

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:6673
ANSWERED ON:08.05.2013
SCOPE OF INFORMATION TECHNOLOGY AGREEMENT
Sivasami Shri C.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether India which is part of the Information Technology Agreement (ITA) has decided not to join negotiations on broadening the scope of the ITA;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether many other stakeholders have also warned the Government on the issue;
- (d) if so, the details thereof; and
- (e) the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a): Yes, Sir.

(b) to (e): During last year, some of the developed country members of the Information Technology Agreement (ITA) such as USA, European Union and Japan proposed in the ITA Committee meetings in the World Trade Organisation (WTO), to broaden the scope and coverage of the ITA (it is being referred as ITA-2). These proposals seek to increase the coverage of IT products on which customs duty would be bound at zero; addressing non-tariff measures; and expanding the number of signatory countries to include new signatories such as Argentina, Brazil and South Africa.

The issue had been examined and it was observed that India's experience with ITA-1 has not been encouraging. It has almost wiped out the IT hardware manufacturing industry from India. Stakeholder interactions were also held at different places in the country with industry. Government has also unveiled National Policy on Electronics recently with the aim to build a sound manufacturing environment in the field of Electronics and Information Technology. Therefore, this is the time for us to incubate our industry rather than expose it to undue pressures of competition.

Accordingly, it has been decided not to participate in ITA expansion negotiation at present.