

India & The WTO

A MONTHLY NEWSLETTER OF THE MINISTRY OF COMMERCE AND INDUSTRY

VOL. 3-4 NO. 12/1

DEC. 2001- JAN. 2002

DOHA & BEYOND : STAKEHOLDER DRIVEN APPROACH TO CONTINUE

(Text of the speech by Mr. Murasoli Maran, Minister of Commerce & Industry, Government of India, at the Plenary Session of the India Economic Summit 2001 in New Delhi on 4 December, 2001)

It gives me great pleasure to participate in the India Economic Summit 2001 and to speak on “WTO : A New Beginning after Doha” which would help us to evaluate the work programme evolved therein. At the outset, I would say in a nutshell that the success would largely be determined by the commitment from developed countries to satisfy the demands of the developing countries.

Permit me to revisit some of the salient decisions of Doha Ministerial Conference:

Hon’ble Prime Minister of India, during his speech in UN General Assembly on November 10, 2001, has stated that:

“for most developing countries, the Uruguay Round has done little for economic growth, while poverty levels and income gaps have worsened. Globalisation has constrained developing countries in mobilising public resources for poverty alleviation.

This is why public support for the globalisation regime has vanished in developing countries. This is also why we have argued strongly that implementation issues should first be resolved before we try to widen the WTO agenda further.” **“Our public is unwilling to accept another post-dated cheque, when an earlier one has bounced.”**

These words formed the very foundation of our stand at Doha.

IN THIS ISSUE

✂ Doha & Beyond : Stakeholder Driven Approach to continue 1	✂ WTO Briefs 11
✂ Parliament Briefs 5	✂ Monthly Report on Multilateral Trade Issues and Development December 2001 12
✂ Import of Sensitive Tariff Lines for the period April to December 2001 8	✂ Quote-Unquote 15
✂ An update on Disputes 9	✂ Schedule of Meetings at the WTO/Geneva January/February 2002 16

Earlier, the industrialised world did not care about these issues and concern and hence, the post-dated cheque given to the developing countries had bounced – namely, the unmet promises and unfulfilled obligations of the developing countries made in the Uruguay Round had been ignored. In Doha, for the first time, there has been an acknowledgment, accreditation and future road map for resolution of those implementation issues and concerns. They are now an integral part of the work programme of WTO.

Even though we have not achieved all our negotiating objectives-which is true in all international negotiations-we have succeeded in :

- **Keeping out of negotiations issues that are harmful to India, such as Labour.**
- **Protecting our fundamental interests in Agriculture, Services and Industrial Tariffs.**
- **Postponing negotiations in the four Singapore issues, i.e., Investment, Competition Policy, Transparency in Government Procurement and Trade Facilitation, to the fifth Ministerial Conference, two years from now.**
- **Bringing to the centre of WTO’s work programme issues of interest to India such as implementation issues, TRIPS & Transfer of Technology.**
- **Significantly reducing the potential for harm to India’s interests by incorporating strong safeguards in the mandate for negotiations as well as the work programme relating to the area of environment.**
- **Scoring major gains in TRIPS and Public health and**

- **Finally, agreeing to an agenda emphasising not only trade but also the developmental goals and priorities of developing countries like India.**

As Prof. Arvind Panagariya of University of Maryland says **“The Doha Declaration represents a significant victory for India not just in terms of the items it includes, but also the items it excludes”.**

After Doha, what is somewhat perplexing is that based on the beautiful English language found in the declarations some of the developed countries want to give new spin to some of the words and interpret it to suit their convenience. The first and foremost requisite is that WTO and all the member countries need to be clear about what game we are playing. **Why have we come together at WTO? We are presently witnessing a situation where some players seem to be saying, “We’ll start the game and as we kick the ball around, we’ll decide whether we play football or rugby”.** I would say that this kind of interpretation which is contrary to the spirit of the declarations will definitely harm the interests of the developing countries and affect the very credibility of the multilateral trading system which needs to be strengthened.

Agriculture is a question of life and death in the developing countries because, for example, in India 70 per cent of the people are living on agriculture or on agricultural related activities. The developing countries have already paid a price to secure trade liberalisation in agriculture at Uruguay Round. Again for the second time also, we have paid another price at Doha. I don’t think no developing country will come forward to pay a price for the third time.

Other important features of the Doha Declarations are: Firstly, a Working Group has been set up to study the increased flow of transfer of technology to the developing countries. It will report to the Fifth Ministerial Conference on the progress of the examination.

