuous access to technology and high-tech products
Rice	TID	To maintain a stable supply and a reserve stock for emergencies
Pesticides	TID (for pesticides containing methyl bromide),	
AFCD (for pesticides other than methyl bromide)	Public health concerns	
Rough diamonds	TID	International obligation under the Kimberley Process
Ozone-depleting substances	TID	International obligation under the Montreal Protocol

Goods	Licensing authority	Rationale
Pharmaceutical products and medicines, proprietary Chinese medicines and 36 Chinese herbal medicines, radioactive substances and irradiating apparatus, and biological materials	Department of Health	Public health, safety, and security and international obligations
Tobacco, liquors, methyl alcohol and hydrocarbon oil	Customs & Excise Department (C&ED)	Excise duties collection and administration
Controlled chemicals	C&ED	To prevent diversion of controlled chemicals into the illicit manufacture of narcotic drugs and psychotropic substances
Optical disc mastering and replication equipment	C&ED	To enforce the IPR regime and to prevent the use of optical disc mastering and replication equipment for copyright infringing activities
Sand	Civil Engineering and Development Department	To protect beaches and seabeds
Frozen or chilled meat and poultry	Food and Environmental Hygiene Department	Public health and food safety
Genetically modified organisms (intended for release into the environment)	Agriculture, Fisheries and Conservation Department (AFCD)	Biosafety, conservation of local biodiversity, international obligations under the Cartagena Protocol on Biosafety to the Convention on Biological Diversity
Live animals, animal carcasses, and animal products	AFCD	Sanitary considerations
Plants, plant pests, and soil	AFCD	Phytosanitary considerations
Endangered species of animals and plants	AFCD	International obligations under CITES
Non-pesticide hazardous chemicals	Environmental Protection Department	To protect human health and the environment in accordance with, inter alia, the principles of the Stockholm Convention and the Rotterdam Convention
Waste	Environmental Protection Department	To fulfil international obligations under the Basel Convention and to ensure the environmentally sound management of waste

Source: Table 3.6 of Secretariat Report for Trade Policy Review of Hong Kong, China, 2018.

Notes: Radio-transmitting equipment, arms, ammunition, and explosives are subject to additional controls by other relevant authorities; The licensing system does not apply if the chemical is a constituent element of a product.

Due to their perishable and high-risk nature, a prior import licence and/or a written permission from the Food and Environmental Hygiene Department (FEHD) is required for the importation of high-risk items such as game, meat, poultry, eggs, milk and milk beverages, frozen confections and marine products.¹²⁵ Under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK), imports of these products require a health certificate issued by a competent body in the exporting country of origin certifying that the food products concerned are fit for human consumption.

Under the Public Health (Animals and Birds) Ordinance (Cap. 139), a special permit from the Agriculture, Fisheries and Conservation Department (AFCD) is required for imports (including transshipment) of live animals and poultry, except for imports of non-CITES animals and poultry from Mainland China, which are regulated by a separate legislation. On arrival, animals must be accompanied by a valid animal health certificate issued by the competent veterinary authority of the exporting country. Inspection procedures at the border/boundary and quarantine restrictions apply, in order to prevent the introduction of animal diseases into HKC.

Imports of frozen confections, milk and milk beverages are recognized on a manufacturing plant

basis, while imports of game, meat and poultry sources are country-specific, and allowed only if they come from sources duly recognized by the Food and Environmental Hygiene Department (FEHD).¹²⁶

Imports of plants are subject to a Plant Import Licence (PIL) and must be accompanied by a valid phytosanitary certificate issued by the competent authority in the country/place of origin. Imports of cut flowers fruits and vegetables for consumption, grains, pulses, seeds and spices for consumption or industrial use, timber and timber products, dried tobacco and plants and soil from Mainland China are exempted from these requirements. Certain plants are subject to fumigation requirements and/or quarantine conditions; these are the plants specified in the First Schedule of the Plant (Importation and Pest Control) Ordinance (Cap. 207).¹²⁷ Textile imports are not subject to licensing, except for imports from Mainland China.¹²⁸ Licensing requirements are also in place for re-exports of textiles to Mainland China and USA.¹²⁹

CONTINGENT PROTECTION MEASURES

India has not been subject to any anti-dumping, countervailing, or safeguard measures by Hong Kong, China. In fact, Hong Kong, China has not used these measures for the entire period that WTO has been in existence, i.e. since January 1995.

¹²⁵https://www.cfs.gov.hk/english/faq/faq_06.html

¹²⁶For import bans and notice of lifting the ban, information can be obtained from https://www.cfs.gov.hk/english/import/import_ifc.html

¹²⁷Details in <https://www.elegislation.gov.hk/hk/cap207>

¹²⁸https://www.tid.gov.hk/english/import_export/textiles/textiles_sen/textiles_sen.html

¹²⁹https://www.tid.gov.hk/english/import_export/textiles/textiles_sen/textiles_sen_ex.html

CHINA

TRADE

In the fiscal year 2017-18, China was India's fifth largest export markets (taking European Union as one market), and largest source of merchandise imports. In 2017-18, India's exports to China were US\$ 23.33 billion and imports were US\$ 76.38 billion.

OVERVIEW

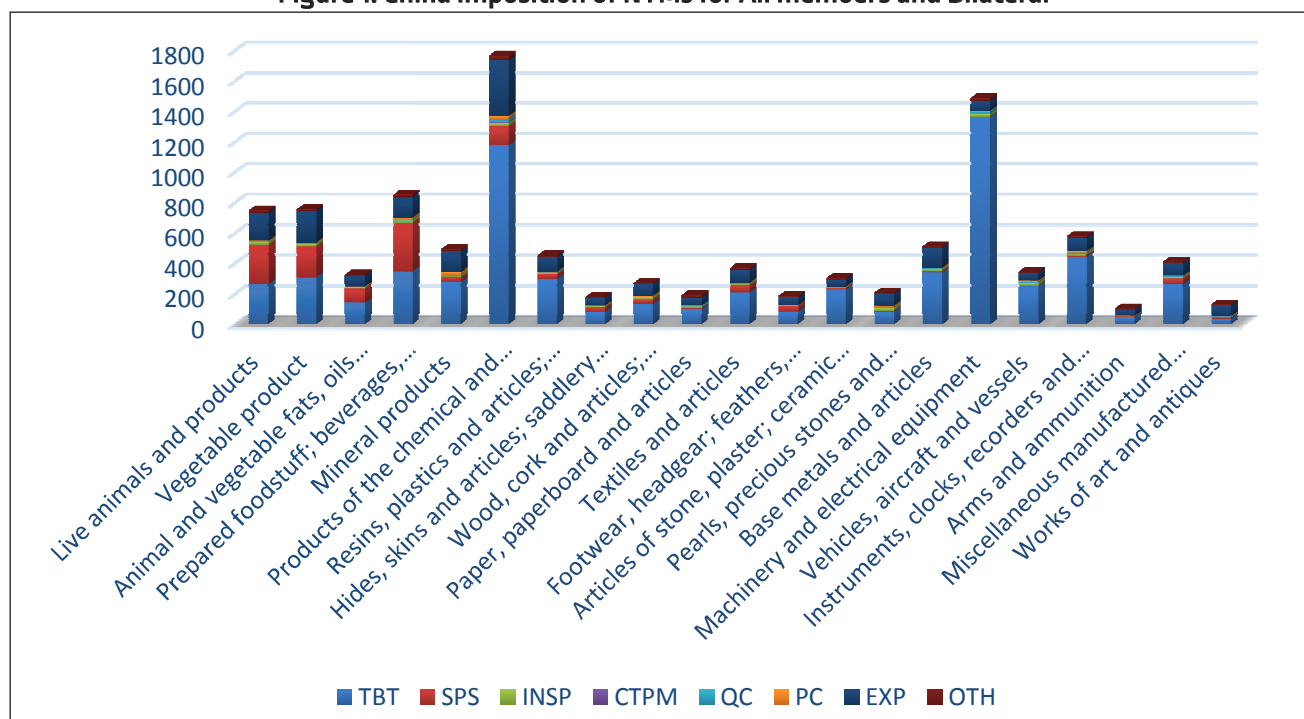
Bilateral meetings between India and China take place at senior official levels as well as the Ministerial level. Trade is also an important topic of discussion, together with investment, when the Executive Heads of State for India and China meet. A major concern within India is the huge trade deficit with China.

China imposes the largest number of NTMs in comparison to any other country. The numbers are so large that the scale of the chart in Figure 1 is very different from those of other countries covered in this Report. The main NTMs are technical barriers to

trade (TBT), followed by sanitary and phytosanitary measures (SPS).

The detailed information on NTMs shows that China is one of the more complex and restrictive markets. The non-tariff measure profile reflects China's approach to improving its domestic capacity and investment, as well as various other objectives like health, safety, technical requirements and meeting international obligations. This overall plan includes a whole range of policies including trade policies at the border (tariffs, import licensing and quotas, export controls) and inside-the-border trade policies such as technical barriers to trade, sanitary and phytosanitary measures, investment controls, minimum price regime, a range of subsidies, state enterprise production and investment, domestic content requirement, and a range of taxation schemes linked to enterprise and domestic capacity promotion. These changes are implemented through a range of different plans, under the framework of a

Figure 1. China imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Notes: TBT=Technical Barriers to Trade; SPS=Sanitary Phytosanitary Measures; INSP=Pre-Shipment Inspection; CTPM=Contingent Trade Protective Measures; QC=Quantity Control Measures; PC=Price Control Measures; EXP=Export Related Measures; OTH=Other Measure

larger overall vision. The most recent initiative is the 10-year plan for Made in China 2025, which targets 10 strategic industries but the approach also covers most other sectors of the economy. The strategic sectors include advanced information technology, digital creative industry, automated machine tools and robotics, aviation and spaceflight equipment, maritime engineering equipment and high-tech vessels, advanced rail transit equipment, new energy vehicles (NEVs), power equipment, farm machinery, new materials, biopharmaceuticals, advanced medical device products and industry producing products related to energy conservation and environmental protection.

The Chinese economy is shifting its focus from traditional sectors to new, technology-intensive sectors in general, while traditional sectors are being encouraged in certain regions of China (e.g. Central and Western China). Even in traditional sectors like textiles, China is focusing more on technology intensive activities. The approach of supporting

industry however prevails in all sectors, while the import restriction regime has changed over time to reduce the number of products restricted, and to improve processes and procedures. However, there still remain a large number of non-tariff measures, delays and complex procedures which are changed at short notice. The difficulty of understanding the details of the regulations or the scope of their coverage, together with different conditions imposed in Provinces in addition to those established by the Central Government, is therefore a continuing issue

The survey of Indian exporting firms shows that they feel that tariffs on certain products are high, and that there are import restrictions on imports of certain products. Further, delays, complications and uncertainty occur in the processes involved with international trade, in particular TBT and SPS. In addition, there is a language problem and risks involved in payments for trade transactions become higher in an uncertain environment.

Table 1. Feedback from Survey of Exporting Firms

High tariffs	Agriculture products, Seafood, Chemicals
Quarantine and risk analysis permission needed	Agriculture products
Labelling requirements in country's language required	Food products
Delay in SPS and certification procedures	Food products
Rejections on basis of antibiotics and pathogenic bacteria not substantiated with technical standards	Seafood
Stringent food safety requirements or approval procedure	Seafood
Documentary evidence, packaging lists, certificates of origin, Customs documentation requirements, government procedures take a lot of time	Seafood, Pharmaceuticals, Engineering products, Electronic Equipment
Major import restrictions on certain products	Leather products, Garments/apparel
Language problem during the Customs procedures	Food products, Leather products
Payment modes are risky	Gems and Jewellery
Transportation, quality and regulations vary by locality, and mark-ups at various stages push up a product's final cost	Pharmaceuticals
Proper transportation facilities are not available	Chemicals
New exporters face many problems	Food products, Seafood, Pharmaceuticals, Engineering products, Electronic Equipment, Chemicals

Source: Firm level Survey

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

China is one of the more complex export markets.¹³⁰

The number of NTMs, especially technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures used by China are the largest among all the major export markets of India. In addition, the coverage of China's regulations cannot be adequately assessed, especially by individual exporting companies or even industry associations. This is partly due to the regulations being in Chinese, and because the Provinces and municipal authorities also have the leeway to impose their own regulations in addition to those of the Centre. In addition, China's recent emphasis on China 2025 policy raises a number of new areas which reflect a combination of technology and environmental objectives that are supported through various programmes.

China has four categories of standards: national, industry, local and enterprise standards. China's Standardisation Law allows Association standards, which may be developed by chambers of commerce or technology associations. Industry standards may be developed in the absence of national standards, and local in the absence of industry standards (or when local standards are higher than the national standard). Individual businesses adopt enterprise standards dealing with aspects not regulated by other standards.¹³¹

National, industry and local standards could be classified as either mandatory or voluntary. Enterprise standards are only voluntary standards. These different standards could be considered at three levels, namely the national, sectoral and local

level. There are over two thousand mandatory standards and over thirty-two thousand voluntary standards. If a voluntary standard is referenced in a technical regulation, it converts that standard into a mandatory standard. The authorities keep reviewing the standards and add or remove them as considered appropriate, showing an increase in the number of standards over time. The standards established annually from 2015 to 2017 are shown in Table 2 below.

Table 2. China's Standards Approved, 2015 to 2017

	2015	2016	2017
National standards	1,930	1,763	3,811
Mandatory	113	23	84
Voluntary	1,817	1,740	3,724
Sectoral standards	4,414	3,849	3,990
Mandatory	78	84	84
Voluntary	4,344	3,765	3,912
Local standards	4,004	3,728	4,774
Mandatory	125	80	62
Voluntary	3,879	3,648	4,712

Source: Table 3.15 of WTO Secretariat Report for China's Trade Policy Review, 2018

The legal basis of China's standards regime has now changed. From 1 January 2018, a new Standardisation Law was implemented by China.¹³² Under this new law, only national standards providing technical requirements for safeguarding human health and safety, State security, ecological environment security, and meeting fundamental needs of social and economic administration, can now be mandatory.¹³³ Other standards are recommendatory. China's new national standards that are mandatory or compulsory, have a prefix of

¹³⁰More information on China's standards in English is available at https://www.standardsportal.org/usa_en/prc_standards_system/standards_used_in_china.aspx.

¹³¹See <http://www.gbstandards.org/>

¹³²China's Standards Law, adopted 4 November 2017, states in Article 1 as follows; "adopted Standards include national standards, industry standards, local and group standards, and corporate standards. National standards are divided into mandatory standards and recommended standards. Industry standards and local standards are recommended standards." Standards law with translated facility to convert to English, is at http://www.npc.gov.cn/npc/xinwen/2017-11/04/content_2031446.htm

¹³³See, <https://www.lexology.com/library/detail.aspx?g=dc14088b-9061-48d6-9ee4-0be8bd610e3d>

GB, and the recommended standards have a code of GB/T. All domestic and imported products in the Chinese market must comply with GB standards, and any product being sold in China is required to be tested in order to ensure their compliance with GB standards.

The GB standards system in China is administered at the top by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and headed primarily by the Standardisation Administration of the People's Republic of China (SAC). Other main organisations for standards are China Association of Standardisation (CAS), China National Institute of Standardisation (CNIS), and Standards Press of China (SPC).

At the national level, while GB are the mandatory standards for placing products in the Chinese markets, the Chinese Industry Standard System has a large number of other national level standards as well which are mandatory or recommendatory. These include areas such as safety and security, electricity and power, machinery, chemical industry, environment and protection, spinning and textile and building materials.¹³⁴

Since May 2002, China has a new system of compulsory product certification, i.e. China Compulsory Certification (CCC). The CCC mark, provided for a specified period (five years), allows products to be imported, sold or used in China, covers several major product categories including electrical wires and cables, circuit switches and electric devices for protection or connection, low voltage electrical apparatus, small power motors, electric tools, welding machines, household appliances and appliances for similar uses, audio and video apparatus, information technology equipment, lighting equipment, motor vehicles and safety parts, motor vehicle tyres, safety glass, agricultural machinery, firefighting equipment, safety safeguard

technology products, telecommunications terminal equipment and wireless LAN products. In addition, other requirements are in place for some products, such as safety licences for telecoms and internet equipment, motorcycle engines, refrigerators, air conditioner compressors, televisions and other electrical household appliances.

The investigation for approval of CCC may include type-testing of product samples through a CNCA-designated test laboratory in China, and factory inspection by representatives of a CNCA-designated certification body. Additionally, after the CCC is provided, certification bodies re-inspect the manufacturing facilities on a regular basis, with the frequency of inspection depending on the product and the classification status of the enterprise concerned.

Exemptions from CCC may be granted for certain products, such as goods used in research and testing to test production lines with the intention of importing technology, and to maintain equipment, goods used to complement factory production lines (excluding office supplies) and goods imported temporarily, spare parts or materials imported under processing trade, parts of machines to be processed and then exported as a complete machine, or goods for exclusive use in commercial exhibitions.

China's Catalogue¹³⁵ of Entry-Exit Commodities Subject to Inspection and Quarantine lists all imports and exports subject to statutory inspection by the entry and exit inspection and quarantine authorities prior to their commercialisation (or exit) in (from) China.¹³⁶ The Catalogue contains over 4,500 tariff lines at the HS 8-digit level. The list and the relevant conditions for the covered products, change from time to time. For example, at the end of January 2018, adjusted Customs supervision conditions were announced for 100 product categories.¹³⁷

¹³⁴For detail, see <http://www.gbstandards.org/>

¹³⁵The Chinese notifications use the spelling of the word catalogue as "catalog".

¹³⁶More detail of this is provided at <http://www.cnca.gov.cn/ywzlrz/qzxcpxl/>

¹³⁷See for example http://www.aqsiq.gov.cn/xxgk_13386/jlqg_12538/zjgg/2018/201801/t20180131_512167.htm

Inspection and quarantine procedures normally include five steps: application/declaration for inspection, verification of documents, inspection and quarantine, inspection and quarantine treatment, and issuance of a certificate for the release of goods. In 2018, China facilitated the programme through a 'single window' scheme.

Tables 3 and 4 give the TBT and SPS measures faced by the top 5 Indian product categories exported to China. The proliferation of these standards, including the use of restrictions as part of these standards, are evident from these Tables.

Table 3. TBT Measures on India’s Top 5 Product Categories Exported to China

Classification	Measures
HS Chapter 29: Organic Chemicals	
B7, B31, B33, B42, B41, B83, B14, B84, B6, B81, B19, B32, B851, B852, B82, B89, B853, B9, B11, B15, B49, B21, B22,	Product quality or performance requirement, Labelling requirements, Packaging requirements, TBT regulations on transport and storage, TBT regulations on production processes, Certification requirement, Authorization requirement for TBT reasons, Inspection requirement, Product identity requirement, Product registration requirement, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Marking requirements, Origin of materials and parts, Processing history, Testing requirement, Conformity assessment related to TBT n.e.s., Distribution and location of products after delivery, TBT Measures n.e.s., Prohibition for TBT reasons, Registration requirement for importers for TBT reasons, Production or Post-Production requirements n.e.s., Tolerance limits for residues of or contamination by certain substances, Restricted use of certain substances,
HS Chapter 74: Copper & Articles thereof	
B41, B7, B21, B6, B31, B851, B89, B84, B14, B83, B19, B15, B11, B853, B852, B42, B22, B32, B49, B33, B81, B82, B9, B859,	TBT regulations on production processes, Product quality or performance requirement, Tolerance limits for residues of or contamination by certain substances, Product identity requirement, Labelling requirements, Origin of materials and parts, Conformity assessment related to TBT n.e.s., Inspection requirement, Authorization requirement for TBT reasons, Certification requirement, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Registration requirement for importers for TBT reasons, Prohibition for TBT reasons, Distribution and location of products after delivery, Processing history, TBT regulations on transport and storage, Restricted use of certain substances, Marking requirements, Production or Post-Production requirements n.e.s., Packaging requirements, Product registration requirement, Testing requirement, TBT Measures n.e.s., Traceability requirements, n.e.s.

	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B41, B42, B33, B84, B7, B31, B6, B851, B89, B14, B852, B32, B83, B19, B11, B81, B82, B49, B22, B15, B853, B21,	TBT regulations on production processes, TBT regulations on transport and storage, Packaging requirements, Inspection requirement, Product quality or performance requirement, Labelling requirements, Product identity requirement, Origin of materials and parts, Conformity assessment related to TBT n.e.s., Authorization requirement for TBT reasons, Processing history, Marking requirements, Certification requirement, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Prohibition for TBT reasons, Product registration requirement, Testing requirement, Production or Post-Production requirements n.e.s., Restricted use of certain substances, Registration requirement for importers for TBT reasons, Distribution and location of products after delivery, Tolerance limits for residues of or contamination by certain substances
	HS Chapter 26: Ores, slag and ash
B41, B31, B42, B33, B6, B7, B84, B14, B83, B19, B11, B89, B81, B852, B82, B49, B1, B851	TBT regulations on production processes, Labelling requirements, TBT regulations on transport and storage, Packaging requirements, Product identity requirement, Product quality or performance requirement, Inspection requirement, Authorization requirement for TBT reasons, Certification requirement, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Prohibition for TBT reasons, Conformity assessment related to TBT n.e.s., Product registration requirement, Processing history, Testing requirement, Production or Post-Production requirements n.e.s., Registration requirement for importers for TBT reasons, Origin of materials and parts
	HS Chapter 52: Cotton
B7, B84, B14, B83, B19, B11, B89, B42, B15, B33, B31	Product quality or performance requirement, Inspection requirement, Authorisation requirement for TBT reasons, Certification requirement, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Prohibition for TBT reasons, Conformity assessment related to TBT n.e.s., TBT regulations on transport and storage, Registration requirement for importers for TBT reasons, Packaging requirements, Labelling requirements

Source: TRAINS, UNCTAD

Note: For detail on Classification of NTMs, see UNCTAD

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Table 4. SPS Measures on India's Top 5 Product Categories Exported to China

Classification	Measure
	HS Chapter 74: Copper and articles thereof
A49, A83, A851, A31, A84, A86	Hygienic requirements n.e.s., Certification requirement, Origin of materials and parts, Labelling requirements, Inspection requirement, Quarantine requirement
	HS Chapter 29: Organic chemicals
A86, A84, A82, A83, A11, A852, A12, A62, A19, A31, A15, A851, A14, A33, A64, A853, A89	Quarantine requirement, Inspection requirement, Testing requirement, Certification requirement, Temporary geographic prohibition for SPS reasons, Processing history, Geographical restrictions on eligibility, Animal raising or catching processes, Prohibitions or restrictions of products or substances because of SPS reasons n.e.s., Labelling requirements, Registration requirements for importers, Origin of materials and parts, Special Authorization for SPS reasons, Packaging requirements, Storage and transport conditions, Distribution and location of products after delivery, Conformity assessment related to SPS n.e.s.
	For India: HS Chapter 29: Organic chemicals
A82, A11	Testing Requirement, Temporary geographic prohibition for SPS reasons
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
A49, A83, A851, A86, A31, A84	Hygienic requirements n.e.s., Certification requirement, Origin of materials and parts, Quarantine requirement, Labelling requirements, Inspection requirement
	HS Chapter 26: Ores, slag and ash.
A49, A83, A851, A86, A11, A84	Hygienic requirements n.e.s., Certification requirement, Origin of materials and parts, Quarantine requirement, Temporary geographic prohibition for SPS reasons, Inspection requirement
	HS Chapter 52: Cotton
A49, A83, A851, A86, A84, A82	Hygienic requirements n.e.s., Certification requirement, Origin of materials and parts, Quarantine requirement, Inspection requirement, Testing requirement

Source: TRAINS, UNCTAD

Note: For detail on Classification of NTMs, see UNCTAD

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Chemicals are an important export category for India, and they face a large set of TBT and SPS requirements. China's chemical management policies include prohibitions and regulations that span different kinds of trade restrictions, including those required to meet international Conventions (such as the Rotterdam Convention and Stockholm Convention), and China's domestic industrial policy.¹³⁸

TECHNICAL BARRIERS TO TRADE

Since 2017, China has submitted 127 TBT notifications to the WTO. They cover combustible gas, vault doors, safe, cosmetics, electrical apparatus for explosive environment, medical devices, meat and edible meat offal, fish (fresh or chilled), motor vehicle lamps, LED products, dishwashers, metal detectors, micro-dose X-ray security inspection system, road

¹³⁸For some details, see http://www.cirs-reach.com/China_Chemical_Regulation/Overview_Chemical_Legislation_Regulations_in_China.html

motor vehicle, brake linings for automobiles, drugs, air cleaners, No. 3 jet fuel, aviation piston engine fuel, automobile wheels, food, motorcycles and mopeds, ships, compression ignition engines, heavy duty commercial vehicles, solid waste, wood and wood articles waste, waste and scrap of iron and steel, melt slag, waste and scrap of paper, waste of non-ferrous metals, waste electric motors, metal and electric appliances waste, waste and scrap of plastics, compressed piece of scrap automobiles, consumer products, vessels and other floating structures for breaking up, helmets for motorcyclists, electric blankets, road vehicles, chemical drugs, biologics products, vehicles, fireboard, particleboard, ship, gasoline and diesel fuels for vehicles.

These measures address objectives related to the prevention of deceptive practices, protection of human health and safety, quality requirements, consumer information, labelling and protection of the environment.

Specific trade concerns submitted at WTO: India has not raised any specific TBT related concern regarding China's measures. Some other countries have raised a number of such concerns. These may be relevant for India's exporters as well. During 2018, the concerns raised were:

Provisions for the Administration of Cosmetics Application Acceptance, Regulations for the Supervision and Administration of Medical Devices [Order No. 650 of the State Council], Administrative Measure on Cosmetics Labelling [AMCL], Banking IT Equipment Security Regulation, Registration Fees for Drugs and Medical Device Products, Interim Measures for Quality Management of Commercial Coal, Insurance Regulatory Commission [CIRC] Information and Communication Technology

Regulation, Formula Registration Regulation for Infant and Follow-up Formula, National Standards on Limits of Volatile Organic Compounds for Furniture, Cybersecurity Law, Cybersecurity Law, Catalogue of Solid Wastes Forbidden to Import into China, Certification Requirements for Processed Foods, Chinese Environmental Protection Control Standards for Imported Solid Waste as Raw Materials, Tentative Administrative Rules on Enterprises Average Fuel Consumption and New Energy Vehicle Credits and Administration Regulation on the Access of New Energy Vehicle Manufactures and Products, and Requirements for Information Security Products, including, inter alia, the Office of State Commercial Cryptography Administration [OSCCA] 1999 Regulation on Commercial Encryption Products and its On-Going Revision and the Multi-Level Protection Scheme [MLPS].

In addition to implementation of a new law on standards, there is an increase in the number of standards being specified. For example, a total of 99 mandatory or recommendatory industry standards relating to medical devices have been adopted in late 2018. The effort is to improve and streamline some of the relevant processes.¹³⁹

Some of the concerns expressed by Indian industries regarding China's TBT measures, as well as concerns mentioned by some large economies regarding China's TBT measures¹⁴⁰, include:

Pharmaceuticals: Indian companies in China face regulatory problems such as prolonged and unpredictable timing for drug registration, demand for submission of detailed clinical trial data, and requirement for revealing the drug formulation process at the time of registration.

¹³⁹Major changes in the "Amendments to the Regulations on the Supervision and Administration of Medical Devices" are discussed in <https://www.meddeviceonline.com/doc/global-impact-china-s-regulations-on-the-supervision-and-administration-of-medical-devices-0001>

¹⁴⁰European Commission, "Report from the Commission to the Parliament, and the Council on Trade and Investment Barriers. 1 January 2017-31 December 2017". http://trade.ec.europa.eu/doclib/docs/2018/june/tradoc_156978.pdf; and the USTR's "2018 National Trade Estimate Report on Foreign Trade Barriers" at <https://ustr.gov/sites/default/files/files/Press/Reports/2018%20National%20Trade%20Estimate%20Report.pdf>

The Chinese Authorities have been requested to conduct training programmes for the Indian pharma industry. Since the drug law in China is being amended it has been agreed that the process of training will commence after the amendment.

Pharmaceutical products: Registration: Active Pharmaceutical Ingredients (API) cannot be imported into China, unless they are registered with China Food & Drug Administration (CFDA). Procedural registration formalities for API theoretically take a minimum of 9 months but actually take around 3 years. The cost of registration includes product registration and testing. The total cost incurred is about USD 10,000 to 14,000 per product. Renewal of registration takes minimum 1 year and is done once in 5 years.¹⁴¹ China has recently increased registration charges.

Pharmaceutical products: Testing: When any API is imported into China, the National Institute for Food & Drug Control (NIFDC) draws samples from every batch through their testing institutes. For example, in case of an API consignment of 1,000 kgs having 4 batches, all 4 batches will undergo testing. There are around twelve Coastal Drug Testing Institutes attached to Sea/Air Customs. Testing and analysis being product specific takes around 4 weeks depending on the number of batches and the nature of analysis involved. Products such as ethambutol and cefaclor are charged at USD 3.35 and 2.70 per kg respectively for testing/analysis. In general, the cost of testing ranges between USD 2.50 to 3.50.¹⁴²

Disinfectants: Import of disinfectants requires approval from the National Health and Family

Planning Commission (NHFP) and takes approximately 10 to 14 months.

Long time taken by Certification Requirements for 20 Product Groups¹⁴³: A certification of the product is required by the Chinese authorities before a product can be put on the Chinese market. The CCC certification necessitates that the sample be sent to the test laboratories in China, and also calls for factory audits involving inspection of the product manufacturers by Chinese auditors. This certificate is valid for several years, subject to annual audits. The CCC certification process requires comprehensive application documents, factory preparation and various payments and fees. This process takes more than six months.

Medical devices: On 1 April 2017, the testing fee for medical devices was cancelled. This reduced the resources of the testing institutes, and resulted in an increase in cost and delays in processes. Since September 2017, the manufacturers of certain medical devices have been asked to provide within a short time frame, their clinical, production and pricing data to the authorities in order to be part of a national programme to set prices for these devices.

Wood, leather, polymers, paper and pulp industry: A number of non-tariff measures in the form of complex technical requirements and revised standards have been set for the wood, leather, paper and pulp industry. China has adopted a revised set of standards on 34 products since 1 March 2018. These standards cover wood pulp, polymers, metal wastes as well as ores and plastics.

¹⁴¹In India, fresh registration or its renewal takes around 9 months and costs about USD 2500 per product which includes USD 1500 towards one-time plant registration. Registration is valid for 3 years and re-registration cost is USD 1000 per product.

¹⁴²In comparison, no testing is required for the imported products after getting regulatory approval in India, except 2 to 3 times in a year on random basis and nominal fee is charged for testing by customs approved labs.

¹⁴³China Compulsory Certification (CCC) marking applies to following 20 product groups divided into 158 categories: Electrical Wires and Cables; Information Technology; Equipment; Switches for Circuits, Installation Protective and Connection Devices; Vehicle and Motorcycle Safety Parts and Accessories (including automobile components); Low Power Motors Motor Vehicles; Electric Tools; Welding machine; Safety Protection Products; Audio and Video Apparatus; Fire Fighting Equipment; Household Appliances; Telecommunication Terminal Equipment; Agricultural Machinery; Safety Glass; Lighting Apparatus; Low-voltage Electrical Apparatus; Motor Vehicle Tires; Decorative and Remodeling Products; Toy Products; and, IT Products.

Cosmetics: The State Food and Drug Administration (SFDA) is the sole competent authority responsible for registration of cosmetics. Rules apply to the registration of raw materials used, home-made cosmetic products for special purposes (such as hair growth, hair dye and hair perm products, depilatory products, body building products, deodorant products or sun-care products) and imported cosmetics products. This process to get registered with SFDA takes a long time.

In the existing system, imported non-special cosmetic products have to comply with very cumbersome requirements as compared to domestic products. The domestic products need to be notified only to provincial FDA and testing by approved laboratories may be replaced by in-house safety assessments. Animal testing is not required. In contrast, imported non-special cosmetics necessarily have to register at the CFDA, which requires product testing by approved laboratories, including animal tests.

Readymade Garments: Conformity is required with relevant Chinese standards such as GB 18401, GB 5296.4, etc. for product quality, safety and use of product. Imported apparel is tested based on its standards for safety, hygiene and environmental factors as outlined in GB 18401 and other relevant GB standards. In some cases, industry specific standards also apply.

SANITARY AND PHYTOSANITARY MEASURES

Since 2017, China has made 76 SPS notifications to WTO. They cover food additives (food nutritional fortifiers) of various types, flavourings, infant formula, follow-up formula for older infants,

follow-up formula for young children, nutritionally complete food for cancer and other patients, general standard for food for the elderly, sports food, student meal, feed additives of various types, edible animal blood products, food containing composite materials and related products, starch-based plastic materials and related production for food contacting usage, Chinese traditional herbal medicine as well as food materials, seasoning food, cooked meat, food contact material, foods, ready to eat fresh cut vegetables and fruits, HS Code 190110, packaging materials and containers used for foods, detergents and disinfectants used for foods, and tools and equipment used for food production or marketing.

The objectives of these relate to food safety, human health, contaminants, food additives, animal feed, labelling, packaging, pharmaceutical products, toxins, mycotoxins, aflatoxins, Maximum residue Limits (MRLs), pesticides, heavy metals, veterinary drugs and modification of content/scope of regulation.

China's inspection and quarantine conditions apply to a long list of products. The products in terms of China's HS Codes and related inspections and quarantine conditions, are provided in 'Entry-exit goods Catalog for inspection and quarantine by entry-exit inspection and quarantine institutions [20160901]'.¹⁴⁴ The Table in the list linked to the notification shows the conditions for Customs Supervision conditions¹⁴⁵, and Inspection and Quarantine Supervision conditions¹⁴⁶.

China has been revising its SPS standards, including recent ones such as tightening its regulation of

¹⁴⁴http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/qtwj/201608/t20160831_473147.htm. Though the text is in Chinese, the HS numbers can be interpreted from China's HS Codes given in <http://www.eximguru.com/hscodes/china/2010/default.aspx>

¹⁴⁵The Codes A, B, and D for Customs Supervision conditions are as follows. A: Implementing entry inspection and quarantine; B: Implementation of exit inspection and quarantine; D: Customs and inspection and quarantine joint supervision

¹⁴⁶The Codes M, N, P, Q, R, S, V, L for Inspection and quarantine supervision conditions are as follows. M: Import commodity inspection; N: Export commodity inspection; P: Quarantine of imported animals and plants, animal and plant products; Q: Quarantine of animals, plants and animals; R: Imported food hygiene supervision and inspection; S: Export food hygiene supervision and inspection; V: Entry health quarantine; W: Exit health quarantine; L: Entry verification of civil goods - Note: inspection and quarantine subject to the Catalogue issued by the Certification and Accreditation Administration]

infant food raw materials and additives¹⁴⁷, increasing its oversight of dairy sector¹⁴⁸, and updating its registration requirements for overseas infant formula milk manufacturers.¹⁴⁹

India is seeking entry into the Chinese market for several products. It has raised a number of them with China bilaterally and in the context of WTO.

Specific trade concerns raised in WTO: India's specific trade concern at the WTO relates to China's measures on bovine meat.

Concerns India has raised bilaterally at WTO: India has bilaterally raised three SPS-related issues with China: delay in finalisation of protocol and certification procedures for fruits and vegetables, market access for export of rice, and fixing the limit of chromium in tea and arsenic in marine products.

Some other trade-related issues and specific trade concerns raised by other countries that would be relevant for Indian exporters includes concerns expressed about China's AQSIQ official certification requirements for food imports.

Some issues discussed bilaterally between India and China: India has bilaterally raised a number of issues with China for many products, including sugar, rice, oil meals (soybean meal, rapeseed meal, fishmeal), pomegranate, bovine meat, milk and milk products, tobacco and several fruits and vegetables. In some cases, the issues have been resolved and progress has been achieved. In some others, concerns still remain and are being bilaterally discussed.

Products on which some progress has been made:

Pomegranate and Pomegranate Arils: Relevant information for Pest Risk Analysis (PRA) was submitted by India in 2017. The Chinese authorities shared a list of pests in exports from India that are a cause of concern. India gave its comments on the list, and China's response was received end-January, 2018. The GACC technical team visited India in December 2018 to inspect pomegranate orchards and pack houses of pomegranates and arils. It was agreed that an on-site inspection for pomegranate and pomegranate arils would be conducted in December 2018. During the high-level meeting in January 2019, the GACC informed India that they would clear the SPS protocol shortly. This would then be finalised and concluded.

Sugar: At a high-level meeting, India has asked for additional quotas for Indian sugar or to advance next year's quota because Chinese importers have informed that this year's quota has been exhausted. Work on this is in progress.

Rapeseed meal: Following earlier discussions, the General Administration of Customs of the People's Republic of China (GACC) has uploaded 6 Indian rapeseed establishments on their website, and these units can now export rapeseed meal to China. Three of them are very advanced in the processes involving inspection, sample analysis and registration, and should be able to complete the formalities in the near future. The other three are less advanced in their processes and should be able to move ahead with inspection and other relevant steps being completed.¹⁵⁰

¹⁴⁷<http://economists-pick-research.hktdc.com/business-news/article/Regulatory-Alert-China/China-Tightens-Regulation-of-Infant-Food-Raw-Materials-and-Additives/bacn/en/1/1X2ZLGG8/1X0AGAFR.htm>

¹⁴⁸<http://economists-pick-research.hktdc.com/business-news/article/Regulatory-Alert-China/China-Increases-Oversight-of-Dairy-Sector-in-Drive-Towards-Domestic-Self-Sufficiency/bacn/en/1/1X000000/1X0AEL18.htm>

¹⁴⁹<http://economists-pick-research.hktdc.com/business-news/article/Regulatory-Alert-China/Updated-Registration-Requirements-for-Overseas-Infant-Formula-Milk-Manufacturers/bacn/en/1/1X000000/1X0ADKVH.htm>

¹⁵⁰Two of them are delayed due to a change in their name. The process for registering under the new names is underway.

Non-basmati rice: A revised protocol on phytosanitary requirements for exporting rice from India to China was signed on 9 June 2018.¹⁵¹ Indian exporters have been in contact with the Chinese importers, and export orders have begun to materialise. Importers in China are waiting for allocation of the import quota by the Chinese government. This issue was discussed bilaterally between India and China at a high-level meeting in early 2019.

Fish Oil: A protocol on hygiene and inspection requirements for the export of fish meal/oil from India to China was signed on 28th November 2018. Four of the six approved plants have been registered. The other two plants are in the process of renewing their registration, which had expired.

Tobacco: In January 2019, India and China signed a protocol for the export of tobacco leaves. An Indian tobacco trade delegation is to visit China for discussions to explore possibilities.

Grapes: Following a Buyers and Sellers meet (BSM) in India in November 2018 with invited Chinese importers, some progress has been made in getting export orders for grapes from India. India is following up with the participants in the BSM and with the Chinese approved grape farms and pack houses that are hosted on the GACC website.

Fruits and Vegetables: India had submitted a request to the Chinese authorities in September, 2000 for market access for 17 fruits and vegetables [9 fruits and 8 vegetables] in September 2000. After conducting Pest Risk Analysis, the Chinese authorities provided market access for **Mangoes** in June 2003 and for **Bitter gourd and Grapes** in April 2005.

The matter regarding market access for the remaining 14 fruits and vegetables is being pursued. China has informed that it would not be possible

for them to process the Pest Risk Analysis (PRA) work for all the listed fruits and vegetables at one time as it is time consuming (the process takes at least three years for three products). Further, the delay is also on account of many such requests from different countries for which they have to do a comprehensive risk assessment. China has sought a priority listing of the products within India's list of 14 fruits and vegetables. More information on some specific items is provided below.

The products on which SPS related discussions are continuing, are as follows:

Soybean meal: The technical dossier on soybean has been shared with GACC in November 2018. The Chinese authorities are looking at it and discussions suggest that protocol could be finalised at an early date. China has conducted audit of ten soybean meal establishments in India, one laboratory and one laboratory for quarantine. The process is moving ahead and the GACC and India's Ministry of Agriculture are working on finalisation of the number of pests and on concluding the protocol.

Milk and milk products; Bovine meat: A process of reciprocal market access is going on for milk and milk products and for bovine meat. At the high-level meeting in January 2019, India requested that China expedite the comments on the questionnaire submitted to it, to provide market access for these products.

Bovine meat: China sources meat from FMD-free zones declared as per OIE norms. In this regard, India has submitted its dossier to OIE for two zones i.e. Telangana & Andhra Pradesh (Zone 1) and Maharashtra (Zone 2). Indian buffalo meat is produced as per OIE's Article 8.8.22 conditions, and thus there are grounds for import from India to be allowed.

¹⁵¹The protocol was signed between General Administration of Customs of the People's Republic of China and India's Department of Agriculture, Cooperation and Farmers Welfare.

India's official access to China's meat market is pending. The process is ongoing and relevant material and responses to clarifications sought, have been sent to China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). At a high-level meeting in January 2019, the Chinese authorities were requested to expedite the matter, and they have assured that this would be done on the basis of regionalisation. The Chinese side is seeking India's comments on the draft memorandum of construction requirements of Foot and Mouth Disease-free zone. This is being addressed.

Okra: A draft Protocol was shared with China and the GACC provided its response to India in November 2018. The Indian response to that was shared with China at the high-level meeting on 22 January 2019. The process is underway to move this issue forward.

Sapota (Chikoo): India submitted the relevant information for Pest Risk Analysis (PRA) in 2017, and China responded soon by requesting India to confirm a list of 15 specified pests of concern to China, and provide supplementary technical information on 4 pests¹⁵², to ensure the completion of the PRA by Chinese experts. India provided the information in January 2018, and China's response is awaited.

Pineapple and Papaya: India submitted information for PRA to AQSIQ/GACC in 2017. A fresh dossier with additional information was also submitted. The response on this matter is still awaited.

Banana: India has submitted technical information on Indian bananas to AQSIQ/GACC in 2016. As yet, there is no response on this.

Corn, maize and sorghum: A technical dossier has been submitted to GACC, requesting clearance for export of these products from India to China.

During the high-level meeting in January 2019, India requested China to expedite the Pest Risk Analysis (PRA) for corn, maize and sorghum.

De-husked coconut: Technical information and pest risk information was shared with AQSIQ/GACC on 27 July 2017. The response of GACC is awaited.

Other relevant concerns: Authorities from Indian industry and export promotion councils have additional concerns regarding China's SPS measures. Also relevant in this context are the problems identified by some other countries with respect to China's SPS measures¹⁵³. These two categories of concerns are given below.

Meat, Aquatic, Dairy Products: Foreign food manufacturing enterprises need to apply for CNCA registration. Food products of foreign production enterprises which are not registered are banned from being imported. This registration takes four to twelve months and requires GMP or HACCAP certification, some also need on-site inspection.

Functional health food, nutritional supplements: Foods for special medical purposes require CFDA registration, and products without CFDA certificates face an import ban. Normal food takes 1 to 2 months, functional health foods 2 to 4 years, nutritional supplements 1-2 years, and foods for special medical purposes 1.5 to 3 years to get registered with CFDA.¹⁵⁴

Genetically modified organisms (GMO) food: Import of animal feed products (such as dog, cat and other pet foods), requires imported feed registration. Without CFDA certificate and labelling, imports of these products are banned. It takes 1 to 9 months to register with the Ministry of Agriculture.

Formula food for infants and children: China has notified 84 mandatory GB Standards and twelve regulations. It takes 1 to 2 years to register a product

¹⁵²Anarsia, Achrasella, Bactra Veutana, Nephopterixeuographella and CalonectriaQuinqueseptata

¹⁵³European Commission, "Report from the Commission to the Parliament, and the Council on Trade and Investment Barriers. 1 January 2017-31 December 2017". http://trade.ec.europa.eu/doclib/docs/2018/june/tradoc_156978.pdf

¹⁵⁴ For registration of products under the last category, see <http://sfdachina.com/foods/info.asp?id=180>

with the China Food and Drug Administration (CFDA). It costs around US\$ 30,000 for one product.

Additives used in materials that may come in contact with food: China has introduced new restrictions on additives used in materials that may come in contact with food. A large range of products which were accepted till now have become non-compliant, e.g. fittings, pipes and lids to packaging materials, and any machine used in the food and feed chain. The barrier thus has a horizontal and wide-ranging impact on many products.

Pre-packaged foods: The relevant processes require 1 to 4 weeks to be completed. Imported pre-packaged foods must be with Chinese labelling, the content should comply with the China National Standards (GB7718-2004, GB10344-2005, GB13432-2004 etc) and regulations relating to relevant labelling for the products. The labelling on the packaging can be affixed only after getting the Chinese label filing number and the China entry-exit inspection by the Chinese Inspection and Quarantine Bureau is completed.

IMPORT POLICIES

China's tariffs on India's major import items are low in general. However, the non-tariff measures faced by these products are high. The non-tariff measures and language concerns also indicate the complexity of the market, especially for new exporters. China's policy in respect of their NTM regime seems to be moving in two different directions. On the one hand, China is making efforts to improve, rationalise and even simplify the NTM regime and procedures. On the other, policy changes and stricter policy approaches in some areas (standards) result in additional complications for exporters.

Tariffs and other Charges on Imports

In general, the tariffs on India's major products to China face relatively low (single-digit) tariffs. However, as seen above from Tables 3 and 4, a number of the product categories face a high incidence of non-tariff measures. The relevant comparison between Table 5 and the categories in Tables 3 and 4 are the first two digits of the HS code given in the Table below.

In general, China has high average tariffs for agriculture products, fish, textiles and garments/apparel.¹⁵⁵ These high tariff items include some of the products for which India is bilaterally seeking market access in China. Except for some tariff lines in textiles, the major export items do not have high tariff categories.¹⁵⁶ It is noteworthy that in Table 1, the views of Indian exporters indicate that they face high tariffs in agriculture products, seafood and chemicals. Though the chemicals mentioned among the major exports below have low tariffs, this is a product category with mostly non-zero tariffs, and high peak tariffs.

Tariff Rate Quota

The Protocol on Accession of the Peoples Republic of China into WTO specifies the commodities subject to import tariff-rate quotas. China has tariff rate quotas (TRQs) for a number of products, including wheat and meslin, maize, rice, cereal flours other than wheat or meslin, cereal groats, cane or beet sugar, mineral or chemical fertilisers, wool (carded or combed) and cotton.¹⁵⁷ As shown by the list, most of the products subject to TRQs are agriculture products.¹⁵⁸

Tariff Rate Quotas are administered through licensing. The National Development and Reform

¹⁵⁴For registration of products under the last category, see <http://sfdachina.com/foods/info.asp?id=180>

¹⁵⁵See WTO, *World Tariff Profiles 2018*, page 63. https://www.wto.org/english/res_e/booksp_e/tariff_profiles18_e.pdf

¹⁵⁶WTO, *ibid.*

¹⁵⁷For a list of the HS categories for products covered under China's TRQ regime, see page 2 of G/LIC/N/3/CHN/15, dated 12 January 2018.

¹⁵⁸For the agriculture TRQs in 2017, see WTO document G/AG/N/CHN/41, dated 12 November 2018.

Table 5. Import Tariff on India's Major Export Products To China

HS Section	HS Code	Product	Share in Export (%)	Tariff (%)
12	74031100	Cathods and sectns of cathods of refind cop	11.48	1
6	29024300	P-xylene	6.92	2
5	27101290	Other	6.08	7
5	26011210	Agglomerated iron ore pellets	5.39	0
3	15153090	Castor oilanditsfrctnsotrthnedble grade	3.17	10
4	25161100	Granite crude or roughly trimmed	2.80	2
5	27101219	Other	2.25	7
5	27101990	Other petroleum oils and oils obtained from bituminous minerals nes	2.24	6.5
15	72024100	Ferro-chromium carbon contng>4% by wt	2.24	2
15	79011100	Zinc,notalloyd,contng by wt>=99.99% zinc	2.11	3
11	52051210	Grey	1.96	3.5
11	52052410	Grey2401	1.64	3.5
14	71023910	Diamond(othrthnindstrl diamond)cut or otherwise worked but not mounted or set	1.61	0
6	29061100	Menthol	1.33	5
5	26011142	55% fe or more but below 58% fe	1.18	0
12	67030010	Human hair dressed or otherwise worked	1.14	13
16	84111200	Turbo-jets of a thrust>25 kn	1.12	0
11	52051410	Grey	1.05	3.5
7	39011010	Linear low density polyethylene (lldpe)	1.01	5.98
7	39012000	Polyethylene hvng a spfcgrvty 0.94 /more	0.96	5.98
11	52052310	Grey	0.96	3.5
6	29022000	Benzene	0.91	2
11	52010015	Indian cotton of staple length 28.5mm [1.4/32] and above but below 34.5mm	0.88	1
16	85176290	Other	0.83	0
	39021000	Polypropylene	0.78	6.5
11	53050010	Coir bristle fibre, coir mattress fibre, coir short fibre, coir bit fibre, decorticated coir fibre	0.70	5
16	85044030	Battery chargers	0.66	6.7
6	29012100	Unsaturated ethylene	0.59	2
4	25010090	Other salts	0.58	0
7	39011090	Othr polyethylene hvng a spfcgrvty< 0.94	0.57	5.98
6	3061790	Other shrimps and prawns	0.57	2.5

HS Section	HS Code	Product	Share in Export (%)	Tariff (%)
5	26011149	60% fe or more but below 62% fe	0.55	
5	27131100	Petroleum coke not calcined	0.54	0
5	26011141	Below 55% fe	0.54	0
6	29053100	Ethylene glycol (ethanediol)	0.53	5.5
4	25161200	Granite merely cut into block/slabs of rectangular (incl sqr) shape	0.50	2

Source: DGCIS Data, Department of Commerce

Commission (NDRC) is responsible for allocating TRQs for grains and cotton, and MOFCOM allocates the others. In certain cases, such as grains, cotton, and sugar, the product subject to TRQ is also subject to state trading. For these products, the state enterprises are allocated one part, and the rest of the quota is allocated to others.

