Trade policy

Recent trade policy measures

6.112 Trade policy measures announced by the Government and the RBI in this year were mainly to mitigate the effects of global recession. Three stimulus packages were given in the second half of the 2008-09 to help export sector in general and some sectors affected or likely to be affected by the global recession in particular (Box 6.11)

Trade infrastructure development and facilitation measures

6.113 Providing good transport/logistic support to India's foreign trade and the resolution of problems experienced by the trading community in the carriage

Box 6.11 : Trade policy measures in 2008-09

Measures taken by the Government

- Interest subvention of 2 per cent from 1.12.2008 to 30.9.2009 to the labour-intensive sectors of exports such as textiles (including handloom), handicrafts, carpets, leather, gems and jewellery, marine products and small and medium enterprises.
- An additional allocation for export incentive schemes of Rs. 350 crore.
- Inclusion of handicrafts items in Vishesh Krishi and Gram Udyog Yojana (VKGUY);
- Support under VKGUY scheme for some additional commodities.
- Extension of market-linked focus product scheme for bicycle parts, motor cars and motor cycles, apparels and clothing accessories, auto components, etc.
- Provision of additional Rs. 1,100 crore to ensure full refund of claims of CST/terminal excise duty/duty drawback on deemed exports.
- Continuation of duty entitlement passbook (DEPB) scheme up to December 31, 2009.
- Restoration of DEPB rates for all items where they were reduced in November 2008 and increase in duty drawback rates on certain items effective from September 1, 2008.
- Backup guarantee made available to ECGC to the extent of Rs. 350 crore to enable it to provide guarantees for exports to difficult markets/products. Funding for ECGC also provided from the National Export Insurance Account for providing higher risk cover to MSME exporters and select export sectors.
- Provision of additional funds of Rs. 1,400 crore for textile sector to clear the backlog claims of Technology Upgradation Fund (TUF).
- Export duty on iron ore fines eliminated, and for lumps, reduced to 5 per cent.
- Some pending issues relating to service tax refund on exports resolved.
- For fast track resolution of a number of procedural issues to reduce delays for the exporters, a committee constituted under the chairmanship of the Finance Secretary including Secretaries of the Department of Revenue and the Commerce.
- Excise duty reduced across the board by 4 per cent for all products except petroleum products and those products where current rate was less than 4 per cent.
- The guarantee cover under credit guarantee scheme for micro and small enterprises on loans doubled to Rs. 1 crore with a guarantee cover of 50 per cent. The guarantee cover extended by credit guarantee fund trust increased to 85 per cent for credit facility up to Rs. 5 lakh. The lock-in period for such collateral free loans reduced.
- CVD on TMT bars and structurals and on cement removed.
- Exemption from basic customs duty on zinc and ferro alloys withdrawn.
- Duty credit scrips under DEPB scheme and Freely Transferable Scrips under chapter 3 of FTP shall now be issued without waiting for realization of export proceeds.
- Rs. 325 crore outlay earmarked under the promotional schemes for leather, textile etc. for exports made with effect from 1.4.09.
- Benefit of 5 per cent under FPS has been notified for export of handmade carpets, in lieu of 3.5 per cent benefit allowed earlier under VKGUY scheme.
- Technical textiles and stapling machine have been added under the focus product scheme. An additional benefit of 2.5 per cent is notified for export of dried vegetables under VKGUY
- STCL Limited, Diamond India Limited, MSTC Limited, Gem & Jewellery Export Promotion Council and Star Trading Houses (for gem and jewellery sector) have been added under the list of nominated agencies for the purpose of import of precious metals.The procedure and monitoring provisions for implementation of these additional agencies have been announced.
- Authorized person of gem & jewellery units in EOU allowed personal carriage of gold in primary form up to 10 kilograms in a financial year subject to RBI and customs guidelines.
- Export obligation period against advance authorizations extended up to 36 months without payment of composition fee in view of the present global economic slowdown.
- Supply of an Intermediate product by the domestic supplier directly from their factory to the port against advance intermediate authorization for export by ultimate exporter has been allowed.
- Elimination of import duties for naphtha for use in power sector.
- Simplification of export licensing requirements for blood samples
- Elimination of import duty on rough cubic zirconia and reduction in import duty on polished cubic zirconia and rough corals.

