



दि प्लास्टिक्स एक्सपोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)
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THE PLASTICS EXPORT PROMOTION COUNCIL

(Sponsored by The Ministry of Commerce & Industry, Deptt. of Commerce, Government of India)
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30.05.2019

All Members/All Members of the COA

Dear Sir(s),

Sub : Regarding NAFTA Countries Export issues & measures to enhance India-United States (U.S) bilateral trade in merchandise

As you are aware that NAFTA countries (USA, Canada and Mexico) have been one of the leading trade partners of India and India's export to this region contribute 18 % our total export and USA contributes major chunk of that.

Though the NAFTA region continues to be our top export destination, there are challenges for our exporters because of various reasons from tariff to non-tariff barriers, from SPS to stringent inspection procedures and cut throat aggressive competition from competing exporting countries. In respect of USA, of late we have been facing new measures like additional global tariff under sec 232, the impending withdrawal of GSP, etc. which is likely to affect some sectors. However, the US-China trade war has thrown up some opportunity for Indian exporters as well and in this respect Government has done some analysis to find out commodities where India has advantage in the face of trade war. In the year 2018-19, though there are challenges for Indian exporters, as you are aware, there are huge untapped export opportunities across USA, Canada and Mexico.

The NAFTA division of Dept. of Commerce is in the process of making an export strategy for the ensuing years taking in to account various challenges faced by Indian exports in these three countries. In this connection, we would earnestly request you to share **your comments including specific challenges across different sectors/commodities country-wise (USA, Canada and Mexico)** so that possible efforts could be taken by the Department with the NAFTA countries individually.

Members are requested to send their concern latest by 02.06.2019 at bharti@plexconcil.org

Further, as you are aware, US and China have applied tariffs and counter – tariffs on merchandise goods and the United States has recently increased its import tariffs from 10% to 25% on Chinese import (5734 tariff lines/products) worth US\$ 200 billion under section 301 of the Trade Act 1974 w.e.f 10th May 2019.

Keeping in view the above, a detailed analysis was carried out by the NAFTA Division of Dept. of Commerce to find out the potential commodities/items where India can benefit because a additional tariff imposed by the U.S. on Chinese goods. Notably, the analysis has shown that out of 5734 lines, India has already been cost competitive in respect of 1088 tariff lines and with an increase in tariff to 25% this list has increased to 1360 tariff line, Ministry of Commerce and Industry had identified around 364 tariff lines, which have a high potential considering India's current export capacity and the space likely to be vacated by the China.

Our of these 364 high potential tariff lines, 6 lines are falling under our council purview. It is therefore requested to the concern members to focus on the tariff lines identified, which are not only cost competitive (after levy of tariff by U.S on Chinese goods) but also they are high demand in U.S.A and India is also a net exporter to world under these lines.

So we request to the concern members to take note of the same and enhance their exports of said tariff lines.

With best regards,
Yours sincerely,

Bharti Parave
(Sr. Executive)