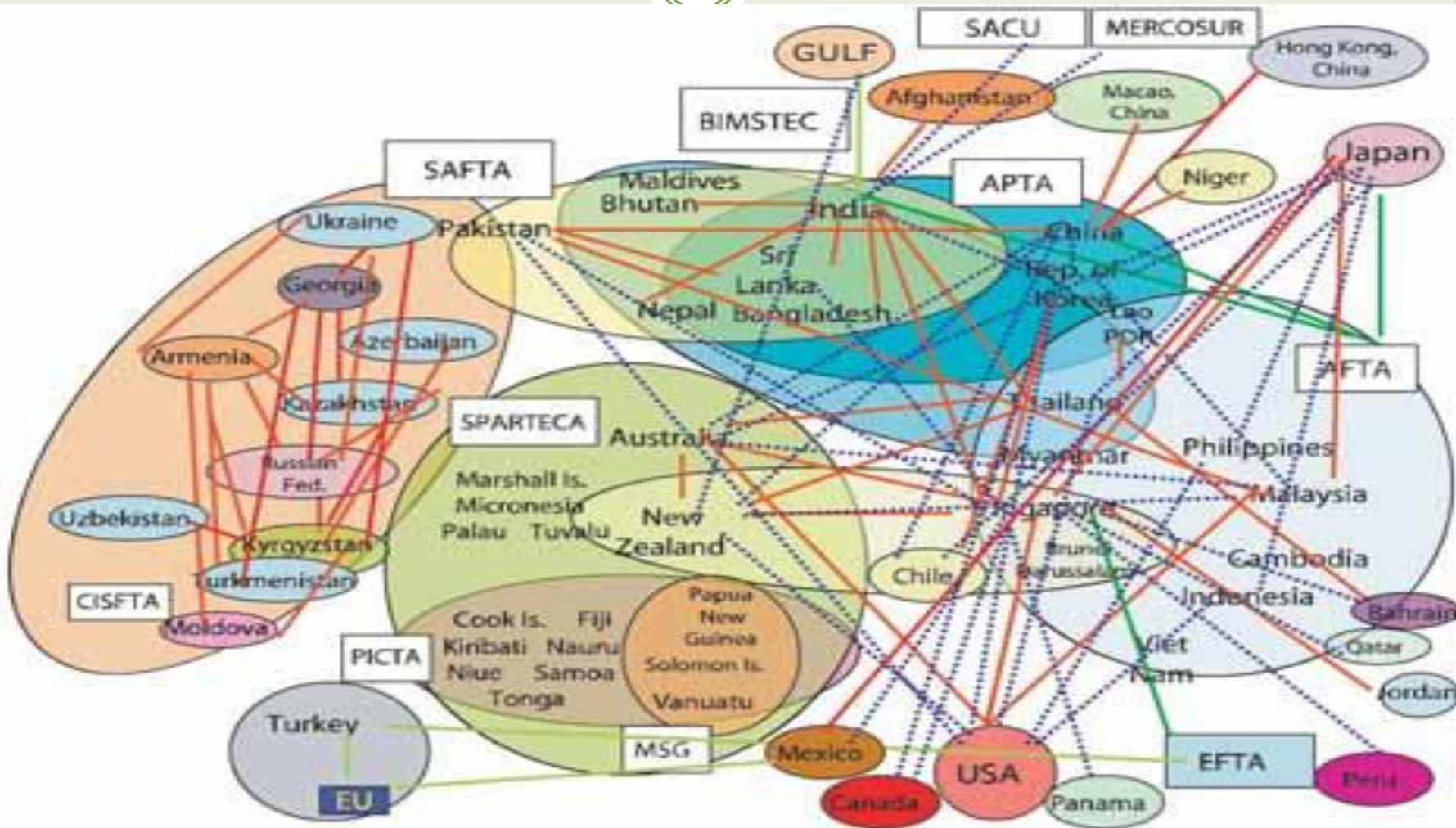


Free Trade Agreement in major markets and its impacts to Indian Sea-Food Industry

