

[8 December, 2003]

RAJYA SABHA

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*Monday, the 8th December, 2003/17 Agrahayana, 1925 (Saka)*

The House met at eleven of the clock.

MR. CHAIRMAN in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### WTO Meeting at Cancun

\*81. SHRI RAJKUMAR DHOOT:

SHRI MANOJ BHATTACHARYA:†

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a Conference of the World Trade Organisation was held in Cancun in September this year;

(b) if so, the details thereof and the issues which were considered in the Conference;

(c) the major decisions taken in the Conference and the impact thereof on the agricultural sector;

(d) how far the outcome of Cancun Conference been favourable to India;

(e) whether it is a fact that USA pressurized India to join former's approach in the Conference;

(f) whether it is also a fact that USA and other developed countries have agreed to reduce the subsidies to their farm sector and market access to their farm produce by developed countries; and

(g) the action proposed to be taken including the policy for the next meeting?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) to (g) A Statement is laid on the Table of the House.

#### *Statement*

(a) to (d) The Fifth Ministerial Conference of the World Trade Organisation (WTO) was held at Cancun, Mexico, during 10-14 September, 03 to take stock of the progress in the negotiations under the Doha

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The question was actually asked on the floor of the House by Sh. Manoj Bhattacharya.

551 RSS/04-1

Work Programme, provide necessary political guidance and take decisions as necessary. The issues in the Doha Work Programme, *inter-alia*, include negotiations in agriculture, services, market access in non-agricultural products, implementation issues and special and differential treatment for developing countries, rules covering anti-dumping, and subsidies countervailing measures, Trade-related Intellectual Property Rights, Environment, dispute settlement and the work programme on small economies negotiations. A decision was also required to be taken at the Fifth Ministerial Conference by explicit consensus on the modalities of negotiations on the four Singapore issues *viz.* Trade and Investment; Trade and Competition Policy; Transparency in Government Procurement; and Trade Facilitation.

However, in view of the serious differences among Members, it was decided that while considerable progress has been made, more work needs to be done in some key areas to enable the WTO Members to proceed towards the conclusion of the negotiations in fulfillment of the commitments in the Doha Ministerial Declaration of 14 November 2001. The meeting agreed that the Chairman of the General Council, working in close cooperation with the Director General, WTO will coordinate this work and convene a meeting of the General Council at Senior Officials level no later than 15 December, 2003 to take the action necessary at that stage to enable WTO Members to move towards a successful and timely conclusion of the negotiations as scheduled by 1 January, 2005.

The Fifth Ministerial Conference welcomed Cambodia and Nepal as the first least-developed countries to accede to the WTO after its entry into force on 1 January 1995. This decision will strengthen the multilateral trading system and promote universality of membership of the WTO, besides signaling that the WTO is sensitive to the concerns and interests of developing countries including the least-developed among them such as Cambodia and Nepal with whom India maintains long standing and cordial relations.

(e) No, Sir.

(f) While no agreement has been reached in the negotiations in agriculture, developed countries including the United States have offered to reduce the domestic support to their farm sector, to phase out export

subsidies in products of particular interest to developing countries , and to provide further market access through tariff reductions and expansion of tariff rate quotas. However, developing countries, including the G-20 alliance on agriculture which includes Argentina, Brazil, China, Egypt, India, Indonesia, Philippines, South Africa and Zimbabwe, have maintained that the offer for reform of their farm sector by the developed countries does not meet with the objectives of the Doha mandate to negotiate in agriculture, which calls for substantial reduction in trade-distorting domestic support, phasing out all forms of export subsidies, and substantial improvements in market access, while ensuring that special and differential treatment for developing countries is an integral part of all aspects of the negotiations.

(g) The next Ministerial Conference of the WTO will be held in Hong Kong, China. While the dates have not been settled, under the existing provisions the Conference shall be held at least once every two years. As regards, India's policy for the next meeting, India continues to support smooth functioning of a fair and rules-based multilateral trading system and to emphasize that for achieving further progress in the negotiations all Members of the WTO will have to show genuine commitment to re-energise these negotiations. Also consistent with the 'development' dimension envisaged in the Doha mandate, the concerns of developing countries will have to be taken into account in letter and in spirit. The Process of decision-making should be both transparent and inclusive, without ignoring the sensitivities of the developing countries. In each of the issues in the negotiations, India has always sought to build alliances with WTO Members who hold similar interests and concerns.

