

India. Wto and trade issues

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Capacity Building Initiative on WTO and Trade Issues: Commerce Secretary addresses Workshop



Panelists at the Workshop seen here with Dr. Rahul Khullar, Commerce Secretary: L-R: Ms. Carolin Averbeck, Prof. R. S. Ratna, Mr. Rajesh Aggarwal, Dr. Amit Mitra, Mr. Abhijit Das and Ms. Marieme Fall. (See page 10)

Lead Article

Doha Round: Items of India's Export Interest An Analysis for Select Trading Partners

Prof. R. S. Ratna

Ms. S. Moitra

Introduction

The Doha Round of negotiations has seen lots of swings since its launch in 2001. Despite the negotiations entering in its ninth year, it is not yet clear by when the negotiation will conclude. At the G-20 Summit in April

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2009 in London, the leaders highlighted the urgency for an early and balanced conclusion of the Round as this could boost the global economy by at least \$ US150 billion per annum. The WTO ministerial meeting held in November December 2009 could not finalise the elements for concluding the negotiations. Currently, the WTO Secretariat has initiated the process of scheduling in anticipation of conclusion of the Round.

One of the most important aspects of negotiations on trade in goods in the WTO relates to reduction of tariff bindings. Members negotiate lowering the binding of tariffs by their trading partners and exchange tariff concessions in order to achieve greater market access in the markets on items of their export interest. Except a few crucial issues, most of the issues relating to tariff cut modality in Doha negotiations have been almost finalized. As per the Chairman's text of December 2008, the modalities relating to tariff cuts, both in Agriculture and NAMA are no longer in square brackets and are supposed to have been agreed by all the Members of the WTO.

Modalities for tariff reduction in agriculture goods include a tiered formula with some flexibility for developing countries and Small and Vulnerable Economies (SVEs) in terms of longer implementation periods and lower reduction commitments. There are other flexibilities in agriculture market access, namely:

- (i) <u>Sensitive Products</u>: Each developed country member shall have the right to designate certain tariff lines as 'Sensitive Products' on which the members can deviate from the otherwise applicable tiered reduction formula. The number of items to be kept under this category is being negotiated and so are the tariff cuts. The developing countries will get one-third more of tariff lines under this category.
- (ii) <u>Special Products</u>: Developing country members shall be entitled to self-designate Special Products guided by the indicators based on the criteria of food security, livelihood security and rural development. Here again the developing countries can deviate from the normal tiered reduction formula.

Under NAMA, the Swiss Formula is applied where again developing countries will be granted the flexibility to choose the coefficient and related flexibility. Thus, flexibilities are being built on agricultural as well as NAMA modalities and the proposals are there for both the developing and developed countries. Although the modalities are not yet finalised since some of the members have reservations, a consensus is likely to emerge around these formulations.

It is understood that the WTO Secretariat has now started preparatory works relating to the "Scheduling of Commitments" by the Members. The scheduling usually follows the modality, unlike the present case. Once the modalities are finalized, each WTO Member will be coming out with its 'Schedule of Commitments' as per the agreed Doha Round modalities. Each Member would use the flexibility to decide such products where no cut or less than formula cut would be applied. The schedules will specify the category of each item whether the general tiered cut or less than tiered cut/ no cut will be applied. Once these are circulated, bilateral negotiations may be held to get the items of export interest of one member changed from the no cut or less than formula cut to the normal cut. In this regard, an advance preparation for identification and prioritization of country's export interest items destination wise, is very important as it would help a the WTO member to be ready to anticipate and negotiate for a normal formula cut for such items. Preparation of such country wise list before completion of scheduling is necessary to safeguard the export interest.

In this background, we undertook a study aimed at identifying major export items to top export destinations of India on the basis of existing trade data. Since India's exports are varied, the items also varied from market to market. Once the Schedules of other members are circulated, India can compare the list of items proposed for less than formula cut or no cut from their schedules and then negotiate to seek their removal from Sensitive Product or Special Product lists on agricultural items (for developed and developing countries) and flexibility list under NAMA (only for developing countries). India will thus need to focus on agricultural products in the scheduling of Developed countries and will have to look at both Agriculture and NAMA products for the Developing Countries. The study is useful for India, as it not only provides a road map for the approach to be taken in the negotiations; but it also identifies items where Non Tariff Measures (SPS or TBT) may exist in particular market as well as items where production in India needs to be enhanced due to existing large international markets.

Methodology and Findings

The top export destinations of India (as per average export value for years 2005-08) were the focus of the study. Exports to these countries together comprise approximately 70% of total global exports of India during the period. Some of the countries were deleted from the list either on account of India's FTAs where the tariffs are either already eliminated (zero tariffs) or are likely to be eliminated in 3-5 years (in this case the tariff liberalisation under FTA will be faster than Doha Schedule); or due to unavailability of their trade data or because they are not a WTO member country¹. Keeping these parameters in mind, the following countries were identified:

Table 1: India's top export destinations

S. No.	Country	India's exports (US \$ Million) (2007-08)	% share in India's global exports	Rank (as per India's exporting partner)	Share of India in Partner country's global imports (%)
1	European Communities (EC)	34,507	21.17	1	0.7
2	United States of America (USA)	20,722	21.17	2	1.24
3	United Arab Emirates (UAE)	15,635	9.59	3	9.64
4	China PRP	10,834	6.65	4	1.52
5	Hong Kong	6,308	3.87	6	1.65
6	Japan	3,856	2.37	7	0.67
7	Saudi Arabia	3,708	2.28	8	3.41
8	Bangladesh	2,918	1.79	9	13.24
9	Republic of Korea	2,853	1.75	10	1.29
10	South Africa	2,659	1.63	12	2.22
11	Brazil	2,518	1.54	14	1.79
12	Pakistan	1,945	1.19	17	3.88
13	Turkey	1,750	1.07	19	1.35
14	Taiwan	1,736	1.07	20	1.15
15	Canada	1,266	0.78	26	0.48

Source: Export-Import databank, Ministry of Commerce

For each of the above country, the following data at 6 digit HS Level was taken:

Top 500 products of India's global exports these lines comprise about 87% of total global exports of India, signifying that India has global comparative advantage in these products

Top 500 products imported by partner country from the world (potential export items for India)

Top 500 products imported by partner country from India (actual export items)

All the above products together (after removal of duplicates) were compiled in a single list of products that was analysed for identification of India's export interest items. For the identified list of products at HS 6 digit level, the following were analysed:

- (a) India's global exports,
- (b) Partner country's global imports,
- (c) Partner country's imports from India, and
- (d) India's share in total imports of partner country market.

For all trade data at HS-6 digit level, WITS COMTRADE data source was used while for identification of India's major trading partner, DGCIS data was relied upon. A separation of Agriculture and NAMA lines was done as it was

¹These include Iran (rank 16) as it is not a WTO member. Egypt (rank 25), Israel (rank 21) and Kenya (rank 23) have been excluded due to unavailability of latest data. Sri Lanka (rank 11), Malaysia (rank 13), Indonesia (rank 15), Thailand (18), Vietnam (22) and Nepal (rank 24) have been excluded due to their FTAs with India. Since Singapore's (rank 4) MFN applied rate of duty is NIL, it has also been kept out of this exercise.

important in consideration of adoption of a different approach for developed and developing countries.

In this exercise it was found that there are several items which India is exporting to the world market but not to the identified trading partner. Similarly, there were several items on which the above identified countries have a huge import value, but either India is not exporting to them despite having a high export value to world or India's global export values are negligible. It was felt necessary to list such items on account of the following considerations:

Where India is exporting to the world but does not have a significant share in a particular market, one possible reason could be existence of non-tariff barriers (NTBs) which Indian industry finds difficult to comply with. Second reason could relate to the fact that Indian product has price disadvantage in the partner country market (due to FTAs or PTAs of the destination country with its other trading partners). Another reason could be lack of awareness amongst the Indian exporters that such a large market exists.

Items on which high value imports are taking place in India's trading partners but India has insignificant global exports, such items are potential items for exports. These are also the items where India can look at bringing in FDI inflows for manufacturing and can build economies of scale. These are the items with potential to enhance exports in future for which appropriate policy mechanisms by the government would need to be evolved.

Based on the above distinctions, we classified all the analysed items into five different categories of products which may be explained as given below:

Table 2: Criteria for category wise classification of products

S. No.	Criteria	Remarks
1	 Partner country's global imports are high (greater than USD 10 Million) India's global exports are high (greater than USD 10 Million) India's share in its trading partner's market is high (greater than 2%) 	It would be desirable that these products are not in the sensitive lists or list of special products or flexibility list of the trading partner. In its FTA negotiations, it is desirable that India seeks removal from Exclusion/Sensitive List.
2	 Partner country's global imports are high (greater than USD 10 Million) India's global exports are high (greater than USD 10 Million) India's share in trading partner's market is low (less than 2%) 	These are products where India has export advantage globally but is not able to capture a high share in the trading partner's market, either due to NTBs faced by Indian exporters, or due to price disadvantage in their market vis-à-vis other competitors which have FTAs or PTAs with the destination country. Another reason may be lack of knowledge of Indian exporters about the existence of a large untapped market there. These are the items where India would need to seek MRAs / Conformity Assessment / Accreditation in the negotiations.
3	 Partner country's global imports are high (greater than USD 10 Million) India's global exports are low (less than USD 10 Million) 	These are potential items of export interest where increased investment and Government support may be beneficial to enhance productivity in India.
4	 Partner country's global imports are low (less than USD 10 Million) India's global exports are high (greater than USD 10 Million) India's share in its trading partner's market is high (greater than 2%) 	Products to be examined if the partner country's global imports are low on account of low demand or because of NTBs that they might have imposed in order to protect their domestic industries.
5	Partner country's global imports are low (less than USD 10 Million) India's global exports are low (greater than USD 10 Million)	Are these products of export interest? Import value may be less due to self sufficiency, small market size or NTBs. India would need to enhance its production to seek market access.

