

Frequently Asked Questions (FAQs)
on
Free Trade Agreements (FTA)

Engineering Sector

Department of Commerce

Preface

As a follow up the general FAQs on free trade agreements (FTAs), this is the first set of a sectoral FAQ on FTAs focussing on the engineering sector. Beginning with an introduction of the engineering sector, this FAQ seeks to provide information on the opportunities and challenges facing this sector in the country.

This is intended to be a ready reckoner for trade and industry including their associations and bodies; students of international trade, academicians, trade researchers etc for understanding the specific issues concerning Free Trade Agreements (FTAs) that have been signed by India.

The FAQ also covers the treatment given on engineering tariff lines in the FTAs that India has signed. These include the agreements with ASEAN, Japan and Korea. Since the list of tariff lines listing export opportunities under each of these FTAs has also been provided, we hope stakeholders (including exporters) would find it useful for exploring business opportunities.

The Department of Commerce would like to thank all those who contributed to this FAQ. We would appreciate any feedback.

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ENGINEERING SECTOR

1. INTRODUCTION

1.1 Question: How is the engineering sector defined?

Answer: The engineering is a diverse sector encompassing a number of sub sectors related to the manufacturing from metals and their ores. It is a diverse industry with a number of segments, and can be broadly categorised into two parts, namely, heavy engineering and light engineering. There are however a number of sub sectors within the engineering sector namely iron and steel; other base metals and their products; mechanical machinery; electrical machinery; transport equipment (including automobiles); instruments and appliances; time measuring instruments; musical instruments; arms and ammunition; and furniture and related articles.

1.2 Question: What is the contribution of the engineering sector to the Indian economy?

Answer: In a country like India, the engineering sector which has witnessed unparalleled growth in the past few years plays a vital role for the development of other industrial sectors of the economy. India's engineering industry accounts for 27 per cent of the total factories in the industrial sector and represents 63 per cent of the overall foreign collaborations as on December 2013.

The engineering sector is one of the largest contributors to exports accounting for 25.1% of the total exports during 2014-15. India's engineering exports in 2014-15 was \$ 78 billion which is 10.7% higher than the corresponding figure of 2013-14.

Capacity creation in sectors such as infrastructure, power, mining, oil and gas, refinery, steel, automotive, and consumer durables are driving demand in the engineering sector. The engineering sector is the largest of the industrial sectors in India. India has a comparative advantage in some of the engineering sub sectors in terms of manufacturing costs, market knowledge, technology and creativity.

The Government of India also plays a crucial role in developing the engineering section of the economy. The engineering industry has been de-licensed and enjoys 100 per cent foreign direct investment (FDI). Further, the National Policy on Electronics is formulated by the Government of India to boost India's electronics systems and design the manufacturing industry and improve its share in the global market.

1.3 Question: How have the overall and sub sector exports performed within the engineering sector?

Answer: India's exports in the engineering sector during 2014-15 is to the tune of \$ 78 billion. Transport equipment is the leading contributor to engineering exports. The segment accounted for 33.5% of the total engineering exports during financial year 2014-2015. Machinery and instruments is the other major contributor with a share of 31.8% of the total engineering exports. The base metal sector (including iron and steel) contributes 32.9% to the total exports from the engineering sector.

The engineering sector's shipment to ASEAN with whom we have an FTA rose by 9.6% during 2014-15 from the corresponding period of 2013-14. However, in the case of Japan, the engineering exports registered a dip in exports by 1.3% and were 0.93 billion in 2014-15. . Exports of engineering products to another CEPA partner South Korea registered a growth of 14.8% and rose to \$ 1.4 billion during 2014-15.

1.4 Question: How have States performed in terms of exports in the engineering exports?

Answer: The data for Indian states indicates that engineering exports grew from Rs 410,134 crores in 2013-14 to Rs 477,382 crores in 2014-15 registering a growth rate of 16.4%. Among the Indian states, for the period 2014-15, Odisha share of engineering exports in its total exports is 64.8% while the corresponding share for Maharashtra is 27.9%. However, Maharashtra accounts for 26% of India's total engineering exports which stands at Rs 477,382 crores. Some of the other states with significant share in India's total engineering exports during 2014-15 are Tamil Nadu with 15.2%, Karnataka with 9.4% and Gujarat with 9.1%.

In terms of growth rates some of the larger States which have recorded impressive growth rates in engineering exports from the period 2013-14 to 2014-15 are Andhra Pradesh with 77.6%, Madhya Pradesh with 45.8%, Karnataka with 20.6%, Rajasthan with 12.7% and Maharashtra with 10.4%.

1.5 Question: How have imports performed in the engineering sector?

Answer: Despite the robust growth in engineering exports, the merchandise trade deficit continues to rise as import growth has regularly outpaced export growth. The import-export gap in the engineering items is overly negative at USD 17 billion (2012-13) despite the fact that engineering items are among the largest contributors to India's total export basket.

1.6 Question: What is the quantum of investments in the engineering sector?

Answer: The cumulative foreign direct investment (FDI) inflows in the engineering sector increased to \$ 17.3 billion in 2103-14 from \$ 8.9 billion in 2009-10.

1.7 Question: What is the product coverage (HS Codes) in the engineering sector?

Answer: The Harmonised System (HS) codes covered in the engineering sector are:

HS Chapter	Description
72	IRON AND STEEL
73	ARTICLES OF IRON OR STEEL
74	COPPER AND ARTICLES THEREOF.
75	NICKEL AND ARTICLES THEREOF
76	ALUMINIUM AND ARTICLES THEREOF.
78	LEAD AND ARTICLES THEREOF
79	ZINC AND ARTICLES THEREOF
80	TIN AND ARTICLES THEREOF
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF.
82	TOOLS IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL

HS Chapter	Description
83	MISCELLANEOUS ARTICLES OF BASE METAL.
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING-STOCK AND PARTS THEREOF; RAILWAY OR TRAMWAY TRACK FIXTURES AND FITTINGS AND PARTS THEREOF; MECHANICAL
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF
88	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF
89	SHIPS, BOATS AND FLOATING STRUCTURES
90	OPTICAL, PHOTOGRAPHIC CINEMATOGRAPHIC MEASURING, CHECKING PRECISION, MEDICAL OR SURGICAL INST. AND APPARATUS PARTS AND ACCESSORIES THEREOF
91	CLOCKS AND WATCHES AND PARTS THEREOF
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHING; LAMPS AND LIGHTING FITTINGS NOT ELSEWHERE SPECIFIED OR INC

1.8 Question: What are the rules of origin in the engineering sector under the important FTAs?

Answer: Under the India-ASEAN Trade in Goods Agreement, no product specific rules (PSRs) were implemented and hence there is only a general rules of origin namely CTSH +35%. This would mean that for any engineering product which is using non originating inputs for processing, the criteria would require atleast a HS 6 digit change in nomenclature along with atleast a value addition of 35%.

SERVICES

1.9 Question: What are the various categories and CPC classification of engineering services?

Answer: The engineering services can be classified under the Central Product Classification (CPC) nomenclature in the following sub categories:

- CPC 86721: Advisory and consultative engineering services
- CPC 86722: Engineering design services for the construction of foundations and building structures

- CPC 86723: Engineering design services for mechanical and electrical installations for buildings
- CPC 86724: Engineering design services for the construction of civil engineering works
- CPC 86725: Engineering design services for industrial processes and production
- CPC 86726: Engineering design services not elsewhere specified (n.e.s).
- CPC 86727: Other engineering services during the construction and installation phase
- CPC 86729: Other engineering services

1.10 Question: How are advisory and consultative engineering services defined?

Answer: This sub category of services includes assistance, advisory and recommendation services concerning engineering issues. Included here are the undertaking of preparatory technical feasibility studies and project impact studies. Examples are: study of the impact of topography and geology on the design, construction and cost of a road, pipeline or other transportation infrastructure; study of the quality or suitability of materials intended for use in a construction project and the impact on design, construction and cost of using different materials; study of the environmental impact of a project; study of the efficiency gains in production as a result of alternative process, technology or plant layout. The provision of these services is not necessarily related to a construction project. It may consist, for example, of the appraisal of the structural, mechanical and electrical installations of buildings, of expert testimony in litigation cases, of assistance to government bodies in drafting laws, etc.

1.11 Question: How are Engineering design services for the construction of foundations and building structures defined?

Answer: These are structural engineering design services for the load-bearing framework of residential and commercial, industrial and institutional buildings. Design services consist of one or a combination of the following: preliminary plans, specifications and cost estimates to define the engineering design concept; final plans, specifications and cost estimates, including working drawings, specifications regarding materials to be used, method of installation, time limitations and other specifications necessary for tender submission and construction and expert advice to the client at the time of calling for and accepting tenders; services during the construction phase. Exclusion: Engineering services for buildings if they are an integral part of the engineering design service for a civil work or production plant or facility.

