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The view from Seattle:

(Commerce and Industry Minister's statement in Parliament)

The Third Ministerial Conference of the World Trade Organisation (WTO) was held at Seattle from 30th November to 3rd December 1999. This Conference assumed importance and attracted wide publicity and attention because of the efforts by a significant number of Member countries to seek an endorsement from this Conference for the proposal to launch a comprehensive round of negotiations covering a wide range of subjects including proposal to link trade with labour issues through this Conference.

The Indian delegation was led by me. I had the privilege of having Hon'ble Members of Parliament, Shri Biplab Dasgupta, Shri Kamal Nath and Shri K. Yerrannaidu in the delegation. **There were many demonstrations before and during the period of Conference by several interest groups. In fact the inaugural function scheduled for the forenoon of 30th November 1999 had to be abandoned. However, under police protection, the Plenary Session began in the afternoon of 30th November 1999 and I made our country statement in the Plenary Session on the evening of 30th November 1999.**

As part of the consultation process, meetings of SAARC at the official level and G-15 members at the Ministerial level were held. On the margins of the Ministerial Conference, I held a number of bilateral meetings with the leaders of many delegations, including those of European Commission, United Kingdom, Indonesia, Sweden, Colombia, South Africa, Japan, China, Nepal and Bhutan.

As part of the Conference process, working groups were formed to discuss in depth the various subjects including agriculture, market access, implementation and other issues and arrive at consensus-based recommendations relating to negotiating mandate or decisions as the case may be. We participated effectively in the deliberations of all the groups and articulated our position on various issues. We effectively opposed the inclusion of non-trade issues like labour standards in the agenda of the WTO. This was fully in line with the Prime Minister's statement made in Lok Sabha on December 1,1999.

As no consensus-based conclusion could be reached on most of the issues before the Ministerial Conference, no declaration was finalised and issued. In the light of this, the work of

the Ministerial Conference has been suspended. The Chairperson in her statement in the Closing Plenary Session indicated that the Director General, WTO will hold consultations with Member countries and make a proposal for resuming the work of the Ministerial Conference. The Chairperson also stated : "During this time, the Director General can consult with delegations and discuss creative ways in which we might bridge the remaining areas in which consensus does not yet exist, develop an improved process which is both efficient and fully inclusive, and prepare the way for successful conclusion. The Ministerial will then resume its work."

It is, however, expected that the mandated negotiations under the provisions of the Agreement on Agriculture and the General Agreement on Trade in Services, will take place as scheduled with effect from January 1, 2000. The mandated reviews under the various WTO Agreements, are also expected to be undertaken as per the time schedule provided under the respective WTO Agreements.

(Text of the statement by Murasoli Maran, Minister of Commerce and Industry in Rajya Sabha on 08/12/1999 on the 3rd Ministerial Conference of the WTO at Seattle.)



Seattle Meet :

A success or an opportunity lost ?

Is Seattle a success? It depends on how one looks at it. If it is viewed as a success, then yes it is a success because it is for the first time that it united the developing countries and the poorer countries. It is a success because it defeated the purpose of using the meeting as an exercise in domestic politics. It is a success because the principle on which India built its stand was vindicated and got wide support. But we cannot gloat over it because we have pinned our hopes on institutions and implementation. India took a leading role in deciding those issues, in formulating those issues, but, at the Conference, we could not achieve anything. So, from this point of view, it is an opportunity lost. But one thing that I want to say here is that we do not want the system to fail. India has always stood for a multilateral, reciprocal and non-discriminatory trading system which is based on rules that are fair and just. But our hope is, the system should succeed. If you ask me to tell you in one word what happened in Seattle, my answer will be "we have postponed the D-day"!

**(Excerpts from the Commerce & Industry Minister
Murasoli Maran's reply to the short-duration discussion
on the Seattle meet in the Rajya Sabha on 9/12/99)**

Towards a positive trade agenda

(Statement by Murasoli Maran at the Third WTO Ministerial Conference
in Seattle on 30 Nov. 1999)

Following is the text of the statement by Shri Murasoli Maran, Minister for Commerce & Industry at the Third WTO Ministerial Conference at Seattle on November 30, 1999 :

Mr. Chairman, Excellencies and Distinguished Guests,

I would like to convey our deep appreciation to the Government of the United States, the authorities of the State of Washington and the Seattle Host Organisation for hosting this Third Ministerial Conference of the World Trade Organisation.

