

Territorial NEWSLETTER North America

EETPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



From the recently-concluded meeting of the WTO Tenth Ministerial Conference held in Nairobi, India's negotiating stand to ensure that the WTO continues to place the interests of developing countries and LDCs at the centre of its agenda was tough to maintain.

In this edition of the 'Newsletter on North America', we present a brief clipping on the WTO Nairobi Meet, which I hope will be insightful for our readers.

The economic ties between India and North America have strengthened over the years. The region continued to be the second largest destination of India's exports highlighting significance of the region in India's export basket. Exports to the region account for nearly

15.5% of our global engineering exports.

Export of engineering goods, which constitutes 23 per cent of the country's total exports and US being its biggest market, is experiencing a deteriorating trend post July. But we are hopeful that the global demand will slowly take shape.

In this fifth edition of the 'Newsletter on North America', we present a brief note on the current trade matters between India and North America, which I hope will be insightful for our readers and I hope they enjoy reading it.

Tarvinder Singh Bhasin

Message from Chairman, Committee on Trade with North America



In this fifth edition of the 'Newsletter on North America- Volume V', we heartily welcome short clippings on Tenth WTO Ministerial Conference held at Nairobi. We also present here a brief insight on the total trade pattern in North America during the first two quarters of 2015-16. We discuss the top engineering product bilaterally traded between the countries of the region.

Further, the newsletter has a compilation of tender related information, upcoming exhibitions, key news items and factsheets of Anti Dumping Duty matters.

We are hopeful that the note will give fruitful information to our readers.

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NEWSLETTER – North America

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Basic Facts: North America

Area: 24.71 million Sq. km

Population: 576,163,467 (2015)

GDP: USD 20,834.888 (2014)

Climate: North America includes all of the mainland and related offshore islands lying North of the Isthmus of Panama which connects it with South America. It has a variety of climate, from the dry, bitter cold of the Arctic to the steamy heat of the tropics. The North American tundra, the vast treeless plain of the far north, has temperature rises above freezing for only a short period each summer. In the far south there are low-lying areas which are always hot and rainy.

Natural resources: North America produces most of the world's corn, meat, cotton, soybeans, tobacco, and wheat, along with a variety of other food and industrial raw material crops. Mineral resources are also abundant; the large variety includes coal, iron ore, bauxite, copper, natural gas, petroleum, mercury, nickel, potash, and silver.

Clippings from WTO Nairobi Meet – Tenth WTO Ministerial Conference

- The WTO's 10th Ministerial Conference was held in Nairobi, Kenya, from 15 to 19 December 2015. It was chaired by Kenya's Cabinet Secretary for Foreign Affairs and International Trade, Amina Mohamed.
- Hon'ble Commerce Minister, Ms. Nirmala Sitharaman represented India at the Ministerial Conference, the WTO's highest decision-making body, held in Africa.
- India and other developing countries felt only a few of their concerns have been addressed at the end of five days of heady deliberations at the 10th World Trade Organization ministerial conference.
- WTO Director-General Roberto Azevedo met Commerce and Industry Minister Nirmala Sitharaman after the plenary session to discuss ways in which a break-through could be reached on the sticky issues between developed and developing countries.
- **“It is regrettable that longstanding issues of interest to a large number of developing countries strongly pushed by the G-33, such as an effective special safeguard mechanism for developing countries and for changing the rules relating to public stockholding for food security purposes, are being put aside for the future and new issues of recent vintage are being taken up with unusual enthusiasm,”** Sitharaman said at the plenary session.
- The concluding facts pointed out that the developing and the poor world wanted the Doha Round to continue till all outstanding issues, including on protection of poor farmers and food sovereignty, are resolved. But the developed and rich countries wanted the Round to end and had sought the introduction of

new issues that are of their interests, including e-commerce, global value chains, competition laws, labour, environment and investments.

- According to a WTO's statement after the meet, the ministers stated while negotiators should prioritize work where results have not yet been achieved, "some wish to identify and discuss other issues for negotiation; others do not. Any decision to launch negotiations multilaterally on such issues would need to be agreed by all members."

Source: https://www.wto.org/english/thewto_e/minist_e/mc10_e/mc10_statements_e.htm

Trade talks lead to "death of Doha and birth of new WTO"



Roberto Azevêdo, WTO director-general, addresses reporters in Nairobi Meet

The World Trade Organisation is facing the biggest shake-up of its agenda in a generation after its members in effect abandoned the long-stalled Doha round.