1.12 Question: How are Engineering design services for mechanical and electrical installations for buildings defined?

Answer: This comprises of both mechanical and electrical engineering design services for the power system, lighting system, fire alarm system, communication system and other electrical installations for all types of buildings and/or the heating, ventilating, air conditioning, refrigeration and other mechanical installations for all types of buildings. Design services consist of one or a combination of the following: preliminary plans, specifications and cost estimates to define the engineering design concept; final plans, specifications and cost estimates, including working drawings, specifications regarding materials to be used, method of installation, time limitations and other specifications necessary for tender submission and construction and expert advice to the client at the time of calling for and accepting tenders; services during the construction phase.

1.13 Question: How are Engineering design services for the construction of civil engineering works defined?

Answer: These are specific engineering design services for the construction of civil engineering works, such as bridges and viaducts, dams, catchment basins, retaining walls, irrigation systems, flood control works, tunnels, highways and streets including interchanges and related works, locks, canals, wharves and harbours works, water supply and sanitation works such as water distribution systems, water, sewage, industrial and solid waste treatment plants and other civil engineering projects. Design services consist of one or a combination of the following: preliminary plans, specifications and cost estimates to define the engineering design concept; final plans, specifications and cost estimates, including working drawings, specifications regarding materials to be used, method of installation, time limitations and other specifications necessary for tender submission and construction and expert advice to the client at the time of calling for and accepting tenders; services during the construction phase. Included are engineering design services for buildings if they are an integral part of the engineering design for a civil engineering work.

1.14 Question: How are Engineering design services for industrial processes and production defined?

Answer: The engineering design services for production processes, procedures and facilities. Included here are design services as they relate to methods of cutting, handling and transporting logs and logging site layout; mine development layout and underground construction, the complete civil, mechanical and electrical mine surface plant installations including hoists, compressors, pumping stations, crushers, conveyors and ore and waste-handling systems; oil and gas recovery procedures, the construction, installation and/or maintenance of drilling equipment, pumping stations, treating and storage facilities and other oil field facilities; materials flows, equipment layout, material handling systems, processes and process control (which may integrate computer technology) for manufacturing plants; special machinery, equipment and instrumentation systems; any other design services for production procedures and facilities.

Design services consist of one or a combination of the following: preliminary plans, specifications and cost estimates to define the engineering design concept; final plans, specifications and cost estimates, including working drawings, specifications regarding materials to be used, method of construction and/or installation, time limitations and other specifications necessary for tender submission and construction and expert advice to the client at the time of calling for and accepting tenders; services during the installation phase. Included are engineering design services for buildings if they are an integral part of the engineering design service for a production plant or facility.

1.15 Question: How are Engineering design services not elsewhere specified (n.e.s.) defined?

Answer: These include other specialty engineering design services i.e. acoustical and vibration engineering designs, traffic control systems designs, prototype development and detailed designs for new products and any other specialty engineering design services. Exclusion: The aesthetic design of products and the complete design of products which do not require complex engineering (e.g. furniture) are classified in subclass 87907 (Specialty design services).

1.16 Question: How are other engineering services during the construction and installation phase defined?

Answer: These are advisory and technical assistance services to the client during construction to ensure that construction work is in conformity with the final design. This involves services provided both in offices and in the field, such as the review of shop drawings, periodic visits to the site to assess progress and quality of the work, guiding the client and the contractor in the interpretation of contract documents and any other advice on technical questions that may develop during construction.

1.17 Question: How are other engineering services defined?

Answer: This is a class of engineering services not elsewhere classified. Included here are geotechnical engineering services providing engineers and architects with necessary subsurface information to design various projects; groundwater engineering services including groundwater resources assessment, contamination studies and quality management; corrosion engineering services including inspection, detection and corrosion control programmes; failure investigations and other services requiring the expertise of engineers.

1.18 Question: What are the commitments taken by India in engineering services?

Answer: , India has made commitments on Engineering services (CPC 8672) in all its FTAs. The limitations on market access for mode 1 and 2 is “None”. This would mean that India has provided market access without any commitments on the cross border supply (Mode 1) and

consumption abroad (Mode 2). For mode 3 or the commercial presence abroad, the limitation is “None”, but this is subject to certain conditions. In Mode 4 or movement of natural persons (MONP), the commitment is “*Unbound*” except in the horizontal section.

The limitations on National treatment for Mode 1 and 2 is “*None*” which would mean that national treatment is provided for the two modes by India. For mode 3, the limitation on national treatment is “None”, except for Malaysia (which is unbound). For mode 4, the limitation is Unbound except as indicated in the horizontal section. This effectively means that India has not taken any commitment to provide national treatment on MONP.

1.19 Question: What are the various categories and CPC classification of Integrated Engineering Services?

Answer: The integrated engineering services have the following sub classification under the CPC nomenclature:

- CPC 86731: Integrated engineering services for transportation infrastructure turnkey projects
- CPC 86732: Integrated engineering and project management services for water supply and sanitation works turnkey projects
- CPC 86733: Integrated engineering services for the construction of manufacturing turnkey projects
- CPC 86739: Integrated engineering services for other turnkey projects

1.20 Question: What are Integrated Engineering Services for transportation infrastructure turnkey projects defined?

Answer: These are fully integrated engineering services for the construction of transportation infrastructure turnkey projects. Services included here are planning and pre-investment studies, preliminary and final design, cost estimation, construction scheduling, inspection and acceptance of contract work as well as technical services, such as the selection and training of personnel and the provision of operation and maintenance manuals and any other engineering services provided to the client that form part of an integrated bundle of services for a turnkey project.

1.21 Question: What are integrated engineering and project management services for water supply and sanitation works turnkey projects defined?

Answer: These include the fully integrated engineering services for the construction of water supply and sanitation works turnkey projects. Services included here are planning and pre-investment studies, preliminary and final design, cost estimation, construction scheduling, inspection and acceptance of contracts as well as technical services, such as the selection and training of personnel and the provision of operation and maintenance manuals and any other

engineering services provided to the client that form part of an integrated bundle of services for a turnkey project.

1.22 Question: What are integrated engineering for the construction of manufacturing turnkey projects defined?

Answer: This includes the fully integrated engineering services for the construction of manufacturing facilities turnkey projects. Services included here are planning and pre-investment studies to address issues such as the integration of operations, site selection, pollution and effluent control and capital requirements; all necessary structural, mechanical and electrical design services; production process engineering design services including detailed process flow diagrams, general site and plant arrangement drawings, plant and equipment specifications; tender specifications; construction scheduling inspection and acceptance of work as well as technical services, such as the selection and training of personnel, the provision of operations and maintenance manuals, start-up assistance and any other engineering services that form part of an integrated bundle of services for a turnkey project.

1.23 Question: What are Integrated Engineering Services for other turnkey projects defined?

Answer: These are fully integrated engineering services for other construction works. Services included here are planning and pre-investment studies, preliminary and final design, cost estimates, construction scheduling, inspection and acceptance of contracts as well as technical services, such as the selection and training of personnel and the provision of operation and maintenance manuals and any other engineering services provided to the client that form part of an integrated bundle of services for a turnkey project.

1.24 Question: Has India committed Integrated Engineering Services in its FTAs?

Answer: Yes, India has committed Integrated Engineering services (CPC 8673) in all its FTAs. The limitations on market access for modes 1 and 2 is “None”. This would mean that India provides full market access on both the cross border supply (Mode 1) and consumption abroad (Mode 2) for integrated engineering services. For mode 3 or the commercial presence abroad, the limitations is “None” although this is subject to certain conditions. In mode 4 or movement of natural persons (MONP), it is “Unbound” except as in horizontal section. This means that India has not taken any commitment on this Mode.

For national treatment, the limitations in for mode 1 and 2 is “None” which means that India has provided market access on these two modes. . For Mode 3, the limitations are “None” in all agreements except, Malaysia and ASEAN. For Mode 4, the limitations are “Unbound” except in horizontal section.

2. INDIA-ASEAN Comprehensive Economic Cooperation Agreement (CECA)

2.1 Question: What are the main products in India's IATIG (India-ASEAN Trade in Goods Agreement) exclusion list of the engineering sector?

Answer: Some of the products in India's IATIG exclusion list in the engineering sector are:

- i. Auto components (locks, fuel nozzles, pistons, filters, wipers, starter motors, seat belts, brakes, suspension systems, mufflers exhaust pipes, steering wheels,
- ii. Copper cathodes, bars/ rods hollow profiles, wires
- iii. Unwrought aluminium ingots, billets, wire-bars, wire-rods, plates
- iv. Oil, water, injection pumps
- v. Motors (micro, stepper, wiper, DC), DC generators
- vi. Automobiles (four and two wheels)
- vii. Instruments (hydrographic, meteorological, geophysical), tachometers, speedometers

2.2 Question: How is the FTA utilisation rate defined and what is it under the IATIG?

Answer: The FTA utilisation rate for India's trading partner is defined as the ratio of India's imports that are granted tariff preferences under the FTA from the trading partner to India's total imports from the same trading partner. In the case of IATIG, the FTA utilisation rate for ASEAN on specific sub sectors of the engineering sector for the period 2014-15 is as under:

Sector	Iron & steel	Mechanical machinery	Electrical machinery	Automotives
Utilisation rate	23.8%	13.7%	16.7%	40.2%

2.3 Question: How have exports performed in the engineering sector to the ASEAN?

Answer:. India's exports in the engineering sector during 2014-15 is to the tune of \$ 8.9 billion. Transport equipment is the leading contributor to engineering exports. The segment accounted for 38.8% of the total engineering exports during financial year 2014-2015. Machinery and instruments is the other major contributor with a share of 33.3% of the total engineering exports. The base metal sector (including iron and steel) contributes 27.4 % to the total exports from the engineering sector.

