

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:290
ANSWERED ON:08.08.2003
WTO NEGOTIATIONS FOR AGRICULTURAL TRADE
JAGMEET SINGH BRAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether WTO has been considering the question of liberalization of trade in agriculture in its ongoing negotiations in various fora;
- (b) if so, the details thereof;
- (c) India's stand on the issue and the countries which are favouring Indian stand and those opposing it; and
- (d) the steps taken to bring round the opposing countries and the success achieved so far?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 290 FOR ANSWER ON 8TH AUGUST 2003 REGARDING WTO NEGOTIATIONS FOR AGRICULTURAL TRADE

Towards continuation of the reform process in agriculture, the World Trade Organisation (WTO) Agreement on Agriculture has an in-built mandate to commence negotiations on 1 January 2000, taking into account the experience of Members from implementing their reduction commitments on support and protection, non-trade concerns, and special and differential treatment for developing countries. Phases 1 and 2 of the negotiations, based on this mandate, in the Special Sessions of the Committee on Agriculture of the WTO, were largely analytical and a number of negotiating proposals were submitted by Members. In the 14 November 2001 Doha Declaration, Ministers have agreed on negotiations aimed at substantial improvement in market access; reduction of, with a view to phasing out, all forms of export subsidies; and substantial reduction in trade-distorting domestic support.

Government's priority in these negotiations is to safeguard the interests of Indian farmers by, inter alia, providing appropriate levels of tariff protection on imports and taking into account our food security and livelihood concerns and increased market access for agricultural products of export interest to us.

In the negotiations, so far, divergences among Members of the WTO on key issues are evident, including on the levels of ambition as regards the further commitments in the three pillars of the negotiations, namely, market access, domestic support and export competition. While the Cairns Group (consisting of major agricultural products' exporting developed and developing countries, including Australia, Brazil, Canada, Malaysia, and South Africa) and the US favour steep tariff reductions on imports, substantial reduction in domestic support, and elimination of direct export subsidies, the European Communities (EC) and its candidate States, Japan, Switzerland, Norway, and Korea favour moderate tariff reductions based on the Uruguay Round approach. These Members have linked their flexibility on support and protection in the farm sector with incorporation of non-trade concerns, such as animal welfare, in the negotiations. Countries which have recently acceded to the WTO, such as China, Croatia, Jordan and Oman, favour exemption from further commitments, having already made substantial commitments across all WTO Agreements during their process of accession. Developing countries, which are net importers of food attach importance to improved availability of food at affordable prices, and therefore, do not insist upon elimination of export subsidies. Small economies with a heavy reliance on preferential trading arrangements with Members, such as the EC and US, for economic development and growth, support continuation of preferential access to these markets. Least developed countries have been seeking complete exemption from any further commitments in support or protection of agriculture. As may be seen, while there are common interests and concerns between India and some other WTO Members, divergences in positions remain across some other issues.

India has been continuously making efforts to build coalitions with other WTO Members holding similar interests and concerns. India along with Cuba, Dominican Republic, Honduras, Indonesia, Korea, Nigeria, Turkey, Peru, Philippines, Sri Lanka and Venezuela have made a submission to the WTO Committee on Agriculture on various aspects of special and differential treatment for developing countries. India, along with over 75 WTO Members which include the EC and Japan, have advocated using the Uruguay Round approach to further tariff reductions. Further, along with the United Nations Conference on Trade and Development (UNCTAD), India had co-sponsored a meeting of like-minded developing countries to discuss issues of common interest, namely, the instruments of Special Products (SP products), and the new Special Safeguard Mechanism (SSM), proposed for developing countries to enable them to address food security and livelihood concerns and rural development. This meeting also considered domestic support modalities for developed countries in order to better address the distortions in world agriculture markets, and use of sanitary and phyto-sanitary measures to deny market access in products of export interest to developing countries. The negotiations are scheduled

to be concluded by 1 January 2005.