Measures taken by the RBI

- Increase in liquidity to the banks for improving credit flow, by:
  - Reducing CRR, SLR, repo rate and reverse repo rates
  - Putting in place a special refinance facility for banks for the purpose of extending finance to exports, micro and small enterprises, mutual funds and NBFCs. Provisioning requirements have been lowered. Export credit refinance facility for commercial banks increased from 15 per cent to 50 per cent of the outstanding rupee export credit.
  - Refinance facility to the EXIM Bank for an amount of Rs. 5,000 crore for providing pre-shipment and post-shipment credit in rupees or dollars.
- **Increase in Forex liquidity:**
  - RBI's assurance for continued selling of foreign exchange (US$) through banks, to augment supply in the domestic foreign exchange market.
  - Ceiling rates on export credit in foreign currency raised from LIBOR+100 basis points to LIBOR+350 basis points subject to the condition that the banks will not levy any other charges, i.e., service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.
  - The ceiling on interest rates for non-residents deposits raised.
  - Banks' overseas borrowing limits increased and ECB borrowing norms eased; "all in cost" ceiling of such borrowings to be removed under the approval route of RBI.
  - RBI to provide forex liquidity to Indian public and private sector banks up to June 30, 2009, through forex swaps of tenure up to 3 months.
- **Easing of credit terms:**
  - Enhancing the period of pre-shipment and post-shipment Rupee Export Credit by 90 days each;
  - Increasing the time period of export realization for non-status holder exporters to 12 months;
  - Authorized dealers category-I banks permitted to consider applications for premature buy-back of FCCBs from their customers.
  - Other announcements made by the PSU banks consequent to measures announced by RBI:
    - i) Reduced interest rate for micro enterprises and SMEs;
    - ii) PSU banks will grant need-based ad hoc working capital loan of up to 20 per cent of their overall credit facility if it is less than Rs. 10 crore.
    - iii) For export units, margin money on guarantees will be reduced

of goods by courier, sea, air, rail and road are also necessary ingredients of a good trade policy. The Government has been taking steps for greater containerization, computerization of cargo clearance and electronic data interchange, warehousing, setting up of air cargo complexes, inland container depots, container freight stations, etc. Some of the steps taken by the Government in the recent past for trade infrastructure development and trade facilitation include the following.

- Two high level committees, viz. the Standing Committee on Promotion of Exports by Sea (SCOPE-Shipping) and the Standing Committee on Promotion of Exports by Air (SCOPE-Air) are functioning.
- Single- window clearance for the proposals for setting up of inland container depots (ICDs), container freight stations (CFSs) and air cargo complexes (ACCs) are being given through an Inter-Ministerial Committee (IMC). In 2008-09 (up to January 6, 2008), a total of 19 letters of intent (LOI) were issued for setting up of ICDs/ CFSs/ACCs.
- A core group of secretaries under the Chairmanship of Cabinet Secretary has been constituted to deal with the issues relating to infrastructure required for exports and imports. The core group recommends measures for removal of critical bottlenecks in infrastructure hampering the growth of exports and imports, reviews the functioning of service providers at ports, airports, LCSs, etc. with a view to identifying procedures / systems that inhibit trade and take measures to remove them.
- Besides the above, issues raised by the associations / organizations of exporters / importers viz (i) difficulties faced by shippers while importing/ exporting consignments resulting in enhanced transaction cost on account of arbitrary, (ii) exorbitant charges by shipping lines, consolidators, freight forwarders and other service providers, (iii) collusive price fixing by the service providers at ports / airports and cartelization of the shipping liners resulting in sharp cost escalation, (iv) congestion at various ports etc. are taken up care of by the concerned departments.