Secondly, the provisions for special and differential trade agreements are made as an integral part of the WTO Agreements and most importantly, the negotiations on the other aspects of the Work Programme shall take fully into account, the principle of special and differential treatment for developing and least developed countries, thus, mainstreaming special and development treatment in all the future negotiations.

Negotiations will start by the beginning of the next year and was supposed to end by year 2005. I would say, India would actively and constructively participate in all the negotiations.

Developing countries are often accused of continued protectionism. But it is not true.

High tariffs of non-tariffs barriers by the developed countries are concentrated in areas of special interest to developing countries, such as agriculture and labour intensive goods. Tariffs on leather and footwear imports are double the average rates in the US and Canada. Tariff peaks for commodities such as groundnut in the US, and meat and dairy products in the EU, exceed 100%. Processed food products attract tariffs at least twice as high as those on unprocessed products.

- **Between the US and the European Union, they have launched 234 anti-dumping cases against developing countries since the end of Uruguay Round in 1994.**

These high-tariff barriers cost the developing countries each year approximately US \$100 billion.

Developed countries need to change their attitude

and realise that ‘one-size-fits-all’ approach will cause more pains than gains to the developing countries.

Now Doha is behind us. If the past can give us any kind of guidance, we should look back with a search light and find out what does it say. As our Prime Minister has said, Uruguay Round has given us a cheque that bounced, even though some cash is paid at Doha and for getting the balance, we have to enter into five years of tough negotiations.

At Doha, another cheque for a handsome amount is given-what will happen to it? We don't want a repetition of the past.

Having said all this, I would also like to make a comment on the transparency in the WTO. Apart from not seriously reflecting the views of the developing members, the Draft Declaration and the manner in which it was transmitted from Geneva to the Ministerial Declaration left a lot to be desired. Even at Doha, when the process reached nowhere on the 13th November, the scene shifted to the so called “Green Room”, where only a handful of WTO members were requested to participate. The remaining members virtually had no say. Even during discussions, on the entire night of 13th-14th November, - the non-stop session lasting for 38 hours, texts were appearing by the hour for discussions without giving sufficient time to get them examined by the respective delegations. Who prepared the avalanche of Draft after Draft? Why? - We do not know. In the eleventh hour - probably after 37 hrs. 45 minutes - they produced a Draft - like a magician producing a rabbit out of his hat - and said that it was the Final Draft. The tactics seemed to be to produce a draft at the wee hours and force others to accept that or come nearer to that.

Has it happened in any international conference?
Definitely not.

Therefore, with pain and anguish I would say that any system which in the last minute forces many developing countries to accept texts in areas of crucial importance to them cannot be a fair system. I would strongly suggest that WTO Membership should have serious introspection about the fairness of the preparatory process for Ministerial Conference. At a minimum, there should be a stipulation that during the Ministerial Conference, no new text on any issue will be put for adoption without the delegations getting sufficient time to study the text and to consult their polity. The last minute Draft, which often comes like a bolt from the blue, will not contribute to the strength of multilateral trading system, since the decisions are likely to affect the lives of billions of people all over the world. For example, regarding the Declaration of TRIPS and Public Health, a drafting Committee was appointed and India was one of the members. Consultations took place for many days. Finally, at Doha the main controversy was reduced to a few words - i.e., either to use “shall” or “can and should not”. In this process, every country had a sense of participation and satisfaction. Why should not we follow this with regard to other Declarations also?

For those who may still say that I was sharp and blunt in my comments about WTO, I would submit that I merely did my duty to reflect the views of Indian industry, Business Associations,

Agriculture and other stakeholders. No Commerce Minister can deviate from this primary call of duty to the Nation at large.

For my critical friends who say that I used to be very harsh, I would read the following words:

“The WTO is a forum where Governments can negotiate to reduce barriers to trade and agree to rules to try to resolve disputes. We cannot make the WTO into the organisation that will deal with all the problems that elected, national Governments struggle with every day. Let’s be honest

“The WTO is not a global Government with the power to order new environmental or labour laws - or, for the matter, better tax regimes, pension plans, health programmes, civilian control of militaries or a host of other meritorious outcomes.”

- Who said these? Not Murasoli Maran. But no less a person than Mr. Robert Zoellick, the Hon’ble USTR - in an interview to The Washington Post - after the Seattle fiasco.

