

## **Doha Round of Trade Negotiations** *India's Current Negotiating Strategy*

### **I. Introduction**

India's share in world trade may be less than one percent but its power to influence trade negotiations in the World Trade Organization (WTO) has increased immensely over the last few years, especially since the Doha Ministerial Conference. At Doha, the then Indian Commerce Minister put up a strong fight and succeeded in extracting better returns in comparison to the Uruguay Round and previous Ministerial conferences, held since the inception of the WTO in 1995. It is another matter that nearly all those concessions, which developing countries had extracted at Doha, have not materialised as mandated.

In such circumstances, the onus is on India to provide the much-needed leadership to the South in the ongoing Doha round of trade negotiations. At the same time, India also has to keep its own national interest in mind and prevent it from being compromised. This may require making some common ground even with developed countries. For example, on the new plurilateral approach of services negotiations India faced the criticism of taking side with the European Union (EU). Therefore, India will have to do a delicate balancing act between the two roles.

For India all the three market access areas viz., agriculture, non-agricultural market access (NAMA) and services are equally important. India is a vast and complex country. It is not only that India has defensive and offensive interests in different areas, but defensive and offensive interests in the same area.

In Agriculture, for instance, India is a member of two developing country coalitions, the G-20 and the G-33. Whereas the G-20 is more focused on the reduction of domestic support and elimination of export subsidies by developed countries in order to make developing country products more competitive (this, in a sense, is an offensive interest), the G-33 is focused on resisting deep tariff cuts in agriculture, and also providing for adequate flexibilities in the form of Special Products (SPs) and Special Safeguards Mechanism (SSMs), which is clearly a defensive interest.

In Services, we are seen as a demandeur but here too we not only have offensive interests (as in Modes 1 & 4), but defensive interests too (as in Mode 3).

NAMA could be analysed in the same way. Here also we have the offensive interest of gaining greater market access to developed country markets not so much through reduction of their tariffs, which are already relatively low, but rather through the dismantling of NTBs to trade the so-called NTBs and also some strange generalized system of preferences (GSP) which discriminate between countries, and which are not always based on fair criteria. For example, the proposed EU GSP provisions relating to textile and clothing. We also have defensive interests in NAMA, i.e. resisting reduction in tariffs at an artificial pace to be forced upon us by the developed countries. We are

committed to tariff reduction in an autonomous way at a pace that we ourselves judge suitable to our domestic industry.

## **II. India's Existing Position on Doha Development Agenda**

India was at the forefront when the Doha Work Programme was finalised at the last WTO Ministerial Conference, held in the year 2001. India was instrumental in blocking the EU's aggressive push for the launch of negotiations on four Singapore issues. As a result the final Ministerial Declaration has succeeded in postponing the negotiations to an extent and finally dropping three of them from the Doha agenda while launching negotiation on trade facilitation.

### **II.1 Agriculture**

India has made one of the most comprehensive submissions on agriculture to the WTO. It has submitted its initial negotiating proposals in the areas of market access, domestic support, export competition and food security with the objective of protecting its food and livelihood security and creating increased market access opportunities with a view to promote its agricultural exports.

Indian proposals submitted to WTO on 15.01.2001 can broadly be classified into the following two categories:

- Increasing the flexibility enjoyed by developing countries by creation of a 'Food Security Box' for providing domestic support to the agriculture sector under the special and differential provisions as also further strengthening of trade defence mechanisms with a view to ensuring the food security and to take care of livelihood concerns.
- Demanding of substantial and meaningful reductions in tariffs including elimination of peak tariff and tariff escalation, substantial reductions in domestic support and elimination of export subsidies by the developed countries so as to get meaningful market access opportunities.

India's submission was well taken into account while finalising the Doha Work Programme on agriculture. Although, there is no explicit mention of food security box, elements of it like food security and rural development are included in the language.

After the formation of G-20 at Cancun, the member countries of the alliance abandoned individual submission. India too, being one of the leaders of G-20, made its submissions through G-20 on the issue of agriculture.

Reverting back to the Uruguay Round commitments under WTO Agreement on Agriculture (AoA), out of three pillars of market access, domestic support and export competition, India only had to fulfill some commitments under market access.

