

India may maintain conditional support for e-comm duty moratorium at WTO

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India is likely to continue its stance of conditional support to the proposed extension of e-commerce duty moratorium as the WTO General Council takes up the unfinished agenda in its two-day meeting in Geneva beginning Wednesday, sources said.

"While agreeable to a longer extension, New Delhi is unlikely to join the US-led small group of countries in their effort to push an agreement on the e-commerce moratorium among themselves in case an agreement with Brazil and Turkey on the term of extension remains elusive," a person tracking the matter told *businessline*.

MORATORIUM ISSUE

WTO members had failed to agree on the moratorium extension at the 14th Ministerial Conference in Yaounde, Cameroon, in March, as Brazil and Turkey crossed swords with the US over the time period of extension.

The US, which had initially demanded a perman-

ent extension to the moratorium as opposed to the historical practice of two-year piece-meal extension, looked ready to settle for a four-and-a-half year extension, but Brazil and Turkey disagreed. The moratorium, a long-standing agreement among members not to impose customs duties on electronic transmissions, lapsed on March-end this year.

"All eyes are at the WTO's General Council meeting to see what happens on the matter. It is not clear what the US would do if Brazil and Turkey refuse to go for a longer waiver and insist on a two-year term," the source said.

Initially, New Delhi, too, was re-thinking the moratorium extension as it is concerned about the revenue loss and the absence of a proper definition indicating what all would fall under the purview of e-transmissions. Some estimates put the com-

bined revenue loss of developing countries at an estimated \$10 billion per year.

On the other hand, it is mostly the richer countries, including the US and the EU, that benefit as they account for bulk of such exports.

INDIA'S DEMAND

To give more "policy certainty" to companies, India did agree to a longer waiver this time at the MC14. But India would continue to insist that the e-commerce moratorium be co-terminus and must align with the TRIPS moratorium on non-violations complaint (NVC), the source added.

The TRIPS NVC moratorium disallows members from launching WTO disputes over policies that do not violate specific TRIPS rules but may be "nullifying or impairing" the benefits another country expected from the agreement.

If the US wants to go ahead with its small-group agreement on e-commerce moratorium, New Delhi is "highly unlikely" to join, as its stated position has been that it would avoid all plurilaterals till proper "guard-rails" are in place, the source added.