

India to 'vigorously defend' production incentives at WTO

FE BUREAU
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INDIA'S INCENTIVE PROGRAMME for local manufacturing in renewable and automotive technology sectors is fully consistent with its obligations under the World Trade Organisation (WTO) agreements and will be defended vigorously before the dispute settlement panel of the global trade watchdog, an official said on Wednesday.

On China's request, the Dispute Settlement Body (DSB) of the WTO on Tuesday agreed to establish a panel to adjudicate a complaint against the Production Linked Incentive (PLI) scheme for Advanced Chemistry Cell (ACC) battery storage, PLI for automobile and auto component industry and the scheme to promote manufacturing of electric passenger cars in India (EV Passenger Cars Scheme).

China first brought the dispute to the WTO in October last year, saying that these schemes are contingent upon the use of domestic over imported goods or otherwise and discriminate against goods of Chinese origin.

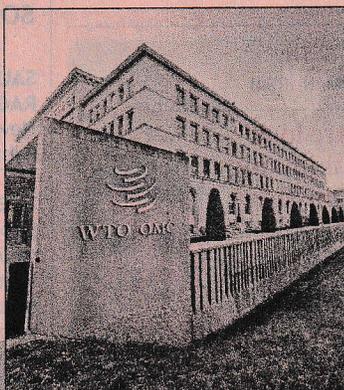
As per the first step in the WTO's dispute settlement mechanism, China requested consultations on the issue. Despite extensive engage-

DISPUTE RESOLUTION

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■ It said that these schemes discriminate against goods of Chinese origin

■ On China's request, the disputes body established a panel to adjudicate the complaint



■ India is confident the panel will find the measures consistent with WTO rules, official said

ment in good-faith consultations, during which India provided detailed explanations and clarifications, China proceeded with the request to establish the panel, the official said. India blocked the first attempt to set up a dispute settlement panel on January 27. In the second attempt, the DSB conceded to China's request.

"India is of the view that China's request for panel establishment reflects an incorrect understanding of both the design and operation of the measures at issue," he said, adding that India will participate constructively in the panel proceedings and will vigorously

defend its measures.

"India remains confident that the panel will find the measures consistent with WTO rules."

At Tuesday's meeting, India gained the backing of the US, which said the dispute raised by China was an attempt to distract from its own non-market policies and excess capacity that harm global supply chains and undermine industrial development in developing countries.

At the DSB meeting, countries like Canada, the European Union, Japan, Korea, the UK, the US, Russia, and Singapore reserved their third-party rights to participate in the proceedings.