

*Trade Talk Series 5*

**WTO Doha Round Negotiations:  
The Way Forward and Where Does the Balance Lie?**

On 3 June 2010, the Centre for WTO Studies and FICCI jointly organized a Special Address by Dr. Harsha Vardhana Singh, Deputy Director General, World Trade Organization (WTO) on 'WTO Doha Round Negotiations: The Way Forward and Where Does the Balance Lie?' at **FICCI Auditorium, New Delhi**. The main agenda of the meeting was to discuss the significance and current state-of-play of the Doha Round Negotiations in the WTO after the stock taking meeting that was held in March 2010.




Dr. Harsha Vardhana Singh, DDG, WTO, addressing the gathering during the Trade Talk Series. Others (L- R): Mr. Jayant Dasgupta, Ambassador designate PMI Geneva, Mr. Rajeev Kher, Joint Secretary, Prof. R.S. Ratna, and Mr. D.K. Mittal, Additional Secretary, Department. of Commerce, Government of India.

In his address, Dr. Singh said that the Doha Round negotiations had shown greater effective expression of the desires of different stakeholders in the system, far more than any other multilateral fora and within the GATT / WTO system also much more now than at any other time in the past. So, the results were likely to reflect the balance. Without such a balanced result in terms of reflecting various concerns and considerations, getting consensus would be difficult. Thus, with the kind of broad based involvement that was taking place in the Doha Round, the concept of 'balance' had acquired a truly significant meaning in the overall result because multiple types of interests are being expressed effectively. He observed that the way forward for the Doha Round negotiations could be seen in at least three different ways: 1) the

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content of the Doha Round package; 2) engagement of WTO Members in the negotiations; and 3) the effect on the multilateral trade system deriving from the way in which the negotiations moved forward. In India, a major interest had been in the defensive mechanism for agriculture, particularly in the context of special products and special safeguard mechanism. For special products, the Negotiating Group's Chair's text has provisions which are generally considered settled. On special safeguard mechanism, differences existed and interested parties were continuing their discussions based on specific concerns. This was a major unfinished item.

### **Unresolved issues**

For most of the unresolved issues, important advances had been made in the negotiations but some additional effort was required to give complete effect to the results. Issues on which major progress had been made but still required a bit more negotiating effort included tropical products, preference erosion, and Blue Box support. The fact that there was now an agreement on the banana issues had been a positive step in terms of addressing the issue of tropical products. Focused negotiations were also needed, *inter alia*, on disciplines relating to cotton, tariff caps, tariff simplification, and coverage of sensitive products. He felt that for these issues too, there would be convergence once the negotiating momentum built up.

### **Agriculture**

For India, the results in Agriculture would be significant not only in terms of defensive positions such as special products and special safeguard mechanism, but also through possibilities of additional export markets created for its agriculture exports, including a number of tropical products. This reflected another aspect of balance, namely that what might initially appear to be the main components of balance of interests might not necessarily be the only relevant components of the appropriate or relevant balance.

### **NAMA**

In another area of major focus, Non-Agriculture Market Access, or NAMA, many key issues had been largely settled, with some still left to be taken forward. Four issues in this context were noteworthy: greater market access than the formula cut in certain areas which was initially emphasised in the form of sectorals, greater flexibility for some Members than provided under the general formula, preference erosion related matters, and framework for dealing with non-tariff measures. Each of these areas had been highlighted by those focusing on them on the ground that they were needed to improve the balance in the deal.

### **Settled issues**

He pointed out that the settled issues embodied very strong positive results in terms of getting rid of tariff peaks and tariff escalation in industrial products of developed countries. This would help address the long-standing complaint of developing countries that products of their interest were subject to much higher tariffs in developed country markets, and that tariff escalation adversely affected their aspirations to have greater value added industrialization through exports. One example of the lopsided tariff structure was that the exports of Bangladesh to the United States paid more tariff duties than the exports of United Kingdom to the United States. The results of NAMA therefore would have a major improvement in balance.

### **Services and India**

He observed that Services was another major area for India to seek balance in the result. For India in particular and developing countries in general, movement of natural persons was an important area of interest, but no major concessions were visible. He pointed out that a number of developing countries had sought greater market access in mode 1, or cross-border provision of services. Under this, services are provided through the internet and other communication modes. Interestingly there are a number of such areas where the interest of some developed nations was also high. So there would be a community of interest around which nations could get convergence and the balance would be seen in terms of a win-win situation. Another possibility for getting a convergence around a number of requests could be because several countries had seen the benefits of opening up services (of course with a substantive regulatory regime), and the actual policies were liberal enough to leave considerable scope for making attractive offers in the negotiations.



## Other areas

There were a number of other areas where different levels of progress had been made, and the WTO Members in those areas were seeking further progress and balance. They included Rules (anti-dumping, subsidies, fisheries subsidies), trade facilitation, trade and environment, and certain IPR related issues. Relatively smoother progress had taken place in trade facilitation, and the balance being sought there included assistance to developing countries. The other areas did not have the same level of progress and convergence. More work was needed for some of them such as fisheries subsidies and certain IPR related issues. In the area of anti-dumping, there was a major difference of position in regard to zeroing.

### *Lead Article*

## TRADE RELATED TECHNICAL ASSISTANCE AS A COMPONENT OF SOUTH-SOUTH COOPERATION

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### Trade Related Technical Assistance


Technical assistance is now a growing component of international development assistance, parallel with aid and financial assistance mechanisms and flows. There are various types of international technical assistance programmes currently underway. These are multilateral such as those undertaken by the United Nations, the World Bank Group and the International Monetary Fund, and the World Trade Organisation; regional as those undertaken by the regional commissions or regional organisations; there are technical assistance programmes undertaken by international functional and specialised agencies as the United Nations Development Programme, World Intellectual Property Organisation, United Nations

Environment Programme, etc.; and finally bilateral technical assistance programmes.

This nature of assistance is provided in a variety of areas or modes, which in a number of cases may coincide with institutional mandates of the initiating agencies. It can take the form of policy support, formulation and implementation of pilot projects, advisory services scientific and technical information sharing and technical trainings, etc., including technical assistance in a range of areas that have a direct or indirect bearing on international trade or participation in international processes for managing international trade.

### Trade Related Technical Assistance in the Multilateral Framework and Other Programmes: An Indicative View

<b>United Nations</b>	Provides an integrated development assistance framework encompass technical assistance in terms of policy guidance, tools and resources, etc. appropriate to country requirements; UN agencies have also set up the Inter-Agency Trade and Productive Capacity Cluster to provide trade related assistance through joint programming at the country level
<b>United Nations Development Programme</b>	Offers technical assistance programmes supporting preparations for multilateral trade negotiations for developing countries on the generalised system of preferences; trade laws; commodity policies; competition policy trade efficiency; human resource development, institutional capacity building and policy support; and technical support and consultative processes for economic integration at regional, sub-regional and national levels



<b>United Nations Food and Agricultural Organisation</b>	Provides technical assistance and advice on a range of food and agriculture topics and technical expertise on food standards, as covered by the Agreement on Trade Related Aspects of Intellectual Property Rights
<b>International Telecommunications Union</b>	Undertakes capacity building; defining of standards and technical and financial requirements; facilitates transfer of electronic commerce technology and develops approaches to optimise utilisation of existing infrastructure and services
<b>World Intellectual Property Organisation</b>	Offers inter-regional training courses, fellowships and internships to staff of industrial property offices and copyright administration organisations
<b>United Nations Institute for Training and Research</b>	Undertakes programmes in the field of multilateral diplomacy
<b>International Monetary Fund</b>	Provides technical assistance and training in central banking, monetary and exchange rate policy, tax policy and administration, and official statistics etc. with a bearing on international trade processes and regulations
<b>World Bank Group</b>	Undertaking a programme for strengthening national and regional institutional capacity for agricultural trade policy through training workshops and a regional assistance unit providing support in trade negotiations in this area
<b>World Trade Organisation</b>	Provides assistance in terms of trainings, seminars, workshops technical missions and briefings, legal advice, trade policy courses, electronic cooperation support, etc. directed towards building human and institutional trade capacity
<b>International Trade Centre</b>	Provides trade financing services and technical assistance for strengthening schemes and mechanisms offered by public and private sector financial institutions, tools and services for improving the competitiveness of small and medium enterprises in developing and transition economies; and provides legal technical assistance to governments, para-statal and regional organisations for better understanding of and access to international trade law and practice

There has been renewed focus on trade related technical assistance with the coming into force of the World Trade Organisation agreements. The World Trade Organisation that is the institutional platform for negotiating and enforcing the liberal international trade architecture since 1995, has embraced technical assistance and training as central to the development dimension of the multilateral trading system. The Institute for Training and Technical Cooperation coordinates this range of trade relate technical assistance targeting government officials from the developing and least developed countries and the acceding countries, and also civil society representatives, academia and the private sector. The organisation maintains a strong focus on the least developed countries and Africa<sup>1</sup>.

A variety of new arrangements and mechanisms have also come into place. The International Trade Centre operates as a joint agency of the World Trade

Organisation and the United Nations. The World Trade Organisation High-Level Meeting on Integrated Initiatives for Least Developed Countries' (LDC) Trade Development in October 1997 launched of the Integrated Framework for Trade-Related Technical Assistance to least developed countries, to support the governments of these countries in trade capacity building and integrating trade issues into overall national development strategies.

The Integrated Framework is a combined effort of the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme, the World Bank and the World Trade Organisation. The intent of the Integrated Framework is to assist in the coordinated delivery of trade related technical assistance, the core agencies partnering with the LDCs and other partners (including donors and other agencies) to address needs identified by the country in

<sup>1</sup>See (WTO) Factsheet on Trade Related Technical Assistance, available at [http://www.wto.org/english/tratop\\_e/devel\\_e/teccop\\_e/ta\\_factsheet\\_e.htm](http://www.wto.org/english/tratop_e/devel_e/teccop_e/ta_factsheet_e.htm)



question. Currently, an Enhanced Integrated Framework is in the process of being established, with the hope of increased and predictable financing, strengthened LDC capacity and ownership and enhanced governance<sup>2</sup>.

There also exists a special programme by the World Trade Organisation, United Nations Conference on Trade and Development and International Trade Centre named the Joint Integrated Technical Assistance Programme focussing primarily on capacity building to help African country partners participate effectively and derive benefits from the multilateral trading system. In the first stage starting 1996 eight countries participated in the programme, including eight LDCs. In 1998 the three organisations set up a Common Trust Fund to mobilise donor support<sup>3</sup>.

Other arrangements include the European Union framework for providing technical assistance to the African, Caribbean and Pacific states, regions and non-state actors supporting these countries in multilateral negotiations, implementation of World Trade Organisation agreements and accession to the Organisation. National development agencies such as the United Kingdom Department for International Development, and the Dutch and Canadian development agencies also undertake trade related technical assistance activities.

