Centre for WTO Studies
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INDIA, WTO AND TRADE ISSUES

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India's New Ambassador to WTO

Mr. Jayant Dasgupta has taken over as the Ambassador & Permanent Representative of India to the WTO in Geneva on August 1, 2010. He has taken part in the Doha Round negotiations between 2006 and 2009 as Joint Secretary in the Department of Commerce, Government of India. He had earlier handled India's bilateral trade relations with the Americas, infrastructure development for exports as well as policy issues relating to the Special Economic Zones. Before taking over as Ambassador, he was working as Secretary, Economic Advisory Council to the Prime Minister of India. He belongs to the Bihar cadre of the Indian Administrative Service. Ambassador Dasgupta has Masters Degrees in Physics, Management, Economics and Social Policy & Planning and a Bachelor's degree in Law.

Lead Article

US Renewed Focus on Achieving Manufacturing Competitiveness

Shashank Priya
Professor, Centre for WTO Studies

Introduction

For several decades now, US economy has been characterized by highly unfavorable trade balance leading to persistent trade deficit. After the subprime crisis, the US government gave large scale financial support to its flagship enterprises in services and manufacturing sectors like banks and automobile sector. Now it seems that the US is systematically working to create an environment where it regains its competitiveness in manufacturing sector to address the persistent problem of trade deficit. In order to achieve this, the US has introduced six major draft legislations in its Congress aimed at enhancing its manufacturing capacity and to provide money to its entrepreneurs to make them globally competitive. These proposed legislations give a clear indication that the US government is gearing to spend substantial sums of money in the coming years to support its manufacturing sector. This support is at various levels. The first level of support is at the broader level of institutional support by commissioning legally mandated Studies to evolve strategies to overcome US trade deficit and promote its manufacturing sector. Two draft legislations, namely End of Trade Deficit Act (HR1875) and National Manufacturing Strategy Act of 2010 (HR 4692) fall in this category. The second level of support is by strengthening those provisions of laws which mandate use of domestic goods for Federal and State use. Two draft legislations namely Buses, Rail Cars, Ferryboats: Make it in America Act of 2010 (HR 5791) and Manufacture Renewable Energy Systems: Make it in America Act of 2010 (HR 5792) fall into this category. The third level of support is by providing for legally mandated funding to improve certain domestic manufacturing sectors in line with the US national strategy of protecting jobs in US and to encourage development and export of energy saving technology products. The two Bills that fall into this category are Clean Energy Technology Manufacturing and Export Assistance Act of 2010 (HR 5156) and Strengthening Employment Clusters to Organize Regional Success Act of 2010 or SECTORS Act of 2010 (HR 1855). The salient features of six draft Acts are discussed in this Article.

News:

Centre for WTO Studies has been designated as the official training centre to host Regional Trade Policy Course (RTPC) for representatives from the developing world in the Asia-Pacific Region. WTO (and its predecessor GATT) has been running Trade Policy Courses at its headquarters in Geneva for over fifty years. The courses are designed to meet the need for developing countries to build their capacities to participate more effectively in the multilateral trading system... (See *details* on *page-7*)

In this issue

I. End of Trade Deficit Act (HR1875)

US is currently struggling with the largest ever trade deficit in its history amounting to US $ 753 billion and has had 32 years of consecutive annual trade deficit. As a consequence, it has become the world's largest debtor nation with net debt of more than US $ 2441 billion.

The US Congress views this trade deficit to have caused retardation in growth of Nation's Gross Domestic Product and increased the cost of servicing foreign debt. The US's large merchandise trade deficit is largely on account of four countries namely Republic of China, Canada, Mexico and Japan which account for half of its trade deficit. The Congress has observed that this has led to significant losses in manufacturing jobs. It has set a deadline of 2019 to eliminate the US trade deficit.

In order to understand the causes and consequences of trade deficit and to develop a Plan to eliminate the same by January 2019, the Bill proposes establishment of an Emergency Commission to End Trade Deficit. The Commission will also suggest ways to develop a competitive trade policy for 21st century.

The Commission is to consist of 11 members representing diverse interest groups like labour interest, small business interest, consumer protection interest and representatives of minority and majority leaders of the Senate and the Speaker of the House of Representatives. Only one of them is to be an executive officer of the US Government.

The mandate of the Commission is to develop a comprehensive trade policy plan by examining the economic policy, trade, tax and investment laws relevant to reducing US trade deficit and to make recommendations to the Congress and to the President *inter alia* on the following:

1. The manner in which US Government establishes and administers the Nation's fundamental trade policies.
2. The causes and consequences of overall trade deficit and specific bilateral trade deficit including:
   - *(i) Impact of trade deficit on industrial base, on manufacturing capacity, number and quality of jobs, on health, safety and environmental standards and the standard of living in US;*
   - *(ii) Review the adequacy of current collection and reporting of trade data;*
   - *(iii) Relationship between Tariff and Non-Tariff barriers on trade deficits;*
   - *(iv) Extent of reciprocal market access in each country with which the US has a persistent and substantial bilateral trade deficit;*
   - *(v) Role of transshipment on bilateral trade, especially through NAFTA countries.*
3. The relationship of US trade deficit to comparative and competitive trade advantages within the global economy, including:
   - *(i) Analysis of US trade patterns with different trade partners to examine to what extent they are based on comparative and competitive trade advantages;*
   - *(ii) The extent to which increased mobility of capital and technology has changed comparative and competitive advantage*;
   - *(iii) Identification and quantification of goods imported into US that is produced with child or forced labour, or under social and environmental conditions that do not comply with US laws;*
   - *(iv) Impact of labour standards (including the ability of labour to organize, bargain collectively and exercise human rights) on world trade;*
   - *(v) Impact of currency exchange rate and manipulation of exchange rate on world trade.*
4. Evaluation of current policies and suggestions for alternative strategies to systematically reduce trade deficit and improve economic well being of US citizens, including suggestions for:
   - *(i) Development of bilateral and multilateral trade relationships based on market access reciprocity;*
   - *(ii) Retention and expansion of manufacturing, agriculture and technology sector in US;*
   - *(iii) Ways to discourage expatriation of US plants, job and production to countries that have achieved competitive advantage by promoting lower wages or lower health, safety and environmental standard or by imposing requirements with respect of investment, performance or other obligations;*
   - *(iv) Methods by which US can effectively compete in a global economy while improving the labour, social and environmental standard of its trading partners, particularly developing country trading partners;*
   - *(v) Methods by which US can respond to manipulation of currency exchange rates;*
   - *(vi) Methods to overcome and offset trade barriers that are either not subject to or are otherwise inadequately addressed by WTO;*

(vii)Specific strategies to achieve improved trade balance with Canada, China, Mexico and Japan;

(viii)Methods to respond to particular needs and circumstance of developing and developed countries in a mutually beneficial manner;

(ix) Changes in current Trade Agreements and Organizations to allow US to pursue and nurture economic growth for its manufacturing, agriculture and other production sectors.

The Commission is to submit its Report to the President and to the Congress within 16 months of the date of enactment of this Act along with recommendations for reducing overall trade deficit and specific bilateral trade deficits.

II. National Manufacturing Strategy Act of 2010 (HR 4692):

This is a draft Act to prepare a quadrennial National Manufacturing Strategy. It lays down that the sense of the Congress is that the US Government should promote policies related to US manufacturing sector that promote growth, sustainability and competitiveness. It provides that by the second year of each Presidential term (by first of July of that year), the President shall submit to the Congress and publish on a public website, a National Manufacturing Strategy. The first such strategy has to be published within one year after the enactment of this Act.

The President shall establish a Manufacturing Strategy Board within the Department of Commerce. The Secretary or the Head of the Departments of Treasury, Defence, Commerce, Labour, Energy, USTR, Science and Technology, Management and Budget, Small Business Administration will be its members. There will be additional 9 members from the private sector appointed by the President after consultation with industry and labour organizations. Each member shall be appointed for a term of 6 years.

The President's Manufacturing Strategy Board is tasked to perform the following functions:

(i) Advise the President and the Congress on issues affecting the Nation's Manufacturing Sector;

(ii) Conduct a comprehensive analysis of US Manufacturing Sector by addressing issues like the value and role of manufacturing in the Nation's economy, security and global leadership; the current domestic and international environment for the Nation's manufacturing sector; Federal, State and local policies and programmes that affect manufacturing; a comparison of manufacturing policies and strategies of the US relative to other Nation's policies and strategies; identification of emerging or evolving markets, technologies and products for which the Nation's manufacturers could compete; short and long term forecasts for the Nation's manufacturing Sector.

(iii) To develop a National Manufacturing Strategy based on result of its comprehensive analysis and studies carried out by the National Academy of Sciences and any other information, studies, etc.

(iv) The Board shall submit to the President and the Congress an annual Report that includes:

(a) views on the current state of manufacturing in US;

(b) an assessment of implementation of previously issued National Manufacturing Strategies; &

(c) recommendations for furthering the implementation of previously issued National Manufacturing Strategies.

There are provisions for eliciting public comments on the draft Report before finalizing the same.

III. Buses, Rail Cars, Ferryboats: Make it in America Act of 2010 (HR 5791)

The Bill seeks to amend title 49, United States Code, to eliminate waivers to Buy America to strengthen the requirement that steel, iron, and manufactured goods used in a capital project are produced in the United States. The existing provision of Section 5323 of title 49 US Code provides that for a state funded project, steel, iron, and manufactured goods used in the project should be produced in the United States. However Section 5323 j (2) presently provides for several exceptions to this rule which the Secretary of Transportation can apply in his discretion. The exception could be allowed on grounds like inconsistency with the public interest; the steel, iron, and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality; inclusion of domestic material will increase the cost of the overall project by more than 25 percent. For procurement of rolling stock (including train control, communication, and traction power equipment) the exception can be applied in cases where: (i) the cost of components and subcomponents produced in the United States is more than 60 percent of the cost of all components of the rolling stock; and (ii) final assembly of the rolling stock has occurred in the United States.

In the proposed amendment, most of these discretions available under the law with the Secretary of Transportation is proposed to be deleted and the only ground on which the condition of use of local material can be waived is in the circumstances where such use would increase the cost of the overall project by more than 25 percent.

