

**Minutes of the Second Meeting of Joint Administration Committee (JAC)
on India-MERCOSUR Preferential Trade Agreement (PTA) held on 15 –
16 June, 2010 in New Delhi**

1. The Second Meeting of Joint Administration Committee (JAC) on India-MERCOSUR Preferential Trade Agreement (PTA) was held on 15- 16 June, 2010 in New Delhi. The Indian delegation was led by Mr. Anil Mukim, Joint Secretary, Department of Commerce. The MERCOSUR Delegation was led by Minister Pompeyo Carlos Layús, Ministry of Foreign Affairs, Argentina. The list of participants is enclosed at Annex I.
2. Mr. Anil Mukim welcomed the MERCOSUR delegation attending the Second Meeting of JAC on India-MERCOSUR PTA. In his opening remarks, he mentioned that there is great potential for expansion of bilateral trade between the two parties. Both sides should act proactively to negotiate, finalize and sign the expanded lists of products under India –MERCOSUR PTA to gain optimal results and benefits from the Agreement.
3. Minister Pompeyo Carlos Layús thanked the Indian delegation for organizing the 2nd meeting of JAC and mentioned that MERCOSUR was also in agreement with the views of India to expand the existing Agreement .
4. The following issues were discussed during the meeting :
 - I. **Analysis of Trade Statistics :**
 5. India and MERCOSUR exchanged brief comments on the evolution of trade flows between both parties in the last four years. Both parties agreed that given the fact that the PTA came into force in June, 2009, the time period of analysis is too short to assess the impact on trade of the Agreement.
 6. To keep the trade data updated, both delegations agreed to appoint a focal point to ensure smooth exchange of trade related data and information with each other on a regular basis. The Chair nominated Ms. Shubha Sarma (shubha.s@nic.in), Dy. Secretary, Department of Commerce as the focal point for India. The MERCOSUR delegation appointed Secretary Felipe Hees (felipe.hees@itamaraty.gov.br) as their

focal point in the matter. It was also agreed that the parties shall keep the information regarding their focal point updated.

II. Review of follow up action on the decisions of the first meeting of JAC

7. The Indian delegation informed that follow up action on most of the decisions taken during the first meeting of JAC has been completed as mentioned below.

- i) Establishment of Committee's working procedures - MERCOSUR was informed in February, 2010 that the co-chair of the Committee shall be Commerce Secretary of India or his representative.
- ii) Mechanism for widening and deepening the Agreement – The issue has been highlighted in the subsequent paras of the minutes.
- iii) Harmonization and exchange of trade data, tariffs and mechanism for updating information - The required data has already been exchanged between the two sides electronically.
- iv) Certificates of origin and mechanism for updating information - The Indian delegation informed that the required list of designated officials of its delegation was given to MERCOSUR delegation and similar list of MERCOSUR delegation was also received in the matter.

The MERCOSUR delegation informed that they have already set up a web based information system containing the list of their designated agencies / officials authorised to sign Certificates of Origin. Any trading partner of MERCOSUR has the option to access the information on line instantly to verify the correctness of the certificate of origin of their respective member countries. The MERCOSUR delegation suggested that India should also develop a similar web based mechanism to instantly access online and ascertain the genuineness of the officials authorized to sign the Certificate of origin. The Indian delegation welcomed and noted the suggestion given by the MERCOSUR delegation.

- v) List of experts for commercial disputes – India presented its list of national experts during the meeting (Annex II) and MERCOSUR will send its list of national experts within 10 days. On the issue of foreign experts/ non-national

experts, and their terms of engagement, remuneration, etc., MERCOSUR submitted a draft resolution (Annex III). In this regard, the Indian delegation assured to send its comments within 1 month.

- vi) Notification of the Agreement to WTO- Both delegations noted that implementation of the India-MERCOSUR PTA was notified to WTO in February, 2010. The MERCOSUR delegation suggested that the two countries should now make preparations, through their respective missions in WTO, to answer queries of other member countries of WTO, for the forthcoming factual presentation on India-MERCOSUR PTA likely to be held in the next couple of months. The Indian delegate informed that this process is already underway.

III. Operational problems in the implementation of the India-MERCOSUR PTA

8. Both delegations noted that so far no problem had been brought to notice.

IV. Definition of negotiation methods and modalities for expansion of the PTA and exchange of the wish lists

9. Both sides indicated that the respective wish lists exchanged in 2006 for expansion of the PTA were replaced by the new wish list (of 3111 tariff lines at 8 digits HS code) presented by India during this meeting and the wish list (of 1287 tariff lines at 8 digits HS code) already sent by MERCOSUR to the Indian side on May 17th 2010.
10. The MERCOSUR delegation suggested that the widening of the PTA could include a general rule which could cover around 50% of the total tariff lines with a margin of preference of 20% to 30%. On the top of that, the wish lists would ensure a deepened access to selected tariff lines. MERCOSUR also stressed the need for preferential treatment for Paraguay for selected products that are not included in India's offer. The Indian delegation was of the view that both trade coverage of the new items in the PTA and the number of tariff lines are equally important factors, in order to cover a sizable level of 50% to 70% of total bilateral trade. Thus, both sides agreed that there is a need to significantly increase the overall trade coverage in the PTA. Likewise, giving a substantial margin of preference on the new items may be explored. Both the

delegations also agreed to explore the possibility of increasing the level of margin of preference on the existing items of the PTA to achieve the maximum advantage. Both parties agreed to exchange written suggestions/comments for the general rule as well as other issues stated above by September 2010, so as to have it finalized by October 2010.

