

7th Trade Policy Review of India

6-8 January 2021

CLOSING STATEMENT ON BEHALF OF INDIA

Delivered by Dr. Anup Wadhawan, Commerce Secretary, Government of India

INTRODUCTION

Chair, Discussant, and all Members,

I wish to begin by thanking all the distinguished Members for having actively participated in India's 7th Trade Policy Review. Let me also convey our sincere thanks to the Permanent Representative of Thailand, H.E. (Ms.) Ambassador Sunanta Kangvulkulij, for her commendable role as the Discussant offering an insightful analysis of India's trade and economic policy regime, that provided an excellent backdrop for constructive deliberations during this review. I would also like to convey our gratitude to the Chairman, TPRB, Ambassador (Mr.) Harald Aspelund for conducting the proceedings smoothly and efficiently and to the WTO Secretariat for their support.

2. Chair, we are extremely pleased with the interest shown by the Members in our TPR. More than 50 delegations taking the floor on Day 1 and submission of about 1050 written questions, bears testimony to the importance Members place on India's role in and contribution to world trade, as well as to the multilateral trading system.

3. My delegation and I have paid careful attention to all interventions by the Members, and have taken note of the appreciation accorded to our reform efforts, as well as the concerns expressed. I wish to highlight that reform is a continuous and ongoing process, and the Government is deeply committed to pursuing this path to make India an attractive trade and investment partner for the world. We appreciate the positive assessment of India's reforms by several Members. I also wish to assure everyone that we will strive to forge greater economic and trade linkages with the world, by utilizing all avenues available to us – whether multilateral, regional or bilateral.

REMARKS ON MEMBER'S INTERVENTIONS

4. Chair, most of the concerns raised by member countries have already been responded to through written answers. I trust the Members have had the time to go through our replies. Accordingly, in my response today, I will limit myself to broadly addressing these concerns, issue-wise.

5. Beginning with **Agriculture**, we thank the Members who have commended India's reforms in the agriculture sector. On the concern raised with regard to domestic support to the agriculture sector, I would like to mention that the support given is largely to the small and marginal farmers, and is in accordance with India's commitments at the WTO. Such support is necessary in view of food and livelihood security issues related to the large population dependant on agriculture. I may state here that India's per farmer support is significantly lower than the support provided by most developed Members. With low market surplus, subsistence farming, low per farmer support and the pre-dominance of resource-poor farmers, India's input subsidies are minimally trade-distorting and consistent with Article 6.2 of the Agreement on Agriculture.

6. Chair, as I mentioned in my opening statement, while emphasizing India's advocacy of a **short-term package** to mitigate the immediate fallout of COVID-19, the ongoing pandemic has again brought to the fore, the importance of food and livelihood security, which was reflected in the interventions made by a number of Members. Finding a permanent solution for **public stockholding (PSH) for food security** has, therefore, assumed a far greater importance and priority.

7. India, like several other WTO Members, has been undertaking regular **tariff liberalization** and our applied tariffs are well within our WTO commitments. As highlighted by me during the first session, India's average bound MFN rate for all products is about 50 per cent, while the applied rates are much lower. I wish to assure the Membership that extensive deliberations and well laid out policy modalities and contours ensure that India's tariff changes are transparent and rational, and thereby provide a **stable policy environment**.

8. Some Members have commented on the **import licensing** regime in India. Let me underline that India's import licensing regime is open and transparent. Licenses are granted on

a non-discriminatory basis. The relevant regulations are available in the public domain. Further, import licensing affects only a few restricted items, primarily on grounds like protecting human, animal and plant health, and the environment.

9. We have also noted observations regarding the number of instances of **Anti-Dumping Measures** during the review period. I would like to reiterate that these investigations are conducted in a transparent manner and in accordance with the provisions of the WTO Anti-dumping Agreement. Reasonable and adequate opportunity is provided to interested parties at every stage of the investigation. Further, the measures, as imposed, impinge on a miniscule proportion of our total imports. **Safeguard Measures** used by India are also in accordance with the provisions of the Safeguards Agreement, and follow a rigorous process, which is objective and transparent.