The preparatory process leading up to this Conference has been both protracted as well as intensive. A transparent and constructive process should enable us to arrive at a satisfactory outcome.

Our assessment has all along been that the Uruguay Round Agreements have not served all the membership well. There are critical gaps that need to be urgently addressed.

Asymmetries and inequalities in several of the agreements including those relating to anti-dumping, subsidies, intellectual property, TRIMS and the non-realisation of expected benefits from Agreements such as textiles and agriculture during implementation have been a matter of great concern. The special and differential treatment clauses have remained virtually inoperative. The textile sector has thus far witnessed a mere 4 percent of integration of the restrained items by the developed countries. Even in areas, where developing countries began to acquire trade competitiveness, anti-dumping or subsidy investigations have been initiated in increasing numbers. The TRIPS Agreement places the rights of a patent holder on a higher pedestal than obligations. However, it does not confer corresponding rights to countries or indigenous communities whose bio-resources or traditional knowledge are put to use.

It is for these reasons that many developing countries have highlighted implementational issues and concerns. While some developed countries have admitted the validity of many of these concerns, some have avoided substantive engagement in finding solutions on the plea that these would involve a re-negotiation of the agreements. This is a disturbing signal. **Addressing the implementation issues effectively upfront will alone ensure an image of fairness and equity to WTO.**

We are committed to a strengthened, rule based, non-discriminatory multilateral trading system which is fair and equitable. The central theme of any negotiations should be to focus on all-round development capable of eradicating poverty. Economic integration cannot advance if the interests of the poor are left behind.

We believe that trade negotiations should concentrate on core issues of market access ensuring smooth flow of trade based on the principle of equity. Similarly, given the emerging prospects, we should examine the constructive role that the e-commerce and information technology can play in our development process. Regarding agriculture sector, the developed countries should eliminate export subsidies and other trade distortive support. At the same time, future negotiations in agriculture must not in any way limit the flexibility of large rural agrarian economies to support and protect their domestic production as well as achieve the objectives of food security and rural employment.

I would like to also add that we are opening up our economy to foreign investment in a transparent manner and we are committed to progressive economic reforms and liberalisation in our own interest and according to our own judgement and pace. **We do not, however, subscribe to the view that a multilateral framework on investment is either necessary or desirable.**

Much has been said about inclusion of non-trade issues such as environment and labour standards on the WTO agenda. **India is second to none in its commitment towards environmental protection and sustainable development. The very ethos of India's culture and history is not only to respect but also to worship nature. The issue here, however, is different. The multilateral trading system has been designed to deal with issues involving trade and trade alone. India in good faith had agreed at Marrakesh to the establishment of a WTO Committee on Trade and Environment. We would, however, strongly oppose any attempt to either change the Committee's structure or mandate which can be used for legitimising unilateral trade restrictive measures.** Attempts aimed at inclusion of environmental issues in future negotiations go beyond the competence of the multilateral trading system and have the potential to open the floodgates of protectionism.

On the issue of labour, **India is fully committed to observance of labour standards and has ratified most ILO conventions. We also cherish all the values of democracy, workers' rights and good governance. These issues, however, are not under the purview of WTO. At Singapore, we decided once and for all, that labour related issues rightly belong**

to the ILO. India resolutely rejects renewed attempts to introduce these in the WTO in one form or another. Any further move will cause deep divisions and distrust that can only harm the formation of a consensus on our future work programme.

The international civil society has shown keen interest in the activities of the WTO. While they have a vital role to play in any democratic polity, it is really for national Governments to deal with civil society within their domestic domain. This responsibility cannot be and should not be transferred to the WTO. What we can and should do is to spread greater global awareness about WTO's activities.