SHRI MANOJ BHATTACHARYA: Sir, the unity displayed by the developing world and the least developed countries at Cancun was of an exceptional nature. I am sure that the hon. Minister will agree with me that it will come under increasing strain in the coming months with the U.S., along with the European Union , 'picking off' individual countries for bilateral deals, and not to mention regional trading blocks. It is not difficult to see that while Davids, thanks to the numbers, managed to defy the Goliath at Cancun; but it would not be easy to replicate the same process in one-to-one negotiations. Hence, there is a need to urgently work out a joint long-term strategy and adopt consistent political and economic measures on international plane to further consolidate this unity and

strengthen the same—I am sure that the hon. Minister is understanding me—so that the ugly machinations of the U.S. and the E.U. combine can be thwarted.

MR CHAIRMAN: Please put your question.

SHRI MANOJ BHATTACHARYA: Sir, I am putting the question. In this background, my question is: Whether the Government of India is prepared to lead the unity of the developing and least developed countries from the front, and to adopt political programmes both internationally as well as nationally, so that this sort of ugly machinations of the advanced developed countries under the leadership of the U.S. and the E.U. can be thwarted. And if at all there is some programme to thwart the programmes of the Northern Alliance, what is the result thereof? That is my question.

SHRI ARUN JAITLEY: Sir, I may mention that India, on account of the historical commitments that it has made and the role it has played, has increasingly matured as a multilateral player, and we are bound by all the commitments that we have made. At the same time, there are several issues of our own national concerns about which we are concerned, and in so achieving the task of best serving our national interest we strive for a domestic consensus within the country, and, we also strive for opportune alliances with various countries, who on several issues tend to think like us. Now, rather than going for creating a division in the multilateral forum, we are trying our best to forge our own alliance, also engage ourselves with those who may not, in the first instance, in agreement with us, but are committed to continue that engagement process, so that that process itself can serve India's national interest the best.

As far as voicing concerns of India and the developing countries are concerned, India has always been doing it and shall continue to do so.

SHRI MANOJ BHATTACHARYA: Sir, I am sure, you also will agree that we are trying to derive negative satisfaction out of "No deal is better than the bad deal". It is a negative satisfaction. We could not advance, in fact, on the agenda of ours. I must appreciate the hon. Minister has been extremely critical and rightly so, about the subsidies being not given to keep small struggling family farms...

MR. CHAIRMAN: Come straight to your questions.

SHRI MANOJ BHATTACHARYA: Yes, Sir, I am coming to the question. This requires a little direction; otherwise, I will not be able to frame the question. The hon. Minister also will not be able to reply. So, Sir, I am just appreciating that he was extremely right in criticising, and rightly so, the role of advanced developed countries, particularly the U.S. and the E.U. in not giving subsidies to the small family farms to maintain them in business, whereas, they are giving hefty rents to the corporates and very rich...

MR. CHAIRMAN: Please take your seat.

SHRI MANOJ BHATTACHARYA: Sir, my question is: When he has been critical about the role of the advanced developed countries, whether in India. Sir, in India, you know very well because you are a farmer yourself almost 65 crore people are engaged in agriculture. That is their livelihood. In fact, people are dying. I would like to know whether the Government of India is prepared to withdraw the ban on the subsidies or the other subsidies rendered to the small farming houses and small farming families in the domestic market in India.

MR. CHAIRMAN: Please take your seat. ...(*Interruptions*)... I will not allow.

SHRI MANOJ BHATTACHARYA: Just allow me for a moment only. ... (*Interruptions*). ..Sir, the Jute growers and the rice growers are languishing particularly in Eastern India. I would like to know whether the Minister or the Government of India is going to render some help to these poor families.