For the first time since the round was launched amid great fanfare in 2001, the WTO's 164 members, ending a conference in Nairobi at the weekend, declined to "reaffirm" Doha's mandate.

They also opened the door to discussing new issues and focusing more on delivering smaller packages of trade reforms. Agreements included a global ban on farming export subsidies that Roberto Azevêdo, the WTO's director-general, called the "most significant" achievement on agriculture in the organisation's history.

The new line in Nairobi, said one senior trade official, amounted to "the death of Doha and the birth of a new WTO". It also marked a victory for the US and EU, who alongside other developed economies have argued that clinging to the long-stalled Doha negotiations was making the institution irrelevant in a changing global economy.

For 14 years of its 20-year history its negotiations have been conducted — many would say frozen — under the Doha round banner, and since 2008 the view of many outside the WTO's Geneva headquarters has been that Doha ought to be buried.

That frustration has led to a push for large regional and sectoral trade agreements. In October, the US administration concluded negotiations with Japan and 10 other economies on a vast new Pacific rim pact: the Trans-Pacific Partnership.

It is also negotiating a similar agreement with the EU, and leading other sectoral talks in Geneva on the global trade in services and environmental goods.

That has also had an effect on the WTO. Under Mr Azevêdo, the onus is on what is achievable and delivering smaller packages of reforms.

In Nairobi, ministers agreed on the ban on agricultural export subsidies, and concluded long-running discussions on liberalising the global trade in IT products.

Those deals followed the conclusion in 2013 in Bali, Indonesia, of an agreement to remove red tape and speed the flow of goods through borders.

“We know that we can negotiate,” Mr Azevêdo told the Financial Times. “What we need is an agenda.” However, the WTO is still divided over its priorities, and Mr Azevêdo said tough negotiations lay ahead. The US hailed the Nairobi decision, saying it had cleared “the road to a new era for the WTO”.

India, which has been the most vocal advocate of sticking with Doha, bemoaned that “some members” had blocked its continuation. It said it was a “significant departure from the fundamental WTO principle of consensus-based decision-making”.

Some of the fundamental problems facing the negotiators have not been resolved. The Chinese economy has changed significantly since 2001 when the Doha talks were launched. But it is still classified as a developing economy and exempt from many obligations — much to the annoyance of Washington.

Source: <http://www.ft.com/cms/s/0/97e8525e-a740-11e5-9700-2b669a5aeb83.html#axzz3v1fZOKNe>

India-North America Information Guide

The bilateral relations between India and North America have developed over the years in a significant way. As regards our exports, the region has consistently been the second largest destination for Indian goods exporting US\$ 6.2 billion, behind only European Union (EU) during April-November 2015-16. Exports to the region account for nearly 15.5% of our global exports. Exports to North America represent a diversified phenomenon as it includes different trade patterns with the three countries (USA, Mexico and Canada) of the region.

Upcoming Exhibitions in North America

Table 1: List of Exhibitions

Events	Date	Venue	Link
North American International Auto Show	11-24 th January 2016	COBO Center, Detroit, Michigan	http://www.naias.com/2016-show/overview.aspx
Renewable Energy World Conference and Expo	8-10 th December 2015	Las Vegas Convention Center	http://www.renewableenergyworld-events.com/index.html
Motor & Drive Systems 2016	21-22 nd January 2016	Jacksonville, Fla.	http://www.e-driveonline.com/conferences/news/save-the-date/#more-2520

Trade Trend Analysis in North America

India shares a positive trade balance with North America during April-July of the new fiscal of 2015-16. The following table depicts India's Merchandised trade pattern with North America compared to the trade pattern with World.

