

# EU aims to comply with WTO ruling on tech tariffs

September 21 2010, By BRADLEY S. KLAPPER , Associated Press  
Writer

---

(AP) -- The European Union signaled Tuesday that it was prepared to scrap tariffs on billions dollars (euros) worth of high-tech exports from the United States, Japan and Taiwan, which were ruled illegal by the World Trade Organization last month.

Brussels could have filed an appeal by Tuesday's deadline, but said it would instead concentrate on complying with the WTO's decision.

The [trade](#) body condemned the EU in August for levying duties on flat-panel computer monitors, cable and satellite boxes that can access the Internet, and printers that can also scan, fax and copy. The U.S., Japan and Taiwan argued that those products should have been accepted tax-free under a 1996 agreement on information technology equipment.

"There are certain aspects where we would have preferred the panel to rule differently," EU trade spokesman John Clancy said in Brussels. "On balance, however, the EU has decided it was preferable not to appeal this report and will instead focus its efforts on implementation."

The WTO usually gives countries about a year to adhere to its rulings. It can then authorize punitive sanctions against countries that continue to break trade rules, but that usually takes years more of litigation. The trade body doesn't concern itself with tariffs already collected, so there is no way for countries or companies to recoup money already paid.

The EU's duties rise to as high as 14 percent, and have angered American tech companies. The Information Technology Industry Council, a Washington-based trade association with members such as flat-panel computer display manufacturers Dell Inc. and Hewlett-Packard, says the tariffs make U.S. exports less competitive in Europe.

Washington says the entire dispute covers a global export market that was worth \$44 billion last year.

The U.S. told the WTO's dispute body that it looked forward to the EU "moving promptly to bring its measures into compliance."

Taiwan is hoping that the ruling will help its flat-screen panel makers compete against LG Display and Samsung Electronics Co., which enjoy duty-free panel exports to Europe under an EU-South Korean free trade agreement.

"Trade in IT products is of vital importance" to Taiwan, a Taiwanese diplomat told the WTO. "Such products make up a very significant part of our international trade."

Brussels had argued that these products were different from those covered by the 14-year-old deal, and that new negotiations should start to cover products that have since entered the market. EU diplomats in Geneva reiterated their call for the [Information Technology](#) Agreement to be revamped, noting that not a single new product has been added to the tariff-free list since its inception.

Clancy said the union hoped for an "updated ITA which will be fit for the 21st century."

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: EU aims to comply with WTO ruling on tech tariffs (2010, September 21) retrieved 8 July 2024 from <https://phys.org/news/2010-09-eu-aims-comply-wto-tech.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.