

# 2010 BRIC Brasilia Summit

## Compliance Assessment on World Trade: Fighting Protectionism and Disguised Restrictions

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### Commitment [#2010-19]

“We commit ourselves and urge all states to resist all forms of trade protectionism.”

*BRIC 2010 Brasilia Summit Final Declaration*

### Assessment

Country	Lack of Compliance	Partial Compliance	Full Compliance
Brazil	-1		
China	-1		
India	-1		
Russia	-1		
Average Score		-1.00	

### Background

As a result of the economic decline and the global recession of 2008, a number of governments worldwide find themselves under increasing local pressure to implement protectionist policies and measures, including “tariffs, quotas and various forms of subsidies” in an effort to preserve local jobs and support local economies.<sup>1</sup>

The Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the World Trade Organization (WTO) have however urged governments to resist calls for trade protectionism, stressing that protectionism erodes the export competitiveness of domestic firms, has significant costs for a country’s overall production, as well as stifles economic growth in developing, emerging and developed economies alike.<sup>2</sup>

As addressed during previous global governance summits following the 2008 crisis, trade protectionism has been a frequently revisited issue by the international community in the past six years.<sup>3</sup>

BRIC member countries were no exception to this trend and trade protectionism was inscribed in the agenda of the very first BRIC Summit at Yekaterinburg, Russia, in 2009.<sup>4</sup> In the Yekaterinburg Joint Statement of the BRIC Countries’ Leaders released on June 16 2009, BRIC member countries endorsed the fight against trade protectionism by recognizing “the important role played by

<sup>1</sup> Protectionism: The Case Against, OECD from “Trade Policy and the Economic Crisis” (Paris) May 2010. Date of Access: 15 January 2013 <http://www.oecd.org/trade/protectionism-thecaseagainst.htm#facts>

<sup>2</sup> Protectionism: The Case Against, OECD from “Trade Policy and the Economic Crisis” (Paris) May 2010. Date of Access: 15 January 2013 <http://www.oecd.org/trade/protectionism-thecaseagainst.htm#facts>

<sup>3</sup> 2011 Cannes Compliance Report, G20 Research Group (Toronto) 16 June 2012. Date of Access: 19 January 2013. <http://www.g20.utoronto.ca/compliance/2011cannes-final/index.html>

<sup>4</sup> 2009 Joint Statement of the BRIC Countries’ Leaders (Yekaterinburg) 16 June 2009. Date of Access: 23 January 2013. <http://www.brics.utoronto.ca/docs/090616-leaders.html>

international trade and foreign direct investments in the world economic recovery”, urging all parties to “work together to improve the international trade and investment environment” and encouraging the international community “to keep the multilateral trading system stable, curb trade protectionism, and push for comprehensive and balanced results of the WTO’s Doha Development Agenda.”<sup>5</sup>

At the 2010 BRIC Summit in Brasilia, BRICS countries kept up the momentum initiated at the 2009 Summit, and committed to two different commitments with regards to trade protectionism. The first commitment was to resist all forms of trade protectionism, and the second one was to fight back against disguised trade restrictions.<sup>6</sup>

### **Commitment Features**

This commitment is two-fold, and hinges on a member country’s ability to refrain from imposing protectionist measures as well as on its efforts to fight against forms of disguised trade protectionism. In order for a member country to register full compliance with this commitment, it must both resist all forms of trade protectionism and fight against disguised trade restrictions.

### **Sub-commitment One: Resisting Trade Protectionism**

In order to achieve compliance for sub-commitment one, BRIC members must have demonstrated resistance to trade protectionism. According to the World Trade Organization and the G20, there are three distinct forms of trade protectionism:

(1) First, BRIC member countries must refrain from imposing new barriers to investment or trade in goods and services. The World Trade Organization defines “tariffs, non-tariff measures, subsidies and burdensome administrative procedures regarding imports” as barriers that limit global flows of goods and services.<sup>7</sup>

(2) Second, BRIC member countries must refrain from imposing new export restrictions. Export restrictions are voluntary or imposed restrictions on a country’s exports, which are often intended to prevent goods being exported in the face of a domestic shortage or in order to manipulate current-account balances. Of increasing concern to the World Trade Organization are restrictions imposed on food stocks and minerals in the form of export taxes or quotas.<sup>8</sup>

(3) Third, BRIC member countries must refrain from implementing WTO-inconsistent measures to stimulate exports. The WTO Agreement on Subsidies and Countervailing Measures outlines five broad measures that unfairly stimulate exports: (1) Domestic subsidies that require recipients to meet certain export targets; (2) Subsidies that require recipients to use domestic goods instead of imported goods; (3) Domestic subsidies that hurt an industry in an importing country; (4) Domestic subsidies in one country that hurt exporters trying to compete in the subsidizing country’s domestic market; (5) Domestic subsidies that hurt rival exporters from another country when the two compete in third markets.<sup>9</sup>

