

2nd Meeting of the India Chile Joint Administration Committee
New Delhi
30th April, 2019

Record of Discussion

The Second Meeting of the Joint Administrative Committee (JAC) established under the India-Chile PTA was held on 30th April, 2019 in New Delhi to review the implementation of the expanded India-Chile Preferential Trade Agreement (PTA). The Indian side was led by Mr. Shyamal Misra, Joint Secretary, Department of Commerce, Government of India and the Chilean side was led by Mr. Felipe Lopeandía, Director of Bilateral Economic Affairs, Directorate for International Economic Affairs, Ministry of Foreign Affairs.

At the outset, Mr. Shyamal Misra, Joint Secretary, Department of Commerce welcomed the Chilean delegation to the 2nd meeting of the Joint Administrative Committee on India- Chile PTA and highlighted the growth registered in bilateral trade in the wake of implementation of the expanded India-Chile PTA from May, 2017 and also noted the growth in lines of trade, as well as the enhanced utilization of the PTA by both sides.

In his opening remarks, the Head of the Chilean delegation, Mr. Felipe Lopeandía thanked the Indian side for arranging the said meeting. He also expressed the view that the bilateral trade between the two countries has been positively impacted by the implementation of expanded India-Chile PTA and observed that the maximum growth in trade has been in lines where higher margin of preference (MoP) was made available through the expanded PTA.

The following issues were discussed in the meeting.

1. Review of bilateral trade

Both sides reviewed the bilateral trade and expressed satisfaction on the growing trade between both the countries. Both sides felt that considering the potential that exists between both the countries, there is a need to explore new opportunities for expanding bilateral trade.

2. Review of Implementation of expanded India Chile PTA

Both sides reviewed the implementation of the PTA and observed that the expanded PTA has enabled both sides to take advantage of the concessions given by the other side.

Both sides also discussed the data exchanged on bilateral trade and noted with satisfaction that since the implementation of the expanded PTA, bilateral trade has grown significantly and the number of lines on which trade is occurring have also expanded. It was also resolved that efforts be made from both sides to ensure higher utilization of the tariff concessions available under the PTA.

In that sense, Chile added that another positive result of the implementation of the expanded PTA, was an increase of its non-copper products exports to India, although the exports to India and the utilization of the PTA tariff preferences are still highly based on copper ores and concentrates.

It was also decided that both the sides, through their nodal contact officers, will discuss and finalize the format and frequency of sharing of bilateral trade data.

The Chilean side raised the issue of hike in tariff on walnuts effected from last year by India which has affected export of walnuts from Chile and requested for an early resolution of the same. The Indian side replied by stating that the hike in tariff was part of a general exercise of revision of tariff on several products on MFN basis. The Chilean side asked if walnuts could be considered then, as one of the products discussed in a further expansion of the PTA and the Indian side informed that the Chilean side may take up the issue of tariff concessions for their products as and when the negotiations for further expansion of the PTA take place.

3. SPS/TBT Issues:

a) Chile raised the issue of pending implementation of change in import condition for Chilean blueberries, avocados and walnuts. The Indian side stated that the issue of change in import condition for Chilean blueberries, avocados and walnuts is under active consideration in the Ministry of Agriculture. Further, it was mentioned that these products already have market access in India, and that the pending issue will be expedited keeping in view the concerns of Chile.

b) The Indian side raised the issue of pending market access for pomegranates and fresh gherkins. The Chilean side stated that the PRAs for the same are in process and the details are expected to be shared soon with the Indian side.

c) The Chilean side proposed a draft text on Rules of Procedure (RoP) for the Committee on Sanitary and Phytosanitary Measures (SPS). The Indian side welcomed this proposal and stated that they will respond after studying the Chilean proposed text.

d) The Indian side proposed to include sector specific Mutual Recognition Agreements (MRAs) under the TBT chapter, and that they will soon share the draft text with Chile in this regard. The Chilean side noted that such inclusions can be covered under expansion of the PTA and agreed to examine the proposal and draft text to be shared by India.

4. Rules of Origin Issues:

a) The Chilean side presented a proposal to add a section note for products of the chemical and allied industry. The Indian side stated that they will respond after studying the Chilean proposal.

b) The Chilean side raised some issues regarding filling up of fields 5 & 6 of the format of the Certificate of Origin for claiming Preferential Tariff Treatment under the PTA. Both



sides agreed to share the contact points, that oversee this issue, for discussing and resolving the matter.