I would further repeat the words of the famous magazine - The Economist :

“... the risk is that the new round (and so the entire multilateral system) could collapse under the weight to too many contentious issues.”

I would once again repeat that we would actively participate in the consultations. I take this opportunity to assure that we will continue to consult all stakeholders like CII and others business Associations for whose support I am thankful.”



Parliament Briefs

IMPORT OF ITEMS

The quantitative restrictions (QRs) of on imports of various items have been removed from time to time as part of economics reforms, to meet domestic shortages and also in accordance with our international commitments. Removal of QRs over the years has not had any significant impact on the average rate of growth of imports so far. In fact, non-oil imports during April-March 2001 have shown a negative growth of 3.5% as compared to last year. Efforts have also been made to provide a level playing field to domestic producers by calibrating the duty structure, which has been revised as & when considered necessary. In addition, all imports are subject to domestic laws, rules, regulations, procedures & technical standards applicable to the domestic products. Most of our imports comprise raw materials, essential items, capital goods and petroleum crude. It is neither possible nor economically feasible to produce all our requirements within the country.

PATENT OF BASMATI AND OTHER ITEMS

A patent number 5900240 titled "Herbal compositions and their use as hypoglycemic agents" was granted by United States Patent and Trademark Office on 4 May, 1999 to M/s Cromak Research Inc. USA. Patents are granted under the sovereign prerogative of countries according to their respective patent laws and have territorial effect, that is, they are effective only in the country of grant. As and when information is received about patents being obtained on certain items which are not considered patentable and which affect Indian interests, steps are taken to assess whether the grant of such patents

can be challenged under the patent laws of the country concerned. A patent is normally challenged by the person (s) whose interests are affected/jeopardised. Earlier, a patent granted in the United States of America on the use of turmeric for wound healing was challenged and the said patent was cancelled. Certain claims, which had the potential of affecting India's commercial interests, of the patent on basmati rice granted in USA were also challenged. These were subsequently cancelled.

In order to protect bio-resources, the Patents (Second Amendment) Bill, 1999, contains provisions for mandatory disclosure of source and geographical origin of the biological material used in the invention while applying for patents in India. Provisions have also been incorporated to include the non-disclosure or wrongful disclosure of the same as grounds for opposition and for revocation of the patent, if granted. Provisions in this regard are contained in clauses 8, 17 and 28 of the said Bill.

In order to protect traditional knowledge from being patented, provisions have been incorporated in the Patents (Second Amendment) Bill, 1999 to include anticipation of invention by available local knowledge, including oral knowledge, as one of the grounds for opposition as also for revocation of patent. Provisions in this regard are contained in clauses 17 and 28 of the said Bill. Apart from this, Government has also undertaken the development of a digital database of traditional knowledge in the field of medicinal plants to prevent patenting of products based on such knowledge.

MODERNISATION OF INTELLECTUAL PROPERTY ADMINISTRATION

The modernisation initiatives are inclusive of components relating to utilisation of information technology both for automation of operations and development of awareness and outreach programmes. In this direction, several awareness programmes have already been organised, a website of the office launched, booklets/pamphlets on patents, designs and trademarks prepared and released. In order to sustain these initiatives, appropriate budget provisions have also been made.

Modernised Patent Offices at Delhi and Chennai have already been made operational and the work is in progress in Kolkata and Mumbai. A modernised Design Office is expected to be made operational shortly. Strengthening of infrastructure of the Trademarks Registry is also presently under implementation. A fully modernising Geographical Indications Registry has already been set up at Chennai.

FDI Initiatives

The Government has taken several steps to promote Foreign Direct Investment (FDI), which, inter alia, include the following:

- i. Simplification of the FDI policy with most activities placed on the automatic route for foreign investment up to 100%.
- ii. 30-day time frame for disposal of investment proposals by FIPB.
- iii. Simple notifying procedure for investment made through automatic route.

- iv. A liberal FDI policy for Special Economic Zones.
- v. 100% FDI permitted in additional sectors such as development of integrated townships and settlements, drugs & pharmaceuticals and mass rapid transit systems.
- iv. FDI limit raised from 40 to 49% in private sector banking and from 49 to 74% in Internet Service Provider with gateways, radio-paging and end-to-end bandwidth.
- vii. Defence industry sector opened to Indian private sector participation with FDI permitted up to 26%.
- viii. Foreign Investment Implementation Authority has been set up to facilitate speedy implementation of FDI projects.
- ix. Foreign investment promotion by, inter alia, organising road shows and “Destination India” events in countries that are important sources of FDI.