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<sup>5</sup> 2009 Joint Statement of the BRIC Countries’ Leaders (Yekaterinburg) 16 June 2009. Date of Access: 23 January 2013. <http://www.brics.utoronto.ca/docs/090616-leaders.html>

<sup>6</sup> 2010 BRICS summit heads of state and government joint statement (Brasilia) 2010 Date of access: 10 January 2013. <http://www.brics.utoronto.ca/docs/100415-leaders.html>

<sup>7</sup> G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 23 January 2013. [www.wto.org/english/news\\_e/news09\\_e/trdev\\_14sep09\\_e.htm](http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm).

<sup>8</sup> General Agreement on Tariffs and Trade (GATT) 1994, Article IX and Article XX (g), World Trade Organization. (Geneva) 21 March 1994. Date of Access: 23 January 2013. [https://www.wto.org/english/docs\\_e/legal\\_e/06-gatt.pdf](https://www.wto.org/english/docs_e/legal_e/06-gatt.pdf)

<sup>9</sup> Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) 1 January 2005. Date of Access: 23 January 2013. [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm8\\_e.htm#subsidies](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies).

## Sub-commitment Two: Fighting Disguised Trade Protectionism

In order to achieve compliance for sub-commitment two, BRIC member countries must demonstrate effort to combat disguised trade protections.

Disguised trade protections, also referred to as non-tariff measures, are defined as any measures other than tariffs or taxes (overt forms of trade protectionism) impeding international trade. Examples include both direct price influencers and indirect price influencers.<sup>10 11</sup>

Direct price influencers include but may not be restricted to: (1) Export subsidies; (2) Exchange rate controls; (3) Methods of import valuations; (4) Customs surcharge; (5) Lengthy customs procedure; (6) Establishment of import prices; and (7) Unreasonable standards and inspection procedures.<sup>12 13</sup>

Indirect price influencers mainly refer to import licensing.<sup>14 15</sup>

Compliance scoring will be based on policy actions rather than the outcomes of those actions.

### Scoring Guidelines

-1	BRICS member imposes new protectionist measures AND does not fight disguised trade protectionism.
0	BRICS member imposes new protectionist measures BUT does not fight disguised trade protectionism.
-1	BRICS member does not impose new protectionist measures AND fights disguised trade protectionism.

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### Brazil: -1

Brazil receives a cumulative score -1. Brazil has failed to comply with its commitment to refrain from imposing new protectionist measures and to fight disguised trade protectionism.

(1) Brazil has failed to comply with its commitment to refrain from imposing new protectionist measures and thus receives a score of -1 on the first sub-commitment.

On 1 March 2011, the Brazilian Government imposed anti-dumping duties of USD0.15 per kilogramme, USD1.70 per kilogramme and USD0.15 kilogramme on certain glassware products from Argentina, China and Indonesia respectively.<sup>16</sup>

Upon referring to the WTO Dispute Settlement Body's list of publications, it appears that none of the affected countries called on the Body to explore the above measure.<sup>17</sup> Until such a panel is

<sup>10</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 14 September 2009. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentpolicy/43689944.pdf>

<sup>11</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 8 March 2010. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentfordevelopment/44739159.pdf>

<sup>12</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 14 September 2009. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentpolicy/43689944.pdf>

<sup>13</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 8 March 2010. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentfordevelopment/44739159.pdf>

<sup>14</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 14 September 2009. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentpolicy/43689944.pdf>

<sup>15</sup> Report on G20 Trade and Investment Measures, OECD, WTO and UNCTAD. (Paris) 8 March 2010. Date of Access: 23 January 2013. <http://www.oecd.org/daf/internationalinvestment/investmentfordevelopment/44739159.pdf>

<sup>16</sup> Diário Oficial da União – Seção 1. No 42, Resolução 8/2011, Ministry of Development, Industry and Foreign Trade (Brasília) 1 March 2011. Date of Access: 15 April 2013. <http://www.iqom.com.mx/documents/0211/DOU%201%20marzo.pdf>

established and reaches a definite conclusion, this measure thus cannot be judged in violation of WTO rules.

