

Rodtep not against WTO norms, India to tell US

SHREYA NANDI

New Delhi, 17 December

India will look to convince the United States (US) that the reimbursements claimed under the Remission of Duties and Taxes on Exported Products (Rodtep) do not violate the World Trade Organisation (WTO) principles, a senior government official said.

The move comes days after Washington imposed a countervailing or anti-subsidy duty on a few Indian products in retaliation against the Rodtep scheme introduced for outbound shipments in January 2021.

Countervailing duties are imposed on imported goods to offset the embedded subsidies that exporters of a particular country avail.



The move comes days after Washington imposed anti-subsidy duty on a few Indian products

“Concerning the US...since we have a regional cooperation agreement with them, we have different forums, in which we discuss these issues. We amicably settled the outstanding WTO issues with them and that was also settled on the principle of reciprocity and cooperation. So we will discuss

it again with the US authorities. I think we should be able to convince them that Rodtep is nothing which violates any WTO principle,” a senior government official said.

The Rodtep scheme came into effect three years ago to refund the embedded non-creditable central, state, and local levies paid on inputs to exporters. It was introduced by the Commerce and Industry Ministry replacing the controversial Merchandise Exports from India Scheme (MEIS) after a WTO ruling said the scheme violated the provisions of the global trade body by giving export subsidies for a range of goods.

Commerce Department officials said the Rodtep scheme is not a case of subsidy that is given to exporters, but remission of taxes and duties or levies, which are not being reimbursed by any other alternative.

“The (government’s) broad policy direction is that we are moving away from incentives and towards remissions because the concept in exports is that you do not export your taxes,” the official said.