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**Minutes of the First meeting of India-Brazil Trade Monitoring Mechanism  
(TMM) held on 3<sup>rd</sup> February, 2009 in New Delhi**

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1. First meeting of India-Brazil Trade Monitoring Mechanism (TMM) was held on 3<sup>rd</sup> February, 2009 in New Delhi. Indian Delegation was led by Commerce Secretary, Mr. G K Pillai. Brazilian Delegation was led by Mr. Ivan Ramalho, Executive Secretary of the Ministry of Industry, Development and Foreign Trade, Brazil. List of participants is at Annexure I.
2. Mr. G.K.Pillai, Commerce Secretary welcomed the Brazilian delegation for the first meeting of India- Brazil TMM. In his opening remarks, he highlighted the importance that India attached to trade relations with Brazil and Latin America. He further mentioned that there is huge potential for further expansion of bilateral trade between the two countries. He expressed his belief that this Trade Monitoring Mechanism would prove effective in furthering our bilateral economic relationship.
3. In his opening remarks, Mr. Ivan Ramalho, Executive Secretary from the Ministry of Industry, Development and Foreign Trade, Brazil thanked Indian side for arranging the meeting. He emphasized the fact that there is tremendous potential to further increase our bilateral trade and economic relations.

4. Following issues were discussed during the meeting.

**I. Bilateral trade statistics:**

5. Both sides exchanged statistics on bilateral trade. Some differences were noticed in the statistics submitted by both sides. Indian side clarified that differences in bilateral trade figures are due to statistics being maintained by Brazil for calendar year and by India for financial year. It was agreed that both the figures should be reconciled periodically.

**II. Issue of Import Procedures by Brazil**

6. Brazilian Side informed that this is no longer an issue as the trade procedures have been suspended.

**III. Ratification of India-MERCOSUR PTA**

7. The Indian side raised the issue of expeditious implementation of India-MERCOSUR PTA, and asked if the completion of all formalities of ratification of the said PTA by MERCOSUR could be expected by the first of June this year, as the matter has been pending now for almost four years.
8. The Brazilian side informed that, from its part, Brazil had completed all the necessary steps for the Agreement to enter into force. However, for the Depository to be able to formally notify India of the completion of the ratification process in Mercosur, there was one more formality from the Mercosur side. The Uruguayan Congress has approved the Agreement last December, but that country has yet to notify the Depository about its ratification.

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9. The Brazilian side added that, even though the decision to notify lies with Uruguay, Brazil has been raising the issue within Mercosur.
  10. The Brazilian side further expressed the hope that the PTA would come in force sooner than June 2009. Both sides noted that according to article 24 of the PTA, the Joint Administration Committee should meet within 60 days of the entry into force of the PTA.

#### IV. Antidumping duties/investigations:

11. Indian side mentioned the issue of initiation of antidumping investigation on viscose yarn and stated that in the said investigations, prima facie no injury to Brazilian domestic industry could be proved. Accordingly, Indian side requested for dropping of the investigation.
12. In the case of anti-dumping duty on jute yarn and bag, Indian side requested that duties currently imposed on jute bag and yarn may not be extended on completion of currency of duties imposed earlier.
13. Brazilian side informed that before imposition of anti dumping duties, all parties are duly notified and questionnaires are duly sent. In case of viscose yarn, information from the Indian companies is still awaited. In case of Jute bags, sunset review is due in September, 2009, while in the case of Jute Yarn, a sunset review is due in August, 2013 and views of local Brazilian manufacturers and concern expressed by Indian side would be kept in mind while carrying out the review.
14. Brazilian side also handed over a Communication from Brazilian Foreign Trade Minister H.E. Mr. Miguel Jorge to Commerce and Industry Minister of India, H.E. Mr. Kamal Nath on the issue of antidumping investigation in the case of viscose yarn.
15. Brazilian side raised the issue of sunset review of antidumping duty on import of flexible slabstock polyol (FSP). Indian side clarified that definitive duty on the said item was imposed on 24.1.2005 to provide remedy to the domestic industry. As per regulation, the said antidumping duty shall, unless revoked earlier, be in force for five years from the date of imposition. Designated Authority initiated sunset review (SSR) of anti-dumping measures on 23.7.2008 to examine whether cessation of the duty would lead to continuation or recurrence of dumping and injury. Indian side further informed that exporters from Brazil have neither furnished their response to the questionnaire nor provided any other information. In the public hearing taken by the Designated Authority on 23-1-2009, the representative of Brazilian Government stated that there were no imports of FSP from Brazil into India. However, after taking into consideration available facts and arguments raised by all interested parties, final findings on SSR are likely to be issued in June, 2009.
16. Brazilian side stated its serious concern on the issue, since the initiation of the sunset review did not bring along any evidence on the probability of recurrence of dumping from Brazilian exporters. The lack of evidence on the issue may not be in conformity with India's obligations under WTO Anti-dumping Agreement. A detailed written statement on this issue was submitted to the Indian Authorities concerned.