On 27 December 2010, the Brazilian Government removed temporarily tariff exemptions for pigments and dyes related to the manufacturing of titanium dioxide from China, Finland, Mexico, the United Kingdom and the United States. Set at 12 per cent, the tariff was to remain effective for 12 months.<sup>18</sup>

On 27 December 2010, the Brazilian Government increased temporarily ad valorem tariff to 35 per cent for certain toys originating from China, Denmark, Hong Kong, Indonesia, Malaysia and the United States. The tariff increase was to remain effective for 12 months.<sup>19</sup>

On 14 December 2010, the Brazilian Government increased ad valorem tariffs on tools for pressing, stamping or punching from 14 per cent to 25 per cent and on tools for metal injection moulding or compression from 14 per cent to 30 per cent.<sup>20</sup>

On 9 December 2010, the Brazilian Government imposed antidumping duties for a five-year period on polypropylene resin, copolymer and homopolymer from the United States. The duties were set at USD82.77 per tonne.<sup>21</sup>

Upon referring to the WTO Dispute Settlement Body's list of publications, it appears that none of the affected countries called on the Body to explore the above measure.<sup>22</sup> Until such a panel is established and reaches a definite conclusion, this measure cannot be judged in violation of WTO rules.

On 17 August 2010, the Brazilian Government implemented new rules aimed at restricting the circumvention of existing antidumping and compensatory measures. The rules envisage the extension of anti-dumping or compensatory measures already in force against products, in cases when it is determined that importers avoid existing measures.<sup>23</sup>

On 5 August 2010, the Brazilian Government established a temporary quota of 30,000 tons for sardines, sardinella, brisling or sprats imports. The ban was to remain effective for 12 months.<sup>24</sup>

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<sup>17</sup> Dispute Settlement: The Disputes, World Trade Organization (Geneva). Date of Access: 15 April 2013  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/find\\_dispu\\_cases\\_e.htm?year=none&subject=none&agreement=none&member1=BRA&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results](http://www.wto.org/english/tratop_e/dispu_e/find_dispu_cases_e.htm?year=none&subject=none&agreement=none&member1=BRA&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results)

<sup>18</sup> Resolução No 91, de 27 de dezembro de 2010, Foreign Trade Chamber (Brasília) 27 December 2010. Date of Access: 15 April 2013. [http://www.mdic.gov.br/arquivos/dwnl\\_1293629736.pdf](http://www.mdic.gov.br/arquivos/dwnl_1293629736.pdf)

<sup>19</sup> Resolução No 92, de 27 de dezembro de 2010, Foreign Trade Chamber (Brasília) 27 December 2010. Date of Access: 4 April 2013. [http://www.mdic.gov.br/arquivos/dwnl\\_1293629707.pdf](http://www.mdic.gov.br/arquivos/dwnl_1293629707.pdf)

<sup>20</sup> Resolução No 87, de 14 de dezembro de 2010, Foreign Trade Chamber (Brasília) 16 December 2010. Date of Access: 4 April 2013. <http://legislacaoemgeral.blogspot.com/2010/12/camex-resolucao-n-872010.html>

<sup>21</sup> Resolução No 86, de 8 de dezembro de 2010, Foreign Trade Chamber (Brasília) 8 December 2010. Date of Access: 4 April 2013. <http://www.iqom.com.mx/documents/1210/Res.%2086-2010.pdf>

<sup>22</sup> Dispute Settlement: The Disputes, World Trade Organization (Geneva). Date of Access: 15 April 2013  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/find\\_dispu\\_cases\\_e.htm?year=none&subject=none&agreement=none&member1=BRA&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results](http://www.wto.org/english/tratop_e/dispu_e/find_dispu_cases_e.htm?year=none&subject=none&agreement=none&member1=BRA&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results)

<sup>23</sup> Brazil: Rules for implementation of anticircumvention policy regarding antidumping and compensatory measures, Global Trade Alerts (London). 24 August 2010. Date of Access: 4 April 2013.  
<http://www.globaltradealert.org/measure/brazil-rules-implementation-anticircumvention-policy-regarding-antidumping-and-compensatory->

<sup>24</sup> Resolução No 72, de 5 de outubro de 2010, Foreign Trade Chamber (Brasília), 5 October 2010. Date of Access: 4 April 2013. [http://www.mdic.gov.br/arquivos/dwnl\\_1286458662.pdf](http://www.mdic.gov.br/arquivos/dwnl_1286458662.pdf)

On 18 July 2010, the Brazilian Government adopted Medida Provisoria No 495 which introduced changes in the law establishing the general rules on administrative contracts and governmental procurement. Among the main changes introduced, the Medida Provisoria No 495 gives preference to locally produced goods or services of up to 25 per cent above the price of externally produced goods or services.<sup>25</sup>

(2) No information was found indicating that Brazil has fought back disguised trade protectionism. It thus receives a score of -1 on the second sub-commitment.

Registering non-compliance on both sub-commitments, Brazil receives a final score of -1.

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### **China: -1**

China receives a cumulative score -1. China has failed to comply with its commitment to refrain from imposing new protectionist measures and to fight disguised trade protectionism.

(1) China has failed to comply with its commitment to refrain from imposing new protectionist measures and thus receives a score of -1 on the first sub-commitment.

