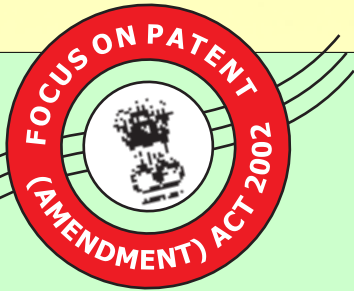


India & The WTO

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PATENTS (AMENDMENT) ACT 2002 NOTIFIED

An amendment to the Patents Act, 1970, namely, the Patents (Amendment) Act, 2002 has been notified in the Gazette of India on 25.6.2002. Steps are now under way to bring this law into force at the earliest.

This Act makes the Indian patent law not only TRIPs compliant but also incorporates safeguards for protection of public interest, national security, bio-diversity, traditional knowledge, etc. The opportunity has also been utilised to harmonise the patent granting procedures with international practices and to make the system user friendly.

Some of the important changes made are as follows :

- a) The definition of the term "invention" has been modified in consonance with international practices and consistent with TRIPs Agreement.
- b) Section 3 of the present Act has been modified to include exclusions permitted by TRIPs Agreement and also subject matters like discovery of any living or non-living substances occurring in nature in the list of exclusions which in general do not constitute patentable inventions and also to specifically exclude the inventions which in effect are traditional knowledge.
- c) The rights of patentee have been aligned as per Article 28 of the TRIPs Agreement.
- d) A provision for reversal of burden of proof in case of infringement, suit on process patent, in accordance with Article 34 of the TRIPs Agreement, has been added.
- e) Uniform term of patent protection of 20 years for all categories of invention as per Article 33 of the TRIPs Agreement has been prescribed.
- f) The provisions relating to compulsory licensing have been modified to suit the public interest requirements and also to comply with TRIPs Agreement
- g) A provision has been incorporated for enabling parallel import of patented products at lowest international prices.
- h) To ensure smooth transition of a product from the monopoly status created by the patent to the public domain, a provision has been incorporated for obtaining marketing approval from the appropriate regulatory authorities before the expiration of the patent term.
- i) Several provisions have been incorporated for protecting bio-diversities and traditional knowledge.
- j) The provisions relating to national security has been strengthened.
- k) A provision has been incorporated for hearing of appeals which at present, lie before High Court, by the Intellectual Property Appellate Board, for speedy disposal of such appeals
- l) Several provisions have been incorporated with a view to simplifying and rationalising the procedures.

PATENTS AMENDMENT ACT MEETS ALL OUR NATIONAL CONCERNS: MARAN

{Excerpts from Minister's opening remarks in Parliament while moving for consideration of the Patents (Second Amendment) Bill}

- * The Agreement on TRIPS (Trade-Related Intellectual Property Rights) forms an integral part of the GATT Uruguay Round and the Draft Final Act was signed in December 1993 and the Pact was signed in Marrakesh on 15th April, 1994. We are all aware that the text of the TRIPS is a masterpiece of ambiguity, couched in the language of diplomatic compromise, resulting in a verbal tight-rope walk, with a prose remarkably elastic and capable of being stretched all the way to Geneva.
- * **The Bill to further amend the Patents Act 1970 has a five fold purpose:**
 - **First, we want to carve out a law without permitting any ambiguity under the TRIPS agreement to come in our way, to enable us to safeguard our national security, national interests, public health and ensure availability of medicines at affordable prices, which is one of the human rights.**
 - **Second, we need to design a new system for a new era of explosions of state-of-the-art technologies**, since internationally approved patent protection regime has become the measuring rod of a country's technological and industrial progress and the protective shield for knowledge driven economy.
 - **Third, the conscience of the humanity was awakened, which was helplessly watching while millions died, and millions more continue to suffer in silence because of HIV/AIDS.** International public opinion turned very critical by saying that it was blatant abuse not only of the very patent system, but even of the Universal Declaration of Human Rights, and of human values. **India along with Brazil and about 55 African countries took the lead and the result was the path-breaking Doha Declaration on TRIPS and Public Health. It provided flexibilities and there is a need to make use of them to the fullest possible extent in our law.**
 - **Fourth, there are international obligations flowing out of TRIPS Agreement.** Certain obligations had to be fulfilled by 1.1.2000 – and we are already late by more than two years in spite of our best efforts.
 - **And lastly, we have to make the administrative system more user-friendly.**
- * The drafting of the Bill was preceded by extensive, broad-based and country-wide consultations with all interest groups. More importantly, the Bill has had the benefit of detailed scrutiny by a Joint Parliamentary Committee (JPC). **The JPC has taken full note of all developments in its comprehensive report and provided necessary safeguards which are required**

