

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2611
TO BE ANSWERED ON 12th MARCH, 2018

WTO AGREEMENT ON AGRICULTURE

2611. ADV. JOICE GEORGE:
SHRI R. PARTHIPAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the World Trade Organisation (WTO) on agriculture was aimed to remove trade barriers and to promote transparent market access and integration of global markets and if so, the details thereof;
- (b) whether the said Agreement is highly complicated and controversial and if so, the details thereof;
- (c) whether it has often been criticised as a tool in hands of developed countries to exploit weaker countries; and
- (d) if so, the details thereof along with the reaction of the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

- (a) The World Trade Organization (WTO) deals with the rules of trade between nations. The objective of these rules is to ensure that trade flows as smoothly, predictably and freely as possible. The WTO Agreement on Agriculture (AoA) aimed to establish a fair and market-oriented agricultural trading system with the objective of providing for substantial progressive reductions in agricultural support and protection over an agreed period of time, with a view to correcting and preventing restrictions and distortions in world agriculture markets.
- (b) and (c): Despite the fact that the developed countries had to undertake higher reduction commitments in the Uruguay Round (UR) of Trade Negotiations, their subsidy entitlements are considerably higher than those of developing countries. Many of the developing countries such as India did not have any reduction commitment, as they were not providing any trade-distorting subsidies during the reference period taken into account during the UR negotiations. These countries can provide such subsidies to the extent of 10% of the value

of production of a crop in a calendar year and 10% of value of production in respect of non-product specific support during the year. Hence, the AoA provides considerable space and flexibility to a few developed members to provide huge trade distorting subsidies and further, to concentrate these subsidies on a few products without any limit. Developing countries, on the other hand have special and differential treatment in form of flexibilities to provide support for input subsidies to low income resource poor farmers.

- (d) The Government believes that any meaningful reform in agriculture must first seek to reduce the disproportionately large subsidies of the developed countries, address product-specific concentration and further, there must be no dilution of the special and differential treatment provisions for developing countries.