#### **II.1.1 Market Access**

Under market access all NTBs to agricultural trade were to be tariffed and converted into their tariff equivalents. Further, tariffs resulting from this “tariffication process” were to be reduced by a simple average of 36 percent over a period of 6 years in the case of developed and 24 percent over a period of 10 years in the case of developing countries. In addition to this, for countries, which had tariffed, there was also an obligation to maintain current and minimum access opportunities and to establish a minimum access tariff quota of a minimum of 3 percent of domestic consumption in the base period 1986-88. This was to be gradually increased to 5 percent of base period consumption over the implementation period.

Along with many developing countries, India was permitted to offer ceiling bindings instead of tariffication. These bindings were not subject to the reduction commitments. India was also allowed to maintain quantitative restrictions (QRs) on account of balance of payment problems. But since India had not tariffed and was, instead allowed to bind its tariffs, it did not have any market access commitment. But like many developing countries, which decided to bind their tariffs, India was also not entitled to use the Special Safeguard Measures (SSG) of the AoA, which can be used by only a few (36) developed countries, which had tariffed.

Since, AoA allowed members either to tariffify in all cases or to bind their tariffs, during the Uruguay Round, India chose to follow the latter route and bound its tariffs for 3375 tariff lines which constituted 65 percent of India’s total tariff lines defined at 6-digit HS level. Out of these 3375 commodity groups, 683 commodity lines at 6-digits of HS classification belong to the agricultural sector. Simultaneously, India continued to have QRs, which it was permitted to impose because of balance of payment reasons (BoP) reasons. Like many other developing countries, except for a few commodities, India bound its tariffs at 100 percent for primary products, 150 percent for processed products and 300 percent for edible oils.

The USA and some other countries in the Dispute Settlement Body (DSB) of WTO challenged India’s continuation of QRs on the plea of BoP position. In view of its improved position in the matter of foreign balances, India lost the plea for retention of QRs on account of BoP position both at the DSB as well as at the Appellate Body. According to the understanding arrived at between the parties regarding the reasonable period of time latest by March 2001, India removed the QRs on 714 items including 142 commodities belonging to the category of agricultural commodities during 1999-00. On the occasion of Export and Import Policy announcement on 31st March 2001, the Minister announced the removal of QRs on the remaining 715 items, thereby ending the much-maligned “License Permit Regime”.

With the removal of 715 items from the list, which include 42 groups belonging to agriculture, quantitative restrictions on imports have been completely abolished and the obligation to replace QRs by tariffs has by and large been fulfilled (except for a few strategic commodities). After the decision to remove QRs, India was under General Agreement on Tariffs and Trade (GATT) Article XXVIII, allowed to renegotiate the tariffs bindings on those commodities for which it had very low or zero tariff bindings.

Consequently, in December 1999 India successfully negotiated and the bindings levels were suitably revised upward to provide adequate protection to the domestic producers. Out of these low bound tariff lines, bindings on 15 tariff lines, which included skimmed milk powder, spelt wheat, corn, paddy, rice, maize, millet, sorghum, rapeseed, colza and mustard oil, fresh grapes etc. were revised to a level ranging between 45 percent and 75 percent.

### **II.1.2 Export Competition**

Export subsidies were subject to reduction commitment, in the area of export competition, though several kinds of direct payments were exempted. The export subsidy commitment is either in the form of budgetary outlay reduction commitments or in the form of export quantity reduction commitments. Export subsidy outlays in budgets are to be reduced by 36 percent for developed countries and 24 percent for developing countries over a period of 6 and 10 years respectively. The volume of exports receiving subsidies is to be reduced by 21 percent per product or group of products for developed countries and by 14 percent for developing countries over the same time period. These reductions are to be made by taking 1986-90 as the base period. The least developed countries (LDCs) are not subject to any reduction commitments. The commitments are defined over commodity aggregates rather than individual lines.

Export subsidies of the kind listed in the AoA, which attract reduction commitments, are not extended in India. Indian exporters of agricultural commodities do not get direct export subsidy. The only subsidies available to exporters of agricultural commodities are in the form of: (i) income tax exemptions on profits from export sales and (ii) subsidies on costs of freight (export shipments) of certain products like fruits, vegetables and floricultural products. Since these payments are exempt for developing countries from reduction commitments during the implementation period, they will not cause any adverse impact on agricultural exports from India, at least during this period. Therefore, India is making use of these subsidies in certain schemes of Agricultural & Processed Food Products Export Development Authority (APEDA), especially for facilitating export of rice, wheat and horticulture products. But once the export supplies become self-sustaining during the adjustment period, these will have to be withdrawn.