IV. Manufacture Renewable Energy Systems: Make it in America Act of 2010 (HR 5792):

This Draft Bill proposes a requirement of 100% domestic content in green technologies purchased by Federal agencies or by States with Federal funds and the property eligible for the renewable energy production or investment tax credit.

The Bill (in Section 2) proposes that green technologies that are 100% manufactured in the United States from articles, materials or supplies, 100% of which are grown, produced or manufactured in the United States, may be acquired for use by the Federal Government or by the State Government where Federal Funds are involved. The Bill further proposes to prohibit Federal funding to a State to purchase green technologies, unless the State agrees to abide by the requirements of this Act.

The Bill proposes a 3 year phase-in period: in the first year, the requirement would be to use 30% domestic goods, which will increase to 50% and 80% respectively in the next 2 years and would reach 100% in the fourth year.

The Act defines “green technologies” as renewable energy and energy efficiency products and services that:-

(i) Reduce dependence on unreliable sources of energy by encouraging the use of sustainable biomass, wind, small-scale hydroelectric, solar, geothermal and other renewable energy and energy efficiency products and services; and

(ii) Use hybrid fossil-renewable energy systems.

This as well as the draft legislation HR 5791 are expected to create American jobs by ensuring that there is more domestic spending on American-made renewable energy systems, like solar, wind and hydroelectric power and by strengthening the legal obligation of using U.S. steel, iron, and manufactured goods in federally funded capital public transportation projects.

V. Clean Energy TechnologyManufacturing and Export Assistance Act of 2010 (HR 5156):

This Bill provides for the establishment of a Clean Energy Technology Manufacturing and Export Assistance Fund to assist United States businesses with exporting clean energy technology products and services. The term 'clean energy technology' is defined in the Bill as a technology related to the production, use, transmission, storage, control, or conservation of energy that will contribute to a stabilization of atmospheric greenhouse gas concentrations through reduction, avoidance, or sequestration of energy-related emissions.

As per the Bill, the Secretary of Commerce shall establish a Clean Energy Technology Manufacturing and Export Assistance Fund to the tune of US $15 million for each of the fiscal years 2011 to 2015. The Secretary of Commerce shall administer the Fund to promote policies that will reduce production costs and encourage innovation, investment, and productivity in the clean energy technology sector, and implement a national clean energy technology export strategy. The purpose of the Fund is to ensure that United States clean energy technology firms, including clean energy technology parts suppliers and engineering and design firms, have the information and assistance they need to be competitive and create clean energy technology sector jobs in the United States.

The US government will promote clean energy technology manufacturing and facilitate the export of clean energy technology products and services in various ways like:

a) developing critical analysis of policies to reduce production costs and promote innovation, investment, and productivity in the clean energy technology sector;

b) helping educate companies about how to tailor their activities to specific markets with respect to their product slate, financing, marketing, assembly, and logistics;

c) helping United States companies learn about the export process and export opportunities in foreign markets;

d) helping United States companies to navigate foreign markets; and

e) helping United States companies provide input regarding clean energy technology manufacturing and trade policy developments and trade promotion.

This Act seeks to establish a dedicated fund to the tune of US $15 million for each fiscal year starting from 2011 through 2015 to promote policies that will reduce production costs and encourage innovation, investment, and productivity in the clean energy technology sector, and implement a national clean energy technology export strategy. The fund is to be used for activities like analysis to reduce production costs; educating companies in various ways with the aim of accessing specific markets abroad; and promoting clean energy technology manufacturing.

As the US does not enjoy the benefit of cheap labour force, it has traditionally been an exporter of high technology products. A major thrust area in this regard is now energy efficient products. According to World Economic Forum estimates, private investment in clean technology is estimated to reach $540 billion annually by 2012 and over $600 billion by 2020 on a global scale. In this backdrop it is significant that US legislation is establishing a $75 million fund over next five years. The bill's sponsors believe that the legislation would help strengthen America's domestic clean technology manufacturing industry by requiring the Fund to promote policies that will reduce production costs and encourage innovation, investment, and productivity in the clean energy technology industry. In turn, that is expected to help American companies increase their demand and create new, clean energy jobs. Currently, the US clean technology industry is lagging behind many of its international competitors in exports. According to a recent US Senate report, the US clean technology industry exported about $7.7 billion in products and services between 2004 and 2008, compared to China's $22.7 billion and Germany's $19.6 billion. Also, at present, only six out of the 30 global companies that lead in this sector are American-owned. The US Department of Energy has found that the increase in exports of green technology could reach $40 billion per year and could create more than 750,000 jobs by 2020.

However, some other US commentators have questioned the wisdom of the government subsidy scheme and the government's expertise and qualification to effectively help private companies navigate through rapidly evolving clean energy foreign markets and hold that the programme can become "financial subsidy grab bag for politically connected specials interests." They suggest that the way forward to increase competitiveness of clean energy technology sector is to go for further liberalization of international trade and the Doha negotiations on free trade on environmental goods and services present a significant opportunity.

VI. Strengthening Employment Clusters to Organize Regional Success Act of 2010 or SECTORS Act of 2010 (HR 1855):

It is an Act to promote industry growth and competitiveness and to improve worker training, retention and advancement and for other purposes. The Act seeks to promote industry or sector partnership that lead to collaborative planning, resource alignment and training efforts across multiple firms for a range of workers employed or potentially employed by a targeted industry cluster, in order to encourage industry growth and competitiveness and to improve worker training, retention and advancement in targeted industrial clusters.

The term 'targeted industry cluster' means an industry cluster that has economic impact in a local or regional area, such as advance manufacturing, clean energy technology and health care.

The act provides for an implementation grant which is not to exceed US $ 2.5 million for a 3 year period and a renewal grant of $ 1.5 million for 3 years. The Secretary shall award the implementation grant to an eligible entity (that is an industry or sector partnership or an eligible State agency) that has established, or is in the process of establishing, an industry or sector partnership. The implementation grant shall not be for more than 3 years and may be renewed for another 3 years. For targeted industry cluster to be eligible to receive the fund, the following criteria need to be fulfilled.

(i) Data showing the competitiveness of the industry cluster;

(ii) Importance of the industry cluster to the economic development of the area, including estimation of jobs created or preserved;

(iii) Identification of supply and distribution chains within the industry cluster;

(iv) Research studies on industry cluster.

This proposed Act seeks to amend The Workforce Investment Act (WIA), which established a workforce development program that offers a variety of workforce activities in partnership with state and local governments and organizations. These activities are aimed to promote and increase employment opportunities, improve job retention, wages and skills. This not only helps in improving the quality and competitiveness of the workforce but also saves public money in welfare payments. The largest part of the US workforce consists of those who do not hold a four-year University degree and their skills need frequent up gradation. Industry or sector partnerships organize stakeholders and include, among others, multiple businesses, employees, unions, education and training providers, and local workforce and education system administrators. The partnerships develop plans for growing or saving the industry. There is a particular focus on building new workforce in areas where skilled worker shortages exist and transforming the ways existing workers are utilized.

One way in which partnerships try to maximize industry potential is to create industry clusters, which are concentrations of interconnected businesses, suppliers, research and development, service providers, and associated institutions in a particular field that are linked by common workforce needs. Many economists argue that industry clusters help businesses become more efficient and productive, ultimately leading to innovation and stronger economic growth than would otherwise be the case if an industry was more disparate. Well known industry clusters include the financial industry in New York City, the technology industry in northern California and the pharmaceutical and biotech industries in the Boston metro area.

The grants under SECTORS Act are intended to allow recipients to establish or expand sector partnerships that lead collaborative planning, resource alignment and training efforts across multiple firms for current and potential workers within the targeted industry cluster. The bill would establish a series of one year planning grants and three-year implementation grants to eligible partners that may comprise of employers, labour organizations, post secondary educational institutions, state work force agencies or other entities providing state employment services. Partners receiving grant funds would be responsible for meeting a range of strategic objectives including identifying training needs of multiple business; helping post secondary educational institutions and training institutions to align curricula and programmers to industry demands; developing and strengthening career ladders within and across companies and improving job quality through improving wages, benefits, and working conditions.

Conclusion

The wide ranging legislation by the US to promote its manufacturing sector needs to be studied carefully. As government proposes to provide financial contribution to certain specific sectors of industry, such as Clean Energy Technology Manufacturing sector, this is in the nature of a subsidy as per the WTO Agreement on Subsidies and Countervailing Measures. Similarly under SECTORS Act of 2010, US proposes to promote industry or sectors which are identified as crucial for improving economy of certain regions and have a potential to improve the living conditions and wages of the workers; this seems to be a subsidy scheme as it leads to financial contribution from the government to specific sectors or to specific regions.

The annual outlay for eligible entities is US $ 2.5 million for a 3 year period which can be further renewed by another US $1.5 million for the next 3 year period. One has to wait and watch the impact of such subsidy schemes on the relevant domestic industries of India. An action under the WTO disciplines on Subsidies and Countervailing Measures can be contemplated if Indian industry of like products get adversely affected by exports of subsidized products from USA.

US industry is also poised to reap benefits through allocation of funds to assist United States businesses to export clean energy technology products and services by helping the units to learn about the export process and export opportunities in foreign markets as also to navigate foreign markets. India also needs to harness its strength in this area as this will be a major area of international commerce. The Doha negotiations on opening of environmental goods and services needs to take into account this preparatory steps by some major players in trying to corner a good deal of market access. India will do well to calibrate its negotiating position as also its domestic policy to encourage trade in environmentally clean products.

The emphasis of US law makers on manufacturing sector in general and energy saving technologies in particular would imply that in the current Doha Round, US would continue to pitch for ambitious outcomes on NAMA sectorals and on environmental goods and services. In the future work programmes of WTO, US may raise issues like core labour standards, environmental standards and transparency in exchange rate determination.

In order to curb its large scale trade deficit, it may also thoroughly re-examine its policy towards bilateral trade deals by either slowing down on new deals or by demanding strict market access reciprocity and stringent provisions on core labour standards, environmental standards, IPR enforcement etc. This can mark a significant shift in US trade patterns. In 2008, the FTAs currently in force with US accounted for more than US $ 1 trillion in two-way merchandise trade, which is about 35% of US trade worldwide. One has also to wait and watch the fate of three US FTAs which have not yet been ratified, namely Colombia, Panama and South Korea. It is a moot point whether this can be a signal to move towards more international trade on multilateral basis or to have more stringent FTAs with strong market access provisions and WTO-plus rules.