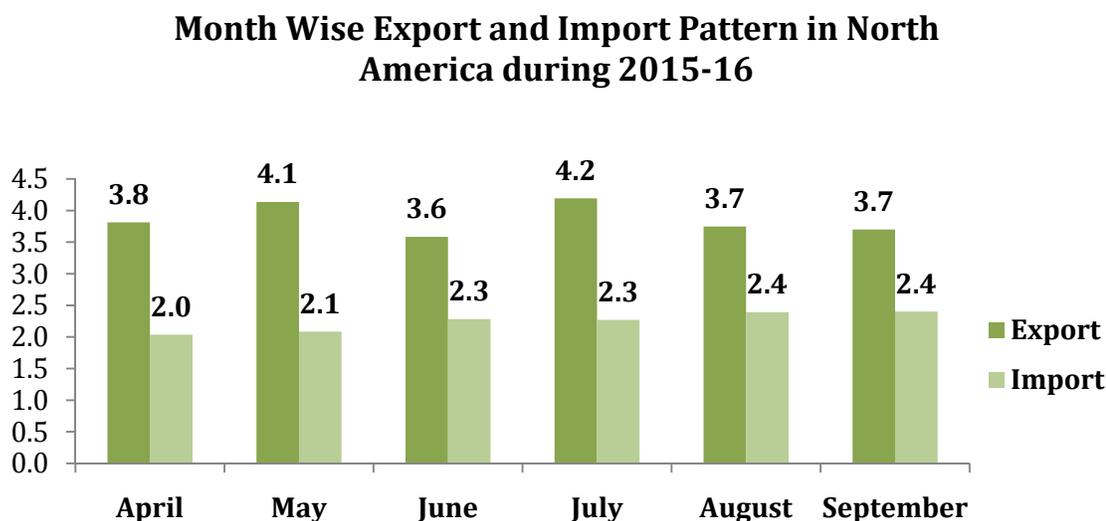
Table2: India-North America Overall Trade Figures

US\$ million

Description	April-September 2015-16
India's Export to North America	23,185.71
India's Total Export to World	132,203.90
India's export share to North America w.r.t. World	17.54 %
India's Import from North America	13,419.54
India's Total Import from World	199,311.22
India's Import Share from North America w.r.t World	6.73%
Total Trade with North America	36,605.25

Source: DGCI&S

Chart 1: Trend in Total Trade in North America during 2015-16(month wise)



Source: DGCI&S

The top nations which had the highest demand for Indian engineering products during November 2015 in absolute values include:

Table 3: Engineering Exports to North America (country wise)

North America	November 2014 (USD million)	November 2015 (USD million)	Growth (%)	April - November 2014-2015	April- November 2015 -2016	Growth %
USA	710.84	609.69	-14.23	5043.02	4746.10	-5.89
Mexico	192.46	135.20	-29.75	1221.29	1114.96	-8.71
Canada	49.58	34.70	-30.01	385.52	310.37	-19.49
Total	952.88	779.59	-18.2	6649.83	6171.43	-7.2

Source: DGCI&S

Table 4: Top 15 engineering panels exported to North America in November 2015 include:

DGCI&S Engineering Panels	India's export in November 2014(USD million)	India's export in November 2015 (USD million)	Growth (%)
Iron and Steel	59.27	138.86	134.3
Products of Iron and Steel	193.18	103.21	-46.6
Auto Components/Parts	88.54	78.99	-10.8
Motor Vehicle/cars	59.49	75.28	26.5
Industrial Machinery	62.34	60.18	-3.5

DGCI&S Engineering Panels	India's export in November 2014(USD million)	India's export in November 2015 (USD million)	Growth (%)
Aircrafts and Spacecrafts	98.39	54.11	-45.0
Other Miscellaneous Machinery	38.01	46.96	23.5
Electric Machinery and Equipment	55.93	42.94	-23.2
Aluminium and products	81.93	32.12	-60.8
IC Engines and Parts	38.71	26.60	-31.3
Machinery for ATMs	37.19	19.97	-46.3
Medical and Scientific Instruments	19.00	16.17	-14.9
Pumps of all types	18.52	12.50	-32.5
Hand Tools and Cutting Tools	12.99	11.90	-8.4
Copper and products	31.30	10.77	-65.6

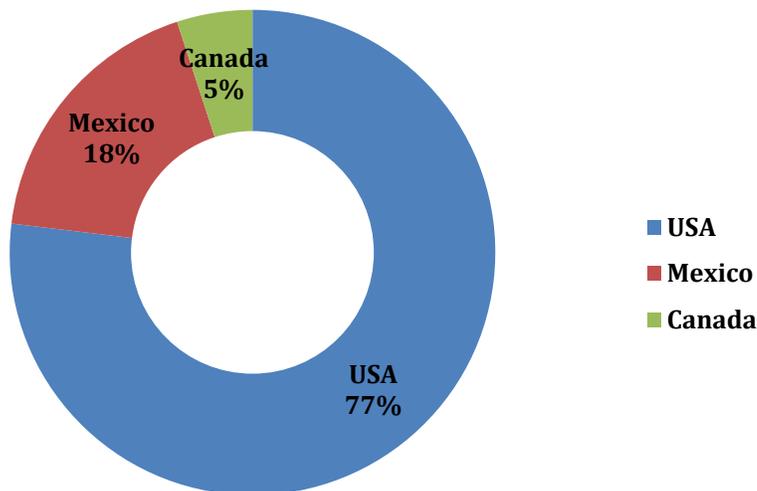
Source: DGCI&S

Engineering exports to North America, ranks second among the region wise top engineering exports from India during April-November 2015-16.