2.4 Question: What are the products of export interest in the engineering sector for India with some of the ASEAN FTA partners?

Answer: Based on the commitments made by some of the ASEAN countries, the broad categories of products of exports interest for India to some of these countries could be as follows:

Indonesia

- Mechanical machinery (HS 84)
- Electrical machinery(HS 85)

Malaysia

- Mechanical machinery (HS 84)
- Electrical machinery (HS 85)

Thailand

- Mechanical machinery (HS 84)
- Electrical machinery (HS 85)
- Automotives

2.5 Question: What are the general rules of origin in the engineering sector under the IATIG?

Answer: Under the India-ASEAN Trade in Goods Agreement, no product specific rules (PSRs) were implemented and hence there is only a general rules of origin namely CTS +35%.

This would mean that for any engineering product which is using non originating inputs for processing, the criteria would require atleast a HS 6 digit change in nomenclature along with atleast a value addition of 35%.

2.6 Question: What is the cumulation criteria under the IATIG?

Answer: Rule 5 of Annex 2 of the IATIG deals with the Cumulative rules of origin criteria under this agreement. This rule effectively confers originating status to any material used in the working or processing in a FTA partner country provided the criteria of wholly originating or the CTS + 35% for non-originating inputs is met.

For example, let us suppose that ingots are imported from a 3rd country (neither ASEAN nor India) X and is used to make hot rolled coils of carbon steel in a ASEAN country Y and it meets the value addition criteria of 35%. The hot rolled coils are now exported to India for use of our cold rolled manufacturers to make cold rolled coils. Subsequently, the cold rolled coils are exported to an ASEAN country Z which provides duty concession on the same under the IATIG. In this case, the hot rolled coils would be considered as originating in the ASEAN country and would be eligible for preferences into India. India on the other hand would be entitled to consider the hot rolled coils as originating in India for computing the value addition for exports of hot rolled coils to Z.

2.7 Question: What is the criteria for wholly originating products under IATIG ?

Answer: The criteria for wholly originating products is given in Rule 3 of Annex 2 of the Agreement and is as under:

- a. plant and plant products grown and harvested in the Party; (Plant here refers to all plant life, including forestry products, fruit, flowers, vegetables, trees, seaweed, fungi and live plants)
- b. live animals born and raised in the Party; (Animals referred to in paragraphs (b) and (c) covers all animal life, including mammals, birds, fish, crustaceans, molluscs, reptiles, and living organisms)

- c. products obtained from live animals referred to in paragraph (b); (Products refer to those obtained from live animals without further processing, including milk, eggs, natural honey, hair, wool, semen and dung)
- d. products obtained from hunting, trapping, fishing, aquaculture, gathering or capturing conducted in the Party;
- e. minerals and other naturally occurring substances, not included in paragraphs (a) to (d), extracted or taken from the Party's soil, waters, seabed or beneath the seabed;
- f. products taken from the waters, seabed or beneath the seabed outside the territorial waters of the Party, provided that that Party has the rights to exploit such waters, seabed and beneath the seabed in accordance with the United Nations Convention on the Law of the Sea, 1982;
- g. products of sea-fishing and other marine products taken from the high seas by vessels registered with the Party and entitled to fly the flag of that Party;
- h. products processed and/or made on board factory ships registered with the Party and entitled to fly the flag of that Party, exclusively from products referred to in paragraph (g)
- i. articles collected in the Party which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts of raw materials, or for recycling purposes; and
- j. products obtained or produced in the Party solely from products referred to in paragraphs (a) to (i)..

2.8 Question: What are the minimal or non qualifying operations which by itself would not confer preferences under IATIG?

Answer:. The minimal or non qualifying operations that would by itself not confer originating status under the IATIG are given in Rule 7 of Annex 2 of the Agreement and are:

- i. operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- ii. simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching(including the making-up of sets of articles), washing, painting, cutting; 34
- iii. changes of packing and breaking up and assembly of consignments;
- iv. simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;
- v. affixing of marks, labels or other like distinguishing signs on products or their packaging;
- vi. simple mixing of products whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in this Annex to enable them to be considered as originating products;
- vii. simple assembly of parts of products to constitute a complete product;
- viii. disassembly;
- ix. slaughter which means the mere killing of animals; and
- x. mere dilution with water or another substance that does not materially alter the characteristics of the products.

SERVICES

2.9 Question: What are the Commitments on Engineering and Integrated Engineering Services in India's Schedule with ASEAN countries?

Answer:. The Services schedule of commitments on engineering and integrated engineering services for all ASEAN countries (excepting Philippines) is as under:

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering Services (CPC 8672)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Only through incorporation with a foreign equity ceiling of 51 per cent. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required.	(3)	None	
	(4)	Unbound except as indicated in the horizontal section	(4)	Unbound except as indicated in the horizontal section	
Integrated engineering services (CPC 8673)	(1)	None, subject to domestic regulations	(1)	None, subject to domestic regulations	
	(2)	None	(2)	None	
	(3)	None except that the establishment would be only through incorporation with a foreign equity ceiling of 49 per cent and subject to the condition that in the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required.	(3)	Unbound	
	(4)	Unbound	(4)	Unbound	

2.10 Question: What are the Commitments on Engineering and Integrated Engineering Services by the ASEAN countries with India?

Answer:. The commitments of some of the ASEAN countries on engineering and integrated engineering services is as under:

Indonesia

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering Services (CPC 8672 except CPC 86721, 86725, 86726)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	a. Joint operation by establishing a representative office License for representative office shall be valid for 3 years and can be extended. b. Joint venture company by fulfilling the requirements as specified in the Horizontal Section and the Foreign Capital Investment Law	(3)	a. License fee requirement -Registered foreign company shall form a joint operation with local partner(s) which is(are) registered by Construction Services Development Board and having qualification A/Big b. Local partner(s) in joint venture shall be registered by Construction Services Development Board and having qualification A/Big	
Integrated Engineering Services (CPC 8673)					

	(4)	As specified in the Horizontal Section	(4)	As specified in the Horizontal Section	
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Malaysia

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services (CPC 8672)	(1)	None	(1)	Engineering services must be authenticated by a registered professional engineer in Malaysia	4)The qualifying examination to determine the competence and ability to supply the services for the purposes of registration with professional bodies will be conducted in the English language
	(2)	None	(2)	Engineering services must be authenticated by a registered professional engineer in Malaysia	
	(3)	(a) Engineering services may be supplied only by a natural person. (b) For multidisciplinary practices (Architecture, Engineering and/or Quantity Surveying) ¹ , foreign equity up to a maximum of 10 per cent for joint ventures by professionals who are registered in the country of origin. Foreign Directorship is not allowed.	(3)	(a) None (b) Unbound	
	(4)	Unbound except as indicated in the horizontal section of 2 (b), subject to temporary registration for a period of one year per temporary registration	(4)	Unbound, except for the categories of natural persons referred to under market access	
Integrated engineering services (CPC 8673)	(1)	None	(1)	Integrated engineering services must be authenticated by the relevant registered professionals in Malaysia	
	(2)	None	(2)	Integrated engineering services must be authenticated by the relevant registered professionals in Malaysia	
	(3)	Only through a representative office, regional office or locally incorporated joint-venture corporation with Malaysian	(3)	None	

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
		individuals or Malaysian-controlled corporations or both for the purpose of services contract awarded in Malaysia. The aggregate foreign shareholding in the joint-venture corporation shall not exceed 30 per cent			
	(4)	Unbound except as indicated in the Horizontal Commitments section	(4)	Unbound except for the categories of natural persons referred to in the market access column.	