From the above analysis, the following findings were captured:

Table 3: Number of lines in each category for India's major export interest countries and share of trade

2	(8)			(8)				(/			1				
Category 5 (*,**)	13 (71.8,.000178)	19 (.004, .001)	235 (0.90, 0.30)	94 (0.036, 0.008)	109 (0.11, 0.01)	87 (0.06, 0.01)	62 (1.09, 0.24)	623 (11.52, 2.37)	136 (0.14, .02)	302 (1.47, 0.31)	240 (0.77,0.12)	410 (3.78, .47)	174 (.42, .11)	236 (0.37, 0.05)	110 (0.13, 0.03)
Category 4 (*,**)	11 (0.16,)	27 (0.03,)	39 (.07, .0004)	96 (0.03, 0.003)	168 (0.09, 0)	92 (0.04, 0.0001)	93 (0.24, 0)	183 (0.98, 0.01)	83 (0.07,0)	108 (0.42,0)	148 (0.29, 0)	330 (2.03,0)	102 (0.16, 0)	157 (0.22, 0)	59 (0.04, 0.003)
Category 3 (*,**)	564 (60.27, 0.03)	329 (23.1, 0.09)	259 (29.02, 3.96)	384 (32.09, 0.08)	352 (44.58, 0.09)	321 (31.24, 0.04)	290 (23.55, 0.55)	94 (26.85, 0.98)	323 (31.82, .11)	260 (23.36, 0.09)	287 (27.82, 0.12)	186 (24.59, 0.06)	300 (29.42, 0.13)	314 (40.28, 0.02)	330 (27.67, 0.08)
Category 2 (*,**)	401 (6.4, 0.17)	346 (51.08, .15)	107 (22.57, 0.13)	378 (35.22, 0.04)	381 (41.32, 0.08)	411 (33.11, 0.06)	213 (43.71, 0.19)	37 (12.91, 0.06)	388 (49.24, .06)	219 (44.62, 0.18)	301 (46.5, 0.10)	162 (50.7, 0.03)	285 (45.67, 0.18)	330 (41.99, 0.04)	390 (49.68, 0.07)
No of ines in category 1	242 (5.36, 0.38)	288 (11.36, 9.08)	343 (33.15, 6.67)	130 (9.5, 1.5)	50 (4.91, 1.46)	133 (6.28, 0.54)	180 (16.31, 2.21)	97 (35.53, 9.55)	128 (6.95, 1.07)	151 (14.65, 1.64)	106 (10.66,1.55)	50 (11.28, 3.34)	179 (9.33, 0.98)	78 (7.87, 1.04)	172 (3.79, 0.31)
No. of NAMA Iines	819	914	864	990	964	939	893	930	961	943	991	1023	096	1018	948
No. of Agri lines	411	94	117	90	94	125	143	105	97	96	89	115	80	95	113
% share of these lines in their imports from India	80.98	94.78	2'36	99.48	99.82	98.85	93.92	96.85	99.33	95.16	99.05	99.82	9.96	99.43	94.38
% share of these lines in their imports from India	77.48	85.51	85.74	90.44	91.02	87.73	84.92	93.01	88.25	84.52	86.05	92.35	85	90.72	81.33
% share of these lines in India's global exports	79.32	80:06	79.49	79.42	79.25	79.64	79.57	79.29	79.42	79.87	79.82	79.65	79.60	79.84	79.96
Total number of lines identified	1230	1008	981	1080	1058	1064	1036	1035	1058	1039	1080	1138	1040	1113	1061
Country	European Communities (EC)	United States of America (USA)	United Arab Emirates (UAE)	China PRP	Hong Kong	Japan	Saudi Arabia	Bangladesh	Republic of Korea	South Africa	Brazil	Pakistan	Turkey	Taiwan	Canada
S. No.	-	2	က	4	2	9	7	∞	6	10	1	12	13	14	15

*signifies % share of partner country's global imports in these lines ** signifies % share of partner country's imports from India in these lines

From Table 3 we can see that for all countries, the total number of products selected comprise approximately 80% of India's total global exports, and close to 90% of partner country's imports from the world and from India.

Also, the Table reflects that in case of Developed countries (EC, USA and Japan), India's major exports to these countries are skewed and most of the export items lay in category 2 and 3; signifying that in spite of high potential for exports, India is unable to capture a large share of the destination market. This may be either due to presence of NTBs in these countries or price disadvantage or lack of awareness amongst exporters about the size of market.

For the other countries, the distribution of export items is more balanced, though even there category 2 and 3 items are maximum in number.

Going back to Table 1, we can also see that UAE and Bangladesh are the only 2 countries where total imports from India capture a substantial share of their markets (9.6% and 13.2% respectively). For all other countries under study, India's share in their total imports is very small (less than 3% in most cases).

Conclusion:

Based on the above results, the study recommends that:

During the scheduling of commitments, if any of the *Category 1* items are in the concerned member's less than formula cut/ no cut, India should negotiate for their removal from the Special Product, Sensitive Product, or NAMA flexibility list so that a normal formula cut is applied. These are the items which India should focus for seeking market access in FTAs as well. For *Category 2* products, it is felt that this information would need to be shared with the concerned Export

For <u>Category 2</u> products, it is felt that this information would need to be shared with the concerned Export Promotion Council, Apex Chambers and Indian Missions in these countries so that they can disseminate this information about the vast market on

identified items that has not been tapped by the Indian exporters so far. The industry should be consulted to gauge if NTBs are preventing them getting the market access. If so, India could raise specific trade concerns in SPS and TBT Committee or explore seeking MRAs, accreditation etc.

On <u>Category 3</u> items where India's trading partners are importing in huge volumes but India is not exporting the items in the global market, it could mean that either India is not producing them in sufficient volumes or whatever it is producing is being consumed in its domestic market. In both the situations, enhancing production capacities by promoting investment flows is the only way out to make India competitive. These are the items where the Government of India can consider making investment friendly regime.

Again, for <u>Category 4</u> items, industry should be consulted to gauge if NTBs are preventing market access. If so, India could raise specific trade concerns in SPS and TBT Committee or seek MRAs, accreditation etc.

In case of <u>Category 5</u> products, there is a need to examine if they are indeed export potential items. Inputs from Indian Missions about the nature of industry in identified countries would be useful. The concerned Export Promotion Councils should also do market survey to understand the market conditions. If market exists, then India should look for enhancing its production through various promotional measures. Consultations with the concerned industries, EPCs or the concerned Ministries/Departments to understand the actual scenario will be necessary before any action is initiated.

The full Report on the subject along with a detailed product-by-product analysis for each of the five categories for the identified trading partners is available on the Centre's website namely http://wtocentre.iift.ac.in.

Events

Training for Corporate Sector on WTO Doha Round and Free Trade Agreements of India

A two-day training programme on the issue of 'WTO Doha Round and Free Trade Agreements of India' was organized by the Centre for WTO Studies for executives from top business houses of India on 9-10 August 2010. Mr. K. T. Chako, Director, IIFT in his welcome address said that interface between government and the private sector was increasing with regard to WTO

negotiations. This was a considerable improvement from the days of the Uruguay Round negotiations where there was a distinct disconnect between the government and the private sector.

During the Panel Discussion on 'Importance of WTO Agreements for the Private Sector', Dr. Harsha Vardhana Singh, Deputy Director-General, WTO said that WTO was an intergovernmental agreement but it was for the benefit of trade. It provided predictable and stable environment for international trade. In its

absence, international trade could be likened to a traffic moving without traffic signals. He further stated that the WTO provided a framework of rules which was non-discriminatory at and inside the border and deviations were not permitted without justification. This ensured that business plans did not get disrupted. However in case disruptions occurred, there were mechanisms like Committees and Councils of the WTO to redress it. WTO ensured transparency by notification of rules, regulations on various trade related measures which were subject to WTO discipline. If a country was taking WTO inconsistent measure, it could be raised bilaterally in the WTO Committees or finally through a dispute. 60% to 70% cases got settled at consultation level. Dispute Panel decisions were binding except when all members agreed not to implement it. Through WTO one could address issues of standard, tariffs etc. All this also ensured market access in developed countries and helped in improvement of supply chain efficiencies. A small country like Antigua and Barbuda could win a dispute case against US in WTO. He observed that as Indian economy grew, it was important that India remained an active player in WTO. He noted that India was a defining member of the WTO and therefore its position should evolve by taking into account the position of private sector interests.

Dwelling upon the negotiations in the Doha Round, Dr. Singh observed that Doha Round would usher in fundamental changes like end of tariff escalation and tariff peak in developed countries. Non-Tariff Barriers (NTBs) were also being addressed through a horizontal mechanism. In agriculture there would be substantial new market access for tropical products and processed products. India's defensive interest relating to special products was achieved and it was still working for a good result on Special Safeguard Mechanism. In services, there were significant opportunities in Mode 1, though there was not enough movement on Mode 4. Enhancement of business through an agreement on Trade Facilitation would facilitate conduct of international trade. Immense opportunities were available in environmental goods and services. He observed that 90% negotiations were complete but the remaining 10% were the most difficult to conclude. Indian negotiators were very active and prominent in the entire discourse in WTO. He observed that to make this process more effective, public-private partnership was very important. He added that some new issues likely to emerge in future were food security, investment, energy security, and technology transfer.

The other discussant Mr. D. K. Mittal, Additional

Secretary, Department of Commerce, said that in a globalised world, it was important to ensure that rules of trade were such that they were in tune with the requirements of the trade. A trade agreement whether in WTO or in FTA context, should not lead to a situation which adversely impacted private sector as this would have a bearing on growth, employment, etc. Hence government was keen to advance interaction and participation between government and private sector to encourage better policy formulation with regard to international trade agreements. He viewed Doha Round as a means to improve the WTO system. He observed that for this, the role of private sector partnership with the government was very important. Private sector should give feedback regarding working of commitments of other countries in the WTO in areas like tariff binding, customs procedures, trade defence etc, and should also give feedback to the government regarding adverse effects faced by them on account of any breach of commitments by other WTO member countries. He referred to potential new areas on the horizon like ACTA, which was a TRIPS-plus agreement and climate change agreement where protectionist elements were likely to creep in. In the area of labour, US was keen to evolve disciplines through bilateral route. Investment, Subsidies in Services were other areas which needed to be addressed. Inputs from the private sector needed to come with respect to all these



Mr. K. T. Chako, Director, IIFT welcoming Dr. Harsha Vardhana Singh, DDG, WTO during the Panel discussion on 'Importance of WTO Agreements for the Private Sector'



Participants and panelists of the Training programme

areas under discussion. He exhorted the business houses to set up WTO cells to analyse these issues and give inputs to their top management for making proper strategies and to evolve right partnership with the government.

