

India & The WTO

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BIMST-EC A new regional grouping takes off

BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka, Thailand -- Economic Cooperation) came into being in 1997 at a special ministerial meeting in Bangkok as a forum to facilitate and promote trade, investment and technical cooperation among the member countries, with the ultimate objective of developing into a Free Trade Arrangement (FTA). The guidelines for economic cooperation drawn up at the first meeting of BIMST-EC Trade and Economic Ministers held in Bangkok (Thailand) in August 1998 indicated that BIMST-EC would be designed to act as a bridge linking SAARC and the ASEAN. The Second Meeting of the BIMST-EC Trade & Economic Ministers was held in New Delhi on 27th April, 2000, which has carried the process of regional cooperation further in pursuit of a shared vision of prosperity. **Mr. Murasoli Maran, Minister of Commerce & Industry of India**, in his address at the meeting recalled that the BIMST-EC process began in 1997 at the initiative of **Dr. Supachai Panitchpakdi, Deputy Prime Minister and Minister of Commerce of Thailand** and conveyed India's deep appreciation and support for the vision of BIMST-EC, enunciated by **Dr. Supachai**. Reproduced below are the agreed conclusions of the **Second Meeting of the BIMST-EC Trade & Economic Ministers held in New Delhi on 27th April, 2000:**

The Ministers met in New Delhi to review the progress on the initiatives agreed to in their first meeting in Bangkok, to take stock of recent developments in the global economic system, and to decide the action agenda for economic cooperation.

The Ministers took note of the recommendations of the Senior Trade/Economic Officials Meeting (STEOM) which had met on 26th April, 2000. The Ministers accepted the recommendations of STEOM on the action agenda for economic co-operation and decided as follows:

The countries affected by the global financial crisis were now well on the road to recovery. It was important to push ahead the momentum of recovery through close economic cooperation between the member countries by taking advantage of the complementarities that existed. The action agenda formulated by the STEOM should be implemented by all countries effectively and within agreed timeframes. The private sector in the Member Countries should be closely involved in the implementation of the action agenda.

The rapid changes in the global economic environment necessitated close cooperation and frequent consultations to facilitate appropriate responses and policy changes. It was agreed that the Ministers would hold regular consultations on various issues in the multilateral agenda, especially in the WTO.

The Ministers stressed the importance of establishing a clear work programme to implement the shared vision for a Free Trade Arrangement in BIMST-EC region. The Ministers decided to constitute an Inter-Governmental Group consisting of Officials dealing with international trade to prepare a concept paper on possible approaches towards a preferential trading arrangement on the basis of inputs from all Member Countries within a period of 6 months for consideration of the Ministers.

Transport and communication issues are critical to the development of economic cooperation in the region. A cohesive and well coordinated approach to these issues is essential to ensure early implementation of the agreed projects. It was agreed that India would be the lead country for this sector and would convene a meeting of Experts to examine the feasibility as well as the funding option for early implementation of the BIMST-EC component of the Southern Corridors of the Trans Asian Railways and Asian Highways Projects.

Intellectual Property Rights are a major area of concern for developing countries. The Ministers emphasised the need for joint initiatives on the basis of the Phuket Action Agenda and the New Delhi Action Plan to intensify cooperation between the

Member Countries and to enable sharing of experiences. Issues such as protection of indigenous knowledge and bio-diversity should be especially addressed in such initiatives. If necessary, such initiatives could be taken up in collaboration with WIPO.

Electronic commerce is another area at the forefront of technological change in international business. It is important that Member Countries keep abreast with developments in this area. It was agreed that India would be the focal point for possible initiatives in this area including the launch of E-BIMSTEC. India will prepare a concept note identifying the issues and potential for cooperation between Members Countries.

The Ministers agreed that their future meetings should be on an official basis and should be held once a year. The view of the majority was that the existing Ministerial meetings (of Foreign Ministers) could be combined with the meetings of the Trade/Economic Ministers. It was agreed to hold further consultations in this regard.

It was decided that future meetings would be held on a rotational basis with the next meeting to be held in February-March 2001 in Myanmar or Sri Lanka.



Current state of play

Status Note on issues under discussion at WTO

ABOUT THE WTO

The World Trade Organisation (WTO), with 135 Members currently, professes trade liberalisation through an open, rule-based and nondiscriminatory multilateral trading system and provides predictable market access to Members. The underlying principles of the WTO are transparency and provision by Members of national treatment and most favoured nation treatment to all other Members. It has a dispute settlement mechanism that encourages adherence to these basic principles by all its Members and provides for remedies in case of any violation. The Trade Ministers of the WTO meet every two years to discuss and take decisions on the various issues and proposals put before them by the General Council, including those relating to the future work programme.

MINISTERIAL CONFERENCES OF WTO

The first Ministerial Conference held in 1996 in Singapore saw the commencement of pressures to enlarge the agenda of WTO. Pressures were generated to introduce new Agreements on Investment, Competition Policy, Transparency in Government Procurement and Trade Facilitation. The concept of Core Labour Standards was also sought to be introduced. India and the developing countries, who were already under the burden of fulfilling the commitments undertaken through the Uruguay Round Agreements, and who also perceived many of the new issues to be non-trade issues, resisted the introduction of these new subjects into WTO. They were partly successful. The Singapore Ministerial Conference (SMC) set up open ended Work Programme to study the relationship between Trade and Investment; Trade and Competition Policy; to conduct a study on Transparency in Government Procurement practices; and do analytical work on simplification of trade procedures (Trade Facilitation). Most importantly the SMC clearly declared on the Trade- Labour linkage as follows:

"We reject the use of labour standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question. In this regard we note that the WTO and ILO Secretariat will continue their existing collaboration".

