

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

UNSTARRED QUESTION NO:5287

ANSWERED ON:24.04.2015

LIBERALISATION OF FDI AND VISA REGIMES IN SERVICE SECTOR

Chudasama Shri Rajeshbhai Naranbhai

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

(a) whether a decision has been taken to opt out of negotiation for agreement between selected World Trade Organisation (WTO) member countries for liberalising Foreign Direct Investment (FDI) and visa regimes in services sector and for lowering import duty on certain items of information technology product and environmental goods;

(b) if so, the details thereof; and

(c) the manner in which the decision is going to benefit the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

a) to c): For liberalizing Foreign Direct Investment (FDI) and visa regimes in Services Sector:-

i) Yes. India is not a participant in the plurilateral agreement on services, the Trade in Services Agreement (TISA).

ii) The TISA is being negotiated among a group of 23 countries, outside the aegis of the WTO.

iii) India believes that the WTO is the best platform to carry forward Services negotiations in a transparent and inclusive manner. We believe that such a plurilateral approach is not the solution for the impasse in the Doha Round; rather it will surely endanger the conclusion of the Doha Round by disturbing the delicate balance arrived at between Agriculture, Non Agricultural Market Access (NAMA) and Services after years of intense negotiations.

For lowering import duty on certain items of information technology product:-

i) Yes. India has decided not to participate in the Information Technology Agreement-II (ITA-II) negotiations.

ii) India had been a signatory of Information Technology Agreement-I (ITA-I), an agreement of the WTO since 1997, that committed participating countries to eliminate their custom duties on specific information technology products. Accordingly, India had phased out customs duties on these 217 products in 2005. However, in recent years, selected WTO member countries have started negotiations to expand the product coverage of ITA, now called ITA-II. In this context, India has decided not to participate in the ITA-II negotiations, in line with the recommendations of Department of Electronics and Information Technology (DeitY) and the domestic manufacturing industry.

iii) Decision to not join the ITA expansion negotiations was taken in light of the various measures taken by the Government to build a sound manufacturing environment in the field of Electronics and Information Technology. Non participation in ITA expansion negotiations is expected to give a boost to indigenous manufacturing of electronic products.

For lowering import duty on certain items of environmental goods:-

India has made its submissions in multilateral negotiations at WTO on environmental goods. India has however, not supported any plurilateral negotiations in this matter.