

India & The WTO

A Monthly Newsletter of the Ministry of Commerce and Industry

Vol.7 No. 5

May 2005

Kamal Nath calls for Development Audit of WTO Negotiations



Kamal Nath, Commerce & Industry Minister, attending the G-20 Meeting in Paris on 3rd May, 2005

Mr. Kamal Nath, Minister of Commerce and Industry, has called for development audit of the ongoing World Trade Organisation (WTO) negotiations, as a first step towards developing an outline of the development package for the next Ministerial Conference in Hong Kong. Participating in the **Session of the Organisation for Economic Cooperation and Development (OECD) in Paris on "Trade Negotiations under the Doha Development Round", on 4th May, 2005** the Minister took the lead in activating the development agenda of the WTO negotiations, and urged members not to forget that Doha was supposed to

be primarily a development round. Countering the impression often given that developing countries were not ambitious enough in the negotiations, Mr. Kamal Nath said ambition in the WTO negotiations should be seen essentially in the context of ensuring better market access for products of export interest to developing countries and doing it in a manner that would not impair their capacity to develop in consonance with their own specific socio-economic needs. " If ambition does not enhance development, then it is not 'ambition', but illusion", he remarked. India was among the non-member countries invited to participate in the OECD meet.



Kamal Nath, Commerce & Industry Minister, with Rob Portman, the new US Trade Representative, in Paris on 4th May, 2005. Several key trade meetings were held Paris in May as WTO negotiations entered a critical phase in the run up to the next Ministerial.



IN THIS ISSUE

Page No.

Kamal Nath calls for Development Audit of WTO Negotiations	- 1
WTO Negotiations entering a crucial phase : workshop for State Governments	- 3
Text : Opening Remarks by Commerce Secretary	- 4
Presentation on WTO Negotiations	- 6
Services offers:Cabinet Committee on WTO meets	- 19
National Seminar on Sanitary and Phyto-Sanitary Measures	- 20
Lamy chosen as WTO's 5th Director-General	- 21
Anti-Dumping: WTO Secretariat reports decline	- 22
WTO welcomes public access to historical GATT documents on the Internet	- 24
List : 148 Members of the WTO	- 25
Parliament Briefs	- 28
Clippings	- 31
Schedule of meetings at WTO/Geneva	- 40

Later, at the **Informal Ministerial Meeting–Mini-Ministerial of the WTO–in Paris**, the Minister mooted the “100-100 Initiative” in Agriculture in order to ensure a level playing field for farmers of developing countries who are denied market access due to the application by some developed countries of specific duties amounting to very high tariffs on products of export interest to developing countries. He proposed that (a) all member countries of the WTO – both developed and developing countries – convert 100 % of all specific duty tariff lines into ad valorem equivalents (AVEs), and then bind these tariffs in ad valorem terms after conversion; and (b) that regardless of the formula or methodology that is finally adopted for the conversion, the maximum agricultural tariff should not exceed 100 % at the end of the Doha Round. This will ensure greater access for farmers of developing countries to the markets of the developed countries, giving them a fairer share of the world trade in agriculture. The Mini Ministerial was chaired by the Trade Minister of Hong Kong China and was attended by over 30 countries.

India also helped in achieving a breakthrough by arriving at an agreed formula for conversion of specific duties into ad valorem equivalents (AVEs) which was supported by participants at the Mini Ministerial and would be approved in Geneva by the 148 member countries. This gateway issue has now finally been resolved after months of protracted negotiations. Lack of progress on this issue was widely seen as due to the obstructionist attitude of some developed countries. Nearly 98 % of all specific duties are applied by the developed countries. Giving India’s perspective on the issue, the Minister said : “ If we are all agreed that specific duties lack transparency, and that they unfairly penalize more efficient producers, then we must declare as our objective the conversion of all specific duties into AVEs on a

permanent basis. In fact, once we decide that, then all this quibbling about the formula for conversion will evaporate”.

Intervening on non-agricultural market access (NAMA) issues, Mr. Kamal Nath came down heavily on developed countries for applying double standards. Thus, developed countries sought reduction from bound rates and were not willing to bind duties in ad valorem terms in Agriculture, but called for reduction from applied rates and 100% binding in ad valorem terms in NAMA. Supporting Mr. Kamal Nath, the Australian Trade Minister described it as the “schizophrenia of the developed countries”. Mr. Kamal Nath referred to the **joint proposal on NAMA already submitted by Argentina-Brazil-India (the ABI formula) as a balanced and equitable one as it combined a satisfactory degree of liberalization with the required security for developing countries and incorporated the principle of less than full reciprocity and flexibilities in tariff reduction for developing countries, besides also addressing issues of tariff peaks and tariff escalations. He cautioned members not to treat harmonization of tariffs as an end in itself – “it is not in the mandate, so let us not make it a goal”.**

He also urged removal of non-tariff barriers (NTBs), pointing out how the least developed countries (LDCs) and other developing countries were unable to make a dent in the developed country markets even with low or zero tariffs, due to protectionist measures such as technical requirements and standards, often disguised as environmental or health requirements.

In another intervention, the Minister said services must be given priority in the negotiations and articulated India’s interest in Modes 1 (cross border supply) and Mode 4 (movement of natural persons).

WTO Negotiations entering a crucial phase : Workshop for State Governments on WTO

New Delhi: **May 24, 2005**

The Commerce Secretary, Shri S.N. Menon said that the WTO negotiations launched at Doha in 2001 are entering a crucial phase. He said that the frame work agreement decision reached in Geneva in July 2004 has given much needed fillip to the ongoing negotiations and the next few months would witness intense negotiating activities in the run up to the next WTO Ministerial Conference. He was speaking at the workshop for State government officials on WTO issues organized by the Ministry of Commerce and industry, here today.

Shri Menon outlined India's priorities in the negotiations on agriculture as removal of trade distorting subsidies by developing countries, ensuring adequate protection to the livelihood concerns of poor subsistence farmers, and to safeguard food security, livelihood and rural development concerns. On Non Agricultural Market Access (NAMA), India wants to address the issues of tariff peaks, tariff escalation in developed countries so that developing countries can access

the market in developed countries. He underscored the need for the state governments to play an increasingly proactive role in the negotiations to keep themselves abreast of the latest developments and to evolve institutional mechanisms to implement the obligations assumed by India.

The one day workshop covering the areas of agriculture, NAMA and development issues is attended by senior government officials from all the state governments and the Union territories. Shri Prabir Sengupta, Director of Indian Institute of Foreign Trade (IIFT) in his welcome address said that trade distorting subsidies in agriculture by developed countries create a serious imbalance adversely affecting the developing countries. The huge subsidies provided by the developed countries to their farmers enable them to export their agricultural products causing the international prices to remain artificially low as they do not reflect the resource costs. "Over the years, the terms of trade are becoming adverse against the agriculture based developing countries and we need to correct this situation," he said.

Opening Remarks by the Commerce Secretary, Mr. S.N. Menon, at the Workshop for States/UT Governments on the state of play in the WTO Negotiations May 24, 2005 at IIFT, New Delhi



The Commerce Secretary, Mr. S.N. Menon addressing one day workshop for State/UT Governments on the state of play in the ongoing WTO negotiations, organised by the Department of Commerce, Ministry of Commerce & Industry, in New Delhi on May 24, 2005.

The WTO negotiations launched at Doha in 2001 are entering a crucial phase. The 'framework agreement' decision reached in Geneva in July-2004 has given much-needed fillip to the ongoing negotiations after the stalemate at Cancun Ministerial Conference in 2003. Next few months would witness intense negotiating activities in the run up to next WTO Ministerial Conference at Hong Kong China in December this year.

On a broad macro-economic front, **India looks at the ongoing WTO negotiations from the perspective of her development and the growth needs.**

The Indian economy has averaged a growth rate of about 6% for over a decade and is poised for achieving even higher growth of around 7 percent per annum. Our trade, both exports and import, have been rising

steadily. In 2004-2005, India's merchandise exports peaked at \$79.6 billion- a growth of 24.4% in dollar terms and highest since 1974-75. Our share in world's exports has increased to 0.82 percent in 2004 from 0.66% in 2000. Clearly, sustaining this growth pattern would require a closer integration with the global mainstream, including continuing trade liberalisation.

The Department of Commerce has been regularly holding discussions with the domestic stakeholders such as apex industry associations, individual industry groupings for the past four years or so and we intend to intensify these efforts further this year. Consultations have been held at Ministerial level with political parties, trade unions etc. as part of this process. These wide ranging

consultation have been aimed at evolving a positions that would reflect a National consensus.

Agriculture

One of the key issues under negotiations is agriculture-a sector which is central to economic development of developing countries and provides the only means of livelihood to millions of small and marginal farmers. This is also a sector where one has acute distortions caused by subsidies and protection in developed countries. **India's priorities in the agricultural negotiations are broadly to** : (i) seek removal of distorting subsidies by developed countries and reduction in the level of protection; (ii) adequate protection to low income, resource poor subsistence farmers in India, and (iii) to have appropriate provision and flexibilities designed to safeguard food security, livelihood and rural development concerns. It is extremely important that outcome of this Round leads to substantial reduction in distortions caused by subsidies and the level of protection. Fighting this distorted international trade regime in agriculture sector is the *raison d'être* of the G-20. Emergence of G-20 and the central role played by it in the area of agriculture negotiations has been recognised by the world community. India had organised in March this year G-20 Ministerial Meeting in New Delhi which has further strengthened the alliance and its resolve to play a constructive role in the ongoing negotiations in the area of agriculture.

NAMA

Another key area in the ongoing negotiations is non-agricultural market access. Freer trade and investment flows have underpinned India's growth strategy. India has undertaken significant autonomous liberalisation. We are not going to abandon the path of autonomous tariff reduction. However, we are conscious of the need to have 'policy space' in certain sectors and, therefore, have sought flexibility in such sectors. India along with **Brazil and Argentina have recently tabled** a negotiating proposal, which would allow market access for products of exports interest to developing countries, address the issue of tariff peaks and tariff escalation in developed countries so that we are able to access these markets as well as giving

some room **in respect of unbound tariff lines.**

Services

The Services sector already contributes more than 50 per cent of India's GDP. The services sector is evolving rapidly, particularly in the area of knowledge based economy. **India has offensive interest in the liberalisation of service world market, especially in Mode-1 and Mode-4.** We have potential in BPO segment and in movement of our Professionals. The challenge in the negotiations is to have improved revised offers, especially in sectors and modes of export interest to developing countries and to expedite progress in the area of Rules, particularly disciplines on domestic regulations, covering issues such as recognition of qualification, administrative procedures relating to visas/work permit, and greater transparency without which effective market access would be impeded. India would be submitting its revised offer as agreed in the 'July framework' decision.

Focus on development

The centrality of development dimension has been emphasised in the Doha Ministerial Declaration. Indeed, a pro-development outcome in the Doha negotiations is extremely important. Implementation and Special and Differential Treatment issues are special areas where desirable outcome is required. The challenge in this Round is to deliver outcomes acceptable to all, keeping in view concerns and interests of diverse group of countries. This would require transparent and inclusive process. India is ready to play its part in these negotiations, which would lead to such pro-development and balanced outcome.

State/ Union territory governments will have to (i) ensure that implementation by all level of local govt. of polices and measures is fully consistent with India's WTO obligations, particularly the basic WTO principles of MFN and National Treatment applicable on internal taxes and any other governmental regulations; (ii) play increasingly proactive role and keep themselves abreast of developments in the WTO regime; (iii) that proper institutional mechanisms are in place to implement feedback in respect of their areas of interests and concerns to enable us to shape govt's positions.

Negotiations in the World Trade Organisation



MEETING WITH

**THE CHIEF SECRETARY,
GOVERNMENTS OF STATES AND UNION TERRITORIES OF INDIA**

Presentation by:

Gopal K. Pillai
Additional Secretary
Department of Commerce
Government of India



New Delhi, 24 May 2005

Doha Work Programme : State-of-Play

Failure of Fifth Ministerial at Cancun to agree on modalities

Revival of the Doha Round:



- **2004 July Framework breaks deadlock**
- **Roadmap agreed for further work**
- **Framework towards Establishing Modalities agreed on:**
 - Agriculture
 - Non-Agricultural Market Access (NAMA)
- **Services Annex to guide further progress**
- **3 Singapore Issues out of Doha Round :**
 - Investment
 - Competition Policy
 - Government Procurement
- **Negotiations commence on Trade Facilitation**
- **Guidance, with timelines, on development issues**

AGRICULTURE : Uruguay Round India's Commitments Recalled...



