

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

UNSTARRED QUESTION NO:300
ANSWERED ON:11.07.2014
SUBSIDY IN SUGAR
Sundaram Shri P.R.

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

- (a) whether several countries have raised the issue at World Trade Organization over subsidy in sugar offered by the Government as the payment increases the competitiveness of Indian sugar in international market and impact prices;
- (b) if so, the details thereof;
- (c) whether the Government proposes to extend the export subsidy for sugar until the end of the sugar season in September;
- (d) if so, whether this is likely to attract penal action from World Trade Organization; and
- (e) if so, the steps taken by the Government to tackle this situation?

Answer

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

- a) & (b) Brazil, Columbia, Australia and the European Union raised the issue of the incentive provided by the Government of India to the sugar sector in the meetings of the Committee on Agriculture of the World Trade Organization (WTO) held in March and June 2014. These countries sought information on various aspects of the scheme.
- (c) The scheme provides an incentive on marketing and promotion services of raw sugar production which will be reviewed before the commencement of the next sugar season 2014-15.
- (d) & (e) India has been questioned in the WTO's Committee on Agriculture but no penal action has been initiated. India explained in the WTO that the aim of the government intervention is to facilitate payments of outstanding arrears to farmers by the sugar mills and product diversification by incentivizing raw sugar production.