

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2722**  
**TO BE ANSWERED ON 12<sup>th</sup> MARCH, 2018**

**PROPOSAL SUBMITTED TO WTO**

2722. DR. K. GOPAL:  
ADV. JOICE GEORGE:

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

- (a) whether India and China have jointly submitted a proposal to the World Trade Organisation (WTO) for elimination of the most trade distorting form of farm subsidies by the developed countries as a prerequisite for consideration of other reforms in domestic support negotiations;
- (b) if so, the details thereof;
- (c) whether the developed countries have been consistently providing trade distorting subsidies to their farmers at levels much higher than the ceiling applicable by developing countries; and
- (d) if so, the details thereof?

**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) & (b) Yes, Madam. On 18 July 2017 India and China jointly submitted a proposal to the World Trade Organisation (WTO) calling for developed countries to eliminate the most trade-distorting form of agricultural subsidies, known in WTO terminology as Aggregate Measurement of Support (AMS).

(c) & (d) The WTO Agreement on Agriculture provides considerable space and flexibility to a few developed countries to provide huge trade distorting agricultural subsidies and further, to concentrate these subsidies on a few products without any limit. The joint submission by India and China proposes the removal of the most trade-distorting form of subsidies in agriculture, called the 'Aggregate Measurement of Support (AMS)' provided by many of the developed countries. It brings out the fact that the trade-distorting subsidies provided to the farmers in developed countries are at levels much higher than the ceiling applicable to developing countries. While developed countries have large entitlements to provide such subsidies, most developing countries have to contain the subsidy for an agricultural product within 10% of the value of production of the product, which is a major asymmetry in the rules on agricultural trade.

\*\*\*