Market access : All tariffs bound

- No TRQs, and no right to invoke Special Safeguards
- No minimum market access – QRs (until 2001) for BOP
- Ceiling bindings, by 2004, of:
 - 100% for Primary Commodities
 - 150% for Processed Agricultural Products
 - 300% for most Edible Oils
- 111 HS6 Tariffs bound in earlier Rounds (out of 695)

Export competition :

- Marketing and Transport subsidies, under Article 9.4, until 2004
- No reduction commitments

Domestic support :

- Aggregate Measurement of Support (AMS): Negative by a large margin
- Support within *De Minimis* (of 10% of value of agricultural production)

AGRICULTURE : India's Overall Priorities...



Removal of distorting subsidies and protection by developed countries

Protection of low-income, resource-poor and subsistence farmers of developing countries

Appropriate provisions designed to safeguard food security, livelihood, and rural development in developing countries

Modalities Negotiations :

- Full modalities (formulae, cuts, rules) by Hong Kong Ministerial, 13-18 December 2005
- Conclusion of negotiations with a decided pro-development outcome

India's Main Alliances:

- G-20
- G-33 on Special Products and new Special Safeguard Mechanism

AGRICULTURE : Domestic Support: The Framework

Objective: Substantial reductions in trade-distorting domestic support



To get there?

- (i) Reduce AMS commitments – tiered formula
- (ii) Reduce *de minimis* limits by a percentage
- (iii) Cap Blue Box at 5% of production value
- (iv) Overall cut in Amber Box + *de minimis* + Blue Box with 20% in year 1 and more later – tiered formula

In addition

- (i) Higher levels to be reduced by more - harmonisation
- (ii) AMS product-specific caps and some product-specific reductions (cotton?)
- (iii) Review Blue Box; negotiate criteria to ensure less distorting than Amber Box
- (iv) Review/clarify Green Box to ensure minimal trade distortion – but take account of non-trade concerns
- (v) Monitoring mechanism

AGRICULTURE : Domestic Support : The Framework

Objective : Substantial reductions in trade-distorting domestic support



Developing countries?

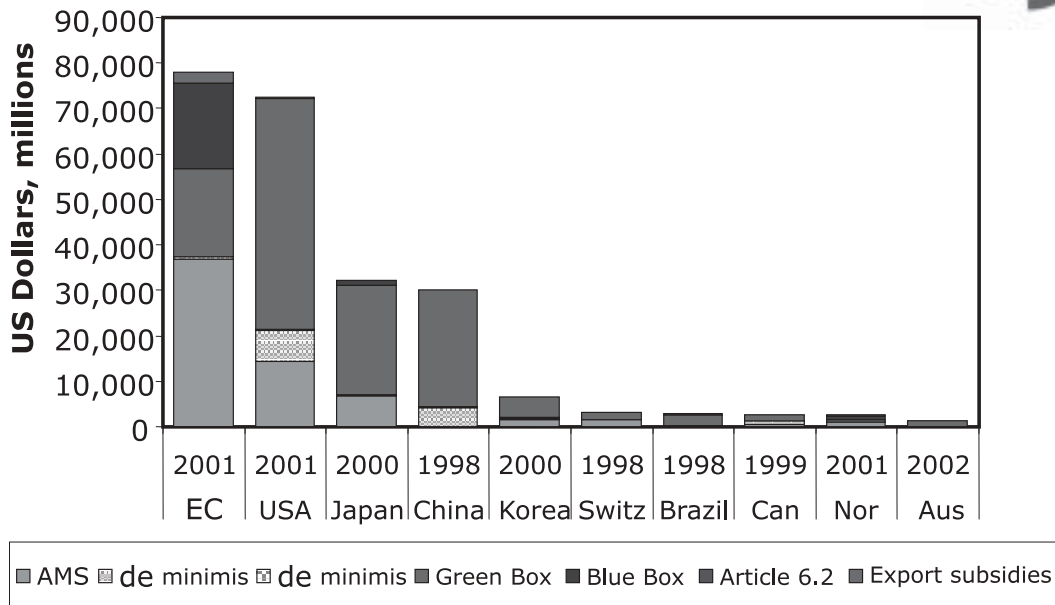
- (i) Exemption from reduction of *de minimis* for those countries that allocate almost all to subsistence and resource poor farmers
- (ii) Continued access to investment and input subsidies generally available to low income or resource poor farmers
- (iii) Longer implementation and lower reduction coefficients

India? Any *de minimis* reduction is non-negotiable

AGRICULTURE : Domestic Support: Who does what



Notified Subsidies in the WTO

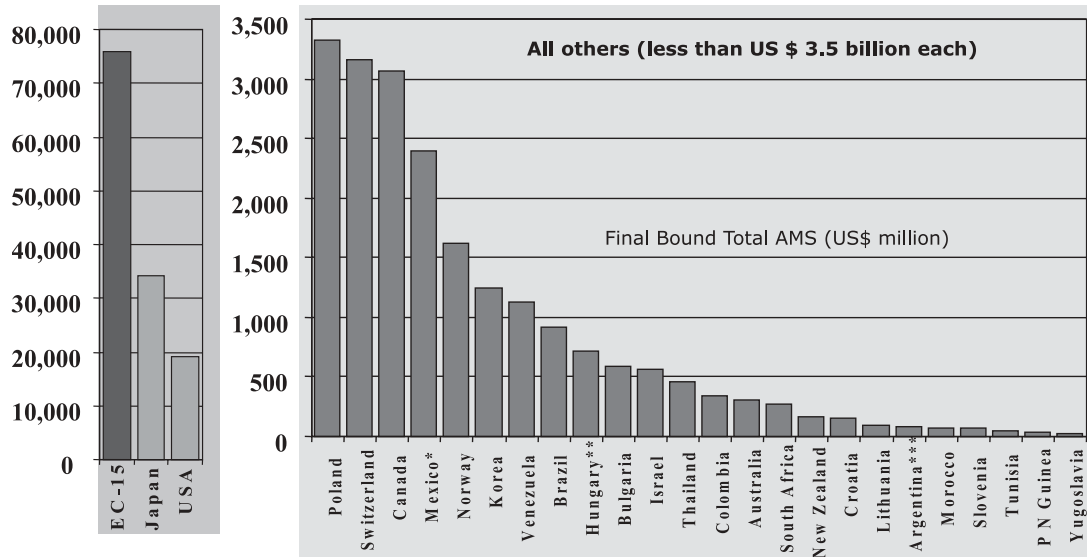


**AGRICULTURE : Domestic Support : The Framework
Negotiation Issues**



Who needs to reduce AMS the most?

**US, Japan, EC
(Range between US \$ 19-70 billion each)**



AGRICULTURE : Export Subsidies: Negotiations Framework



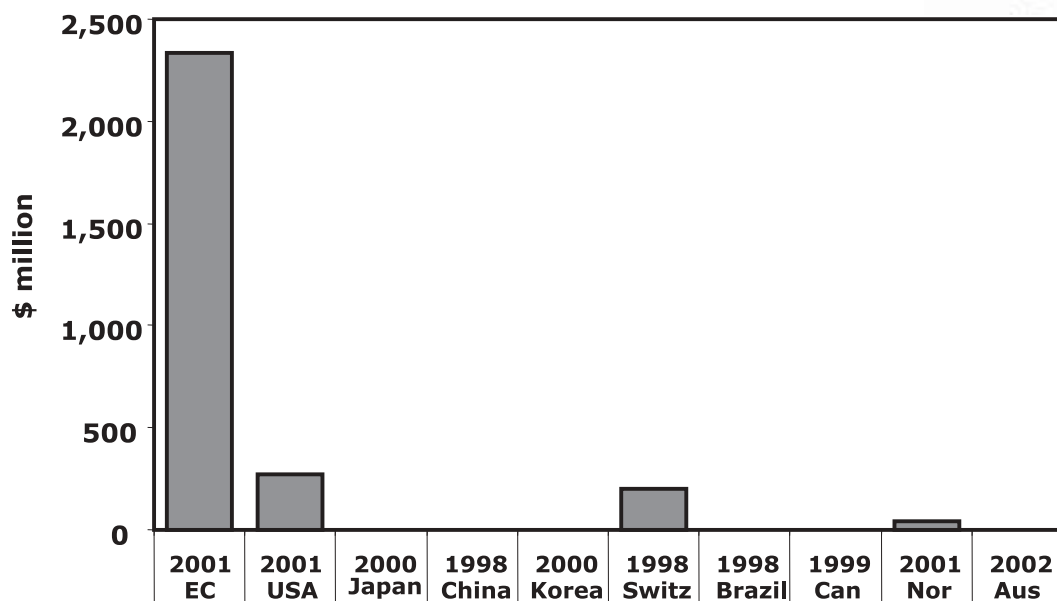
Objective: Elimination of all forms of export subsidies by a 'credible' date

- To get there?**
- (i) Eliminate export subsidies by date to be agreed
 - (ii) Eliminate credits longer than 180 days
 - (iii) Eliminate trade-distorting practices of STEs
- In addition**
- (i) Disciplines on export credits, guarantees, insurance
 - (ii) Disciplines on food aid
 - (iii) Effective transparency
 - (iv) S & D: longer implementation and lower reductions, Article 9.4 to continue, STE (monopoly) consideration

AGRICULTURE : Export Competition Support: Who does what



Export Subsidies



AGRICULTURE : Market Access Negotiations



Objective: Substantial improvements in market access for all products

- To get there?**
- (i) **Tiered tariff reduction formula with S & D:**
 - **proportionality and different tariff structures**
 - **sensitive products**
 - (ii) **Deeper cuts in higher tariffs - progressivity**
 - (iii) **Full liberalisation of tropical products**
 - (iv) **Tariff escalation – to be treated**
 - (v) **Tariff quota expansion**

With S & D integral and

- **Special Products**
- **Special Safeguard Mechanism**

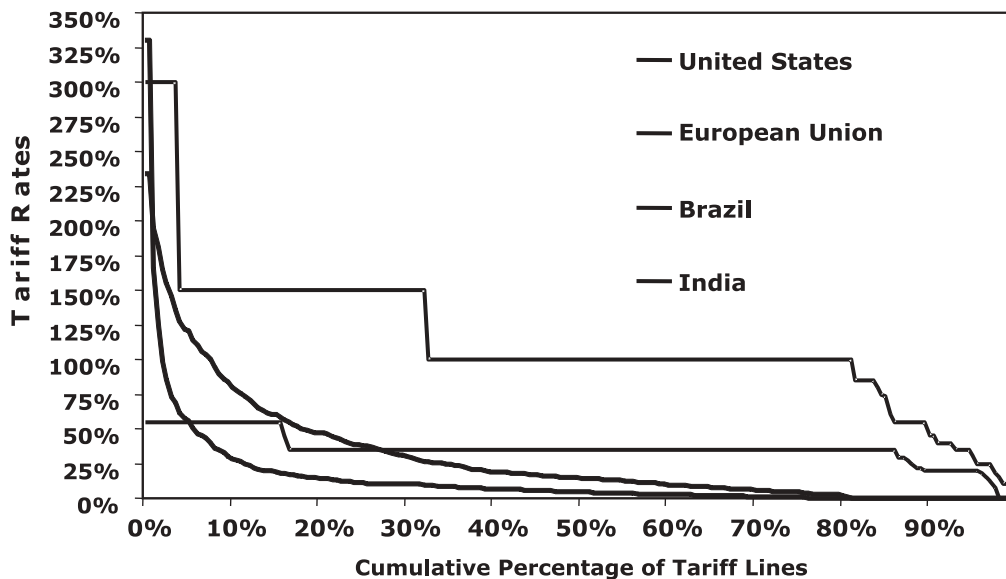
To consider

- (i) **Tariff cap**
- (ii) **Tariff simplification**
- (iii) **Special Safeguard (Article 5)**

**AGRICULTURE : Market Access: The Framework
Negotiation Issues**



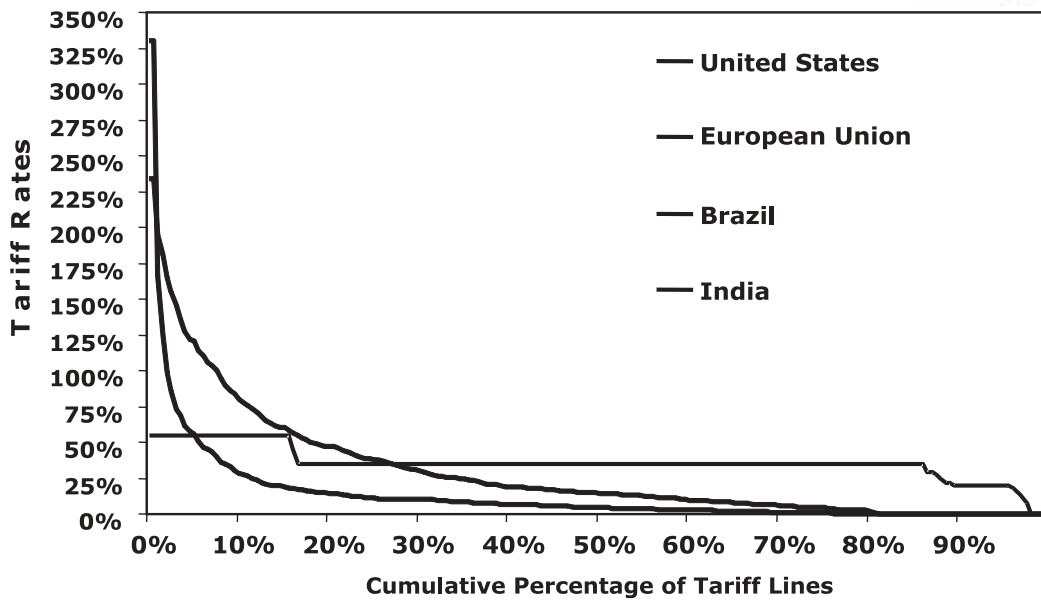
Distribution of Agricultural Bound Tariff Rates by Tariff Lines