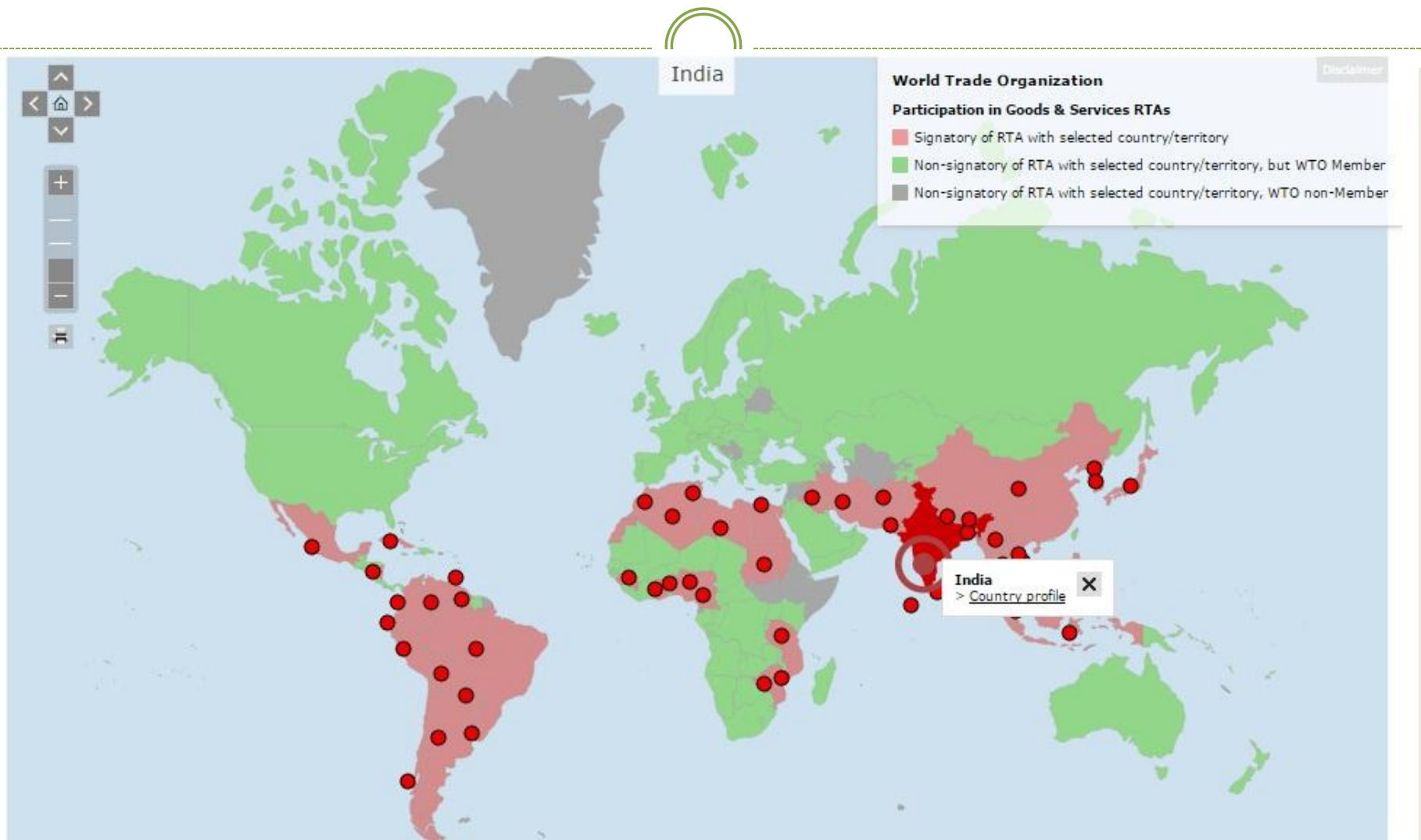


TAPAN MAZUMDER
DIRECTOR (DOC)
EMAIL: d1tpd-doc@nic.in
Mobile: 9811527228

World's RTA



India's RTAs



Note: WTO statistics on RTAs are based on notification requirements rather than on physical numbers of RTAs. Thus, for an RTA that includes both goods and services, we count two notifications (one for goods and the other services), even though it is physically one RTA.