In March 2011, the National Development and Reform Commission announced the coal export quota for 2011 at 38 million tonnes. The Commission also specified the first batch to be 18 million tonnes. Compared to 2010, the first batch decreased by 30 per cent from 25.5 million tonnes.<sup>26</sup>

On 18 February 2011, the Chinese Ministry of Commerce imposed anti-dumping duties ranging from 6.8 per cent to 29.1 per cent on certain optical fibres from the European Union and the United States. These duties were imposed following an investigation initiated on 22 April 2010.<sup>27</sup> Upon referring to the WTO Dispute Settlement Body's list of publications it appears that none of the affected countries have called on the Body to explore the above measures.<sup>28</sup> Until such a panel is established and reaches a definite conclusion, these anti-dumping duties cannot be labelled as WTO-inconsistent measures.

On 25 January 2011, the Chinese Ministry of Commerce imposed anti-dumping duties ranging from 6.6 per cent to 25.5 per cent on Caprolactam, a type of synthetic polymer, from the European Union and the United States. These duties were imposed following an investigation which was initiated on 22 April 2010.<sup>29</sup> Upon referring to the WTO Dispute Settlement Body's list of publications it appears

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<sup>25</sup> Diário Oficial da União - Seção 1, Medida Provisória No 495, de 19 Junho de 2010, President of the Republic (Brasilia). 19 June 2010. Date of Access: 4 April 2013.

<http://www.in.gov.br/imprensa/visualiza/index.jsp?jornal=1&pagina=1&data=20/07/2010>

<sup>26</sup> China Sets 2011 Coal Export Quota at 38 mln Tonnes, Reuters. 17 March 2011. Date of Access: 15 April 2013.

<http://www.reuters.com/article/2011/03/17/china-coal-export-idAFTOE72G03420110317>

<sup>27</sup> Announcement No.4, 2011 of the Ministry of Commerce of the People's Republic of China on Releasing the Preliminary Ruling on Anti-dumping Investigation on Dispersion Unshifted Single-Mode Optical Fiber. 6 January 2011. Date of Access 4 April 2013.

<http://english.mofcom.gov.cn/aarticle/policyrelease/domesticpolicy/201102/20110207402287.html>

<sup>28</sup> Dispute Settlement: The Disputes, World Trade Organization (Geneva). Date of Access: 15 April 2013

[http://www.wto.org/english/tratop\\_e/dispu\\_e/find\\_dispu\\_cases\\_e.htm?year=none&subject=none&agreement=none&member1=CHN&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results](http://www.wto.org/english/tratop_e/dispu_e/find_dispu_cases_e.htm?year=none&subject=none&agreement=none&member1=CHN&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results)

<sup>29</sup> Announcement No.3, 2011 of the Ministry of Commerce of the People's Republic of China on Releasing the Preliminary Ruling on Anti-dumping Investigation on CPL. 25 January 2011. Date of Access: 4 April 2013.

<http://english.mofcom.gov.cn/aarticle/policyrelease/domesticpolicy/201102/20110207402277.html>

that none of the affected countries have called on the Body to explore the above measures.<sup>30</sup> Until such a panel is established and reaches a definite conclusion, these anti-dumping duties cannot be labelled as WTO-inconsistent measures.

On 1 February 2011, China established an import ban on artiodactyl and artiodactyl products from Bulgaria due to foot and mouth disease. On 23 February 2011, the same decision was made in regards to the poultry products from the Democratic People Republic of Korea.<sup>31</sup>

On 12 January 2011, China imposed an import ban on poultry products from Morbihan-France due to Newcastle disease. On 23 February 2011, the same decision was made in regards to the poultry products from Gotlands — Sweden.<sup>32</sup>

On 28 December 2010, the Chinese Ministry of Commerce announced a reduction in export quota of rare earths by approximately 35 per cent. China is the source of more than 95 per cent of the world's processed rare earth metals, which are used for the making of a wide array of sophisticated products, from smartphones to smart bombs and green technologies.<sup>33</sup> On 15 March 2012, Japan<sup>34</sup>, the European Union<sup>35</sup> and the United States<sup>36</sup> filed a trade dispute against with the World Trade Organization against China's exports restrictions on rare earths, tungsten and molybdenum. The complainants argue that export restrictions considerably distort the market and create competitive advantage in favour of China's manufacturing industry. On 23 July 2012, a panel was established to examine the dispute. The export restriction of rare earths is highly controversial, however, this measure cannot be declared to be in violation of WTO rules until the panel reaches a final verdict.