### **II.1.3 Domestic Support**

The AoA distinguishes between three types of production support, grouped into “boxes”, which are given the colours of traffic lights: green (permitted), amber (slow down – i.e. to be reduced), blue (subsidies that are tied to programmes that limit production). There are also exemptions for developing countries in the form of Special and Differential Treatment (S&DT).

Domestic support measures, according to the Agreement, are meant to identify acceptable measures of support to farmers and curtailing unacceptable trade distorting support to farmers. The trade distorting domestic support is measured in terms of what is called the

“Total Aggregate Measurement of Support”, which is expressed as a percentage of the total value of agricultural output and includes both product specific and non-product specific support.

According to the AoA, all non-exempt domestic support calculated as Aggregate Measure of Support (AMS), has to be reduced by 20 percent by developed countries in 6 years (1995-2000) and by 13-1/3 percent by the developing countries in 10 years (1995-2004), taking 1986-88 as the base period. However, domestic support given to the agricultural sector up to a *de minimus* level of 10 percent of the total value of agricultural produce in developing countries and 5 percent in developed countries is allowed.

AMS is further classified into product-specific and non-product specific support. All the support/policies directed at producers of various agricultural products and provided on product-by-product basis constitute the product specific AMS. These support measures can be classified into three broad categories namely Market Price Support, the Non-exempt Direct Payments and other Product Specific Support. The only one measure that is relevant for the calculation of product specific support in India is the market price support since the other two namely the Non-exempt Direct Payments and other Product Specific Support do not constitute a significant proportion of support in India. The market price support in the form of minimum support prices is announced by the government for different commodities, based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). The non-product specific support is the measure of support given to agriculture by way of subsidised supply of inputs such as fertilizers, irrigation, electricity, credit and seeds.

It has been calculated that in case of India the product specific support in the year 1995-1996 was negative to the extent of 38.5 percent. However, the non-product support that is input subsidies is positive. But they do not exceed the *de minimus* level either individually or in the aggregate. Since India’s total product support continues to be negative it has proposed to the WTO that the negative support should be offset against positive non-product support while calculating the AMS. No final decision has yet been taken on this issue.

This notwithstanding, as of now India does not need to have any reduction commitment regarding its domestic support to agriculture. This is in sharp contrast with the developed countries that provide very high levels of support to their farmers.

#### **II.1.4 Current Negotiating Position on Agriculture**

India has a highly diversified agricultural economy, the condition of which inextricably affects the livelihoods of about 60-70% of India’s population. The interests of agriculture need to be placed above the interests of the services and industrial goods sectors in WTO negotiations. While all three pillars of the negotiations Market Access, Domestic Support and Export Competition were closely linked it is the Market Access issue that is most critical to India. Some agricultural products are vulnerable even with the existing levels of protection. Even though there is water between the bound and the applied tariff rates in

several commodities, this was required for developmental space and hence negotiations should only be made on bound rates.

The SPs and SSMS were identified as important instruments to protect food security, livelihood concerns and rural development needs. SPs could be determined with the aid of several objective parameters that relate to livelihood security. Given that global trade in agriculture is highly volatile, and that subsidized products could result in import surges and/or depressing domestic prices, 35 crops on which 5m populations is dependent should be safeguarded. The SSMS could be a generic defensive mechanism to safeguard India's interests; it was however important to ensure that SSMS could be used for all agricultural products. Given the large heterogeneity of agricultural produce on which large to significant sections of population were dependant, the primary way of safeguarding interests would be to ensure that the tariff reduction formula did not result in tariffs, which were below applied levels.

In Market Access, a smaller number of tiers for tariff reductions by developing countries and a large number of tiers for developed countries would be more beneficial to India. The harmonization of tariffs was not desirable on grounds of equity; tariffs are by and large the only effective developmental trade policy instruments that developing countries have for protecting the interests of populations dependent on agriculture as a source of food and employment. Movement of India on the Market Access pillar needed to be contingent on the real and effective movement of developed countries on the Domestic Support and Export Competition pillars.