India's Major Trade Pacts



□ In force

- India – ASEAN and Bilateral FTAs with ASEAN members
- India – Japan
- India – Korea
- SAFTA (Bilateral FTAs with the members as well)
- PTAs- India – MERCOSUR; India- Chile
- Unilateral DFTP scheme for LDCs

□ Ongoing

- RCEP
- India Malaysia CECA
- India – Australia
- India – New Zealand
- India – Canada
- India – EU
- India- EFTA
- India- APTA
- India –Israel

□ Feasibility studies: India – Eurasian Customs Union FTA

India's Exports of Marine Products in last two financial years (Source: DGCIS) US \$ Million

S.No.	Country	Apr-Mar 2015	Apr-Mar 2016	%Growth
1	U S A	1,457.50	1,326.85	-9
2	VIETNAM SOC REP	1,102.91	894.88	-19
3	JAPAN	447.27	404.66	-10
4	SPAIN	205.36	184.29	-10
5	BELGIUM	202.99	172.79	-15
6	CHINA P RP	131.72	149.71	14
7	U ARAB EMTS	171.96	138.91	-19
8	U K	162.29	134.84	-17
9	ITALY	143.58	129.22	-10
10	THAILAND	112.61	126.1	12
11	NETHERLAND	107.82	115.06	7
12	CANADA	150.28	107.59	-28
13	FRANCE	114.22	90.51	-21
14	HONG KONG	98.55	82.34	-17
15	Others	901.43	709.77	
	Total	5,510.49	4,767.50	-14

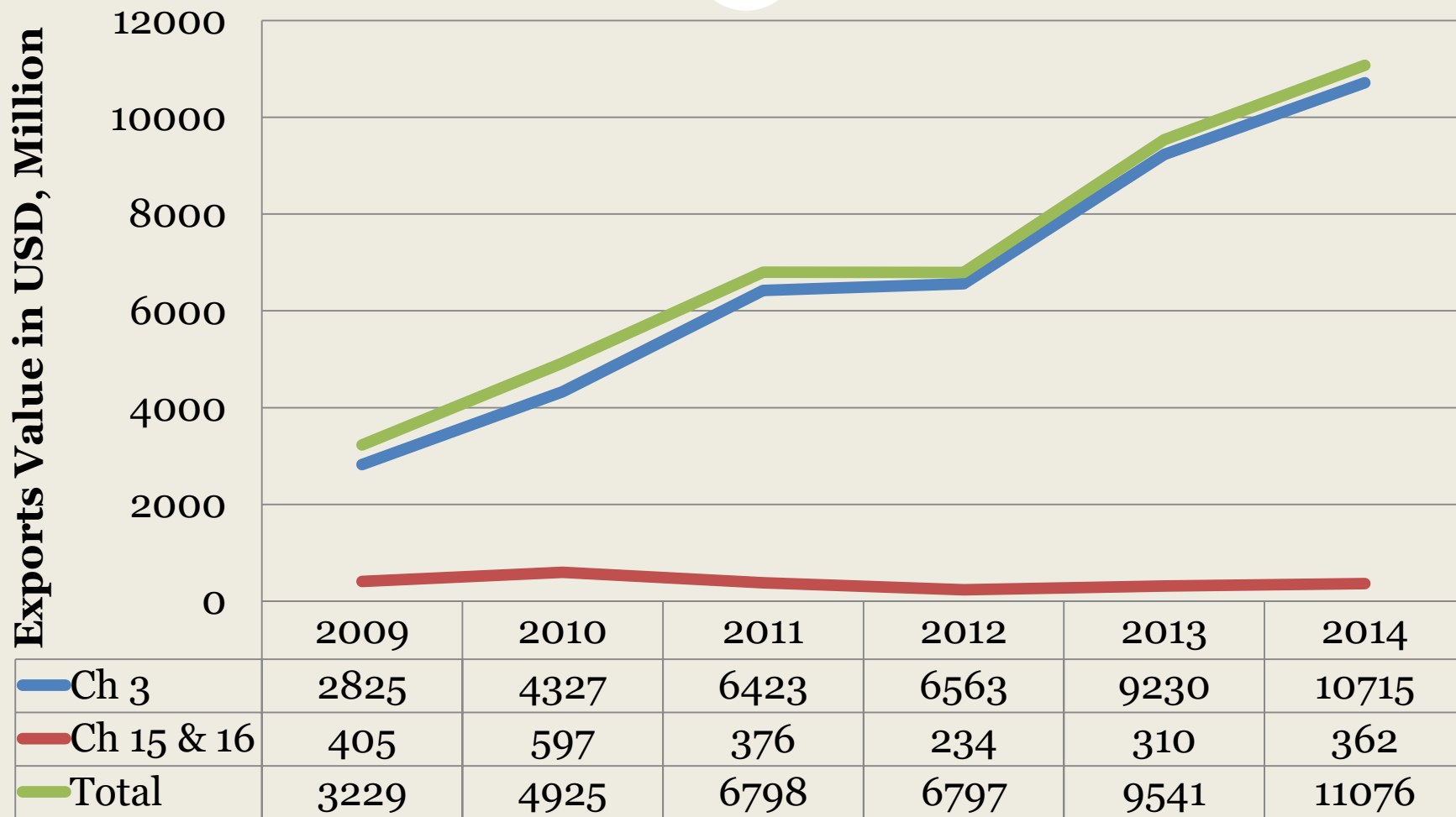
India's Imports of Marine Products in last two financial years