- To promote exports from the North-eastern region, a North-east Cell has been set up in the Department of Commerce. Consequent to the announcement made by the Prime Minister for the development of exports from the region, an Export Development Fund (EDF) was set up with the objective of promoting exports from the region. So far 51 projects amounting to Rs. 47.48 crore have been sanctioned under this scheme.

Policy for promoting state-wise exports

6.114 State-wise exports are reflected in data on state of origin of export goods which at present are the only available comparable data for State-wise exports (Table 6.28). This does not include export of services

6.115 In 2007-08, the major exporters were Maharashtra, followed by Gujarat, Tamil Nadu and Karnataka. In terms of export growth rate, the top states were Orissa followed by Madhya Pradesh, Gujarat, West Bengal and Andhra Pradesh. In April-December 2008, export growth was the highest in Punjab, followed by Andhra Pradesh and Orissa.

6.116 To encourage exports by the States, outlay under Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme, in the Eleventh Five Year Plan, the outlay has been more than doubled to Rs. 3,664.63 crore (tentative) compared to the Tenth Five year Plan. Allocation for the year 2008-09, under this scheme, is Rs. 570 crore of which Rs. 434.5 crore has been released till December end 2008. Under ASIDE, projects aimed at balancing of critical infrastructure for exports are approved viz. creation of new Special Economic Zones and augmenting facilities in existing ones, equity participation in infrastructure projects, development of complementary infrastructure such as roads connecting production centres to ports, setting up inland container depots (ICDs) and container freight stations, stabilizing power supply, etc. As per findings of IL&FS report, States have shown keen interest in funding projects under ASIDE scheme and the funding pattern of the projects shows a healthy mix of ASIDE funds, State Government funds and private sector participation, in a ratio of 4:4:2 indicating successful leverage of funds.

Table 6.28 : Major Exporting States

(US$ million)

Sl. No.	State	2006-07	2007-08	(April-December) 2007-08	(April-December) 2008-09	Share 2007-08	Growth rate 2007-08	Growth rate 2008-09 (Apr-Dec)
1.	Maharashtra	35873	44841	31978	35720	27.5	25.0	11.7
2.	Gujarat	24209	34736	25714	30041	21.3	43.5	16.8
3.	Tamil Nadu	13097	14816	10650	12906	9.1	13.1	21.2
4.	Karnataka	12676	14641	10253	10045	9.0	15.5	-2.0
5.	Andhra Pradesh	5479	7427	5183	6907	4.6	35.6	33.2
6.	West Bengal	4011	5679	3888	4581	3.5	41.6	17.8
7.	Delhi	4880	5183	3614	3928	3.2	6.2	8.7
8.	Haryana	3792	4414	3042	3437	2.7	16.4	13.0
9.	Uttar Pradesh	3632	4295	3098	3193	2.6	18.3	3.1
10.	Orissa	1971	3024	1983	2631	1.9	53.5	32.7
11.	Rajasthan	3356	3276	2347	2510	2.0	-2.4	6.9
12.	Punjab	2148	2598	1744	2372	1.6	21.0	36.0
13.	Madhya Pradesh	1993	2915	1848	2277	1.8	46.3	23.2
14.	Kerala	2293	2364	1721	1918	1.5	3.1	11.4
15.	Goa	1424	1387	881	1103	0.9	-2.6	25.2
	Total Exports	**126361**	**162904**	**113475**	**130716**	**100.0**	**28.9**	**15.2**

Source : DGCI&S

Note: The above data has been generated by "state of origin of export goods" as reported in the DTRs by the customs.

6.117 State-wise allocation of funds under ASIDE scheme for the last three years shows that the position of the top states has not changed which indicates that there is no change in the relative performance of States in merchandise exports. The States having the highest allocation are Maharashtra followed by Gujarat, Tamil Nadu, Karnataka, Uttar Pradesh and West Bengal. The top 14 states had a share of 85.3 per cent in 2007-08 in total allocation.