by availing the flexibilities in full. The Committee held 39 meetings over a period of two years to consider the provisions of the Bill and finalize its views. During its deliberations, the Committee also had meetings with different stakeholders. The Committee has reinforced the flexibilities already provided in the legislation with a view to address national and public interest requirements/concerns specially those relating to public health and nutrition. **More importantly, the Committee has fully restructured the existing provisions relating to public interest, compulsory licensing, Government use, national security, protection of Traditional Knowledge, protection of public health and nutrition as contained in Chapter XVI (Working of Patents, Compulsory Licences and Revocation) of the Patents Act.**

- * **There are provisions in the Bill providing a wide-ranging and powerful weapon to the Government to extinguish the patentees' exclusive right immediately and acquire it if the occasion warrants. Let any crisis situation be visualised; the present Bill covers all contingencies.** Therefore, we all can be proud that we have not diluted any of the earlier provisions nor compromised our positions and interests – rather we have designed a strong and modern IP (Intellectual Property) Act.
- * **Introduction of the product patent regime for drugs, pharmaceuticals and agro-chemicals, is not contemplated in the present Bill because India is not obliged to provide that until 1.1.2005. A separate legislation in this regard will be necessary at the appropriate time.**
- * **Let us set aside the international and internal 'Pharma-politics' and look at the future.** The Indian drug-pharma industry has made the fullest use of the

Patents Act of 1970 and we are now not only the net-exporter of generic medicines but also emerging as the new leader of the knowledge-based drug industry in the world, following software and IT. **Now is the time for the rest of the industry to come out of its 'Reverse-engineering Mode' and move forward into the era of innovative 'R&D Mode', clinching the opportunities.** Our industry has the necessary strength, capability, dynamic thinking and growing confidence to take advantage of the new era. Many Indian companies have pioneered and demonstrated these qualities and they deserve our praise.

- * **Those who want to specialise in generic medicines need not be worried since around 90% of medicines in the world are generic medicines only and the situation is likely to continue to be so since thousands of patents are expiring every year. None of the 279 drugs listed in the National Essential Drug List (1996) of Government of India is covered by patents today.**
- * Some tend to be unduly critical of the Bill and say that this Bill is not TRIPS-compliant and goes beyond that. – These criticisms, if true, show that we are on the right track and our Bill is strong enough. **Those criticisms are misplaced since all aspects and relevant provisions of TRIPS, Paris Convention and the other Conventions, and post-TRIPS patent laws of different countries and Doha Declaration have been taken on board. All ambiguities have been removed and available flexibilities are made use of to the maximum to protect the varied interests of our Nation.**



MONTHLY REPORT ON MULTILATERAL TRADE ISSUES AND DEVELOPMENTS (April 2002)

