



**Voluntary Report** – Voluntary - Public Distribution **Date:** September 12, 2023

Report Number: IN2023-0066

**Report Name:** Success Story - India Cuts Retaliatory Tariffs on US Almonds-Apples-Walnuts-Chickpeas-Lentils

Country: India

Post: New Delhi

**Report Category:** Tree Nuts, Trade Policy Monitoring, Agriculture in the News, Export Accomplishments - Other, SP2 - Prevent or Resolve Barriers to Trade that Hinder U.S. Food and

Agricultural Exports

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### **Report Highlights:**

On September 5, 2023, and just in time for the G20 New Delhi Leaders' Summit, India's Ministry of Finance issued Notification No. 53/2023 (Customs), officially notifying the lifting of retaliatory tariffs imposed in 2019 on U.S.-origin almonds, apples, chickpeas, lentils, and walnuts effective September 6, 2023. India's retaliatory tariff cuts will restore and expand market opportunities for U.S. agricultural producers and manufacturers. FAS New Delhi estimates that U.S. almond exports to India could reach \$1 billion in 2024. U.S. apple exports, which were most affected by the retaliatory tariffs, have the potential to climb from \$4.8 million in 2022 to \$50-\$80 million in 2024. In 2024, U.S. exports of walnuts may increase to a record \$70 million; lentils can double to reach \$15 million; and chickpeas are likely to climb to \$5 million.

**DISCLAIMER:** The information contained in this report was retrieved from Ministry of Finance, Government of India at <a href="https://taxinformation.cbic.gov.in/">https://taxinformation.cbic.gov.in/</a>. The Foreign Agricultural Service (FAS) Office of Agricultural Affairs at the U.S. Embassy in New Delhi, USDA and/or the U.S. government make no claim of accuracy or authenticity. The Government of India has not officially endorsed this report. Import approval for any product is subject to local rules and regulations as interpreted by Indian officials at the time of product entry. [Note: Use Google Chrome to access the links that do not open in Microsoft Edge. Indian host sites will geo-block site access on a rolling basis].

## **GENERAL INFORMATION**

On September 5, 2023, and just in time for the G20 New Delhi Leaders' Summit, India's Ministry of Finance issued Notification No. 53/2023 (Customs), officially notifying the lifting of retaliatory tariffs imposed in 2019 on U.S.-origin almonds, apples, chickpeas, lentils, and walnuts effective September 6, 2023 (see, Appendix I).

### **BACKGROUND:**

## WHAT, SO WHAT, WHAT NOW

**What:** On June 15, 2019, India imposed retaliatory tariffs on 28 U.S.-origin products, levying additional duties of between 10 and 20 percent in response to the United States invoking Section 232 national security measures on India's steel and aluminum and the termination of India's Generalized System of Preferences status. <u>In June 2023, India agreed to lift retaliatory tariffs</u> on five agricultural products and two non-agricultural products during Prime Minister Narendra Modi's State Visit to Washington, D.C. in conjunction with the United States and India agreeing to terminate six non-agriculture disputes at the World Trade Organization.<sup>1</sup>

**So What:** FAS New Delhi (Post) and U.S. industry stakeholders project U.S. exports growing by 7 to 8 percent with the lifting of the retaliatory duties and rising demand from India's fast-growing middle class that now makes up 31 percent of India's 1.43 billion people.<sup>2</sup> Post estimates that U.S. almond exports to India could reach \$1 billion next year. U.S. apple exports, which were most affected by the retaliatory tariffs, have the potential to climb from \$4.8 million in 2022 to \$50-\$80 million in 2024. In 2024, U.S. exports of walnuts may increase to a record \$70 million; lentils can double to reach \$15 million; and chickpeas are likely to climb to \$5 million.

<sup>&</sup>lt;sup>1</sup> See, Office of the United States Trade Representative, "United States Announces Major Resolution on Key Trade Issues with India," (June 22, 2023), at <a href="https://ustr.gov/about-us/policy-offices/press-office/press-releases/2023/june/united-states-announces-major-resolution-key-trade-issues-india">https://ustr.gov/about-us/policy-offices/press-office/press-releases/2023/june/united-states-announces-major-resolution-key-trade-issues-india</a>. For the "Joint Statement on the United States-India Trade Policy Forum," see <a href="https://ustr.gov/sites/default/files/2023-01/Joint%20Statement%20on%20the%20United%20States-India%20Trade%20Policy%20Forum.pdf">https://ustr.gov/sites/default/files/2023-01/Joint%20Statement%20on%20the%20United%20States-India%20Trade%20Policy%20Forum.pdf</a>.

<sup>&</sup>lt;sup>2</sup> India, with a population of over 1.43 billion has now edged past China's population of 1.42 billion. Its middle class is the fastest-growing major segment of the Indian population in both percentage and absolute terms, rising 6.3 percent per year between 1995 and 2021. It now represents 443.6 million consumers, or 31 percent of the population, and is poised grow to 38 percent by 2031 and exceed 60 percent by in 2047.

**What Now:** The Basic Customs Duty (BCD) now being levied on specified U.S.-origin products, following the publication of the Ministry of Finance Notification No. 53/2023 (Customs), in the Gazette of India (official gazette) on September 5, 2023, compared to the earlier Notification No. 06/2019 (Customs), cuts tariffs and will restore and expand market opportunities for U.S. agricultural producers and manufactures.<sup>3</sup>

Table 1: India, New Basic Customs Duty (BCD), Affected U.S.-Origin Products

			Notification No. 06/2019		Notification No. 53/2023
S. No	HS Code	Product Description	Effective Standard	Effective BCD on	Effective BCD on
			BCD on non- U.SOrigin Products	U.SOrigin Products	U.S Origin Products
1.	0802.12.00	Almonds Shell	INR 100/kg	INR 120/kg	INR 100/kg
2.	0802.11.00	Almonds In-Shell	INR 35/kg	INR 41/kg	INR 35/kg
3.	0802.31.00	Walnuts In-Shell	100%	120%	100%
4.	0808.10.00	Apples Fresh	50%	70%	50%
5.	0713.20.10	Chickpeas	30%	70%	60%
6.	0713.20.90	Chickpeas (Garbanzo)	30%	70%	60%
7	0713.40.00	Lentils	30%	40%	30%

## Notification No. 53/2023 (Customs)

**Date of Announcement:** September 5, 2023 **Date of Enforcement:** September 6, 2023

Products Affected: Almonds (shelled and in-shelled/fresh or dried), apples, chickpeas, lentils,

and walnuts.

