

# WTO drug seizure case to stay until EU changes Customs laws: Khullar

Our Bureau  
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INDIA will not withdraw its case against the European Union at the World Trade Organisation for wrongful seizure of drug consignments belonging to Indian companies until the regional grouping agrees to amend its Customs laws to prevent such action in future, commerce secretary Rahul Khullar said.

Commerce and industry minister Anand Sharma had said last week that the 27-member EU had accepted India's position and agreed amended its rules. He had also said that India would now want to withdraw the case filed at the WTO. "What the minister had said is that Mr Gucht (EU trade commissioner) has given him an assurance that this matter will be resolved. Wherever necessary, changes will be made to the regulations to prevent

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RAHUL KHULLAR COMMERCE SECRETARY

such type of recurrence," Mr Khullar said.

Stating that India was reasonably optimistic that the consultation process at the WTO will lead to satisfactory resolution, the secretary said, "Should it not, I reserve my right to take the matter forward further".

The next step would be to ask for setting up of a dispute-settlement panel at the WTO to hear arguments

from both sides and give a verdict.

India, together with Brazil, had filed a case against the EU, protesting against its customs rules that allowed officials in member countries such as the Netherlands and France to confiscate generic drugs in transit to countries in Africa and Latin America. In the last couple of years, there have been about 17 such cases where consignments belonging to reputed manufacturers like Dr Reddy's have been seized. The seized medicines, which were generic or off-patent in India, were impounded following complaints from European companies that held valid patents to these medicines in their own countries. India argues that such seizures are against the multilateral intellectual property agreement Trips as the medicines were off-patent both in India and the country where they were being exported. Almost half of India's drug exports worth Rs 40,000 crore are generics.

Grh.