AGRICULTURE : Market Access: The Framework Negotiation Issues



Distribution of Agricultural Bound Tariff Rates by Tariff Lines

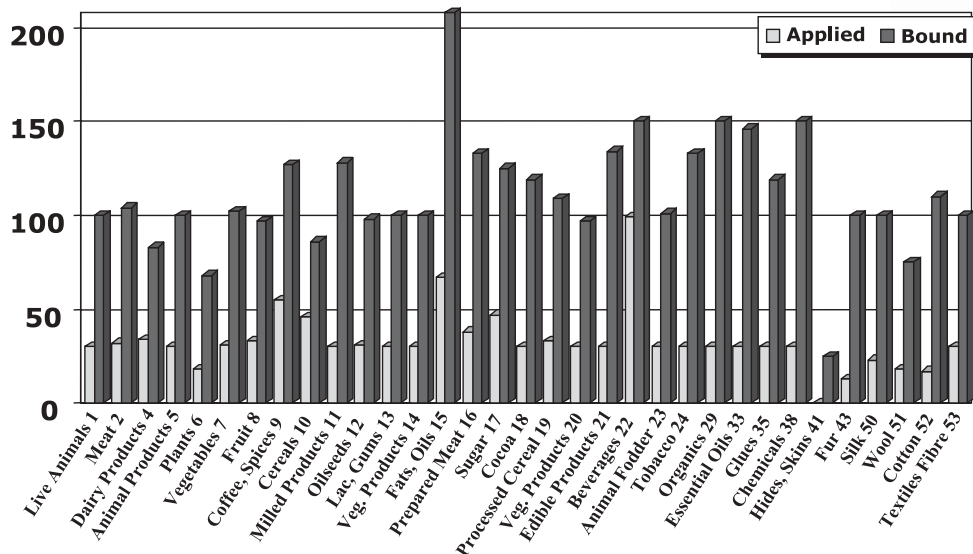


AGRICULTURE: Market Access Negotiations

Formula cuts central, plus India's Sensitivities across Products



Gap Between India's Bound and Applied, 2004-05



Livelihood; Food Security; Rural Development Needs

AGRICULTURE : MODALITIES NEGOTIATIONS :
Current Status



Focus on technical issues post-Framework:

Understanding reached on NAV-Conversion methodology at Paris

Market access negotiations will now gain momentum

Date and timing of export subsidy elimination to be agreed

Export credits, food aid, state-trading enterprises well advanced

Cuts in domestic support to be agreed

Criteria/disciplines to be agreed - Amber, Blue, Green Boxes

NAMA: In Brief:



Objectives for India:

Market Access for Products of Export Interest to Developing Countries

Addressing Tariff Peaks and Tariff Escalation

S and D for Developing Countries

Formula with *concept of less than full reciprocity*

Flexibilities to take care of sensitivities

Discussion Focus: Finalizing modality for bound tariff reduction through
Formula
Sectoral Initiatives
Preferences

NAMA: The Framework : Negotiation Issues:

Product Coverage? Agricultural products in NAMA:
fish and fish products, rubber, sisal, jute, coir

Formula? Non-Linear?

Developed Countries favour the Swiss Formula

- with one or two coefficients, with or without recourse to flexibilities.

Effect: Sharply reduces developing country tariffs;
Harmonises tariffs

India, Brazil and Argentina proposed a 'Swiss type' formula

- based on national tariff average

Effect: Reduces tariff peaks and escalation in developed countries;
Requires reasonable reduction in developed countries
Proposes a formula for treatment of current unbound tariffs



Services: In Brief:

India's Interests and Potential for Trade:

World trade in Commercial Services, 2003 - \$1795 billion (~1/4 goods trade)

India's Exports- 2003-04 - \$25 billion

India's Exports 2004-05 (April-December) - \$32 billion

India's Imports - 2003 - \$21.5 billion

Share of India's exports in world trade of services - 1.4%.

India ranks 21 in exports and imports

Services account for 50.7% of GDP but only 31% of total exports in 2003-2004



Services: Negotiations:

GATS: Four modes of supply:

Mode 1 : Cross Border: eg. software in computer diskette

Mode 2: Consumption abroad : eg. tourism, repair of ship in another country

Mode 3 : Commercial presence: eg. bank branch in other country

Mode 4 : Presence of natural persons: e.g. consultancy services abroad, construction projects abroad (does not include permanent residency)

GATS: Nature of Commitments:

Control through Regulation : No tariffs at border

Obligations:

- General (MFN Market Access, Transparency)
- Conditional (National Treatment)
- Negotiable (Domestic Regulation)



Services: India's Present Commitments Recalled:

- **Commitments in 6 major sectors:**
 - **Business services**
 - **Communication services**
 - **Construction and related engineering services**
 - **Financial services**
 - **Health and related social services**
 - **Tourism and travel related services**
- **Mainly in Modes 3 and 4**
- **Commitments lag behind autonomous liberalisation**



Services: India's Main Interests in Negotiations: :

- Strengths – large skilled and competitive work force; established reputation as reliable supplier; available infrastructure
- Interest in securing greater market access:
- Mode 4, especially in contractual service supplier de-linked from commercial presence, including independent professionals
- Mode 1, where there is core competence in IT enabled services like back-office operations, call centers, medical transcriptions, distance education
- Computer-related and professional services



Requests Received from India's Main Trading Partners:

- Cover all major service sectors, though focus on Modes 1 and 3
- In Mode 4, only horizontal commitments sought
- Sector-specific focus:
 - Financial services;
 - Distribution (retailing);
 - Education;
 - Energy;
 - Telecommunications
 - Professional (legal, accounting)
 - Maritime Transport
 - Environment

Services: Negotiations Calendar:

In Doha Mandate:

- **Initial Requests by 30 June 2002**
- **Initial Offers by 31 March 2003**
- **Safeguards by 15 March 2004**
- **GP/Subsidies/Domestic Regulation: aim to complete before negotiations on specific commitments**
- **Conclude negotiations by 1 January 2005**

In General Council Decision of 1 August 2004:

- Revised offers by 31 May 2005
- Conclude negotiations by 31 December 2005



Services: Negotiations ahead:

India's Initial Offers: December 2003



India's Revised Offer due by end-May 2005: Likely Coverage:

Sectors on offer, and possible expansion of coverage in :

- Distribution (Wholesale, Commission Agents);
- Higher Education Services;
- Environmental services, including municipal solid waste removal services
- Professional (Accounting, Auditing, Book-keeping)
- Financial services
- Tourism and Travel Related services
- Hospital, medical, dental, and nursing services

RULES :

- Anti-dumping Agreement
- Subsidies and Countervailing Measures
- RTAs
- Fisheries Subsidies

Negotiations progressing from identification of issues for clarification and improvement to looking at "mature" proposals

TRADE FACILITATION:

Modalities adopted in July 2004

Modalities – Scope, Application of DSU

Implementation capacity - Issue of resources



CHALLENGES AHEAD



Achieving a balanced outcome: *responding to diverse interests*

Realizing the “developmental” promise

Strengthening multilateralism: Institutional and Process Issues

Key Timelines:

- **‘First Approximation’ by July 2005**
- **Ministerial at Hong Kong, China (13-18 December 2005)**

Steps by Government:



- Assigned studies to various institutions
- Constituted Expert Groups to assess likely impact on domestic stakeholders
- Inter-Ministerial meetings and consultations with Governments of States/UTs
- Build coalitions on shared common interests (G-20, G-33, G-16, LMG)
- Meetings held with political parties and NGOs; stakeholder consultations
- Frequently Asked Questions (FAQs) printed and circulated
- State-of-play in WTO posted on Ministry’s website

Role of State Governments:

Strengthen Institutional set-up: WTO Cell/Resources’ facilitation

Conduct assessment of interests and concerns; stakeholder consultations :

- offensive (export potential; road-blocks); and
- defensive (safeguarding vulnerable sectors and communities from imports; infrastructure development, policy orientation, and a level playing field)

Maintain regular interaction with Central Government and other States/UTs

SERVICES OFFERS : CABINET COMMITTEE ON WTO MEETS

The Cabinet Committee on WTO matters met in New Delhi on 30th May, 2005 to give directions to the Ministry of Commerce and Industry on the Offers they are permitted to make to the World Trade Organisation (WTO) as part of the Revised Offers in the services negotiations in May/June, 2005.

In accordance with the July Framework Agreement adopted by the WTO on 1st August, 2004 that laid down the broad principles and guidelines for further negotiations in the Doha Round, WTO member countries are encouraged to make Revised Offers by May, 2005 in the ongoing negotiations under the General Agreement on Trade in Services (GATS) of the WTO.

The Cabinet Committee on WTO matters today directed the Ministry of Commerce to make improved Offers in sectors where Offers have been made by India as part of Initial Offers in June, 2003. It also gave the Commerce Ministry the flexibility to move forward in the services negotiations within the limits of its autonomous liberalisation. **While making the Revised Offer, India will also be guided by the range and depth of the improved Offers that would be made by the developed countries in the Modes and sectors of interest to India. "What we ultimately offer will depend on what is offered to us", Shri Kamal Nath, Union Minister of Commerce & Industry, said after the meeting.**

In keeping with the July Framework Agreement, India will be making its Revised Offers shortly in sectors which include those in which commitments were made in the Uruguay Round or in which Initial Offers were made in the ongoing Doha Round of WTO negotiations. The sectors thus covered include business services, construction and related engineering services, health related and social services, tourism and travel related services, maritime services and transport services.

"Given its strengths in this area, India is a demandeur in the WTO negotiations for liberalisation of trade in services. Currently, India's earnings through services exports are estimated at US \$ 30 billion. According to the Boston Consulting Group, this has the potential to increase to US \$ 200 billion by 2020, if the developed countries provide better access to their markets, especially through improved offers in respect of Mode 1 (cross-border supply which covers BPO) and Mode 4 (movement of natural persons)", Shri Kamal Nath said.

I. Revised Offer in Sectors in which Initial offer was made in Doha Round of Commitments taken in Uruguay Round :

1. Business Services
2. Communication Services
3. Construction and Related Engineering Services
4. Financial Services
5. Health related and Social Services
6. Tourism and Travel related Services
7. Transport Services

Seven Sectors and 47 sub-sectors.

II. Fresh Sectors- Revised offer in Sectors in which Initial offer was not made in Doha round or Commitments were not taken in Uruguay Round.

1. Distribution Services
2. Education Services
3. Environmental Services
4. Recreational, Cultural and Sporting Services

Four Sectors and 56 sub-sectors.

In all, the Revised Offer is being made in 11 Sectors and 103 sub-sectors.

National Seminar on the WTO Agreement on Sanitary and Phyto-Sanitary Measures

The Department of Commerce, Ministry of Commerce & Industry, organised a three-day National Seminar on Sanitary and Phyto-Sanitary issues from 17th May to 19th May, 2005 and a bilateral interface between the WTO representatives and the industry representatives on 20th May, 2005 in New Delhi. The Seminar was organised under the technical assistance programme of the WTO. The participants in the Seminar included government officials from Central and State Departments, scientists working on setting food and other related standards, trade and industry representatives, Commodity Boards etc. Experts from WTO and Codex Alimentarium Commission were the main resource persons for the Seminar.

The objective of the Seminar was to provide an opportunity for all the participants to be informed of the various SPS related provisions/ requirements and the present stage of discussions at the WTO SPS Committee, so as to enable them to develop a proper understanding of the issues for encouraging trade. Participants also got an opportunity to discuss the standards/ guidelines and procedures for setting them, with officials from OIE and International Plant Protection Convention (IPPC).

The Department of Commerce has emphasised on gaining from WTO Agreement on Sanitary and Phytosanitary Measures (SPS) by implementing the Agreement effectively. For effective implementation of various provisions of the WTO SPS Agreement, awareness among the stakeholders is considered essential. This will also go towards fulfilling the trade objectives. Capacity building which includes improved infrastructural facilities and additional manpower are the other crucial factors for upgrading systems and procedures in

the country and bring it at par with the international standards. Department of Commerce has requested the Planning Commission to take note of the special needs in terms of financial resources of the Ministries/Departments for capacity building.