The Second Ministerial Conference of WTO, held at Geneva in May 1998, established a process to prepare for the Third Ministerial Conference and to submit recommendations regarding the WTO's future work programme, which would enable Members to take decisions at the Third Ministerial Conference at Seattle.

The Geneva Ministerial Conference (GMC) Declaration had identified the following issues for the General Council's work, paragraphs 9(a) to 9(b) of the Declaration:

- (a) (i) Issues, including those brought forward by Members, relating to implementation of existing agreements and decisions;
- (ii) The negotiations already mandated at Marrakesh (Agriculture and Services) and to ensure that such negotiations begin on schedule;
- (iii) Mandated reviews already provided for under other existing agreements and decisions taken at Marrakesh;
- (b) Recommendations concerning other possible future work on the basis of the work programme initiated at Singapore Ministerial Conference consisting of:
 - (i) Trade and Investment;
 - (ii) Trade and Competition Policy;
 - (iii) Transparency in Government Procurement;
 - (iv) Trade Facilitation.
- (c) Recommendations on the follow-up to the High-Level Meeting on Least-Developed countries;
- (d) Recommendations arising from consideration of other matters proposed and agreed to by Members concerning their multilateral trade relations.

The 3rd Ministerial Conference held in Seattle during 30th November-3rd December, 1999 was being looked up by many, specially in the developing countries, as a launching pad for a comprehensive round of negotiations.

In the preparatory process in the General Council of the WTO (September 1998 to September 1999), new issues which were proposed for the negotiating agenda by some Members under paragraph 9(d) are as follows:

- (a) Industrial Tariffs
- (b) Global Electronic Commerce
- (c) Trade and Labour Standards
- (d) Trade and Environment
- (e) Coherence in the interaction of WTO and other international organisations.

OUTCOME OF THE SEATTLE MINISTERIAL CONFERENCE OF WTO

The Indian delegation to the Third Ministerial Conference of the WTO was led by the Union Minister of Commerce & Industry, Mr. Murasoli Maran. The delegation also included Members of Parliament, senior officials from different Ministries and representatives from the apex Chambers of commerce and industry.

The Seattle Conference attracted wide attention because of proposals by some countries to press for the launching of a comprehensive round of negotiations covering subjects as wide ranging as labour issues, coherence in global economic architecture, agriculture etc. Even before the commencement of the Conference there were widespread protests and demonstrations in Seattle by a number of anti-WTO groups ranging from environmental activists to labour unions. The inaugural session which was to be held in the forenoon of 30th November, 1999 had to be abandoned because of disturbances. The plenary which was to start in the afternoon on the same day had to be held under heavy police protection.

The Chairmen of various Working Groups tried to narrow down the differences in their respective groups with a view to arriving at a consensus in the draft Ministerial text that had been transmitted from the Geneva preparatory process. However, in view of the wide divergence of views, no group could present draft texts for inclusion in the Ministerial declaration acceptable to all the members.

As there was no prospect of reaching a conclusion on a large number of issues, it was decided after consultation among key members that it would not be practicable to adopt any Ministerial declaration. The Chairperson of the Conference made only a brief statement on 3rd December followed by brief reports by the Chairmen of the various groups. The Chairperson observed that divergences of opinion remained that would take time to be narrowed down. It was therefore, decided to suspend the work of the Seattle Ministerial Conference.

While the above constituted the overall outcome, the deliberations and consultations which took place on several of the important issues are briefly outlined below subject-wise (these positions are indicative and not definitive since a number of delegations, including ourselves, made it clear that nothing was agreed until everything was agreed).

- (a) **Implementation issues** : A good deal of discussions took place on this subject in Seattle, further to the extensive consultations held in Geneva earlier. The Working Group Chairman (Canada) came up with a final proposal (similar to what was mooted by the Secretariat) that meant a few immediate decisions at Seattle and establishment of a special mechanism to examine and make recommendations within one year, and in any case by the Fourth Ministerial Session, on other implementation issues. The Chairman's text also proposed negotiations in respect of Anti-Dumping and Subsidies Agreements. While India and most other countries were prepared to go along with the Chairman's text, the US had reservations and was opposed to any negotiations on anti-dumping and subsidies and could, at the most, agree to a few (not all) of the issues raised by the Committee on Anti-Dumping and Subsidies respectively. No consensus could, therefore, emerge.
- (b) **Agriculture** : Mandated negotiations have to commence on 1.1.2000 on Agriculture. In the run-up to Seattle, however, the Cairns Group of countries supported by US sought to secure a more rigorous negotiating mandate that would speed up elimination/reduction of their export/domestic subsidies. EC, Japan, Norway etc., resisted this to the very end. While EC appeared to display some flexibility on this issue, Japan put up stiff opposition on further inroads into elimination of domestic subsidies.

As for India, our concerns relating to food security were adequately reflected.