Thailand

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services (CPC 86721 to 86727 +86729)	(1)	Unbound	(1)	Unbound	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	(a) As indicated in the horizontal section (b) Unbound for civil engineer	(4)	Unbound, except as provided in the horizontal section	

Vietnam

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services (CPC 8672)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None, except: Foreign enterprises have to be juridical persons of another Party.	(3)	None, except: The supply of services related to topographical, geotechnical, hydro geological and environmental surveys and technical surveys for urban-rural development planning, sectoral development planning are subject to the authorization of the Government of Viet Nam.	
	(4)	Unbound, except as provided in the horizontal section	(4)	Unbound, except as provided in the horizontal section	

3. India-Japan Comprehensive Economic Partnership Agreement (IJEPA)

3.1 Question: What are some of the engineering products of export interest under the India-Japan CEPA?

Answer: Some of the engineering products which have potential for exports to Japan and where the preferential import duty in Japan in zero are:

HS6 digit	Description
720529	POWDERS OF OTHER IRON/STEEL ETC.
721891	SEMI FINISHED PRDCTS OF STNLS STL OF RECTANGULAR (OTHR THN SQR) CROS-SCTN
811259	OTHER ARTICLES OF THALLIUM
811299	OTHR METALS N.E.S.
841121	TURBO-PRPLRS OF A POWER<=1100 KW
842211	DISH WSHNG MCHNS OF HOUSEHOLD TYPE
844319	OTHER OFFSET PRINTING MACHINERY
845939	OTHER BORING-MILLING MACHINES
846130	BROACHING MACHINES
847730	BLOW MOULDING MACHINES
847950	INDUSTRIAL ROBOTS
851130	DISTRIBUTORS;IGNITION COILS
852290	OTHR PARTS AND ACCESSORIES OF HDNG 8519-8521
854430	IGNTN WIRING SETS AND OTHR WIRING SETS OF A KIND USED IN VEHICLES AIRCRAFT/SHIPS
901010	APRTS AND EQPMNT FR AUTMTCLY DVLPG PHOTOGRPHC FLM/PAPR IN ROLS/FR AUTMTCLY EXPSNG DVLPG FLM TO ROLS OF PHOTOGRP
903141	OTHR OPTCL INSTRUMNTS AND APPLNS FR INSPCTNG SEMICONDCTR WAFERS/DEVICES FR INSPCTNG PHOTOMSK/RETICLS USD IN MFG SEMICNDCT
940390	PARTS OF FURNITURES OF HEADING 9403

3.2 Question: What the major value chains in the engineering sector for exports to Japan?

Answer: The products that form part of the major value chain in the engineering sector and where the duty has been eliminated in the CEPA with Japan are the following:

Engineering Product	Type of Product
Mica, including splittings; mica waste.	Raw material
Articles of stone, plaster, cement, asbestos, mica or similar materials	Finished material
Pig iron and spiegeleisen in pigs, blocks or other primary forms.	Raw material
Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94%, in lumps, pellets or similar forms.	Intermediate material
Ferrous waste and scrap	Finished material
Granules and powders, of pig iron, spiegeleisen, iron or Steel, Iron and non-alloy steel in ingots or other primary forms	Intermediate material
Semi-finished products of iron or non-alloy steel.	Intermediate material

Engineering Product	Type of Product
Flat-rolled products of iron or non-alloy steel,	Finished material
Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	Finished material
Angles, shapes and sections of iron or non-alloy steel.	Finished material
Wire of iron or non-alloy steel.	Finished material
Stainless steel in ingots or other primary forms; semi finished products of stainless steel.	Intermediate material
Flat-rolled products of stainless steel,	Finished material
Bars and rods, angles, shapes, Sections, wires of stainless steel.	Finished material
Other alloy steel in ingots or other primary forms; semi finished products of other alloy steel. Flat-rolled products of other alloy steel, Bars and rods, hot-rolled, in irregularly wound coils, wire of other alloy steel.	Intermediate material
Articles of iron or steel	Finished material
Copper-zinc base alloys (brass), (bronze) Copper waste and scrap, alloys of copper, Copper powders and flakes, Copper bars, rods and profiles, Copper wire, Copper plates, sheets and strip, of a thickness exceeding 0.15 mm, Copper foil, Copper tubes and pipes, Copper tube or pipe, Stranded wire, cables, plaited bands and the like, of copper, not electrically insulated.	Finished material
Nails, tacks, drawing pins, staples (other than those of heading 83.05) and similar articles, of copper or of iron or steel with heads of copper; screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers and similar articles, of copper	Finished material
Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper and Other articles of copper.	Finished material
Nickel and articles thereof	Finished material
Aluminium and articles thereof	Finished material
Lead waste and scrap, Lead plates, sheets, strip and foil; lead powders and flakes and Other articles of lead.	Finished material
Zinc waste and scrap, Zinc dust, powders and flakes, Zinc bars, rods, profiles and wire, Zinc plates, sheets, strip and foil & Other articles of zinc. Tin and articles thereof	Finished material
Other base metals; cermets; articles thereof	Finished material
Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal, Miscellaneous articles of base metal	Finished material
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	Finished material
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	Finished material
Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds	Finished material
Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	Finished material
Aircraft, spacecraft, and parts thereof	Finished material
Ships, boats and floating structures	Finished material
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	Finished material

Engineering Product	Type of Product
Clocks and watches and parts thereof	Finished material
Musical instruments; parts and accessories of such articles	Finished material
Arms and ammunition; parts and accessories thereof	Finished material
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings 94.01 Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.	Finished material
Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles.	Finished material
Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered.	Finished material

3.3 Question: What are the main products in India's IJCEPA exclusion list of the engineering sector?

Answer: Some of the products in India's IJCEPA exclusion list in the engineering sector are:

- i. Screw bolts, nuts, washers,
- ii. Auto components (springs, IC engines, valves, inlets, pistons, fuel injection equipment, injection pumps, head lamps, wipers, defrosters, safety belts, drive axles)
- iii. Pumps for liquids, air or vacuum pumps,
- iv. Air conditioning machines,
- v. Industrial furnaces for cement industry
- vi. Refrigerators, freezers and related equipment, dryers, heat exchange units,
- vii. Filtering or purifying machinery
- viii. Photocopying machinery, sewing machines, machine tools, other office machines, machinery for sorting/ screening/ separating, ball or roller bearings
- ix. Motors (micro, stepper, wiper, DC, FHP, induction), DC generators, conventional type transformers
- x. Electrical ignition or starting equipment, portable electrical lamps, electrical appliances (including TVs and parts), fuses, motor starters, junction boxes, insulated wires,
- xi. Automobiles (four and two wheels)
- xii. Instruments (hydrographic), tachometers, speedometers, stroboscopes

3.4 Question: How is the FTA utilisation rate defined and what is it under the IJCEPA?

Answer: The FTA utilisation rate for India's trading partner is defined as the ratio of India's imports that are granted tariff preferences under the FTA from the trading partner to India's total imports from the same trading partner. In the case of IJCEPA, the FTA utilisation rate for Japan on specific sub sectors of the engineering sector for the period 2014-15 is as under:

Sector	Iron & steel	Mechanical	Electrical	Automotives
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		machinery	machinery	
Utilisation rate	72.1%	11.1%	13.1%	7.4%

3.5 Question: How have exports to Japan performed in the engineering sector ?

Answer:. India's exports to Japan in the engineering sector during 2014-15 is to the tune of \$ 930 million which is 17.3% of India's total exports to Japan. Base metals (including iron and steel) is the leading contributor to engineering exports. The segment accounted for 37% of the total engineering exports during financial year 2014-2015. Transport equipment is the other major contributor with a share of 19.7% of the total engineering exports. The machinery and instruments sector contributes 13.5 % to the total exports from the engineering sector.

3.6 Question: What are some iron and steel products of export interest for India in the Japan market?

Answer:. Based on Japan' schedule of concessions, some of the possible iron and steel products of export interest for India are:

- Ferro-silicon, Ferro-nickel, Ferro-phosphorous
- Remelting scrap ingots
- Ingots or other primary forms
- Articles of iron and steel

3.7 Question: What are some other base metal and its products of export interest for India in the Japanese market?

Answer:. Based on Japan' schedule of concessions, some of the possible other base metal and their products of export interest for India are:

- Copper anodes for electrolytic refining
- Copper cathodes, wire bars, billets
- Copper alloys (bronze), waste and scrap, wire, rods and profiles
- Copper foil, tubes and pipes
- Nickel oxide
- Aluminium bars, rods, hollow profiles and wires
- Refined lead; lead plates, sheets, strip and foil
- Unwrought zinc; zinc waste and scrap, dust powders and flakes
- Zinc bars, rods, profiles and wire
- Tin bars, rods, profiles, wires, foils, tubes and pipes
- Cutlery of base metals
- Locks, hinges, castors and filing cabinets

3.8 Question: What are the machinery of export interest for India in the Japanese market?

Answer:. Based on Japan' schedule of concessions, some of the possible electric machinery of export interest for India are:

- Winding wire of copper
- Carbon electrodes/brushes
- Articles of graphite/carbon used in the electrical sector

3.9 Question: What are the transport equipment of export interest for India in the Japanese market?

Answer:. The only dutiable line in this sector where Japan would undertake immediate tariff elimination is “*tanks and other armoured fighting vehicles and their parts*”.

3.10 Question: What are the rules of origin in the IJCEPA ?

Answer:. The IJCEPA has a general rules of origin for non originating materials i.e. CTSH +35%..

This would mean that for any engineering product that falls under the general rules of origin criteria, which and has non originating inputs for processing, the criteria would require atleast a HS 6 digit change in nomenclature along with atleast a value addition of 35% during processing.