India's agricultural exports may be modest in absolute terms, but have been growing well over the last few years. Tariff peaks by developed countries in several agricultural products of export interest to India need to be addressed. Building domestic preparedness on Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) measures is of the essence as the imposition of these measures by developed countries is expected to rise significantly.

Substantial and effective reductions in domestic support of developed countries were considered essential and a pre-requisite to any market access commitments by developing countries. Cascading effects of depressed prices, owing in part to subsidization by developed countries, resulted in lower prices and returns to farmers in India. The current practice in developed countries of box shifting and shifting product specific subsidies should be limited. It must also be ensured that the green box remains least trade distorting. The need to discipline absolute levels of subsidy as well as the subsidy levels relative to domestic production was equally important. The 20% reduction in AMS, *de minimis* and Blue Box would not translate in to any meaningful reduction in domestic support as the commitment level for AMS and *de minimis* are much higher than the support actually provided. An important outcome in domestic support reduction should be harmonization, product specific support caps, tightening of blue box and green box criteria and improved monitoring mechanisms.

All forms of export subsidies would need to end by a credible end date (2013 as per the Hong Kong Ministerial Declaration). Developing countries should be given an additional grace period for providing certain types of export subsidies. In the case of specific

products, such as cotton and sugar, both domestic and export markets were affected by export subsidies of developed countries and hence emphasis needed to be placed on the elimination of support for these products on a priority basis. A product wise approach in elimination of export subsidies by developed countries would help developing countries.

## **II.2 Non-Agricultural Market Access**

### **II.2.1 Background**

Reducing tariffs and NTBs on industrial goods was the core of multilateral trade negotiations under the GATT. Paragraph 16 of the Doha Ministerial Declaration on Market Access for Non-agricultural Products provides a clear mandate for negotiations on this important subject. It requires members to aim "...to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as NTBs, in particular on products of export interest to developing countries." These negotiations further are to take fully into account the special needs and interests of developing and LDCs, including through less than full reciprocity in reduction commitments.

In its first submission (October 2002), India had offered its preliminary thoughts in carrying forward the Doha mandate for the negotiations. The paper had *inter alia* drawn attention to the various elements of the mandate, as seen from a developing country perspective, and emphasized that the negotiations this time should bring forth substantial gains to developing countries. Following further consideration, as also after extensive domestic consultations with the various concerned stakeholders, India makes this second submission, proposing certain specific modalities for the negotiations.

India in its submission emphasised that any approach decided upon for carrying forward the Doha mandate on NAMA will have to address its essential elements. From a developing country perspective, it will be important to ensure that:

- the approach fully integrates the 'less than full reciprocity' concept in all aspects, not merely in a longer implementation period;
- tariff peaks, tariff escalation and non-tariff measures are effectively dealt with in products of particular export interest to developing countries;
- the fiscal, developmental, strategic and other needs of developing countries are fully taken into account.
- special needs of economic development of developing countries including where there are labour intensive small scale enterprises are kept in view.

### **II.2.2 Current Negotiating Position on NAMA**

Under the NAMA negotiations, India's objectives include enhancing market access in developed countries; retaining flexibility to accord tariff protection to sensitive products where the need arises in future, and; obtaining adequate flexibilities for developing countries to address developmental sensitivities.

On the most important and contentious issue of formula for tariff reduction India along with Argentina and Brazil (ABI) have jointly proposed a modified Swiss type formula based on the average tariffs of the members. It was also pointed out that this formula is more flexible, while cutting tariff peaks, tariff escalations and high tariffs. It was highlighted that the ABI proposal is development friendly, as it requires concessions commensurate with each member's present tariff profile. Explained differently, the differences in tariff structure of various WTO members are a reflection of ground realities and policy options adopted by such countries. The best solution, therefore, would be for each country to use as a coefficient the average of that country's tariff. As for the unbound tariff lines, it was highlighted that developed countries and countries that have bound 100% of tariffs want all tariff lines to be bound as in Agriculture. The countries with unbound tariff lines want to keep them unbound because they are sensitive; it was also desired that some lines have to be retained unbound even after the Doha Round. It was therefore stated that while binding is a desirable objective, flexibilities should be accorded in determining the binding level.

On NTBs, India feels that while developed countries have very low tariffs, NTBs are increasingly becoming front-stage market access concerns. India's negotiating strategy should include a framework for classification, identification and reduction of NTBs. India attaches great significance to the removal of specific NTBs on tariff lines of particular export interest to developing countries. Compilation of comprehensive data with regard to NTBs is an essential requirement for furthering discussion in this area.