- (c) **Services**: No substantive negotiation took place in Seattle as there was hardly any divergence of views on the draft text which adequately takes into account India's concerns.
- (d) **Investment and Competition Policy** : India, Malaysia, Hong Kong, China and Pakistan proposed the continuation of the study process launched at Singapore. EC and others stubbornly argued that they wanted negotiations to be launched right away. Given this, the talks broke off but a 'bridge proposal' which aimed at carrying forward the study process to prepare for negotiations to be launched by the Fourth Ministerial Conference began to take shape. While India, Malaysia, Hong Kong, China and Pakistan continued to oppose even the "bridge proposal", a number of other developing countries (including countries such as Zimbabwe, Sri Lanka and Egypt) showed inclination to agree to launch negotiations or to agree to the compromise proposal.
- (e) **Market Access for non-agricultural items** : There was virtually no opposition for the launching of negotiations in this area except that a number of developing countries including ourselves pointed out the priority that we attached to the implementation issues and made it clear that agreeing to any text on this issue depended on progress in other areas. The text which evolved during the Green Room consultations left open the modalities to be followed for the tariff reduction exercise although the APEC countries wanted a specific reference to their Accelerated Tariff Liberalisation (ATL) initiative. EU wanted a common tariff reduction method to be adopted for all countries while certain others preferred a formula approach to be the main methodology. While our concerns were largely met in the draft text, the US insisted on avoiding any reference to peak-tariffs saying it was a politically sensitive issue. Several developing countries, including us, however, firmly opposed the substitution of 'peak tariffs' by any other phraseology. This matter still needs to be resolved.
- (f) **Transparency in Government Procurement** : There were broadly three proposals on this subject at the Seattle Ministerial. First, that the Working Group should continue its work until the fourth Ministerial session. India and number of developing countries supported this proposal. Second, that the Seattle Ministerial should mandate commencement of negotiations based on the elements that had formed the basis of discussion in the Working Group with the objective of concluding an Agreement at the latest by the Fourth Ministerial session. A number of developed and developing countries such as Brazil and South Africa supported this proposal. Third, that the Ministers adopt at Seattle an Agreement on Transparency in Government Procurement based on the formulation proposed by the United States and the European Communities. After further discussions in the open-ended Seattle Working Group on Singapore issues and other issues, its Chairman gave his understanding that there was virtual consensus among Members present on the second proposal. He noted that India was the only Member present that stated that it could not join such a consensus and urged India to reconsider its position. India had stated that it could only support further work in the Working Group aimed at arriving at a consensus on the elements of a Transparency agreement.

- (g) **Trade and Environment** : Developed countries, particularly EU, were very keen on negotiations on environment related issues to accommodate concerns of their civil society. They wanted environmental considerations integrated throughout the negotiations in the new Round ('mainstreaming') which will also dilute the focussed mandate of the Committee on Trade and Environment (CTE) to that extent. USA was further keen that Members right to set high environmental standards was not undermined by trade rules. US and CAIRNS Group countries also called for the removal of environmentally damaging subsidies such as agricultural subsidies and fishery subsidies that contributed to over capacity. Developing countries sought adjustments in the TRIPS Agreement for preservation of biological diversity and reward for traditional knowledge. The proposal to mainstream environment and dilute the role of CTE and the US proposal regarding environmental standards were opposed by some developing countries including India while there was considerable support for removal of environment- related subsidies. The TRIPS related proposals were supported by some, but there was no consensus.
- (h) **Intellectual Property** : Many members were willing to complete the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and possibly spirits, while there was an emerging consensus for an early decision on the ongoing discussions on inclusion of other products for the higher level of protection as has been provided to wines under Art 23 of TRIPS. Other work programmes proposed to be launched at Seattle included a proposal to make recommendations to the Fourth Ministerial Conference on the scope for protection for traditional knowledge and folklore under the TRIPS Agreement, and review of Article 71.1, including enhancing the Agreement to respond to its objectives and principles as well as new developments elsewhere, and of Article 27.3(b) relating to life forms and plant varieties.
- (i) **Other issues** : There were a few other issues which were less controversial. Subjects belonging to this category included E-commerce and trade facilitation. A proposal to set up a working group on transfer of Technology, supported by India also found wide support but was opposed by USA, while EC and some others preferred discussions on this issue within the Committee on Trade and Development. On the other hand, the proposed Working Group on Bio-technology, pursued by USA was hardly discussed because of strong opposition from many members, including India.
- (j) Regarding transparency in the functioning of WTO, US and EU were keen for some kind of mechanism whereby civil society could participate in the WTO functioning, inter alia, through amicus curiae briefs in the trade dispute settlement mechanism. But this was sharply opposed by India and many other developing countries.

THE ROAD AHEAD

As earlier stated, no consensus could emerge as a result of the divergences that persisted on various issues and the Seattle Conference had to be suspended. For the present, it can only be said that the mandated negotiations in agriculture and services and mandated reviews would commence as scheduled from January 2000. The Ministerial Conference may resume its work

only after the Director General of WTO has been able to consult with delegations and recommend its reconvening after making sure that the next time around there will be greater degree of consensus. In his statement after the Conference, Director General Moore said that it was "vital to maintain and consolidate what has already been achieved". However, there is no final agreed Conference document which records the progress already achieved.

Moves are already afoot to reconvene the Ministerial meeting. The European Union is in particular keen that this is quickly achieved with the launch of a comprehensive round of negotiations. The DG of WTO is also stated to be of the view that the Ministerial meeting should resume early. We have informed all those who have approached us that the contentious issues like labour standards should be off the table and further there should be narrowing down of differences on all issues before any attempt is made to reconvene the Ministerial meeting. The developments in the next few months are being watched.

Environmental concerns are already built into the existing Agreements and there is also a Committee on Trade and Environment. Our objection is not to environmental standards per se but the possibility of misuse of environmental standards for protectionist purposes. We are opposing the enlargement of the mandate of the Committee on Trade and Environment and to what is called the mainstreaming of environment in all the agreements. US is very keen that they should have the right to lay down higher level of environmental standards in a non-discriminatory manner. It appears that many of the countries may agree to higher standards of environmental protection measures being implemented by any country so long as they are non-discriminatory and are not used for protectionist purposes.

On the issue of labour standards, however, there is considerable opposition to its inclusion in the agenda from many countries. A view point being advocated is that there should be no objection to a direction by WTO to ILO to make a study as it will not amount to giving negotiating mandate and that the developing countries can always say no to negotiations even at a subsequent stage. Even this, limited scope, if agreed to, is however, not without some risk. We are therefore carefully monitoring these and other developments while seeking to actively mobilise the support of like minded countries in all possible fora on issues of concern and interest to us.

