

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

UNSTARRED QUESTION NO:1164
ANSWERED ON:08.08.2011
TRADE RESTRICTIONS BY WTO
Mahato Shri Narahari;Roy Shri Nripendra Nath

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

- (a) the details of the draft proposals of the World Trade Organisation (WTO) on trade related concessions and sanctions;
- (b) whether the developed countries have proposed in the WTO draft to limit the concessions of the developing countries;
- (c) if so, the likely impact of the proposals, if implemented, on the protection given to the special product sectors; and
- (d) the steps taken by the Government in this regard?

Answer

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

(a) The draft proposals being negotiated in the World Trade Organisation (WTO) for agricultural trade liberalisation include several special provisions for developing countries. These include, inter alia, lower tariff cuts than those to be undertaken by developed countries, self-designation of Special Products that would take lower or no tariff cuts and a Special Safeguard Mechanism that would allow imposition of an additional duty in the event of a surge in import volumes or a fall in prices. The draft terms or modalities for reducing or eliminating customs tariffs and non-tariff barriers on trade in industrial products also include flexibilities for protecting the sensitive industrial sectors of the developing countries.

(b) However, some of the developed and developing countries have proposed more stringent conditions on the special provisions for developing countries in the agriculture negotiations. In the negotiations on industrial goods, developed countries have sought deeper tariff cuts or elimination of tariffs in several sectors, like electronics and electrical products, chemicals, and industrial machinery.

(c) Such proposals will limit the scope of the flexibility to be allowed to developing countries to protect their sensitive agricultural sectors. The sectoral proposals in the industrial goods negotiations will, similarly, limit the concessions allowed to the developing countries. India has strong reservations on such sectoral proposals as they may have an adverse effect on sensitive sectors, lead to inversion of the duty structure, loss of customs revenue and distortion of the tariff structure. India has consistently maintained that sectoral initiatives must be non-mandatory and on a good faith basis without pre-judging the outcome.

(d) India has been working closely with her partners in various developing country coalitions to ensure an outcome that will safeguard the interests of developing countries, particularly those of the small and marginal farmers and vulnerable industries.