

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

UNSTARRED QUESTION NO:6058  
ANSWERED ON:03.05.2010  
SUBSIDIES IN WTO REGIME  
Chavan Shri Harischandra Deoram

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

- (a) whether the subsidies given by the Government for industrial development and exports are WTO compatible;
- (b) if so, the details in this regard;
- (c) if not, the steps being taken to make them WTO compatible; and
- (d) the time frame, if any, set in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

a) to d): The Government provides Duty neutralization schemes for units operating under SEZ, 100% EOU/EHTP/STP/BTP and Domestic Tariff Area(DTA) by way of access to duty free inputs. These schemes are based on the principles of ASCM and are generally WTO compatible. In addition, Schemes in operation are in the form of incentive schemes viz. VKGUY, FPS, MLFPS, SFIS, with the objective to incentivize Indian exports, which suffer from a number of inequalities, high transport and freight cost, infrastructure through the schemes like ASIDE & Towns of Export Excellence; schemes for technological upgradation viz. EPCG & SHIS; schemes for marketing support viz MDA & MAI etc. All these schemes are in public domain in the website dgft.gov.in.

Schemes are viewed from time to time and need based amendments are carried out, keeping in view the financial implications thereof and the international commitments.