

India defends quality control orders at WTO

US, Canada, 17 other members raised 35 specific trade concerns

ASIT RANJAN MISHRA
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India has defended the quality control orders imposed across various sectors, holding that the measures were necessary to ensure the quality of products, protection of human, animal, and plant health, and prevention of deceptive practices.

The United States, Canada, Taiwan, Penghu, Kinmen, and Matsu had last year raised concerns over India's quality control orders over the years in sectors, such as toys, chemicals, ICT (information and communication technology) products, and automobile parts.

They claimed that India's statements often are not entirely responsive to the questions posed by members, and this has led to an ever-growing list of specific trade concerns.

"We note that since 2019, 19 members have raised 35 specific trade concerns (STCs) with India. Of these, more than a third appear to be related to quality control orders, and more than two-thirds are concerns that members have raised more than once. In fact, members have raised more than half of these 35 specific trade concerns at least three times. Since May 2020, the number of STCs members raised with India has made up at least 13 per cent of the total number of STCs addressed in each meeting," the members had said in a statement to the Committee on Technical Barriers to Trade.

Comprehensively responding to the queries at the Committee last month (November 2023), India said it had positively engaged both at a bilateral and multilateral level on all the STCs raised, including those mentioned in the technical statement



INDIA'S STAND

■ **Members claim India's** statements are often not entirely responsive to their concerns

■ **They question India's recognition** of internationally accredited laboratories and difficulties with foreign inspections

■ **India emphasises the necessity** for product quality, health protection, and prevention of deceptive practices

■ **Talks of its commitment to** international trade while ensuring the outlined objectives

■ **Asserts its engagement** in addressing concerns and highlights its adherence to the technical barriers to trade agreement

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INDIA-US TRADE POLICY FORUM MEET LIKELY IN JAN

India and the United States are gearing up for the annual Trade Policy Forum meeting next month,

where both sides hope to strengthen bilateral relations, resolve trade and investment issues and identify more areas for engagement, people aware of the matter said. **SHREYA NANDI** writes

and intends to continue this engagement in the WTO Committee as well as bilaterally.

"In accordance with the Technical Barriers to Trade (TBT) Agreement, India is committed to facilitating international trade while taking steps to ensure the quality of products, protection of human, animal, and plant health and life, protection of the environment, protection of the consumers and prevention of deceptive

practices, among other objectives specific to the products. The quality control orders (QCOs) issued by India are a step in this direction," it said.

On the recognition of internationally accredited laboratories, the countries asked India to provide greater clarity and transparency regarding the steps laboratories can take to obtain such recognition from the Bureau of Indian Standards (BIS). **Turn to Page 6 ▶**

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WTO...

“Currently, exporters whose products have already been certified by accredited international laboratories report that results from these laboratories are not being accepted as proof of compliance with the requirements of the Compulsory Registration Order (CRO) and the Mandatory Testing and Certification of Telecommunications Equipment (MTCTE) scheme,” the members said.

“As a result, exporters are forced to undertake duplicative testing. We urge India to utilise the benefits of ILAC membership and accept foreign laboratory test results from ILAC-accredited labs as proof of compliance with Indian requirements,” they said.

India responded, saying it had used accreditation by ILAC as a conformity assessment procedure where appropriate, such as under the MTCTE scheme. India further asked the countries whether all ILAC accredited foreign labs were automatically recognised in their countries and whether the recognition of ILAC accredited foreign labs was limited to certain sectors or products.

On the issue of difficulties with foreign inspections mandated by BIS, the countries said their companies outside of India had often been unable to comply with existing quality control orders due to the lack of virtual audits or other compliance alternatives.

“In the case of toys, a total halt in exports by US and Canadian companies occurred, and trade continues to be greatly impacted. India continues to require testing of every import shipment of toys in addition to on-site sampling at manufacturing facilities, with those samples then shipped to India for in-country testing. Situations like these not only add to the cost of the importation process but also lead to delays. To date, no US or Canadian toy firm secured an inspection of a manufacturing facility,” they said. India in its reply retorted, saying no application for toys had been received from these countries. “Applications have been received from Canada, the Separate Customs Territory of

Taiwan, Penghu, Kinmen, and Matsu, and the US for chemicals and automobile parts wherein licenses have been granted in some cases. In cases where the process has not been completed, it is due to various reasons, such as non-payment of fees, no application for inspection, or no visa approval from the country where the manufacturer is located,” it said. On India adopting national standards for products like polyethylene products and toys, instead of using relevant international standards, the countries held that it keeps Indian standards updated so that they are aligned with the related international standards over time. “Divergences between standards can not only result in products that are less safe but also that Indian standards may not necessarily meet societal and market needs as reflected by international standards,” they said.

India maintained that most of the standards formulated by the BIS, which is the body responsible for the formulation of standards in India, are based on international standards and the minor variations which might exist are due to the specific climatic or environmental conditions and technological development in the country.

Apple...

The FOB value achieved by the three vendors in the first seven months of FY24 is nearly equivalent to what Apple Inc achieved in the entire FY23, which was an FOB value of ₹62,000 crore.

The Cupertino-headquartered company surpassed its commitment under the scheme even in the second year of operations when it had committed to producing iPhones with an FOB value of ₹47,000 crore. However, the three vendors surpassed that number and achieved ₹62,000 crore.

The big jump in the FOB value of iPhone production this year has been kicked off by a spike in iPhone exports from the country.

CV sales...

Kinjal Shah, vice-president and co-group head-corporate ratings, ICRA, said that the medium and heavy commercial