

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

UNSTARRED QUESTION NO:14
ANSWERED ON:01.03.2005
EFFECTS OF WTO AGREEMENT
Yadav Shri Baleshwar

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

(a) whether the Government has made appraisal of the benefits accrued to and the losses suffered by the country after the implementation of the W.T.O. agreements a decade ago; and

(b) the details of increased imports in the country in the context of accumulation of vast amounts of foreign exchange and increase in exports during the same period?

Answer

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

(a) & (b): Membership in WTO results in rights and obligations for its Members, including India. Such rights and obligations accruing to a Member of WTO, include national treatment and most favoured nation treatment for a Member's goods and services in other WTO Member countries. Each Member is also expected to undertake specific commitments under different agreements of the WTO. WTO Agreements have benefited India and other developing countries in as much as a rule based, transparent and predictable multilateral trading system facilitates trade. The rule-based system provided by WTO also protects Members from unilateral action by stronger trading partners.

Specific commitments had to be implemented in a phased manner by India. In respect of agricultural products, reduction of tariffs to agreed levels was to be effected in a phased manner ending in 2004. For non-agricultural products (other than textiles and clothing products), the tariff reduction commitments were to be completed over a six year period ending 2000. In respect of textiles and clothing products, the implementation was over a ten year period ending 31st December 2004.

In view of the phased implementation of the commitments in WTO and in view of the fact that trade reforms were implemented in India to a great extent on autonomous basis along with other economic reforms, based on felt need, it is not possible to isolate the specific benefits or losses on account of liberalization based on India's membership in WTO. India's exports increased from US\$ 26.3 billion in 1994-95 to US\$ 63.8 billion in 2003-04 whereas imports grew from US\$ 28.7 billion to US\$ 78.2 billion during the same period.