

India to move WTO panel against EU

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India may formally approach the World Trade Organization's (WTO) dispute panel against the European Union (EU) following the seizure of low-cost generic medicine consignments in European ports meant for other developing countries. The two parties have failed to reach an amicable solution during the consultation process.

Earlier this year, India had filed a complaint against EU at the WTO disputes panel but both sides were asked to resolve the matter bilaterally. Two rounds of negotiations on the issue have already taken place but no solution was at sight.

When a WTO member wants to invoke the provisions of the dispute settlement mechanism, a consultation process is initiated. If the trading partners are unable to settle the dispute a panel is set up to hear

the case. The panel's verdict is binding on both parties.

India has refused to soften its stance and has decided to take the matter up at the highest level, with EU failing to amend its patent laws in relation to the European Commission's Regulation 1383/2003.

This mandates its members to detain shipments containing pharmaceutical products during transit through the European Union destined for developing countries on grounds of suspicion, according to senior officials in the department of commerce.

"They have to first amend the laws and carry out a number of changes in their patent laws, which then would need to be passed by Brussels. There is no question of pulling out of

the dispute. We might have to take it up with the disputes settlement body," a senior official told *Business Standard*.

Next month, Commerce secretary Rahul Khullar will meet EU director-general for trade David O'Sullivan. The issue will dominate the talks besides negotiating the

impending free trade agreement.

Danièle Smadja, ambassador, head of the delegation of the European Commission, had

said in May that the commission is seeking to amend the laws to facilitate export of medicines through EU's ports without any hindrance.

There have been more than 20 cases of seizure of shipments of generic drugs from India by European customs officials, cit-

ing violation of their patent laws and labeling those as 'counterfeit' even though the medicines were meant for other countries.

This has sparked an outcry from all developing countries - Brazil, Nigeria, Mexico, Colombia and Peru among others - that import these medicines. Besides, a number of civil society groups and NGOs have strongly opposed the move as it has denied patients access to basic medication.

The seized drugs were manufactured by firms such as Ind-Swift, Cipla, Dr Reddy's, Aurobindo Pharma and Macleods Pharma for treating AIDS, Alzheimer's and blood pressure.

Developing countries have also criticised the move as a deliberate attempt by rich nations and multinationals to diminish poor countries' access to cheap medicines and promote the usage of branded medicines produced by major European drugs companies.

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