



US Drags India to WTO

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The United States has dragged India to the World Trade Organisation, requesting dispute consultations on the 'retaliatory duties' imposed by India on 28 US goods in June, 2019.

- India has imposed the duties as a tit-for-tat move against the US decision to impose unilateral additional tariffs on steel and aluminium imported from India.
- The US claims that the additional duties are inconsistent with the provisions of the **WTO's General Agreement on Tariffs and Trade**.
- India's argument in support of its duties is that retaliation is permitted under the WTO's Agreement on Safeguards.
- To this, the US maintains that its tariffs are not a safeguard measure but were taken under Section 232 of the US Trade Expansion Act of 1962 on grounds of national security.
- If the dispute consultations between the two countries fail to resolve the matter then the US can ask the WTO to set up a panel to decide on the matter.
- This mini-tariff war between the US and India sparked from USA's decision to withdraw **GSP** status from India and other economic issues.



View From Washington

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| 1 US says trade not balanced | Total goods and services trade \$142 b in 2018 | Trade balance in favour of India \$24 b |
| 2 High tariffs on US goods | 3 Multiple processes and discriminatory regulation towards US cos | 4 Foreign direct investment norms for ecommerce |
| 5 Proposed data localisation and protection rules | 6 Price controls on medical devices | 7 IPR violations |

- Also, it is not the first time the **USA and India had there trade issues** settled at WTO. Recently India has won a major trade dispute against the US at the World Trade Organization (WTO) regarding **domestic content requirements and subsidies**.