The technical assistance mandates of a range of international institutions as identified above are being implemented individually and in collaboration, and technical assistance is also being delivered through the regional offices of such institutions (such as the United Nations regional commissions), regional banks and through other initiatives. However, while there appear to be a number of technical assistance programmes on the ground, their scope and coverage become a matter of concern. For instance, reference can be made to the scale and source of financing of such activities, as well as the agency and manner of its delivery.

### ***Limitations Regarding the Sources of Financing in the Current Framework:***

It may be noted that overall United Nations funding is by assessed and voluntary member contributions though special programmes as the United Nations Development Programme are financed by voluntary contributions. United Nations Conference on Trade and Development programmes are undertaken in partnership with other agencies and through diverse


financing sources including donor funding. A specialised agency as the World Intellectual Property Organisation implements joint technical assistance programmes with the World Trade Organisation, earlier drew upon United Nations Development Programme funding and has now directed some of its own budget for technical assistance activities, and also uses funds committed by World Intellectual Property Organisation member specifically for this purpose. International Monetary Fund technical assistance relies on donor financing. World Bank technical assistance is incorporated into its lending programmes or also financed through trust funds and grants (the example of the Partnership for Capacity Building in Africa). The implementation of the World Trade Organisation's assistance programmes is financed through extra-budgetary contributions from its members. The International Trade Centres regular budgets are financed partly by the United Nations and the World Trade Organisation and partly through variable donor funding.

**Need for Additionality:** The inadequacy of aid volumes and the need for additionality have become cornerstones of the development debate. Despite the attention to aid-for-trade dialogues and strategies for additional support to international trade, the recent World Trade Organisation and Organisation for Economic Cooperation and Development Aid for Trade Report 2009<sup>4</sup> finds that while there are claims of overall increase in aid-for trade flows since the turn of the century, there has been a tendency of the diversion of funds between different heads as social programmes and the programmes aimed at combating poverty through economic growth, international trade and investments; and that there has been a decline of aid-for-trade in the total share of official development assistance by the developed countries (even as it is noted that an increasing number of bilateral donors were implement their aid-for-trade strategy through multilateral agencies). The aid-for-trade commitments in 2007, by both bilateral and multilateral donors, were estimated as USD 25.4 billion accounting for commitments towards building economic infrastructure and building productive capacity. These numbers can be compared with estimates provided by the Food and Agriculture Organisation at the turn of the century regarding the delivery of technical assistance projects projects for strengthening institutional capacity for analysis of

<sup>2</sup>See official website of the Integrated Framework, available at <http://www.integratedframework.org/index.html>, and the WTO website for 'The Integrated Framework for Least Developed Countries (IF)', available at [http://www.wto.org/english/tratop\\_e/devel\\_e/teccop\\_e/if\\_e.htm](http://www.wto.org/english/tratop_e/devel_e/teccop_e/if_e.htm)

<sup>3</sup>For additional information on JITAP see <http://www.jitap.org/info-e.htm>

<sup>4</sup>WTO and OECD, **Aid-for-Trade at a Glance 2009: Maintaining Momentum**, WTO/OECD: 2009 available at [www.wto.org/english/res\\_e/booksp\\_e/aid4trade09\\_e.pdf](http://www.wto.org/english/res_e/booksp_e/aid4trade09_e.pdf)



trade policy may vary from US\$150-250,000, sectoral policy development and reform support bears an average cost of US\$200,000, etc<sup>5</sup>. Further, donor commitments are also at all times to be compared with actual disbursements for the correct picture.

**Process Issues and Scope:** For most part technical assistance is extended on the basis of national requests, especially on the part of multilateral institutions, which also involves concerns as the capacity for and costs of engagement on the part of developing countries. For instance, to receive national technical assistance from the World Trade Organisation, the member countries are invited to submit a request in writing to the Secretariat. Participation in the Integrated Framework for Trade Related Technical Assistance process generally follows an official request of the country and a technical review of the request as well as identification of a donor facilitator.

Technical assistance from multilateral institutions can only be provided depending upon the extent of resources available, thus circumscribed by the limitations and variability of sources of financing of technical assistance programmes as has already been discussed, and that of the numbers and quality of human resources on call of these agencies which has also already been the subject of much concern. Also, as mentioned, institutional mandates in the case of multilateral agencies and their joint programmes broadly define the nature and scope of technical assistance activities and support offered by them.

As technical assistance provided by multilateral and other agencies or through bilateral programmes may be specific in the areas of assistance as defined by their mandates and limited by the financial and physical resources - including human resources - available to them, and vagaries of bilateral aid programmes which can be extended to technical assistance initiatives as well, it becomes useful to explore supplementary or additional arrangements for trade related technical assistance activities.

### **South-South Cooperation and the Alignment of Trade Related Technical Assistance**

The notion of south-south cooperation has emerged through a number of stages marking the rise of the global south as a collective entity, today comprising the erstwhile 'Third World' economies, economies in

transition, the newly industrialising countries, the developing and least developed countries (none of which terms are mutually exclusive). The initial collectivisation of the south stemmed from the coalescing of interests around demands for a shift in the international political economic order, from favouring entrenched developed countries' (identified as the global north) interests to serving the more widespread development interests. Recent decades have seen a shift in the direction and content of the international dialogue from the north-south opposition of interests to promoting deeper relationships and cooperative opportunities among the countries of the south.

South-south cooperation is not only viewed as an imperative to complement north-south (or developed and developing country) relations and cooperation for achieving development goals, but is also seen as the framework to strengthen cooperative efforts in areas as information and communication technology, trade and finance, investment, debt management, agriculture and food issues, water, energy, health, education, transport, etc. by way of enhancing and expanding exchange of resources, experiences and know-how<sup>6</sup>. The broad ends are identified as economic growth and sustainable development.

Focussing upon the developments in the field of international trade, there is an increased need for trade related technical assistance to support the process of rapid internationalisation and regulation of trade and related activities, which has pervasive domestic implications. The growing relevance of international trade and the demands of integration into the multilateral trading system have placed enormous pressures upon the majority of the developing world or the collective south. From managing participation in negotiations for shaping the international trading system embodied in the World Trade Organisation and reforming domestic governance and technical process flows to correspond with international requirements, to being forward thinking in balancing international trade and domestic development needs and being prepared with a viable set of international and domestic options making use of the opportunities and offsetting challenges of the evolving trade system, etc. under these broad heads, the technical assistance requirements of these countries are immediate, extensive and varied.

<sup>5</sup> FAO, Costs and Funding of Trade Related Technical Assistance, available at <http://www.fao.org/docrep/003/x3452e/x3452e08.htm>

<sup>6</sup> Marrakech Declaration on South-South Cooperation, Outcome of High-Level Conference on South-South Cooperation held in Marrakech, Morocco, 16-19 December 2003, available at <http://www.g77.org/marrakech/Marrakech-Declaration.htm>



Keeping in mind diversities in the development status, political-economic and legal systems, and existing degree of integration into or compatibility with the evolving multilateral trading system among the countries of the developing world, the effectiveness of any one-size-fits all technical assistance packages can be brought into question. The multiplicity of international obligations and engagements of developing countries across a range of international institutions and agencies also implies the need to secure institutional and policy coherence internationally and domestically in a large number of areas that are increasingly being linked to trade. The relevance of leveraging south-south linkages for extending the scope of trade related technical assistance can be supported by a number of arguments, some of which are briefly outlined below.

**Emphasis on South-South Cooperation in International Trade:** There is already an emphasis on south-south cooperation in the area of international trade for enhancing foreign trade prospects by exploiting complementarities and diversifying markets for the developing countries<sup>7</sup>. It is paralleled by the increasing share of south-south trade in world trade statistics. For instance, south-south merchandise exports as a share of total merchandise exports stood at 17 percent in 2006 (as opposed to 10 percent a decade ago) with over 46 per cent of developing country exports bound for other developing countries. It has also been mentioned here that intra-regional south-south trade has been a dominant trend, and that south-south trade has been rendered a dynamic space by a few regional and global players, including China and India in Asia, Brazil in Latin America and South Africa on the African continent.

In line with these trends, the sharing of information, experiences and know-how that are the bedrock of south-south cooperation can be effectively extended to the area of trade related technical cooperation, and also used to both supplement and strengthen the exploration of mutually advantageous trade, financing, investment and other economic and development cooperation opportunities. Already established cooperative linkages can reduce transaction and engagement costs.

### **Growing Capacity within the South for Technical Assistance Activities:**

Another argument for supporting the viability of aligning trade related technical assistance with south-south cooperation efforts is with reference to the growing capacity of some of the prominent countries of the south to engage in technical assistance activities (both in terms of additional finance and available expertise in a range of technical and knowledge fields). Developing countries as India and China have been identified as leaders in south-south cooperation activities, with “ongoing technical assistance initiatives that cover almost all areas of interest to other developing countries” and have also taken to underpinning technical assistance with financial support. Other countries as Brazil, South Africa, Venezuela, Indonesia, Malaysia, Nigeria, etc. are also viewed as key players in south-south cooperation<sup>8</sup>. There is support for south-south cooperation from international agencies as United Nations Development Programme and the United Nations Conference on Trade and Development, the Group of 77, and frameworks for international cooperation as the India-Brazil-South Africa (IBSA) initiative.

The active role of countries as India and China highlight the prospects for additional financing as well as greater scope for delivery of trade related technical assistance programmes. For example, India's cumulative spending on technical assistance programmes has been estimated at USD 2 billion, covering areas as education and training, projects and project related advisory services, and cultural exchange. Countries as India also have well entrenched traditions of technical cooperation underway with the Indian Technical and Economic Cooperation (ITEC) programme established in 1964 providing assistance to scientists, technocrats, engineers, medical personnel and teachers covering areas as information technologies, agriculture, rural development, science and technology, pharmaceuticals<sup>9</sup>, etc., and a growing emphasis on technical cooperation in trade related fields (and with relation to the World Trade Organisation) by the Ministry of Commerce.

### **Convergence of Political-Economic Interests and Cross-Sectoral Networks:**

The possibilities of technical cooperation are

<sup>7</sup>Puri, Lakshmi (2007), 'Going Beyond the Doha Negotiations: Promoting South South Trade and Role of GSTP', Statement of 9 August 2007 at Meeting on Strategies and Preparedness for Trade and Globalisation in India organized by the Ministry of Commerce and Industry, Government of India, FICCI, DFID and UNCTAD, 8-10 August 2007, New Delhi, India, also available at [http://www.unctad.org/sections/ditc\\_dir/docs/statement\\_0119\\_09-08-07\\_en.pdf](http://www.unctad.org/sections/ditc_dir/docs/statement_0119_09-08-07_en.pdf)

<sup>8</sup>Deen, Thalif (2009), China, India Lead South-South Cooperation, IPS, 24 November 2009

<sup>9</sup>Ibid.



enhanced by growing trans-governmental relationships including the private sector and civil society across the developing countries, whose interests and objectives can also be linked with expansion of south-south trade and cooperation. Within the countries of the global south there are instances of the growth and increasing specialisation of epistemic communities and networks in areas related to international trade (including economics, politics, international law and a range of technical fields), along with their integration into national, regional and international policy processes to feed into the multilateral trading system. It can also be noted that developing countries are also increasingly a source of technological and productive innovations which can be shared on beneficial terms for mutual advantage. Such linkages and human and other resources can be leveraged to build upon the existing mechanisms for trade related technical assistance and meet developing country needs in this area.

