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NO DEAL IS BETTER THAN A BAD DEAL

WHAT HAPPENED IN CANCUN

(10-14 September 2003)

Mr. Arun Jaitley, Minister of Commerce & Industry and Law & Justice, has said that the Fifth Ministerial Conference of the World Trade Organisation (WTO) which concluded in Cancun on 14 September 2003 **could not reach a consensus on various issues, in particular on the four Singapore issues, because the draft ministerial declaration that the Ministers had been asked to approve did not reflect the concerns of the developing and least developed countries.** Speaking in New Delhi on the deliberations of the Ministerial Conference on his return from Cancun, Mr. Jaitley said that India



would have preferred a declaration addressing its concerns, but this did not happen. Had the draft ministerial declaration better reflected the concerns of developing countries, the Conference would have had a chance of success. Lack of political will on part of certain developed countries

to reduce distortions in trade of agricultural products coupled with **onerous demands on developing countries to make steep market access commitments was another reason for collapse of the trade talks, Mr. Jaitley added. In this perspective it was better not to have an agreement rather than a bad one which would**

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haunt all countries in future.

The Ministerial Conference concluded with the Ministerial Statement which recognises that more work needs to be done in some key areas to enable WTO member countries to proceed towards the conclusion of negotiations under the Doha mandate. **The Ministerial Statement has instructed the officials to continue working on outstanding issues with a renewed sense of urgency and purpose and taking fully into account all the views expressed in the Ministerial Conference.**

The Chairman of the General Council of the WTO, working in close coordination with the Director General has been asked to coordinate this work and to convene a meeting of the General Council at senior officials level no later than 15th December 2003 to enable successful and timely conclusion of the negotiations.

Highlighting the positive aspects of the Cancun Ministerial Conference, **Mr. Jaitley said: "We actively engaged in the negotiations and brought the concerns of developing countries at the centre stage of the trade talks. The two coalition of developing countries on agriculture and Singapore issues were active during the entire Ministerial Conference and succeeded in collectively projecting and protecting their interests till the end of the Conference. The developed countries would now find it difficult to ignore these concerns, if the Doha Work Programme has to make any meaningful progress."**

On Singapore issues, namely investment, competition policy, government procurement and trade facilitation, **Mr. Jaitley highlighted that ignoring concerns of the developing countries, the draft ministerial declaration proposed launch of negotiations in trade facilitation and transparency in government procurement.** The section on investment assumed that negotiations would

commence on the basis of a General Council decision to be taken later. The text on competition policy on the other hand referred to possible negotiations, an obvious attempt to accommodate the interest of some developed countries. Further there was no reference to explicit consensus either in the paragraphs on investment or competition policy. There was no headway even after the European Commission, the main proponent, offered to take permanently out of WTO its proposal for negotiations on multilateral agreements on investment and competition policy. Certain countries refused to agree on negotiations on trade facilitation on the ground that uniform customs procedures would impose heavy costs and require administrative skills that were beyond their ability. On the other hand, some other countries opposed the removal of investment and competition policy from the WTO Work Programme. While the differences among the WTO Members made it difficult for the Chairman of the Ministerial Conference to reach a consensus on Singapore issues, **Mr. Jaitley was of the view that some of these issues should now be removed from the WTO agenda as suggested by the European Commission.**

Giving details of subsidies and domestic support provided by the developed countries in agriculture, Mr. Jaitley pointed out that these subsidies are not targeted to keeping small struggling family farms in business but to provide hefty rents to large farmers or corporates. **In many developed countries, the average income of farmers is higher than the national average, reaching almost 200 per cent of the average in certain cases. Subsidies to cotton growers in a developed country totaled US\$3.7 billion last year, which is three times that country's foreign aid to Africa. The net effect of subsidising agriculture in developed countries at the expense of products of the relatively poor in developing countries is to aggravate global income inequalities.** On the

other hand, against equity, justice and fair play, developing countries were being asked to liberalise their agriculture.

Against this background Mr. Jaitley stated that the draft ministerial declaration would not only perpetuate the existing distortions, but would also introduce a slew of new measures that would increase market distortions. The continuation of blue box in an enlarged form without any commitment to significantly reduce and phase out these subsidies in future was a case in point. India also opposed the continuation of distorting subsidies in the amber box, which would otherwise result in the developed countries subsidising export of agricultural items. **India expressed concern at the heightened ambition on market access pillar which ironically provided for Special and Differential Treatment in favour of developed countries and was viewed to be extremely insensitive to the large number of people living in poverty in developing countries.** India's position on agriculture found broad based support among other developing countries.

Elaborating on market access in non-agricultural products, Mr. Jaitley emphasised that **India supported the formula devised by the Chairman of the Negotiating Group as it recognised and incorporated certain elements for the developing countries as mandated by the Doha Declaration, while achieving significant reduction in the tariffs of all Members.** India opposed the proposal for mandatory tariff harmonisation and elimination as this would entail substantial contribution by the developing countries. On sectoral proposals, India expressed the view that not all the seven sectors were of export interest to all developing countries. It was also expressed that being at different stages of development, the developing countries did not have the capacity to undertake binding obligations in all the seven sectors.

Turning to **development issues**, Mr. Jaitley stated

that at Cancun India expressed deep disappointment at the lack of progress in resolving development issues. India has now sought resolution of all outstanding Implementation issues by March 2004. **On the issue of phasing out cotton subsidies, of particular concern to certain African countries, he pointed out that draft ministerial declaration sought to deflect attention from the specific course of action suggested by Benin and three other countries by seeking to address the impact of distortions that exist in the trade of cotton, man-made fibres, textiles and clothing to ensure comprehensive consideration of the entirety of the sector.**

Looking to the future, Mr. Jaitley was cautiously optimistic about the completion of the on-going work programme at the WTO. "There is never a last day as far as the calendar of trade negotiations are concerned. India has been engaging constructively in the negotiations and is optimistic that in spite of the failure of the Cancun Ministerial Conference, it would be possible to move ahead in the weeks to come. Agriculture has been the core of the negotiations. It is important that the negotiations in this area are concluded in a manner which not only lead to increased market access but also remove the distortions and inequities in the trade of agricultural commodities caused by the extremely high levels of subsidies in the developed world. The onus is now on the developed countries to deliver on their promise of the WTO Work programme being a 'development agenda', if the negotiations are to conclude by the end of 2004. This can be achieved through a process of decision-making at the WTO which is both transparent and inclusive without ignoring the sensitivities of the developing countries", he added.

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|| The Story of Cancun ||

- Arun Jaitley

It is now more than a fortnight since the Fifth Ministerial Conference of the WTO came to an abrupt end. The sound and the fury that the Conference generated have gradually died down and, hopefully, tempers would have cooled. It is necessary for all of us who were present there, for the entire Membership of the WTO, to reflect objectively on what happened, what went wrong, what went right, and in what manner we can move forward, as we have always done to achieve the goals that we had set out for ourselves at Doha.

2. In my view, it is a fundamental mistake to treat any Ministerial Conference as a one-off event where crucial decisions are taken by Ministers over a short period of four or five days. No Ministerial Conference can be a five day wonder. Success depends essentially on the months and months of painstaking negotiations that take place before any such event and the extent to which a reasonable outcome is worked out by technical experts and negotiators before the main event.

3. The story of Cancun, therefore, cannot be confined to what happened during those five days in that beautiful Mexican seaside resort. It started in fact at Doha and even before Doha and the heroic struggle that developing countries collectively waged to ensure that the development dimension becomes the focus of attention in the Doha Work Programme. When one talks of Doha, the image of my distinguished predecessor, Shri Murasoli Maran, comes immediately to mind. Shri Maran, even then an ailing and sick person, fought valiantly for hours on end to protect our national interests and the concerns of developing countries. His single-minded devotion to this cause has now passed into the folklore of the WTO.

4. The Doha Ministerial Declaration affirmed the importance of trade as an instrument for economic development, particularly in the developing and least developed countries. It says, "The majority of WTO Members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration." This is not a new concept. This is really what the negotiators of the Uruguay Round had also intended. The Marrakesh

Agreement establishing the World Trade Organisation had also recognised "the need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development." The Doha Declaration was an attempt to bring the work of the WTO back to its first principles.

5. After Doha, however, negotiations in Geneva languished. For many months thereafter, there seemed to be no effective engagement between negotiators aimed at addressing the very real problems of development. The Doha Declaration had laid down some clear deadlines for achievement of development related results within a given time frame. These related to Special and Differential Treatment provisions, the so-called Implementation Issues (basically, problems which developing countries identified during the implementation of the Uruguay Round Agreements), the problem of creating an effective mechanism for addressing the difficulties faced by developing and least developed countries which have no or insufficient manufacturing capacity in the pharmaceutical sector and the deadlines laid down in respect of core market access areas like Agriculture, Non-Agricultural Market Access, and Services. Deadline after deadline passed without concrete results. Resentment amongst developing and least developed countries was building up. Some of our trading partners and the WTO Secretariat itself seemed to be oblivious to the changing atmosphere in Geneva.

6. It is not my intention here to expatiate at length on the various issues that were either on the negotiating table or under discussion in the WTO bodies. A high degree of distortion prevails in the agricultural sector, with heavy subsidies being given in certain developed countries to their farmers. This not only limits access into markets in these countries, it also prevents fair competition in third country markets. Besides, inflow of subsidised products ruined the rural sector in many extremely poor developing countries. The developing countries, by and large, are heavily dependent on agriculture and the existing system was preventing

growth and it was decimating agriculture in many developing countries. In countries like India, with a huge rural population, entirely dependent on agriculture and a large proportion of them either below or close to the poverty line, a small disruption in the market could bring down prices sharply, leading to a fall in incomes and to actual starvation and widespread misery. Likewise, industry in developing countries has to face its own problems of poor infrastructure, high capital cost, low levels of productivity arising out of capital and technology deficiencies and a host of other problems. Moreover, in order to mitigate the problems arising out of shortage of capital, we have had to depend on small-scale and cottage industries, which can provide much employment at relatively low capital cost. In areas in which we were productive and competitive, such as textiles, we have had to face serious market access barriers arising out of quotas and trade defence measures. In the area of Services, there has been inadequate attention paid to modes of delivery of interest to us, such as movement of natural persons and cross-border supply of services and also in certain specific sectors. The emphasis has been more on commercial presence, that is, freedom to establish joint ventures, foreign owned companies and so on.

7. We would have expected that these problems would have been addressed in the Geneva negotiations. The fact is that there was hardly any movement throughout the period after Doha and no genuine effort to address developing country problems. **When I talk of developing country problems, I am of course conscious of the fact that developing countries themselves have varying positions on different issues and that what applies to India need not necessarily apply to other developing countries. However, what we saw at Cancun was a high degree of unity and commonality of interest amongst developing countries even though not all countries shared the same position on all issues. For example, not all developing countries had the same position as ours on the Singapore issues. Similarly, in agriculture, the emphasis varied from country to country on the three pillars of the Agreement on Agriculture - domestic support, export competition, and market access. What was really heartening was the desire of developing countries to reach out to each other, accommodate their problems in a spirit of understanding and goodwill and to forge**

common positions wherever possible. This is now universally recognised as a positive outcome of the Cancun Ministerial Conference.

8. Some movement took place just a few weeks before the Cancun Ministerial Conference. The US and the EU decided to come together and prepare a framework proposal on Agriculture. This was seen by many developing countries as no more than an attempt to accommodate each other's concerns, without regard for the interests of developing countries. Developing countries, therefore, came forward to present their own ideas in the form of an alternative text. This was the genesis of the G-17, which has now become the G-22.

9. **A word now about the Singapore Issues.** These were new issues, relating to trade and investment, trade and competition policy, trade facilitation, and transparency in Government procurement, which had appeared on the agenda of the WTO at the Singapore Ministerial Conference in 1996 thus acquiring the nomenclature, "Singapore Issues". India had expressed itself clearly against the expansion of the agenda of the WTO right from the start. We were always of the view that we have enough on our plate already, that there are many commitments and obligations to fulfil even with respect to existing Uruguay Round Agreements and that the limitations and constraints of developing countries as well as their right to retain policy space for fashioning their own development strategy should be recognised. However, following the decision at Doha to engage in a process of clarification of issues in respect of each of the Singapore tour, we put forward a large number of papers and involved ourselves actively in the discussions. At the end of the period, we found that the issues remained as unclear as before. What, for example, is the definition of investment? According to the Europeans and the Japanese, it means only foreign direct investment, but the US considers that even portfolio investment and short-term capital flows should be brought within the purview of a possible multilateral agreement on investment. How do we deal with the question of investors obligations and the obligations of home countries? In the area of competition policy, will the multilateral frameworks extend to international cartels spanning many countries? Will the concept of trade facilitation extend to all customs entry points or only to a few major ports? Since modernisation and automation of ports will involve huge expenditure, who will finance the costs? Does government procurement

mean only procurement at the federal level, but also procurement at sub-federal levels and of public sector units? India and a group of other countries put forward a detailed paper indicating the areas that needed clarification in respect of each of the four issues.

10. Internal transparency is a subject that India and many other developing countries have been emphasising for many years now. After Doha, India and 14 other countries put forward a paper with several suggestions regarding the manner in which there could be inclusiveness and transparency in the process leading up to a Ministerial Conference and at the Conference itself. This was discussed at the General Council meeting in December 2002 but with no tangible result. The WTO has developed the strange practice of the Chairman, General Council, submitting to the Ministerial Conference a draft text on his own responsibility without negotiation and without taking into account the differences in views that Members may express. This was done at Doha and, somehow, some countries felt that the same process could be repeated ad infinitum with success. As a result, one cannot escape the conclusion that the attempt throughout has been to downgrade and underplay the Geneva process of technical work, to come out with some paper on the Chairman's responsibility just before a Ministerial Conference and then apply political pressure on weaker countries at the Conference itself. We had cautioned the membership against proceeding on the assumption that the Doha process can be repeated over and over again. At the meeting of the General Council held on 8 July 2002, the Indian Ambassador had stated: "We must not also presume that the Doha outcome necessarily justifies the Geneva process preceding the Ministerial or the procedures at the Ministerial itself. The Doha Ministerial Conference took place in a particular historical context; Cancun will take place in another context. Doha laid a framework for a work programme; Cancun will endeavour to flesh out this framework. Even the Doha framework has many holes in it. The fact that the mandate is not clear and explicit in all aspects is evident from the time and resources we spend here in Geneva in debating the meaning of certain decisions. My Delegation believes that in the Cancun Ministerial Conference, Ministers will demand a much higher degree of precision in the final draft as serious commercial and developmental interests would be at stake."

11. Yet this is precisely what happened at Cancun. The Chairman of the General Council produced a draft Ministerial Text with which many developing countries

were extremely uncomfortable. On agriculture, there was a perception that he was adhering closely to the EC-US draft. On Singapore issues, while he indicated the two alternatives of agreement on modalities and further clarification of the issues respectively, he also incorporated separate annexures indicating possible modalities for agreement. None of these modalities had been negotiated and agreed to. Thus, even to begin with, the atmosphere at Cancun was surcharged.

12. At Cancun, the Chairman of the Ministerial Conference, Minister Derbez of Mexico, appointed Facilitators to discuss various issues. There were Facilitators in charge of Agriculture, Non Agricultural Market Access, Singapore Issues, Developmental Issues, and Other Issues respectively; besides, on the crucial issue of cotton subsidies, the Director General of the WTO himself undertook negotiations. This issue had great emotive appeal, particularly to the Africa Group. Cotton subsidies given in one or two major countries were badly hurting the cotton farmers in African countries and four of them, Benin, Burkina Faso, Chad, and Mali had got the issue incorporated in the agenda of the Ministerial Conference for possible solution.