The in-quota rates are much lower than the tariff rate used for regular imports. For example, wheat and meslin, corn other than seed and rice have an out-of-quota tariff of 65% but the TRQ tariff is 1%. Some others like pellets of wheat, maize flour, groats and meal of corn, rice flour, and sugar have TRQ rates ranging from 6% (wheat or meslin flour) to 15% (sugar), while their out-of-quota tariffs range from 40% (maize flour, rice flour) to 65% (e.g. wheat and meslin, wheat or meslin flour, maize other than seed, groats and meal of corn, rice). The TRQ tariff for meal of rice at 9% is very close to its out-of-quota rate (10%).

Prohibition

China's import prohibitions cover¹⁵⁹:

- All kinds of weapons, mock weapons, ammunition and explosives
- All kinds of counterfeit currency and fake securities
- Printed materials, films, photos, records, motion pictures, audio tapes, video tapes, laser

videodiscs, computer storage media and other articles harmful to China's political, economic, cultural and moral development

- All kinds of high/potent poison
- Opium, morphine, heroin, marijuana and other narcotic drugs and psychotropic drugs that can make people addicted
- Animals and/or plants and their products carrying dangerous viruses, bacteria and other pests
- Food, medicine and other articles which are harmful to the health of humans and animals, from epidemic areas and/or can spread diseases.

A number of imports are restricted (or conditionally prohibited). They can be imported subject to permits or licences. These products include:

- Radio transceivers and communication security machines
- Tobacco and alcoholic drinks
- Rare and endangered animals and/or plants, including their specimens, seeds and propagation materials
- National currencies
- Other restricted inbound articles specified by the Customs

China's Catalogue of Goods Prohibited from Imports specifies products listed in six different batches or categories of goods.¹⁶⁰ This Catalogue contains prohibited and conditionally prohibited products.

¹⁵⁹<http://english.customs.gov.cn/Statics/5fa97692-8cbb-4df8-8ff6-6657f023657c.html>

¹⁶⁰<http://english.customs.gov.cn/Statics/a5e61d7c-4818-44c0-96a1-911e060da95c.html> gives the list of five batches of products in the Catalogue of goods prohibited from imports.

For the import of prohibited products, an exception is made in that import of certain prohibited products may be allowed under a relevant import permit (i.e. these products are subject to 'conditional prohibition'). According to China Customs: 'If it is necessary to import (export) the goods listed in the Catalogue of commodities prohibited (stopped) from import and export issued by the State, such goods may be inspected and released by the Customs on strength of the import (export) permits issued by relevant authorities under the State Council.'¹⁶¹

The first batch has a short list of products which covers: tiger bones that have been boiled off (referring to those that have not been processed or defatted), tiger bones that have not been boiled off (referring to those that have not been processed or defatted), rhinoceros horns, opium fluids and opium extract, carbon tetrachloride and trifluorotrchloroethane.

The other batches have much longer lists of products. Second to the fifth batches include certain mechanical and electrical products, antiques, artwork, steel and iron containers for compressed or liquefied gas, aluminum containers for compressed or liquefied gas not for retail packing, boilers for power generation with a steam production 900t or more per hour, central heating boilers of household type, X-ray tubes, certain medical equipment,

certain chemicals, chemical waste, waste oils, air-conditioners, incinerators for radioactive wastes, refrigerators, automatic data process equipment, microwave ovens, electric rice cookers, wired phones.¹⁶²

A sixth batch in the Catalogue is for prohibited chemicals.¹⁶³

Two other main Catalogues that list prohibited products are the Catalogue of Prohibited Imports for Solid Waste, and the Catalogue of Commodities Prohibited under Processing Trade¹⁶⁴. The lists are revised from time to time.¹⁶⁵ For example, goods have been moved from the list of Catalogue of Import-Restricted Solid Wastes as Raw Materials" to the Catalogue of Import-Banned Solid Waste.¹⁶⁶ China plans to ban all waste import into China by 2020.

The items prohibited under processing trade include low-end, toxic, harmful and low value-added products, such as scrap wires, scrap mechanical and electrical products such as scrap car steel, wastes and used mechanical and electrical products such as air-conditioners and TV sets.

China has revised its Catalogue of old mechanical and electrical products that are prohibited from being imported. It covers 72 HS categories at the 10-digit level.¹⁶⁷

¹⁶¹<http://english.customs.gov.cn/Statics/f30f5e08-81b8-419d-89f6-d16a1b5d8266.html>

¹⁶²*Apart from those listed in the Catalogue of Goods Prohibited from Import, others goods not allowed to be imported as per laws and regulations include: Wastes not listed in the Catalogue of Wastes Used for Raw Materials Restricted in Import and Catalogue of Wastes Used for Raw Materials Subject to the Automatic Import Licensing Administration; Scrap metals subject to radioactive contamination; Relevant animals, animal products, animal feedstuffs such as meat and bone meal, and biological products from epidemic areas; Right-hand-drive vehicles, second-hand (used) vehicles and motorcycles; Waste titanium materials and ferro-titaniums as well as ferro-titanium wastes and scraps; The unqualified titanium materials and titanium materials, which are subject to legal inspection; Endangered species of wild fauna and flora; Imitation guns; Motor vehicles and compressors for the air conditioning systems of motor vehicles (including air conditioning machines for motor vehicles) using CFC-12 as refrigerants; In addition, other prohibited imports include items such as: Watches of domestic origin which have been exported; blood products such as VIII factor preparations; toothpaste of "DARK-IE"/ "DARLIE" brands; ammonium nitrate; ammonium chlorate. See <http://english.customs.gov.cn/Statics/a91d561d-5ac7-4336-9af4-27999b73d154.html>*

¹⁶³See for example, http://www.cirs-reach.com/China_Chemical_Regulation/China_Prohibited_Chemicals.html

¹⁶⁴See for example <http://english.mofcom.gov.cn/article/policyrelease/domesticpolicy/200410/20041000298072.shtml>

¹⁶⁵For example, some additional solid waste products were added in the list of imports prohibition of solid waste from December 2018, and new items to be prohibited from December 2019 have also been announce. See, <https://www.apl.com/news/1502/china-regulation-adjustments-to-the-catalogue-for-solid-waste-import-management>

¹⁶⁶http://www.e-to-china.com/tariff_changes/Policy_Focus/2017/0901/113481.html

¹⁶⁷These HS categories can be seen at <http://images.mofcom.gov.cn/wms/201812/20181229183638730.pdf>. The names of these HS categories can be seen at <http://www.eximguru.com/hscodes/china/2010/default.aspx>

China's Catalogue Of The Technologies Prohibited And Restricted From Importing To China¹⁶⁸ covers import prohibitions for technologies in 11 industries and 39 technologies, including forestry, printing and recoding media, petroleum processing, coking, nuclear fuel processing, manufacturing of chemical materials and chemicals, medicine, manufacturing of non-metallic mineral products, smelting and pressing of ferrous metals, smelting and pressing of non-ferrous metals, manufacturing of transport equipment and manufacturing of electrical machinery and equipment.

The import restricted technologies cover 16 industries and 87 technologies including agriculture, manufacture of food, manufacture of textiles, petroleum processing, coking, nuclear fuel processing, manufacturing of chemical materials and chemicals, manufacturing of non-metallic mineral products, manufacturing of general purpose machinery, special purpose machinery, communication equipment, transport equipment, electrical machinery and equipment, manufacturing of measuring instruments and machinery for cultural activities and office work, production and distribution of electric and heat power and the banking industry.

China's February 2019 notification to the WTO shows a limited list of products as being subject to import prohibition (Table 6). In certain cases, the product category is repeated because it relates to a separate announcement by the Chinese Authorities. The above-mentioned Catalogues have to be considered together with this list. In addition, prohibited products whose imports are allowed subject to permits or licensing have to be considered in order to get a more complete picture of China's trade restrictions.

Table 6. Import Prohibitions in China

Prohibitions	Prohibitions
Certain toxic substances and wild animal products	Certain old/second hand mechanical and electrical equipment
Hazardous chemicals, pesticides and persistent organic pollutants	Certain solid wastes (also including other solid waste of which tariff lines unspecified).
Other specified categories of certain solid wastes	Ractopamine
Certain type of filament lamp	Charcoal imported from Somalia

Source: WTO document G/MA/QR/N/CHN/5/Rev.1, dated 15 February 2019

Note: This document also provides the HS categories covered by these prohibitions, in several cases mentioned as 'extract' of a specified HS category. Thus, the Chinese Government announcement in relation to the individual prohibition actions mentioned in the document become relevant.

Import Licensing

Import licensing is used to administer tariff rate quotas, non-automatic import licenses and automatic import licenses. Non-automatic licenses are used for controlling imports of restricted goods such as hazardous or dangerous goods, and for administering Tariff Rate Quotas. The products subject to Tariff Rate Quotas are mentioned in the section on this policy.

Over the past fifteen years, China has reduced the number of its products subject to quotas and import licensing control. The 2019 Catalogue of Goods Subject to Import Licence Administration has only two broad categories, namely, ozone depleting substances and specified used mechanical and electronic products (see Table 7). It covers a total of 118 HS categories at the 10-digit level.

¹⁶⁸The details are from <http://www.lehmanlaw.com/resource-centre/faqs/import-and-export-in-china/catalogue-of-the-technologies-prohibited-and-restricted-from-importing-to-china-amended-issued-by-ministry-of-commerce-on-october-23-2007-and-will-take-effect-on-november-22-2007.html>

Table 7. China: 2019 Catalogue for Goods Subject to Import Licenses Administration

Type of Goods	China's HS Code
Material that depletes Ozone layer	
	2903191010 to 2903799021; 3824710011 to 3824740090.
Old mechanical and electrical products	
Chemical equipment	8419409090 and 8419609010
Melting smelting equipment	8454309000
Construction machinery	8426200000 to 8428109000
Lifting transport equipment	8426193000 to 8428602100
Paper making equipment	8439100000 to 8439300000
Electric power equipment	8501641090 to 8515809090
Food processing and packaging equipment	8419810000 to 8438100010
Agricultural machinery	8432313100 to 8433599090
Printing machines	8440102000 to 8443198000
Textile machinery	8453100000
Ship	8901101010 to 8901909000
Toner cartridge	8443999010
X-ray tube	9022300000

Source: <http://images.mofcom.gov.cn/wms/201812/20181231170911182.pdf>

Note: The names of China's HS product categories can be found at <http://www.eximguru.com/hscodes/china/2010/default.aspx>

In addition to the above, China's notification to the WTO has identified certain other categories as well that are subject to non-automatic import licences (Table 8).¹⁶⁹

Table 8. Other products subject to non-automatic import licences in China

Various HS categories covering in part, certain solid waste (Basel Convention)	Dual-use substances and technologies
Certain toxic chemicals (Rotterdam Convention and Stockholm Convention)	Wild fauna and flora (CITES)

Source: WTO document G/MA/QR/N/CHN/5/Rev.1, dated 15 February 2019

Note: The WTO document also provides the HS categories covered by these restraints.

Additional products subject to non-automatic licensing are annually included in the Catalogue of Restricted Imports for Solid Waste. Likewise, conditions similar to non-automatic licensing in terms of import restraints apply to meet the TBT and SPS related objectives where testing and approval are required for imports to take place. This would be valid for many of the products in the Catalogue of Goods Prohibited from Imports whose imports are not completely prohibited.

Automatic licensing: Automatic licensing is used to monitor trade volumes of imports that are not restricted. Goods subject to automatic import licensing are announced each year in a Catalogue of Goods Subject to Automatic Import Licensing.

¹⁶⁸See pages 9 to 16 of the WTO document G/MA/QR/N/CHN/5/Rev.1, dated 15 February 2019.

The 2019 Catalogue of Automatic Import Licences¹⁷⁰ includes forty-two product categories, including beef, pork, lamb, fresh milk, milk powder, cassava, barley, sorghum, soybean, rapeseed, sugar, corn distiller's grains, soybean meal, tobacco, diacetate fiber, crude oil, refined oil, fertiliser, tobacco machinery, mobile communication products, satellite radio and television equipment and key components, automotive products, aircraft, ships, broilers, vegetable oil, copper concentrate, coal, iron ore, bauxite, refined oil, alumina, fertilizer, steel, construction machinery, printing machinery, textile machinery, metal smelting and processing equipment, metalworking machine tools, electrical equipment, automotive products, aircraft, marine, and medical equipment.

For 2019, while two product categories have been added to the list of automatic import licences of the previous year, and 125 categories have been removed from the list, thus implying that imports have been liberalised.¹⁷¹

Further, 18 tariff lines that cover waste products which can be used as raw materials are subject to automatic import licences. These products are notified in the Catalogue of Non-restricted Solid Waste.

Subsidies

China provides an extensive range of subsidies to its domestic industries, both for domestic production and exports. In general subsidies are provided through the large number of programmes and initiatives announced at the central, regional or

provincial levels. The aim includes establishing or improving the production, increasing export and investment in the sectors/products identified for promotion, enhancing the competitive position of Chinese producers, facilitating the shift in industrial structure, reducing adverse impact on the environment, and promoting energy conservation.

These subsidies range from cheaper land and electricity to support for investment, financial support for small and medium enterprises, encouraging foreign trade enterprises, establishing presence in international markets and value chains, support for product development, financial assistance centres located in foreign countries, building global brands, promoting foreign investment in focus areas and in specified places within the country, R&D, improving skills and infrastructure, helping to develop clusters for common or linked activities, cheaper inputs, export credit, renewable energy promotion, and others. The support takes place through a range of policy options such as income tax or VAT refunds/remissions, financial transfers, cheaper loans, cheaper land and other inputs, reduced costs of services used by producers, and facilitation (with financial assistance) for firms that build a larger presence in trading with other countries.

Subsidies in China are provided by the Central Government, the Provinces as well as other smaller jurisdictions. The orientation of the Subsidy programmes in Provinces is similar to those emphasised by the Central level subsidies, and they also cover an extensive range of support incentives.¹⁷²

¹⁷⁰For the HS categories, see <http://images.mofcom.gov.cn/wms/201812/20181231171821998.pdf>. The list is in Chinese language and would need being translated. However, the HS categories are provided in numbers and thus are clear in their coverage.

¹⁷¹For details see <https://www.globaltradealert.org/state-act/36044/china-2019-automatic-import-licensing-changes-announced>

¹⁷²For example, after 2010 subsidies were provided by provinces through programmes such as: Beijing Province: Special fund for the design, research and development of integrated circuit; Incentive for projects transformed from high and new technological achievements; Support fund for corporate financing; Support fund for the credit loans of science and technology SMEs; Support fund for trade financing; Support fund for equity pledge loans; Subsidy for intermediary services for enterprise mergers and acquisitions (M&As); Subsidy for the restructuring and listing of enterprises. Guangdong Province: Fund for the development of outward-oriented private enterprises; Special fund for the training of migration and employment of rural labour force; Incentive for enterprise innovation and R&D; Incentive fund for famous-brand products; Incentive for establishment of enterprise standards; Incentive for establishment of headquarters and listing of enterprises; Incentive for establishment of headquarters and being listed; Incentive fund for measurement and testing systems of enterprises; Incentive fund for the establishment of trading companies overseas; Governmental subsidy for participation in trade exhibitions by enterprises. Gansu Province: Incentive fund for famous-brand products.

CONTINGENT PROTECTION MEASURES

China has imposed anti-dumping and countervailing measures on India's exports, but has excluded India from its safeguard measures.

Anti-Dumping Measure

China has imposed six anti-dumping measures on products exported from India by the end of 2018. This is one more than the number of measures in place for each of the past four years (Table 8).

Table 8. Number of China's Anti-Dumping Measures in Place on Indian Imports, 2014 to 2018

2014	2015	2016	2017	2018
5	5	5	5	6

Countervailing Measure

At the end of 2018, China had one countervailing duty measure on exports from India.

Safeguard Measure

China imposed a safeguard duty of 45% in September 2016 on sugar, for a period of three years. India was one of the developing countries exempted from this safeguard measure.¹⁷³

¹⁷³https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=237066,236923,236787,236656,236486,236350,236349,235988,235980,235857&CurrentCatalogueIdIndex=4&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True

SINGAPORE

TRADE

Singapore is India's 6th largest export market. In 2017-18, India's merchandise exports to Singapore were US\$ 10.2 billion and imports were US\$ 10.47 billion. India has a Free Trade Agreement (FTA) with Singapore. Most of India's exports are accounted for by two HS 2-digit categories; 'Mineral fuels, mineral oils and products' account for about two-thirds of total exports to Singapore, and 'Ships, boats and floating structure' another 14% of total exports. These two categories face relatively lower incidence of NTMs, as shown in Figure 1 below.

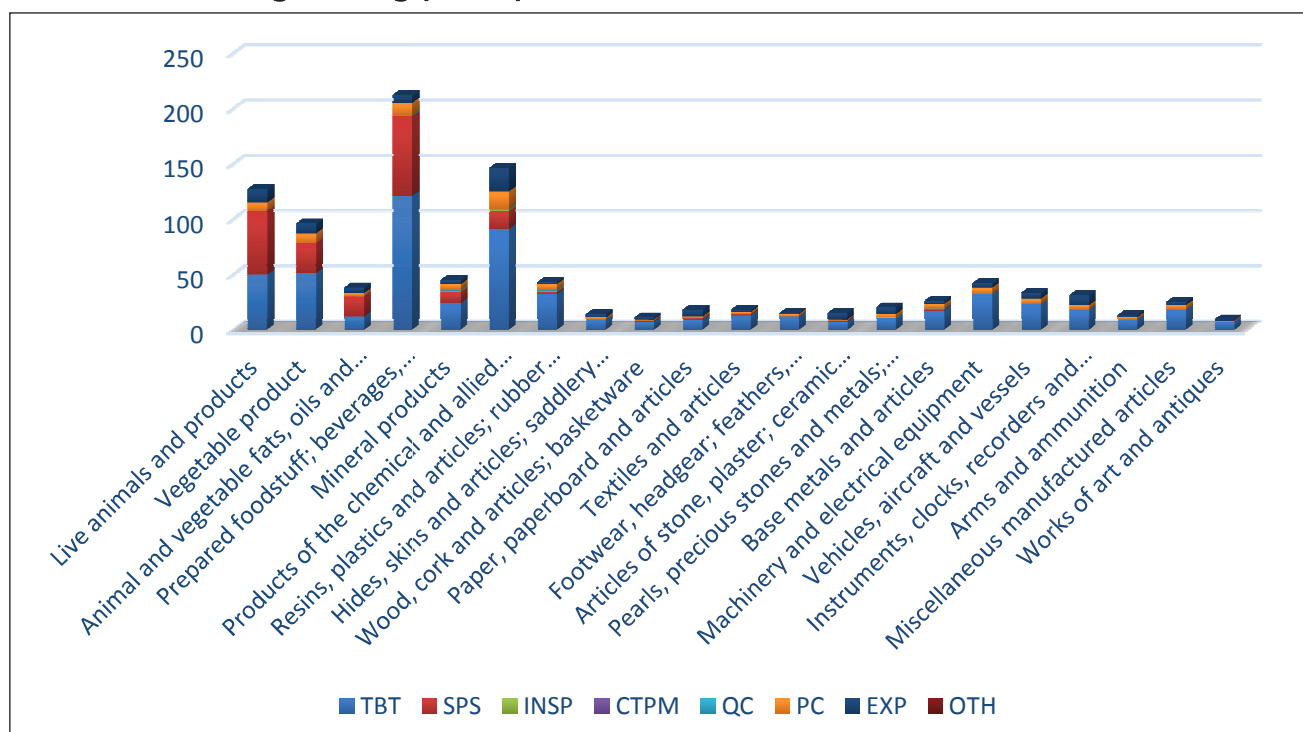
India and Singapore have a Comprehensive Economic Cooperation Agreement (CECA) which facilitates the conditions of trade and also creates systems for addressing trade-related concerns of each nation.

OVERVIEW

Bilateral meetings to address mutual trade-related concerns are held annually between Indian and Singaporean senior officials. The India-Singapore Comprehensive Economic cooperation Agreement (CECA) has created a framework for facilitating the operations of relevant agencies and exporters.

Singapore's NTMs largely comprise technical barriers to trade (TBT) and sanitary phytosanitary measures (SPS). The largest number of NTMs are in four product categories: Live animals and products, vegetable products, prepared foodstuff, beverages, spirits, vinegar, tobacco and products of the chemical and allied industries. For these product categories, the share of TBT in total is comparatively larger than most other major export destinations of India (Figure 1).

Figure 1: Singapore imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

In general, Singapore has low NTM incidence on most of the major product categories of India. Among the top 20 HS 2-digit categories, 5 belong to the product categories that face relatively larger number of NTMs¹⁷⁴ than others.

The main concern expressed by Indian exporters in the firm-level survey of exporters relate to the processes and requirements for selling agriculture and seafood products to Singapore. According to the feedback received, the exporters found it difficult to obtain the requisite certification and licence. Thus, the main concerns of Indian exporters relate to standards-related processes and measures in areas where the incidence of TBT and SPS is relatively high (Table 2).

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

The India-Singapore Comprehensive Economic Cooperation Agreement (CECA) has created a framework for facilitating the operations of relevant agencies and exporters, including in the area of technical barriers to trade (TBT) and sanitary phytosanitary measures (SPS).

The TBT and SPS conditions faced by India's top five

Table 2. Singapore: Main Concerns on Trade Restrictions Expressed by Indian Exporters

Concern Expressed by Exporters	Product Category
Time consuming and complicated processes	Agriculture products
Not clear how to obtain and apply for licence	Food products
Foreign buyers have difficulty in obtaining certification to sell products to Singapore	Seafood
Necessary paperwork has to be done in a timely manner	Pharmaceuticals
Rules are different for apparel products in comparison to other products	Textiles

Source: Field Survey of Indian Exporters

export product categories are shown in Tables 3 and 4. Three of the five top export categories in terms of HS Chapters face prohibitions or restrictions more stringent than general requirements under TBT (Table 3). In the case of SPS measures, two of the main categories face these restrictive measures (Table 4).

Table 3. Singapore: TBT Measures on India's Top 5 Export Sectors: 2018

Classification	NTM
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
B14, B15, B85, B82, B81, B83, B31, B42, B84, B7, B32	Authorization requirement for TBT measures, Registration requirement for importers for TBT reasons, Traceability Information Requirements, Testing requirement, Product Registration Requirement, Certification requirement, Labelling requirements, TBT regulations on transport and storage, Inspection requirement, Product quality or performance requirement, Marking Requirements

¹⁷⁴These include: Tanning and dyeing extracts; Essential oils and resinoids, Cereals; Fish and Crustaceans, molluscs and other aquatic invertebrates; and, Miscellaneous chemical products.

Classification	NTM
	HS Chapter 29: Organic Chemicals
B14, B84, B31, B33, B19, B42, B82, B15, B6	Authorization requirement for TBT measures, Inspection requirement, Labelling requirements, TBT regulations on transport and storage, Prohibitions/ restrictions of imports for objectives set out in the TBT Agreement, n.e.s., TBT regulations on transport and storage, Testing requirement, Registration requirement for importers for TBT reasons, Product identity requirement
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with prec. metal and artcls thereof; imit. jewellery; coin
B14, B42, B84, B31, B11, B81, B32	Authorization requirement for TBT reasons, TBT regulations on transport and storage, Inspection requirement, Labelling requirements, Prohibition for TBT reasons, Product registration requirement, Marking requirements,
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B14, B84, B31, B33, B19, B42, B82	Authorization requirement for TBT reasons, Inspection requirement, Labelling requirements, Packaging requirements, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., TBT regulations on transport and storage, Testing requirement
	HS Chapter 89: Ships, Boats and Floating Structure
B14	Authorization requirement for TBT reasons

Source: TRAINS, UNCTAD 2018

Note: Details on NTM Classification are in

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Table 4. Singapore: SPS Measures on India's Top 5 Export Sectors: 2018

Classification	NTM
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
-	No measures
	HS Chapter 29: Organic Chemicals
A22	Restricted use of certain substances in foods and feeds and their contact materials
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with prec. metal and artcls thereof; imit. jewelry; coin
-	No measures
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.
A22	Restricted use of certain substances in foods and feeds and their contact materials
	HS Chapter 89: Ships, Boats and Floating Structure
-	No measures

Source: TRAINS, UNCTAD 2018

Note: Details on classification can be seen from UNCTAD's publication https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Singapore's standardisation programme is administered by Enterprise Singapore. The standards are based on international standards and if such standards are not available then they are based on standards developed by regional organisations or those in major markets.

Technical regulations are developed by the relevant government bodies regulating specific sectors. For example, for certain categories of household electrical and gas appliances, the relevant agency is Enterprise Singapore, for medical devices, the Health Sciences Authority, for building and construction, the Building and Construction Authority and for telecommunications, the Info-communications Media Development Authority.

The Standards Council approves the publication and withdrawal of Singapore Standards (SS) and Technical References. It has a number of Standards Committees (SCs) to lead the development and promotion of standards in various industries or technical fields such as biomedical, building and construction, chemicals, electrical and electronics, food, services and management systems.¹⁷⁵

The Singapore Accreditation Council (SAC) operates under Enterprise Singapore, and is the national authority for the independent accreditation of conformity assessment bodies (CABs) in Singapore. Accredited test reports or certificates from foreign CABs are recognized locally if they bear the accreditation body mark of the originating country, and the marks of either the Asia Pacific Laboratory Accreditation Cooperation (APLAC),¹⁷⁶ Pacific

Accreditation Cooperation (PAC),¹⁷⁷ and International Accreditation Forum (IAF),¹⁷⁸ or International Laboratory Accreditation Cooperation (ILAC).¹⁷⁹

TECHNICAL BARRIERS TO TRADE

Technical regulations address a number of sectors, including food, agriculture, machinery, telecommunications, medical devices, electrical and electronic products, toys, apparel and textiles, and children's products. The objectives achieved through standards include safety, environment, and water and energy efficiency.

Since 2017, Singapore's 23 notifications to the WTO technical standards have related to food, vehicles, washing machines, certain instruments and appliances, goods vending machines, certain kinds of lamps, components including taps, motorcycles, certain electric vehicles, control of polychlorinated naphthalenes and trichlorfon, certain other chemicals (such as acyclic hydrocarbons, PFCs, HFCs, CFCs and HCFCs), induction motors, infant formula and petroleum products.¹⁸⁰

No specific trade concerns have been raised by India at the WTO regarding Singapore's TBT measures/regulations. Indian industry has expressed certain concern regarding TBT.

Pharmaceutical Products: Singapore HSA recognizes market authorisation of US FDA, UK MHRA, TGA Australia, EMA, EU and Health Canada, provided the registration is less than two years old. This period could be considered to be longer than two years, i.e. the same as the period of validity as issued by the recognised authority.

¹⁷⁵New standards related situations can be followed at <https://www.enterprisesg.gov.sg/quality-standards/standards/e-alert-for-standards/e-alert-for-standards>

¹⁷⁶For APLAC, the relevant MRA covers testing, calibration, medical (ISO 15189), inspection and proficiency testing providers.

¹⁷⁷MLA for quality management system certification, environmental management system, product certification, food safety management system certification and energy management system.

¹⁷⁸MLA for quality management system certification, environmental management system, product certification, food safety management system certification and energy management system.

¹⁷⁹MRA for testing, calibration, medical (ISO 15189) and inspection.

¹⁸⁰<http://tbtime.wto.org/en/Notifications/h?page=1&sortBy=DistributionDate&sortDirection=desc&DistributionDateFrom=01%2F12%2F2016&DistributionDateTo=02%2F02%2F2019&NotifyingMember=Singapore&DoSearch=True>

SANITARY AND PHYTOSANITARY BARRIERS

SPS measures address food safety and animal, plant and human health. Food safety, animal and plant health are under the responsibility of the Agri-Food and Veterinary Authority of Singapore (AVA). Provisional SPS measures may be taken where scientific evidence is insufficient.

Imports of dairy products, livestock, meat and fish are considered to be 'high risk' and are subject to strict controls, involving, inter alia, accreditation of foreign farms and establishments, inspection, and testing. High-risk food products are subject to additional controls, such as health certificates, laboratory analysis reports or proof that the source or factory is regulated by the authority of the exporting country through a licensing system or similar food safety regulations.

Accreditation is carried out by the AVA based on risk assessment, including factors such as veterinary infrastructure, disease status, legislation and other SPS measures and hygiene. Meat imports are allowed only from accredited establishments in countries with which Singapore has protocol agreements. In this context, accreditation for many sectors is needed with India.¹⁸¹

Under the Control of Plants Act, all imports of plants and plant products are regulated by the AVA to prevent the introduction of exotic plant pests into Singapore and the region; domestically produced plants cultivated in Singapore's agri-technology parks are also monitored by the AVA. Plants must be accompanied by phytosanitary certificates from the country of origin.

Since 2017, Singapore has submitted 8 SPS related notifications to WTO, 6 on food and 2 on cats and

dogs as personal pets or commercial consignments. They covered food safety (additives, contaminants, maximum residue limits for pesticide content, microbial infections), and animal health, human health and zoonoses in the context of cats and dogs as personal pets or commercial consignments.

India has not raised any specific trade concern in WTO regarding Singapore's SPS measures. Other countries that have raised SPS-related trade concerns at WTO may be relevant to India. Two such concerns are:

(a) Very strict and high degree of risk-averse processes for uncooked meats, poultry and shellfish: In addition to the regular tests, Singapore authorities regularly take samples from retail stores for laboratory testing of preservative and additives.

(b) Pathogen Reduction Treatments (PRTs): Only a limited number of antimicrobial washes are allowed.

IMPORT POLICIES

Singapore is a very open economy in general, and its import regulation policies are mainly implemented through technical requirements and standards.

Tariffs

Singapore is a very low tariff economy. India's major exports to Singapore face zero tariffs (Table 5). In fact, Singapore has zero duty on all exports from India.

Import Prohibition

Singapore has prohibited imports of a number of products (Table 6). The list of prohibited products changes over time, but the broad range of prohibited products has remained the same

¹⁸¹As of 29 January 2019, among exports of raw and processed meat products, table eggs and processed eggs to Singapore, India has approval only for processed eggs. See <https://www.ava.gov.sg/docs/default-source/tools-and-resources/resources-for-businesses/approved-countries.pdf>

Table 5. Tariffs on Major Indian Exports to Singapore

HS Section	HS Code	Product	Share in Total Exports (%)	Tariffs (%)
5	27101930	High speed diesel (hsd)	39.74	0
5	27101219	Other	8.74	0
5	27101290	Other	3.79	0
5	27101920	Aviation turbine fuel (atf)	2.98	0
17	89059090	Other under hdng 8905	2.78	0
5	27101950	Fuel oil	2.76	0
17	88033000	Othrppts of aeroplanes/helicopters	2.19	0
14	71131910	Jewellery of gold unset	2.11	0
14	71023100	Non-industrial diamonds unworked/simply sawn cleaved or bruted	1.90	0
15	74031100	Cathods and sectns of cathods of refind cop	1.47	0
5	27101990	Other petroleum oils and oils obtaine from bituminous minerals nes	1.42	0
17	84111200	Turbo-jets of a thrust > 25 kn	1.42	0
17	89052000	Floatng/submersible drllng/prdctn/pltforms	1.35	0
6	29332990	Other compndscntng an unfused imidazole ring (w/n hydrntd) in structure	1.00	0
17	89040000	Tugs and pusher craft	0.91	0
15	72142090	Others	0.80	0
17	76011010	Aluminium ingots-not alloyed	0.80	0
14	71023910	Diamond(othrthndstrl diamond)cut or otherwise worked but not mounted or set	0.80	0
17	89019000	Othrvssls for trnsprt of goods and othrvssls for trnsprt of persons and goods	0.75	0
20	89051000	Dredgers	0.66	0
5	27079900	Other oil and oil prodcts of distilation of high temp. Coal tar, etc.	0.53	0
5	27109900	Other waste oil	0.52	0

Source: DGCIS Data, Department of Commerce

Note: # means that the tariffs will not decrease under the CEPA.

for a number of years. In recent times, there were a few additions to the list, including some which were earlier prohibited but allowed subject to specified conditions and restraints. Table 6 shows the list of products whose imports are currently prohibited by Singapore. The products range from

certain chemicals, equipment, fireworks, dogs and cats, piranhas, tobacco and chewing gum. These prohibitions reflect the objectives of safety, human health, environment, security-related concerns, and international agreements including UN sanctions.

Table 6. Singapore: Goods subject to import prohibition

Product	Administering agency
Chewing gum (except for therapeutic purposes)	Singapore Customs
Medicines containing amygdalin, danthron, pangamic acid and suprofen	Health Sciences Authority
Shisha tobacco	Ministry of Health
Electronic nicotine delivery system (ENDS)/ vapourisers	Ministry of Health
Emerging tobacco products	Ministry of Health
Piranhas	Agri-Food and Veterinary Authority
Selected breeds of dogs and their crosses (Pit Bull, Neapolitan Mastiff, Tosa, Akita, Dogo Argentino, Boerboel, Fila Brasileiro, and Perro de Presa Canario)	Agri-Food and Veterinary Authority
Bengal and Savannah cat 4th generation crosses and below from the ancestral stock of <i>Prionailurus bengalensis</i> and <i>Leptailurus serval</i>	Agri-Food and Veterinary Authority
Prohibitions in line with the decisions of the United Nations Security Council (UNSC) in resolutions adopted. ¹⁸²	Singapore Customs
Polychlorinated biphenyls (PCB) and its substitutes	National Environment Agency
Polychlorinated naphthalenes (PCN) and short-chained chlorinated paraffins (SCCP)	National Environment Agency
Certain ozone-depleting substances (including chlorofluorocarbons)	National Environment Agency
Asbestos	National Environment Agency
Scheduled chemicals under the Chemical Weapons Convention (CWC)	National Authority (Chemical Weapons Convention)

¹⁸²These include: (a)[i] the import from and export to the Democratic People's Republic of Korea (DPRK) of arms and related material, as well as all items, materials, equipment, goods and technology related to nuclear ballistic missile programmes and other weapons of mass destruction programmes as set out in the lists in the UNSC documents INFCIRC/254/Re v.13/Part 1, INFCIRC/254/Re v.10/Part 2, S/2014/253, S/2006/853, and S/2006/853/Cor r.1; (ii) export to the DPRK of any luxury items specified under the seventh schedule to the Regulation of Imports and Exports Regulations (RIER) and (iii) any other trade prohibitions set out by the UNSC in its resolutions on the DPRK. (b)[i] the import from Iran of arms and related material, as well as all items, materials, equipment, goods and technology set out in the UNSC document S/2015/546; (ii) the export of all items, materials, equipment, goods and technology set out in the UNSC document INFCIRC/254/Re v.13/Part 1, INFCIRC/254/Re v.10/Part 2, and S/2015/546 – except where they qualify for exceptions listed under Annex B of UNSCR 2231 (2015); and (iii) any items, materials, equipment, goods and technology that could contribute to the development of nuclear weapon delivery systems; and (c) the import into and export from, trans-shipment or transit through Singapore of any goods which will contravene the decisions of the UNSC in resolutions made under Chapter VII of the Charter of the United Nations.

Product	Administering agency
Fireworks	Singapore Police Force
Controlled telecommunications equipment such as scanning receivers, military communication equipment, telephone voice changing equipment and radiocommunication jamming devices	Certain telecommunication equipment is prohibited from entry into Singapore unless prior approval by IDA has been obtained. Equipment in this category includes voice scramblers, military equipment, scanning receivers / transmitters which could be used by unauthorised persons for unlawful transmissions, interception and jamming of signals. For security purposes, the import of such equipment into Singapore is prohibited. Administered by Info-communications Media Development Authority.
Certain mercury-added products (effective from 1 Jan 2020)	National Environment Agency

Source: Singapore's WTO notification on quantitative restrictions, circulated in WTO Document G/MA/QR/N/SGP/4, dated 15 January 2019.

In addition to the above, Singapore Customs' list of prohibited items shows Cigarette lighters - pistol/revolver shaped¹⁸³, Rhinoceros horn, worked, unworked or prepared and worked and powder of this product, Endangered species of wildlife and their by-products¹⁸⁴, and Controlled drugs listed under 4th Schedule of Misuse of Drugs Regulation.¹⁸⁵

Import Licenses: Non-automatic Licenses

Several products subject to strict regulations are allowed into Singapore, but only under a non-automatic license (Table 7). This list also changes from time to time, but a large part of this list has been the same for long. The products subject to non-automatic import license range from agriculture products, sand, medicines and therapeutic goods, strategic goods, agriculture products, fish, rice, rubber, drugs, certain types of equipment, chemicals and hazardous substance and waste.

Rice is subject to non-automatic import licensing under a stockpile scheme maintained for food security and price stability purposes. Different types of licences are granted depending on the purpose of the import.¹⁸⁶ A 'stockpile licence' is required for all imports of stockpile-grade rice (white rice, basmati rice, parboiled rice and ponni rice) to be sold for local consumption.

Singapore Customs has mentioned certain products as being subject to controlled imports, which are in addition to the list of controlled imports mentioned in the Table above.¹⁸⁷

Import Licenses: Automatic Licenses

Some products are subject to automatic licensing. Table 8 below shows this list.

CONTINGENT PROTECTION MEASURES

Singapore has not taken any anti-dumping, countervailing or safeguard measure against Indian exports.

¹⁸³The list for non-automatic licenses contains a category covering "toy or replica guns" which may include this category of product.

¹⁸⁴The notification to WTO has shown this category as being under non-automatic license.

¹⁸⁵<https://www.customs.gov.sg/businesses/importing-goods/controlled-and-prohibited-goods-for-import>

¹⁸⁶See <https://ie.enterprisesg.gov.sg/e-services/rice-stockpile-scheme>

¹⁸⁷See <https://www.customs.gov.sg/businesses/importing-goods/controlled-and-prohibited-goods-for-import>

Table 7. Singapore: Goods subject to non-automatic licensing

Product	Administering agency
Meat and fish products	Agri-Food and Veterinary Authority
Fresh fruits and vegetables	Agri-Food and Veterinary Authority
Processed food	Agri-Food and Veterinary Authority
Fish and fishery products	Agri-Food and Veterinary Authority
Sand and granite [essential construction materials]	Building and Construction Authority
Strategic goods and technology	Singapore Customs
Poppy seeds	Central Narcotics Bureau
Controlled materials or substances used for the manufacturing of controlled drugs	Central Narcotics Bureau
Therapeutic products (chemical & biologic drugs)	Health Sciences Authority
Cell and tissue therapy products, and Chinese proprietary medicines	Health Sciences Authority
Clinical Research Materials	Health Sciences Authority
Controlled telecommunication equipment	Info-Communications Media Development Authority
Rice (excluding rice bran)	Enterprise Singapore issues the license
Rubber	Enterprise Singapore
Merchandise or products containing: (a) any photograph of, or any drawing or design in any size, scale or colour, resembling, or (b) any design or part thereof used in or on, any Singapore currency note or coin	Monetary Authority of Singapore
Biological agents that are capable of causing death, disease or other biological malfunction in a human, certain microbial toxins	Ministry of Health
Petroleum and flammable materials	Singapore Civil Defence Force (SCDF)
Fruit or jackpot machines	Singapore Police Force
Amusement games machines for public entertainment purposes	Singapore Police Force
Specific plants, plant products and other materials (insects, micro-organisms and soil)	Agri-Food and Veterinary Authority
Endangered animal and plant species (CITES specimens and products)	Agri-Food and Veterinary Authority
Animals and animal products (including ornamental fish and livestock), eggs, veterinary biologics and vaccines, animal feed	Agri-Food and Veterinary Authority
Substances specified as poisons	Health Sciences Authority
Medical Devices	Health Sciences Authority

Product	Administering agency
Controlled Drugs	Health Sciences Authority
Hazardous substances	National Environment Agency
Hazardous waste	National Environment Agency
Radioactive materials, ionizing radiation irradiating apparatus and non-ionizing radiation irradiating apparatus	National Environment Agency
Trichlorfon	National Environment Agency
Hydrofluorocarbons (HFCs)	National Environment Agency
Arms and explosives, swords, daggers, bayonets, spears, spearheads, and nitro-cellulose	Singapore Police Force
Handcuffs, articles of clothing intended as protection against attack, including bulletproof vests, steel helmets, toy or replica guns, toy or replica explosives, grenades, ammunitions or improvised explosive devices (IED)	Singapore Police Force
Precursor substances	Central Narcotics Bureau
Therapeutic products containing psychotropic substances	Health Sciences Authority
Clinical research materials containing psychotropic substances	Health Sciences Authority

Source: Singapore's WTO notification on quantitative restrictions, circulated in WTO Document G/MA/QR/N/SGP/4, dated 15 January 2019.

Table 8. Singapore: Goods subject to automatic licensing

Product	Controlling Agency
Mastering equipment and replication equipment for any of the following: CDs (compact disc), CD-ROMs (compact disc-read only memory), VCDs (video compact disc), DVDs (digital video disc), and DVD-ROMs (digital video disc-read only memory)	Singapore Customs
films, video tapes and video games	Info-communications Media Development Authority
Publications (includes books, magazines, sound recordings, pictures or drawings, and photographs)	Info-communications Media Development Authority

Source: WTO Document G/LIC/N/3/SGP/14, dated 26 November 2018.

BANGLADESH

TRADE

Bangladesh is India's seventh largest export destination. During 2017-18, India's merchandise exports to Bangladesh were US\$ 8.61 billion, and imports from Bangladesh were about US\$ 0.685 billion. India has close trade relations with Bangladesh, through its Agreement on South Asia Free Trade Area SAFTA, and other similar initiatives (Trade Agreement between India and Bangladesh, Asia-Pacific Trade Agreement or APTA).

OVERVIEW

India and Bangladesh have annual bilateral meetings at senior official-level or even more frequently, if required. In addition, there are Ministerial-level meetings at which bilateral trade issues are discussed.

The top two HS section categories (textiles and articles; vehicles, aircraft and vessels) account for over one-third of India's exports to Bangladesh. Other major export items are in seven HS sections and account for about two-fifths of India's total exports to Bangladesh (Table 1).

Many of these products face a number of NTMs, including prohibition, import permits, certification requirements and mandatory technical requirements.¹⁸⁸ It is noteworthy that while some of these prominent product categories face a relatively lower number of NTMs (base metals and articles, resins, plastics and articles, rubber and articles, pearls, precious stones and metals, coins), the others are subject to a higher incidence of NTMs (Table 2). In addition, some of the products which are not in the list of significant exports (e.g. live animals and products) also face a relatively large number of NTMs (Table 2). Based on Bangladesh's Import Policy Order 2015-18, the coverage of these measures is potentially larger than indicated in the Table because for a number of product categories the NTM restriction covers all HS lines under that category, resulting in a wide coverage.¹⁸⁹

Results from the survey of exporting firms shows that it is not only the number of NTMs that are a cause of concern for Indian exporters, but also the system which implements them, as well as additional charges which are imposed on trade (Table 3).

Table 1. India's Main Exports to Bangladesh for Major HS Section Categories

HS Section	Product Category	Export US\$ Mn	% of Total Export to Bangladesh
11	Textiles and articles	2122	24.6
17	Vehicles, aircraft and vessels	946	10.9
16	Machinery and electrical equipment	800	9.3
6	Products of the chemical and allied industries	559	6.5
15	Base metals and articles	512	5.9
5	Mineral products	493	5.7
2	Vegetable products	460	5.3
7	Resins, plastics and articles, rubber and articles	299	3.5
4	Prepared foodstuff, beverages, spirits, vinegar, tobacco	204	2.4

Source: Calculation based on data from COMTRADE Database

Note: This Table provides the major export product, based on the top 20 HS 2-digit categories of India's exports to Bangladesh.

¹⁸⁸Data from TRAINS, UNCTAD on Bangladesh are not available in the system. The information base for the overview is Bangladesh Trade Portal, of the Government of Bangladesh.

¹⁸⁹See Annexure-1 of the Import Policy Order 2015-18. <https://www.bangladeshtradeportal.gov.bd/index.php?r=site/display&id=587>

Table 2. NTMs faced by Different Product Categories of India's exports to Bangladesh
 (The numbers in parentheses show the number of HS tariff lines subject to the specific NTM)

HS Section	NTM
Live animals and products	Prohibition (9), Import permit, requirement, licensing requirement (1), mandatory technical standard (12), general technical standard (19), certificate requirement (12), health certificate (1), radiation certificate (16), no objection certificate (3)
Vegetable products	Prohibition (17), Import permit, Permit Requirement, Licensing Requirement (5), Mandatory Technical Standard (2), general technical standard (1), certificate requirement (1)
Animal and vegetable fats, oils and waxes	Mandatory technical standard (4)
Prepared foodstuff, beverages, spirits, vinegar, tobacco	Prohibition (4), approval (1), restriction (1), mandatory technical standard (5), radiation certificate (1), radioactivity test (4), No Objection certificate (1)
Mineral products	
	Prohibition (21), Approval (1), Import permit, Permit Requirement, Licensing Requirement (3), Mandatory Technical Standard (9), General Technical Standard (1), Certificate Requirement (3), No Objection certificate (1)
Products of the chemical and allied industries	Prohibition (10), Approval (16), Restriction (2), Mandatory Technical Standard (77), General Technical Standard (4), Radiation Certificate (10), No Objection certificate (2)
Resins, plastics and articles, rubber and articles	Prohibition (7), Approval (4)
Hides, skins and articles, saddlery and travel goods	Prohibition (1), General Technical Standard (1)
Wood, cork and articles, basket-ware	None
Paper, paperboard and articles	Prohibition (13), Import permit, Permit Requirement, Licensing Requirement (1), Certificate Requirement (4)
Textiles and articles	Prohibition (1), Approval (2), Mandatory Technical Standard (15)
Footwear, headgear, feathers, artificial flowers, fans	Health Certificate (8)
Articles of stone, plaster, ceramic products, glass	Mandatory Technical Standard (2)
Pearls, precious stones and metals, coins	Restriction (2)

HS Section	NTM
Base metals and articles	Mandatory Technical Standard (8), Certificate Requirement (1)
Machinery and electrical equipment	Prohibition (17), Restriction (8), Mandatory Technical Standard (18), Certificate Requirement (2), Radiation Certificate (1)
Vehicles, aircraft and vessels	Prohibition (15), Restriction (8), Certificate Requirement (10), Registration Requirement (4)
Instruments, clocks, recorders and reproducers	Prohibition (4), Approval (8), Mandatory Technical Standard (1),
Arms and ammunition	Prohibition (17), Certificate Requirement (1)
Miscellaneous manufactured articles	Mandatory Technical Standard (1)
Works of art and antiques	None

Source: Bangladesh Trade Portal

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

Table 3. Views of Indian Exporters Regarding Trade Restraints Faced for Exports to Bangladesh

Concern	Product Category
Extra charges imposed if dry flowers found damaged	Agriculture products
Any dispute regarding weight is not accepted by the country	Agriculture products
Very strict application of delivery times	Agriculture products, Food products
Rule on duty changed suddenly	Agriculture products
Very strict application of standards, sometimes checking every consignment	Food products
Tariff expensive	Textiles
Sometimes the validity of the permit is questioned	Textiles
Surcharges at ports are high	Engineering products
Restrictions on conditions of sale	Textiles

Source: Field Survey of Exporting Firms

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Most of the NTMs are technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures (Table 4). The regime on standards, certificate requirement for various reasons, and registration requirements are different aspects of TBT and SPS. The categories mentioned in Table 4 are those which

are used by the Government of Bangladesh for classifying the different NTMs in their notifications.¹⁹⁰ While Table 4 provides summary of the various NTMs in Bangladesh, product-specific information shows that the maximum number of requirements are for various 'animal and animal products', food products, machinery, appliances and capital goods.¹⁹¹

¹⁹⁰See Source: Bangladesh Trade Portal.

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>. Bangladesh has not notified WTO regarding its TBT and SPS measures for some time.

¹⁹¹Details are provided by <https://www.gistnet.com/cidb-sample/bd.importproduct.html>

Table 4. NTM Regime of Bangladesh
(Number of HS tariff lines)

Mandatory Technical Standard	100	No Objection Certificate	9
Prohibition	35	SPS	6
Radiation Certificate	31	Import Permit	5
Approval	32	Permit Requirement	4
General Technical Standard	26	Registration Requirement	4
Certificate Requirement	25	Radioactivity Test	3
Restriction	21	Licensing Requirement	1
Health Certificate	18	Storage Facility	1

Source: Bangladesh Trade Portal.

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

Trade concerns of Indian exporters: Indian exporters have shared a number of concerns:

- Classification disputes arise because of discrepancies between SAFTA notifications and Bangladesh Customs Tariffs
- Bangladesh's para-tariffs for engineering goods are high
- Customs procedures are complicated and implemented stringently, especially if there is a dispute about weights or materials not submitted within a time-line (agriculture products/food products)
- For pharmaceutical products, Bangladesh has a very restrictive condition that does not allow import of products which are manufactured by four or more local companies
- Automobiles and Other Vehicles
 - o Licensing, quotas and prohibitions prevent exports and sales of two-wheelers above 250cc
 - o For three-wheelers, Bangladesh had planned to allow the vehicles in a special slow-moving lane in highways. Action on this has not progressed as yet
 - o 50% localisation within five years required for automobiles, otherwise high duty rate will apply
 - o Emission norms are more stringent than the Automotive Research Association of India (ARAI) standards

TECHNICAL BARRIERS TO TRADE

The Bangladesh Standards and Testing Institution is the national standardisation body and formulates national standards for all products except pharmaceutical products. The main policy focus is to develop standards in line with international ones or adopt relevant international standards. The Bangladesh Accreditation Board offers accreditation to different types of conformity assessment bodies in line with international standards.

Bangladesh has a number of standards and other technical requirements, enforced for addressing health, safety, security and for meeting international treaty obligations. The largest number of mandatory technical standards are imposed for meeting the requirements of the Chemical Weapons Convention. Table 5 below provides the list of TBT measures. Additional measures relating to TBT are provided in Table 7 which gives the list of prohibited imports.