**Ease and Responsiveness of Voluntary Cooperative Efforts:** South-south cooperation is also understood to be voluntary, thus technical assistance under this umbrella can be designed to the advantage of the participating countries. Furthermore, there are now multiple points of converging political-economic interests among the developing countries, and technical cooperation can be built around areas of

converging interests among issue-based coalitions (focussing on agriculture, intellectual property, trade remedies, etc.), and programmes can also be customised in line with political-economic priority areas. Locally or regionally appropriate expertise can also be specifically sought, and areas such as information sharing and managing information systems, and approaches and technologies to revamp logistical and infrastructural process can be given special attention. The flexibilities of such cooperation can also allow preliminary or preparatory work in areas as labour and environment with reference to international trade to be carried out by developing countries, to enable better understanding of the implications outside of the multilateral regulatory framework.

### Conclusion

While there has been no attempt to be exhaustive in the coverage of trade related technical assistance activities currently in operation, there appears the need to expand the scope and coverage of such activities. The south-south cooperation framework not only provides additional support to technical assistance activities but also the overarching rationale for cooperation in the area and further deepening south-south relations, along with the flexibilities of voluntary cooperation in areas of mutual interest and advantage among the developing countries.

## Events

### Colombo Consultation on 'Potential Supply Chains in South Asia' organised by UNCTAD-India, Commonwealth Secretariat and Centre for WTO Studies

The Centre for WTO Studies in collaboration with UNCTAD-India and Commonwealth Secretariat has been involved in a study that attempts to identify potential supply chains that can be formed in the textiles sector in South Asian region and in this context, stakeholder industry consultations were held in New Delhi (14.12.2009) and Dhaka (3.04.2010) reported in detail in the March-April 2010 Newsletter of CWS. The third and final round of the consultations was organised in Colombo on 4 May 2010 in collaboration with the Institute of Policy Studies (IPS), Colombo. UNCTAD-India and Centre for WTO Studies from India; Commonwealth Secretariat, London; South Asian Network on Economic Modeling (SANEM), Dhaka; Pakistan Institute of Trade and Development (PITD) and Centre for Enterprise, Trade and Development

(CETAD) from Islamabad were partner institutes from the participant countries. The consultation was attended by academia, policy makers and industry participants from India, Bangladesh, Sri Lanka and Pakistan. Many delegates from Confederation of Indian Textile Industry (CITI) also participated. After a welcome address by Mr. Saman Kelegama, Executive Director, IPS, Sri Lanka, Mr. Abhijit Das, Deputy Coordinator, UNCTAD India; Mohammad A. Razzaque, Economic Advisor, International Trade and Regional Cooperation, Commonwealth Secretariat and Prof. R.S. Ratna, Centre for WTO Studies gave their introductory remarks. They highlighted the importance and relevance of the study and the need for regional cooperation in South Asia. This was followed by presentation of the methodology of the



study and its results by Dr. Rashmi Banga from UNCTAD-India while Ms. Dushni Weerakoon, Deputy Director, IPS chaired the session. This session involved a detailed discussion on the possible regional supply chains reflected in the study. The participants from industry pointed out the strengths and weaknesses in Sri Lanka's textile industry and feasibility of its participation in regional supply chains. The need for improved infrastructure and reduced trade barriers was highlighted. The next session chaired by Prof. R.S. Ratna also involved a more detailed product level discussion of supply chains. The consultation concluded with discussions on Policy Issues in supply chains, chaired by Mr. Razzaque from Commonwealth Secretariat. Mr. Khalid Mahmood, Executive Director, CETAD, Selim Raihan, Executive Director, (SANEM), D.K. Nair, Secretary General, CITI and Ravi Fernando, CEO, Sri Lanka Institute of Nanotechnology (SLINTEC) were the discussants on the panel. Policy implications for Governments and industry in all the countries and the way forward if regional economic cooperation by means of supply chains was actually to be realized were also discussed.



Prof. R. S. Ratna addressing the participants. Others from L. R. Mr. Saman Kelegama, Mohammad A. Razzaque and Mr. Abhijit Das  
Inset : Participants at the consultation

### **Conference on 'Ten Years of India-Sri Lanka Free Trade Agreement: Achievements, Challenges and the Road Ahead'**

India-Sri Lanka Free Trade Agreement (FTA) was the first ambitious FTA signed by India. There were several apprehensions regarding losses to domestic industry, but the India-Sri Lanka FTA has shown robust growth in trade between the two countries. To celebrate ten years of this FTA, a Conference titled 'Ten Years of the Indo-Lanka Free Trade Agreement (ILFTA)' was organized by the Institute of Policy Studies (IPS), the Centre for WTO Studies, the India-Sri Lanka Joint Business Council, and the Indo-Lanka Chamber of Commerce and Industry on 24-25 May, 2010 in

Colombo. The objective of the conference was to review the performance of the ILFTA, assess the benefits that have resulted, and also examine the pitfalls in the agreement where improvement is needed. Expert reviews and informed evaluations of this nature are necessary in order to improve upon existing trade policy measures such as the ILFTA to ensure that they fulfil their role in contributing to national development objectives. Presentations were made by Saman Kelegama, Executive Director, IPS on Looking Back - Rationale for ILFTA: Objectives & Expectations; Indra Nath Mukherji, Senior Consultant, Research and Information System for Developing Countries, New Delhi, on Ten Years of the India-Sri Lanka Free Trade Agreement: Achievements, Challenges & the Road Ahead; Deshal de Mel, Research Economist, IPS, on Outcomes of Ten Years of the ILFTA: Sri Lankan Perspectives; Rajan Sudesh Ratna, Professor, Centre for WTO Studies, New Delhi, on Ten Years of India-Sri Lanka FTA: Outcome and Indian Perspectives and Addressing Stakeholder Concerns: Implications For Negotiations; and by Saon Ray, Senior Fellow, Indian Council for Research on International Economic Research (ICRIER), New Delhi, on Ten Years of the India Lanka Trade Agreement. There was strong stakeholder participation throughout the Conference including representation from key private sector chambers such as the Ceylon National Chamber of Industries, National Chamber of Exporters, Federation of Chambers of Commerce and Industry of Sri Lanka, the Ceylon Chamber of Commerce and the National Chamber of Commerce of Sri Lanka. Major government departments such as the Department of Commerce, Ministry of Trade, Board of Investment, Export Development Board and the Ministry of Industrial Development were represented in the conference as well. The conference was also open to the general public upon prior registration and several members of the private sector, academia and civil society participated at the conference in this capacity.



Panelists at the Conference

## Consultations with the Indian Industry on European Union's REACH Regulation

Subsequent to the first round of consultations held in Mumbai, the Centre also organized consultations with the Indian chemical industry at Kolkata and Ahmedabad, keeping in view the fact that these cities are hubs for small-scale chemical manufacturers. The consultations were held in Kolkata at the Bengal Club on 6 May 2010 in collaboration with the Confederation of Indian Industry (CII) and in Ahmedabad on 22 May 2010 at the Royal Orchid Hotel, Ahmedabad, in association with the Federation of Indian chambers of Commerce and Industry (FICCI). These were also attended by Ms. R. V. Anuradha, Partner Clarus Law Associates who is jointly working with the Centre to prepare a report on the implications of REACH and its impact on the Indian chemical sector for the Department of Commerce.

The concerns and issues raised by the Industry at the consultations at Ahmedabad and Kolkata were similar to those raised in Mumbai. However, some apprehensions specific to the interest of small and medium scale industries were brought to the forefront. Apart from the fact that obligations under REACH were burdensome and costly, the industry felt that alternate means of supplying data to the EU already existed separately for different industries- for example, providing chemical information under the Material Safety Data Sheet for dyes and dye intermediate manufacturers. Another issue put forth by the industry which they felt was detrimental to their trade interests was that the European Chemical Agency (ECHA), nodal body under the REACH, relied and accepted test results only from OECD certified laboratories, whereas the stakeholders represented that test reports from a Good Laboratory Practices (GLP) Laboratory should also be accepted. Since India is not a member of the OECD, Indian manufacturers are placed at a disadvantage. Lastly, REACH provides for concessions in the registration fee to small and medium scale enterprises (SME) according to a



Participants during the consultations on EU's REACH at Ahmedabad

classification provided by the EU. The criteria for classifying as a SME was the number of employees in the enterprise and since Indian SMEs are primarily labour intensive, the Indian exporters felt that they would not be able to benefit from this. The overall feedback from the consultations was very fruitful and the responses were incorporated in the final report to be submitted to the Department of Commerce.

## Seminar on 'WTO Agreements and implications for select industries in Jammu and Kashmir'

A seminar on 'WTO Agreements and implications for select industries in Jammu and Kashmir' was organized by the Centre for WTO Studies (CWS) in collaboration with Federation of Indian Export Organisations (FIEO) and Jammu & Kashmir Entrepreneurship Development Institute (JKEDI) on 19 June 2010 in Srinagar. The purpose of the seminar was to promote awareness regarding some important WTO Agreements and the state of play in Doha Negotiations amongst the policymakers, academia and stakeholders of the region. Following welcome remarks by Mr. Sunil Agnihotri, Joint Deputy Director General, FIEO and Dr. S Khursheed-ul-Islam, Associate Professor, JKEDI, Dr. M. I. Parray, Director, JKEDI, gave a brief description of the subject of the seminar. He also expressed his concerns with regard to decline in carpet industry because of cheaper machine made carpets and increased cost of intermediate products on account of imposition of anti-dumping duties. Mr. Sunil Agnihotri observed that many a times the exporters from developing countries were unaware of the requirements of certification in importing markets, and hence, faced a number of barriers in accessing markets abroad. Prof. R. S. Ratna from the CWS gave a brief introduction of the programme and dwelt upon the importance of organizing such programmes as it was vital to understand trade rules in order to maximize the benefits from international trade. He also made a presentation on 'WTO Agreement on Agriculture, NAMA and Doha Negotiations' and gave an overview of the rules and working of the WTO. Sharing his negotiating experience at WTO with the participants, he requested them to share the trade related problem they faced and the tariff protection that they needed which could be factored into the negotiations. He also presented the result of a study carried out by the CWS regarding the products of trade interest for Jammu and Kashmir in the light of WTO negotiations.

