

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

STARRED QUESTION NO:31
ANSWERED ON:25.02.2000
TRADE AGREEMENT WITH U.S.A. .
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether any trade agreement has been reached between India and United States to eliminate barriers in several key sectors including textiles and agriculture;
- (b) if so, the details of the agreement; and
- (c) the extent to which India`s trade with USA has improved after signing the agreement?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b):- The United States of America (USA) filed a dispute against India in the World Trade Organisation (WTO) on the Quantitative Restrictions (QRs) on imports maintained by India on Balance-of-Payments(BOP) grounds. The Dispute Settlement Panel (DSP) ruled against India, and found that India`s QRs on imports were not justified on BOP grounds. It recommended that India should bring its measures in conformity with its obligations under the WTO Agreements. Subsequently India appealed before the Appellate Body of the WTO, which upheld the rulings of the DSP. The reports of the Appellate Body and the DSP were adopted by the Dispute Settlement Body (DSB) on 22nd September, 1999. Consequently, India and the USA have reached a bilateral agreement for the determination of reasonable period of time for implementing the rulings and recommendations of the DSB. The reasonable period of time will finally expire on April 1, 2001 by which date the existing QRs on all 1429 tariff lines at eight digit level will have to be removed by India. The QRs on 714 items will be removed by 1st April, 2000 and QRs on the remaining 715 items will be removed by 1st April, 2001.

(c) Since the QRs on the items covered under this agreement have not yet been removed, the question does not arise.