- **An International seminar on Systems of Protection of Traditional Knowledge was organised by Department of commerce, Government of India in cooperation with UNCTAD at New Delhi on 3-5 April 2002.** Representatives from Brazil, Cambodia, Chile, China, Colombia, Cuba, Egypt, Kenya, Peru, Philippines, Sri Lanka, Thailand and Venezuela participated in the Seminar.
- **A Chief Secretaries Conference on WTO matters was organised on 11th April, 2002 at the Indian Institute of Foreign Trade (IIFT).** In the conference, the State Government representatives were apprised of the present status of negotiations on agriculture, services, TRIPS and Environment, Rules, Anti-Dumping, Singapore issues and Market Access. Apart from officers of the Central Ministries 32 representatives of the 18 State Governments had attended the conference
- EC and US placed the Panel and Appellate Body (AB) reports on *India – Automotive Sector* (DS146&175) on the agenda in Geneva. India explained that it withdrew the appeal as we effected changes to auto policy obviating the appeal (yet the AB issued factual report). India criticised the panel for exceeding its authority by making rulings on India's measures taken subsequent to its establishment in Section VIII, i.e., and last part of the report. India asked the Dispute Settlement Body (DSB) to adopt the panel report excluding the last part of the report. US also criticised panel on this part of the report. EC, however, took a different view on this. The DSB Chairman said that there was no precedent of adopting partial panel report and proposed for adoption of the reports in full. Accordingly, the DSB adopted them.
- It was agreed in the Working Group on Trade, Debt and Finance in Geneva to grant observer status to FAO, IMF, ITC, OECD, UN, UNCTAD, WIPO and IBRD. It was also agreed that three additional meetings would be held in the current year, with the 11-12 July meeting focussing on trade and debt, the 30 September meeting on trade and finance, and a 17 December meeting considering all aspects. On the agenda itself the discussions will continue, as there was no agreement India's suggestion for inserting "trade-related solutions to the external indebtedness of developing countries".
- **UNCTAD was agreed to be granted observer status in the Working Group on Trade and Transfer of Technology.** Following this, UNCTAD made a presentation on technology diffusion, market based transfer of technology and deregulation and privatisation aspects. INTECH also made a presentation from a perspective of capacity building and technological innovation. It was agreed to continue the analytical phase with inputs from other international organisations at the next meeting, and to also consider how to focus the agenda and develop a work plan. It was agreed that at least two more meetings would be held in the current year on 11 June and 10 October with the possibility of another meeting.
- **The Committee on Balance-of Payments Restrictions,** under the Chairpersonship of the newly elected Chairperson Ms. Anda Christina Filip, Ambassador of Romania, in accordance with paragraph 12 (b) of the Doha Ministerial Declaration, continued its discussion in Geneva on the proposals introduced by India at the last meeting held on 27 February 2002 on two implementation issues concerning the BOP Committee, namely taret 1 and taret 3. While Brazil stated that it had some sympathy for India's proposals, some delegations from developed countries, namely, the United States, the European Communities, Japan and Canada did not favour the

proposals. It was agreed to continue discussions at the next meeting of the Committee slated for 10 June 2002. The Chairperson informed the Committee that in response to a communication from the Chairman of the Committee on Trade and Development, addressed to all other WTO Bodies, the Committee would also discuss the issue of Special & Differential (S&D) Treatment at its next meeting in June so as to enable the Chairperson to submit responses to the Chairman, CTD by the deadline of July 2002.