Prof. Shashank Priya, CWS made a presentation on the 'Trade Defence Measures' in which he talked about



different trade defence instruments like anti-dumping; subsidies and countervailing duties and safeguard measures, and under what circumstances these instruments could be used to protect the domestic industry from injury. During the interactive session, a number of questions were asked regarding the fate of industries in Jammu and Kashmir and ways and means by which these could be encouraged. The seminar ended with concluding remarks by Dr. S Khursheed-ul-Islam, JKEDI.



Dr. M. I. Parray, Director, JKEDI at the seminar along with (L-R): Mr. Sunil Agnihotri, Prof. R. S. Ratna and Prof. Shashank Priya.  
Inset : A view of the audience

### **Seminar on 'Promoting Awareness on WTO Agreements: Towards Capacity Building of Stakeholder'**

A seminar on 'Promoting Awareness on WTO Agreements: Towards Capacity Building of Stakeholder' was organized by the Centre for WTO Studies in collaboration with Federation of Associations of Cottage and Small Industries (FACSI); Ministry of Commerce and Industry, Government of India; Commerce and Industries Department, Government of Sikkim; Federation of Indian Chambers of Commerce and Industry (FICCI) on 19 May 2010 in Gangtok to promote awareness on WTO issues and agreements amongst the policymakers, academia, and stakeholders of the region. The seminar brought together officials from the relevant ministries, representatives of business associations, academic and professional experts as well as academicians. Welcome remarks by Mr. Gandharv Vig, Assistant Director FICCI, Mr Sukhendu Bikash Ghose, President FASCI, and Prof R. S. Ratna, Centre for WTO Studies, were followed by inaugural address by Ms Neeru Sewa, Minister for Commerce and Industries, Government of Sikkim. A vote of thanks by Mr. H K Guha, Vice president, FASCI, concluded the inaugural session. In his welcome remarks Prof. R S Ratna said that the Centre was aiming to build WTO Cells in each state to train their

officials on WTO and trade related matters as well as local academia to do research which was relevant to their states. He stated that the Centre would be willing to build the capacity of Sikkim in this regard. In her inaugural address, Ms Neeru Sewa thanked all on behalf of Government of Sikkim for organizing the seminar in the State. She observed that people should take advantage of WTO and lack of awareness should be addressed, and said she was hopeful that the adverse impact of WTO agreements on poor and down-trodden would be minimized because of better understanding of WTO.



Ms Neeru Sewa, Minister for Commerce and Industries, Government of Sikkim, addressing the seminar.

Prof. Ratna made presentations on 'Overview of WTO: The Institution & Agreements' and 'TRIPS Agreement: Introduction and Implication' in which he explained about the working of WTO and status of Doha Round negotiations. The presentations also covered issues regarding Copyrights and other different forms of Intellectual Property Rights. Issues of interception by EC of Indian generic drugs to Brazil and Africa were also discussed. The presentations were followed by interactive and fruitful discussions between the participants and the resource persons from the Centre, including Dr. Sachin Kumar Sharma and Mr. Animesh Kumar. The representatives of the Centre for WTO Studies also met Ms. Sewa, Minister for Commerce and Industries, Government of Sikkim later on 20.05.2010 who expressed her happiness at the outcome of the event and indicated a willingness to consider setting up a WTO cell in Sikkim.



Panelists during the Seminar. From L to R: Mr. H K Guha, Mr. K K Kafley, Mr. M G Kiran, Mr. S. B. Ghose, Prof. R S Ratna and Mr. Gandharv Vig  
Inset : Participants at the Seminar

#### **Trade Talk Series-4: Current State of Play at the WTO on the TRIPS Agreement**

The Centre for WTO Studies, IIFT organized a trade talk by Ms. Jayashree Watal, Counselor at the Intellectual Property Rights Division, World Trade Organisation, on 'The Current State of Play at the WTO on the TRIPS Agreement' on 14<sup>th</sup> May 2010 at the India International Centre, New Delhi.

The speaker covered a number of issues like the Doha round mandate on TRIPS and public health, Geographical Indications, the interface of TRIPS and CBD and the enforcement issues arising out of implementation of the various TRIPS provisions; with a particular reference to the stand taken by developing countries and India on the above issues. She also provided insights into the positions adopted by the developed countries on each of the issues.

Ms. Watal elaborated upon the issue pertaining to the Declaration on TRIPS and Public Health which was agreed upon in 2001. The Declaration primarily reiterated the flexibilities which were already available to member countries under the TRIPS Agreement such as issuing compulsory licenses as a solution for countries which could not produce their own medicines. This remained controversial as members could not reach an agreement as to whether under Article 31(f) of the TRIPS Agreement, compulsory licenses could be issued for export. The declaration clarified that 100% export would be allowed upon compulsory license.

In relation to the enhancement of protection of Geographical Indications within the Doha Round, two important issues arose which related firstly to whether legal effect should be provided to the registry of wines and spirits or to merely maintain it as a database and secondly, whether to extend the Geographical Indication protection to products other than wines and spirits.

On the issue of TRIPS and Convention on Biological Diversity, the speaker highlighted the challenges faced by member countries in preventing misuse of traditional knowledge (TK) and the grant of erroneous patents. The problem at hand was whether the TK could be protected under the IP System and if so, would a mandatory disclosure of the genetic resource and country of origin be sufficient to protect the same.

#### **Conference on Free Trade Agreements in Pune**

A conference titled 'India Free Trade Agreements- How to Derive Maximum Advantage' was organized by the Centre in collaboration with Joint Director General of Foreign Trade, Pune; Deccan Chambers of Commerce Industries and Agriculture (DCCIA), Pune; and Federation of Indian Export Organizations (FIEO) on 17 June 2010 in Pune, Maharashtra. The participants were from different sectors like agriculture, manufacturing and services. Mr. S. B. S. Reddy, Joint Director General Foreign Trade, Pune, gave the inaugural speech which was followed by an address by Vice-Chairman, DCCIA and Mr. Shrikar Dole, Joint Deputy Director General, FIEO. Prof. R.S. Ratna, Dr. Murali Kallummam and Ms. Radha Chawla from the Centre for WTO Studies were the resource persons for the technical sessions.

Prof. Ratna made a presentation on 'WTO Rules on Free Trade Agreements', in which he explained WTO Rules, Transparency related RTA Provisions and basic aspects of the Doha negotiations. This was followed by a presentation of Ms. Radha Chawla on 'India's Regional Trade Agreement: Broad Overview' which mainly focused on various Regional Trade Agreements (RTAs) entered into by India and trade patterns under RTAs. Prof. Ratna also made a presentation on 'Rules of Origin', explaining the basic concepts and elaborated various facets of rules of origin under

India's current engagement in PTAs, FTAs etc. Dr. Kallummam gave a presentation on 'Indian FTA with ASEAN and Sri Lanka: Case Studies', in which he highlighted the salient feature of India-Sri Lanka FTA and ASEAN-India FTA. Each session was followed by a round of discussions in the course of which the participants who represented different sectors of industry took an active part and sought a variety of information relating to these trade agreements.



The panelists of the Pune Conference

#### **Seminar on Government Procurement**

A series of seminars on the Government Procurement Agreement (GPA) were organised by the Centre for WTO Studies, in collaboration with the Department of Commerce, the WTO Secretariat and FICCI in New Delhi, Mumbai, Chennai and Kolkata from 2 to 10 June 2010 which were intended for senior officials from the Government of India and representatives of other agencies engaged in procurement activities.



In his inaugural address at the Delhi seminar, Mr. D. K. Mittal, Additional Secretary, Department of Commerce, underlined the relevance of the topic given that India had become an observer to the GPA in February 2010. Mr. Robert Anderson and Mr. Kwadwo Osei-lah were the resource persons from the WTO Secretariat who undertook the training sessions on the technical aspects of the Agreement. Mr. Anderson stated that they were conducting the programme at the request of the Indian government to build the capacity of Indian stakeholders, so that they could provide informed feedback in the policy making process if India were to consider accession to the existing plurilateral agreement on GPA in WTO.

The GPA was introduced as a plurilateral agreement whereby the parties could access the government procurement markets of other Members in negotiated areas and through a transparent process. The sessions allowed the participants to compare the provisions of GPA with Indian government procurement provisions and practices and also raise questions and discuss the implications of accession for India. Over the course of the discussions, it emerged that present procurement practices in India were largely compatible with the

Agreement in its present form though actual terms of accession would have to be negotiated. The training sessions also focussed on the flexibilities for developing countries under the Agreement. Presentations were also made by Mr. R. Radhakrishnan from the Directorate General of Supplies and Disposal, Government of India at all the four cities, providing information on government procurement in the Indian context. The presentations can be accessed at the Centre's website <http://wtocentre.iift.ac.in/>



Mr. D. K. Mittal, Additional Secretary, Department of Commerce addressing the participants. Others from L to R: Mr. Robert Anderson, Mr. K.T. Chako, Dr. H.V. Singh and Prof. R. S. Ratna  
Inset : Participants in the seminar

## Dialogue on Trade, Poverty and Climate Change

A Dialogue on Trade, Poverty and Climate Change was held in Kathmandu on 20-21 May 2010. It was organised by the International Centre for Trade and Sustainable Development (ICTSD), Geneva; the South Asia Watch on Trade, Economics and Environment (SAWTEE), Kathmandu; and the Centre for WTO Studies, New Delhi. The dialogue brought together experts from India, Nepal, Bangladesh, China, Malaysia, Mauritius, the United Kingdom, Sweden and Geneva, representing inter-governmental organisations and regulatory bodies, the private sector, the development sector, research organisations and government departments to ensure a cross-sectoral perspective.

The purpose of the dialogue was to create a better understanding of the state of knowledge on the linkages between trade, poverty and climate change, and identify research needs and gaps to guide participants and the associated agencies in future work on these issues. It served as a scoping exercise for a two year project to assist trade and climate change policy makers to address the concerns of the poor by strengthening the research in these areas.

A context and introduction to the dialogue was provided by Mr. Ricardo Melendez Ortiz, ICTSD, Dr. Posh Raj Pandey, SAWTEE, and Anusha Lall, CWS. A preliminary identification of some of the theoretical linkages, proposed as a reference framework for the dialogue, was provided by Ingrid Jegou, ICTSD. The various sessions covered the issues of poverty in the context of trade and climate change with a country and region specific focus, trade in agriculture and forestry and the mitigation and adaptation options for poor farmers and communities, fisheries and climate change, carbon standards and labelling, and the role for development assistance, climate financing and aid for trade.

The dialogue process served to underline the relevance of exploring and establishing the linkages between trade, poverty and climate change, and also build consensus that comprehensive sectoral and economy wide studies would be needed in the context of the developing and least developed countries, taking into account national and regional differences. A number of areas were identified for future attention under each of the specific topics for discussion, to chart the way forward.



