

Govt cuts import duty on turkeys; exempts long staple cotton from tax

ENSECONOMIC BUREAU

NEW DELHI, FEBRUARY 20

THE UNION government on Tuesday fully exempted customs duty on import of extra long staple cotton, and has cut duties on specified varieties of imported blueberries, cranberries and frozen turkeys. The reduction comes following a recommendation from the Ministry of Commerce and Industry after India and the United States (US) mutually settled seven trade disputes, officials said. Earlier, India has withdrawn additional duties on eight US origin products, including apples, walnuts and almonds following the settlement.

As per the notification, the Finance Ministry slashed import

duty on certain items of blueberries and cranberries from 30 per cent to 10 per cent in some cases and 5 per cent in other cases. Import duty on meat and edible offal of turkeys, were also reduced from 30 per cent to 5 per cent, effective Tuesday.

"Reduction of the duty on these niche items rarely produced in India would help the USA in penetrating the Indian market, and also in bringing the prices of these products down in India. This move shall also benefit other nations forming part of WTO," Khushbu Trivedi, Associate Director- Indirect Tax, Nangia Andersen India.

The notification has also reduced the import duty to 'NIL' on 'Cotton, not carded or combed, with staple length exceeding

32mm.' This has been done in response to the concerns raised by the cotton industry, "This decision reflects a proactive approach by the government to address industry feedback and adapt import regulations accordingly, potentially benefiting stakeholders involved in the cotton sector," Trivedi said.

During PM Modi's visit to the US in June last year, the India and the US had announced ending of six trade disputes at the WTO and India's removal of tariffs on certain US products including chickpeas, lentils, almonds, walnuts, apples, boric acid, and diagnostic reagents. Later in September last year, both countries settled the last case on poultry.

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India eases import restrictions, cuts import duty on select US farm goods

Shishir Sinha

New Delhi

The Finance Ministry has lowered import duty on certain items from the US. These include blueberries and cranberries where duties have been cut to 5-10 per cent from 30 per cent. Similarly, import duty on meat and edible offal of turkey, frozen meat is reduced to 5 per cent from 30 per cent.

New tariff rates have been made effective from February 20, a notification issued by the Ministry said. This move is a follow-up of an announcement made in September last year after Prime Minister Narendra Modi's meeting with the US President Joe Biden. Both countries agreed to resolve their last outstanding dispute at the World Trade Organization (WTO)



on import restrictions on poultry products from Washington, with New Delhi throwing in some additional sweeteners in the form of duty cuts on frozen turkey, frozen duck and a variety of cranberries and blueberries.

A statement issued by the US Trade Representative office, in last September said that as part of the agreement, India had agreed to reduce tariffs on certain US products

including frozen turkey, frozen duck, fresh blueberries and cranberries, frozen blueberries and cranberries, dried blueberries and cranberries, and processed blueberries and cranberries. "These tariff cuts will expand economic opportunities for US agricultural producers in a critical market and help bring more US products to customers in India," it had said.

POULTRY CASE

The US filed a poultry case against India in the WTO in 2012 for the removal of an import ban imposed by the country on US poultry on account of bird flu. India lost the case at the WTO at the panel level in 2014 and also subsequently at the appellate level. While India then lifted the ban, the US was not satisfied with the mechanism in-

volved for poultry shipments and also the steep import duties and hence did not withdraw the case at the WTO.

Commenting on the latest development, Khushbu Trivedi, Associate Director with Nangia Andersen India, said, "Reduction of the duty on these niche items rarely produced in India would help the USA in penetrating the Indian market, and also in bringing the prices of these products down in India. This move shall also benefit other nations forming part of WTO," she said.

The notification has also reduced the import duty to 'NIL' on 'Cotton, not carded or combed, with staple length exceeding 32mm.' "The decision reflects a proactive approach by the government to address industry feedback and adapt import regulations accordingly," Trivedi said.

India cuts import duty on blueberries, turkeys

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Similarly, import duty pertaining to meat and edible offal of turkeys, were also reduced from 30 per cent to 5 per cent effective Tuesday.

According to officials, the duty rate changes on frozen turkey, specified cranberries and blueberries and

their processed products is to implement the recommendation of the Department of Commerce following a mutually agreed solution between India and the US.

Nangia Andersen India associate director- Indirect

Tax, Khushbu Trivedi, said, in pursuance of the bilateral agreement that took place in the recent G20 Leaders' Summit between India and USA intended at addressing the past disputes, the central government has reduced import duty on these items.

"Reduction of the duty on

these niche items rarely produced in India would help the USA in penetrating the Indian market, and also in bringing the prices of these products down in India. This move shall also benefit other nations forming part of WTO," Trivedi said.

Further, in response to the concerns raised by the cotton industry, the Ministry has reduced the import duty to 'Nil' on 'Cotton, not carded or combed, with staple length exceeding 32mm.'

"This decision reflects a proactive approach by the government to address industry feedback and adapt import regulations accordingly, potentially benefiting stakeholders involved in the cotton sector," Trivedi added.

Duty cuts to mollify US

R. SURYAMURTHY

New Delhi: India has cut duties on frozen turkey, frozen duck, fresh blueberries and cranberries, frozen blueberries and cranberries to about 5 to 10 per cent from the existing 30 to 45 per cent, as agreed with the US to resolve outstanding World Trade Organisation (WTO) issues.

The new duty rates, effective from Tuesday, have been notified by the finance ministry. India has agreed to bring down the import duty to 5-10 per cent on some fresh and processed food items as part of a larger dispute settlement between New Delhi and Washington at the WTO.

Officials said while the duty reduction is a result of the negotiations between India and the US, the tariff cut will apply to all WTO member nations, according to the WTO's MFN principle.

"This (tariff cut) is unlikely to hurt the domestic market.

TRUCE

■ Duties on frozen turkey, frozen duck, fresh blueberries and cranberries, frozen blueberries and cranberries cut to about 5-10% from the existing 30-45%

■ New rates effective from February 20 and will apply to all WTO members

It is an exclusive market that caters to a limited segment that wants to buy international products. It will be the consumers' choice," they said.

India is not a major producer of blueberries and depends on the import of the fruit to meet its local needs. The US is the largest producer of blueberries in the world and has been trying to tap the Indian market.

Khushbu Trivedi, associate director, indirect tax, Nangia Andersen India, said: "Reduction of the duty on these

niche items rarely produced in India would help the US enter the Indian market, and also in bringing the prices of these products down in India. This move shall also benefit other nations forming part of WTO."

"Further, in response to the concerns raised by the cotton industry, the government has reduced the import duty to 'nil' on 'cotton, not carded or combed, with staple length exceeding 32mm'," Trivedi added.

E-commerce at WTO

India is not in favour of continuation of the moratorium on customs duties on e-commerce trade at the WTO's meeting in Abu Dhabi later this month as it is impacting the developing countries, a senior commerce ministry official said.

The official said there is a work programme on e-commerce trade and the members of the WTO should continue to discuss the issue under that.

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