While considering FDI proposals, Government accords priority to infrastructure projects, activities having export and / or employment potential, items having a direct or backward linkage with agro-business/farm sector, and proposals involving induction of modern technology. Some of the priority sectors as per the above include telecommunication, power, food processing industries, automobile industry, information technology, services sector, electrical and electronic equipment, drugs and pharmaceuticals, etc. Most of these sectors are open for FDI up to 100% on the automatic route.

TOP TEN SECTORS IN RESPECT OF FDI INFLOWS

(Amount Rs. in crore/US \$ in million)

Sectors	1998 (Jan-Dec)	1999 (Jan-Dec)	2000 (Jan-Dec)	2001 (Jan-Sept.)	%age in Rupee terms with total inflows received during August, 1991 to Sept., 2001
Telecommunications	1,741.02 (US \$ 440.8)	215.56 (US \$ 51.3)	685.54 (US \$ 159.4)	3,773.00 (US \$ 838.4)	14.59
Electrical Equipment (Including computer software)	786.59 (US \$ 199.1)	703.61 (US \$ 167.5)	1201.22 (US \$ 279.4)	1500.10 (US \$ 333.4)	12.61
Transportation Industry	1476.92 (US \$ 373.9)	1130.20 (US \$ 269.1)	1225.98 (US \$ 285.1)	552.64 (US \$ 122.8)	11.90
Service Sector	767.98 (US \$ 194.4)	402.38 (US \$ 95.8)	186.15 (US \$ 43.3)	601.08 (US \$ 133.6)	8.30
Chemicals (other than fert.)	1064.00 (US \$ 269.4)	475.62 (US \$ 113.2)	538.07 (US \$ 125.1)	109.04 (US \$ 24.2)	7.96
Fuels (power and oil refinery)	563.55 (US \$ 142.7)	748.46 (US \$ 178.2)	484.02 (US \$ 112.6)	313.72 (US \$ 69.7)	7.64
Food Processing Industries	236.88 (US \$ 60.0)	404.70 (US \$ 96.4)	222.45 (US \$ 51.7)	143.61 (US \$ 31.9)	4.69
Misc. Mech. Engineering Industry	118.11 (US \$ 29.9)	62.91 (US \$ 15.0)	109.85 (US \$ 25.6)	291.19 (US \$ 64.7)	2.15
Paper and Pulp	234.17 (US \$ 59.3)	51.36 (US \$ 12.2)	259.95 (US \$ 60.5)	6.74 (US \$ 1.5)	1.94
Drugs and Pharmaceuticals	83.84 (US \$ 21.2)	75.73 (US \$ 18.0)	207.99 (US \$ 48.4)	75.17 (US \$ 16.7)	1.90

*Note : * These figures do not take into account the amount of FDI inflows for ADRs/GDRs/FCCBs, RBI-NRI Schemes, acquisitions of existing shares & advance pending for allotment of shares, as these are not categorised sector-wise.*

STATEMENT ON YEAR-WISE INFLOWS RECEIVED DURING 1998-2001

(Amount Rs. in crore/US \$ in million)

	1998	1999	2000	2001
FDI Inflows during Jan-Dec	Rs. 13339.84 (US \$ 3377.2)	Rs. 16867.79 (US \$ 4016.1)	Rs. 19341.74 (US \$ 4,498.1)	—
FDI Inflows during Jan-Sept	Rs. 10987.44 (US \$ 2781.6)	Rs. 9874.83 (US \$ 2351.2)	Rs. 11114.93 (US \$ 2584.9)	Rs. 16306.47 (US \$ 3,623.7)

[Source : Written replies in Lok Sabha/Rajya Sabha – Dec. 2001]

Import of Sensitive Items – Data for April to December 2001

The total import of 300 sensitive tariff lines for the period April to December 2001 has been Rs. 8364 crore against Rs. 7843 crore for the corresponding period of last year thereby showing a positive growth of only 6.7%. This figure may undergo some revision after validation of commodity codes because of the possibility of some items having been inadvertently misclassified by the importers. Provisional estimates of commodity group-wise imports from April-December 2001 as compared to April-December 2000 are as below.