POST SEATTLE SCENARIO

India is taking advantage of this 'time out' to consolidate its position on issues of its interest in the WTO. Three pronged efforts have been launched which are as follows :

(a) On the one hand, India has continued to highlight the areas of its concern at important bilateral and multilateral meetings, which have been as follows :

In his meeting with the Director General WTO on 12th January 2000 at New Delhi Commerce and Industry Minister emphasised that globalisation has caused uneven growth, increasing the disparities between the richest and the poorest. This has to be addressed, inter alia, by addressing the implementation problems in existing Agreements and operationalising the special and differential clauses in favour of developing countries. A consensus could be reached only if the

more controversial issues, such as non-trade related issues, could be eliminated from WTO.

In his statement at UNCTAD-X (Bangkok 13th February 2000), the Minister highlighted that "International rule making mustpermit flexibility and autonomy to developing countries to pursue their material development strategies on the basis of needs and aspirations of their people." He registered a strong protest on the part of the developing countries as to how issues extraneous to trade, such as labour standards, are sought to be put on the negotiating agenda, while, on the other hand issues such as the cross border movement of persons, a matter of great interest to developing countries is resisted by developed countries. On the margins of the UNCTAD Conference at Bangkok, he had also used this opportunity to have bilateral and plurilateral meetings with a view to evolve common stand on important WTO issues.

The UNCTAD Plan of Action has taken on board some of the important concerns of developing countries on implementation issues by inter alia recognising that "in the course of implementation of the WTO Agreements, most developing countries consider that certain imbalances and asymmetries exist" and that "these problems need to be addressed urgently so as to ensure that the multilateral trading system results in mutual benefits for all countries." India was also able to moderate the wording on global coherence as much as "coherence" has been diluted to "cooperation" in the critical portions of the UNCTAD-X Declaration and Plan of Action. India feels that strengthened 'coherence' between WTO and the UN organisations may lead to increased cross conditionalities which may narrow down our policy options for development. Thus our success in diluting the coherence brief in UNCTAD is significant.

(b) Under the second track of post-Seattle follow up Government has held consultations to appraise the situation arising out of the failure of the Seattle Ministerial Conference to reach consensus on major issues. A meeting of the Advisory Committee on International Trade was convened on 3rd February, 2000 to apprise the Committee of the important developments at and immediately after Seattle and seek the Committee's advice on the way forward. The gist of the Committee's advice to Government has been to ask Government to review the implementation issues and prioritise those which are of core interest; to ensure that our implementation demands are properly attuned to our autonomous programme of domestic economic liberalisation; to evolve a suitable response to a situation where even some of the developing countries are willing to accept some watered down version of a group on trade and labour in association with the WTO; and evolve our stand on environment so that we don't appear to be against protection of environment; to give adequate publicity to our positive record of adherence to ILO conventions and ongoing efforts for implementation of core labour standards; and to formulate a national consensus on biotechnology etc.

(c) The third strand of our post-Seattle approach has been to participate actively in the meetings of the General Council of the WTO and its subsidiary bodies to continue to emphasise the areas of our concern. India has participated actively in the General Council meetings held post-Seattle on 17th December, 1999 and on 2nd , 7th and 29th February, 2000.



Anti-dumping cases filed with Anti-Dumping Directorate

(1997-2000 April)

Petitions filed with Anti-Dumping Division Till Date *

S.No.	Product	Country	S.No.	Product	Country
1997			1999		
1	Vitamin-C	Japan & China PR	25	HR Coils	S. Korea, S. Africa & Turkey
2	Magnesium	China PR	26	Float Glass	Indonesia
3	Met Coke	China PR	27	HCFC	S. Africa, Russia, Kazakhstan
4	Polystyrene	Korea RP, Japan, Taiwan & Malaysia	28	Mono Methyl Aceto Acetamide and Methyl Aceto Acetate Ester	USA, Germany, Japan, Switzerland, Singapore, EEC
5	Hot Rolled Coils	Russia, Kazakhstan & Ukraine	29	Sucker Rod Pumps	China
6	Lovastatin	China PR	30	Carbendazim Techreal	China
7	Sea Water Magnesia	China PR	31	Zinc Sulphate	China
8	Pet Chip bottle Grade	S.Arabia, Korea, Taiwan, Indonesia, Malaysia & Thailand	32	Polystyrene (Review)	Korea
9	Industrial Sewing Needles	Germany, Japan, Korea, China & Czech. RP	33	NDDB	E.U
10	Chloroquine Phosphate	China PR	1999		
11	Tin Plates	Brazil, Germany, Japan, Korea & U.K	34	PTFE	Russia
12	Black & White Picture Tubes	China PR	35	PSF	Indonesia, Korea RP, Thailand & Taiwan
13	Photographic Paper (old)	UK, France	36	Nylon Tyre Cord Fabric	Indonesia, Korea RP, Thailand & Taiwan
1998			37	NBR	Taiwan
14	Ortho Chloro Benzaldehyde	China PR	38	Thermal Sensitive Paper	European Union, Japan
15	Acrylic Fibres	Italy, Spain, Portugal & Japan	39	Sodium Cyanide	USA, EU, Korea & Czech Rep.
16	Calcium Carbide	China PR & Romania	40	Polystyrene	China, Hong Kong, Singapore & Thailand
17	P Tert Butyl Catechol (PTBC)	France	41	Barium Carbonate	China
18	Citric Acid	China PR	42	Acrylic Fibre	Turkey
19	Industrial Sewing Needles	Japan, Korea, China,	43	HR Coils	S. Korea, S.Africa, Japan, China, Australia
20	EPDM	Japan	44	Zinc Oxide	China
21	SBR	Japan, Korea, Turkey, China, Taiwan, USA, Germany & France	45	Poly Oriented Yarn (POY)	Indonesia, Korea, Taiwan
22	Acrylic Fibre	Mexico	46	Skimmed Milk Powder	EU
23	Hard Ferrite Ring Magnets	China PR	47	HCFC	S. Africa, Russia, Kazakhstan
24	Low Carbon Ferro Chrome (LCFC)	China, South Africa, Macedonia	48	Plastic Ophthalmic Lenses	China, Hongkong, Taiwan, Malaysia, Brazil & Italy
			49	Sodium Ferrocyanide	EU including Germany & UK

