

WTO and India

India has consistently taken the stand that the launch of any new round of talks depends on a full convergence of views amongst the entire WTO membership on the scope and framework for such negotiations. Our more urgent task is to resolve the concerns of developing countries on implementation of the Uruguay Round agreements. We are against calls for new commitments from the developing world for achieving symmetry and equity in the existing agreements. It is in favor of non-trade' issues are permanently kept off the negotiating table.

1) WTO Agreement and Agricultural Sector

The major fear was found among India farmers who thought that they would be only on the mercy of multinational corporations who control the distribution of vital agricultural inputs, such as seeds, fertilizers, pesticides and insecticides.

Only a few farmers will benefit from the improved inputs of the multinationals. Small farmers will become land less laborer in the course of time and agriculture in India will no longer remain a source of livelihood for two-thirds of India's population. It will only add to their staggering poverty.

The agreement proposes that developing countries should slash direct subsidies on agricultural products (product subsidies) as well as subsidies on inputs like electricity, water, credit and fertilizers (non-product subsidies) to less than 10 percent of the product value.

Developed countries, on the other hand, should slash these subsidies over a period of time to 5 percent. Small and poor farmers are however exempted from this clause. At present, India's total farm subsidies are below 6 percent and therefore, this provision of the Agreement will not adversely affect in India.

2) Slashing Subsidies

On the whole, India Agriculture a non-commercial activity will not attract Agreement rule which are relevant for commercial production and trading activities. As India is not an agricultural exporter, the controversy on its impact on India's agriculture will only be marginal. The real impact will be on Japanese and South Korean farmers.

3) Increase in Exports of Food Grains

The prices of agricultural products in the developed countries would go up as a result of slashing subsidies. As a result, our farmers will be benefited as getting higher price of their product in the international market. This will stimulate India's exports particularly for rice to countries like Japan and South Korea.

4) Increase in Production

It is felt that the prices of certain products in India would also go up due to import of certain agriculture commodities to meet domestic shortage like oilseeds.

5) Public Distribution Systems

The Agreement does not interfere with the Public Distribution System. India will continue to offer essential food supplies to the weaker sections of the society at subsidized rates.

6) No Increase in Imports of Food Grains

As per agreement, it is not expected to raise India's imports of food grains. It is stated in the treaty that the poor countries facing balance of payments problems may continue to impose Tariff on the import of food grains.

India can avail of this provision and avoid imports of foodstuffs, thereby stay off easy imports of food grains. It is doubtful that with nearly 100 percent tariff duty on imports of food grains, 150 percent on processed foods and 300 percent on edible oils, imports can hardly stain in the domestic markets.

7) Patents and Sui-Generis

The government of India has clarified that the present policy of not patenting the seeds would continue. As regards Sui Generis system, it is expected that the protection of the rights of breeders should ensure improved varieties of plant breeds.

The system is the basic research in seed and breed technology India. A critical analysis of patents and Sui-generis shows that seed production, i.e., development of new varieties, their multiplication and marketing which were largely under Government sector in the past years are moving into the hands of private sector.

Latest bio-technological tools are now being deployed by the corporate in the development of hybrid and synthetic seed and planting materials. India has the potential to emerge as a major exporter of seeds in the world market.

8) Freedom to Use Seeds

It is doubtful that only rich and big farmers would afford the use of 'brand seeds'. This, in turn will obviously widen the gap between the rich and the poor farmers. It is again a baseless fear. Under WTO Agreement the farmers are free to exchange their seeds with the other. They, therefore, need not necessarily buy seeds from the open market.

9) Market Access

Dunkel Draft will in no way injure the interest of Indian farming community. Rather, it will stimulate India's exports of food grains and encourage research in the field of crop farming. The Draft does not interfere with any of our plans of rural upliftment.

The Government is not contemplating any cut in subsidy offered to the framers. Farmers have the full freedom of using a part of their output as seeds for the next crop. They can also exchange their surplus produce mutually.

The treaty proposes guaranteed access to importers of at least 3 percent of the market for each agricultural item. This has been termed as Minimum Compulsory Access (MCA) in agricultural trade. A country may however get exemption from this clause on the ground of its balance of payment problem.