The Department of Commerce is also in the process of finalising three Enquiry Point relating to Sanitary & Phyto-Sanitary (SPS) measures which will handle all queries or comments on SPS notification/ regulations issued by other WTO member countries. These Enquiry Points will be Department of Agriculture and Cooperation for plant protection; Ministry of Health for food safety; and Department of Animal Husbandry and Dairying for animal health products. Presently, there is only one SPS-related Enquiry Point – Department of Agriculture and Cooperation. All the relevant Ministries/ departments/ Regulatory Bodies and trade bodies have also been requested to coordinate with Department of Commerce more regularly so as to adequately address any discrimination faced by Indian goods in their export markets and put in place an effective system to combat such discrimination – through bilateral or multilateral modes.

The participants said that the Seminar improved their understanding of various issues relating to international trade and this would help in enhancing the trade, both imports and exports.

The Department of Commerce further plans to organise a sequence of National Workshops at regional level on Risk Assessment Procedures and other related issues under the WTO technical assistance programme within the next six months as a follow-up to this WTO-sponsored Seminar.



Lamy chosen as WTO's 5th Director-General

The 148 members of the World Trade Organization on 26 May, 2005 formally selected Pascal Lamy of France to be the organization's fifth Director-General. The decision was taken by consensus at the General Council. Mr. Lamy will assume his four year, renewable term on 1 September, 2005..

"I congratulate Pascal on his selection as Director-General. His experience in trade matters, his grasp of detail and his proven track record in institutional management ensure that he will be an excellent Director-General. I look forward to working closely with him in the future," said Director-General Supachai Panitchpakdi, who will assume 1 September the post of Secretary General of the United Nations Conference on Trade and Development (UNCTAD)

The General Council decision brings to a close the five month process during which four candidates were nominated by their respective governments. In addition to Mr. Lamy, the candidates were Carlos Perez del Castillo of Uruguay, Jaya Krishna Cuttaree of Mauritius and Luiz Felipe Seixas Correa of Brazil.

Following a three month campaign period, General Council Chairman Amina Mohamed of Kenya, and two facilitators, Ambassador Eirik Glenne of Norway and Ambassador Don Stephenson of Canada, met with all WTO delegations to learn their preferences. At the conclusion of each stage of consultations, Amb. Mohamed informed WTO members of the assessment she and the facilitators had made on which of the candidates was least likely to attract the consensus required. Following each assessment one candidate agreed to withdraw from the field. These procedures were in keeping with guidelines agreed by the General Council in December 2002.

Statement from Pascal Lamy on his appointment as WTO DG

"I am honoured that the World Trade Organization's 148 Members have today decided to appoint me as WTO Director-General.

I want to thank all Members for what has been a clear, open and transparent selection procedure. But any system is only as good as those who

operate it. In particular, I would like to commend the work carried out by the Chairperson of the General Council Ambassador Amina Mohamed (Kenya) and her two colleagues, Ambassador Glenne (Norway) and Ambassador Stephenson (Canada) acting as facilitators, for their dedication and their commitment in conducting the selection process while continuing with their daily tasks.

I would also like to pay tribute to Luis Felipe Seixas Correia of Brazil, Jaya Krishna Cuttaree of Mauritius and Carlos Pérez del Castillo of Uruguay with whom I have closely worked in the past and who were and remain my friends. They too have contributed enormously to the debate. I am honoured to have been chosen from such a strong field.

Finally, I am delighted to have the opportunity to succeed Dr Supachai from 1 September. It is heartening that such a determined and successful defender of the multilateral trade system, will be staying next door in his new capacity as head of the United Nations Conference on Trade and Development (UNCTAD).

I believe that we have a crucial task ahead: to complete the Doha Development Agenda Round of trade talks. This will be my immediate first, second and third priority so as to ensure that trade opening continues to contribute to development and that we place the interests of developing countries at the centre of the world trading system. The Hong Kong WTO Ministerial in December will be an important stepping stone towards this goal.

I intend to spend the coming weeks preparing intensively for the task ahead and setting up a team so that I can be fully operational from 1 September. In the meantime, I will refrain from appearing publicly in WTO related events

I look forward to working closely with all WTO Members and the WTO Secretariat to reinforce multilateralism and development."



Anti-Dumping: WTO Secretariat reports decline in both new anti-dumping investigations and new final anti-dumping measures

The WTO Secretariat reported that in the period 1 July-31 December 2004, **both the number of initiations of new anti-dumping investigations, and the number of new final anti-dumping measures applied, showed substantial declines compared with the corresponding period of 2003.**

For new measures, this continues the declining trend noted in the first half of 2004. In particular, during the July-December 2004 period, 17 Members initiated a total of 103 new investigations, down from 135 initiations in the corresponding period of 2003. As for new final anti-dumping measures, 15 Members applied a total of 91 new measures during the second half of 2004, a decline from the 108 measures applied during the second half of 2003. Twenty-six of the new initiations, and 23 of the new final measures, were by developed Members during the second half of 2004, down from 48 initiations and 24 new measures during the corresponding period of 2003.

Among Members initiating new investigations, the European Communities, with 17 initiations, was the Member reporting the highest number during July-December 2004. This represented an increase from the four initiations reported by the EC for July-December 2003. China, with 16 initiations during the second half of 2004, was in second place, also registering an increase over the 11 initiations it reported for the second half of 2003. **India, in third place with 14 initiations of new investigations,**

registered a decline of more than fifty per cent from its 33 initiations during July-December 2003. Turkey was fourth, reporting 12 initiations, an increase from the 6 new investigations that it initiated during July-December 2003 levels. The United States, reporting four initiations of new investigations during the second half of 2004, compared with 21 during the second half of 2003, fell from second to seventh place (tying with Australia, Canada and Mexico) between these two periods. Argentina, Brazil, Indonesia, Israel, Korea, New Zealand, Peru, South Africa, and Thailand all initiated five or fewer new investigations during the second half of 2004.

China remains the most frequent subject of new investigations, with 25 initiations directed at its exports during July-December 2004. This level represents a significant decline from the 36 initiations directed at Chinese exports during the comparable period of 2003. **Korea was the second most frequent subject, with 12 initiations of new investigations directed at its exports,** an increase from the seven investigations to which Korean exports were subject in the second half of 2003. **Brazil and Chinese Taipei, subject to six initiations each on their exports during the second half of 2004, were tied for third place, followed by Japan and the United States, each of which was subject to five initiations on its exports.** Twenty-six other countries or customs territories had four or fewer

investigations initiated on their exports during the second half of 2004.

The products that were the subject of new investigations during the second half of 2004 were led by products in the chemicals sector (28 initiations), followed by plastics (16 initiations), and base metals (12 initiations). Of the initiations on chemical products, China accounted for 13, with its remaining three investigations focusing on products in the plastics sector. India accounted for seven initiations on chemical products, and for five on plastics. The European Communities initiated 10 of its 17 investigations on products in the base metals sector, followed by three and two initiations, respectively, for chemical and plastic products.

Concerning application of new final anti-dumping measures, India headed the list during the second half of 2004, applying 23 of the 91 total new measures reported. This marked a decline in absolute terms, however, from the 32 new measures reported by India in the second half of 2003. Turkey, applying 12 new measures, held second place, and reported an increase from the seven new measures it applied during the second half of 2003. China reported applying the third-largest number of new measures in absolute terms, i.e., 10 new measures, but this was less than half of the 22 new measures applied by China in July-December 2003. Korea held fourth place, reporting nine new measures, up from four during the corresponding period of 2003. The United States (eight new measures), Indonesia (six new measures), and Mexico and Peru (four new measures each) ranked fifth through seventh.

Products exported from China remained the most frequent subject of new measures, accounting for 25 of the 91 total measures

reported. The United States, whose products were the subject of nine new measures, was a distant second, followed by India and Korea in third place (eight measures each), Chinese Taipei in fourth place (seven measures), and the European Communities in fifth place (five measures). The products of 20 other countries or customs territories were subject to fewer than five measures each.

In terms of the sectoral breakdown, products in the chemicals sector were the most frequent subject of new measures during the second half of 2004, accounting for 29 of the 91 total new measures. In second place were products in the plastics sector, which were subject to 20 new measures. Products in the base metals sector were the subject of 15 new measures, while products in the textiles sector were the subject of 11 new measures. Of the 29 new measures on products in the chemicals sector, China applied 20, followed by India (which applied seven) and Korea (which applied four). India led in terms of new measures on products in the plastics sector, accounting for 13 of the 20 total measures, followed by Turkey (five).

The data reported above are taken from the semi-annual reports of Members to the Committee on Anti-Dumping Practices. The statistics are based on information from Members having submitted semi-annual reports for the relevant periods, and are incomplete to the extent that Members have not submitted reports or have submitted incomplete reports. For the purpose of these statistics, each investigation or measure reported covers one product imported from one country or customs territory.

The anti-dumping semi-annual reports by Members for the period 1 July-31 December 2004 can be found under document series **(G/ADP/N/126)**

(Source: WTO)

WTO welcomes public access to historical GATT documents on the Internet

The World Trade Organization (WTO) welcomes the launch by Stanford University Libraries and Academic Information Resources (SULAIR) of a [website](#) to permit public access to de-restricted documents of the General Agreement on Tariffs and Trade (GATT), the predecessor of the WTO.

“The WTO has worked with SULAIR to make this historic collection accessible to the public as part of our on-going efforts to share information that contributes to a better understanding of the WTO and the multilateral trading system,” said WTO Director-General Supachai Panitchpakdi. “The work carried out by SULAIR to scan these thousands of documents and make them available through the Internet will be especially important for academics, trade specialists and others with an interest in how the trading system evolved in the GATT era, from 1947 to 1994.”

Another objective of the project carried out by SULAIR and the WTO was to ensure the preservation of this unique collection of documents, which had until now only been available in the original paper versions. The collection being made available by SULAIR consists essentially of English language documents.

The WTO website currently offers public access to over 150,000 WTO official documents in English, French and Spanish from 1995 to the present. The addition of GATT documents from 1947 to 1994 on the SULAIR website will be a complement to the WTO collection.

The WTO Secretariat has worked with the SUL team to sort and organize the GATT documents, under an agreement which saw SULAIR assume the costs for the work of scanning and converting the documents to electronic versions.

LIST

148 Members of the World Trade Organisation

S. No.	Member	Date of membership/ Accession	S. No.	Member	Date of membership/ Accession
1.	Albania	8 September 2000	26.	Chile	1 January 1995
2.	Angola	23 November 1996	27.	China	11 December 2001
3.	Antigua and Barbuda	1 January 1995	28.	Colombia	30 April 1995
4.	Argentina	1 January 1995	29.	Congo	27 March 1997
5.	Armenia	5 February 2003	30.	Costa Rica	1 January 1995
6.	Australia	1 January 1995	31.	Côte d'Ivoire	1 January 1995
7.	Austria	1 January 1995	32.	Croatia	30 November 2000
8.	Bahrain, Kingdom of	January 1995	33.	Cuba	20 April 1995
9.	Bangladesh	1 January 1995	34.	Cyprus	30 July 1995
10.	Barbados	1 January 1995	35.	Czech Republic	1 January 1995
11.	Belgium	1 January 1995	36.	Democratic Republic of the Congo	1 January 1997
12.	Belize	1 January 1995	37.	Denmark	1 January 1995
13.	Benin	22 February 1996	38.	Djibouti	31 May 1995
14.	Bolivia	12 September 1995	39.	Dominica	1 January 1995
15.	Botswana	31 May 1995	40.	Dominican Republic	9 March 1995
16.	Brazil	1 January 1995	41.	Ecuador	21 January 1996
17.	Brunei Darussalam	1 January 1995	42.	Egypt	30 June 1995
18.	Bulgaria	1 December 1996	43.	El Salvador	7 May 1995
19.	Burkina Faso	3 June 1995	44.	Estonia	13 November 1999
20.	Burundi	23 July 1995	45.	European Communities	1 January 1995
21.	Cambodia	13 October 2004	46.	Fiji	14 January 1996
22.	Cameroon	13 December 1995	47.	Finland	1 January 1995
23.	Canada	1 January 1995	48.	Former Yugoslav Republic of Macedonia (FYROM)	4 April 2003
24.	Central African Republic	31 May 1995	49.	France	1 January 1995
25.	Chad	19 October 1996	50.	Gabon	1 January 1995