#### V. Delay in grant of Business visa

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17. Indian side informed that the business visas are not being issued in time to Indians intending to visit Brazil on business.

18. Brazilian side informed that there are two type of visas - regular business visa and work permit. Procedure for business visa is simple and it is granted usually on the same very day, though the promised time is 72 hours. Cases of work visas have to be referred to Ministry of Labour in Brazil which generally takes two week time for approval. Applicants for business visa require invitation from the Brazilian counterpart.

19. Indian side clarified that Indian visa regulations do not require invitation letter for grant of business visa. Recommendation letter from the local representative industry body should be enough for satisfying the authorities about the authenticity of the visa request. Further in case of India, request for work visa is also not referred to Labour Ministry and visa is issued by the Embassy itself.

20. It was agreed that from the Indian side, JS (LAC) MEA would make a formal detailed request to Brazilian side for simplifying the existing visa norms.

**VI. Issue of OVL and Petro bars over withdrawal of oil bloc**

21. Indian side expressed its concern about non- assignment of offshore oil Block BMS 17 to OVL by Petrobar. Indian side also indicated that this issue has been taken up at various forums. During the 3rd IBSA Summit in New Delhi, the matter was discussed between Hon'ble Prime Minister of India and H.E. President of Brazil. H.E. President of Brazil had assured the Hon'ble Prime Minister of India of his special attention to the issue. However, the issue has not been resolved till date.

22. Brazilian side stated that they understand the importance of the issue and would take up the matter with the authorities concerned in Brazil and would send a response to Indian side through the Embassy.

**VII. Detainment of consignment of glass containers**

23. Indian side informed that 25% of consignment of Indian Company M/S Piramal Healthcare Limited is still stuck at ports for want of required clearance from Brazilian side. Earlier, the matter was also taken up by Commerce and Industry Minister, India, H.E. Mr. Kamal Nath during his meeting with H.E. Mr. Miguel Jorge in October, 2008.

24. Indian Side further stated that normally we have transitional arrangements in such cases where the import licence could not have been applied for, as goods were shipped even before the licensing requirements were imposed. Whenever such new regulations are made operational in India, transitory arrangement/ period is allowed for exporters / importers who shipped their consignment prior to new regulations came into force.

25. Brazilian side informed that they would check up the status of all import licences under NCM 7010.90.90 and asked Indian side to inform about any specific pending licence.

**VIII. Cumbersome registration process for pharmaceutical companies & Cancellation of license of pharma company : Cellofarm Ltd**

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26. Indian side stated that Brazil and India share many complementarities in pharma sector. Many Indian pharmaceutical companies have set up joint ventures in Brazil.
  27. Indian side suggested that we may form a joint co-operative mechanism in the pharma sector to resolve the issues arising during the registration/licensing process. The same co-operative mechanism may also help in facilitating formation of Joint Ventures.
  28. Indian side also mentioned the issue of detention and return of Indian consignment of medicines by Dutch authorities. This consignment was meant for Brazil. Indian side appreciated the pro-active role played by the Brazilian Authorities in the matter.
  29. Brazilian side stated that they welcome the idea of cooperation in pharma sector and formation of a joint cooperative mechanism. They further informed that are going to meet the Indian Ministry of Health to discuss the existing pharmaceutical regulations in two countries. They further mentioned that requirements for registration and licensing in pharmaceutical sector in Brazil are same for both domestic and foreign companies.
  30. India side also mentioned the issue of cancellation of registration of a life saving drug manufactured by Cellofarm Ltd. Brazilian side informed that they have had a meeting with Cellofarm Ltd. in Brazil. The issue involved is of equivalence test. The company concerned has been asked to resubmit the test.

