

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

UNSTARRED QUESTION NO:2796
ANSWERED ON:12.12.2006
US TRADE
Lagadapati Shri Rajagopal

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

- (a) whether US is reviewing the 32 year old trade benefits given to India;
- (b) if so, the benefits that India is getting under Generalized System of Preferences Programme from US;
- (c) whether the move is as a part of the retaliation to India`s reluctance to further open its markets to developed countries;
- (d) if so, whether the Ministry is making any efforts through diplomatic and political channels to renew the programme beyond December 31, 2006; and
- (e) if yes the details thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

- (a) : The US has invited written comments from the 13 beneficiary countries including India as to whether limit, suspend or withdraw the trade benefits to these countries under its annual review of Generalized System of Preferences Programme (GSP) scheme.
- (b) : Out of US \$ 18.8 billion of US`s imports from India, US \$ 4.17 billion were duty free under the US-GSP programme in 2005.
- (c) : The countries which have annual GSP utilization of over US\$ 100 million and are a upper middle income economy as per World Bank or which accounted for more than 0.25% of world`s goods exports in 2005 have been taken up for the current review.
- (d)&(e): The Government of India has submitted a detailed petition justifying the continuation of GSP benefit to India. This issue has also been taken up in the bilateral meetings held from time to time.