

Book Trust, India, New Delhi, for the year 1993-94 together with Audit Report thereon.

- (iii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Book Trust, India, New Delhi, for the year 1993-94.

- (10) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (9) above.

[Placed in Library See No. LT 7993/95]

12.36 hrs.

STANDING COMMITTEE ON LABOUR AND WELFARE

Fifteenth Report and Minutes

[English]

SHRIMATI CHANDRA PRABHA URS (Mysore) : Sir, I beg to present the Fifteenth Report (Hindi and English versions) of the Standing Committee on Labour and Welfare on the Trade Unions (Amendment) Bill, 1994 and Minutes of the sitting of the Committee relating thereto.

12.36½ hrs.

COMMITTEE ON HOME AFFAIRS

Twenty-second Report

[English]

SHRI SAIFUDDIN CHOUDHURY (Katwa) : Sir, I beg to lay on the Table a copy (Hindi and English versions) of the Twenty-second Report of the Committee on Home Affairs on the Pondicherry (Administration) Amendment Bill, 1995.

12.37 hrs.

STATEMENTS BY MINISTER

- (i) **Services negotiations under the World Trade Organisation.**

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : Hon'ble Members are aware that liberalisation of trade in services was one of the areas which was negotiated in the Uruguay Round. Our objective in these

negotiations was to offer entry to foreign service providers in sectors in which such entry was considered to be most advantageous for us in terms of capital inflows, technology and employment. In return we sought greater access for our skilled personnel to the markets of our major trading partners.

The results of the negotiations which concluded in December 1993 in the area of movement of natural persons on the one hand and financial services on the other were considered unsatisfactory. Members therefore proposed and obtained Ministerial Decisions on establishing separate Negotiating Groups on further negotiations on the movement of natural persons and financial services.

The negotiations which were to conclude on 30th June, 1995 as required by the Ministerial Decisions, had to be extended until 28 July 1995 on account of the stand taken by the U.S on financial services. In the meeting of the Committee on financial services on 29th June, 1995, the US announced that they were not in a position to undertake an MFN (most favoured nation) obligations that covers new activities in banking, securities, insurance, fund management and other financial services.

In order to deal with the situation created by the U.S. decision, the European Union (E.U.) proposed that the rest of the members conclude a 'temporary fixed term MFN agreement' in the framework of GATS. This required the maintenance of the best offers indicated during the negotiations on financial services and not seeking a general MFN exemption. The term of this agreement was initially proposed to be 4-5 years.

As it has finally emerged, however, this temporary fixed term agreement will be valid only till 31 December 1997 after which members will be at liberty to withdraw their commitments and/or take an MFN exemption. Under this arrangement members have tabled their modified market access schedules in the financial services sector, with improvements in certain cases. In the case of some countries, these schedules are subject to certain limitations vis-a-vis the MFN principle. India has done likewise by making a moderate improvement in its offer. India has also retained its December 1993 MFN exemption schedule and built in additional safeguards in the market access schedule as well.

The advantage or implications of the agreement for India should be considered in the light of the fact that India was not a major demandor in the financial services negotiations but was looking for improvements in market access opportunities in the sphere of Movement of Natural Persons. Movement of Natural Persons or Service providers takes place either with Commercial Presence or without Commercial Presence. While the offers tabled in December 1993 by our major trading partners

contain provision for Movement of Natural Persons with Commercial Presence, there were limited offers in the mode of movement without Commercial Presence. The EU, Norway and Switzerland which so far had not scheduled any commitments on the movement of natural persons have done so in these negotiations. US had earlier tabled an offer for movement of natural persons without commercial presence while an improved offer has been scheduled by Canada. Overall, now a larger market access package is available for our skilled personnel as compared to the situation in December 1993.

Developing countries including India have been emphasising that for international trade in services to be conducted on the basis of inherent comparative advantage movement of Natural Persons who are providers of services will need to be facilitated. This principle has now been recognised and even though the gains in respect of offers of individual countries in individual speciality occupations may not be very large, it signifies the beginning of a process which can be built upon in future rounds of negotiations. It is our assessment, that with the improvements secured by us in the offers of our major trading partners, a significant opening has been created for the temporary relocation of our skilled personnel without commercial presence.

In the area of Financial Services, our offers on banking and financial services are well within the current policy parameters. That is, India's offer is at a level which is lower than current practice. Sufficient safeguards have been provided to give primacy to our domestic laws and regulations. There are no offers in life or non-life insurance sectors as our current policies do not permit foreign investments in these sectors. It is felt that offers of various countries under the WTO framework will provide transparency, predictability and multilateral discipline which will impart a greater degree of investor confidence. As the financial sector in India grows and matures, it can also look for export opportunities that have become available as a result of the financial services agreement.

The situation arising out of the US decision to take on MFN exemption on its financial services offer has also been fully taken care of in our offer by the following steps :

(a) We have retained the MFN exemption notified by us in December 1993,

(b) Our offer has been qualified by a head note to the effect that our commitments are subject to entry requirements, domestic laws, rules and regulations and term and conditions of the RBI, SEBI and any other competent authority in India.

(c) One of the conditions of market access in our offer on banking provides that market access will be

subject to grant of licence as permissible under existing laws. The implication of this conditions being that since our Banking Regulation Act provides as one of the conditions of the licence that Government or law of the country in which the foreign bank is incorporated does not discriminate against Banks registered in India, our market access offer will be on the basis of reciprocity.

(d) The US has separately conveyed to us that non-discriminatory access to the US market will be their normal practice.

Overall, it is Government's assessment that the outcome of the negotiations on financial services and movement of natural persons is fairly balanced.

SHRI ATAL BIHARI VAJPAYEE (Lucknow) : The House should be given an opportunity to speak.

MR. SPEAKER : We generally do not do it. We do not put questions now.

SHRI ATAL BIHARI VAJPAYEE : Not now. We will give notice and then you allot some time for us.

MR. SPEAKER : All right. We will give.

(ii) SAARC Ministerial Meeting on Women

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT (SHRIMATI BASAVA RAJESWARI) : As Decided in the Fourteenth Session of the Council of Ministers held at New Delhi between 30th April - 1st May 1995, the Ministerial Meeting on Women : Towards the Fourth World Conference on Women in Beijing was held in Dhaka on 29-30 July, 1995. The Minister of State for Human Resource Development (Department of Women & Child Development) represented India at this meeting.

Recognising the common socio-economic problems faced by women in the SAARC region, the Ministers and Representatives of SAARC Countries decided to take a common position at the Fourth World Conference on women in respect of important issues concerning women of this region. At the end of this meeting, 'Dhaka Resolution on Women' was adopted calling upon the Fourth World Conference on Women to appropriately reflect the SAARC perspectives on women.

The Dhaka Resolution on Women has emphasised the following seven areas of concern common to the SAARC countries :

1. Eradication of poverty;
2. Mainstreaming and empowerment of women, including involvement of women in the decision making process;
3. Establishing and strengthening National Machineries for Women and Girl Child;