**IX. Phytosanitary procedures:**

31. Indian side had earlier requested for market access for Pearl millet, Sorghum, Corn and Rape seeds. The technical information for conducting Pest Risk Analysis (PRA) of the above commodities has already been sent to Brazilian Authorities.
32. Indian side further mentioned that Brazil had sought market access for fresh fruits of grapes and apples. Brazilian Govt. was accordingly requested to furnish detailed technical information on grapes and apple in the prescribed Pest Risk Analysis (PRA) format.
33. Brazilian side informed that they would send an expeditious response in the matter after consulting the authority concerned in Brazil.

**X. Holding of 2<sup>nd</sup> meeting of India-Brazil CEOs Forum**

34. Both sides expressed keen interest in holding of 2<sup>nd</sup> Meeting of India-Brazil CEOs Forum. Brazilian side suggested that a high level governmental meeting should also be held along with CEO Forum for wider participation and more meaningful dialogue, as is in the case of Brazil-US CEO forum. Indian side agreed with the suggestion of Brazilian side and informed that the same practice is followed in case of India-US CEO forum.
35. It was agreed by both sides that the 2nd meeting of India-Brazil CEO forum can be tentatively held in the first semester.

**XI. Trade Issues**

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36. Indian side stated that SIAM (Society for Indian Automobile Manufactures) has requested that custom procedures for export of automobile parts to Brazil need to be simplified to avoid delays and penalties. Each consignment reportedly requires import license, weighing and specific packing. There is very high port fee, taxation and other charges. Technical barriers to new entry exist because of shift in implementation of Euro norms to 2012.

37. Brazilian side explained that as per their information, in general, there is no requirement of preliminary license to be issued for import of automobile parts. Brazil imports auto parts worth USD 10 Billion from all over the world. Brazilian side further sought to know as to whether the grievance is restricted to certain specific parts or is general in nature. Besides, Brazilian side requested for more details and specific inputs on technical barriers to entry faced by Indian Companies so that exact status can be verified.

## **XII. Trade in services**

38. Both sides agreed to include Trade in Services within the scope of the TMM.

## **XIII. Other issues requested by Brazilian side**

39. **Ethanol:** Brazilian side proposed that Ethanol (HS 220710) may also be included in the negotiation for expansion of India-MERCOSUR PTA. Indian side agreed subject to exact terms and MOP to be decided at the time of negotiations for expansion of PTA.

40. **Poultry products:** Brazilian side raised the issue of import of frozen chicken meat. They mentioned that duty on whole chicken (30%) is much less than for part chicken (100%). They further sought to include this item in the India MERCOSUR PTA. Indian side responded that they would consult all stakeholders and would further discuss the matter at the time of negotiations for expansion and deepening of PTA.

41. **Soya oil:** Brazilian side informed that recently import of soya oil from Brazil to India has gone down sharply. India has nil duty on all edible oils except soya oil. Soya oil is an important product in Brazilian export basket to India. They requested that similar treatment be given to soya oil as given to other edible oil in terms of duty structure. Indian side explained that India produces only 50% of its domestic requirement of edible oil and rest is imported. Crops of edible oil are grown only on marginal lands. Minimum domestic support price is fixed to protect the subsistence earnings of poor farmers. Import duty structure is formulated keeping in account the international prices and the domestic support prices. It is definitely not the intention of India to discriminate against Soya Oil from Brazil vis-a-vis other edible oils. Indian side requested Brazilian side to provide data relating to volumes of import and price of soybean oil to enable Indian side to look into the matter in greater detail.

42. **Civil Aviation:** Brazilian side expressed interest in cooperation / joint ventures in civil aviation sector. They stated that strong collaborations can be done by both countries in this sector for export to the rest of the world. Brazilian side further mentioned that 30% offset obligation in defence is a limiting factor. Indian side stated that Brazilian Company Embraer is already executing contracts in the defence sector in India and further possibility of joint ventures with Hindustan Aeronautics Limited

Annexure-I

First meeting of India-Brazil Trade Monitoring Mechanism ( TMM) held on 3<sup>rd</sup> February, 2009 in  
New Delhi

