

India, US agree to end 6 WTO disputes

Won't have any trade dispute by year-end: Goyal

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New Delhi, 23 June

In what could give a boost to bilateral trade ties between India and the United States (US), the two countries have decided to close half-a-dozen outstanding disputes at the World Trade Organization (WTO), including the retaliatory tariffs India imposed on imports of some farm products from the US.

“Underscoring the willingness and trust of both countries in resolving trade issues, the leaders welcomed the resolution of six outstanding WTO disputes through mutually agreed solutions as well as their understandings on market access related to certain products of significance to the bilateral trade relationship,” both sides said in a joint statement at the end of the three-day state visit of Prime Minister Narendra Modi to the US.

Both sides, within a month's time, will notify the WTO's dispute settlement panel that disputes are being bilaterally resolved and withdraw three cases each, slapped against each other.

“It is a very big victory for India and it is a mutually beneficial arrangement for both countries. PM Modi and President Joe Biden have created a win-win situation for both US and India,” Commerce and Industry Minister Piyush Goyal told reporters on Friday.

Goyal said that by year-end, there would be no trade disputes between India and the US since both sides hope to resolve a pending dispute by then. In that case India, in 2015, had lost a long-standing dispute over poultry imports from the US.

Apart from the breakthrough in the disputes, India

THE SIX DISPUTES

DISPUTES INITIATED BY INDIA

- Countervailing measures on certain hot-rolled carbon steel flat products from India
- Measures relating to the renewable energy sector
- Measures on steel and aluminium products

DISPUTES INITIATED BY US

- Measures relating to solar cells and solar modules
- Export-related measures
- Additional duties on some products from the US

PENDING DISPUTE:

Measures concerning the importation of certain agricultural products (poultry case) initiated by the US

negotiations on the proposed Indo-Pacific Economic Framework supply chain agreement. India and the US also committed to working with 12 other IPEF partner nations to conclude negotiations of the agreements under the clean economy and fair economy.

WTO disputes

One of the major cases involved the US in 2018 imposing 25 and 10 per cent import duty on steel and aluminium, respectively, citing national security reasons, by then US President Donald Trump. Thereafter, India retaliated with tariffs on 28 items in June 2019. Both sides have now firmed up a mutually agreeable solution.

India has agreed to remove retaliatory tariffs on items, such as lentils, walnuts, apples, almonds, chickpeas, as well as on boric acid, and diagnostic reagents. “As part of the market access, going forward, the US Department of Commerce will clear 70 per cent of steel and 80 per cent of aluminium applications for products originating in India. These applications will be made under the exclusion process of Section 232 by the importers on behalf of the exporters. It would provide significant impetus to raise India's steel and aluminium exports by about 35 per cent,” the Indian commerce ministry said in a statement.

“Any out-of-court settlement creates a conducive environment for trade to grow because none of the sides are hurt. It's a good decision. It will not only be favourable in terms of India's exports to the US, but will give the right signal for overall exports also,” said Ajay Sahai, director-general and CEO, Federation of Indian Export Organisations.

continued to push for restoration of its status under the US Generalised System of Preferences programme. According to the joint statement, the US will consider it keeping in mind the eligibility criteria fixed by the US Congress.

India's beneficiary status-allowing duty-free market access to certain goods—under GSP was withdrawn in 2019. Both nations welcomed the ‘substantial conclusion’ of