* Total number of Anti-dumping cases filed during the last 3 years is 77 (from 1997 till April 2000)

S.No.	Product	Country
50	Aniline	EU
51	Caustic Soda	USA, Japan, Indonesia, France, Arabia & Iran
52	Strontium Carbonate	China
53	Purified Terephthalic Acid (PTA)	Japan, Malaysia, Spain & Taiwan
54	Seamless Tube	Romania, Austria, Russia, Ukraine & Czech Rep.
55	Optical Fibre	S. Korea
56	Soda Ash	China PR
57	Acrylic Fibre	Taiwan
58	Oxo Alcohols	S. Korea, S. Arabia, Indonesia & Russia
59	Vitamin -C	Russia & EU
60	Metronidazole	China
61	Aniline	USA & Japan
62	EPDM	Korea
63	Pthalic Anhydride	Indonesia
64	Sodium Nitrite	China PR

S.No.	Product	Country
65	Photographic Paper	U.K, France, Hungary & Czech RP
66	Seamless Grade Alloy etc.	Russia, Ukraine & China
67	NBR	Korea
2000		
68	Bisphenol - A	EU and Taiwan
69	Hydroxy Amine Sulphate	USA, Japan, EU
70	Polyester Film	Korea & Indonesia
71	Trimetho Prim	China
72	Isopropyl Alcohol (IPA)	USA, Singapore and Netherlands
73	Hot Rolled Coils, Strips etc.	S. Korea, S. Africa, Japan, China and Australia
74	Ferro Silicon	Russia, China, Iran, Ukraine and Kazakhstan
75	Partially Oriented Yarn (POY)	Indonesia, S. Korea, Taiwan, Thailand & Malaysia
76	Strontium Carbonate	China & Germany
77	Aniline	EU

Cases where Definitive (Final) Anti-dumping duties recommended

S.No.	Product	Country
1	PVC resin	Brazil, Mexico, Korea RP, USA
2	Bisphenol-A	Japan
3	Potassium Permanganate	China PR
4	Isobutyl Benzene (IBB)	China PR
5	3,4,5 Trimethoxy Benzaldehyde (TMBA)	China PR
6	Theophylline Caffeine	China PR
7	Acrylonitrile Butadiene Rubber (NBR)	Japan
8	Bisphenol-A	Brazil, Russia
9	Sodium Ferrocyanide	China PR
10	Dead Burnt Magnesite (DBM)	China PR
11	Low Carbon Ferro Chrome (LCFC)	Russia, Kazakhstan
12	8-Hydroxy quinoline	China PR
13	Bisphenol-A	USA

S.No.	Product	Country
14	Acrylonitrile Butadiene Rubber (NBR)	Germany, Korea RP
15	Acrylic fibres	USA, Thailand, Korea RP
16	Catalysts	Denmark
17	Newsprint	Canada, USA, Russia
18	Purified Terphthalic Acid (PTA)	Korea RP, Thailand & Indonesia
19	Graphite Electrodes	USA, China, Spain, Italy, Germany, Belgium, Austria & France
20	Vitamin-C	Japan & China RP
21	Megnesium	China PR
22	Met Coke	China PR
23	Polystyrene	Korea RP, Japan, Taiwan, Malaysia
24	Hot Rolled Coils	Russia, Kazakhstan & Ukraine
25	Lovastatin	China PR

S.No.	Product	Country
26	Ortho Chloro Benzaldehyde	China PR
27	Acrylic Fibres	Italy, Spain, Portugal & Japan
28	Calcium Carbide	China PR & Romania
29	Sea Water Magnesia	China PR
30	P Tert Butyl Catechol (PTBC)	France
31	Citric Acid	China PR
32	Industrial Sewing Needles	Japan, Korea, China
33	EPDM	Japan
34	SBR	Japan, Korea, Turkey, China, Taiwan, USA, Germany & France
35	Acrylic Fibre	Mexico
36	Hard Ferrite Ring Magnets	China PR

S.No.	Product	Country
37	Low Carbon Ferro Chrome (LCFC)	China, South Africa, Macedonia
38	PTFE	Russia
39	PSF	Indonesia, Korea RP, Thailand & Taiwan
40	Nylon Tyre Cord Fabric	Indonesia, Korea RP, Thailand & Taiwan
41	NBR	Taiwan
42	Thermal Sensitive Paper	European Union, Japan
43	Sodium Cyanide	USA, EU, Korea & Czech. Rep.
44	Polystyrene	China, Hong Kong, Singapore and Thailand
45	Barium Carbonate	China
46	Acrylic Fibre	Turkey
47	Purified Terphthalic Acid (PTA)	Spain

Cases where preliminary duty recommended and pending final duty recommendation

S.No.	Product	Country
1	Seamless Tube	Romania, Austria, Russia, Ukraine & Czech Rep.
2	Optical Fibre	S. Korea
3	Soda Ash	China PR
4	Acrylic	Taiwan
5	Oxo Alcohols	S. Korea, S. Arabia, Indonesia and Russia

S.No.	Product	Country
6	Vitamin -C	Russia and EU
7	Metronidazole	China
8	Aniline	USA and Japan
9	EPDM	Korea
10	Pthalic Anhydride	Indonesia
11	Sodium Nitrite	China PR