13. During the Conference, I had occasion to meet a number of Ministers of developing countries as well as developed countries, including the US and the EC. We were very active in the deliberations of the G-21 (which later became G-22 with the inclusion of Indonesia) and most of its meetings were held in the Conference Room of the Indian delegation at our hotel because conference facilities could not be organised at short notice in the Convention Centre. Similarly, we were in close contact with other developing countries on the Singapore Issues. On agriculture, there were several discussions between the G-21 and the Facilitator as also with the US and the EC. On Singapore issues, there was no doubt at all at any point of time that the vast majority of countries were against negotiation of the four issues. This included the LDC Group, the ACP Group, and the Africa Group as well as many others like India, China, Malaysia, Indonesia, and Philippines. In fact, there must have been at least a hundred countries opposed to the commencement of negotiations on the Singapore Issues. When I met the Facilitator for Singapore issues, Minister Pettigrew of Canada, I told him that his task was possibly the easiest of all. The Doha Declaration had called for explicit consensus on the modalities for negotiations to take place. He had only to report that there was no explicit consensus on any of the issues.

14. When the revised Chairman's text came on Saturday, 13 August, however, we were absolutely aghast. Our concerns on agriculture had been sidelined. On the Singapore issues, negotiation was to begin on three of the four issues, investment, trade facilitation, and transparency in government procurement. Softer language was, however, used in respect of competition, clearly because the US had reservations on this issue. On cotton subsidies, the question of correction of distortions was totally bypassed and instead a study was to be started on the entire textile area, including manmade fibres and synthetics, a strange kind of a decision in a year that should see the end of the quota system now prevailing in some of the developed countries. There was a meeting of Heads of Delegations later in the evening on Saturday, which stretched out well past midnight. One after the other, developing countries came forward to strongly express their resentment in no uncertain terms. The accusation has been made by some prominent trading partners of ours that the atmosphere at the meeting of Heads of Delegations was emotionally surcharged and that the statements made were much too strong. I am sure that all would recognise the fact that the intensity of the reaction on issues that have social, economic and political repercussions affecting millions of people would be directly proportional to the extent of the provocation.

15. At the Green Room meeting next day, there were about 30 countries present. It would not be proper on my part to disclose what happened in the Green Room and who said what but I have seen some pretty accurate reports in newspapers and magazines of what transpired there. It is, however, common knowledge today that the Singapore Issues were taken up for consideration first and that one of the main protagonists of these issues, the EC, were willing to drop further work on two of the four issues, investment and competition, and that, of the remaining two, strong differences continued to persist on transparency in Government procurement. At this stage, I was optimistic about a result and felt that, with a few more hours of work, tangible progress on agriculture and development and some more deliberation on what remained of the Singapore issues, we may actually strike a deal at Cancun. At this time, however, to the surprise of most of us present in the Green room, the Chairman suddenly decided to terminate the Ministerial Conference without taking up the other key issues, as, indeed, one of the Ministers had suggested.

16. The abrupt closure of the meeting has led to much speculation and many unanswered questions. The Chairman of the Ministerial Conference, a wise and astute political leader with many years of experience in the economic field and trade, obviously had, on the basis of inputs received by him from various sources, come to the definite conclusion that no further progress was achievable. Our reading of the situation was totally different. Our expectation was that a positive outcome was not far and that some more work and effort would have yielded results. It would be counter productive at this stage to conduct a post-mortem of the events in the Green Room on the 14th or to impute motives or indulge in conjecture. We do not want to further vitiate the atmosphere.

17. It is now for us to pick up the pieces and try to achieve results by December when the General Council meeting is scheduled to be held. This would require commitment and dedication on the part of all Members. **While there may have been no perceptible positive outcome at Cancun, I am of the view that progress has nevertheless been made. There has been forward movement on agriculture and on Singapore issues. There is a greater level of understanding of each other's concerns and sensitivities.** It is important that we **continue with this exercise, focusing on issues and not allowing ourselves to be deflected to other areas. We hear nowadays some voices being raised regarding deficiencies in the decision making system of the WTO. I cannot understand this. The Uruguay Round negotiators had clearly laid down a process for decision making in Article IX of the Marrakesh Agreement. If consensus is not achievable, there is clearly the option of majority voting which could be adopted to take decisions.** This is a modern system based on democratic traditions. **Any change in this method of decision making would in effect amount to chaffing the basic character of the constitution of the WTO, which would have far-reaching implications on the structure of the organisation and would call in question some of the Agreements themselves, such as the TRIPS Agreement about which controversy persists.**

18. We would also do well not to point accusing fingers at each other. **It is wholly simplistic to categorise the membership of the WTO into the "good guys", who agree with whatever we say,**

and the “bad guys”, who hold different views. We need to listen to one another, appreciate the concerns of all and find solutions that are multilaterally acceptable and that adhere to the Doha mandate

19. The Doha Ministerial Declaration had stated that “the Fifth Session of the Ministerial Conference will take stock of progress in the negotiations, provide any necessary political guidance, and take decisions as necessary.” I sensed that there were some areas of convergence on certain issues and some other areas of emerging convergence. There were some issues on which further negotiation and discussion was required. **If we had put together an honest appraisal of the areas of convergence and the areas of divergence and avoided the temptation to force certain decisions on an unwilling majority, we would have had a Ministerial Text which could have formed the basis of productive future work. We lost an opportunity at Cancun but this should not deter us from working determinedly towards achievement of the goal we set out at Doha to finish the negotiations by 1 January 2005.**

20. Cancun has proved the point **that it is necessary to revive and revitalise the Geneva process. The bulk of the negotiations would need to be done at the technical level in Geneva.** It is incumbent on all of us to provide the necessary flexibility to our negotiators to move forward boldly. It is important also for the Director General to move decisively to restore the status of the Secretariat as an objective and efficient adjunct to the negotiations. Dr. Supachai is a man of many parts. He is a top political leader in his own country, an administrator of note, a banker, an economist, even a highly talented chess player. There could be no one better than him to analyse what needs to be done to make the Secretariat a credible and effective institution. He needs to move fast. Perhaps it is he who will breathe new life into the Doha Work Programme and at the same time redesign the Secretariat so that it regains the trust and confidence of all Members, particularly developing country Members.

21. The outcome of the Cancun Ministerial Conference was obviously a non-result. Yet, the failure to achieve any result was greeted with undisguised glee by civil society activists in Geneva. **When Brazilian Foreign Minister, Celso Amorim, who had played such an important role in negotiating for the G-21, went out to the media centre to**

conduct his final press conference, he was greeted with a standing ovation. It was my experience also that when I went to the media centre, there was invariably huge response from the representatives of the media as well as civil society activists. In many developing countries, the inability of the Minister’s at Cancun to achieve any tangible result was actually regarded as a satisfactory outcome. This is a curious reaction and the Membership of the WTO and the WTO Secretariat would be failing in their duty if they seek to sweep it under the carpet calling it “polemics” or civil society “extremism”. The fact is that there are large numbers of people in the poorest parts of the world who consider a zero result as a victory. The converse of this line of thinking is also that they think any result at all in the WTO would be adverse to the interests of the poor. **The outcome at Cancun is also an assertion on the part of many developing countries that they have stakes in the Doha Work Programme and that they not accept any result that does not take into account their interests.** They are saying in fact, “The Doha Round belongs to us. We will not accept just any solution and certainly not a solution which we consider would increase rather than reduce existing imbalances. If development is the cornerstone of the Doha Work Programme, we have definite views on how the multilateral trading system can be made to contribute to it and we must be heard.” The Cancun result should thus be seen as a statement of ownership of the Doha Work Programme by the developing countries.

22. **From India’s point of view, we are firmly of the opinion that a fair, rules-based multilateral trading system is absolutely essential to ensure all round global development. We also believe equally strongly that the Doha Work Programme gives us a unique opportunity to make the changes that are needed to conduct trade and economic relations “with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand and expanding the production of and trade in goods and services...”,** as the Preamble to the Marrakesh Agreement puts it. We need to work together shoulder to shoulder to build a system that benefits all.

(New Delhi, 3 October, 2003)

Agriculture flagged as India's key concern in WTO negotiations

Text of Arun Jaitley's statement at the Plenary of the Cancun Ministerial Conference – (10 September, 2003)

I thank you, Mr Chairman, and your Government for hosting this 5th Ministerial Conference and for the excellent arrangements and hospitality.

India has very warm and friendly ties with both Nepal and Cambodia. Nepal is also our close neighbour. We applaud the accession of these two Least Developed Countries to the WTO.

We welcome the recent decision of the General Council that would make it easier for poorer countries to import cheaper generic drugs if they are unable to manufacture the medicines themselves. But we have a responsibility to ensure that the system we have put in place works to meet legitimate humanitarian needs without being held hostage to procedures.

The developing countries participate in the multilateral trading system in the hope that this would lead to their economic development and not because trade liberalisation is an end in itself. The System has to meet this expectation. Effective measures are needed to make trade work as an engine of growth and human development. Given the differences in levels of development and the ability of countries to assume obligations, it is imperative to ensure that equal rules do not apply to unequal players. With very few exceptions, developed countries in the past practised and benefited from the same protection they now seek to deny to developing countries. Any one can dismantle all protection after growing wealthier and powerful. The multilateral trading system has to acknowledge that developing countries cannot afford to travel at the same speed as developed countries to achieve gains. Therefore, obligations to be

undertaken by the developing countries should not arise out of coercion. Rather, they should have a feeling that these obligations are in their interest and that they are in a position to accept and implement them.

Over the years we have seen gradual increase in lack of internal transparency as well as reduced participation of developing countries in the decision making process in the WTO. We should not let the developing countries perceive the decision-making process of the multilateral trading system to be discriminatory, opaque and unresponsive to their needs. We look forward to this Ministerial Conference moving towards more inclusive decision-making process. There is also a need for prescribing clear and fair guidelines for conducting the preparatory process for Ministerial Conferences. The practice followed before Doha – and now, again – of sending the Chairman's text to the Ministers on the Chairman's own responsibility is not a healthy one. We need to deliberate on these issues and take appropriate decisions so that specific guidelines can be finalised before the next session of the Ministerial Conference. The proposals made by a large number of Members including India could serve as the basis for such discussions.

Although the Doha Work Programme was heavily overloaded and included a few issues that are not trade related, we saw some elements in it for a new beginning towards addressing issues of particular interest to developing countries. But as we see it now, we are engulfed in a sense of deep disappointment that the development dimension envisaged under the Doha Work Programme has been given short shrift.

In our view, the draft Cancun Ministerial text is grossly inadequate on implementation issues and would severely affect the interests of developing countries in agriculture, industrial tariffs and Singapore issues. We cannot escape the conclusion that it does not accommodate the legitimate aspirations of developing countries and instead, seeks to project and advance the views of certain developed countries.

The progress achieved on implementation issues belies the understanding that Ministerial commitments once taken will be honoured. Negotiations on outstanding implementation issues were agreed to be "an integral part of the Work Programme" and were required to be addressed "as a matter of priority". Yet, all the time-limits set at Doha for their resolution have been breached. On certain issues even the mandate itself has been questioned. To make matters worse, the draft Ministerial text accords low priority to these issues. It does not envisage any timeframe for taking decisions for resolving the outstanding issues. This is in sharp contrast to the issues of interest to developed countries for which time-limits have been provided for taking decisions. If we do not restore the priority accorded to the outstanding implementation issues, the developing countries would be forced to conclude that the "development" element in the Doha Development Agenda is only rhetoric. Let it not be said in respect of implementation issues that "often expectation fails and most often there, where most it promises". It is also a matter of disappointment that the draft decision on Special and Differential Treatment provisions before us has left many issues unresolved. This is despite a clear decision from the Ministers that all S&D provisions should be made precise, operational and effective and non-mandatory provisions converted into mandatory ones within a specified time frame.

The commitment by the developed countries to eliminate distortions in world agriculture caused by their policies holds the key to resolving differences amongst

us in this area. The "Global Economic Prospects 2004", a World Bank publication, mentions that the protection in the developed countries faced by developing country exporters in agriculture is four to seven times higher than in manufactures. **The effect is to stimulate over-production in high cost rich countries and to shut out potentially more competitive products from developing countries. It is no surprise that over the past few years, agricultural exports from developing countries to developed countries grew at just half the rate they did to other developing countries.** Agricultural subsidies in developed countries are not targeted to keeping small struggling family farms in business but to provide hefty rents to large farmers or corporates. In many developed countries, the average income of farmers is higher than the national average, reaching almost 200% of the average in certain cases. Let us also remind ourselves that the agriculture subsidies provided by OECD countries are more than six times what they spend on official development assistance for developing countries. OECD Governments support sugar producers at the rate of US \$6.4 billion annually – an amount nearly equal to all developing country exports. Subsidies to cotton growers in a developed country totalled US \$3.7 billion last year, which is three times that country's foreign aid to Africa. The net effect of subsidising agriculture in developed countries at the expense of products of the relatively poor in developing countries is to aggravate global income inequalities. On the other hand, against equity, justice and fair play, developing countries are being asked to liberalise their agriculture. What the farmers in developing countries demand is protection from distortions in the trade of agricultural commodities, created through the high level of subsidies in the developed countries. The plight of these farmers are directly linked with the level and kind of subsidies in the farming sector in the developed world. Hence, it would be difficult for us to agree to negotiations, which could

potentially place at high risk the very livelihood of 650 million people in India, who are solely dependent on agriculture. It is only when the developed countries agree to take five steps forward in the removal of trade distorting subsidies that the developing countries can take one step forward in the area of market access. The legitimate concerns of billions of farmers in developing countries, for whom agriculture means survival and not commercial operation, cannot be sacrificed to sub-serve agri-business profits of a few millions elsewhere sustained through \$ 1 billion subsidies each day in the OECD countries.

In order to secure sufficient gains from globalisation for developing countries there is an urgent need to bring down the high tariffs and non-tariff barriers on products of export interest to developing countries. Also to effectively take account of their development needs, including rural development and food security and livelihood concerns, it remains our duty to ensure that special and differential treatment for developing countries and policy space to deal with sensitive products remain an integral part of all elements of negotiations. India reiterates that under no circumstances can it accept any form of harmonisation of tariffs in agriculture or obligations to create and expand tariff rate quotas. India along with 20 other members has put forward joint proposals on agriculture that we believe offer a constructive and meaningful alternative. We look forward to discussing it at the Conference.

On market access negotiations on non-agricultural products, the Chairman of the Negotiating Group has devised a formula that recognises and incorporates certain elements for the developing countries as mandated by the Doha Declaration, while achieving significant reductions in the tariffs of all Members. We are of the view that amending any aspect of the formula or the formula itself would negate the entire work done so far. The suggestion for mandatory tariff

harmonisation and elimination would be most iniquitous to developing countries because substantial, if not the entire, contribution would then be made by developing countries. On sectoral proposal, we believe that not all the seven sectors are of export interest to all developing countries. Being at different stages of development, they do not have the capacity to undertake binding obligations in all the seven sectors. Consequently all Members cannot be expected to participate equally in the initiative. Nor are all Members agreeable to a sectoral approach.

We do not believe that all the Singapore issues are trade related. Besides, the disciplines proposed in this area would require new policy actions to be taken only in developing countries.

At Doha we agreed to join the consensus in favour of the Declaration only after it was made certain that these issues needed further clarification and that any decision on commencing negotiations on these would be dependent on an explicit consensus on the modalities of each of these issues in this Ministerial Conference. Our strongest arguments still remain that WTO is not the right forum, that the traditional WTO principles of non-discrimination particularly national treatment are not appropriate for a development policy related issue like investment and that trade negotiators are not the right people to deal with movements of capital that have dynamics of their own.

We have been participating actively and with an open mind in the discussions on the elements of these issues with a view to clarifying them better so that there is convergence on these issues for taking a decision on modalities. It is our assessment – and that of many other countries as well – that there are significant and deep differences in views of Members on many elements of these issues. Hence, we are not convinced of the appropriateness of taking a decision on modalities as it does not give us any idea

of the substance and direction of obligations that agreements in this area may require us to undertake.

The need for a multilateral agreement on investment itself is not clear. It can neither promise additional investment flows nor reduce transaction costs for investors significantly. However, an agreement will certainly curtail the policy space of developing countries. An agreement in this area will not be advantageous to all Members as the benefits of such an agreement will accrue entirely to developed countries from which 2/3rd of all cross border investments originate. The process of clarification of issues has revealed the wide divergence in views on various elements including scope and definition, transparency, dispute settlement, performance requirement etc. While the demandeurs are seeking onerous obligations from host countries they are reluctant to agree to binding rules on foreign investors and home governments. We remain determined to resist such inequitable obligations being thrust upon us.