Let me conclude by saying that **this meeting should steer WTO in the direction of greater equity and balance and to set ourselves a positive, achievable and trade-related agenda, which will usher in greater prosperity for all of us. Only if our approach is development-centric, can our work programme act as a facilitator for accelerated growth of developing countries.** Therefore, every step we take in the direction of trade liberalisation should ensure rewards in the form of larger markets and greater trade-flows for all-let the welfare gains benefit everyone in the planet and not a mere fortunate few.

News Briefs

Three WTO-related Bills passed

The Parliament on December 22, 1999 approved three WTO related Bills when the Lok Sabha passed in quick succession the **Geographical Indications of Goods (Registration and Protection) Bill, the Trademarks Bill and the Copyright (Amendment) Bill.** The Rajya Sabha had already passed these Bills in the previous week. Replying to the debate on the Geographical Indications Bill, the Commerce & Industry Minister, Mr. Murasoli Maran said it was a "historical legislation" which would protect a whole range of indigenous products. The Trademarks Bill, also piloted by Mr. Maran, seeks to provide for registration and better protection of trademarks of goods and services and for the prevention of the use of fraudulent marks.

Seattle Ministerial : An Outline

The 3rd Ministerial Conference held in Seattle, USA from 30th Nov-3rd Dec. 1999, ended without any declaration. Mass demonstrations and protests marred the atmosphere.

India had gone to Seattle with a constructive brief based on the near national consensus evolved in consultation with the National Trade Advisory Committee, national level political parties and trade unions and other stake holders. The fact that there was a near national consensus gave the necessary backing to the Indian delegation to stand firm and protect and project our interests at the Ministerial Conference.

The inaugural session of the Conference could not take place on 30th November, due to widespread agitation and protests by anti-WTO Groups. The plenary session was started in the afternoon under heavy police protection.

The Commerce and Industry Minister (CIM) addressed the plenary in the evening of the first day. In his statement, he highlighted the various implementation issues and concerns arising out of the Uruguay Round Agreements and called for their priority resolution. He stressed that the central theme of any future negotiations should be to focus on all round development, capable of eradicating poverty. On the mandated negotiations on agriculture, he urged that developed countries should eliminate export subsidies and other trade distorting measures, while ensuring that the objectives of food security and rural employment were safeguarded for large rural agrarian economies. He further underlined that trade negotiations should concentrate on core issues of market access ensuring smooth flow of trade based on equity. He also opposed the inclusion of non-trade issues such as labour standards and rejected attempts to widen the environmental window, for legitimising trade restrictive measures.

The broad approaches of the different groups continued to be along the lines adopted by them prior to Seattle. The US maintained its emphasis on a manageable agenda, with agricultural reform, liberalisation in

services and industrial goods, trade facilitation, systemic reform in WTO and stronger environment and labour standards as the main ingredients of the package. But its voice had grown more strident on certain issues, with the US Secretary of State for Agriculture demanding that the Ministerial Declaration should be such that we can "aggressively reform agricultural trade by lowering trade barriers, substantially reducing trade-distorting subsidies". The new demand voiced by them was regarding free use of biotechnology products. The US receptivity to developing country issues was limited to their willingness to opening markets more fully to products, especially from the LDCs, and offering significantly expanded technical assistance.

The rallies were used by the EU, too, as a revalidation for "controlled globalisation" i.e. a linkage of globalisation with environmental sustainability and with "environmental considerations integrated throughout the negotiations in the New Round" or "mainstreaming". The EU's insistence for "an inclusive, substantial negotiating agenda" continued to be as marked as in the pre-seattle period, with non-trade concerns punctuating whatever liberalisation they were agreed to in agriculture. Their receptiveness regarding developing countries was shown mainly through their promise about "looking afresh at what we can do by way of capacity building, technical assistance and special and differential treatment".

Japan was prepared to "find ways to ensure participation of developing countries in the new round of negotiations", through inter alia looking at "the so called implementation issues", attaching "particular importance to reviewing the rules on anti-dumping". Predictably it wanted to guard its agriculture against further liberalisation through the plea of the multifunctionality of agriculture.

