

Impact of China's Entry into WTO on Indian Industries

2290. SHRI RAJEEV SHUKLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that China has been allowed entry into WTO;

(b) if so, whether Government have analysed its impact on Indian industries particularly electronics, small scale, food and agriculture; and

(c) the steps being taken to absorb the Chinese impact?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) Yes, Sir. The Fourth Ministerial meeting of WTO held at Doha, Qatar, decided on 10th October, 2001 to accept the accession instruments indicating the terms and conditions of Peoples Republic of China's Membership in WTO. Subsequently, on 11th November, 2001 the Government of PR China accepted the protocol done at Doha. Accordingly, PR China's accession to WTO will enter into force on 11th December, 2001, one month after the acceptance of protocol by the Government of PR China.

(b) and (c) India has been actively involved in the GATT/WTO accession process of China which started in 1986. A bilateral agreement was signed with China on 22nd February, 2000 where tariff and other concessions were agreed to by China with India. There may not be any immediate impact on Indian industries on account of China's accession to WTO as such, because India and China have already been exchanging Most Favoured Nation (MFN) Treatment and because the concessions had to be given unilaterally by China on entry to WTO and no reciprocal commitments were involved on the part of India or any other WTO Member. The effects of China's accession to WTO should, therefore, be beneficial to Indian exports since conditions of market access including in respect of tariffs in the Chinese market will significantly improve. The main policy emphasis is to make the Indian industry globally competitive in addition to regular monitoring of imports, particularly consumer goods.