Other Sessions covered during the training included Agriculture and Non-Agriculture Market Access, TRIPS, GATS, Trade Remedy Measures, SPS and TBT and WTO Centre's Portal on SPS/TBT measures and FTAs. The programme ended with an Interactive session conducted by Director, IIFT, faculties of the Centre for WTO Studies and Dr. Shahid Ahmad, Department of Economics, Jamia Milia Islamia. The participants appreciated the content of the training programme and expressed the need to take this process further by having tailor-made training modules for various industry sectors.

Seminar on WTO and Doha Negotiations

Centre for WTO Studies (CWS) in collaboration with FICCI organised a Seminar on "WTO and Doha Negotiations: What is at Stake, Where do we Stand and the Way Forward' on 18 August, 2010 in Mumbai.

Mr. Manab Majumdar, Assistant Secretary General, FICCI welcomed the speakers and the participants and thanked the co-organizers. Mr. Ramu Deora, Chairman, FICCI Trade Facilitation Forum, in his inaugural address appreciated the efforts taken jointly by FICCI, CWS and UNCTAD-India Project to disseminate the information relating to WTO negotiations. He highlighted that at various levels, there were several misapprehensions about the WTO and therefore the stakeholders were not in a position to react or give feedback to the government in the process of negotiations. In this regard, he stressed the need for constant discussion between policy makers and the industry.

In his keynote address, Mr. Shishir Priyadarshi, Director of the Trade and Development Division of WTO, Geneva, observed that understanding about WTO in the minds of people had increased over the years. He pointed that the global trade was increasing post-Uruguay Round, reflecting the advantage of the multilateral trading system, and stressed that the countries did not take as strong protective measures during the period of latest recession as the earlier phases of recession because of their commitments in WTO. He also highlighted the need for the industry to look into various modalities that had been presented during the negotiations and support the Government in preparing its negotiating position. The role of

industry, he stressed, was also to give alternatives to their negotiators in addition to demanding something in return for something and hoped that in the coming few months there would be lot of activities to conclude the Doha Round.

Professor R. S. Ratna, CWS, highlighted the need of such Seminars, stating that the industry needed to assess the opportunity so as to be ready to reap the benefits and also to understand the challenges so as to adjust themselves and to mitigate the negative effects. He stressed that the Centre for WTO Studies carried out a lot of capacity building programmes through seminars and publications on WTO issues and it would continue to build collaboration with industry and industry associations.

Mr. Abhijit Das, Deputy Project Coordinator, UNCTAD-India Programme, stated that WTO proved to be very effective in measures especially through its dispute resolution mechanism. He highlighted the progress made in the agriculture, industrial goods and services negotiations in WTO especially in the Indian context. He observed that tariffs were no longer an issue of market access but it was the non-tariff barriers which were on the rise and this gave unbalanced protection to the domestic industry. He observed that Indian industry's response on these issues was lacking and therefore, industry should prepare themselves.

Dr. S. Roy, Economic Advisor, Tata Group of Industries highlighted various issues on which industry was concerned - these related to anti-concentration clause, Sectorals, market access on environmental goods and remanufactured goods. He opined that the industry was not ready to accept any of these proposals and the Government should not support them. During the question-answer session, various questions were raised on issues relating to TRIPS, recent seizure of drugs, EU REACH, Cotton dispute between Brazil and US etc.

Dissemination Seminar on 'Scheduling of Market Access commitments under Doha Round: Items of export interest to India in the market of some of its important trading partners'

It has been widely recognized that one of the essential elements for a successful negotiating strategy is advance preparedness. India is negotiating market access issues with its trading partners under several forums such as the WTO and bilateral/regional trade agreements. At the same time, several export promotion measures have been implemented by the Department of Commerce. The motive behind all

these efforts is to promote India's exports to its trading partners. After the conclusion of modalities in the Doha Round under Agriculture and NAMA market access negotiations, there will be reduction in tariffs; but it may not necessarily ensure equitable market access opportunity for India. This could be due to several in-built flexibilities in Agriculture and NAMA modalities, as well as rising Non Tariff Barriers (NTBs). Similarly, under the FTA negotiations, some of India's high export interest items may not get preferential market access due to the Negative/Exclusion/Sensitive list.

The Centre for WTO Studies undertook a study on "Scheduling of Market Access commitments under Doha Round: Items of export interest to India in the market of some of its important trading partners" in anticipation of negotiations likely to be held during scheduling of tariff cuts. This study identified items which are of greater export interest to India on the basis of certain economic parameters. If any of these items are in less than formula cut/no cut list of India's major trading partners, it would be desirable for India to negotiate for their removal from the Special Product, Sensitive Product or NAMA flexibility list so that a normal formula cut could be applied. Similarly, in FTA negotiations, effort could be made to ensure that these items did not remain in the Negative/Exclusion/ Sensitive list of India's trading partner. The study also gave information about the market access potential of Indian goods to various markets on the basis of this analysis.

Recognizing the importance of the study, it was considered useful to share this study with the Export Promotion Councils (EPCs) and industry association so that they could disseminate the information about the market access potential of identified items yet untapped by the Indian exporters. The Centre for WTO Studies (CWS) organised a dissemination Seminar on 29 July 2010 for sharing the findings of the study with the various EPCs and Industry Associations.

In his welcome address, Prof. Shashank Priya, CWS, highlighted the relevance of the study and need for its dissemination. The first session was a presentation of the study and its findings by Prof. R. S. Ratna of CWS. The next session was taken by Dr. Murali Kallummal, Associate Professor, CWS, who presented the SPS / TBT database of the Centre. The sessions were chaired by Prof. Madhukar Sinha of CWS. A discussion of the study followed and various recommendations were made. The discussions and deliberations were very insightful and were appreciated by all.

Training of Trainers Programme On 'WTO Agreements and Doha Round



Mr. Shishir Priyadarshi, Director, Committee on Trade and Development, addressing participants at the Seminar

Negotiations'

International trade is an increasingly critical component of economic growth. The overarching regulatory framework of the WTO also makes it imperative for India to be prepared to manage the challenges of participation and benefit from the opportunities offered by this platform. To engage the State Governments and State Academies of Administration on this topic, the Centre for WTO Studies organised a Training of Trainers Programme on 'WTO Agreements and Doha Round Negotiations', between 14-16 July 2010 at the Indian Institute of Foreign Trade, New Delhi.

Prof. R. S. Ratna, Professor, Centre for WTO Studies, welcomed the participants. Shri K.T. Chacko, Director, Indian Institute of Foreign Trade in his keynote address emphasised the importance of bringing States on board in WTO negotiations and factoring their concerns in the negotiation. Shri D. K. Mittal, Additional Secretary, Department of Commerce delivered the inaugural address. He gave an introduction to the three-day course and its objectives to the participants representing eight states. He emphasised the necessity of the involvement of the State Governments in the processes of feeding into trade policy formulation at the national level and with reference to the WTO. He also discussed the relevance of accelerating the establishment of WTO Cells in the States to serve as nodal agencies facilitating State engagement and capacity building in collaboration with the Centre for WTO Studies.

The training programme was designed to cover the various aspects of WTO Agreements and stimulate discussions on the implications for the country and different states. It was intended for the nodal officers of State Governments and State Academies of

Administration and state-level/local resource persons working on the WTO and international trade issues.

During the training the State representatives interacted with the resource persons from the Ministry of Commerce and Industry, the Centre for WTO Studies and UNCTAD to understand various facets of WTO negotiations, as well as multilateral, regional and bilateral trade agreements. Strengthening industry and trade promotion agencies through capacity building programmes to understand the impact of such negotiations and agreements, in order to support the farmers, industry and trade was the parallel focus.

The classroom sessions conducted over the three days covered various aspects of WTO Agreements pertaining to agriculture, non-agricultural market access, services, trade related intellectual property rights, dispute settlement, trade remedy measures (including anti-dumping, subsidies and countervailing measures and safeguards), and measures relating to standards and procedures. The issues surrounding Free Trade Agreements were also taken up for discussion. India's interests and concerns, issues of potential interest and progress in the Doha Round in each of the areas were a focal point in all sessions.

The training included a dedicated session for interaction on State-specific and sectoral concerns with reference to WTO rules. The officers and resource persons participating in the training programme worked with the Centre to identify areas of special interest to their state, to be taken up for further consultation and research, and to support the Centre's capacity building activities in their respective states. They were especially encouraged to identify opportunities for carrying out studies on state and sector specific opportunities and challenges to support the policy making process of the State Governments. The discussion on the way forward resulted in the drafting of State Action Plans for the Academies of



Panelists at the Training on 'WTO Agreements and Doha Round Participants at the Training Programme Negotiations': (L-R): Mr. D. K. Mittal, Mr. K. T. Chacko and Prof. R. S. Ratna Inset: Participants at the consultation

Administration for research and capacity building.

