

WTO negotiations and India

6.121 After the suspension in negotiations during July 2006 due to the wide gaps in the positions of WTO Members, especially on agricultural domestic support and market access, there was a soft resumption of negotiations on November 16, 2006. Subsequently there was full-scale resumption of negotiations on February 7, 2007, on the principles that it preserves the architecture of the negotiations, inclusiveness, and the progress made so far, and leads to an outcome that is balanced, ambitious and pro-development.

6.122 While safeguarding the interests of India's low income and resource poor agricultural producers (which cannot be traded off against any gains elsewhere in the negotiations) remains paramount for India, making real gains in services negotiations where it is a demander is no less important. In the case of industrial tariffs, India's growth and development concerns need to be addressed where India has taken a stand along with NAMA-11 coalition. These concerns are reflected in India's position on different WTO issues for negotiations (Box 6.9).

Box 6.9 India's stand on various issues

Agriculture

- Overall tariff reductions on bound rates for developing countries of not more than 36 per cent.
- Thresholds of the four band tariff formula with linear cuts to be adequately higher for developing countries to take into account their ceiling bindings.
- Self-designation of an appropriate number of special products (SP) guided by indicators based on the three fundamental and agreed criteria of food security, livelihood security and rural development needs. The G-33 has proposed 20 per cent agricultural tariff lines as special products, of which 40 per cent must be exempted from any tariff cut. India cannot accept TRQ commitments on SPs since it would entail necessarily going below current applied rates on the most sensitive products, viz. SPs.
- An operational and effective Special Safeguard Mechanism (SSM) to check against global price dips and import surges, which is more flexible than the existing safeguard mechanism available mainly to developed countries. The G-33 and India remain firm that *a priori* exclusion of any product, particularly SPs from the ambit of the SSM cannot be justified or accepted.
- Substantial and effective cuts in overall trade-distorting domestic support by the United States (70-75 per cent cut) and by the European Union (75-80 per cent cut), including resolving the issue of product-specific caps on Aggregate Measurement of Support (AMS) and in the new Blue Box.

Non-agricultural market access

- Choice of Swiss coefficients that ensures less than full reciprocity (LTFR) in percentage reduction commitments from bound rates. The current numbers in the chairman's draft modalities, namely coefficients of 19-23 for developing countries and 8-9 for developed countries does not meet LTFR.
- A fair markup on the unbound tariff lines.
- Flexibilities that are adequate and appropriate to address the sensitivities of developing countries.

Services

- Commitments by the developed countries on substantial openings for India's contractual service suppliers (CSS) and independent professionals (IPs) in Mode 4 relating to movement of natural persons.
- Development of disciplines in Domestic Regulations in Mode 4 involving qualifications and licensing requirements and procedures

Rules

- Strengthening of disciplines in anti-dumping include mandatory application of lesser duty rule, prohibition of zeroing, stronger rules on reviews, including sunset review.
- Against the enlargement of the scope of the Agreement on Subsidies and Countervailing Measures (ASCM) and/or limit existing flexibilities for the developing countries.
- Effective special and differential (S&D) treatment in any new disciplines on fisheries subsidies, particularly in the light of employment and livelihood concerns for small, artisanal fishing communities and for retaining sufficient "policy space".