Indian delegation

1. Shri G.K.Pillai, Commerce Secy- Head of Delegation
2. Shri R.S.Gujral, Director General Foreign Trade , Department of Commerce
3. Shri Rajeev Kher , Joint Secretary , Department of Commerce
4. Shri Anil Mukim , Joint Secretary, Department of Commerce
5. Shri Sh. Ravi Thapar, Joint Secretary, Ministry of External Affairs
6. Shri Vivek Johary, Joint Secretary, Department of Revenue
7. Shri Sunil Jain, Joint Secretary , Ministry of Petroleum & Natural Gas
8. Shri J.N.Singh, Joint Secretary, Ministry of Textiles
9. Shri Prashant Sukul, Joint Secretary, Ministry of Civil Aviation
10. Shri S.K.Sharma, Advisor (Cost) , Department of Commerce
11. Shri Vijay Kumar, Director, Department of Commerce
12. Shri Rajiv Arora, Director, Ministry of New & Renewable Energy
13. Shri Sanjay Vikram Singh, Director, Department of Agriculture
14. Shri G.Subramaniam, Dy. Secretary , Department of Animal Husbandry & Dairying
15. Dr. Ravi Prakash, Joint Director, Directorate of Plant Protection and Quarantine & Storage
16. Ms. Gloria Gange, Under Secretary, Ministry of External Affairs
17. Shri Sushil Kumar , Advisor, Society Indian Automobile Manufacture

Brazilian delegation

1. Mr. Ivan Ramalho, Executive-Secretary, Ministry of Development, Industry and Foreign Trade;
2. Counsellor Paulo Gaupindaia Joppert, Chargé d' Affaires, a.i
3. Minister Mauro Couto, Special Advisor to the Minister, Ministry of Development, Industry and Foreign Trade;
4. Counsellor Pedro Murilo Ortega Terra, Embassy of Brazil;
5. Mr. Luiz Raimundo Fernandes, Department for Trade Remedies, Ministry of Development, Industry and Foreign Trade;
6. Secretary Gustavo Nogueira, Embassy of Brazil;
7. Mr. João Luís Rossi, Coordinator-General for Trade Negotiations, SECEX, Ministry of Development, Industry and Foreign Trade;
8. Mr. Gustavo Cupertino, Analyst in Foreign Trade, SECEX, Ministry of Development, Industry and Foreign Trade;
9. Secretary Cleiton Schenkel, Department of International Negotiations, Ministry of External Relations;
10. Secretary Louise Borges Branco, Trade Information Division, Ministry of External Relations;
11. Mr. Mateus Cerqueira, Specialist in Regulation and Veterinary Surveillance, National Health Surveillance Agency (ANVISA);
12. Mrs. Sueilma Rosa, Coordinator, International Articulation Unit, Trade and Investment Promotion Agency – APEX;
13. Mr. Orlando Costa, Embassy of Brazil;
14. Mr. Felipe Monteiro, EMBRAER.

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(HAL) can be explored. Indian side requested Brazilian side for specific proposal to enable further examination by Indian Side.

43. **Co-operation in other Sectors :** Brazilian side mentioned that they would like to explore co-operation in the bio-fuel, pharmaceuticals, IT and food sectors. Indian side welcomed the idea and stated that both the sides share lot of complementarities in these sectors and we should exchange details of contact points in these sectors to enable further action. Brazilian side also mentioned the organization of an Ethanol Summit in India.
44. As regards organization of the Ethanol Summit, the Indian side requested the Brazilian side to send detailed proposal for the Summit to enable examination and further action by the nodal Ministry in India i.e. Ministry of New and Renewable Energy.
45. **Export of Bovine embryos to Brazil:** Brazilian side thanked Indian side for receiving the first shipment of frozen bovine embryos from India. Brazilian side also wanted to know the status of export from the Bharatiya Agro Industries Foundation (BAIF) lab in Pune. Indian side informed that BAIF, Pune has applied for accreditation of their laboratory for export of bovine embryos to Brazil which is under process in Ministry of Agriculture. However, no application has been received from the said organization for grant of license for export of bovine embryos. Indian side requested Brazilian side to ask the said organization to submit the necessary application for grant of license for export of bovine embryo to enable Indian side to take further action.
46. **Next Meeting:** Both sides agreed that the TMM is an effective forum for resolution of issues affecting bilateral trade and the meeting has been held in a very cordial and productive manner. It was further agreed that the TMM meeting should be held once in six months, alternating in India and Brazil. Accordingly, details of focal point for TMM meeting for both the sides were exchanged as -- Mr. Vijay Kumar -- vkumar167@nic.in, on the Indian side and Mr. João Rossi -- joao.rossi@desenvolvimento.gov.br, on the Brazilian side. Both sides thanked each other for co-operation.

For the Government of the  
Republic of India



G.K. Pillai  
Commerce Secretary  
Department of Commerce  
Ministry of Commerce and Industry  
Government of India

For the Government of  
Brazil



Mr. Ivan Ramalho,  
Executive Secretary of  
the Ministry of Industry,  
Development and Foreign Trade  
Brazil.