

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

UNSTARRED QUESTION NO:1857
ANSWERED ON:19.08.2013
EXPIRY OF GSP
Shivanagouda Shri Shivaramagouda

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

- (a) whether the Generalized System of Preferences (GSP), which provides Indian exporters preferential access to the United States of America, is likely to expire/has expired recently and if so, the facts in this regard;
- (b) whether the expiry of the benefits of the GSP is likely to adversely affect the small scale and labour intensive industries the most and if so, the details thereof;
- (c) whether the Government proposes to negotiate for further extension of the GSP and if so, the steps taken/being taken by the Government in this regard and if not, the reasons therefor;
- (d) whether the Indian industries are extensively burdened with a high operation and transaction costs and if so, the details thereof and the reasons therefor; and
- (e) the steps taken/being taken by the Government to reduce the high operation and transaction costs and to make the small scale and the labour intensive sectors more competitive?

Answer

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

- (a) & (b) : Yes, Madam. The legal authorization of the US Generalised System of Preferences (GSP) programme expired on July 31, 2013 and its further extension beyond 31st July, 2013 through September, 2015 is under consideration of the US Congress.
- (c) : Yes, Madam. The case of extension of GSP benefits to India has been taken up with US authorities at various levels.
- (d) & (e) : The Government periodically reviews the operation and transaction cost of various sectors of Indian industry and takes necessary measures to address the same. Special attention is paid towards small and labour intensive sectors in order to make them competitive.