(Source: DGCIS)



S.No.	Country	Apr-Mar 2015	Apr-Mar 2016	%Growth
1	BANGLADESH PR	23.55	21.44	-9
2	VIETNAM SOC REP	14.76	17.42	18
3	U S A	13.05	12	-8
4	THAILAND	1	5.44	447
5	MOROCCO	0.95	4.79	404
6	MAURITANIA		4.16	
7	ITALY	3	3.86	29
8	OMAN	0.1	3.57	3,327
9	MYANMAR	2.12	3.01	42
10	U K	1.56	2.25	44
11	CHILE	0.49	2.16	341
12	U ARAB EMTS	0.31	1.94	531
13	INDONESIA	1.57	1.47	-6
14	ICELAND	1.27	1.44	14
15	NORWAY	1.39	1.32	-5
16	Others	8.81	10.95	
	Total	73.92	97.23	32

India's Exports of Fish and related products



India ASEAN Trade in Goods Agreement



- India's first comprehensive foray into an FTA
- India's category of concessions

Categories	% of total lines
Duty elimination	74.2%
Duty reduction	15.2%
Exclusion List	10.7%

- Rules of origin criteria
 - General -CTSH + 35% value addition

India Korea CEPA

- India's tariff concessions

Categories	% of total lines
Duty elimination	68.3%
Duty reduction	14.8%
Exclusion List	16.5%

- Rules of origin

- General – CTSH + 35% value addition
- Product Specific Rules (PSR)
 - ✦ Agriculture – wholly obtained
 - ✦ Textiles – CTSH +40% VA
 - ✦ Clothing – manufacture from non originating yarn
 - ✦ Footwear – CTSH + 40% VA