Centre for WTO Studies to host WTO Regional Trade Policy Course

The Centre for WTO Studies, in IIFT New Delhi, has been designated as the official training centre to host Regional Trade Policy Course (RTPC) for representative from the developing world of the Asia-Pacific region. The WTO and its predecessor, the GATT, have been running Trade Policy Courses (TPC) at its headquarters in Geneva for over fifty years. These courses are designed to meet the need for developing countries to build their capacities in participating more effectively in the Multilateral Trading System. Through the RTPC, the WTO seeks to increase the number of government officials in various geographical regions of the world with a solid knowledge on the WTO, thereby increasing the capacity of governments in the region to articulate and defend their national trade interests. The course focuses on trade theory, the formulation and implementation of trade policy, the provisions of WTO legal instruments and agreements as well as the structure, scope and functioning of the WTO. Special emphasis is placed on the development and regional dimensions. The RTPCs also focus on building institutional capacities at the regional level which will lead to the establishment of regional bases for training with the local institution increasingly assuming responsibility for running and developing other WTO-related activities.

This prestigious course was awarded to the Centre for WTO Studies after the visit of a high level WTO Secretariat team consisting of Mr. Hakim Ben Hammouda, Director, Institute for Training and Technical Cooperation; Dr. Patrick Low, Director, Economic Research and Statistics Division and Ms Dolores Halloran, RTPC officer to IIFT, New Delhi. The infrastructure facilities and the talent and resources available for holding the course created a very positive impact on these officials.

Mr. Hakim Ben Hammouda, Director, Institute for Training and Technical Cooperation, WTO, arriving at the Centre for WTO Studies, IIFT New Delhi
Inset : *Ms. Dolores Halloran, RTPC Officer, WTO, interacting with faculty members of the Centre*

Proposed Anti-Counterfeiting Trade Agreement (ACTA): Issues and Implications

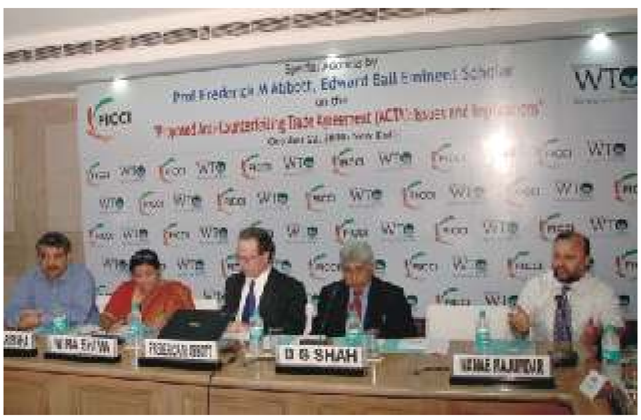
The Centre for WTO Studies (CWS) and the Federation of Indian Chambers of Commerce and Industry (FICCI) organized a Special Address on "Proposed Anti-Counterfeiting Trade Agreement (ACTA): Issues and Implications" by Prof. Frederick M. Abbott, Edward Ball Eminent Scholar, from Florida State University on 22 October 2010 at Federation House, New Delhi. Mr. Manab Majumdar, Assistant Secretary General, FICCI, introduced Prof. Abbott and the panel comprising of Mr. D.G. Shah, Secretary General, Indian Pharmaceutical Alliance; Dr. Mira Shiva, Director, Initiative for Health Equity and Society and Prof. Madhukar Sinha from CWS. Mr. Shah in his inaugural address said that there were efforts underway to bring patents under the purview of anti-counterfeiting. He mentioned that the definitions of trademark differed in ACTA and TRIPS (Trade related aspects of Intellectual Property Rights). He highlighted some new developments in IPR in last few years - (i) legitimate generic drugs from India being targeted and seized, (ii) compulsory licensing paper by DIPP (Department of Industrial Policy and Promotion), and (iii) counterfeiting agenda being pushed under ACTA.

Dr. Shiva made her observations regarding ACTA and expressed concern over seizure of generic drugs. She said that ACTA was being aggressively pushed, which could lead to increase in the cost of anti retroviral drugs. Generic drugs were being equated with counterfeit drugs. Enforcement by customs/police, payment to attorneys and fear factor in trade was going to create insecurity with respect to Indian generic drugs. Freedom given to customs to carry out seizures on suspicion could cause problems as suspicion could be wide ranging. Dr. Shiva also expressed concern over foreign pharmaceutical companies like Pfizer organizing seminars with US Patent Office as their interests might be biased. The issue regarding cost of medicines for a large number of population subsisting at less than Rs. 20 per day was very important. Any move that would affect availability of cheap medicines needed to be dealt with aggressively where corporate power was trying to get the better of the public health interests.

Prof. Abbott's address

Prof. Abbott in his address focused on 'Global Trends in Intellectual Property Enforcement: Implication for India'. He opined that India was developing a stronger interest in

IPR. e.g. in trademarks (auto, consumer products), patents (pharmaceuticals, energy generation), copyright (software and entertainment), geographical indicators (rice and tea) and protection of traditional medicines. IPR was being perceived as strategic market protection. ACTA could act as a potential market access barrier. ACTA was becoming a border protection measure denoting a shift from traditional border measures, namely tariffs. ACTA went beyond the traditional concepts of counterfeiting and piracy. Prof. Abbott listed some key elements of ACTA, namely, civil enforcement, border measures, criminal enforcement, institutional development and calculating impact. His address revolved around these elements.



Panelists during the special Address (L-R): Prof. Madhukar Sinha, Dr. Mira Shiva, Prof. Frederick M. Abbott, Mr. D.G. Shah and Mr. Manab Majumdar

Civil Enforcement: ACTA encouraged significant damage awards based on methods of calculation like "suggested retail price" of goods, valuation and lost profit presumptions in favor of right holders. It also extended injunctions to third parties not directly accused as infringers and provided no time limitations for determinations or for notice to accused infringers.

Border Measures: ACTA initially proposed border measures for all forms of IPRs and these must be applied to exports as well as imports. However now a notable exception agreed to is patents. This scaling back in coverage under ACTA could in large degree be attributed to India raising its concerns. The application of these measures to goods in transit was discretionary, but permissible.Under the new proposal, custom authorities were permitted to act ex officio, i.e. on their own to enforce IPR. This marked a deviation from TRIPS where IPR was a private right. Right holders could not seek posting of bond or other mechanism for securing release of goods by accused infringer, except by judicial order.

Criminal Enforcement: ACTA significantly reduced the threshold of criminal liability, overruling interpretative decision by WTO panel in *China-Enforcement* case. Now, the requirement of commercial "scale" is revoked, i.e. whether the goods in question are sold in significant quantities or on commercial basis. The seizure of assets derived from criminal activities was permitted, going beyond the direct assets used in commissioning of offense. The proposals also established criminal liability for importation of labels and packaging bearing protected mark.

Institutional Development: The new proposals established new OECD driven IP protection institution outside existing multilateral system and established collaborations among World Customs Organization (WCO), Interpol, right holder interest groups, etc. However one peculiar feature of ACTA was lack of "due process" protection and for this one needed to read back to TRIPS provisions. Under the new proposals, mere detention could cause substantial cost in terms of lawyer's fees and opportunity costs.

A view of the audience

At present ACTA broadly extended market access barriers in OECD countries but this could apply to developing countries through Free Trade Agreements. Prof. Abbott informed the gathering regarding some of the remarks from a seminar organized in Geneva on 15 October, 2010. The seminar co-sponsored by India, Brazil and South Africa ended with consensus over not promoting increased availability of substandard or falsified drugs and concerns over aggressive originator pharmaceutical company marketing and legal strategies designed to take market share from developing country generic drug producers. In a situation where legislations in several countries differed on the concept of counterfeiting, WHO (World Health Organisation) had effectively delegated authority to develop "anti-counterfeiting" programs to IMPACT, a group with active originator-industry participation, which was acting non-transparently. The problems being foreseen by the developing counties had been made more complex by efforts to deliberately mix mercantile interests in blocking market competition and public health interests in assurance of drug quality, safety and efficacy. Prof. Madhukar Sinha conducted the discussion session and briefed the gathering about the concerns of Indian industries.

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[1] Organisation for Economic Co-Operation and Development

Trade Talk Series 6:

Trade Talk on World Trade Report, 2010

A Trade Talk on WTO Issues was organised by Centre for WTO Studies at the Indian Institute of Foreign Trade (IIFT), New Delhi on 7 September 2010 in IIFT, New Delhi. WTO officials Dr. Hakim Ben Hammouda, Director, Institute for Training and Technical Cooperation, WTO and Dr. Patrick Low, Director, Economic Research and Statistics Division, WTO, were invited for the Talk which was attended by faculty and researchers from IIFT and other research institutes.

Mr. K.T. Chacko, Director, IIFT, in his welcome address observed that there was an acute need for academia and policymakers of different countries to work together in order to derive maximum benefit from trade.

Dr. Hakim Ben Hammouda made a presentation on 'Enhancing Technical Cooperation through working with Academics'. He observed that previously Technical Cooperation was not part of WTO but now it had become important due to trade conflicts. WTO had started some courses where it offered Training and Technical Capacity building. Unavailability of Technical Capacity was one of the reasons for lack of progress in the negotiations. Since 2001, the activity was growing and 25 million Swiss Francs was allocated in the WTO Secretariat's budget for technical assistance. Technical assistance and supporting developing countries had become a major mandate of the WTO. E-learning programmes were also initiated since last couple of years which dealt with all WTO related issues. Doing joint research was an important activity in this direction. Programmes for scholarships for Ph. D in Economics and Law had also started. He also observed that much could be learnt from India's experience in WTO.