6.118 Though export share and growth was higher for Andhra Pradesh, Uttar Pradesh received higher allocation than Andhra Pradesh under ASIDE. There are some other examples of this nature. This is due to the decision to allocate less for coastal states than landlocked states as the State-wise export data based on state of origin of exports under represents landlocked States and over represents coastal states.

Special economic zones

6.119 Another major policy issue in the trade sector which was debated was that of SEZs. The SEZ Act, 2005, supported by SEZ Rules, came into effect on February 10, 2006. The main objectives of the SEZ Act are generation of additional economic activity, promotion of exports of goods and services, promotion of investment from domestic and foreign sources, creation of employment opportunities and development of infrastructure facilities. Various incentives and facilities are offered to units in SEZs for attracting investments into SEZs (including foreign investment) as well as for SEZ developers. These incentives and facilities are expected to trigger a large flow of foreign and domestic investment in SEZs, particularly in infrastructure and productive capacity, leading to generation of additional economic activity and creation of employment opportunities. The SEZ Rules provide for different minimum land requirements for different classes of SEZs. Every SEZ is divided into a processing area where alone the SEZ units are set up and a non-processing area where the supporting infrastructure is to be created. The SEZ Rules also provide for simplified procedures for development, operation and maintenance of the SEZ and setting up units in SEZs, single window clearance both relating to Central as well as State Governments for setting up of an SEZ and units in a SEZ and simplified compliance procedures/documentation with emphasis on self-certification.

6.120 As on May 13, 2009 as many as 568 SEZs have been accorded formal approval and 318 SEZs have been notified. The benefits derived from SEZs are evident from the export, employment and investment generated (Table 6.29).

Customs duty issues

6.121 One issue in the context of the global economic crisis is the protectionist measures, particularly related to customs duties resorted to by several countries to deal with the situation. Recent increase in import tariffs on some items by India has also found mention in some international reports. Though import tariffs have been increased on certain items in November and December 2008 in India, these were only to restore the import duty rates to the levels prevailing before the duty cuts affected earlier as part of inflation management measures. In April-May 2008, to combat the severe inflationary pressure on the economy, import duties on edible oils, crude petroleum/petrol/diesel and many iron and steel items were reduced/exempted. In the later part of the year, however, the economic environment changed, with inflation down to single-digit, and domestic industries were faced with the spectre of slow down due to fall in demand and loss of export markets. To provide relief to manufacturers, exporters and the financial sector, the Government announced fiscal stimulus packages. As part of this, the full exemption from customs duty/ countervailing duty provided earlier on certain items were withdrawn. However, the increase in rates was only in respect of few items (not all on which import duty rates were reduced) and only up to the earlier levels and in no case higher (Box 6.12).

Table 6.29 : Performance of SEZs

Export from SEZs in 2008-09	Rs. 99,688 crore
Export Growth in 2008-09	36%
Projection of export for 2009-10	Rs. 1,10,000 crore
Total employment generated as on 31.03.2009	3,87,439 persons
Total incremental employment generated since February 2006	2,52,735 persons
Total private investment as on 31.03.2009	Rs. 98,498 crore
Incremental private investment after coming into force of SEZ Act 2005	Rs. 98,498 crore

Box 6.12 : Some cases of increase in customs or countervailing duty in India

- Customs duty was reduced from 5 per cent to nil on pig iron, spiegleisen, and specified iron and non-alloy steel items on April 29, 2008. From November 18,.2008 customs duty rate on all these items has been restored to 5 per cent (the rate since 2004).
- Customs duty was reduced from 5 per cent to nil on zinc and ferro alloys on April 29, 2008. From January 2, 2009 customs duty rate on these items has been restored to 5 per cent.
- Customs duty was reduced from 40 per cent to nil on crude soyabean oil on April 1, 2008. From November 18, 2008 customs duty rate on crude soyabean oil has been increased to 20 per cent (less than the earlier prevailing rate of 40 per cent).
- Countervailing duty was reduced from 14 per cent to nil on TMT bars and structural on April 29,.2008. From January 2, 2009, the exemption has been withdrawn and CVD (now at 10 per cent i.e, on par with excise duty) is applicable.
- Countervailing duty and special CVD of 4 per cent were exempted on cement on April 3, .2007. From January 2, .2009, the exemption has been withdrawn and CVD (now at 10 per cent) as well as special CVD of 4 per cent are now applicable.

