

# India for review of Customs duty pause on digital goods

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India on Thursday called for a re-examination of the implications of the Customs duties moratorium on electronic transmissions, particularly for developing countries and poor nations.

The issue came up for discussion at a session on e-commerce on the final day of the World Trade Organisation's (WTO) 13th Ministerial Conference (MC13).

The four-day meet in Abu Dhabi was supposed to conclude with a ministerial declaration on Thursday, however, with a slight delay in building consensus, the declaration is expected on Friday. India stressed that all policy options, including the imposition of Customs duties on e-commerce trade, should be available for the WTO members, to promote digital industrialisation.

Currently, a few firms in developed countries dominate the global landscape of e-commerce and there is a huge digital chasm between the developed and the developing countries which makes it challenging to increase the participation of developing countries

in global e-commerce, said an official statement.

"Developing countries need to focus on improving their domestic physical and digital infrastructure, creating supportive policy and regulatory frameworks, and developing digital capabilities. India's own digital transformation is powered by its unshakeable belief in innovation and its commitment to speedy implementation," it said.

Countries do not impose Customs duties on cross-border e-commerce transactions. Since 1998, WTO member nations have periodically agreed to extend the moratorium. The last extension was agreed upon during the previous MC in June 2022.

Developing countries, including India, have been battling for policy space to impose customs duties on electronic transmissions, holding that the moratorium has adversely impacted their revenue collections. On the other hand, developed countries do not want the imposition of Customs duties on electronic transmissions until the next MC. They believe the exemption of customs duties has supported a "stable and predictable environment" for digital trade to thrive.



Minister of Commerce & Industry Piyush Goyal (left) with World Trade Organization (WTO) Director-General Ngozi Okonjo-Iweala in Abu Dhabi on Thursday

PHOTO: PTI

## Sad about nations obstructing outcomes at WTO, says Goyal

Minister of Commerce and Industry Piyush Goyal on Thursday said he was "sad" some countries were still obstructing significant outcomes at the World Trade Organization (WTO) and gave little sign of dropping New Delhi's opposition to extending a waiver on digital tariffs. "Of course we feel sad that some countries are still obstructing significant outcomes that could have helped less developed countries and developing countries gain confidence in the working of WTO," Piyush Goyal told reporters on the final day of the talks. He also said India neither raised any contentious issues nor has it stalled any process as it is "conscious of all its international obligations." "I am not blocking anything at the WTO, I have an open mind and am willing to engage with everybody on every issue," Goyal said.

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