- The Chairman of the **Negotiating Group on Market Access** (NGMA) circulated his proposal, dated 8 April 2002, for a Work Programme and in the ensuing discussions in Geneva a wide disparity of views was witnessed, with the proponents of market access negotiations accepting the Chairman's proposal, and others such as China, India, Kenya, Egypt and the Philippines maintaining that they could not agree on some of the elements such as the proposed target dates submission of proposals and conclusion of modalities, the number of meetings in the current year, and the agenda for the next year 2003. India had in particular noted the virtual absence of S&D treatment for active consideration in the NGMA in the proposed Work Programme. It was agreed that the Chairman will hold consultations with a view to narrowing divergences.
- The Chairman of **Council for Trade in Goods** held consultations with the US, EC, Canada and India on Bangladesh's request for invoking Article XVIII: C to discuss procedural issues. There was agreement in this small group that the CTG could on its own, and without establishing a working party, handle the request by Bangladesh. It was agreed that this would be without prejudice to what was the appropriate forum, since India had also noted that implementation issues relating to Article XVIII:C were being addressed in the CTD. It was also agreed that bilateral contacts with Bangladesh should continue.
- **The meeting of Committee on Trade & Development (CTD) – Special Session (SS)**, in Geneva focused on the identification of non-mandatory provisions by members that they feel should be made mandatory as well as consideration of members' input on the legal and practical implications of making non-mandatory provisions mandatory. India introduced its proposal on converting some non-mandatory provisions into mandatory. Preliminary comments were made by US, Argentina, EC, Guatemala, China, Venezuela, Malaysia, Uganda on India's proposal. It was agreed that discussion in the next meeting be structured around specific agreements/decisions. The Chairman CTD –SS forwarding a list of all delegations of agreements which will be taken up in the next two meetings of the CTD-SS.
- **The small group consultation on rules of Origin was convened by India to consider the rules of origin for products of the seas and the sea-bed** in relation to the jurisdiction and sovereignty and exploitation rights accorded to Members through the UNCLOS. The like-minded members agreed to use India's proposal as the basis for further work and to collapse five sets of proposals into India's proposal. It was agreed to revert back with an agreed text among this group after consultations with the Capitals
- Further discussion on the Indian and other countries' proposals on Article 15 of the Anti-Dumping Agreement was held in Working Group on Implementation/Anti-circumvention and regular meetings of the Anti-Dumping Committee in Geneva. India's replies were circulated in writing. Further work also took place on cumulation of exports under Article 5.8 of the Anti-Dumping Agreement. The discussion will continue at the next meeting. In the regular meeting of the Committee, Indian legislation amending the provisions relating to transitional economies came up for review. No comments were made on the legislation. Korea and Bangladesh raised concerns on anti-dumping action taken by India on their imports from their countries.

- **The Secretariat in the 40th Session of CTD in Geneva, briefed members on the technical assistance plan for 2002 as well as results of the pledging conference for the Doha Development Agenda Global Trust Fund.** Oral report on the seminar on the revenue implication of e-commerce was presented. Mr. Osakwe, Director of the Technical Assistance Division in the WTO Secretariat gave details of Secretariat's planning for the Technical Assistance Plan for 2003 and requested members to indicate their TA requirements with specific details for 2003 before July 31, 2002. Outstanding implementation issues: tiret 3 of Job (01)/152/Rev.1 relating to Article XVIII: A & C of the GATT was taken up by the CTD for consideration. Some members expressed reservation on the appropriateness of the CTD as the right body for discussion. India stated that it attached a lot of importance of this issue and that this reservation should

be cleared and asked Chairman to suspend discussion on this tiret and hold further informal consultations in the matter. Views were also exchanged on how to structure discussion under Para 51 of the Doha Ministerial Declaration (DMD) in the CTD.

- The Chairman of consultations on de-restriction of documents had called the Indian delegation. He presented a draft paper, which outlined some proposals. While India indicated willingness to be flexible on the issue, it highlighted some problems and said that the proposals contained in the Chairman's document would mean radical departure from the existing procedures and as such would need to be looked at carefully.

{Source: Trade Policy Division with inputs from PMI/ Geneva}



Trade to pick up slightly in 2002 after sharp drop in 2001: WTO Annual Report

World exports dipped 1% in volume in 2001 and contracted 4% in value to US\$ 6 trillion, according to the World Trade Organisation's latest report on international trade, released on 2 May 2002. For 2002, the WTO's economists predict a moderate recovery of around 1%.

"World merchandise trade is expected to expand only marginally on a year-to-year basis despite a projected increase of 6% between the fourth quarter of 2001 and that of 2002," says the study, which will be part of the 2002 WTO Annual Report.

A strong rebound is unlikely, according to WTO economists, because of "sober prospects" for information technology industries.

The 1.5 % decline in export volume in 2001 followed a 12% increase in 2000. The steady dedine was blamed on

the continued weakness overall economic growth (GPD) and in particular the steep fall in inventory levels in OECD countries, which further depressed import levels.

The 4% decline in export value in 2001 was the largest annual decrease recorded since 1982. All three major merchandise product groups agricultural products, mining products and manufactures — suffered.

