

China drags India to WTO over EV, auto PLIs

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China has alleged that certain conditions in India's production-linked incentive (PLI) schemes for advanced chemistry cell battery, automobiles, and the policy to promote the manufacturing of electric vehicles (EVs) violate global trade rules, and has filed a complaint against these measures at the World Trade Organization (WTO).

In its complaint, China has mentioned three programmes — PLI, National Programme on Advanced Chemistry Cell (ACC) Battery Stor-

age; PLI scheme for Automobile and Auto Component Industry; and Scheme to Promote Manufacturing of Electric Passenger Cars in India.

Beijing has stated that measures adopted by India are contingent upon the use of domestic over imported goods and discriminate against goods of Chinese origin. These measures appear to be inconsistent with India's obligations under the SCM (Subsidies and Countervailing Measures) Agreement, the GATT (General Agreement on Tariffs and Trade) 1994 and the TRIMs (Trade-Related Investment Measures) Agreement.



“...as a consequence of the foregoing, the measures at issue appear to nullify or impair benefits accruing to China, directly or indirectly, under the cited agreements,” WTO’s communication dated October 20 said.

China looks forward to receiving India’s reply and to agreeing on a mutually convenient date for the consultations, it added.

This request concerns certain measures maintained by India that affect trade in the automotive and renewable energy technology sectors. Specifically, it relates to certain requirements that condition eligibility for, and the disbursement of, incentives under these programmes, it said.