9

Cases under investigation

S.No.	Product	Country
1	Photographic Paper	U.K, France, Hungary & Czech RP
2	Seamless Grade Alloy etc.	Russia, Ukraine & China

S.No.	Product	Country
3	Bisphenol - A	EU and Taiwan
4	Hydroxy Amine Sulphate	USA, Japan, EU
5	Polyester Film	Korea & Indonesia



Monthly Update from PMI* / Geneva

(15 March - 15 April, 2000)

GENERAL COUNCIL

An informal meeting of the General Council was held on 28 March 2000 to consider the issue of 'Internal Transparency'. Most delegations who spoke seemed to feel that while the issue of internal transparency and decision making within the WTO were important, the shortcomings in these areas were not the only reason for the failure of the Seattle Ministerial Conference. Consequently while most Members agreed that there was both a need and necessity to ensure the participation of smaller delegations at all stages of any decision making process, they also felt that there was no need for any radical reform of the existing procedures.

Except for one or two of the smaller delegations, most Members seemed to feel that while ideally, all decisions must be taken in open ended formal/informal meetings, it was inevitable that for certain issues it may at times be necessary to call smaller group meeting. In this context, India made the following suggestions, namely that (i) though the chairperson of the relevant body should decide as to whom all he should invite for the small group meetings, there should be a clear understanding that any delegation which feels that it has an interest in the matter and would like to be in the small group, should be able to join the small group meeting; (ii) the chairperson convening the small group meeting should convene promptly, preferably not later than the next working day, a brief meeting of the larger group to report on the discussions in the small group and make available to the larger group any written proposal circulated in the small group meeting held earlier; and (iii) the small group meeting must be viewed as facilitating consensus building and not for decision making, final decision on any proposal or issue should be taken only in open-ended meetings to which all the delegations are invited. India's views were generally supported.

While concluding the meeting the Chairperson indicated that he would now ask the Secretariat to prepare a consolidated collation of the views which had been expressed, so that the convergence of views evident in this meeting could be further fine tuned in another meeting to be held later next month.

Another informal meeting of the General Council was held on 10 April 2000 to consider measures in favour of least developed countries, capacity building through technical cooperation, and implementation issues, including those related to transition periods.

The Director General in his opening remarks on these issues stated that these were issues which had been seen by Members as addressing urgent needs and in making a positive contribution towards building confidence. He also emphasised that this should not be viewed as a package, where a trade-off amongst the elements were envisaged and where progress in one element may influence progress in others and that these elements were for consideration in their own terms. However, the DG also cautioned against any artificial expectation that all of these issues

would necessarily be at the same state of evolution by the time of the 3 May General Council meeting.

On the first issue i.e. measures in favour of least developed countries, the proposal presented by the QUAD countries was the subject of detailed discussion. Most of the least developed countries felt that the QUAD package was extremely insufficient in as much as it only promised to provide tariff free and quota treatment, consistent with domestic requirements, to essentially all products originating in least developed countries. The LDCs felt that by not including the coverage to all products and by not specifying the products proposed to be covered/excluded, the QUAD countries were in effect not providing market access particularly to products of critical interest to LDCs such as textile and agriculture.

A number of developing countries, particularly from Latin America, also questioned the QUAD package stating that the QUAD countries should not endeavour to provide enhanced market access to LDCs at the cost of the existing market access of developing countries. India while sharing the concerns expressed by the LDCs stated that any proposal to provide enhanced market access for LDCs should have an in built review mechanism so that the effect of any package could be evaluated after a suitable time period, so as to assess both the benefits that may have accrued to the LDCs and the impact, whether positive and negative, that may have occurred on the trade of developing countries. The discussions on this issue are likely to continue in further meetings of the General Council.

As far as the other issues were concerned, most members seemed to agree that capacity building through technical cooperation was of key importance not only to LDCs but to developing countries as a whole, and to economies in transition. It was felt that an expansion of the WTO resources would enable Members to devote to this vital activity, within the context of an improved planning and monitoring framework. As far as implementation issues were concerned, there continued to be a divergence of views both on the methodology of addressing these concerns, and the time period by which these should be addressed.

India, supported by a number of other developing countries, stressed that implementation of existing agreements had given rise to serious concerns amongst members in particularly relating to (a) the lack of progress towards liberalisation in sectors of particular interest to developing countries; (b) the existence of significant imbalances between rights and obligations as well as in conditions of market access; and (c) the non-realisation of anticipated benefits from existing agreements. We stressed that these issues could only be addressed through a special mechanism under the General Council and that some of the implementation issues, must be addressed expeditiously while the others must be addressed in a limited time period, preferably

not exceeding one year. However, this issue too is likely to be the focus of further consultation that the chairman of the General Council and the DG are intending to organise in the coming weeks.

AGRICULTURE

A meeting of the Committee on Agriculture (COA) was held on 22 March 2000. Under the review process the committee took up the consideration of a large number of individual notifications. The first set of notifications related to TRQ (tariff rate quota) administration. The common thread amongst all the questions that were asked, was that they were all related to the under fill of tariff quotas. Members in this meeting, as in the previous meetings have tended to focus only on those TRQ regimes which have for some reason or the other resulted in an under fill of quotas. Under the next group, notifications related to export subsidy commitments were reviewed. Notifications made by EC and Norway were reviewed under this agenda item. The main thrust of the questions and the criticism, was the roll-over of export subsidies by both EC and Norway. Members were critical of this and stated that such a roll over would distort world trade even more, and would be extremely detrimental to exports from non-subsiding countries.

