

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:476  
ANSWERED ON:24.08.2001  
ECONOMIC SLOWDOWN  
GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the International Monetary Fund (IMF) has asked all member countries to resist protectionist measures as a response to the current economic slowdown and instead take steps to eliminate or reduce trade barriers and trade-distorting subsidies;
- (b) if so, the details thereof and the steps the Government have taken on this issue; and
- (c) the extent to which they have been successful ?

**Answer**

FINANCE MINISTER ( SHRI YASHWANT SINHA )

(a) & (b) : The International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund referred to this issue in their communiqué of the 29th April, 2001. The Committee was unanimous in its opinion that recourse to protectionism would be the wrong response to the global economic slowdown and the attendant difficulties in particular sectors. The Committee called upon all countries to resist protectionist measures and to reduce or eliminate trade barriers and trade distorting subsidies. India attaches utmost importance to a rule-based multilateral trading system. As part of the overall process of economic liberalisation and India's commitment to the World Trade Organisation (WTO), the EXIM Policy 2001, announced on March 31, 2001, has completed the process of phased removal of the existing Quantitative Restrictions (QRs) as per the agreed time schedule.

(c): As a result of economic liberalisation undertaken over the last decade, the growth performance of the Indian economy has improved, exports have gone up and the Indian industry has become more competitive and quality conscious.