5. Other issues:

a) Notification of the expanded PTA to WTO:

It was decided that both the sides will discuss the issue internally and co-ordinate with each other through their nodal contact officers, to ensure that the needful is done.

b) Memorandum of Understanding (MoU):

i) The Chilean side proposed a MoU between their National Export Promotion Agency (ProChile) and its Indian counterpart to boost economic ties, for which they will share a draft soon. The Indian side stated that they will respond after studying the Chilean proposal.

ii) The Indian side shared a request from the Institute of Chartered Accountants of India to enter into a MoU with its Chilean counterpart (Colegio De Contadores De Chile), for which they will share a draft soon. The Chilean side stated that they will forward the MoU to the Colegio de Contadores, for them to respond after studying the Indian proposal.

iii) The Indian side mentioned about the draft MoU between STC and CENABAST for supply of high standard generics, which has already been shared with Chile. The Chilean side stated that they will respond after studying the Indian proposal. Both sides decided that contact points of CENABAST and STC may be exchanged.

iv) The Indian side proposed a MoU between CDSCO & its Chilean counterpart i.e. ISP for co-operation on regulatory framework, for which the Indian side will share the draft with Chile. The Chilean side stated that they will respond after studying the Indian proposal.

6. Expansion of India-Chile PTA:

The Chilean side proposed to take further steps and measures within the structure of the PTA to increase trade and commercial relations between the two countries.

The Indian side agreed and supported taking further steps to widen and deepen the economic and commercial engagement of the two sides under the PTA.

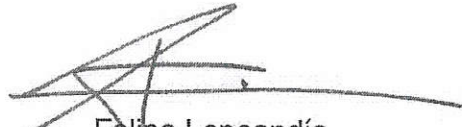


The two sides discussed the issue and it was decided to proceed as under:

- i. In accordance with Article 2 of the Framework Agreement and Article IV of the Preferential Trade Agreement, this JAC recommends taking necessary steps for further widening and deepening the PTA between the two sides.
- ii. Internal procedures may be initiated and approvals necessary for pursuing the above may be secured at an early date by both the sides.
- iii. Subject to approvals, the modalities may be mutually agreed upon and the composition of the negotiating committee be shared. In this regard, Chile shared with India, a draft proposal on Terms of Reference, which India will examine and respond. Wish lists may be shared by both the sides before the first meeting of the negotiating committee, which may be decided with mutual convenience.
- iv. The possibility of including other issues, such as Services, Investment, may be explored internally by both sides. Subject to approvals, if deemed necessary, these areas may be pursued on separate, independent tracks to expedite the enhancement of economic relations.
- v. Both sides agreed to hold video-conference in July 2019, in order to take stock of the above recommendations.



Shyamal Misra
Joint Secretary
Department of Commerce, India



Felipe Lopeandía
Director of Bilateral Economic Affairs
Directorate for International
Economic Affairs, Chile

List of Participants

Indian Delegation

1. Mr. Shyamal Misra, Joint Secretary, DoC and Head of Delegation
2. Mr. G. Srinivas, Joint Secretary (LAC), MEA.
3. Mr. K.V. Nagi Reddy, Director, FT-LAC, Department of Commerce.
4. Ms. Sangeeta Saxena, Director, Department of Commerce.
5. Mr. Surinder Pal Singh, Director, Department of Economic Affairs.
6. Mr. Puru Gupta, Deputy Secretary, Department of Commerce.
7. Ms. Tanu Singh, Deputy DGFT, Department of Commerce.
8. Ms. Mandeep Sangha, Joint Commissioner, Central Board Indirect Taxes and Customs.
9. Mr. Balbir Singh, Under Secretary (FT-LAC), Department of Commerce.
10. Mr. K.P Singh, Deputy DGFT, Department of Commerce.
11. Mr. S. R. Raja, Under Secretary, Department of Agriculture Cooperation and Farmers Welfare.
12. Development Officer, Department of Heavy Industry.

Chilean Delegation

1. Mr. Felipe Lopeandía, Head of Delegation, Director of Bilateral Economic Affairs, Directorate for International Economic Affairs, Ministry of Foreign Affairs.
2. Mr. Juan Rolando Angulo Monsalve, Ambassador, Embassy of Chile, India.
3. Mrs. Francisca Ortega, Head of Asia and Oceania Department, Directorate for International Economic Affairs. Ministry of Foreign Affairs.
4. Ms. Ingrid Garrido, Advisor of Market Access Department, Directorate for International Economic Affairs, Ministry of Foreign Affairs.
5. Mr. José Miguel Rodríguez, Ministry of Agriculture.
6. Mr. Cristian Davis, Third Secretary, Embassy of Chile.
7. Mr. Abhishek Kumar, Agriculture Assistant, Embassy of Chile.