On 15 September 2010, the United States filed a trade dispute with the World Trade Organization against China's countervailing and anti-dumping duties on grain oriented flat-rolled electrical steel ("GOES") from the United States. The measure were imposed by the Chinese Ministry of Commerce in response to the "Buy America" provisions of the US fiscal stimulus of 2009 and State government procurement laws, which limited bidding on iron and steel contracts to producers from the United States or countries with a reciprocal government procurement agreement. On 15 June 2012, the Panel, in charge of the examination of the dispute case, found that the Chinese Ministry of Commerce acted inconsistently with the several aspects of both the WTO Subsidies and Countervailing Measures (SCM) Agreement and the WTO Anti-Dumping (AD) Agreement in the GOES. On 20 July 2012, China notified the Dispute Settlement Body (DSB) of its decision to appeal against certain issues of law and legal interpretations. On 18 October 2012, the Appellate Body upheld the Panel's findings.

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<sup>30</sup> Dispute Settlement: The Disputes, World Trade Organization (Geneva). Date of Access: 15 April 2013  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/find\\_dispu\\_cases\\_e.htm?year=none&subject=none&agreement=none&member1=CHN&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results](http://www.wto.org/english/tratop_e/dispu_e/find_dispu_cases_e.htm?year=none&subject=none&agreement=none&member1=CHN&member2=none&complainant1=false&complainant2=true&respondent1=true&respondent2=true&thirdparty1=false&thirdparty2=false#results)

<sup>31</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 46. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>32</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 46. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>33</sup> China to Tighten Limits on Rare Earth Exports, New York Times, 28 December 2010. Date of Access: 15 April 2013. <http://www.nytimes.com/2010/12/29/business/global/29rare.html?pagewanted=all>

<sup>34</sup> Dispute Settlement: Dispute DS433, China- Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum, World Trade Organization (Geneva), 13 March 2013. Date of Access: 15 April 2013  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds433\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds433_e.htm)

<sup>35</sup> Dispute Settlement: Dispute DS432, China- Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum, World Trade Organization (Geneva), 13 March 2013. Date of Access: 15 April 2013.  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds432\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds432_e.htm)

<sup>36</sup> Dispute Settlement: Dispute DS431, China- Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum, World Trade Organization (Geneva), 13 March 2013. Date of Access: 15 April 2013.  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds431\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds431_e.htm)

On 15 September 2010, the United States filed a trade dispute with the World Trade Organization against China's certain restrictions and requirements imposed in regards to "electronic payments service for payment card transactions and the suppliers of those services". The United States claimed that China allowed only China Union Pay, a Chinese entity, to supply electronic payment services for transactions made in RMB in China. On 31 August 2012, in the absence of an appeal, the Dispute Settlement Body (DSB) adopted the Panel Report. The Panel found that certain measures violated its General Agreement on Trade in Services (GATS) by restricting foreign electronic payment service from providing RMB payment card transactions in China under conditions similar to China Union Pay.<sup>37</sup>

On 14 December 2010, the Ministry of Finance released the Notice of the Customs Tariff Commission of the State Council on Implementation of Customs Tariff 2011. In accordance with this notice, export tariffs on certain rare-earth minerals increased from 15 per cent to 25 per cent, neodymium and lanthanum chloride from 20 per cent to 25 per cent, and ferroalloy containing rare earth elements by more than 10 per cent.<sup>38</sup>

On 2 December 2010, the Ministry of Finance introduced a 110 per cent export tax on urea and phosphates from 1-31 December, when previously only a 7 per cent tax applied for the month. Furthermore, the Ministry of Finance was expected to extend the length of the peak season, when the 110 per cent tax applies, from five up to eight months (October-May). The export tariffs aimed at ensuring sufficient domestic supplies for the growing season and combat rising food prices. However, it could have wider implications for the global fertilizer market given China's position as a major source of supply for both products.<sup>39</sup>

On 15 September 2010, the United States filed a trade dispute with the World Trade Organization against China's countervailing and anti-dumping duties on grain oriented flat-rolled electrical steel ("GOES") from the United States. The measure were imposed by the Chinese Ministry of Commerce in response to the "Buy America" provisions of the US fiscal stimulus of 2009 and State government procurement laws, which limited bidding on iron and steel contracts to producers from the United States or countries with a reciprocal government procurement agreement. On 15 June 2012, the Panel, in charge of the examination of the dispute case, found that the Chinese Ministry of Commerce acted inconsistently with the several aspects of both the WTO Subsidies and Countervailing Measures (SCM) Agreement and the WTO Anti-Dumping (AD) Agreement in the GOES. On 20 July 2012, China notified the Dispute Settlement Body (DSB) of its decision to appeal against certain issues of law and legal interpretations. On 18 October 2012, the Appellate Body upheld the Panel's findings.<sup>40</sup>

On 28 July 2010, the Chinese Ministry of Commerce announced the definitive imposition of anti-dumping duties on certain iron and steel fasteners from the European Union, ranging from 6.1 per

