

DISPUTE SETTLEMENT

EU, Russia eager to join WTO talks over India's sugar sops

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THE EUROPEAN UNION (EU), Russia, and Costa Rica have expressed their interest to join consultations sought by Guatemala under the World Trade Organization's (WTO) dispute settlement mechanism against India's sugar subsidies.

Thailand, Brazil and Australia, too, have sought consultations from India under the dispute settlement mechanism, alleging that New Delhi's sugar subsidies to farmers are inconsistent with global trade rules.

The EU, Russia, and Costa Rica in separate communications to the WTO have said that they have substantial trade interest in these consultations as they are major players in the sector.

The EU stated that following the end of the sugar quotas, it became a net exporter of sugar in 2017-18 marketing year, with exports increasing by 70% to more than 3 million tonne per year.

"With exports to India of sugar increasing more than ten times in a single year in the 2017/2018 marketing year compared to the average of the two preceding marketing years, the EU has the potential to become a major supplier to India," the EU said in its communication to the WTO.

Similarly, Russia said that as it is one of the major exporters and consumers of sugar, India's application of the measures



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may have direct effect on its exports.

Costa Rica, too, stated that it has a substantial trade interest in these consulta-

tions as the country is a producer and exporter of sugar.

Seeking consultation is the first step of dispute settlement process.

If the two nations are not able to reach a mutually agreed solution through consultation, India may request for a WTO dispute settlement panel to review the matter.

Guatemala has sought consultations with India under the rules and procedures governing the settlement of disputes of the Geneva-based 164-member World Trade Organization.

