

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

UNSTARRED QUESTION NO:6392

ANSWERED ON:06.05.2013

DOHA ROUND OF TALKS

Gawali Patil Smt. Bhavana Pundlikrao ;Joshi Dr. Murli Manohar;Krishnaswamy Shri M.;Nagorao Shri Dudhgaonkar Ganeshrao;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether the United States of America (USA) and European countries provide subsidy to their agricultural sector and if so, the details thereof and the reaction of the Government thereto;
- (b) whether the USA have reacted favourably to the recommendations made by India regarding reducing subsidies being granted to the agricultural products and to discontinue the same in phased manner and if so, the details thereof;
- (c) whether USA is pressurizing India to reduce import duty being levied on industrial products and if so, the details thereof and the reaction of the Government in this regard;
- (d) whether the Government have raised objections to the trade policy being followed by the USA at the World Trade Organisation meet and if so, the details thereof and the response received by the Government so far, in this regard;
- (e) whether no consensus has been reached in the ongoing Doha Round of talks of the WTO and if so, the details thereof and the reasons therefor; and
- (f) whether the failure of the dialogue is attributed to the attitude of the developed countries including USA and if so, the contentious issues which are still to be decided along with the time likely to be taken in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) & (b) As per their latest notifications to the World Trade Organization (WTO) in 2010, the United States of America provided approximately US\$ 4 billion of support to their agricultural producers under the category of Current Total Aggregate Measurement of Support (i.e. support considered under WTO classification as 'trade-distorting') and US\$ 120 billion as Green Box support (non-trade-distorting). As notified to the WTO in 2009, the European Union provided Euro 9 billion as Current Total Aggregate Measurement of Support and approximately Euro 64 billion as Green Box support. In addition they provided approximately Euro 5 billion as direct payments under production-limiting programmes. India and other WTO Members have been seeking reduction in trade distorting domestic support of both these Members in the agriculture negotiations under the Doha Round of trade negotiations in the WTO.

(c) In the WTO negotiations on industrial goods, developed countries want some prominent developing countries like India, China and Brazil to take commitments of complete duty elimination in specific sectors like electronic products, chemicals and industrial machinery. India has reservations on account of the effect of such a commitment on sectors and products which are critical for employment generation and economic growth. There is also a proposal to eliminate tariffs on a list of 'environmental goods', which has not been supported by India and some other developing countries.

(d) In the Doha negotiations, some of the issues raised by India and others relating to the trade policies of the US and other developed countries include the reduction of trade distorting domestic support, market opening in service sectors and modes of interest to developing Members, providing duty-free quota-free access to Least Developed Countries (LDCs), elimination of subsidies on cotton etc. Apart from these issues under negotiation, India has raised concerns relating to the unfair trade practices and policies being followed by the US which have an effect on India's exports, including the exorbitantly high countervailing duty imposed on Indian steel products, and the US policy of giving preference to their domestic solar energy equipment manufacturers for availing subsidy, thereby discriminating against imported products. India has also raised objections on the domestic content requirements of certain renewable energy programs and water utility projects of the United States.

(e) & (f) Efforts are being made to build consensus around a package for an early outcome during the Ninth Ministerial Conference of the WTO (MC9) to be held in Bali, Indonesia in December 2013. The package being negotiated includes Trade Facilitation, some agricultural issues including Food Security, some issues relating to LDCs etc. Some developed Members, including the US have objected a proposal tabled by developing countries related to food security, while pressing for an early agreement on Trade Facilitation. The US is also blocking a package for the LDCs which include duty free quota free (DFQF) access and elimination of cotton subsidies. India, alongwith the other developing countries and the LDCs, are working for finalization of a package that is balanced and development-oriented in keeping with the mandate of the Doha Development Agenda.