

# Moratorium on import duties on e-transmissions

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**In news-** India is set to strongly oppose continuation of the moratorium on customs duties on e-commerce trade at the World Trade Organisation (WTO)'s meeting to be held in Geneva in July.

## ***More information-***

- The WTO members had agreed not to impose customs duties on electronic transmissions since 1998 and the moratorium has been periodically extended at successive ministerial conferences (MC), which is the highest decision making body of the WTO.
- India and South Africa on several occasions have asked the organisation to revisit the issue and have highlighted the adverse impact of the moratorium on developing countries.
- It has been argued that since digital trade at present is dominated by big tech and developed countries, the moratorium squarely favours the developed nations.
- According to earlier estimates, the potential tariff revenue loss to developing countries is estimated at \$10 billion annually.
- India is witnessing an exponential rise in imports of electronic transmissions, mainly of items like movies, music, video games and printed matter, some of which could fall within the scope of the moratorium.
- While the profits and revenues of digital players are rising steadily, the ability of governments to check these imports and generate additional tariff revenues is being 'severely' limited because of the moratorium on e-commerce.
- The moratorium was extended at the 11th MC in Argentina in 2017 for two years.

- In the General Council meeting in December 2019, members agreed to maintain the current practice till the 12th MC (to be held).