## *Faculty Participation in Outreach Programmes (May-June 2010)*

S.No.	Participating Faculty	Date	Topic	Location
1	Prof. Madhukar Sinha	May 3 May 6, 2010	Policy framework for International Trade Implication of WTO to Uganda Intellectual Property Rights Trade in services under the WTO Regime International Transfer of Technology Issues Challenges and opportunities for India and Uganda Trade	Kampala, Uganda
		June 7, 2010	Workshop on Government Procurement Agreement in collaboration with WTO	Mumbai
		June 9, 2010	Workshop on Government Procurement Agreement in collaboration with WTO	Chennai
		June 10, 2010	Workshop on Government Procurement Agreement in collaboration with WTO	Kolkata
		June 24, 2010	How a Project unfolds -The Delhi Metro Rail Experience	IRITM, Lucknow
2	Prof R. S. Ratna	May 19, 2010	Overview of WTO: Introduction and Agreements; TRIPS Agreement: Introduction and Implementation	Gangtok
		May 24- 25, 2010	Presentations titled: 'Looking Back-Rationale for the ILFTA Objectives and Expectations'; 'Outcomes of FTA' and 'The Next Decade of Indo-Lanka Trade-The Role of the Government and Private Sector'	Colombo
		June 17, 2010	'FTA: Bring Challenges, Opportunities'	Pune
		June 17, 2010	'WTO Rules on FTAs'; and 'Rules of Origin: Conceptual Issues'	Pune
		June 19, 2010	'Overview of WTO Agreements and Doha Negotiations on Agriculture and NAMA'	Srinagar
		June 22, 2010	Presentation on Online TBT Portal of the Centre for WTO Studies, India	TBT Committee, WTO, Geneva
3	Prof. Shashank Priya	June 19, 2010	Presentation on 'Trade Defence Measures'	Srinagar
4	Dr. Murali Kallummal	June 17 2010	'India-Free Trade Agreements- How to Derive Maximum Advantage'	Pune
5	Shri Bipin Kumar	May 19, 2010	'Safeguards and Anti-Dumping Agreement' for Indian Economic Service Probationers	Indian Society of International Law, New Delhi
6	Ms. Anusha Lall	May 20-21, 2010	Dialogue on Trade, Poverty and Climate Change	Kathmandu, Nepal
7	Dr. Sachin Kumar Sharma	May 19, 2010	Seminar on 'Promoting Awareness on WTO Agreements: Towards Capacity Building of Stakeholders'	Sikkim
8	Ms. Radha Chawla	June 16, 2010	Outreach Programme on India and FTAs	Pune



### ➤ **Lamy outlines “cocktail approach” in moving Doha forward**

Director-General Pascal Lamy, in his report to the General Council on 4 May 2010, cited the following “ingredients” in the Doha Round process: meetings organized by the chairs of the different negotiating groups; preliminary contacts between trade ministers; and his own consultations with delegations on general issues. Members must start shaking the ingredients “before the ice melts”, he quipped, saying that the WTO had begun implementing the so-called “cocktail approach” since the stocktaking meeting held in March in the context of the Doha Development Agenda. “I found the (stocktaking exercise) both useful and constructive, particularly as it demonstrated that nobody is contemplating dropping the ball”, he said.

### ➤ **WTO updates and expands coverage of Services Profiles**

The WTO has increased the number of economies covered by its Services Profiles from just over 60 to more than 90. Each profile provides detailed statistics on key infrastructure services such as transportation, telecommunications, finance and insurance.


### ➤ **Agriculture negotiations: EU technical “road-map” sparks buzz in farm talks**

Chairperson David Walker agreed on 21 May 2010 to give agriculture negotiators more time to discuss issues among themselves following an EU presentation on a comprehensive “road-map” for drafting tables that will eventually contain their market access commitments. A key part of the recent work has been the technical exercise of

preparing possible draft “templates” or blank forms for governments to eventually list (or put in “schedules”) their commitments. On 19 May, the EU presented a chart - a “road-map” describing what could be needed to build up these templates in market access, the most complex area of the negotiations. The key feature of the EU roadmap is a complex chart tracing final commitments back to various levels of supporting data and calculations. At the top of the EU chart are column headings for the tables, so that the spaces below can be filled with information identifying each product, the present tariff commitment, the new commitment after the proposed formula cut has been applied and other details. Below that, the chart proposes supporting tables dealing with all the market access provisions that might apply to the product, for example, the tariff formula, whether the product is “sensitive” (taking a smaller cut), whether a maximum or a cap is applied, and various other features, including those for developing countries. Additional supporting tables might be needed, and in some cases the actual calculations might have to be provided. This would include calculating the average cuts across all products because developed countries will have to meet a minimum average cut and developing countries will be able to scale down their cuts if the average exceeds a maximum. Members said they found the roadmap useful, not only because it describes comprehensively the tables and templates that have to be created, but also because when members discuss a particular question (a draft table, supporting data or calculation) they can locate it on the chart. However, some members argued that a few templates will have to wait until outstanding issues in the “modalities” have been settled. Negotiators will now consult among themselves before the next session of the full membership in the week beginning 5 July 2010.

### ➤ **Trade Policy Review: China Restructuring and further trade liberalization are the keys to growth**

The third WTO Review of China's trade policies and practices and their impact on the multilateral trading system took place in Geneva on 31 May and 2 June 2010. The TPR was based on reports by the WTO Secretariat and the Chinese Government as well as an extensive and detailed exchange of



views between China and other WTO members involving more than 1,500 written questions. There was widespread recognition of China's constructive role in resisting protectionist pressures and boosting global demand during the recent economic downturn, appreciation for China's stepped up involvement in South-South trade and its duty-free scheme for imports from least developed countries, and acknowledgement that China has continued the gradual liberalization of its trade and investment regimes, although some members felt this had slowed down compared to its pace in the earlier years.

➤ **TRIPS Council debates anti-counterfeiting talks, patents on life**

WTO members discussed on 8-9 June 2010 intellectual property enforcement trends, including concerns about a group of countries negotiating an anti-counterfeiting agreement, whether life forms should be eligible for patenting, and plans to beef up the annual review of a 2003 decision on access to medicines. This meeting of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council also agreed to accept two African intellectual property organizations as observers, a move that will strengthen the continent's countries' ability to use the WTO's intellectual property provisions. The TRIPS Council also continued to discuss technical assistance, incentives to transfer technology, and least developed countries, with Rwanda becoming the latest member to report on its priority needs. And delegates learnt about new methods of sharing

information on-line, including the new "transparency toolkit" on the WTO website, a new joint portal for governments to submit information on their laws simultaneously to the WTO and World Intellectual Property Organisation (WIPO), and latest developments in WIPO's online services.

➤ **Lamy: No ambitious Doha result possible unless all parties gain**

Director-General Pascal Lamy, in a statement to the Trade Negotiations Committee on 11 June 2010 said that while all members are looking to gain more from the Doha Round negotiations, a more ambitious outcome cannot be achieved without a balanced package of benefits across the membership. He said that the challenge is "to aim for high ambition while ensuring balance". On the challenges over the next few months, he said: "On process, we will continue mixing the three ingredients of the cocktail. The Chairs will continue the consultations in their respective negotiating groups.... My sense is that we are not yet at a stage when we can engage in a horizontal give and take on the issues that remain open. For this to happen we need all these issues to be at the same level of technical maturity and this is not the case yet. On substance, I believe that you are all looking for a extra quantum in these negotiations by which I mean a combination of ambition and balance for All participants, combining what is already there on the table and what needs to be there for a conclusion, in line with the mandates which guide our negotiations".

## Who said what:

### Bi-monthly Round-up of News and Views on WTO and Related Issues (May-June, 2010)

1. **India, European Union discuss all aspects of proposed FTA** -- The ninth round of free trade agreement (FTA) talks between India and the European Union (EU) concluded in Brussels on 30 April. While the chief negotiators discussed all aspects of the proposed deal, the technical discussions focused on rules of origin, trade facilitation, trade defence instruments, tariffs and procurement. Earlier in the year, the European Commissioner for Trade, Karel De Gucht, had met with his Indian counterpart Anand Sharma in Delhi, with both sides agreeing to conclude the negotiations by October, ahead of the next India-EU summit. The commission confirmed that the October deadline was reiterated during this week's

talks and that "in order to achieve this goal, contacts will intensify at technical, senior official and political levels." A team of senior EU officials is expected to visit India in May to take the dialogue forward. This stepped-up momentum comes despite persisting differences in the negotiating positions of the two sides. Civil society groups have also raised serious concerns over some of the provisions being discussed, adding to the complexity of the talks. Aside from the core negotiations on trade in goods and services, the non-trade related chapter on "sustainable development" has emerged as the biggest stumbling block to an agreement. The EU wants the FTA to include this chapter, which will entail a commitment by India to adhere to certain labour laws, environmental standards and other human rights principles. For New Delhi, the inclusion



of non-trade issues such as these in an FTA is a red line they are unwilling to cross. A further concern raised in the weeks running up to the discussions has to do with the chapter on intellectual property rights. Several civil society groups including the European ones like *Medicins Sans Frontieres* have contended that by pushing India to impose greater intellectual property protection on medicines, the EU-India FTA could put at risk the lives of needy patients in developing countries. (*Business Standard* dated 1/5/10).

2. **India opposes move to link CSR, trade** -- India is trying to mobilise opinion against the proposed international standard on corporate social responsibility that could give legal sanction to developed countries to reject exports from developing countries like India. ISO 26000 sets out the basic minimum goals corporates should achieve in areas such as labour, environment and human rights. Complying with this could increase costs for companies from developing countries, eroding export competitiveness of the products produced by them. The International Standards Organisation (ISO), the world's largest developer and publisher of international standards, is unilaterally developing this standard in response to a growing recognition that corporates need to be socially responsible. (*Economic Times* dated 4/5/10).
3. **EU assures FTA won't lead to costlier life-saving drugs** -- The European Commission has said the proposed free trade agreement (FTA) negotiations with India will not affect production of cheap life-saving medicines in the country. "In the intellectual property rights (IPR) chapter (of the FTA), it will be made clear that there should be no limit on India's capacity to produce and export life-saving medicines," EU ambassador and head of delegation to India Danielle Smadja said. Over the last few weeks there have been a series of protests by international non-government organisations against the "negative consequences" of the proposed India-EU FTA for procurement and export of cheaper generic Indian medicines to developing countries in Latin America and Africa. (*Economic Times* dated 5/5/10).
4. **Patent office strips Roche of rights over valcyte** -- Swiss drugmaker Roche lost the patent in India for its anti-viral drug, Valcyte, widely used by AIDS patients, after the patent office concluded it did not contain the necessary innovation to qualify for marketing exclusivity, said lawyers involved in the case. The ruling would help local generic makers such as Ranbaxy Laboratories and Cipla launch cheaper copycat version of the drug in the local market. These companies, along with Matrix Laboratories and Bakul Pharma, had challenged the patent granted to

Roche. "This shows patents are being granted without proper examination," said Anand Grover who fought the case on behalf of two HIV patient groups. (*Economic Times* dated 6/5/10).