Commercial services exports slipped slightly by 1.5% to US\$ 1.4 trillion, the first year-to-year decline for world exports in commercial servicees since 1983. The export value of certain commercial services - for example, communications, insurance, financial services, royalties and license fees — rose, but not enough to compensate for the fall in transportation and travel services exports.

INDIA FOR HIGHEST PRIORITY TO IMPLEMENTATION IN POST-DOHA WORK PROGRAMME

(Murasoli Maran's address at OECD Special Session on Doha Work Programme in Paris on 16 May, 2002)

"I would like to thank you Mr. Chairman for giving me the floor. I would also like to thank the OECD Ministerial Council for inviting me to this morning's Special Session on the Doha Work Programme to exchange views on progress made on the various decisions taken and to see how we can move forward. In my brief remarks I would like to focus on the issues we need to consider at the present stage and in particular draw attention to developing countries' concerns.

Ministers would recall the importance that developing countries have attached to implementation issues. These arose from the asymmetries and imbalances in the Uruguay Round Agreements which were found, despite the labours of 8 long years of negotiations. This has found recognition and top priority for the first time in para-12 of the Doha Declaration. There is however concern that the time frame fixed for the resolution of these issues may not be adhered to. For example, in respect of certain textile related issues decisions are due by 31 July, 2002 and on certain other implementation proposal before subsidiary bodies recommendations are due by 31 December, 2002. We are however witnessing delays on their consideration. Our foremost concern therefore is that the work programme on implementation issues is given the highest priority as

reflected in the Declaration itself.

Generally speaking, an impression is created that in matters of interest to developed countries, the work programme in WTO gets accelerated or rushed whereas in areas where developing countries have a lot of interest the progress tends to be slow and halting. This trend needs to be corrected. In fact, where negotiations would involve substantial commitments from developing countries, they should be given adequate time so that they can carefully consider the social and financial costs of various options before taking a decision. They should not feel pressurised at any stage in this process since they need enough time for proper consideration of issues, particularly with their Capitals to consult their national stake-holders. Doha and Mexico should not prepare the ground for another set of implementation issues.

The OECD background paper No.7 has highlighted the recent measures taken in the steel sector which has caused reverberations world-wide. Following that, many stakeholders in developing countries also ask why similar action cannot be taken in respect of others also since they too have increasing unemployment rates and the democracies across the developing world are facing similar problems from domestic constituencies which really and rightly deserve due consideration. While we tend to give special consideration to the steel sector, we totally forget about falling commodity prices which affects the national

economies of many developing countries and the household economies of millions of poor people. Another area of concern is the recent adoption of the Farm Bill in the United States which has substantially increased the subsidies to be given to agricultural products. This is over and above the huge subsidies already given to domestic farmers in the OECD countries which are known to amount to more than one billion dollars a day. The poorer countries who were also at Doha really expected that subsidies would be reduced and phased out and they are deeply disappointed. This does not augur well for the future and raises fundamental doubts about the on-going negotiations.

Several paras of the Doha Declaration have been embellished with commitments of support in respect of technical assistance and capacity building. There are also more than 70 references to development in the Declaration. At the outset it is important to ask ourselves what technical assistance and capacity building mean clearly. Technical assistance should not begin and end with seminars and workshops. Even here we see signs that even before a Ministerial decision is taken there is a tendency to jump over to the next stage and deal with the subject as if negotiations have begun. These are not relevant at the present stage and need to be avoided. The paramount need is to build up the necessary infrastructure and strengthen institutions. What is most important is to enable countries to build up the wherewithal to take decisions based on merits and respective national interests and to be able to implement commitments. We are all aware of how the developing countries undertook Uruguay Round commitments without fully being aware of the costs involved of implementation and enforcement which resulted in substantial diversion from their development budgets. Thus capacity building and technical assistance will become

meaningful only if they are backed by sufficient and necessary resources for implementation.