Strategies and Preparedness for Trade and Globalisation in India

A three day workshop titled 'Strategies and Preparedness for Trade and Globalisation in India' was organized between 20-22 July in collaboration with Ministry of Commerce and Industry, Federation of Indian Chambers of Commerce and Industry (FICCI), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD) and Department for International Development (DFID). Senior officials from Department of Commerce, faculties of various research organizations, and representatives from business houses participated in the workshop. A special session was conducted with the Commerce Secretary, Dr. Rahul Khullar on 20 July. Participants were introduced to ITC Market Access and Tariff Database by Ms Carolin Averbeck, International Trade Centre. Other topics covered during the day were 'EU System of Collecting data and information on NTBs' and 'TRIPS and Patent'. Issues in Anti-dumping, SPS Standards were discussed on the second day. A presentation on Services Database was made by Mr. Rahul Rai, Economic Law Practice. 'Elements of Agriculture Agreement' were also discussed on the second day. A presentation about Agri-Trade Junction Portal was made by Mr. Sudhanshu, Assistant General Manager APEDA. On the third day Dr. Murali Kallummal of Centre for WTO Studies introduced the SPS and TBT Database of the Centre. Topics related to Regional Integration and FTAs were also covered during the third day. Mr. Ajay Srivastava, Director, Ministry of Commerce and Prof. R. S. Ratna, Centre for WTO Studies made presentations on the Database on Rules of Origin and India's RTAs. The valedictory address was given by Mr. D.K. Mittal, Additional Secretary, Department of Commerce.



Participants and panelists of the Training programme
Inset: Participants at the consultation

Faculty Participation in Outreach Programmes (July-August 2010)

Prof R. S. Ratna	06.08.2010	Negotiations on Agriculture & Non-Agriculture Market Access	
			National Academy of Customs, Excise and Narcotics (NACEN), Faridabad
	06.08.2010	WTO Regional Trade Agreements and Rules of Origin Provisions	NACEN, Faridabad
	20.08.2010	Negotiations on Agriculture and Non-Agriculture Market Access	NACEN, Mumbai
	20.08.2010	Presentation on "Legal Frame work for Regional Trading Agreements" (RTA).	NACEN, Mumbai
Prof. Shashank Priya	4 July, 2010	(i) Singapore Issues-Trade Facilitation (ii) Customs Valuation Agreement (iii) Agreement on Import Licensing Procedures	Institute of Chartered Accountants, New Delhi
	6 July, 2010	(i) Agreement on Rules of Origin (ii) Agreement on Pre-Shipment Inspection	Institute of Chartered Accountants, New Delhi
	5 August, 2010	(i) Negotiations on Trade Facilitation (ii) Trade Defence Measures (Anti Dumping Subsidies and Safeguard)	NACEN, Faridabad
	21 August, 2010	(i) Negotiations on Trade Facilitation (ii) Trade Defence Measures	NACEN, Mumbai
Prof. Madhukar Sinha	7 July, 2010	TRIPS and GATS	UP Academy of Administration Lucknow
	24 July, 2010	Judges Roundtable on Economics of IPR Adjudication	Maharashtra Judicial Academy, Uttan, Mumbai
Dr. Murali Kallummal	20-22 July, 2010	Presentation on SPS & TBT Database of Centre for WTO Studies	New Delhi
Shri Bipin Kumar	9 July, 2010	WTO Agreement on Agriculture and India	UP Academy of Administration and Management Lucknow
	5 August, 2010	(i) Intellectual Property Rights related Issues (ii) TRIPS, SUPER 301	NACEN, Faridabad
	8 August, 2010	(i) Introduction to Non-Tariff Measures (ii) Sanitary and Phyto-Sanitary Measures (SPS) and Technical Barriers to Trade (TBT)	NACEN, Faridabad
	20 August, 2010	(i) Intellectual Property Rights related Issues (ii) TRIPS, SUPER 301	NACEN, Mumbai
	21 August, 2010	(i) Introduction to Non-Tariff Measures (ii) Sanitary and Phyto-Sanitary Measures (SPS) and Technical Barriers to Trade (TBT)	NACEN, Mumbai
	Prof. Madhukar Sinha Dr. Murali Kallummal	20.08.2010	Prof. Shashank Priya 20.08.2010 Presentation on "Legal Frame work for Regional Trading Agreements" (RTA).



Agriculture negotiations: Chair urges agriculture negotiators to send in essential data

At the last meeting of the agriculture negotiations before the summer break, the agriculture negotiations chairperson David Walker urged members on 9 July 2010 to use the upcoming summer break (August to mid-September to supply the information needed by the WTO Secretariat to complete data that will become part of the "modalities". The meeting marked the end of a year of work on data and "templates" blank tables or forms for governments to use to list their final commitments and the accompanying data. Members now have "road-maps" for how to

Jargon buster: (About negotiating texts)

- Bracketed: in official drafts, text that has not been agreed and is still under discussion.
- **Templates**: blank forms or tables for presenting commitments or data.
- Modalities: the way to proceed. In WTO negotiations, modalities set broad outlines such as formulae or approaches for tariff and subsidy reductions for final commitments.
- Schedules: in general, a WTO member's list of commitments on market access (bound tariff rates, access to services markets). Goods schedules can include commitments on agricultural subsidies and domestic support. Services commitments include bindings on national treatment.

take these technical talks to a second and final step in all three pillars of the farm talks market access, domestic support, and export subsidies and related issues. Earlier, on 6 July 2010, a paper from the G-20 group of developing countries sparked a debate about whether negotiators should try to create templates for members' commitments in all areas of the farm talks or whether some parts of the templates are linked so closely to the substance that the substance should be settled before designing the templates. These countries were also concerned that the focus on the templates could delay work on substance.

WHO, WIPO, WTO join forces to put access-to-medicines under the microscope

A they need. The three organizations said the strengthened dialogue between them and others involved i symposium held by the World Health Organisation (WHO), World Intellectual Property Organisation (WIPO) and World Trade Organisation (WTO) on 16 July 2010 has kicked off a closer, factual look at a range of issues affecting how poorer populations can obtain the medicinesn the issues would improve understanding and lead to better policies on public health and intellectual property.

> Lamy: China's WTO membership is "win-win"

WTO Director-General Pascal Lamy, at a flagraising ceremony to inaugurate WTO Day at the Shanghai 2010 World Expo on 22 July 2010, said "since the reform measures were put in place, China has lifted hundreds of millions of people out of poverty. The country is poised to soon become the world's second largest economy. Last year, China became the world's largest exporter of manufactured goods. There has been another reason why WTO membership and even the long and sometimes frustrating accession process has helped China. Mr. Deng and other Chinese leaders came to the conclusion that the reform they were implementing would always face resistance. They concluded that joining the WTO would bring China far greater access to other markets; the full rights of WTO membership; the ability to use the dispute settlement system; and a seat at the table as new rules were written for global trade in the 21st century. But for China's leaders, WTO membership offered something more in that it underpinned and locked in the national reforms drafted and implemented over more than 20 years. The same is true today"

WTO report calls for more cooperation among governments in natural resource trade

Trading in natural resources creates a great many challenges both for importing and exporting countries and governments need to cooperate more intensively if these challenges are to be adequately addressed, according to the WTO flagship publication World Trade Report 2010 launched on 23 July 2010 in Shanghai and Geneva. The report focuses on trade in natural resources such as forestry, fuels, mining and fisheries, and examines the characteristics of trade in natural resources, the policy choices available to governments and the role of international cooperation, particularly in the WTO, in the proper management of trade in this sector.

Resource-rich countries often restrict exports through a variety of means such as export taxes and quantitative restrictions, whereas tariffs and other import restrictions in resource-scarce countries are low. There are, however, two important qualifications to this general rule. First, domestic policies that are likely to affect trade flows, including subsidies, technical regulations and consumption taxes, are frequently used. Second, the structure of protection that resource exporters face tends to rise with the stage of processing (tariff escalation). The Report identifies several areas where cooperation is possible, involving: a) trade policies such as export taxes, where bargains might ameliorate uncooperative trade outcomes; b) the scope for conservation policies, such as subsidies aimed at improving the conservation of natural resources; c) facilitation of trade flows of natural resources, especially freedom of transit; and d) clarity of current WTO rules and the coherence between these and rules of international law embedded in different agreements that may be relevant to natural resources.

Lamy sees "new dynamic" emerging in negotiations

Director-General of WTO Pascal Lamy reported to an informal meeting of the Trade Negotiations Committee on 27 July 2010 that "after some months of impasse in negotiations, my own sense is that we are beginning to see the signs of a new dynamic emerging". He called on negotiators to "build on the new dynamic by expanding the small groups discussion to all areas" adding that "somewhere around mid-October would be a good time to evaluate our progress". Giving a brief outline of the state-ofplay, he said: "First, the work in Agriculture remains on two tracks templates and on the bracketed or otherwise annotated issues on the draft modalities.... On NAMA, the negotiating group met during the week of 12 July to discuss NTBs... On remanufacturing, the focus was on the definition of remanufactured goods which is a key issue to many members and this has generated a lot of comments and questions... Overall, on the NTB discussions, members continue to be in an educational phase in respect of some areas, and are making progress in deepening their understanding of the various proposals and their implications. In other words, while the pace may be considered slow, it is steady and there is engagement by the members.... On services, although there has not been a considerable level of activity in the request/offer negotiations, work has advanced in the other areas... In the area of Trade and Environment, the CTE in special session met informally on 30 June and 1 July. Several new submissions were discussed, including one on the "universe" of environmental goods of interest, as well as on the issue of S & D treatment."

Lamy: Doha and Aid for Trade are WTO contributions to Millennium Development Goals

Director-General Pascal Lamy, in his report to the General Council on 29 July 2010, said that "the strengthening of the multilateral trading system through the conclusion of the Doha Round and the Aid for Trade are the contributions that the WTO has to make" to meet the Millennium Development Goals. He added "reporting on outcomes and impacts" would be at the core of the Third Global Review of Aid for Trade in July 2011.

WTO Chair universities encouraged to submit Aid-for-Trade case stories

Academic institutions awarded WTO Chairs are encouraged to respond to a call given by the WTO and OECD in July 2010 for case stories providing concrete examples of what has, or has not worked, in Aid for Trade. The objective of the call is to probe deeper into Aid for Trade objectives, challenges and processes to acquire better knowledge about outcomes and impacts of Aid for Trade through submission of case stories. Case stories can be submitted by WTO members, observers, international financial institutions, multilateral and regional organizations, the private sector, civil society, academia and other interested parties. Case studies submitted will provide an important source of information for the next Aid for Trade at a Glance publication and Third Global Review of Aid for Trade 2011 the focus of which will be on outcomes and impacts. The deadline for submission of case stories is 31 January 2011. For more information, please see: Aid for trade and www.oecd.org/dac/aft/casestories

Lamy: Concluding the Doha Round will level the playing field of global trade

In a speech at the 14th Summit of the Heads of State and Government of COMESA (Common Market for Eastern and Southern Africa) in Swaziland, WTO Director General Pascal Lamy said on 31 August 2010 that "current multilateral trade rules are still unbalanced in favour of developed countries". Concluding the Doha Round "is the only way these imbalances can be addressed and the playing field of global trade leveled".