SHRI ARUN JAITLEY: Sir, I may, at the very outset, mention that the Government of India has consistently had a policy against trade distorting subsidies being given by certain developed countries whether in the nature of domestic support or in the nature of export subsidies. However, there are categories of subsidies, which are permissible subsidies under the category of *de-minimis* subsidies. Therefore, the transport and fertiliser subsidy etc. which we try and give to our farmers is in the category of those permissible subsidies. In fact, in the upper limit of *de-minimis*, there is still a lot of headspace. But it is only on account of our

own constraint of domestic economy that we are not able, even in terms of *de-minimis*, to give the fullest amount which is permissible as far as our farmers are concerned. Therefore, this is a matter which really depends on what the amount of resources the Finance Minister has with him at a given point of time. Therefore, what the Government of India has been giving to its farmers is within the category of those permissible subsidies. There is no pressure on the Government of India, as far as those are concerned, in any way to scale them down or to withdraw them. It is only domestic economic factors, which influence how much it can be given. ...(*Interruptions*).

SHRI PRANAB MUKHERJEE: Sir, I would like to know from the hon. Minister, particularly, about the issues on which no conclusions could be arrived at Cancun and which are popularly known as the Singapore issues. After the Cancun whether any initiative at the international fora has been taken by any country or any group of countries to resolve that impasse and whether there is any possibility of calling a Ministerial Meeting or at least some countries to resolve this issue because no conclusions could be arrived at Cancun on these important issues. So, what initiative has been taken? And is the Government of India responding to such initiatives?

SHRI ARUN JAITLEY: Sir, I may make a mention to a very important question which the hon. Member has raised that for the first few days at Cancun Ministerial Meeting, the discussions centred around only the agreement on agriculture itself. There was no specific discussion on Singapore issues, which had taken place. Countries had their pre-decided position as far as Singapore issues are concerned. However, on the last day it was decided in the greenroom to begin discussions amongst a limited number of countries which were present in the greenroom on the Singapore issues. India has voiced its concern because we wanted on several of the Singapore issues — in fact, on all four of them — a detailed clarifications process to go on before negotiations on modalities with regard to the Singapore issues could commence. Now, India was supported this time by a large number of countries within the greenroom, and outside also on earlier occasions. In fact, G-21 on agriculture was getting a lot of prominence. But the G-16 was a group, predominantly led by India, Malaysia and China and which was on the Singapore issues

itself. Now, in the course of negotiations, a certain stand was taken by the European Union, which has been the main *demandeur* as far as Singapore issues are concerned. However, negotiations could not conclude and they broke down on this particular issue. Subsequent to that, our officers at the level of our Ambassador have been in touch with each other. There is an Ambassador level meeting on the 15th December -an officers level meeting on 15th December — which has been fixed in Geneva, where formally all the issues would really be discussed and these issues would also figure. Meanwhile, the G-21 has also been in touch with each other and we have decided that in Brazil at Rio, on the 12th of this month, we would have a meeting among the G-21 countries itself on several issues. I am given to understand that it is now expanded beyond the scope of G-21 meeting and there will be our own meeting, is quite likely that the representatives of the European Union as also the Director-General of the WTO themselves, may come to negotiate on some of the issues with the G-21 where amongst the issues which Mr. Pranav Mukherjee is mentioning, may perhaps figure.

DR. L.M. SINGHVI: Mr. Chairman, Sir, the conclusive and decisive contribution made by India at the inconclusive Cancun Conference much be applauded. We must also congratulate the hon. Minister for his leadership role at Cancun. We would like him to outline the future strategy both on Singapore issues as well as on the next Ministerial Conference at Hong Kong, as to how we propose to consolidate the solidarity of the Developing world; as to how we propose to deal with the Singapore issue: that are being raised; and as to how we carry forward Doha accord towards more beneficial agreements.