Dr. Patrick Low made a presentation on 'World Trade Report, 2010: Trade in Natural Resources'. He observed that Trade in Natural Resources was one of the most difficult and challenging issues one faced in WTO. Natural resources which are traded internationally are Fish, Forestry, Fuels, Mining Products etc. These Natural resources had some special economic characteristics like: uneven geographical distribution, exhaustibility, unpriced externality, dominance, volatility. In 2008, natural resource trade was about 24% of total world trade. 35% of all quantitative restriction applied by government covered natural resource sector. The Talk was followed by a very informative Question & Answer Session and concluding remarks by Mr. K.T. Chacko, Director, IIFT.

L to R: Mr. Hakim Ben Hammouda, Mr. K.T. Chacko
Dr. Patrick Low, Prof R. S. Ratna

The participants

CWS Training and Outreach Activity for ITC Personnel

A CWS training and outreach activity was held at Secunderabad, Andhra Pradesh, at the request of ITC Ltd. on 24-25 September 2010. The participants represented various divisions of the conglomerate, including the agribusiness division, the personal care division, the paper products division, and also the finance, procurement and imports divisions. The programme was an extension of the Centre's engagement with the private sector to support and build in-house capacities on WTO related issues and processes. The technical training sessions were conducted by Prof. R.S. Ratna, Prof. Shashank Priya, Prof. Madhukar Sinha and Dr. Sachin Sharma of the Centre for WTO Studies.

The training covered different aspects of the WTO agreements, the trade regulatory frameworks and the current status of negotiations and implementation, and their implications for industry. A specially designed exercise was also undertaken by the participants towards deconstructing the corporate approach to export strategy, the identification of offensive and defensive interests, and formulating appropriate responses. Identifying circumstances to seek trade remedial measures, and understanding the impact of Free or Preferential Trade Agreements were also discussed.

Prof. R S Ratna taking a class during the training
Inset : *Prof. Shashank Priya interacting with participants*

The Centre for WTO Studies (CWS) signs MoUs with Research Bodies in South Asia

The Centre for WTO Studies (CWS) signed two Memorandums of Understanding (MoU) with academic institutions of South Asia. The first one was signed with the South Asian Network on Economic Modeling (SANEM), Dhaka, Bangladesh on 17th September 2010 in Bangkok, Thailand. SANEM is primarily a network of economic modelers in South Asia which aims to promote the production, exchange and dissemination of basic research knowledge in the areas of regional integration, multilateral and domestic trade liberalization, environment and poverty. The MoU was signed by Prof. R. S. Ratna on behalf of the CWS and by Dr. Salim Raihan on behalf of SANEM.

The second MoU was signed with the Institute of Policy studies (IPS), Colombo, Sri Lanka on 1st October 2010 in Colombo, Sri Lanka. The Institute of Policy Studies (IPS) was conceived in the mid-1980s as an autonomous institution designed to promote policy-oriented economic research and to strengthen the capacity for medium-term policy analysis in Sri Lanka. IPS is the apex economic policy research institute in Sri Lanka, recognized as a regional centre of excellence offering an authoritative and independent voice on economic policy analysis. The MoU was signed by Prof. R. S. Ratna on behalf of the CWS and by Dr. Saman Kelegama on behalf of IPS.

Prof R.S.Ratna of CWS with Dr. Saman Kelegama, IPS, Colombo, Dr. Mia Mikic and Dr. Salim Raihan after signing of MoUs between CWS and IPS and between CWS and SANEM respectively

The MoUs are part of the effort of the Centre for WTO Studies to promote academic cooperation in the area of regional economic cooperation in Asia, multilateral trade negotiations and other international economic and development issues; and for capacity building for the policy-making processes and business decisions in the realm of international and development economics. It has been agreed that CWS and the partner institutions will cooperate with each other to facilitate academic cooperation initiatives in the areas of joint research; policy dialogue, and publications for national, regional and international fora and capacity building.

The Modalities of Academic Cooperation will include:

Undertaking collaborative research projects;

Conducting training workshops/preparing modules;

Organizing joint conferences/seminars for informed debate;

Exchange of research faculty members;

Knowledge dissemination through joint publications;

Seeking outside funding sources for joint research activities;

Exchanging publication brought by the two institutions.

The MoU would be jointly reviewed and evaluated after three years from the date it becomes effective.

National Conference on Strengthening South-South Trade and Investment: Aid for Trade and India

A national conference on "Strengthening South-South Trade and Investment: Aid for Trade and India" was jointly organized by FICCI, UNCTAD-India Programme and Centre for WTO Studies at the Federation House, New Delhi, on 19 October 2010.

The subject matter is of particular relevance to India, as being a developing country, it is both a recipient of Aid for Trade as well as a donor of the same by assisting to build capacity of the other developing countries. The conference endeavored to encompass the scope and objectives of Aid for Trade globally, regionally and nationally; discussing the implications of all three.

Dr. Rana Hasan, Prinicipal Economist, Asian Development Bank (ADB), highlighted the importance of South-South Cooperation; stressing on how South Asia had the potential to become one of the most powerful regional co-operations. He elaborated on need for Aid For Trade and its subsequent role in poverty reduction through liberalization, market growth and expansion. He also outlined the ADB's Role in providing Aid For Trade through increased lending, coordinate partnership between developing countries and by providing initiatives to formulate policies on aid for trade.

Mr. Bonapas Onguglo, Chief, Office of Director, Division of International Trade in Goods and Services, UNCTAD, Geneva, traced the evolution of India from being a receiver of aid for trade to a donor. He also said that although trade preferences were available, often countries were not able to take advantage of these due to lack of productive capacity and regulatory policies. Aid for Trade and capacity building helped countries in this sphere to actually make use of the trade preferences. He observed that India was one of the few countries which linked capacity building to the trade preference schemes and made developing programs a part of these schemes.

Ms. Rashmi Banga, Senior Economist, UNCTAD-India project said that it was imperative for countries to not only provide aid for trade but to also make it effective and a win-win situation for both the receiver and the donor. She stressed on the need for a greater involvement from the private sector for an effective aid for trade policy.

Mr. Amar Sinha, Joint Secretary, Trade Policy Division, Department of Commerce, spoke about the Indian policy on aid for trade and the role of private enterprises in making it successful. He outlined the various programs implemented by India in the past in this area and in particular about India's role in providing capacity building and assistance to newly acceded countries to the WTO. He emphasized on the critical role to be played by regional banks in integrating South and Central Asia.

Prof. R.S.Ratna, Professor Centre for WTO Studies talked about the genesis of Aid for Trade in the Hong Kong ministerial Declaration and explained the proper mechanism through which Aid For Trade could be channelized. He put forth the primary objective of aid for trade which was to help developing countries and Least Developing countries to build supply side capacity and trade related infrastructure. He also discussed the relevance of the private sector in facilitating Aid for trade.

Panelists of the Conference: (L-R): Ms. Rashmi Banga, Prof. R S Ratna, Mr. Amar Sinha, Mr. Bonapas Onguglo, Dr. Rana Hasan and Mr. Manab Majumdar

Inset : *Participants at the Conference*

The Session concluded with several Questions posed by the audience to the panel members which were replied to adequately.

Training Programme on WTO and FTAs in Thiruvananthapuram

A Training Programme on WTO and FTAs was jointly organised by the Centre for WTO Studies and Institute of Management in Government, Kerala on 4-5 October 2010 at Thiruvananthapuram, Kerala. The Programme began with a welcome address by Mr. T. K. Manoj Kumar, Director, Institute of Management in Government, who said that the WTO had changed the way of trade and business and therefore, it was essential to spend some time to know more about the WTO. Prof. R. S. Ratna, Centre for WTO Studies, in his opening remarks said that the need for proper knowledge about WTO was more since several decisions taken by government about WTO affected our everyday life. The knowledge was necessary to identify the opportunities which WTO presented. Smt. Sheela Thomas, Secretary to Chief Minister, Government of Kerala, in her inaugural address said that an opinion without understanding was not desirable. So there was a need for training on WTO related issues.

First day of the training covered the Introduction and Overview of WTO Agreements, Agricultural negotiations in WTO and Doha Round, TRIPS, and Overview of Indian RTAs. Prof. R. S. Ratna made presentations on WTO and Agriculture issues, explaining the working and character of WTO. He said that WTO provided transparency to the exporter and level of access to markets was assured. Group dynamics and Doha Round was also covered in the presentation. He stressed the need for more agricultural reforms, especially since food security and low productivity were important issues which needed to be addressed. Prof. Madhukar Sinha made a presentation on TRIPS. He explained the concepts of Intellectual Property Right (IPR) as well as the linkage of Intellectual Property Right (IPR) and International Trade. He also presented some case studies making it easier for the participants to understand complicated concepts, including the case of seizure of Indian drugs by Dutch authorities. Mr. Bipin Kumar made a presentation an Overview of Indian RTAs where he explained the characteristics of all major RTAs.

The second day of the training covered NAMA (Non-Agriculture Market Access), Traditional knowledge, Fisheries Subsidies, India-ASEAN FTA and Sanitary and Phyto sanitary (SPS) and Technical Barrier to Trade (TBT). During the presentation on NAMA, Prof. Ratna said that out of approximately 4500 tariff lines at 6-digit level, India had bound 62% of NAMA lines in the Uruguay Round. During the training, participants were also given some exercises which were found to be very useful. Dr. Murali Kallummal explained the SPS and TBT measures and encouraged the participants to use database related to SPS and TBT available at CWS website (http://wtocentre.iift.ac.in/) in the process of their decision making.

In the concluding session, participants gave their feedback about the programme which they found to be very useful. In his concluding remark Mr. T. K. Manoj Kumar appreciated the response of the participants and proposed a MoU with the Centre for WTO Studies.