3.11 Question: What is the criteria for wholly originating products under IJCEPA ?

Answer:. The criteria for wholly originating products is given in Article 28 of the Agreement and is as under:

- a. live animals born and raised in the Party;
- b. animals obtained by hunting, trapping, fishing, gathering or capturing in the Party;
- c. goods obtained from live animals in the Party;
- d. plants and plant products harvested, picked or gathered in the Party; (“plant” refers to all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi and live plants)
- e. .minerals and other naturally occurring substances, not included in subparagraphs (a) through (d), extracted or taken in the Party;
- f. goods of sea-fishing and other goods taken by vessels of the Party from the sea outside the territorial seas of the Parties;
- g. goods produced on board factory ships of the Party, outside the territorial seas of the Parties from the goods referred to in subparagraph (f);
- h. goods taken from the sea-bed or subsoil beneath the sea-bed outside the territorial sea of the Party, provided that the Party has rights to exploit such sea-bed or subsoil in accordance with the provisions of the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982;
- i. articles collected in the Party which can no longer perform their original purpose in the Party nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;
- j. scrap and waste derived from manufacturing or processing operations or from consumption in the Party and fit only for disposal or for the recovery of raw materials;
- k. parts or raw materials recovered in the Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired; and
- l. goods obtained or produced in the Party exclusively from the goods referred to in subparagraphs (a) through (k).

3.12 Question: What are the minimal or non qualifying operations which by itself would not confer preferences under IJCEPA?

Answer:. The minimal or non qualifying operations that would by itself not confer originating status under the IJCEPA are given in Article 33 of the Agreement and are:

- a. operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, removal of damaged parts) and other similar operations;
 - b. changes of packaging and breaking up and assembly of packages;
 - c. disassembly;
 - d. placing in bottles, cases, boxes and other simple packaging operations;
 - e. collection of parts and components classified as a good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System;
 - f. simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting;
 - g. simple cutting, slicing and repacking or placing in bottles, flasks, bags or boxes, fixing on cards or boards, and all other simple packing operations;
 - h. affixing or printing marks, labels and other like distinguishing signs on products or their packaging;
 - i. simple mixing of products whether or not of different kinds;
 - j. simple assembly of parts of goods to constitute a complete product;
 - k. slaughter of animals;
 - l. mere dilution with water or another substance that does not materially alter the characteristics of the goods; or
 - m. any combination of operations referred to in subparagraphs (a) through (l).
- (For the purposes of this Article, an operation is described as “simple” if neither special skills nor machines, apparatus or equipment especially produced or installed for carrying it out are needed.)

3.13 Question: What are product specific rules (PSRs) for the engineering sector under the IJCEPA?

Answer:. The product specific rules of origin for the engineering sector as per the relevant HS Codes are given in Annex 2 of the Agreement and is as under:

7202.49

A change to subheading 7202.49 from any other heading.

7202.60

A change to subheading 7202.60 from any other chapter.

7202.99-7203.90

A change to subheading 7202.99 through 7203.90 from any other heading.

7204.21-7204.29

A change to subheading 7204.21 through 7204.29 from any other heading.

7204.49-7229.90

A change to subheading 7204.49 through 7229.90 from any other heading.

73.01-73.07

A change to heading 73.01 through 73.07 from any other heading.

7308.30-7310.10

A change to subheading 7308.30 through 7310.10 from any other heading.

7310.29-7312.90

A change to subheading 7310.29 through 7312.90 from any other heading.

7314.12-7314.19

A change to subheading 7314.12 through 7314.19 from any other heading.

7314.49

A change to subheading 7314.49 from any other heading.

7315.11-7315.19

A change to subheading 7315.11 through 7315.19 from any other heading.

7315.82-7315.89

A change to subheading 7315.82 through 7315.89 from any other heading.

7316.00

A change to subheading 7316.00 from any other heading.

7318.11

A change to subheading 7318.11 from any other heading.

7318.14

A change to subheading 7318.14 from any other heading.

7318.15

A change to subheading 7318.15 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

7318.16-7318.22

A change to subheading 7318.16 through 7318.22 from any other heading.

7318.23-7318.24

A change to subheading 7318.23 through 7318.24 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

7318.29-7319.90

A change to subheading 7318.29 through 7319.90 from any other heading.

73.20

A change to heading 73.20 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

7321.11

A change to subheading 7321.11 from any other heading.

7321.19

A change to subheading 7321.19 from any other heading.

7321.82

A change to subheading 7321.82 from any other heading.

7322.11

A change to subheading 7322.11 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

7323.10

A change to subheading 7323.10 from any other heading.

7323.93

A change to subheading 7323.93 from any other heading.

7323.99

A change to subheading 7323.99 from any other heading.

7324.21

A change to subheading 7324.21 from any other heading.

7324.90

A change to subheading 7324.90 from any other heading.

7325.99

A change to subheading 7325.99 from any other heading.

7326.19-7326.90

A change to subheading 7326.19 through 7326.90 from any other heading.

7402.00-7403.11

A change to subheading 7402.00 through 7403.11 from any other heading.

7403.13-7403.19

A change to subheading 7403.13 through 7403.19 from any other heading.

7403.29-7415.21

A change to subheading 7403.29 through 7415.21 from any other heading.

7415.33-7415.39

A change to subheading 7415.33 through 7415.39 from any other heading.

7418.20

A change to subheading 7418.20 from any other heading.

7419.91-7419.99

A change to subheading 7419.91 through 7419.99 from any other heading.

7502.10-7505.12

A change to subheading 7502.10 through 7505.12 from any other heading.

7505.22-7506.20

A change to subheading 7505.22 through 7506.20 from any other heading.

7507.12

A change to subheading 7507.12 from any other heading.

75.08

A change to heading 75.08 from any other heading.

7601.20

A change to subheading 7601.20 from any other heading.

76.03-76.04

A change to heading 76.03 through 76.04 from any other heading.

7605.19

A change to subheading 7605.19 from any other heading.

7605.29-7610.90

A change to subheading 7605.29 through 7610.90 from any other heading.

7614.10

A change to subheading 7614.10 from any other heading.

7615.19

A change to subheading 7615.19 from any other heading.

7616.10

A change to subheading 7616.10 from any other heading.

7616.99

A change to subheading 7616.99 from any other heading.

78.01

A change to heading 78.01 from any other heading.

7806.00

A change to subheading 7806.00 from any other heading.

79.01-79.02

A change to heading 79.01 through 79.02 from any other heading.

7903.90

A change to subheading 7903.90 from any other heading.

7907.00

A change to subheading 7907.00 from any other heading.

8001.20

A change to subheading 8001.20 from any other heading.

80.03-80.07

A change to heading 80.03 through 80.07 from any other heading.

8101.10-8101.96

A change to subheading 8101.10 through 8101.96 from any other heading.

8101.99-8102.10

A change to subheading 8101.99 through 8102.10 from any other heading.

8102.95-8102.96

A change to subheading 8102.95 through 8102.96 from any other heading.

8102.99

A change to subheading 8102.99 from any other heading.

8106.00-8107.20

A change to subheading 8106.00 through 8107.20 from any other chapter.

8201.50

A change to subheading 8201.50 from any other heading.

8202.10-8202.39

A change to subheading 8202.10 through 8202.39 from any other heading.

8202.99-8205.10

A change to subheading 8202.99 through 8205.10 from any other heading.

8205.40-8205.59

A change to subheading 8205.40 through 8205.59 from any other heading.

8205.70

A change to subheading 8205.70 from any other heading.

8205.90-8208.30

A change to subheading 8205.90 through 8208.30 from any other heading.

8208.90-8210.00

A change to subheading 8208.90 through 8210.00 from any other heading.

8211.92-8211.94

A change to subheading 8211.92 through 8211.94 from any other heading.

8212.20

A change to subheading 8212.20 from any other heading.

8215.91

A change to subheading 8215.91 from any other heading.

8301.20

A change to subheading 8301.20 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

8301.40-8302.20

A change to subheading 8301.40 through 8302.20 from any other heading.

8302.30

A change to subheading 8302.30 from any other heading, provided that there is a qualifying value content of not less than 35 percent.

8302.41-8302.60

A change to subheading 8302.41 through 8302.60 from any other heading.

8305.20

A change to subheading 8305.20 from any other heading.

8306.29

A change to subheading 8306.29 from any other heading.

8307.10-8308.10

A change to subheading 8307.10 through 8308.10 from any other heading.

8308.90

A change to subheading 8308.90 from any other heading.

83.10-83.11

A change to heading 83.10 through 83.11 from any other heading.

8407.31

A change to subheading 8407.31 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8407.32-8407.34

A change to subheading 8407.32 through 8407.34 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8408.20-8408.90

A change to subheading 8408.20 through 8408.90 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8409.99

A change to subheading 8409.99 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8413.30

A change to subheading 8413.30 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8415.10

A change to subheading 8415.10 from any other subheading, provided that there is a qualifying value content of not less than 50 percent.

84.82

A change to heading 84.82 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8483.60

A change to subheading 8483.60 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

84.84

A change to heading 84.84 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8501.10

A change to subheading 8501.10 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8501.31-8501.32

A change to subheading 8501.31 through 8501.32 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8511.90

A change to subheading 8511.90 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8512.30-8512.90

A change to subheading 8512.30 through 8512.90 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8516.50

A change to subheading 8516.50 from any other heading, provided that there is a

qualifying value content of not less than 40 percent.

