

# EU disagrees with India's allegations of errors of law in WTO panel judgment on ICT import levy

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The European Union has submitted to the WTO Dispute Settlement Body that it disagrees with India's allegations of errors of laws and legal interpretation in the dispute panel's ruling against the country's import duties on certain ICT products, including mobile phones. The bloc will file a written submission at the WTO Appellate Body on India's appeal when the body resumes its function, it said in its submission.

Meanwhile, India and the EU are likely to continue to explore if the bloc's concerns can be addressed in the bilateral Free Trade Agreement (FTA) being negotiated, sources told *businessline*.

"As the WTO's Appellate Body is right now non-functional, it will take a while before India's appeal against the



**SEEKING SOLUTION.** India and the EU are expected to continue trying to find a solution to the concern in the ongoing bilateral FTA negotiations REUTERS

dispute panel's decision on ICT import duties can move forward at the WTO. India and the EU are expected to continue trying to find a solution to the concern in the ongoing bilateral FTA negotiations," a source said.

In April 2019, the EU complained at the WTO that import duties imposed by India on certain ICT products, including mobile phones and

components, base stations, integrated circuits and optical instruments, since 2014, were flouting India's WTO commitments and requested consultations with the country.

**COMMITMENT BREACH**  
As India had committed to zero duties on many ICT products under WTO's IT Agreement (ITA-I), the EU

said that the duties, ranging up to 20 per cent, led to a breach of commitment.

Per calculations made by the EU, the duties hurt exports worth Euro 600 million from the bloc annually. New Delhi argued that the items identified by the EU were outside the purview of ITA-I.

In April 2023, the WTO's dispute settlement panel passed its ruling against India's tariffs on ICT products. After the two sides failed to reach a mutually agreeable solution, India appealed against the ruling at the WTO Appellate Body earlier this month.

Given the Appellate Body remains non-operational, the EU considers that all subsequent procedural deadlines set out in the Appellate Body's Working Procedures are properly to be considered as suspended, the EU submission noted.

"When the Appellate Body resumes its functions, it

should set the schedule for this appeal. The EU intends to file a written submission in this appeal within the deadline to be determined by the Appellate Body once it resumes its functions. The EU also intends to participate and make oral statements at the hearing to be convened by the Appellate Body," it added.

## **FTA NEGOTIATION**

The EU wishes to note that it disagrees with all of India's allegations of errors of law and legal interpretation in the panel's report as set out in its Notice of Appeal and Appellant Submission, it further stated.

India and the EU are working on a bilateral FTA under which the two sides are negotiating duty cuts on goods. "One option to settle the matter amicably is to allow the EU tax concessions on the affected ICT items under the FTA but it could take time," the source said.