

India proposes retaliatory auto duties against US at WTO

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India on Friday told the World Trade Organisation (WTO) that it plans to levy retaliatory duties on select US products in response to 25 per cent tariff hikes imposed by Washington on automobiles and certain auto parts, a move which comes at a crucial juncture when both the nations appeared close to sealing an interim trade agreement.

“The proposed suspension of concessions or other obligations would take the form of an increase in tariffs on selected products originating in the United States. Without prejudice to the effective exercise of its right to suspend substantially equivalent obligations referred to in Article 8.2, AoS, India reserves its right to suspend concessions or other obligations after the expiration of thirty days from the date of this notification,” according to a WTO notification.

From May 3, the US adopted a “safeguard measure” in the form of a tariff increase of 25 per cent ad valorem on imports of passenger vehicles and light trucks, and on certain automobile parts. India said that the measures have not been notified by the US. They are also not consistent with the global trade rules. India further said that the safeguard measures will impact \$2.895 billion



imports of Indian-origin auto products each year, with duties totalling \$723.75 million.

Therefore, India plans to suspend trade concessions of equivalent value in response.

Last month, India had submitted a formal notification to the WTO under the Agreement on Safeguards, informing the multilateral trade body of its intention to suspend concessions under the agreement in response to the tariffs imposed by the US on steel, aluminium, and their derivative products.

‘Will raise duties to reduce apple imports’

Amid the ongoing India-US trade talks, Union Agriculture Minister Shivraj Singh Chouhan said the government will make such changes in duties that the import of apples become expensive, and the demand for domestic apple grows. He was addressing a group of students, farmers and scientists in Jammu and Kashmir on Friday.

Jammu and Kashmir is the hub of apple trade in India and the state, together with neighbouring Himachal Pradesh, accounts for almost 97 per cent of the 2.4-2.5 million tonnes of apples grown in India. The United States (US) in the ongoing bilateral trade talks with India has been pressing for greater access to the domestic market for its agricultural produce — of which apples are one. India at present levies around 50 per cent duty on apples imported from the US, which was even higher just a few years back. US wants the duties

to be brought down to facilitate easier access. “Why should we bring fruits from abroad, we can make Jammu and Kashmir a horticulture hub of India,” Chouhan said in his address.

He said instructions have also been issued to the Indian Council of Agriculture Research (ICAR) to do more research on improving the yield of apples grown in India. Recently, apple growers from Jammu and Kashmir, Uttarakhand and Himachal Pradesh had called upon the chief ministers of their respective states to jointly approach the Central government

to ensure that there are no unreasonable changes in the tariff structure on apples imported from the US in the trade deal. “Foreign apples are out-competing our domestic fruit, putting the lives of more than 800,000 apple growing households in peril,” the Apple Farmers’ Federation of India had said. SANJEEB MUKHERJEE

