

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

STARRED QUESTION NO:43

ANSWERED ON:21.02.2006

WTO CONFERENCE

Adsul Shri Anandrao Vithoba;Gudhe Shri Anantrao

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

- (a) whether the World Trade Organisation Ministerial meet was held in December 2005 at Hong Kong;
- (b) if so, the issues discussed and the outcome thereof;
- (c) whether the Government has assessed the impact of WTO on India's trade, agriculture and service sectors during the last ten years;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to protect the interests of the farmers and exporters in the country

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a): Yes, Sir. The Sixth WTO Ministerial Conference was held from 13 to 18 December, 2005 at Hong Kong.

(b) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (b) TO (e) OF LOK SABHA STARRED QUESTION NO. 43 TO BE ANSWERED ON FEBRUARY 21, 2006 REGARDING 'WTO CONFERENCE'.

(b): The main issues discussed included reduction of domestic support and elimination of export subsidies by developed countries, development package for Least Developed Countries (LDCs), Cotton Initiative by some African cotton producing countries, Agricultural and non-agricultural market access, Services and development issues under the Doha Work Programme.

A Ministerial Declaration was adopted at the conclusion of Hong Kong Ministerial Conference, copy of which has been provided to the Library of both the Houses of Parliament - Rajya Sabha and Lok Sabha for reference by Hon'ble Members'. The key outcome and timelines on important issues are as follows:

- Resolved to complete the Doha Work Programme fully and conclude negotiations in 2006.
- Amendment to WTO TRIPS Agreement reaffirmed to address public health concerns of developing countries.
- Duty-Free, Quota-Free market access on a lasting basis by all developed countries for all products originating from all LDCs by 2008 or no later than the start of the implementation period; Members facing difficulties at this time to provide market access as set out above shall provide duty free, quota free market access for at least 97% of products (defined at the tariff line level) originating from LDCs by the above period. Developing countries declaring themselves in a position to do so should also provide such market access to LDCs; however, they have been provided appropriate flexibility in coverage and permitted to phase in their commitments.
- In Cotton, export subsidies to be eliminated by developed countries in 2006; trade distorting domestic subsidies to be reduced more ambitiously and over a shorter period of time.
- To establish modalities in agriculture and non-agricultural market access (NAMA) by 30 April 2006; draft schedules to be submitted by July 31, 2006.
- In Agriculture, to eliminate export subsidies by 2013, with substantial part in the first half of implementation period; elimination of cotton export subsidies by developed countries by 2006.
- On trade distorting domestic support, the three heaviest subsidizers to attract steepest cuts; developing countries like India, with no AMS, will be exempt from any cuts on de minimis and on overall levels
- Developing countries to have the flexibility to self-designate Special Products; price and quantity triggers agreed for the Special Safeguard Mechanism

- In NAMA, special and differential treatment elements, such as on flexibilities and less than full reciprocity in reduction commitments for developing countries re-affirmed
- No sub-categorization of developing countries when addressing concerns of small, vulnerable economies.
- To advance development objectives, balance in ambition in market access between Agriculture and NAMA required
- In Services, Members to submit a second round of revised offers by July 31, 2006; Final Draft Schedules to be submitted by October 31, 2006.
- To intensify consultation on implementation issues; progress to be reviewed and appropriate action taken by July 31, 2006, including on the issue of relationship between TRIPS Agreement and the CBD.
- Clear recommendations for decision to be submitted to the General Council by December 2006 on special and differential treatment issues.
- Clear political guidance given on Services, Rules, Trade and Environment, TRIPS, Trade Facilitation, for concluding negotiations in 2006; rapid conclusion of DSU negotiations.

(c) & (d): The impact of various agreements/commitments undertaken in the WTO by India on its trade is continuously factored in by the Government in adapting its trade policy regime. Since the establishment of the WTO on January 1, 1995, India's trade has been growing continuously, both in the merchandise goods category as well as commercial services. Total merchandise goods exports of India have increased from US \$ 26.33 billion in 1994-95 to US \$ 80.54 billion in 2004-2005. While total merchandise imports (excluding petroleum products) of India have increased from US \$ 22.72 billion in 1994-95 to US \$ 77.04 billion (Provisional) in 2004-2005. Similarly, India's total commercial services trade increased from US \$ 14.06 billion in 1994 to US \$ 80.58 billion in 2004.

(e): India has engaged in these negotiations to ensure that its core concerns and interests continue to be adequately addressed. As required by the exigencies of the on-going negotiations, India has been submitting proposals in the various negotiating bodies of the WTO with a view to pursuing its national interests and to protect the interests of farmers and exporters. Our negotiating objectives have been developed based on analytical work and an intensive process of dialogue with relevant stakeholders. At Hong Kong, India was proactive in articulating its position on issues of concern to it and other developing countries and played an important role in further strengthening the developing country coalitions by bringing together G-20, G-33 and G-90 groups of countries in a broad alliance to reinforce each others' position on issues of mutual interest. India has been working closely with other like-minded countries and groupings such as G-20 in agriculture, G-33 on Special Products and Special Safeguard Mechanism, group of developing countries in NAMA (called NAMA-11) with a view to pursue its national interests and to achieve pro-development outcomes in line with the Doha mandate and subsequent decisions contained in the General Council Decision of August 1, 2004 and the Hong Kong Ministerial Declaration.

The Hong Kong Ministerial Conference calls for conclusion of negotiations launched at Doha in 2006 and establishes time-frames and targets in specific areas. Crucial issues are to be negotiated in the coming weeks in the work leading up to finalization of modalities in agriculture and NAMA, submission of revised offers in services and progress in other areas of negotiations under the Doha Work Programme. In accordance with its ongoing policy, the Government has been holding stakeholder consultations to protect and pursue our national interest, interests of the farmers and exporters.

Separately, on the domestic front, the Government is continuously monitoring the surge in imports of sensitive items. Government is committed to intervene in a WTO-compatible manner to protect the interests of all domestic stakeholders, especially, farmers and exporters.