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After aviation, India to oppose EU's maritime carbon levies

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New Delhi, 23 July, 2012: India plans to oppose at an environment conference in Washington later this month the European Union's (EU's) proposal to levy carbon emissions taxes on aircraft and ships. The aviation ministry will present India's opposition to the EU's emission trading scheme (ETS), said two government officials who declined to be named.

Consultations with the environment ministry on the matter ended last week.

The European Union earlier this year began considering a proposal to bring the maritime sector under the purview of its carbon emissions levy, though it has been facing resistance from several nations, including India, to a similar levy for airlines using its airspace.

The EU "proposes to regulate emissions arising from all ocean-going ships which touch their boundaries or ports by including their emissions in the EU-ETS," said one of the officials mentioned earlier.

"This is a dangerous trend since while inclusion of aviation in the EU-ETS remains contentious, the EU is going ahead with the inclusion of the maritime sector also in the scheme," the official said.

India's shipping ministry has already written to the EU opposing its proposed emissions levy on ships entering EU waters, a ministry official said, also declining to be named.

The likely impact of the proposed new levy on Indian ships couldn't be ascertained immediately. The EU spokesman for climate action, Valero Ladron, said the EU is pursuing an international agreement on global measures to reduce greenhouse gas emissions from international maritime transport. Considerable efforts are being made primarily in the International Maritime Organization (IMO) and the United Nations Framework Convention on Climate Change (UNFCCC), he said. "In the light of these efforts, the EU is considering all the options to address maritime emissions. Bringing maritime into the EU-ETS is just one of the options that are being assessed. No decision has been taken yet," he said.

The EU has maintained that the levy under its emissions trading scheme is not a tax and is challenging countries opposing its proposals.

An environment ministry official, who, too, did not want to be identified, said India will oppose in the IMO if the EU includes the maritime sector for emissions taxation. "It is not clear yet as to when they plan to put it in place. They have only started consultations. It hasn't come to a stage where we need to think of steps to be taken, though just like the aviation sector, there are a series of steps which are possible," this official said. "The EU is trying to take it out of the negotiations in UNFCCC by taking it to the IMO and they are trying to force it through that route," the official added.

Prodipto Ghosh, distinguished fellow with New Delhi-based non-profit The Energy and Resources Institute, said the EU is setting a bad precedent. "The EU-ETS has already been very strongly resisted. Thirty five countries have agreed on countermeasures to be taken and to put sanctions on the EU.... If we allow them to do this in these sectors, then EU can propose to do this in other sectors such as mining, power, land transport, steel, etc., which are all energy-intensive sectors," he said.

R.S. Vasan, head of strategy and security studies at the Centre for Asia Studies, said the EU's proposal for the maritime sector is a concern for India because a lot of the country's exports and imports are dependent on the sea. "But unlike China, the number of ships owned by India is a small percentage. So China is more at risk because it has more number of ships. Developing countries should come together and look at some precedents of instances where India and China have resisted

before. They should resist this in organized forums and take their time to first upgrade technology," Vasana said, adding that more often than not clean technology from the developed world is denied to the developing world.

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India says no to WTO agreement on IT, environment

PTI

New Delhi, 13 January 2013: India will not accept any agreement on IT and environmental goods which is being proposed by a group of developed nations at WTO, as it would adversely impact the domestic industry, a top official said.

Rich nations, including the US, want India and other emerging economies to be part of the four major sectoral pacts – trade facilitation (TF), information technology (IT), environmental goods and international services agreement.

“On IT and environmental goods agreement, India has clearly showed its reluctance. We are against this approach. On TF, we have not said no, but we are viewing the situation and on international services agreement, we will continue to observe it from a distance and later on take a view,” the official said.

On these four matters, developed countries want to go plurilaterally. In other words, the trade benefits arising out of such an agreement will be shared only by signatories.

The plurilateral agreement on these issues that the US and Europe seem to be eager to ink would exclude the interests of developing and the least developed countries, the official added.

The official also said that the developed economies instead of focusing on the issues of Doha Round, they want to sign agreements which would benefit more to them instead of developing and least developed nations.

“IT is a sectoral agreement, environmental good will be a sectoral agreement. So, effectively what they are doing is they are cherry picking sectors where the developed world is strong and getting you to agree to those elements because if you do not agree today and if you decide to join the agreement tomorrow there will be a cost to be paid,” the official added.

Explaining how rich nations are pushing their own agendas on poor and developing economies, he said that under the IT agreement, they want to include 357 products out of which 50 items belong to non-IT category like washing machines, refrigerators and window AC.

Similarly 136 are dual use products in which developed countries have suggested to eliminate duties. There are another 50 items on which domestic industry has expressed serious sensitivities.

“One of the objectives of (developed world) all these four proposals is to cash them and then forget Doha and that is what exactly we do not want to happen. That is one the main reason why we are acting soberly and with so much of caution ... once you harvest these agreements, there is nothing left in Doha for countries like the US,” he said.

Big differences between developing and developed countries have bedevilled the WTO talks, which were launched in 2001 in the Qatari capital with the goal of helping poor countries prosper through enhanced trade.

India has also rejected the US allegation that developing countries are seeking significant concessions for pushing the global trade deal under WTO. Rich nations are hampering the conclusion of Doha Round, stalled since 2001, the official added.

“The US and other developed nations are again bringing those issues which were agreed earlier and are also pushing new agendas like trade facilitation, international services agreement and information technology,” the official said.

The official was responding to the comments made by US Deputy National Security Adviser for International Economic Affairs Michael Froman, who is tipped to be the next US Trade Representative.

Froman is reported to have said that “a small group of middle income countries particularly India is standing in the way (of concluding Doha Round of talks) because they want to be ‘paid’ by developed countries for agreeing to something that is beneficial to the global trading system, especially poorer countries”.

The negotiations have seen numerous deadlines come and go amid basic disagreement over rich-country farm subsidies and access to developing-country markets for manufactured goods.

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