The mandated negotiations in Agriculture were formally launched by the convening of the first Special Session on Agriculture (SSA) on 23-24 March, 2000. Since there was no consensus as yet on the Chair and the Vice Chair of the COA, members had in an earlier meeting of the General Council, agreed that the SSA should, for the interim period, be chaired by the Chairman of the CTG i.e. Ambassador Farell of New Zealand. Accordingly, the first SSA got off under his interim Chairmanship.

On the structure of the negotiations most Members indicated that these should be structured and carried out in accordance with the mandate given in Article XX of the AOA. While some Members including EC, Switzerland, Norway, Japan and Korea emphasised the multi-functional aspect of agriculture and stressed that non-trade concerns must be duly taken into account, the CAIRNs group along with the US emphasised the need to continue with the reform process and bring a quick end to the various trade distorting practices prevalent in Agriculture.

As far as the issue of deadlines was concerned, the majority of members spoke in favour of having a deadline of December 2000 for the submission of the proposals. India also supported an indicative end of year deadline for the submission of proposals. However, we emphasised that there must be certain in built flexibility which would permit Members to submit additional proposals at least up to the March 2001 meeting. This suggestion was supported by the US which too wanted flexibility to elaborate and /or strengthen proposals beyond December 2000 and up the March 2001 meeting. Otherwise, **there was a broad consensus in the meeting on the need to ensure that**

all proposals are submitted for consideration to the Committee before the end of the year.

It was also agreed that proposals should be submitted under the four pillars' of Article XX i.e. on market access, domestic support, export subsidies and other rules and disciplines. Members also favoured the submission of proposals, as and when they were ready, so that there should be a substantive discussion on these proposals in the ensuing meetings.

A numbers of Members, particularly developing country members, indicated the importance of the Secretariat's assistance in the first and subsequent phases of negotiations. Though some members, including India, placed some specific proposals on the table, it was also clarified that developing countries were likely to have further issues/areas where they would like to have inputs from the Secretariat. For the March meeting, Members have requested the Secretariat to compile a number of background papers on the latest developments and the effects of the current protection reduction commitments.

This first Special Session on Agriculture also produced a work programme for the first year of the negotiations: three more special sessions will take place this year, in June, September and December, back-to-back with the regular sessions of the Committee on Agriculture, with a 'stock - taking meeting of the submissions received scheduled for March, 2001.

SERVICES

Services got off to an intensive start with meetings of the Services Council and its subsidiary bodies in the week of April 10,2000.

The Council for Trade in Services held both its regular and special sessions on April 14,2000. The Council, among other things agreed to a schedule of meetings for the year 2000. Thus, the weeks of 22 May, 10 July, 2 October and 4 December have been set apart for meetings for the Council (regular and special sessions) as also for its subsidiary bodies such as the Committee on Specific Commitments, Working Party on GATS Rules and Working Party on Domestic Regulation.

The Special Session of the Services Council also had a very fruitful discussion on April 14,2000 on "elements of a proposed first phase of the services negotiations mandated under GATS Article XIX. **Although to final agreement was reached, there was a convergence of views on what should be a tentative "road map" for the period from now until March 2001 comprising mostly of technical work and mandated reviews such as Review of MFN Exemptions and the Review of the Air Transport Annexe.** All of the above was without prejudice to the preparation of Negotiating Guidelines and Procedures which are a prerequisite under Article XIX and which would have to be decided upon by WTO Members before the actual negotiation of Specific Comments commences sometime next year.

APPELLATE BODY

The former Commerce Secretary to the Government of India, Mr. A.V. Ganesan and Mr. Georges Abi-Saab of Egypt were appointed as members of the W.T.O. Appellate Body in the meeting of the Dispute Settlement Body (DSB) held on 7th April 2000. Out of eight eminent legal and trade policy experts, including those nominated by Japan, Thailand, Indonesia, etc., the Selection Committee of W.T.O. finally chose these two experts. The DSB unanimously accepted this Selection Committee's recommendation and appointed them to the Appellate Body for a four-year term.

DISPUTE SETTLEMENT BODY

An important decision of the DSB during this month was the **adoption of the Panel and the Appellate Body reports on US-Tax Treatment of Foreign Sales Corporations dispute brought by EC (European Commission)**. In this dispute, huge tax concessions being given by the USA to its corporate entities, were found to be contrary to USA's obligations under WTO.

Another important decision of the DSB was **adoption of the Panel report on Canada - Pharmaceutical Patents dispute**. This dispute was also raised by the EC. The Panel in this dispute ruled that the regulatory exception provision (i.e. the so called the US' Bolar exception) in the Canadian Patent Act was not inconsistent under the TRIPS Agreement.

Another significant development in the WTO dispute settlement sphere was the **Arbitration Panel's ruling that Ecuador could cross-retaliate against the EC under TRIPS Agreement to the extent of US\$ 201.6 million per annum for the latter's failure to comply with the DSB recommendations and rulings in the EC - Bananas dispute**. However, Ecuador decided not to exercise its right to cross-retaliate for the time being hoping that a compromise deal could be negotiated with EC. However, this is the first case where a cross-retaliation proposal was brought up before a WTO panel successfully and that too by a developing country against a developed member.

TRANSPARENCY IN GOVERNMENT PROCUREMENT

On 17 April 2000, an informal meeting of the Working Group on Transparency in Government Procurement was held to discuss the work plan and organisation of meetings for the year 2000. It was decided that one formal meeting would be held on 8-9 June 2000 and another in September, without excluding the possibility of holding another meeting in the year keeping in view the reservation of some Members that two meetings were inadequate. It was also agreed that the deadline for presentation of papers by Members to the meeting on 8-9 June would be 20 May. During the meeting, the Chairman proposed that while the discussions would be held as per the Chairman's checklist, he would circulate a short note on important questions raised during earlier discussions under each of the checklist issues. Developing country Members like

Malaysia, Pakistan, India and Egypt did not want circulation of the short note stating that there could be some judgement involved here for selection of questions by the Chairman which could become controversial. These Members desired to continue the discussions solely on the Chairman's checklist. However, the developed country Members insisted on such a short note stating that it would facilitate a more focused discussion. Keeping in view the divergence of views, it was agreed that the Chairman would hold further informal consultations on the issue of preparation of a short note.