5. **Patent office, court tiff leaves cos in a bind** -- For the patent office, the last three years have been like the last three overs of a Twenty 20 match. It cleared 1,911 patents in 2004-05, but stepped up the pace to make more than 40,000 patent grants in the last three years. On the face of it, this should be great news for innovators in the country. But it isn't. At the heart of the problem is a brewing dissonance between the patent office, which wants to nurture innovation, and the judiciary, which is keen to protect the interest of Indians who can't afford expensive medicines. To make matters worse, the patent offices slog overs-style strategy is coming under scrutiny. At the end of March 2005, the patent office had 170 staffers. That number hasn't changed since, but it still managed to grant eight times more patents in 2008-09. The question on everyone's mind: but how. (About 40% of 16,000 patents granted that year were for chemical, drug, or biotechnology products. Patents in other sectors don't quite have the complexities common in drug research.) And yet, innovators want the patent office to move faster. Today, the office has a backlog of 70,000 applications, which it hopes to clear in around three years, said PH Kurian, controller general of patents, designs and trade-marks. This has pushed the country's innovation ecosystem to a precarious position. The office grants patents, but the courts routinely overrule them, or at least refuse to limit copycats during the litigation process. (*Economic Times* dated 6/5/10).
6. **India to keep EU, Japan out of govt procurement** -- India has sent a strong signal to the EU and Japan with which it hopes to conclude free trade agreements (FTAs) this year that it is not likely to entertain requests for opening government procurement. It has successfully kept the issue out of its FTA negotiations with Australia, making it clear to others as well that it does not plan to open these sectors. (*Economic Times* dated 8/5/10).
7. **India, Brazil challenge EU on drugs at WTO** -- India and Brazil launched a trade dispute against the European Union and the Netherlands over the seizure of generic medicines in transit. The move at the World Trade Organization ratchets up the pressure in a row pitting the intellectual property rights of pharmaceuticals corporations against access to affordable medicine for people in poor countries. (*Asian Age* dated 13/5/10).
8. **India ignores US blame on Doha 'Advanced (Developing) Economies' coined to create pressure: Officials** -- India has chosen to play down the



comments of a key US official who held it responsible for holding up an agreement at the World Trade Organisation along with China and Brazil. Michael Punke, the new US ambassador to the WTO, had said in Geneva that the onus of restarting the stalled Doha round of trade talks at the WTO was with advanced developing countries. "We have received no official communication on the issue from the US. We cannot, therefore, comment on it," commerce additional secretary D K Mittal said. Several WTO members, including India, had been blaming the delay in appointing the US ambassador to the WTO for the lack of progress made at the world trade body. "It is very simple, if the best advanced (developing) economies like China, India, Brazil are ready to accept to have the responsibility and leadership, then we will have an agreement," Mr. Punke said at an interaction with the media. The WTO classifies countries as developed, developing and least developed and there is no concept of advanced developing countries at the forum. "The US should not try to create a new category to apply pressure on a few countries," the commerce department official said, requesting anonymity. (*Economic Times dated 14/5/10*).

9. **China web firewall a WTO issue: EU's Kroes** -- China's Internet "firewall" is a trade barrier and needs to be tackled within the framework of the World Trade Organization, Neelie Kroes, vice-president of the European Commission, told reporters in Shanghai. Dutch-born Kroes, who is also in charge of Europe's digital agenda, said the firewall was a trade barrier as long as it blocked communication for Internet users, preventing the free flow of information. "It is one of those issues that needs to be tackled within the WTO," said Kroes, who served as European Commissioner for competition until 2009.
10. **India-Japan FTA talks to focus on services sector professionals** -- India and Japan are going to re-open discussions on liberalisation of movement of professionals, an issue that has long stalled any significant progress in the conclusion of the free trade agreement (FTA) between the two countries. A delegation of trade officials from Tokyo are going to visit the capital and would hold discussions with their Indian counterparts on services. On top of India's agenda would be the demand to allow Indian working professionals like doctors, nurses, lawyers and engineers to practice in Japan. Known as the mode 4 in trade parlance, India has been pushing for its liberalisation with every country with whom India is negotiating a trade agreement. So far only Singapore and South Korea have allowed Indian professionals to work in their countries albeit with caveats. (*Financial Express dated 18/5/10*).
11. **Thailand, India talk of replacing limited trade pact with FTA** -- India and Thailand are likely to restart talks on a full-fledged free trade agreement including goods, services and investments. Talks on an FTA were suspended after the two sides implemented a limited agreement involving just 82 items six years back. "It is important to commence work on an FTA. It would not only include a larger number of goods, but also services and investment," Thai deputy minister of commerce Alongkorn Ponlabhooth said in an interaction organised by FICCI. India and Thailand signed an early harvest programme (EHP) in 2004 under which the two sides agreed to eliminate duties on 82 items like television tubes, refrigerators, mangoes, apples grapes and some metals. The EHP led to protests from the Indian industry which complained that Thailand had gained much more than India and the domestic market was flooded with products like television picture tubes. The programme was not followed by a FTA because of disagreements related to the rules of origin (the rules which determine which products are to be considered as originating from the partner country and which are to be considered as originating from a third country) and political instability in Thailand. (*Economic Times dated 20/5/10*).
12. **Biodiversity, development, livelihoods** -- Biodiversity provides building blocks for sustainable food, health and livelihood security systems. It is the feedstock for the biotechnology industry and a climate-resilient farming system. Given its importance, a Convention on Biological Diversity (CBD) was adopted at the 1992 U.N. Conference on Environment and Development in Rio de Janeiro. The triple goals of the Convention are conservation, sustainable use, and equitable sharing of benefits. It recognises that a country's biodiversity is the sovereign property of its people. India is a signatory to the CBD and has enacted the National Biodiversity Act, in force from 2002. In spite of the importance given to biodiversity conservation, genetic erosion continues globally. Twelve per cent of birds, 21 per cent of mammals, 30 per cent of amphibians, 27 per cent of coral reefs and 35 per cent of conifers and cycads face extinction. According to the World Conservation Union (IUCN), over 47,677 species may soon disappear. A study published in Science (April 29, 2010) found no notable decrease in the rate of biodiversity loss between 1970 and 2010. To generate awareness about genetic resources conservation, each year May 22 is observed as the International Day for Biological Diversity. The U.N. has designated 2010 the International Year of Biodiversity. Leaders from 170 countries will gather at a U.N. Biodiversity Summit in Nagoya, Japan, in October 2010 to adopt a roadmap to stop

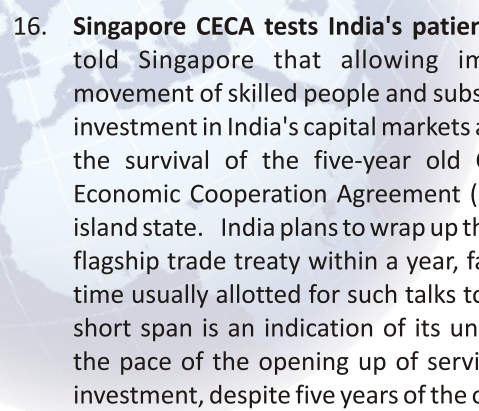
biodiversity loss. The challenge is for every country to develop an implementable strategy to save rare, endangered and threatened species through education, social mobilisation and regulation. The Nagoya Summit will lead to meaningful results only if biodiversity conservation is considered in the context of sustainable development and poverty alleviation. Scientists of the M.S. Swaminathan Research Foundation (MSSRF) in Chennai started a programme to create economic stakes in conservation, by adding value to primary products and finding niche markets for traditional foodgrains. How can biodiversity be harnessed for poverty alleviation? This can be done by converting biodiversity into jobs and income on a sustainable basis. Institutional mechanisms have been developed at the MSSRF for this, such as Biovillages and Biovalleys. In Biovillages, the conservation and enhancement of natural resources become priority tasks. At the same time, the Biovillage community aims to increase the productivity and profitability of small farms and create livelihood opportunities in the non-farm sector. Habitat conservation is vital to prevent genetic erosion. In a Biovalley, local communities try to link biodiversity, biotechnology and business in a mutually reinforcing manner. A Herbal Biovalley under development in Koraput aims to conserve medicinal plants and local foods and convert them into value-added products based on assured and remunerative market linkages. Such sustainable and equitable use of biodiversity leads to an era of biohappiness. Tribal families in Koraput have formed a "Biohappiness Society." A Biodiversity Literacy Movement should be launched, so that from childhood on everyone is aware of the importance of diversity for the maintenance of food, water, health and livelihood security as well as a climate-resilient food production system. *(Article by Professor M.S. Swaminathan, a Member of Parliament, Rajya Sabha, & former president of the World Conservation Union, in The Hindu dated 22/5/10).*

13. **Stop hush-hush accord with EU on FTA, demands CPI (M)** -- The Communist Party of India (Marxist) accused the United Progressive Alliance (UPA) government of secretly negotiating an India-European Union Free Trade Agreement, and asked it not to proceed in the matter without taking Parliament and State governments into confidence. In a statement, the Politbureau charged that the Centre was set to conclude the FTA by October, keeping Parliament and the State governments in the dark despite its far-reaching consequences for the economy and the people. Stressing that the EU was seeking to lower Indian tariffs to zero or near-zero levels for 90 per cent of agricultural products while

leaving untouched the huge subsidies EU agriculture enjoyed, the CPI (M) warned that this would allow EU to dump subsidised European farm products in the Indian market. Similar FTAs had already impacted Indian agriculture, with cheap palm oil imports destroying domestic production. Expressing surprise that the government was even discussing rewriting Indian patent and copyright laws, besides the Trade Related Aspects of Intellectual Property Rights (TRIPS), the party said this action only underscored the scant respect it had for Parliament. Accepting product patents for drugs and pharmaceuticals under TRIPS already restricted Indians' access to cheap medicines. *(The Hindu dated 24/5/10).*

14. **India, EU to fast-track FTA talks** -- Commerce Secretary Rahul Khullar on 25/5 met DG, Trade for the EC David O'Sullivan to gauge progress of the ongoing free trade negotiations between the European bloc and India. The commerce ministry said the two sides worked toward laying out a roadmap for further negotiations on unresolved issues while doing so on a fast-track. EU's expectations on high-level of liberalization by both sides was discussed along with India's desire to have an agreement which reflects a balanced outcome, considering the difference in the level of development of India and EU. *(Indian Express dated 26/5/10).*
15. **Crisis in West will only get worse, warns Stiglitz** -- Nobel Prize winner and Columbia University professor Joseph Stiglitz, in one of the bleakest forecasts for the West, forecasts more pain if economies in Europe and the US go on an austerity drive to improve their deficits. He is certain that there will be more mortgage defaults and unemployment in the US would not fall to normal levels until the middle of the decade. "We expect the number in 2010 to be larger than in 2009. Things are getting worse. That's one of the reasons why I am not optimistic about a quick recovery." Mr. Stiglitz, a winner of the 2001 Nobel prize and the John Bates Clark medal in 1979 - the latter is awarded to economists under 40 - came into public limelight for his attacks on economic orthodoxy in the wake of the Asian crisis of 1997. The IMF had imposed stringent austerity measures, which meant swinging cuts in government spending, as currencies plunged in the wake of a balance of payments crisis. Mr. Stiglitz's ferocious attacks on the IMF's standard prescriptions, both for dealing with crises as well as the broadly gamut of free-market policies known as the 'Washington consensus' reportedly led to his firing in 2000 from the World Bank. Ten years later, Europe is following the same flawed policies, says Mr. Stiglitz. *(Economic Times dated 26/5/10).*