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<sup>37</sup> Dispute Settlement: Dispute DS413, China-Certain Measures Affecting Electronic Payment Services. World Trade Organization (Geneva), 15 September 2010. Date of Access: 15 April 2013. [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds414\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds414_e.htm)

<sup>38</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 47. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>39</sup> Zhang Qi. Fertilizer Export Levy Imposed, China Daily. 2 December 2010. Date of Access: 15 April 2013. [http://www.chinadaily.com.cn/bizchina/2010-12/02/content\\_11641906.htm](http://www.chinadaily.com.cn/bizchina/2010-12/02/content_11641906.htm)

<sup>40</sup> Dispute Settlement: Dispute DS414, China-Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States. World Trade Organization (Geneva), 15 September 2010. Date of Access: 15 April 2013. [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds414\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds414_e.htm)

cent to 26 per cent above the before duty price according to the company of manufacture. The anti-dumping duties are to remain in effect for five years.<sup>41</sup>

On 7 May 2010, the European States opened a trade dispute with the World Trade Organization regarding China's provisional anti-dumping duties on certain iron and steel fasteners.<sup>42</sup> The anti-dumping duties cannot be labelled a WTO-inconsistent measure until a final decision has been made by the organisation.

On 15 July 2010, China eliminated VAT rebates on exports of steel, starch, ethanol, and semi-finished copper products, covering 406 tariff lines. China adjusts its VAT rebates as part of an industrial policy aimed at controlling, restricting and managing exports.<sup>43</sup>

(2) No information was found indicating that China has fought back disguised trade protectionism. It thus receives a score of -1 on the second sub-commitment.

Registering non-compliance on both sub-commitments, China receives a final score of -1.

*Analyst: Melissa Blaustein*

### **India: -1**

India receives a cumulative score -1. India has failed to comply with its commitment to refrain from imposing new protectionist measures and to fight disguised trade protectionism.

(1) India has failed to comply with its commitment to refrain from imposing new protectionist measures. It thus receives a score of -1 on the first sub-commitment.

On 24 March 2011, the Ministry of Finance increased import tariffs from 10 per cent to 30 per cent on engine or gearbox or transmission mechanism in pre-assembled form.<sup>44</sup>

On 23 March 2011, the Ministry of Commerce and Industry extended the export ban on pulses, except Kabuli Chana and 10, 000 tonnes of organic pulses, until 31 March 2012. The ban was originally implemented on 27 June 2006 and was extended from time to time since then.<sup>45</sup>

On 1<sup>st</sup> March 2011, the Ministry of Finance introduced export tariffs on skins, leather products and iron or steel scrap metal from 10 per cent to 25 per cent.<sup>46</sup>

On 1<sup>st</sup> March 2011, the Ministry also further increased export tax from 5 per cent to 20 per cent on iron ore fines and from 15 per cent to 20 per cent on iron ore lumps and pellets.<sup>47</sup>

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<sup>41</sup> China: Imposition of Definitive Antidumping Duties on Iron or Steel Fasteners from the EU, Globe Trade Alert (London). 11 July 2010. Date of Access: 15 April 2013. <http://www.globaltradealert.org/measure/china-imposition-definitive-antidumping-duties-iron-or-steel-fastenerseu>

<sup>42</sup> Dispute Settlement: Dispute DS407, China - Provisional Anti-Dumping Duties on Certain Iron and Steel Fasteners from the European Union, World Trade Organization (Geneva). 7 May 2010. Date of Access: 15 April 2013. [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds407\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds407_e.htm)

<sup>43</sup> Report on G20 Trade Measures (May 2010 to October 2010), World Trade Organization (Geneva). Page 19. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news10\\_e/g20\\_wto\\_report\\_nov\\_e.doc](http://www.wto.org/english/news_e/news10_e/g20_wto_report_nov_e.doc)

<sup>44</sup> Notification No. 31/ 2011-Customs, Ministry of Finance- Department of Revenue (New Delhi). 24 March 2011. Date of Access: 15 April 2013. <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k11/cs-tarr2k11/cs31-2k11.pdf>

<sup>45</sup> Notification No 35 (RE – 2010)/2009-2014, Ministry of Commerce and Industry – Department of Commerce (New Delhi). 23 March 2011. Date of Access: 15 April 2013. <http://dgft.gov.in/exim/2000/not/not10/not3510.htm>

<sup>46</sup> Notification No. 27/2011-Customs, Ministry of Finance - Department of Revenue (New Delhi). 1st March 2011. Date of Access: 15 April 2013. <http://www.cbec.gov.in/ub1112/cs27-2k11.pdf>