Table 5. TBT measures in Bangladesh

General Technical Standard for Import	Enforced By
Hatchery or breeding farm required to import one day-old chicks	Ministry of Fisheries and Livestock
Wood and wood-related products	Department of Environment
Processed cereal-based foods for infants and young children	Bangladesh Standards And Testing Institution
General Technical Standard: Packaging Requirement	Enforced By
Milk food products	Bangladesh Standards And Testing Institution
Mandatory Technical Standard: Technical Certificate Required to Import	Enforced By
Two-pin plugs, Three Pin Plug & socket, Ballast for Fluorescent Lamps, Fans, Soya Bean Oil, Tooth Paste, Tubular Florescent Lamps, Tumbler & Switches, Skin Powders, Batteries, Carbonated Beverages, Chips/Crackers, Honey, Skin Cream, Soft Drinks, Steel Sheet & Coil	Bangladesh Standards And Testing Institution
Lewisite 3: Tris[2-chlorovinyl]arsine, 2,2-Diphenyl-2-hydroxyacetic acid, 2-Chloroethylchloromethylsulfide, Alkyl [Me, Et, n-Pr or i-Pr] phosphonyldifluorides, Arsenic Trichloride, Arsenic TrichlorideAmiton, Bis[2-Chloroethylthio]Methane, Bis[2-chloroethylthio]-n-butane, Bis[2-chloroethylthio]-n-pentane, Bis[2-chloroethylthio]-n-propane, Technical Standard Certificate required to import Bis[2-chloroethylthioethyl, Bis[2-chloroethylthiomethyl]ether, Chloromethyl Methyl Sulfide, Chloropicrin: Trichloro-nitromethane, Chlorosarin: O-Isopropyl methylphosphonochloridate, Chlorosoman: O-Pinacolylmethylphosphonochloridate, Dialkyl [Me, Et, n-Pr or i-Pr] N,N-dialkyl [Me, Et, n-Pr or i-Pr]- phosphoramidates, Diethyl phosphite, Dimethyl methylphosphonate, Ethyldiethanolamine, Fonofos: O-Ethyl S-phenyl ethylphosphonothiolothionate, Hydrogen cyanide, Lewisite 1: 2-Chlorovinylchloroarsine, Lewisite 2: Bis[2-chlorovinyl]chloroarsine, Methyldiethanolamine, Methylphosphonyl Dichloride, Methylphosphonyldifluoride, Methylphosphonyldifluoride, Mustard Gas, N N-Dialkyl, N,N-Dialkylphosphoramidicdihalides, Nitrogen Mustards [HN1: Bis[2-chloroethyl]ethylamine], Nitrogen Mustards [HN2: Bis[2-chloroethyl]methylamine], Nitrogen Mustards [HN3: Tris[2-chloroethyl]amine]', O-Alkyl [\leq C10, incl.	Bangladesh National Authority for Chemical Weapons Convention

cycloalkyl N,N-dialkyl (Me, Et, n- Pr or i-Pr) phosphoramidocyanidates, O-Alkyl (<=C10, incl. cycloalkyl) alkyl (Me, Et, n-Pr or i- Pr)-phosphonofluoridates, O-Alkyl (H or <=C10, incl. cycloalkyl) O-2-dalkyl (Me, Et, n-Pr or i-Pr)-aminoethyl alkyl (Me, Et, n-Pr or i-Pr) phosphonites and corresponding alkylated or protonated salts, O-Alkyl (H or <=C10, incl. cycloalkyl) S-2- dialkyl (Me, Et, n-Pr or i-Pr)-aminoethyl alkyl (Me, Et, n-Pr or i-Pr) phosphonothiolates and corresponding alkylated or protonated salts, -Ethyl O-2-diisopropylaminoethyl methylphosphonite, O-Ethyl S-2-diisopropylaminoethyl methyl phosphonothiolate, Pentafluoro-2-(trifluoromethyl)-1- propene, Phosgene: Carbonyl dichloride, Phosphono Fluoridate, Phosphonothiolates, Phosphoramidocyanidates, Phosphorus oxychloride, Phosphorus penta-chloride, Phosphorus trichloride, Pinacolyl alcohol: 3,3-Dimethylbutan-2-ol, Quinuclidin, QuinuclidinylBenzilate, Ricin, Sarin, Saxitoxin, Sesqui Mustard, Sesquimustard: 1,2-Bis(2- chloroethylthio) ethane, Soman, Sulfur dichloride, Sulfur monochloride, Tabun, Thiodiglycol: Bis(2-hydroxyethyl) sulphide, Triethanolamine, Triethylphosphite, Trimethylphosphite	Bangladesh National Authority for Chemical Weapons Convention
Ozone level depleting materials	Department of Environment
Mandatory Technical Standard: Standard Certificate Required	Enforced By
Salable Petroleum Product, Toilet Soap, Tooth Paste, After Shave Lotion, Ball Point Pens, Biscuits, Cement, Ceramic Tablewares, Ceramic Tiles- definitions, Classifications characteristics & marking, Coconut Oil, Dextrose Monohydrate, Edible Sun Flower Oil, Fruit Cordial, Fruit or Vegetable Juice, Hair Oil, Infant Formula, Instant Noodles, Jams (Fruits Preserves) & Jelly, LED Acid starter batteries, Lipstick, Liquid Glucose, Lozenges, Marmalade, Milk Powder and cream Powder, Mosquito Coil, News Print, Pencils, Polyester blend Shirting (Market Varieties), Polyester blend Suiting, Sauce (Fruit & Vegetable), Shampoo, Synthetic Detergent based, Soft Drink Powder, Sugar, Toffee, Tomato Ketchup, Black Tea definition and basic requirements, Portable Fire Extinguisher, Safety Razor Blades, Writing and printing papers	Bangladesh Standards And Testing Institution
Mandatory Technical Standard	Enforced By
Mandatory fumigation test required to import Cotton from USA	Bangladesh Customs
Restriction	Enforced By
Boiler	Office of the Chief Inspector of Boilers
Warships	Ministry of Defence

Old vessels	Ministry of Shipping
Gold & Silver	Bangladesh Bank
Restriction to import except by the Defence Services (88032000 – Under-carriages and parts thereof)	Bangladesh National Authority for Chemical Weapons Convention
Old motor car	Bangladesh Customs
Restriction to only certain types of business (22030000 – Beer made from malt)	Department of Narcotics control
Restriction: Permission Required	Enforced By
Permission Required to Import deltramethrine of synthetic pyrethroid	Ministry of Commerce
Registration Certificate	Enforced By
Import used motor vehicles parts	Board of Investment Bangladesh
Weight measures items/machine	Bangladesh Standards And Testing Institution
Certification Required	Enforced By
Certificate Origin Certificate (COO) in all cases	Export Promotion Bureau (EPB)
Gas cylinder or Gas container	Department of Explosives
IPR certificate required	Ministry of Industries
Certificate that no poisonous or hazardous waste is being carried, is required to Import scrap vessels	Department of Environment
NoC Certificate required to import Radio Navigational Aid Apparatus, Radar Apparatus and Radio Remote Control Apparatus	Ministry of Defence
Poultry and Birds	Ministry of Fisheries and Livestock
Approval Required	Enforced By
Bandage (sterile surgical), Enzymes, Ethanol, Parts and Fittings for Infusion Set	Directorate General of Drug Administration
Second-hand Clothing	Chief Controller of Imports & Exports (CCI&E)
Explosives	Department of Explosives
Health Certificate Required	Enforced By
Pyrex and Glassware Products	Authority of Exporting Country
Radiation Certificate Required	Enforced By
Nuclear Reactors & its parts, radio-active material	Bangladesh Atomic Energy Commission (BAEC)
Clearance Certification Required	Enforced By

Opium	Directorate General of Drug Administration
Revolver and Pistol	Ministry of Home Affairs
Cartridges/ammunitions of Revolver and Pistol	Ministry of Commerce
Labelling Requirement	Enforced By
All kinds of milk food products, Pesticides & insecticides	Bangladesh Standards And Testing Institution
Others	Enforced By
Composition required to import salt	Department of Environment
Explosive Licence required to import furnace oil	Bangladesh Petroleum Corporation
Submit import price information (all products)	Chief Controller of Imports & Exports (CCI&E)
Restriction on insurance from selected company	Bangladesh Customs
Storage facilities required to import edible oil	Chief Controller of Imports & Exports (CCI&E)
Substance tolerance limits for milk powder, milk food and milk products	Bangladesh Standards And Testing Institution

Source: Bangladesh Trade Portal

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

In the period since 2017, Bangladesh has notified two TBT measures, both in 2019. They relate to medicine and pharmaceutical products, and products that are covered under mandatory certification for sales and distribution.

The first notification is for a policy aimed at: Availability to efficacious, safe and quality drugs, rational and safe use of drugs, drug registration, registration for import, production of drugs and raw materials, prevention of production, sale and distribution of fake, adulterated, substandard drugs, drug selection, quantity fixation, drug procurement, storage and distribution processes, control of drug advertising and promotion, new technology and technical knowledge transfer in the country, joint collaborative research and development of drugs, effective monitoring of Pharmacovigilance or

Adverse Drug Reactions (ADR), and incentives for drug export.¹⁹²

The second notification is an Act establishing Bangladesh Standards and Testing Institution (BSTI) and defines its functions and responsibilities. It prohibits the use of BSTI standard marks (logo) without having its licence and sets terms and conditions of obtaining BSTI licence for sales and distribution of products.¹⁹³

Specific trade concerns related to TBT submitted at WTO: No specific trade concerns have been raised in the WTO by India with respect to Bangladesh's TBT policy.

Similarly, in recent years, no other country in WTO has raised any specific trade concern relating to TBT measures of Bangladesh. Nonetheless, in its annual

¹⁹²<http://tbtims.wto.org/en/RegularNotifications/View/148124?FromAllNotifications=True>

¹⁹³<http://tbtims.wto.org/en/RegularNotifications/View/148122?FromAllNotifications=True>

report on trade barriers 2018, the US has mentioned one area (pharmaceuticals) that may be relevant for Indian exports as well. The USTR states¹⁹⁴ that from 2012 to October 2017, U.S pharmaceutical companies were denied access to the Bangladesh market due to informal guidelines from the Director General of the Drug Administration (DGDA) and the Ministry of Commerce to limit imports of drugs that can be produced domestically. This policy was changed and imports were allowed for certain drugs in October 2017.

SANITARY AND PHYTOSANITARY MEASURES

SPS matters are handled by the Ministries of Agriculture, Health, and Fisheries and Livestock. There are a number of SPS requirements on animal and plant products imported into Bangladesh. Examples include¹⁹⁵: A health certificate is required for certain animals, particularly livestock, poultry and fish. Imports of fish and fish products require a sanitary inspection certificate. Fish must be free of formalin. The imported fish feed must be free from chloramphenicol and nitrofurantoin. Import of prawns is prohibited. Meat products, including processed and packaged meat, may require special certification. Meat that is temperature-controlled cargo (either chilled or frozen) must arrive in the destination country with the specified temperature range maintained throughout the transportation.

For poultry and birds, a certificate from the relevant authority in the exporting country is required that they are free from avian influenza. For meat (including bone and meat meal), a certificate issued by the competent authority of the exporting country be submitted to the effect that it is free from Bovine Spongiform Encephalopathy (BSE).

Food products require a certification from the government of the exporting country or from an appropriate approved agency that the product is fit for human consumption, does not contain harmful

ingredients and is free from all kinds of harmful germs. The certificate should also mention the age group for which the item is eligible for consumption. Similarly, imported meat shipped fresh or frozen requires specified inspection and health certificates issued by the government of the exporting country.

Meat and Bone Meal can be imported subject to prior permission issued by the Directorate of Fisheries & Livestock and in case of import of meat and bone meal. The name of the source animal is to be mentioned. The import of swine, including meat and bone meal of swine is banned.

A radiation certificate is required for many food products such as vegetable seeds, edible oils, and cereal products. In case of import of fish feed, poultry feed and animal feed items, the shipping documents must be accompanied by radioactivity test reports from the competent authority of the exporting country and a certificate to the effect that the items are fit for consumption by fish, poultry or animals as the case may be and the radioactivity test report must clearly indicate the level of CS-137 found in each kilogram of the items.

A phytosanitary certificate is required for the import of most plants and plant products. Fruits and vegetables, except potatoes, are exempt from this requirement. Genetically modified organisms are subject to special requirements. Imports of certain foodstuffs must be covered by a certificate of analysis.

Plants or plant products imported into the country are subject to quarantine, for example rice seeds and potato seeds. The imported product is checked and allowed into the country only if it meets the phytosanitary requirements.

During the period since 2017, Bangladesh has not notified any SPS measure to WTO

¹⁹⁴USTR, "2018 National Trade Estimate Report on Foreign Trade Barriers", page 45.

<https://ustr.gov/sites/default/files/files/Press/Reports/2018%20National%20Trade%20Estimate%20Report.pdf>

¹⁹⁵See for example <https://www.gistnet.com/cidb-sample/bd.importproduct.html> and

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

Specific trade concerns submitted at WTO: No specific trade concerns have been raised in the WTO, with respect to Bangladesh's TBT policy. The main trade-related concern relates to the stringent implementation of SPS measures, together with high tariffs in certain cases.

IMPORT POLICIES

The import policies of Bangladesh include a focus on promotion of specific areas of the domestic economy, diversification of industrial structure, health and safety regulations and policies to address security, religious/moral concerns and meeting obligations of international treaties. A combination of tariff and non-tariff policies are used for this purpose, with protection for specified domestic industries being provided largely through tariffs and the achievement of other objectives being addressed mainly through non-tariff measures (including the TBT and SPS measures discussed above).

Tariffs and other Charges on Imports

Table 6 shows tariffs on the major exports of India to Bangladesh.¹⁹⁶ These products account for over half of India's total exports to Bangladesh. In general, these major export items from India face high tariffs in Bangladesh. Low tariff of zero or 5% are in place for cotton, electrical energy, onions and aluminium ingots (not alloyed). All the other products have double-digit tariffs, i.e. 10 to 25%. The products with double-digit tariffs in this list have a combined export share of over a quarter of the total exports.

The low tariffs are mainly on products which are inputs into activities promoted by Bangladesh,¹⁹⁷ and in general they also face relatively fewer NTMs. Otherwise, there does not appear to be any close positive or negative relationship between tariffs and NTMs for these major export items.

Table 6. Tariffs on India's Major Exports to Bangladesh in 2017

HS Section	HS Code	Commodity	Share in Total Exports (%)	Tariff in 2019 (%)
11	52010015	Indian cotton of staple length 28.5mm [1.4/32] and above but below 34.5mm	8.31	0
2	10063090	Rice excptg parboiled (excl basmati rice)	6.94	25#
5	27160000	Electrical energy	4.40	2#
17	87112029	MotrcyclwthcyIndrcpcty>75 bt<=250 cc	3.18	25#
5	27101930	High speed diesel [hsd]	2.96	0, 10, 15 and 25#
11	52052410	Grey2401	2.67	10#
2	10063010	Rice parboiled	2.54	25#
11	52052310	Grey	2.10	10#
11	52094200	Denim	1.64	25#
2	07031010	Onions fresh or chilled	1.43	0
17	87060042	Chassis frvhclshdng 8704 excppetrldrvn	1.38	10#
17	87042219	3-wheeler goods vhcls, wthcmprsnightnintrnlcm bstnpstnengnwthg.v.w.>5 tons bt<=20 tons: lorry an	1.26	1, 5, 10 and 25#

¹⁹⁶The products are those items whose share in total exports to Bangladesh was at least 1% in 2017-18.

¹⁹⁷The Budget for 2018-19 mentions in particular the following industries which are part of the special focus for promotion: medicines, leather, textile, iron and steel, milk powder processing, refrigerator and compressor, printing, re-melted lead, and electrical goods. See pages 111 to 113 of http://www.bangladeshcustoms.gov.bd/budget/Speech_EN_18_191.pdf

HS Section	HS Code	Commodity	Share in Total Exports (%)	Tariff in 2019 (%)
15	76011010	Aluminium ingots-not alloyed	1.11	5#
15	72031000	Fersprdcobtdnd by drctrdctn of iron ore	1.01	800#
17	87141090	Parts and accessories of motorcycle excl. Saddle	0.81	25#
7	39076100	Poly(ethylene terephthalate): having a viscosity number of 78 ml/g or higher	0.80	5#
11	52114200	Denim of yarns of different colour of mxdcotn fabrics weighing>200 gsm	0.75	25#
11	55161200	Wvnfbrcs,dyd,cntng 85% or more by wt of artificial staple fbres	0.68	25#
17	87032120	Three-wheeled vehicles wthcyIndrcpcty<=1000 wthsprk-igntn	0.66	0 and 25#
17	87042190	Other goods vhcls,wthcmprsnightnintrnlcmbst npstnengnwthg.v.w. <= 5 ton	0.66	0, 5, 15 and 25#
4	23040020	Oil cake of soyabean,solvent extracted (defatted) variety	0.65	0
5	27101990	Other petroleum oils and oils obtaine from bituminous minerals nes	0.65	0, 10, 15 and 25#
11	54023300	Textured yarn of polyesters	0.59	25#
5	27011990	Other coal w/n pulvrsd but ntagldmrted	0.58	0
6	29419090	Other antibiotics	0.54	0
11	52051210	Grey	0.54	10#
11	52052210	Grey	0.53	10#
4	23040090	Other solid residues resulting from of extraction soyabean oil	0.52	0
17	87019300	Other tractors, of an engine power exceeding 37 kw but not exceeding 75 kw	0.52	1 and 5#
17	87019200	Other tractors, of an engine power exceeding 18 kw but not exceeding 37 kw	0.51	1 and 5#

Source: DGCIS Data, Department of Commerce

#: Tariff will remain at this level

NON-TARIFF MEASURES

Bangladesh's Import Policy Order 2015-2018 classifies goods into prohibited products and controlled products. Specific policy initiatives under this Policy Order are notified from time to time, providing more relevant detail¹⁹⁸.

Import Prohibitions

Bangladesh has prohibited imports of several products based on various parameters relating to safety, health, environment, security, religious or moral concerns and meeting obligations under international treaties (Table 7 below). In some cases, the reason is also to provide protection to domestic producers.

¹⁹⁸Bangladesh Trade Portal.

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

Table 7. Bangladesh: Products Subject to Import Prohibitions

Import Prohibition Enforced by Department of Commerce
155 CC motor cycle and more than 3 (three) years old and above
Polypropylene bag
Grass and Bhang
Chassis with Two stroke engines of three-wheeler vehicles
Poppy seeds and 'postadana'
Wine Lees, Argol
Artificial mustard oil
Some Insecticides ¹⁹⁹
All items including petroleum oil residues
Air gun
Air gun ammunition
Petroleum gas and other gaseous hydrocarbons
Opium
Sodium Cyclamate (semi-solid sugar)
Chassis with Two stroke engines of three wheeler vehicles (Tempo, auto rickshaw etc.), Maps, charts and geographical globes
Revolver and Pistol
Aliylisothiocyanate (artificial mustard oil)
Furnace Oil
Glass syringe
Items from Israel
Import Prohibition Enforced by Bangladesh Customs
Reconditioned Office Equipment, Photocopier, Old Computer etc.
Swine
All kinds of Industrial Sludge and Fertilizer ²⁰⁰
All kinds of waste ²⁰¹
Certain types of Books/Audio/Video etc ²⁰²
Certain kind of maps and globes ²⁰³
Certain types of Posters/Newsletter/Audio/Video Etc ²⁰⁴
Factory rejects and goods of job- lot/stock-lot
Goods bearing any Obscene Picture
Goods bearing any words or inscriptions of a religious connotation
Import Prohibition Enforced by Bangladesh National Authority for Chemical Weapons Convention
Shrimp
Import Prohibition Enforced by Ministry of Defence
Tanks (except for the Ministry of Defence)

¹⁹⁹Category described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=247>

²⁰⁰Categories described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=218>

²⁰¹Categories described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=219>

²⁰²Categories described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=212>

²⁰³Categories described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=210>

²⁰⁴Categories described in <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=211>

Import Prohibition Enforced by Bangladesh Petroleum Corporation
Hydrocarbons except LNG
Petroleum oil residues except petroleum coke & petroleum bitumen
Import Prohibition Enforced by Bangladesh Standards and Testing Institution
Certain Goods ²⁰⁵
Import Prohibition Enforced by Department of Agricultural Extension
Insecticides except Deltramethrine of synthetic pyrethroid
Import Prohibition Enforced by Ministry of Home Affairs
More than 3 years old car [except for Police dept.]

Source: Bangladesh Trade Portal.

<https://www.bangladeshtradeportal.gov.bd/index.php?r=SearchMeasures/index>

Note: The source for the Authority enforcing import ban is at <https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=242>

Table 8. Import Permit and Import Quota For Controlled Products in Addition to Above-mentioned TBT and SPS Measures

Import Permit	Enforced By
Potato Seeds, Rice seeds	Chief Controller of Imports & Exports (CCI&E)
Fishing nets	Department of Fisheries
Deltramethrine of synthetic pyrethroid, eggs of poultry	Ministry of Commerce
Private sector import of LPG	Ministry of Power, Energy and Mineral Resources
Restriction: Import Quota	Enforced By
Cinematograph films	Ministry of Information and Communications Technology

Import Licences and Permits

Bangladesh abolished its import licence scheme in 1984. It replaced that regime with import permits, certification requirements and prior permission requirements to meet specific objectives. Most of them relate to the TBT and SPS measures discussed above. In addition, a few products are subject to

import permits and import quotas, as specified in Table 8 above.

CONTINGENCY PROTECTION MEASURES

Bangladesh has not taken any anti-dumping, countervailing or safeguards measures against Indian exports.

²⁰⁵The following goods shall not be importable (under Annex 1 of Import Policy Order 2012-2015): [1] Maps, charts and geographical globes which do not indicate the territory of Bangladesh in accordance with the maps published by the Department of Survey, Government of the People's Republic of Bangladesh; [2] Horror comics, obscene and subversive literature including such pamphlets, posters, newspapers, periodicals, photographs, films, gramophone records and audio and video cassette tapes etc; [3] Books, newspapers, periodicals, documents and other papers, posters photographs, films, gramophone records, audio and video cassettes, tapes etc. containing matters likely to outrage the religious feelings and beliefs of any class of the citizens of Bangladesh; [4] Unless otherwise specified in this order, goods of secondary or sub-standard quality or below –standard or old, used, reconditioned goods or factory rejects and goods of job-lot/stock-lot; [5] Reconditioned office equipment, photocopier, type-writer machine, telex, phone, and fax, old computer, old computer accessories, old electronic items; [6] Goods (including their containers) bearing any words or inscriptions of a religious connotation the use or disposal of which may injure the religious feelings and beliefs of any class of the citizens of Bangladesh; [7] Goods (including their containers) bearing any obscene picture, writing inscription or visible representation; [8] Import of live Swine and any item prepared from swine; [9] All kinds of industrial sludge and fertilizer & any other products produced from sludge; and [10] Unless or otherwise specified in this order, all kinds of waste;

<https://www.bangladeshtradeportal.gov.bd/index.php?r=searchMeasures/view&id=68>

VIETNAM

TRADE

Vietnam is India’s 8th largest export market. In 2017-18, India’s merchandise exports to Singapore were US\$ 7.8 billion and imports were about US\$ 5 billion. India has a Free Trade Agreement (FTA) with Vietnam under the Comprehensive Economic Cooperation Agreement (CECA) with ASEAN.²⁰⁶ Over time, this would help improve trade opportunities among the two nations.

OVERVIEW

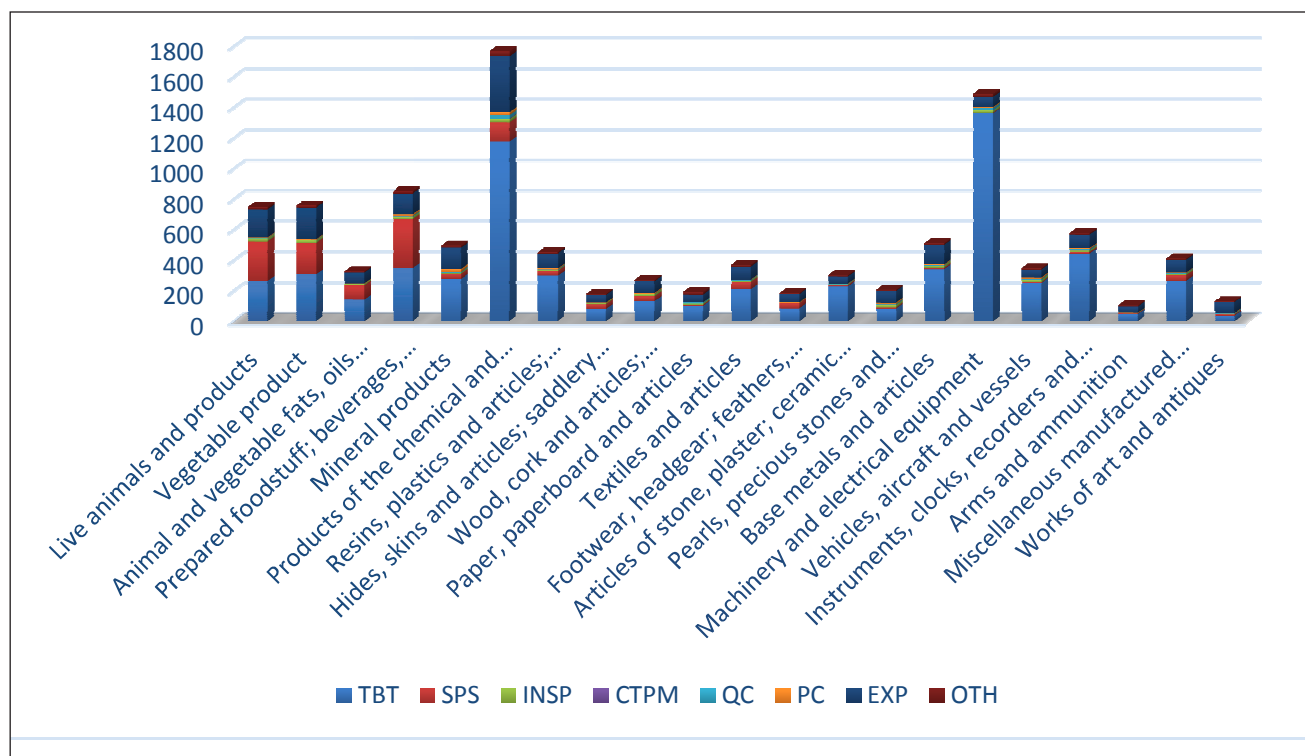
A large part of India’s exports is accounted for by two HS 2-digit categories; ‘Meat and edible meat offal’ account for about 30% of total exports to Vietnam, and ‘Fish and crustaceans, molluscs and other aquatic invertebrates’ another 23% of total exports. It is noteworthy that both these are in Section 1 of the product categories, ‘Live animals and products’,

which face relatively high incidence of NTMs in Vietnam, mostly sanitary and phytosanitary (SPS) measures (Figure 1). The other significant NTM for this product group are Contingent Trade Protective Measures.

India’s exports are concentrated even if we consider them at a further disaggregated level. For example, ‘Boneless Meat of Bovine Animals, Frozen’ (HS category 020230) accounted for 27.4% of India’s total exports to Vietnam in 2017-18, and ‘Other shrimp and prawns: frozen: (HS category 030617) accounted for 15.6% of total exports.

For a limited number of products imports are allowed only through State trading enterprises. These include cigars and cigarettes, crude oil, newspapers, journals and periodicals and recorded media for sound or pictures (with certain exclusions).

Figure 1. Vietnam imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Note: TBT=Technical Barriers to Trade, SPS=Sanitary and Phytosanitary Measures, INSP=Pre-shipment Inspection, CTPM = Contingent Trade Protective Measures, QC=Quantity Control Measures, PC=Price Control Measures, EXP=Export Related Measures, OTH=Other Measures.

²⁰⁶<http://commerce.gov.in/trade/ASEAN-India%20Trade%20in%20Goods%20Agreement.pdf>

Certain concerns raised by Indian exporters during the firm level survey focused more on tariffs than NTMs in some cases. In one case (engineering products), the view was that high certification standards for steel were introduced, resulting in a difficulty in transitioning to that standard (Table 1 below).

Table 1. Concerns Raised By Indian Exporters

Concern Raised by Exporters	Product Category
Facing difficulties due to high tariffs	Food products, Engineering products
Government procurement is getting more complicated and difficult	Food products
Competitors charge very low prices	Food products
Introduction of industry certification for steel products (adopted JIS of Japan)	Engineering products

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

The 2006 Law on Standards and Technical Regulation identified the Ministry of Science and Technology (MOST) as the responsible agency for issuing and managing national standards. Vietnam's national standards body is the Directorate for Standards, Metrology, and Quality (STAMEQ) under MOST. The line ministries are responsible for developing national technical regulations.

The law also simplified the technical regulations and standards, specifying them as national standards (TCVNs), organisation's standards (TCCSs), national technical regulations (QCVNs) and local technical regulations (QCDPs). About half of Vietnam's national standards are harmonised with international and regional standards.

QUACERT (Vietnam Certification Centre) is the Certification Body of STAMEQ, which also has three other product certification bodies: QUATEST1, QUATEST2 and QUATEST3. QUACERT provides certification services for organisations and individuals who have complied with internationally recognised standards or other technical specifications.

The Bureau of Accreditation under STAMEQ offers accreditation programmes for testing laboratories, calibration laboratories, medical testing laboratories, certification bodies, inspection bodies and other conformity assessment bodies).

As shown by Figure 1 above, Vietnam does not use NTMs in most industry categories. There are a number of goods which are controlled through standards, and that affects their import regime as well. These products include for example, food items, wild animals, chemicals, toxic chemicals and intermediate materials for their production, pesticides, materials for production of pesticides.

The TBT and SPS applied to the top five export product categories of India show that some of them face prohibitions and restrictions. More details are in Tables 2 and 3 below.

Table 2. TBT Measures on India's Top 5 Export Categories to Vietnam

Classification	NTMs
	HS Chapter 2: Meat and edible meat offal
B31, B19, B14, B83	Labelling requirements, Prohibitions/restrictions of imports for objectives set out in the TBT Agreement n.e.s., Authorization requirement for TBT measures, Certification requirement
	HS Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates
B31, B19, B14, B83, B89	Labelling requirements, Prohibitions/restriction of imports for objectives set out in the TBT Agreement n.e.s., Authorization requirement for TBT measures, Certification requirement, Conformity Assessment related to TBT
	HS Chapter 72: Iron and Steel
B31, B84, B83, B14, B42	Labelling requirements, Inspection requirement, Certification requirement, Authorization requirement for TBT measures, Conformity Assessment related to TBT
	HS Chapter 52: Cotton
B31, B83, B82, B11	Labelling requirements, Certification requirement, Testing requirement, Prohibition for TBT reasons
	HS Chapter 9: Coffee, tea, mate and spices
B49, B31, B83, B14	Production or post- production requirements, Labelling requirements, Certification requirement, Authorization requirement for TBT measures

Table 3. SPS Measures on India's Top 5 Export Categories to Vietnam

Classification	NTMs
	HS Chapter 2: Meat and edible meat offal
A15, A11, A14, A31, A82, A84, A851, A22, A89, A83, A21, A63, A33, A42, A52, A41	Registration requirements for importers, Temporary geographic prohibition for SPS reasons, Special Authorization for SPS reasons, Labelling requirements, Testing requirement, Inspection requirement, Origin of materials and parts, Restricted use of certain substances in foods and feeds, Conformity assessment related to SPS n.e.s., Certification requirement, Tolerance limits for residues of or contamination by certain substances, Food and feed processing, Packaging requirements, Hygienic practices during production, Irradiation, Microbiological criteria on the final product,
	HS Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates
A15, A852, A11, A14, A31, A82, A84, A851, A89, A83, A21, A86, A63, A33, A42, A52, A81, A64, A41	Registration requirements for importers, Processing history, Temporary geographic prohibition for SPS reasons, Special Authorization for SPS reasons, Labelling requirements, Testing requirement, Inspection requirement, Origin of materials and parts, Conformity assessment related to SPS n.e.s., Certification requirement, Tolerance limits for residues of or contamination by certain substances, Quarantine requirement, Food and feed processing, Packaging requirements, Hygienic practices during production, Irradiation, Product registration requirement, Storage and transport conditions, Microbiological criteria on the final product,

	HS Chapter 72: Iron and Steel
A31	Labelling requirements
	HS Chapter 52: Cotton
A15, A31, A86, A83, A89, A82	Registration requirements for importers, Labelling requirements, Quarantine requirement, Certification requirement, Conformity assessment related to SPS n.e.s., Testing requirement,
	HS Chapter 9: Coffee, tea, mate and spices
A15, A31, A81, A82, A84, A851, A89, A83, A86, A21, A63, A33, A52, A41	Registration requirements for importers, Labelling requirements, Product registration requirement, Testing requirement, Inspection requirement, Origin of materials and parts, Conformity assessment related to SPS n.e.s., Certification requirement, Quarantine requirement, Tolerance limits for residues of or contamination by certain substances, Food and feed processing, Packaging requirements, Irradiation, Microbiological criteria on the final product

Source: TRAINS, UNCTAD 2018

TECHNICAL BARRIERS TO TRADE

WTO notifications: Since 2017, Vietnam made 49 TBT notifications to WTO. The products include textiles, gasoline, liquefied petroleum gas, liquefied natural gas, compressed natural gas, products and goods in general, linear accelerators in radiotherapy, sanitary sheets, sanitary installations, milk and milk products, medical equipment, pharmaceuticals, horticultural equipment, agricultural tractors and trailers, harvesting equipment, food technology, food additives, alcoholic beverages, motorcycles and mopeds, buses, lamps and related equipment, railway rolling stock, passenger cars, commercial vehicles, telecommunication audio and video engineering, steel for reinforcement of concrete, stainless steel, toys, protective equipment, glazing and wiper systems, products of the chemical industry, salt, adhesives, construction material in general, lubricants, industrial oils and related products, lifts, escalators, equipment for entertainment and protective clothing.

The objectives of the measures have been to address human health and safety, prevention of deceptive practices, consumer information, labelling requirement and quality requirements.

Specific trade concerns raised at WTO: India has not registered any specific trade concern at the WTO with respect to Vietnam's TBT measures or regulations.

In the past two years, three specific trade concerns have been expressed at the WTO by other countries. These relate to Vietnam's cybersecurity measures, the Draft Law on Prevention and Control of Harms of Alcohol use, and Decree on regulation of automobiles. The last item is explained below in more detail.

Cars and Vehicles: Vietnam's Decree 116/2017/ND-CP of October 2017 tightens conditions for automotive manufacture, assembly, import and service, and for automobile warranties. The decree took effect on January 1, 2018. Under the decree, importers must have a Vehicle Type Approval (VTA) certificate issued by national authorities for each imported vehicle. Importers also must submit lot-by-lot emission and safety certificates issued by the Vietnam Registrar (VR). Vietnam provided only ten weeks of lead-time between the announcement of the decree and its enforcement, providing little time for importers and manufacturers to adapt to and comply with the new

requirements. A concern was raised that lot-by-lot emission and safety tests would be very expensive to implement.

Starting in 2018, under Decision 04/2017/QĐ-TTg, Vietnam required all vehicles with fewer than seven seats or more than nine seats to have energy labels and to conform to minimum energy efficiency standards.

Trade concerns raised in bilateral meetings: In its bilateral meetings with Vietnam, India has raised the issue regarding ‘Compulsory regulation on steel products’

Concerns expressed by Indian companies: Indian companies have expressed a number of concerns regarding certain measures taken by Vietnam. These include:

Pharmaceuticals: Public Procurement

Indian companies are increasingly finding themselves in a disadvantageous position regarding the supply of drugs for public procurement tenders. Public procurement by the Ministry of Health, Vietnam, makes up the largest share of demand for pharma imports and in this context the procurement policy becomes a key determinant for Indian exports. Vietnam categorises generic drugs on the basis of ‘technical criteria and licensed technologies’. Top-tier Indian pharma companies whose manufacturing lines fulfil EU-GMP or PIC/S-GMP requirements are placed in Category 2 while the rest are placed in Category 5. Prior to 2013, Category 1 and Category 2 used to be a single category for generic drug procurement and was advantageous to India’s pharma companies in competitive bidding. However, under the current regulation, Vietnam’s Ministry of Health has created sub-categories based on the country of manufacturing, giving preference to companies whose manufacturing facilities are located in PIC/S countries.

During the interactive meeting with the Ministry of Health, Government of Vietnam, on January 18, 2017, Vietnamese officials said that they could consider

the request of Indian pharma companies to be included in Category 1 during the tendering process, if they have EU GMP/US FDA approvals. This is yet to happen.

Pharmaceuticals: Public Procurement – process with unpredictable and arbitrary criteria for the decision

The bidding process has an ill-defined agreement negotiation round between the tenderer and the bid solicitor which allows public hospitals the right to give the contract to a preferred European company whose quotes are higher and which did not win the tender, rather than to the tender with the highest score. This is unprecedented and does not happen in other countries. This arbitrary selection is justified citing unspecified quality considerations subjectively applied by public hospital administration authorities.

Pharmaceuticals: Public Procurement - reservation for original patent holder

Many of the public tenders issued by government hospitals have a fixed percentage of procurement (around 40%) reserved for original patent holders long after the patents have expired, thus making it a de facto extension of a patent. Interestingly, such procurement of patent drugs (after expiry of patent) from the original patent holder is normally transacted at the original patent price, severely disadvantaging the exchequer in the process, all in the name of high quality medicines.

Patented pharmaceuticals have their prices fixed based on the CIF price. However, while prices can be increased if there is a CIF price increase in the manufacturing country, there is no corresponding process for a downward price revision if the CIF price decreases in the manufacturing country. Thus, even though the price of the patent drug goes down in the manufacturing country after expiry of patent and influx of generic equivalents, in Vietnam, 40% reservation for original patent drugs is procured at the original patent price in the manufacturing country. Existing legislation only caters to upward price revision but not price reduction.

Pharmaceuticals: Geographical Bias

The Vietnamese Government has adopted a geographical bias that gives preference to pharmaceutical products manufactured by a production line that is physically located at a plant in Australia and any member State of the International Council for Harmonization (ICH) categorised as Group 1 companies. This is a unique practice and does not find a parallel in any other country. Indian companies that fulfil EU-GMP or PIC-GMP requirements but whose production lines are not physically located in Australia or in any member State of the ICH are categorised as Group 2 companies.

Thus, countries in the specified location that do not have a significant pharmaceutical industry and whose quality standards do not make them eligible for export to the US enjoy a higher mandated reservation for Group 1 companies in public procurement orders, whereas top quality Indian companies which have FDA certification and can export to the US but whose production lines are in India are given a Group 2 status. They, thus have fewer opportunities and quantum to bid in public procurement of pharmaceuticals.

Machinery: State-owned companies' invested projects specify accepted countries of origin for each equipment. For major equipment, the accepted countries of origin are the EU countries, G7 and Korea. Indian origin equipment should be included in the accepted list, based on the fact that they meet internationally recognised standards for quality and performance.

SANITARY AND PHYTOSANITARY BARRIERS

WTO notifications: Since 2017, Vietnam has made 23 SPS related notifications²⁰⁷ to the WTO. These include : Draft of amended Fisheries Law, Draft Decree amending and supplementing existing Law on Food Safety, Draft amendment in regulating fertiliser management, management of animal

feed used in livestock and aquaculture and relating to implementation of antibiotic regulation on feed, feed quality testing, controlling feed quality, and processing test results of feed quality during controlling, general technical regulation and safety limits for synthetic resin implements, containers and packaging, guiding the implementation and amendment of measures to ensure the food safety for foods of plant origin, regulations for application and issuing of the phytosanitary–food safety inspection certificate for the regulated articles that are imported for human consumption, basic requirements on food safety production conditions for fisheries suppliers, processing establishments of raw fisheries, ready-to-cook and ready-to-eat fisheries products, regulating and standardising the production and operation in the field of animal husbandry, to ensure the quality and safety of livestock and poultry products, animal feeds, livestock breeds and genetic material, management of veterinary drugs and Draft Law on Crop Production establishing the provision to regulate plant varieties, fertiliser, cultivation, post-harvest, processing, preservation and trading of plant products and State management in the area of crop production.

The objectives covered by these notifications relate to food safety, human health, plant health, animal health, animal feed, aflatoxins, pests, veterinary drugs, contaminants, packaging and feed additives.

Specific trade concerns raised at WTO: India has not raised any specific trade concern regarding Vietnam's SPS measures or regulations at the WTO.

In the past two years, other countries have raised four specific trade concerns on Vietnam's SPS measures. These are: Vietnam's suspension of groundnut seed imports, Draft amendment to circular 24 on MRLs for veterinary drugs, Vietnam's market access requirements for 'white' offals,

²⁰⁷The WTO notifications can be seen in the series of WTO Documents from symbolsG/SPS/N/VNM/87to G/SPS/N/VNM/104.

and import restrictions in the draft law on animal production. (Draft Livestock Law)

Bilateral discussions on trade-related concerns: India has bilaterally discussed a number of specific concerns in the area of SPS with Vietnam.

Grapes: In 2010, India initiated talks for market access for grapes exports to Vietnam. A technical dossier was sent to Plant Quarantine Authorities of Vietnam in December 2010. In May 2011, Vietnamese authorities sought some additional information which was forwarded to them in October 2011. In December, 2015 comments were received from Plant Quarantine Authorities of Vietnam on the technical dossier sent by NPPO, India. Further information/ comments on market access for grapes was sent to the Plant Quarantine Department of Vietnam in May 2016. There has been no further progress in this matter since then.

Market access (PRA approval): India has requested for the market access process to begin with PRA being provided for grapes, pearl millet seeds, pomegranate fruits and arils, anthuriums.

New Decree to enforce Food Safety Law: On February 2, 2018, Vietnam adopted Decree 15 on the enforcement of the Food Safety Law²⁰⁸ (replacing the original Law known as Decree 38 which was issued in 2012).²⁰⁹ The Decree simplifies a number of import procedures for food and agricultural products. However, one concern is that while the Ministry of Health (MOH) will continue to officially authorise the maximum residue limits (MRLs), these limits will henceforth be proposed by the Ministry of Agriculture and Rural Development (MARD). This could lead to stricter MRLs, as the regulatory and growth-oriented objectives are more in the hands of the same agency (i.e. MARD). Furthermore, the transparency and clarity of the procedures depend

on implementation of the Law. That aspect needs some improvement and will need to be monitored in order to address the concerns that may arise in this context.

Products of Plant Origin: Issues have arisen relating to the short period provided for responding to the new regulatory conditions, specifying the requirement of phytosanitary certificates for pre-packaged or highly processed foods, new levels of MRLs, and likely delays in processes, especially with changes in responsibilities assigned to new agencies leading to extending the delivery time period for export consignments.

IMPORT POLICIES

Vietnam's objective is to better integrate into the global trading system, reduce its tariffs over time through its various Free Trade Agreements (including the one with India under the auspices of the ASEAN-India CECA). At present, Vietnam has double digit tariff rates on the two most important export products (see Table 4 below). Tariff for 'Boneless meat of bovine animal: frozen', which will remain high at 8% till 2021, and become zero in 2022. In contrast, for 'Other shrimps and prawns: frozen', the tariffs under the CECA will remain high, reaching 18% in 2022. In case of certain products with high tariffs, the policy of refunding tariffs on imported products which are an input into exports, results in Vietnam processing its imports and then exporting further to large markets such as China. In effect, zero tariff is paid by the Vietnamese importer on such products.

Regarding NTMs, Vietnam controls imports of a number of products through either prohibition or licensing. Vietnam has been improving its operations and moving in the direction of simplifying the regime. However, though changes in regulations

²⁰⁸https://gain.fas.usda.gov/Recent%20GAIN%20Publications/GVN%20Reformed%20Decree%20Guiding%20the%20Law%20on%20Food%20Safety_Hanoi_Vietnam_4-4-2018.pdf

²⁰⁹The draft Law was notified to WTO in document G/SPS/N/VNM/88.

and policies are notified in English as well, new exporters continue to face difficulties as a large part of the existing regime remains inaccessible due to language difficulties.

Vietnam is not an active user of anti-dumping, countervailing measures or safeguards. It is noteworthy that in the safeguard measures implemented by Vietnam, India as well a number of other developing economies have been exempted.

Tariffs

Vietnam has covered 60% of the tariff lines in its commitments for tariff reductions. In this context, it has committed to eliminate tariffs on 71% of covered tariff lines by 2018, 9% by 2021, and the remaining covered lines by 2024.

Excluded tariff lines are spread across several HS

Chapters, i.e. 02 to 04, 08,09, 12, 13, 15 to 25, 27 to 36, 38 to 43, 49, 50, 52 to 65, 67 to 74, 76, 82 to 85, 87, 89, 91, and 93 to 97. Items with no commitment for tariff reduction cover eggs, sugar, salt, petrol, oil, fertiliser, plastic, rubber, precious metal, iron, steel, machines, electric equipment, car, motorbike, spare parts, and items of national security and defense [e.g., firework, gun, opium].²¹⁰

Table 4 below shows the tariffs on the top export items of India to Vietnam. These products account for over two-thirds of India's total exports to Vietnam in 2017-18, and include all those categories which had at least 1% share of India's total exports to Vietnam. This also shows the very narrow base of the significant export products of India. Table 4 shows that the present tariff for these top export items is high in a number of cases.

Table 4. Tariffs on India's Major Exports To Vietnam, 2017-18

HS Section	HS Code	Product	Share in Total Exports (%)	Tariff in 2019 (%)
1	02023000	Boneless meat of bovine animals, frozen	27.39	10
1	03061790	Other shrimps and prawns	15.09	10
15	72083940	Strips of flat-rolled products in coils of a thickness < 3 mm hot-rolled, excl. pickled	4.18	0
1	52010015	Indian cotton of staple length 28.5mm (1.4/32) and above but below 34.5mm	3.93	0
1	03038930	Ribbon fish frozen	3.08	10
15	09042110	Of genus capsicum	3.07	10
11	02062900	Other edible offal of bovine animals, frozen	1.87	10
1	09093129	Other seeds of cummin excl. Black; neither crushed nor ground	1.56	0
2	87089900	Other parts and accessories of vehicles of heading 8701-8705	1.12	15#
1	03074310	Cuttle fish frozen	1.01	21
2	72083930	Sheets of flat-rolled products in coils of a thickness < 3 mm hot-rolled, excl. pickled	0.96	0
17	68022390	Others	0.89	0

²¹⁰Source: Department of Commerce, Government of India

Notes: # = Tariffs will not be reduced under CECA; * = tariffs for different sub-categories. <https://www.customs.gov.vn/Lists/VanBanPhapLuat/Attachments/10400/BieuthueAFTA-2018-2022.pdf>.

HS Section	HS Code	Product	Share in Total Exports (%)	Tariff in 2019 (%)
1	03038950	Pomfret (white or silver or black) frozen	0.83	10
15	23099090	Other preparations of animal feeding	0.82	5#
13	12074090	Other sesamum seeds w/n broken	0.79	6#
1	03074320	Whole squids frozen	0.69	21
4	23069090	Other oil cake/solid residus	0.69	0
2	03038980	Croakers, groupers and flounders frozen	0.66	10
1	12024210	Kernels, h.p.s	0.63	0
4	72082690	Othr flat-rolprdcts in coils of a thckns>= 3mm but < 4.75mm hot-rol,pickl d	0.63	0
1	30049099	Other medcne put up for retail sale n.e.s	0.53	5#
2	05040059	Bladders and stomachs of other anmls	0.53	0

Source: Department of Commerce, Government of India

Notes: # = Tariffs will not be reduced under CECA; * = tariffs for different sub-categories. <https://www.customs.gov.vn/Lists/VanBanPhapLuat/Attachments/10400/BieuthueAIFTA-2018-2022.pdf>

Import Prohibition

Annex 1 of Vietnam's Decree No. 187/2013/ND-CP dated November 20th 2013, provides a list of prohibited export and import items. The Annex provides the product categories whose imports are prohibited, and the relevant Ministries which have the responsibility to announce the detailed list of prohibited items in terms of tariff categories.

Table 5 below shows those products which are prohibited from imports and the relevant Ministries that notify the detailed list within these product categories. The items prohibited for imports include weapons, firecrackers, second-hand consumer goods, right-hand drive motor vehicles, narcotics, certain chemicals, hazardous products and certain pesticides.

Table 5. Goods Whose Imports Are Prohibited By Vietnam

Prohibited Products	Relevant Ministry
Weapons, ammunitions, explosives (excluding industrial explosives), military technical equipment	Ministry of Defence
Assorted fireworks (excluding signal fires used for navigational safety under the guidance of the Ministry of Transport), sky lanterns, assorted devices causing interference to vehicle speedometers	Ministry of Public Security
Used consumer goods, including the following goods groups: a) Textiles and garments, footwear, clothes b) Electronic appliances c) Refrigerating appliances d) Home electric appliances dd) Medical equipment	For items (a) to (g): Ministry of Industry and Trade

Prohibited Products	Relevant Ministry
e) Interior decoration goods g) Home appliances made of pottery, ceramic, glass, metal, plastic, rubber, and other materials h) Goods being used information technology products	For item (h): Ministry of Information and Communications
a) Assorted publications banned from dissemination and circulation in Vietnam b) Postage stamps banned from trading, exchange, display and dissemination in accordance with the Law on Post c) Radio equipment and radio-wave appliances which do not comply with radio frequency master plans and relevant technical regulations in accordance with the Law on Radio Frequencies	Ministry of Information and Communications
Assorted cultural publications banned from dissemination and circulation or decided to be suspended from dissemination and circulation in Vietnam	Ministry of Culture, Sports and Tourism
a) Right-hand drive means of transport (including those in knocked-down forms and those with converted drive before being imported in Vietnam), excluding special-use right-hand drive vehicles operating within a restricted location and not joining traffic, including: crane trucks, canal diggers, street sweepers, street washers, garbage trucks, road builders, passenger cars in airports and lifting trucks in warehouses and ports, concrete-pumping vehicles, vehicles moving only within golf courses or parks b) Assorted automobiles and their spare parts which have their frame or engine numbers erased, modified or tampered with c) Assorted motorcycles, special-use motorbikes and motorbikes which have their frame or engine numbers erased, modified or tampered with	Ministry of Transport
Used supplies and vehicles, including: a) Engines, frames, inner tubes, tires, spare parts and motors of cars, tractors and motorbikes b) Chassis of cars and tractors, fitted with engines (including new chassis fitted with used engines and used chassis fitted with new engines) c) Assorted cars which have been transformed in structure compared with their original designs or have their frame or engine numbers erased, modified or tampered with d) Ambulances dd) Bicycles e) Motorcycles and motorbikes	For items (a) to (c): Ministry of Transport For items (dd) and (e): Ministry of Industry and Trade
Chemicals in Annex III of the Rotterdam Convention	Ministry of Agriculture and Rural Development and the Ministry of Industry and Trade shall, based on their assigned scopes and duties

Prohibited Products	Relevant Ministry
Pesticides banned from use in Vietnam	Ministry of Agriculture and Rural Development
Wastes and scraps, refrigerating equipment using C.F.C.	Ministry of Natural Resources and Environment
Products and materials containing asbestos of the amphibole group	Ministry of Construction
a) Schedule-I toxic chemicals defined in the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction and Annex 1 to the Government's Decree No. 100]2005] ND-CP of August 3, 2005, on the implementation of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction	
b) Chemicals on the list of banned chemicals prescribed in Appendix III to the Government's Decree No. 108/2008/ND-CP of October 7, 2008, detailing and guiding a number of articles of the Law on Chemicals.	Ministry of Industry and Trade

Source: Annex 1 of Decree No. 187/2013/ND-CP dated November 20, 2013.