2. At the broad group level, commodities with increase in imports and significant contribution in the total import of sensitive items are Edible oil, Cotton & Silk, Spices, Rubber and Marble & Granite. Imports of food grains, fruits & vegetables & milk & milk products have shown a sharp decline at broad group level during the period.
3. In the edible oil segment, the imports have increased from Rs. 4636.77 crore last year to Rs. 4981.43 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.

4. On the basis of the country of origin, the data reveals significant decrease in imports from Malaysia, Guinea Bisu, Ivory Coast, Russia, China, Ghana etc.
5. Imports from Brazil, Argentina, Paraguay, Tanzania, Iran, Switerland, Zimbabwe, Uzbekistan, USA, Greece, etc have shown increase.

Import of Sensitive-items-provisional Estimate
Value (Rs. Crore)

S. No.	Commodity Group	No Tariff Lines	Apr Dec-00	Apr Dec-01
1	Milk & Milk Product	22	40.42	8.81
2	Fruits & Vegetables	48	1305.50	732.86
3	Poultry	13	0.03	0.25
4	Tea & Coffee	32	27.84	28.12
5	Spices	35	128.57	214.85
6	Food Grains	12	28.43	3.20
7.	Edible Oil	27	4636.77	4981.43
8	Alcoholic beverages	8	21.70	19.93
9	Rubber	11	27.32	100.10
10	Cotton & Silk	6	1449.47	2114.46
11	Marble & Granite	14	7.39	19.32
12	Automobiles	32	55.93	49.74
13	Products of concern to SSI (Umbrella, locks, toys, writing instruments, tiles, glassware etc.,	20	86.24	79.82
14.	Others (wheat floor, sugar cigarette & salt)	20	27.19	11.15
	Total	300	7842.80	8364.03



AN UPDATE ON DISPUTES

The details of the various cases in the Dispute Settlement Body of World Trade Organisation where India is either the complaining country or the country complained against are as below. [The three disputes in which the findings of the Panels/Appellate Body went against India are the two separate complaints by the US and the European Commission (EC) against our patent policy and a complaint by the US against quantitative restrictions on imports maintained by India for balance of payments reasons].

Status of disputes in dispute settlement body of WTO between India and other countries

S.No.	Subject of the Disputes	Complainant	Against	Status
DISPUTES RAISED BY INDIA				
1.	Quantitative restrictions on imports of textile and clothing products	India	Turkey	Won
2.	Ban on importation of shrimp and shrimp products from these countries imposed by the US	India	USA	Won
3.	Measures affecting imports of Women's and girl's wool coats	India	USA	Won
4.	Transitional safeguard measures affecting imports of woven wool shirts and blouses.	India	USA	Won
5.	Import regime on Automobiles	India	Poland	Amicably Settled
6.	Application of Cumulative Recovery System (CRS) for India's exports of rice.	India	EC	Settled
7.	Anti-Dumping actions on unbleached cotton fabrics (UCF)	India	EC	EC did not continue the anti-dumping duty. India is not pursuing
8.	Anti-Dumping proceedings against import of Cotton type Bed-linen.	India	EC	Won
9.	Anti-dumping duties imposed by South African Authorities on imports of anti-biotics from India	India	South Africa	Continuing
10.	Anti-dumping duties imposed by US on CTL Steel Plate imports from India	India	US	Continuing
11.	Anti-dumping duties imposed by Brazil on Jute bag imports from India.	India	Brazil	Continuing
12.	Argentina Drugs Dispute	India	Argentina	Continuing
13.	US legislation on dumping and subsidy offset (Byrd Amendment)	India and 8 other countries	US	Continuing

	DISPUTES RAISED BY OTHER COUNTRIES AGAINST INDIA			
14.	India's quantitative restrictions on imports on agricultural, textile and industrial products.	EC	India	Amicably Settled
15.	India's quantitative restrictions on imports on Agricultural, textile and industrial products.	Australia	India	Amicably Settled
16.	India's quantitative restrictions on imports on agricultural, textile and industrial products.	Canada	India	Amicably Settled
17.	India's quantitative restrictions on imports on agricultural, textile and industrial products.	New Zealand	India	Amicably Settled
18.	India's quantitative restrictions on imports on agricultural, textile and industrial products.	Switzerland	India	Amicably Settled
19.	India's quantitative restrictions on imports on agricultural, textile and industrial products.	USA	India	Lost
20.	Alleged absence in India of patent protection for pharmaceutical and agricultural chemical products, and the absence of formal systems that permit the filing of patent	EC	India	Lost
21.	Restrictions on export of products including raw hides and skins	EC	India	Continuing
22.	Patent protection for pharmaceutical and agricultural chemical products	USA	India	Lost
23.	Concerning certain measures affecting the Automotive sector - Auto policy	EC	India	Continuing
24.	Import restrictions maintained by India for reasons other than Articles XVIII B of GATT 1994	EC	India	Continuing
25.	A series of customs duties increases implemented by Indian authorities	EC	India	Continuing
26.	Concerning certain measures affecting the Automotive sector - Auto policy	USA	India	Continuing