<sup>47</sup> Notification No. 27/2011-Customs, Ministry of Finance - Department of Revenue (New Delhi), 1st March 2013. Date of Access: 15 April 2013. <http://www.cbec.gov.in/ub1112/cs27-2k11.pdf>

On 23 December 2010, the Government of India established an import ban on certain shrimp species.<sup>48</sup>

On 19 October 2010, the Ministry of Commerce and Industry imposed anti-dumping duties ranging from 7 per cent to 266 per cent on imports of Synchronous Digital Hierarchy transmission equipment originating from Israel and China. These duties were imposed following an investigation conducted by the Ministry.<sup>49</sup>

On 8 October 2010, the Ministry of Commerce and Industry imposed antidumping duties ranging from USD10.03 to USD547.03 per metric tonne on imports of Phenol originating from Thailand and Japan. These duties were imposed following an investigation conducted by the Ministry.<sup>50</sup>

On 29 April 2010, the Government of India further increased the export duty rate on iron ore lumps from 10 per cent to 15 per cent.<sup>51</sup>

In April 2010, the Government of India imposed a wide range of measures targeting cotton yarn exports. On 21 April 2010, the concession of 7.67 per cent available for cotton yarn exports under the Duty Entitlement Passbook Scheme (DEPB) was suspended. On 29 April 2010, the duty drawback scheme on cotton yarn exports was also withdrawn.<sup>52</sup>

Furthermore, the World Trade Organisation reported that a ban on animals and products from animal origin such as live pigs, eggs products, products intended for animal feeding or for agriculture and industrial use was effective in India between mid-October 2010 and 30 April 2011.<sup>53</sup>

(2) No information was found indicating that India has fought back disguised trade protectionism. It thus receives a score of -1 on the second sub-commitment.

Registering non-compliance on both sub-commitments, India receives a final score of -1.

*Analyst: Katherine DeMallie*

### **Russia: -1**

Russia receives a cumulative score -1. Russia has failed to comply with its commitment to refrain from imposing new protectionist measures and to fight disguised trade protectionism.

(1) Russia has failed to comply with its commitment to refrain from imposing new protectionist measures. It thus receives a score of -1 on the first sub-commitment.

On 23 March 2011, the Government of the Russian Federation established a temporary ban on some food products originating from certain regions of Japan following the Yukushima nuclear disaster.<sup>54</sup>

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<sup>48</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 52. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>49</sup> Notification No. 14/2/2009 – DGAD, Ministry of Commerce and Industry - Department of Commerce, Directorate General of Anti-Dumping and Allied Duties (New Delhi). 19 October 2010. Date of Access: 15 April 2013. [http://commerce.nic.in/writereaddata/traderemedies/adpref\\_SDH\\_transmission\\_equipment\\_ChinaPR\\_Israel.pdf](http://commerce.nic.in/writereaddata/traderemedies/adpref_SDH_transmission_equipment_ChinaPR_Israel.pdf)

<sup>50</sup> Notification No. 14/27/2009 – DGAD, Ministry of Commerce and Industry - Department of Commerce, Directorate General of Anti-Dumping and Allied Duties (New Delhi). 8 October 2010. Date of Access: 15 April 2013. [http://commerce.nic.in/writereaddata/traderemedies/adfin\\_Phenol\\_Japan\\_Thailand.pdf](http://commerce.nic.in/writereaddata/traderemedies/adfin_Phenol_Japan_Thailand.pdf)

<sup>51</sup> Summary and Status- G20 Trade and Trade-Related Measures (October 2008 - mid-October 2010), World Trade Organization (Geneva). Page 32. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/igo\\_24may11\\_e.htm](http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm)

<sup>52</sup> Summary and Status- G20 Trade and Trade-Related Measures (October 2008 – mid-October 2010), WTO (Geneva). Page 33 Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/igo\\_24may11\\_e.htm](http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm)

<sup>53</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 51. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

On 24 February 2011, the Commission of the Customs Union of Russia, Belarus and Kazakhstan increased import tariffs on certain types of nonwoven fabric from 0 per cent to 10 per cent.<sup>55</sup>

On 19 December 2010, the Commission of the Customs Union of Belarus, Kazakhstan and the Russian Federation increased export tariffs on copper cathode from 0 per cent to 5 per cent and not alloyed nickel from 5 per cent to 10 per cent.<sup>56</sup>

On 23 October 2010, the Commission of the Customs Union of Belarus, Kazakhstan and the Russian Federation increased import tariffs on grape must from 5 per cent to 10 per cent.<sup>57</sup>

Between October 2010 and April 2011, the Government of the Russian Federation established a temporary ban on meat and meat products from specific countries (Australia, Belgium, Bulgaria, Brazil, France, Germany, Netherlands, Serbia, Spain, Turkey, and the United States).<sup>58</sup>