S. No.	Member	Date of membership/ Accession	S. No.	Member	Date of membership/ Accession
51.	The Gambia	23 October 1996	78.	Latvia	10 February 1999
52.	Georgia	14 June 2000	79.	Lesotho	31 May 1995
53.	Germany	1 January 1995	80.	Liechtenstein	1 September 1995
54.	Ghana	1 January 1995	81.	Lithuania	31 May 200
55.	Greece	1 January 1995	82.	Luxembourg	1 January 1995
56.	Grenada	22 February 1996	83.	Macao, China	1 January 1995
57.	Guatemala	21 July 1995	84.	Madagascar	17 November 1995
58.	Guinea	25 October 1995	85.	Malawi	31 May 1995
59.	Guinea Bissau	31 May 1995	86.	Malaysia	1 January 1995
60.	Guyana	1 January 1995	87.	Maldives	31 May 1995
61.	Haiti	30 January 1996	88.	Mali	31 May 1995
62.	Honduras	1 January 1995	89.	Malta	1 January 1995
63.	Hong Kong, China	1 January 1995	90.	Mauritania	31 May 1995
64.	Hungary	1 January 1995	91.	Mauritius	1 January 1995
65.	Iceland	1 January 1995	92.	Mexico	1 January 1995
66.	India	1 January 1995	93.	Moldova	26 July 200194.
67.	Indonesia	1 January 1995	94.	Mongolia	29 January 1997
68.	Ireland	1 January 1995	95.	Morocco	1 January 1995
69.	Israel	21 April 1995	96.	Mozambique	26 August 1995
70.	Italy	1 January 1995	97.	Myanmar	1 January 1995
71.	Jamaica	9 March 1995	98.	Namibia	1 January 1995
72.	Japan	1 January 1995	99.	Nepal	23 April 2004
73.	Jordan	11 April 2000	100.	Netherlands —	1 January 1995
74.	Kenya	1 January 1995	For the Kingdom in Europe and for the Netherlands Antilles		
75.	Korea, Republic of	January 1995	101.	New Zealand	1 January 1995
76.	Kuwait	1 January 1995	102.	Nicaragua	3 September 1995
77.	Kyrgyz Republic	20 December 1998			

S. No.	Member	Date of membership/ Accession	S. No.	Member	Date of membership/ Accession
103.	Niger	13 December 1996	126.	Solomon Islands	26 July 1996
104.	Nigeria	1 January 1995	127.	South Africa	1 January 1995
105.	Norway	1 January 1995	128.	Spain	1 January 1995
106.	Oman	9 November 2000	129.	Sri Lanka	1 January 1995
107.	Pakistan	1 January 1995	130.	Suriname	1 January 1995
108.	Panama	6 September 1997	131.	Swaziland	1 January 1995
109.	Papua New Guinea	9 June 1996	132.	Sweden	1 January 1995
110.	Paraguay	1 January 1995	133.	Switzerland	1 July 1995
111.	Peru	1 January 1995	134.	Chinese Taipei	1 January 2002
112.	Philippines	1 January 1995	135.	Tanzania	1 January 1995
113.	Poland	1 July 1995	136.	Thailand	1 January 1995
114.	Portugal	1 January 1995	137.	Togo	31 May 1995
115.	Qatar	13 January 1996	138.	Trinidad and Tobago	March 1995
116.	Romania	1 January 1995	139.	Tunisia	29 March 1995
117.	Rwanda	22 May 1996	140.	Turkey	26 March 1995
118.	Saint Kitts and Nevis	21 February 1996	141.	Uganda	1 January 1995
119.	Saint Lucia	1 January 1995	142.	United Arab Emirates	10 April 1996
120.	Saint Vincent & the Grenadines	1 January 1995	143.	United Kingdom	1 January 1995
121.	Senegal	1 January 1995	144.	United States of America	1 January 1995
122.	Sierra Leone	23 July 1995	145.	Uruguay	1 January 1995
123.	Singapore	1 January 1995	146.	Venezuela	1 January 1995
124.	Slovak Republic	1 January 1995		(Bolivarian Republic of)	
125.	Slovenia	30 July 1995	147.	Zambia	1 January 1995
			148.	Zimbabwe	5 March 1995

LIST

PARLIAMENT BRIEFS



✓ **Doha Round achievements**

The Framework Agreement adopted by the WTO General Council on 1st August, 2004, by consensus lays down the principles and criteria for further negotiations, covering Agriculture, Non-Agricultural Market Access, Trade Facilitation and specifically development-related issues. The issues relating to trade and investment, Competition Policy and government Procurement stand removed. In respect of services and development related issues, it recognises the importance of their development aspects and establishes time frames. The Government had drawn attention to specific areas of concern to India for appropriate resolution in the drafts that have been presented at various stages of the negotiations, including on Agriculture. India has made concerted efforts to develop common positions and strategies with like minded developing countries, including in the G-20 Alliance on Agriculture (an alliance presently consisting of 21 developing countries that includes Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, South Africa and Thailand) and the G-33 Alliance on Special Products (an alliance presently consisting of 42 developing countries that includes China, India, Indonesia, Kenya, Korea, Mauritius, Sri Lanka, Turkey and Zimbabwe). These efforts have served to ensure, inter alia, that the elements and principles incorporated in the agreed Framework on Agriculture lead to substantial reductions in trade-distorting domestic subsidies provided to

their farm sector largely by the developed countries, a credible end date for elimination of their export subsidies, and substantial market access improvements for products of export interest to developing countries. Moreover, consistent with the Doha mandate to negotiate on agriculture, any additional commitments, particularly in market access, by developing countries like India should serve to safeguard their food and livelihood security concerns and rural development needs.

The Framework Agreement of 1 August 2004 duly addresses India's interests and concerns. The efforts of the Government are to ensure that India's interests are safeguarded through appropriate engagement in the negotiations and through coalition building with like-minded WTO Members and Members groupings, such as the G-20 and G-33.

The Framework Agreement is only an interim stage towards conclusion of the ongoing multilateral trade negotiations. The next step would be finalisation of modalities which would result, inter alia, an agreement on formulae for reduction in domestic support along with formulae for tariff reduction and setting up the actual date for elimination of export subsidies for agricultural products. Government is determined to ensure that our concerns continue to be adequately addressed as negotiations proceed.

✓ **Agricultural exports and the WTO**

The international trading environment for agricultural products is governed by the inter-play of multilateral rules and disciplines embodied in the Marrakesh Agreement establishing the World Trade Organisation (WTO Agreement) which apply

to developed and developing Members alike, regional and bilateral arrangements, as well as domestic policies, constraints and capacities. Furthermore, fully recognising that the long-term objective of the WTO's Agreement on Agriculture is to establish a "fair and market-oriented" agricultural trading system, Article 20 of this Agreement has a built-in mandate to continue the reform process to reduce support and protection provided by Member governments. A free trade market for agricultural products thus is not yet established by the AoA, but developed and developing countries compete with each other respecting their present commitments scheduled by them under the WTO for various agricultural products. In the on-going negotiations, there is explicit recognition that the huge amounts of support, subsidies and protection provided to their farm sector by many developed Members distort world agricultural trade and are not equitable given that most developing countries do not have the requisite financial resources to extend comparable levels of support to their farmers. As per an OECD report, support to agriculture in OECD countries totalled US\$ 361 billion in 1999, and has hovered around this level since then also.

The G-20 Ministerial Declaration, New Delhi, contains a proposal to eliminate all forms of export subsidies in five years, with a front-loading of commitments. If the proposal is agreed at the WTO, the export subsidies will get reduced substantially from the very first year itself and totally eliminated in period of five years thereby increasing the market access opportunities for the agricultural products of developing countries through this period as well. No other timelines have been set out in the Declaration. The period

for implementation of commitments across all the three pillars (domestic support, export competition and market access) will be a part of the agreement to be reached among all WTO Members in the on-going negotiations under the Doha Work Programme. The Government is making all efforts by building coalitions with like minded countries and is working within alliances such as the G-20 and the G-33 to ensure that our objectives are achieved.

✓ **Scheme to check cheap imports**

A view to counteract trade distortion caused by dumping and consequential injury to the domestic industry, the Government has set up Directorate General of Anti-Dumping and Allied Duties (DGAD) to investigate into the allegations of dumping. Anti-dumping investigations are initiated on the basis of applications filed by the domestic industry alleging dumping, injury and causal link between dumping and injury. The DGAD investigates the existence and degree of dumping, identifies the dumped article, and submits provisional and/or final findings to the Ministry of Finance recommending, where appropriate, the amount of anti-dumping duty to be levied. Application alleging dumping and injury submitted by domestic industry is processed as per the procedures and within the time limits specified under the Customs Tariff Act, 1975 as amended in 1995 and the rules made thereunder. From 1992 till 4.5.2005, the DGAD has initiated 181 anti-dumping investigations. In these 181 cases, final findings have been issued in 158 cases, preliminary findings in 3 cases, 11 cases are under investigations for issue of preliminary/final findings and 9 cases have been closed after initiation.

✓ **Product Patenting**

As per the provisions of the Patents Act, 1970, no application for a patent is required to be examined unless a request for the same is made. Presently, Patent Office has 4384 requests pending for disposal covering both product and process in all sectors of technologies. Out of these, 2280 are in the category of pharmaceuticals and are currently under process. In order to accelerate the process of grant of patent, the Government has taken up comprehensive modernisation of Patent Offices. Its major components include review of existing procedure and development of new user-friendly procedures, computerisation of the procedure for grant of patents, development of human resource capabilities by recruiting additional examiners and their training, networking of offices, strengthening novelty search facilities, awareness and outreach activities. These are in addition to legislative measures, such as, simplification of procedure and rationalisation of time-lines for processing of patent applications.

✓ **Intellectual Property Rights**

The Government has decided to set up **ten additional** Intellectual Property Rights (IPRs) chairs in the country. **Three** of these chairs will be set up in the Indian Institutes of Management (IIM) - one each at the IIM at Ahmedabad, Kolkatta and Bangalore in the area of Intellectual Property Management; **five** chairs will be set up at the Indian Institutes of Technology (IIT) - one each at the IIT at Delhi, Kharagpur, Chennai, Mumbai and Kanpur in the areas of IPRs pertaining to patents, trademarks, industrial designs and geographical indications; and the other **two** chairs

-one each -at the Delhi School of Economics, University of Delhi and at the School of Economic Studies, Jawaharlal Nehru University, New Delhi in the area of Intellectual Property and Development.

✓ **Indo-Pak Exports to EU**

In October 2004 European Commission adopted a proposal for introducing revised Generalised System of Preferences (GSP) scheme with effect from 1st July,2005. The proposal is under examination by the Council of the European Union. Though there was a proposal for advancing the date of implementation of revised GSP scheme from 1st April,2005 this has not been effected. European Union extends either reduced or duty free access for a large number of products imported from developing countries under its GSP Scheme. The revision proposal of EU-GSP also includes 'GSP+' to provide special benefits for vulnerable countries that accept the main international conventions on social, human rights, environmental protection and governance, including fight against drugs and "Everything But Arms" arrangement, giving duty free and quota free access for all products for the world's 50 poorest countries, which include Bangladesh. The list of countries eligible for "GSP+" has not been notified. Government of India has taken up the matter with the European Commission (EC) for granting duty free access to India's fishery products owing to the Tsunami disaster under the "GSP+" arrangement of the new GSP scheme. However EC has expressed its inability to grant "GSP+" treatment to separate sectors of a country as India as a country does not fulfill the conditions for such treatment.

(Source : Replies Given in Parliament during the Month of May 2005)



Building bridges: Commerce and industry minister Kamal Nath at the meeting of the G-10 and G-20 nations in Paris on Tuesday. (PTI)

Nath for 'development audit'

By RANVIR NAYAR

Paris, May 4: India on Wednesday asked the World Trade Organisation (WTO) and developed countries to undertake a development audit that would pave the way for developing countries to get better access to markets in developed nations.

India's commerce and industry minister Kamal Nath made the demand during his speech at a session on the Doha Round arranged by the Organisation of Economic Cooperation and Development (OECD) at its headquarters here.

The audit, he said, would serve as a crucial first step towards framing a development package for the next WTO Ministerial Conference to be held at Hong Kong in December. "So far we have not seen much action. The

SPOTLIGHT

developed countries are always telling us they have given so much and opened their markets to least developed countries (LDCs) and developing countries," Mr Nath said soon after the meeting.

"But I am asking everyone who is getting what the developed countries have given. So far, no one seems to be getting any benefits from these. We have to do the audit to see what is happening in the name of development. The LDCs are unable to export due to non-tariff barriers, corporate governance and other issues."

Kamal Nath said: "People should not forget that Doha was primarily a development round. The developing countries want to see better market

access for their exports in the markets of developed countries." He said though there was a desire to move ahead, there was little movement during the three days of meetings in Paris.

On Monday, the European Union, which is fighting a losing battle to keep its agricultural markets closed to foreign imports, was isolated as most other countries — developed and developing — pressured the grouping to make real concessions on farm goods rather than "empty statements". "The EU has to get ready to make some real concessions and has to agree on binding the import tariffs on farm goods. But so far they have not shown any inclination of doing that," Mr Nath said. "The tariffs have to be bound during these negotiations and this cannot be put off for later."

