

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

UNSTARRED QUESTION NO:2423  
ANSWERED ON:23.07.2004  
TARIFF REDUCTION FORMULA FOR AGRICULTURE  
Rao Shri Sambasiva Rayapati;Satpathy Shri Tathagata

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

- (a) whether group of G-20 developing countries has described the tariff reduction formula for agriculture, proposed by European Union and the United States, as unacceptable;
- (b) if so, the main reasons therefor;
- (c) by what time final decision in this regard is likely to be taken;
- (d) whether USA is prepared to accept the time table fixed for reduction of trade distorting subsidies and improving market access by the G-20 developing countries as a part of a framework agreement on agriculture;
- (e) if so, the details thereon;
- (f) whether G-20 paper is being discussed as talks under Doha round of trade negotiations at WTO; and
- (g) if so, benefits to be accrued to the Indian farmers as a result of the same?

**Answer**

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

(a) to (g) : The G-20 has been consistently maintaining that the blended formula for tariff reductions on agricultural products proposed jointly by the European Union and the United States in August 2003 in the on-going negotiations on agriculture in the World Trade Organisation (WTO) is not acceptable to the G-20 alliance on agriculture primarily because the formula fails to deliver substantial improvements in market access especially for products protected by tariff peaks in developed countries and poses inequitable results on the different tariff structures of developed and developing countries such that developing countries will be required to make proportionately higher average tariff reductions than developed countries.

All proposals and papers presented by WTO Members remain under discussion, including the paper under reference presented by the G-20 alliance. The proposals by the G-20 which include India are intended to ensure that the objectives of the Doha mandate on the negotiations in agriculture are met, including operationally effective special and differential treatment for developing countries in all elements of the negotiations to enable them to address their food and livelihood security and rural development needs. No conclusions can be drawn at this stage regarding any Member's response as the negotiations are still underway. The negotiations are formally scheduled to conclude by 1 January 2005.