

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

UNSTARRED QUESTION NO:1460
ANSWERED ON:16.07.2004
RESTRICTION IN BPO MARKET
Rao Shri Sambasiva Rayapati

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

- (a) whether India has conveyed to US trade representative that restrictions being put up in BPO market, which has always been open do not augur well for resumption of WTO talks;
- (b) whether it is the follow-up of January 12 letter to all 146 WTO member countries urging a quick resumption talks to meet the deadline for reaching a new deal at the end of the year 2004;
- (c) if so, what are the other steps Government propose to take to safeguard interests of proposed amendment made by US Government; and
- (d) to what extent India has got an assurance from US Government that it will in no case affect India?

Answer

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

- (a) & (b) Government of India has conveyed its concern over restrictions being imposed on the Business Process Outsourcing market by the United States of America to the US Trade Representative (USTR). This was conveyed in the context of discussions to revive the talks at the WTO, which were affected due to the stalemate at the Cancun Ministerial Conference. Suggestions on the way forward were made by the USTR in his letter of January 11, 2004 addressed to all WTO member countries.
- (c) & (d) Government is carefully monitoring the moves at the sub-federal level in the USA to introduce legislation to check outsourcing by government agencies. The issue is being taken up both through official and business channels. The US Government has, in the past, acknowledged that the proposed legislation amount to `bad policy`.