Mrs Sheela Thomas, Secretary to the Chief Minister, Kerala, being greeted before the Training

Prof R.Prakasam at the inaugural along Mr. T.K.Manoj Kumar, Mrs. SheelaThomas and Prof Ratna
Inset : *The participants*

Faculty Participation in Outreach Programmes (July-August 2010)

S.No.	Participating Faculty	Date	Topic	Location
1	Prof R. S. Ratna	23 Sep., 2010	Free Trade Areas Preferential Trading Arrangement & Implications for ITC officers	Hyderabad
		4-5 Oct., 2010	Free Trade Areas, Preferential Trading Arrangement and its implications	Institute of Management in Government Thiruvananthapuram (Kerala)
2	Prof. Madhukar Sinha	24 Sep., 2010	i) Negotiations on services ii) Negotiations on TRIPS	Hyderabad
		4-5 Oct., 2010	i) TRIPS ii) Traditional Knowledge	Institute of Management in Government Thiruvananthapuram (Kerala)
		13-16 Oct., 2010	To Attend Prorgramme "Namaskar Africa 2010"	Nairobi (Kenya)
3	Prof. Shashank Priya	23 Sep., 2010	Trade Defence Measures	Hyderabad
		27-31 Oct., 2010	Training on WTO, Trade Defence Measures, Trade Facilitation and Customs Valuation for government officials and private sector (IIFT MDP Programme)	Dakar, Senegal
4	Dr. Murali Kallummal	4 Oct., 2010	Presentation on the online database of SPS and TBT measures of the Centre at capacity Building Programme on WTO & FTAs.	Thiruvananthapuram, Kerala
		5 Oct., 2010	Presentation on India ASEAN FTA	Thiruvananthapuram, Kerala
		26-27 Oct., 2010	Presentation on WTO Negotiations on Market Access on Environmental Goods : Identification of Existing Non-Tariff Measures on Proposed Items in the Programme on Trade & Environment	Madras School of Economics
		27 Oct., 2010	Participated in the Session on Standards For Plumbing and Mechanical Codes, Water Distribution and Sanitation System in the Second Meeting of Standards and Conformity Assessment Task Force	Hotel Claridges New Delhi
5	Shri Bipin Kumar	5 Oct., 2010	i) Fisheries Subsidies and WTO ii) India's RTA- An Overview	Institute of Management in Government Thiruvananthapuram, Kerala
		26 Oct., 2010	Regulation of Trade, Environment under WTO : An Analysis	Madras School of Economics, Chennai, Tamilnadu
6	Dr. Sachin Kumar Sharma	9-10 Sep., 2010	Presentation on WTO Negotiations on Agriculture before Senior ITC officials	Hyderabad
		9-10 Sep., 2010	Presentation on Specific issues of relevance to ITC before Senior ITC officer	Hyderabad

- **WTO announces winners of Young Economists Awards**

  Winners of the WTO Essay Award for Young Economists 2010 are: Dave Donaldson of the Massachusetts Institute of Technology (USA)and Olena Ivus of Queen's University (Canada) for their essays on " Railroads of the Raj: Estimating the impact of transportation infrastructure" and " Do stronger patent rights raise high-tec exports to the developing world?" respectively. They will share the prize of CHF 5,000 for the Essay Award, which was launched in 2009.

- **6th Geneva Workshop helps officials use intellectual property flexibilities for health**

  Twenty four developing-country officials took part on 21-24 September 2010 in the sixth workshop designed to help their countries make use of flexibilities in the WTO intellectual property agreement in the area of pharmaceuticals. Among other subjects, the workshop looked at the additional flexibility agreed by members in August 2003 and December 2005 to allow generic versions of patented medicines to be made under compulsory licence for export to countries that cannot manufacture the medicines themselves, sometimes called the "paragraph 6 system".

- **Tenth Trade Policy Review of USA**

  The tenth Trade Policy Review (TPR) of the United States was held in Geneva on 29 September and 1 October 2010. Delegations welcomed the fact that the US remains one of the most transparent and open economies in the world. Import tariffs are low and a significant proportion of imports enter the US duty-free under zero-level MFN tariffs or preference programmes. Nonetheless, it was also noted that significant tariff peaks remained in certain sectors such as footwear, leather, textiles and clothing, and in agriculture where there is also a considerable number of *ad valorem* duties. Some concerns were expressed about restrictive effects of non-tariff measures applied by the US on imports, especially SPS and TBT measures. Several delegations expressed their continued concern about restrictive and distorting measures applied to support agricultural production in the US, even though this support was relatively low compared to some OECD countries. In addition to tariff rate quotas and tariff peaks on certain imported products, the 2008 Farm Bill continues to provide domestic support that is related to prices, and in many cases to production as well, which will lead to subsidies rising again automatically as world prices fall from their current high levels. On services, delegations repeated the concerns they had expressed in previous TPRs, including visa restrictions affecting supply of Mode 4 services, and also about the potential impact of the extensive support provided by the US to its financial services sector on competitiveness conditions for the sector globally.

- **Transparency mechanism for preferential trade arrangements set for approval**

  The Committee on Trade and Development (CTD) on 4 October 2010 approved a proposal by Brazil, China, India and the US to establish a transparency mechanism for preferential trade arrangements. The proposal is to be transmitted to the General Council for adoption. The transparency mechanism lays out a procedure for the consideration of PTAs in the CTD. To assist the Committee in its consideration of each PTA, the notifying member is to submit detailed information, and the WTO Secretariat is to prepare a factual presentation of the PTA. Three developing countries India, Brazil and China reported on their programme to provide duty-free, quota-free market access to least-developed countries (LDCs). India said that 18 LDCs now benefit from its Duty Free Tariff Preference Scheme for LDCs.

- **Trade Negotiations Committee: Lamy tells members to bring Doha negotiations to a higher gear**

Director-General Pascal Lamy, in his remarks to the Trade Negotiations Committee on 19 October 2010, said that “the foremost challenge facing us all over the next several weeks is to take this engagement to a higher gear by going deeper and wider in the discussions, as a prelude for the 'give and take' that will be required to build a final package”. He added that “small group activities will continue until mid-November, at which point I think we will need to evaluate again and take stock of where the process has got to as well as the next steps, benefiting also from the discussions at the G20 and APEC Leaders meetings”. Outlining the state-of-play in each of the negotiating areas, he said: “On **Agriculture**, the work continues on two-tracks, templates and on the bracketed or otherwise annotated issues of the draft modalities… Following the proposed 'road-map'for developing draft templates for domestic support, market access and export competition, a number of drafts in each of these pillars has now been tabled. More such drafts are likely to be ready for the Group's next set of meetings, during the week of 6 December…. On **NAMA**, the Negotiating Group met during the week of 20 September to discuss NTBs (non-tariff barriers). Members heard from representatives of different standard setting bodies such as the International Organisation for Standards, International Telecommunication Union, International Electrotechnical Commission and the Bureau of Indian Standards…. On remanufacturing, the focus of the debate was an Indian paper which laid out some issues on the remanufacturing proposal. The Group also had its first in-depth discussion of the Framework proposal by Brazil, EU and India…. On **Services**, negotiations received a substantial political boost at the Global Services Summit held last month in Washington. The business leaders and trade ministers attending the Summit called on the G20 and APEC leaders in their forthcoming meetings to re-energise the Doha Round, in order to ensure a successful services result…. As regards Trade and Environment negotiations, on 13 September, the CTE (Committee on Trade & Environment)in Special Session met informally on the DDA (Doha Development Agenda) paragraph 31 (i) on the relationship between WTO rules and specific trade obligations set out in multilateral environment agreements…. On paragraph 31 (iii), several contributions have been submitted, including on the 'universe' of environmental goods of interest as well as on the issue of S & D treatment. At the next CTESS ON 8 November, members will need to start reviewing what is on the table… On the Work Programme on **Special & Differential Treatment**, the Chair has been continuing his consultations on the monitoring mechanism……. Finally, with respect to the consultations which I am holding on the two TRIPS implementation issues of GI (geographical indications) extension and the relationship between TRIPS-CBD (Convention on Biological Diversity) in my capacity as Director-General and not as TNC Chair, I will continue to follow up with members on how best to proceed…”

- **Magic number date sees latest WTO annual trade and tariff data released**

“Twenty ten twenty-ten” the date 20.10.2010, European style marks the first ever World Statistics Day. It's also the date when the WTO, one of the joint organisers of the Geneva part of the event, issued a package of new data, including the 2010 edition of its annual International Trade Statistics, updates of the World Tariff Profiles, Trade Profiles and new pages allowing users to map trade data.

- **General Council: Aid for Trade Review to focus on impact on the ground**

Director-General Pascal Lamy, in his statement to the General Council on 21 October 2010, said that the focus of the Third Global Review of Aid for Trade in July 2011 would be the answers of members to the question “Is Aid for Trade Working?” He added that “if the global crisis has made Aid for Trade imperative for developing countries, it has also made the need to show results essential in donor countries”.

- **32 members take anti-dumping actions during first half of 2010**

At the meeting of the Committee on Anti-Dumping Practices on 26-27 October 2010, 32 members reported taking anti-dumping actions during the first half of the year (the EU counting as one). A number of these actions were questioned during the meeting and the members concerned were urged to follow WTO rules.

Advanced course on sanitary-phytosanitary measures concludes

The 2010 Advanced Course on the WTO Agreement on the Application of Snitary and Phytosanitary Measures, held at the WTO headquarters in Geneva and jointly organized by the Agriculture and Commodities Division and the Institute for Training and Technical Cooperation of the WTO, concluded on 29 October 2010. The aim of the course was to promote leadership in addressing SPS implementation issues. During the course, participants became acquainted with the work of the three international standards-setting organizations (commonly referred to as the "three sisters" namely, Codex, OIE and IPPC) and learned from the experience of other countries on how they can participate effectively in these international organizations. A field trip was organized to the Nestle headquarters in Vevey providing participants with the opportunity to familiarize themselves with the food safety management and alert systems of a major company involved in international trade in food products.

Who said what:

Bi-monthly Round-up of News and Views on WTO and Related Issues (September-October, 2010)

1. **Russia car tariff hits WTO bid** -- Russia's bid to join WTO received a blow after Russian prime minister Vladimir Putin announced plans to raise car tariffs in order to encourage foreign motor companies to invest in the country. Mr. Putin made the remarks on the Vest 24 television channel while test-driving a new Lada produced by one of the country's few remaining car producers, the Avtovaz factory. He said foreign car companies had been warned that they could face increases in import customs duties if they do not manufacture in Russia. Foreign competition has decimated Russia's domestic car industry since the fall of the Soviet Union. Avtovaz is the only significant producer remaining in the market. But Mr Putin's plan threatens Russia's bid to join the WTO, which has been under way since 1993. Under terms agreed with the Geneva-based trade body, Russia must reduce import tariffs on cars from the current rate of 30 per cent to 15 per cent over seven years from the time it joins. (***Financial Times of London dated 1/9/2010***).

