

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3376
ANSWERED ON:12.05.2006
WTO SETTLEMENT AND RURAL SECTOR
Vallabbhaneni Shri Balashowry

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has stated recently that India would not accept WTO settlement that goes against the rural sector;
- (b) if so, the issues that are likely to go against the rural sector; and
- (c) the steps taken in this regard?

Answer

Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a)(b)&(c): Following the Hong Kong Ministerial conference of WTO member countries, the union Minister for Commerce and Industry had in a statement made in the Lok Sabha in December,2005 reported that the Ministerial declaration addresses India's core concerns and interests in agriculture by securing the special products and special safeguard mechanism which will fully protect the interest of our farmers. The developing countries will be able to self designate an appropriate number of tariff lines as special products guided by indicators based on the criteria of food security, livelihood security and rural development. The developing countries will have recourse to a special safeguard Mechanism with both import quantity and price trigger to safeguard against surge in imports or fall in international prices. All forms of export subsidies and other export measures with equivalent effect, by developed countries will be eliminated by the end of 2013 while developing countries like India will continue to provide marketing and transport subsidies for five years after elimination of export subsidies i.e upto 2018. The contours of the Domestic support reduction formula in Agriculture and the tariff reduction formulae in agriculture as well as NAMA(Non Agricultural Market Access) have been given shape and negotiations for finalizing the modalities is yet to be concluded. The Government is intent on fully protecting our farmers, industry as well as promoting our national interests and core concerns.