11. Both delegations agreed to submit their initial offers by November 2010.

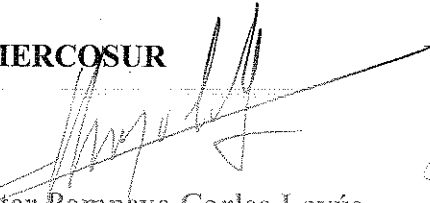
V. Other issues

12. The Indian delegation mentioned that as per Article 8 of the Framework Agreement India and MERCOSUR signed in 2003, the contracting parties shall promote the expansion and diversification of **trade in services** between them. The MERCOSUR delegation proposed that the issue may be discussed in the next meeting of the JAC as consultation amongst their four member countries was required to finalize their view.


VI. Next meeting

13. Both delegations agreed to hold the third meeting of JAC on a mutually convenient date.

For MERCOSUR


Minister Pompeo Carlos Layús
Ministry of Foreign Affairs,
Government of Argentina
Presidency Pro Tempore MERCOSUR

**For the Government of
India**


Mr. Anil Mukim,
Joint Secretary
Department of Commerce
Government of India.

List of delegates

MERCOSUR delegation

Argentina

- 1) Minister Pompeo Carlos Layús (Ministry of Foreign Affairs)- **Head of delegation**
- 2) Mr. Marcelo Cañellas (Ministry of Industry and Tourism)
- 3) Ms. Julieta Barry (Ministry of Economy)
- 4) Ms. Fernanda Monti (Ministry of Industry and Tourism)
- 5) Ms. Maria Soledad Iglesias (Ministry of Economy)
- 6) Secretary Francisco Lopez Achaval (Embassy of Argentina in New Delhi)

Brazil

- 1) Counselor Pedro Murilo Ortega Terra (Embassy of Brazil in New Delhi)
- 2) First Secretary Felipe Hees (Ministry of Foreign Affairs)
- 3) Third Secretary Filipe Sobreira Lopes (Ministry of Foreign Affairs)
- 4) Mrs. Eliana Figueiredo (Ministry of Agriculture)
- 5) Mr. Gustavo Cupertino (Ministry of Development, Industry and International Trade)
- 6) Mr. José Maria dos Santos (Ministry of Agrarian Development)

Paraguay

- 1) Ambassador Genaro Pappalardo (Ambassador of Paraguay to India)
- 2) First Secretary Doris Román (Ministry of Foreign Affairs)
- 3) Second Secretary Hugo Chaparro (Embassy of Paraguay in New Delhi)
- 4) Mr. Carlos Walter Maciel (Ministry of Foreign Affairs)

Uruguay

- 1) Mrs. Elisa Pérez Balcón, (First Secretary and Charge d`Affaires of the Embassy of Uruguay in New Delhi)

Indian delegation

- 1) Shri Anil Mukim, Joint Secretary, Deptt of Commerce – **Head of Indian delegation**
- 2) Shri Zothan Khuma, Director, RMTR , Deptt of Commerce
- 3) Ms. Shubha Sarma, Dy, Secretary, Deptt of Commerce
- 4) Ms. Aparna Sinha, Joint Director, TPD (Services) , Department of Commerce
- 5) Shri Varun Khanna , Dy. GM, NCTI

Government of India
Department of Commerce

Suggested list of Experts for Commercial Disputes

- 1) Joint Secretary, FT(LAC) Division , Department of Commerce
- 2) A representative of Director General Foreign Trade for foreign trade policy matters
- 3) A representative of the Department of Revenue for customs related matters
- 4) A representative of Export Inspection Council of India for Rules of Origin matters
- 5) Representative (s) of Reserve Bank of India / Export Import Bank of India / ECGC

RESOLUTION 02 /2010

**FEES PAYABLE TO AND OTHER EXPENSES INCURRED BY EXPERTS IN
THE CONTEXT OF THE DISPUTE SETTLEMENT PROCEDURE UNDER
THE PREFERENTIAL TRADE AGREEMENT BETWEEN MERCOSUR AND
THE REPUBLIC OF INDIA**

The Committee for Joint Administration of the Agreement,

Considering Article 15 of the Dispute Settlement Procedure of the Preferential Trade Agreement between MERCOSUR and the Republic of India,

HEREBY RESOLVES AS FOLLOWS:

Article 1: All expenses arising from the work of the Group of Experts shall be borne equally by the Parties.

Article 2: The total fee payable to each Expert appointed to work in the Groups of Experts formed in accordance with Article 13 of the Dispute Settlement Procedure of the Preferential Trade Agreement between MERCOSUR and the Republic of India shall be United States dollars (USD).

Article 3: If they are required to travel in order to carry out the work set forth in Article 16 of the Dispute Settlement Procedure, Experts shall be entitled to a daily travel allowance for every night and to payment of “travel assistance” insurance.

The scale of travel allowances to be applied shall be that of the United Nations system established by the International Civil Service Commission and in force as of the date of commencement of the trip.

Experts may travel in business class if the flight lasts longer than four hours.

Article 4: Should any Expert incur other expenses in relation to their work in the Group of Experts, they shall furnish sufficient proof of such expenses to the Joint Committee, which will decide on their eligibility for the purpose of reimbursement.

Done at New Delhi on, June 15th, 2010.