<http://vietnamlawenglish.blogspot.com/2013/11/vietnam-decree-no-1872013nd-cp-on.html>

Import Licences: Automatic and Non-Automatic

Annex 2 of Vietnam's Decree No. 187/2013/ND-CP specifies eight different lists for products that can be imported only under permits, subject to specialised management by different Ministries (and in one case by the State Bank of Vietnam). The main content of Annex 2 is shown in Table 6 below. From time to

time, notifications are made to change the products covered and the relevant conditions applicable to the regime. Examples include Circular-No-12-2015-TT-BC, Circular 07/2017/TT-BCT, and Circular 07/2017/TT-BCT relating to steel, certain chemicals and fertilisers.

Table 6. Goods That Can Be Imported Only Under Permits and Specialised Management of the Scheme By Specific Ministries/State Bank of Vietnam

Product	Ministry of Industry and Trade: Mode of Management
Line thrower	Import permit
Goods subject to import control in accordance with international treaties to which Vietnam is a contracting party	Import permit
Goods subject to the grant of automatic import permits	Automatic import permit
Goods subject to tariff quotas: a) Salt b) Material tobacco c) Poultry eggs d) Refined sugar, crude sugar	Import permit according to tariff quotas

Chemicals and products containing chemicals	Complying with the Law on Chemicals and Decrees detailing the implementation
Schedule-2 and 3 chemicals provided in Annex 1 to the Government's Decree No. 100/2005/ND-CP of August 3, 2005, on the implementation of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction	Complying with the Government's Decree No. 100/2005/ND-CP of August 3, 2005
Pre-substances used in industries (according to the Law on Drug Prevention and Control and documents guiding the implementation)	Import permit
Explosive pre-substances, industrial explosives	Import permit, clearly prescribing conditions and procedures for grant of permits
Tobacco materials, tobacco products, cigarette rolling papers, machines and equipment exclusively used for cigarette production and spare parts	Complying with the Government's regulations on cigarette production and trading
Product	Ministry of Transport: Mode of Management
Signal fires for navigational safety	Import permit
Product	Ministry of Agriculture and Rural Development: Mode of Management
Veterinary drugs and materials for production thereof registered for first-time importation into Vietnam	Test permit
Biological and microbiological preparations, chemicals used in veterinary medicine registered for first-time importation into Vietnam	Test permit
a) Pesticides and materials for production thereof outside the list of those permitted for use in Vietnam	a) Import permit, clearly prescribing conditions, volumes and procedures for grant of permits
b) Pesticides and materials for production thereof on the list of those subject to restricted use	b) Import permit, clearly prescribing conditions, volumes and procedures for grant of permits
Livestock breeds outside the list of those permitted for production and trading in Vietnam, assorted insects not existing in Vietnam, sperms, embryos of livestock breeds imported for the first time into Vietnam	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits

Plant varieties, live organisms in the field of plant protection and other articles on the list of articles subject to plant quarantine for pest risk analysis before being imported into Vietnam	Import permit, clearly prescribing conditions and procedures for grant of permits
Plant varieties outside the list of plant varieties permitted for production and trading in Vietnam which are imported for research, test, trial production or imported for international cooperation, as samples for display at exhibitions and gifts or implementing investment programs, projects	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits in accordance with the Ordinance on Plant Varieties and the Ordinance on Livestock Breeds
Livestock feeds and materials for production thereof, aquatic feeds and materials for production thereof, outside the list of feeds permitted for circulation in Vietnam	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits
Fertilisers outside the list permitted for production, trading and use in Vietnam	Import permit, clearly prescribing conditions and procedures for grant of permits
Gene sources of plants, domestic animals, microorganisms for research, scientific and technical exchange	Import permit, clearly prescribing conditions and procedures for grant of permits
Wild animals and plants which need to be placed under import control in accordance with the CITES which Vietnam has committed to implement	Based on the provisions of the CITES, prescribing conditions and guiding procedures for import
a) Materials for production of biological and microbiological preparations, chemicals and substances used in aquaculture to improve environment	a) Regulations on the management of quality of imported materials
Veterinary drugs and materials for production thereof registered for first-time importation into Vietnam	Test permit
Biological and microbiological preparations, chemicals used in veterinary medicine registered for first-time importation into Vietnam	Test permit
a) Pesticides and materials for production thereof outside the list of those permitted for use in Vietnam	a) Import permit, clearly prescribing conditions, volumes and procedures for grant of permits
b) Pesticides and materials for production thereof on the list of those subject to restricted use	b) Import permit, clearly prescribing conditions, volumes and procedures for grant of permits
Livestock breeds outside the list of those permitted for production and trading in Vietnam, assorted insects not existing in Vietnam, sperms, embryos of livestock breeds imported for the first time into Vietnam	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits

Plant varieties, live organisms in the field of plant protection and other articles on the list of articles subject to plant quarantine for pest risk analysis before being imported into Vietnam	Import permit, clearly prescribing conditions and procedures for grant of permits
Plant varieties outside the list of plant varieties permitted for production and trading in Vietnam which are imported for research, test, trial production or imported for international cooperation, as samples for display at exhibitions and gifts or implementing investment programmes, projects	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits in accordance with the Ordinance on Plant Varieties and the Ordinance on Livestock Breeds
Livestock feeds and materials for production thereof; aquatic feeds and materials for production thereof, outside the list of feeds permitted for circulation in Vietnam	Import permit or test permit, clearly prescribing conditions and procedures for grant of permits
Fertilisers outside the list permitted for production, trading and use in Vietnam	Import permit, clearly prescribing conditions and procedures for grant of permits
Gene sources of plants, domestic animals, microorganisms for research, scientific and technical exchange	Import permit, clearly prescribing conditions and procedures for grant of permits
Wild animals and plants which need to be placed under import control in accordance with the CITES which Vietnam has committed to implement	Based on the provisions of the CITES, prescribing conditions and guiding procedures for import
Materials for production of biological and microbiological preparations, chemicals and substances used in aquaculture to improve environment	Regulations on the management of quality of imported materials
Finished products on the list of products permitted for circulation in Vietnam or on the list of products subject to conditional import	Promulgating the list of products permitted for circulation in Vietnam (the list of products which may be normally imported) and the list of products subject to conditional import
Finished products neither on the list of products permitted for circulation in Vietnam nor the list of products subject to conditional import	Import permit, clearly prescribing conditions, volumes and procedures for grant of permits
Aquatic species which may be normally imported	Promulgating the list of aquatic species which may be normally imported
Aquatic species subject to conditional import	Promulgating the list of aquatic species subject to conditional import
Aquatic species outside the list of products permitted for normal import which are imported for the first time into Vietnam	Import permit, clearly prescribing conditions, volumes and procedures for grant of permits

Live aquatic animals used as food on the list of normal imports	Promulgating the list of live aquatic animals used as food, which may be normally imported
Live aquatic animals used as food outside the list of live aquatic species imported to be used as food in Vietnam	Regulations on risk assessment, grant of permits
Product	Ministry of Natural resource and Environment: Mode of Management
Scraps	Prescribing import conditions or standards
Product	Ministry of Information and Communications: Mode of Management
Publications (books, newspapers, magazines, paintings, photos, calendars)	Complying with the laws on publication and press
Postage stamps, stamp publications and postage stamp items	Import permit
Microwave equipment, transmitters, transmitters and receivers of radio waves of frequency band of between 9 KHz and 400 GHz, and an output of 60 mW or higher	Import permit
Special-use plate-making and type-setting systems of the printing industry	Complying with the law on printing activities
Printing machines of all kinds (offset, Flexo, gravure) and color photocopiers	Complying with the law on printing activities
Product	Ministry of Culture, Sports and Tourism: Mode of Management
Cinematographic works and other audio-visual products, recorded on any material	Approval of content
Plastic-art works and works of applied art, paintings, photographic works	Approval of content
Electronic game machines installed with prize-awarding programmes and special-use equipment of casino games	- Prescribing conditions (on equipment and installed programmes)
- Enterprises having investment licences or business registration certificates granted under the Prime Minister's Decision No. 32/2003/QD- TTg of February 27, 2003, may import these goods	
Children's toys	Publicising utilities and kinds of toys permitted for import
Product	Ministry of Health: Mode of Management
Addictive drugs, psychotropics, pre-substances used as drugs and radioactive drugs (including materials, finished drugs in single substances and in combined substances)	Import permit, clearly prescribing conditions and procedures for grant of permits
Finished medicines for prevention and treatment of human diseases, with registration numbers	To be imported as needed, certification of packing lists of imports is not required

Finished medicines for prevention and treatment of human diseases, without registration numbers	Import permit
Materials for production of medicines, pharmaceuticals, adjuvants, empty capsules and packages in direct contact with medicines, of kinds newly used in Vietnam	Import permit and publication
Cosmetics directly affecting human health	Publicising products
Vaccines, medical biologicals, without registration numbers	Import permit
Medical equipment that can directly affect human health, outside the list of those permitted for import as needed	Import permit
Chemicals and preparations for killing insects and bacteria for domestic and medical uses	Registering circulation
Chemicals and preparations for killing insects and bacteria for domestic and medical uses, which have not been granted certificates of registration and circulation in Vietnam	Import permit
Cosmetics not granted numbers of promulgation papers may be imported for research and test	Import permit
Product	State Bank of Vietnam: Mode of Management
Metal casts used for minting and stamping coins	Designating enterprises permitted to import
Vault doors (according to technical standards prescribed by the State Bank of Vietnam)	Import permit
Banknote-printing paper	Designating enterprises permitted to import
Banknote-printing ink	Designating enterprises permitted to import
Anti-counterfeiting blank paper-pressing machines and anti-counterfeiting blank papers used for banknote, checks and other valuable certificates and papers issued and managed by the banking service	Designating enterprises permitted to import
Banknote-printing presses (according to technical standards prescribed by the State Bank of Vietnam)	Designating enterprises permitted to import
Coin-molding and -minting machines (according to technical standards prescribed by the State Bank of Vietnam)	Designating enterprises permitted to import

Source: Annex 2 of Decree No. 187/2013/ND-CP dated November 20, 2013.

<http://vietnamlawenglish.blogspot.com/2013/11/vietnam-decree-no-1872013nd-cp-on.html>

CONTINGENT PROTECTION MEASURES

Vietnam has not taken any anti-dumping, countervailing or safeguard measure against Indian exports.

India is among the developing countries exempted from the four safeguards measures currently in place.

NEPAL

TRADE

India’s exports to Nepal were US\$ 6.61 billion in 2017-18, and imports during the same period were US\$ 0.44 billion. India and Nepal concluded an Indo-Nepal Trade Treaty, a Treaty of Transit between India and Nepal, and an Agreement on South Asia Free Trade Area (SAFTA).

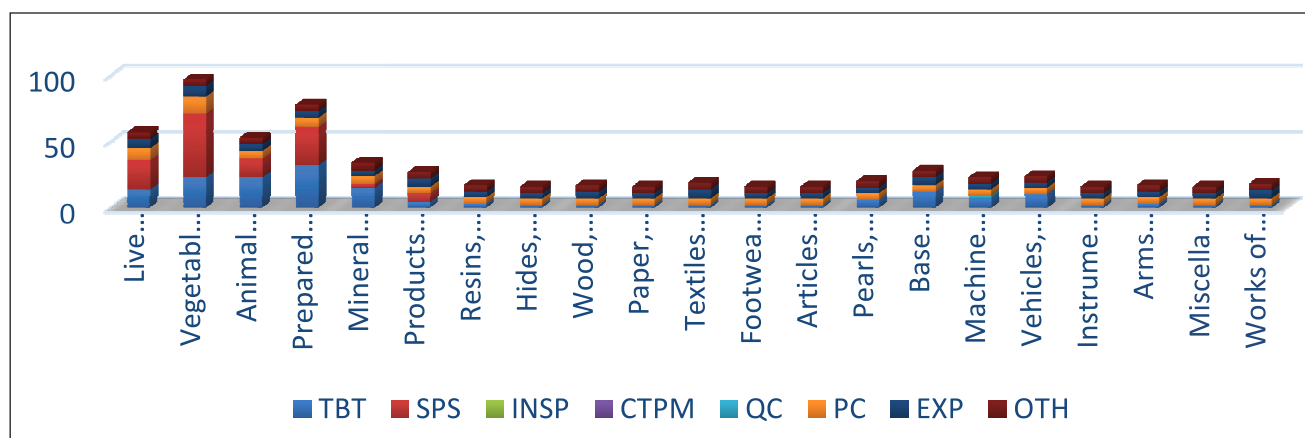
Nepal and India concluded the bilateral Treaty of Transit, Treaty of Trade, Railways Services Agreement and Agreement of Cooperation to Control Unauthorised Trade. The Transit Treaty allows Nepal to trade with other countries through the Kolkata/

Haldia ports and, since 2016, Visakhapatnam.²¹¹ This Treaty is automatically renewed every seven years, unless one of the parties informs the other to the contrary.²¹²

OVERVIEW

India and Nepal meet frequently at the senior official level to discuss trade-related issues. Nepal is a Least Developed Country and thus has institutional constraints that affect the NTM regime as well. In general, Nepal has a relatively low level of restriction regarding NTM. The main NTMs are mainly in the agricultural sector (Figure 1).

Figure 1. Nepal imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Note: TBT=Technical Barriers to Trade, SPS=Sanitary and Phytosanitary Measures, INSP=Pre-shipment Inspection, QC=Quantity Control Measures, PC=Price Control Measures, EXP=Export Related Measures, OTH=Other Measures.

²¹¹The latest extension of seven years is until 2020.

²¹²Under the Treaty, Nepal and India accord each other unconditional MFN treatment, and a mutually agreed list of primary products are exempt from customs duties and quantitative restrictions on a reciprocal basis. Agriculture, horticulture, floriculture and forest produce; minerals which have not undergone any processing; rice, pulses, flour, atta, bran and husk; timber; jaggery (gur and shakar); livestock, poultry and fish; bees, bees-wax and honey; raw wool, goat hair, bristles and bones as are used in the manufacture of bone-meal; milk, homemade products of milk and eggs; ghani-produced oil and oilcakes; herbs, ayurvedic and herbal medicines, including essential oils and their extracts; articles produced by village artisans which are mainly used in villages; akara; yak tail; stone aggregate, boulder, sand and gravel; and any other primary products which may be mutually agreed upon. For some detail, see page 29 of WTO document WT/TPR/S/381, dated 8 October 2018; and the section on “Provisions Regarding the Imports from India” at the website of the Department of customs, Government of Nepal (<https://www.customs.gov.np/en/faq.html>).

The relatively low level of NTMs in Nepal can be illustrated by comparing its total number of NTMs across all sectors with other economies. Nepal's total number of NTMs are about 6% of China's total and 10% of the total NTMs of the US²¹³.

Further, it is noteworthy that the Indian exporters, including the small exporting companies, did not mention major problems due to Nepal's NTMs. In this context a relevant feature of the sanitary and phytosanitary measures (the largest number of NTMs as shown by Figure 1) is that all such measures relating to food products are based on Codex Alimentarius or in their absence, on Indian standards.

TECHNICAL BARRIERS TO TRADE AND SANITARY PHYTO-SANITARY MEASURES

The legal framework for standards and technical requirements comprises the Nepal Standards [Certification Mark] Act, 2037 (1980), The Standard Measurement and Weight Act, 2025 (1968), The Food Act, 2023 (1967), The Drugs Act, 2035 (1978), The Consumer Protection Act, 2054 (1998) and The Protection of Environmental Act, 2053 (1997).

The Nepal Council for Standards (NCS) is responsible for approving standards, and the Nepal Bureau of Standards and Metrology (NBSM) is the main agency to prepare them. The NBSM also provides product and system certification services and testing and calibration services. Standards relating to the environment, food and drugs are developed by the relevant Ministries.

Technical regulations (or mandatory standards) are few and cover products such as PVC Cables, LPG Regulators, LPG Valves, composite materials cylinders, cement, LPG cylinders, dry cell batteries, iron bars and galvanised iron wire. There is a mandatory process for LPG bottling operations.

The most recent standards notified by Nepal Bureau

of Standards and Metrology²¹⁴ specifies the decisions on standards for organic green coffee (Arabica) which includes requirements for the production of 6 green coffee beans from farming to packaging, protective helmets for motorcycle riders, domestic water meters, galvanised steel sheets (plain and corrugated), polypropylene-random copolymer pipes (PPR) for hot and cold water supplies, recommended practice for hot-dip galvanising of iron and steel, steel and steel products (general technical delivery requirements), testing methods for polyethylene moulding materials and polyethylene compounds, method of analysis for determination of overall migration relating to constituents of plastic materials and articles intended to come into contact with foodstuffs, polypropylene materials for moulding and extrusion, testing methods for thermoplastic pipes and fittings, methods of testing to determine the density and relative density of non-cellular plastics, testing methods for determination of the melt mass flow (MFR) and the melt volume flow rate (MVR) of thermoplastics, and positive list of constituents of polypropylene and its co-polymers in contact with foodstuffs, pharmaceuticals and drinking water, as well as specification for polypropylene and its co-polymers for its safe use with foodstuffs, pharmaceuticals and drinking water.

Comparatively few TBT and SPS measures are imposed on the top 5 product categories exported by India to Nepal (Tables 1 and 2).

TECHNICAL BARRIERS TO TRADE

Since 2017, Nepal has made two TBT notifications to WTO, both in 2018. They relate to rubber hoses for liquified petroleum gas, and children's toys.

Earlier, in 2013, Nepal had made four TBT notifications that relate to technical regulations (or mandatory standards). These notifications covered

²¹³It must be borne in mind that especially for agriculture, and for health and safety, both a large and a small economy have to put in place the requisite NTMs.

²¹⁴<http://nbsm.gov.np/noticedetail.php?id=35>

Table 1. TBT measures on Top 5 Product Categories Exported By India to Nepal

Classification	Products Category
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
B6, B8, B14, B82	Product identity requirement, Conformity assessment related to TBT, Authorization requirement for TBT reasons, Testing Requirement
	HS Chapter 72: Iron and steel
B21, B32, B6, B8, B14	Tolerance limits for residues of or contamination by certain substances, Marking requirements, Product identity requirement, Conformity assessment related to TBT, Authorization requirement for TBT reasons
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B6, B83, B8, B14, B11	Product identity requirement, Certification requirement, Conformity assessment related to TBT, Authorization requirement for TBT reasons, Prohibition for TBT reasons
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B14, B8	Authorization requirement for TBT reasons, Conformity assessment related to TBT
	HS Chapter 10: Cereals
B6, B8, B14	Product identity requirement, Conformity assessment related to TBT, Authorization requirement for TBT reasons

Source: TRAINS, UNCTAD

Note: For details of the classification, see UNCTAD

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Table 2. SPS measures on Top 5 Product Categories Exported By India to Nepal

Classification	Products Category
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
-	No SPS Measure
	HS Chapter 72: Iron and steel
-	No SPS Measure
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
-	No SPS Measure
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
-	No SPS Measure
	HS Chapter 10: Cereals
A22, A21, A31	Restricted use of certain substances in foods and feeds, Tolerance limits for residues of or contamination by certain substances, Labelling Requirements.

Source: TRAINS, UNCTAD

Note: For details of the classification, see UNCTAD

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

materials, construction, performance and testing requirements of low-pressure regulators used with liquefied petroleum gas mixtures, requirements, sampling plan, criteria for conformity, making and packing of un-armoured PVC insulated cables with copper conductor for electric power and lighting, valve fitting for use with LPG cylinders and refillable composite material cylinders and tubes.

The objective of these measures was protection of human health and safety.

Specific trade concerns raised at the WTO: India has not raised any specific trade concerns at WTO regarding Nepal's TBT measures. Only one specific trade concern has been raised, regarding Nepal's National Alcohol Regulation and Control Policy and graphic warnings and statements for alcoholic beverages (concern raised by the US, EU and Canada).

Nepal applies technical standards to a small number of manufactured products, such as vehicles and refrigerators. Vehicles imported into Nepal must qualify under the Euro I standard and refrigerators must be chlorofluorocarbon (CFC) gas-free.

SANITARY AND PHYTO-SANITARY MEASURES

Since 2017, Nepal has made four SPS notifications to the WTO. These notifications covered: The Department of Food Technology and Quality Control proposed set of Maximum Residues Limits of Pesticides for apple, banana, bitter gourd, egg plant, cabbage, cauliflower, okra, potato, tomato, green tea, black tea-fermented and dried. These limits serve as a compulsory provision under food law and regulation, to monitor export/import of

these food products, to maintain safe food products to the consumer, the proposed quality standard for specified food products as a compulsory provision under food law and regulation, to monitor export/import of these food products, and to maintain safe and quality food products for the consumer. These proposed standards set the requirement for essential composition and quality factors, hygiene, packaging and labelling requirements for processed flavoured milk, processed full cream milk, processed low-fat milk, and processed skimmed milk, proposed quality standard for brandy and gin, and proposed maximum limits of mycotoxin in food products.

The objectives included addressing issues related to food safety, human health, beverages, labelling, packaging, contaminants, Maximum Residue Levels, pesticides, toxins and mycotoxins.

In 2013, Nepal notified the National Standards for Phytosanitary Measures, setting out a framework and details for pest risk analysis. Based on that, Nepal notified²¹⁵ 16 different National Standards for Phytosanitary Measures (NSPM) which specified the main features of SPS regulation.²¹⁶

The Ministry of Agriculture and Livestock Development, through its Departments and other Bodies, is responsible for policy, regulation and implementation of SPS measures. The National Plant Quarantine Programme issues permits for imports of plant materials, quarantine inspections and phytosanitary certificates for exports of plant products. The National Animal Quarantine Office of the Department of Livestock Services is responsible for issuing permits for imports of

²¹⁵See WTO document G/SPS/N/NPL/20, dated 28 January 2014.

²¹⁶NSPM: 2 Framework for Pest Risk Analysis; NSPM: 11 Pest risk analysis for quarantine pests including analysis of ecological risk and living modified organisms; NSPM: 14 The use of integrated measures in a system approach for pest risk management; NSPM: 17 Pest Reporting; NSPM: 20 Guidelines for a phytosanitary import regulatory system; NSPM: 21 Pest risk analysis for regulated non-quarantine pests · NSPM: 23 Guidelines for Inspection; NSPM: 24 Guidelines for determination and recognition of equivalence of phytosanitary measures; NSPM: 26 Establishment of Pest Free Areas for Fruit Flies (Tephritidae); NSPM: 27 Diagnostic protocols for regulated pests; NSPM: 29 Recognition of pest free areas and areas of low pest prevalence; NSPM: 31 Methodologies of samples of consignments · NSPM: 32 Categorization of commodities according to their pest risk; NSPM: 34 Design and operation of post-entry quarantine stations for plants; NSPM: 35 System approach for pest risk management of fruit flies (Tephritidae); and, NSPM: 36 Integrated measures for plants for planting.

animal products, animal quarantine inspections and sanitary certificates for exports of animal products. The National Animal Quarantine Office of the Department of Livestock Services is responsible for issuing permits for imports of animal products, animal quarantine inspections and sanitary certificates for exports of animal products. The Seed Quality Control Centre (SQCC) is responsible for seed variety registration, seed quality inspection and certification. The Plant Protection Directorate is responsible for control of pesticides, herbicides, and other chemicals used on crops. The Department of Food Technology and Quality Control is responsible for food products, feed stuff and food quality certification.

Import certificates are required for imports of food products, plants, plant products, live animals, livestock products, and inputs for livestock due to sanitary and phytosanitary requirements.

Specific trade concerns raised at the WTO: Neither

India nor any other country has raised any specific trade concern in the WTO regarding Nepal's SPS measures.

IMPORT POLICIES

The trade policy shows low incidence of NTMs compared to other major export markets of India, and relatively higher tariff on major export items of India. Nonetheless, several bilaterally facilitating measures are underway, including as part of SAFTA. Relatively higher tariffs are usually the main trade policy measure that is available to Least Developed Economies, leading to greater reliance on tariffs.

Tariffs

Nepal grants full exemptions on the Customs duty for imports of a large number of products.²⁷⁷ The tariffs on India's major exports to Nepal are shown in Table 3 below. Most of these products are non-agricultural products. Among the major agricultural exports of India to Nepal, the main products are potatoes and cereals (rice, maize, wheat).

Table 3. Tariffs on India's Major Exports To Nepal in 2017-18

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
2	07019000	Potatoes fresh or chilled other than seeds	34.87	9
5	27101930	High speed diesel (hsd)	10.92	Rs. 2000/KL
15	72071920	Mild steel (m.s.) billets	5.96	5
5	27101219	Other	2.81	Rs. 15200/KL
5	25231000	Cement clinkers	2.75	Rs.2400/MT
2	10063090	Rice excptg parboiled (excl basmati rice)	2.71	9
5	27111900	Othrlqfdpetrlm gases and gaseous hydrcrbn	2.6	14
16	84295200	Mchnrywth a 360 dgr. Rvlvngsupr-strctr	2.07	5
17	87112029	Motrcyclwthcylnrcpcty>75 bt<=250 cc	2.03	30
5	27160000	Electrical energy	1.93	0
5	27101920	Aviation turbine fuel (atf)	1.41	Rs. 2100/KL
2	10059000	Other maize (corn)	1.4	9
16	84295900	Other mchnclshovls,excvttrs and shovlloadrs	1.21	5

²⁷⁷For a complete list, see the website of the Department of Customs, Government of Nepal at <https://www.customs.gov.np/en/faq.html>. The relevant information is under the response for the question: "Are there goods on which full exemption in the customs duty are granted on import?"

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
15	72139110	Other bars and rods of free cutting steel electrode quality	1.15	5
5	27011990	Other coal w/n pulvrsd but ntagldmrtld	1	5
15	72083940	Strips of flat-rolldprdcts in coils of a thckns< 3 mm hot-rld,excl.pickl	0.99	5#
15	72091820	Sheets of fltrldprdcts in coils nfrthrwrdthn cold rld of thckns< 0.5mm	0.96	5#
5	27111100	Liquified natural gas	0.91	14
6	30049099	Other medcne put up for retail sale n.e.s	0.81	14
17	87032291	Motor car wthcyIndrcpcty>=1000cc but < 1500cc wthsprk-igntn	0.77	80#
2	10019910	Wheat	0.71	9
4	23040090	Other solid residues resulting from of extraction soyabean oil	0.69	6
2	10061090	Othr rice in husk	0.64	9
17	87042190	Other goods vhcls,wthcmprsnightnin trnlcmbstnpstnengnwthg.v.w.<= 5 ton	0.63	30#
17	87112019	Scooters wthcyIndrcpcty>75 bt<=250 cc	0.62	30#
17	87019200	Other tractors, of an engine powerexceeding 18 kw but not exceeding 37 kw	0.62	5#
15	72083930	Sheets of flat-rolldprdcts in coils of a thckns< 3 mm hot-rld,excl.pickl	0.6	5#
17	87042219	3-wheeler goods vhcls,wthcmprsnightnintrnlcmb stnpstnengnwthg.v.w.>5 tons bt<=20 tons :lorry an	0.6	30#
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	0.56	15#
15	79011100	Zinc,notalloyd,contng by wt>=99.99% zinc	0.54	5#

Source: DGCIIS Data, Department of Commerce

#: Tariff will remain at this level

NON-TARIFF MEASURES

In general Nepal has an open trade regime for NTMs. The main NTMs are SPS and TBT measures, and Nepal's prohibitions or import licensing regimes broadly reflect that focus. Some of the NTMs are in place for meeting the obligations of international agreements signed by Nepal, e.g. ozone-depleting substances.

Prohibitions

The products subject to import prohibition include¹⁸: Narcotics and other intoxicants that are injurious to health such as opium, beef, hazardous ouzo dyes as specified by the Government of Nepal through notices published in the Nepal Gazette from time to time, plastics scrap and bags and sheets of plastics below the 20 micron thickness, high carbon disposing

¹⁸<https://www.customs.gov.np/en/faq.html>

incandescent light bulbs, goods prohibited/banned by other existing laws, drugs not conforming to prescribed standards combined harvester with baler, specified arms and ammunition, and certain communication equipment.²¹⁹

Conditional prohibition/Import Licensing/Permits

A number of products are subject to conditional prohibition, i.e. they can be imported under import license or permit, either on the basis of the recommendation of a relevant Government Ministry such as the Ministry of Home Affairs, Ministry of Industry, Commerce and Supplies, Ministry of Information and Communication), or in certain cases without requiring such a recommendation (e.g. tobacco). The Department of Drug Administration approves the consumption and quantification of drugs for human use and issues licences to import any drugs to Nepal. The products subject to import licence or permits include:

- Products injurious to health
- Narcotic and psychotropic medicine and raw-chemical for those medicines
- Drugs
- Liquor containing more than 60% alcohol
- Arms, ammunition and explosives, except under government import licence (including materials used in the production of arms and ammunition, guns and cartridges, caps other than those of paper)
- Tobacco
- Poppy seeds
- Pesticides
- Plants, plant products, biological control agents, beneficial organisms
- Furnace oil and petroleum products including LPG
- Ozone-depleting substances
- Communications equipment: Radio equipment

such as wireless, walkie-talkies, transmission receivers, link radio equipment, and similar kinds of radio equipment such as transmission of words, dialogue, scene and statistics

- Vehicles
- Refrigerators
- Valuable metals and jewellery (except permitted under bag and baggage regulations)
- Beef and beef products (Five-star hotels are allowed to import beef with a special licence issued by the Department of Commerce)
- Raw materials for production of cigarette, alcohol etc.
- Import of used automobiles is also prohibited except by diplomats
- Used items, the definition includes refurbished products (with the exception of refurbished aircrafts)
- Any other product as per notification of the Government²²⁰

Certain goods can be imported only through specified institutions: Salt Trading Corporation Ltd. and Nepal Oil Corporation Ltd. are the specified institutions to import ionized salt and petroleum products (petrol, diesel, kerosene, aviation fuel and LP gas) respectively.²²¹

Quantitative restrictions: There is a quantitative restriction on the import of poppy seeds for health reasons.

Import Testing, Inspection, or Certification

Certain items can be imported only subject to relevant testing and import certificates. Except for drugs/medicines, no product certification is required for branded products. Certification is not required for patent drugs manufactured by recognised manufacturers in those cases where the Department of Drug Administration has already approved the

²¹⁹See Table 3.8 of Secretariat Report for Trade Policy Report of Nepal (WTO document WT/TPR/S/381, dated 8 October 2018), and Nepal Trade Portal at <http://neptrade.gov.np/index.php?r=searchMeasures/view&id=36>

²²⁰For details of Government notifications, see <http://neptrade.gov.np/index.php?r=SearchMeasures/index>

²²¹<https://www.customs.gov.np/en/faq.html>

drugs' chemical composition. For drugs/medicines, the importer must obtain prior approval from the Department of Drug Administration.

The products subject to testing and certification requirements include:

- Livestock imports must be accompanied by a sanitary certificate issued by an approved authority in the country of origin and must be certified by an approved organisation
- Plants, plant products and leaf tobacco require phytosanitary certificates issued by an approved authority in the country of origin and certified by an approved organisation
- Leaf tobacco must be accompanied by a special certificate stating that the tobacco is free from ephestia elutella or that the pest does not exist in the country of origin
- Port wine requires a certificate indicating alcoholic content
- Spirits may need a certificate of maturity

If laboratory testing is required for particular goods, they must be tested in the specified laboratory. For example, importers of food have to get the sample

tested by the Department of Food Technology and Quality Control. In other cases, the test could be conducted in the laboratory of the Department of Customs or another recognised laboratory. The major products include²²²:

- Chemical materials which pose confusion to the Customs in classification
- Items which have to be tested for quality standards by the Customs offices
- Raw material of medicines

The items tested in the laboratory of the Department of Customs include²²³: Pharmaceutical raw materials, additives, colours, dyes, organic solvents, industrial raw material (chemical type), alcoholic and non-alcoholic beverages, oil food grade or non-food grade, food stuffs, fats, petroleum products, polymers, tealeaves, products mixed in water to make ready to drink concentrates, and vegetable concentrates.

CONTINGENT TRADE PROTECTION MEASURES

Nepal has not taken any anti-dumping, countervailing or safeguard measures.

²²²See the section on "Laboratory Test" in <https://www.customs.gov.np/en/faq.html>

²²³Answer to fifth question in the Section on "Laboratory Test" in <https://www.customs.gov.np/en/faq.html>.

MALAYSIA

TRADE

Malaysia is India’s tenth largest merchandise export market. In 2017-18, India’s merchandise exports to Malaysia were about US\$ 5.7 billion and imports were about US\$ 9 billion. India has a Comprehensive Economic Cooperation Agreement (CECA) with Malaysia.

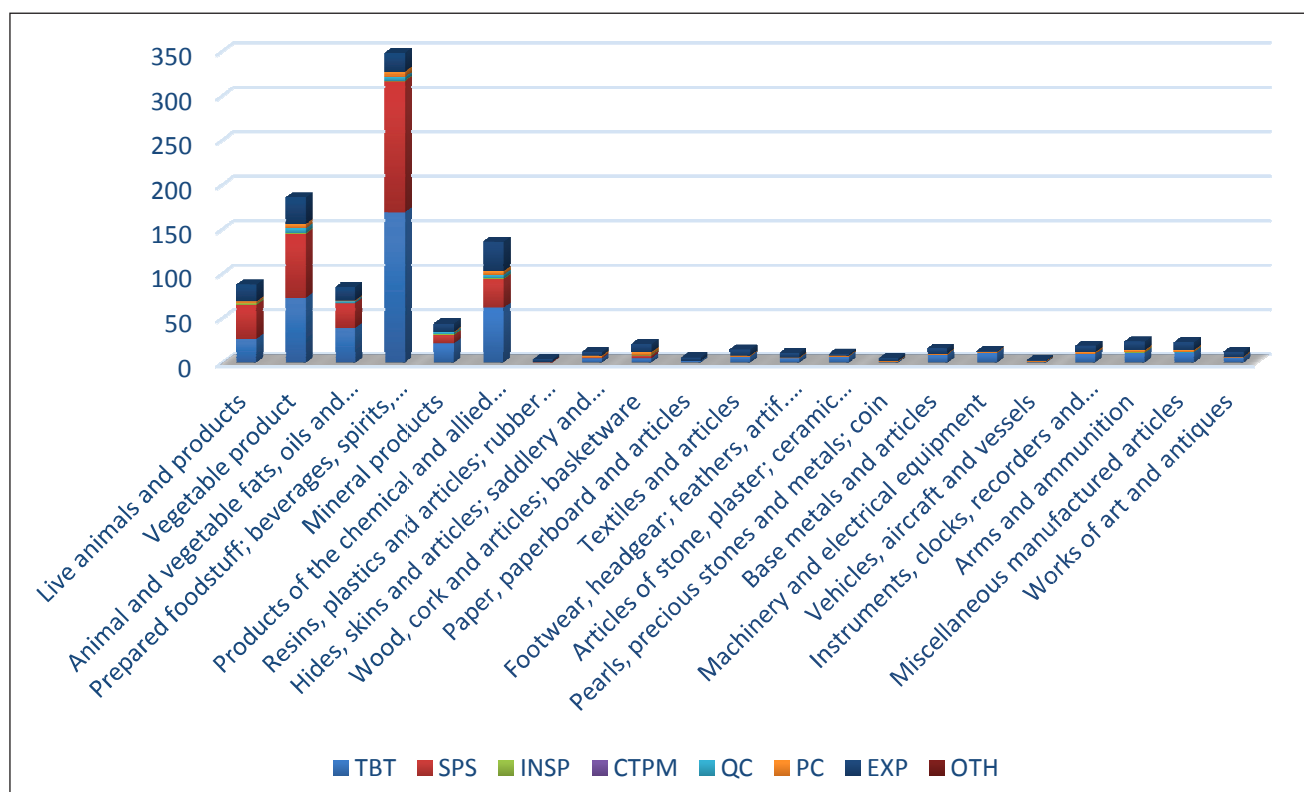
OVERVIEW

Malaysia has a relatively lower incidence of NTMs compared to most other major export markets of India. The maximum NTMs are applied to HS section 4, i.e. ‘Prepared foodstuffs, beverages, spirits, vinegar, tobacco’ (Figure 1). The largest number of NTMs are technical barriers to trade, closely followed by sanitary and phytosanitary measures. In fact, in this product category, Malaysia is among

the top five nations in terms of NTMs imposed on vegetable products.

The other HS sections with comparatively higher incidence of NTMs are HS sections 1,2,3 and 6, i.e. live animals and products, vegetable products, animal and vegetable fats, oils and waxes and products of the chemical and allied industries. It is noteworthy that the category with the highest NTMs is not among the major exports of India to Malaysia (see Table 4). The products in Table 4 do include two of the HS sections with relatively higher incidence of NTMs, namely live animals and products and vegetable products. The applicable tariffs on these products is zero (Table 4). Therefore, the main protectionist barrier to these major exports is on account of the NTMs.

Figure 1. Malaysia: imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Note: TBT=Technical Barriers to Trade, SPS=Sanitary Phytosanitary Measures, INSP=Pre-shipment Inspection, CTPM=Contingent Trade Protective Measures, QC=Quantity Control Measures, PC=Price Control Measures, EXP=Export-Related Measures OTH=Other.

Trade-related concerns expressed by Indian exporters: The feedback from the survey of Indian firms showed that the exporters to Malaysia (particularly food products and agriculture products, i.e. products subject to NTMs), have difficulty because:

- there is a delay due to the administrative processes involved in checking if the product meets the relevant requirement
- the para-tariffs are high
- full relevant information on practices such as packaging is not available, because they are sometimes not provided proper information
- payments are received late, sometimes due to the late delivery of their products (gems and jewellery)
- restrictions on imports of automobiles and parts are combined with 'type approval which results in a stringent regime
- used parts and components of the automobile sector are prohibited

The delays mentioned by Indian exporters are unlikely to be due to the main Customs procedures

of Malaysia (import declarations, duty assessment, payment of duties and Customs release), because the system for issue of most import licences is paperless, and they can be submitted electronically with Customs declarations. But Customs has no facility to enable electronic submission of certain supporting documents (e.g. invoices and bills of landing). Malaysia is making progress with facilitation of trade, and the delays due to certain processes would be addressed in due course.²²⁴ However, the issue of delays due to lack of clear relevant information would need to be addressed.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Similar to Figure 1, Table 1 shows that technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) are the main NTMs used by Malaysia. The incidence of these measures, however, is mainly in a few product categories. For example, among the main export categories shown in Table 4 below, TBT and SPS measures mainly impact four HS section categories, i.e. HS sections 1, 2, 5 and 6.

Table 1. Malaysia: NTMs On Different Product Categories

HS Section	Product Category	TBT	SPS	Other Significant NTM
1	Live animals and products	27	38	2 (PC; INSP)
2	Vegetable product	73	72	5 (QC; PC); 1 (INSP)
5	Mineral products	22	9	2 (QC); 1 (INSP, PC)
6	Products of the chemical and allied industries	62	32	4 (QC; PC); 1 (INSP)
8	Hides, skins and articles; saddlery and travel goods	5	1	2 (PC)
14	Pearls, precious stones and metals; coin	1		1 (PC)
15	Base metals and articles	9		1 (PC)
16	Machinery and electrical equipment	11		1 (PC)
17	Vehicles, aircraft and vessels			
	1		1 (PC)	

Source: TRAINS, UNCTAD

Notes: (1) The source for the information is TRAINS, UNCTAD. The number of measures are updated from time to time. Therefore, the exact numbers in the Table may differ from those given in the source at different times. However, the qualitative picture shown by the numbers in the Table remains valid, as the numbers do not significantly alter the prevailing incidence of NTMs.

(2) TBT=Technical Barriers to Trade; SPS=Sanitary Phytosanitary Measures; INSP=Pre-shipment Inspection; QC=Quantity Control Measures; PC=Price Control Measures.

²²⁴See for example, page 39 of Report by the Secretariat for the Trade policy Review of Malaysia, WTO document WT/TPR/S/366, 20 December 2017.

As mentioned above, most of the main Indian export items to Malaysia face relatively lower levels of NTMs. The technical barriers to trade and sanitary

and phytosanitary measures faced by the top five export categories exported from India to Malaysia are given in Tables 2 and 3 below.

Table 2. TBT Measures on India's Top 5 Export Sectors to Malaysia: 2018

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.
B14	Authorisation requirement for TBT reasons
B81	Product registration requirement
B85	Traceability information requirements
B31	Labelling requirements
B42	TBT regulations on transport and storage
B82	Testing requirement
B33	Packaging requirements
B7	Product quality or performance requirement
B89	Conformity assessment related to TBT n.e.s
B2	Tolerance limits for residues and restricted use of substances
B32	Marking requirements
	HS Chapter 76: Aluminium and articles thereof.
B82	Testing requirement
B31	Labelling requirements
B14	Authorisation requirement for TBT reasons
B82	Testing requirement
B31	Labelling requirements
B14	Authorisation requirement for TBT reasons
	HS Chapter 2: Meat and edible meat offal.
B14	Authorisation requirement for TBT reasons
B31	Labelling requirements
B7	Product quality or performance requirement
	HS Chapter 29: Organic chemicals
B81	Product registration requirement
B85	Traceability information requirements
B31	Labelling requirements
B33	Packaging requirements
	For India: HS Chapter 29: Organic chemicals
B19	Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s.
	HS Chapter 72: Iron and steel
-	No notifications

Table 3. SPS Measures on India's Top 5 Export Sectors to Malaysia: 2018

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes.
A14	Special Authorisation for SPS reasons
	HS Chapter 76: Aluminium and articles thereof
-	No measures
	HS Chapter 2: Meat and edible meat offal
A64	Storage and transport conditions
A83	Certification requirement
A42	Hygienic practices during production
A14	Special Authorisation for SPS reasons
A31	Labelling requirements
A22	Restricted use of certain substances in foods and feeds
A33	Packaging requirements
A21	Tolerance limits for residues of or contamination by certain substances
A51	Cold/heat treatment
A64	Storage and transport conditions
	HS Chapter 29: Organic chemicals
A14	Special Authorisation for SPS reasons
A31	Labelling requirements
A22	Restricted use of certain substances in foods and feeds
	HS Chapter 72: Iron and steel
A84	Inspection requirement
A14	Special Authorization for SPS reasons
A83	Certification requirement

Source: TRAINS, UNCTAD

Technical Barriers to Trade

Most of the major products exported from India to Malaysia have low tariffs. Therefore, the main trade barriers arise due to NTMs. Of these TBT is the most prominent NTM, as it applies across several product categories. However, as shown above, the incidence of most of the TBTs is for a certain limited number of product categories.

The Department of Standards Malaysia (Standards Malaysia, or DSM), under the Ministry of Science, Technology and Innovation, is Malaysia's national

standardisation and accreditation body. The basic aim of the Government is to align Malaysian standards with international standards. This process has advanced the most in these product categories: electrical and electronics equipment and accessories, power generation, transmission and distribution, medical devices and facilities for healthcare and chemicals and materials.

The Malaysian Government is making an effort to make Malaysia a hub for halal food products. All meat, processed meat products, poultry and egg

products, domestically produced or imported, must receive halal certification from the Department of Islamic Development Malaysia (JAKIM) or any foreign halal certification body recognised by JAKIM prior to import and distribution in Malaysia. Compliance is ensured by the Department of Veterinary Services (DVS), in collaboration with JAKIM, by periodically inspecting slaughterhouses and processing plants overseas. India has three certification Bodies for halal.²²⁵

The Third and Fourth Schedules of the Customs (Prohibition of Imports) Order 2017, in particular the Fourth Schedule²²⁶, mention the categories of imports that must meet certain standards.²²⁷ The import of the products subject to TBT must be accompanied by a certificate of approval or permit certifying that the import conforms to approved Malaysian standards.

In the period since 2017, Malaysia has made 13 WTO notifications on TBT. The products include honey, coffee and coffee substitutes, food products in general, tableware and kitchenware, safety glass, electrical appliances, road vehicle systems, amplifiers, television receivers, and receiving and transmitting equipment.

Previous notifications²²⁸ have included meat, poultry and their products, some wheat flour, food and food products and consumer products, agricultural produce, flowers, vegetables, coconuts, fruits, coffee, spices, groundnuts, sugarcane, feed and feed additives, goods made from any part of pig and/or dog, excluding food items and animal food, pharmaceutical and healthcare products, veterinary medicinal products including herbal and healthcare products, cosmetic product, toys, games

and children's bicycles, active pharmaceutical ingredients (API), parts and accessories of motor vehicles, road vehicles, safety helmets, safety seatbelt, security device, seat anchorage, construction of motor vehicles, seven colour crystal ball and any other goods which have the same characteristics, primary batteries, electrical apparatus or accessories, household electrical equipment, replacement part of brake lining, communications equipment, free to air transmission of digital terrestrial television service, iron and steel and products of iron and steel, aluminium products, construction materials, pre-packaged products, liquid-filled type electric heating bag, cushion, pillow, punch or pad filled with liquid, using 3-pin inlet alternating current (AC) or AC and direct current (AC/DC). TBT conditions to meet safety requirements include products such as arms and ammunition, pepper spray, fireworks and toxic and hazardous waste. In addition, imports of certain products are regulated under International Agreements to which Malaysia is a signatory.

The objectives have included prevention of deceptive practices and consumer safety, protection of human health and safety, consumer information, labelling and quality requirements.

Specific trade concerns: India has not raised any specific trade concern regarding Malaysia's TBT measure or policy. In fact, no specific trade concern for TBT has been raised in WTO after 2012. During 2011 and 2012, a specific trade concern was raised in WTO regarding Malaysia's Draft protocol for Halal Meat and Poultry production.²²⁹

Sanitary and Phytosanitary Barriers

Malaysia's SPS regulations cover imports such as animals and animal products, plants and plant

²²⁵http://www.hdcglobal.com/upload-web/cms-editor-files/861d8819-421c-442b-9151-dac058818546/file/CB_LIST_November_2018.pdf

²²⁶The title of Parts I and II of the Fourth Schedule shows that it covers: "Goods which may not be imported into Malaysia except conforming to the

²²⁷For English version of the Customs (Prohibition of Imports) Order 2017, see <https://www.aseanlip.com/malaysia/tax/legislation/customs-prohibition-of-imports-order-2017/AL14612>. For the information in English for the Schedules of this Order [i.e. the part that specifies the list of prohibited, and other controlled products], see from page 22 onwards the document in [http://www.federalgazette.agc.gov.my/output/pua_20170404_PU\(A\)103_Import.pdf](http://www.federalgazette.agc.gov.my/output/pua_20170404_PU(A)103_Import.pdf)

²²⁸Table 3.6 of Secretariat report for Trade Policy Review of Malaysia (2017), and <http://mytraderepository.customs.gov.my/en/ntm/tbtt/Pages/tbtt.aspx>

²²⁹This was by five WTO members: Argentina, Brazil, Turkey, US and the EU.

products, agricultural products such as pasta, rice, flour, vegetables, coffee, soil including earth, food products, solid waste, logs and wood in the rough from all countries (except Indonesia), wood and articles of wood, radioactive materials and irradiating apparatus, baby feeding bottles, ceramic tableware and kitchenware, tobacco and manufactured tobacco, alcohol, water, Living Modified Organisms (LMOs) and Genetically Modified Organisms (GMOs).²³⁰

Since 2017, Malaysia has made six WTO notifications on SPS. These include foods in general, palm oil and its fractions, teats for feeding bottles and similar articles, live Tilapia fish, all plants, plant products and regulated articles subject to phytosanitary certificate requirements, betel leaves (Piper betel), chillies and Durian.

A large number of products have been covered by previous notifications.²³¹ The objectives of these SPS notifications included addressing food safety, human health, animal health, plant health, maximum residue limits (MRLs), pests, pesticides, contaminants and animal disease.

Specific trade concerns: India has not raised any specific trade concern regarding Malaysia's SPS measures or policies within the WTO. Regarding trade concerns raised by other WTO members, no

specific trade concern has been raised since 2015. Since 2010, three import restrictions of Malaysia have been raised as SPS-related specific trade concerns. These were import restrictions on plants and plant products (2010), pork and pork products (2011), and import restrictions related to approval of poultry meat plants (2015).

India has bilaterally raised a number of issues with Malaysia, including:

Mango: Malaysian quarantine authorities have suspended export of mangoes from India. The ban was temporarily lifted on export of fresh mangoes to Malaysia subject to conditions specified in the import permit until 31.08.2017. Then, new import requirements were placed from 1st September 2017 onwards, including that the mango fruits be sourced from the area which are free from mango seed weevil. Mangoes from Tamil Nadu face difficulties due to this, and relevant work on this is being taken up by India to assess the situation and share a Report on this matter with Malaysia.