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16. **Singapore CECA tests India's patience** -- India has told Singapore that allowing immediate free movement of skilled people and substantially higher investment in India's capital markets are essential for the survival of the five-year old Comprehensive Economic Cooperation Agreement (CECA) with the island state. India plans to wrap up the review of this flagship trade treaty within a year, far less than the time usually allotted for such talks to conclude. The short span is an indication of its unhappiness over the pace of the opening up of services and capital investment, despite five years of the operation of the agreement. (*Financial Express dated 26/5/10*).
  17. **Informal WTO ministerial likely by May 28 in Paris** -- In the absence of any significant progress to conclude a multilateral trade deal under the WTO, trade ministers from some of the key developed countries and emerging economies are expected to meet on the margins of the Organization for Economic Cooperation and Development (OECD) annual forum later this week in order to assess the movement made by the trade negotiators in Geneva so far. The OECD annual forum is going to be held in Paris from May 26-28. (*Business Standard dated 27/5/10*).
  18. **India committed to Doha, will make it clear at OECD meet** -- In an indirect rebuttal to recent US allegations that India, Brazil and China were holding up an agreement at the World Trade Organisation, India is expected to reiterate its commitment to concluding the ongoing Doha multilateral trade round at the informal ministerial meet hosted by Australia at the sidelines of the ongoing OECD meeting in Paris this week. (*Economic Times dated 27/5/10*).
  19. **Kisan Sabha warns govt against EU FTA** -- The All-India Kisan Sabha (AIKS) has cautioned the government against going ahead with the India-European Union Free Trade Agreement before debating the issue in Parliament. The Kisan Sabha has called upon the peasantry and all sections of society to unite and force the Congress-led UPA government to withdraw from such Free Trade Agreements (FTA) that compromise the country's interests. Accusing the government of carrying out secret negotiations with the European Union, the AIKS leaders said it is all set to conclude the India-EU FTA by October 2010. "The government has gone ahead with the negotiations unmindful of the widespread objections and protests across the country against the recently-concluded India-ASEAN FTA," said AIKS president S. Ramachandran Pillai. According to AIKS leaders, the India-EU FTA envisages lowering of Indian tariffs to zero or near zero levels for 90 per cent of the agricultural products, while the huge agricultural subsidies enjoyed by the farmers in EU countries remain unaltered. (*Asian Age dated 28/5/10*).
  20. **Anand Sharma positive on WTO trade talks** -- Anand Sharma, India's Minister for Industry and Commerce, said that although the pace of progress in world trade negotiations had been disappointingly slow, a meeting of 19 trade ministers hosted by him on the margins of the annual meeting of the OECD had resulted in "substantive talks" on a way to move forward. He described the tenor of the meeting, which was held at the behest of Australia but hosted by India, and in which all the WTO negotiating groups were represented, as: "Very good, very positive, very frank." India, Mr. Sharma said, was "committed to an early conclusion of the present round of WTO talks" so that a rule-based, multilateral trade regime could be put into place to correct historical imbalances and address the mandate of the Doha Round. "This Round is dedicated to development and developing countries," the Minister told *The Hindu* in an exclusive interview. "The 19-odd countries which have met at India's initiative and which include representatives from various developing country groups such as the Caribbean Community (CARICOM), the Cotton Four (Mali, Burkina Faso, Chad and Benin), African, Caribbean and Pacific nations (ACP), the NAMA 11 (Non-Agricultural Market Access Group comprising Argentina, Bolivia, Brazil, Venezuela, Egypt, India, Indonesia, Namibia, the Philippines, South Africa, Tunisia) and the Group of 33, as well as the developed world, can give this process the required momentum to take these discussions to the final conclusion. These countries have different levels of development, where challenges and aspirations differ. But there is unanimity on special dispensation for the least developed countries (LDCs)," Mr. Sharma said. (*The Hindu dated 31/5/10*).
  21. **WTO questions China's curbs** -- China's curbs on exports of some raw materials to conserve resources may not meet the stated goals while giving Chinese manufacturers an unfair advantage, the WTO said. The remarks, in a report prepared for China's two-yearly trade policy review, constituted a rare comment by the WTO's secretariat on a current dispute between members. By cutting off exports of some raw materials, China makes them more expensive for foreign manufacturers who use them while making them cheaper for its own processing industry, which is able to sell finished goods abroad more cheaply than foreign competitors can. China's restrictions on raw materials sales have been challenged by the United States, European Union and Mexico, and the WTO set up a panel in December to rule on the complaints. (*Asian Age dated 1/6/10*).
  22. **India gets help in piracy fight** -- A number of developing countries from East Asia, Latin America and Africa have extended their support to India in its fight against an attempt by developed countries to

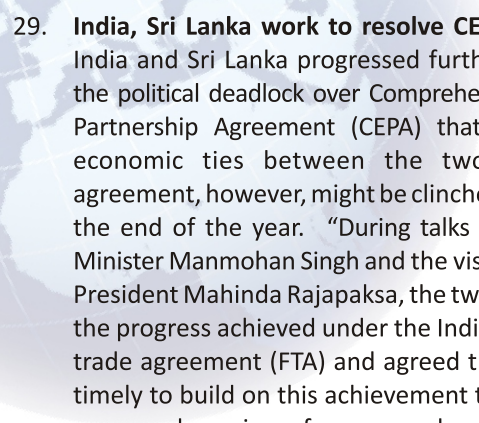
narrow the difference between fake medicines and counterfeits. The attempt by the developed countries could adversely affect exports of generics from India worth Rs.30,000 crore annually. Counterfeits are drugs produced in violation of intellectual property agreements. Countries such as Thailand and Indonesia supported India's position at the recent world health assembly, an annual gathering of 193 members of the World Health Organisation (WHO), in Geneva. India had submitted that its genuine generic medicines were seized at European ports because EU followed intellectual property laws that went beyond the international TRIPS agreement and this should not be allowed to become the norm. The commerce department will now work closely with the health ministry to work out the country's future strategy to ensure that WHO keeps away from IPR issues and concentrates only on the health aspect, a commerce department official has said. (*Economic Times dated 1/6/10*).

23. **India asks UN to take tough stand against protectionism** -- India has demanded that the UN prevent any green protectionism by developed countries and include an explicit statement in the opening charter of any new deal to block carbon-based taxes being imposed on exports from developing countries such as India. The statement to the effect was made by the Indian delegation at the start of climate negotiations in Bonn. The UN talks on climate, in continuation of the last big meeting in Copenhagen, besides discussing the future of Kyoto Protocol will also look to hammer out a new long-term deal. (*Times of India dated 4/6/10*).
24. **'Greater market access against gains only': D K Mittal** -- India won't open its markets beyond said limits unless it is assured of certain gains in WTO talks, said chief negotiator for the country D K Mittal, who is also the additional secretary with the commerce ministry. "No market access above the level of that is agreed by the developing countries can be given for free. If countries agree to give, then they have to be rewarded. This is the language of WTO," Mittal said. Developed countries, particularly the US, have been arguing that emerging economies like India, China and Brazil should be treated as advanced developing countries and should take bigger responsibilities in terms of opening market for reaching a global trade deal. (*Times of India dated 4/6/10*).
25. **India keen to break Doha stalemate** -- India is keen on actively engaging with other nations to break the Doha stalemate, the deputy director general of WTO, Harsha V Singh, told FE. Singh was in India to address a FICCI organised conference on WTO. Though Singh said that no resolution has been reached yet between the 150-plus members of the world body,

he added that the first part of the job, which was to actively engage in discussions and negotiations, was already underway. He also said some of the key stakeholders like US and India had shown ample signs of re-starting the dialogue process. (*Financial Express dated 4/6/10*).

26. **'We have 11 goals to protect our biodiversity'** -- "We have 11 major goals which include promoting conservation of biological diversity of ecosystems, habitats and biomes, species and genetic diversity along with promoting sustainable use and consumption. Moreover, we have to ensure fair and equitable sharing of benefits arising out of the use of genetic resources. In 2010, we also target to reduce the pressures from habitat loss and degradation and control the threats from invasive alien species. One of the important challenges pertains to protecting biodiversity from the dangers of climate change and pollution. Protecting traditional knowledge and practices is another goal for us.... The National Biodiversity Fund has been created to support conservation of biodiversity. In order to protect the agro-biodiversity, 22 agro-biodiversity hot spots have been identified by the Protection of Plant Varieties and Farmers' Right Authority and NBA". (*NBA in Business Standard dated 5/6/10*).
27. **India-NZ FTA may be concluded this year** -- India and New Zealand are likely to enter into a FTA by the end of this year. The two sides are getting ready for a second round of negotiations between senior trade interlocutors in August. The FTA with New Zealand would be a single undertaking, which means the agreement would include trade in goods and services together. On January 31, the intention to have a broad-based FTA between the countries was announced by commerce and industry minister Anand Sharma and New Zealand trade minister Tim Groser. (*Financial Express dated 7/6/10*).
28. **'No evidence that Euro crisis will impact Doha Round talks'** -- The blame game between India and the US the two key players in the WTO's Doha Round negotiations continues, each of them waiting for the other to make the first major move towards successful conclusion of the talks. The WTO Deputy Director-General, Mr. Harsha Vardhana Singh, however, describes these statements as evidence of the 'willingness to engage'. In an interview to Business Line in New Delhi last week, he said if these engagements become "intensified", it will be possible to conclude the modalities (on how to cut tariffs and subsidies and to make them binding commitments) in 2010. The Euro zone debt crisis, he said, will not impact the negotiations as the European leaders and even India have talked about the value of the Round's successful conclusion. (*Hindu Business Line dated 9/6/10*).





29. **India, Sri Lanka work to resolve CEPA deadlock** -- India and Sri Lanka progressed further on resolving the political deadlock over Comprehensive Economic Partnership Agreement (CEPA) that seeks deeper economic ties between the two nations. An agreement, however, might be clinched only towards the end of the year. "During talks between Prime Minister Manmohan Singh and the visiting Sri Lankan President Mahinda Rajapaksa, the two leaders noted the progress achieved under the India-Sri Lanka free trade agreement (FTA) and agreed that it would be timely to build on this achievement through a more comprehensive framework of economic cooperation. They have directed officials to hold intensive consultations on such a framework," said foreign secretary Nirupama Rao. (*Financial Express dated 10/6/10*).