2. **India-EU trade talks 'shrouded in secrecy'** -- A joint report by Belgium-based NGO 'Corporate Europe Observatory' and India-based NGO 'India FDI Watch' has said that the ongoing India-European Union Free Trade Agreement (FTA) negotiations are "shrouded in secrecy" with the concerns of public interest groups largely ignored. The 43-page report titled 'Trade Invaders How big business is driving the EU-India free trade negotiations' said that in the absence of transparency, labour unions, civil society organisations, representatives of the informal sector, dalit and adivasi groups, fishermen and women, farmers' and women's networks have had little chance to understand the implications of the negotiations or to fight for their interests. (***Hindu Business Line dated 3/9/2010***).

3. **India keen to add remedial clause in trade agreements** -- Wary of third party free trade agreements (FTAs) impinging upon the country's interests, New Delhi is keen on inserting a remedial clause in all its extant and future FTAs. According to top government sources, India is looking to send out a stern message to its trading partners that if they enter into similar trade agreements with third parties it should not compromise the country's interests. This has been prompted by reports of constant seizures of Indian drugs by the EU Customs countries and the subsequent formation of the Anti-Counterfeit Trade Agreement (ACTA) for the imposition of stringent norms for generic drugs over and above the ones prescribed in the WTO's TRIPS agreement. (***Financial Express dated 4/9/2010***).

4. **Indian IP examiners have world's highest workload, lowest pay** -- India's IPR regime has been widely criticized for quality of patents and trademarks granted in the backdrop of rising instances of litigations and opposition to such grants. Though unfair practices and favouritism have been prime targets of the critics, a recent analysis by *Mint* of a few key operational factors reveals that a quantity-linked work assessment mechanism is yet another reason behind the deterioration in quality of work. The analysis,

based on comparative workload and employment conditions among international patent offices, shows that the Indian patent office has the highest number of per-capita workload delivered at the lowest pay. An Indian patent examiner handles at least 20 applications a month. In contrast, it is less than seven by an examiner in the European patent office and eight in the US. Even in China, the number of applications verified by a patent examiner is only seven a month. (***HT Mint dated 4/9/2010***).

5. **US state bans outsourcing: move discriminatory, says NASSCOM** -- In what is feared may be a portent of things to come, the American state of Ohio has banned outsourcing of government Information Technology and back-office projects to offshore destinations like India, a move that comes on the heels of the steep hike in visa fees that has hit Indian IT firms and IT professionals. (***The Statesman dated 9/9/2010***).

6. **India protests Ohio offshoring ban** -- The Indian government has protested the US state of Ohio's decision to ban offshoring of government work to countries such as India, saying governor Ted Strickland's decision violates the commitment made by G20 countries to fight protectionism. Commerce secretary Rahul Khullar recently lodged a complaint against the decision with deputy US trade representative Michael Punke. (***Economic Times dated 9/9/2010***).

7. **Ohio ban: Weak case for India at WTO, say experts** -- India's decision to forgo the WTO's multilateral agreement on public procurement has come back to bite commerce officials who had hoped to challenge the US State of Ohio's ban on offshore outsourcing by government departments. The Agreement on Government Procurement (GPA) is the only legally binding agreement in the WTO, setting fair rules for public purchases. In operation since January, 1996, the GPA is a plurilateral treaty which carries a limited number of WTO member nations, not including India. India became an 'observer' member of the GPA in February this year, however the process for becoming a full-fledged member is a long road and would require an extended investment of time, sources said. “We can only criticise and make noise,” said R S Ratna, the head of the Centre for WTO Studies in the Indian Institute of Foreign Trade (IIFT). Furthermore, while the US is a member of the GPA, its coverage in regard to software procurement is limited to the federal government and does not include subsidiary states, provinces or territories. (***Indian Express dated 11/9/2010***).

8. **India-Japan trade pact to leave IP laws untouched** -- The India-Japan Comprehensive Economic Partnership Agreement (Cepa), expected to be signed towards the end of this year, will not call for any amendments to the existing intellectual property (IP) laws in either of the partner countries. Indian and Japanese officials, who approved in principle the Cepa draft, have chosen the legalistic model over a quid pro quo (give and take) model for concluding their IP-related negotiations, one of the biggest stumbling blocks that delayed the conclusion of the three-year-long negotiations. The decision should come as a major relief to the domestic pharmaceutical industry and the patient groups that were lobbying hard against the attempts of global multinational firms to introduce IP provisions beyond what has been mandated under the TRIPS (Trade Related Aspects of Intellectual Property Rights) provisions of the World Trade Organization through bilateral trade agreements. With the Indo-Japan trade pact almost sealed, the focus of the lobbyists will now be on Indo-EU negotiations, where similar demands are still in the negotiation drafts. (***Business Standard dated 14/9/2010***).

9. **Doha pact likely in 2011, says commerce min** “The Doha deal is not going to get done in 2010. It has been held up because the US is not ready for it, due to its political or economic compulsions. Right now, it is not happening. They (US) need more on everything ... Let the elections get over in the US, then only will there be a clearer picture. At best by 2011, the talks could be wrapped up, however, for that the groundwork has to be done by 2010,” Commerce Secretary Rahul Khullar said during an interaction with CII. (***Business Standard dated 14/9/2010***).

10. **'No need to fear opening up of legal services market'** -- Maintaining that India has no binding commitment at the World Trade Organisation on opening up its legal services, the Commerce Secretary, Dr Rahul Khullar, however, urged the country's legal professionals to gear themselves up for competition from counterparts across the world. “My personal view is that like all other

markets, please open the legal services market for competition. I think we have some of the finest lawyers in the world. There is nothing to be scared of," Dr Khullar said at a CII conference on WTO and bilateral agreements. He said there are a "huge number of people and companies" in the country demanding opening up of the legal services market so that they can get top quality services from the world's best law firms. (***Hindu Business Line dated 14/9/2010***).

11. **A copyright for Bikaneri bhujia, Hyderabadi haleem: GI Registry of India gets bigger** -- A variety of chilli from Guntur, wine from Nashik, Mahabaleshwar strawberry and Hyderabadi haleem the GI registry of India has just become bigger. The Registrar of Geographical Indications (GI) has accepted the claims by more products, all part of local prestige in their respective home regions. In the past four months, the list has grown from 120 to 132, adding Bikaneri bhujia from Rajasthan, Guntur Sannam chilli, Hyderabadi haleem and Gadwal sarees from Andhra Pradesh, Nashik valley wine, Mahabaleshwar strawberry and Paithani sarees from Maharashtra, Kinnauri shawl from Himachal Pradesh, Kasaragod sarees and Kuthampully sarees from Kerala, Sandur Lambani embroidery from Karnataka, and hand-made carpet from Bhadohi in Uttar Pradesh. Getting the GI tag would ensure that none other than those registered as authorised users (or at least those residing inside the geographic territory) would be allowed to use the popular product name, an assurance of distinctiveness in a land of thousand cultures. (***Indian Express dated 14/9/2010***).

12. **Does Doha round matter any more?** -- The fate of the much-touted Doha Round of trade negotiations is in a limbo, notwithstanding the wishful statements made by the ever-optimistic Director-General of the WTO, Mr Pascal Lamy. In some ways, the history of the Uruguay Round was very similar. Started in September 1986 at Punta del Este, it concluded in December 1993 and the Agreement was signed in Marrakesh in April 1994. However, the issues that were on the agenda in the Eight Round were much less complex than in the Doha Round. Besides, discussions were held within closed doors with very few negotiators from selected countries with little or no public debate on any of the important issues. The membership of GATT was also limited compared with the 153 members which constitute the WTO today. There was pressure on concluding the Round, so much so, the final draft setting up the WTO and defining its scope was approved with little understanding among the members of their full import. Neither the founding members nor the new entrants had a clue of the implications of the GATT, the setting up of the WTO, implementation of the various Agreements on TRIPS, Agriculture, Services, and others. It almost came to a situation of "Take it or leave it"; that is, members were offered a fait accompli for which they were given differential transitional periods for full implementation. The Doha Round, initiated at Doha in November 2001, is already the longest negotiating round since the Second World War. Following the fiasco at Seattle where practically nothing tangible was transacted, the Inter-Ministerial Meet at Doha mandated negotiations on a range of subjects. Subsequent meetings at Cancun in 2003 and Hong Kong in 2005 achieved very little. In fact, in June-July 2006, the General Council supported a recommendation by the Director-General to suspend the Doha negotiations which position was somewhat reversed in 2008 with a fresh package and a range of questions, answers to which, it was thought, could conceivably lead to a new agreement. Subsequently, we saw the breakdown of several deadlines for reaching consensus, primarily due to intransigence on the part of the developed world, notably the US and Western Europe. There is no evidence that any member-country has or is suffering because of the delay in conclusion of the Doha Round even though almost all of them profess that multilateral trade order represented by the WTO is the best engine for growth in the global economy. It is true that there has been an improved degree of facilitation of trade between members as a consequence of rule-based WTO efforts and the Dispute Settlement system has largely worked well. Whether most of the member-countries of the world, particularly the developing ones, have benefited directly from this new world order is a moot point. To offset the uncertainty over conclusion of the Doha Round, most members have entered into several bilateral and regional trade agreements. They will continue operations even after a global deal is finalised. Thus, as long as countries want more access to

one another's market without being willing to open up their own to others, the stalemate will continue. The forthcoming G-20 meet in South Korea is unlikely to break the ice. (***Article by M D Nair , IPR Consultant, in Hindu Business Line dated 14/9/2010***).

13. **Talks in advanced stage for free trade pact with EU: Ministry** -- The Government will be signing Free Trade Agreements (FTA) with the European Union, Japan and Malaysia in the next few months, Mr A.S. Mangotra, Additional Secretary, Commerce Ministry, said addressing the 117th annual conference of the United Planters Association of Southern India. (***Hindu Business Line dated 15/9/2010***).