Banana and Betel leaves: To allow exports of banana and betel leaves to Malaysia, India sent the relevant technical information in April 2017 to the Malaysian Government for obtaining market access and Pest Risk Analysis of India's banana and betel vine. As yet, this process has not moved ahead.

²³⁰Relevant agencies include Ministry of Agriculture and Agro-Based Industry's Department of Agriculture, Department of Veterinary Services, and Department of Fisheries are responsible for matters relating to plants, animals and animal products, and fisheries, respectively. The Food Safety and Quality Division of the Ministry of Health, is responsible for food safety matters including inspection and enforcement related matters. The Malaysian Quarantine and Inspection Services provides quarantine services and certification for imports and exports, as well as inspection of and enforcement relating to food and relevant matters.

²³¹These include: Live bovines, poultry and birds; Livestock and Livestock Products, Poultry; Beef and beef products and other bovine products including offals and processed proteins such as meat and bone meal, meat meal, bone meal, blood meal, hoof meal and horn meal and other feeding-stuffs (including pet food), premixes and feed additives containing the above products; Carcass, meat and edible offal of cattle, pigs, sheep, goat, poultry and their products, and fish and fishery products intended for human consumption; Meat and products of animal origin; Fish and fish products Import conditions of live fish; Food premises; ice; Milk and milk products; All agriculture products; Wood packaging material (including dunnage) made of coniferous and non-coniferous raw wood; Live ornamental aquatic animals; Domestic and wild birds and eggs, meat and other products of domestic and wild birds including products intended for animal feed and for agricultural and industrial use; All foods containing acid-hydrolyzed vegetable protein (HVP) Regions or countries likely to be affected, to the extent relevant or practicable: Countries exporting acid-HVP and foods containing acid-HVP; Processed and dried for consumption soy bean (Glycine max), corn/maize grain (Zea mays), dried for consumption cocoa bean (Theobroma cacao), processed and dried for consumption coffee beans (Coffea Arabica, Robusta coffee, Coffea liberica), fresh/dried leaves tobacco (Nicotiana glauca), fresh/raw dried cotton (Gossypium hirsutum), fresh orange and lime (Citrus spp.), fresh banana (Musa spp.), hay and straw for livestock feed (all grass species), fresh/raw or dry corn cob/skin cocoa/sago and other regulated articles, plants and plant products. See, <http://mytraderepository.customs.gov.my/en/ntm/sps/Pages/sps.aspx>

IMPORT POLICIES

In general, Malaysia's import policies focus on TBT and SPS measures, and controlling imports for the various reasons due to which these measures are taken. The policies to control imports range from prohibition, import licence, certificate requirements, prior approval and certification of having met the relevant standards in general.

Tariffs

Table 4 provides a list of products with a share of at least 0.5% in total exports. The 29 tariff lines

account for 67 % of the share of India's total exports to Malaysia. Within these, the share of the top 4 tariff lines in total exports is one-third. Most of these product categories do not have a high incidence of NTMs.

Malaysia's tariffs on major Indian export items is in general zero; the only exception in the list given in Table 4 below is rice, with a tariff of 20%. Therefore, NTMs are the main trade restrictions faced by virtually all of these products.

Table 4. Malaysia: Tariff on India's Major Exports to Malaysia

HS Section	HS 8-Digit Category	Product	Share in Total Exports	Tariff
5	27101930	Medium oils and preparations, of petroleum or bituminous minerals, n.e.s: High speed diesel ...	14.3	0
1	02023000	Frozen, boneless meat of bovine animals	6.9	0
15	76011010	Aluminium, not alloyed, unwrought: Ingots	6.7	0
15	74031100	Copper, refined, in the form of cathodes and sections of cathodes	5.5	0
5	27101219	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	4.8	0
5	27101990	Medium oils and preparations, of petroleum or bituminous minerals, n.e.s.: Other	3.2	0
6	29024300	p-Xylene	2.9	0
17	89059090	Light-vessels, fire-floats, floating cranes and other vessels, the navigability of which is ...	2.9	0
15	79011100	Unwrought zinc, not alloyed, containing by weight >= 99,99% of zinc	2.5	0
5	27101920	Medium oils and preparations, of petroleum or bituminous minerals, n.e.s.: Aviation turbine ...	2.1	0
5	27101950	Medium oils and preparations, of petroleum or bituminous minerals, n.e.s.: Fuel oil	1.7	0
17	89040000	Tugs and pusher craft	1.7	0
2	07031010	Fresh or chilled onions and shallots: Onions	1.5	0
6	29012400	Buta-1,3-diene and isoprene	1.1	0
16	84798999	Machines and mechanical appliances, n.e.s.: Other	1.0	0
2	12024210	Groundnuts, shelled, whether or not broken (excl. seed for sowing, roasted or otherwise cooked) ...	0.9	0

HS Section	HS 8-Digit Category	Product	Share in Total Exports	Tariff
2	09042110	Fruits of the genus Capsicum or of the genus Pimenta, dried, neither crushed nor ground + detailed ...	0.9	0
15	72083940	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.7	0
15	'2071990	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	0.7	0
15	72083740	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.7	0
17	88033000	Parts of aeroplanes or helicopters, n.e.s. (excl. those for gliders)	0.6	0
2	10063020	Semi-milled or wholly milled rice, whether or not polished or glazed: Basmati rice	0.6	20
6	28182010	Aluminium oxide (excl. artificial corundum): Alumina, calcined	0.6	0
15	72083840	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.5	0
15	72083640	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.5	0
8	41079900	Leather "incl. parchment-dressed leather" of the portions, strips or sheets of hides and skins ...	0.5	0
15	72023000	Ferro-silico-manganese	0.5	0
14	71131910	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not ...	0.5	0
16	84818030	Appliances for pipes, boiler shells, tanks, vats or the like (excl. pressure-reducing valves, ...	0.5	0

Source: DGCIIS Data, Department of Commerce

Tariff Rate Quotas

The schedule of commitments under the India-Malaysia CECA has 18 tariff lines which have tariff

rate quotas (Table 5 below). They cover live swine and poultry, meat of swine and poultry, milk and cream, eggs of hens and ducks and cabbages.

Table 5. Malaysia: Categories with Tariff Rate Quotas For Indian Exports To Malaysia

HS Category	Product
0103.91.000	Live swine - Weighing less than 50 kg
0103.92.000	Live swine - Weighing 50 kg or more
0105.11.900	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls: Other
0105.94.190	Fowls of the species Gallus domesticus: Other

HS Category	Product
0203.11.000	Meat of swine, fresh, chilled or frozen: Carcasses and half-carcasses
0203.21.000	Meat of swine, fresh, chilled or frozen: Carcasses and half-carcasses
0207.11.000	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen: Not cut in pieces, fresh or chilled
0207.12.000	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen: Not cut in pieces, frozen
0207.13.000	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen: Cuts and offal, fresh or chilled
0207.14.000	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen: Cuts and offal, frozen
0401.10.110	Milk and cream, not concentrated nor containing added sugar or other sweetening matter: Of a fat content, by weight, not exceeding 1 %: Liquid
0401.20.110	Milk and cream, not concentrated nor containing added sugar or other sweetening matter: Of a fat content, by weight, exceeding 1 % but not 6%: Liquid
0401.30.110	Milk and cream, not concentrated nor containing added sugar or other sweetening matter: Of a fat content, by weight, exceeding 6%: Liquid
0407.00.111	Birds' eggs, in shell, fresh, preserved or cooked: hens' eggs
0407.00.112	Birds' eggs, in shell, fresh, preserved or cooked: ducks' eggs
0407.00.910	Birds' eggs, in shell, fresh, preserved or cooked: hens' eggs
0407.00.920	Birds' eggs, in shell, fresh, preserved or cooked: ducks' eggs
0704.90.110	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled – Other: Round cabbages

Source: Department of Commerce, Government of India. <http://commerce.gov.in/writereaddata/trade/Malaysia%27s%20schedule.pdf>

NON-TARIFF MEASURES

The non-tariff regime of Malaysia is regulated mainly under the Customs (Prohibition of Imports) Order 2017.²³² This order has been later amended for certain tariff lines, changing the coverage of the four Schedules in certain cases.²³³ The four Schedules specify the following import restraints.

- First Schedule: Goods whose imports are absolutely prohibited.²³⁴
- Second Schedule, Part I: Conditional import prohibition. Goods whose imports are prohibited, except under import licence²³⁵
- Second Schedule, Part II: Conditional import prohibition. Goods whose imports are prohibited without an import licence, except that it does not apply to specified free zones²³⁶
- Second Schedule, Part III: Conditional import prohibition. Similar condition as Part I of the

²³²For English version, see <https://www.aseanlip.com/malaysia/tax/legislation/customs-prohibition-of-imports-order-2017/AL14612>. For the information in English for the Schedules of this Order [i.e. the part that specifies the list of prohibited, and other controlled products], see from page 22 onwards the document in [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.[A]103_Import.pdf)

²³³For details, see for example, <https://www.aseanlip.com/malaysia/tax/legislation/customs-prohibition-of-imports-amendment-order-2017/AL18406>

²³⁴Page 22 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.[A]103_Import.pdf)

²³⁵Page 28 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.[A]103_Import.pdf)

²³⁶Page 41 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.[A]103_Import.pdf)

Schedule, except that it does not apply to Labuan, Langkawi, Tioman and specified free zones.²³⁷

- Schedule III, Part I: Conditional import prohibition. Imports are prohibited unless certain specified conditions are met [e.g. quarantine, inspection and approval by veterinary authorities, meeting the conditions relating to wildlife, import permit from the fisheries department]. These conditions are specified in several instances for imports into specific parts of Malaysia.²³⁸
- Schedule III, Part II: Conditional import prohibition. Imports are prohibited except in the manner provided for, and shall not apply to the free commercial zone [e.g. labelling for health warning on cigarettes as specified in the regulation, approval for alcohol and for equipment to make beer, certain chemicals]²³⁹
- Schedule III, Part III: Conditional import prohibition. Imports prohibited unless they meet the conditions specified for meeting the conditions of the International Trade in Endangered Species Act 2008.²⁴⁰
- Schedule IV, Part I: Conditional import prohibition. Imports prohibited unless they conform to Malaysian standards or other standards approved by the Malaysian authorities and in the manner provided for.²⁴¹
- Schedule IV, Part II: Conditional import prohibition. Imports prohibited unless they conform to Malaysian standards or other standards approved by the Malaysian authorities and in the manner provided for, and does not apply to the free commercial zones.²⁴²

As part of this regime, Malaysia has an automatic import license scheme which is maintained mainly for data collection and monitoring.

Import Prohibition

Import of certain goods are strictly prohibited by Malaysia for religious, security, health, and environmental protection and safety reasons.

Regarding prohibited imports from all countries, the lists vary. The information provided under the WTO Trade Policy Review of Malaysia²⁴³, based on Schedule 1 of the Customs (Prohibition of Imports) Order 2017, provides the following list for prohibited imports:

Some broadcast receivers, comb or comb chunk (the authorities stated that the pest risk analysis conducted on this product revealed high risks of infestation of pests with adverse effects), lightning arresters containing radioactive material, liquid-filled type electric heating bags, cushions, pillows, pouches or pads using alternating current (AC) or AC and direct current (AC/DC), new pneumatic snow tyres and new retreaded snow tyres for all types of vehicles, poisonous chemicals and minerals, certain animal feed, sodium arsenite and substances covered under the Montreal Protocol and logs, wood in the rough, wood roughly squared or half squared but not further manufactured and baulks from Indonesia.

A more detailed list of these prohibited imports is in Schedule 1 of the Customs (Prohibition of Imports) Order 2017. The list of products whose imports are prohibited, as specified by the Malaysian Customs authorities, is shown in Table 6 below.

²³⁷Page 61 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²³⁸Page 64 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²³⁹Page 171 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²⁴⁰Page 193 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²⁴¹Page 202 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²⁴²Page 205 of [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.\[A\]103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_P.U.[A]103_Import.pdf)

²⁴³Page 45 of WTO document WT/TPR/S/366 dated 30 December 2017.

Table 6. Products Whose Imports Are Prohibited

Reproduction of any currency note, bank note, or coins which have currently been issued in any country.
Indecent prints, paintings, photographs, books, cards, lithographics, engravings, films, video tapes, laser discs, color slides, computer discs and any other media
Any device which intended to be prejudicial to the interest of Malaysia or unsuited to peace
All genuses of Piranha fish
Turtle eggs
Cocoa pods, rambutans, pulasan, longan, and namnam fruits from Philipines and Indonesia
Intoxicating liquors containing more than 3.46 milligrams per litre in any lead or in any compound of copper
Daggers and flick knives
Broadcast receivers capable of receiving radio communication within the ranges (68 - 87) MHz and (108 - 174) MHz
Sodium arsenate
Cloth bearing the imprint or duplicate of any verses of the Quran
Pen, pencil, and other articles resembling syringes
Poisonous chemicals
Lightning arresters containing radioactive material

Source: Royal Malaysian Customs Department. http://www.customs.gov.my/en/tp/pages/tp_ie.aspx

Import Licences and Permits

Malaysia allows imports of certain goods only under an import licence or permit from relevant authorities. Licences may be issued by the Malaysian Quarantine and Inspection Services (MAQIS), Department of Agriculture (DOA), Department of Wildlife and National Parks, Food Safety and Quality Division of the Ministry of Health, Department of National Solid Waste Management, Ministry of Home Affairs, Pesticide Board under the DOA and Atomic Energy Licensing Board. For a number of products, inspection is required before an import licence is issued.

The list of products that can be imported under a non-automatic import licence includes: Passenger and commercial vehicles, motorcycles, kain sarong batik (by traditional batik process), used brakes and servo-brakes including used brake pad, callipers and brake lining for motor vehicles, all kinds

of reusable batteries (accumulators) for motor vehicles, toxic chemicals and their precursors covered under the Convention on the Prohibition of the Development, Production, Stockpiling And Use Of Chemical Weapons and on Their Destruction 1993 (CWC) as listed in part of Schedule 1, Schedule 2 and Schedule 3.²⁴⁴ Certain chemicals are controlled under the relevant provisions under the Poison Act 1952 [Revised 1989] and Pesticides Act 1974. Imports subject to obligations under international conventions and agreements are controlled as per the specifications in those agreements, e.g. the regulation of CFC under the Montreal Protocol.

The list of products specified by the Malaysian Customs Department that are allowed to be imported only under an import licence or permit from the relevant authority, is shown in Table 7 below.

²⁴⁴Pages 2 and 3 of WTO document G/LIC/N/3/MYS/13, dated 19 March 2018.

Table 7. Imports Prohibited Except Under an Import Licence/Permit

Egg in the shells
Any meat, bones, hide, skin, hoofs, horns, offal or any part of the animals and poultry
Live animals-primates including ape, monkey, lemur, galago, potto and others
Explosives and fireworks
Imitation arms, toy gun / pistols
Imitation hand grenades
Arms and ammunition other than personal arms ammunition imported by bona fide travellers
Bullet proof vests, steel helmets and other articles of clothing as protection against attack
Soil and pests including live insects, rats, snails, and cultures of plant disease causing organisms
Safety helmets (except as worn by motorcyclists or motorcycle pillion riders)
Video machines excluding game watches and video games for use with television receiver
Motor vehicles
Batik sarong
Rice and <i>padi</i> including rice products
Equipment to be connected to a public telecommunication network
Radio communication being used for telecommunication in the frequency lower than 3000 GHz
Saccharin and its salt
Parabola antenna for outdoor use
Pests and organisms which are capable of being injurious to plants
Live fish
Animal oils and fats
Plants include parts and plant products
Household and agricultural pesticides
Electric domestic equipments that use 50 volt or 120 volt Dc or more
Toxic and/or hazardous wastes
Corals, alive or dead
Apparatus/equipment for the brewing of beer in the home
Pharmaceutical products

Source: Royal Malaysian Customs Department. http://www.customs.gov.my/en/tp/pages/tp_ie.aspx

A more detailed list of products with the relevant HS categories, is available in Schedules 2, 3 and 4 of the Customs (Prohibition of Imports) Order 2017. As mentioned above, these provisions specify in detail the products covered by an import licence or permit,

inspection and approval, quarantine, and labelling requirements.²⁴⁵

Other categories of products subject to import licensing or permits include: unmanufactured

⁴⁵Page 28 onwards in the document at [http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.\(A\)103_Import.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170404_PU.(A)103_Import.pdf)

tobacco, optical disc mastering and replicating machines and its parts, substances structurally derived from Phenethylamine and their salts.

A number of products require permits or approval for SPS reasons, such as animals and animal products, plant and plant products, as well as agricultural products such as pasta, rice, flour, vegetables, coffee, soil including earth, food products, solid waste, logs and wood in the rough from all countries (except Indonesia), wood and articles of wood, radioactive materials and irradiating apparatus, baby feeding bottles, ceramic tableware and kitchenware, tobacco and manufactured tobacco, alcohol and water.

Detailed explanations of the relevant conditions and processes for the products covered by import licensing are provided in WTO document G/LIC/N/3/MYS/13, dated 19 March 2018.²⁴⁶

Automatic Licenses

Products for which automatic licensing is in place include: Bodies (including cabs) of motor vehicles, chassis and parts thereof for motor vehicles, prime movers, special purpose motor vehicles other than those principally designed for the transport of

persons or goods, ships' derricks, cranes, including cable cranes, mobile lifting frames, straddle carriers and works trucks fitted with a crane (excluding Palfinger fully hydraulic compact, hydraulic loading crane, gantry cranes and crawler cranes), semi-finished products of iron and steel, including slab, bloom and billets, bars and rods, stranded wire, cables, cordage, ropes, plaited bands and the like, of aluminium wire, but excluding insulated electric wires and cables, flat-rolled products of iron or non-alloy steel, other tubes and pipes, and flat-rolled products of other alloy steel.²⁴⁷

CONTINGENT TRADE PROTECTION MEASURES

Malaysia has not imposed any anti-dumping or countervailing measure on India's exports.

Safeguards

At present, Malaysia has two safeguard measures, one on 'steel wire rods and deformed bar in coils' and another on 'steel concrete reinforcing bars'. These measures were imposed in 2017. India was exempted from both these measures, together with a number of other developing countries.²⁴⁸

²⁴³This document provides the Malaysian Government replies to a series of imports relating to its import licensing procedures.

²⁴⁷Page 2 of WTO document G/LIC/N/3/MYS/13, dated 19 March 2018.

²⁴⁸WTO document G/SG/N/8/MYS/3/Suppl.1; G/SG/N/10/MYS/3/Suppl.1; G/SG/MYS/11/3/Suppl.1, dated 18 May 2017. And, WTO document G/SG/N/8/MYS/2/Suppl.1; G/SG/N/10/MYS/2/Suppl.1; G/SG/MYS/11/2/Suppl.1, dated 18 May 2017.

JAPAN

TRADE

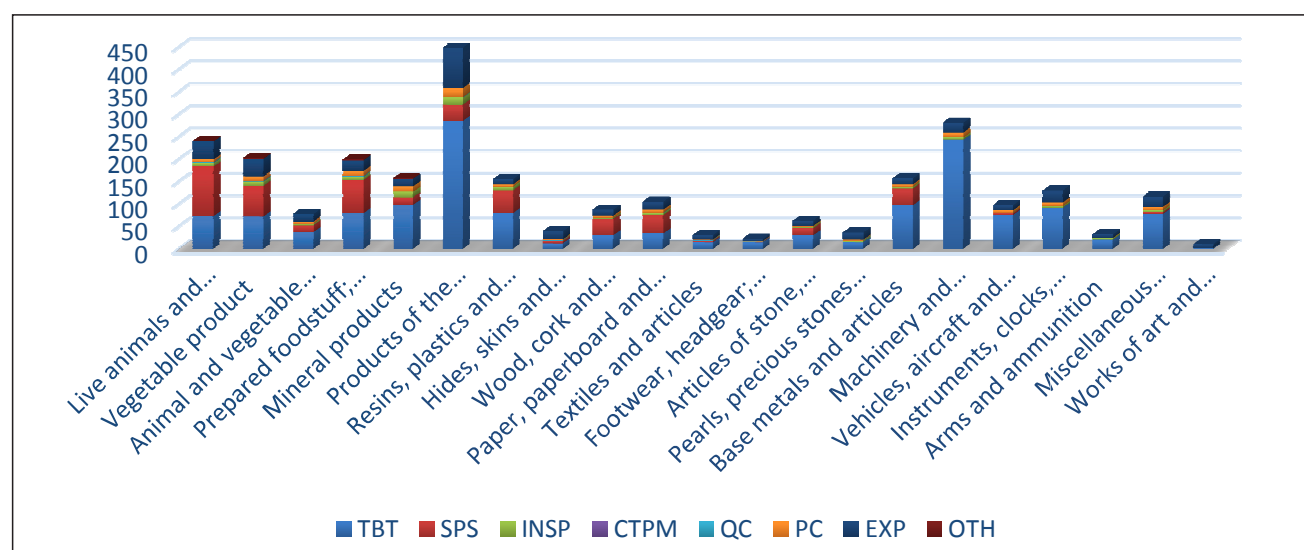
Japan is India's thirteenth largest export destination, with merchandise exports of US\$ 4.73 billion in 2017-18. India's imports from Japan were about US\$ 10.97 billion. India and Japan have a Comprehensive Economic Partnership Agreement (CEPA), with preferential tariffs granted to each other's products and other initiatives to improve bilateral conditions.

OVERVIEW

Japan has a relatively high number of NTMs for several product categories. It is among the top countries imposing NTMs for most of the product

categories mentioned in Figure 1 below.²⁴⁹ Japan's sanitary and phytosanitary measures (SPS) categories are expectedly high for foodstuff and animal and plant products, and technical barriers to trade (TBT) are particularly high for products of chemical and allied industries, and machinery and electrical equipment (Figure 1). For both these product categories, Japan's TBTs are relatively high amongst the exporting countries considered in this Report. In addition, there are two categories of NTMs which, though much less prevalent than TBT and SPS, are significant enough to be noted. One is Price Control Measures²⁵⁰ and the other is Pre-shipment Inspection.

Figure 1. Japan imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Note: TBT=Technical Barriers to Trade; SPS=Sanitary and Phytosanitary Measures; INSP=Pre-shipment Inspection; QC=Quantity Control Measures; PC=Price Control Measures; EXP=Export Related Measures; OTH=Other Measures.

²⁴⁹These include: Live animals and products; Vegetable product; Mineral products; Products of the chemical and allied industries; Resins, plastics and articles, rubber and articles; Hides, skins and articles, saddlery and travel goods; Wood, cork and articles, basketware; Paper, paperboard and articles; Articles of stone, plaster; ceramic products glass; Pearls, precious stones and metals; coin; Base metals and articles; Machinery and electrical equipment; Vehicles, aircraft and vessels; Instruments, clocks, recorders and reproducers; Arms and ammunition; and, Miscellaneous manufactured articles.

²⁵⁰These measures include: Minimum import prices; Reference prices; Other administrative measures affecting the customs value, n.e.s.; Voluntary export-price restraints; Variable levies; Variable components; Variable charges n.e.s.; Customs surcharges; Seasonal duties; Custom-inspection, -processing and -servicing fees; Merchandise-handling or -storing fees; Tax on foreign exchange transactions; Stamp tax; Import licence fee; Consular invoice fee; Statistical tax; Tax on transport facilities; Additional charges, n.e.s.; Consumption taxes; Excise taxes; Taxes and charges for sensitive product categories; Internal taxes and charges levied on imports, n.e.s.; Decreed customs valuations; Price-control measures, n.e.s. More details are at pages 33 to 37 of UNCTAD, International Classification of non-Tariff Measures.

https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Most of the major items exported by India to Japan face zero Customs duty, with a small number having relatively low tariffs.

The high number of NTMs are also reflected in the comments from Indian exporters. They mention both the complicated (or difficult) restrictions as well as the increase in costs, time and effort incurred due to these (Table 1).

Table 1. Views of Indian Exporters Regarding Japanese Trade Restrictions

Conditions getting complicated day by day	Agriculture Products
High restrictions on sales and associated services	Agriculture Products
Unfair trade practices in some products like flowers	Agriculture Products
High duty on products	Food Products
Impractical plant quarantine procedures including zero tolerance for insects/pests. Consignments refumigated despite SPS certificates	Food Products
EIC certificate should be adequate instead of certified labs' certificate	Seafood
Customs checks are time consuming	Textiles/Garments, Seafood, Electronic Equipment
Application of JIS standard is problematic, Voluntary labelling increases cost and time	Garments/apparel

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Due to the relatively high incidence of TBT and SPS in Japan, the relevant information for exporters becomes essential. Imports are subject to product testing and require certificates of compliance with the prescribed standards. The compliance process also determines the grant of a quality mark.

In this context, it is noteworthy that access to the Japanese market becomes very limited if the exported products do not meet the relevant standards and do not have marks or characteristics of products as per the customary practices in Japan. The NTMs therefore extend from formal to informal, and the relevant knowledge of these becomes crucial to gain larger market access.

TECHNICAL BARRIERS TO TRADE

The major laws relevant to these standards cover consumer product safety, food sanitation, electrical appliances and material safety, pharmaceuticals, and road vehicles.²⁵¹ Approved Certification Bodies enable products to get the required certificates or marks.²⁵²

Based on the requirements, products that meet the compliance criteria can affix the relevant marks to indicate their acceptability. These marks include both mandatory marks or voluntary marks. The mandatory marks include the Consumer Product Safety Mark,²⁵³ or the Electrical Safety (PSC) mark to show compliance with the Electrical Appliance and Material Safety Law²⁵⁴.

Certain voluntary marks are extremely important to enhance acceptability of the product by the Japanese consumer. The Japan Industrial Standards Committee (JISC), administered by Ministry of

²⁵¹More detail is in Table 3.18 (Page 59) of the WTO Secretariat Report for Trade Policy Review of Japan, Document WT/TPR/S/351, dated 18 January 2017. https://www.wto.org/english/tratop_e/tpr_e/s351_e.pdf

²⁵²For example, the lists provided at <http://www.meti.go.jp/english/policy/economy/consumer/pse/07.html> and <https://www.jab.or.jp/en/>

²⁵³<https://www.jqa.jp/english/safety/service/mandatory/pse/>

²⁵⁴<https://www.jqa.jp/english/safety/service/mandatory/pse/>

Table 2. TBT Measures on India's Top 5 Export Sectors to Japan: 2018

	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.
B82, B42, B14, B41, B85, B32, B33, B49, B21, B89, B7, B31, B859, B22, B853, B15, B9,	Testing requirement; TBT regulations on transport and storage; Authorization requirement for TBT reasons; TBT regulations on production processes; Traceability information requirements; Marking requirements; Packaging requirements; Production or post-production requirements n.e.s.; Tolerance limits for residues of or contamination by certain substances; Conformity assessment related to TBT n.e.s.; Product quality or performance requirement; Packaging requirements; Labelling requirements; Traceability requirements n.e.s.; Restricted use of certain substances; Distribution and location of products after delivery; Registration requirement for importers for TBT reasons ;TBT measures n.e.s.
	HS Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates.
B11, B9, B14, B31, B85	Prohibition for TBT reasons; TBT measures n.e.s.; Authorization requirement for TBT reasons; Labelling requirements; Traceability information requirements;
	For India: HS Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates.
B9, B14	TBT measures n.e.s.; Authorization requirement for TBT reasons
	HS Chapter 29: Organic Chemicals
B82, B42, B49, B15, B11, B853, B14, B41, B85, B32, B33, B31, B859, B89, B7, B22, B21 B19	Testing requirement; TBT regulations on transport and storage; Production or Post-Production requirements n.e.s.; Registration requirement for importers for TBT reasons; Prohibition for TBT reasons; Distribution and location of products after delivery; Authorization requirement for TBT reasons; TBT regulations on production processes; Traceability information requirements; Marking requirements; Packaging requirements; Labelling requirements; Traceability requirements n.e.s.; Conformity assessment related to TBT n.e.s.; Product quality or performance requirement; Restricted use of certain substances; Tolerance limits for residues of or contamination by certain substances; Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s.
	For India: HS Chapter 29: Organic Chemicals
B14, B9	Authorization requirement for TBT reasons; TBT measures n.e.s.
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.
B14, B42, B49, B31, B7, B82, B859, B83, B85, B89, B41, B853, B21, B15, B81, B852, B84	Authorization requirement for TBT reasons; TBT regulations on transport and storage; Production or Post-Production requirements n.e.s.; Labelling requirements; Product quality or performance requirement; Testing requirement; Traceability requirements n.e.s.; Certification requirement; Traceability information requirements; Conformity assessment related to TBT n.e.s.; TBT regulations on production processes; Distribution and location of products after delivery; Tolerance limits for residues of or contamination by certain substances; Registration requirement for importers for TBT reasons; Product registration requirement; Processing history; Inspection requirement;

	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and artcls thereof;imit.jewelry;coin.
B14, B49, B859, B41, B42	Authorization requirement for TBT reasons; Production or Post-Production requirements n.e.s; Traceability requirements n.e.s.; TBT regulations on production processes; TBT regulations on transport and storage
	For India: HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre.metal and artcls thereof;imit.jewelry;coin.
B42, B9, B83	TBT regulations on transport and storage; TBT measures n.e.s.; Certification requirement

Source: TRAINS, UNCTAD

Table 3. SPS Measures on India's Top 5 Export Sectors to Japan: 2018

	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.
A22, A85, A41	Restricted use of certain substances in foods and feeds and their contact materials; Traceability requirements; Microbiological criteria of the final product
	HS Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates.
A22, A41, A42, A21, A86, A19, A85, A851, A14, A83, A82, A62, A31	Restricted use of certain substances in foods and feeds and their contact materials; Microbiological criteria of the final product; Hygienic practices during production; Traceability requirements; Tolerance limits for residues of or contamination by certain substances; Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.; Traceability information requirements; Origin of materials and parts; Special Authorization for SPS reasons; Certification requirement; Testing requirement; Animal raising or catching processes; Labelling requirements
	HS Chapter 29: Organic Chemicals
A41, A85, A64, A22, A31, A63, A82, A11, A851,	Microbiological criteria of the final product; Traceability information requirements; Storage and transport conditions; Restricted use of certain substances in foods and feeds; Labelling requirements; Food and feed processing; Testing requirement; Temporary geographic prohibition for SPS reasons; Origin of materials and parts

Source: TRAINS, UNCTAD

Economy, Trade and Industry (METI), plays a central role in the standards setting activities in Japan. Its scope covers a number of industrial products ranging from metals, electronics, medical equipment, paper, domestic wares and chemicals.²⁵⁵ The mark can be applied after product certification bodies accredited by METI, conduct tests and verify compliance with JIS, as well as audit the quality management system of facilities which manufacture the product.

Another important mark is the Japan Agricultural Standards (JAS) mark, linked to the Ministry of Agriculture, Forestry and Fisheries.²⁵⁶ The majority of commodities listed with respect to JAS mark are food items.²⁵⁷

Since 2017, Japan has submitted 85 notification documents to WTO. They cover:

Food, beverages and other agriculture, cereal pulses and derived products, food products in general, wood and wood products, aseptic filling tofu, fungicide (fludioxonil) and Bologna sausage, forestry and fishery products, organic plants, organic livestock and products, organic processed food, motorcycles, motor vehicles, heavy duty vehicles, tractors, mobile cranes, medical devices, aluminium and articles thereof, ethylene, propene, antimony trioxide, closed type showcases, substances with probable effects on central nervous system, food utensils, containers and packaging, essential oils and resinoids, perfumery, cosmetic and toilet preparations, dust respirator, pharmaceutical products, poisonous and deleterious substances, fertilisers, aluminium foil, tableware, microwave ovens, radiocommunications, telecommunications terminal equipment, light bulbs, cement, asbestos, certain chemicals, medicaments, computers (microprocessor systems), veterinary medicines,

pressure cookers and autoclaves for home use, GM labelling systems, 9 GHz-band solid state radar systems for ships, textiles and fabrics, textile floor coverings, life jackets and life belts and agriculture chemicals.

The concerns addressed by them include protection of the environment, protection of human health or safety, prevention of deceptive practices, addressing concerns regarding materials and articles in contact with foodstuff, quality requirements and consumer informing labelling.

Specific Trade Concerns: In WTO, one specific trade concern regarding TBT was raised by Russia in 2014 - 2015, with respect to Japan's 'Wood Use Points Programme', for a number of reasons.²⁵⁸

Some specific trade concerns of India, including Indian industry are as follows:

Mutual Recognition Agreement (MRA) in the pharmaceutical sector should be concluded: With the MRA, both countries could mutually identify and recognise the testing procedures and standards used in the other country for their goods. Japan's PMDA (Pharmaceuticals and Medical Device Agency) and DCGI (Drug Controller General of India) should collaborate more closely on regulatory matters.

Pharmaceuticals: Tackling the language barrier: Currently, the PMDA does not accept applications in languages other than Japanese. Japan's Pharmaceutical Affairs Law requires all forms related to the marketing application to be submitted in Japanese. The complex registration process and language barrier in the Japanese market creates an additional factor that has to be addressed for enabling Indian exports. Japan has shortened the length of time required for screening and testing for

²⁵⁵https://www.jqa.jp/english/jis_a/scope.html

²⁵⁶http://ap.fftc.agnet.org/ap_db.php?id=403

²⁵⁷The products covered include beverages, processed foods, forest products, agricultural commodities, livestock products, oils and fats, products of the fishing industry, and processed goods made from agricultural, forestry, and fishing industry raw materials.

²⁵⁸See paragraphs 2.25 and 2.26 in https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=1322661,132294&CurrentCatalogueIdIndex=1&FullTextHash=1&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True

all companies across the world. Allowing Dossier/ Drug Master Files (DMF) submissions in English will enhance trade facilitation and 'ease of doing business' in Japan, with additional benefits through greater availability of generics and biosimilars to Japanese patients.

Annual price previsions for generics: Mandatory price revisions may make generics unviable in the long term. It has been suggested that there is a need to move to an annual price revision model vis-a-vis the current biennial repricing system which would further exacerbate the situation.

Some other concerns relevant also for Indian exports, that have been raised, for example by the US, include the following:

Country of Origin Labelling Requirements for Ingredients: The Japanese Consumer Affairs Agency (CAA) amended Japan's Food Labelling Standards on September 1, 2017, making the process more burdensome, costly and time-consuming. The amendment expands country of origin labelling (COOL) requirements to the main ingredient by weight in certain processed foods manufactured in Japan, including the origin of the inputs within the product. The transition period for compliance will end in March 2022. The expanded requirements do not apply to imported processed foodstuffs manufactured outside Japan. They do however apply to products processed in Japan which presently use imported ingredients. This amendment will provide a disincentive to Japanese producers to import their ingredients.

Automotive products: A number of non-tariff barriers impede access to Japan's automotive market leading to delays and difficulties. These barriers include unique standards and testing protocols, lack of complete transparency and inclusiveness of stakeholders in the process of developing regulation, and difficulties in establishing distribution and service networks.

Cosmetics and Quasi-Drugs: There is delay in market registration of cosmetic products that are classified as 'medicated cosmetics' or quasi-drugs under Japan's Pharmaceutical and Medical Devices Act (formerly known as the Pharmaceutical Affairs Law). Therefore, even established cosmetic products face considerable delays in entering the market. The approval process is burdensome and lacks transparency.

SANITARY AND PHYTOSANITARY MEASURES

The main laws for SPS are for maintaining food sanitation, food safety, safety assurance and quality assurance of feed, plant protection, and domestic animal infectious disease control²⁵⁹. The main agencies responsible for this are the Ministry of Agriculture, Forestry and Fisheries (MAFF), the Ministry of Health, Labour and Welfare (MHLW), Ministry of Environment, and the Food Safety Commission.

Since 2017, Japan has made 135 SPS notifications to WTO. These cover edible vegetables, roots and tubers, oats, wheat, meat and edible meat offal, cloven hoofed animals and their products, poultry and poultry products, animal or vegetable fats and oils, dairy products, milk, buttermilk, cream, yoghurt, eggs, honey, vegetables, preparations for infant use, carrot seeds and celery seedlings, papaya seeds and seedlings, cotton seeds, fruits and nuts, frozen vegetables and fruits, coffee, tea, mate, spices, fish, fish fillet, crustaceans, molluscs and other aquatic invertebrates, plants and plant products, food additives, feed additive, food utensils, containers and packaging, utensils, containers and packaging for food and food additives, pests, pesticides, and invasive species.

The issues addressed included food safety, human health, plant health, animal health, feed additives, maximum residue limits, pesticides, veterinary drugs, contaminants, packaging, biotechnology, GM

²⁵⁹More detail in Table 3.20 of WTO Secretariat Report for Trade Policy Review of Japan, January 2017.

organisms, disease-free regions/regionalisation, adoption/publication of regulations, new specification of paper and stamp for the Official Quarantine Certificate issued by the Japanese Animal Quarantine Service (AQS).

Japan has made some notifications as recently as the period between December 2018 and February 2019. They relate to pesticides, residues or feed additives. These notifications propose changes in existing maximum residue levels (MRLs) for several chemicals.²⁶⁰ The products affected are edible vegetables, meat and edible offal, dairy produce and birds' eggs, animal originated products, edible fruits, nut, tea, coffee, mate and spices, oilseeds and oleaginous fruits, various gains, and animal fats and oils.²⁶¹

Specific Trade Concerns: Since 2016, no specific trade concerns have been raised in WTO with respect to Japan's SPS measure or policy. Between 1995 (when the WTO was established) and 2015, however, 29 specific trade concerns were raised.

Certain SPS related concerns of India and the Indian exporters are:

Equivalence for Organic Standards: In the third quarter of 2017, India submitted the relevant information for seeking the equivalence of its National Programme for Organic Production (NPOP) with Japanese organic certification system. The Japanese authorities were informed that they too needed to apply to India for the equivalence process to move concurrently so that both Japan and India could review each other's standards. India is yet to receive any response from the Japanese side to the application, and it is not known yet if the Japanese side will conduct an on-site visit to review the NPOP procedures. It is hoped that the Japanese side will

submit its application and the process could then move ahead from both sides.

Mandatory stationing of Japanese Plant Quarantine Inspector for oversight at the Indian Vapour Heat Treatment (VHT) facility for export of mangoes to Japan: Export of mangoes to Japan has been allowed with VHT from approved facilities under the supervision of the Japanese Quarantine Inspector. The presence of the Inspector involves a heavy cost, which is borne by India. The pre-clearance process is also cumbersome. India has requested that this pre-inspection be waived. This would be possible with establishment of equivalence; as in the other countries, India's National Plant Protection Organization (NPPO) can be entrusted this task. The Japanese side asked for a concrete proposal from India, and this was submitted to the Plant Protection Division of Japan's Ministry of Agriculture, Forestry and Fisheries on 14 September 2017. Further meetings have resulted in a mutual agreement that both sides will gain from such an arrangement carried out in a reciprocal manner.²⁶²

Table Grapes: To obtain market access for Indian table grapes, a process to finalise Pest Risk Analysis (PRA) started some time ago. Japan sought information on the existence of fruit flies, and technical clarification was supplied that Indian grapes are not host to fruit flies and are thus free from them. India has suggested that table grapes be given market access on similar lines as Australia and a number of other nations applying the same process as India. India has been informed that the issue of grapes will be taken up once the existing priority issues are resolved.

Potato: On 20 December 2017, India shared technical information for market access for potato, for Japan to conduct PRA for the product. India has been

²⁶⁰These are Difenoconazole, Fenitrothion, Fluensulfone, Flupyrimin, Flutriafol, Fluzi-phopbutyl, Spirotetramat, Tebufenpyrad, Tetraconazole, and Triforine. There was a notification to revoke the designation as a feed additive for Tylosin phosphate.

²⁶¹Details of the HS categories covered are given in WTO documents G/SPS/N/JPN/7 to 17.

²⁶²A similar process could be applied to market access of Japanese apples in India.

informed at a later bilateral meeting end-November 2018, that this too would be addressed after the priority issues are resolved.

Pomegranate arils: India sent technical Information on pomegranate arils (*Punica Granatum*) to the Japanese Government in October 2016, to undertake Pest Risk Analysis (PRA). At a bilateral meeting this was discussed and the dossier was resubmitted. A further meeting suggested that this matter too would move ahead after the priority matter of the audit system for mangoes is resolved.

Shrimp: Japan does a 100% inspection of 'all cultured shrimps' including Black Tiger and Vannamei, for detection of nitrofurantabolite AOZ (antibiotic residue). Although no AOZ has been detected in Black Tiger shrimp for more than three years, the practice of 100% inspection has not been reduced. The Indian side made a request in November 2017 for removal of this practice, and provided additional information in this regard. A subsequent request was submitted that if there is a problem with the consignment of a particular establishment, the frequency of inspection should be altered for that establishment and not for the country as a whole. The issue of 100% inspection of Black Tiger shrimp is being considered first by the Japanese authorities.

Fish: Rules of Origin: Some Indian exporters of Surimi use imported tetrasodiumpyrophosphate anhydrous (TSPP) in their product to prevent dehydration and freezer burn during processing and storage. TSPP normally accounts for only 0.15% to 0.2% of the cost, i.e. a negligible part of the product's value or cost. The use of an imported preservative has led to the fish losing tariff benefits under CEPA. Exporters are not able to use the concession for the latter since they use an imported preservative and the rules of origin (ROO) require it to be a wholly domestically obtained product. This situation points to a need for reinterpretation of ROO by both sides since the preservative accounts for a minute share of the value of the product.

A number of concerns have been raised regarding Japanese SPS measures by others, e.g. the US. These include:

Maximum Residue Limits: Japan's application requirements for pesticide maximum residue level (MRL) approvals are burdensome and takes considerable time. In addition, the surveillance is very strict with even a single violation requiring highly enhanced surveillance.

Food Additives: Japan's regulation of food additives is very restrictive for several food products, especially processed foods and alcoholic beverages. Certain additives that are widely used in other developed country markets are not permitted in Japan. Further, the approval process to test the absence of food aids, i.e. substances used in food processing that are present in very low levels or not present in the final food product, is lengthy.

Pre- and Post-Harvest Fungicides: Japan classifies fungicides applied pre-harvest as pesticides, and fungicides applied post-harvest as food additives. Separate risk assessments are required for the pre-harvest and post-harvest uses of each fungicide. Japanese farmers are not to apply the pesticide post-harvest. This practice can have an adverse effect on exports from places where pesticide is used post-harvest.

Nutritional supplements: Japan's Food with Functional Claim (FFC) regulations on health food and dietary supplements are not in line with global best practices. There are concerns also with two other pre-market government approval systems, Foods for Specified Health Uses (FOSHU) and Foods with Nutrient Function Claims (FNFC). FOSHU has a costly and time-consuming approval process, and FNFC's standards and specifications limit the range of nutritional ingredients such as vitamins and minerals that can qualify for FNFC. Further, vitamin and mineral products designated under the FNFC system are excluded from the FFC.

Food Additives: Certain additives that are widely used in a number of developed country markets are not permitted in Japan. In addition, the approval process for processed foods takes a long time.

Plant Health: Chipping Potatoes: Shipments are permitted only during a six-month window (February to July), and are subject to a number of restrictions, including on overland transportation to chipping facilities away from ports.

IMPORT POLICIES

As a result of the Comprehensive Economic Partnership Agreement (CEPA) between India and Japan, India's major exports face zero or low tariffs (Table 4). Thus, the main trade restrictions faced are NTMs, in particular TBT and SPS measures. Related to these measures is also the system of trade controls, with prohibition and licensing of imports.

For certain agricultural products, Japan has tariff rate quotas and higher tariffs than on manufactures. In fact, there are only three tariff lines among the exported products with a share in total exports of 0.5% or above (see Table 4 below).

Tariffs and other Charges on Imports

Most of the relatively large exports of India to Japan are manufactured items (i.e. HS Sections 5 to 21, and HS Chapter 03 in Section 1). The tariffs for a number of agricultural products, particularly rice, is kept at a high level by Japan. Other agricultural products with high tariffs include citrus, dairy products, whole egg powder, egg yolk powder, processed food, sugar, certain fruits and grains. The import regimes of certain products such as pork and wheat are devised to 'in effect' result in high tariffs (see Table 4 below).

Table 4. Japan: Tariffs on Major Exports from India

HS Section	HS Code	Commodity	Share in Total Trade (%)	Tariff (%)
5	27101290	Other	11.03	0
1	03061790	Other shrimps and prawns	6.96	0
14	71023910	Diamond (othrthndstrl diamond) cut or otherwise worked but not mounted or set	5.24	0
5	27101219	Other	4.32	0.6#
15	76011010	Aluminium ingots-not alloyed	2.86	0
15	72023000	Ferro-silico-manganese	2.79	0.36
5	27101990	Other petroleum oils and oils obtained from bituminous minerals	2.50	0
6	38089390	Other herbicides-anti-sprouting products	2.17	0
15	72024100	Ferro-chromium carbon contng>4% by wt	1.94	0
2	08013220	Cashew kernel, whole	1.92	0
5	26011139	65% fe and above	1.83	0
16	84111200	Turbo-jets of a thrust>25 kn	1.67	0
1	03049900	Other	1.67	0, 1, 2, 2.8, 3.5 and 6#@
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	1.29	0

HS Section	HS Code	Commodity	Share in Total Trade (%)	Tariff (%)
17	87032391	Motor car wthcyIndrcpcty>=1500cc but <3000cc wthsprk-igntn	0.84	0
11	62063000	Blouses,shirts and shirts-blouses of cotton	0.76	0
5	26011210	Agglomerated iron ore pellets	0.74	0
4	23040030	Meal of soyabean,solvent extracted (defatted) variety	0.71	0
5	26011119	65% fe and above	0.70	0
6	30049099	Other medcne put up for retail sale n.e.s	0.68	0
5	26011142	55% fe or more but below 58% fe	0.63	0
6	29339900	Other heterdcyclicmpnds with nitrogen hetro atom (s) only	0.60	0
3	15153090	Castor oilanditsfrctnsothrthnedble grade	0.60	0
16	85371000	Bordsetc for a voltage<=1000 vlts	0.59	0
5	26140020	Ilmenite,upgraded(beneficiated ilmenite including ilmenite ground)	0.58	0
7	39076100	Poly(ethylene terephthalate): having a viscosity number of 78 ml/g or higher	0.58	0
6	29349900	Other heterocyclic compounds	0.56	0
6	29420090	Other diloxanidefuroate, cimetidine, famotidine nes	0.52	0

= Tariff will remain at this level; @ = The tariffs are for sub-categories with the HS categories.

Pork Import Regime: Japan uses a 'gate price mechanism' for pork imports that is in effect similar to a variable levy. Progressively higher duties are levied corresponding to different import prices. The lower the import price, the higher the duty.

Wheat Import System: Japan requires wheat to be imported through the Grain Trade and Operations Division of MAFF's Crop Production Bureau, which then resells the wheat to Japanese flour millers at much higher prices than import prices. This has reduced the demand for imported wheat in Japan.

Tariff Rate Quota

A number of agricultural products are subject to the TRQs (Table 5).

Other TRQs: In addition, TRQs are in place for other products such as rice, wheat, meslin, triticale and their processed products, barley and its processed products and leather²⁶³. Furthermore, a number of items for which special safeguards have been taken by Japan (which result in a TRQ-type tariff regime), includes some products in addition to those mentioned in the Table above.²⁶⁴ Moreover, concerns have been raised about the non-transparency of the process for certain items such as rice.

Rice: Rice has a highly regulated import and distribution system which requires additional transparency. There is a TRQ for rice, managed by the Grain Trade and Operations Division of the Ministry

²⁶³The TRQs for agricultural products can be seen in WTO document G/AG/N/JPN/226, dated 22 May 2018.

²⁶⁴See for example WTO documents G/AG/N/JPN/226 to 229, of dates ranging from 23 may 2018 to 15 November 2018.

Table 5. TRQs notified by Japan to WTO as part of the import licensing regime

Tariff Item Number	Product
ex04.01, ex04.03, ex04.04, ex18.06, ex19.01, ex21.01, ex21.06	Other dairy products for general use
ex04.02	Skimmed milk powder (For other purposes), Skimmed milk powder (For school lunch), Evaporated milk
ex04.04	Mineral concentrated whey, Whey and modified whey (For feeding purposes), Prepared whey (For infant formula)
ex04.05	Butter and butteroil
ex07.13	Dried leguminous vegetables
ex11.08, ex19.01	Starches, inulin and their preparations
ex12.02	Groundnuts
ex12.12 Tubers of konnyaku	ex12.12 Tubers of konnyaku
ex21.06	Prepared edible fat
ex50.01, ex50.02	Silkworm cocoons and raw silk

Source: Pages 7 and 8 of WTO document, G/LIC/N/3/JPN/17, dated 9 October 2018.

of Agriculture, Forestry, and Fisheries' (MAFF) Crop Production Bureau.

NON-TARIFF MEASURES

Japan's import regime includes prohibited products, controlled prohibitions on imports, and non-automatic import licences or quotas. Imports are allowed after the relevant approval process.

In addition, Japan has a system of prior confirmation to collect data on specified imports. The system is to ensure that the relevant imports are for specific uses, and to verify documentation, origin requirements, and address risks arising from goods deemed to be at high risk for fraud (based on past evidence). These include vaccines of microbial origin for experimental use, specified foreign cultural property, tuna, swordfish, whales, poppy and hemp seeds, certain substances listed in the Montreal

Protocol, radioisotopes, diamonds and various other chemicals.

