GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

RAJYA SABHA

UNSTARRED QUESTION NO-841

ANSWERED ON-25.07.2018

India China joint proposal in the WTO on food subsidies

841 . Smt. Wansuk Syiem

(a) whether US has recently taken on India, with support from EU and Australia on reporting of MSP for wheat and rice alleging that India is under-reporting subsidies which India refuted promptly;
(b) whether by roping in China, India has now moved WTO to prevail upon rich nations to eliminate their farm subsidies which are permitted by WTO beyond ceiling levels; and
(c) whether India-China joint proposal moved in WTO revealed that WTO rules provided flexibilities to handful of rich countries including US and the EU allowing them to increase harmful subsidies beyond deminimis levels to detriment of poorer nations?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)
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(a) The United States has, in May 2018, submitted a communication under provisions of the WTO Agreement on Agriculture (AoA) on certain measures of India providing Market Price Support (MPS) to wheat and rice for the years 2010-11 to 2013-14.In this communication, the US has claimed that India has under-reported its domestic support provided for wheat and rice and breached its commitments under the WTO AoA. Some other countries also reiterated the claims of the US after the submission of counter notification to the WTO.As per the US counter notification document, the calculations done by the US, to support this claim, is based on information available in the public domain and news reports. The US has, however, clarified that the purpose of the counter notification is to facilitate conversation and improve transparency.
India has refuted the calculations done in the US counter notifications as being flawed on technical grounds and asserted that the methodology used by India in its domestic support notifications is in accordance with the rules under the Agreement on Agriculture.

(b) & (c): India and China have made two joint submissions in the WTO proposing the elimination of AMS (Aggregate Measurement of Support), available mostly to developed countries. AMS is the most trade-distorting form of agricultural domestic support.
India and many other developing countries have been of the view that the Agreement on Agriculture provides considerable space and flexibility to a few developed members to provide huge trade distorting subsidies and further, to concentrate these subsidies on a few products without any limits. These few members have been trying to shift the focus of negotiations in the WTO from reducing and capping such large trade distorting subsidies by the rich countries to ensuring that developing countries such as India and China reduce or cap their agricultural subsidies. India is concerned at this shift in the discussion on domestic support and has, at various fora, held that the agriculture negotiations are meant to continue the reform process and not to preserve the subsidies of a few while taking away all the flexibilities from developing countries in an already unequal playing field. India has maintained that any meaningful reform in agriculture must first seek to reduce the disproportionately large subsidies of the developed countries.

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