14. **FTA negotiations to boost trade and investment between EU, India** -- India and the European Union are on track to conclude FTA negotiations by early December. Talking to a select group of media persons, Daniele Smadja, ambassador and head of the delegation of the European Commission said that, "Concluding the FTA negotiations will send a clear signal of engagement on both sides. It would boost both trade and investment between EU and India. We need to seize the opportunity," Smadja said. (***Financial Express dated 16/9/2010***).

15. **How WB, IMF got India to adopt reforms in 1991** -- It's open to the public now. Declassified documents from the World Bank show how it and the International Monetary Fund chivvied and cajoled India into economic liberalisation in the summer of 1991. Significantly, it blamed the poor macroeconomic policies under the Congress regime of the 1980s for India's eventual external sector debacle. The new Congress government with finance minister Manmohan Singh was presented a stark choice by the two institutions. It will either have to undertake reforms that will promise the needed external support, or brace itself for a "disorderly and painful" transition that will significantly reduce growth for years to come. "Disturbances in Assam and other factors led to a shortfall in domestic oil production. The cost of the scheme to waive repayments on small loans to farmers and artisans would make it as costly to the budget as the international oil price increase. Intensified separatist conflicts, widespread civil disturbances and the fall of two governments disrupted production, adversely affected budgetary revenue and diverted the attention of the government from economic policy issues. The new minority government that look office on June 21, 1991, is well aware of India's predicament", the WB International Memorandum said. About the successive Indira Gandhi and then Rajiv Gandhi-led Congress governments of the eighties, the documents say: "Poor macroeconomic policies throughout most of the 1980s had led to unsustainable fiscal and external imbalances". The papers make clear how keenly the Bretton Woods institutions tracked the political developments in India during that period to assess whether India could stomach the economic reforms, which would change the economic and even the political history of this country. It advised the government that "successful implementation of an appropriate programme of stabilisation and reform will require adept political as well as technocratic management". (***Financial Express dated 17/9/2010***).

16. **India, Brazil to press for dispute settlement panel against EU** -- India and Brazil are expected to press ahead with a request for establishment of a WTO dispute settlement panel to adjudicate over the seizure of generic drugs on high seas by EU member countries that allegedly violated global trade rules, trade diplomats said. The Indian drugs were on transit to Brazil and several other South American countries but the Dutch customs authorities confiscated these medicines on high seas in 2008 following complaints from some leading pharmaceutical companies. (***Economic Times dated 17/9/2010***).

17. **Part of recovery will come from opening up: WTO deputy DG** -- The Doha round of trade negotiations, estimated to result in additional $270 billion of trade annually, is nowhere near conclusion even after nine years of its launch. WTO deputy director general Alejandro Jara talks about the state of negotiations and what lies ahead for world trade. Excerpts: It is true that in Geneva we failed to achieve a breakthrough in the key issues of agriculture and Nama (industrial goods). Since then we did a lot of work in terms of better defining different options that are available and looking for consensus. This work has been very productive from a technical point of view and there has been constant progress. We expect that some time in the future there would again be

conditions for ministers to meet and take political decisions to make progress in negotiations... The downturn has shown a couple of things. It exhibited the value of the WTO and the value of rules (in world trade). One has to appreciate that countries have not closed markets in the face of crisis and unemployment. It is clear that part of the recovery will come from opening up and through discipline. The easiest stimulus package that the government can now give is to conclude the Doha round as early as possible. It will open up new business opportunities and enhance trade. (***Economic Times dated 18/9/2010***).

18. **'FTAs may close tap on affordable drugs'** -- In a rare public endorsement of a concern gaining momentum in various quarters, Unitaid has expressed concerns about the impact Free Trade Agreements would have on India's capacity to make affordable medicines for domestic and overseas markets. The United-Nations supported Unitaid is an international drug purchase facility. Citing a recent study by the Journal of the International AIDS Society, Unitaid said Indian generic manufacturers have supplied more than 80 per cent of donor-funded AIDS medicines to developing countries in the last seven years. And it goes on to caution that the trade agreements India is currently negotiating may close the tap on affordable medicines for AIDS patients. In its study, the Journal further says, "a global trade agreement known as Trade Related Aspects of Intellectual Property (TRIPS) which has bound India to apply for product patents since 2005 has already begun to curtail the country's ability to produce low-cost generic versions of newer medicines. New trade agreements being currently discussed may further reduce India's vital role as a provider of life-saving treatments." (***Hindu Business Line dated 18/9/2010***).

19. **World trade set to surge 13.5%, says WTO chief** -- World trade is expected to grow by 13.5 per cent this year, a third higher than the previous estimate, according to Pascal Lamy, head of the World Trade Organisation. "The world trade system has stayed open despite expectations," he told reporters after addressing a UN general assembly debate on international progress towards poverty eradication goals."Protectionism is the dog that didn't really bark during the crisis." The latest WTO figures, an update on a March forecast, indicated trade growth this year would be highest in the developing world, with volumes anticipated to rise 17 per cent compared with 11 per cent in the developed world. Mr Lamy noted the particular dynamism of south-south trade among developing countries. (***Financial Times of London dated 21/9/2010***).

20. **With the door to Doha closed, India opens up windows to the world** -- Nine years after New Delhi started implementing its Plan B bilateral trade agreements to beat the impasse at the World Trade Organisation's Doha Round of liberalisation talks, India is expected to sign by the end of the year, agreements with Japan and Malaysia, while substantial progress has been made in talks with the European Union for what will include agreements for trade in goods and services, intellectual property rights and government procurement. The Doha Round has lasted longer than the previous Uruguay Round, which lasted eight years. Former commerce secretary Dipak Chatterjee said that until the global economy recovers fully, it would be difficult to get all countries to agree on the Doha Round. "The question that needs to be addressed is what date can now be a realistic target for bringing the trade talks to a successful end. As economic recovery in developed economies is expected to be slow, some believe the earliest opportunity might come at the end of 2011. However, others reckon that full recovery may take the better part of next year and the year 2011 also may be lost. Since 2012 is ruled out because of the Presidential elections at the end of that year, the worst case scenario is that conclusion of the round could drag on to 2013," said Anwarul Hoda of ICRIER. "Trade deals that we have signed have definitely produced results," said S N Menon, former commerce secretary, who was involved with the initial work on many of the agreements. "While some segments of domestic industry might have experienced some difficulties on account of preferential imports, mechanisms exist in the bilateral treaty to address the problems. On the other hand, it will also not be correct to link the rise in the number of bilateral trade agreements with the slow progress of the Doha Round," added Abhijit Das, deputy project coordinator and officer in charge, UNCTAD India. (***Business Standard dated 23/9/2010***).

21. **Doha: don't trade off women's rights** -- The annual World Trade Organisation Public Forum on September 15-17 featured among its topics the role of women in reshaping the global economy as well as trade practices. This discussion did not come a moment too soon. It must now be taken and followed up with the seriousness it deserves in order to correct long-standing inequalities and promote both economic growth and human rights. Women's work accounts for two thirds of the world's working hours. However, they earn only 10 per cent of the world's income. Women produce half of the world's food, yet they are typically concentrated in small land holdings that they till, but do not own, and that may be their only source of food. Their access to markets may be hampered by social constraints or by fear of sexual violence along unsafe roads. (***Hindu dated 23/9/2010***).

22. **Developing nations warned over Tokyo IP meet--** Nearly 40 countries are launching a renewed push for an anti-counterfeiting accord in Tokyo, a non-governmental organization monitoring the secretive talks said. Civil society critics of the negotiations say the new deal would provide a platform for rich nations to impose on developing countries tough IP rules that go well beyond existing global agreements. They say that could disrupt trade in legitimate generic drugs going to poor countries by allowing searches and seizures of the products when in transit in participating countries, something that has already occurred in the EU. James Love, president of Knowledge Ecology International, an NGO monitoring IP questions, said the Tokyo talks could try to narrow the scope of the Anti-Counterfeiting Trade Agreement (ACTA). (***Statesman dated 24/9/2010***).

23. **Bill to stop outsourcing blocked** -- Less than a day after the US Senate voted to strike-down proposed legislation aimed at ceasing the outsourcing of jobs by American corporates, India's trade and industry leaders said they remained disappointed with America's protectionist methods which would have come at the expense of a growing international marketplace. (***Indian Express dated 30/9/2010***).

24. **China calls Capitol Hill's action on renminbi a violation of WTO rules --** Beijing has hit back at the bill passed by the US House of Representatives that would punish China for the alleged under-valuation of the renminbi, saying it violates global trading rules and could damage relations between the two countries. The House voted 348-79 to approve the bill, heightening the already tense bilateral ties. The legislation would allow the US to use estimates of currency under-valuation to calculate countervailing duties on imports from China and other countries. (***Financial Times of London dated 1/10/2010***).

25. **Activists decry India-EU IPR talks: Free trade deal will cut govt's role as a provider of life-saving HIV drugs** -- Delhi Network of Positive People (DNP+) is staging a mass demonstration in front of Udyog Bhavan to protest against the inclusion of intellectual property (IP) provisions in the EU-India free trade agreement (FTA) which they fear will affect people's access to affordable HIV/AIDS drugs. A crucial round of negotiations between India and European Commission on intellectual property provisions will take place from October 6 to 8 in New Delhi. (***Times of India dated 6/10/2010***).

26. **Can the G20 rescue deadlocked Doha?** -- After nine years of negotiations, the Doha Round is at an impasse. The gist of the matter is that the continuing preoccupation of the US with fixing its domestic economy is translating into a lack of meaningful engagement with the rest of the world on trade issues. In a rapidly changing global economy, the absence of US leadership is not only impeding the multilateral process, but is also adversely impacting its overall competitiveness. As Asia integrates rapidly within the region and outside, it continues to cement its position as the growth engine of the world. The European Union, which is not politically constrained on the issue of economic partnerships, continues to pursue vigorously its agenda of linking up with the dynamic emerging economies through a network of free trade agreements (FTAs). In this evolving situation, the US is the outlier. Clearly, the key to resolving the Doha Round impasse lies outside the WTO. It is important that the issues between the US and the emerging economies, including China, are resolved politically. Such a resolution will need to be within the larger framework of global adjustment that the G20 is addressing. The November meeting of the G20 leaders in Seoul provides one such opportunity. *(**Article by U S Bhatia, former India's Ambassador to the WTO, Geneva between 2004 and 2010 in the Financial Times of London dated 6/10/2010**)*.