Prohibition

Japan has a few products which are subject to outright prohibition. In general, the products are specified in terms of conditional prohibition (Table 6). It is noteworthy that the Japanese Customs classifies some of the items in Table 6 as prohibited²⁶⁵, while these products are specified as being subject to conditional prohibition in Japan's notifications to WTO. Further, two types of products are mentioned as prohibited by Japanese Customs, which are not reflected in the list of prohibitions covered by Table 6. One is 'germs which are likely to be used for bio-terrorism'. The other is a list of prohibited plants which cannot be imported from specified countries.²⁶⁶

²⁶⁵See <http://www.customs.go.jp/english/summary/prohibit.htm>

²⁶⁶See <http://www.pps.go.jp/english/law/list2.html>

Table 6. Japan: Import Prohibitions and Conditional prohibitions

Prohibited Products
Substances listed in Schedule 1 of the Annex on Chemicals of the Chemical Weapons Convention
Books, drawings, carvings, and any other article which may harm public safety or morals (obscene or immoral materials, e.g. pornography)
Photographs, recording media containing electromagnetic records or any other medium which depicts the pose of a child as defined in the Act on Regulation and Punishment of Activities Relating to Child Prostitution and Child Pornography, and the Protection of Children.
Products constituting such act of infringement of the patent right, of the said utility model right, of the design right, of the trademark right, of the copyright and neighbouring rights, of the plant breeders' right, of the layout-design exploitation right.
Products constituting such acts as prescribed in the Unfair Competition Prevention Act (acts prescribed in subparagraphs 1, 2, 3, 10, 11 and 12, paragraph 1, Article 2 of the Act, as of 29 Nov 2018)
Imports Subject to Conditional prohibition
Heroin, cocaine, MDMA, opium, cannabis, stimulants, raw material for stimulants, psychotropic substances, and other narcotic drugs
Firearms (pistols, etc.), ammunition (bullets) thereof, and pistol part
Explosive materials
Dynamite, gunpowder, etc.
Class 1 disease-causing pathogens prescribed in Article 6, paragraph (20) of the Act on Prevention of Infectious Disease and Medical Care of Infectious Patients and Class 2 disease-causing pathogens prescribed in paragraph (21) of the same Article
Counterfeit, altered or imitated coins, paper money, bank notes, revenue stamps, postage stamps (including vouchers for postal rates) and securities, cards encoded with an unlawful electromagnetic record (including those materials), products which are confusingly similar in appearance to postage stamps and other vouchers for postal rates which are issued by Japan Post Co., Ltd and other foreign postal operators
Books, drawings, carvings, and any other article which may harm public safety or morals (obscene or immoral materials, e.g. pornography)

Source: WTO document G/MA/QR/N/JPN/4, dated 16 October 2018

In addition to the above, imports of specified products are prohibited unless accompanied by specified certificates, import license or permits.

Import Licensing and other Import Restrictions

Import licences are required for a number of goods, such as agricultural products, medicines, propellant powders, nuclear goods, weapons, wild animals and plants, substances which deplete the ozone layer, specified hazardous wastes, waste chemical weapons goods, cultural property, alcohol, rough

diamonds, mercury, cultural property illegally removed from Iraq, and some others mentioned in Table 7 below. Licences are also required for products subject to import quotas.²⁶⁷ Marine items and substances that deplete the ozone layer, and waste products, are subject to both quota and approval based non-automatic licenses.

²⁶⁷See WTO document G/LIC/N/3/JPN/17, dated 9 October 2018. In addition, some information is provided in JETRO's Handbook for Consumer Products Import Regulations 2010. https://www.jetro.go.jp/ext_images/en/reports/regulations/pdf/cons2010ep.pdf

Table 7. Japan: Imported Products Subject to Quotas, Non-Automatic Licenses/Approvals

Import Quota
Marine Products
Substances which deplete the ozone layer, specified hazardous wastes, waste chemical weapons goods
Products mentioned above as being subject to TRQs
Non-Automatic Import License/Import Approval
Foreign Cultural Products
Marine Product (for various reasons)
Medicines
Propellant Powders
Nuclear Goods
Wild Animals and Plant
Substances which deplete the ozone layer, specified hazardous wastes, waste chemical weapons goods
Alcohol
Rough Diamond
Cultural Property Illegally Removed from Iraq
All of the Goods from North Korea
Weapons and Other Items from Eritrea
Weapons and Other Items from Libyan Arab Jamahiriya
Charcoal from Somalia
Chemical Weapons and Other Items Related to Chemical Weapons Programme and Cultural Property Illegally Moved from Syrian Arab Republic
Mercury with a mercury concentration of at least 95 per cent by weight and Mercury-added products listed in Part 2 of Annex A of the Minamata Convention on Mercury

Source: WTO document G/MA/QR/N/JPN/4, dated 16 October 2018; except for products subject to TRQs.

Note: WTO document G/LIC/N/3/JPN/17, dated 9 October 2018 provides details for marine products subject to quota and import approval (page 2 to 5), as well as several others mentioned in this Table (medicines, propellant powders, nuclear goods, weapons, wild animal and plants, ozone depleting products, waste; alcohol, and others).

A number of products require prior approval, permits, or certificates to be imported. These relate mostly to the TBT and SPS conditions which have been discussed above. In certain cases, the certificates or approvals have to be given by the appropriate authorities in the exporting countries.²⁶⁸

Labelling and Marking Requirements: Japanese law requires labels for textiles, electrical appliances

and apparatus, plastic products and miscellaneous household and consumer goods. Generally, labelling for most imported products is not required at the Customs but at the point of sale.

CONTINGENT PROTECTION MEASURES

Japan has not imposed any anti-dumping, countervailing or safeguard measure on Indian exports.

²⁶⁸See for example, a long list of products for which SPS certificate has to be provided by the National Plant Protection Organization in the exporting countries, to certify that the plants have been inspected and are considered to be free from quarantine pests.. <http://www.pps.go.jp/english/law/list1-2.html> and <http://www.pps.go.jp/english/law/list2-2.html>

REPUBLIC OF KOREA

TRADE

In 2017-18, India’s merchandise exports to South Korea were about US\$ 4.5 billion, and imports were US\$ 16.4 billion. India has a Comprehensive Economic Partnership Agreement (CEPA) with South Korea. Seven rounds of negotiations to upgrade the CEPA have been held (latest on 11-12 December 2018), and the two countries have agreed on an early harvest package for certain goods.

OVERVIEW

India and South Korea regularly discuss bilateral trade related concerns, with annual meetings at the Ministerial level and other meetings as required. The discussions include issues arising in the context of CEPA, as well as specific trade-related concerns linked to NTMs and associated processes for licensing or other trade restrictions.

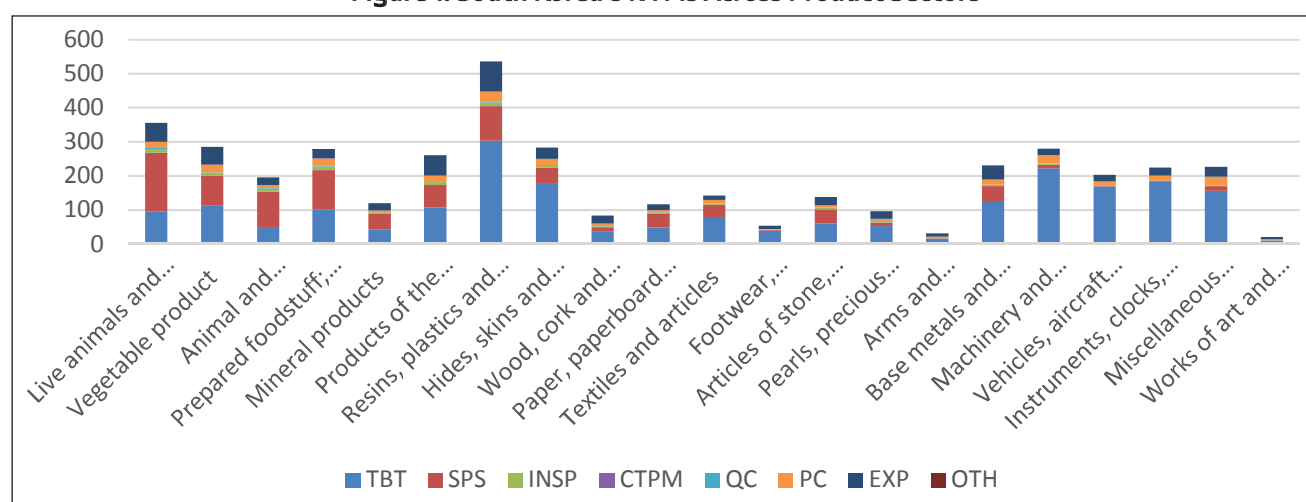
The main NTMs used by South Korea are Technical Barriers to Trade (TBT), Sanitary Phytosanitary Measures (SPS), quantitative import restraints, tariff rate quotas, and anti-dumping measures. Figure 1 shows that South Korea’s NTMs spread across many

sectors, and are more extensive than most other major export markets of India.

The maximum number of South Korea’s NTMs are TBT, followed closely by SPS. It is noteworthy that South Korea’s TBT measures are slightly higher in number than Japan’s, and SPS measures are similar in number to those of Japan. Thus, South Korea is also a country with high level of NTMs across several product categories exported by India²⁶⁹. In this context, in terms of use of NTMs across most product categories defined in terms of HS sections, South Korea is among the top five major trade partners of India.

Further, the language problems associated with Japan’s TBT and SPS regime are also relevant in the case of South Korea, and their procedures are complex. According to inputs from Indian industry, regulations lack transparency in a number of cases as they are framed in general terms and are subject to different interpretations in a system where government officials move from their jobs to another position.

Figure 1. South Korea’s NTMs Across Product Sectors



Source: TRAINS, UNCTAD

²⁶⁹This is also evident from a comparison of Japan and South Korea based on the WTO information on NTMs, at <https://i-tip.wto.org/goods/Forms/MemberView.aspx?data=default>

Table 1. Views Of Indian Exporters During Survey of Exporting Firms From India

Sometimes Customs valuation is not done appropriately	Agricultural products
Special emergency tariffs on import surge	Food products
Import Quota	Food products (rice), Leather and Footwear
Rules of origin for preferential tariffs create problems	Food products, Chemicals
Burden of environmental waste charges for processing waste	Food products
Non-transparent, discretionary, restrictive procedures and standards and conformity assessment procedures resulting in higher costs and more time compared to internationally recognised standards	Food products, Garment/Apparel
Highly restrictive testing and certification schemes in terms of procedures, time frames and cost of compliance	Electronic Equipment
Non-transparent and burdensome labelling	Food products
Prior approval by Korean FDA. Involves extensive clinical testing, submission of detailed pharma ingredient data, quality control test for each imported batch prior to market release, retention of locally issued Certificate of Analysis (COA) for subsequent batch and use of local testing facility	Pharmaceuticals
Problems with clearance procedures and taxes	Electronic Equipment
Burdensome prior approval requirement	Chemicals

The survey of Indian exporters shows that they have concerns regarding Customs valuation, import tariffs and safeguards imposed on a number of products, problems with the rules of origin for preferential tariffs, and prior approval, standards and testing and certification procedures being restrictive, non-transparent and discretionary, leading to higher costs and longer time periods for compliance. South Korea has standardised most of its measures with international standards,²⁷⁰ therefore the view that South Korean standards are more burdensome than international standards would tend to reflect implementation-related concerns (Table 1).

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

The Korean Standardisation System has a dual structure, consisting of technical regulations (mandatory standards) developed by Ministries and Government agencies, and Voluntary Standards set by the Korean Agency for Technology and Standards [KATS]²⁷¹. A number of regulations contain references to the voluntary standards, thus converting them into mandatory standards.

KATS is under the Ministry of Trade, Industry and Environment. It sets, administers, and

²⁷⁰Paragraph 3.75 of Secretariat Report for Trade Policy Review of the Republic of Korea, 2016. https://www.wto.org/english/tratop_e/tp_r_e/s346_e.pdf

²⁷¹<http://www.kats.go.kr/en/main.do>

disseminates Korean Industrial Standards. Korea Standards Association (KSA) provides information on standardisation, standards, certification and training.²⁷² It is an affiliate of KATS, a private and non-profit organization with responsibilities entrusted by the Government. KATS designates standards developers in the Korean private sector as Cooperating Organizations for Standards Development to perform standardisation-related tasks.²⁷³ Standards development is a significant part of Korea’s industrial policy. The National Standards Council reviews general plans for the introduction of national standards and coordinates the standards-related activities of the different Ministries.

Two information systems disseminate information on national standards, one from the Government (Korean Standards Information Center) and another from the private sector (Korean Standards Service Network).²⁷⁴ KATS runs the Korea Laboratory Accreditation Scheme (KOLAS), which accredits testing and calibration laboratories and inspection bodies, as well as the Korea Accreditation System.

The proliferation of TBT and SPS measures is evident also in Tables 2 and 3, which show the TBT and SPS measures faced by the Top 5 product categories of India’s exports to South Korea. It is evident that both the TBT and SPS requirements are extensive in these product categories.

Table 2. TBT Measures on India’s Top 5 Product Categories Exported to South Korea

	Type of TBT
Classification	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B33	Packaging requirements
B15	Registration requirement for importers for TBT reasons
B82	Testing requirement
B85	Traceability information requirements
B49	Production or post- production requirements
B7	Product quality or performance requirement
B42	TBT regulations on transport and storage
B14	Authorisation requirement for TBT reasons
B853	Distribution and location of products after delivery
B11	Prohibition for TBT reasons
B31	Labelling requirements

	Type of TBT
B9	TBT Measures n.e.s.
B21	Tolerance limits for residues of or contamination by certain substances
B41	TBT regulations on production processes
B859	Traceability requirements, n.e.s.
B22	Restricted use of certain substances
Classification	HS Chapter 76: Aluminium and articles thereof
B31	Labelling requirements
B853	Distribution and location of products after delivery
B7	Product quality or performance requirement
B82	Testing requirement
B42	TBT regulations on transport and storage
B84	Inspection requirement
B851	Origin of materials and parts

²⁷²It has both public and private sector membership, with over 4,300 members representing companies, industry associations, and other organizations.

²⁷³https://www.standardsportal.org/usa_kr/e/resources/COSD_directory.aspx

²⁷⁴For useful weblinks, see page 39 of https://ws680.nist.gov/publication/get_pdf.cfm?pub_id=912590

	Type of TBT
B21	Tolerance limits for residues of or contamination by certain substances
B83	Certification requirement
B41	TBT regulations on production processes
B859	Traceability requirements, n.e.s.
B15	Registration requirement for importers for TBT reasons
B853	Distribution and location of products after delivery
B14	Authorisation requirement for TBT reasons
Classification	HS Chapter 29: Organic Chemicals (India)
B81	Product Registration Requirement
Classification	HS Chapter 29: Organic Chemicals
B41	TBT regulations on production processes
B33	Packaging requirements
B9	TBT Measures n.e.s.
B32	Marking requirements
B7	Product quality or performance requirement
B31	Labelling requirements
B11	Prohibition for TBT reasons
B853	Distribution and location of products after delivery
B82	Testing requirement
B15	Registration requirement for importers for TBT reasons
B89	Conformity assessment related to TBT n.e.s.
B14	Authorisation requirement for TBT reasons
B42	TBT regulations on transport and storage

	Type of TBT
B49	Production or post- production requirements
B81	Product Registration Requirement
B852	Processing history
B85	Traceability information requirements
B859	Traceability requirements, n.e.s.
B21	Tolerance limits for residues of or contamination by certain substances
B851	Origin of materials and parts
B11	Prohibition for TBT reasons
B14	Authorisation requirement for TBT reasons
Classification	HS Chapter 72: Iron and Steel
B7	Product quality or performance requirement
B33	Packaging requirements
B85	Traceability information requirements
B859	Traceability requirements, n.e.s.
B31	Labelling requirements
B49	Production or post- production requirements
B14	Authorisation requirement for TBT reasons
B42	TBT regulations on transport and storage
B853	Distribution and location of products after delivery
B84	Inspection requirement
B851	Origin of materials and parts
B83	Certification requirement
B82	Testing requirement
Classification	HS Chapter 52: Cotton
B85	Traceability information requirements
B851	Origin of materials and parts
B859	Traceability requirements, n.e.s.

Source: TRAINS, UNCTAD

Note: The Classification details using the Codes mentioned in the Table can be seen from UNCTAD's publication on this subject. https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

Table 3. SPS Measures on India's Top 5 Product Categories Exported to South Korea

	Type of SPS		Type of SPS
Classi- fication	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	A89	Conformity assessment related to SPS n.e.s.
A64	Storage and transport conditions	A49	Hygienic requirements n.e.s.
A19	Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.	A859	Traceability requirements, n.e.s.
A33	Packaging requirements	A851	Origin of materials and parts
A31	Labelling requirements	A64	Storage and transport conditions
A853	Distribution and location of products after delivery		
A86	Quarantine requirement	Classi- fication	HS Chapter 76: Aluminium and articles thereof.
A42	Hygienic practices during production	A64	Storage and transport conditions
A22	Restricted use of certain substances in foods and feeds	A19	Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.
A859	Traceability requirements, n.e.s.	A33	Packaging requirements
A851	Origin of materials and parts	A31	Labelling requirements
A81	Product registration requirement	A853	Distribution and location of products after delivery
A49	Hygienic requirements n.e.s.	A42	Hygienic practices during production
A82	Testing requirement	A22	Restricted use of certain substances in foods and feeds
A21	Tolerance limits for residues of or contamination by certain substances	A859	Traceability requirements, n.e.s.
A19	Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.	A851	Origin of materials and parts
A15	Registration requirements for importers	A81	Product registration requirement
		A49	Hygienic requirements n.e.s.
Classi- fication	HS Chapter 29: Organic Chemicals	A82	Testing requirement
A41	Microbiological criteria on the final product	A21	Tolerance limits for residues of or contamination by certain substances
A63	Food and feed processing	A19	Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.
A31	Labelling requirements	A15	Registration requirements for importers
A853	Distribution and location of products after delivery		
		Classi- fication	HS Chapter 72: Iron and Steel
		-	No Measures

	Type of SPS
Classification	HS Chapter 52: Cotton
A86	Quarantine requirement
A853	Distribution and location of products after delivery
A33	Packaging requirements
A22	Restricted use of certain substances in foods and feeds

Source: TRAINS, UNCTAD

Note: The Classification details using the Codes mentioned in the Table can be seen from UNCTAD's publication on this subject. https://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf?user=46

	Type of SPS
A81	Product registration requirement
A21	Tolerance limits for residues of or contamination by certain substances
A82	Testing requirement
A15	Registration requirements for importers

TECHNICAL BARRIERS TO TRADE

South Korea has a large number of TBT measures, shown both by the total number of measures as well as the TBT notifications made to WTO. For example, since 2017, South Korea has notified 132 TBT measures.

In 2018, South Korea's TBT notifications to WTO covered secondary lithium cells, consumer chemical products, rubber and plastics products, telecommunication terminal equipment, active substances and biocidal products, which are subject to approval application, quasi-drugs such as insecticide, rodenticide etc, consumer chemical products subject to safety checks, pesticides and other agro-chemicals, packaging and distribution of goods, cosmetics, existing chemical substances that cause or may cause any harm to humans and animals due to their carcinogenic, mutagenic and reprotoxic properties, which should be registered by 2021, chemical substances that may cause endocrine disorders, or are highly bio-accumulative in humans or animals, and long-persistent in the environment, or may cause harm to human organs such as lung, liver and kidney when exposed, or that are likely to cause more severe damage, new chemical substances, polymer compounds, processed organic food, environmentally friendly agriculture goods

and fisheries, food, electromagnetic compatibility regulation, potato and food containing potato, appliances (ventilators, fans, air conditioners, compressors and pneumatic machines, vacuum cleaners), aviation security equipment, electricity meters non-phase-in substance and phase-in substance, carcinogenic or mutagenic substance, cleansing and hygienic paper products, washing machines for clothes, tobacco products, luminaires, motor vehicles, narcotics, health/functional foods, biological products, raw timber, lumber and treated wood, electrical vehicles' chargers and components, dish detergent, dishwasher rinse aid, paper products and tyres.

The objectives addressed by these measures included protection of human health and safety, protection of the environment, consumer information labelling, prevention of deceptive practices, harmonisation, and specifying quality requirements.

Specific trade concerns: India has not raised any specific trade concerns in the WTO regarding South Korea's TBT measures.

However, a number of other countries have done so. Since 2017, three specific trade concerns were raised with respect to Regulation on Registration and Evaluation of Chemical Material, Amendment of

the notification on Warning Messages on Smoking and Drinking, and Household Chemical and Biocidal Products.²⁷⁵

Auto parts: The Indian industry has shared its concern that self-certification, registration and marking requirements for auto parts are burdensome, and this burden keeps increasing over time as more and more parts are subjected to these requirements.

Pharmaceuticals: Feedback from Indian exporters shows that they consider the requirements for products such as pharmaceuticals and machinery and equipment burdensome. For example, for medical devices or pharmaceuticals, item-specific pre-approval involves the submission of extensive clinical trial data and other safety and efficacy-related data. Each batch of imported pharmaceutical products is subject to testing, even if it has already been tested and released by the manufacturer and the health authority of the country of origin.

Medical devices: Similar concerns are relevant for medical devices. The assessment for approval of these devices takes a very long time.

Chemicals – Act on the Registration and Evaluation of Chemicals: The Registration and Evaluation of Chemicals (K-REACH) Act came into force on January 1, 2015. KREACH requires manufacturers and importers of chemical substances to register and comply with annual reporting requirements. The concerns include lack of transparency and guidance on the ongoing implementation of this law.

From 1 January 2019:

- (a) K-REACH pre-notification will start from 1 January and end on 30 June 2019. All existing chemical substances manufactured or imported to Korea in volumes of 1 tonne or above have to be registered.
- (b) The Consumer Chemical Products and Biocides Safety Act came into force on 1 January 2019. It requires all new biocidal products to have the Ministry of Environment (MOE)'s approval before being placed on the Korean market. The active substances contained in that biocidal product must also be previously approved by the Ministry. For biocidal products that have already been placed on the market in South Korea before the Act came into force, companies are required to notify the authorities of information on market circulation. The MOE will then set various grace periods for those products.²⁷⁶

SANITARY AND PHYTOSANITARY MEASURES

Food safety and quality is overseen by a number of Ministries, including the Ministry of Food and Drug Safety (MFDS), Ministry of Agriculture, Food and Rural Affairs (MAFRA), the Ministry of Oceans and Fisheries, and the Ministry of Food and Drug Safety (MFDS).²⁷⁷ The MFDS facilitates food imports through the 'authorisation of foreign official laboratories' system and the 'pre-confirmed registration system of imported foods'. The former covers inspection agencies authorised by the Government of the exporting countries and the MFDS; it includes 59 agencies in 9 countries. Test results issued by these agencies are recognised by the MFDS, exempting the

²⁷⁵Previous TBT-related specific trade concerns include: Standards and Specifications for Wood Products, KS C IEC61646:2007 Standard for Thin-film Solar Panels; Draft amendment of Ordinance and Regulation of Motor Vehicle Control Act, Proposed SAR Values or EMF exposure in cell phones, Amendment to Radio Waves Act 1/2011, Good Manufacturing Practice requirements for cosmetics, Draft of Regulation for Measurement of Energy Efficiency of Tyres for Motor Vehicles, and Its Rating and Identification; Good Manufacturing Practice requirements for cosmetics, Proposed Cosmetics Labelling and Advertisement Guidelines, KFDA draft Guidelines for Management of Nanomaterials in Cosmetics, Requirements for Radio-Frequency Identification Tags for Imported Whiskeys, Windows Energy Efficiency, Ministry of Knowledge Economy (MKE) Notification 2011-263, December 2011; PVC flooring material and Wallpaper and paper linoleum, and toys; and, – Amendment to Radio Waves Act 1/2011

²⁷⁶<https://chemicalwatch.com/asiahub/72897/asia-pacific-regulatory-update-for-2019>

²⁷⁷The MFDS provides pre-market approval for other products as well, such as "functional" cosmetics which include whitening, anti-wrinkle, and sunscreen and tanning products.

subject imports from laboratory inspection. Under the 'pre-confirmed registration system of imported foods', foodstuff pre-approved and registered based on site inspection at the exporter's premises and having cleared an advanced test certification by an officially authorised agency are exempt from laboratory inspection. All food additives require prior approval. The Animal and Plant Quarantine Agency (QIA) handles animal and plant quarantine and inspection. The National Fishery Products Quality Management Service is responsible for fisheries.

Since 2017, South Korea has submitted 96 SPS notifications to WTO. It submitted 9 of them in 2019, which covered food products, foods, beverages, plants, plant products and fishery products.

The SPS notifications covered plants, plant products, foods, food products, animal products, natural casing derived from cloven-hoofed animals, living underground parts of *Jasminum* spp., food additives, nematode, pests, Maximum Residue Limits (MRLs), food utensils, containers and packages, health functional food products, environment-friendly agriculture and fishery products, processed organic foods, materials for organic farming, carrot seeds for sowing and living modified organisms.

These notifications addressed several objectives, such as food safety, human health, animal diseases, animal health, pesticides, mycotoxins, veterinary drugs, certification, control and inspection, plant disease, plant health, pests, bacteria, pest/disease free region, regionalisation, addressing contaminants, heavy metals, biotechnology, genetically modified organisms and territory protection.

Specific trade concerns: India has not raised any specific trade concern within the WTO regarding South Korea's SPS measures. As regards specific

trade concerns raised by other countries during the past two years, only one relating to SPS policy of Korea has been raised in 2018 at the WTO. This was Korea's import restrictions due to African swine fever. Earlier, in 2015, there was a specific trade concern regarding strengthened import restrictions on food and feed products with regard to radionuclides.

A number of trade concerns have been raised bilaterally by India. These relate to:

Equivalence of Indian Organic Standards with South Korea:

In July 2014, India approached South Korea for considering an equivalency arrangement for the export of organic products from India. The necessary documents sought by South Korea's National Products Quality Management Services (NAQS) were provided later. South Korea has asked for reciprocity on the equivalency arrangement. In April 2018, South Korea assessed the equivalence of India's National Programme for Organic Production (NPOP) with Korean organic certification system. The process is in an advanced stage, and bilateral consultations would be held by Korea to discuss difference in organic standards for the two countries as per the procedure for equivalency agreement. After receipt of the report comparing NPOP and South Korea's Organic System, India sought additional information to plan an on-site assessment in January 2019. This visit is planned for end-February or early March 2019. It is hoped that this process will be completed soon so that further trade in organic products is facilitated.

Grapes, Pomegranate, Okra and Brinjal: Another ongoing process relates to request for market access for grapes, pomegranates, okra and brinjal in the South Korean market, and to get Pest Risk Analysis (PRA) of Indian exports completed for this purpose. India has already submitted the required technical information. Earlier, the South Korean side informed that these issues would be taken up after

market access for mangoes is provided (see below) and exports of shelled walnuts would be allowed subject to issue of Phytosanitary Certificate (PSC) by India's National Plant Protection Organisation (NPPO). The Indian request is to expedite the market access process for grapes, pomegranates, okra and brinjal. The Indian side is examining the issue of markets access in India of South Korea's apples, pears, quince and mushrooms. The two sides are engaged on this, and on 13 April 2018, India informed South Korea that it had decided to give market access for pears, and further market access will be considered for other fruits under examination. India hopes that the process for its vegetable products would be completed soon.

Pre-clearance inspection for export of Indian mangoes to South Korea: Market access for Indian mangoes was granted by South Korea's Animal and Plant Quarantine Inspection Agency (QIA) in 2016, subject to the condition of pre-clearance inspection for the first year after the grant of market clearance. Whether to continue pre-clearance or not is to be determined after reviewing, through bilateral consultation, the results of the first year's pre-clearance inspection. In 2017, two Quarantine Inspectors from South Korea were posted to India for pre-clearance. No communication of any violation of mango import protocol has been received from South Korea. India has made two requests. One is to increase the number of Inspectors to five, so that commitments made by Indian exporters to Korean importers could be fulfilled. The second is to establish a process of equivalence and discontinue pre-inspection of mangoes by South Korean authorities from the 2019 mango season.

Bovine Meat: South Korea imports bovine meat only from the countries which are declared FMD free. India produces safe and risk-free meat products following OIE guidelines, and should be considered as a source of this product.

Another relevant specific issue for countries exporting to South Korea is as follows:

Maximum Residue Limits: South Korea has established a 'positive list' system for agrochemical residues and veterinary drugs. Under this system, imports of food containing agrochemical residues will be allowed only if the substance has been approved for the commodity in question, and a maximum residue level (MRL) has been established. A positive list was implemented for tropical fruits, oil seeds, and tree nuts in December 2016, and for all other plant products in December 2018. The plan is to implement this in December 2020 for veterinary drugs for meat, poultry and other animal products.²⁷⁸ If no domestic MRL has been established, then an import tolerance will be required in order to import foods containing the substance not approved for use in Korea. If no import tolerance is set, 0.01ppm will be applied as the default tolerance. However, for a smooth transition to the positive list system, MFDS will maintain the existing MRLs set for pesticides that are not registered for use in Korea until the end of 2021.²⁷⁹

IMPORT POLICIES

Under CEPA, South Korea does not have preferential tariffs for 11% of its tariff lines. Most of the excluded tariff lines are agricultural products (mainly from HS Chapters 02 to 04, 06 to 11, 16, 17, 19 to 22, and 24), and also a range of other products from HS Chapters

²⁷⁸See GAIN Report on South Korea's "Implementation of Positive List System for Maximum Residue Limits", dated 29 November 2018. This Report also shows the method for getting information on the latest MRLs set in South Korea. See pages 3 to 9 of the Report.

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Implementation%20of%20Positive%20List%20System%20for%20Maximum%20Residue%20Limits_Seoul_Korea%20-%20Republic%20of_11-27-2018.pdf

²⁷⁹Page 22 of

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Seoul_Korea%20-%20Republic%20of_1-26-2018.pdf

25, 27, 29, 33, 35, 44, 52, 68, 85 and 94. However, for a large portion of the tariff lines, South Korea's tariffs are zero for Indian exports. Thus, the situation for agricultural products is different from others, with high tariffs in several cases. These products are also subject to a high incidence of NTMs.

Tariffs and other Charges on Imports

The main exports of India to South Korea (i.e. those with export share of 0.5% or more), face mainly zero tariffs, except for three product categories: flue cured virginia tobacco (HS 24012010), other sesame

seeds (HS 12074090), and cotton grey (HS 52052310). Two of these product categories with high tariffs among major exports are agricultural products and one is a textiles product (Table 4 below).

Most of the categories in Table 3 are from HS Sections 5, 11 and 15, i.e. mineral products, textiles and articles and pearls, precious stones and metals, and coins. It is noteworthy that only three of them are agricultural products, and of these two face high tariffs.

Table 4. South Korea: Tariffs on India's Major Export Items, 2019

HS Section	HS Code	Commodity	Share in Total exports (%)	Tariff (%)
15	76011010	Aluminium ingots-not alloyed	15.99	0
5	27101290	Other	7.70	0
15	72024100	Ferro-chromium carbon contng>4% by wt	4.72	0
5	27101219	Other	4.23	0
15	74031100	Cathods and sectns of cathods of refind cop	4.10	0
5	27101990	Other petroleum oils and oils obtaine from bituminous minerals nes	3.93	0
7	79011100	Zinc, not alloyd, contng by wt >= 99.99% zinc	3.63	0
15	78011000	Refined lead	1.74	0
14	71023910	Diamond (othr thn indstrl diamond) cut or otherwise worked but not mounted or set	1.20	0
5	26011210	Agglomerated iron ore pellets	1.14	0
4	23064900	Other residues of rape or colza seeds	1.09	0
6	29012400	Unstrd but-1,3-diene and isoprene	1.00	0
5	27109900	Other waste oil	0.94	0
5	26011139	65% fe and above	0.88	0
11	54023300	Textured yarn of polyesters	0.83	0
15	76012020	Aluminium billets - alloyed	0.76	0
4	24012010	Flue cured virginia tobacco partly / wholly stmd/stripped	0.68	20
2	12074090	Other sesamum seeds w/n broken	0.65	630% or 6,660/kg#

HS Section	HS Code	Commodity	Share in Total exports (%)	Tariff (%)
18	90328910	Elctrc automatic regulators (controllers)	0.63	0
15	78019990	Other unrefined lead and lead alloys n.e.s	0.57	0
6	29041040	Vinyl sulphone	0.56	0
11	52081290	Others	0.55	0
11	52052310	Grey	0.54	8#
15	72222012	Bright bars-nckl chromium austenitic type	0.54	0
15	72023000	Ferro-silico-manganese	0.52	0

Source: DGCIIS Data, Department of Commerce

These tariffs are unchanged under CEPA.

Tariff Rate Quota (TRQ)

Tariff rate quotas are in place for several products, mainly agricultural products. The out of quota tariffs for the products subject to TRQ is usually high. Tariff rate quotas apply to 227 tariff lines of agriculture products. These include for example:

Live animals and birds (cattle, swine, poultry, pure-bred breeding animals), milk and cream (including evaporated milk, milk powder, granules, or other solid forms), buttermilk, whey, butter and other fats, eggs of fowls of the species Gallus Domesticus, natural honey, silkworm eggs, jujubes, green tea, ginger, pine nut, fruit trees (apple, pear, peach, citrus, mulberry, oranges, Korean citrus, other citrus), vegetables (potato, onions, garlic, peppers, capsicum, beans, manioc, sweet potatoes, yam, other roots and tubers), rye for seed, maize, barley, rice (husked and in the husk, semi-milled or wholly milled, broken), sorghum, other cereals, rice flour, other flour, groats and meals, pellets of grains, potatoes (flour, meal, and powder), malt, starch (wheat, maize, potato, manioc, other starches), inulin, soybeans, groundnuts, ginseng (root, powder, other), lactose, sesame oil and its fractions, artificial honey, other food preparations, fermented alcohol

for making of liquor, glues (starch, dextrin, other) and raw silk more than 20 decitex.

South Korea uses specified government institutions to import some of the key products covered by TRQ, namely the Ministry of Agriculture, Food and Rural Affairs (MAFRA) and Korea Agro-fisheries & Food Trade Corporation (KAFTC). MAFRA has the exclusive right to import rice under the minimum Market Access commitments made by South Korea in WTO.²⁸⁰ KAFTC imports products such as soya beans, small red beans, green beans, buckwheat, capsicum, garlic, onions and sesame seeds. The private sector is also allowed to import parts of the total imports under quota.

Autonomous or Voluntary Tariff Quota

Korea grants concessional tariffs using autonomous tariff quotas, mainly for raw materials, inputs, semi-processed goods, components and parts. The aim is to stabilise prices through increased supply and to reduce costs of operations, particularly in agricultural and livestock industries. For 2019, the Korean authorities have announced such Voluntary Tariff Quotas for several agricultural products, and some products from the leather, textiles (yarn), and

²⁸⁰WTO document G/STR/N/17/KOR, dated 9 July 2018.

plywood sectors. The products subject to Voluntary Tariff Quota in 2019 include²⁸¹: young eel, manioc chips for spirits, sugar, beet-pulp and cotton seed hull for mushroom farming, soybean for oil crushing, hides and skins of bovine, cotton yarn, and several products for feed²⁸².

NON-TARIFF MEASURES

South Korea has a number of non-tariff restrictions in the form of prohibitions, licences, permits, and prior approval.

Prohibition/Conditional Prohibitions

South Korea prohibits a number of products, which can be imported only with specific permits. These include narcotics, psychotropic drugs, cannabis and precursors, defence materials, internationally endangered species, endangered wildlife, biological resources subject to approval for being taken out of the country and wild animals subject to export/import permit.

Other products which require specific permits include: fishery products,²⁸³ weapons (including replicas and decorations) such as guns and swords, as well as gunpowder, explosives, toxins, etc, goods subject to the laws on the treatment and movement of waste matter between countries, plants, fruits and vegetables, agricultural and forestry products, animal products (including meat, skin, fur), livestock animal fodder, designated natural assets.

Import Licensing, Permits, Prior Permission/Approval

Import licensing is maintained to protect national security, human, animal or plant life or health, and the environment. These requirements cover a large

number of tariff lines, including those, for example, mentioned in the sections on TBT and SPS.

Korea has over 50 laws under which such import controls take place. The requirements for licensing of permits cover a range of imported products, such as:

Rice, agricultural fertiliser ,agrochemicals, specified animal and animal products, plants and plant products, crop seed, vegetable seeds and fruit trees for sale, pure-bred breeding stock, livestock products, silkworm, marine animals and plants, agro-fishery bio-resources, feed-grains, crude oil, petroleum (including natural gas, propane and butane), Petroleum Alternative Fuel, high pressure gas, container and facilities, gas appliances, controlled substances under the Montreal Protocol, designated electric appliances which can cause danger or injury, specific chemicals, biological agents (pathogens on humans, animals and plants) and toxins, designated consumer products which can cause danger or injury, legal measuring instruments, Wildlife animals, timber, EMI or EMC equipment, telecommunication equipment, nuclear materials, radioisotope, radiation generators, tobacco, finished pharmaceuticals, materials for medicines or for herbal drugs, medical devices, narcotics for medicine, cannabis, finished pharmaceuticals and materials for medicine, cosmetics, food, food additives, apparatus, containers and packages, health functional food, transplant material of human tissue, harmful substances (e.g. yellow phosphorous matches, benzidine),new chemical substances (e.g. chemical elements, radioactive substances),harmful or hazardous equipment (e.g. cranes, lifts),protective

²⁸¹For details of these products, see "2019 Korea's Adjustment and Quota Tariff Schedule", Gain report Number: KS1901. https://gain.fas.usda.gov/Recent%20GAIN%20Publications/2019%20Korea's%20Adjustment%20and%20Quota%20Tariffs%20Schedule_Seoul_Korea%20-%20Republic%20of_1-15-2019.pdf

²⁸²The various products used for feed are: whey, manioc pellets, oats, maize, unhulled barley, soybean cake for feed, cotton seed and oilcake, alfalfa meal and pellets, fodder roots and other vegetables, animal or vegetable fat, lactose and lactose syrup, cane molasses, wheat bran, beet-pulp, brewing and distilling dregs and waste, and other preparations used for feed.

²⁸³WTO document G/LIC/N/2/KOR/2, 3 February 2017.

equipment (e.g. safety helmet), military products, firearms, swords and explosives, liquor, chemical substances, animals and plants detrimental to the ecosystem, endangered wild animals and plants, bottled water, water treatment chemicals and its container, bottled water, wastes, pesticides and toxics using can, glass and plastic container- anti-freeze, gum, disposable diaper, resources used in electrical and electronic equipment and vehicles, motor vehicles, and construction equipment.

The aircraft sector is a special focus of the non-automatic licence regime of South Korea. Non-automatic licences are in place for a large number of products relating to aircrafts, such as: retreated or used tyres, inner tubes, other articles of vulcanised rubber, safety glass, engine parts, turbo jets and propellers and parts, gas turbines, certain types of engines, fans, vacuum pump, aeroplanes and other aircraft, parachutes, space craft, launching gear and

parts thereof, filters, transmission shafts, bearing, gear and gearing, flywheels and pulling, clutches and shaft couplings, transmission elements, radar apparatus, ignition elements, thermostats, automatic regulators and seats of the kind used in aircraft.

There is a major overlap between products subject to import licence and permits and those subject to TBT and SPS measures.

CONTINGENT PROTECTION MEASURES

South Korea has not imposed any countervailing or safeguards on Indian exports. There are 4 South Korean anti-dumping measures in place on Indian exports.

Anti-Dumping Measure

South Korea has imposed anti-dumping measures on India's exports of stainless-steel bar, PET film, ethyl acetate and ferro-silico manganese.

SUMMARY DISCUSSIONS OF NTMs IN OTHER MAJOR EXPORT MARKETS

The section on 'Other major export markets for Indian exports' is treated as one self-contained section. Therefore, the Tables are numbered sequentially for the whole section, rather than separately for each country.

In this section of the Report, the discussion is mainly on technical barriers to trade (TBT), and sanitary and phytosanitary measures (SPS), together with a summary of certain other NTMs. The countries are organised in alphabetical order, i.e. Australia, Brazil, Indonesia, Israel, Mexico, Saudi Arabia, Sri Lanka, Thailand and Turkey.

In view of the large presence of TBT and SPS measures, more attention is given to them. A summary of the situation with respect to the different NTMs is shown by the Charts in the 'Overview' for each country discussed in this section. These Charts show the presence of measures other than TBT and SPS as well, such as for Australia. However, some of them are export controls and thus not relevant to the focus of this Report.

Some measures such as import prohibition and import licensing are not specifically discussed. Nonetheless, in the case of certain countries for whom recent information on such measures is available, the relevant references to the information sources are provided in the footnotes.

AUSTRALIA

TRADE

India's merchandise exports to Australia in 2017-18 were about US\$ 4 billion and imports were about US\$ 14 billion.

OVERVIEW

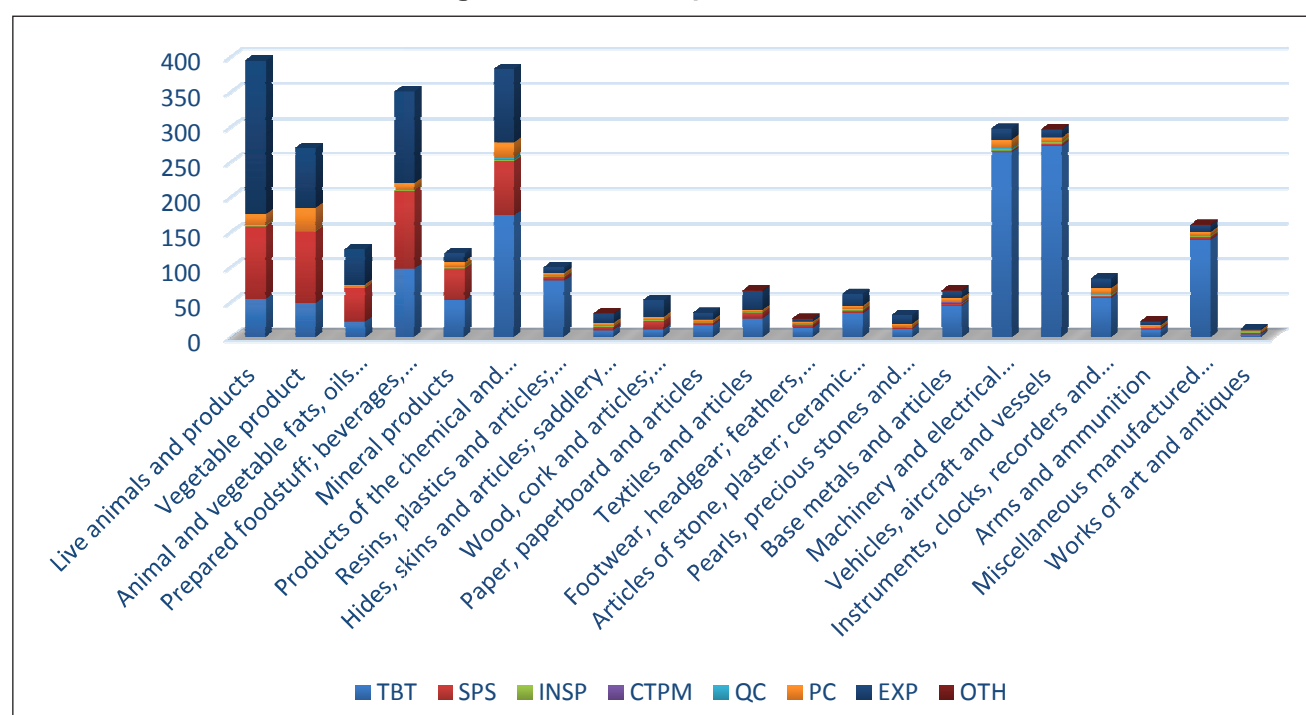
Australia's NTM profile is different from most of the other major markets. In addition to the relatively large significance of Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS), Australia also uses a large number of export restraints, mainly for agricultural products and

chemicals (Figure 1). In addition, for a number of products, it has imposed additional charges such as emission charges, Customs inspection, processing and servicing fees, and charges on certain imported controlled products.²⁸⁴

TECHNICAL BARRIERS TO TRADE

Table 1 shows the TBT measures imposed by Australia that affect India's top five export product categories. Four of these have products whose imports are prohibited on TBT-related grounds, and one other has restriction on use or authorisation required for TBT reasons.

Figure 1: Australia: Imposition of NTMs



Source: TRAINS, UNCTAD 2018

²⁸⁴Information On Other NTMs: Some recent documents that provide information on other NTMs of Australia, include: WTO document G/LIC/N/3/AUS/10, dated 20 September 2018 for import licensing, for imports under Tariff Quota in 2017-18, WTO document G/AG/N/AUS/122, dated 28 January 2019, and see WTO document G/MA/QR/N/AUS/3, dated 10 August 2017 for Quantitative Restrictions.

Table 1. TBT Measures Imposed on Top Five Export categories of India to Australia

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B81, B14, B85, B19, B83, B7, B9, B33, B42, B31, B15, B84, B82, B22, B21, B41	Product registration requirement, Authorisation requirement for TBT reasons, Traceability information requirements, Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s., Certification requirement, Product quality or performance requirement, TBT Measures n.e.s., Packaging requirements, TBT regulations on transport and storage, Labelling requirements, Registration requirement for importers for TBT reasons, Inspection requirement, Testing requirement, Restricted use of certain substances, Tolerance limits for residues of or contamination by certain substances, TBT regulations on production processes
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins
B11, B9, B15, B84, B14, B33, B31, B82	Prohibition for TBT reasons, TBT Measures n.e.s., Registration requirement for importers for TBT reasons, Inspection requirement, Authorization requirement for TBT reasons, Packaging requirements, Labelling requirements, Testing requirement
	HS Chapter 30: Pharmaceuticals Products
B85, B21, B84, B81, B14, B83, B82, B15, B49, B41, B7, B31, B6, B9, B33, B42, B22, B11, B32, B14, B859, B851, B852	Traceability information requirements, Tolerance limits for residues of or contamination by certain substances, Inspection requirement, Product registration requirement, Authorization requirement for TBT reasons, Certification requirement, Testing requirement, Registration requirement for importers for TBT reasons, Production or Post-Production requirements n.e.s., TBT regulations on production processes, Product quality or performance requirement, Labelling requirements, Product identity requirement, TBT Measures n.e.s. Packaging requirements, TBT regulations on transport and storage, Restricted use of certain substances, Prohibition for TBT reasons, Marking requirements, Authorization requirement for TBT reasons, Traceability requirements n.e.s., Origin of materials and parts, Processing history
	For India HS Chapter 30: Pharmaceuticals Products
B14	Authorisation requirement for TBT reasons
	HS Chapter 86: Railway or tramway locomotives, rolling-stock and parts thereof, railway or tramway track fixtures and fittings and parts thereof, mechanical
B9, B22, B15, B84, B14, B82	TBT Measures n.e.s., Restricted use of certain substances, Registration requirement for importers for TBT reasons, Inspection requirement, Authorization requirement for TBT reasons, Testing requirement
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B14, B82, B49, B6, B81, B7, B31, B33, B83, B32, B85, B84, B15, B19, B11, B9, B22	Authorisation requirement for TBT reasons, Testing requirement, Production or Post-Production requirements n.e.s., Product identity requirement, Product registration requirement, Product quality or performance requirement, Labelling requirements, Certification requirement, Marking requirements, Traceability information requirements, Inspection requirement, Registration requirement for importers for TBT reasons, Prohibitions or restrictions of products or substances because of TBT reasons n.e.s., Prohibition for TBT reasons, TBT Measures n.e.s., Restricted use of certain substances

Source: TRAINS, UNCTAD

TBT Notifications in WTO: Since 2017, Australia has submitted 8 TBT notifications to the WTO. They covered refrigerated display cabinets, refrigerated storage cabinets, gelato scooping cabinets, small ice cream freezers, motor vehicles, outboard motors, genetically modified organisms (GMO), air conditioning machines, ventilators, fans, cosmetics and cosmetic ingredients and foods sold in Australia.

The objectives addressed included: protection of human health or safety, protection of animal or plant life or health, protection of the environment, consumer information, and labelling.

Specific trade concerns raised in WTO: In recent years, no specific trade concern relating to TBT measures of Australia has been raised in WTO.

SANITARY AND PHYTOSANITARY MEASURES

Two of the top five major export categories of India to Australia face a significant number of SPS measures (Table 2). All the five categories have products which are subject to quarantine requirements.

SPS Notifications in WTO: Since 2017, Australia has submitted 94 SPS notifications to the WTO. They covered foods, cut flowers and foliage, dates, fresh fruits, vegetables, bio-security requirements, sea-freight consignment of containerized bulk cargo, beef, prawns, coconut, cheese, meat, spices, processed foods, canned food, fresh Tahitian limes, GMOs, crop seeds for sowing, plants and plant-based products, captive non-human primates from zoos or research institutions and natural casings.

Table 2. SPS Measures Imposed on Top Five Export categories of India to Australia

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
A89, A69, A59, A83, A82, A86, A14	Conformity assessment related to SPS n.e.s., Other requirements on production or post-production processes n.e.s, Treatment for elimination of plant and animal pests and disease-causing organisms in the final product n.e.s., Certification requirement, Testing requirement, Quarantine requirement, Special Authorisation for SPS reasons
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, prec. metals, clad with prec. metal and artcls thereof, imit. jewellery, coins
A86, A14	Quarantine requirement, Special Authorisation for SPS reasons
	HS Chapter 30: Pharmaceuticals Products
A89, A33, A69, A22, A851, A31, A82, A86, A14	Conformity assessment related to SPS n.e.s., Packaging requirements, Other requirements on production or post-production processes n.e.s, Restricted use of certain substances in foods and feeds, Origin of materials and parts, Labelling requirements, Testing requirement, Quarantine requirement, Special Authorisation for SPS reasons
	HS Chapter 86: Railway or tramway locomotives, rolling-stock and parts thereof, railway or tramway track fixtures and fittings and parts thereof, mechanical
A86, A14	Quarantine requirement, Special Authorization for SPS reasons
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
A86, A14	Quarantine requirement, Special Authorization for SPS reasons

Source: TRAINS, UNCTAD

The objectives addressed included: Food safety, human health, plant health, plant diseases, animal health, animal diseases, pests, bacteria, contaminants, pesticides, veterinary drugs, Maximum Residue Limits (MRLs), pest-free or disease-free regions, GMOs, territory protection and modification of content/scope of regulations.