(Deccan Chronicle 05.05.2005)



Kamal Nath for growth audit

COMMERCE AND Industry minister Kamal Nath has called for a development audit of the ongoing World Trade Organisation negotiations as a first step towards the development package for the next Ministerial Conference in Hong Kong.

Participating in the OECD session in Paris on 'Trade Negotiations under the Doha Development Round, Nath the minister took the lead in activating the development agenda of WTO negotiations.

He said ambition in WTO negotiations should be seen essentially in the context of ensuring better market access for products of export interest to developing countries.

HTC

(Hindustan Times 05.05.2005)

OECD ministers see growth rebound

MINISTERS FROM 30 of the world's richest nations predicted Wednesday that the global economy would rebound later this year but warned it could hit "turbulence" brought on by oil prices and growth imbalances. The ministers, according to a summary of their meeting here under the auspices of the Organization for Economic Cooperation and Development, also called for measures to cushion vulnerable populations from the impact of increased global competition. AP

India calls for development audit of on-going WTO talks

OUR ECONOMY BUREAU
New Delhi, May 4

Commerce and industry minister Kamal Nath has urged the World Trade Organisation (WTO) members not to forget that the on-going Doha round was supposed to be primarily a development round and has called for a development audit of the on-going negotiations.

At the session of the Organisation for Economic Co-operation and Development (OECD)

Nath said ambition in the WTO negotiations should be seen essentially in the context of ensuring better market access for products of export interest to developing countries and doing it in a manner that would not impair their capacity to develop in consonance with their own specific socio-economic needs.

India is among the non-member countries invited to participate in the OECD meet.

On Tuesday, Mr Nath participated in a series of key trade

Compromise on farm goods tariffs

Paris, May 4

Trade ministers reached a possible compromise on Wednesday on an issue that had been stalling negotiations on a new global trade deal.

Brazilian foreign minister Celso Amorim said he was studying a new offer from the European Union on the contentious question of how to calculate farm goods tariffs.

Mr Amorim made the comment as he emerged from talks with top EU, US, Australian and Indian trade officials. "It's a bit better than what they were offering yesterday," he said.

Mr Amorim said he would consult other members of the G-20 group of developing countries that Brazil leads.

The compromise came as ministers from dozens of WTO countries were meeting in a bid to advance the Doha round of negotiations on a new global trade deal.

The latest dispute in the highly charged talks on farm goods trade centres on the way import tariffs should be evaluated - before the haggling even starts on how much to cut them by. AP



Commerce and industry minister Kamal Nath shaking hand with new US trade representative Rob Portman at the G-10 meeting in Paris on Tuesday

■ PTI photo

in Paris on 'trade negotiations under the Doha Development Round', the minister said that an audit of the on-going WTO negotiations could be a first step towards developing an outline of the development package for the next ministerial conference in Hong Kong. According to an official release, the minister took the lead in activating the development agenda of the WTO negotiations.

Countering the impression often given that the developing countries were not ambitious enough in the negotiations, Mr

meetings and discussed important issues of the current WTO round especially agriculture at interactions with the G-20 and the G-10.

The G-20 meeting was held to strategise on issues ahead of the WTO mini-ministerial, particularly the issue of converting specific duties to ad valorem equivalents (AVEs) that has stalled the negotiations on agriculture so far.

The G-10 meeting was co-ordinated by Japan and included Switzerland, Norway, Iceland, Israel, Taiwan and Korea. ♦

(Financial Express 05.05.2005)



New solution India's strategy to end WTO farm talks row



India moots 2-pronged plan for WTO farm talks

Our Bureau
New Delhi, May 5

INDIA has put forward a two-pronged strategy in resolving the tariff formula difficulties on agriculture negotiations under the World Trade Organisation (WTO) umbrella.

This proposal, submitted by the Union Commerce and Industry Minister Mr Kamal Nath, in Paris on Wednesday at the informal trade ministerial meeting of the WTO, would ensure greater market access for farmers of developing countries to the markets of the de-

veloped countries.

According to the two-pronged strategy, all member countries of the WTO—both developed and developing countries—convert 100 per cent of all specific duty tariff lines into ad valorem equivalents (AVEs) and then bind these tariffs in ad valorem terms after conversion; second, regardless of the formulae or methodology that is finally adopted for the conversion, the maximum agricultural tariff should not exceed 100 per cent at the end of the Doha Round.

As a member of the group of

Five Interested Parties composed of Brazil, India, the EU and the US, Mr Kamal Nath also helped in achieving a breakthrough by arriving at an agreed formula for conversion of specific duties into ad valorem equivalents, which was backed by participants at the Mini Ministerial.

The proposal would be approved in Geneva by the 148 member countries at the General Council meeting and the success of this "gateway issue" would help in arriving at a common ground on other contentious issues currently mak-

ing stall's progress, an official statement said here.

On non-agricultural market access (NAMA) issue, Mr Nath came down heavily on developed countries for practising double standards. Thus, developed countries sought reduction from bound rates and were not willing to bind duties in ad valorem terms in agriculture, but called for reduction from applied rates and 100 per cent binding in ad valorem terms in NAMA. Supporting Mr Kamal Nath, the Australian Trade Minister, Mr Mark Vaile, described it as the "schizophrenia

of the developed countries".

Mr Kamal Nath referred to the joint proposal on NAMA already submitted by Argentina-Brazil-India as a balanced and equitable one as it combined a satisfactory degree of liberalisation with the required security for developing countries and incorporated the principle of less than full reciprocity and flexibilities in tariff reduction for developing countries.

It had the added advantage of addressing issues of tariff peaks and tariff escalation. He cautioned members not to treat harmonisation of tariffs as an

end itself—"It is not in the mandate so let us not make it a goal".

He also urged removal of non-tariff barriers such as complex technical requirements and standards, often used as an alibi for environmental and health point of view.

In another intervention, the Minister said services must be given priority in the negotiations and articulated New Delhi's interest in Mode 1 (cross border supply) and Mode 4 (movement of natural persons as service providers).

(Hindu Business Line 06.05.2005)

WTO ministers break deadlock; India proposes 100-100 initiative

Paris

INDIA HAS mooted a "100-100" initiative in the crucial agriculture negotiations which seems to have overcome the deadlock on the technical issue of calculating tariffs.

The initiative tabled by Commerce Minister Kamal Nath during an intervention at the informal mini-Ministerial Meeting of WTO in Paris aims at ensuring a level playing field to farmers of developing countries who are denied market access due to application of specific duties amounting to high tariffs on products of their export interest.

Nath proposed that all member countries of the World Trade Organisation, both developed and developing, convert 100 per cent of all specific duty tariff lines into ad valorem equivalents and then bind them after conversion.

Regardless of the formula or methodology that is finally adopted for the conversion, the maximum agricultural tariff should not exceed 100 per cent at the end of Doha Round, Nath said, adding that this will ensure greater access for farmers of developing countries to markets of developed countries.

The conversion of AVE from specific duties had led to a roadblock in trade talks at the meeting but ministers were successful in overcoming it.

"With this agreement, which must still be accepted by all the WTO members, we have broken a deadlock in the negotiations," Celso Amorim, Brazilian Foreign Minister said.

(The Pioneer 06.05.2005)

WTO ministers agree on farm deal

TRADE MINISTERS lifted a serious obstacle from the path to a much-delayed global trade deal on Wednesday, breaking a deadlock on agriculture tariffs that had pitted the European Union against influential trade powers like Brazil and Australia. The breakthrough came after the EU gave away politically difficult concessions on access to its most sensitive farm goods markets—despite anxiety about possible repercussions for a French referendum on Europe later this month. AP

(Hindustan Times 06.05.2005)

Row over farm tariffs resolved at WTO meet

Paris: Trade ministers from leading rich and poor nations resolved a row here on calculating agricultural tariffs that had been a major hurdle for progress in wider free trade talks. "Now we are able to put negotiations back on track," Brazilian foreign minister Celso Amorim told reporters, announcing the breakthrough after talks by officials from about 30 World Trade Organisation members.

The technical but key issue revolved around wrangling on a method for converting those tariffs currently expressed in a nominal value, such as euros or dollars per tonne, into a percentage of the price to enable comparison.

It had divided wealthy food importing nations such as the European Union and Switzerland and exporting countries, and needed to be agreed to permit talks to move on to a formula for tariff cuts.

"The road is now clear for rapid progress across the board including services and manufactured goods," EU trade commissioner Peter Mandelson said. The deal must still be formally confirmed by all the Geneva-based WTO's 148 members, he added but said it had "been accepted by the countries who have the greatest stake in agriculture negotiations".



"Road is clear for progress across the board," says EU trade commissioner Peter Mandelson.

His US counterpart, Rob Portman, who this week made his public debut as new US trade representative, said: "I think it was a significant breakthrough today in a lot of different respects."

The main one, he said, was that of injecting energy into the trade round, "and showing that we're all willing to roll up our sleeves and to make some compromises to move forward."

With deadlines looming, trade ministers gathered here to revive the flagging Doha trade negotiations, with the head of the WTO issuing a new warning that the talks could be headed for failure.

He had recently described the Doha bid to tear down global trade barriers as "close to a crisis", but after the four-hour meeting here, WTO director general Supachai Panitchpakdi said: "I would say that the crisis is now averted." He nonetheless added: "Let's not forget that we are not there yet." There have been differences between developed and developing countries over farming subsidies. >>>

(Times of India 06.05.2005)

Farm tariff logjam at WTO eases

OUR ECONOMY BUREAU
New Delhi, 5 May

The logjam on negotiations at the World Trade Organisation (WTO) eased a bit with Australia, Brazil, India, the European Union and the United States agreeing on a formula for conversion of specific duties to ad-valorem duties in agriculture.

The formula was supported by the 39 attending countries at the mini-ministerial at Paris and will be taken up by 148 member countries in Geneva. The issue of conversion of specific duties to ad-valorem duties had been holding up progress in negotiations.

Developing country farmers are denied access to markets in the developed countries because of application of specific duties, amounting to very high tariffs on products of export interest. Nearly 98 per cent of all specific duties are applied by the developed countries.

At the mini-ministerial, India tabled an ambitious "100-100 initiative" in agriculture, aimed at ensuring a level playing field for farmers of the developing countries.

The two-fold initiative mooted by Commerce and Industry Minister Kamal Nath proposed that all member countries of the WTO convert 100 per cent of all specific duty tariff lines into ad-valorem equivalents (AVEs), and then bind these tariffs in ad-valorem terms after conversion.

It also said regardless of the formula or methodology that

would be finally adopted for conversion, the maximum agricultural tariff should not exceed 100 per cent of the tariff at the end of the Doha round.

This would ensure that farmers of developing countries had greater access to markets of the developed countries, which would give them a fair share of world trade in agriculture, said an official press release. It quoted Nath as saying, "If we are all agreed that specific duties lack transparency, and that they unfairly penalise more efficient producers, then we must declare as our objective the conversion of all specific duties into AVEs on a permanent basis. In fact, once we decide that, then all this quibbling about the formula for conversion will evaporate."

On non-agriculture market access (NAMA) issues, Nath said while developed countries sought reduction from bound rates, they were not willing to bind duties in ad-valorem terms in agriculture. In industrial products, developed countries have been demanding a reduction from applied rates and 100 per cent binding in ad-valorem terms.

The joint proposal on NAMA submitted by Argentina-Brazil-India (the ABI formula) was balanced and equitable, as it combined a satisfactory degree of liberalisation with the required security for developing countries, he said. It also incorporated the principle of less than full reciprocity and flexibilities in tariff cut for developing countries.

(Business Standard 05.05.2005)

Farm talks

India has mooted a "100-100" initiative in the crucial agriculture negotiations which seems to have overcome the deadlock on the technical issue of calculating tariffs. The initiative was tabled by Commerce Minister Kamal Nath during an intervention at the mini-ministerial meeting of WTO in Paris on Thursday. **PAGE 2**

(Business Standard 06.05.2005)



EU dismisses China trade tussle talks

Paris, May 5: The European Union's top trade negotiator has dismissed the possibility of a trade war with China over surging Chinese textile imports and rejected "precipitate" EU action against Beijing.

"There is no question of any diplomatic break or any sort of trade war between Europe and China," EU Trade Commissioner Peter Mandelson said here on Thursday after a meeting with Chinese Trade Minister Bo Xilai.

"Both of us know there's much more at stake in the long term for trading and economic relations for Europe and China to allow the issue of textiles to undermine that strategic partnership."

The EU executive commission last week launched an investigation into recent sharp increases in Chinese imports into EU countries that followed the abolition of a global quota system on January 1.

The procedure, under World Trade Organisation regulations, could lead to the imposition of temporary curbs on nine categories of Chinese textile imports.

