

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3969**  
**TO BE ANSWERED ON 18<sup>th</sup> MARCH, 2020**

**EXPORT INCENTIVE CASE AT WTO**

3969. SHRI SUSHIL KUMAR SINGH:

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

- (a) whether India has recently lost a case filed by the United States of America (USA) at the World Trade Organisation (WTO) against domestic export incentives and if so, the details thereof;
- (b) the details of the impact of this judgement on the Special Economic Zone (SEZ) Scheme throughout the country;
- (c) whether the Government is planning to close down the SEZ Scheme in the light of this judgement which refrains India from providing export incentives to all the SEZs;
- (d) the details of the anticipated impact of closing down of SEZ scheme on the Indian economy;
- (e) the details on how the Government is planning to honour its promise to incentivize the concerned industries if the SEZ Scheme is discontinued;
- (f) the details of the anticipated impact of discontinuation of this scheme on the 'Make in India'; and
- (g) the details of all cases filed at the WTO by various countries since 2015 and whether the judgement was made in favour of India?

**ANSWER**

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

- (a) to (e)** A Dispute Settlement Panel of WTO in its report issued to members on 31 October 2019 has ruled India's export related schemes (including SEZ scheme) 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 180 days for withdrawal of SEZ scheme. 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 of, India is under no obligation to implement the recommendations of Panel.

**(f and g)** Since 2015, ten disputes have been filed against India and the WTO dispute settlement panel has ruled in two cases only and both have gone against India. As a Complainant, India has filed three cases since 2015 out of which only one dispute has been decided by the panel and ruling is in India's favour.

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