

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

UNSTARRED QUESTION NO:989

ANSWERED ON:28.11.2006

ELIMINATION OF DOMESTIC TRADE SUBSIDIES

Scindia Shri Jyotiraditya Madhavrao

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

(a) whether India has forged a formidable alliance with 13 other developing countries on farm trade negotiations at the WTO seeking phased elimination of domestic trade distorting export subsidies doled out by the developed(EU-US) countries;

(b) if so, the details thereof; and

(c) the extent to which such alliance will be able to break the ice with the developed countries?

Answer

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

(a)to(c) : The G-20 group on agriculture, which currently has 23 Members, was formed in August 2003 prior to the Cancun Ministerial Conference of the World Trade Organisation

(WTO). In view of the skewed nature of the proposals contained in the EU-US joint text of 13 August 2003 for developing a framework for modalities for negotiations on domestic support, export competition and market access in agriculture, the G-20, which includes India, Argentina, Brazil, China, Egypt, Indonesia, Philippines, South Africa and Zimbabwe, had maintained that the offers of these developed countries for the reform of their farm sector did not meet the objectives of the Doha mandate on the negotiations in agriculture.

The G-20, emphasizes achieving substantial and effective reductions in trade-distorting domestic support, the early phasing out of all forms of export subsidies, and substantial improvements in market access, while ensuring that special and differential treatment for developing countries enables them to effectively address their development needs, including food security, livelihood security and rural development.The G-20 proposals have found widespread recognition among developed and developing country Members as being technically sound and representing the middle ground. The G-20 has also coordinated with other developing countries in order to secure their common interests in the negotiations.