

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

UNSTARRED QUESTION NO:4734  
ANSWERED ON:26.04.2005  
TRADE LIBERALISATION IN AGRICULTURE  
Adsul Shri Anandrao Vithoba

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

- (a) whether the trade liberalisation in agriculture has the potential to bring rich dividends to developing countries like India;
- (b) if so, the steps taken or proposed to be taken by the Government to realise this potential;
- (c) whether there is any major hurdles in WTO negotiations in this regard; and
- (d) if so, the steps taken and success achieved to explore the options of reaching bilateral or regional free trade agreements with major developing countries?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY( SHRI E.V.K.S. ELANGO VAN)

(a) and (b): From time to time, the Government has been taking necessary measures to ensure that our agricultural trade improves to take advantage of the trade liberalisation in agriculture. The Government has introduced Vishesh Krishi Upaj Yojana (Special Agricultural Produce Scheme) with the objective to promote export of fruits, vegetables, flowers, minor forest produce, dairy, poultry and their value added products, by incentivising exporters of such products. The Agricultural and Processed Food Products Export Development Authority, Spices Board and Export Inspection Council etc. are also engaged in sensitising exporters about the requirements of international trade in agriculture including Sanitary and Phyto-Sanitary standards to be met.

(c): India's objectives in the on going negotiations on World Trade Organisation (WTO) Agreement on Agriculture include removal of export subsidies and substantial reduction in all forms of distortions in agricultural products caused by high levels of support and protection provided to their agriculture by developed countries while ensuring that developing countries are able to address their rural development, livelihood and food security concerns through appropriate instruments and measures. India has been making all efforts in the negotiations to ensure that the outcome of the negotiations is consistent with its objectives, including by building coalitions with other Members of the WTO holding similar interests and concerns. The negotiations are scheduled to end by 31st December 2005.

(d): India is engaged in bilateral and regional free trade agreements with some of its trading partners with the objective of expanding its export market to those countries. India has a Free Trade Agreement with Sri Lanka with effect from March 2000.