8518.40

A change to subheading 8518.40 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8521.90

A change to subheading 8521.90 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

85.41

A change to heading 85.41 from any other chapter, provided that components not classified in 8541.10, 8541.21, 8541.29, 8541.30, 8541.40, 8541.50, 8542.31, 8542.32, 8542.33 and 8542.39 are disregarded.

8542.31-8542.39

For Hybrid integrated circuits, a change to subheading 8542.31 through 8542.39 from any other subheading, provided that there is a qualifying value content of not less than 35 percent; or

For Integrated Circuits except Hybrid integrated circuits, a change to subheading 8542.31 through 8542.39 from any other chapter, provided that components not classified in 8541.10, 8541.21, 8541.29, 8541.30, 8541.40, 8541.50, 8542.31, 8542.32, 8542.33 and 8542.39 are disregarded.

8544.30

A change to subheading 8544.30 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8701.20-8701.90

A change to subheading 8701.20 through 8701.90 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8703.10

A change to subheading 8703.10 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8704.10

A change to subheading 8704.10 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8704.32-8707.90

A change to subheading 8704.32 through 8707.90 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8708.10-8708.29

A change to subheading 8708.10 through 8708.29 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8708.40-8708.80

A change to subheading 8708.40 through 8708.80 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8708.92-8708.94

A change to subheading 8708.92 through 8708.94 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8708.99

A change to subheading 8708.99 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

87.09

A change to heading 87.09 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8711.10

A change to subheading 8711.10 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8711.30

A change to subheading 8711.30 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8711.50-8711.90

A change to subheading 8711.50 through 8711.90 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

8714.11-8714.19

A change to subheading 8714.11 through 8714.19 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8714.91-8714.96

A change to subheading 8714.91 through 8714.96 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

8716.90

A change to subheading 8716.90 from any other heading, provided that there is a qualifying value content of not less than 50 percent.

9015.80

A change to subheading 9015.80 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

9029.10-9029.20

A change to subheading 9029.10 through 9029.20 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

9031.90

A change to subheading 9031.90 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

9113.90

A change to subheading 9113.90 from any other chapter.

9401.20

A change to subheading 9401.20 from any other heading, provided that there is a qualifying value content of not less than 40 percent.

9401.90

A change to subheading 9401.90 from any other chapter.

9404.21-9404.29

A change to subheading 9404.21 through 9404.29 from any other chapter.

9404.90

Manufacture from yarns.

SERVICES

3.14 Question: What are the Commitments on Engineering and Integrated Engineering Services by Japan in the IJCEPA?

Answer: The commitments of Japan on engineering and integrated engineering services under IJCEPA is as under:

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services and integrated engineering services (8672) (8673) (Excluding architectural services and civil engineering consulting services.)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	None	(4)	None	

3.15 Question: What are the Commitments on Engineering and Integrated Engineering Services by India in the IJCEPA?

Answer: The commitments of India on engineering and integrated engineering services under IJCEPA is as under:

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services and integrated engineering services (8672) (8673)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as in the horizontal section	(4)	Unbound except as in the horizontal section	

4. INDIA KOREA CEPA (IKCEPA)

4.1 Question: What are some of the engineering products of export interest under the India-Korea CEPA?

Answer: Some of the engineering products which have potential for exports to Korea and the preferential import duty in Korea is zero are:

HS 6 digit	Description
720110	NON-ALLOY PIG IRON CONTNG <=0.5% PHOSPHRS
720241	FERRO-CHROMIUM CARBON CONTNG>4% BY WT
721935	COLD-RLLD PRDCTS OF THCKNS
730459	OTHER TUBS,PIPS HOLO PROFILES OF CIRCULAR CROSS-SECT OF OTHR ALLOY-STEEL,NOT CLD RLD
760110	ALUMINIUM-NOT ALLOYED
760200	ALUMINIUM WASTE AND SCRAP
780110	REFINED LEAD
780191	OTHR UNWROUGHT LEAD CONTNG BY WT ANTIMONY AS THE PRINCIPAL OTHER ELEMENT
811100	MANGANESE AND ARTCLS THEREOF INCL WST AND SCRP
843320	OTHER MOWERS, INCLUDING CUTTER BARS FOR TRACTOR MOUNTING
848240	NEEDLE ROLLER BEARINGS
930190	OTHR MILITARY WEAPONS

4.2 Question: What the major value chains in the engineering sector for exports to Korea?

Answer: The products that form part of the major value chain in the engineering sector and where the duty has been eliminated in the CEPA with Korea are the following:

Engineering Product	Type of Product
Mica, including splittings; mica waste.	Raw material
Articles of stone, plaster, cement, asbestos, mica or similar materials	Finished material
Pig iron and spiegeleisen in pigs, blocks or other primary forms.	Raw material
Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94%, in lumps, pellets or similar forms.	Intermediate material
Ferrous waste and scrap	Finished material
Granules and powders, of pig iron, spiegeleisen, iron or Steel, Iron and non-alloy steel in ingots or other primary forms	Intermediate material
Semi-finished products of iron or non-alloy steel.	Intermediate material
Flat-rolled products of iron or non-alloy steel,	Finished material
Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	Finished material
Angles, shapes and sections of iron or non-alloy steel.	Finished material
Wire of iron or non-alloy steel.	Finished material
Stainless steel in ingots or other primary forms; semi finished products of	Intermediate material

Engineering Product	Type of Product
stainless steel.	
Flat-rolled products of stainless steel,	Finished material
Bars and rods, angles, shapes, Sections, wires of stainless steel.	Finished material
Other alloy steel in ingots or other primary forms; semi finished products of other alloy steel. Flat-rolled products of other alloy steel, Bars and rods, hot-rolled, in irregularly wound coils, wire of other alloy steel.	Intermediate material
Articles of iron or steel	Finished material
Copper-zinc base alloys (brass), (bronze) Copper waste and scrap, alloys of copper, Copper powders and flakes, Copper bars, rods and profiles, Copper wire, Copper plates, sheets and strip, of a thickness exceeding 0.15 mm, Copper foil, Copper tubes and pipes, Copper tube or pipe, Stranded wire, cables, plaited bands and the like, of copper, not electrically insulated.	Finished material
Nails, tacks, drawing pins, staples (other than those of heading 83.05) and similar articles, of copper or of iron or steel with heads of copper; screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers and similar articles, of copper	Finished material
Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper and Other articles of copper.	Finished material
Nickel and articles thereof	Finished material
Aluminium and articles thereof	Finished material
Lead waste and scrap, Lead plates, sheets, strip and foil; lead powders and flakes and Other articles of lead.	Finished material
Zinc waste and scrap, Zinc dust, powders and flakes, Zinc bars, rods, profiles and wire, Zinc plates, sheets, strip and foil & Other articles of zinc. Tin and articles thereof	Finished material
Other base metals; cermets; articles thereof	Finished material
Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal, Miscellaneous articles of base metal	Finished material
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	Finished material
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	Finished material
Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds	Finished material
Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	Finished material
Aircraft, spacecraft, and parts thereof	Finished material
Ships, boats and floating structures	Finished material
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	Finished material
Clocks and watches and parts thereof	Finished material
Musical instruments; parts and accessories of such articles	Finished material

Engineering Product	Type of Product
Arms and ammunition; parts and accessories thereof	Finished material
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings 94.01 Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.	Finished material
Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles.	Finished material
Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered.	Finished material

4.3 Question: What are the main products in India's IKCEPA exclusion list of the engineering sector?

Answer: Some of the products in India's IKCEPA exclusion list in the engineering sector are:

- i. Alloy steel bars and rods, screws, bolts, nuts
- ii. Auto components (springs, locks, curve drive stakes, IC piston engines, fuel injection equipment, petrol engines, filters, air separators, wipers, defrosters, safety seat belts, radiators, silencers)
- iii. Copper cathodes, scrap, cartridges, weld wire, foil
- iv. Aluminium billets, bars, rods, electrolytic plates,
- v. Pumps (slurry, dredger, boiler feed, centrifugal), compressors (reciprocating, centrifugal),
- vi. air conditioning machines, furnaces, refrigerators,
- vii. sewing machines
- viii. transmission shafts and bearing housings
- ix. Motors (micro, stepper, wiper, DC, FHP, induction), DC generators, conventional type transformers, static converters, electric accumulators
- x. Electrical ignition or starting equipment, portable electrical lamps, electrical appliances (including TVs and parts), fuses, motor starters, junction boxes, insulated wires,
- xi. Automobiles (four and two wheels)
- xii. Instruments (hydrographic, meteorological, geophysical), tachometers, speedometers, stroboscopes

4.4 Question: How is the FTA utilisation rate defined and what is it under the IKCEPA?

Answer: The FTA utilisation rate for India's trading partner is defined as the ratio of India's imports that are granted tariff preferences under the FTA from the trading partner to India's total imports from the same trading partner. In the case of IKCEPA, the FTA utilisation rate for Korea on specific sub sectors of the engineering sector for the period 2014-15 is as under:

Sector	Iron & steel	Mechanical machinery	Electrical machinery	Automotives
Utilisation rate	78.1%	25.3%	4.4%	8.8%

4.5 Question: How have exports to Korea performed in the engineering sector ?

Answer:. India's exports to Korea in the engineering sector during 2014-15 is to the tune of \$ 1.4 billion which is 31.3% of India's total exports to Korea. Base metals (including iron and steel) is the leading contributor to engineering exports. The segment accounted for 75.8% of the total engineering exports during financial year 2014-2015. Out of this 25.9% if from the iron and steel sector alone. Machinery and instruments is the other major contributor with a share of 21.2% of the total engineering exports. Transport equipment contributes only 2.6% to the total exports from the engineering sector.

