

FSA support issue at WTO Ministerial Conference, Bali

629. SHRI RANGASAYEE RAMAKRISHNA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the obligations under the Food Security Act are in conformity with the World Health Organisation (WHO) stipulations on permissible limit of support;

(b) whether the Ninth WTO Ministerial Conference at Bali will address this issue; and

(c) if so, what will constitute the negotiating brief for the Indian delegation at the Bali meet?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) The provisions of the National Food Security Act which relate to providing subsidised food to the poor are fully compatible with WTO rules. It is only the procurement-related support that has to be accounted for in the calculation of trade-distorting support as per WTO rules. Such support has to be kept within certain limits.

(b) and (c) The original proposal by the G-33 coalition of developing countries in the WTO, of which India is also a member, proposed that acquisition of stocks of foodstuffs from low-income or resource poor producers for supporting such producers or for fighting hunger and rural poverty should be excluded from the calculation of trade-distorting support. WTO Members could, however, agree to discuss only an interim mechanism. The Indian delegation was mandated to negotiate the terms of such an interim mechanism. During the Ninth Ministerial Conference of the WTO held in Bali, Indonesia from 3 to 7 December 2013, WTO members agreed to an interim mechanism which will be available till Members agree on a permanent solution on this issue for adoption by the Eleventh Ministerial Conference of the WTO.

Trade deficit with China

†630. SHRI RAM JETHMALANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that external trade deficit between India and China is in favour of China;

(b) if so, Government's reaction thereto;

†Original notice of the question was received in Hindi.

(c) difference in value of import and export between India and China during 2012-13;

(d) whether this difference is likely to come down in 2013-14; and

(e) if so, by what percentage this difference is likely to come down?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) Yes, Sir.

(b) With a view to reducing trade deficit with China, efforts are being made to diversify the trade basket with emphasis on manufactured goods. We are also pursuing market access issues to tackle non-tariff barriers in the Chinese market at different fora. At the Ministerial level, we have India-China Joint Group on Economic Relations, Trade, Science and Technology (JEG) where trade related issues are taken up regularly. Indian exporters are encouraged to participate in major trade fairs in China to show-case Indian products in the Chinese market and increase engagement with Chinese companies. Participation of Indian exporters in trade fairs educates the Chinese importers about niche Indian products. Business to Business relations are also encouraged through schemes such as Market Access Initiative (MAI)/Market Development Assistance (MDA) for promoting exports to China.

(c) During 2012-13, exports to China was US \$ 13,579.51 million while imports was to the tune of US \$ 52,248.33 million. The trade deficit with China was US \$ 38,668.81 million during the period.

(d) and (e) During the current year 2013-14 (P) for the period April-October, exports to China was US\$ 7,225.59 million and imports was US\$ 30,511.17 million. The trade deficit declined by 2.6% during the above period over the corresponding period last year.

Fall in industrial production

631. SHRI C.P. NARAYANAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a fall in growth rate of industrial production in the country is due to harsh import policies of developed countries;

(b) if not, the reasons for the fall;

(c) the concessions given in various forms by Government to industry during the last three years;