

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

STARRED QUESTION NO:181  
ANSWERED ON:16.07.2004  
PROTECTING INDIAN INTEREST IN WTO  
Rawat Prof. Rasa Singh

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

- (a) the strategy chalked out by the Government to protect the interest of India in WTO;
- (b) the steps being taken by the Government to continue subsidy in agriculture sector and other sectors in India; and
- (c) the expected advantage and disadvantage to India in near future on account of joining WTO?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 181 FOR ANSWER ON THE 16TH JULY 2004

(a): The main elements of India`s strategy at the WTO are as follows:

- (i) Increased market access, particularly in developed country markets, for Indian agricultural and industrial products;
- (ii) Full development of India`s vast potential in the services sector with special emphasis on areas of export interest to India and other developing countries, such as information technology, professional services, and easy access for professionals and skilled persons into developed country markets;
- (iii) Collaborative action with other developing countries to use the WTO as an instrument for global development, with emphasis on the problems of the poorest people; and
- (iv) Protection of sensitive and vulnerable sectors in India, specially in agriculture.

As part of this strategy to protect its national interests, India has been coordinating continuously with other Members of the World Trade Organization (WTO) holding similar interests and concerns on various issues in the on-going negotiations under the Doha Work Programme, including in agriculture. Thus India is part of developing country groupings like the G-20 (in agriculture) and G-16 (in Singapore Issues). At, Geneva, India is also part of the Like Minded Group (LMG) of developing countries which coordinates positions of concern and interest to developing countries in the WTO such as the liberalisation of Mode 4 in services. In respect of all these issues, including negotiations on agriculture and non-agricultural products` market access, discussions are taking place in the various negotiating bodies to come to a common understanding on the framework of negotiations. These efforts are aimed at achieving a balanced outcome at the end of these negotiations, including requisite special and differential treatment for developing countries to enable them to meet developmental and specific trade concerns, in these negotiations.

(b): From the WTO point of view, there is no move to discontinue subsidy in agriculture in developing countries. The main constraint for India would be lack of resources, not WTO stipulations. In other areas, India is bound by the provisions of the WTO Agreement on Subsidies and Countervailing Measures, concluded as part of the Uruguay Round. Further, in the ongoing negotiations under the Doha Work Programme, India has urged for continuation of existing flexibilities in the Agreement on Subsidies and Countervailing Measures as part of the special and differential treatment for developing countries so that India could continue to use the permissible subsidies.

(c): A multilateral system of rules in international trade, based on the principles of non-discrimination and binding dispute settlement system, is always of advantage to developing countries like India, because of the inherent inequality in the international trading structure. Since India joined the WTO, India`s exports have gone up from US \$ 26.33 billion in 1994-95 to US \$ 61.85 billion (provisional) in 2003-2004. India`s share of world merchandise trade has gone up from 0.6% in 1995 to 0.8% in 2002, while that in respect of commercial services has gone up from 0.7% to 1.5% in the same period. As the Indian industry and service sectors

continue to expand rapidly and as our agricultural productivity increases as a consequence of internal reform, India expects to be one among the major global players within the next few years. The multilateral trading system is expected to enable India to fully exploit its potential.