4.6 Question: What are some iron and steel products of export interest for India in the Korean market?

Answer:. Based on Korea' schedule of concessions, some of the possible iron and steel products of export interest for India are:

- Hollow profiles of cast iron
- Circular cross section of malleable iron
- Flanges/ butt welding fittings
- Towers and lattice masts
- Iron and steel reservoir and tanks
- Containers for compressed or liquefied gas
- Coach screws, wood screws
- Washers, rivets, cotter pins
- Leaf springs, helical springs
- Sinks and wash basins of stainless steel
- Grinding balls for mills

4.7 Question: What are some other base metal and its products of export interest for India in the Korean market?

Answer:. Based on Korea' schedule of concessions, some of the possible other base metal and their products of export interest for India are:

- Copper wire bars, billets, ingots
- Copper alloys like brass, bronze, cupro nickel and nickel silver
- Copper powder, flakes
- Copper coils for manufacturing semi-conductor
- Copper for printed circuit boards
- Copper nails, washers, screws, bolt and nuts
- Copper sanitary ware, solar collectors, pots
- Nickel powder, flakes, tube fittings, cloth grill and wire mesh
- Aluminium hollow profiles, wires, doors, windows, reservoirs, tanks
- Aluminium sanitary ware, solar collectors, pots, bobbins
- Lead bars, rods, profiles,

- Lead sheets, strips, powder and flakes
- Lead tubes, pipes, containers and electro plating anodes
- Zinc powders, flakes, bars and rods
- Zinc plates, sheets, strips, roof cappings, skylight frames and electroplating anodes
- Tin bars, rods, profiles, wire plates, sheets and strips
- Tin foils, powders, flakes and electro plating anodes
- Tungsten bars, rods, profiles, plates, sheets, strips, wires and foil
- Molybdenum bars, rods, profiles, plates, sheets, strips, wires and foil
- Magnesium raspings, turnings, powders and granules
- Titanium plates, strips, tubes and pipes
- Spades, shovels, forks, axes, secateurs, mattocks, picks, hoes and rakes
- Scythes, sickles, hand saws, hay knives, timber wedges
- Drilling, threading or tapping tools
- Screwdrivers, anvils, portable forges; hand or pedal-operated grinding wheels
- Tools for metal and wood working
- Hand-operated mechanical appliances,
- Cutlery plated with precious metal
- Locks, clasps, frames, keys, hinges, castors
- Filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment
- Coated electrodes and rods, cored wire

4.8 Question: What are the machinery of export interest for India in the Korean market?

Answer:. Based on Korea' schedule of concessions, some of the possible machinery of export interest for India are:

- Boilers (watertube, super-heated water, central heaters and parts thereof)
- Generators(producer gas, acetylene gas, water gas, oxygen and parts thereof)
- Outboard motors, aircraft engines
- Pumps (fuel, lubricating, other centrifugal and vacuum)
- Compressors
- Furnishes and ovens
- Refrigerators, freezers
- Calendering or other rolling machines
- Self-propelled trucks
- Machinery for preparation/extraction of fruit juices; cleaning and sorting of vegetables
- Pulp and paper making machinery
- Printing and textile machinery
- Motors and generators (both AC and DC)
- Batteries (manganese and alkali manganese)
- storage water heaters and immersion heaters
- Radio navigational aid apparatus
- Fuses, lightning arrestors and isolating switches

4.9 Question: What are the transport equipment of export interest for India in the Korean market?

Answer: Based on Korea' schedule of concessions, some of the possible transport equipment of export interest for India are:

- Railway maintenance or service vehicles
- Railway track fixtures and fittings
- Jeeps, carryall trucks, home cars and ambulances
- Crane lorries, mobile drilling derricks, fire fighting vehicles and concrete mixer lorries
- Large two wheelers (>800cc)
- Auto-components (filters, chassis,
- Trailers and semi-trailers
- Inflatable rafts, sailboats, motorboats,

4.10 Question: What are the rules of origin in the IKCEPA ?

Answer: The IKCEPA has a general rules of origin for non originating materials i.e. CTSH +35%.

This would mean that for any engineering product that falls under the general rules of origin criteria, which and has non originating inputs for processing, the criteria would require atleast a HS 6 digit change in nomenclature along with atleast a value addition of 35% during the processing.

4.11 Question: What is the criteria for wholly originating products under IKCEPA ?

Answer: The criteria for wholly originating products is given in Article 3.3 of the Agreement and is as under:

- a. raw or mineral goods extracted from its territory;
- b. plants and plant products harvested, picked or gathered after being grown there;
- c. live animals born and raised there;
- d. goods obtained from animals referred to in subparagraph (c);
- e. goods obtained by hunting or trapping within the land territory, or fishing or aquaculture conducted within the internal waters or within the territorial sea of the Party;
- f. goods of sea-fishing and other goods taken from the sea outside the territorial sea of a Party by vessels registered or recorded with a Party and flying its flag;
- g. goods produced on board factory ships from the goods referred to in subparagraph provided that such factory ships are registered or recorded with a Party and fly its flag;
- h. goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial sea of a Party, provided that the Party has rights to exploit such seabed or beneath the seabed in accordance with the *1982 United Nations Convention on the Law of the Sea*;
- i. articles collected there, including waste and scrap derived from production there which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts or raw materials, or for recycling purposes; and
- j. goods produced there exclusively from goods referred to in subparagraphs (a) through (i) or from their derivatives, at any stage of production..

4.12 Question: What are the minimal or non qualifying operations which by itself would not confer preferences under IKCEPA?

Answer: The minimal or non qualifying operations that would by itself not confer originating status under the IKCEPA are given in Article 3.6 of the Agreement and are:

- a. preserving operations to ensure that the products remain in good condition during transport;

- b. changes of packaging or packing, and breaking-up and assembly of packages; (Preserving operations include drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt or sulfur dioxide, removal of damaged parts, and like operations)
- c. washing, cleaning or removal of dust, oxide, oil, paint or other coverings;
- d. simple painting and polishing operations; (simple” generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity)
- e. sifting, screening, sorting, classifying, grading or matching, including the makingup of sets of articles;
- f. simple combining operations, labeling, pressing, cleaning or dry cleaning, packaging operations, or any combination thereof;
- g. cutting to length or width and hemming, or stitching or over locking of fabric which are readily identifiable as being intended for a particular commercial use;
- h. trimming and/or joining together by sewing, looping, linking or attaching accessory articles such as straps, bands, beads, cords, rings and eyelets;
- i. one or more finishing operations on yarns, fabrics or other textile articles, such as bleaching, waterproofing, decanting, shrinking, mercerizing, or similar operations;
- j. husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- k. operations to colour sugar or form sugar lumps;
- l. peeling, stoning and unshelling;
- m. unflaking, crushing, squeezing, slicing, macerating and removal of bones;
- n. sharpening, simple grinding or simple cutting and repackaging;
- o. simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- p. affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- q. simple mixing⁴ of products, whether or not of different kinds;
- r. simple⁵ assembly of parts of articles to constitute a complete article of disassembly of products into parts;
- s. simple⁶ testing or calibrations;
- t. mere dilution with water or another substance that does not materially alter the characteristics of the goods;
- u. slaughtering of animals; or
- v. a combination of two or more operations referred to in subparagraphs (a) through (u).

4.13 Question: What are product specific rules (PSRs) for the engineering sector under the IKCEPA?

Answer: The product specific rules of origin for the engineering sector as per the relevant HS Codes are given in Annex 3A of the Agreement and is as under:

72.01-72.07

A change to heading 72.01 through 72.07 from any other heading.

7208.25-7208.39

A change to subheading 7208.25 through 7208.39 from any other heading.

7208.51-7208.90

A change to subheading 7208.51 through 7208.90 from any other heading.

7209.16-7209.18

A change to subheading 7209.16 through 7209.18 from any other heading.

7209.26-7210.30

A change to subheading 7209.26 through 7210.30 from any other heading.

72010.49-7211.13

A change to subheading 7210.49 through 7211.13 from any other heading.

7211.19-7229.90

A change to subheading 7211.19 through 7229.90 from any other heading.