Specific trade concerns raised in WTO: In recent years, India has raised one concern three times (in 2015) regarding Australia's non-acceptance of OIE categorisation of BSE.

In addition, two other specific concerns were raised

in WTO by Chile, that may be relevant for India as well. These were an undue delay in start of risk analysis for avocados and undue delay in approval process for chicken meat.

Issues raised bilaterally by India: In the SPS Committee of WTO, India bilaterally raised with Australia issues regarding delay in market access for grapes, fruits and vegetables (2017), and delay in market access for fruits and vegetables (2015).

TARIFFS

India's major export items to Australia, face relatively low tariffs (Table 3).

Table 3. Tariffs on India's Major Exports to Australia

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
5	27101930	High speed diesel (hsd)	19.82	\$0.416/L
5	27101219	Other	6.63	\$0.416/L
5	27101920	Aviation turbine fuel (atf)	5.33	\$0.416/L of diesel plus \$0.416/L of ethanol plus \$0.416/L of other substances (if any) in the blend
14	71023910	Diamond (othrthnindstrl diamond) cut or otherwise worked but not mounted or set	4.07	0
17	86050000	Rlway/trmwaypasngrcoachs,lugage vans, post offcecoachs and othrspclrlway/trmwaycoachs,ntslf-prpld(exclitm	3.61	5
14	71131930	Jewellery of gold set with diamond	2.42	5
6	30049099	Other medcne put up for retail sale n.e.s	1.89	0
5	27101290	Other	1.43	0
17	86031000	Coachspwrdr from extrnl source of elctrcty	1.42	5
2	10063020	Basmati rice	0.99	0
11	63026090	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton, other than handloom	0.87	5
17	87032391	Motor car wthcylndrcpcty>=1500cc but <3000cc wthsprk-igntn	0.72	5

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
6	30049069	Other nonsteroidal antiinflammatory, analgestics and antipyretic drugs	0.69	0
11	61091000	T-shirts etc of cotton	0.64	5
17	87032291	Motor car wthcylnrcpcty>=1000cc but < 1500cc wthsprk-igntn	0.62	5
16	85446020	Plastic insltcdndctrsfrvltge>1000 v	0.57	5

Source: DGCIS Data, Department of Commerce

Contingent Trade Protection Measures

India's exports of 'zinc coated (galvanised) steel' are subject to contingent trade protection measures in Australia.

Anti-dumping

Australia has imposed one anti-dumping measure against India's export of 'zinc coated (galvanised) steel'.

Countervailing Measures

Australia has one countervailing measure against India's exports of the same product on which it has an anti-dumping measure.²⁸⁵

Safeguards

Australia has no safeguard measure at present.

²⁸⁵See semi - annual Reports of Australia for anti-dumping and for countervailing measures

BRAZIL

TRADE

India's merchandise exports to Brazil were about US\$ 3.1 billion, and imports were US\$ 5.5 billion in 2017-18.

OVERVIEW

Brazil has a high incidence of SPS measures for agricultural products, and considerable use of TBTs for several product categories (Figure 2). Further, as shown below, a large portion of the TBT and SPS measures are of recent origin.²⁸⁶

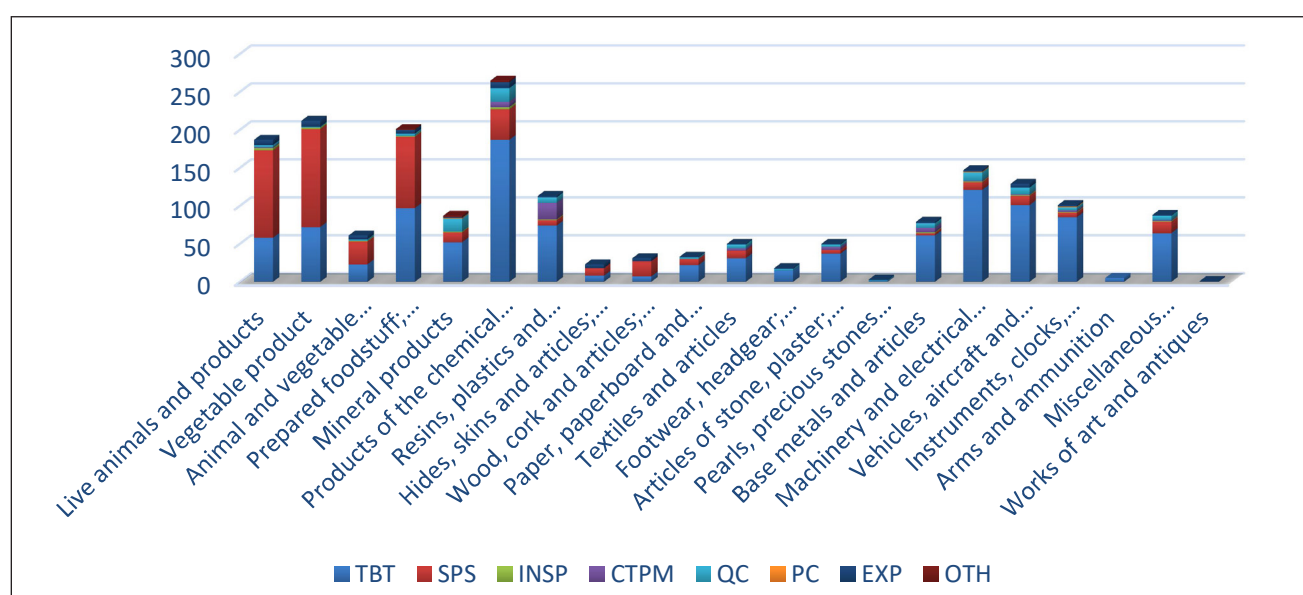
TECHNICAL BARRIERS TO TRADE

India's top five export categories face several TBT measures (Table 4). Four of these categories have products which are subject to import prohibition in Brazil.

TBT Notifications in WTO: Since 2017, Brazil has made 289 TBT notifications to the WTO. They cover: Plastic materials and polymer coatings, agriculture and

livestock products, fish and crustaceans, molluscs and other aquatic invertebrates, electrical lighting or signalling equipment for motor vehicles, agriculture and livestock products, advanced investigational therapy, medical products containing controlled substances, wheeled toys designed to be ridden by children (for example, tricycles, scooters, pedal cars), dolls' carriages, pharmaceutical products, medicaments and biological products, medical devices, pneumatic tires use on bicycles for adults use, fruit juices and vegetable juices, wine and other fermented beverages, milk and cream, medical equipment, aids for deaf and hearing impaired people, aids for incontinence and ostomy, cosmetics, toiletries, transportable containers for liquefied petroleum gas, lead acid accumulators, maximum vehicles emission limits, parts and accessories of vehicles, parts and accessories for motor cycles/cycles, instruments & apparatus for measuring pressure, toys, meat and edible meat offal, vaccines,

Figure 2. NTMs Imposed By Brazil



Source: TRAINS, UNCTAD 2018

²⁸⁶Information On Other NTMs: Some recent information on Prohibitions and Import Licensing of Brazil, is in WTO document G/MA/QR/N/BRA/2, dated 28 September 2018.

Table 4. TBT Measures Imposed on Top Five Export categories of India to Brazil

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B7, B82, B83, B6, B84, B8, B31, B33, B81, B9, B89, B14, B32, B11, B22, B41	Product quality or performance requirement, Testing requirement, Certification requirement, Product identity requirement, Product identity requirement, Conformity assessment related to TBT, Labelling requirements, Packaging requirements, Product registration requirement, TBT Measures n.e.s., Conformity assessment related to TBT n.e.s., Authorisation requirement for TBT reasons, Marking requirements, Prohibition for TBT reasons, Restricted use of certain substances, TBT regulations on production processes
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B82, B31, B7, B83, B8, B11, B84, B9, B14, B32, B33, B89, B22, B81, B41	Testing requirement, Labelling requirements, Product quality or performance requirement, Certification requirement, Conformity assessment related to TBT, Prohibition for TBT reasons, Inspection requirement, TBT Measures n.e.s., Authorisation requirement for TBT reasons, Marking requirements, Packaging requirements, Conformity assessment related to TBT n.e.s., Restricted use of certain substances, Product registration requirement, TBT regulations on production processes
	HS Chapter 54: Man-made filaments
B31, B14, B81	Labelling requirements, Authorisation requirement for TBT reasons, Product registration requirement
	HS Chapter 29: Organic Chemicals
B11, B33, B42, B84, B14, B15, B31, B4, B9, B81, B41, B82, B32, B7, B83 B49	Prohibition for TBT reasons, Packaging requirements, TBT regulations on transport and storage, Inspection requirement, Authorisation requirement for TBT reasons, Registration requirement for importers for TBT reasons, Labelling requirements, Production or post production requirements, TBT measures n.e.s., Product registration requirement, TBT regulations on production processes, Testing requirement, Marking requirements, Product quality or performance requirement, Certification requirement, Production or post-production requirements
	HS Chapter 38: Miscellaneous chemical products
B31, B14, B33, B7, B81, B82, B4, B9, B83, B49, B84, B15, B41, B11	Labelling requirements, Authorisation requirement for TBT reasons, Packaging requirements, Product quality or performance requirement, Product registration requirement, Testing requirement, TBT regulations on production processes, TBT measures n.e.s., Certification requirement, Production or post- production requirements, Inspection requirement, Registration requirement for importers for TBT reasons, TBT regulations on production processes, Prohibition for TBT reasons

Source: TRAINS, UNCTAD

mattresses and mats, liquid-in-glass thermometers, valves, used in gas appliances, helmets, safety headgear, sugars and sugar confectionery, systems and equipment for water heating using solar energy, other electric lamps, air conditioning machines, mineral fertilisers, electric transformers, specific medicines, food and packaging, food supplements and labelling, hydrometers, thermometers, pyrometers, barometers, hygrometers and psychrometers, personal care products, in-vitro diagnosis products, cribs and cradles for domestic use, certification of Good Manufacturing Practices and Certification of Good Distribution Practices, dental products, household products, procedures for import and export of goods and products destined for scientific or technologic research and research involving humans, methanol (methyl alcohol), hydrocarbon derivatives, textiles and textile articles - silk, including yarns and woven fabric, wool and animal hair, including yarn and woven fabric, cotton including yarn and woven fabric, and many more.²⁸⁷

The objectives addressed were: protection of human health or safety, protection of animal or plant life or health, prevention of deceptive practices, consumer information, labelling, quality requirements, protection of environment and consumer security.

Specific trade concerns raised in WTO: India has not raised any specific trade concern relating to TBT measures of Brazil after 2014. In 2014, India raised its concern regarding Brazil's 'Higher Risk Medical Devices Good Manufacturing Practice (GMP) Certification'. India had also raised this issue in bilateral meetings (see below).

Since 2017, four specific concerns have been raised by other countries. They relate to draft technical resolution on labelling beverages, wine and grape

derivatives, quality standards for beverages, wine and grape derivatives and ordinance on toy certification.

Issues raised bilaterally by India: In 2014, in its bilateral meeting with Brazil at the WTO, India had sought justification from Brazil for fixing standards different from international standards (higher risk medical devices GMP certificate).

SANITARY AND PHYTOSANITARY MEASURES

It is noteworthy that while India's major exports to Brazil are non-agricultural products, there are still a significant number of SPS measures imposed on them (Table 5).

SPS Notifications in WTO: Since 2017, Brazil has made 322 SPS notifications to the WTO. They cover: fermented and dried beans, peony flowers, granadilla fruits, hatching eggs of poultry and day-old poultry, pomegranate fruit, shallot bulbs, safflower seeds, chia, brachiary seeds, ryegrass seeds, radish, semi-finished or semi-finished raw materials and foodstuffs, pig, bovine carcasses and beef trimmings, swine meat, plant products, ornamental birds and their hatching eggs, phytosanitary requirements for the import of pecans produced in Argentina, phytosanitary requirements for the importation of substrate as raw material, finished product or accompanying plants, regardless of origin, tulip stems with flowers, grains of wheat, seeds, potato propagation material, pesticides, components, related products and wooden preservatives, fresh fruit of blueberry, in-vitro seedlings of pinus, host species of amaranthuspalmeri, cured fish, food additives, mangoes, grazing, eucalyptus, diagnostic tests. Tuberculin purified protein derivative, animal diseases, food safety, human health, pests,

²⁸⁷More detail is available at the weblink <http://tbtims.wto.org/en/Notifications/Search>. The name of the country whose information is required should be filled in the space for "Notifying Member".

Table 5. SPS Measures Imposed on Top Five Export categories of India to Brazil

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
A84, A15, A82, A851, A14, A13, A83, A42	Inspection requirement, Registration requirements for importers, Testing requirement, Origin of materials and parts, Special Authorization for SPS reasons, Systems Approach, Certification requirement, Hygienic practices during production
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
A82, A84, A14, A13, A83 A59, A42	Testing requirement, Inspection requirement, Special Authorization for SPS reasons, Systems approach, Certification requirement, Treatment for elimination of plant and animal pests and disease-causing organisms in the final product n.e.s., Hygienic practices during production
	HS Chapter 54: Man-made filaments
-	No Measure
	HS Chapter 29: Organic Chemicals
A15, A82, A84, A14, A13, A21, A83, A11, A81, A852	Registration requirements for importers, Testing requirement, Inspection requirement, Special Authorisation for SPS reasons, Systems Approach, Tolerance limits for residues of or contamination by certain substances, Certification requirement, Temporary geographic prohibition for SPS reasons, Product registration requirement, Processing history
	HS Chapter 38: Miscellaneous chemical products
A83, A15, A82, A84, A14, A21, A81, A852	Certification requirement, Registration requirements for importers, Testing requirement, Inspection requirement, Special Authorisation for SPS reasons, Tolerance limits for residues of or contamination by certain substances, Product registration requirement, Processing history

Source: TRAINS, UNCTAD

zoonoses, certification, control and inspection, food safety, human health, beverages, and food additives.

The objectives addressed were: Food safety, food additives, human health, plant health, plant diseases, animal health, animal diseases, pests, bacteria, contaminants, heavy metals, pesticides, veterinary drugs, Maximum Residue Limits (MRLs) certification, control and inspection, pest-free or disease-free regions, GMOs, territory protection, and modification of content/scope of regulations.

Specific trade concerns raised in WTO: India has not raised any specific trade concern relating to Brazil's SPS measures. In recent years, two specific trade concerns were raised by Ecuador regarding Brazil's SPS measures, one on bananas and another on shrimp.

TARIFFS

A large number of India's major export product categories face double-digit tariffs. Thus, the trade restraints from both tariffs and NTMs are high for several of the major export products to Brazil.

Table 6. Tariffs on India's Major Exports to Brazil

HS Section	HS Code	Product	Share in Total Exports (%)	Tariffs (%)
11	54023300	Textured yarn of polyesters	6.26	18#
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	5.48	18#
6	38089199	Other insecticide nes	5.30	8 and 14#
6	38089910	Pesticides, not elsewhere specified or inc	2.89	14#
6	30049099	Other medcne put up for retail sale n.e.s	2.56	8#
6	38089290	Others fungicide nes	2.24	8 and 14#
16	84073410	Sprk-igntn engines for motor cars	1.87	18#
11	54024600	Yarn of polyester,prtlyorntd,untwstd or wth a twist <= 50 turns per mtr, single	1.70	18#
15	76011010	Aluminium ingots-not alloyed	1.68	5.4
6	29420090	Other diloxanide furoate, cimetidine, famotidine nes	1.48	1.8
6	38089390	Other herbicides-anti-sprouting products	1.27	8, 12 and 14#
6	29339900	Other heterdcycliccmpnds with nitrogen hetro atom (s) only	1.16	1.8 and 12.6
6	30049049	Other anticancer drugs	1.14	8#
7	40112010	Radials tyres used on buses/lorries	0.93	16#
11	55095300	Other yarn of polyster staple fibrs mixed mainly/solely with cotton	0.92	18#
6	29024300	P-xylene	0.83	4#
13	69072100	Of a water absorption coefficient by weight not exceeding 0.5%	0.80	14#
15	73259100	Grindng balls and smlrartcls for mills of malleable cast iron	0.77	14#
16	84834000	Gears and gearng, excluding toothd wheels, trnsmsn elmnts prsntd seprtlly, ball scrws,gearboxs and speed chngrs, incl torque converters	0.70	14#
5	27101930	High speed diesel (hsd)	0.65	0
17	87089400	Steerng wheels, steerng columns and steerng boxes	0.65	12.6 and 16.2
6	29322090	Other lactones	0.63	1.8
15	72222012	Bright bars-nckl chromium austenitic type	0.56	14#
16	84089090	Others	0.54	2 and 16#
6	29331990	Other compnds containing an unfused pyrazole ring (w/n hydrgntd) in the structure	0.53	1.8

Source: DGCIIS Data, Department of Commerce

Note: #: Tariff will remain at this level

Contingent Trade Protection Measures

India's exports are subject to 9 contingent trade protection measures by Brazil, 7 anti-dumping and 2 countervailing duty measures.

Anti-dumping

Brazil has imposed 7 anti-dumping measures against India's exports. These are on sacks and bags of jute, new bicycle/bike rubber tyres, polypropylene

resin, PET films, PET Resin, grinding balls and iron pipes.

Countervailing Measures

Brazil has imposed 2 countervailing measures against India's exports. They are on PET film and grinding balls.

Safeguards

Brazil has no safeguard measure on Indian exports.

INDONESIA

TRADE

India's merchandise exports to Indonesia were US\$ 4 billion in 2017-18 and imports were about US\$ 16.4 billion during the same period. India has a Comprehensive Economic Co-operation Agreement (CECA) with ASEAN, under which the two countries have granted preferential treatment to each other's products.

OVERVIEW

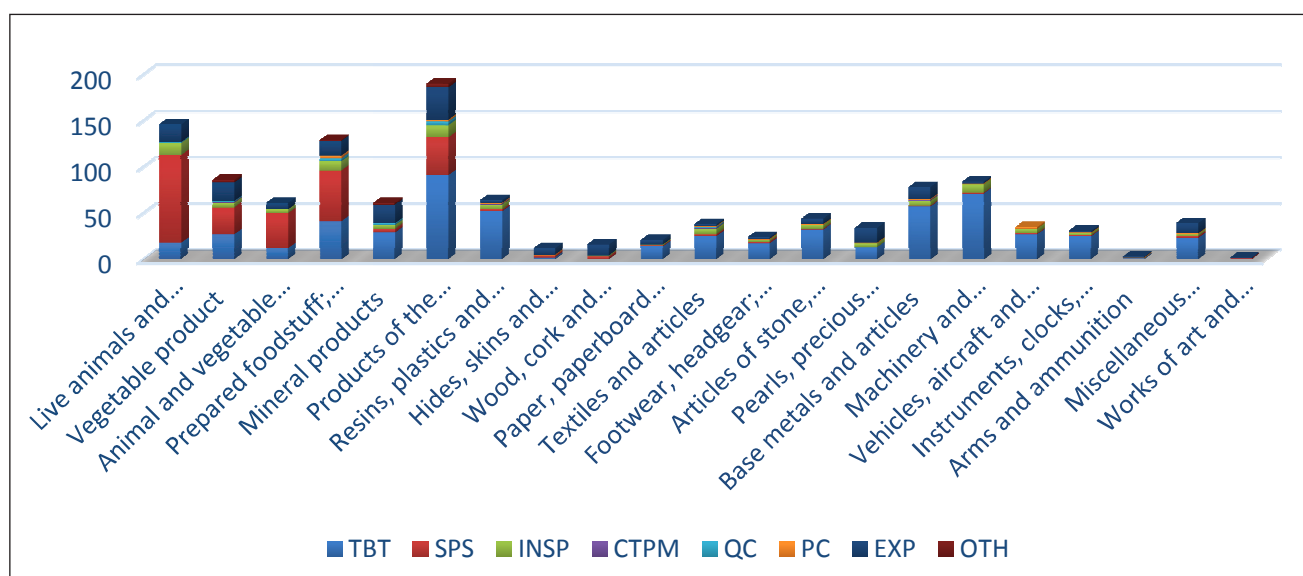
As is to be expected, Indonesia has a relatively high number of SPS measures for agricultural products and to some extent chemical products, while TBT measures are more prevalent for chemical products and non-agricultural products (Figure 3). The three largest sectors with non-tariff measures (NTMs) are products of the chemical and allied industries, live animals and products and prepared foodstuff, beverages, spirits, vinegar, tobacco.²⁸⁸

TECHNICAL BARRIERS TO TRADE

Indonesia imposes a range of TBTs on India's major exports to the country (Table 7).

TBT Notifications in WTO: Since 2017, Indonesia has submitted thirty-one TBT notifications to the WTO. These covered: Pressure reducing valves, steel bar for concrete re-inforcement, Cement, Glazed ceramic, [tableware, closets, tiles], Tank Steel for Liquid Pressurized Gas (LPG)s, Valve of Tank Steel for LPG, LPG Stove of One Tank with Mechanic Burning, Low Pressure Regulator for LPG Tank Steel, glass of different types, reservoirs, tanks, vats, vegetable fats and oils and their fractions, lubricating oils, safety requirements for bicycles, Baby walker, tricycles, scooters, pedal cars and similar wheeled toys, dolls and dolls' carriages, Electric trains, including tracks, signals and other accessories, model aircraft assembly kits and other reduced

Figure 3. Indonesia: Imposition of NTMs



Source: TRAINS, UNCTAD 2018

TBT=Technical barriers to Trade SPS=Sanitary and Phytosanitary Measures, INSP=Pre-Shipment Inspection, CTPM=Contingent Trade Protective Measures, QC=Quality Control Measures, PC=Price Control Measures, EXP=Export-related Measures, OTH=Other Measures.

²⁸⁸ For recent information on import licensing regime in Indonesia, see WTO documents G/LIC/N/IND/27 to 42, notified to WTO in 2018 by Indonesia. For tariff quotas, see WTO document G/AG/N/IDN/47, dated 17 September 2018.

Table 7. TBT Measures Imposed on Top Five Export categories of India to Indonesia

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.
B14, B15, B85, B31, B7, B82, B81, B83	Authorization requirement for TBT measures, Registration requirement for importers for TBT reasons, Distribution and location of products after delivery, Labelling requirements, Product quality or performance requirement, Testing requirement, Product Registration Requirement, Certification requirement.
	HS Chapter 72: Iron and Steel
B7, B82, B31, B81, B14, B15, B85	Product quality or performance requirement, Testing requirement, Labelling requirements, Product Registration Requirement, Authorization requirement for TBT measures, Registration requirement for importers for TBT reasons, Distribution and location of products after delivery.
	HS Chapter 29: Organic Chemicals
B15, B14, B85, B83, B31, B81, B11, B33, B42, B19	Registration requirement for importers for TBT reasons, Authorization requirement for TBT measures, Distribution and location of products after delivery, Certification requirement, Labelling requirements, Product Registration Requirement, Prohibition for TBT reasons, TBT regulations on transport and storage, TBT regulations on transport and storage, Prohibitions/ restrictions of imports for objectives set out in the TBT Agreement, n.e.s.
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
B7, B83, B31, B15, B14, B85, B11, B82, B81, B32	Product quality or performance requirement, Certification requirement, Labelling requirements, Registration requirement for importers for TBT reasons, Authorization requirement for TBT measures, Distribution and location of products after delivery, Prohibition for TBT reasons, Testing requirement, Product Registration Requirement, Marking Requirements.
	HS Chapter 12: oil seeds and Olea. Fruits, misc. Grains, seeds and fruit, industrial or medicinal plants, straw and fodder.
B15, B14, B85	Registration requirement for importers for TBT reasons, Authorization requirement for TBT measures, Distribution and location of products after delivery.

Source: TRAINS, UNCTAD

size models, instant coffee, audio, video and similar electronic equipment, paper and paperboard for food packaging, lubricating oils, bead wire coated with base metals, uncoated stainless steel wire, electric motor, refrigerators and freezers, cold rolled stainless steel in sheets, tyres, mineral waters and aerated waters, fishery products, food additives,

flavourings, food, labelling, and, cellular telephones, handheld telephones, computer tablets.

The objectives addressed included: Protection of human health or safety, food safety, Harmonization with international standard, prevention of deceptive practices, consumer information, labelling, quality requirements, and consumer protection.

Table 8. SPS Measures Imposed on Top Five Export categories of India to Indonesia

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.
A31	Labelling requirements
	HS Chapter 72: Iron and Steel
A31	Labelling requirements
	HS Chapter 29: Organic Chemicals
A31, A19, A14	Labelling requirements, Prohibitions or restrictions of products or substances because of SPS reasons n.e.s., Special Authorization for SPS reasons
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
A31	Labelling requirements
	HS Chapter 12: oil seeds and Olea. Fruits, misc. Grains, seeds and fruit, industrial or medicinal plants, straw and fodder.
A82, A21, A83, A84, A86	Testing requirement, Tolerance limits for residues of or contamination by certain substances, Certification requirement, Inspection requirement, Quarantine requirement

Source: TRAINS, UNCTAD

Specific trade concerns raised in WTO: India has not raised any specific trade concerns regarding Indonesia's TBT measures.

Specific trade concerns raised by other countries in recent years may be relevant also for India. In 2018, four specific trade concerns were raised about Indonesia's TBT measures. They related to technical guidelines on implementation and adoption of Indonesian National Standards for obligatory toy safety, halal product assurance law, regulation on safety and quality standards for alcoholic beverages and national standards and certification for biscuits.

SANITARY AND PHYTOSANITARY MEASURES

Those product categories which have a high incidence of SPS (Figure 1), are not among India's top five product categories exported to Indonesia (Table 8). None of them are agricultural products.

SPS Notifications in WTO: Since 2017, Indonesia has submitted twelve SPS notifications to the WTO. These covered: plant and plant products,

fresh food of plant origin, animals and animal products, irradiated foods, processed food products, flavouring as food additives in processed food, milk and milk products, non-food animal products, aquatic animals, and, Animal Health Certificate, Sanitary Certificate of Animal Product, Certificate of Other Product, Certificate of Animal Quarantine Release, phytosanitary certificate.

The objectives addressed were: Food safety, food additives, human health, plant health, animal health, animal diseases, zoonoses, pests, irradiation, territory protection, certification, control and inspection, labelling and packaging.

Specific trade concerns raised in WTO: India has not raised any specific trade concern regarding Indonesia's SPS measures. In recent years, i.e. since 2017, one specific trade concern was raised by another WTO member (EU, supported by Brazil) regarding 'Lack of transparency and undue delays in Indonesia's approval process for animal products'.

Table 9. Tariffs on India's Major Exports to Indonesia

HS Section	HS Code	Product	Share in Total Exports (%)	Tariffs (%)
2	12024210	Kernels, h.p.s	5.76	3.85
17	87041010	Dumpers designed fr off-highway use wth net wt>8 tons and maxm pay-load >=10 tons	4.68	5#
17	87032291	Motor car wthcylnrdrcpcty>=1000cc but < 1500cc wthsprk-igntn	4.67	5#
6	29024300	P-xylene	4.03	0
5	27101930	High speed diesel (hsd)	3.96	0
15	72071920	Mild steel (m.s.) billets	3.01	0
11	52010015	Indian cotton of staple length 28.5mm (1.4/32) and above but below 34.5mm	2.74	0
1	02023000	Boneless meat of bovine animals , frozen	2.41	5#
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	1.77	5
15	72191300	Ht-rlldprdcts in coils ofthckns>= 3 mm bt< 4.75 mm	1.63	0
15	72106100	Flt-rldprdcts of iron/non aloystpltd or cotdwth aluminium zinc alloys	1.40	12.5#
6	29022000	Benzene	1.39	0
15	72191400	Ht-rlldprdcts in coils of thckns<3 mm	1.21	0
6	30022029	Other mixed vaccine	0.95	0
15	74031100	Cathods and sectns of cathods of refind cop	0.94	3.85
2	09042110	Of genus capsicum	0.94	5#
7	40112090	Other tyres used on buses/lorries	0.92	5
15	72071990	Others	0.92	0
15	76011010	Aluminium ingots-not alloyed	0.82	0
16	84029090	Parts of othr steam and vapour gnrtngrboilrs	0.79	0
15	72023000	Ferro-silico-manganese	0.77	0
15	72021100	Fero-manganese,carboncontng>2% by weight	0.72	0
16	87060042	Chassis frvhclshdng 8704 excppetrldrvn	0.72	Multiple tariffs #
6	29024100	O-xylene	0.61	0
6	38089290	Others fungicide nes	0.61	4#
15	79011100	Zinc,notalloyd,contng by wt>=99.99% zinc	0.59	0
16	85177090	Othr parts of telephonc/telegphcapparts	0.57	0
4	21011120	Instant coffee not flavoured	0.57	0
17	87141090	Parts and accessories of motorcycle excl. Saddle	0.53	5#
17	89059090	Other under hdng 8905	0.53	0

Source: DGCIS Data, Department of Commerce; Note: #: Tariff will remain at this level

TARIFFS

Most of the major export products from India to Indonesia face low tariffs (Table 9).

Under the India-ASEAN Comprehensive Economic Co-operation Agreement, India has a preferential tariff agreement with Indonesia. Under this CECA, several India products face duty-free or preferential tariff treatment. However, about fifty-five per cent of the tariff lines are excluded from this Agreement. The excluded categories are spread across many categories, i.e. HS Chapters 01 to 25, 27,28,29,30,32,33 to 76,78 to 85, 87,89,90, 91 to 97.

Contingent Trade Protection Measures

India's exports are subject to only one type of

contingent trade protection measure by Indonesia, i.e., anti-dumping measure.

Anti-dumping

Indonesia has imposed four anti-dumping measures against India's exports. They include hot rolled coil, polyester staple fibre, biaxially oriented polyethelene and wheat flour.

Countervailing Measures

Indonesia does not have any countervailing measures against India's exports.

Safeguards

Indonesia does not have any safeguard measure on India's exports.

ISRAEL

TRADE

India's merchandise exports in 2017-18 from Israel were about US\$ 3.4 billion, and imports were about US\$ 2.1 billion.

OVERVIEW

In general, Israel has a low number of NTMs, other than SPS measures, on most product categories (Figure 4). SPS measures are imposed on the agriculture product categories and TBT measures are used largely for 'products of the chemical and allied industries'.

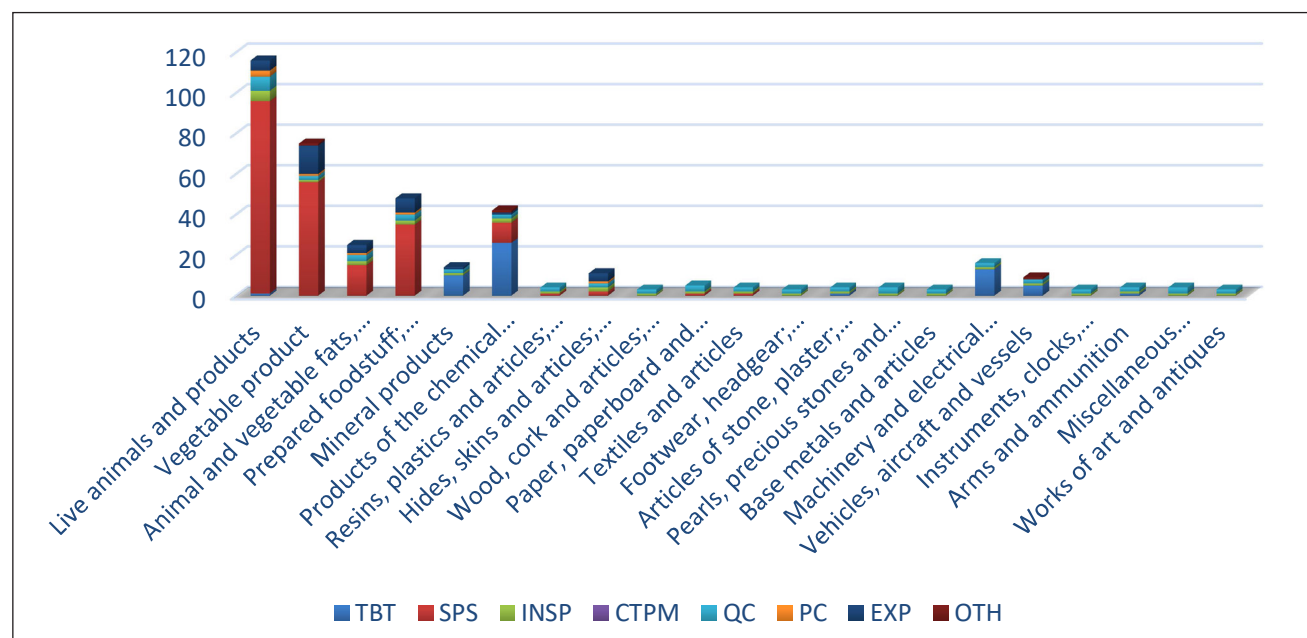
TECHNICAL BARRIERS TO TRADE

Israel does not have many TBT measures on the top five product categories exported from India. However, each of these categories has either some products subject to prohibition or requiring authorization for imports (Table 10).

TBT Notifications in WTO: Since 2017, Israel has submitted 145 TBT notifications to the WTO. They cover: paints and varnishes, ophthalmic optics,

ladders, lamp control gear, audio/video, information and communication technology equipment, minced meat and minced meat products, foodstuffs, fresh sardines, canned fish cutlets, bases for preparation of drinks, beverage powders having fruity or other flavours, food labelling, electronic cigarettes, beer, jams, jellies and marmalades, swinging fire doors, oils, coal tar, polishes, creams, petroleum oils, vacuum cleaner and water-suction cleaning appliances, protective gloves, calcium carbonate, disposable infants' diapers, medical syringes and needles, non-alcoholic drinks, hermetically sealed and rigid metal packing for food products, clay and concrete roofing tiles, soother holder, drinking water treatment systems, pasta, cutlery and feeding utensils for children, toys, instant coffee, food starch, hinged laminated doors, finger paints, aerials, bread, roasted coffee, lighting chains, shelf-stable bakery products, metal wedge gate valve, lamp control gear for fluorescent lamps, hydrogen chloride, uninterruptible power systems (UPS), arc welding equipment, electrical circuit-breakers,

Figure 4. Israel: Imposition of NTMs



Source: TRAINS, UNCTAD 2018

Table 10. TBT Measures Imposed on Top Five Export categories of India to Israel

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B14, B82, B42, 32, B859	Authorisation requirement for TBT reasons, Testing requirement, TBT regulations on transport and storage, Marking Requirements, Traceability Requirements n.e.s.
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and artcls thereof, imit. jewelry, coin
-	No measures
	HS Chapter 29: Organic Chemicals
B14, B82, B42, B32, B859	Authorisation requirement for TBT reasons, Testing requirement, TBT regulations on transport and storage, Marking Requirements, Traceability Requirements n.e.s.
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B15, B7, B82, B11	Registration requirement for importers for TBT reasons, Product quality or performance requirement, Testing requirement, Prohibition due to TBT reasons
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts
B11, B14, B7, B82, B83, B852, B8	Prohibition due to TBT reasons, Authorisation requirement for TBT measures, Product quality or performance requirement, Testing requirement, Certification requirement, Processing history, Conformity assessment related to TBT n.e.s.

Source: TRAINS, UNCTAD

appliance couplers, electric water heaters, personal eye protection, medical electrical equipment, protective clothing, protective gloves, mattresses and bumpers for infants, water meters, domestic electrical cooking appliances, nuclear reactors, boilers, machinery and mechanical appliances, cosmetics, rice, gas cylinders, circuit-breakers, school bag, gold articles, connecting devices for low-voltage circuits, sweets (candies), refrigerating appliances, ice-cream appliances and icemaker, plugs and socket-outlets, luminaires including floodlights, tungsten filament lamps, insulation products for building, playpens for domestic use, release of nickel from articles intended to come into contact with human skin, gully tops and manhole tops, electric irons, electric grills, toasters and similar portable cooking appliances,

electric kitchen appliances, electric blankets, pads, clothing and similar flexible heating appliances, electric appliances for skin and hair care, microwave ovens, electric fans, roof waterproofing PVC sheets, EPDM roofing sheets, motor vehicle brake fluids, electrodes for welding, large steam sterilisers, children's jewellery, playground equipment and surfacing, textile carpets, dry mixtures for preparing soup, aviation fuel quality control and operation, self-ballasted LED-lamps, coaxial communication cables, double-capped LED lamps, bituminous felt and cardboard, two layered polyethylene film for milk and for liquid milk products, food starch and fire detection systems.

The objectives addressed included: Protection of human health or safety, protection of the environment, labelling, consumer information,

Table 11. SPS Measures Imposed on Top Five Export categories of India to Israel

Classification	NTM
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
-	No measures
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and artcls thereof, imit. jewellery, coins
-	No measures
	HS Chapter 29: Organic Chemicals
A14, A82	Special Authorisation for SPS reasons, Testing requirement
-	No measures
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
-	No measures
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers and parts
-	No measures

Source: TRAINS, UNCTAD

prevention of deceptive practices, consumer protection, reducing trade barriers and facilitating trade.

Specific trade concerns raised in WTO: India has not raised any specific trade concern regarding Israel's TBT measures.

One concern was raised in 2018 by some countries other than India, relating to an Addendum to the Pharmacist regulations (Cosmetics).

SANITARY AND PHYTOSANITARY MEASURES

There are virtually no SPS measures on the top five product categories exported by India to Israel (Table 11).

SPS Notifications in WTO: Since 2017, Israel has not submitted any SPS notification to the WTO.

Specific trade concerns raised in WTO: No specific trade concern has been raised in WTO regarding Israel's SPS measures.

TARIFFS

India's major export products to Israel mostly face a tariff of 5%, and in some cases no Customs duty (Table 12). Except for Basmati rice, these major export products are all non-agricultural products. Moreover, just two of them (high speed diesel and diamonds) account for almost 60% of India's exports to Israel.

Contingent Trade Protection Measures

Israel has not imposed any contingent trade protection measure against India.

Table 12. Tariffs on India's Major Exports to Israel

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
5	27101930	High speed diesel (hsd)	31.04	5
14	71023910	Diamond(othrthnindstrldiamond)cut or otherwise worked but not mounted or set	27.81	5
16	84879000	Othrmcanry parts of heading 8485	3.71	5
14	71023100	Non-industrial diamonds unworked/simply sawn cleaved or bruted	2.57	0
17	87032291	Motor car wthcyIndrcpcty>=1000cc but < 1500cc wthsprk-igntn	1.82	5
17	88033000	Othrppts of aeroplanes/helicopters	1.65	5
16	85389000	Other parts of hdg 8538	1.64	5
2	10063020	Basmati rice	1.14	0
7	39076100	Poly(ethylene terephthalate): having a viscosity number of 78 ml/g or higher	1.12	5
6	29420090	Other diloxanide furoate, cimetidine, famotidine nes	0.93	5
16	85423900	Other	0.86	0
11	61091000	T-shirts etc of cotton	0.66	5
15	76012020	Aluminium billets - alloyed	0.65	5
6	29335990	Other cmpndscntng a pyrimidine ring (w/n hydrgntd) or piperazine ring in structure	0.60	5
11	55041000	Viscose rayon staple fibres ntrcd/combnd	0.59	5
16	84111200	Turbo-jets of a thrust>25 kn	0.54	5
6	38089390	Other herbicides-anti-sprouting products	0.52	5

Source: DGCIS Data, Department of Commerce

MEXICO

TRADE

India’s merchandise exports to Mexico were about US\$ 3.8 billion, and its imports from the country were US\$ 3.9 billion.

OVERVIEW

Compared to other important export markets for India, Mexico has relatively few NTMs (Figure 5). Most of the NTMs are imposed on agricultural products, products of the chemical and allied industry and machinery and electrical equipment.

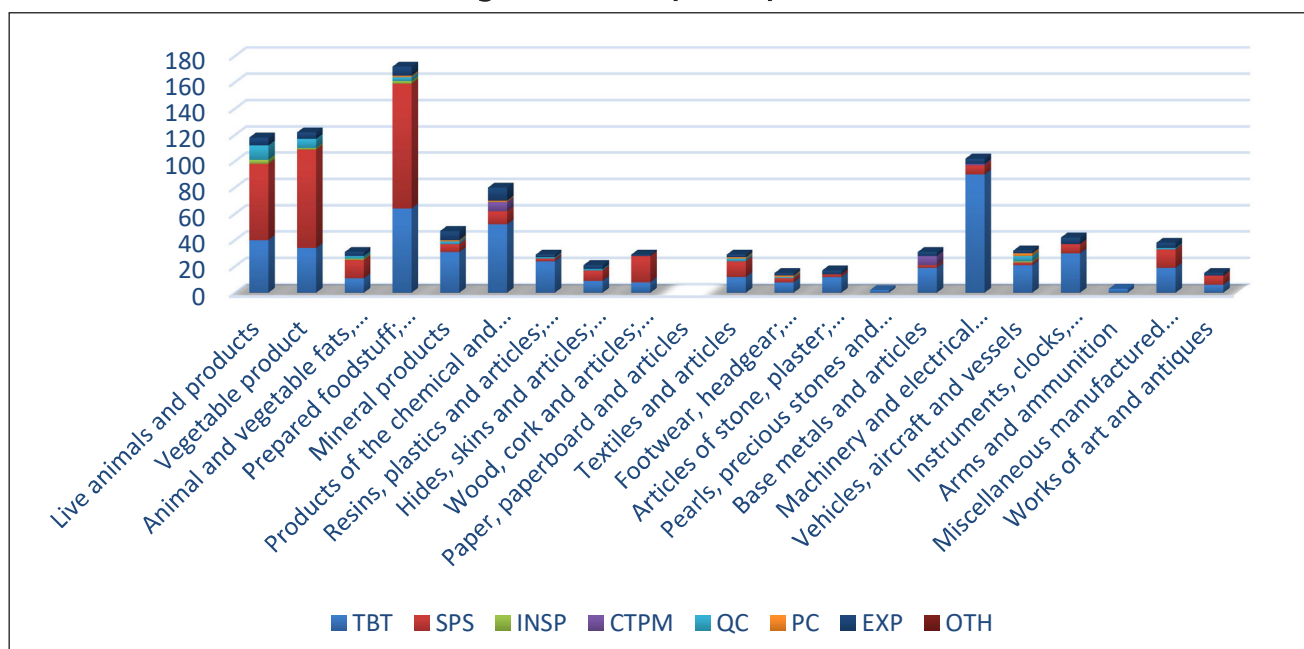
TECHNICAL BARRIERS TO TRADE

The top five product categories for India’s exports to Mexico are all non-agricultural products and most of them are subject to TBT measures, including testing requirement (Table 13).

TBT Notifications in WTO: Since 2017, Mexico has submitted 269 TBT notifications to the WTO. They cover: rice, bovine meat, certain fish, vegetables, products of plant origin, honey, eggs and egg products, dairy products, sugar, sugar

products, starch, alcoholic beverages, animal feed, telecommunication terminal equipment, nuclear energy engineering, petroleum products and natural gas handling equipment, pressurised portable containers and pressurised transportable containers, products for power plants, vehicles, solar energy engineering, water heating equipment, ventilators, fans, air-conditioners, electrical installations, pesticides, LEDs, surface cleaning agents, AC motors, medical equipment, portable pressure vessels, equipment and accessories for service stations selling liquefied petroleum gas, ultrasound clinics, radioactive materials and packages containing them, waste generated by the hydrocarbon sector, ionizing radiation sources, railway tracks, watt-hour meters, lifts, integral and flexible connectors for use in liquefied petroleum gas (LPG) installations, petroleum products and natural gas handling equipment, chain saw blades, primary cells and primary batteries, equipment for adventure/nature tourism operators, seats, valves,

Figure 5. NTMs imposed by Mexico



Source: TRAINS, UNCTAD 2018

Table 13. TBT Measures Imposed on Top Five Export categories of India to Mexico

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B7, B82, B21, B8, B9, B84, B14, B83, B15, B31	Product quality or performance requirement, Tolerance limits for residues of or contamination by certain substances, Conformity assessment related to TBT n.e.s., Inspection requirement, Inspection requirement, Authorisation requirement for TBT measures, Certification requirement, Registration requirement for importers for TBT reasons, Labelling requirements
	HS Chapter 29: Organic Chemicals
B14, B22, B84, B31, B81, B9, B33, B82, B83, B89	Authorisation requirement for TBT measures, Restricted use of certain substances, Inspection requirement, Labelling requirements, Product Registration Requirement, TBT measures n.e.s., TBT regulations on transport and storage, Testing requirement, Certification requirement, Conformity Assessment related to TBT,
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B14, B31, B7, B82, B83, B84, B33, B8, B21, B81, B9	Authorisation requirement for TBT measures, Labelling requirements, Product quality or performance requirement, Testing requirement, Certification requirement, Inspection requirement, TBT regulations on transport and storage, Conformity assessment related to TBT n.e.s., Tolerance limits for residues of or contamination by certain substances, Product Registration Requirement, TBT measures n.e.s.
	HS Chapter 76: Aluminium and articles thereof
B82, B7, B14, B84	Testing requirement, Product quality or performance requirement, Authorisation requirement for TBT measures, Inspection requirement
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts
B7, B82, B31, B8, B83, B84, B14	Product quality or performance requirement, Testing requirement, Labelling requirements, Conformity assessment related to TBT n.e.s., Certification requirement, Inspection requirement, Authorisation requirement for TBT measures

Source: TRAINS, UNCTAD

portable cooking appliances, mobile terminal equipment, signal generators, nonautomatic weighing instruments-non-tariff heading, on-shore storage facilities for petroleum products and petroleum, household refrigerators and freezers, diving equipment and personal protective equipment, laboratory equipment, chemical, pharmaceutical, biological and food products for animal use or consumption, breathalysers, alcoholometers, meters for cold potable

water and hot water, speed detection devices, lamps, portable and mobile fire extinguishers, anti-pollution equipment, digital and automatic grain moisture meters, cooking utensils, lubricating oils for petrol engines, safety headgear, electric traction lifts for passengers and freight, fixed-wing aircraft, medicines, sanitary installations, pets, natural gas, internal combustion engines for road vehicles, digital interfaces, subsonic jet, supersonic airplanes and helicopter, anesthetic, respiratory and

reanimation equipment, solar energy engineering, meters and transformers, scissors, tailors' shears and similar shears, electricity supply systems, onshore and offshore pipelines, steam generators using sugar cane bagasse as fuel, special wastes, pumps, pressure charging and air/exhaust gas dusting systems, metrological instruments used in electrical power measurement systems, space systems and operations, tyres, packaging and distribution of goods in general, pesticides and other agrochemicals, protection against dangerous goods, onshore petroleum storage facilities, denatured ethyl alcohol, data message storage, haemodialysis infrastructure, glass products, hydraulic bottle jacks, concrete railway sleepers, pacific infrastructure and equipment for outpatient medical facilities and industrial radiography equipment.

The objectives addressed included: Protection of human health or safety, protection of the environment, quality requirements, prevention of deceptive practices, consumer security, consumer information and labelling and national security requirements.

Specific trade concerns raised in WTO: India has not raised any specific trade concern regarding Mexico's TBT measures. No trade-related concerns were raised by other countries too in the past two years. Earlier, in 2014-16, specific trade concerns were raised regarding Mexico's standards on alcoholic and non-alcoholic drinks and soft drinks.

SANITARY AND PHYTOSANITARY MEASURES

Since the top five product categories exported from India to Mexico are industrial products, they face a minimal incidence of SPS measures (Table 14).

Table 14. SPS Measures Imposed on Top Five Export categories of India to Mexico

Classification	NTM
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
A84, A83	Inspection requirement, Certification requirement
	HS Chapter 29: Organic Chemicals
A84, A83, A14, A9	Inspection requirement, Certification requirement, Special Authorisation for SPS reasons, SPS measures n.e.s.
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
A14, A83, A84, A9	Special Authorization for SPS reasons, Certification requirement, Inspection requirement, SPS measures n.e.s.
	HS Chapter 76: Aluminium and articles thereof
-	No Measure
	HS Chapter 85: Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts
-	No Measure

Source: TRAINS, UNCTAD

SPS Notifications in WTO: Since 2017, Mexico has submitted 94 SPS notifications to the WTO. They cover: fresh pears, paddy rice, kiwifruit, melon, celery, wheat, chili pepper, maize, beetroot, raspberry, fresh frozen shrimp, chemical pharmaceutical, biological and food products for animal use or consumption, orchids, fresh apples, barley, buckwheat grain, safflower seed, durum wheat grain, citrus propagation material, biological, chemical, pharmaceutical and food products for Mexican oil, flour, hydrolysates and fish solubles, cotton, polished rice, asparagus, Brussels sprouts, macademia nuts, aquatic crustaceans, quinoa, cut hortensia, pumpkin, fresh lemons, alfafa seed, natural Christmas trees.

The objectives addressed included: Food safety, human health, plant health, animal health, animal diseases, animal feed, pests, disease free regions/regionalisation, territory protection, seeds, pharmaceutical products, modification of content/scope of regulation/adoption/ publication/enforcement of regulation.

Specific trade concerns raised in WTO: India has raised one specific trade constraint regarding Mexico's SPS measures, namely, Mexico's market access requirement for casein products.

In recent years, i.e. 2018 and 2015, two specific trade concerns have been raised by other countries, which

may be relevant for India. These are restrictions on imports of swine meat and measures on import of hibiscus flowers.

TARIFFS

The top two export categories with the largest share in India's exports to Mexico face high tariffs (Table 15). Other major export products from India to Mexico are a combination of duty-free tariffs and double-digit tariffs.

Contingent Trade Protection Measures

India's exports are subject to 6 contingent trade protection measures by Mexico, 3 anti-dumping measures and an equal number of countervailing measures.

Anti-dumping

Mexico has imposed 3 anti-dumping measures against India's exports – carbon steel tubing with straight longitudinal or helical seams, ferro silico manganese and seamless carbon steel tubing.

Countervailing Measures

Mexico has imposed 3 countervailing measures against India's exports, i.e. dicloxacillin sodium products of iron or non-alloy steel, amoxicillin trihydrate and metoprolol tartrate.