Countries like USA maintained its top rank for Indian engineering exports though it registered a dip in exports both monthly and cumulatively by 14 % in November 2015 and 5.9% during April-November 2015-16 respectively. The main engineering products exported to the country include Products of iron and Steel, Auto Components/Parts, Industrial Machinery, Iron and Steel etc during April-November 2015-16.

The following pie chart demonstrates highest engineering export share to USA followed by Mexico and Canada during April-November 2015-16.

Fig1: India's engineering export share to North American Countries (%) in April-November 2015-16



Source: DGCI&S

- **Trade with USA:** Indian engineering exports to USA, continues to be the highest during the month of November. At present, it accounts for 11.9 per cent of India's eng exports.
Top products traded in USA: Top traded products to USA during April-November 2015-16 include Products of Iron and Steel, Auto and Auto parts, Industrial Machinery, Iron and Steel, Electrical Machinery and Equipment, etc.
- **Trade with Mexico:** Mexico is India's 8th exporting destination for engineering products. At present, it accounts for 2.8 per cent of India's eng exports during April-November 2015-16.
- **Top products traded in Mexico:** Top traded products to Mexico during April-November 2015-16 include Motor Vehicles/cars, Aluminium products, Auto Components and Parts, Products of Iron and Steel, Industrial Machinery, Two and Three Wheelers, etc.
- **Trade with Canada:** India's engineering trade with Canada is also mention worthy. It maintains a similar economy like India and is often called as India-like country. At present, it accounts for 0.8 per cent of India's eng exports during April-November 2015-16.
Top products traded in Canada: Major exported products to Canada during April-November 2015-16 include Products of Iron and Steel, Nuclear Reactors, Auto Components/Parts, Iron and Steel, Other Miscellaneous items, Electrical Machinery and Equipment, Iron and Steel, etc.

News in Focus

- **Govt claims it protected India's interests at WTO's Nairobi talks**

Commerce minister Nirmala Sitharaman on Tuesday virtually rejected charges by the opposition parties that the government was unable to protect India's interests at the recently concluded Nairobi Ministerial Conference of the WTO.

Ms. Sitharaman, who represented India at the Ministerial Conference (the WTO's highest decision making body), said in a statement tabled in Lok Sabha that "India negotiated hard to ensure that the WTO continues to place the interests of developing countries and LDCs at the centre of its agenda."

She said the outcomes of the Conference — referred to as the 'Nairobi Package' — contains Ministerial Decisions on public stockholding for food security purposes, a Special Safeguard Mechanism (SSM) for developing countries, a commitment to abolish export subsidies for farm exports particularly from the developed countries. SSM is a tool that will allow developing countries to temporarily hike duties to counter import surges and price falls of farm items.

As the future of the ongoing Doha Round negotiations of the WTO appeared in doubt, India sought and succeeded in obtaining a re-affirmative Ministerial Decision on Public Stockholding for Food Security Purposes honouring

both the Bali Ministerial and General Council Decisions, the minister said. The decision commits members to engage constructively in finding a permanent solution to this issue, she added.



Trade minister Nirmala Sitharaman delivering her statement at the plenary session of WTO's 10th Ministerial Conference in Nairobi. Photo: PTI

To ensure that the issue of SSM remains on the agenda of future discussion in the WTO, India negotiated a Ministerial Decision which recognizes that developing countries will have the right to have recourse to an SSM as envisaged in the mandate, Ms. Sitharaman said. Members will continue to negotiate the mechanism in dedicated sessions of the Committee on Agriculture in Special Session, she said, adding that the WTO General Council has been mandated to regularly review progress of these negotiations.

All countries agreed to the elimination of agricultural export subsidies subject to the preservation of Special and Differential Treatment (S&DT) for developing countries such as a longer phase-out period for transportation and marketing export subsidies for exporting agricultural products.

Developed countries have committed to removing export subsidies immediately, except for a few agricultural products, and developing countries will do so by 2018, she said. Developing countries, including India, will keep the flexibility to cover marketing and transport subsidies for agriculture exports until the end of 2023, she added.