The Cairns Group sharpened its attack on agricultural protectionism.

Members of the Likeminded Group of developing countries, continue to support India in its proactive

agenda of redressing the imbalances in existing agreements, a continuation of the study process on Singapore issues and firm rejection of non-trade issues such as labour standards and opposition to involvement of NGOs in the functioning of WTO (i.e. in the context of dispute settlement).

The Committee of the Whole (in which all member countries were present) took a decision to constitute five parallel Working Groups to specifically address (a) Agriculture; (b) Implementation issues (c) Non Agricultural market access; (d) Singapore Agenda and other issues-Investment, Competition, Trade facilitation, Transparency in Government Procurement Programme and (e) Systemic issues including transparency and relations with civil society. The Groups held intensive consultations, with many sessions lasting into late hours every day. A group on Trade, Globalisation, Development and Global Issues (primarily to deal with labour standards) was also constituted which appeared to be without any authorisation of the Committee of the Whole.

India and several other countries strongly voiced their opposition in the Group questioning even the legitimacy of the Group. President Clinton's remarks about trade sanctions to enforce labour standards caused dismay among developing countries and raised the pitch on the issue. EU and the US made every effort to evolve an agreed text on the issue. Thailand's Deputy Prime Minister and the next DG, WTO, Dr. Supachai proposed the setting up of a new forum under the UN. At a final meeting on this issue, the Costa Rican Chairperson proposed a draft Ministerial decision to establish a Working forum on trade, globalisation, development and labour issues with participation open to organisations such as WTO, ILO, World Bank and the UNCTAD and to be serviced by WTO. India, along with several other developing countries (Malaysia, Egypt, Kenya, Hongkong, China and Pakistan) blocked this proposal.

Due to wide divergence in position in each of the groups, no agreed text emanated and the Chairperson of the Conference decided to start a "Green Room Process" at 6 a.m. on 3rd December, wherein only about 25 Ministers from key countries, including India,

were invited for in-depth consultations. However, due to both procedural and substantial reasons, the Green Room Process failed to deliver. Since, more than 100 Ministers were left out, the bulk of the Membership, especially of African, Latin American and Caribbean countries felt marginalised and expressed their resentment by issuing strong statements of protest. On substantive grounds, the Green Room Process failed to bring about reconciliation of wide differences on several important issues such as agriculture, market access for non-agricultural products, implementation, etc.. Due to lack of consensus, the Chairperson decided to suspend the work of the Conference without any Ministerial declaration. It was announced that the Director General of WTO would hold consultations and make recommendations for the re-convening of the Ministerial meeting.

The status of discussions on the various issues is given below in brief, although these are not definitive, since, in the WTO decision-making tradition, "Nothing is agreed until everything is agreed".

- i) **Implementation issues** - Consequent on extensive discussions in this regard both at Geneva and Seattle, the Canadian Chairman of the Working Group proposed a few immediate decisions at Seattle and the setting up of some mechanism to examine and make recommendations within one year/the 4th Ministerial session on other implementation issues. Negotiations in respect of anti-dumping and subsidies have also been proposed. Only the US was opposed to negotiations on anti-dumping and subsidies. No consensus, therefore, could be arrived at.
- ii) **Agriculture** - Although mandated negotiations are scheduled to commence on 1.1.2000, the Cairns Group and the US sought a mandate for speedy reduction of subsidies, which was bitterly opposed the EC, Japan, South Korea etc. on the plea of multi-functionality of agriculture. India's concerns on food security were adequately reflected.
- iii) **Services** - There were hardly any differences on the draft text, which takes into account India's position.

iv) Investment and Competition Policy - The EC proposal to launch negotiations immediately was opposed. Most developing countries were in favour of continuation of the work programme in the WTO to prepare for negotiations to be started in the Fourth Ministerial Conference. India, Malaysia, HK China and Pakistan were in favour of open-ended continuation of the study process commenced at Singapore.