Countries at different stages of development have viewed competition issues differently based on the effects they have on their economies. Convergence in views can arise only between countries at similar stages of development. The WTO membership is too diverse to admit a framework that suits all. Further work needs to be done on understanding elements in competition such as core principles, cooperation mechanisms and the coverage and prohibition of hardcore cartels through appropriate mechanisms before we can start comprehending the implications of any multilateral discipline.

Multilateral rules, binding in nature, in respect of trade facilitation and transparency in government procurement would entail high costs for developing countries.

As far as services negotiations are concerned, liberalisation of certain sectors is essential to accelerate growth in developing countries. However there are certain sensitive sectors in which we need to tread with caution. I would like to emphasise that for developing countries including India the balance of benefit in the negotiations will accrue to the extent to which their service providers are allowed to supply services in important overseas market either from remote locations or through temporary movement of natural persons. In case the resistance among developed countries for agreeing to the request of developing countries for enhanced market access under Modes 1 and 4 continues, this would substantially erode our flexibility to make commitments in sectors of interest to developed countries.

We feel that it is necessary to make significant progress in areas of great importance to developing countries such as transfer of technology and trade debt and finance. It is now up to the Ministerial Conference to provide decisive political guidance so that meaningful progress is made on these issues.

We strongly support the initiative taken by certain countries regarding cotton subsidies and commodity price stabilisation which are areas of critical significance to the developing countries and look forward to addressing these issues.

Mr. Chairman, we are hopeful that with you as Chairman of this Ministerial Conference, the development dimension of the work programme will occupy centre stage. We are confident that under your guidance we will collectively find solutions to the various contentious issues in such a manner that the final declaration reflects the needs and aspirations of developing countries.



TEXT

UNITED NATIONS MESSAGE OF THE UN SECRETARY-GENERAL, MR. KOFI ANNAN

(Delivered by Mr. Rubens Ricupero, Secretary-General, United Nations Conference on Trade and Development at Cancun, 10 September 2003)

The rhetoric of global trade is filled with promise.

We are told that free trade brings opportunity for all people, not just a fortunate few.

We are told that it can provide a ladder to a better life, and deliverance from poverty and despair.

And we are led to hope that the current round of trade negotiations will deliver on this promise.

Sadly, the reality of the international trading system today does not match the rhetoric.

Instead of open markets, there are too many barriers that stunt, stifle and starve.

Instead of fair competition, there are subsidies by rich countries that tilt the playing field against the poor.

And instead of global rules negotiated by all, in the interest of all, and adhered to by all, there is too much closed-door decision-making, too much protection of special interests, and too many broken promises.

The issues are often technical, and do not usually lend themselves to dramatic television coverage, like war or extreme weather. But let there be no doubt: the damage is profound, and the victims can be counted in the billions.

They include poor farmers who, instead of being able to trade their way out of poverty, are driven out of business by trade barriers, or penalised with new barriers when, against considerable odds, they become successful.

They include the sick and the dying, whose suffering has been needlessly prolonged by lack of access to affordable, life-saving medicines.

And let us not forget the enormous opportunity cost: millions of jobs, and hundreds of billions of dollars in income, could be created with just a few reasonable steps that governments have so far been unwilling to take.

The answer is not to turn our backs on the potential of open markets. That would be disastrous.

After all, the World Trade Organisation, and its predecessor, the General Agreement on Tariffs and Trade, have helped to bring the world a remarkable half-century of economic progress.

But too many countries have been left on the margins. A system that was meant to be mutually beneficial sometimes seems more like a zero-sum game.

Far from being empowered, the fisherman in Vietnam, the cotton-grower in Burkina Faso, and the indigenous cultivator of medicinal herbs in Brazil are being held down.

The answer is to unleash their potential. Just as we need to improve the multilateral security framework, so we must rebuild faith in the multilateral trade framework. Without progress now, today's bitterness may well become tomorrow's backlash.

We cannot solve all these problems here at Cancun. But we must make a start.

An important step has already been taken on the issue of intellectual property and public health. I welcome the recent agreement on a mechanism to give developing countries which cannot produce cheap generic drugs the right to import them from other countries which can. We must now make sure that the agreed system is flexibly implemented, so that developing countries can gain access to medicines. This is a moral imperative. I urge all concerned to support developing countries - including with technical and legal assistance - so that they can make maximum use of the agreed mechanism to address their public health concerns.

But if the result here at Cancun is to be considered credible, we must tackle the broader issue of trade in agricultural products - an issue that can be economically decisive for many countries. We must eliminate the subsidies that push prices down and make it impossible for poor farmers in developing countries to compete.

Those who press poor countries to open their markets may indeed have those countries' best interests at heart. But can we be surprised that poor countries are reluctant to take them seriously, when they find the markets of rich countries still closed to their products, and when they have to compete at home, and in the world market, against subsidised products from those same rich countries?

These barriers and subsidies in developed countries must be phased out, as fast as possible, for the sake of humanity.

To do so is in the interests of rich and poor alike. Trade barriers and distortions can hurt a country's health whether it is developed or developing. Developed countries spend vast sums on subsidies, often propping up relatively small and unproductive portions of their economies. In the process, they hurt their own citizens twice - as taxpayers and as consumers.

There are surely better ways to help those farmers in rich countries who genuinely need help, than by subsidising big exporters so that much poorer farmers in poor countries cannot feed their families. It is not hard to imagine a system under which just about everyone would be better off.

Agriculture is a crucial issue. But it is not the only area where the existing world trade order is imbalanced. Opportunities for developing countries must also be opened by effective liberalisation of trade in textiles, by specific agreements that allow them to participate actively in the growing trade in services, and by faster transfer of technology.

Of course, developing countries also have a responsibility to help themselves.

As a group they have taken important steps — often unsung and unrequited — to liberalise trade in the last fifteen years. But some of them could do still more to seize export opportunities. For example, they could improve efficiency and competitiveness by reducing barriers to imports - particularly from other developing countries.

But trade liberalisation is no panacea for developing countries. For many of them, it involves considerable adjustment and social costs. There is a need for synergy and proper sequencing — between the capacities of the

developing countries, the level of obligations they are to take on, the cost of implementation, and the adequacy of financial and technical resources available to them. Developing countries need aid for trade, and such aid must not come at the expense of aid for development.

Indeed, trade liberalisation must be carefully managed as part of comprehensive development strategies that encompass health, education, the empowerment of women, the rule of law and much else besides. Developing countries need help in building the institutions and infrastructure, acquiring the technology and skills, and putting in place the legal regimes, that will enable them to make the journey. The least developed countries in particular often need genuinely special and differential treatment - not simply more time to comply with new rules.

Trade is the most visible manifestation of globalisation. It has proved its ability to deliver jobs and wealth for some. Yet there is widespread unease, and even distrust, about the new economic and technological spaces we inhabit. So many people have yet to benefit, and in the developing world there has been great dislocation without a safety net.

You, the world's trade ministers, must show those people that you have heard their cries for fairness. You must give them confidence that, from now on, your negotiations and decisions will really meet their needs and reflect their aspirations.

You have an awesome responsibility, and a great opportunity. Your decisions can make the difference between poverty and prosperity, and even between life and death, for millions upon millions of people.

Here in Cancun, I implore you to say: "no!" to trade policies that aggravate poverty, and "no!" to trade practices that undermine aid.

And I urge you to say "yes" to bold but sensible steps that will revive the global economy and set a new course for development.

You must, at long last, match deeds to the fine words that are in danger of losing their meaning.

Let Cancun send the world a message of hope - hope that trade will make good on its promise for all.



WHY INDIA OPPOSED THE REVISED DRAFT CANCUN MINISTERIAL TEXT

STATEMENT OF ARUN JAITLEY, MINISTER OF COMMERCE & INDUSTRY AT CANCUN (September 13, 2003)

6 Mr. Chairman,

The Indian delegation would like to thank you and the facilitators for your efforts over the past few days. We are disappointed that the draft text ignores several concerns expressed by us and many developing countries. I note that the pretence of development dimensions of the Doha Agenda has finally been discarded confirming the apprehension expressed by me at the plenary session that this is mere rhetoric.

At the outset, I would like to associate myself with the statement made by distinguished Minister of Brazil on behalf of G 21 on **agriculture**. Not only are the distortions prevalent today being perpetuated, but a slew of new measures to increase such distortions are being proposed. The continuation of Blue Box in an enlarged form without any promise of significant reductions and phasing out in future is a case in point. To give comfort to major subsidising countries, distorting provisions in the Amber Box are sought to be continued. Both these measures will result in subsidising exports of many items from these countries. Instead of negotiating disciplines on the Green Box, we have been reduced merely to reviewing the criteria of Green Box measures. Export subsidies are not only allowed to continue but are sought to be increased through a new parallelism process. We believe that we are compounding the distortions of the Uruguay Round by adding some more to them. The heightened ambition on market access pillar, which ironically provides Special and Differential Treatment in favour of developed countries, is utterly incomprehensible and extremely insensitive to the large number of people living in poverty in developing countries. **How can we expect developing countries to reduce tariffs on a number of items to between 0% and 5% when the distortions against which such tariffs are supposed to compensate are sought to be enhanced?**

The Geneva process and the consultations in the last three days have clearly revealed that the clarification process on **Singapore Issues** has not yet run its course. In the absence of clarity on many elements, a majority of the membership of the WTO have rejected launch of negotiations on these issues and sought a continuation of the clarification process. Ignoring this, Mr. Chairman, you have proposed launch of negotiations in trade facilitation and transparency in government procurement. The section on investment would seem to assume that negotiations would commence on the basis of a General Council decision on a date corresponding to finalisation of modalities in agriculture and NAMA. The text on competition policy, on the other hand, refers to possible negotiations-an obvious attempt to accommodate the interest of some

developed countries. **There is no reference to further explicit consensus either in the paragraphs on investment or competition policy. There is also no explicit consensus at present on any of the issues.** It would appear that the views expressed by a large number of developing and least developed countries on the need for further clarification of issues through a Ministerial Conference document and through a letter addressed to the facilitator by my Malaysian colleague and me yesterday, have been completely ignored. This, Mr Chairman, is yet another instance of the deliberate neglect of the views of a large number of developing countries. It represents an attempt made to thrust the views of a few countries on many developing countries.

On **NAMA** (non-agricultural market access), we want a specific reference to the Chairman's formula for further work. **On sectoral initiatives, we believe that the participation has to be voluntary.** The present text is, in fact, an attempt to make the sectoral initiative mandatory. To reflect less than full reciprocity in reduction commitments, the end-tariff for developing countries in the sectoral initiatives must be higher than that of the developed countries.

We are disappointed that no time frame has been prescribed for resolving the outstanding **implementation issues**. We are of the view that all outstanding issues should be addressed by a negotiating group under the TNC and thereafter decisions adopted by the General Council by March 2004. On **S&D Issues**, we strongly support the Africa Group's position that has been stated many times in the past and therefore do not endorse the present decision.

We are unable to understand why on the issue of **cotton subsidies** the draft text deflects attention from the specific course of action suggested by Benin and three other countries by seeking to address distortions in products other than cotton. **Mr. Chairman, we have to express our disappointment that the revised text brought out by you has arbitrarily disregarded views and concerns expressed by us. We have so far constructively engaged in the entire post-Doha process in the hope that this is a development round. We wonder now whether development here refers to only further development of the developed countries. Consequently, Mr. Chairman, we feel that this text does not lend itself to any meaningful dialogue. We still believe that this conference must be brought to a successful conclusion. We hope that circumstances and environment will be created to enable us to participate constructively.** 9

No negotiations on Singapore issues without explicit consensus

(Joint Communication to H.E. Mr. Pierre S. Pettigrew, Minister for International Trade of Canada & Facilitator for the Singapore Issues, at the Cancun Ministerial Conference)

(12 September, 2003)

Dear Mr. Pettigrew,

On behalf of the delegations from Antigua & Barbuda, Bangladesh (on behalf of the LDCs), Barbados, Botswana, Belize, China, Cuba, Dominica, Egypt, Grenada, Guyana, Haiti, India, Indonesia, Jamaica, Kenya, Malaysia, Nigeria, Philippines, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Surinam, Tanzania, Trinidad & Tobago, Uganda, Venezuela, Zambia and Zimbabwe, we wish to convey to you, their views on the four new issues of 'Relationship between Trade and Investment', 'Interaction between Trade and Competition Policy', 'Transparency in Government Procurement' and 'Trade Facilitation'.

The above delegations have concerns about the impact of multilateral rules on the four new issues on their domestic policies and consider that they have yet to fully comprehend the implications of having WTO rules on these issues. These concerns include, among others, the implications on domestic policies and availability of resources. **The issues are highly technical and complex and require much more analysis. These delegations also consider that many developing countries do not have the capacity to implement obligations arising out of commitments such multilateral rules will entail, and there were also doubts on the benefits of WTO frameworks on the new issues.** A number of other countries, apart from the above, have also conveyed similar views at the open ended meeting of the facilitation group chaired by you. **Hence, we note that there is no explicit consensus on the**

modalities for negotiations as per the Doha mandate.

The above delegations also have concerns about the process through which these issues have been brought to this Ministerial without any prior discussion on the modalities.

The above delegations are of the firm view that there is no option to pursue other than the continuation of the clarification process. We, therefore, urge that the language enclosed in the Annex be incorporated into any revised text of the draft Cancun Ministerial Declaration (JOB (03)/150/Rev.1) in lieu of Paras 13 to 16.

With our best wishes,

Yours sincerely,

Dato' Seri Rafidah Aziz
Minister of International
Trade & Industry
Government of Malaysia

Arun Jaitley
Minister for Commerce
& Industry
Government of India

Copy to:

H.E. Mr. Luis Ernesto Derbez,
Minister of Foreign Affairs of Mexico &
Chairman of the W.T.O. Ministerial Conference at
Cancun

Annex

Paragraph 13:

RELATIONSHIP BETWEEN TRADE AND INVESTMENT

We take note of the discussions that have taken place in the Working Group on the Relationship between Trade and Investment since the Fourth Ministerial Conference. **Given the absence of explicit consensus, there is no basis for the commencement of negotiations in this area. Accordingly, we decide that further clarification of the issues be undertaken in the Working Group. Any negotiations in this area shall be undertaken only on the basis of explicit consensus at the Sixth Ministerial Conference on the modalities of such negotiations.**

We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall continue to work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

Paragraph 14:

INTERACTION BETWEEN TRADE AND
COMPETITION POLICY

We take note of the discussions that have taken place in the Working Group on the Interaction between Trade and Competition Policy since the Fourth Ministerial Conference. Given the absence of explicit consensus, there is no basis for the commencement of negotiations in this area. Accordingly, we decide that further clarification of the issues be undertaken in the Working Group. Any negotiations in this area shall be undertaken only on the basis of explicit consensus at the Sixth Ministerial Conference on the modalities of such negotiations.

We recognize the needs of developing and least-developed countries for enhanced support for technical

assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall continue to work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

Paragraph 15:

TRANSPARENCY IN GOVERNMENT PROCUREMENT

We take note of the discussions that have taken place in the Working Group on Transparency in Government Procurement since the Fourth Ministerial Conference. Given the absence of explicit consensus, there is no basis for the commencement of negotiations in this area. Accordingly, we decide that further clarification of the issues be undertaken in the Working Group. Any negotiations shall be limited to the transparency aspects and therefore, will not restrict the scope for countries to give preferences to domestic supplies and suppliers. Any negotiations in this area shall be undertaken only on the basis of explicit consensus at the Sixth Ministerial Conference on the modalities of such negotiations.

We commit ourselves to continuing adequate technical assistance and support for capacity building during the clarification process.

Paragraph 16:

TRADE FACILITATION

We take note of the discussions that have taken place on Trade Facilitation in the Council for Trade in Goods since the Fourth Ministerial Conference. Given the absence of explicit consensus, there is no basis for the commencement of negotiations in this area. Accordingly, we decide that further clarification of the issues be undertaken in the Council for Trade in Goods. Any negotiations in this area shall be undertaken only on the basis of explicit consensus at the Sixth Ministerial Conference on the modalities of such negotiations.