Box 6.13 : Customs duty exemptions and revenue loss

A comparison of actual duty collections in 2008-09 with notional duty collections (with 2007-08 actual import data) for the entire range of 11,000 or so ITC (HS) lines at eight digit level helps in estimating the revenue loss due to exemptions.

The notional total duty collection on non-oil imports is Rs. 1,41,826 crore based on 2007-08 imports (The oil account consists of crude oil and diesel. The estimated duty collection in this head is only Rs. 689 crore on account of diesel. There is no duty on crude.). The notional duty collection of Rs. 1,41,826 crore may fall substantially in the range of Rs. 1,29,000 crore since non-oil imports in 2008-09 are down by 9.3 per cent in rupee terms.

The revised estimate of actual duty collection in 2008-09 is Rs. 1,01,710 crore. The difference of Rs. 27,260 crore between the notional and actual collections is the revenue loss on account of 558 cases of exemptions consisting of 443 in industry groups and 115 thematic exemptions mainly under the subjects of exports, country preferences and defence (Table). Specific exemption on a case to case basic is also given under section 25(2) of Customs Act, 1962. These too erode the notional duty base considerably.

Customs duty rates and notional collections in 2008-09[1]
(based on 2007-08 Import Levels#)

(Rs. crore)

	Total duty (%) (As on April 1, 2009)	No. of tariff lines 2	Non-oil imports (07-08)	Notional duty on 2007-08 imports		
				Total duty	Basic duty	Countervailing duties
0	Nil	50	4,808	-	-	-
1	5.01 - 10.00 @	215	52,866	3,593	2,030	1,563
2	10.01 - 15.00	1,219	2,11,312	24,584	17,313	7,270
3	15.01 - 20.00	1,993	1,46,588	25,509	6,561	18,948
4	20.01 - 25.00	4,823	2,32,648	52,053	19,264	32,789
5	25.01 - 30.00	16	19,235	4,987	1,590	3,397
6	30.01 - 35.00	191	12,810	3,993	2,656	1,338
7	35.01 - 40.00	434	1,641	593	459	134
8	40.01 - 50.00	146	23,543	11,195	2,622	8,573
9	50.01 - 100.00	58	6,071	3,248	2,960	288
10	100.01 - 150.00	130	11,156	11,725	11,300	425
11	More than 150	33	208	347	281	67
	Total	**9,308**	**7,22,887**	**1,41,826**	**67,035**	**74,791**

[1] The Tariff ranges do not cover exemption notifications. As on May 15, 2009, these ran into 558 cases consisting of exemption in 443 industry groups and 115 thematic exemptions mainly under the subjects of exports, defence and country preferences. Besides this, specific discretionary exemptions are also sanctioned from time to time.

Excluding petroleum oils & High Speed Diesel (HSD): HS codes 27090000 & 27101930 crude oil is at zero duty while diesel basic duty is 2.5 per cent with Rs. 1.60 per litre as CVD of excise.

2 Only those cases where imports could be matched with the DGCI&S data at the eight-digit HS level.

@ Includes one case where total duty was 4 per cent.

In 2009-10, the duty collection will fall further as excise cuts in late 2008-09 impacting the countervailing duty of excise have to be accounted for. Further, the impact of exemptions on revenue due to additional debits in customs revenue on account of promotional measures like DEPB, enlargement and launch of new initiatives like VKGUY, Focus Market Scheme (FMS), Focus Product Scheme (FPS), and High-Tech Products Export Promotion Scheme (HTPEPS) by way of duty credit redemption will result in further erosion of customs revenue.