30. **India for African support on US cotton deal** -- India is seeking support from a bloc of African countries to maintain its stand against the United States in upholding a five-year-old cotton agreement the latest roadblock in taking multilateral Doha round trade talks forward. Although the 'cotton four' Burkina Faso, Benin, Chad and Mali publicly stated their dissatisfaction with the West's neglect of agreements made in the Hong Kong Ministerial Conference in 2005, India's negotiators in Delhi are worried that their position may soon be compromised by American lobbying. "The problem is that we do not rely heavily on cotton exports, but the industry is important. If the 'cotton four' are bought out by the US, then we are left in a difficult position," said a commerce ministry official on the condition of anonymity. In tune with much of the developing world, Indian representatives have stated that the Doha trade agreement could not be resolved without progress in implementing the cotton trade rules established in 2005, according to a WTO official who did not wish to be named. The 2005 agreement declared that developed countries would eliminate all forms of cotton export subsidies in 2006 and would provide duty and quota-free access for cotton exports from least-developed countries, while including general language on domestic subsidies. (*Indian Express dated 11/6/10*).

31. **New FTA policy: Everything or nothing: Commerce Secretary** -- Unhappy with its free trade agreement (FTA) partners who backtrack on promises to amplify the scope of these agreements with liberalisation of trade in services, the government has decided not to enter into agreements unless talks on services and goods are concluded simultaneously. Commerce secretary Rahul Khullar told FE that having drawn lessons from previous trade agreements, India is going to take up an "everything-or-nothing" approach when it negotiates bilateral trade and investment treaties in future. He said that any future

trade agreement has to be a single undertaking which has to include a list of commitments to reduce tariffs for goods as well as liberalise trade in services. "We have learned (from our previous agreements) that it is not advisable to separate services negotiations from the talks on goods. Everything should be a single undertaking. If you separate the deal, you will have to give away in goods first and then you could end up struggling to get your due in the area of services. If it is one composite package, then they (the trading partners) have to give it," he said. (*Indian Express dated 11/6/10*).

32. **India-Mercosur talks will highlight food security, trade** -- The issue of food security is likely to figure in the upcoming India-Southern Common Market (Mercosur) talks next week. One of the Mercosur members, Paraguay, is particularly keen on taking up the issue with India. Paraguay is a part of Mercosur, formed by Argentina, Brazil, Paraguay and Uruguay. In the June 15-16 India-Mercosur meeting to be held in New Delhi, the deepening and widening of the India-Mercosur PTA will be discussed. (*Financial Express dated 13/6/10*).

33. **Climate issues at WTO may lead to 'trade war'** -- Though the Doha Round of global trade talks is unlikely to be over this year, leading developing countries like India, China and Brazil are apprehensive of the renewed emphasis on environment and climate change issues in the form of carbon cap-and-trade system and border tax adjustments measures on imports. Experts say this will mean another form of protectionism, generating trade disputes, which may lead to a "trade war". The developing countries also fear that any attempt to introduce provisions such as carbon taxes or levies in the guise of environment protection will hit export growth. On the occasion of the World Environment Day on June 5, WTO Director General Pascal Lamy said that opening of trade could play a vital role in environment protection. Increased trade ensured economic growth, which would boost demand for higher environmental standards, he added. Lamy underscored the need for production and use of environment-friendly products and technologies in the long run to reduce pollution and use of energy. (*Business Standard dated 14/6/10*).

34. **India protests regional pact on intellectual property rights** -- India has protested against the Anti Counterfeit Trade Agreement (ACTA) being negotiated by the United States, the European Union and other countries on the grounds that it will strengthen the holders of intellectual property rights (IPR) beyond reasonable measure. During a two-day meeting of the TRIPS Council in Geneva that ended on June 9, it urged the WTO's Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) to initiate serious deliberations over the

impact of IPR negotiations among member countries as part of regional trade agreements. (*Business Standard* dated 14/6/10).

35. **'India has to look after its interests offensively as well as defensively'** -- Pascal Lamy, the fifth director general of the WTO, was appointed to the top job on September 1, 2005 for a four-year term but in April 2009 WTO members reappointed him for a second term, starting September 1, 2009. As the WTO chief, he has been at the helm of the Doha round of the global trade negotiations. In a wide-ranging interview with Amanpreet Singh in Paris, Lamy talks about the Round, the negotiating position adopted by India and the eurozone crisis among other issues. Excerpts: "India's position has been very constructive. There has been constructive dialogue with Anand (minister for commerce and industry Anand Sharma) during the ministerial meeting in Delhi and ever since. Yes, a finer balance is still needed on the issue of farm subsidies as is the case with trade tariffs and other issues. India's position has been positive. India has several interests of its own to look after both offensively and defensively. On the issue of agricultural subsidies, it is working offensively. On the issue of high sea fishing, for example, it is going offensively while on the issue of coastal fishing, it is protecting its interests defensively. The US has been building up on the progress made so far. It obviously realizes the important role that countries such as India, China and Brazil have to play. The WTO mechanisms helped the emerging economies during the financial crisis by shielding them from protectionist measures and trade barriers. And not just the emerging economies, they mitigated the effects of the crisis for everyone, whether it's the US, the EU or Japan." (*Indian Express* dated 17/6/10).
36. **G-20 should do more at Doha : Anwarul Hoda** -- World leaders meet at Toronto for the G-20 Summit on June 26-27. On top of the agenda will be monitoring the economic recovery from the most severe financial and economic crisis of the world since the Great Depression and to evaluate the progress of the financial sector reform. The leaders will no doubt also reaffirm their resolve to keep the markets open for trade and investment flows. In this context, there would be some pointed references to the trade talks. In fact, in the run up to the Toronto meet, the Canadian prime minister, who will chair the meeting, and the South Korean president, who will chair the Seoul Summit later in the year, together with leaders from the US, UK and France, have sent out a letter calling upon the G-20 leaders 'to determine whether we can achieve the greater level of ambition necessary to make an agreement feasible' with regard to these talks. The Doha trade talks have been off the headlines for almost two

years now. The G-8 Summit at L'Aquila in July 2009 declared its commitment to seek 'an ambitious and balanced conclusion to the Doha Development Round in 2010'. The G-20 Summit at Pittsburgh reaffirmed that the leaders were 'determined to seek an ambitious and balanced conclusion to the Doha Development Round in 2010' and asked the ministers to take stock of the situation no later than early March 2010. But the senior officials failed to make progress and the stock-taking meeting in March 2010 ended with a whimper. Wide gaps in positions remain on many of the issues. Against this backdrop, a number of well-known economists, lawyers and trade policy practitioners, both past and present, meeting at the Yale Centre for the Study of Globalization at New Haven, Connecticut, US, concluded in mid-May that the only way to prevent the demise of the Doha round was for the participants to enhance the liberalisation package. To achieve this objective, they called upon the US to lead by example and consider making additional offers for reducing its agricultural support measures further than what the application of modalities currently on the table will deliver. Indeed, it should do more and offer, for instance, to reduce its Mode 4 barriers in services and abandon its zeroing practice in calculating anti-dumping duties. By making these additional offers on a conditional basis, it can tempt the major developing countries into making additional offers rather than merely haranguing them to do so. In response, India, for one, could be persuaded to offer a lower coefficient for the Swiss formula in industrial tariffs. It could also bind the entirety of its substantially-liberalised foreign equity limits in the services sector and even consider one or two concessions over and above the current applied levels. A US initiative could break the impasse and propel the major developing countries to improve their market access offers, which is a key objective of its negotiators. Let the Toronto summit call upon all G-20 leaders to do a bit more in the Doha Round. (*The author is a professor at ICRIER, Economic Times* dated 21/6/10).

37. **States to have more voice in WTO matters** -- State governments will soon have a greater say in the stand the central government takes on key issues in the ongoing talks for opening up goods and services market in global trade at the WTO. The commerce department will hold regular consultations with state government officials on delicate issues such as safeguards to protect agriculture against indiscriminate imports and shielding sensitive industrial-goods sectors from competition, a commerce department official said. The plan is to meet four-five state representatives in every meeting so that it is possible to give attention to individual issues.



There are issues that would be of great importance to states and where it is necessary for them to participate. For instance, the mechanism that should be pressed for at the WTO to protect farmers in case import surges if trade were opened. (*Economic Times dated 22/6/10*).

38. **Developing nations slam WIPO reform suggestions** - The international patent reform plans pursued by the World Intellectual Property Organization (WIPO) have been criticised by several developing countries, including India, after they felt it may have an impact on the decision-making powers of national patent offices. The developing nations have cautioned against an increased reliance on international search and examination reports issued by International Search Authorities (ISAs) for respective national patent offices with respect to scrutiny and grant of international patents. United under a newly formed Development Agenda Group (DAG), a bloc of 20 WIPO members expressed its concerns at the meeting of the Patent Cooperation Treaty (PCT) Working Group held in Geneva. (*Business Standard dated 23/6/10*).
39. **India's ideas make way into G-20 note: Omits commitment to Doha** -- The Toronto summit

concluded, issuing a communiqué that papered over sharp differences among the Group of 20 (G20) major economies on vital policy issues, committed itself to continue developing co-ordination on regulation and macroeconomic policy among the major economies and set a deadline of early November for the International Monetary Fund members to complete ratifying changes in its capital structure to grant developing countries greater voting powers and enhance the Fund's lending capacity. A crucial dilution of the final communiqué is that it omits any commitment to conclude the Doha round of trade talks in 2010, instead, choosing to urge that the talks should be concluded as early as possible. (*Economic Times dated 29/6/10*).

40. **Airbus calls for trade talks as WTO ruling looms** -- Airbus called for talks between the United States and the European Union to end the trans-Atlantic fight over subsidies to aircraft manufacturers, saying it was the only way to end the costly six-year dispute. The call came as the WTO prepares to publish its ruling on a complaint brought by Washington that European governments illegally loaned Airbus billions to develop aircraft, including its flagship A 380 superjumbo. (*Hindu Business Line 30/6/10*)

## *Forthcoming Events*

S.No.	Date	Topic	Location
1	July 14-16, 2010	Training of the State government officials of the State Academies of Administration	IIFT, New Delhi
2	July 20-22, 2010	Training programme on WTO in collaboration with FICCI, UNCTAD and WTO	New Delhi
3	July 29, 2010	Workshop on Items of Export Interest to India in the Market of its Important Trading Partners	IIFT, New Delhi
4	Aug., 9-10, 2010	Training on WTO and FTAs for executives from top business houses of India	IIFT, New Delhi
5	August 18, 2010	Workshop on Doha Round; Present State of Play in collaboration with UNCTAD and FICCI-Mumbai	Mumbai
6	August 25-30, 2010 (any one day)	Training on WTO with the State Academy of Administration, Lucknow	Lucknow

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