



Trade Policy Review Body

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TRADE POLICY REVIEW OF INDIA (2 AND 4 JUNE)

CLOSING STATEMENT BY INDIA

Organe d'examen des politiques commerciales

DOCUMENT DE SÉANCE NON OFFICIEL¹

EXAMEN DES POLITIQUES COMMERCIALES DE L'INDE (2 ET 4 JUIN 2015)

DÉCLARATION LIMINAIRE DE L'INDE

Órgano de Examen de las Políticas Comerciales

DOCUMENTO DE SALA NO OFICIAL¹

EXAMEN DE LAS POLÍTICAS COMERCIALES DE LA INDIA (2 Y 4 DE JUNIO DE 2015)

DECLARACIÓN FINAL DE LA INDIA

* In Original language only/En langue originale seulement/En el idioma original solamente.

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CLOSING STATEMENT ON BEHALF OF INDIA

4 June 2015

Mr. Rajeev Kher, Commerce Secretary, Government of India

Mr. Chairman,

I would like to begin by thanking all the distinguished members for having actively participated in the sixth Trade Policy Review of India. Let me also express my sincere appreciation to the distinguished Permanent Representative of Philippines, Ambassador Esteban Conejos for being the Discussant for India's TPR. His insightful analysis of India's trade policy regime coupled with his personal understanding of India provided an excellent backdrop for constructive deliberations at this Trade Policy Review of India. I would also like to convey our gratitude to the Chairman, TPRB, Ambassador Paparizov for very smooth conduct of the proceedings.

My delegation and I deeply appreciate written contributions and thoughtful interventions made by the Members during this session which gave us an opportunity to understand various perspectives on India's trade policies and practices. We are encouraged by the positive assessment of India's policies and potential and the desire expressed by Members for deeper bilateral trade and economic engagement with India. We see the critical analysis of our trade policies in a spirit of understanding. It is important to recognize that economic reform process is an ongoing activity.

Although we have made progress on ease of doing business in India, the Government of India is committed to pursue greater reforms with an objective to liberalize trade and attract investments. It is also our endeavour to ensure that while our reform process is dynamic and forward looking, it essentially remains centred on an inclusive economic growth to address our developmental challenges, in particular, poverty alleviation.

I am pleased to report, Mr. Chairman, that we have provided written answers to over 700 questions posed to us before the deadline, as well as for most of the questions received thereafter. I hope Members have had time to review these responses.

My delegation and I have attentively listened to all the interventions made by Members and have also taken note of areas of concerns highlighted by them. Mr. Chairman, you would appreciate that since most issues raised by the Members are common, I would like to address these issue-wise rather than country-wise. Should there still be any specific query by any Member, these can be taken up through our Mission in due course.

Like several WTO Members, India too has been undertaking continuous autonomous tariff liberalization, which has generated a gap between India's bound and applied tariff rate - especially for non-agricultural goods. However, the assertion that there is unpredictability in India's tariff structure is misplaced because in the last eight years the structure of our customs tariff has remained virtually unchanged. The "peak applied rate" for non-agricultural products has been maintained at 10%.

Another assertion that India's tariff structure is complex because of imposition of a number of "Other Duties and Charges" over and above the applied tariffs is also inaccurate. These duties are imposed to equalize internal taxes such as Central and State VAT and other taxes leviable on domestic production, consumption or sale of goods which are not only WTO compatible but are also commonly followed in most member countries. The introduction of the Goods and Services Tax (GST) is likely to reduce the number of such levies and further simplify our tax structure.

We have put in place an online "Duty Calculator" which facilitates free access to information on the current rates of duty applicable to any goods.

Today, India's agriculture sector is facing several challenges in terms of small land holdings and fragmentation of land, inadequate irrigation facilities, low productivity, and high input costs. Therefore, in countries such as ours it is imperative that we maintain agricultural domestic policies

that provide sustainable livelihood to large part of our population dependent on agriculture. The domestic support rendered to agriculture is well within the WTO rules as brought out in our notifications. Our support is less than \$200 per active person in agriculture which is miniscule compared to extremely high support, as high as up to 250 times, being provided by many developed countries.

We reaffirm our commitment to work towards removing those asymmetries that are distorting the present agriculture trade rules and putting farmers and agriculture producers in developing countries at high disadvantage.

A few Members commented on the import licensing regime in India. Mr. Chairman, let me underline that India's import licensing regime is open and transparent. Licences are granted on a non-discriminatory basis. The relevant regulations are available in the public domain. Import licensing affects only a few restricted items primarily on grounds of the need to protect human, animal and plant life, and the environment.