Source: <http://www.thehindu.com/business/Industry/wtos-nairobi-talks-govt-claims-it-protected-indias-interests/article8018460.ece>

➤ India to soon hold talks with US on visa fee hike issue



The discussions on the visa fee hike issue will form part of the high-level India-U.S. Services Working Group meetings, and will be held shortly over a digital video conference between both the governments. Photo: Reuters

India will soon schedule discussions with the U.S. to raise its concerns over the Obama administration's recent move to hike visa fees.

Industry bodies FICCI and Nasscom had termed America's decision - to double the fees for certain categories of H1B and L1 visas to \$4,000 and \$4,500 respectively - as "discriminatory" on finding that it will mainly impact Indian IT firms. Nasscom said the decision's financial implication on the Indian technology sector would be around \$400 million annually.

U.S. President Barack Obama had recently signed into law a \$1.8 trillion tax and spending Bill. It, among other things, authorised the visa fee hike that will be applicable to companies employing 50 or more, and with over 50 per cent of their employees in the US on H1B and L1 visas. The fee thus collected, likely to be over \$1 billion every year, would be utilised to finance a biometric tracking system and healthcare requirements of 9/11 terror attack victims.

The discussions on the visa fee hike issue will form part of the high-level India-U.S. Services Working Group meetings, and will be held shortly over a digital video conference between both the governments, official sources told The Hindu.

Commerce minister Nirmala Sitharaman is likely to soon write to her counterpart, U.S. commerce secretary Penny Pritzker, on the issue. India will consider retaliatory measures, and explore the possibility of dragging the US to the WTO's dispute settlement body, only if bilateral talks fail to amicably resolve the issue, they said.

The sources said the Indian Ambassador to the US and industry bodies such as Nasscom are in touch with the US administration to put across India's point of view – the “huge” contribution of the Indian IT firms to the US economy, as well as the adverse impact of the US visa fee hike on these firms and on the temporary movement of highly-skilled professionals, mainly from the IT sector, from India to the US.

Visa a part of services talks

Pointing out that U.S. visa fee hikes hurt India-U.S. services trade, the Indian commerce ministry has been insisting that all visa-related issues should be part of discussions on bilateral services trade, the India-U.S. Trade Policy Forum (or TPF — the premier bilateral platform to discuss and resolve bilateral trade and investment issues) and the India-US Strategic and Commercial Dialogue (or S&CD — the primary forum to discuss issues of mutual interest on regional security, trade, economic cooperation, defence and climate challenges).

In 2014-15, India's export of computer services and ITES/BPO services (excluding commercial presence) was around \$ 82 billion, of which exports to U.S. and Canada accounted for nearly 60%.

The sources said the U.S. commerce department and the U.S. Trade Representative have informed that visa-related matters should be kept out of the TPF, S&CD and services discussions as, according to the U.S., they are security-related issues dealt by the US Department of State and Department of Homeland Security.

Meanwhile, the Indian commerce ministry, along with external affairs ministry, are in discussions to ensure that the digital video conference on visa-related issues happens sometime soon, especially since the TPF and S&CD – both annual events — will now be held only in September-October 2016. With the US Presidential elections slated for November 2016, India is looking to resolve the issue before the term of the Obama administration ends, the sources said.

India had earlier protested the delay “on the part of the U.S.” regarding signing a totalisation agreement to eliminate dual social security taxation. The Indian IT/ITeS sector is already burdened because owing to the lack of an India-US Totalisation Agreement, they have to shell out over \$1 billion annually to the US Government towards social security, with no benefit (as the Indian employees do not stay on in America) or prospect of refund.

Source: <http://www.thehindu.com/news/national/india-to-soon-hold-talks-with-us-on-visa-fee-hike-issue/article8034207.ece>

➤ **US support for India's membership of regional trade blocs on the wane?**

The US has turned distinctly cool to India's overtures to joining the Asia-Pacific regional trading arrangement, APEC.

India and US in a joint statement signed in January this year said Washington would support India's prospective membership in APEC. India itself reached that point after some internal struggle, when for years, it tried but failed to get a foot in the door.

That was seen to be a sign that India may be finally turning the corner on its approach to multilateral trading arrangements. APEC is not exactly a negotiating forum, its importance lies in its "aspirational" approach which its supporters say would help Indian regulators harmonize their standards and procedures with global norms. In fact, for the few in the Indian government who want to keep India in the new international trading frameworks, APEC is seen to be important. In fact, last week, Japan also agreed to support India's bid for membership of APEC. But it was significant that India's bid was not even discussed during the recent APEC summit in Manila.