India Japan CEPA

- India's category of concessions

Categories	% of total lines
Duty elimination	85.9%
Exclusion List	14.1%

- Rules of Origin

- General - CTSH + 35%

- PSR

- ✦ Textiles: Manufacture from non originating fibres/ fabrics

- ✦ Footwear: Change in Chapter

- ✦ Agriculture: Wholly obtained

Marine products – overall approach

Agreement

Categories

UNPROCESSED

ASEAN Trade in Goods

Exclusion and normal track¹

India Korea CEPA

Reduction

India Japan CEPA

Longer elimination and exclusion list

India Malaysia CECA

Exclusion list and normal track

PROCESSED

ASEAN Trade in Goods

Exclusion list and normal track²

India Korea CEPA

Reduction and Exclusion List

India Japan CEPA

Longer elimination and exclusion list

India Malaysia CECA

Exclusion list and normal track^{1/2}

Marine products – specific approach

Agreement	Categories
Live Fish (HS 0301)	
ASEAN Trade in Goods	Elimination in 2013
India Korea CEPA	Elimination in 2018
India Japan CEPA	Elimination in 2021
Fresh or Chilled Fish (HS 0302)	
ASEAN Trade in Goods	Elimination in 2016/ Exclusion
India Korea CEPA	Elimination in 2018/ Reduction/ 50% MOP
India Japan CEPA	Elimination in 2021/ Exclusion
Frozen Fish (HS 0303)	
ASEAN Trade in Goods	Elimination in 2016/ Exclusion
India Korea CEPA	Elimination in 2018/ Reduction/ 50% MOP
India Japan CEPA	Elimination in 2021/ Exclusion
Fish Fillets (HS 0304)	
ASEAN Trade in Goods	Elimination in 2016/ Exclusion
India Korea CEPA	Reduction/ 50% MOP
India Japan CEPA	Elimination in 2021

Marine products – specific approach

Agreement

Categories

Dried/Salted/Smoked Fish (HS 0305)

ASEAN Trade in Goods

Elimination in 2016/ Sensitive

India Korea CEPA

Elimination in 2018/ Reduction/ 50% MOP/
Exclusion

India Japan CEPA

Elimination in 2021/ Exclusion

Live/Fresh/Chilled/Frozen/Dried/Salted Crustaceans (HS 0306)

ASEAN Trade in Goods

Elimination in 2016

India Korea CEPA

Elimination in 2018/ Reduction/ 50% MOP/
Exclusion

India Japan CEPA

Elimination in 2021

Live/Fresh/Chilled/Frozen/Dried/Salted Molluscs (HS 0307)

ASEAN Trade in Goods

Elimination in 2013/ Sensitive

India Korea CEPA

Elimination in 2018/ 50% MOP/ Exclusion

India Japan CEPA

Elimination in 2021/ Exclusion

Other Aquatic Invertebrates (HS 0308)

ASEAN Trade in Goods

Elimination in 2013

India Korea CEPA

Elimination in 2018

India Japan CEPA

Elimination in 2021

Marine products – specific approach

Agreement	Categories
Fats and Oils of Fish/Marine Mammals (HS 1504)	
ASEAN Trade in Goods	Elimination in 2013
India Korea CEPA	Elimination in 2018
India Japan CEPA	Elimination in 2021
Extracts/Juices of Fish (HS 16030020/90)	
ASEAN Trade in Goods	Elimination in 2013
India Korea CEPA	Elimination in 2018
India Japan CEPA	Elimination in 2021
Prepared and Preserved Caviar and Caviar Substitutes (HS 1604)	
ASEAN Trade in Goods	Elimination in 2013
India Korea CEPA	Elimination in 2018/ Reduction/ 50% MOP/ Exclusion
India Japan CEPA	Elimination in 2021
Prepared or Preserved Crustaceans/Molluscs/Other Aquatic Invertebrates (HS 1605)	
ASEAN Trade in Goods	Elimination in 2013
India Korea CEPA	Elimination in 2018

Rules of Origin (ROO) pertaining to Fisheries

India – Korea FTA



- (e) Goods obtained by hunting or trapping within the land territory, or fishing or aquaculture conducted within the internal waters or within the territorial sea of the Party;
- (f) Goods of sea-fishing and other goods taken from the sea outside the territorial sea of a Party by vessels registered or recorded with a Party and flying its flag;
- (h) Goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial sea of a Party, provided that the Party has rights to exploit such seabed or beneath the seabed in accordance with the 1982 United Nations Convention on the Law of the Sea;

Product Specific Rules

India – Korea FTA



Chapter 3	Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates
03.01-03.07	Manufacture in which all the materials of Chapter 3 used are wholly obtained.
Chapter 15	Animal or vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats;
15.01-15.03	CTH+RVC 40
15.04	CTH+RVC 40
15.07-15.22	CTH+RVC 40
Chapter 16	Preparations of Meat, of Fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates
1604.11- 1604.19	CTSH+RVC 40
1604.30- 1605.30	CTSH+RVC 40

Rules of Origin (ROO)