v) Industrial tariff negotiations - Many agreed on the launching of negotiations in this area. However, a few countries including India linked any positive response on this issue with progress on implementation issues. Although our concerns were mostly met in the draft text, we had to oppose the move of a developed country to delete reference to "peak tariff".

vi) Transparency in Government Procurement - Most members, including developing countries such as Brazil and South Africa supported the proposal that on the basis of elements identified in the Working Group on this subject, the Seattle Ministerial should endorse initiation of negotiations. The US and EC wanted an Agreement on the subject at Seattle itself, based on their proposals. The Chairman of the Group on Singapore Issues concluded that India was the only member which did not join in the consensus arrived at between most members on this subject. We were prepared to endorse the proposal that the Working Group should continue its work till the next Ministerial Conference.

vii) Trade and Environment - The EU initiative to "mainstream" environment and the US proposal

that members have the right to set high environmental standards unaffected by trade rules were opposed by some developing countries, including ours. However, there was a good degree of support for the US - Cairns Group proposal for removal of environmentally damaging subsidies. The TRIPS - CBD convergence for conserving biodiversity and traditional knowledge sought by India and the developing countries were supported by some.

viii) IPR - Proposals for launching work programmes at Seattle included those to make recommendations to the next Ministerial on the scope for protection of traditional knowledge under TRIPS review of Article 71.1 and 27.3 (b). Many countries were willing to complete negotiations on a system for notification and registration of geographical indications for wines/spirits. However, many countries including India wanted it to be linked with higher levels of protection to additional products other than wines and spirits.

ix) Other issues - The Working Group proposed by India on Transfer of Technology was generally supported, though opposed by U.S. The proposal for a Working Group on Bio-Technology, pursued by USA, did not find favour. E-commerce and Trade Facilitation were found to be fairly non-controversial, though India maintained that "Trade Facilitation" should be taken up only after the work of harmonisation of "Rules of Origin" is got completed. Civil Society participation in dispute settlement, as proposed by US-EU was sharply opposed by many developing countries, including India.



Closing Plenary Session, Seattle

(Remarks of Ambassador Charlene Barshefsky)

December 3, 1999
(as delivered)

Let me begin by offering my sincere thanks to Director-General Moore, to our Working Group Chairs and Co-Chairs, the WTO Secretariat, and to each of the delegations representing their governments here at this Ministerial, for their very hard and productive work over the past week. I would also like to thank our hosts in the Seattle community for their hospitality and patience during a sometimes very difficult week.

Over the past four days, we engaged in intense discussion and negotiations on one of the core questions facing the world today : the creation of a global trading economy for the next century. The delegates have taken up some of the most profound and important issues and policy decisions imaginable, including issues that previous Rounds could not resolve, and matters that have not come before the trading system in the past. They took up these issues with good will and mutual respect, and made progress on many of them.

However, the issues before us are diverse, complex and often novel. And together with this, we found that the WTO has outgrown the processes appropriate to an earlier time. An increasing and necessary view, generally shared among the members, was that we needed a process which had a greater degree of

internal transparency and inclusion to accommodate a larger and more diverse membership.

This is a very difficult combination to manage. It stretched both the substantive and procedural capacity of the Ministerial, and we found as time passed that divergency of opinion remained that would not be overcome rapidly. Our collective judgement, shared by the Director-General, the Working Group Chairs and Co-Chairs, and the membership generally, was that it would be best to take a time out, consult with one another, and find creative means to finish the job.

Therefore, Ministers have agreed to suspend the work of the Ministerial. During this time, the Director-General can consult with delegations and discuss creative ways in which we might bridge the remaining areas in which consensus does not yet exist, develop an improved process which is both efficient and fully inclusive, and prepare the way for successful conclusion. The Ministerial will then resume its work.

Again, I wish to thank Director-General Moore, the Seattle community, and all our delegations for their hard work and their participation in these talks. Our work together has been a honor and a privilege for me, and I look forward to its continuation in the weeks and months ahead.