6.122 In no case has the customs duty/CVD rate been increased beyond the rate(s) prevailing earlier. The increase in import duties, if any, has only been to the extent of restoring status quo for items where reductions were made to combat inflationary pressures. Despite these changes India's tariff levels remain well within the WTO bindings as well as the self-imposed roadmap for autonomous reductions as part of opening up the economy.

6.123 Customs duties are powerful tools in trade policy. The previous Economic Survey had highlighted the issue of customs duty exemptions in India. Exemptions result in distortions and discriminations in the economic structure resulting in tax arbitrage, rent seeking and rise in transaction and administrative costs. It also leads to economic loss (Box 6.13).

6.124 Exemptions lead to lower tariff collection rates. However, this cannot be leveraged to our advantage in WTO negotiations as only the actual tariff rates and not tariff collections are considered for WTO negotiations. The need is to have a low tax regime with few exemptions with each exemption notification having a sunset clause triggering automatic review of exemptions. Besides customs duty exemptions, there are some other issues related to customs duty which need reforms. One such issue is the specific customs duties (Box 6.14)

Contingency trade policy and non-tariff measures

6.125 Contingency trade policy and non-tariff measures (NTMs) which continued to act as significant barriers to exports from developing countries, but with somewhat reduced intensity in recent years have started a comeback resulting in protectionist tendencies of different countries as a reaction to the global economic crisis. The WTO has reported that a pattern is beginning to emerge

Box 6.14 : Specific customs duties

Specific duties hide the real impact of tariffs. Many developed countries have specific duties for items of interest to them. The tariff equivalents of the same are very high in most of the countries. For example, as per WTO, Trade Policy Review of US, in the United States where non-ad valorem tariff form 10.6 per cent of all tariff lines in 2004, the average ad valorem equivalents (AVEs) of non-ad valorem tariff rate was 10.7 per cent. For some sectors and items, the AVEs are very high. Specific duties in the United States are mainly in agricultural products, footwear and headgear, textiles, watches and precision tools. According to the European Commission's Report on U.S. Barriers to Trade and Investment Report for 2007, the U.S. textile sector has high tariff peaks of 32 per cent for some clothing, 25 per cent for fabrics and 13.2 per cent for yarns in addition to specific duties for a wide range of textile products. In the case of several footwear products, tariffs are 48 per cent or 37.5 per cent plus a specific rate of 90 cents per pair. As per the WTO report, tariff peaks are often concealed by specific (and other non-ad valorem) rates, which are an important feature of the Quad and some other WTO members' tariff schedules, particularly for agricultural products and especially in the EU and the United States. The peaks will remain even after the Uruguay Round is fully implemented, partly as a consequence of the "tariffication" of agricultural non-tariff barriers, which were largely converted into specific or mixed duties, rather than into pure ad valorem tariffs, and often combined with quotas. Specific duties are intrinsically more opaque than ad valorem tariffs, tending to conceal high ad valorem equivalents (AVEs). For example, between 94 and 98 of the top 100 tariffs (in AVE terms) in Canada, the EU and Japan involve specific duties; they range from 61per cent to nearly 210 per cent in EU, from 47 per cent to roughly 1,739 per cent in Japan, and from 56 per cent to 314 per cent in Canada. In the United States, 84 of the top 100 tariffs included specific duties whose AVEs ranged from 34 to nearly 253 per cent.

While in developed countries the specific duties are mainly in agriculture, textiles and leather sectors, in India, the specific duties are mainly in the textiles sector (Chapters 51-63) which is levied along with ad valorem customs duty of 10 per cent. There are only three items other than textiles where there are specific duties, namely, almonds (080211 & 080212), electrical energy (2716) and some codes in platinum (711011 & 711019). For these items there are only specific duties and no ad valorem duties.

