

# India Weighs Options Against EU Law on Retaliatory Tariffs

Officials say EU law violates trade norms, can be a dispute at WTO

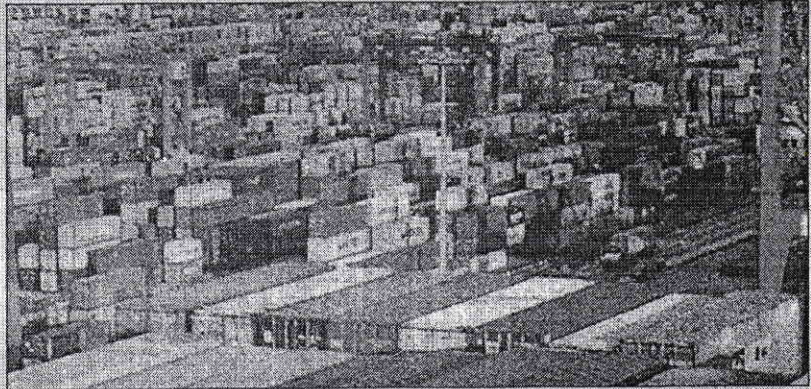
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**New Delhi:** India is exploring ways to counter the EU's domestic law that allows it to impose retaliatory tariffs in response to an appeal into the non-functioning dispute settlement mechanism of the World Trade Organization (WTO).

Officials said the EU law violates global trade norms and can become another dispute at the organisation. While the EU has not invoked the law as yet, New Delhi is also examining if it can retaliate by imposing higher duties on products coming from the EU against the quota restrictions put in place by the bloc on steel imports from India in 2020.

A WTO panel last month ruled in favour of the EU, Japan and Taiwan on India's import duty on mobile phones and base stations, among others.

The EU has in place Enforcement Regulation that allows it to enforce its rights by imposing customs duties or other restrictions in response to an appeal into the void (the non-function-



ing WTO Appellate Body).

"Retaliation is against the WTO rules and the appeal. If that happens, we can also explore that option. We are ready and examining every aspect," said an official, adding that India is engaging with the EU.

In 2020, the EU implemented tariff rate quotas (TRQ) on steel imports, following the US decision to impose additional import duties on steel from several countries including Russia, India and Turkey. It fixed specific quotas for steel imports for exporting countries beyond which the items attracted additional import duties of 25%.

"We can also retaliate through TRQs on steel where EU

had introduced 25% additional duty but we have not exercised that retaliation," the official said.

"They have never invoked it... It remains to be seen if they exercise that," the official said, adding that it will be detrimental to both sides if India also does the same.

India had proposed to impose an additional 292 million worth of import duties on products coming from the EU.

"Their domestic law is not in congruence with WTO and any country can take that law to dispute because WTO members can't pass any law which is in contravention to the international law," the official added.