**Agency in Charge**: Ministry of Finance

<sup>3</sup> See, GAIN-INDA | IN2019-2454 | Update - GOI Raises Tariffs on Specific U.S. Ag Products form June 16.

# APPENDIX I – INDIA, MINISTRY OF FINANCE - NOTIFICATION NO. 53/2023 (CUSTOMS)

रजिस्ट्री सं. डी.एल.- 33004/99

REGD. No. D. L.-33004/99



सी.जी.-डी.एल.-अ.-05092023-248570 CG-DL-E-05092023-248570

#### असाधारण EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)
PART II—Section 3—Sub-section (i)
प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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नई दिल्ली, मंगलवार, सितम्बर 5, 2023/भाद्र 14, 1945

No. 515]

NEW DELHI, TUESDAY, SEPTEMBER 5, 2023/BHADRA 14, 1945

वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 5 सितम्बर, 2023

संख्या 53/2023-सीमा-शुल्क

सा.का.नि. 656(अ).- केन्द्रीय सरकार, सीमाशुल्क अधिनियम, 1962 (1962 का 52) की धारा 25 की उपधारा (1) और सीमा-शुल्क टैरिफ अधिनियम, 1975 (1975 का 51) की धारा 3 की उपधारा (12) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, यह समाधान हो जाने पर कि लोकहित में ऐसा करना आवश्यक है, भारत सरकार के वित्त मंत्रालय (राजस्व विभाग) की अधिसूचना संख्यांक 50/2017 सीमा-शुल्क, तारीख 30 जून, 2017 जो संख्यांक सा.का.नि. 785(अ), तारीख 30 जून, 2017 द्वारा भारत के राजपत्र, असाधारण, भाग 2, खंड 3, उपखंड (i) में प्रकाशित की गई थी, का और संशोधन करती है, अर्थात्:-

उक्त अधिसूचना में, -

सारणी में. -

(1) क्र.सं. 21च और उससे संबंधित प्रविष्टियों का लोप किया जाएगा;

5726 GI/2023

(1)

- (2) क्र.सं. 24कक और उससे संबंधित प्रविष्टियों का लोप किया जाएगा;
- (3) क्र.सं. 32ख और उससे संबंधित प्रविष्टियों का लोप किया जाएगा;
- II. तालिका के बाद, पहले परंतुक में, "21ग, 21घ, 21ङ, 24क, 24ख, 26क, 32क, 177, 177ख, 249क, 250क, 371क, 371ख, 376क, 377क और 377कक" अंकों और अक्षरों के स्थान पर, "177, 250क, 371क, 371ख, 376क, 377क और 377कक " अंकों और अक्षरों को प्रतिस्थापित किया जायेगा:
- 2. यह अधिसूचना 6 सितम्बर, 2023 से लागू होगी।

[फा. सं. 190354/164/2023-टीआरयू] अम्रीता टाइटस, उप सचिव

टिप्पण:- मूल अधिसूचना संख्या 50/2017-सीमाशुल्क, तारीख 30 जून, 2017 द्वारा भारत के राजपत्र, असाधारण, भाग II, खंड 3, उप-खंड (i) में प्रकाशित की गई थी, और अंतिम बार अधिसूचना सं.52/2023-सीमाशुल्क, तारीख 5 सितम्बर, 2023 द्वारा संशोधित की गई थी, जो संख्यांक सा.का.नि. 653 (अ) तारीख 5 सितम्बर, 2023 द्वारा भारत के राजपत्र, असाधारण, भाग 2, खंड 3, उप-खंड (i) में प्रकाशित की गई थी।

#### MINISTRY OF FINANCE

#### (Department of Revenue)

#### NOTIFICATION

New Delhi, the 5th September, 2023

#### No. 53/2023-Customs

G.S.R. 656(E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2017-Customs, dated the 30<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R. 785(E), dated the 30<sup>th</sup> June, 2017, namely:-

In the said notification, -

- in the Table, -
  - (1) S. No. 21F and the entries relating thereto shall be omitted;
  - S. No. 24AA and the entries relating thereto shall be omitted;
  - (3) S. No. 32B and the entries relating thereto shall be omitted;
- II. after the Table, in the first proviso, for the figures and letters "21C, 21D, 21E, 24A, 24B, 26A, 32A, 177, 177B, 249A, 250A, 371A, 371B, 376A, 377A and 377AA", the figures and letters "177, 250A, 371A, 371B, 376A, 377A and 377AA" shall be substituted;
  - 3. This notification shall come into force on the 6<sup>th</sup> Day of September, 2023.

[F. No.190354/164/2023-TRU] AMREETA TITUS, Dy. Secy.

Note: The principal notification No. 50/2017-Customs, dated the 30<sup>th</sup> June, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 785(E), dated the 30<sup>th</sup> June, 2017 and was last amended vide notification No. 52/2023-Customs, dated the 5<sup>th</sup> September, 2023, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 653 (E), dated the 5<sup>th</sup> September, 2023.

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#### **Attachments:**

No Attachments.