Who said what:

Bi-monthly Round-up of News and Views on WTO and Related Issues

(July-August, 2010)

- 1. Subsidies for Airbus illegal, says WTO Financing for Airbus's next-generation passenger jet has been thrown into doubt after the World Trade Organisation ruled that the A380 superjumbo received illegal export subsidies from European governments. The WTO found funding from Germany, the UK and Spain for the world's largest passenger aircraft amounted to prohibited export subsidies, prompting Boeing Airbus's US rival, to call for \$ 4bn (€ 3.3bn) in loans to be repaid or restructured "without delay". (Financial Times of London dated 1/7/10).
- 2. India foils Danish firm's bio piracy bid -- After stopping the Chinese from patenting pudina's health benefits, India has now foiled a major bio piracy bid by a Danish company to patent ginger, jeera (cumin), onion and turmeric's fat burning properties. Claras ApS, a Danish company, on September 19, 2007 filed a patent application at the European Patent Office, saying its invention of turmeric, cumin, ginger and onion as slimming agents was novel. But the Council of Scientific and Industrial Research (CSIR), with the help of India's Traditional Knowledge Digital Library (TKDL), dug

- out formulations from ancient Ayurveda texts like Astanga Samgraha, Yogaratnakarah, Yogatarangini and Gadanigrahah dating back to the 5th century, which contained formulations involving their use for ages in India, as fat burners. (*Times of India dated 2/7/10*).
- Farm subsidy touches record high in rich nations --Despite several issues including stalled WTO negotiations and newer challenges such as climate change concerns, little has actually changed in the agricultural policies of OECD countries in recent years except for a consistent increase in farm support. For 2009, farm support (popularly understood as agricultural subsidy) of developed countries stood at an estimated \$383.7 billion, up from \$379.4 billion in 2008 and \$362.2 billion in 2007. While the most distortive forms of support still dominate, few new substantive policy measures were adopted, and reforms remained uneven across countries, the Agricultural Policies in OECD Countries 2010 report issued on July 3 showed. The OECD is a forum of 31 developed/ industrialised countries in which agriculture is on a large commercial scale and mechanised. In many cases, less than 5 per cent of the population is engaged in farming. (Hindu Business Line dated **4/7/10**).

Protectionist myths: Prof J Bhagwati -- The arguments of protectionists, new and old, are just so many myths that can be successfully challenged. Myth 1: "The cost of protection and its flipside, gains from trade, are negligible." This means, of course, that if protectionism is politically convenient, you need not shed tears over harming the country by surrendering to it, an attitude that many Democrats in the United States find convenient to adopt. Ironically, this myth was a product of inappropriate methodology and resulted from the research of my eminent Cambridge teacher Harry Johnson; and it has inexplicably been a favorite thesis since 1990 of my celebrated MIT student Paul Krugman. But, while this theme continues to play well in Washington, no serious scholar buys into it, owing to the compelling refutations published in 1992 by Robert Feenstra, the most accomplished trade policy empiricist today, and in 1994 by Stanford's Paul Romer. Myth 2: "Free trade may increase economic prosperity, but it is bad for the working class." This claim has great credibility with labor unions that believe that trade with poor countries produces paupers in rich countries. They therefore argue for leveling the playing field i.e., that the costs for their rivals in poor countries must be raised by imposing the same labor standards that exist in rich countries. However, that continual and deep labor-saving technological change, not trade with poor countries, is a principal culprit in the stagnation seen in rich-country wages nowadays. Myth 3: "Free trade requires that other countries also open their markets." Even if other economies are closed, open economies still profit from their own free trade. There was skepticism about this longstanding wisdom when it was argued that, if Japan was closed and the US was open, Japanese firms would have two markets and American firms would have one. The former, it was claimed, would have lower unit costs than the latter. But the problem here, as always, is with the assumption that Japanese firms would continue to be as efficient as American firms, despite protectionism. Myth 4: "Paul Samuelson abandoned free trade, and he was the greatest economist of his time." All that Samuelson showed was that any exogenous change could harm a trading economy; he did not argue that an appropriate response to that unfortunate situation was to abandon free trade. Myth 5: "Offshoring of jobs will devastate rich countries." This scare arose during Senator John Kerry's failed

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- presidential campaign in 2004, when digitized x-rays were sent from Massachusetts General Hospital in Boston to be read in India. But no radiologists have lost jobs in the US since then, nor have their earnings fallen. Indeed, it is clear that the increased tradability of services has not unleashed an economic tsunami on rich countries. Often, jobs that would have disappeared anyway, owing to high costs in the US and other rich countries, have resurfaced where costs are lower, thus providing services that would have been lost otherwise. (*Economic Times dated 5/7/10*).
- Trade and development -- "Over the last three 5 months, I have looked, in these columns, at some dramatic changes that have taken place in world trade between 1995 and 2005. The period chosen is important. First, it coincides with the first phase of trade negotiations under the World Trade Organization (WTO) when industrial tariffs had fallen in most developing countries. Second, it does not include the recession years after 2007 and represents some normality in world trade. Third, since it includes the East Asian crisis years after 1997, it would, if at all, show a bias against trade of developing countries of Asia. I then looked at some implications of these trends for the world in general and India in particular. Of these trends, three are worth repeating. One, the dominance, in terms of both magnitude and growth, of developing country trade (south-south, or SS, trade) over trade between developed and developing countries (north-south, or NS, trade). Second, the emergence of regional trade hubs in the developing countries. Third, the dominance of intra-regional trade over interregional trade. In this column, I will look at some implications of these patterns for development issues. The bottom line is that the changing nature of world trade also necessitates changes in trade policy. In this short essay, I have noted that as MNCs dominate trade, FDI policies might need to take precedence over standard export-import polices. Second, study of taxation of foreign companies must be given greater importance in developing countries, particularly in matters like transfer pricing. Finally, it is unlikely that the world will ever return to the kind of multilateral trade that traditional trade theory posits as the first best policy: the underlying framework of perfect competition no longer exists. With global trade increasingly dominated by multinationals, focus may shift to FDI policies from export-import policies. As MNCs redeploy

- production across the world to save tax, developing countries need to redraw their taxation rules. In absence of perfect competition, multilateral trade as we have known it all along may now exist only in textbooks." (*Manoj Pant in Economic Times dated 9/7/10*).
- 'India committed to Doha Round' -- Reassuring the world about India's commitment to the longdelayed Doha round of global trade talks, industry minister Anand Sharma said an acceptable global trade regime was necessary for economic recovery. "As long as the negotiators are engaged, it is still a positive sign," Sharma said. "You can see some light at the end of the tunnel, even if it is a long one." Sharma, however, said the bilateral and regional deals were good for multilateral negotiations. "That eventually will feed into the multilateral process," he said. "Doing this is not in conflict with the WTO negotiations." Addressing the LKY School of Public Policy in Singapore, Sharma said New Delhi was engaged intensely with East and Southeast Asian countries through liberalising trade. (Financial **Express dated 10/7/10**).
- 7. India, 4 others oppose timetable for farm promises -- India, China, Argentina, Cuba and Egypt have come together to ensure protection for poor farmers from import surges amid attempts to fasttrack negotiations for further opening up global trade in farm goods at the World Trade Organisation. Developed countries, such as Australia, the EU and Switzerland, have called for speeding up work on templates, which are forms prepared for scheduling the commitments to be made by WTO members. They said the actual modalities or formulae for cutting down tariffs or enlarging quotas could be settled later and the templates changed to conform with them. But India is not ready to play along. "Once templates are readied, there would be pressure on developing countries to show flexibility on sensitive issues to conclude the agreement. This is something that we want to avoid," the official said. The ongoing Doha round of global trade talks, launched in November 2001, got derailed two years ago over disagreement on the level of protection to be given to farmers against import surges and the reluctance of the US to commit to reducing cotton subsidies. There was also a lack of consensus over issues such as protection to sensitive industrial goods sectors. (Economic Times dated 10/7/10).
- 8. India, Singapore reps meet to discuss free

- movement -- Professional councils representing services such as nursing, health, architecture and chartered accountancy in India and Singapore will meet next month to discuss ways to allow professionals from one country to practice freely in the other. Participants in the meeting, which will take place on the sidelines of a review meeting of the India-Singapore comprehensive economic cooperation agreement (CECA) in Singapore, will give inputs to officials of both the countries for a meaningful opening up of the services sector as is warranted by the bilateral treaty implemented in 2005. (*Economic Times dated 12/7/10*).
- 9. For trade, India should look East instead of wasting effort building up defensive positions at the WTO -
 - The last 20 years have witnessed a gradual but perceptible shift in India's trade equations. The shift has resulted in India trading much more with Asia nowadays than it was in the early 1990s. Asia now accounts for more than 50% of India's total exports and 60% of India's imports. With India's trade basket getting increasingly dominated by exchanges with Asia, there are interesting implications of such domination for India's longterm economic policies. India's current trade pattern with a striking dominance of Asia coupled with the growth trends in the world economy underlining a greater concentration of robust economic activity in the Asian region in the medium term, points to a distinct priority for India in its trade negotiations. As India negotiates with various countries with an eye to maximising potential gains, it needs to take a call on efficient deployment of its negotiation efforts. It is not possible, and also not advisable, to emphasise with equal vigour on multilateral as well as regional trade talks. There is a need to discriminate between partners and forums in future trade talks. If Asia is turning out to be a more gainful trade ally, then why more energies and emphasis shouldn't be given to trade negotiations with Asia? A multilateral trade regime offering equal access and opportunities to all is ideally the best solution for global trade. But WTO talks are unlikely to make much progress in foreseeable future. Rather than wasting efforts on defensive postures at the WTO, India can gain more by putting additional efforts in talks with the East. And that may help in further reducing the disadvantages of being a late starter. (Article by Amitendu Palit, a visiting senior research fellow at the Institute of South Asian Studies in the National University of Singapore, in Financial Express dated 12/7/10).