India and several other developing countries have recently placed before the General Council their own suggestions regarding the manner in which internal transparency should be enhanced in the Geneva process preparatory to the Ministerial Conference and at the Ministerial Conference itself. We believe that every attempt should be made to iron out the differences and forge a consensus in Geneva itself so that the discussions at the Ministerial is limited to settling a few remaining differences. In any case there should be no surprise eleventh-hour drafts which leave no time for stakeholder consultations. A good example that can be usefully emulated is the Declaration on TRIPS and Public Health adopted at Doha where the Ministers focussed on just a few remaining issues of contention contained in a few words and phrases with all the other elements agreed upon at Geneva itself.

In conclusion, Mr. Chairman, we can understand the tendency of nations to look after their economic interests, largely propelled by their national and stakeholder interests. It should, however, be appreciated that this should apply to all developing countries also. Global trade majors who need to play important leading roles should act as role models. Otherwise it will send negative signals. It may also erode the support for the multilateral trading system. It must be recognised that global economic order will not work for the developed OECD countries unless it also works for developing countries. Let us not create two wings in the rule based WTO Club - one for the rich developed countries who may bend the rules according to their will and pleasure and another wing for the poorer developing countries who would remain as silent spectators at the receiving end entrenched by the rules".



IMPORT OF 300 SENSITIVE ITEMS: DATA FOR 2001-02

The total import of 300 sensitive tariff lines for the period April 2001 to March 2002 has been Rs. 10726 crore against Rs. 9985 crore for the corresponding period of last year thereby showing a positive growth of only 7.42 %. The growth is almost entirely accounted for by increase in the import of cotton which has increased from Rs. 1178 crore in 2000-2001 to Rs. 2046 crore in 2001-2002.

Imports of fruits & vegetables, food grains and milk & milk products have shown a sharp decline at broad group level during the period.

In the edible oil segment, the imports have increased marginally from Rs. 6133.5 crore last year to Rs. 6267.5 crore for the

corresponding period this year. A significant feature of edible oil import is that while import of Soya bean and palm crude oil has gone up, that of refined Soya bean & palm oil has gone down leading to better utilisation of the processing capacity in the country. However, import of Sunflower oil, both crude & refined, has gone down.

Imports from Brazil, USA, Argentina, Paraguay, Australia, Thailand, Iran, Sri Lanka, China, Greece, Egypt etc. have shown some increase while those from Malaysia, Guinea Bisu, Ivory Cost, South Africa, Mozambique, Ukraine, Russia etc. have shown some decrease.

IMPORT OF SENSITIVE ITEMS - PROVISIONAL ESTIMATE

Value (Rs. Crore)

SI. No.	COMMODITY GROUP	No. of Tariff lines	IMPORT	
			April 00-March 01	April 01-March 02
1	Milk & Milk Products	22	43.18	21.56
2	Fruits & Vegetables	48	1550.31	912.86
3	Poultry	13	0.03	0.27
4	Tea & Coffee	32	29.47	36.03
5	Spices	35	170.91	312.49
6	Food Grains	12	35.40	4.19
7	Edible Oil	27	6133.51	6267.45
8	Alcoholic beverages	8	29.44	27.58
9	Rubber	11	30.38	143.89
10	Cotton & Silk	6	1725.49	2782.48
11	Marble & Granite	14	10.91	31.88
12	Automobiles	32	74.06	67.69
13	Products of concern to SSI (Umbrella, locks, toys, writing instruments, tiles, glassware etc.)	20	113.65	103.72
14	Others (wheat floor, sugar, cigarette & salt)	20	38.17	13.96
	Total	300	9984.91	10726.05

PARLIAMENT BRIEFS

Amendment of the Patent Act

Some of the major Indian drug companies, through their associations, have made representations on various issues relating to proposed amendments in the Indian Patent law including those relating to compulsory licensing in the light of the Doha Declaration on TRIPs and Public Health. The Patents Act, 1970 read with the Patents (Second Amendment) Bill, 1999 as reported by the Joint Committee of Parliament, contains adequate provisions for safeguarding national interest and public health including those relating to dealing with circumstances of national emergency and ensuring availability of medicines at affordable prices.