PM Narendra Modi with US President Barack Obama in Paris earlier this month. India's aim of joining Apec has been expressed at the highest levels by Modi and echoed by Commerce Minister Nirmala Sitharaman when she visited the US for a trade policy forum meeting in October.

But months after the agreement, the US trade leadership believes India could be intransigent on trade negotiations and liberalization. This, they believe, could impact the pro-trade atmosphere of other countries in the room. US Government sources here said they wanted India to be more explicit about its intent. Richard Fontaine of Centre for New American Security (CNAS) summarized the problem: "US supports India for UN Security Council but not APEC; it is supporting Papua New Guinea for TPP (Trans-Pacific Partnership), but not India."

Source: <http://timesofindia.indiatimes.com/india/US-support-for-Indias-membership-of-regional-trade-blocs-on-the-wane/articleshow/50226224.cms>

CVD/AD matters: Recent petitions filed with USITC

Table 5: CVD/AD Petitions

Docket No.	Received	Type	Commodity
3101	11/24/15	Other	Modifications in Rules of Origin
3100	11/12/15	337 Complaint	Computer Cables, Chargers, Adapters, Peripheral Devices and Packaging
3097	11/6/15	Other	Trans-Pacific Partnership Agreement
3094	10/28/15	701 & 731 Petition	Circular Welded Carbon-Quality Steel Pipe
3087	9/30/15	701 & 731 Petition	Welded Stainless Pressure Pipe from India
3082	8/11/15	701 & 731 Petition	Hot-Rolled Steel Flat Products

Source: http://www.usitc.gov/petitions_and_complaints

India's Anti Dumping matters since last five years (2010-2015) against North American countries:

Table 6: India's Anti Dumping (AD) Cases against USA

Country initiating AD investigation	Case ID	Foreign Country under investigation	Case_Code	Product	Initiating Date
India	IND-AD-597	USA	IND-AD-593	Hot Rolled Flat Products of Stainless Steel	04/12/2010
India	IND-AD-606	USA	IND-AD-604	Stainless Steel Cold Rolled Flat Products	08/16/2010
India	IND-AD-609	USA	IND-AD-607	Stainless Steel Cold Rolled Flat Products	08/16/2010
India	IND-AD-664	USA	IND-AD-661	Solar Cells	11/23/2012

Source: <http://econ.worldbank.org/>

Factsheets on Antidumping Duty and Countervailing Duty Investigations of Imports

- ✓ On December 16, 2015, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of certain cold-rolled steel flat products from Brazil, China, India, and Russia and its negative preliminary determination in the CVD investigation of imports of certain cold-rolled steel flat products from Korea.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-cold-rolled-steel-flat-products-cvd-prelim-121615.pdf>

- ✓ On November 18, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain iron mechanical transfer drive components from China and an AD investigation of imports of certain iron mechanical transfer drive components from Canada

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-iron-mechanical-transfer-drive-components-ad-cvd-initiation-111815.pdf>

- ✓ On November 3, 2015, the Department of Commerce (Commerce) announced its preliminary affirmative determinations in the countervailing duty (CVD) investigations of imports of corrosion

resistant steel products from China, India, Italy, Korea, and its preliminary negative determination in the CVD investigation of imports of corrosion-resistant steel products from Taiwan

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-corrosion-resistant-steel-cvd-prelim-110315.pdf>

Tender information in North America

Prior information Notices:

Table 7: Tender related information

Title	Deadline
Provision of Pump centrifugal	12-Jan-2016
Provision of Pump unit centrifugal	12-Jan-2016
Provision of Motor hydraulic	12-Jan-2016
Provision of Gear assembly,speed	10-Dec-2015
Provision Of High Service Pump Water Treatment Plant	05-Jan-2016
Purchase and delivery of new mobile trailer climbing wall.	12-Jan-2016
Provision of Valve breathing apparatus	12-Jan-2016
Passenger vehicles rental without driver in palm springs california (w3994-150003/a	07-Jan-2016
Long block diesel engine and accessories	06-Jan-2016
Truck, septic, single axle dual wheel	08-Jan-2016

For more contract notices, Please register with Tender info and follow the link:

<http://www.tendersinfo.com/searchresult#>

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