

China seeks to join WTO talks over ICT products tariff in India

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China has sought to participate in the dispute consultations requested by Japan with India on import duties imposed on certain IT and telecom products, including mobile phones, on the ground that the duties have hit Beijing's exports worth \$2.5 billion annually.

Six other members, including the EU, the US, Canada, Singapore, Chinese Taipei and Thailand, have already given requests to the Dispute Settlement Body seeking permission to take part in the India-Japan talks.

"China has a substantial trade interest in the consultations as it is one of India's major sources of import of mechanical and electrical products. The EU, too, has requested a separate consultation with India on the issue of import duties on IT and telecom products.

Both Japan and the EU have pointed out that the duties, ranging from 10 per cent to 25 per cent, imposed by India on mobile phones, base stations and routers, as well as the circuit boards and other components that go into these devices, were against the commitment of zero per cent duties undertaken by India when it signed the IT Agreement (ITA) of the WTO in 1996.

While New Delhi has been arguing that the identified IT and telecom products on which import duties have been imposed did not exist in the present form when the ITA was signed, it is not being accepted by the opposing countries.

If the consultations fail to result in a breakthrough, the complainants may ask the WTO set up a dispute settlement panel to rule on the matter.

Source: Business Line