As regards sectoral initiative under Doha Round, the recent proposal by certain countries includes Gems and Jewellery, Footwear, Chemicals, Environmental Goods, Electrical and electronic products and raw materials in the sectoral initiative. However, it was pointed out that many developing countries and, in particular, African countries are opposed to initiative on sectoral. Therefore, if this initiative was to move forward, the participation in sectoral initiatives should be voluntary.

## **II.3 Services**

India is greatly interested in Mode 1 and Mode 4 negotiations in the General Agreement on Trade in Services (GATS). The first relates to business process outsourcing (BPO), which has already raised a controversy with several States in the U.S. banning shifting of such jobs from their domestic market to countries such as India. In this area, India is seeking complete liberalisation. The second is what is known as "movement of natural persons" where India has been seeking a rise in the bound rate for granting visas for independent professionals.

### **II.3.1 India's Submission on Movement of Natural Persons**

In November 2000, India had made a detailed submission to the Council for Trade in Services (CTS) on liberalisation of movement of professionals under GATS. The objective of this submission was to assess the nature of liberalisation that has taken place in Mode 4 under the existing GATS framework and the extent to which the objectives of

Article IV of GATS have been operationalised through liberalisation in this mode, of significant export interest to developing countries.

India, in its submission, has highlighted considerable asymmetry in commitments between different modes of supply with minimum level of commitments having been taken by developed countries in mode 4, which is of primary interest to the developing countries. Further, existing commitments are largely linked to commercial presence (Mode 3), which is of very limited use to developing countries that are interested primarily in movement of independent professionals and other persons. India also made it clear that it is not in favour of linking movement of natural persons with commercial presence.

India has also pointed out specific problems with the commitments like the nature of commitments, administrative and procedural problems. As regards nature of commitments, in mode 4 they are primarily horizontal and these horizontal commitments are subject to many kinds of limitations. Furthermore, important sectors (where professional movement is important) have been left out by many countries in their scheduling exercise. Even when such sectors have been scheduled, partial commitments with critical limitations exist.

The administrative and procedural problems effectively rule out market access for developing country professionals. One important restriction to the movement of natural persons originates in immigration and labour market policies of individual countries. Temporary movement of labour is not separated from permanent movement of labour and therefore comes under the purview of immigration legislation and labour conditions. Major entry barriers also exist in the form of Economic Needs Tests (ENT), Local Market Tests and Management Needs Tests to ascertain the need for entry as well as the number to be allowed to enter.

Besides, administrative and procedural problems, the ability of professionals to supply services in developed county markets are also adversely affected by the lack of recognition of professional qualifications and licensing requirements. Article VII of GATS provides for Mutual Recognition Agreements (MRAs) and also provides opportunity to Members to participate in negotiations to such Agreements. However, the provisions of Article VII remain largely unused. Developing countries have normally been kept outside the ambit of such MRAs, they being limited to developed countries.

The developing countries' professionals are also being subjected to payment of social security contributions in the host country even though they are not eligible to get the benefits from such contributions since their period of stay under GATS is invariably lower than the minimum period required for such benefits to flow to them.

The direct or indirect effect of all these limitations is to raise costs of entry and operation for service providers, reduce the scope for technology and skill transfer, and force substitution of domestic with foreign service personnel.

### II.3.2 Current Negotiating Strategy on Services

The services sector is playing a significant role in the economies of developing countries. It accounts for about 50 percent of the total Gross Domestic Product (GDP) in developing countries. However, this high share of services in domestic economies does not reflect in the share of services in world trade, which is merely 20 percent. The reason for this mismatch is that the services markets are still protected and have not been liberalised.

The services sector is very important for India, as it has been the engine of growth. India is internationally being seen as the services powerhouse. India ranks in the top 20 services exporting countries. In particular the Information Technology (IT) industry in India has witnessed stupendous growth. Out of the four modes of supply in trade in services India has a comparative advantage in Mode 4 (Movement of natural persons), Mode 1 and Mode 2.