On 17 August 2010, the Commission of the Customs Union of Russia, Belarus and Kazakhstan import tariffs on corks and capping for bottles from 10 per cent to 15 per cent, but not less than 1 euro per kilogram.<sup>59</sup>

On 17 August 2010, the Commission increased minimum tariffs on used and refurbished tires from USD9.7/unit to USD28/unit on top of the current import duty of 20 per cent.<sup>60</sup>

On 17 August 2010, the Commission increased import tariffs on certain milk products from 20 per cent to 25 per cent.<sup>61</sup>

On 14 August 2010, the Commission of the Customs Union of Russia, Belarus and Kazakhstan increased import tariffs on certain agriculture machines from 0 per cent to 5 per cent. The measure was effective from 15 December 2010.<sup>62</sup>

On 5 August 2010, the Government of the Russian Federation introduced from 15 August 2010 to 31 December 2010 a temporary ban on the export of wheat, meslin, barley, rye, maize and wheat and wheat-and-rye flour.<sup>63</sup> The ban was extended until November 2011.<sup>64</sup>

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<sup>54</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 54. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>55</sup> Decision No. 546, Eurasian Economic Commission (Moscow), 28 January 2011. Date of Access: 16 April 2013. [http://www.tsouz.ru/KTS/KTS23/Pages/R\\_546.aspx](http://www.tsouz.ru/KTS/KTS23/Pages/R_546.aspx)

<sup>56</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 54. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>57</sup> Report on G20 Trade Measures (May 2010 to October 2010), World Trade Organization (Geneva). Page 39. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news10\\_e/g20\\_wto\\_report\\_nov\\_e.doc](http://www.wto.org/english/news_e/news10_e/g20_wto_report_nov_e.doc)

<sup>58</sup> Report on G20 Trade Measures, Mid-October 2010 to April 2011, World Trade Organization (Geneva). Page 53. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news11\\_e/g20\\_wto\\_report\\_may11\\_e.doc](http://www.wto.org/english/news_e/news11_e/g20_wto_report_may11_e.doc)

<sup>59</sup> Decision No. 346, Eurasian Economic Commission (Moscow), 17 August 2010. Date of Access: 15 April 2013. [http://www.tsouz.ru/KTS/KTS18/Pages/R\\_346.aspx](http://www.tsouz.ru/KTS/KTS18/Pages/R_346.aspx)

<sup>60</sup> Decision No. 347, Eurasian Economic Commission (Moscow), 17 August 2010. Date of Access: 15 April 2013. [www.tsouz.ru/KTS/KTS18/Pages/R\\_347.aspx](http://www.tsouz.ru/KTS/KTS18/Pages/R_347.aspx)

<sup>61</sup> Decision No. 369, Eurasian Economic Commission (Moscow), 17 August 2010. Date of Access: 15 April 2013. [http://www.tsouz.ru/KTS/KTS18/Pages/R\\_369.aspx](http://www.tsouz.ru/KTS/KTS18/Pages/R_369.aspx)

<sup>62</sup> Decision No. 507, Eurasian Economic Commission (Moscow), 14 October 2010. Date of Access: 15 April 2013. [http://www.tsouz.ru/KTS/KTS22/Pages/R\\_507.aspx](http://www.tsouz.ru/KTS/KTS22/Pages/R_507.aspx)

<sup>63</sup> Prime Minister Vladimir Putin signs resolution No. 599 of August 5, 2010, On the Introduction of a Temporary Ban on the Export of Some Agricultural Products from the Russian Federation, Government of Russia (Moscow) 5 August 2010. Date of Access: 15 April 2013. <http://government.ru/eng/smi/messages/11634/>.

<sup>64</sup> Report on G20 Trade Measures (May 2010 to October 2010), World Trade Organization (Geneva). Page 38. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news10\\_e/g20\\_wto\\_report\\_nov\\_e.doc](http://www.wto.org/english/news_e/news10_e/g20_wto_report_nov_e.doc)

On 29 July 2010, the Customs Union of Belarus, Kazakhstan and the Russian Federation introduced a 15 per cent import tariff on plastic parts for frames and mountings for spectacles and goggles.<sup>65</sup>

(2) No information was found indicating that Russia has fought back disguised trade protectionism. It thus receives a score of -1 on the second commitment.

Registering non-compliance on both sub-commitments, Russia receives a final score of -1.

*Analyst: Melissa Blaustein*

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<sup>65</sup> Report on G20 Trade Measures (May 2010 to October 2010), World Trade Organization (Geneva). Page 38. Date of Access: 15 April 2013. [http://www.wto.org/english/news\\_e/news10\\_e/g20\\_wto\\_report\\_nov\\_e.doc](http://www.wto.org/english/news_e/news10_e/g20_wto_report_nov_e.doc)