



India Moved to WTO on US Tariffs

Why in News

Under the [**World Trade Organisation's \(WTO's\) safeguard agreement**](#), India has sought consultations with the US.

- The consultation has been sought on **American authorities' decision to increase import duties on derivatives of steel and aluminium products.**

Key Points

WTO's Safeguard Agreement

- The Agreement on Safeguards ("SG Agreement") sets forth the **rules for application of safeguard measures pursuant to Article XIX of General Agreement on Tariffs and Trade (GATT) 1994.**
- Safeguard measures are defined as "**emergency actions with respect to increased imports of particular products**", where such imports have **caused or threaten to cause serious injury to the importing Member's domestic industry.**
- As per a provision of the Agreement on Safeguards, a WTO member country proposing to apply a safeguard measure shall provide adequate opportunity for **prior consultations** with those members having a **substantial interest as exporters of the product concerned.**

- This is with a view to exchanging views on the measure.

- **India's Stand**

- India considers this measure of the US to be a **safeguard measure within a provision of the General Agreement on Tariffs and Trade 1994**, and the **Agreement on Safeguards.**
- Therefore, India has sought consultations with the US, under the **WTO's safeguard agreement.**
- India has sought to exercise its right to consult on the specifics of the measures and its **right to determine appropriate trade compensation with the US.**

- **According to the WTO:**

- India reserves the **right to raise additional issues and make further factual and legal arguments.**
- This should be without prejudice to any other remedies provided for under the understanding of rules and procedures governing the settlement of disputes and the covered agreements during the course of consultations.
- India looks forward to receiving a prompt reply to its request from the US for a mutually convenient date and venue for the consultations.

General Agreement on Tariffs and Trade

- GATT traces its origins to the **1944 Bretton Woods Conference**, which laid the foundations for the post-World War II financial system and established two key institutions, the International

Monetary Fund (IMF) and the World Bank.

- GATT signed by **23 countries in Geneva in 1947** came into force on Jan 1, 1948 with the following purposes:

- to phase out the use of import quotas
- to reduce tariffs on merchandise trade,

- GATT became the only multilateral instrument governing international trade from 1948 **until the WTO was established in 1995.**

- The provisions of GATT 1947 were incorporated into the GATT of 1994. The **GATT 1994 is itself part of the WTO formation agreement.**
- The Uruguay Round of GATT, conducted from 1987 to 1994 culminated in the Marrakesh agreement, which established the WTO.

Source: BS

PDF Reference URL: <https://www.drishtiias.com/printpdf/india-moved-to-wto-on-us-tariffs>