We commit ourselves to continuing adequate technical assistance and support for capacity building in this area.

TEXT

The revised Cancun Ministerial Draft (13 September, 2003)

Second Revision

1. We reaffirm our Declarations made at Doha and the decisions we took there. We take note of the progress that has been made towards carrying out the Work Programme agreed at Doha, and recommit ourselves to completing it fully. We also renew our determination to conclude the negotiations launched at Doha successfully by the agreed date of 1 January 2005.

2. In pursuance of these objectives, we agree as follows:

TRIPS & Public Health

3. We welcome the decision on implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health set out in document WT/L/540.

Agriculture negotiations

4. We reaffirm our commitment to the mandate on agriculture as set out in paragraph 13 of the Doha Ministerial Declaration. We take note of the progress made by the Special Session of the Committee on Agriculture in this regard and agree to intensify work to translate the Doha objectives into reform modalities. To this end, we adopt the framework set out in Annex A to this document concerning the further commitments and related disciplines on key outstanding issues on market access, export competition and domestic support as the basis for concluding the work in these areas. We direct the Special Session of the Committee on Agriculture to conclude its work on establishing modalities for the further commitments, including provisions for special and differential treatment, by [...]. We agree that participants will submit their comprehensive draft Schedules based on these modalities no later than [...] and confirm that the negotiations, including with respect to rules and disciplines and related legal texts, shall be concluded as part and at the date of conclusion of the negotiating agenda as a whole.

NAMA negotiations

5. We reaffirm our commitment to the mandate for negotiations on market access for non-agricultural products as set out in paragraph 16 of the Doha Ministerial Declaration. We take note of the progress made by the Negotiating Group on Market Access in this regard and agree to intensify work to translate the Doha objectives into modalities for these negotiations. To this end, we adopt the framework for modalities for negotiations on non-agricultural products set out in Annex B to this document. We direct the Negotiating Group to conclude its work on establishing modalities by [...] and to take the necessary further steps to ensure the conclusion of negotiations by the agreed date.

Services negotiations

6. We are committed to intensifying our efforts to bring the negotiations on specific commitments to conclusion. We stress the importance of full engagement by all participants, *inter alia* through the continuous exchange of requests and offers with a view to concluding the negotiations by the agreed date. With a view to providing effective market access to all Members, due regard shall be given to the quality of offers, particularly in sectors and modes of supply of export interest to developing countries. We call upon those participants who have not yet submitted their initial offers to do so as soon as possible. Improved offers should be submitted by [*horizontal date*]. We are also committed to intensifying our efforts to conclude the negotiations on rule-making under GATS Articles VI:4, X, XIII, and XV in accordance with their respective mandates and deadlines, noting the deadline of 15 March 2004 for emergency safeguard measures. The Special Session of the Council for Trade in Services shall review progress in these negotiations by 31 March 2004. We reaffirm that the negotiations shall aim to achieve progressively higher levels of liberalization with no *a priori* exclusion of any service sector or mode of

supply and shall give special attention to sectors and modes of supply of export interest to developing countries. We note the interest of developing countries, as well as other Members, in Mode 4. In accordance with GATS provisions, there shall be due respect for the right of Members to regulate and to introduce new regulations in pursuance of national policy objectives. We welcome the adoption of the Modalities for the Special Treatment for Least-Developed Country Members in the Negotiations on Trade in Services and look forward to their implementation by all participants.

Rules negotiations

7. We instruct the Negotiating Group on Rules to accelerate its work on anti-dumping and subsidies and countervailing measures, including fisheries subsidies, with a view to shifting its emphasis from identifying issues to seeking solutions. We note the progress that has been made in the negotiations on improving transparency in Regional Trade Agreements and encourage the Group to reach a provisional decision soon on its work on transparency and to accelerate its work on the clarification and improvement of RTA disciplines under existing WTO provisions, taking into account the developmental aspects of RTAs.

TRIPS negotiations

8. We take note of the progress made in the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits and instruct the Special Session of the Council for TRIPS to continue the work as mandated in Article 23.4 of the TRIPS Agreement and paragraph 18 of the Doha Ministerial Declaration. We agree that the negotiations shall be completed by [*horizontal date*].

Environment negotiations

9. We take note of the progress made by the Special Session of the Committee on Trade and Environment in developing a common understanding of the concepts contained in its mandate in paragraph 31 of the Doha Ministerial Declaration. We reaffirm our commitment to these negotiations.

10. We agree that the Committee on Trade and Environment Special Session continue to invite to its meetings, in accordance with its current practice, the

secretariats of the multilateral environmental agreements (MEAs) invited thus far and of the United Nations Environment Programme (UNEP) and the United Nations Conference on Trade and Development (UNCTAD). This invitation shall be for the duration of the negotiations. It shall be without prejudice to any additional invitations that the Committee on Trade and Environment Special Session extends in future, and to paragraph 31 negotiations.

DSU negotiations

11. We take note of the progress that has been made in the negotiations on dispute settlement. We renew our determination to pursue these negotiations with the aim of completing them not later than May 2004. Further negotiations shall be carried out on the basis of work done thus far, including the Chairman's text of 28 May 2003 and other proposals by participants.

S&D treatment

12. We reaffirm that provisions for special and differential treatment are an integral part of WTO Agreements. We recall our decision in Doha to review special and differential treatment provisions with a view to strengthening and making them more precise, effective and operational. We note the progress that has been made towards meeting these objectives and adopt the decisions in Annex C to this document. We instruct the General Council to continue to monitor closely work on the proposals referred to negotiating groups and other WTO bodies, and direct these bodies to report to the General Council no later than [...]. We instruct the Committee on Trade and Development in Special Session to pursue expeditiously, within the parameters of the Doha mandate, the work on remaining agreement-specific proposals and other outstanding issues referred to in TN/CTD/7 and report with recommendations, as appropriate, to the General Council by [...]. The General Council shall submit a report on all these issues to our next Session.

Implementation

13. We note that, while some progress has been made under the mandates we gave at Doha concerning implementation-related issues and concerns, a number of the issues and concerns raised in this context remain

outstanding. We reaffirm the mandates we gave in paragraph 12 of our Doha Ministerial Declaration and our Decision on Implementation-Related Issues and Concerns, and we renew our determination to find appropriate solutions to these issues. We instruct the Trade Negotiations Committee, negotiating bodies and other WTO bodies concerned to redouble their efforts to find appropriate solutions as a priority, and we request the Director-General to continue the consultations he has undertaken on certain issues, including issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits. The General Council shall review progress and take any appropriate action no later than [...].

Investment

14. We note with appreciation the valuable work that has been carried out in the Working Group on the Relationship between Trade and Investment under paragraphs 21 and 22 of the Doha Ministerial Declaration.

In accordance with relevant provisions of the Doha Ministerial Declaration, we commit ourselves to provide strengthened and adequately resourced technical assistance to developing and least-developed countries to respond to their needs for enhanced support in this area.

We agree:

- ◆ to intensify the clarification process called for in paragraph 22 of the Doha Declaration, covering the elements listed in that paragraph as well as other elements raised by Members, including the elements identified in WT/MIN(03)/W/4;
- ◆ to convene the Working Group in Special Session to elaborate procedural and substantive modalities on the basis of paragraphs 20, 21 and 22 of the Doha Declaration, and other elements raised by Members. We reiterate that the special development, trade and financial needs of developing and least-developed countries should be taken into account as an integral part of any framework, which should enable Members to undertake obligations and commitments

commensurate with their individual needs and circumstances. Consideration should be given to the relationship of the negotiations to the Single Undertaking;

- ◆ modalities that will allow negotiations on a multilateral investment framework to start shall be adopted by the General Council no later than [date]¹.

Competition

15. We note with appreciation the discussions that have taken place in the Working Group on the Interaction between Trade and Competition Policy since the Fourth Ministerial Conference. We decide that further clarification of the issues be undertaken in the Working Group, including consideration of possible modalities for negotiations based on the elements contained in paragraph 25 of the Doha Ministerial Declaration, and that the Working Group shall report to the General Council on this work by [date]². In accordance with relevant provisions of the Doha Ministerial Declaration, we commit ourselves to continue to provide strengthened and adequately resourced technical assistance to developing and least-developed countries to respond to their needs for enhanced support in this area.

Government Procurement

16. Taking note of the work done by the Working Group on Transparency in Government Procurement under the mandate in paragraph 26 of the Doha Ministerial Declaration, we decide to commence negotiations on the basis of the modalities set out in Annex D to this document.

Trade Facilitation

17. Taking note of the work done on trade facilitation by the Council for Trade in Goods under the mandate in paragraph 27 of the Doha Ministerial Declaration, we decide to commence negotiations on the basis of the modalities set out in Annex E to this document.

Small Economies

18. We reaffirm our commitment to the Work Programme on Small Economies and urge Members

¹ The date will coincide with the date for agreeing on modalities on agriculture and NAMA.

² The exact formulation of this date may depend on the decision to be taken on the timing of the next Session of the Ministerial Conference.

to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and the recommendations made therein. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the dedicated sessions with the aim of completing it as soon as possible but no later than 1 January 2005. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.

Trade, Debt & Finance

19. We take note of the report transmitted by the General Council on progress in the examination of the relationship between trade, debt and finance and agree that this work shall continue on the basis of the mandate contained in paragraph 36 of the Doha Ministerial Declaration and the progress made in the Working Group to date, including consideration of any possible recommendations on steps that might be taken within the mandate and competence of the WTO. The General Council shall report further to our next Session.

Trade & Transfer of Technology

20. We take note of the report transmitted by the General Council on progress in the examination of the relationship between trade and transfer of technology and agree that this work shall continue on the basis of the mandate contained in paragraph 37 of the Doha Ministerial Declaration and the progress made in the Working Group to date, including consideration of any possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries. The General Council shall report further to our next Session.

CTE report

21. We take note of the report transmitted by the General Council on the work undertaken by the Committee on Trade and Environment pursuant to paragraphs 32 and 33 of the Doha Ministerial

Declaration. We agree that this work shall continue on the basis of the progress made thus far and instruct the General Council to report to our next Session.

TRIPS non-violation

22. We take note of the work done by the Council for Trade-Related Aspects of Intellectual Property Rights pursuant to paragraph 11.1 of the Doha Decision on Implementation-Related Issues and Concerns and direct it to continue its examination of the scope and modalities for complaints of the types provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 and make recommendations to the first Ministerial Conference to be held after 1 August 2004². It is agreed that, in the meantime, Members will not initiate such complaints under the TRIPS Agreement.

Doha paragraph 19

23. We take note of the work undertaken by the Council for TRIPS pursuant to paragraph 19 of the Doha Ministerial Declaration and agree that this work shall continue on the basis of paragraph 19 of the Doha Ministerial Declaration and the progress made in the Council for TRIPS to date. The General Council shall report on its work in this regard to our next Session.

E-commerce

24. We take note of the reports from the General Council and subsidiary bodies on the Work Programme on Electronic Commerce, and agree to continue the examination of issues under that ongoing Work Programme, with the current institutional arrangements. We instruct the General Council to report on further progress to our next Session. We declare that Members will maintain their current practice of not imposing customs duties on electronic transmissions until that Session.

Technical Cooperation

25. We welcome the report by the Director-General on the implementation and adequacy of the commitments on technical cooperation and capacity building we made in our Doha Ministerial Declaration and request him to report further to our next Session. We note with satisfaction the establishment of the Doha Development Agenda Global Trust Fund since our last meeting and encourage Members to ensure

adequate financing for future technical cooperation and capacity building programmes. We direct that in the planning of such programmes, consultations should be undertaken with beneficiary countries and priority given to their individual needs through both regional and national activities. We welcome the improved collaboration and coordination with other agencies, including under the Integrated Framework for Trade-Related Technical Assistance for the Least-Developed Countries and Joint Integrated Technical Assistance Programme. We commend the work undertaken in this respect by the Director-General and the Secretariat, and encourage the continuation of these and other efforts so as to facilitate the greater participation of developing countries in the multilateral trading system. We also recognize the successful efforts of the International Trade Centre to involve the business communities of the developing and transition economies in the context of the Doha Development Agenda and encourage it to continue in the same direction.

LDCs

26. We welcome the report by the Director-General on issues affecting Least-Developed Countries (LDCs). We reaffirm our commitment to effectively integrate LDCs into the multilateral trading system. In this regard, we acknowledge the seriousness of the concerns of the LDCs, as expressed in the Dhaka Declaration, adopted by their Ministers in June 2003. We take note that issues of interest to LDCs are being addressed in all areas of the negotiations. Building upon our commitment in the Doha Declaration we shall continue to expeditiously pursue the objective of duty-free and quota-free market access for products originating from LDCs. We urge Members to adopt and implement rules of origin so as to facilitate exports from LDCs. In this regard, we appreciate the improved market access measures adopted by several Members. Furthermore, in accordance with our commitment in the Doha Ministerial Declaration, we shall take additional measures for progressive improvements in market access, both at the border and otherwise. In services, we shall give priority to the sectors and modes of supply of export interest to LDCs, particularly in regard to movement of service providers under Mode 4. We further commit ourselves to provide effective trade-related technical assistance and capacity building to LDCs on a priority basis in helping to overcome their

weak human, institutional and trade-related capacity. In this regard, we reiterate our endorsement of the Integrated Framework (IF) and agree that it can truly become a viable model for LDCs' trade development if it effectively contributes to reducing supply-side constraints including through mainstreaming trade into their national development and poverty reduction strategies. We welcome the joint communiqué adopted by the six IF core agencies at their Third Heads of Agency meeting and urge them to intensify their assistance in trade-related infrastructure, private sector development and institution building to help countries expand and diversify their export base. We also urge cooperation with other bilateral and multilateral development partners. We request the Director-General to report to our next Session on further developments.

Sectoral Initiative on Cotton

27. We recognise the importance of cotton for the development of a number of developing countries and understand the need for urgent action to address trade distortions in these markets. Accordingly, we instruct the Chairman of the Trade Negotiations Committee to consult with the Chairpersons of the Negotiating Groups on Agriculture, Non-Agricultural Market Access and Rules to address the impact of the distortions that exist in the trade of cotton, man-made fibres, textiles and clothing to ensure comprehensive consideration of the entirety of the sector. The Director-General is instructed to consult with the relevant international organizations including the Bretton Woods Institutions, the Food and Agriculture Organization and the International Trade Centre to effectively direct existing programmes and resources toward diversification of the economies where cotton accounts for the major share of their GDP. Members pledge to refrain from utilizing their discretion within Annex A, paragraph 1 to avoid making reductions in domestic support for cotton.

Commodity Issues

28. Taking into account the dependence of many developing countries on a few commodities and the problems created by long-term declines and sharp fluctuations in the prices of these commodities, we instruct the Committee on Trade and Development, within its mandate, to continue with its work on this issue in cooperation with other relevant international

Annex A

organizations and report on progress to the General Council before our next Session. We recognize also that various trade-related aspects of this issue could be addressed in the ongoing negotiations, particularly in the framework of the negotiations on agriculture and non-agricultural market access.

Coherence

29. We appreciate the efforts that have been made by the Director-General to strengthen the WTO's collaboration with the IMF and the World Bank in the context of our Marrakesh mandate on achieving greater coherence in global economic policy-making. We encourage the Director-General and the General Council to follow up on the General Council meeting on Coherence that was held in May 2003. We emphasize the importance of promoting, without cross-conditionalities or additional conditions, consistent and mutually supportive policies. We note the new trade initiatives announced by the IMF and World Bank at this Session to work with the WTO to address problems that some developing country Members may encounter in adjusting to a more liberal trade environment, and we invite the Director-General to report to us at our next Session on initiatives that he is taking in cooperation with the Executive Heads of the IMF and World Bank in this area.

Accessions

30. We note with particular satisfaction that this Conference has completed the accession procedures for Cambodia and Nepal. This marks the entry of the first two LDCs into the WTO under Article XII of the WTO Agreement. In this regard, we take the opportunity to reaffirm our commitment to the Guidelines on the Accession of LDCs adopted by the General Council on 10 December 2002, and to facilitate and accelerate their accession. We also welcome Armenia and the Former Yugoslav Republic of Macedonia as new Members since our last Session. We confirm that these accessions, as those of the 25 governments now negotiating accession, will greatly strengthen our multilateral trading system. We shall therefore continue to give our attention and priority to concluding the ongoing accession proceedings as rapidly as possible.