[as on December 7, 2001]



Swearing-in Ceremony for Appellate Body Members

Messrs. Luiz Olavo Baptista (Brazil), John S. Lockhart (Australia) and Giorgio Sacerdoti (Italy) were sworn in today as Members of the Appellate Body at a ceremony at the WTO. Newly elected Chairman of the Appellate Body, Mr. James Bacchus, Presided over the ceremony.

Director-General Mike Moore congratulated the new Members of the Appellate Body and noted that their appointment were a testament of the on going success and vibrancy of the WTO dispute settlement system. The Chairman of the Dispute Settlement Body, Ambassador Roger Farrell of New Zealand, added his congratulations and best wishes, on behalf of all WTO Members, to those of the Director-General.

The four continuing members in the complement of seven are: **Mr. James Bacchus (the United States), Mr. Georges AbiSaab (Egypt), Mr. A.V. Ganesan (India), and Mr. Yasuhei Taniguchi (Japan).** Persons serving on the Appellate Body are appointed by the Member Governments of the WTO.

The occasion also marked the departure of the three outgoing Members, Mr. Claus-Dieter

Ehlermann (Federal Republic of Germany), Mr. Florentino P. Feliciano (the Philippines), and Mr. Julio Lacarte-Muró (Uruguay), who were praised for their enormous contribution to the WTO and to the development of international trade law. The Director-General noted that separately, and together, they had participated in 40 of the 47 appeals to date.

The Appellate Body was established in 1995 to hear appeals from dispute panel reports on issues of law covered in the panel report and legal interpretations developed by the panel. The Appellate Body can uphold, modify or reverse the legal findings and conclusions of the panel. Thirty days after it is issued, an Appellate Body report is adopted by the Dispute Settlement Body, and unconditionally accepted by the parties to the dispute unless there is a consensus against its adoption. Since its establishment, the Appellate Body has issued 44 reports all of which are available on the WTO Website : www.wto.org.



Monthly Report on Multilateral Trade Issues and Developments (December 2001)

□ **Committee on Trade in Services – Special Session**

The Special Session of the Committee on Trade in Services (CTS) in the WTO continued its discussions on 3-6 December 2001 concerning negotiating proposals on various services sectors namely, business services, communication services, construction services, distribution services, education services, energy services, environmental services, financial services, recreational services, tourism services and transport services. **Further, it discussed horizontal issues such as movement of natural persons, Article IV concerning increasing the participation of developing countries, MFN exemptions and domestic regulations.** On behalf of 18 developing country Members, Uruguay introduced a paper (W/130 dated 30 November 2001) on autonomous liberalisation and developing countries. Pakistan, on behalf of 8 developing country members, introduced a proposal on the effective implementation of Article IV relating to increasing participation of developing countries. The Special Session also devoted some time to discuss the organisation of future work concerning services negotiations in 2002. While there was no support for holding a special session in February, the Members agreed, in principle, to the holding of the next Special Session in March 2002 as agreed earlier, unless otherwise decided by the Trade Negotiations

Committee (TNC). There was a general agreement that negotiating proposals could be submitted even beyond March 2002. Some developing country Members also pointed out that in their understanding of the Doha Ministerial Declaration, initial requests under the market access negotiations phase could be submitted even beyond 30 June, 2002. **The Chairman announced a notional time-table for 2002 for the CTS cluster of meetings, namely 27 May to 7 June, 15-26 July, 21 October to 1 November and 2-13 December. The tentative dates for the March cluster of CTS meetings would be from 11-22.**

□ **Special Session on Agriculture (Informal & formal)**

The Special Session on Agriculture took place on 3-5 December 2001 in which further discussion on mandated negotiations on agriculture in areas of sectoral initiatives, environment, preferential trade arrangements, food aid and labelling was held.