27. **India, China defend right to up farm duties** -- India and some other developing countries have rejected a proposal to restrict their ability to impose stiff duties to protect farmers in the case of sudden surges in imports of farm goods at the ongoing talks for opening up global trade in goods and services. Costa Rica's proposal was backed by other big exporters of farm produce such as Australia and Thailand and had suggested that the use of such safeguard measures in the case of import surges should be circumscribed with additional clauses to restrict their use. (***Economic Times dated 11/10/2010***).

28. **WTO drug seizure case to stay until EU changes customs laws: Khullar** -- India will not withdraw its case against the European Union at the World Trade Organisation for wrongful seizure of drug consignments belonging to Indian companies until the regional grouping agrees to amend its Customs laws to prevent such action in future, commerce secretary Rahul Khullar said. Commerce and industry minister Anand Sharma had said last week that the 27-member EU had accepted India's position and agreed to amend its rules. He had also said that India would now want to withdraw the case filed at the WTO. “What the minister had said is that Mr Gucht (EU trade commissioner) has given him an assurance that this matter will be resolved. Wherever necessary, changes will be made to the regulations to prevent such type of recurrence,” Mr Khullar said. (***Economic Times dated 12/10/2010***).

29. **Drug seizure dispute with India not resolved: EU** -- The European Commission clarified that no breakthrough in the ongoing dispute between India and the European Union (EU) regarding generic drug seizures had been reached. In response to queries from Business Standard, John Clancy, the EC's spokesperson on trade, said he was unable to confirm Indian media reports that the matter had been resolved. (***Business Standard dated 13/10/2010***).

30. **Affordable drugs: DIPP discussion paper reveals traditional divide** -- In about a month, the Department of Industrial Policy and Promotion (DIPP) is expected to give its view on the about-30 responses that its recent discussion paper had elicited. At the core of the DIPP paper is the concern of keeping medicines affordable, and the use of the Indian Patent Law's compulsory licensing (CL) provision, viewed against the backdrop of local drug-makers selling their operations to multinational companies. But the responses from domestic drug-makers and multinational industry bodies reveal the all-too-familiar fault lines, often visible in the pharmaceutical landscape. The sharpest difference of opinion is in the very use of CL as a tool to keep medicines within the reach of people. The UK's IP Federation, concerned that the paper would translate into policies across other sectors, said: “The tenor of much of the paper is that extensive, indeed systematic, compulsory licensing, particularly with a view to reducing prices of patented products, is in the public interest. We do not accept this. Patents are intended to stimulate innovation by rewarding those who engage in costly and risky innovation with various exclusive rights (including rights to make and sell the product) for a limited time. The grant of a compulsory licence to a party who has not contributed to the process of innovation, for the purpose of reducing prices or to stimulate local production, will generally undermine this incentive.” Granting CLs will reduce foreign direct investments, and dis-incentivise non-Indian companies from partnering with local companies, the federation said, adding that a CL should be granted only in “extraordinary circumstances”. (***Hindu Business Line dated 13/10/2010***).

31. **Lupin's patent settlement may set new trend in out-of-court deals** -- Drug major Lupin's patent litigation settlement with Warner Chilcott has paved the way for a new business model in the patent litigation battles in the US. In a first of its kind deal, Lupin reached an out-of-court settlement with Warner Chilcott in the patent infringement suits on oral contraceptive products Loestrin 24 Fe and Femcon Fe. The settlement also helped Lupin get marketing rights for another drug of the same company, which Lupin did not even challenge. (**Business Standard dated 17/10/2010**).

32. **Indian cos see red over lal dant manjan patent** -- Lal dant manjan, or 'red herbal dentifrice', is now patented in the US by Colgate Palmolive, and Indian ayurvedic companies have sought government intervention to cancel it. The Association of Manufacturers of Ayurvedic Medicines (Amam), which represents 200

companies including Dabur, Himalaya , Hamdard and Baidyanath, has accused the American personal care giant of patenting an Indian traditional knowledge in the US, India and elsewhere. (***Economic Times dated 19/10/2010***).

33. **Form bloc to oppose new patent regime, advises legal guru** -- India should join forces with other developing countries at the World Trade Organisation (WTO) to oppose the stringent intellectual property regime being framed by a number of developed countries which could affect exports of generic drugs and software from the country, a top legal expert has said. India has already taken up the issue at the WTO with China , and commerce secretary Rahul Khullar had said that it could be challenged at the WTO once implemented. "If fifty-seventy countries together as a block object to the draft agreement, it will be more powerful at the WTO," pointed out Frederick M Abbott, professor of international law, Florida State University College of Law, USA. As many as eleven members which include the EU, the US and Japan have finalised the draft of a proposed anti-counterfeit trade agreement (ACTA) which seeks to widen the scope of intellectual property right (IPR) protection and setting up of higher standards for enforcement. It would extend to import , export and in-transit goods and includes infringement of all IPRs (except now excluding patents). The proposed legislation provides for seizures, confiscation and destruction of devices. (***Economic Times dated 23/10/2010***).

34. **US lobby opposes compulsory licence move to make patented drugs –** The pharmaceutical Research and Manufacturers of America (PhRMA) the association of global multinational drug firms with research presence in the US has opposed India's plans to issue compulsory licences to allow domestic drug companies to manufacture cheap version of patented medicines. The move would be counterproductive and discourage PhRMA members from investing in India, the association's chief operating officer, Christopher A Singer, said. China, Brazil, Singapore and European nations are all knocking on doors with investment requests. (***Business Standard dated 24/10/2010***).

35. **China mulls appealing WTO decision on US steel duties** -- China will consider appealing a WTO decision to reject the bulk of the country's complaints against US duties on imports of steel pipes and other products. WTO judges have rejected eight out of 11 complaints by China against US duties on imports of steel pipes, some off road tyres and woven sacks. (***Hindu Business Line dated 24/10/2010***).

36. **China can no longer plead poverty** -- Anybody who talks regularly to Chinese officials will be familiar with the mantra that "China is a developing country". But Shanghai, which I visited last week, mocks this modest description. With its eight-lane highways, its modern and efficient subway, its forest of neon-lit skyscrapers, giant new airport and chic hotels, China's commercial capital is defiantly developed. Of course, the city has pockets of poverty. And Shanghai is not China, where 150m people (out of a total Chinese population of more than 1.3bn) still live on less than $2 a day. Even so, China's insistence that it is a poor, developing nation is beginning to wear a little thin. This, after all, is a country that is sitting on more than $ 2,500 bn worth of foreign reserves. In important ways, China is now a rich nation. But its insistence that it is still a "developing country" has become a shield to protect itself against vital political and economic changes that matter profoundly to the rest of the world. The Chinese government insists that foreigners have no legitimate interest in the country's internal political development. But once again China's sheer size makes that argument hard to maintain. In the next 15 years the Chinese economy is likely to become bigger than that of the US. At that stage, for the first time for a century and more, the world's most powerful economy would not be a democracy. The rest of the world would be legitimately alarmed by that. The Chinese government likes slogans. In the week in which it became clear that the country's next president in 2012 will be Xi Jinping, it seems appropriate to propose a couple of slogans for the new man. My suggestions would be "Strong country, strong currency". Or "Free country, floating exchange rate". (***Gideon Rachman in Financial Times of London dated 28/10/2010***).

37. **Why EU seizes Indian drugs: India's status as the pharmacy of the world is at stake, says U S Bhatia –** During 2008 and 2009, at least 16 consignments of Indian generic drugs were seized by Dutch authorities while in transit through the Netherlands. Most of these were essential drugs

destined for developing countries in Africa and Latin America. Perceiving a clear violation of GATT and TRIPS provisions, India along with Brazil had sought consultations with the EU under the WTO dispute settlement process. India and Brazil have now to decide whether to request for a panel to adjudicate the dispute. The Indian generics industry has played a crucial role in ensuring availability of low-priced but high-quality drugs not only in India, but in much of the developing world. According to a UNITAID study, Indian generics manufacturers supply over 80 per cent of donor-funded AIDS medicines to developing countries. However, Indian generic companies continue to face stiff opposition in a number of foreign markets from pharma MNCs and their host governments. The gist of the strategy deployed by them is to deliberately confuse "counterfeits" with generic products. In the TRIPS Agreement, the words "counterfeit" and "pirated" are used only in the context of trademarks and copyrights, respectively, and not in the context of patents. Patents are territorial in nature and enforceable only in the national jurisdictions where they are granted. The crux of the dispute between India and the EU involves an extra-territorial enforcement of patent rights by the EU in the case of goods in transit to third countries without there being any threat of diversion to EU markets. (***Article in Business Standard dated 29/10/2010 by former Indian ambassador to the WTO***).

38. **India makes case against ACTA at WTO** -- India has made a strong case against Anti Counterfeit Trade Agreement (ACTA) a new international treaty being framed by a group of developed nations in the annual meeting of the WTO's Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) held in Geneva on October 27. Indian representatives said agreements such as ACTA had the "portents to completely upset the balance of rights and obligations of the TRIPS agreement". According to Geneva-based sources, India re-affirmed its commitment to deal with the enforcement of Intellectual Property Rights (IPR) issues in line with its TRIPS obligations, but opposed the introduction of "intrusive IPR enforcement rules in international trade" saying it "does not represent a reasonable or realistic response". (***Business Standard dated 30/10/2010***)

Forthcoming Events

S.No.	Date	Topic	Location
1	15-30 November	Training on WTO for LDCs and Developing countries	IIFT
2	19 November	Special Address by WTO DG, Pascal Lamy on WTO and Doha Negotiations: Closing the Gaps and Moving Ahead	FICCI
3	3 December	Trade Talk 7: Health Concerns of the Developing World and International Trade by Dr. German Velasquez, Senior Health Adviser to South Centre	IIC, New Delhi
4	6-10 December	High Level Consultations on Doha Development Agenda Negotiating Issues for Senior Officials organised in collaboration with WTO and ESCAP	IIFT
5	15-16 December	Workshop on WTO	Jaipur

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The Centre welcomes views and suggestions from readers at:

E-mail: editor_wtocentre@iift.ac.in

Website: http://wtocentre.iift.ac.in