10. Time to challenge plus-size IPRs -- In an increasingly competitive world, the developed countries are pursuing intellectual property rights (IPRs) route to retain competitive edge over developing countries. The fact that the former followed a liberal IP regime during their development phase is conveniently forgotten. The globally mandated WTO's TRIPS agreement seeks to strike a balance between private rights of IP-holders and public interest by prescribing only the minimum IP standards of protection and enforcement. However, the developed countries are seeking to raise the bar by pursuing a TRIPS-plus agenda, especially on IP enforcement, with a view to tilting the balance in favour of IP right holders. This stratagem finds reflection in various multilateral bodies. In recent past, IMPACT, a WHO taskforce, sought to define counterfeit medical products in a way that could have made Indian generic trade illegal. Wipo attempted to harmonise patent laws in a way that could have taken away the right of countries to define scope of patentability based on their socioeconomic profile. The World Customs Organization (WCO) also attempted to raise the bar of standards for Customs enforcement. The MNCs who fear losing against competitively-priced goods from developing countries are often the brain behind such moves. They are pursuing IP route to restrict manufacturing and export prowess of developing countries. TRIPS recognises IPRs as territorial rights and IP is protected only in the jurisdiction where it is registered. However, Kenya's recent Anti-Counterfeit Act even recognises IPRs protected in other countries. This would make generic goods imported into or transiting through Kenya illegal if a patent exists anywhere in the world. This has serious repercussions not only for Indian exports but also takes away right of Kenya to independently define patentability criteria based on its development requirements. This is also a loss for Kenya, which in initial stages of its development would be denied the opportunity of drawing innovation and encouraging economic growth within the country. Many other African countries are being lured into the same trap. There were allegations that EU provided funds for a similar bill in Uganda. Such legislations would deny public access to generic drugs and make them dependent on monopoly of a few patent drug suppliers. Three AIDS victims had to move Kenya's Constitutional Court against the Anti-Counterfeit Act for a stay on the grounds that it denied them access to generic

anti-retroviral drugs and, thus, violated their Right to Life. In other cases, the developed countries are trying to force the developing countries, such as in Latin America, to undertake TRIPS-plus commitments through the free trade agreements (FTA) route. They are targeting IPs such as data exclusivity and patent term linkage to extend exclusive marketing period for their patented Having failed to get much success in multilateral forums, the developed countries are now pursuing the plurilateral route. The latest in armoury is the Anti-Counterfeiting Trade Agreement (Acta) largely among developed countries to create a maximalist IP enforcement regime. Some of the developing countries such as Mexico, which are tied with them under FTAs, have also been roped in. The draft Acta text unveiled by EU in April has a provision that allows the right holders to seek seizure of goods in transit on account of purported IPR violation through summary administrative action. Acta provisions would be enforced through their domestic IP laws. TRIPS plus IP standards in the domestic laws of countries, even if outcomes of unilateral or plurilateral moves, would equally impact all countries by virtue of the WTO's most favourednation clause. Consequently, even goods of nonmembers would be subject to such TRIPS-plus measures when they are exported to or transit through such countries. India has very strong commercial interests related to IPRs. These derive from the enormous growth in knowledge-intensive sectors over the past decade. In a knowledge-based economy, a better understanding of IP is indispensable to informed policy-making in all areas of development. India's commercial interests must be protected in WTO, where they create a binding legal effect and in other multilateral bodies from where they can create a spill over effect into WTO. What then are the options for India? While TRIPS permits the WTO members to have TRIPSplus standards, such measures cannot contravene the fundamental principles of TRIPS. Thus, TRIPS also sets a ceiling that cannot be breached. Acta provisions are not only TRIPS-plus but in some cases could violate fundamental principles of TRIPS and, thus, legally challengeable in WTO. The recent controversy over seizure of Indian drugs in transit by EU members saw their own public right activists take up case against their own governments. Gullible nations need to be sensitised about TRIPSplus norms for public health, transfer of technology,

socio-economic development, promotion of innovation and access to knowledge. Bringing secret bilateral or plurilateral agreements to international scrutiny through discussions in multilateral forums could also generate necessary pressure. A reactive approach to critical TRIPS plus moves may not be in India's best interest as it does not empower us enough to influence international IP rule-making in a manner that takes into consideration our interests and priorities. Given the way the different facets of an IP regime spillover from different multilateral fora, it is best that as a country India has a coordinated and coherent stance in such matters in consultation with all the affected stakeholders. This would help India identify its interests on sensitive IP issues and work out a coherent strategy, and thereby take an appropriate stand at international level and tailor domestic policies accordingly. The feedback from Indian industry is quite critical here. Unfortunately, except for the pharma industry, the rest of industry in general is not alive to threat from TRIPS-plus measures. Indian software industry may be the next target of such moves. There is a need to take proactive stand and build appropriate coalitions against such moves, including through involvement of NGOs, and pursue legal route, wherever required. The Indian industry needs to awaken to the threat. (Economic Times dated 15/7/10).

- 'Dispelling some myths around the economic rise of India, China': Awakening Giants, Feet of Clay --Awakening Giants, Feet of Clay, a book by Pranab Bardhan "assessing the economic rise of India and China" is intended to "dispel some of the myths accumulated around the rise of these two countries". Mr. Bardhan, who is professor of Economics, University of California, Berkeley, explained how the myths about "different aspects of globalisation and global economy and development" in India and China are dealt with. He said "inequality of opportunity is more important than inequality of income" and the nature of inequality is different in the two countries. He discussed how "decentralisation" affected both countries, resulting in a "strong corporate oligarchy in India and China". He also talked about the strengths and weaknesses in governance of both the nations and how it affected economic growth. (Hindu dated 15/7/10).
- 12. 55% of India's population poor: Nutritional deprivation largest factor in overall poverty, says

- UNDP Survey -- India's abysmal track record at ensuring basic levels of nutrition is the greatest contributor to its poverty as measured by the new international Multi-dimensional Poverty Index (MPI). About 645 million people or 55% of India's population is poor as measured by this composite indicator made up of ten markers of education. health and standard of living achievement levels. Developed by the Oxford Poverty and Human Development Initiative (OPHI) for the United Nations Development Programmes (UNDP) forthcoming 2010 Human Development Report, the MPI attempts to capture more than just income poverty at the household level. It is composed of ten indicators: years of schooling and child enrolment (education); child mortality and nutrition (health); and electricity, flooring, drinking water, sanitation, cooking fuel and assets (standard of living). Each education and health indicator has a 1/6 weight, each standard of living indicator a 1/18 weight. The new data also shows that even in states generally perceived as prosperous such as Haryana, Gujarat and Karnataka, more than 40% of the population is poor by the new composite measure, while Kerala is the only state in which the poor constitute less than 20%. (Times of India dated *15/7/10*).
- 13. India hauls Netherlands to WTO over drug export seizures -- The Union Government has cast its lot with domestic drug-makers. It has taken authorities in the Netherlands to the World Trade Organisation's Dispute Settlement Body (DSB) over the seizure of Indian drug exports in the Netherlands, on allegations of patent-infringement. (Hindu dated 21/7/10).
- 14. India-EU trade deal likely by year-end -- Following an informal dialogue on the India-European Union free trade agreement (FTA), both sides are confident that the pact will be finalised by the end of the year. Along with meeting the EU's target date, the bloc of nations will push to establish a civil society advisory group to monitor the impact of the FTA from both sides, upon completion of the FTA. Culmination of the pact will mark the breaking of a political deadlock over the inclusion of India's social and environmental policies within the trade agreement. "Those issues will not be included now. they know that," said a source. Resolutions to some of the most contentious deliberations come handin-hand with a verbal agreement between the two sides which nearly puts to rest the prospects of a

- dispute settlement before World Trade Organization court. The ministry of commerce had commenced the process earlier this year by seeking consultation after Dutch customs illegally seized generic pharmaceuticals en route from India to Brazil. "It is all but resolved," commerce joint secretary Amarendra Khatua told Indian Express. (Indian Express dated 21/7/10).
- Running in place on trade: J Bhagwati -- Meetings 15. of G-20 leaders regularly affirm the importance of maintaining and strengthening openness in trade. June's G-20 summit in Toronto, although not very effusive on trade, did not back away from it. Yet, talk is cheap, and the open mouth policy of (generally pro-trade) pronouncements has not been matched by action. The paradox is that this has been good for holding the line on protectionism actions are also necessary to 'roll back' open trade. So we have largely stood still, in trade jargon. But lack of trade activism has also meant that we are not moving forward with trade liberalisation. The long-standing Doha Round of multilateral trade negotiations seems to have been put on indefinite hold. That governments did not break out into protectionism after the global financial crisis hit surprised many. In retrospect, it is easy to see why. Policy is driven by three 'I's: ideas, institutions and interests (i.e., lobbies). On all three dimensions, protectionist policy was hemmed in. What has prevented the eruption of WTO compliant trade wars has been the changed structure of the world economy, which has created strong anti-protectionist interests. The Doha Round ought to profit from some of these fundamental forces that favour open trade and impede protectionism. Indeed, conventional wisdom holds that, during a depression, citizens become risk-averse and will not support liberalisation. But, with many people now aware that their jobs depend on trade in a closelyintegrated world economy, polls in the US and elsewhere show continued majority support for free trade. While the Doha negotiators have settled many important issues, the final negotiations first stalled last year, owing to US' refusal to cut its agricultural subsidies further and India's insistence on special safeguards to prevent exposing its millions of subsistence farmers to unfairlysubsidised US competition. Today, domestic politics in the US and India has left the US as the only stumbling block to progress. The last election freed India's Congress Party of its coalition with the

Communists, who opposed trade, and thus

increased the flexibility of pro-trade Prime Minister Manmohan Singh. But the last election in the US ushered in a Democratic congressional majority that is indebted to trade-fearing unions, thus constraining the pro-trade President Barack Obama. Obama also faces falling support from business lobbies in manufacturing and services sectors that are demanding more concessions from other nations. Were he to opt to close the Doha Round as it has been negotiated to date, he could become a general without any troops. His silence on Doha at the recent G-20 summit was deafening. So, how do we move forward on trade? One solution, favoured by some Washington think tanks, is to go along and ask for more. But that would mean several years of renegotiation. The Doha Round would then be de facto dead. The other option is to close the Round by resolving the US-India discord on agriculture. Mutual concessions can be crafted that ensure negligible political fallout for both leaders. This would also require marginal improvements in concessions by the major developing countries, and by the US and the European Union on services. The problem is that lobbyists in Washington would reject this modest solution if the Doha Round were the end-game. So, part of the solution would have to be declaration of another Round to negotiate new aspirations and demands. We could even call this the Obama Round. (Article by J Bhagwati, University Professor at Columbia University, in Economic Times dated 23/7/10).