In India, in the textiles sector, though there are 47 items at 4 digit level and 523 items at 8 digit level with specific duties, they form only 0.32 per cent of the value of total imports. Items where ad valorem equivalents of specific duties in textiles sector are above the 10 per cent ad valorem duty are 450 in number at 8 digit level forming only 0.31 per cent of the value of total imports. The textile items with specific duties at 8 digit levels having import value above Rs. 100 crore in 2007-08 and having relatively high ad valorem equivalents include mainly woven fabrics. Carpets, tulles and other net fabrics, T-shirts, etc. and men or boys shirts of cotton are some other items. Though specific duties in India form a very small percentage of total imports, there is a need to examine this issue along with specific duties in other countries while rationalizing the tax structure.

of increases in import licensing, import tariffs and surcharges and trade remedies to support industries that have faced difficulties early in this crisis like automobiles, footwear and steel sector (Box 6.15).

Box 6.15 : Select list of some trade restrictions and distortionary measures introduced after the global financial crisis

Footwear	
Argentina:	Initiation of anti-dumping investigations on imports from China
Brazil:	Initiation of anti-dumping investigation on imports from China
Canada:	Initiation of anti-dumping investigation on waterproof footwear from China.
	Initiation of anti-dumping investigation on plastic footwear from Vietnam.
EC:	Imposition of anti-dumping duties on imports of leather footwear from China and Vietnam.
Turkey:	Imposition of safeguard measures; in place until November 2009.
Ukraine:	Increase of tariff duties for all footwear products. Implemented in March 2009, for a period of six months.
Automobile Sector	
Argentina:	Introduction of reference price covering around 1,000 imported products considered sensitive (among them auto parts).
Canada:	Offer to loan up to C$ 4 billion (US$ 3 billion) to GM and Chrysler (as on March 19, 2009 no disbursement of loans has been made).
China:	Reduction of sales tax for cars.
Russian Federation:	Temporary increase of import tariffs (for nine months) on cars, trucks and buses.
	Reduction of import tariffs on: motors and major components of motor vehicles Direct help (rubles 83 billion) or (US$ 2.4 billion) to domestic car makers, including assemblers of foreign branded cars.
United States:	Loans to General Motors and Chrysler. Under this programme, U.S. Treasury agreed to loan General Motors (GM) US$ 13.4 billion (delivered in three instalments) and to loan Chrysler US$ 4 billion. On December 29, 2008, U.S. Treasury announced that it would purchase US$5 billion in senior preferred equity with an 8 per cent dividend from GMAC LLC as part of broader programme to assist the domestic automotive industry in becoming financially viable.
	Additionally, the U.S. Treasury agreed to lend up to US$ 1 billion to General Motors so that GM could participate in a rights offering at GMAC in support of GMAC's reorganization as a bank holding company. On January 16, 2008, U.S. Treasury announced a US$ 1.5 billion five-year loan to a special purpose entity created by Chrysler Financial to finance retail automotive purchases.
Steel Sector	
Argentina:	Introduction of non-automatic import licensing requirements, covering steel and metallurgical products, among others.
EC:	Anti-dumping duties on imports of certain iron or steel fasteners from China. Provisional anti-dumping duties on imports of bars and rods, hot rolled, in irregularly wound coils, of iron , non-alloy steel or alloy steel other than of stainless steel, originating in China and Maldova.
Egypt:	Anti-dumping or safeguard duties on imports of cold rolled flat tin sheets.
India:	Introduction of licensing requirements for imports of certain steel products. Some of these requirements were removed between December 2008 and January 2009. New mandatory product quality certification from the Bureau of Indian Standards for 17 steel imported products. The Government deferred implementation of this regulation by one year on February 10, 2009.
	(The deferment of a regulation cannot be classified as a trade restrictive regime as the WTO report seems to have done).
Indonesia:	Introduction of mandatory standards for steel products (hot-rolled steel sheets and coils and zinc-aluminium alloy coated steel sheets and coils), to protect consumer safety, increase product quality, and establish a fair trade competition. Increase of import tariffs on some steel products.
Malaysia:	New technical regulations for 57 steel products, requiring certificates of approval for conformity with Malaysian standards
Philippines:	New "Mineral Ore Export Permit" for the transport/shipment of mineral ores Provisional safeguard on steel angle bars.
United States:	The American Recovery and Reinvestment Act of 2009 (ARRA) requires the use of U.S.-produced steel, iron and manufactured goods in public works funded by the ARRA, subject to certain exceptions (public interest, non-availability or unreasonable cost). The ARRA requires that this provision be applied in a manner consistent with U.S. obligations under international agreements. Further, Congress has indicated that the "buy American" provision for iron, steel and manufactured goods is not intended to apply to LDCs. Imposition of anti-dumping and countervailing duties on welded stainless steel pressure pipes from China.

