

Journal of International Trade: Beginning of a New Chapter

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Introduction

The Centre for WTO Studies (“**Centre**”) is an independent think-tank established by the Government of India with the mandate to conduct legal and economic research on issues relating to trade in general, and the WTO in particular. In addition to its robust research programme, the Centre also organizes conferences and seminars on vital trade-related issues, besides undertaking various capacity building initiatives. With the Centre’s growth in the last decade as a trade think tank of repute, it is the right time for us to venture into publication of our own journal – the Journal of International Trade (“**JIT**”) – a publication that would serve as a platform for views and opinions for academics, practitioners and government officials on issues of trade-related importance.

An important objective that is intended to be met by JIT is to fill the void in the publication of trade-related scholarship. While there are certain law journals in India published by law schools that are dedicated to international trade, there are hardly any India-based journals that focus on not just the legal aspects of international trade, but also the economics and policy aspects of the subject. We thus hope to not only cater to the legal eagles but also reach a wider audience that includes economists, policy makers and negotiators.

Having been in the pipelines for years, it is a matter of great pleasure for me and also the Faculty and Staff of the Centre to see the Inaugural Issue of the *Journal of International Trade* to finally see fruition. However, this feat would not have been possible without the untiring efforts and encouragement of certain members of the Centre. At first, I must thank Shailja Singh, Assistant Professor at the Centre for doggedly keeping the project alive despite her myriad other commitments at the Centre. Acknowledgments are also due to Satwik Shekhar, Jayant Raghu Ram, Monika and Neeraj R.S., Research Fellows at the Centre for providing valuable assistance in facilitating the publication of this Inaugural Issue. Shraddha Kulhari, former Research Fellow at the Centre has also contributed greatly to the finalization of this inaugural issue.

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The publication of an academic journal can often be fraught with challenges, some of which may not be within the control of the editorial board. It is hoped that the Centre will be able to effectively face whatever challenges this endeavour may throw at us while maintaining our commitment to producing interesting and timely scholarship on issues of legal, economic and policy importance in the trade hemisphere.

I am confident that the articles in this Issue would serve as a valuable reference point for readers whether in their study or research or for a friendly argument at the coffee table. I am also hopeful that it would encourage readers in the field to consider contributing at least one paper for the future issues of the *Journal of International Trade*. While great care has been taken to ensure that the publication of this issue has been immaculate, we would not overlook the possibility of any shortcomings. Therefore, readers are encouraged to share their feedback with us, with one rule – to be as candid as possible.

Contents of the Inaugural Issue

This issue consists of seven articles and a book review, all authored by academics who are experts in their own domains. The authors are to be congratulated for their stellar contributions which are not only of contemporary relevance but are sure to also be of analytical interest. I discuss each of these contributions in brief below.

The first article is by Pierre Sauve on a very important issue concerning developing economies – local content requirements (“**LCR**”). Sauve’s discussion centres around the loss of industrial policy space for developing economies, particularly those acceding to the WTO, on account of the stringent WTO rules prohibiting LCRs. While Sauve does highlight the availability of alternatives to LCRs, he states that these alternatives may not be the best substitutes for developing countries nor can they offer developing economies the degree of immediate and seemingly costless protection that LCRs might appear to provide. This is similar to the argument taken by India – albeit one that was rejected – in the *India – Solar Mission* dispute.¹ It is not hard to wonder whether the WTO’s rules are forcing developing economies to “kick away the ladder” before they have had the time to catch up with the industrialized economies.

The next piece is an interesting article by Rajan Sudesh Ratna. The subject of Rules of Origin (**RoO**), unlike others, can be very challenging to fully comprehend and analyse. To undertake economic analysis of RoO in the context of value chains is a bigger challenge. Ratna does an astute job in analysing the linkages between preferential RoO and regional value chains. On the basis of his study of certain PTAs, Ratna debunks the belief that stringent RoO, are a deterrent, and instead supports the idea that they provide greater opportunities for PTA partners to integrate and become part of regional value chains.

Earlier I had stated that the objective of the JIT is to cater to a wider audience. In this context, it would be ideal to feature an article addressing all perspectives. The next article, by Peter Holmes,

1 Report of the Panel, *India – Certain Measures Relating to Solar Cells and Solar Modules*, WT/DS456/R (24 February 2016) at para 7.371

Jim Rollo, Kamala Dawar and James H Mathis, is an economic, legal and policy analysis of the topic of qualified market access (“QMA”) – an important issue for developing countries. Some of the conclusions they arrive in their study are sure to generate a healthy debate – especially their legal analysis of the validity of such QMA. Indeed, post the *EC – Seals* dispute, one wonders to what extent can the General Exceptions be used to defend non-product related PPMs. Holmes, *et al* go on to argue that in the absence of any cogent evidence supporting either competitiveness or consumer welfare in the importing country, prudence dictates avoiding such measures.

For the fourth piece, we are presented with a very telling article on survivability of industrial plants in India from the perspective of export orientation and import competition authored by Bishwanath Goldar and Sonia Mukherjee. As they themselves point out, theirs is the first to carry out an econometric analysis on Indian industries using the Cox Model; they thus fill a vital gap in the trade-related economic literature. The results of the study by Goldar and Mukherjee indicate that increased export orientation of manufacturing plants in India tends to improve their survivability while enhanced import competition in India tends to reduce their survivability. This is an important finding which could serve as a critical input for policy makers in India.

The next piece is by Carlos Correa on the plain packaging issue wherein he discusses the right to use trademarks under the TRIPS Agreement. Correa must be thanked for bringing our attention to a vital issue that is currently in dispute at the WTO.² He very aptly argues that accepting the notion of a positive right to use a trademark under the TRIPS Agreement would have wider systemic implications at the WTO including for Member’s vital policy concerns such as public health. Given the importance of this issue for WTO Members including India that are contemplating the adoption of such measures to curb the tobacco incidence, readers are urged to give serious thought to the issue discussed by Correa.

The liberalization of services sector for an economy and the preparedness of its national professionals working in the sector is an issue of importance from both a policy and negotiating perspective. Taking Malaysia as the subject country of their study, Rokia Alavi, Norsiah Mohamad Ruslan and Abdul Aziz discuss the awareness and readiness of Malaysian engineers in facing the liberalization measures undertaken by the Malaysian government. Alavi, Ruslan and Aziz are to be commended for undertaking such a study which is sure to serve as a guiding model for policy makers of other economies when considering liberalization measures. As they correctly stress in their article, an economy’s professionals require a high level of preparedness when they face greater competition on account of liberalization in the services sector.

Last but not the least, is Shailja Singh’s book review of *A History of Law and Lawyers in the GATT/WTO*. Edited by Gabriel Marceau, Counsellor with the Legal Affairs Division of the WTO, *A History of Law and Lawyers in the GATT/WTO* is a spectacular assembly of chapters that documents the legal chronology of transition from the GATT to the WTO. With each chapter having been authored by lawyers and diplomats who were closely associated with the GATT and the WTO, the book promises to be a treat, as Shailja’s review rightly notes.

2 Australia — *Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging*. It is expected that the panel would deliver its much awaited ruling sometime in the middle of next year.

Having given a brief introduction to the Inaugural Issue and its contents, without further ado, I beckon readers to an enjoyable read of the various pieces in this issue. My hearty congratulations to the Editorial Board for successfully publishing the Inaugural issue. I wish the editorial board of the Journal of International Trade the very best in publishing the future issues, which I am sure will be reflective of their hard work and perseverance.