16. Global trade talks at a 'tipping point', warns study -

- After nearly nine years of inconclusive meetings, the continued drift in the global trade negotiations under the umbrella of the World Trade Organisation (WTO) could result in the "first outright failure of a multilateral trade round in the post-war era", warns a just released report 'Figuring out the Doha Round' by the Washington-based Peterson Institute for International Economics' senior fellows Mr Gary Clyde Hufbauer, Mr Jeffrey J. Schot, and research analyst, Ms Woan Foong Wong. It highlights that the trade talks are at "a tipping point". It said a global trade deal is still possible "with a concerted push by the major trading nations and with renewed political commitment to trade reform." With additional effort by the G-20 countries, the services negotiations members of the WTO could put together a Doha package that is both ambitious and balanced between the interests of developed and developing countries. The authors of the study improvised both trade gains and gross domestic product (GDP) gains for the major market access initiatives in the Round. The dataset the authors used cover 22 Doha participants seven developed and 15 developing countries with the latter including India, Brazil, China, Korea, Malaysia, Pakistan, the Philippines, South Africa, Taiwan, Thailand and Turkey. The 22 countries account for 73 per cent of world exports and 76 per cent of world imports in 2008 and for 88 per cent of global GDP in 2007. According to the report, liberalisation from implementing what is already "on the table" in agriculture and non-agricultural market access (NAMA) or industrial tariffs, would yield an increase in exports of the 22 countries to the world of \$67.7 billion. Exports of these 22 countries to the world would increase by another \$55 billion from a 10 per cent liberalisation of services barriers; by a further \$70.9 billion from the three sector initiatives, viz., chemicals, information technology goods and environmental goods (these go beyond the liberalisation that would flow from the formula tariff cuts). Thus, total export gains of the 22 countries could reach \$280.4 billion. The authors contend that the Doha deal "on the table", topped up with additional liberalisation in services and manufacturers plus expected gains from trade facilitation reforms, would raise the value of the Doha package, measured in global GDP gains, to as much as \$282.7 billion. This translates into a 0.5 per cent increase in GDP for the 22 Doha participants in the sample. (Hindu Business Line dated 24/7/10).

- 17. More items to find way into digital library to check biopiracy -- India has begun work to include 220 additional Ayurveda, Unani and Siddha text in its Traditional Knowledge Digital Library (TKDL), which will help check rampant bio piracy of the country's ancient wisdom by developed countries. The digital library is a joint effort of CSIR and the ministry of Ayush (Ayurvedic, Unani, Siddha and Homeopathic) against bio piracy or attempts by individuals or institutions in the developed countries to patent traditional knowledge passed down from generation to generation in India. (*Economic Times dated 27/7/10*).
- 18. 'WTO rules against EU on hi-tech products' -- The World Trade Organization has ruled in favour of the United States, Japan and Taiwan in their complaint against EU duties on high-technology products, a source close to the dispute. The plaintiffs had accused the European Union of violating the WTO's

- Information Technology Agreement by imposing duties on imports of products including television set-top boxes, flat-screen panels and printers with multiple functions. (*Hindu dated 27/7/10*).
- 11 panels from India, 4 others nations attempt Doha revival -- India is in the thick of an effort to revive the stalled global trade talks with the World Trade Organisation, setting up eleven different groups with representatives from five countries to resolve contentious issues. China, Brazil, US and the EU are the other members that will make up these groups to tackle issues in agriculture, industrial goods (Nama) and services. Unresolved issues in each of these areas would be looked at individually in these groups to ensure overall progress of the round, a government official has said. Negotiations at the WTO normally take place in the various councils and committees set up in the WTO secretariat. "The new groups have been set up to expedite the negotiations and would give their inputs to the existing councils and committees which would continue to meet," the official added. (Economic Times dated 5/8/10).
- 20. Doha Round may not be completed by year-end --Indicating that it may not be possible to conclude the Doha Round talks for a global trade deal by this year end, the World Trade Organisation Deputy Director-General, Mr Harsha Vardhana Singh, however, said the member-countries recently showed renewed enthusiasm to resolve the "most difficult" outstanding issues in the ongoing last phase of engagement. "The whole thing (Doha Round) cannot be wrapped up in 2010 because after modalities (or broad outlines regarding final commitments, including formulas for tariff cuts) you need to go forward on the negotiations in the other areas. So it will take some more months after modalities. We don't even have the modalities and in 2010 we don't have that many months left," Mr Singh told reporters on the sidelines of a FICCI meeting. (Hindu Business Line dated 6/8/10).
- 21. 'Bhang' to trigger new patent war? -- An ancient Indian high could soon get 'bhang-alored' to the United States if the efforts of an American confectioner prove successful. Scott J Van Rixel, a New Mexico chocalatier, has applied to trademark a product called "Bhang: The Original Cannabis Chocolate." Rixel's highly-anticipated confection, coming amid a rousing debate about legalizing marijuana in the US, is laced with a form of cannabis. If he gets his first creation through the

- system, Rixel says he plans to start selling at least two more types of 'Bhang' chocolates in the US and may even consider expanding the line to India. He has already incorporated a company named 'Bhang Chocolate Company Inc' for this new venture, according to the Wall Street Journal. Pundits believe Rixel's chances of getting his application through are low because the Indian government has moved quickly in recent years to build a database of traditional Indian biological and medical practices. The now 250,000-strong database, available to international patent offices for reference to stymie trademark infringement, lists "Bhang." (*Times of India dated 9/8/10*).
- 22. India Inc not worried over latest US outsourcing rhetoric: India calls proposed visa legislation discriminatory -- On the heels of a leading US Senator describing Infosys as a 'chop shop' for American jobs, news agencies had quoted Obama at a party fund-raising programme as saying the jobs and industries of the future weren't going to Germany or China or India, but would be back with America. Nevertheless, Indian industry feels the US president has not issued any red signal on the march of our IT industry. "President Obama has made a good statement about the US competing with India and China and to create jobs in the US. He wants made-in-US to dominate and this is about manufacturing, not outsourcing," said Som Mittal, president of Nasscom, the apex IT industry association. Meanwhile, India termed the US proposal to increase visa fees to fund its internal border security plan as discriminatory and said it will cost Indian firms \$200 million extra a year. It is inexplicable to our companies to bear the cost of such a highly discriminatory law," Commerce and Industry Minister Anand Sharma said in a letter to US Trade Representative Ron Kirk. (Business *Standard dated 11/8/10*).
- 23. India, EU lock horns over trading in animal products -- India and the European Union locked horns at the World Trade Organisation (WTO) over each others' norms about trading in animal products. While India opposed EU's regulation on 'humane slaughter' of animals (to reduce the suffering of animals at the time of killing), EU continued to raise its voice against India's import restrictions on its animal products on the basis of avian influenza. India has the backing of China, while EU is supported by the US. EU's regulation calls for linkage of animal welfare concerns into the

- construction, layout and the equipment used by slaughterhouses. (*Hindu Business Line dated* 13/8/10).
- Why do countries sign RTAs? -- The proliferation of regional trading arrangements (RTAs), especially after 1990, has sparked a lot of interest. Prof Bhagwati, a staunch multilateralist, has likened them to 'stumbling blocs' to the multilateral focus of the WTO. This author too has written in past articles that the rush to contract RTAs is probably traceable to the perceived failure of the WTO meetings, particularly after the Doha round of 2001. As countries perceive that the multilateralism of WTO is falling apart, they are rushing to get into regional alliances as a defensive response. Presumably, RTAs act as an insurance against protectionism, particularly for small and developing countries. Small countries, it can be argued, conclude RTAs with large countries before they are excluded by other countries doing the same a kind of first-mover advantage. But do developing countries benefit from these RTAs? Are these benefits economic in terms of market access? Barring Mercosur, in no other RTA has there been a significant increase in intra-RTA trade after implementation of the agreement. It must also be remembered that an RTA has administrative costs in terms of implementing the system of rules of origin. cumulation, etc, that are an integral part of such agreements. So, RTAs do not give a significant market access benefits to members. Yet, RTAs continue to flourish. In fact, India, a latecomer to RTAs, is now stepping up efforts to contract a number of RTAs. Why this rush for RTAs? Are there any important non-economic benefits they confer on contracting papers? For answers to this, watch this space next month. (Economic Times dated *13/8/10*).
- 25. India vows to fight liberal import of used goods India has opposed suggestion by some developed countries for more liberal trade in remanufactured goods or refurbished old products fearing it could harm the country's domestic industry and also have environmental ramifications. In a submission to the World Trade Organisation, India has said that it was not ready to take on commitments to lower trade barriers in second-hand goods though it will participate in the discussions on understanding and defining of remanufactured goods, a stand endorsed by Argentina, Brazil, Ecuador and Venezuela.

(Economic Times dated 16/8/10).

