

India, EU seek to resolve dispute at WTO bilaterally

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INDIA AND THE European Union (EU) have jointly approached the dispute settlement body of the World Trade Organisation (WTO), seeking deferment of the adoption of its ruling on tariffs imposed by India on some information technology products till September 19, as they try to reach an understanding on the issue through negotiations.

The Dispute Settlement Body (DSB) has called a special meeting on June 15 to decide on the joint request. If this is agreed to by DSB, it would facilitate the resolution of the dispute, the joint communication by India and EU to the body has said.

India and EU are already negotiating a Free Trade Agreement and the decision to sort out a WTO dispute bilaterally seems significant. Already four rounds of talks on the FTA have happened and the next round is expected in the second half of June.

On April 17, the DSB had ruled against India on tariffs imposed on information and technology products on a complaint by Japan, Taiwan and the European Union. It had said that India's tariffs are against the WTO's Information Technology Agreement (ITA) that seeks to remove all duties on IT products.

After the adverse order, there was a 60-day window available for appeal. As per WTO dispute settlement rules if no appeal is filed then the DSB adopts the order and the country against whom the ruling has been passed has to implement it.

During that 60-day time-window, the parties in dispute can also agree to settle among themselves.

The EU had challenged the Indian import duties on informa-



TALKING TARIFFS

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tion technology products like mobile phones and components, base stations, integrated circuits and optical instruments in April 2019. The EU had claimed that the measures appear to be inconsistent with certain provisions of ITA of the WTO. Later, Taiwan and Japan joined the dispute.

India has already challenged the ruling in the case of Japan.

As per the WTO process, bilateral consultation is the first step to resolve a dispute when a complaint is filed. If both sides are not able to resolve the matter through consultation, either of them can seek establishment of a dispute settlement panel.

The panel's ruling or report can be challenged at WTO's appellate body. The body is presently non-functional because of differences among member countries to appoint its members.