SHRI ARUN JAITLEY: Sir, I may mention that Cancun itself was not a commencement of a new Round, nor was it conclude. It was only a midway assessment of the Doha Development Round which had already started. It was to take an assessment of where we are reaching, and finally give a direction to that Round, so that by 1st January, 2005, several decisions, which we were in the process of taking, could become implementable by that date. I may mention that there were several areas in which we have, indeed, made progress. For instance so far as the issue of the TRIPS, particularly in relation to enforcement of paragraph 6, that is, availability of medicines at cheaper price to the poor countries is concerned, we were able to resolve it actively a week before

Cancun Conference itself. In trying to resolve it, both, the United States of America and India had a lead role in it. In fact, our Ambassador presided over the final meeting, in which the entire settlement was reached. It was to the advantage of a large number of poorer nations, which would, now, be entitled to get medicines at cheaper prices. We had also felt that there were areas — the way in which the agreement was drafted — we could, at Cancun, also had moved forward, for instance, in the area, of non-agricultural market access. Perhaps, the differences seemed to be:—quite narrow, and we thought we could, at least, go back with some positive decisions, as far as those issues were concerned. However, as I indicated in my response to Mr. Pranab Mukherjee, the main difficulty arose, as far as the issue of agriculture was concerned. And, as far as agriculture is concerned, there are three main issues — one is relating to domestic support subsidies, the second is relating to export support subsidies. Now, the export subsidies are *per se* trade-distorting. As, far as domestic support subsidies, given by some of the richer countries, are concerned, they are also trade-distorting. Impact of those subsidies may *prima facie* only appear to enrich their own farmers, but increases the quantum of productions. It encourages cheaper productions. And, the result of those excess quantities, which spill over into the world market, is that it depresses prices, as far as our own economy is concerned. So, the huge trade-distorting subsidies, given by the developed countries tend to distort the agricultural prices and depress them, as far as Developing Countries and poor countries, like India, are concerned. Therefore, along with a large number of countries, which on some component of agriculture were not on identical thinking with us, we had formulated this alliance in terms of G-21, so that we could actually work towards elimination of some of these subsidies, and a gradual reduction some of these subsidies. That is a long-term goal, so far as this area concerned. In the area of market access, which is the third pillar, as as agriculture is concerned — Indian agricultural position, with almost 650 million people depending on agriculture for livelihood; a large number Indian farmers are subsistence farmers — it is livelihood and food security concerns. Therefore, in terms of market access, with the market being distorted on account of the State-distorting practices, we strongly feel, and I must say that as far as India is concerned, it was the unanimous opinion of all political parties, which might have been consulted before the Cancun Conference. Traders' organization, Chambers of Commerce,



trade-unions, farmers' organizations, NGOs, economists all of them, I would; say, had almost similar thinking on this question that it would be unfair to put our farmer in competition with the highly subsidised farmers. And, therefore,, our future strategy also would be that even when we negotiate areas like, market access etc., we will have to directly link it up with elimination of the trade distorting practices, which have been carried on, by certain developed countries.

**श्री रमा शंकर कौशिक:** श्रीमन् माननीय मंत्री जी ने अनुपूरक प्रश्न के उत्तर में बड़े विस्तार में खेती के बारे में लघु उद्योग के बारे में और सीमा शुल्क के बारे में बताया है और जवाब में भी यही है। लेकिन हमें इससे उपलब्धि क्या हुई। यह माननीय मंत्री जी ने नहीं बताया है। चूंकि जो सम्मेलन हुआ और जो वाणिज्य और उद्योग विभाग में मंत्रिस्तरीय बयान जारी किया है कि वहां सम्मेलन में जो मंत्रिस्तरीय बयान जारी हुआ उसमें कहीं भी इन बातों की चर्चा नहीं है। जो बातें अनुपूरक प्रश्न के उत्तर में माननीय मंत्री जी कह रहे हैं, इस बयान में कुछ नहीं है। बाद में जो मंत्रिस्तरीय बयान जारी हुआ है उसमें कुछ नहीं है केवल लब्धोलुवाब यह हैं कि हम दोहा के फैसलों का आदर करते हैं और उनका पालन करेंगे। यह प्रश्न तो बहुत दिनों से है। मैंने इस प्रश्न को इस सदन से सबसे पहले उठाया था कि कितनी सब्सिडी अमरीका और यूरोप के देश अपने किसानों को दे रहे हैं। लेकिन इस मंत्रिस्तरीय बयान में इन सारी बातों का कोई भी जिक्र नहीं है। इसलिए मैं माननीय मंत्री जी से कहना चाहता हूं कि आप स्वाभाविक रूप से और अपने स्वभाव के मुताबिक बोलते रहे होंगे। यह मैं मानता हूं कि आपने बातें रखी होंगी लेकिन जी नतीजा निकला है उसमें ऐसा कुछ नहीं है। तो मंत्री जी कृपया बताएं?