(Cancun, 13 September 2003)

Framework for Establishing Modalities in Agriculture

Participants reaffirm their commitment to the objectives for and the mandate on agriculture as set out in paragraph 13 of the Doha Ministerial Declaration. Participants recognize that reforms in all areas of the negotiations are inter-related. Participants agree to conclude the work to establish modalities for the further commitments, including operationally effective provisions for special and differential treatment for developing countries and taking into account non-trade concerns as referred to in paragraph 13, within the timeframe specified in paragraph 4 of the Cancún Ministerial Text on the basis of the following framework:

Domestic Support

1. The Doha Ministerial Declaration calls for "substantial reductions in trade-distorting domestic support". All developed countries shall achieve reductions in trade-distorting support significantly larger than in the Uruguay Round, that will result in Members having the higher trade-distorting subsidies making greater efforts.

Reductions shall take place under the following parameters:

1.1. Reduce the Final Bound Total AMS in the range of [...]% - [...]%. Product-specific AMS shall be capped at their respective average levels during the period [...].

1.2 Reduce *de minimis* by [...]%.

1.3 Article 6.5 of the Agreement on Agriculture will be modified so that Members may have recourse to the following measures:

(i) direct payments if:

- such payments are based on fixed areas and yields; or
- such payments are made on 85% or less of the base level of production; or
- livestock payments are made on a fixed number of head.

(ii) support under 1.3(i) shall not exceed 5% of the total value of agriculture production in

the 2000-2002 period by [...]. Subsequently, such support shall be subject to an annual linear reduction of [...] % for a further period of [...] years.

1.4 The sum of allowed support under the Total AMS, support under paragraph 1.3 above and *de minimis* in 2000 shall be subject to a cut of at least [...] % [,including an initial cut of [...] % in the first year of implementation].

1.5 Green Box criteria shall be reviewed with a view to ensuring that Green Box measures have no, or at most minimal, trade-distorting effects or effects on production.

Special and differential treatment

1.6 Having regard to their rural development, food security and/or livelihood security needs, developing countries shall benefit from special and differential treatment, including lower reductions of trade-distorting domestic support under paragraphs 1.1, 1.3 and 1.4 above, longer implementation periods and enhanced provisions under Article 6.2 and the Green Box.

1.7 Developing countries shall be exempt from the requirement to reduce *de minimis* domestic support.

Market Access

2. The Doha Ministerial Declaration calls for "substantial improvements in market access." Negotiations should therefore provide increased access opportunities for all and in particular for the developing countries. To achieve this, commitments shall be based on the following parameters:

2.1 The formula applicable for tariff reduction by developed countries shall be a blended formula under which each element will contribute to substantial improvement in market access for all products. The formula shall be as follows:

- (i) [...] % of tariff lines shall be subject to a [...] % average tariff cut and a minimum of [...] %; for these import-sensitive tariff lines market access increase will result from a combination of tariff cuts and TRQs.
- (ii) [...] % of tariff lines shall be subject to a Swiss formula with a coefficient [...].
- (iii) [...] % of tariff lines shall be duty-free.

[The resulting simple average tariff reduction for all agricultural products shall be no less than [...] %.]

2.2 For the tariff lines that exceed a maximum of [...] %, developed-country participants shall either reduce them to that maximum, or ensure effective additional market access in these or other areas through a request-offer process that could include TRQs. [Within this category, participants shall have additional flexibility under conditions to be determined for a very limited number of [] products to be designated on the basis of non-trade concerns that would only be subject to the provisions of paragraph 2.1 above.]

2.3 The issue of tariff escalation will be addressed by applying a factor of [...] to the tariff reduction of the processed product in case its tariff is higher than the tariff for the product in its primary form.

2.4 In-quota tariffs shall be reduced by [...] %. Terms and conditions of any TRQ expansion/opening remain under negotiation.

2.5 The use and duration of the special agricultural safeguard (SSG) remain under negotiation.

Special and differential treatment

2.6 Having regard to their development, food security and/or livelihood security needs, developing countries shall benefit from special and differential treatment, including lower tariff reductions and longer implementation periods.

2.7 The formula applicable for tariff reductions by developing countries shall be as follows:

- (i) [...] % of tariff lines shall be subject to a [...] % average tariff cut and a minimum of [...] %; for these tariff lines market access increase will result from a combination of tariff cuts and TRQs. Within this category, developing countries shall have additional flexibility under conditions to be determined to designate Special Products (SP) which would only be subject to a linear cut of a minimum of [...] % and no new commitments regarding TRQs; however, where tariff bindings are very low (below [...] %) there shall be no requirement to reduce tariffs.
- (ii) [...] % of tariff lines shall be subject to a Swiss formula with a coefficient of [...].

- (iii) [...] % of tariff lines shall be bound between 0 and 5%, taking into account the importance of tariffs as a source of revenue for developing countries.

In implementing tariff reductions under paragraphs 2.7(ii) and 2.7(iii) above, developing countries should benefit from an additional implementation period of [...].

2.8 The applicability and/or extent of the provisions of paragraph 2.2 above to developing countries remain under negotiation, taking into account their development needs.

2.9 A special agricultural safeguard (SSM) shall be established for use by developing countries subject to conditions and for products to be determined.

2.10 All developed countries will seek to provide duty-free access for at least [...] % of imports from developing countries through a combination of MFN and preferential access, including particularly all tropical and other products referred to in the preamble of the Agreement on Agriculture.

2.11 Participants undertake to take account of the importance of preferential access for developing countries. The further considerations in this regard will be based on paragraph 16 of the revised First Draft of Modalities for the Further Commitments (TN/AG/W/1/Rev.1 refers).

Export Competition

3. The Doha Ministerial Declaration calls for "reductions of, with a view to phasing out, all forms of export subsidies." To achieve this, disciplines shall be established on export subsidies, export credits, export state trading enterprises, and food aid programs. Reduction commitments shall be applied in a parallel manner according to the following parameters:

3.1 With regard to export subsidies:

- Members commit to eliminate export subsidies for products of particular interest to developing countries. A list of these products shall be established for the purpose of tabling comprehensive draft Schedules. Elimination of the export subsidies for these products shall be

implemented over a [...] year period.

- For the remaining products, Members shall commit to reduce, with a view to phasing out, budgetary and quantity allowances for export subsidies.

3.2 With regard to export credits:

- Members shall commit to eliminate, over the same period as in the first indent of paragraph 3.1 the trade-distorting element of export credits through disciplines that reduce the repayment terms to commercial practice ([...] months), for the same products in the first indent of paragraph 3.1 in a manner that is equivalent in effect.
- For the remaining products, a reduction effort, with a view to phasing out, that is parallel to the reduction in the second indent of paragraph 3.1 in its equivalent effect for export credits shall be undertaken.

3.3. Without prejudging the outcome of the negotiations, reductions of, with a view to phasing out, all forms of export subsidies mentioned in paragraphs 3.1 and 3.2 will occur on a schedule that is parallel in its equivalence of effect on export subsidies and export credits.

3.4 The provisions related to the reductions of, with a view to phasing out, all forms of export subsidies under paragraphs 3.1, 3.2 and 3.3 above shall apply equally to all forms of export subsidies related to or provided, directly or indirectly, to, by or through export state trading enterprises.

3.5 Additional disciplines shall be agreed in order to prevent commercial displacement through food aid operations.

3.6 An end date for phasing out of all forms of export subsidies remains under negotiation.

3.7 Strengthening of Article 12 of the Agreement on Agriculture on export prohibitions and export restrictions will be addressed in the negotiations.

Special and differential treatment

3.8 Developing countries shall benefit from longer implementation periods for reductions of, with a view

to phasing out, all forms of export subsidies.

3.9 Until such time as the phasing out of all forms of export subsidies is completed, developing countries shall continue to benefit from the special and differential treatment provisions of Article 9.4 of the Agreement on Agriculture.

3.10 Participants shall ensure that the disciplines on export credits to be agreed shall make appropriate provision for differential treatment in favour of least-developed and net food-importing developing countries as provided for in paragraph 4 of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries.

Least-developed countries

4. Least-developed countries shall be exempt from reduction commitments. Developed countries [should] [shall] provide duty-free and quota-free market access for products originating from least-developed countries.

Recently acceded Members

5. The particular concerns of recently acceded Members shall be effectively addressed through provisions that could include longer time frames and/or lower tariff reduction commitments.

Other

6. The Peace Clause will be extended by [...] months.

7. Subject to the provisions of the framework set out in paragraphs 1 to 6 above, relevant parts of the Revised First Draft of Modalities (TN/AG/W/1/Rev.1 refers) and the related questions specified in the report of the Chairman of the Committee on Agriculture Special Session to the TNC (TN/AG/10 refers) as well as the contributions Members have submitted thus far will serve as reference documents for the further work on modalities, including with respect to the following issues of interest but not agreed: single desk export privileges, export taxes, proposals for flexibility for certain groupings, certain non-trade concerns, implementation period, sectoral initiatives, inter-pillar linkages, continuation clause, GIs, and other detailed rules.

Framework for Establishing Modalities in Market Access for Non-Agricultural Products

1. We reaffirm that negotiations on market access for non-agricultural products shall aim to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. We also reaffirm the importance of special and differential treatment and less than full reciprocity in reduction commitments as integral parts of the modalities.

2. We acknowledge the substantial work undertaken by the Negotiating Group on Market Access and the progress towards achieving an agreement on negotiating modalities. We take note of the constructive dialogue on the Chair's Draft Elements of Modalities (TN/MA/W/35/Rev.1) and confirm our intention to use this document as a reference for the future work of the Negotiating Group. We instruct the Negotiating Group to continue its work, as mandated by paragraph 16 of the Doha Ministerial Declaration with its corresponding references to the relevant provisions of Article XXVIII *bis* of GATT 1994 and to the provisions cited in paragraph 50 of the Doha Ministerial Declaration, on the basis set out below.

3. We recognize that a formula approach is key to reducing tariffs, and reducing or eliminating tariff peaks, high tariffs, and tariff escalation. We agree that the Negotiating Group should continue its work on a non-linear formula applied on a line-by-line basis which shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments.

4. We further agree on the following elements regarding the formula:

- product coverage shall be comprehensive without *a priori* exclusions;
- tariff reductions or elimination shall commence from the bound rates after full implementation

of current concessions; however, for unbound tariff lines, the basis for commencing the tariff reductions shall be [two] times the MFN applied rate in the base year;

- the base year for MFN applied tariff rates shall be 2001 (applicable rates on 14 November);
- credit shall be given for autonomous liberalization by developing countries provided that the tariff lines were bound on an MFN basis in the WTO since the conclusion of the Uruguay Round;
- all non-*ad valorem* duties shall be converted to *ad valorem* equivalents on the basis of a methodology to be determined and bound in *ad valorem* terms;
- negotiations shall commence on the basis of the HS96 or HS2002 nomenclature, with the results of the negotiations to be finalized in HS2002 nomenclature;
- the reference period for import data shall be 1999-2001.

5. We furthermore agree that, as an exception, participants with a binding coverage of non-agricultural tariff lines of less than [35] percent would be exempt from making tariff reductions through the formula. Instead, we expect them to bind [100] percent of non-agricultural tariff lines at an average level that does not exceed the overall average of bound tariffs for all developing countries after full implementation of current concessions.

6. We recognize that a sectorial tariff component, aiming at elimination or harmonization is another key element to achieving the objectives of paragraph 16 of the Doha Ministerial Declaration with regard to the reduction or elimination of tariffs, in particular on products of export interest to developing countries. We recognise that participation by all participants will be important to that effect. We therefore instruct the Negotiating Group to pursue its discussions on such a component, with a view to defining product coverage, participation, and adequate provisions of flexibility for developing-country participants.

7. We agree that developing-country participants shall have longer implementation periods for tariff reductions. In addition, they shall be given the following flexibility:

a) applying less than formula cuts to up to [10] percent of the tariff lines provided that the cuts

are no less than half the formula cuts and that these tariff lines do not exceed [10] percent of the total value of a Member's imports; or

b) keeping, as an exception, tariff lines unbound, or not applying formula cuts for up to [5] percent of tariff lines provided they do not exceed [5] percent of the total value of a Member's imports.

We furthermore agree that this flexibility could not be used to exclude entire HS Chapters.

8. We agree that least-developed country participants shall not be required to apply the formula nor participate in the sectorial approach, however, as part of their contribution to this round of negotiations, they are expected to substantially increase their level of binding commitments.

9. Furthermore, in recognition of the need to enhance the integration of least-developed countries into the multilateral trading system and support the diversification of their production and export base, we call upon developed-country participants and other participants who so decide, to grant on an autonomous basis duty-free and quota-free market access for non-agricultural products originating from least-developed countries by the year [...].

10. We recognize that newly acceded Members shall have recourse to special provisions for tariff reductions in order to take into account their extensive market access commitments undertaken as part of their accession and that staged tariff reductions are still being implemented in many cases. We instruct the Negotiating Group to further elaborate on such provisions.

11. We agree that pending agreement on core modalities for tariffs, the possibilities of supplementary modalities such as zero-for-zero sector elimination, sectorial harmonization, and request & offer, should be kept open.

12. In addition, we ask developed-country participants and other participants who so decide to consider the elimination of low duties.

13. We recognize that NTBs are an integral and equally important part of these negotiations and instruct participants to intensify their work on NTBs. In particular, we encourage all participants to make

notifications on NTBs by 31 October 2003 and to proceed with identification, examination, categorization, and ultimately negotiations on NTBs. We take note that the modalities for addressing NTBs in these negotiations could include request/offer, horizontal, or vertical approaches; and should fully take into account the principle of special and differential treatment for developing and least-developed country participants.

14. We recognize that appropriate studies and capacity building measures shall be an integral part of the modalities to be agreed. We also recognize the work that has already been undertaken in these areas and ask participants to continue to identify such issues to improve participation in the negotiations.

15. We recognize the challenges that may be faced by non-reciprocal preference beneficiary Members and those Members that are at present highly dependent on tariff revenue as a result of these negotiations on non-agricultural products. We instruct the Negotiating Group to take into consideration, in the course of its work, the particular needs that may arise for the Members concerned.

16. We furthermore encourage the Negotiating Group to work closely with the Committee on Trade and Environment in Special Session with a view to addressing the issue of non-agricultural environmental goods covered in paragraph 31 (iii) of the Doha Ministerial Declaration.

Annex C

Special and Differential Treatment

GATT 1994 - Article XVIII:C

“The Ministerial Conference instructs the Council on Trade in Goods to develop and adopt procedures for recourse to Article XVIII:C. The concerns raised by developing countries, especially the least-developed countries, including those related to the suspension of concessions or other obligations under Article XVIII:C, shall be addressed.”

GATT 1994 - Article XXXVI

„The Ministerial Conference agrees that the Committee on Trade and Development shall annually review the implementation of Article XXXVI of GATT 1994, and

report to the General Council with concrete recommendations, as agreed, no later than the last General Council of each year.”

GATT 1994 - Article XXXVII

„The Ministerial Conference agrees that any Member may initiate discussions in the Committee on Trade and Development on the basis of Article XXXVII and decides that a Member shall, upon request, provide a detailed explanation to matters raised in regard to the provisions under paragraph 1, with a view to reaching a solution that is satisfactory to all Members concerned.”

GATT 1994 - Article XXXVIII

“The Ministerial Conference instructs the Director-General to pursue and conclude cooperation arrangements as may be necessary to further the objectives set forth in Article XXXVI of the GATT 1994. The Ministerial Conference further instructs the Committee on Trade and Development to receive studies and reports from relevant international agencies and organizations that may assist Members in analyzing the development plans and policies of individual developing and least-developed country Members, export potential and market prospects over the short and medium terms, measures that could be taken in the WTO framework and by other international agencies and organizations as well as the assistance required by developing and least-developed country Members to help achieve their respective development goals.”