INFORMATION TECHNOLOGY

At the meeting of the Committee of Participants on the Expansion of Trade in Information Technology Products held on 21 March 2000, the Committee largely continued to reflect on the national experience of ITA participants in the field of information technology. Switzerland, Australia, and Hong Kong China have submitted national experience papers to facilitate discussions, and Norway and the United States have indicated their intention to submit their papers. Based on these discussions, the process of detailed discussions on non-tariff barriers, including standards and import licensing practices, as they relate to IT products could be developed.

ACCESSIONS

The Working Party on the Accession of the People's Republic of China met on 21 March 2000, and initiated the final stage in the accession process. At the next meeting to be scheduled in May 2000, the Working Party would discuss the draft Protocol of Accession, the draft Working Party Report and the draft Schedules of Commitments and Annexes and consider the translation to the multilateral level of the commitments made by China in its bilateral market access negotiations. The European Communities, Switzerland and Mexico are among its key trading partners with whom bilateral market access negotiations have not yet concluded.

The Working Party on the Accession of Saudi Arabia met on 4-5 April 2000 and discussed the status of its bilateral market access negotiations. Australia and Japan reported that they have concluded their bilateral negotiations with Saudi Arabia. Others indicated that they have intensified their negotiations, with a view to concluding them as soon as possible. The Working Party also commenced its discussion of the draft Working Party Report.

AGREEMENT ON RULES OF ORIGIN

At its meetings held from 3 to 14 April 2000, the WTO Committee on Rules of Origin made further progress in resolving outstanding differences in both the overall architecture issues as well as product-specific issues. At this meeting, the informal sessions concentrated on metal products, machinery and appliances, including electrical machinery, instruments, and transportation equipment under the on-going harmonisation work programme on non-preferential rules of origin. The Chairman will continue to hold informal consultations to help make a collective assessment on a reasonable end-date for completing the harmonisation work programme.



WTO briefs

Jordan becomes 136th member of the WTO

Jordan on 11 April, 2000 became the 136th member of the WTO. The WTO's General Council concluded negotiations with Jordan and approved the accession package on 17 December 1999. Jordan has agreed to assume all its WTO obligations upon accession. In addition it has signed on the two plurilateral agreements on government procurement and on trade in civil aircraft. Jordan's accession package includes market access commitments on goods and services. The working party on Jordan's accession to the GATT/WTO was established under the GATT in January 1994 and was transformed into a working party in 1995. Jordan's main merchandise exports include phosphate and potash and chemicals. Jordan mainly imports transport equipment, machinery and crude oil. Its major trading partners are other Arab countries and the European Union. Six Countries in the region are already members of the WTO: Bahrain, Egypt, Israel, Kuwait, Qatar and the United Arab Emirates. Three more are in the process of acceding to the WTO: Lebanon, the Sultanate of Oman and Saudi Arabia.

30 Countries seeking WTO membership

Overall, 30 governments are currently negotiating to join the WTO: Albania, Algeria, Andorra, Armenia, Azerbaijan, Belarus, Bhutan, Bosnia and Herzegovina, Cambodia, People's Republic of China, Croatia, former Yugoslav Republic of Macedonia, Kazakhstan, Lao People's Democratic Republic, Lebanon, Lithuania, Moldova, Nepal, Oman, Russian Federation, Samoa, Saudi Arabia, Seychelles, Sudan, Chinese Taipei, Tonga, Ukraine, Uzbekistan, Vanuatu and Vietnam. Georgia has finished its accession negotiations and is currently in the process of ratifying its accession protocol.

**Schedule of Meetings at the WTO,
Geneva : May 2000***

1&2/5/2000	: Committee on Anti-Dumping Practices (Ad hoc group on Implementation)
2/5/2000	: Trade Policy Review Body - Bangladesh
3/5/2000	: Committee on Anti-Dumping Practices (Ad hoc group on Implementation)
3/5/2000	: Committee on Anti-Dumping Practices (Informal Group on Anti-circumvention)
3/5/2000	: Informal General Council followed by General Council
4&5/5/2000	: Committee on Anti-Dumping Practices
4/5/2000	: Committee on Balance of Payments - Bangladesh
4/5/2000	: Trade Policy Review Body - Bangladesh
4&5/5/2000	: Working Party on GATS Rules
5/5/2000	: Committee on Balance of Payments - Pakistan/Bangladesh
8/5/2000	: Committee on Safeguards
8/5/2000	: General Council
9&10/5/2000	: Committee on Subsidies and Countervailing Measures
10/5/2000	: Committee on Customs Valuation
18/5/2000	: Dispute Settlement Body
19/5/2000	: Committee on Technical Barriers to Trade
22/5/2000	: Dispute Settlement Body
22/5/2000	: Working Party on the Accession of the Kingdom of Nepal
23&24/5/2000	: Committee on Specific Commitments
24&25/5/2000	: Textiles Monitoring Body
25/5/2000	: Committee on Budget, Finance and Administration
25/5/2000	: Committee on Financial Services
25/5/2000	: Dispute Settlement Body
25/5/2000	: Working Party on Accession of the Russian Federation
25/5/2000	: Working Party on Domestic Regulation
26/5/2000	: Special Session followed by Council for Trade in Services
29/5/2000	: Council for Trade in Services (MFN review)
30&31/5/2000	: Trade Policy Review Body - Peru
31/5/2000	: Committee on Customs Valuation

*Source : WTO / Geneva as on April 30, 2000