ENFORCEMENT OF TRIPS

TRIPs Agreement covers seven areas of Intellectual Property Rights (IPRs) including plant variety, protected in India by separate legislation. These Acts provide for civil and criminal remedies against infringement of these IPRs. For civil remedies, a right holder may file a suit in a court not inferior to a District Court having jurisdiction to try that suit in a manner specified in the concerned Act. Where there are provisions for criminal remedies for infringement of IPRs like trademark, copyright, etc. a police officer-in-charge of a police station can investigate a case of his own when the commission of a cognizable offence is brought to his knowledge. In case of non-cognizable offences, the police can investigate only on order of a Magistrate having power to try such case. Enforcement of the provisions dealing with criminal penalties is the responsibility of the State Governments through police force. Ministry of Human Resource Development has taken several measures to strengthen enforcement of copyrights. These include setting up of Copyright Enforcement Advisory Council organisation of seminars/ workshops to create greater awareness about copyright law among the enforcement personnel and general public, encouraging setting up of collective administrative societies, creation of separate cells in state police headquarters, etc.

TEXTILE CASE AGAINST US

On 11 January 2002 India requested formal consultations with

the United States under the Dispute Settlement Mechanism of the World Trade Organisation (WTO) regarding the changes in rules of origin for textiles and apparel products set out in the United States' Uruguay Round Agreements Act and the Trade and Development Act of 2000. India has questioned the compatibility of the changes with the provisions of the Agreement on Rules of Origin according to which rules of origin shall not themselves create restrictive, distorting or disruptive effects on international trade, shall not be discriminatory, and shall be administered in a consistent, uniform, impartial and reasonable manner. Formal consultations have been held with the United States on 7 February 2002 and 26 March 2002.

ANTI-DUMPING

The Directorate General of Anti-Dumping & Allied Duties (DGAD) undertakes investigation on the basis of sufficient evidence of dumping, injury and a causal link between the dumped imports and the injury caused to the domestic industry. So far the DGAD has initiated 124 cases of investigations. The present status of these 124 cases is given below: -

- (i) Definitive duties have been recommended in 88 cases, of which, duties have been imposed in 82 cases.
- (ii) Provisional duties have been recommended in 24 cases, of which, duties have been imposed in 20 cases,
- (iii) 8 cases are currently under investigation for preliminary findings.
- (iv) The remaining 4 cases have been closed due to withdrawal of petition and other reasons.

IMPORT OF CEREALS

Import restrictions are being removed as part of economic liberalisation programme of the Government and also in terms of our international obligations. The removal of restrictions has not altered the overall rate of growth of imports of the country. The growth rate of imports was 15.3% in 1993-94, 23.1% in 1994-95, 36.4% in 1995-96, 13.2% in 1996-97, 11% in 1997-98, 15.6% in 1998-99. The process of removal of Quantitative Restrictions on most agricultural items began on 1.4.2000. The import growth rate during the year 2000-2001 was only 7.27% in rupee terms and 0.27% in US dollar terms.

The growth rate of imports during the first nine months of financial year 2001-2002 was only 0.31% in Dollar terms and 4.55% in Rs. terms, compared to the same period for the previous year. The import data for 714 items, QRs on which were removed on 31.03.2000, for the year 2000-2001, indicates a growth in import of these items by less than 6%. Similarly, the import of 300 sensitive items, which is being monitored by a Standing Group of Secretaries, has also not indicated any surge in imports in the first nine months of financial year 2001-2002. The overall picture that emerges is thus one of normal trading activity in response to demand and supply factors.