Source : WTO, Report to the TPRB from the Director-General on the Financial and Economic Crisis and Trade-Related Developments, March 26, 2009.

6.126 Anti-dumping investigations of all countries, after reaching a peak in 2001 had started falling reaching a number of 164 in 2007. However, in 2008, they have again started rising with 205 anti-dumping initiations in 2008. In line with world trend, India's anti-dumping initiations increased in 2008 to 53 from 47 in 2007 (Table 6.30).

6.127 During the financial year 2008-09, the Director General of Anti-Dumping (DGAD) in India has initiated 21 fresh anti-dumping investigations. The products involved are all fully drawn or fully oriented yarn/spin drawn yarn/flat yarn of polyester (FDY), plain medium density fibre board, power steering gear system, thyionyl chloride, plastic processing machinery, cathode ray television picture tube - III, nylon tyre cord fabrics, flax fabrics, ceramic tiles, tyres curing presses, radial tyres, pencillin - G, phosphoric acid, diethyl thio phosphoryl chloride (DETC/DETPC), cold rolled products of stainless steel, hot rolled steel products, front axle beam and steering knuckles; and carbon black. The countries involved in these investigations are China, Australia, Thailand, Vietnam, Malaysia, New Zealand, Sri Lanka, EU, Indonesia, Belarus, Hong Kong, Korea RP, Japan, South Africa, Taiwan, USA, Iran, Kazakhstan, Saudi Arabia, Russia, Romania, Turkey Oman, Singapore and Ukraine. During 2008-09, the DGAD has also initiated one fresh countervailing duty (anti-subsidy) investigations pertaining to imports of sodium nitrite from China.

6.128 The bailout packages of some countries have also introduced new protectionist measures. WTO has reported various kinds of non-tariff measures affecting trade, such as standards and technical regulations (including SPS measures). For example, the 2009 Omnibus Appropriations Act of the U.S. prohibiting use of funds made available in the Act for importing poultry products from China. There is an increase in State Aids and Trade distorting subsidies in some countries to support industries like steel and automobiles including direct funding, special loans and guarantees and thus prolonging the operations of uncompetitive or insolvent firms and denying market access to more efficient firms, for example, loans by the U.S. Government to General Motors, Chrysler and government credit for car makers in Brazil. If these NTMs coming with greater vigour in new forms are not nipped in the bud, it could lead to retaliatory NTMs.

Table 6.30 : Investigations initiated by top 10 users of anti-dumping measures (1995-2008)

Country	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	1995-2008
India	6	41	78	81	46	21	28	34	47	53	562
United States	14	47	75	35	37	26	12	8	28	15	417
European Community	33	32	28	20	7	30	25	35	9	19	391
Argentina	27	43	26	14	1	12	12	11	8	19	241
South Africa	16	21	6	4	8	6	23	3	5	1	206
Australia	5	15	23	16	8	9	7	10	2	4	195
Brazil	5	11	17	8	4	8	6	12	13	23	170
Canada	11	21	25	5	15	11	1	7	1	1	143
China PR	0	6	14	30	22	27	24	11	5	13	152
Turkey	0	7	15	18	11	25	12	8	6	23	138
All countries	**157**	**290**	**364**	**312**	**232**	**213**	**200**	**202**	**164**	**205**	**3425**

Source : WTO