Special Session on Agriculture on 7/12/2001 formalised the discussions held during 3-5 December in the informal meeting by presentation of a Report by the Chairperson. It was also decided to hold another meeting in phase II of the negotiations during February 4-6, 2002 to discuss the subjects of Development Box, special & differential treatment, single commodity exporters and small developing economies.

□ **Committee on Rules of Origin (Informal and formal)**

Continuing its discussions on the harmonisation work programme on non-preferential rules of origin, around 115 issues were resolved, leaving around 155 outstanding issues. In the light of the deadline for the Harmonisation Working Party (HWP) of 31 December, 2001, the Committee also discussed possible ways ahead. The notion of extending the overall deadline of 6 months to the Committee which would then send its results to the General Council for discussion and resolution at their level, floated by India and Brazil, attracted emerging consensus. The Committee on Rules of Origin (CRO) Chairman recommended this course of action to the General Council which reached an agreement on this at its meeting held on 19-20 December 2001. Two intensive sessions, in March and May 2002, are tentatively scheduled.

□ **Group on implementation of the Committee on anti-dumping practices (Informal)**

The meeting was held on 7/12 to discuss the schedule for discussions on the implementation issues referred to the Committee by the 4th Ministerial Conference. It was decided that written submissions on the proposals will be invited by 25/1/2002, the questions on the proposals will be submitted by 15/2/2002 and answer to these questions to be submitted by 8 March 2002. The first meeting will be held on 8/3/2002.

□ **Committee on Market Access (Informal)**

The brief meeting held on 11/12 made further progress on the transposition of scheduled of Members to the HS 96, and also discussed the need for expediting the submissions by Members for HS 2002. It was agreed that the Chairman would hold consultations on the requirements of a general waiver for affected Members that are required to introduce HS 2002 changes into their national law as from 1 January 2002.

□ **Subsidies & Countervailing Measures (SCM) Committee (Informal)**

The meeting was held on 13/12 mainly to schedule discussions on Implementation Issues in Countervailing Duty (CVD) investigations – referred to the Committee by the 4th Ministerial Conference. It was decided to hold five meetings by the end of July 2002 for this purpose. At the next meeting scheduled for end January 2002, discussions on Article 14 of the SCM Agreement and *de minimus* will be held.

□ **Trade Policy Review Body (TPRB)**

The TPRB of the WTO conducted the third Trade Policy Review of the Malaysia on 3 & 5 December, 2001. Members welcomed and were impressed by Malaysia's rapid growth and remarkably its quick and strong recovery from the 1997 Asian financial crisis. Members attributed this impressive economic performance to sound macro-economic policies, structural

reforms, especially in the corporate and financial sectors, and fast growth in exports. Members also raised questions on various issues including those relating to timing and effectiveness of Malaysia's capital and exchange control measures, making permanent certain temporary liberalisation measures taken since the last review, need for diversification of exports, gap between applied and bound tariffs, gap between the MFN and preferential tariffs, role of state-owned enterprises in the economy, accession to the government procurement agreement, protection to the automotive industry, environment of intellectual property rights, standards and continued liberalisation of services' sectors.

□ **Working Party on the Accession of the Russian Federation to the WTO (Informal)**

The informal meeting by the Chairman on 10/12/2001 discussed the state-of-play in bilateral of various members and the next steps for the Working Party. In the goods sector considerable progress has been reported, and in services most Members have now initiated detailed negotiation. Agriculture sector was still perceived to be lagging. Towards the next steps,

it was agreed that the formal meeting of the Working Party scheduled for 23-24 January 2002 would agree to mandate the Secretariat to prepare the first draft Working Party Report by end-March 2002 which will then be the basis for further discussions. This would thus mark a signal shift of the work of the Working Party to the next stage of drafting the Report and Protocol documents.

□ **Budget, Finance & Administration Committee (Formal)**

A series of meetings was held during 4-18 December to finalise the budget for 2002. The budget provides for over 4% increase as compared to the current year. A Global Trust Fund is to be established for financing technical cooperation activities.

□ **The General Council of the WTO – (Formal)**

The General Council of the WTO met on 19-20 December in Geneva. **The budget for 2002 was approved. It has been decided that Mexico will host the next Ministerial Conference of the WTO.** There was also some preliminary exchange of views on the post-Doha work programme modalities.

