

WTO rules against EU on hi-tech duties

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The World Trade Organization has backed the United States, Japan and Taiwan in their complaint against EU duties on high-technology products, according to a ruling published Monday.

"Having found that the European Communities has acted inconsistently ... we recommend that the Dispute Settlement Body request the European Communities to bring the relevant measures into conformity with its obligations," the WTO panel of arbitrators said.

The ruling was issued confidentially to the parties involved in July.

The plaintiffs had accused the EU of violating the WTO's Information



Technology Agreement by imposing duties on imports of products including television set-top boxes, flat-screen panels and printers with multiple functions.

Brussels countered that the agreement did not apply since the products in question had taken on multiple functions.

For example, the EU maintained that the flat-panel computer monitors cited by the <u>United States</u> should properly be classified as video monitors because they can also be used with DVD players and thus fall outside the scope of the WTO agreement.

Likewise, set-top boxes with Internet access should be seen as video recorders because they can record live television, the EU said.

All these arguments were thrown out by the WTO panel.

The United States had accused the EU of "manipulating tariffs to discourage technological innovation."

The United States estimates that global exports of the affected products were worth more than 70 billion dollars in 2007.

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