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Monthly Update from PMI*/Geneva

15th October - 15th November 1999

General Council

The main focus of the work in the WTO during this period continued to be the preparatory process for the Third Ministerial Conference. The General Council, in the second week of October, carried out a detailed analysis of the first draft of the Ministerial text which had been issued by the Chairman on his responsibility. Based on the observations made by Members, the Chairman issued a revised version of the draft Ministerial text on 19th October 1999.

While the General Council continued to examine and debate the revised text, the Director General, during this period, also initiated Green Room type consultations on individual sections of the revised text. These Green Room consultations which were limited to the main protagonists in each area, mainly focussed on Agriculture, Implementation, Singapore Issues and other new proposals.

There were detailed and protracted deliberations on the four paragraphs of the Agriculture section. The main differences continued to be between the Cairns group which wanted a clear enunciation of the final objectives of the negotiations based on the integration of the Agriculture sector into GATT, and EC, Japan, Norway and Switzerland, which wanted only the language of Article 20 of the Agreement on Agriculture to be reflected in the text. In addition there were wide divergences on the approach to be followed towards the elimination vis-à-vis reduction of export subsidies, and towards multifunctionality. India continued to press for the strengthening of the paragraph on Special and Differential treatment and continued to interact with delegations in this regard. Though substantial progress was made in the Green Room in this regard, consultations did not result in any consensus text, even though by the time the process in Geneva was coming to a close, the Cairns group and the US had managed to agree on the broad parameters of the text.

As far as Implementational issues were concerned, after preliminary discussions in the Green Room, these were entrusted to a special consultant nominated by the Secretariat for this purpose. The consultant carried out detailed discussions with the various delegations in order to assess the possibility and feasibility of addressing at least some of the Implementational concerns at Seattle, with the remaining issues being delegated to a 'special mechanism'. After detailed deliberations the Secretariat came out with a draft text on Implementation which was then considered in the Green Room. However, no agreement could be reached since the major players did not show the requisite flexibility to accommodate the developing countries' concerns.

Investment occupied the centre-stage as far as the Singapore Issues were concerned. A number of Green Room meetings were held, but could not result in any consensus, mainly because certain delegations led by the EC continued to press for multilateral negotiations on Investment, while a number of developing countries continued to express their concern in this regard. India continued to support the continuation of the educative process stating that this issue is complex and that it required further analysis before any decision on the desirability of multilateral rules could be taken. US continued to be ambivalent on the issue of Investment. On Competition Policy, the US steadfastly opposed any possibility of negotiations being launched, thereby preventing any progress in the matter.

Services was one area where there was no serious disagreement on the Chairman's draft. The only thing that India and other countries pushed for is an explicit mention that due respect for national policy objectives and the level of development must be a guiding factor in these negotiations - something already enshrined in Article XIX of the GATS Agreement. This was accepted in principle.

* Permanent Mission of India

On a separate track, the DSU Review continued with more or less broad agreement that the sequencing between Article 21 and 22 must be resolved by making clear that a Member must determine multilaterally the issue of compliance or non-compliance, before resorting to suspension of concessions under Article 22. The language to this effect was also broadly agreed upon; but differences continued on the issue of the list of products for retaliation and whether this should remain the same for the entire duration of the suspension of concessions or whether it should be allowed to undergo changes at the will of the retaliating Member.

The European Communities formally made a proposal for a joint standing forum on Trade and Labour Standards to be launched by the WTO and the ILO. The proposal skirted the issue of where the forum would be launched; the EC later on clarified that it could be outside the WTO premises. Predictably, the proposal attracted the ire of a large number of developing countries.

The Chairman of the General Council was apparently keen to issue a second revision of the draft Ministerial text based on the Green Room consultations, for the consideration of the larger Membership. However, because of lack of agreement on most of the critical areas, the Chairman did not issue any revised text but instead on 17.11.99, issued on his own responsibility, a number of working papers on those areas on which there had been some movement in the Green Room. However, it was specified that the status of these working papers was only to aid further efforts at consensus building.

