



# AECCI

# WEEKLY VIEWPOINT

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### AECCI HANDLES COMMERCIAL / TRADE DISPUTES & ARBITRATION CASES

Any disputes or Query arising related to Commercial or Trade , contract, AECCI-IAC shall always stand behind Exporters & Importers across Asian Countries to Guide with correct measures and ensure the best Practice and Services.

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Arbitration Agreement

Assistance in handling payment  
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Company listing on Chamber directory

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## WEEKLY INSIGHTS

# PUBLISHED ARTICLES WHICH WAS SUBMITTED BY OUR RESPECTED ARBITRATORS

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# DIRECT CONTAINER SHIPPING SERVICE BETWEEN INDIA AND MALDIVES COMMENCES

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inister of State for Ports, Shipping and Waterways Shantanu Thakur flagged off the direct container shipping service between India and the Maldives at V.O. Chidambaranar Port

Speaking on the occasion, Mr. Shantanu Thakur stated that the induction of this vessel would be another milestone in the comprehensive bilateral relations between India and Maldives. With the introduction of this vessel, the direct cargo service would offer excellent business opportunities and open new business avenues to the export and import traders of both India and Maldives and would further cement close ties between the two countries, enhancing people-to-people contact and boosting bilateral trade.

During its maiden journey, the vessel 'M.V. MSS Galena' with a capacity to carry 421 TEUs of containers and provision to carry bulk cargo carried 270 TEUs of containers from Thoothukudi. The vessel that left VOC Port on Friday evening will reach on Sunday (May 7).

Chairman, VOC Port Authority, T.K. Ramachandran stated that the Port was always committed to provide cost effective, efficient logistics service to the Maritime Community. It was heartening to

“India is the 3rd largest Business partner of Maldives and with the induction of this vessel, direct and dependable transport link will further the international trade and business,” Mr. Ramachandran said.

Capt. B.K. Tyagi, Chairman and Managing Director, Shipping Corporation of India, in his address stated that this thrice-a-month container service, operated by the Shipping Corporation of India, would provide a cost effective, direct and alternate means of transportation of goods between India and Maldives.



Munu Mahawar, High Commissioner of India to the Maldives, Ahmed Zuhair, Minister of State for Transport and Civil Aviation, Maldivian Ministry, Hamadh Abdul Ghane, Deputy Minister of Transport and Civil Aviation, Ibrahim Shaheeb, High Commissioner of Maldives to India and Capt. Mohamed Nazim, Maldives State Shipping participated in the event through video conferencing.



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**K/A:** Exporters, Importers, Manufacturers, Traders, etc....

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### WHY AECCI-IAC?



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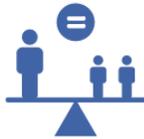
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Less Complicated



less expensive



Impartiality



Expert Support



As a Dynamic Chamber of Commerce, our only vision is to support and assist our Exporters & Importers in Asian Countries. Anyone can benefit from Centre's Mobility and Advantages and to be able to benefit from AECCI-IAC party must comply with its use in a contract, PO's, or separate arbitration agreement. AECCI-IAC shall always stand behind exporters to Guide with correct Measures and ensure the best Practice and service to our Traders.

### MEMBERSHIP BENEFITS



Legal assistance in matters pertaining to legal advocacy.



Assistance in handling payment disputes



Company listing on Chamber directory



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Access to leading international arbitration practitioners



Regular notification updates from GOI

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## Exports to the Land of the Rising Sun

Japan the land of the rising Sun attracts business entrepreneurs and exporters alike. Trade between India and Japan started in the 6th century with Buddhism having a deep influence on the Japanese people and drawing them close to India. The roots of the relationship between these two countries therefore go deep into the ground and are strengthened by the philosophy of peace and humanitarian approach. The relations continued to grow and became closer with diplomats of both the countries visiting each other and signing treaties for economic growth and peace.

Some of the treaties signed between the two countries are :

- Agreement for Air Service (1956)
- Agreement of Commerce (1958)
- Convention for the Avoidance of Double Taxation (1960)
- Agreement on Cooperation in the field of Science and Technology (1985)
- Japan-India Comprehensive Economic Partnership Agreement (2011)
- Agreement between Japan and the Republic of India on Social Security (2016)
- Memorandum of Cooperation between the Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of Economy, Trade and Industry (METI) on India – Japan Industrial Competitiveness Partnership – November 16, 2021
- Memorandum of Cooperation (MoC) between India & Japan on a Basic Framework for Partnership for Proper Operation of System Pertaining to "Specified Skilled Worker" (SSW) - 18 January 2021
- Memorandum of Understanding signed between Textiles Committee, Ministry of Textiles, Government of India and M/s Nissenken Quality Evaluation Centre, Japan on January 27, 2021

In particular the CEPA 2011, played a major role in the growth of business between the two countries. The Exports business has been ever on the rise and Japan is looking at India not only for investment in projects, or as suppliers of goods, but also as a supplier of Quality and Skilled human resources particularly in the IT Sector, and also setting up base here for research and development, and sometimes manufacturing units. Japan's bilateral trade with India has continued to grow and statistics speak for themselves.