Understanding on the Interpretation of Article XVII of the GATT 1994

“While acknowledging that the provisions of Article XVII of the GATT 1994 apply to all Members, Members recognize that state trading enterprises may have a significant role to play in promoting and protecting public policy objectives in developing and least-developed country Members.”

Understanding on Balance-of-Payments Provisions of the GATT 1994 –Paragraph 8

“The Ministerial Conference mandates the Committee on Balance-of-Payments Restrictions to examine ways and means of simplifying the administrative requirements within the full consultation procedures.”

Enabling Clause

“The Ministerial Conference confirms that the terms

and conditions of the Enabling Clause shall apply when action is taken by Members under the provisions of this Clause.”

Agreement on Agriculture – Article 15.2

“The Ministerial Conference confirms that least-developed country Members remain exempt from reduction commitments, as provided in Article 15.2, unless decided otherwise by consensus.”

PSI Agreement - Article 3.3

“(a) The Ministerial Conference agrees that technical assistance for purposes of the Agreement on Preshipment Inspection shall address the concerns of developing and least-developed country Members relating among others to:

- (i) training customs and revenue officials to promote and achieve the objectives of the Agreement on Preshipment Inspection through the activities defined in Article 1.3 of the Agreement, in order to ensure the proper inspection of consignments to be exported to the user Member, and the prevention of false declaration, wrong classification and any fraud;
- (ii) regulation of preshipment entities.

(b) The Ministerial Conference further agrees that customs authorities of Members shall, in accordance with paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns, closely cooperate in the context of the Agreement on Customs Valuation, and of the Decision Regarding Cases where Customs Administrations Have Reasons to Doubt the Truth or Accuracy of the Declared Value.”

Agreement on Rules of Origin

“In regard to preferential rules of origin under the Common Declaration in Annex II to the Agreement, the Ministerial Conference agrees that in their arrangements for mutual reduction or elimination of tariff or non-tariff barriers, developing and least-developed country Members shall have the right to adopt preferential rules of origin designed to achieve trade policy objectives relating to their rapid economic development, particularly through generating regional trade.

Furthermore, the Ministerial Conference instructs the Director-General to take action to facilitate the increased

participation of developing and least-developed country Members in the activities of the Technical Committee on Rules of Origin of the World Customs Organization as well as to coordinate with this organization in identifying technical and financial assistance needs of developing and least-developed country Members, and report to the Committee on Rules of Origin and the Council for Trade in Goods periodically, and the General Council as appropriate.”

Agreement on Import Licensing Procedures – Article 1.2

“It is understood that the requirement to take into account the “development purposes and financial and trade needs of developing country Members” in Article 1.2 of the Agreement means that the burden of the administrative procedures used to implement import licensing regimes shall be further reduced in order to facilitate trade of developing country Members and minimize possible adverse effects to their trade, including by making import licensing procedures as expeditious as possible.”

GATS – Article IV

“Pursuant to Article IV.3 of the GATS, in all services negotiations, whether broad-based rounds of negotiations or separate negotiations on specific sectors, modalities shall be developed in order to allow the priorities of least-developed country Members to be presented and duly taken into account.”

GATS - Article IV.3

“The Ministerial Conference agrees that the information to be provided by Members shall indicate how the requirement that special priority be given to least-developed country Members in the implementation of paragraphs 1 and 2 of Article IV is being met, and that contact points, in this context, shall provide information of particular interest to services suppliers from least-developed country Members.”

GATS – Article XXV

“The Ministerial Conference instructs the WTO Secretariat to pursue with a view to concluding arrangements with relevant international institutions that have the technical assistance capacity to assist developing and least-developed country Members in addressing their supply-side and infrastructural constraints and their development needs in the services

sector. This shall be without prejudice to the prerogative of the Council for Trade in Services to decide upon technical assistance to developing countries which shall be provided at the multilateral level by the Secretariat, in accordance with Article XXV.2."

GATS, Annex on Telecommunications – Paragraph 6

"The Ministerial Conference instructs the Council for Trade in Services to put in place arrangements for prompt notification of any measures taken with regard to the implementation of subparagraphs (a) to (d) of paragraph 6 of the Annex on Telecommunications."

TRIPS Agreement – Article 66.2

"Members, having regard to Article 66.2 of the Agreement on Trade-Related Aspects of Intellectual Property Rights, and having regard to the decision of the TRIPS Council of 19 February 2003, contained in document IP/C/28, reaffirm that this decision be expeditiously implemented in a way that ensures the monitoring and full implementation of the obligations in Article 66.2."

TRIPS Agreement – Article 67

"The Ministerial Conference agrees that technical and financial cooperation, in accordance with Article 67, shall be provided on request and on mutually agreed terms and conditions, with due consideration given to comprehensive programmes comprising such components as improving the relevant legal framework in line with the general obligations of the Agreement, enhancing enforcement mechanisms, increasing training of personnel at the various levels, assisting in the preparation of laws and procedures in an effort to encourage and monitor technology transfer, making use of the rights and policy flexibility in the Agreement, and strengthening or establishing coordination between intellectual property rights, investment and competition authorities.

The Ministerial Conference instructs the Council for Trade-Related Aspects of Intellectual Property Rights to annually review the state of implementation of the Agreement between the World Intellectual Property Organization and the World Trade Organization, taking into account opportunities for technical assistance as provided for in the Agreement."

TRIPS Agreement – Article 70.9

"For purposes of the requirement to grant exclusive marketing rights during transition periods, it is understood that there is a clear distinction between "patent rights" on the one hand and "exclusive marketing rights" on the other. Patent rights are set out in Article 28 of the TRIPS Agreement. Exclusive marketing rights are not the same as patent rights. Members have the right to define exclusive marketing rights, so long as the definition accords with the meaning of the term in the TRIPS Agreement as interpreted under the rules of public international law. There is no requirement to grant exclusive marketing rights unless marketing approval is granted in that WTO Member for which exclusive marketing rights is sought."

Understanding on Rules and Procedures Governing the Settlement of Disputes – Article 8.10

"Pursuant to Article 8.10 of the DSU, the Ministerial Conference agrees that in disputes between a developing country Member and a developed-country Member, at least one panellist shall be from a developing country Member, unless the developing country Member party to the dispute waives this right."

Decision on Measures in Favour of Least-Developed Countries – Paragraph 2 (v)

"The Ministerial Conference agrees that the WTO through its participation in the Integrated Framework and JITAP and other relevant institutions will work to ensure that supply-side constraints of the LDCs are identified in the Diagnostic Trade Integration Studies (DTIS) and are addressed in the implementation and follow-up taking into account the specific circumstances of each beneficiary country. The Ministerial Conference also instructs the Sub-Committee on LDCs to undertake a biennial review of the implementation of the DTIS and to monitor the possible impact of assistance that is targeted towards the diversification of exports from LDCs, including through comparing the composition and concentration of LDCs' export structures over time and across LDCs and through the establishment of other relevant indicators."

Rules Relating to Notification Procedures

"Recognizing the practical difficulties faced by least-developed country Members in abiding fully by their notification obligations, the Ministerial Conference instructs the Sub-Committee on Least-Developed

Countries to examine possible improvements to the notification procedures for least-developed country Members, taking into account the experience regarding Secretariat produced reports that helped fulfil some of these requirements. In conducting its examination, the Sub-Committee shall seek the input of relevant WTO bodies, which may be in a position to advise on practical means for improving the notification procedures in relation to least-developed country Members, for example the possibility of longer timeframes, specified exemptions and simplified procedures for notifications, and cross-notifications. The Committee on Trade and Development shall forward the Sub-Committee's report to the General Council by 31 December 2003 for appropriate action."

Enabling Clause

"The Ministerial Conference agrees that in formulating schemes under paragraph 2(a), (b) and (c) of the Enabling Clause, and in furtherance of paragraph 3 thereof, developed-country Members will take into account, among other factors, the needs of developing and least-developed country Members and consult with them with a view to ensuring that their products of export interest are accorded meaningful market access. The Committee on Trade and Development will annually review the progress made in this regard and report to the General Council with recommendations, if any."

Review of Progress on Market Access for Least-Developed Countries

"We recall paragraph 2(d) of the Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries, and Members' commitment to the objective of duty-free, quota-free market access for products originating from least-developed countries, as contained in paragraph 42 of the Doha Ministerial Declaration. The Ministerial Conference agrees to review the progress made in providing access to the least-developed countries on the above basis."

Decision on Measures in Favour of Least-Developed Countries – Paragraph 2 (ii)

"Without prejudice to the binding commitments that may result from work under Paragraphs 13, 16 and 42 of the Doha Ministerial Declaration, and building upon our commitment in the Doha Ministerial Declaration, Members shall continue to expeditiously

pursue the objective of duty-free and quota-free market access for products originating from [all] least-developed countries in a manner that ensures security and predictability. We urge Members to adopt and implement rules of origin so as to facilitate exports from least-developed countries."

Decision on Measures in Favour of Least-Developed Countries – Paragraph 2

"We agree that:

(a) Taking into account their development needs, least-developed countries, following application, shall in principle be eligible for extensions of their transition periods; where relevant procedural provisions exist in the WTO agreements, those provisions shall apply.

(b) Technical assistance to least-developed countries shall aim among other things to remove their supply-side constraints which limit their ability to benefit from the WTO Agreements, including market access opportunities and development of domestic productivity. In this context, the Ministerial Conference also instructs the Director-General to consult other institutions on programmes/assistance related to supply-side constraints in least-developed country Members to determine what additional technical assistance may be made available."

Decision on Measures in Favour of Least-Developed Countries – Market Opportunities Enabling Clause– Paragraph 3(b)

"Accepting that extension of differential and more favourable treatment to developing countries should not constitute an impediment to the reduction or elimination of tariffs on an MFN basis, but recognizing that as WTO Members pursue improved MFN tariff liberalization some Members may have concerns about adjusting to the loss of preferences, we agree that this issue be considered, in close coordination with other relevant international organizations, with a view to identifying possible ways, including targeted assistance programmes, by which LDCs should be assisted."

GATT 1994 – Article XVIII:B

"In determining the need for taking measures under Article XVIII:B, full consideration shall be given to the impact of the volatility of short-term financial flows on the level of external reserves or surpluses of Members."

Annex D**Transparency in Government Procurement**

1. We note with appreciation the work that has been carried out by the Working Group on Transparency in Government Procurement under paragraph 26 of the Doha Ministerial Declaration. We agree that the negotiations on a multilateral agreement on transparency in government procurement shall be based on paragraph 26 of the Doha Ministerial Declaration and shall build on the progress made in the Working Group on Transparency in Government Procurement. Pursuant to paragraph 26 of the Doha Ministerial Declaration, we reaffirm that such negotiations shall be limited to the transparency aspects and therefore will not restrict the scope for countries to give preferences to domestic supplies and suppliers.

2. We further agree that any coverage of the agreement beyond goods and central government entities is not prejudged. Only procurements above certain value thresholds, to be negotiated, will be covered. The issue of the applicability of the DSU is also not prejudged, with the exception that individual contract awards shall not be subject to challenge or recommendations under the WTO dispute settlement system. In regard to domestic review mechanisms, the agreement will address the transparency of such mechanisms, but not otherwise prescribe their characteristics.

3. We reaffirm that the negotiations shall take into account participants' development priorities, especially those of least-developed country participants. Special and differential treatment shall include transitional periods for the implementation of the agreement and higher thresholds for developing countries, with additional periods and higher figures applicable to least-developed countries. We also reiterate our commitment to ensuring adequate technical assistance and support for capacity building both during the negotiations, to facilitate participation in them, and after their conclusion, to assist developing and least-developed countries to benefit from the outcome of the negotiations.

4. Paragraphs 45–51 of the Doha Ministerial Declaration shall apply to these negotiations. At its

first meeting after this Session of the Ministerial Conference, the Trade Negotiations Committee shall establish a Negotiating Group on Transparency in Government Procurement and appoint its Chair. The first meeting of the Negotiating Group shall agree on a work plan and schedule of meetings.

Annex E**Trade Facilitation**

1. Negotiations shall aim, by clarifying and improving relevant aspects of GATT Articles V, VIII and X of the GATT 1994, at the establishment of an agreement to further expedite the movement, release and clearance of goods, including goods in transit.

2. In the case of developing and least-developed countries, it is agreed that their implementation capacities shall be an important factor to take into account in the negotiations. The negotiations shall also take fully into account the principle of special and differential treatment for developing and least-developed countries.

3. Recognizing the needs of developing and least-developed countries for enhanced technical assistance and capacity building in this area, we commit ourselves to ensuring adequate technical assistance and support for capacity building both during the negotiations and after their conclusion.

4. In order to make the process of identification and assessment of needs related to technical assistance and capacity building effective and operational and to ensure better coherence, a collaborative effort shall be undertaken with other international organizations, including the World Bank, IMF, UNCTAD and the WCO, in this regard.

5. Due account shall be taken of the relevant work undertaken by other international organizations in this area.

6. Paragraphs 45-51 of the Doha Ministerial Declaration shall apply to these negotiations. At its first meeting after this Session of the Ministerial Conference, the Trade Negotiations Committee shall establish a Negotiating Group on Trade Facilitation and appoint its Chair. The first meeting of the Negotiating Group shall agree on a work plan and schedule of meetings.

G-20 : COMMUNIQUE ON AGRICULTURE

Ministers of the G-20 met today in Cancun in preparation to the upcoming WTO Ministerial Meeting. They expressed their commitment to a successful outcome of the V Ministerial Conference and reiterated that agriculture is the centerpiece of the Doha Round.

The G-20 is an informal group of developing countries that came into being in Geneva during the final stages of the preparation for Cancun. The Group represents a cross-section of the WTO membership and comprises a substantial share of the world agricultural population, production and trade: 63% of all farmers live in the 20 members of the Group and 51% of the world population. It is also responsible for around 20% of the world agricultural production, 26% of total agricultural exports and 17% of all world imports of agricultural products.

There is an undeniable link between agriculture and development. Most of the poor people in developing countries live in rural areas. In order to translate the Doha Development Agenda into reality, agriculture should be fully incorporated into the rules of the multilateral trading system with a view to eliminating the distortions prevailing in agricultural trade and production. This would also be critical to making international farm trade fairer and more equitable.

Being a key stakeholder in the agriculture negotiations, the Group decided to table a framework proposal (document WT/MIN(03)/W/6) with a view to making the negotiating process more inclusive and balanced, having in mind the need to respect fully the level of ambition of the Doha Mandate.

The Chairman's draft is a text submitted to Ministers, under the responsibility of the Chairman of the General Council, together with other contributions, and, in particular, the G20's. It does not reflect the level of ambition of the Doha mandate, for it fails to deliver substantial cuts on trade distorting domestic support, substantial increase in market access and elimination of export subsidies.

With a view to correcting these imbalances and in line with all those countries and groups of countries that share the overall objective of fundamental reform of agricultural trade, the G-20 proposes an approach requiring a substantial contribution from developed countries. Since they are fundamentally accountable for existing distortions in agricultural production and trade, major developed countries bear a special responsibility in this negotiation.

In domestic support, the proposed cuts are complemented by tighter rules and disciplines. This will ensure that the reform process will be effective and will not degenerate into box and product-shifting. Furthermore, the proposal is also targeted to avoiding the abuse of domestic support not submitted to reduction commitments. Our proposal will not permit that the total level of support to commodities reach outrageous proportions, which have generated, for example, grave problems for cotton producers in Central and West Africa. This situation prompted an important sectoral initiative presented by the President of Burkina Faso, on behalf of other countries of the region.

Export subsidies must be eliminated. Economic, political, technical and ethical reasons add up to make their continuation an aberration. Concurrently, tighter rules shall be established on export credits and food aid. These forms of circumvention of export subsidy commitments cannot continue to distort export competition.

As to market access, the G-20 proposes substantial improvements through deeper tariff cuts and elimination of the special safeguard for developed countries. Moreover, TRQ expansion, as well as improved rules for their administration, are suggested. With respect to developing countries, a differentiated formula is proposed in keeping with the capacity of these countries to contribute to the process. The Group thereby responds to the requirements contained in the Doha Declaration to the effect that special and differential treatment should be "operationally effective and [to] enable developing countries to effectively take account of their development needs, including food security and rural development". Moreover, the Group reiterates the fact that the concerns of recently acceded members shall be addressed.