- India against 'TRIPs-plus' clauses in bilateral trade pact -- New Delhi is resisting attempts by some developed countries to have Intellectual Property Rights (IPR) enforcement provisions in bilateral trade pacts with India to their advantage. One of the things these countries are worried about is the menace of counterfeiting. These attempts would go beyond India's commitments at the World Trade Organisation's agreement on Trade Related aspects of Intellectual Property Rights (TRIPS), Commerce and Industry Ministry sources told Business Line. Inclusion of 'TRIPS-plus' provisions in Comprehensive Economic Partnership Agreements (CEPA) would restrict generics drugs exports from India and prevent Indian companies from obtaining the latest technology at affordable prices from abroad, they said. (Hindu Business Line dated 17/8/10).
- 27. India weighs moving WTO against US visa rules -The proposed increase in visa fees for professionals
 in the US may be in violation of global trade rules, a
 senior government official has said. India would,
 however, study the new rules carefully and try to
 sort out the issue bilaterally before deciding on
 filing a complaint with the WTO. (*Economic Times*dated 17/8/10).
- 28. India, China want services on par with agri goods at WTO -- In a radical shift in policy stand, the emerging economies spearheaded by India and China have called for an 'all or nothing' approach in the ongoing WTO negotiations. The demand put forth is to bring service negotiations on par with negotiations on Nama and agricultural goodsa move set to create jitters in the developed bloc led by the US. According to a senior commerce ministry official, India and China have already found support in Brazil and South Africa on the issue. "India and China want a comprehensive solution to WTOwhere both services and goods are treated on par," he said. (Financial Express dated 18/8/10).
- 29. India wins trademark case for Ponni rice -- In a significant victory for rice growers and exporters, India has won the trademark case against a Malaysian firm which was granted the registration for the 'Ponni' rice, a non-basmati aromatic variety grown in Tamil Nadu. A High Court in Malaysia ruled that Syarikat Faiza cannot use the 'Ponni' label for its rice products, according Bernama news agency. (*Financial Express dated 18/8/10*).
- 30. PMO intervenes in IPR policy making -- Even as the

- jurisprudence on the patent regime is still evolving in the country, the Prime Minister's Office (PMO) has intervened in the matter in a manner that could significantly impact and even alter the future course of policy making in the area of intellectual property rights. The PMO is currently in the process of forming its view on many critical patent issues and has asked the department of pharma to spearhead the exercise even though department of industrial policy and promotion (DIPP) is the nodal agency concerned with the legislation related to patents. According to sources, PMO's interest in the patent territory follows a high powered meeting with heads of many pharmaceutical multinational companies who are learnt to have urged the government to build judicial capacities to protect intellectual property rights in the country. The pharma MNCs have submitted before the PMO that legislation in the country should be aligned in a manner that rights granted under one statute should not be defeated under the other. The MNCs have been advocating "patent linkage" in the country which implies linking the status of patent grant in case of a drug to the marketing approval given by the drug regulator. However, domestic industry and public health activists have opposed such a move vehemently arguing that it would lead to increase in drug prices in the country by delaying the entry of low cost generic version of the drugs. (Financial Express dated 19/8/10).
- 31. Commerce Ministry open to task force on govt procurement -- The Commerce Ministry said on 18/8 that it is receptive to the setting up of a Task Force to help Indian companies identify the opportunities in the \$3-trillion worth global trade in 'Government procurement' and the obstacles these domestic firms face the world over in this regard. Trade in 'Government procurement' concerns the goods and services bought by Governments across the world. Stating this at a FICCI event, Mr D.K. Mittal, Additional Secretary, Commerce Ministry, asked Indian companies to give inputs to the Centre on their interests in Government procurement and the obstacles they face in other countries in this regard. The 'Task Force on Government comprising representatives from Procurement' India Inc, the legal fraternity and the Government could also look into whether India's norms on Government procurement are more open when compared to the guidelines of the 41 countries which are signatories to the World Trade Organisation's Government Procurement

- Agreement (GPA). (*Hindu Business Line dated* **20/8/10**).
- 32. India-Asean services talks may not conclude by year-end: Khullar -- The India-Association of South East Asian Nations (Asean) negotiations for liberalising trade in services is not likely to conclude this year as the Asean member countries are apprehensive about opening up trade in services especially due to India's offensive interests in the sector, the Commerce Secretary Dr Rahul Khullar, has said. (*Hindu Business Line dated 21/8/10*).
- 33. India's first patent technology auction in Ahmedabad: Event will be country's first step towards commercializing patents -- A herbal drink that tastes like beer, a bio insecticide product that attracts and kills mosquitoes using bird feather, a transdermal patch for contraceptives drug delivery and a technology that can make a snake venom into analgesic that can help cure neuropathic pain: these are samples of patented technologies that would go on auction in Ahmedabad on August 28. It will be India's first step towards commercialising patents. Organised by Foundation for MSME Cluster in alliance with Skyquest Technology Consulting, a private company engaged in facilitating buying and selling of patents in India, the one-day patented technology transfer platform, Tech Transfer 2010, will showcase 50 technologies from across India. (Economic Times dated 24/08/10).
- Government starts review of compulsory licensing norms -- The Department of Industrial Policy and Promotion (Dipp) has started a discussion on various compulsory licensing (CL) provisions enshrined under India's intellectual property laws. The move is significant in the backdrop of increasing acquisition of domestic pharmaceutical companies by foreign players and the concerns expressed by the Parliamentary panel on health over the availability of life-saving medicines at affordable prices in its report early this month, officials said. Using CL, the government can allow third parties (other than the patent holder) to produce and market a patented product or process without the consent of the patent owner. This mechanism enables timely intervention by the government to achieve equilibrium between two objectives rewarding inventions and, if required, making these available to the public during the term of the In a discussion paper, DIPP sought stakeholders' views on the scope of CL provisions to know if new guidelines were necessary to develop a

- predictable environment for such measures. (Business Standard dated 25/8/10).
- 35. India to fast track free trade agreements with EU, Japan and Malaysia -- With little or no progress in the Doha Round for the last more than one year, India is proactively working on concluding Free Trade Agreements (FTAs) with Japan, European Union and Malaysia to expand its trade basket. Officials in the Commerce Ministry said that India's initiative last September to trigger a new synergy into multilateral trade talks and re-energise Doha Round had not taken off. In view of these developments, the Government had redefined its strategy and was now focusing on bilateral pacts to enhance trade engagement. (Hindu dated *26/9/10*).
- 36. Indian Patent manual to be ready by September -The Indian Patent Manual will be ready by
 September 30, said the Controller General of
 Patents, Designs and Trademarks, P.H. Kurian while
 participating in a panel discussion at a symposium
 on Intellectual Property (IP) organised by the GEIndia Technology Centre. The Manual would not
 only be a guide to patent examiners at the Office but
 would also set standards for performance, he said.
 (Hindu Business Line dated 27/8/10).
- Doha Round in times of downturn -- Reporting to the Trade Negotiations Committee last July, WTO Director-General, Mr Pascal Lamy, told the assembled trade officials that signs of a "new dynamic" has emerged in the Doha Round negotiations, a rare piece of good news for the beleaguered nine-year-old talks. However, Mr Lamy may have been prescient in simultaneously noting that "it is too early to say whether this new dynamic is firmly rooted and can expand to all issues under the negotiating agenda which still lag behind in terms of maturity... it is also too early to see how you engage on horizontal trade-offs across different areas". This is because new challenges for DDR have emerged in the past weeks, owing to growing fears of a double-dip US recession (or at best a wide-U shaped low-growth-slow-recovery in the US). (Article in Hindu Business Line dated 27/8/10 by Suparna Karmakar).
- 38. India, Asean look to complete trade talks by March 2011 -- Trade ministers of India and ten Southeast Asian nations on 27/8 asked their negotiators to complete the ongoing talks on bilateral trade pact in services and investment by March next year. Indian Commerce and Industry Minister Anand Sharma

- met his counterparts from the ten Asean-member nations to review the progress of negotiations in Vietnam. (*Business Standard dated 28/8/10*).
- FTA: Japanese cos won't get special treatment on govt buys: India is not bound to give special preference as it hasn't signed GPA -- India has refused to make 'government procurement' a part of the free trade agreement (FTA) talks with Japan. According to commerce ministry sources, Tokyo has been nudging India since the talks began in 2006 to make GP a part of the FTA under which Japanese companies would get favourable treatment to bid for government purchases. As per the negotiations, India has argued that since it is not a signatory of Government Procurement Agreement at WTO, it was not in a position to make far-reaching promises to Tokyo. FTA with Japan is at the last stage of its ratification and is expected to be signed when Indian Prime Minister Manmohan Singh visits Tokyo in December this year. (Financial Express dated 28/8/10).
- 40. India to implement FTA with Indonesia, Cambodia soon -- India will soon implement the free trade agreement (FTA) in goods with two more Asean countriesIndonesia, Cambodiaby slashing duties on hundreds of products including seafood, chemicals, apparel and tyres. In turn the two countries will also slash import duties on hundreds of Indian goods (Financial Express dated 28/8/10).
- Patented drug should reflect local costs: Industry --41. Indian drug manufacturers want the price of patented drugs to be fixed based on the cost of developing and producing the medicine in the country and not in developed markets, where it costs more, to make such medicines affordable for local patients. A reasonable yardstick for negotiating and fixing the price of patented drug in India could be based on the cost of R&D, clinical trials, manufacturing etc. if those processes are carried out in India, Daara Patel, secretary general, Indian Drug Manufacturers' Association, wrote in a letter to the committee on price negotiations for patented drugs last month. (Economic Times dated **28/8/10**).

Forthcoming Events

S.No.	Торіс	Venue	Date
1	Training of Business Executives of M/s ITC Ltd, India on WTO and FTAs	Hyderabad	23-24 September
2	2-day Seminar on WTO and India's FTAs, Institute of Governance, Govt. of Kerala	Thiruvananthapuram	4-5 October
3	Namaskar Africa, 2010	Nairobi, Kenya	14-15 October
4	Capacity Building Programme on WTO and FTA	Raipur	29 October
5	2-Week Capacity Building Programme for officials from Least Developed Countries on WTO issues	Centre for WTO Studies, IIFT, New Delhi	15-30 November
6	Anti-Counterfeiting Agenda and Access to medicines in Eastern Africa	Kenya	November 2010

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