

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 3943
TO BE ANSWERED ON 18th MARCH, 2020

WTO RULING AGAINST INDIA

3943. SHRI SYED IMTIAZ JALEEL:
SHRI ASADUDDIN OWAISI:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether on an appeal by the United States of America (USA) the World Trade Organization (WTO) panel has ruled against India's Export Promotion Schemes;
- (b) if so, whether the WTO has given any time frame to withdraw the concessions under the Merchandise Export India Scheme (MEIS), Special Economic Zone (SEZ), etc.;
- (c) if so, whether as per the US Convention, India gives nearly \$ 7 billion subsidies to Indian exporters; and
- (d) if so, the details of India's stand on the WTO ruling and the steps taken by the Government to save the exporters who are already reeling under recession?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

- (a) & (b): A Dispute Settlement Panel of WTO in its report issued to members on 31 October 2019 has ruled India's export promotion schemes (e.g. Merchandise Exports from India Scheme, Export Oriented Units Scheme, Special Economic Zone Scheme, Export Promotion Capital Goods Scheme and Duty Free Imports for Exporters Scheme etc) to be export contingent and in the nature of prohibited subsidies under the Agreement on Subsidies and Countervailing Measures and thus inconsistent with WTO norms. The Panel has given time-frame of 90-180 days for withdrawal of these schemes. However, India has appealed the Panel Report on 19 November, 2019 and due to non-functioning of Appellate Body, the appeal has been kept in suspension. Till the appeal is disposed off, India is under no obligation to implement the recommendations of Panel.

(c)& (d): Though US has claimed that India is providing subsidies on above mentioned schemes, India has taken the stand in dispute that the subsidies are not export contingent and thus consistent with WTO norms. India has filed appeal against the Panel ruling.