The Group will act in close coordination throughout the Ministerial Conference. The Group reaffirms that its proposal is on the table and invites WTO Members to support it, in particular those who share the commitments to the two central goals of the Doha Round: development and agricultural reform.

Since the Group's proposal fully reflects the integrity and level of ambition of the Doha Mandate, it is and shall remain at the center of the agriculture negotiations.

(Cancun, 10 September 2003.)



Ministerial Statement of the Cancun Conference

(14 September, 2003)

As we conclude our Fifth Ministerial Conference in Cancún, we would like to express our deep appreciation to the Government and people of Mexico for the excellent organisation and warm hospitality we have received in Cancún.

At this meeting we have welcomed Cambodia and Nepal as the first least-developed countries to accede to the WTO since its establishment.

All participants have worked hard and constructively to make progress as required under the Doha mandates. **We have, indeed, made considerable progress. However, more work needs to be done in some key areas to enable us to proceed towards the conclusion of the negotiations in fulfilment of the commitments we took at Doha.**

We, therefore, instruct our officials to continue working on outstanding issues with a renewed sense of urgency and purpose and taking fully into account all the views we have expressed in this Conference.

We ask the Chairman of the General Council, working in close co-operation with the Director-General, to coordinate this work and to convene a meeting of the General Council at Senior Officials level no later than 15 December 2003 to take the action necessary at that stage to enable us to move towards a successful and timely conclusion of the negotiations. We shall continue to exercise close personal supervision of this process.

We will bring with us into this new phase all the valuable work that has been done at this Conference. **In those areas where we have reached a high level of convergence on texts, we undertake to maintain this convergence while working for an acceptable overall outcome.**

Notwithstanding this setback, we reaffirm all our Doha Declarations and Decisions and recommit ourselves to working to implement them fully and faithfully.



WTO BRIEFS



● **WTO disputes overtake 300 mark**

Three hundred and one disputes have been initiated under the dispute settlement system of the World Trade Organisation since its creation less than nine years ago. This compares to the roughly 300 disputes brought to its predecessor, the General Agreement on Tariffs and Trade (GATT), during its entire existence of almost 50 years.

“The fact that we have already reached this figure underscores two important points,” said WTO Director-General Dr. Supachai Panitchpakdi. “The first is that Member governments have confidence in the WTO dispute settlement system. The second is that the WTO system of agreements, and therefore Members’ rights and obligations, is far more extensive than was the case under the GATT, which is now just one of 16 multilateral and three plurilateral agreements covered by the dispute settlement system. As a result, we still have a great many areas of disagreement between Members under the new system of agreements that need to be worked out. This latter point reinforces the need for all of us to continue to make progress on clarifying and improving the rules of the multilateral trading system through a successful and timely conclusion of the Doha Development Agenda”.

Under the WTO dispute settlement system, once a Member government has initiated a dispute settlement proceeding against another Member government, there is a mandatory 60-day consultation period between the disputants before either Member can request the establishment of an independent three-person panel to hear and rule on the dispute. Significantly, in over 100 cases the dispute has been clearly settled or defused as a result of these mandatory bilateral consultations. With respect to another 70 or so of the

complaints, the parties are either continuing to consult bilaterally or the complaint has not been pursued further. Of the 301 disputes initiated so far in the WTO, only about one third have led to the creation of a panel. Any panel report can be appealed by either party to the WTO Appellate Body, which has happened for seven of every ten panel reports to date.

Overall, since 1995 developing countries have brought nearly 40% of the complaints filed in the WTO. It is noteworthy that the 146 WTO Member governments account for some 97% of the US\$8 trillion worth of international trade annually. Only a small part of that trade is affected by disputes brought to the WTO. The existence of a WTO dispute settlement system encourages countries to abide by the WTO rules they have agreed and to look to the WTO for multilateral solutions when problems arise. The WTO system advances international cooperation by discouraging unilateral action by Members and encouraging agreed trade solutions to trade disputes.

● **Cancún: The real losers are the poor, Supachai**

Director-General Supachai Panitchpakdi, in the International Herald Tribune edition of 18 September 2003, wrote that the future of trade issues of potential benefit to developing countries such as market-opening in manufactured products, services and agriculture, are uncertain because of lack of agreement at Cancun. He added that he would immediately look for ways to move the WTO process forward.

Text of the article

The disappointing ministerial conference that concluded here on Sunday will have many ramifications, but sadly the most significant of them will be its impact on poor countries.

Two years ago, in the Qatari capital, trade ministers agreed to begin global trade negotiations driven by what is known as the Doha Development Agenda, which put the question of development at its core. It is widely acknowledged today that trade is a vitally important element in any program for development, as it can deliver benefits to developing countries worth many times more than all the development aid they receive.

Opening markets for trade in manufactured products, services and agriculture can provide the key for global economic growth and development. Unquestionably, we will need a balanced outcome to this round of negotiations. At the same time it is essential that the negotiations deliver more to developing countries than they have received from trade rounds in the past.

Already we have recorded some benefits for these countries. In the last several months, we have achieved significant progress both in Geneva and here in Cancún. We reached a historic agreement last month on access to essential medicines for the poorest countries and we have agreed on 28 proposals that would extend special and differential treatment to developing countries.

An initiative to phase out cotton subsidies was advanced and indeed widely supported at the ministerial conference in Cancún. For the first time, the poorest countries in the world actively took part in the negotiations and succeeded in placing their interests on the trade agenda. The proposal for improving the situation of cotton farmers in West Africa did not go as far as governments in that region wanted, but the fact remains that this issue was on the agenda, and once something is on the agenda it can be improved upon.

The same goes for the progress that was made here on agriculture. Many developing countries thought the work done here had moved the negotiations in a very positive direction. Not as far as they wanted perhaps, but in a system when all decisions are taken by

consensus members must be realistic about the political concerns of their trading partners.

Now, because ministers could not agree in Cancún on the future agenda, the future of many of these issues is uncertain. For this reason, and others, the outcome of this ministerial conference is a great disappointment. Ministers could not agree on whether to launch negotiations on the so-called "Singapore" issues of trade and investment, trade and competition, transparency in government procurement and trade facilitation. The level of political sensitivity varies widely on these issues, but members could not agree on any of them.

In the end the ministers could not summon the necessary flexibility and political will to bridge the gaps that separated them. Sadly, those that will suffer the most for their inability to compromise are the poorest countries among us. A more open and equitable trading system would provide them with an important tool in alleviating poverty and raising their levels of economic development.

If we are to preserve what we have already achieved, build on these achievements and resuscitate these negotiations, ministers will have to intensify their efforts at finding solutions to the problems they could not overcome in Cancún.

We may have to learn the Cancún lesson that when participants take too long to unveil their true positions, compromise becomes even more difficult to achieve. We may also need to work closely with groups of countries and address their concerns earlier to prevent the unnecessary hardening of positions that complicates the decision-making process at ministerial conferences.

For my part, I intend to immediately begin to look for ways in which to move this process forward. This round is too important for all of us to allow this setback to keep us from our objective — an ambitious and balanced round that delivers better market access and more equitable rules for all our member governments and for the people they represent.



**CANCUN
FEEDBACK**

No deal is better than a bad deal: Jaitley

TIMES NEWS NETWORK

New Delhi: At the vanguard of India's WTO campaign in Cancun, commerce minister Arun Jaitley hogged the international limelight as the powerful spokesperson of the developing world, articulating their concerns over crucial issues such as agriculture and foreign investment. Jaitley spoke to *Priya Ranjan Dash* from Cancun after the talks there had collapsed:

On what happened at Cancun: We dominated the agenda. The agenda was two-pronged: First, our strong demand for an end to subsidies that rich countries provide to their farmers which, in turn, hurt our farmers and two, the futility of Singapore issues, that is, expanding WTO's negotiations to areas such as foreign investment and competition policy.

Second, we had built strong alliances of the developing countries—the G-22 on agriculture and G-16 on Singapore issues. We ensured that these alliances not only remained intact till the end, but also swelled as days passed. Also, unlike in the past, the developed nations could not break our alliances.

Cancun collapse



“Unlike in the past, the developed nations could not break our alliances. We had victory in sight... we had no declaration at the end”

Third, this time, our stand was not negative. We did not always say no. We proactively engaged in the negotiations.

On final movements before the talks collapsed: In the greenroom (a WTO euphemism for negotiations involving only select countries), I made a half-an-hour presentation arguing against the futility of starting negotiations on the Singapore issues. After that, the main votary, the European Union's trade commissioner Pascal Lamy, dropped the demand for negotiating a global investment agreement. Then, he dropped the demand for WTO rules on competition and finally, he even

gave up on transparency in government procurement. Only the proposal to start negotiation on an agreement on trade facilitation remained.

In the final movement, we thus had three of the four Singapore issues out. We had a pledge that the rich countries will cap their domestic farm subsidies and eliminate export subsidies on farm goods of export interests to developing countries.

Having got this, we then turned to redoing the defensive package on agriculture. In fact, a draft was ready. We did not yield to the rich countries' demand for cutting import duties.

We could not have compromised the interests of 650 million farmers.

We had an outright victory in sight. But I regret that we had no declaration at the end.

On charge that you would return empty-handed: Those who make this charge do not obviously understand the WTO process. Before going to Cancun, I said we could have three outcomes: One, a fair declaration accommodating our concerns; Two, a bad declaration; And three, no declaration at all. Cancun has not produced a declaration. Sure, we would have liked a fair deal. But no deal is better than a bad deal. Our achievement in Cancun is that India and the developing countries have left their imprint on the WTO agenda. We set the agenda at Cancun. Cancun thus is a historical turn in WTO.

On the future of the Doha negotiations: I do not believe that trade negotiations could ever come to a dead end. These talks will go on. Trade talks have no calendar. But whether the Doha round would be concluded by the scheduled date at the end of next year, I would say it now looks very unlikely.

CEOs hail Jaitley's role

TIMES NEWS NETWORK

New Delhi: Cancun is a failure as the West failed to capture the mood of the developing world, said India Inc. Cancun represented a turning point in trade negotiations, CII president Anand Mahindra said.

Ficci secretary general Amit Mitra maintained that India remained actively "engaged" through out the negotiations and did not concede in any area.

Assocham president RK Somany said it was unfortunate that the definition of "development" had come to imply gains for only developed countries and their citizens. He further said unless developing and LDCs gained from the system, there was no reason for them to agree to further negotiations on any front in WTO.

(Times of India - 16 September, 2003)

Cancun Had Many Positives: Jaitley

OUR ECONOMIC BUREAU
New Delhi, Sept 20



Maintaining that the recently-concluded Cancun ministerial cannot be termed as a "failure" because it did not produce a draft declaration at the end, commerce and industry minister Arun Jaitley claimed on Saturday that it had several "positive" outcomes. "We must however ensure that the alliance of G-22 developing countries remain and on both the farm and Singapore issues, we pick up the threads from where we had left at Cancun," he felt.

Addressing a news conference on his return from Cancun, Mr Jaitley explained that one of the positive outcomes was that the assertion by the Third World countries on agriculture and Singapore issues had brought about a "change in the overall balance or equilibrium within the World Trade Organisation". "The legitimacy of the two Singapore issues—investment and competition—has been substantially dented for the future", he further claimed.

Notwithstanding the absence of a draft, Cancun proved to be a "turning point," he said and pointed out that instead of being driven by the richer countries, the assertions of developing and poorer countries dominated the

meeting.

The minister made it clear that the draft could not be accepted as the declaration was loaded heavily against the developing countries. Besides, there was "reluctance" on the part of developed countries to reduce trade distorting subsidies and there was initial insistence by them on the Singapore issues.

Yet another important outcome according to the minister was that India kept on engaging in the trade talks till the end of the ministerial meeting. "As a responsible country, we wanted to continue to engage ourselves in the talks to ensure that our concerns are addressed (by the rich countries)."

Further, India was not not

keen that the talks end in failure but wanted the conference to come out with a positive document. India along with several other nations gave an important direction in laying down the agenda for the meeting. The main agenda sought corrections in the trade distorting subsidies granted by developed countries on agriculture and Singapore issues. These subsidies currently accounted for roughly \$ 300 billion or \$ one billion a day, he stated.

Regarding cotton, subsidies extended by the advanced countries were in the region of \$ 3.7 billion for about 25,000 farmers, he said adding that it had adversely affected the African countries.

Cancun Had Many Positives: Jaitley

OUR ECONOMIC BUREAU
New Delhi, Sept 20



Maintaining that the recently-concluded Cancun ministerial cannot be termed as a "failure" because it did not produce a draft declaration at the end, commerce and industry minister Arun Jaitley claimed on Saturday that it had several "positive" outcomes. "We must however ensure that the alliance of G-22 developing countries remain and on both the farm and Singapore issues, we pick up the threads from where we had left at Cancun," he felt.

Details on Page 3

**CANCUN
FEEDBACK**

कानकुन बैठक में सरकार के 'स्टैंड' को कांग्रेस ने सराहा

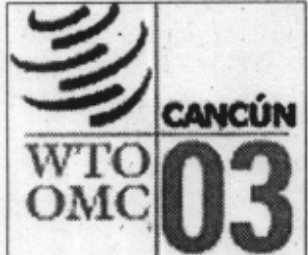
जनसंज्ञा ब्यूरो
नई दिल्ली, 15 सितंबर। कांग्रेस ने कानकुन में हुई विश्व व्यापार संगठन की बैठक को निराला के लिए विस्तारित देशों को दोषी ठहराने हुए कृषि के मुद्दे पर भारत द्वारा प्रयोजित नहीं किए जाने पर संतोष जताया है। पार्टी प्रवक्ता जयपाल रेड्डी ने एक प्रेस कॉन्फ्रेंस में फिलस्तीन मुक्ति संगठन के नेता यासर अरफात को खान्य करने के संबंध में इजराइल के उप प्रधानमंत्री के बयान की भी कड़ी निंदा की। उन्होंने प्रवक्ता ने कहा कि विकसित देशों द्वारा विरुद्ध अपने हितों को रखा करने की सोच की वजह से मॉडिस्टरीय कानकुन बैठक में कोई नतीजा नहीं निकला जा सका। उन्होंने कहा कि भारत, चीन और ब्राजील के नेतृत्व में विकासशील देशों ने विकसित देशों के एग्जेंडे को नहीं चलने दिया, यह बेहतर खुरी की बात है। जयपाल रेड्डी ने कहा कि कानकुन बैठक शुरू होने के पहले ब्रिटेन ने सरकार से कहा था कि कृषि के मुद्दे पर भारत को इच्छा के साथ कोई समझौता नहीं करना चाहिए। यह खुरी की बात है कि सरकार ने वहाँ ऐसा कोई समझौता नहीं किया। यह पूछने पर कि क्या कांग्रेस वाणिज्य मंत्री अरुण जेटली द्वारा वहाँ गई थीं चेचीयन से चुन है रेड्डी ने कहा कि ब्रिटेन किसी को समझाने नहीं देती लेकिन सरकार द्वारा इस मुद्दे पर अस्थावर रफ और से वह अस्थावर संतुष्ट है।
इजराइल उप प्रधानमंत्री के यासर अरफात को खान्य करने के बयान की कड़ी निंदा करते हुए कांग्रेस ने कहा कि अरफात इस तरह की कोई कार्रवाई नहीं करे। तो दुनिया भर में इसके गंभीर नतीजे होंगे।