**श्री सभापति :** ठीक है, बताइए।

**श्री अरुण जेटली:** सभापति जी, जो पुस्तक माननीय सदस्य के हाथ में है उसमें भारत का स्टैंड इस विषय के ऊपर रहा है यह भी बहुत स्पष्टता से इस पुस्तक के अंदर है और यह बिल्कुल स्पष्ट है कि डब्ल्यूटीओ के इतिहास में एक अनोखा उदाहरण था जबकि जितने भी विकासशील देश थे और लीस्ट डेवलपिंग देश थे, गरीब देश थे, इन सब मुद्दों के ऊपर इकट्ठे होकर एक आवाज में बोल रहे थे। जिस प्रकार से डब्ल्यूटीओ के अंदर यह बात एक वजन के साथ सामने आई कि उसका जो ऐजेंडा था, उसकी जो बातचीत थी उसका मूल आधार अब यह होना चाहिए कि किस प्रकार से इस सब्सिडीज को कम करने का प्रयास हो। वहां पर यह बहुत बड़ा वर्ग था जिसने इस बात को उठाया। उसी प्रकार से जिस प्रश्न को मुखर्जी साहब ने पूछा था कि सिंगापुर इश्यूज पर, दोहा के सम्मेलन में एक वक्त यह आ गया था कि मारन साहब हमारी ओर से अकेले उस विषय के ऊपर अड़े रहे थे और अपनी बात कह रहे थे। लेकिन इस बार उस विषय पर भी कई ऐसे देश जो पिछली

बार हमारा साथ छोड़ गए थे आज इसके अंदर हमारे साथ आ गए हैं। इसके फलस्वरूप यह सब हुआ क्योंकि जो कई विकसित देश थे, डेवलपिंग कंट्रीज थे, उनके साथ इस विषय के ऊपर मतभेद था। यह स्पष्ट है इसको छिपाने की कोई आवश्यकता नहीं है। बहुत प्रभावी ढंग से डेवलपिंग कंट्रीज ने लीस्ट डेवलपिंग कंट्रीज ने अपनी बात कही है। केवल उसमें भारत ही नहीं था, भारत के साथ अन्य प्रमुख देश भी थे जो इस पर भूमिका निभा रहे थे। ब्राजील का इसमें बहुत अच्छा योगदान था, चाइना का था, अर्जेन्टीना का था और साउथ अफ्रीका का था। ये सब मिलकर इस बात को उठा रहे थे और पहली बार इन्होंने अपनी आवाज इस तरीके से उसके सामने रखी। वहां पर इस विषयों को लेकर डेडलॉक था, कोई समझौता नहीं हो पाया और समझौता न होने की वजह से इसीलिए उस डिक्लेरेशन के अंदर यह लिखा है कि यह सम्मेलन किसी परिणाम पर नहीं पहुंच पाया जिससे समझौता नहीं हो पाया है इसलिए दोबारा से अधिकारी स्तर की बैठक 15 दिसम्बर से पहले हम लोग बुलाएंगे और इस बातचीत को आगे रखेंगे। डिक्लेरेशन केवल उस विषय तक सीमित है।

#### **Availability of safe drinking water**

\*82. SHRI C. RAMACHANDRAIAH: Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether it is a fact that per day availability of safe drinking water is extremely limited in the country according to Census 2001;

(b) if so, the per day availability of safe drinking water in all 10 lac plus category cities in the country;

(c) whether it is also a fact that water supply in many cities falls far below the national average of 140 litres per capita per day;

(d) if so, the reasons therefor; and

(e) whether there is any time-bound programme to make available safe drinking water in the Indian cities at par with Sri Lanka and Malaysia?

THE MINISTER OF STATE OF THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI BANDARU DATTATRAYA): (a) to (e) A Statement is laid on the Table of the Sabha.