

India's Third-Party Status

Prelims: Current events of national and international importance | International Relations

Why in News?

Recently, the Russia has initiated a WTO dispute with the European Union regarding its Carbon Border Adjustment Mechanism (CBAM).

Russia's WTO Challenge

- Russia has raised concerns regarding the following issues:
 - The EU's Carbon Border Adjustment Mechanism (CBAM) package.
 - An alleged export subsidy within the EU's greenhouse gas emission allowance trading scheme.
- The WTO Dispute Settlement Body has agreed to establish a **panel** to review this dispute.

The Carbon Border Adjustment Mechanism (CBAM) is a policy introduced by the European Union to address ***carbon emissions associated with specific imported goods.***

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Russia vs European Union

Dispute at the World Trade Organization (WTO)

 Dispute	Russia vs European Union
 Forum	World Trade Organization (WTO)
 Issue	EU Carbon Border Adjustment Mechanism
 WTO body	Dispute Settlement Body (DSB)
 Current development	Panel established/agreed to be established
 India's position	Reserved third-party rights
 India as complainant?	No
 India as respondent?	No
 Can India follow proceedings?	Yes
 Key Indian export sectors affected	Steel and aluminium
 Major concern	Carbon-related compliance and costs



Third-party participation refers to the involvement of a country that is neither the main complainant nor the respondent in a dispute.

- In this context, India is not directly involved as either the **complainant or the respondent**.
 - India may observe the **proceedings**.
 - India may also present its **views on the WTO issues raised in the dispute**.
 - It enables India to understand both **Russia's and the EU's positions**.
- **Countries Reserving Third-Party Rights** - Argentina, Brazil, Canada, China, Chinese Taipei, Indonesia, Japan, Saudi Arabia, South Korea, Malaysia, Norway, Paraguay, Singapore, Switzerland, Thailand, UK and USA.
- **Significance for India** - Exporters of carbon-intensive products, especially those listed below, may be affected.
 - Steel
 - Aluminium
- These exporters may encounter the following challenges:
 - Additional compliance requirements
 - Carbon-related costs and charges
 - Requirements related to greenhouse gas emissions

Reference

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