Bo stressed that China had been "very prudent" in managing the flow of EU-bound textile products and had adopted 10 measures that had already led to a "considerable" slowdown in the growth of such



Trade bonhomie: EU Trade Commissioner Peter Mandelson shakes hands with Chinese Trade Minister Bo Xilai after a meeting in Paris focused on the sharp rise in Chinese textile exports to Europe. (AFP)

exports to Europe in March.

"We only hope to see a stable increase," he said.

Mr Mandelson acknowledged that China had taken steps to check the export flow but added: "They have not had the impact that I would have liked to have seen."

Four EU textile producers — France, Italy, Spain and Greece — have asked the European Commission to apply emergency procedures that could speed up the application of limits.

Mandelson said that such special measures would be considered if it is determined that any of the nine categories of clothing imports under investigation required "more pressing or critical" action. (AFP)

(Asian Age 06.05.2005)



थाईलैंड भारत के साथ व्यापार बढ़ाने के पक्ष में

कोलकाता, ४ मई (भाषा)। थाईलैंड विनिर्माण उपकरण आद्योद्योगिक उपकरण कंप्यूटर और खाद्य प्रसंस्करण में भारत के साथ अधिक व्यापार चाहता है। थाईलैंड के निर्यात संवर्धन विभाग के उप महानिदेशक के रथंगखुण ने मंगलवार को यहां कहा कि पिछले साल दोनों देशों के बीच दो अरब डॉलर का व्यापार हुआ था और इस साल इसमें ३० फीसद की वृद्धि की संभावना है। थाईलैंड दोनों देशों के बीच के व्यापार में वृद्धि के लिए संयुक्त उपक्रम की स्थापना के पक्ष में है। दोनों देशों के बीच के व्यापार में वृद्धि की एक और बाधा बैंकनक में खेप से बदलाव की स्थापना है जिससे जलयंत्रों को लगने वाले समय में कमी आयेगी।



(Jansatta 05.05.2005)

आयात शुल्क सौ फीसदी से ज्यादा न हो

नई दिल्ली, 5 मई • वाणिज्य एवं उद्योग मंत्री कमलनाथ ने कृषि व्यापार में विकासशील देशों के किसानों को अवसरों की बराबरी दिलाने का नया प्रस्ताव पेश किया है, जिसके तहत विकासशील देशों में सभी कृषि उत्पादों पर मात्रा की बजाय मूल्य के अनुसार आयात शुल्क लगाने और कृषि उपजों पर आयात शुल्क की अधिकतम सीमा 100 फीसदी रखने का सुझाव है।

पेरिस में कल डब्ल्यूटीओ के मंत्रियों की लघु बैठक में रखे गए प्रस्ताव को '100 से 100 की पहल' का नाम दिया जा रहा है। विकसित देशों में विभिन्न उत्पादों पर मात्रा या नग के हिसाब से खास शुल्क लगा देने से विकासशील देशों के माल पर

शुल्क बहुत ज्यादा बैठ जाता है।

कमलनाथ ने सुझाव दिया कि सभी सदस्य देश चाहे वे विकासशील हों या विकसित, विशिष्ट दरों को मूल्यानुसार दर में बदलकर उसकी अधिकतम सीमा तय करें। उन्होंने दूसरा सुझाव रखा कि विशिष्ट दरों को मूल्यानुसार दर में बदलने का चाहे कोई भी सूत्र अपनाया जाए, बातचीत पूरी होने के बाद किसी कृषि उत्पाद पर आयात शुल्क सौ फीसदी से ज्यादा न हो। लघु मंत्रिस्तरीय बैठक में डब्ल्यूटीओ के 30 से ज्यादा देशों ने हिस्सा लिया।



•एस•

(Dainik Bhaskar 06.05.2005)

किसी भी कृषि उत्पाद पर आयात शुल्क 100 फीसदी से अधिक न हो

नई दिल्ली, 5 मई

वाणिज्य एवं उद्योग मंत्री कमलनाथ ने कृषि व्यापार में विकासशील देशों के किसानों को अवसरों की बराबरी दिलाने के लिए एक नया प्रस्ताव पेश किया है जिसके तहत विकासशील देशों में सभी 'शत प्रतिशत' कृषि उत्पादों पर मात्रा की बजाय मूल्य के अनुसार एडवेलरम, आयात शुल्क लगाने और कृषि उपजों पर आयात शुल्क की अधिकतम सीमा 100 प्रतिशत रखने का सुझाव है। पेरिस में बुधवार को विश्व व्यापार संगठन (डब्ल्यूटीओ) के मंत्रियों की लघु बैठक में रखे गए इस प्रस्ताव को



दिया जा रहा है। विकसित देशों में विभिन्न उत्पादों पर मात्रा या नग के हिसाब से खास शुल्क लगा देने से विकासशील देशों के माल पर शुल्क बहुत अधिक बैठ जाता है। कमलनाथ ने सुझाव दिया कि सभी सदस्य देश चाहे वे विकासशील हों या विकसित इन विशिष्ट दरों को मूल्यानुसार दर में बदल कर उसकी अधिकतम सीमा तय करें। उन्होंने दूसरा सुझाव रखा कि विशिष्ट दरों को मूल्यानुसार दर में बदलने का चाहे कोई भी सूत्र अपनाया जाए पर बातचीत पूरी होने के बाद किसी कृषि उत्पाद पर आयात शुल्क 100 प्रतिशत से ज्यादा नहीं हो। कल की लघु मंत्रिस्तरीय बैठक में डब्ल्यूटीओ के 30 से अधिक देशों ने हिस्सा लिया।

(Rajasthan Patrika 06.05.2005)

डब्ल्यूटीओ में कृषि संधि के लिए भारत की नई पेशकश

प्रमुख संवाददाता

नई दिल्ली : भारत सरकार ने डब्ल्यूटीओ के संवेदनशील कृषि मुद्दे पर विकसित देशों के सामने एक दो सूत्री फार्मुला पेश किया है। इसके मुताबिक अगर विकसित देश अपनी सभी तरह की स्पेसिफिक ड्यूटी को एड वेलोरम ड्यूटी में बदल दें और साथ ही किसी भी वस्तु पर 100 फीसदी से ज्यादा आयात शुल्क न लगाने की गारंटी दें तो विकासशील देश कृषि कारोबार पर समझौते के लिए तैयार हो जाएंगे। पेरिस में डब्ल्यूटीओ की लघु मंत्रिस्तरीय बैठक में वाणिज्य मंत्री कमलनाथ ने भारत की ओर से यह पेशकश रखी। इससे पहले वाणिज्य मंत्री ने कृषि मुद्दों पर विकसित देशों के खिलाफ एक जुट हुए जी-20 समूह के देशों के साथ एक बैठक की थी।

वाणिज्य मंत्रालय से प्राप्त जानकारी के अनुसार भारत की पेशकश में दो सूत्र या शर्तें हैं। पहली शर्त यह है कि डब्ल्यूटीओ

के सभी सदस्य देश, चाहे वे विकसित हों या विकासशील, अपनी सभी तरह की स्पेसिफिक ड्यूटी को शून्य प्रक्रियत रूप से समाप्त कर, उसे एड वेलोरम ड्यूटी का रूप दें। इससे सदस्य देश किसी वस्तु विशेष पर आयात शुल्क घटाने पर अपने बाजारों को संरक्षण नहीं दे पाएंगे। दूसरी शर्त यह है कि स्पेसिफिक ड्यूटी को एड वेलोरम में बदलने की प्रणाली चाहे जो मर्जी अपनाई जाए, लेकिन यह सुनिश्चित होनी चाहिए कि समझौते के अंततः दोहा दौर के अंत तक सभी सदस्य देश अपनी किसी भी इंपोर्ट आइटम पर 100

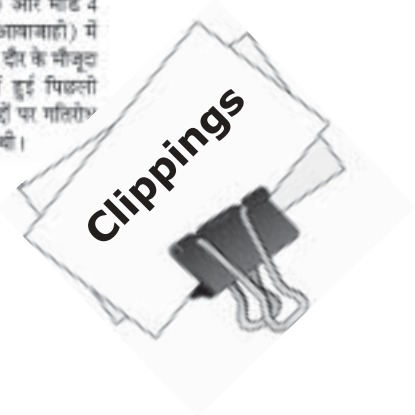
फीसदी से अधिक आयात शुल्क नहीं लगाएंगे। चूंकि दोनों शर्तों में 'शत प्रतिशत' शब्द आया है, भारत ने अपनी इस पेशकश को '100-100 पहल' की संज्ञा दी है। गौरतलब है कि दुनिया में स्पेसिफिक ड्यूटी के 98 फीसदी मामले विकसित देशों में दर्ज किए गए हैं। विकासशील देशों का आरोप है कि इस ड्यूटी में कोई पारदर्शिता नहीं होती और उसमें विदेशी उत्पादों के साथ सीधे-सीधे भेदभाव होता है। कमलनाथ ने कहा कि विकसित देश दोहरा चरित्र दर्शा रहे हैं। वे एक तरफ तो

मांग कर रहे हैं कि विकासशील देश अपने बाजार उनके उत्पादों के लिए खोलें, लेकिन दूसरी तरफ अपने खुद के बाजारों को धैरिक से बचाकर रखे हुए हैं। वाणिज्य मंत्री ने गैर शुल्क बाधाओं (नॉन-टैरिफ बैरियर्स) के सवाल पर भी विकसित देशों को अड़े हाथों लिया। उन्होंने कहा कि पर्यावरण या स्वास्थ्य से जुड़ी एहतिपात के नाम पर विकासशील देशों के उत्पादों के साथ खुला भेदभाव किया जा रहा है। उन्होंने समझौते वाले में सेवा व्यापार पर अधिक जोर दिए जाने की कबालत भी की और कहा कि भारत मोड 1 वर्ग को सेवाओं (सरहद पार की आपूर्ति) और मोड 4 (व्यक्तियों को सीमा पार आना-जाना) में किलेब रचि रखत है। दोहा दौर के मीटिंग सिलसिले में कान्ट्रून में हुई पिछली मंत्रिस्तरीय बैठक कृषि मुद्दों पर गतिरोध के कारण असफल रह गई थी।

भारत ने फेंके पासे

- भारत खुलकर स्पेसिफिक ड्यूटी के खिलाफ आया
- सौ फीसदी से अधिक आयात शुल्क कबूल नहीं
- सेवा व्यापार पर अधिक जोर की कबालत

(Navbharat Times 06.05.2005)



डब्ल्यूटीओ समझौतों में विकासशील देशों के हितों की रक्षा पर जोर

नई दिल्ली, जाब्यू : भारत ने विकसित देशों पर दबाव कायम करने की रणनीति के तहत डब्ल्यूटीओ वार्ताओं में विकासशील देशों के हितों को केंद्र में रखने की मांग की है। पेरिस में आयोजित विकसित देशों के समूह आर्थिक सहयोग एवं विकास संगठन 'ओईसीडी' की एक विशेष बैठक में वाणिज्य एवं उद्योग मंत्री कमलनाथ ने कहा है कि डब्ल्यूटीओ की मौजूदा वार्ताओं से विकासशील देशों पर पड़ने वाले प्रभावों का आकलन करना जरूरी है। इसके बाद ही आगामी हांगकांग घोषणापत्र तैयार करना उचित होगा।

डब्ल्यूटीओ की अगली मात्रिस्तरीय वार्ता हांगकांग में होनी है। इसमें कृषि समझौते सहित विकासशील देशों के हितों से जुड़े कई महत्वपूर्ण मुद्दों पर समझौता होना है। डब्ल्यूटीओ वार्ता को लेकर जैसे तो यह बैठक ओईसीडी देशों की ही है, लेकिन इसमें भारत सहित कई प्रमुख गैर-सदस्य देशों को भी भाग लेने के लिए आमंत्रित किया गया है ताकि आगामी हांगकांग वार्ता के लिए समझौते को आकार दिया जा सके। कमलनाथ ने कहा कि विकसित देशों को यह नहीं भूलना चाहिए कि हांगकांग वार्ता में दोहा के विकास एजेंडे को ही अंतिम रूप दिया जाना है। दोहा दौर की विकास वार्ता मुख्य रूप से व्यापार के जरिए आर्थिक व सामाजिक विकास के एजेंडे से जुड़ी है।

(Dainik Jagran 05.05.2005)



WTO talks: India to press for services access
Negotiators Mandated With Aggressive Counter Offers Within Policy Framework Of Government

New Delhi: For WTO talks, cabinet minister on WTO has asked the country's negotiators to play on the trade body's table the Liberalisation of Trade Negotiation Framework policy that India already provides as that they can reach key trade partners — US and EU — to reach market access where India has a global edge.

The implications would be that once India takes global commitments, the policies can not be revised and liberalisation can't be rolled back without leaving trade partners.

With this mandate, India will vigorously press for June 2005 "action plan" in business services, transportation and related engineering services, health-related and retail services, tourism and travel-related services, maritime services and transport services. These offers will be subject to local market access that major trade partners are willing to provide in return.

