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By: Sorin Surdeanu, Mobile Editor

[European Commission Milking the Mobile Industry for All It's Worth](#)



European Commission

EU taxing TV and GPS
capable mobiles
European Commission

TV and GPS functions to be taxed

The [European Commission](#) has taken a strong stand on demanding new taxes for some cell phones. The reason for such a tax implementation is not very clear, but in any case, as expected, the mobile manufacturers are not happy about the decision.

Since the mobile industry is not at its peak and as the next year seems to be a very dark one for most mobile companies, this measure can only create stir among those affected by the decision.

One of [Nokia](#)'s spokesman shared the company's view on the matter, "There is a danger that this proposal would put the latest technology out of the reach of European consumers as it would simply push up the price of sophisticated mobile phones. This is in nobody's interest."

In a formal proposal to reclassify phones as multi functional devices, the EU has stated that the mobiles in question would be added a 14% tax for those operating with TV receivers and a 3% tax for those including a [GPS](#) navigational system.

As many mid-end, not to mention high-end devices, have GPS systems implemented, this [tax](#) addition cannot be overlooked. Also, in the same proposal, the Commission reminded that the phones carrying high tech cameras and full QWERTY keyboards could be included in the list in the future.

Trade lobby [EICTA](#), which represents all top cell phone vendors and many other global technology firms, stated concerning EU's decision, "European companies would face a further costly blow to their operations in the EU, at a time when many are struggling to maintain profitability, given the economic crisis."

The decision is not final, as you might have figured; the measure is thoroughly being discussed with world leaders. For now, rumors indicate that the idea is not very well perceived by any of the [European](#) leaders, but till the official meetings, that are to be held in February 2009, are over, no certain statements can be made.

Maria Assimakopoulou, a spokeswoman for EU Tax Commissioner Laszlo Kovacs, declared for [Reuters](#), "These discussions will not be concluded for at least another 6 months."