

WRITTEN QUESTION E-1394/09

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to the Commission

Subject: Classification of mobile phones

This question concerns the possible reclassification of mobile phones in accordance with the paper recently issued by the Directorate-General for Taxation and Customs Union (TAXUD). While fully agreeing with the general objective of unambiguous tariff classification, we have concerns about the merits and consequences of the draft by TAXUD on Explanatory Note (EN) for CN 8517 12 00 on the classification of mobile phones, dated 10 December 2008.

The TAXUD paper implies a wide-ranging reclassification of mobile phones, which would lead to an increase in duties on many of these products. The establishment of narrow and arbitrary definitions of what a mobile phone is – and what it is not – would mean that mobile phones would to a growing extent be treated as personal digital assistants (PDAs), global positioning system (GPS) receivers, cameras or other products.

Expanded functionality does not as such justify product reclassification. The continuous expansion of product functionality is inherent to the very nature of innovation and technological progress. The TAXUD paper fails to recognise this. Innovation in this sector is extremely rapid and it will not be long before the mobile phone parameters suggested by TAXUD are obsolete.

The TAXUD paper fails to establish objective and predictable criteria for product classification. Relevant Community legislation does not demand reclassification, nor do our international obligations under the WTO/ITA. None of our trading partners have introduced similar reclassification. The reclassification of mobile phones would be harmful to European competitiveness in this sector – and specifically to global supply chains and production costs.

We would therefore like to ask the Commission if it is seriously considering the reclassification. Has the Commission carried out a relevant economic impact assessment on this issue? If it has not, will it be looking further into the economic impact and relevance of reclassification? Will the Commission be taking the particularly difficult economic situation into account?