[Source: TPD with inputs from PMI/Geneva]



Quote-Unquote

“One-size-fits-all” approach creates problems all over the world. **There is no template for growth or development; countries have their own culture, their own needs, their own desires. These should be considered and respected.** We need a development ethics – free trade; not coercive trade. **In the earlier Negotiations, developing countries did not combine their efforts. They were simply satisfied insisting on special and differential treatment and reluctant to participate.** At Doha, we saw a sea-change. For the first time, the Developing Countries, who form 75% of the membership, were united. That is how we got Implementation Issues taken up for consideration, separate declarations were issued for TRIPS and Public Health, special declaration for LDCs, etc. **Therefore, it is in the best interest of Developing Countries to stand united on commonality of issues in future also. We are for such a Development Alliance.** On behalf of India, I would say that we would constructively engage ourselves in the negotiations. **The global economic order will not work for the industrialised world unless it also works for the Developing World. A system that seems rigged to aid the rich and most competitive countries will be undermined by the poorest and least competitive. Any attempt to give new meaning or new spin to the words of Doha Work Programme unrelated to the spirit of the document will greatly harm the institution itself. The future of WTO rests on this. In the negotiating process, there is need to safeguard against interpretations or expansion of the negotiating mandate in a manner inimical to developing countries’ interests. Further, negotiations should be well planned, giving sufficient notice and time for countries to examine and respond to issues. What we should seek is a framework within which all people of Developed Countries and Developing Countries, the North**

and South, the East and West can trade together fairly without oppression or exploitation. For we all share one world, the planet Earth. The Developed Countries not only invent new technologies but also innovate new and novel Non Tariff Barriers, replacing Trade Barriers and misusing health standards and Sanitary & Phyto Sanitary Measures created for different purposes. Therefore, the world-trade looks like a one-way street. You could drive down it from the North but the road is normally blocked from the South. **In conclusion, I would say the industry has to play a crucial role in the remaining months before the next Ministerial Conference. We have a considerable work programme on hand. We need continuous inputs on the requirements of industry – the problems that they face in market access, in establishment abroad and in the movement of professionals and skilled persons, the strategies that we need to adopt to use the opportunities furnished by the Doha Declaration to promote and further our own economic development and that of other developing countries. Our industry must also maintain close contact with their counterparts in other countries, particularly developing countries, in order to ensure that the unity of purpose that developed at Doha further matures and fructifies at the next Ministerial Conference. We, therefore, need industry to set up their own machinery for working on the Doha agenda and providing necessary guidance and assistance to Government and the negotiators at Geneva from time to time. We would require to work together as a team in order to achieve total success. We will also be seeking guidance from Agriculturalists, Think-tanks, Academia and the other stake-holders on the various issues involved.”**

(Excerpted from Mr. Murasoli Maran’s speech at the CII Partnership Summit on “The World Trade Order after Doha” at Bangalore on 10th January, 2002)

SCHEDULE OF MEETINGS AT THE WTO/GENEVA* JANUARY/FEBRUARY 2002

JANUARY

1	NEW YEAR'S DAY (WTO non-working day)
16 & 18	TRADE POLICY REVIEW BODY - GUATEMALA
21	Committee on Market Access
22	Committee on Trade and Development
22 & 23	Textile Monitoring Body
23 & 25	TRADE POLICY REVIEW BODY - PAKISTAN
20 & 24	Working Party on the Accession of the Russian Federation
28	TRADE NEGOTIATIONS COMMITTEE
30	COUNCIL FOR TRADE IN GOODS

FEBRUARY

1	DISPUTE SETTLEMENT BODY
6 & 8	TRADE POLICY REVIEW BODY - MALAWI
7	Special Session of the Committee on Agriculture
7	Working Party on the Accession of Algeria
13	GENERAL COUNCIL
14	Committee on Trade and Development
15	Committee of Participants on the Expansion of Trade in Information Technology Products
18	Committee on Customs Valuation
18-20	Textiles Monitoring Body
19	Working Group on Transparency in Government Procurement
21	Committee on Government Procurement
28	Sub-Committee on Least-Developed Countries.

* Source : WTO / Geneva as on Dec-Jan 2001-2002

Published by Ministry of Commerce & Industry, Government of India,
Udyog Bhawan, New Delhi - 110011.
We welcome your comments and suggestions :
Telefax No : 301 4622
E-mail : sbiswas @ ub.delhi.nic.in
Website address : <http://commin.nic.in>