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Apr-Jan)
India's export to Japan	4.73	4.86	4.52	4.43	6.18	5.18
India's <u>import</u> from Japan	10.97	12.77	12.43	10.9	14.39	11.97
India-Japan bilateral trade	15.71	17.63	16.95	15.33	20.57	17.15

(Source : [Indian embassy Tokyo](#))<sup>i</sup>

Around 4508 commodities were exported from India to Japan in the year 2021. Out of these Marine products were in the range of \$ 347 million while petroleum products were in the range of \$ 218 million. The other products popularly exported to Japan are Chemical compounds, metalliferous ores, non metallic wares, animal feeds, iron and steel products, textile fabric and yarns, electrical equipment, precision machinery, motor vehicle accessories and electronic circuits. Japan is the third major investor in India and has been providing official development assistance

## ADV. RUPALI



ADV. RUPALI AKOLKAR

**ARBITRATOR OF AECCI-IAC  
PANEL**

# AKOLKAR

for various important national projects in India. Thus Japan has a huge potential for Exporters from India.

It is important for Exporters and importers to therefore understand the requirements of the laws of their respective countries and their trading country. In particular, with Japan, knowledge of the local language is an added advantage. This immediately brings you closer to the inner circle and opens a pathway for smoother communication and better transactions. It also puts the Japanese counterpart at ease. Where learning the language is not possible, it is to your advantage to have an interpreter with you for meetings. Also it is advisable to get your trade agreements checked by a local lawyer or an expert in the law of the trading country.

The international laws being so different, it is difficult for a person from India to approach the local courts there or hire a local attorney in Japan, in case of any dispute. Moreover, litigations tend to get prolonged eating up a major chunk of your finances. Hence, while drafting agreements, it is advisable to have a properly drafted agreement with an arbitration clause included in it. With the presence of an arbitration clause, parties can decide what to do in the unfortunate event of some dispute. Moreover, they can also decide which country's laws will apply and where the proceedings will be conducted. i.e. the seat of arbitration.

Since the enactment of the Arbitration Act in the year 2004, International Commercial Arbitration has been gathering momentum in Japan. Besides Japan, Singapore International Arbitration Centre (SIAC) is also preferred for international commercial arbitration and has been increasingly used by Japanese companies. One of the major difference in the Arbitration Act of Japan is that it permits the Arbitrator to facilitate negotiation with the parties to help them reach a settlement. Moreover, being a signatory to the New York Convention, its awards can be enforced in the contracting states. This makes the process easier for those in India, India being a contracting state.

There are various other institutions, other than the SIAC, like the International Chamber of Commerce (ICC), Japan Commercial Arbitration Association (JCAA), Japan International Dispute Resolution Centre (JIDRC), Japan Intellectual Property Arbitration Centre (JIPAC), Tokyo Maritime Arbitration Commission, etc. There have been commercial disputes between Indian and Japanese companies, one of which was referred to the London Court of International Arbitration.

## **NTT Docomo INC. v. TATA Sons Limited, LCIA Case No. 152896**

Tata Sons Limited and Tata Teleservices Ltd. entered into a Shareholder Agreement with NTT Docomo Inc. Key Performance Indicators' stipulated in the SHA, Tata would be obligated to find a buyer or buyers for Docomo's shares in TTSL at the higher of (a) the fair value of those shares as of 31st March 2014, or (b) 50% of the price at which Docomo purchased its shares.

Failure to deliver evidence as required under SHA on part of TTSL led to a dispute between the parties. The dispute came to be referred to LCIA for arbitration. The Arbitral Tribunal passed an award in favour of Docomo stating that Docomo is entitled to damages equivalent to the Sale Price of US\$ 1,172,137,717 payable by Tata to Docomo within 21 days. Further, interest and cost were also awarded to Docomo.

India also offers a cost effective and quick remedy in the nature of Arbitration – be it Ad-hoc or Institutional. Exporters can incorporate their requirements and prerogatives in the Trade Agreement for their safety in order to ensure that they can effectively take care of any possible litigation in the future.

Hence, for every exporter exporting to Japan, there is a need to incorporate the arbitration clause in the agreement, to ensure a smooth dispute resolution process, and thus go ahead expanding their business in Japan.