Liberalised regime in trade in services could bring in immense welfare gains for India. For instance, it is estimated that gains from trade in services and in particular Mode 4 could be more than the gains from the entire Doha package put together. Benefits from the liberalisation of mode 4 include efficiency gains; enhanced growth, stimulate further investment in education, skills and human capital. One of the biggest and evident gains from the liberalisation of mode 4 is in the form of increased remittances particularly for developing countries. These remittances are also supplemented in terms of inflow from professionals through Foreign Direct Investment (FDI), Foreign Institutional Investment (FII) etc. In assessing the welfare gains that trade in services could bring certain benchmarks such as share of trade in services in GDP, employment generation, export performance indicators, social indicators should be taken into account.

Trade in services presents both challenges and opportunities to India. A major constraint preventing India from realising the welfare gains from trade in services is its inadequate infrastructure. The deficits in infrastructure have restricted trade in services play an important role in development. India needs FDI to the tune of US \$ 200 – 500 billion to fulfill its infrastructure requirements. Gains from services have remained concentrated to a few sectors and as led to jobless growth. However, India has its own strengths in trade in services such as low labour cost.

India's objectives in GATS negotiations are to achieve effective market access in Modes 1, 2 and 4. In mode 4, presently the following 2 categories are recognised: Business Visitors and Intra Corporate Transferees. The need is to have 2 new categories namely: contractual service suppliers and Independent service suppliers. These 2 categories should be delinked from Mode 3 (Commercial presence). However, there has been a limited progress in de-linking Mode 4 from commercial presence. Countries such as EC, Australia, New Zealand have made limited commitments de-linking Mode 4 with commercial presence. In fact, in the revised offers, the sectoral coverage remains poor, duration of stay is inadequate and ENTs still remain.

From the Indian perspective two sets of issues on mode 4 are very important: Market access including administrative procedures and domestic regulations like qualification requirement procedures. The proposed adoption of common categories is also important. Similarly, the proposal of Service Provider Visa (SPV) is also worth exploring. However, multilateral progress on Mode 4 is likely to be slow. Although A new plurilateral approach has been adopted for making requests and offers but it is too early to predict about the progress of services trade liberalisation.

In Mode 1 it is important to find out how to lock in the autonomously liberalised services by different countries and also how to bring in newer services. In mode 1 there are some sensitivity in sectors such as telecom, finance and audio-visual sectors. In mode 1, the revised offers submitted by US, EC and Canada are disappointing as there is no meaningful improvement from the previous offers.

### **III. Conclusions**

India is one of the few members of the WTO, which has well defined negotiating position on most of the WTO issues. It is also true about India that its position is based on a broad national consensus. That is why India seldom takes any proactive stand in negotiations. Many feel that this type of attitude does not bear much fruit when trade negotiations are based on mutual give and take. But, for Indian government it is more a compulsion rather than a choice.

In India, the major stakeholders are industry chambers; farmers, whose voices are mainly aired by the State governments; and civil society groups, which are a few in number. Overall, in India the degree of awareness on WTO issues is still very low. One reason could be that the India economy is still a closed one. Exports contribute only 10 percent to the national income of India. So far, only business chambers have shown some amount of activism in their part and they have really tried to influence government policies on WTO.

As regards State governments their main concern is agriculture. They also have to face the heat out of the misinformation campaign being run by anti-WTO, anti-globalisation lobby. At the Central level, it seems that there is a broad consensus on most of the WTO issues among different ministries. The major ministries which are involved in policy making on WTO issues are Ministry of Agriculture, Ministry of External Affairs, Ministry of Information and Broadcasting, Ministry of Environment and Forests, Ministry of Finance and of course Ministry of Commerce and Industry, which has the prime responsibility.

Agriculture sector in India is not well organised. Moreover, India is not a major farm exporter. Its main concern is food security. State governments and sometime industry chambers do try to influence national policy making on WTO. But, here again, the State governments' role is limited, as most of them do not have any permanent departments to work on WTO issues. As regards farmers' organisations, which are a few in number, they are more apprehensive about the impact of WTO issues rather than proactive.

Indian government has to take care of this internal dynamics while framing any policy or proposing anything to the WTO. By taking into considerations of the above situations India has identified agriculture and services (movement of natural persons) as major areas of their interests. That is why India has very comprehensive submission on these two issues.

As regards services, again India's current stand is based on its comparative advantage and enough domestic support. Almost all industry chambers are supportive of India asking for greater market access under mode 4 of service supply.