7304.39-7304.49

A change to subheading 7304.39 through 7304.49 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7305.11-7305.12

A change to subheading 7305.11 through 7305.12 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7305.31

A change to subheading 7305.31 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7306.40-7306.50

A change to subheading 7306.40 through 7306.50 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7306.90

A change to subheading 7306.90 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7307.21-7307.22

A change to subheading 7307.21 through 7307.22 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7307.91-7307.99

A change to subheading 7307.91 through 7307.99 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7308.30

A change to subheading 7308.30 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7308.90-7309.00

A change to subheading 7308.90 through 7309.00 from any other chapter, provided that there is a regional value content of not less than 25 percent.

73.11

A change to heading 73.11 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7318.15

A change to subheading 7318.15 from any other heading, provided that there is a regional value content of not less than 40 percent.

7318.23-7318.24

A change to subheading 7318.23 through 7318.24 from any other heading, provided that there is a regional value content of not less than 40 percent.

73.20

A change to heading 73.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

7322.11

A change to subheading 7322.11 from any other heading, provided that there is a regional value content of not less than 40 percent.

7325.99

A change to subheading 7325.99 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7326.19

A change to subheading 7326.19 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7326.90

A change to subheading 7326.90 from any other chapter, provided that there is a regional value content of not less than 25 percent

7403.11

A change to subheading 7403.11 from any other heading.

74.04

A change to heading 74.04 from any other heading.

7407.21

A change to subheading 7407.21 from any other heading, provided that there is a regional value content of not less than 25 percent.

7407.29

A change to subheading 7407.29 from any other heading, provided that there is a regional value content of not less than 25 percent.

7408.11-7408.19

A change to subheading 7408.11 through 7408.19 from any other heading, except from heading 74.07.

7408.21

A change to subheading 7408.21 from any other heading, provided that there is a regional value content of not less than 25 percent.

7408.22-7408.29

A change to subheading 7408.22 through 7408.29 from any other heading, provided that there is a regional value content of not less than 25 percent.

7409.11

A change to subheading 7409.11 from any other heading.

7410.11-7410.12

A change to subheading 7410.11 through 7410.12 from any other heading, except from heading 74.09.

7410.21

A change to subheading 7410.21 from any other heading, provided that there is a regional value content of not less than 25 percent

7410.22

A change to subheading 7410.22 from any other heading, except from heading 74.09.

7411.10

A change to subheading 7411.10 from any other heading, provided that there is a regional value content of not less than 25 percent

7411.21-7411.22

A change to subheading 7411.21 through 7411.22 from any other heading, provided that there is a regional value content of not less than 25 percent.

7412.20

A change to subheading 7412.20 from any other heading, provided that there is a regional value content of not less than 25 percent.

7419.99

A change to subheading 7419.99 from any other heading, provided that there is a regional value content of not less than 25 percent.

75.01-75.08

A change to heading 75.01 through 75.08 from any other heading.

76.01-76.09

A change to heading 76.01 through 76.09 from any other heading.

7610.10

A change to subheading 7610.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

7612.90

A change to subheading 7612.90 from any other heading, provided that there is a regional value content of not less than 25 percent.

7614.10

A change to subheading 7614.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

7616.99

A change to subheading 7616.99 from any other heading, provided that there is a regional value content of not less than 25 percent.

78.01-78.06

A change to heading 78.01 through 78.06 from any other heading.

79.01-79.05

A change to heading 79.01 through 79.05 from any other heading.

80.01

A change to heading 80.01 from any other heading.

80.03

A change to heading 80.03 from any other heading.

8101.10

A change to subheading 8101.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

8101.96

A change to subheading 8101.96 from any other subheading, provided that there is a regional value content of not less than 25 percent.

8104.11

A change to subheading 8104.11 from any other subheading, provided that there is a regional value content of not less than 25 percent.

81.06

A change to heading 81.06 from any other heading, provided that there is a regional value content of not less than 25 percent.

8107.20

A change to subheading 8107.20 from any other subheading, provided that there is a regional value content of not less than 25 percent.

8108.90

A change to subheading 8108.90 from any other heading, provided that there is a regional value content of not less than 25 percent

8110.10

A change to subheading 8110.10 from any other subheading, provided that there is a regional value content of not less than 25 percent.

81.11

A change to heading 81.11 from any other subheading, provided that there is a regional value content of not less than 25 percent.

8301.20

A change to subheading 8301.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

8302.30

A change to subheading 8302.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

8407.31

A change to subheading 8407.31 from any other heading, provided that there is a regional value content of not less than 50 percent.

8407.32-8407.34

A change to subheading 8407.32 through 8407.34 from any other heading, provided that there is a regional value content of not less than 40 percent.

8408.20-8408.90

A change to subheading 8408.20 through 8408.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8409.99

A change to subheading 8409.99 from any other heading, provided that there is a regional value content of not less than 40 percent.

8413.30

A change to subheading 8413.30 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8414.80

A change to subheading 8414.80 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8415.10

A change to subheading 8415.10 from any other subheading, provided that there is a regional value content of not less than 50 percent.

8415.20

A change to subheading 8415.20 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8421.23

A change to subheading 8421.23 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8421.31-8421.39

A change to subheading 8421.31 through 8421.39 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8482.10

A change to subheading 8482.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8482.20-8482.80

A change to subheading 8482.20 through 8482.80 from any other heading, provided that there is a regional value content of not less than 40 percent and the bearing races(rings) used are wholly obtained or produced.

8482.91

A change to subheading 8482.91 from any other heading, provided that there is a regional value content of not less than 40 percent.

8482.99

A change to subheading 8482.99 from any other heading, provided that there is a regional value content of not less than 40 percent and the bearing races(rings) used are wholly obtained or produced.

8483.10-8483.40

A change to subheading 8483.10 through 8483.40 from any other subheading, provided that there is a regional value content of not less than 40 percent.

84.84

A change to heading 84.84 from any other heading, provided that there is a regional value content of not less than 40 percent.

8501.10

A change to subheading 8501.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8501.31-8501.32

A change to subheading 8501.31 through 8501.32 from any other heading, provided that there is a regional value content of not less than 40 percent.

8507.10-8507.20

A change to subheading 8507.10 through 8507.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

8511.10-8511.50

A change to subheading 8511.10 through 8511.50 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8511.90

A change to subheading 8511.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8512.20

A change to subheading 8512.20 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8512.40-8512.90

A change to subheading 8512.40 through 8512.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8516.50

A change to subheading 8516.50 from any other heading, provided that there is a regional value content of not less than 40 percent.

8518.40

A change to subheading 8518.40 from any other heading, provided that there is a regional value content of not less than 40 percent.

8521.90

A change to subheading 8521.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8528.12

A change to subheading 8528.12 from any other heading, provided that there is a regional value content of not less than 40 percent.

8544.30

A change to subheading 8544.30 from any other heading, provided that there is a regional value

content of not less than 40 percent.

8701.20-8701.90

A change to subheading 8701.20 through 8701.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8703.10

A change to subheading 8703.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8705.10-8708.80

A change to subheading 8705.10 through 8708.80 from any other heading, provided that there is a regional value content of not less than 40 percent.

8708.92-8709.90

A change to subheading 8708.92 through 8709.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.10

A change to subheading 8711.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.30

A change to subheading 8711.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.50-8711.90

A change to subheading 8711.50 through 8711.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8714.19

A change to subheading 8714.19 from any other heading, provided that there is a regional value content of not less than 40 percent.

8714.91-8714.96

A change to subheading 8714.91 through 8714.96 from any other heading, provided that there is a regional value content of not less than 40 percent.

8716.90

A change to subheading 8716.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

9015.80

A change to subheading 9015.80 from any other heading, provided that there is a regional value content of not less than 40 percent.

9029.10-9029.20

A change to subheading 9029.10 through 9029.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

9401.20

A change to subheading 9401.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

9402.10

A change to subheading 9402.10 from any other heading.

94.04

A change to heading 94.04 from any other heading.

9405.91-9406.00

A change to subheading 9405.91 through 9406.00 from any other heading.

SERVICES

4.14 Question: What are the Commitments on Engineering and Integrated Engineering Services by Korea in the IKCEPA?

Answer: The commitments of Korea on engineering and integrated engineering services under the IKCEPA is as under:

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services (CPC 8672)	(1)	None (Local presence is required).	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as indicated in the Horizontal Commitments section.	(4)	Unbound except as indicated in the Horizontal Commitments section.	
Integrated engineering services (CPC 8673)	(1)	None (Local presence is required).	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as indicated in the Horizontal Commitments section.	(4)	Unbound except as indicated in the Horizontal Commitments section.	

4.15 Question: What are the Commitments on Engineering and Integrated Engineering Services by India in the IKCEPA?

Answer: The commitments of India on engineering and integrated engineering services under IKCEPA is as under:

Subsector	Mode	Limitation on Market Access	Mode	Limitation on National Treatment	Additional Commitments
Engineering services and integrated engineering services (8672) (8673)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as indicated in the horizontal section	(4)	Unbound except as indicated in the horizontal section	