

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1346
ANSWERED ON:18.07.2014
TRADE RELATION BETWEEN INDIA USA
Sule Smt. Supriya Sadanand

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the USA has registered protest at the WTO over India`s solar power programme;
- (b) if so, the details of the contentious issues and the reaction of the Government thereto; and
- (c) the details of other trade related issues between USA and India raised at the WTO along with their impact, if any, on bilateral trade during the last three years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) & (b): Yes, Madam. The USA has filed a dispute case (DS456) under the Dispute Settlement Mechanism (DSU) of the World Trade Organization (WTO), aggrieved by the Domestic Content Requirement (DCR) under phase I (Batch I & II) and Batch I of Phase II Programs under the Jawaharlal Nehru National Solar Mission (JNNSM), administered by the Ministry of New and Renewable Energy (MNRE).

The USA has raised claims on WTO inconsistency of DCR in these Programs citing violation of WTO Agreements such as National Treatment (NT) Principle of GATT 1994, Agreement on Trade Related Investment Measures (TRIMs) etc. Consultations were held with the USA in March, 2013 and March, 2014 under DSU for the claims raised by USA against DCR in both Batches of Phase I and Batch I of Phase II respectively of JNNSM Programme. Since the Consultations could not result into satisfactory outcome, on the request of the USA, the Dispute Settlement Body (DSB) established the WTO Dispute Panel in May, 2014. Once the Panel is composed, the panel proceedings shall be finalized by the WTO Secretariat.

Government of India is preparing the defence strategy based on WTO principles and jurisprudence.

(c): Other trade related issues between USA and India raised at the WTO are:

(i) Exorbitant countervailing duty (CVD) imposed by the USA on certain hot rolled carbon steel products originating from India (DS436-India as complainant) resulting into significant impact on India's exports of the said product;

(ii) Certain measures of India related to import prohibition of poultry and poultry products from the country infected with Avian Influenza viral strains (DS430-USA as complainant).

Besides the above issues, both sides have raised certain issues at WTO SPS/TBT Committee meetings. The Indian side has raised the issue relating to fixing of Minimum Residual Levels (MRLs) on basmati rice. The US side has raised the issues relating to (i) Food Safety and Standards Regulation - Food labelling requirements (ID 298); (ii) Toys and Toy Products (Compulsory Registration) Order (ID 309); (iii) E-Waste (Management and Handling) Rules 2010 (ID 310); (iv) Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (ID 367); (v) Proposed Amendment to 2008 Hazardous Waste Law (ID 373).