Safeguards

Mexico does not have any safeguard measures against India's exports.

Table 15. Tariffs on India's Major Exports to Mexico

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)
17	87032291	Motor car wthcylnrcpcty>=1000cc but < 1500cc wthsprk-igntn	22.48	30
17	87032391	Motor car wthcylnrcpcty>=1500cc but <3000cc wthsprk-igntn	20.82	30
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	3.19	5
15	76011010	Aluminium ingots-not alloyed	2.10	0
15	76012020	Aluminium billets - alloyed	1.85	0
17	87112029	Motrcyclwthcylnrcpcty>75 bt<=250 cc	1.24	15
13	69072100	Of a water absorption coefficient by weight not exceeding 0.5%	1.21	15
17	87033191	Motor cars wthcmprsnigntnwthcylnrcpcty<1500cc	1.10	30
29	29420090	Other diloxanide furoate, cimetidine, famotidine nes	1.01	0
17	87019300	Other tractors, of an engine powerexceeding 37 kw but not exceeding 75 kw	0.85	0
73	73261910	Other articles forged or stamped for automobiles and earth moving equipments	0.69	0
16	85451100	Electrodes of a kind used for furnaces	0.63	0
16	85011011	Micro motor wth output <=37.5 w	0.60	0
6	29155000	Propionic acid its salts and esters	0.57	0 to 5
7	39076990	Other	0.57	10

Source: DGCIS Data, Department of Commerce

SAUDI ARABIA

TRADE

In 2017-18, India's exports of merchandise goods to Saudi Arabia were about US\$ 5.4 billion, and imports were about US\$ 22.1 billion.

OVERVIEW

In comparison to most other major export markets of India, Saudi Arabia relies relatively more on other NTMs rather than primarily TBT and SPS (Figure 6). A relatively larger number of NTMs are imposed on agricultural products and products of the chemical and allied industries.

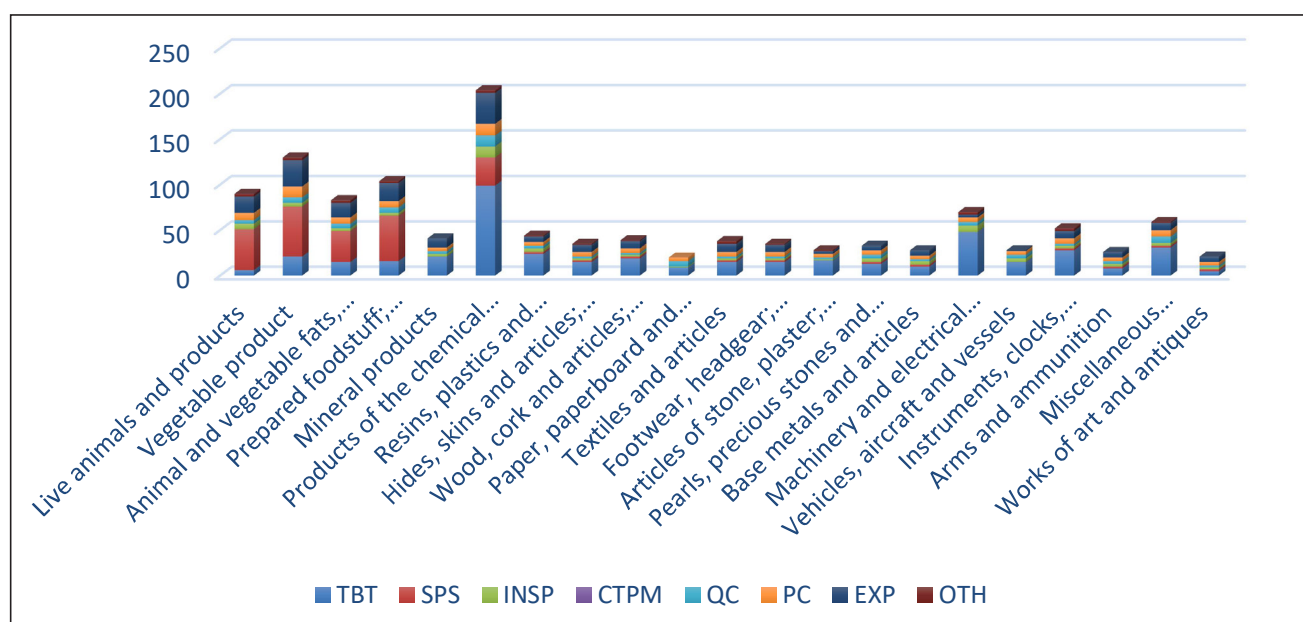
TECHNICAL BARRIERS TO TRADE

Among India's top five export categories to Saudi Arabia, one is an agricultural product (Table 16). For that as well as the other four product categories, some products are prohibited for TBT reasons. In addition, the non-agricultural export products face a considerable number of TBT measures.

TBT Notifications in WTO: Since 2017, Saudi Arabia has submitted 150 TBT notifications to WTO. They

cover: fruits, vegetables, milk and milk products, spices and condiments, food additives, poultry and eggs, cereals, pulses and derived products, edible oils and fats, sugar and sugar products, fish and fishery products, non-alcoholic beverages, vegetables and derived products, cheese, food products, coffee and coffee substitutes, spreadable halwa, salted fish and dried salted fish, canned raspberries, tea and herbs bags, canned fruits, ginseng products, canned corned beef and mutton meat, prepared basbosa powder, fruit nuts, non-alcoholic beverages, tobacco, tobacco products, trucks and trailers, ceramics, pre-packaged and prepared foods, food additives, buses, fuel systems, products of the chemical industry, lubricants, industrial oils and related products, processes in the food industry, analytical chemistry, beverages, cosmetics and personal care products, toiletries, protective clothing, explosives, pyrotechnics and fireworks, galvanic cells and batteries, road vehicles, tyres of multi-purpose vehicles, trucks, buses and trailers, instant noodles, taro, mastic, bottles, pots, jars,

Figure 6. NTMs imposed by Saudi Arabia



Source: TRAINS, UNCTAD 2018

Note: TBT=Technical Barriers to Trade, SPS=Sanitary and Phytosanitary Measures, INSP=Pre-shipment Inspection, CPTM=Contingent Trade Protective Measures, QC=Quantity Control Measures, PC=Price Control Measures, EXP=Export-Related Measures, OTH=Other Measures.

Table 16. TBT Measures Imposed on Top Five Export categories of India to Saudi Arabia

Classification	NTM
	HS Chapter 10: Cereals
B11, B31, B84,	Prohibition for TBT reasons, Labelling requirements, Inspection requirement
	HS Chapter 29: Organic Chemicals
B14, B31, B32, B33, B42, B81, B11, B84, B853, B15, B22, B82	Authorisation requirement for TBT measures, Labelling requirements, Marking Requirements, TBT regulations on transport and storage, TBT regulations on transport and storage, Product Registration Requirement, Prohibition for TBT reasons, Inspection requirement, Distribution and location of products after delivery, Registration requirement for importers for TBT reasons, Restricted use of certain substances, Testing requirement
	For India: HS Chapter 29: Organic Chemicals
B14, B84	Authorisation requirement for TBT measures, Inspection requirement
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B11, B14, B81, B31, B84	Prohibition for TBT reasons, Authorisation requirement for TBT measures, Product Registration Requirement, Labelling requirements, Inspection requirement
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B7, B11, B82, B83, B84, B853, B14, B15, B31, B42, B81, B32, B33, B6, B21, B22	Product quality or performance requirement, Prohibition for TBT reasons, Testing requirement, Certification requirement, Inspection requirement, Distribution and location of products after delivery, Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons, Labelling requirements, TBT regulations on transport and storage, Product Registration Requirement, Marking Requirements, TBT regulations on transport and storage, Product identity requirement, Tolerance limits for residues of or contamination by certain substances, Restricted use of certain substances
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B11, B84, B14, B42, B82, B31, B853, B7, B83	Prohibition for TBT reasons, Inspection requirement, Authorisation requirement for TBT measures, TBT regulations on transport and storage, Testing requirement, Labelling requirements, Distribution and location of products after delivery, Product quality or performance requirement, Certification requirement

Source: TRAINS, UNCTAD

wastes, electromagnetic connectivity, machinery, safety components and lifting equipment, water saving products, solar energy engineering, life jackets, buoyancy aids and flotation devices, surface active cleaning agents, electric road vehicles, paints and varnishes, certain types of plastic bottles, textile floor covering, lamps and related

equipment, rotating machinery in general, domestic refrigerating appliances, fresh beet, ventilators, fans, air-conditioners, silica and quartz sand, ceramics, silk and silk waste, laundry appliances, restriction on use of hazardous substances in electrical and electronic equipment, lubricants, industrial oils and related products, plugs, socket

outlets, couplers, materials and articles in contact with foodstuffs, pesticides and other agrochemicals.

The objectives addressed included: Protection of human health or safety, protection of animal or plant life or health, prevention of deceptive practices, consumer protection, quality requirements, protection of the environment, consumer information, labelling, reducing trade barriers and facilitating trade.

Specific trade concerns raised in WTO: India has not raised any specific trade concerns at WTO regarding Saudi Arabia's TBT measures.

Some other nations have raised specific trade concerns in recent years (2017 and 2018) in the WTO, which may be relevant also for India. These include The Cooperation Council for the Arab States of the Gulf Draft Technical Regulation for 'Requirements of Handling Energy Drinks', GCC Technical regulations for the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment, and Guide for control of imported foods – certification requirements for animal products.

Other trade related concerns of India: Based on industry feedback, two issues of concern have been identified in the area of pharmaceuticals.

- Stringent registration requirements are acting as a non-tariff barrier. Guidelines include the stipulation that drugs launched in Saudi Arabia must have already been marketed in developed countries such as the US and the UK. Products also have to be manufactured in the same plant as those destined for the US or UK. Furthermore, the same drugs emanating from GCC countries are afforded marketing permission with less stringent conditions.

- Health authorities favour local or regional (GCC-based) companies, by enabling faster registration and preferential pricing for them.

SANITARY AND PHYTOSANITARY MEASURES

Of the five top product categories exported from India to Saudi Arabia, only one comprising cereals is subject to SPS (Table 17). The most important product category exported from India (Basmati rice, Table 18) belongs to this category. This agricultural product category is subject to much fewer TBT measures, compared to the other four top export product categories of India (Table 16).

SPS Notifications in WTO: Since 2017, Saudi Arabia has submitted 215 SPS notifications to the WTO. They cover²⁸⁹: live animals, cattle, meat and meat by-products, poultry meat, eggs and their products, milk and milk products, pre-packaged and prepared foods, cereals, pulses and derived products, equine, live birds, hatching eggs and one day old chicks, beverages, fruit nuts, animal feeding stuffs, food additives, coffee and coffee substitutes, fish, fish products and crustaceans, live white clawed crayfish, imported food, live pacific white shrimp, live tilapia fish species, live carpio fish species, live rainbow trout fish species, non-alcoholic beverages, spices and condiments, fruits & vegetables, beef and beef products, frozen and processed fruits and vegetables, frozen and processed guava, live fish including ornamental fish, meat and meat products from cattle, sheep, goat camelidae and poultry meat, imported foods, culture aquatic products, Atlantic salmon, fresh and processed foods from certain regions of Japan, live shrimp for aquaculture purposes, shrimp, pesticides and other agrochemicals.

The objectives addressed included: Food safety, food additives, human health, animal health,

²⁸⁹For details, see <http://spsims.wto.org/en/Notifications/Search?DoSearch=True&NotifyingMember=Saudi+Arabia%2C+Kingdom+of&NotificationFormats=1&NotificationFormats=7&NotificationFormats=200&NotificationFormats=201&NotificationFormats=202&NotificationFormats=203&NotificationFormats=8&NotificationFormats=9&DistributionDateFrom=01%2F01%2F2017&DistributionDateTo=27%2F02%2F2019&DisplayChildren=true>

Table 17. SPS Measures Imposed on Top Five Export categories of India to Saudi Arabia

Classification	NTM
	HS Chapter 10: Cereals
A22, A31, A14, A19, A59, A82, A852, A33, A61, A83, A84, A851, A81, A15, A13, A86	Restricted use of certain substances in foods and feeds, Labelling requirements, Special Authorisation for SPS reasons, Prohibitions or restrictions of products or substances because of SPS reasons n.e.s., Treatment for elimination of plant and animal pests and disease-causing organisms in the final product n.e.s., Testing requirement, Processing history, Packaging requirement, Plant growth processes, Certification requirement, Inspection requirement, Origin of materials and parts, Product registration requirement, Registration requirements for importers, Systems approach, Quarantine requirement
	HS Chapter 29: Organic Chemicals
-	No measures
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
-	No measures
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
-	No measures
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
-	No measures

Source: TRAINS, UNCTAD

animal diseases, avian influenza, zoonoses, BSE, foot and mouth disease, beverages, pesticides, Maximum Residue Limits (MRLs), contaminants, pest or disease-free regions/regionalization, labelling, packaging, withdrawal of measures, and modification of content/scope of regulation.

Specific trade concerns raised in WTO: India has not raised any specific trade concern at WTO regarding Saudi Arabia's SPS measures.

Some other countries have raised three such concerns in 2017-18. They are Gulf Co-operation Council (GCC) Guide for Control of Imported Foods, Saudi Arabia's measures on shrimp, and Saudi Arabia's temporary ban on import of fish, crustaceans and other aquatic animal products.

Issues bilaterally raised by India: Saudi Arabia has begun a new case regarding Nipah virus in fresh fruits and vegetables from Kerala. This case is being bilaterally addressed by India.

TARIFFS

In general, India's major export items to Saudi Arabia face zero or low tariffs (Table 18). This implies that NTMs are the main trade restrictions faced by most of these products.

Contingent Trade Protection Measures

India's exports are subject to one contingent trade protection measure of Saudi Arabia, namely a safeguard measure.

Anti-dumping

Saudi Arabia has no anti-dumping measures against India's exports.

Table 18. Tariffs on India's Major Exports to Saudi Arabia

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff (%)
2	10063020	Basmati rice	15.33	0
6	29022000	Benzene	8.92	0
17	87032291	Motor car wthcyIndrcpcty>=1000cc but < 1500cc wthsprk-igntn	4.57	5
5	27101219	Other	3.32	5
5	27101930	High speed diesel (hsd)	3.31	5
15	73051129	Non-galvan pipe of other for oil or gas longitudinally submerged arc welded	2.15	5
4	2023000	Boneless meat of bovine animals , frozen	1.76	5
13	69072300	Of a water absorption coefficient by weight exceeding 10%	1.69	8.5
2	08013220	Cashew karnel, whole	1.56	5
16	84818030	Industrial valves(excl pressure-reducing valves,andthrmstclycontrlld valves)	1.49	5
13	69072100	Of a water absorption coefficient by weight not exceeding 0.5%	1.37	8.5
5	25111010	Barytes lumps	1.00	5
2	10063090	Rice excptg parboiled (excl basmati rice)	0.88	0
11	62149090	Shawls,scarves,etc of othrtxtl fibres	0.87	5
5	27131200	Petroleum coke calcined	0.77	5
2	09083120	Small (ellettaria),alleppey green	0.73	0
15	72071990	Others	0.68	5
61	61112000	Babies garments etc of cotton	0.64	5
4	17019990	Othrrrefnd sugar includng centrifugal sugr	0.58	0
13	69074010	Finishing ceramics	0.55	8.5
15	72083940	Strips of flat-rolldprdcts in coils of a thckns< 3 mm hot-rld,excl.pickl	0.55	5
11	61091000	T-shirts etc of cotton	0.53	5
16	85176290	Other	0.51	0

Source: DGCIS Data, Department of Commerce

Notes: MFN tariff of Saudi Arabia is not available in public domain. Tariff data is taken from WTO Tariff Database.

Countervailing Measures

Saudi Arabia does not have any countervailing measures against India's exports.

Safeguards

Saudi Arabia has one safeguard measure against

India, on 'Flat-rolled products of iron or non-alloy steel'. Following a preliminary determination of a positive basis for safeguards, investigation is continuing with respect to 'chemical plasticisers'.

SRI LANKA

TRADE

India exported about US\$ 4.48 billion worth of merchandise to Sri Lanka in 2017-18, and imported US\$ 0.77 billion.

OVERVIEW

Most sectors of Sri Lanka have low NTM incidence (Figure 7). Similar to many other nations, NTMs are in place mainly for agricultural products and products of chemical and allied industries.

Feedback from Indian exporters of engineering products indicates a difficulty in getting licences, and concerns due to an increase in port charges.

TECHNICAL BARRIERS TO TRADE

The TBT measures faced by the top five categories exported from India to Sri Lanka are relatively fewer than several other countries (Table 19). Prohibition under TBT is relevant for only one of these five top export products (HS Chapter 27).

TBT Notifications in WTO: Since 2017, Sri Lanka has made 5 TBT notifications to the WTO. They cover: road tractors, vehicles, motorcycles, food additives, yarns and fabrics, taps, cocks, valves and other appliances for pipes, boiler shells, tanks and vats, and a large number of products covered by Gazette Notification No. 2064/34 of 29 March 2018.

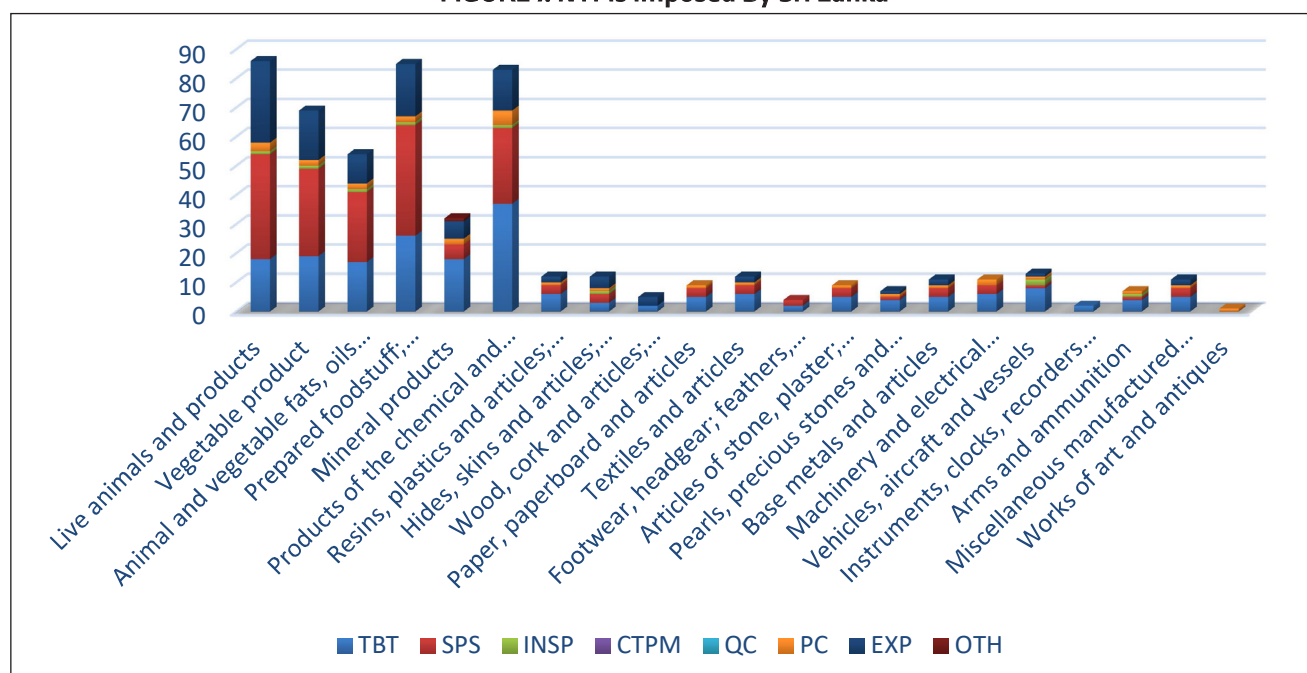
The objectives addressed included: Protection of human health or safety, protection of the environment, consumer information, labelling, quality requirements, consumer protection and prevention of deceptive practices.

Specific trade concerns raised in WTO: No specific trade concern has been raised at WTO regarding TBT measures of Sri Lanka.

SANITARY AND PHYTOSANITARY MEASURES

In general, there is low SPS incidence for the top five product categories exported by India to Sri Lanka, except for cereals (Table 20).

FIGURE 7. NTMs Imposed By Sri Lanka



Source: TRAINS, UNCTAD 2018

Table 19. TBT Measures Imposed on Top Five Export categories of India to Sri Lanka

Classification	NTM
	HS Chapter 72: Iron and steel
B83, B84, B14, B15	Certification requirement, Inspection requirement, Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B14, B15, B7, B83,	Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons, Product quality or performance requirement, Certification requirement
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B11, B14, B32, B33, B42, B15	Prohibition for TBT reasons, Authorisation requirement for TBT measures, Marking Requirements, TBT regulations on transport and storage, TBT regulations on transport and storage, Registration requirement for importers for TBT reasons
	HS Chapter 52: Cotton
B83, B84, B14, B15	Certification requirement, Inspection requirement, Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons
	HS Chapter 10: Cereals
B14, B15, B31, B84, B4, B83	Authorisation requirement for TBT measures, Registration requirement for importers for TBT reasons, Labelling requirements, Inspection requirement, Production or Post-Production requirements, Certification requirement

Source: TRAINS, UNCTAD

Table 20. SPS Measures Imposed on Top Five Export categories of India to Sri Lanka

Classification	NTM
	HS Chapter 72: Iron and steel
A83, A84, A14	Certification requirement, Inspection requirement, Special Authorisation for SPS measures
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
A14	Special Authorisation for SPS reasons
	HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
A14	Special Authorisation for SPS reasons
	HS Chapter 52: Cotton
A83, A84	Certification requirement, Inspection requirement
	HS Chapter 10: Cereals
A14, A22, A31, A15, A4, A83, A84, A49	Special Authorisation for SPS reasons, Restricted use of certain substances in foods and feeds, Labelling requirements, Registration requirements for importers, Hygienic requirements, Certification requirement, Inspection requirement, Hygienic requirements n.e.s.

Source: TRAINS, UNCTAD

SPS Notifications in WTO: Since 2017, Sri Lanka has made two SPS notifications to the WTO. They cover: iodized salt, and, bottled or packaged natural mineral water and bottled or packaged drinking water.

The objectives addressed included: Food safety, human health, beverages and modification of content/scope of regulation.

Specific trade concerns raised in WTO: No specific trade concern has been raised at WTO regarding SPS measures of Sri Lanka.

TARIFFS

While several of the major export products from India to Sri Lanka face zero tariffs, some have double-digit tariffs imposed on them [Table 21].

Table 21. Tariffs on India's Major Exports to Sri Lanka

HS Section	HS code	Commodity	Share in total exports [%]	Tariff in 2019 [%]
5	27101930	High speed diesel (hsd)	11.72	15%#
17	88024000	Aeroplanes and othraircraft,of an unladen weight exceeding 15000 kg	4.37	0
2	10063010	Rice parboiled	3.33	30% or Rs.50/ kg#
17	87112019	Scooters wthcyIndrcpcty>75 bt<=250 cc	2.85	0
5	25232910	Ordinary portland cement, dry	2.24	0
2	07031010	Onions fresh or chilled	1.97	Rs.5/ kg#
17	87112029	MotrcyclwthcyIndrcpcty>75 bt<=250 cc	1.91	0
17	89051000	Dredgers	1.86	0
5	27101219	Other	1.70	15%#
5	27101950	Fuel oil	1.66	0
5	27101920	Aviation turbine fuel (atf)	1.56	0
6	30049099	Other medcne put up for retail sale n.e.s	1.48	0
15	72071920	Mild steel (m.s.) Billets	1.43	0
15	72071190	Others	1.34	0
17	87021029	Other, non air-conditioned	1.15	30%#
17	89040000	Tugs and pusher craft	1.12	0% and 30%#
2	09042110	Of genus capsicum	1.12	Rs.30/ kg#
11	60041000	Knitd or crocheted fbrcs of width>30cm contng elastomeric yarn>=5% by wt but not ruber thread	1.06	0
17	89059090	Other under hdng 8905	0.99	0
11	60062200	Othrknted or crochetedfbrcs of cotton , dyed	0.77	0

HS Section	HS code	Commodity	Share in total exports (%)	Tariff in 2019 (%)
2	10063090	Rice excptg parboiled (excl basmati rice)	0.76	30% or rs.50/ kg#
5	25231000	Cement clinkers	0.73	0
17	87019200	Other tractors, of an engine powerexceeding 18 kw but not exceeding 37 kw	0.71	0
17	87042190	Other goods vhcls,wthcmprsnigntnintrnlcmbstnpstnengnwthg.v.w.<= 5 ton	0.67	0%, 15 % and 30 %#
13	73030030	Spun pipe	0.62	0
6	28030010	Carbon blacks	0.61	0
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	0.60	0%, 30% and rs.200,000 per cut portion#
11	60062100	Othrknted or crochetedfbrcs of cotton ,unblchd or blchd	0.59	0
17	87032120	Three-wheeled vehicles wthcylnrdrcpcty<=1000 wthsprk-igntn	0.58	0%, 15 % and 30 %#
17	87042219	3-wheeler goods vhcls,wthcmprsnigntnintrnlcmbstnpstnengnwthg.v.w.>5 tons bt<=20 tons :lorry an	0.56	0

Source: DGCIS Data, Department of Commerce

Note: #: Tariff will remain at this level

Contingent Trade Protection Measures

Sri Lanka has no contingent trade protection measures against exports from India.

THAILAND

TRADE

India's merchandise exports to Thailand were about US\$ 3.7 billion, and imports were US\$ 71 billion in 2017-18.

OVERVIEW

Thailand imposes the largest number of its NTMs on prepared foodstuffs, beverages, spirits, vinegar, tobacco, live animals and products and products of the chemical and allied industries (Figure 8). SPS measures are the largest NTMs used by Thailand, mostly for agricultural products. Non-agricultural products have few NTMs, mainly TBT.

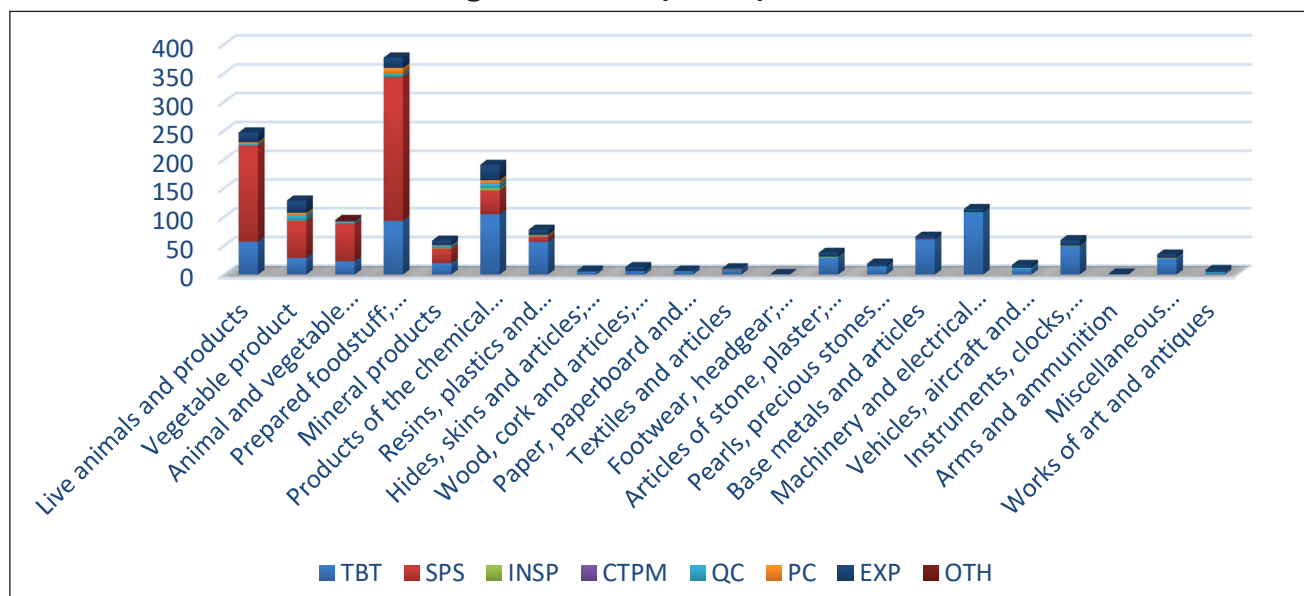
TECHNICAL BARRIERS TO TRADE

In addition to TBT measures for all countries, Thailand has India-specific NTMs as well for the top five product categories of India's exports (Table 22). Three of these categories also have products which are subject to import prohibitions.

TBT Notifications in WTO: Since 2017, Thailand has submitted 86 TBT notifications to the WTO.

They cover: Pre-packaged foods, soy sauce, fruits and vegetables, infant formula, follow on formula and complementary food for infant, infant and young child food, non-alcoholic beverages in sealed container, fish sauce, food products in general, food supplement, ice-cream, alcoholic beverages, food enzymes, tobacco products, cleaning or sanitizing products for food production and products, packaging materials and accessories, flat steel products and semi-products, gas water heater, domestic refrigerating appliances, plastic pipes, tyres, telecommunications terminal equipment, radio communication equipment used in land mobile, mobile phone and tablet cases, fibres and cables, motorcycles and mopeds, alkaline secondary cells and batteries, iron and steel products in general, hazardous substances, electric thermo pot, hot rolled flat steel, cold rolled flat steel, fuses and other overcurrent protection devices, fluorescent lamps, cord extension sets, grills, toasters and similar cooking appliances.

Figure 8. NTMs Imposed by Thailand



Source: TRAINS, UNCTAD 2018

Table 22. TBT Measures Imposed on Top Five Export categories of India to Thailand

Classification	NTM
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B31, B7, B14, B852, B11, B83, B15, B84	Labelling requirements, Product quality or performance requirement, Authorisation requirement for TBT measures, Distribution and location of products after delivery, Prohibition for TBT reasons, Certification requirement, Registration requirement for importers for TBT reasons, Inspection requirement
	For India: HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof.
B85, B14, B852, B83, B49,	Distribution and location of products after delivery, Authorisation requirement for TBT measures, Distribution and location of products after delivery, Certification requirement, Production or post- production requirements
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artcls thereof, imit. jewellery, coins
B31, B83, B15, B85, B14	Labelling requirements, Certification requirement, Registration requirement for importers for TBT reasons, Distribution and location of products after delivery, Authorisation requirement for TBT measures
	For India: HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artcls thereof, imit. jewellery, coins
B85, B14, B852, B83, B49	Distribution and location of products after delivery, Authorisation requirement for TBT measures, Distribution and location of products after delivery, Certification requirement, Production or post- production requirements
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B82, B31, B7, B14, B11	Testing requirement, Labelling requirements, Product quality or performance requirement, Authorisation requirement for TBT measures, Prohibition for TBT reasons
	HS Chapter 3: fish and crustaceans, molluscs and other aquatic invertebrates
B33, B31, B7, B83	TBT regulations on transport and storage, Labelling requirements, Product quality or performance requirement, Certification requirement
	HS Chapter 72: Iron and Steel
B11, B33, B31, B82, B7	Prohibition for TBT reasons, TBT regulations on transport and storage, Labelling requirements, Testing requirement, Product quality or performance requirement
	For India: HS Chapter 72: Iron and Steel
B85, B14, B852, B83, B49	Distribution and location of products after delivery, Authorisation requirement for TBT measures, Distribution and location of products after delivery, Certification requirement, Production or post- production requirements

Source: TRAINS, UNCTAD

The objectives addressed included: Protection of human health and safety, consumer information and labelling, prevention of deceptive practices, consumer protection, protection of the environment, supporting changes in development, production, quality requirements and technical performance.

Specific trade concerns raised in WTO: India has not raised any specific trade concern at the WTO regarding Thailand’s TBT measures.

Some other countries have, however, in recent years (2017 and 18), raised three specific trade concerns regarding TBT measures of Thailand. They include: Draft Notification of the Alcoholic Beverages Control

– Procedure and condition for Labels of Alcoholic Beverages, New certification requirements under the Thai Ministry of Finance’s Ministerial Notification on Importation of Spirits, and, Milk Code – Draft Act on Controlling the Marketing Promotion on Food for Infant and Young Children and Other related products.

SANITARY AND PHYTOSANITARY MEASURES

SPS measures are relevant for only one of five top export product categories exported from India to Thailand (Table 23). These measures are quite restrictive in nature. In fact, it is in this category that India has bilaterally raised one of its trade concerns with Thailand.

Table 23. SPS Measures Imposed on Top Five Export categories of India to Thailand

Classification	NTM
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
-	No measures
	HS Chapter 71: Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and artclsthereof, imit. jewellery, coins
-	No measures
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
-	No measures
	HS Chapter 3: fish and crustaceans, molluscs and other aquatic invertebrates
A21, A82, A33, A19, A81, A31, A14, A62, A84, A83, A59, A86, A85, A22	Tolerance limits for residues of or contamination by certain substances, Testing requirement, Packaging requirement, Prohibitions or restrictions of products or substances because of SPS reasons n.e.s., Product registration requirement, Labelling requirements, Special Authorisation for SPS reasons, Animal raising or catching processes, Inspection requirement, Certification requirement, Treatment for elimination of plant and animal pests and disease- causing organisms in the final product n.e.s., Quarantine requirement, Traceability information requirements, Restricted use of certain substances in foods and feeds
	HS Chapter 72: Iron and Steel
-	No measures

Source: TRAINS, UNCTAD

SPS Notifications in WTO: Since 2017, Thailand has made 46 SPS notifications to the WTO. They cover: Food contaminants, food additives, pre-packaged foods, soy sauce, beverages in sealed container, fish sauce, food supplement, ice-cream, food enzymes, flavoured milk, other milk products, fresh chicken eggs, cow's milk, live animals and animal products, animal feed and processed animal proteins, fruits and vegetables, frozen durian, mushroom culture, bacteria.

The objectives addressed included: Food safety, human health, animal health, animal feed, contaminants, Maximum Residue Levels (MRLs), pesticides, toxins, mycotoxins, heavy metals, bacteria, food additives, labelling, beverages, modification of content/scope of regulation, and adoption/publication/enforcement of regulation.

Specific trade concerns raised in WTO: India has not raised a formal specific trade concern at the WTO regarding Thailand's SPS measures. However, it has bilaterally done so, as mentioned below after the information on specific trade concerns raised by other countries at the WTO.

Specific trade concerns raised by other countries at the WTO: In recent years (2017-18), two specific trade concerns were raised by other countries. These include Thailand's import fees related to approval procedures for live animals and/or animal products, and import restriction on papaya seed.

India's bilaterally raised trade related concern at WTO: India has bilaterally raised at WTO, its concern regarding Thailand's 'Temporary suspension of issue of import licenses for prawns'. Information that provides a basis for lifting the ban has been provided by India to Thailand in October 2018.

Other SPS-related issues bilaterally raised by India:

India has provided technical information at the end of February 2017 to the Government of Thailand for conducting Pest Risk Analysis for potato, okra and lemon for exports from India. Response on this matter is still awaited.

TARIFFS

India has a Framework Agreement for trade liberalisation with Thailand and Thailand is also covered by India's Comprehensive Economic Cooperation Agreement with ASEAN. Thailand has excluded 31% of its lines from tariff reduction under this latter Agreement.²⁹⁰ Thus, tariffs on major export items of India range from zero to 30% (Table 24) and in most cases is duty-free.

Contingent Trade Protection Measures

India's exports are subject to two contingent trade protection measures of Thailand, one is an anti-dumping measure and the other a safeguard measure.

Anti-dumping

Thailand has imposed one anti-dumping measure against India's export of 'Flat Hot Rolled in Coils and not in Coils' products of iron or non-alloy steel.

Countervailing Measures

Thailand does not have any countervailing measures against India's exports.

Safeguards

Thailand's safeguard measures which affect Indian exports are on 'Non-Alloy Hot Rolled Steel Flat Products in Coils and Not in Coils'. On another safeguard measure of Thailand, i.e. imports of glass blocks, India is excluded from coverage.²⁹¹

²⁹⁰The excluded products are spread across a large number of HS categories, for example, HD 01,02,0,04,06 to 12, 15 to 25, 28, 29,30, 32,33,34,38,39,40,42,44,46,48,49,52,54,55,56,57,58,61,62,63,64, 68,69,70,72, 73,74,76,83,84,85,87,90,91,94 and 96.

²⁹¹This is: Structural Hot Rolled H-Beam with Alloy.

Table 24. Tariffs on India's Major Exports to Thailand

HS Section	HS Code	Product	Share in Total Exports (%)	Tariffs (%)
14	71023910	Diamond (othrthnindstrl diamond) cut or otherwise worked but not mounted or set	15.79	0
1	03035400	Mackerel frozen	3.69	5#
16	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	2.73	30#
2	09042110	Of genus capsicum	2.34	5#
16	84082020	Engines of cylndrcpcty>250 cc	1.65	10#
15	72023000	Ferro-silico-manganese	1.54	0
6	30049099	Other medcne put up for retail sale n.e.s	1.52	5#
1	03074320	Whole squids frozen	1.48	0
15	76011010	Aluminium ingots-not alloyed	1.46	0
15	72071190	Others	1.35	0
17	87084000	Gear boxes	1.22	0
15	72011000	Non-alloy pig iron contng<=0.5% phosphrs	1.22	0
3	15153090	Castor oilanditsfrctnsotrthnedble grade	1.16	5#
6	29024300	P-xylene	1.14	0
5	27101920	Aviation turbine fuel [atf]	1.09	0
5	27101930	High speed diesel [hsd]	0.94	0
14	71039990	Other stone cut[topaz aquamarine etc]	0.90	0
11	52010015	Indian cotton of staple length 28.5mm [1.4/32] and above but below 34.5mm	0.83	0
4	23064900	Other residues of rape or colza seeds	0.72	5#
15	73061929	Non-galvan pipe of other for oil or gas	0.65	1#
6	38089290	Others fungicide nes	0.58	0
1	02023000	Boneless meat of bovine animals , frozen	0.55	50#
16	84148030	Turbo charger	0.54	10#
15	73269099	All other articles of iron/steel nes other steering or rudder equipment for ships and boats, n.e.s.	0.52	0

Source: DGCIS Data, Department of Commerce

Notes: #: Tariff will remain at this level

TURKEY

TRADE

India's exports of merchandise goods to Turkey were US\$ 5.1 billion in 2017-18 and imports were US\$ 2.1 billion.

OVERVIEW

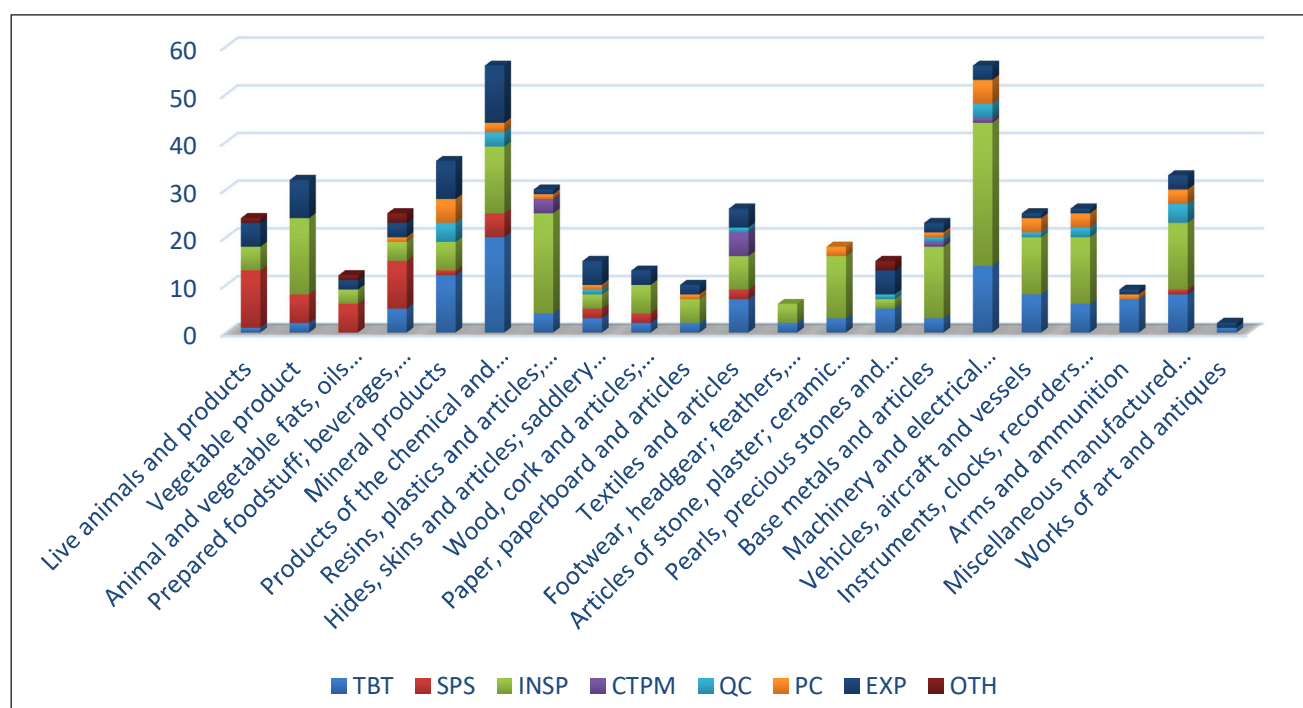
Turkey has relatively few NTMs compared to other nations. It also deviates from the practices of other nations in another way, i.e. its largest number of NTMs are for pre-shipment inspection, and even for agricultural products the SPS measures are much fewer in number than is the case in general (Figure 9).

TECHNICAL BARRIERS TO TRADE

Considering the TBT measures on the top five product categories exported from India to Turkey, it is noteworthy that products in two of these categories are prohibited for TBT related reasons (Table 25). All of these categories have products which require authorisation due to TBT reasons.

TBT Notifications in WTO: Since 2017, Turkey has made 64 TBT notifications to the WTO. They cover: Food [excluding water], honey, tobacco products and manufactured substitutes, olive oil and residue, materials and articles in contact with foodstuffs, foodstuffs of animal origin, sports food, sugar, infant formula and follow-on formula, drinking milk, other milk products, ice products, ice cream, aromatized wine products, food flavourings, agriculture products intended to be marketed as organic in turkey, screws, bolts and nuts, urban road transport, construction materials and building, textiles and furnishings, other woven fabrics, total diet replacement for weight control, plugs with metric fine thread, piston rings made of cast iron for motor vehicle pistons, disk springs, decorative products growing in liquid, bolt and washer sets, fasteners, studs, extraction solvents used in production of food, acid cells and batteries, hoses

Figure 9: Turkey imposition of NTMs for All members and Bilateral



Source: TRAINS, UNCTAD 2018

Table 25. TBT Measures Imposed on Top Five Export categories of India to Turkey

Classification	NTM
	For India (specifically mentioned among several other economies): HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
B14, B31, B33, B83, B859, B84	Authorisation requirement for TBT reasons, Labelling requirements, Packaging requirements, Certification requirement, Traceability requirements n.e.s., Inspection requirement
	For India (specifically mentioned among several other economies): HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
B14, B83	Authorisation requirement for TBT reasons, Certification requirement
	For India (specifically mentioned among several other economies): HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
B14, B31, B11, B82, B83	Authorisation requirement for TBT reasons, Labelling requirements, Prohibition for TBT reasons, Testing requirement, Certification requirement
	For India (specifically mentioned among several other economies): HS Chapter 54: Man-made filaments
B15, B14, B85	Registration requirement for importers for TBT reasons, Authorisation requirement for TBT reasons, Traceability information requirements
	For India (specifically mentioned among several other economies): HS Chapter 39: Plastic and articles thereof
B31, B11, B83	Labelling requirements, Prohibition for TBT reasons, Certification requirement

Source: TRAINS, UNCTAD

and hose assemblies, energy related products, detergents, wood packaging material.

The objectives addressed included: Protection of human health and safety, quality requirements, consumer information, labelling, prevention of deceptive practices, consumer protection, standardisation, organic agricultural products to be marketed in Turkey, protection of the environment and implementation of regulation.

Specific trade concerns raised in WTO: India has not raised any specific trade concern regarding Turkey's TBT measures. Likewise, no other country has raised a specific trade concern since 2017. In recent

years (2016), one such concern was raised regarding Turkey's Toy Communiqué by Canada and the US.

SANITARY AND PHYTOSANITARY MEASURES

It is noteworthy that for the top five product categories exported by India to Turkey, SPS measures are in place for only one of them (HS Chapter 27).

SPS Notifications in WTO: Since 2017, Turkey has made 31 SPS notifications to the WTO. They cover tomato, food (excluding water), honey, analysis of olive oil and residue, materials and articles in contact with foodstuffs, foodstuffs of animal origin, sports food, sugar, total diet replacement for weight control, infant formula and follow-on formula,

Table 26. SPS Measures Imposed on Top Five Export categories of India to Turkey

Classification	NTM
	For India (specifically mentioned among several other economies): HS Chapter 27: Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
A83	Certification requirement
	HS Chapter 87: Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
-	No Measure
	HS Chapter 84: Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
-	No Measure
	HS Chapter 54: Man-made filaments
-	No Measure
	HS Chapter 39: Plastic and articles thereof
-	No Measure

Source: TRAINS, UNCTAD

milk drinks, caseins and caseinates intended for human consumption and their mixtures, ice cream, iced products, aromatised wine products, food flavourings, animal by-products not intended for human consumption, food additives, specifications for food additives, materials of plant origin.

The objectives addressed included: Human health, plant health, plant diseases, seeds, animal health, food safety, food additives, animal feed, contaminants, pests, avian influenza, Maximum Residue Limits (MRLs), veterinary drugs, toxins, mycotoxins, dioxins, heavy metals, territory protection, pest or disease-free regions/ regionalisation, packaging, labelling and modification of content/scope of regulation.

Specific trade concerns raised in WTO: India has not raised any specific trade concern regarding Turkey's SPS measures.

However, in 2017, the US raised a specific concern regarding Turkey's restrictions on rough rice imports.

TARIFFS

India has a large number of products with an export share of above 0.5% in its total exports to Turkey (Table 27). A noteworthy tariff in Table 27 is that on rice exports from India, which is a high outlier in comparison to the other tariff categories.

Contingent Trade Protection Measures

Turkey is a very active user of contingent trade protection measures, in particular anti-dumping measures.

Anti-dumping

Turkey has imposed ten anti-dumping measures against India's export of: polyester partially oriented yarn, polyester textured yarn, polyester synthetic staple fibres, bicycle tyres and tubes, metalized yarn, tube or pipe fittings, endless transmission belts of trapezoidal cross-section (V-belts), yarn of man-made or synthetic or artificial staple fibres, diesel engines, and, fully drawn yarn (FDY).

Table 27. Tariffs on India's Major Exports to Turkey

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)####
5	27101930	High speed diesel (hsd)	17.93	*
15	76011010	Aluminium ingots-not alloyed	4.09	3
11	54023300	Textured yarn of polyesters	3.96	4
17	87089900	Otrprtsandaccsrs of vhcls of hdg 8701-8705	3.72	*
7	39021000	Polypropylene	2.65	6.5
16	84073410	Sprk-igntn engines for motor cars	2.04	*
11	55095100	Othr yarn of polystrstplfbrs mixed mainly/solely with artificial staple fbrs	1.97	4
16	84111200	Turbo-jets of a thrust>25 kn	1.95	*
16	85451100	Electrodes of a kind used for furnaces	1.34	2.7
6	32041680	Reactive blacks	1.16	6.5
2	10063020	Basmati rice	1.01	45
17	87089400	Sterngwheels,sterng columns and sterngboxs	0.97	*
14	71023910	Diamond[othrthnindstrl diamond]cut or otherwise worked but not mounted or set	0.96	0
17	87032291	Motor car wthcylndrcpcty>=1000cc but < 1500cc wthsprk-igntn	0.96	10
13	68022390	Others	0.95	1.7
7	39076100	Polyethylene terephthalate: having a viscosity number of 78 ml/g or higher	0.93	6.5
11	55041000	Viscose rayon staple fibres ntrcd/combd	0.92	4
11	54024600	Yarn of polyester,prtlyorntd,untwstd or wth a twist <= 50 turns per mtr, single	0.89	4
15	76012020	Aluminium billets - alloyed	0.81	6
17	87085000	Drive axles with differential w/n providedwith other transmission components	0.75	*
14	71189000	Other coin	0.75	0
4	21011120	Instant coffee not flavoured	0.75	9
16	84073310	Sprkigntn engines for motor cars	0.75	2.7
11	54026200	Othr yarn of polystrs,multpl or cabld	0.74	4
2	10063090	Rice excptg parboiled (excl basmati rice)	0.61	45

HS Section	HS Code	Commodity	Share of Total Exports (%)	Tariff in 2019 (%)###
17	87089500	Safety airbags with inflater system, parts thereof	0.60	*
6	29419090	Other antibiotics	0.58	0
15	72222012	Bright bars-nckl chromium austenitic type	0.58	0
16	85414011	Solar cells/photovoltaic cells whethr or nOt assembled in mOdule/panel	0.57	0
17	87084000	Gear boxes	0.56	*

Source: DGCIS Data, Department of Commerce

Notes: ### MFN tariff of Turkey is taken from WTO Tariff Database, * Multiple tariffs available at eight-digit level

Indian exporters have expressed specific concerns with respect to the anti-dumping duties on diesel engines (in particular, compression ignition internal combustion piston engines classified under HS code 84089041).

Countervailing Measures

Turkey has one countervailing measure against India's exports of PET films.

Safeguards

Turkey has imposed two safeguard measures that affect exports from India, i.e. toothbrushes and polyethylene terephthalate.

India is excluded from two other safeguard measures imposed by Turkey. One of them is a final safeguard measure²⁹² and another a provisional²⁹³ safeguard measure.

²⁹²Wallpaper and similar wallcoverings

²⁹³Steel Products

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