Many Members expressed concern about frequent use of trade remedy measures by India. I would like to reiterate that trade remedy investigations are conducted in a transparent manner and in accordance with the provisions of the WTO Anti-dumping Agreement. They are initiated and conducted strictly in accordance with relevant rules and regulations to overcome unfair trade practices causing injury to the domestic industry. Anti-dumping investigations are initiated by the investigating authority only when the evidence provided by the domestic industry is credible, establishing beyond doubt that there is a causal link between the dumped imports and the injury caused to the domestic industry. Reasonable and adequate opportunities are provided to the interested parties at every stage of the investigation. Further, we invariably use the lesser duty rule so that the anti-dumping duty is no more than required to offset the injury. Having said this Mr. Chairman, let me underline that during the period of review, the number of initiations of anti-dumping investigation was significantly less than in the previous review period. Some members sought to know about the changes made in the domestic regulations on anti-dumping provisions. This has been done to clarify certain provisions in accordance with the Anti-Dumping Agreement and to lay down transparent procedures.

Some Members referred to the lack of transparency in respect of TBT and SPS measures. I would like to reiterate that India adheres to the transparency provisions in the development and implementation of SPS and TBT measures and remains committed to following these in conformity with the respective agreements of the WTO. I would like to underline that most of India's standards are aligned with international standards. As of December 2014, out of 5862 BIS Standards that have corresponding international standards, 5238, that is approximately 90% are harmonized with the international standards, much above the 84% achieved in March 2010. Further, through an annual Standards Conclave our stakeholders are being regularly sensitized on the need to align domestic standards with international standards to the extent possible. To take this process forward, suitable amendments in the BIS Act are being contemplated. Similarly, the standards that are now being formulated by the Food Safety and Standards Authority of India are increasingly harmonized with international standards. This policy is absolutely transparent with opportunity to offer comments available to stakeholders.

We appreciate the recognition of recent reform measures taken by the Government to steadily liberalize and rationalize our foreign investment regime with a view to enhancing investor confidence. Today, FDI up to 100% is permitted under the automatic route in most sectors of the economy. FDI limits have been enhanced/liberalized recently in key sectors such as defense production, medical devices, construction, railway infrastructure and insurance. This is being reviewed regularly with the aim of further improving the investment environment in consultation with stakeholders.

We are pleased to hear that the "Make in India" programme has generated significant interest among Members. This initiative, introduced in 2014, aims to make India a manufacturing hub, with the additional objective of generating millions of jobs for the youth of India. As part of this initiative, information on 25 sectors has been provided on a web portal along with details of the Foreign Direct Investment policy, National Manufacturing Policy, intellectual property rights. Large infrastructure projects with opportunities for investment like various industrial corridor projects have also been showcased. In order to enhance the ease of doing business, an Investor

Facilitation Cell "Invest India" has also been set up to guide, assist, and handhold investors. We are encouraged by the enthusiastic response this initiative has evoked internationally.

Similarly, the E-Biz Project, which was referred to by some Members, is yet another important significant initiative of the Government of India in the area of trade facilitation. This is a customer-centric portal, which aims to provide services to business community in a seamless manner. Through this portal, one would be able to apply and manage all the licenses, clearances, registrations and regulatory filings on a 24/7 basis. We are endeavoring to constantly improve this services portal in order to cut down red tape and improve on the time lines.

Several Members inquired about India's notification of its category "A" commitments and ratification of the WTO's Trade Facilitation Agreement. Mr. Chairman, we are working on the notification of category "A" commitments under the TFA.

Mr. Chairman, I am happy to hear positive assessment from the LDC members about India's Duty Free Tariff Preference Scheme for LDCs as well as preferential measures, including waiver of visa fee, announced by India pursuant to the Bali decision for Services Waiver for LDCs. A few Members referred to making rules of origin simpler for accessing the DFTP preferences. In March this year, we have also liberalized the rules of origin and simplified other procedural requirements. We do hope that other Members too will take similar action to provide better market access opportunities for LDC members.

Lastly, I am happy to note that Members remain actively engaged to develop the post-Bali Work Programme by end-July and prepare for the MC 10 in Nairobi. Mr. Chairman, India is a strong votary of an equitable, fair and rules based multilateral trading system. We believe that we have a unique opportunity, indeed an obligation to restore balance in international trade, by providing a level playing field to the developing countries, particularly in agriculture. The development dimension must remain central to the Doha Round and Members should strive to work towards concluding it with balanced outcomes for all. India is committed to playing its part in close consultation with other Members as we advance our work in the weeks ahead in the run up to the MC10 in Nairobi.

CONCLUDING REMARKS

In conclusion, Mr. Chairman, I would like to thank all WTO Members for their interest and participation in the Sixth Trade Policy Review of India. It has been an extremely productive and useful exercise for us. Active participation of Members demonstrates abiding interest in India's trade policy and desire to further deepen trade and economic relations with India. I hope we have been able to satisfactorily respond to most of your observations and concerns. We will be responding to any outstanding questions in writing within the stipulated timeline.

Thank you Mr. Chairman.