India would make to offer the opening in the key areas of legal, audit and accounting services. This is because a consensus will enable government despite its best efforts at protecting the industrial jobs of lawyers and CAs of the big advantage that India could have in these services. Legal and accounting services are of great interest to some important trading partners. Despite a growing volume of thought among these professionals that liberalisation could work to India's benefit, the negotiation remains tough.

The mandate includes that in services like financial and tourism, India's negotiators can offer to withdraw global "binding" of the Liberalisation of Trade Negotiation Framework policy India offers with regard to foreign suppliers of services. The offer can be backed up to about 25% of up to 70% in the whole range of tourism services from only 20% that India is committed to currently under the WTO services agreement.

Similarly to the agreement under this offer could go up to 20% of foreign investment. The liberal policies being pursued to India in bringing foreign funds and investments and subsidiaries and in lowering its domestic private banks can also be put on the table.

There are four modes in which services are traded. Under Mode 1, services are supplied cross-border (as BPO). Under Mode 2, services are consumed by foreigners in the home country like tourism.

(Times of India 31.05.2005)



पेरिस में जी-25 बैठक के दौरान अमेरिकी मंत्री रॉब पोर्टमैन से हाथ मिलाते भारतीय वाणिज्य और उद्योग मंत्री कमलनाथ। फोटो: प्रेट

थाइलैंड भारत के साथ व्यापार बढ़ाएगा

कोलकाता, 4 मई (भाषा)। थाइलैंड विनिर्माण उपकरण आयातोंवाहल उपकरण कंप्यूटर और खाद्य प्रसंस्करण में भारत के साथ अधिक व्यापार चाहता है। थाइलैंड के निर्यात संवर्धन विभाग के उप महानिदेशक के रायगाम्बुन ने कहा यहाँ कहा कि पिछले वर्ष दोनों देशों के बीच दो अरब डॉलर का व्यापार हुआ था और इस वर्ष इसमें 30 प्रतिशत की वृद्धि की संभावना है।

(Rashtriya Sahara 05.05.2005)





Revised offers to help

► From Page 1

THE CURRENT negotiation process follows a 'request & offer' format, where each WTO member is free to come up with 'requests' in areas of specific interest. This is followed by offers from each member and the final pact is to be sealed on the basis of overall consensus. Several trade partners have urged India to open up retail, legal services, telecom and accountancy. The current talks are being conducted under the framework of General Agreement on Trade in Services (GATS).

The Cabinet Committee on WTO, which met here today under the chairmanship of Prime Minister Manmohan Singh, has authorised the commerce & industry ministry to make improved offers, Mr Kamal Nath said.

These offers would be restricted to areas in which initial offers were made in 2003. Revised offers are being submitted now in order to help the WTO move towards a liberal deal on agriculture and

manufactured products. Separate discussions are on to reduce farm subsidies and liberalise trade in industrial products through what is called non-agriculture market access (NAMA) talks.

"What we ultimately offer will depend on what is offered to us," Mr Kamal Nath said. "While making the revised offer, New Delhi will also be guided by the range and depth of the improved offers that would be made by the developed countries in modes and sectors of interest to India," he said.

"The Cabinet Committee on WTO discussed the issue. We will await the offers and requests of other countries before we make our offer. So far, only Canada and Australia have made their offers," Mr Kamal Nath said after a 90-minute meeting of the Cabinet sub-committee. The government has already indicated it is not averse to opening up of retail sector as it has tremendous potential for employment generation besides helping the fledgling food processing sector and boosting exports.

India to give 'n' take on trade in services at WTO, no retail selloff

Legal Services, Accountancy Kept Out

Our Delhi Bureau
30 MAY

INDIA may not offer to open up retail, legal services or accountancy in the ongoing World Trade Organization (WTO) talks on liberalisation of trade in services. The initial offers, to be submitted before the WTO deadline tomorrow, would cover business services, construction and related engineering services, health-related services, tourism and travel-related services, maritime services and transport services.

Opening up of retail, legal and accountancy services will be solely driven by national interests, commerce & industry minister Kamal

Nath said. Mounting pressure from key trade partners, like the US, on these segments is being counterbalanced by opposition from the Left.

The improved offers from India would be upgraded only if India gets better market access for its professionals in various areas, including information technology.

What India is willing to put on the table will depend on what other countries are willing to offer in terms of Mode IV (liberalisation of visas or work permits for qualified professionals) and Mode 1 (cross-border supply of services, which includes business process outsourcing) under GATS, sources in the commerce department said.

The Cabinet committee on WTO has authorised the government to submit revised offers, Mr Kamal Nath said today.

The upgraded offers are part of the in-built agenda of WTO under which liberalisation of trade in farm goods and services is to be negotiated. The expected liberalisation is in terms of 'bindings' beyond which market access cannot be restricted. For example, India may allow 74% foreign direct investment (FDI) in telecom but 'bind' with the WTO to the extent of 26%. This means that FDI level in the telecom sector will not be reduced below 26% at any stage in future.

► Revised offer to help WTO: P 5



- What India is willing to put on the table will depend on what other countries are willing to offer in terms of Mode IV & Mode 1 under GATS
- The expected liberalisation is in terms of 'bindings' beyond which market access cannot be restricted
- These offers would be restricted to areas in which initial offers were made in 2003
- Revised offers are being submitted now in order to help the WTO move towards a liberal deal on farm and manufactured products

(Economic Times 31.05.05)

WTO takes decisions by consensus

How is WTO structured?
The World Trade Organization (WTO) came into force on January 1, 1995, replacing the previous GATT Secretariat as the organisation responsible for administering the international trade regime. The WTO presently has 148 members, accounting for over 97% of world trade. It is headquartered in Geneva, Switzerland. The WTO's top-level decision-making body is the Ministerial Conference, which meets at least once every two years and is composed of international trade ministers from all member countries. Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals). The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body. At the next level, there is a Council for Trade in Goods, a Council for Trade in Services, and a Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS), which operate under the aegis of the General Council. At the



A recent protest against WTO norms in Manila.

lowest levels, numerous specialist committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.

What is the role of the General Council?

The General Council, composed of senior representatives of all members is responsible for overseeing the day-to-day business and management of the WTO, and is based at the WTO headquarters in Geneva. In practice, this is the key decision-making arm of the WTO for most issues.

What's the role of the Trade Policy Review Body?

The Trade Policy Review Body oversees the Trade Policy Review Mechanism, a product of the Uruguay Round. It periodically reviews the trade policies and practices of all member states. These reviews are intended to provide a general indication of how members are implementing their obligations, and to contribute to improved adherence by WTO parties to their obligations.

What is the Dispute Settlement Body?

The Dispute Settlement Body, also composed of all WTO members, oversees the implementation and effectiveness of the dispute resolution process for all WTO agreements, and the implementation of the decisions on WTO disputes. Disputes are heard and ruled on by dispute resolution panels chosen individually for each case, and the permanent Appellate Body that was established in 1994. Dispute resolution is mandatory and binding on all members. A final decision of the Appellate Body can only be reversed by a full consensus of the Dis-

pute Settlement Body. How does the WTO take decisions?

The WTO seeks to make decisions not by voting but by consensus. This process allows members to ensure their interests are properly considered even though, on occasion, they may decide to join a consensus in the overall interests of the multilateral trading system. Where consensus is not possible, the WTO agreement allows voting. In such circumstances, decisions are taken by a majority of the votes cast and on basis of "one country, one vote".

What is the Secretariat?

The WTO Secretariat, based in Geneva, has around 600 staff and is headed by a Director-General (DG). Its annual budget is roughly 100 million Swiss francs. Since the members themselves take decisions, the DG has little power over matters of policy. There are four Deputy Director Generals to assist the DG. The Secretariat's main duties are to sup-

ply technical support for the various councils and committees and the ministerial conferences, to provide technical assistance for developing countries, to analyse world trade, and to explain WTO affairs to the public and media. The Secretariat also provides some forms of legal assistance in the dispute settlement process.

How is the Director General appointed?

The procedures for the appointment of the DG stipulate that the appointment process must start nine months prior to the expiry of the term of the incumbent and conclude at least three months prior to the date. Subsequently, each of the nominated candidates has three months to make themselves known to members. In the final two months of the process, the General Council through a process of consultations seeks to narrow the field of candidates and ultimately arrive at a consensus choice for appointment.



(Times of India 16.05.2005)

In free trade area, member nations don't pay customs duty

What is a Regional Trade Agreement (RTA)?

A Regional Trade Agreement (RTA), as the name itself suggests, is an agreement undertaken by countries located within a defined geographic area whereby the participating countries align themselves with each other to achieve some form of economic integration. The agreement could take various forms like free trade areas, customs unions, common markets and economic unions, each of which has a different scope and purpose.

What is a trade bloc?
A trade bloc is a large free trade zone or near free trade zone formed by one or more tax, tariff and trade agreements. Usually, trade pacts

specify formal adjudication bodies. Sometimes, they may include an even more democratic and participative system, such as the EU and its parliament.

In the last few decades, a number of regionally based economic blocs have been developed to promote trade between member states. Varieties of economic blocs include free trade areas, customs unions, single markets, and economic and monetary unions.

What is a free trade area?
Countries may come together to form a free trade area which means that goods traded between those countries will not attract customs duties. It would also typically mean that quotas or preferences would not apply to

trade between themselves.

However, countries that constitute a free trade area do not have the same policies with respect to non-members. Some of the better known free trade areas include the North American Free Trade Agreement (Nafta), European Free Trade Association and South American Community of Nations.

What is Safta?
The South Asia Free Trade Agreement (Safta) is an agreement reached at the 12th summit of the South Asian Association for Regional Cooperation (Saarc) at Islamabad in January 2004, calling for the creation of a free trade zone covering India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and the Maldives.

The seven foreign ministers of the region signed a framework agreement on Safta with zero customs duty



A Sino-Indian free trade agreement is expected to be high on the agenda during Chinese Premier Wen Jiabao's trip to India.

on trade of practically all products in the region by end 2012. The new agreement is subject to ratification by the seven governments. Safta requires the member countries to bring their duties down to 30% in the first phase of the two-

year period ending in 2007. In the final five-year phase ending in 2012, the 30% duty will be reduced to zero in a series of annual cuts.

What is a customs union?
A customs union means that a group of countries agree to have a common ex-

ternal tariff. That is, the same customs duties, quotas, preferences or other non-tariff barriers to trade apply to all goods entering the area, regardless of which country within the area they are entering.

The reason it becomes necessary is that if a free trade area exists without a customs union, non-members could easily route all their exports to any country in the FTA through the one with the lowest tariff.

If for instance, Safta were to come into being and India had an import duty of, say, 10% on automobiles, but Nepal levied only 30% on them, a third country like Safta could simply export cars to Nepal which could then sell them to India without facing any duties, thereby making the 10% duty meaningless. Other reasons

for establishing a customs union normally include increasing economic efficiency and establishing closer political and cultural ties between the member countries.

What is a common market?

A common market not only eliminates all barriers to trade in goods among the members and adopts a common external tariff, but also, permits the free movement of goods, services, people, and capital within the countries that constitute it.

The Southern Common Market (MERCOSUR) is an example of a common market.

What is an economic union?
An economic union has all the features of a common market and in addition provides for a common monetary policy and a common currency for its members like the European Union (EU).



SCHEDULE OF MEETINGS AT THE WTO/GENEVA*

JUNE - 2005

1-3	Committee on Government Procurement
2	Committee on Agriculture
2	Negotiating Group on Rules
3	Committee on Agriculture - Special Session
6	Negotiating Group on Market Access
8	Trade Policy Review Body - Ecuador
9-10	Negotiating Group on Market Access
10	Committee on Trade in Civil Aircraft
10	Trade Policy Review Body -Ecuador
13-14	Negotiating Group on Rules - Regional Trade Agreements
13-14	Negotiating Group on Trade Facilitaion
14-15	Council for Trade-Related Aspects of Intellectual Property Rights
16-17	Committee on Technical Barriers to Trade
16-17	Council for Trade-Related Aspects of Intellectual Property Rights - Special Session
20	Dispute Settlement Body
20-23	Services Meeting
21-22	Dispute Settlement Body - Special Session
21	Trade Negotiations Committee
22	Sub-Committee on Cotton
24	Committee on Budget, Finance and Administration
24	Council for Trade in Services
27	Council for Trade in Services - Special Session
29	Launch of the World Trade Report 2005
29-30	Committee on Sanitary and Phytosanitary Measures
29	Committee on Market Access

(Source : WTO/Geneva as on May - 2005)

Published by
Ministry of Commerce & Industry
Government of India
Udyog Bhawan, New Delhi - 110 011
We welcome your comments and suggestions at :
Telefax : 2301 4622
E-mail : sbiswas@ub.nic.in
Website : <http://commerce.nic.in>