[https://www.indembassy-tokyo.gov.in/eoityo\\_pages/NjA](https://www.indembassy-tokyo.gov.in/eoityo_pages/NjA)

# INDIA FOR FINDING PERMANENT SOLUTION TO FOOD STOCKHOLDING AT WTO MEET IN FEB 2024

India has called for finding a permanent solution to the issue of public stockholding for food security at the ministerial-level meeting of the World Trade Organisation (WTO), scheduled to be held in Abu Dhabi in February 2024, reported PTI. According to the report, a Geneva-based Indian government official said India has dismissed arguments for alternative food security solutions beyond PSH (public stock holding) and SSM (special safeguard mechanism).

It believes that market access and export restriction are not worth the effort, the official said. "India declared that it has no intention of revising the existing proposal for public stockholding for food security purposes and suggested that it is the only way forward. India called for a permanent solution for PSH at MC13 (13th ministerial conference)," the official said.

During a recent special session of the WTO's Committee on Agriculture held on May 3 and 4 in Geneva, India also pitched for the recalculation of external reference prices to account for the impact of inflation and other economic factors on food stock prices, the report said.



"India criticized non-proponents for their stubbornness and unwillingness to move from old positions when negotiations begin to discuss details," the official added.

The upcoming 13th Ministerial Conference of the World Trade Organization (WTO), which serves as the top governing body of the organization with 164 member countries, is scheduled to be held in Abu Dhabi, United Arab Emirates in the week of February 26, 2024.

According to the report in WTO's Committee on Agriculture meeting held on May 3 and 4, China, India, Sri Lanka, South Africa, and Egypt joined the call for initiating text-based negotiations on PSH. They highlighted the importance of PSH being applied to all developing countries, particularly least-developed countries (LDCs) and net-food importing developing countries (NFIDCs), to help address the severe food security problem.

# HEADLINES

6TH MAY 2023

- India has also pitched for the need to recalculate the external reference prices to reflect the impact of inflation and other economic factors on food stock prices. The issue was discussed during a special session of the WTO's Committee on Agriculture on May 3 and 4 in Geneva.
- At the 31st annual general meeting of the American Chamber of Commerce in India (AMCHAM), he also said the India-US bilateral trade is increasing at a healthy rate and both sides are looking to expand the trade four-fold to "touch \$500 billion target by 2030".

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- **INDIA-RUSSIA-Exclusive-India, Russia suspend** This would be a major setback for Indian importers of cheap oil and coal from Russia who were awaiting a permanent rupee payment
- **Merchandise exports could expand to between \$495 billion and \$500 billion**

# CHINA'S SHARE IN INDIA'S IMPORT BASKET DECLINES TO 13.79% IN FY23

China's share in India's import basket has declined to 13.79 per cent in 2022-23 from 15.43 per cent a year ago, with inbound shipments of major items like fertilisers and electronic goods coming from alternative markets, the Commerce Ministry said on Thursday.

However, in absolute terms, the total imports from China increased to \$98.51 billion during the financial year ended March against \$94.57 billion in the previous fiscal. As per the latest trade data issued by the Commerce Ministry, India's overall imports increased by 17.38 per cent to \$892.18 billion from \$760.06 billion in FY 2021-22 (April-March).

Meanwhile, India's exports to China fell to \$15.32 billion in FY23 from \$21.26 billion a year ago, showing a negative growth of nearly 28 per cent, the data showed.

India's overall exports (Merchandise and Services combined) in FY 2022-23 (April-March) is estimated to exhibit a positive growth of 13.84 per cent to \$770.18 billion from \$676.53 billion in FY2021-22. The country's trade deficit has widened to \$122 billion in FY23 from \$83.53 billion, the data showed.

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Services exports that led the overall export growth are projected to contribute 41.9 per cent in 2022-23 against 37.62 per cent in 2021-22. Briefing reporters on the trade data, Commerce Secretary Sunil Barthwal said the exports of electronic goods from China and its overall share in India's import basket have declined.

"The decline of Chinese imports has started happening and shows that our manufacturing capacity is improving...The decline of Chinese imports is because we are focusing on sectors where there was a large number of imports, particularly in the electronics sector," he added.

According to the data, India's exports have increased substantially from countries like Russia (369.44 pc), Indonesia (62.8 pc), Saudi Arabia (23.31 pc), Singapore (24.43 pc) and Korea (21.46 pc).



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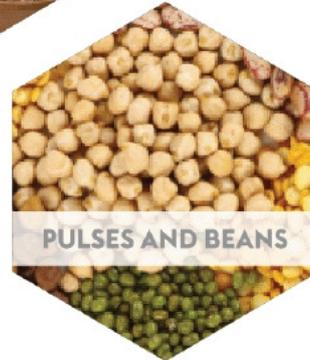
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- Quality
- Price
- Packing
- Shipment Mode
- Delivery Commitment
- Customer Service
- Flexibility
- International Norms & Standards



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