India – Japan FTA pertaining to Fisheries



- (b) Animals obtained by hunting, trapping, fishing, gathering or capturing in the Party;
- (f) Goods of sea-fishing and other goods taken by vessels of the Party from the sea within the territorial seas of the Parties;
- (g) Goods produced on board factory ships of the Party, outside the territorial seas of the Parties from the goods referred to in subparagraph
- (h) Goods taken from the sea-bed or subsoil beneath the sea-bed outside the territorial sea of the Party, provided that the Party has rights to exploit such sea-bed or subsoil in accordance with the provisions of the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982;

Certain Issues



- Cummulation under Rules of Origin
- SPS Issues under FTAs – Cooperation & Mutual Recognition
- Antibiotics Content Issues
- Phasing out of export subsidies
- Recent developments & International Framework-basic elements.
- Prohibitory Duties, in particular, Anti-Dumping Duty (ADD)

SPS related issues in the FTA (Ref. to Marine Products)



- No specific provision exclusive for Fisheries in concluded FTAs
- Ongoing FTAs like India – Australia FTA, RCEP, India-Thailand FTA.

- Annex on Marine Products

Basic elements of Annex are:

Objective:

- (i) To enhance the mutual cooperation and
- (ii) To recognize equivalence of SPS Measures

(ii) Scope:

- All wild caught and captured sea-water/brackish water/freshwater animals and plants in live or part thereof including their fresh, chilled, frozen, dried or processed
- Provision of expansion of the list of marine products.

Basic elements of Annex



- **Procedural Requirement**

- SPS Measure to be scientific and based on risk assessment.
- Importing country to consider to accept limits of contaminants, residues and sampling & testing methods.
- Parties to recognize equivalence of the SPS measures of each other, entering into Equivalence Agreement as per Codex Guidelines to recognize the regulatory mechanism/system to avoid duplication of activities and efficient and effective use of resources.
- Assessment of the performance of the system by Third Country – Recognition of Export Inspection Council of India (**EIC**).
- Quick information on restriction on any export consignment.
- Sharing of regulatory requirements, standards, sampling & testing practices and their harmonization.
- To cooperate for capacity building initiatives.

RECENT DEVELOPMENTS & INTERNATIONAL FRAMEWORK- BASIC ELEMENTS



- Rio+20 and SDG declarations
- TPP Agreement

Chapter 20, Article 20.16- Marine Capture Fisheries

- Fisheries Management System should be in place to:
 - ✦ prevent overfishing and overcapacity;
 - ✦ reduce bycatch of non-target species and juveniles;
 - ✦ promote recovery of overfished stock (to be decided by National Jurisdiction)
- Prohibition and elimination of specific subsidies:
 - ✦ that negatively affect fish stocks which are in overfished condition;
 - ✦ to fishing vessels for IUU fishing (Meaning of IUU taken from IPOA-IUU, Paragraph 3)
- Notification obligations:
 - ✦ more detailed than Article 25.3 of ASCM;
 - ✦ Information to be submitted on 'other fisheries subsidies' particularly Fuel Subsidies satisfying specificity under ASCM;
- Phase out Period: not available for IUU fishing;
- Standstill provisions: applicable w.r.t to subsidies that contribute to overfishing and overcapacity;
- Special & Differential Treatment- no explicit carve out;

ISSUES AND CONCERNS



- Negotiations on Fisheries in the WTO- likely to based on TPP provisions and Ministerial statement of 28 like minded members. Concerns include:
 - Absence of explicit S&D treatment provisions;
 - Onerous notification obligations;
 - Fisheries management system to be in place;
 - Absence of transition period for eliminating IUU fishing;
 - Information on specific fuel subsidies to be provided;
 - No distinction between ‘fishing for profit’ & subsistence fishing;
 - Implementation of port state measures.
- Fuel Subsidies by developed nations – specificity issue;
- Task Force constitution– Need for further co-operation

Trade remedial Actions (Measures in force) - Fisheries



- **Anti-dumping**

Product	Country	Year
Frozen warmwater shrimp	Brazil, China, India and Vietnam	2011
Fresh crawfish Tailmeat	China	2014
Certain frozen fish fillet	Vietnam	2014

- Innovative way of ADD by US – Targeted Dumping (Article 2.4.2 of AD Agreement)
- WTO Dispute DS464 – Appellate Body Ruling
- Possible Dispute by India



Thank you