वाणिज्य संगठनों ने भारत की भूमिका को सराहा

विशेष संवाददाता
नई दिल्ली: कानकुन में विश्व व्यापार संगठन की बैठक में भारत की भूमिका को वाणिज्य एवं उद्योग संगठनों ने सराहा है और कहा है कि कानकुन बैठक का विफल होना खेदजनक है।
भारतीय वाणिज्य एवं उद्योग महासंघ (फिक्की) ने कानकुन बैठक पर प्रतिक्रिया व्यक्त करते हुए कहा कि कानकुन में विकासशील देशों को एकजुट करने तथा विभिन्न मुद्दों पर आम सहमति बनाने में भारतीय वार्ताकारों ने महत्वपूर्ण भूमिका निभाई। कृषि पर जी-22 देशों, सिंगापुर मुद्दों पर जी-16 देशों तथा अन्य अल्पविकसित देशों के एकजुट होने से यह साबित हो गया है कि बहुराष्ट्रीय व्यापार वार्ताओं में विकासशील देशों का प्रभाव बढ़ता जा रहा है।
वाणिज्य मंत्री अरुण जेटली के नेतृत्व में भारतीय वार्ताकारों द्वारा भारतीय हितों को उचित तरीके से संरक्षित करने तथा

वार्ता के दौरान विभिन्न मुद्दों पर भारत की गम्भीर भागीदारी से न केवल भारत बल्कि अन्य विकासशील देशों के हितों की रक्षा की जा सकी है। इस बैठक में फिक्की की ओर से फिक्की के अध्यक्ष डा. ए.सी.मुथैया और महासचिव अमित मित्र ने भी भाग लिया। सीआईआई ने कानकुन बैठक पर प्रतिक्रिया व्यक्त करते हुए कहा कि वाणिज्य मंत्री अरुण जेटली विकासशील देशों के बीच अपने आपसी हितों को लेकर एकता स्थापित करने में कामयाब रहे जिससे भारत के हितों की

भी रक्षा की जा सकी। कानकुन बैठक इसलिए असफल रही क्योंकि पश्चिमी और विकसित देश विकासशील देशों के हितों को समझने में विफल रहे। वे यह नहीं समझ सके कि एशिया, अफ्रीका और लातीन अमेरिकी देश अपने आर्थिक हितों को लेकर एकजुट हैं। अफ्रीका ने तो व्यापार सुविधा, सरकारी खरीद तथा सिंगापुर मुद्दों के खिलाफ विद्रोह ही कर दिया। सम्मेलन के अध्यक्ष को हताश होकर वार्ता बीच में ही रोक देनी पड़ी।
वास्तव में यह वार्ता कृषि के कारण नहीं, बल्कि सिंगापुर मुद्दों के कारण आगे नहीं बढ़ सकी। भारत ने कानकुन को नहीं विफल किया बल्कि अफ्रीका ने एकजुटता दिखाते हुए विकसित देशों को मनमानी नहीं चलने दी। यह संकेत मिलता है कि पश्चिम और पूर्व के देशों के बीच शक्ति का एक प्रकार का नया संतुलन विकसित हो रहा है। डब्ल्यूटीओ की कानकुन बैठक का बिना किसी समझौते के टूट जाना खेदजनक है।



उद्योग जगत ने जेटली की भूमिका को सराहा

नवी दिल्ली, 15 सितंबर (बाधा/वार्ता)। विश्व व्यापार संगठन के कानकुन की मॉडिस्टरीय बैठक को निराला पर अफसोस का इजहार करते हुए फिक्की और भारतीय उद्योग परिषद (सीआईआई) जैसे प्रमुख उद्योग संघों ने आज भारतीय वार्ताकारों की भूमिका को सराहन की, बिलेन विकासशील देशों के साथ धनकुत और प्रथमी गठजोड़ बनाने में आगे बढ़ा पलत किया।
वाणिज्य मंत्री अरुण जेटली को अग्रणीय वाले भारतीय वार्ताकार दल की सराहन करते हुए फिक्की ने एक विज्ञापन में कहा कि डब्ल्यूटीओ में तैयार हुआ गठजोड़ बहुपक्षीय व्यापारवार्ता में विकासशील देशों के बढ़ते प्रभाव को दर्शाता है। डब्ल्यूटीओ में विकासशील देशों के हितों के बचाव के लिए सिंगापुर मुद्दों पर विकासशील देशों के समूह-21 और समूह-16 बनने में भारत ने महत्वपूर्ण भूमिका निभायी।
सीआईआई के अध्यक्ष के अनंद मंडीरा के हवाले से जारी एक बयान में कहा गया कि व्यापार वार्ता के संबंध में कानकुन बैठक एक निर्णायक मोड़ साबित हुआ है। अब विकासशील देश एक महत्वपूर्ण ताकत बनकर उभरे हैं। बयान में कहा गया कि वाणिज्य मंत्री के नेतृत्व में भारत ने भारत देशों को सख्त संघ पर खड़ा करने में महत्वपूर्ण भूमिका निभायी। सीएचटी वेमर ऑफ कॉमर्स एंड इंडस्ट्री (पीएचटीसीसीआई) के अध्यक्ष जेन जेन के हवाले से जारी एक विज्ञापन में वाणिज्य मंत्री जेटली की विकासशील देशों के पक्ष में आवाज बुलंद करने के लिए सराहन की गयी है। बयान में कहा गया है कि भारत इस बात से अवगत है कि विकसित देश अपने एग्जेंडे को आगे

बढ़ाने में सफल हुए हैं, जो विकासशील देशों के हितों के प्रतिकूल है और जो उनकी विकसित देशों में अधिक बाजार पहुंच को मंग पर तुलापगत साबित हो सकता है। बयान में कहा गया है कि अमीर व सभिसतली देश एकजुट हो से लक्ष्य को अधिकतम करने के लिए अंतरराष्ट्रीय नीतियों को अपनाने में जुटे हैं, जो डब्ल्यूटीओ के साथ पर प्रतियोगिता लाने वाला है और विकासशील व विकसित देश दोनों के लिए साधनदायक स्थिति बनने की राह में बाधा बनता। एलेचैय के अध्यक्ष आरके सोमानी के हवाले से एक विज्ञापन में कहा गया कि जब तक डब्ल्यूटीओ में विकासशील व विकसित देश दोनों ही समान रूप से संलग्न नहीं होंगे तब तक उनके लिए डब्ल्यूटीओ में किसी भी मोर्चे पर आगे वार्ता के लिए सहमत होने का कोई अर्थिषय नहीं है। सोमानी ने वाणिज्य मंत्री अरुण जेटली के इस सख्त को प्रशंसक की कि जब तक यूरोपीय संघ और अमरीका अपने किसानों को ही जाने वाली उच्च सभिसती को कम करने की प्रक्रिया नहीं अपनाते वह आगे किसी भी वार्ता से दूरी बनने रखेंगे। दुली और डब्ल्यूटीओ की इस बैठक के संदर्भ में अनेक देशों ने अपनी प्रतिक्रिया व्यक्त की है। फिलीपींस ने विकासशील देशों का आग्रहान करते हुए कहा कि विकासशील देश अपने एकजुट बनने लगे और कानकुन में वैश्विक व्यापार वार्ता को निराला के बाद कृषि व्यापार मुद्दा को मंग जेर-ओर से जारी रखें। यहां के कृषि सचिव सुदिम लॉरेन्जे ने कहा कि डब्ल्यूटीओ की मॉडिस्टरीय वार्ता में भाग लेने वाले 21 विकासशील देशों के प्रतिनिधि मिलकर दुनिया की 50 फीसदी आबादी का प्रतिनिधित्व करते हैं और अमरीका व यूरोपीय संघ जैसे समृद्ध देशों को उनको मंग पर ध्यान देना चाहिए।

डब्ल्यूटीओ की कानकुन बैठक

अमरीका ने ठीकरा दूसरों के सिर फोड़ा

कानकुन, 15 सितंबर (बाधा)। अमेरिका ने कानकुन में विश्व व्यापार संगठन की वार्ता के विफल होने का ठीकरा दूसरे देशों के सिर पर फोड़ते हुए कहा है कि अनेक देश कोई हियवत देने को तैयार नहीं थे।
अमेरिकी व्यापार प्रतिनिधि रोबर्ट जोएलिस ने कहा कि डब्ल्यूटीओ के पंचम मॉडिस्टरीय सम्मेलन के आसफत होने का मुख्य कारण कृषि और निवेश रहा, लेकिन अमेरिका इन दोनों मुद्दों पर बातचीत जारी रखने को इच्छुक था। उन्होंने कहा कि विकसित देश ही वा विकासशील देश, दोनों ओर से अविशाल लक्ष्य जारी रहा।

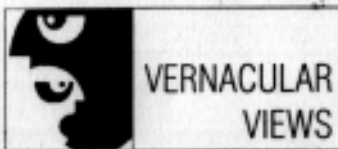
कानकुन में सरकार के रुख को कांग्रेस ने सराहा

नई दिल्ली, 15 सितंबर
कांग्रेस ने विश्व व्यापार संगठन की कानकुन बैठक में कृषि मुद्दे पर देश हित के साथ कोई समझौता नहीं करने के सरकार के दृष्टिकोण पर संतोष जताया है।
कांग्रेस के मुख्य प्रवक्ता एस. जयपाल रेड्डी ने वहाँ सोमवार को प्रेस कॉन्फ्रेंस में कहा कि कानकुन बैठक शुरू होने से पहले इन्ने सरकार से कहा था कि कृषि मुद्दे पर राष्ट्र हितों के साथ कोई समझौता नहीं किया जाए और पक्ष संतोष की बात है कि सरकार ने ऐसा ही किया। यह पूछे जाने पर कि भव सख इस बैठक में भारत का प्रतिनिधित्व करने वाले वाणिज्य मंत्री अरुण जेटली के प्रदर्शन से चुन है, रेड्डी ने कहा कि इन किसी को प्रवचन-पत्र नहीं दे रहे हैं। लेकिन सरकार के दृष्टिकोण से इन संतुष्ट है।
उन्होंने कानकुन बैठक को निराला के लिए धने देशों की पूरे सख से दोषी ठहराते हुए कहा कि इन देशों के हितों अपने हितों को रखा करने के लक्ष्य के कारण मंत्री संतोष इस बैठक में कोई नतीजा नहीं निकल सका। उन्होंने कहा कि इस बैठक में भारत, चीन और ब्राजील के नेतृत्व में विकासशील देशों ने एकजुट होकर धने देशों के एग्जेंडे को सफल नहीं होने दिया, जो अत्यंत हर्ष की बात है।
उन्होंने कहा कि इन देशों को अपने भी अपने हितों को रखा के लिए सख रहना होगा। उन्होंने कहा कि खुली की बात है कि अमेरिकी देशों ने भी इन विकासशील देशों के साथ अपनी आवाज निलाई। उन्होंने कहा कि धनी देश एक और अपने किसानों को ही जाने वाली सभिसती में कोई कमी नहीं करना चाहते और दुली और वे चाहते हैं कि उनकी कृषि उद्यम के लिए विकासशील देश अपने बाजार खोल दें। [एनएनटी]

CANCUN
FEEDBACK

Cancun steals the show

India's stand at the WTO ministerial made top headlines in most vernacular papers



North: Thanks to the fact that World Trade Organisation (WTO) issues have dominated much of the past fortnight, Hindi heartland papers have so many English words, you sometimes forget you're reading Hindi papers. So, there's the "WTO Agenda" written in Hindi, there's "marathon" *baithak*, and other such Hinglish phrases in most of *Dainik Bhaskar's* Cancun coverage. As is the case with almost all English-language papers, though perhaps a bit more so, the coverage was jingoistic, with headlines like "India's shadow on WTO Agenda", or "Rich nations bend" in both *Bhaskar* as well as *Dainik Jagran*. *Bhaskar*, in fact, ended its coverage with a curious "Cancun is dead, long live WTO" piece, but the strapline was similar to the one in most stories of each of the previous five days — Jaitley is the hero of Cancun.

And it isn't just the language. Like their English-language counterparts, Hindi dailies also lose no excuse to print pictures of lovely-looking models/actresses, whether it's an obscure Ms Italy pageant or an Anna Kournikova in Taipei. A big miss, in this context, was *Bhaskar's* handling of the CEO delegation from Pakistan — it actually published a picture of Confederation of Indian Industry chief Anand Mahindra along with external affairs minister Yashwant Sinha,



Anti-globalisation protesters burn an American flag in Cancun

instead of the photograph of all the glamorous wives of the Pakistani CEOs at the Wagah border, something which most other papers did!

Bhaskar atoned for this, though, in a different way. The same day, on the same page, it had a picture of Gujarat chief minister Narendra Modi with an AK 47 and the caption: "Who's he aiming at now?"

The same events have dominated the coverage in English and Hindi papers — WTO, Kuka Parey's killing, the Supreme Court stopping of HPCL and BPCL sale, Sharon's visit and the defence deals signed. The prime minister's foreign jaunt, not surprisingly, is below the fold on the front page of both *Jagran* and *Bhaskar*.

East: The front pages of Bangla newspapers did not carry much on the deliberations at Cancun. The most prominent display of the meeting was the photograph of the Korean farmer who killed himself protesting against the developed countries' refusal to

cut farm subsidies. The news of the failure of the talks, though, was carried on the front pages of most newspapers. *Ananda Bazar Patrika* was prompt with an editorial comment that argued that the failure of the Cancun meeting should not be a cause for celebration. The collapse of the talks should not be allowed to become an excuse for dismantling the multilateral trading system, which benefits the poor developing countries more than the developed world, it argued.

The shutdown of the Howrah railway station for more than a day to enable the authorities there to replace the relay locking system and carry out other repairs was the other big news during the last fortnight. Front page pictures and detailed reportage on the inconvenience caused to millions of railway passengers, however, did not explain why the repairs and the replacement of the relay locking system could not be done without shutting down the Howrah station, the coun-

try's busiest railway station.

Ananda Bazar Patrika also carried an exclusive front-page eight-column flyer on how activists of a militant organisation were caught while replacing fishplates of a railway line hours before two Rajdhani trains were to cross that section. The report suggested that if the authorities had not been alert, both the Rajdhani trains would have derailed as they were crossing that section in quick succession.

South: The past fortnight saw the vernacular media keenly following major issues on par with English dailies. On the international front, the WTO talks at Cancun ranked first, though Ariel Sharon's visit also got good coverage. On the national front, the multi-state registration stamps scam grabbed spots on the front page throughout the fortnight. Also in focus was the move by Andhra Pradesh (AP) and Karnataka to settle their river-water dispute.

Stung by India's alienation in the Doha round and the Singapore draft later, the newspapers took it upon themselves to canvass for the Indian stand against the "vested" interests of developed countries. Anchor stories on the Indian stand on page one and inside abounded in the major Telugu dailies like *Eenadu* and *Vaaritha*.

The proposed move by the Andhra Pradesh and Karnataka governments to sort out the water-sharing row has been welcomed by the vernacular media. The dailies widely reported that Karnataka would strike a deal with AP for power in exchange of water release. A meeting between the two chief ministers is being hinted at

SCHEDULE OF MEETINGS AT THE WTO/GENEVA* OCTOBER, 2003

OCTOBER

1	Trade Policy Review Body-Honduras	20	Committee on Safeguards
1	Working Party on GATS Rules	21-24	Committee on Anti-Dumping Practices
2	Committee on Import Licensing	21-22	General Council
2	Council for Trade in Services	21-22	Workshop on Technical Barriers to Trade
2	Sub-Committee on Least-Developed Countries	23	Negotiating Group on Market Access
2	Dispute Settlement Body	27	Integrated Framework Steering Committee
3	Committee on Rules of Origin	27-29	Negotiating Group on Rules
6	Council for Trade in Services-Special Session	27-28	Working Party on Accession of Russian Federation
6	Committee on Trade in Financial Services	28-29	Committee on Trade and Environment
6	Committee on Customs Valuation	29	Trade Policy Review Body-Guyana
6-9	Committee of Agriculture-Special Session	30	Working Party on the Accession of the Russian Federation
7-8	Negotiating Group on Rules	30	Committee on Sanitary and Phytosanitary Measures
9-10	Council for Trade in Services-Special Session	30-31	Committee on Subsidies and Countervailing Measures
14	Committee on Trade and Development	30-31	Committee on Trade and Environment-Special Session
15	Trade Policy Review Body-Bulgaria	31	Trade Policy Review Body-Guyana
15	Committee on Trade and Development-	31	Workshop on Sanitary and Phytosanitary Measures
17	Trade Policy Review Body-Bulgaria		
20-22	Textiles Monitoring Body		
20	Committee on Market Access		

* Source : WTO/Geneva as on October 2003

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