However imports are constantly being closely monitored and the Government is determined to ensure, through appropriate use of tariff and other mechanisms, that imports do not cause any serious detriment or injury to the domestic farmers. Towards that end, import duties on a number of items, where increases in imports were noticed, have already been increased. In the budget for the year 2000-2001, import of duties on many of the agricultural items, were increased to provide further protection to domestic farmers, e.g. duty on rice was increased from 0% to upto 80%, on maize from 0% to 50%, on apples from 35% to 50%, on wheat from zero to 50%. Similarly, in the budget for the year 2001-2002, the custom duty on coconut, copra, tea and coffee was raised from 35% to 70%. The import duty on various refined edible oils excepting soyabean oil was raised upto 85%. Also, the import duty on crude palmolein oil was raised to 65% and on other crude edible oils excepting soyabean oil duty was raised upto 75%. In the budget for the year 2002-2003, the custom duty on tea and coffee has been further raised from 70% to 100%, on natural rubber latex (code no. 4001.10) from 35% to 70%, on cloves, cardamom, pepper and poppy seeds from 35% to 70%, and on pulses from 5% to 10%.

AGENDA FOR SSIs

The government has put in place several measures to help SSIs (small-scale industries) become globally competitive. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications to face the emerging challenges of trade

liberalisation. A comprehensive policy package for the development of SSIs has been announced on 30th August, 2000. The policy package will enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loan up to Rs. 25 lakh, capital subsidy for technology upgradation and improved infrastructure.

Import restrictions have been removed in line with the economic liberalisation policy being followed since 1991 and also in accordance with country's commitment to multilateral trade regime. While the removal of QRs have exposed the SSIs to greater competition, there has not been any surge in import as a consequence of this step. Government is absolutely determined to ensure through appropriate use of tariff and other mechanisms, including imposition of anti-dumping duty, safeguard duties, that imports do not cause any serious detriment or injury to the domestic industry due to import restrictions removal. Towards that end, government has increased duties on a number of items where a surge in imports was noticed or apprehended.

As reported by the PHD Chamber of Commerce & Industry (PHDCCI), they have conducted a study entitled "Post-QR Regime: Making Small Scale Industry WTO-Compatible" in which an 11-point agenda has been mooted for making the SSIs competitive. The study advises that the SSIs should: make efforts to match prices of domestic products with world prices by adopting waste reducing techniques, making improvements in designs, use of better materials, improved inventory management etc.; innovate/design new products and upgrade product quality to ensure that the consumers are not diverted towards imported products; adopt international/Indian product standards; ensure better package for domestic and export markets; ensure compliance with pre-determined delivery schedules; obtain patents for their products; expand the industrial units vertically by installing modern machinery rather than starting another small unit; explore areas for ancillarisation and develop linkages with other enterprises; restructure management and marketing practices; look for collaborations and tie-ups with foreign firms, which will take care of export marketing through their established channels and provide financial support; and improve productivity of labour.

(Source: Replies given in Parliament during May, 2002)

SCHEDULE OF MEETINGS AT THE WTO/GENEVA* JUNE 2002

JUNE

3&4	Committee on Regional Trade Agreements	13&14	Committee on Trade and Environment
3	Committee on Specific Commitments	13	Council for Trade in Goods
3	Working Party on GATS Rules	14	Special Session of the Committee on Trade and Development
3	Working Party on the Accession of Azerbaijan	19	Trade Policy Review Body - India
4	Working Party on Domestic Regulation	20&21	Committee on Technical Barriers to Trade
4	Working Party on Trade in Financial Services	20	Special Session of the Committee on Agriculture
5	Committee on Trade in Civil Aircraft	20	Working Party on the Accession of the Russian Federation
5	Council for Trade in Services	21	Council for Trade in Goods
5&6	Special Session of the Council for Trade in Services	21	Trade Policy Review Body - India
5	Trade Policy Review Body - Haiti	24	Dispute Settlement Body
7	Special Session of the Council for Trade in Services	25&26	Committee on Sanitary and Phytosanitary Measures
7	Trade Policy Review Body - Haiti	25-27	Council for Trade Related Aspects of Intellectual Property Rights
10	Committee on Balance of Payments	25&26	Working Party on the Accession of Ukraine
10-12	Textiles Monitoring Body	28	Committee on Agriculture
11&12	Committee on Trade and Environment - Special Session	28	Committee on Rules of Origin
11	Working Group on Trade and Transfer of Technology	28	Special Session of the Council for Trade-Related Aspects of Intellectual Property Rights
12	Committee on Market Access		

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