10. Some Members expressed concern about our **TBT and SPS measures**. I would like to reiterate that India fully adheres to transparency provisions in the adoption and implementation of these measures, and remains committed to being in conformity with its obligations at the WTO in this regard. I wish to underline that most of India's technical regulations rely on international standards and are implemented in close consultation with all stakeholders. Further, none of these measures are discriminatory or create any unwarranted obligations that could be termed as trade barriers. They are also equally applicable to both domestic and foreign manufacturers.

11. Chair, it was highlighted in the opening statement that the **GST** has been one of the most significant structural reforms in the field of taxation, since our independence. I am happy to note that Members have expressed their satisfaction over introduction of this path-breaking reform during the Review period. A large number of Members also appreciated India's **trade facilitation** efforts, including ratification of the Trade Facilitation Agreement and various steps taken for its effective implementation. We have noted Members' interest in early implementation of the remaining Category B Commitments, and assure the membership that we are already working in that direction. We are also working on streamlining and simplifying the overall business environment further, with an aim to break into the top 50 in the World Bank's Doing Business Report.

12. We appreciate the Members who welcomed and commended India's **National Intellectual Property Rights Policy, 2016**. Needless to say, the policy recognises the role of creativity and innovation in the development of India as a knowledge economy. We also thank Members for recognising and appreciating India's liberalised **Foreign Direct Investment (FDI) Policy**, which now allows 100% shareholding on the automatic approval route, for most sectors. We noted the concern over some recent amendments, which I wish to clarify, involve only a realignment from automatic to the approval route.

13. I would like to thank Members for commending the prowess of our IT and IT enabled services sector and the significant strides made by our digital ecosystem in the last few years. I also acknowledge the views of Members on evolving the policy environment for growth of the digital economy. Here, I would like to mention that rather than pre-maturely binding themselves to international e-commerce rules at this nascent stage, when most issues and the potential related to this area are not fully understood, developing countries and LDCs need to focus on improving their domestic physical and digital infrastructure, and developing their policy and regulatory frameworks, so as to bridge the digital divide and enable the benefits of digitalisation to be equitably shared.

14. Given the importance of the subject, I must mention that India has supported and encouraged womens' entrepreneurship through various schemes, such as MUDRA, Stand-up India, Self-Help Groups and Mahila-e-Haat, a direct online marketing platform, to showcase products of women entrepreneurs. Moreover, to enhance employability of women, India is providing training to them through a network of Women's Industrial Training institutes, National Vocational Training Institutes and Regional Vocational Training Institutes.

CONCLUSION

15. Chair, I must state that we are humbled by the kind words of appreciation from several Members for India's active **role at the WTO**. I wish to reaffirm to the Membership, our deep commitment to the multilateral trading system and our continued positive role in the future. We noted the interest of some Members in India joining the **Joint Statement Initiatives (JSI)**. I wish to state in this regard that India firmly believes that multilateral avenues, based on consensus, are the most effective means to achieve inclusive development-oriented outcomes. The multi-lateral process spearheaded by the WTO, would receive a great impetus through the

credibility that prioritizing completion of negotiations on the already mandated issues would provide, rather than undermining this credibility by making new issues its overwhelming concern, before this is done. I would re-iterate that to be sustainable and fair, the approach to WTO reform must be development centric and address existing imbalances and asymmetries to ensure a level playing field for developing Members, including LDCs.

16. I must also, at this stage, convey my gratitude to our **LDC Members** on their positive assessment of India's contribution at multilateral fora as well as India's very liberal Duty-Free Tariff Preference Scheme.

17. **In conclusion**, I once again thank all Members for their interest and active participation in this review, from which we have gained immensely. I trust the large number of insightful questions posed by you is an indicator of your keen interest in strengthening trade ties with India, which we would wholeheartedly welcome and encourage. I hope we have been able to satisfactorily respond to all your queries and observations. Should there be any further questions, we would be more than happy to provide written responses.

Thank you!

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