Lausanne Ministerial Conference

As had been decided earlier, Ministers from about 20 countries, including India met in Lausanne on 25-26 October 1999 to review and assess the progress made in the preparatory process in Geneva. The Indian delegation was led by the Hon'ble Commerce and Industry Minister Mr. Murasoli Maran and included the Secretary to the Prime Minister and the Commerce

Secretary, in addition to Ambassador (WTO). The Lausanne Ministerial Conference saw a reiteration of country positions and ended with a pragmatic assessment by the Ministers that a lot of work was still required to be done before the Seattle Conference.

Committee on Anti-Dumping Practices

The meeting of the Committee on Anti-Dumping, including that of the Ad-hoc Group on Anti-Dumping was held over the period 25-29 October 1999. These meetings were attended by Additional Secretary, Minister of Commerce, Mrs. R.V. Jha.

Committee on Subsidies and Countervailing Measures

A meeting of the Committee was held on 1 November 1999. The most important issue before the Committee was the consideration of the review and extension of Articles 6.1, 8 and 9 as provided for in Article 31 of the Agreement. This was a contentious issue since most of the developed countries led by the EC wanted an extension of these provisions, while most of the developing countries felt that Article 8 in its present formulation did not include subsidies used by them as non-actionable and therefore took the line that any extension should be linked to the review of the provisions of Article 8. Though this issue was deliberated both in informal meetings convened before the formal meeting, and in the formal meeting itself, no decision could be arrived at. In view of the fact that this issue was also under consideration as part of the proposals submitted under the preparatory process, Members agreed to await the results of the discussion on this issue in the General Council.

Sanitary and phytosanitary Measures

A meeting of the SPS Committee was held on 9-11 November 1999. These meetings included a special meeting on the transparency provisions of the Agreement, i.e. mainly related to the notification obligations and their procedure. This meeting was basically geared towards capital based officers, specially those who had been nominated as the nodal

enquiry points. In the formal meeting the Committee considered a number of SPS measures and also discussed developing country issues, based on a paper submitted by Egypt.

Customs Valuation Agreement

At its meeting of the Customs Valuation Committee held on 12 November 1999, the request of Honduras, Malta and Gabon under Paragraph 2 of Annex III of the Agreement on Implementation of Article VII of the GATT 1994 to continue to use officially- established minimum values for the valuation for customs purposes was agreed. Accordingly, Honduras, Malta and Gabon can continue use of minimum values until 1 January 2003 for specific products. In respect of all three Members, this Decision notes that these Members will apply the Customs Valuation Agreement as from 1 January 2000.

TRIMS Agreement

The five-year transition period in respect of notified TRIMs will be completed for all Members with effect from 1 January 2000. The Council for Trade in Goods at its meeting held on 15 October 1999 also formally commenced its review of the operation of the TRIMS Agreement as set out in Article 9 of that Agreement. In the course of this review, consideration shall be given to whether the Agreement should be complemented with provisions on investment policy and competition policy. Amendments to the Agreement, as appropriate, are required to be proposed to the Ministerial Conference. Substantive discussions on this review will be initiated in the year 2000.

Agreement on Rules of Origin

At its two-week session, which concluded on 16 November 1999, the Committee on Rules of Origin intensified further its consideration of the harmonisation of non-preferential rules of origin, especially in the areas of overall architecture for such rules, product-specific rules in the areas of minerals (Chapters 25-27), chemicals (Chapters 28-40), leather (Chapters 41-43), wood and paper (Chapters 44-49), ceramics and glass (Chapters 68-70), precious stones and metals (Chapter 71), and iron and steel (Chapters 72-73), as well as its consideration of the implications of some major proposals for harmonised rules of origin for other WTO Agreements. India chairs the meeting on product-specific rules of origin for chemicals. At this meeting, there was substantial support for India's proposal for making a recommendation to Ministers to facilitate their consideration of a deadline, of 31 July 2000, for completing this work programme on harmonising rules of origin. A number of Members noted with regret the further delay in completing this work programme, as first scheduled for completion in July 1998, and in particular beyond the last agreed extension until November 1999. A few Members could not however agree on even suggesting a deadline for the completion of the work programme. It was evident that such Members that have introduced interim arrangements for determining rules of origin, such as the United States, would have little incentive for expediting the completion of the work programme on harmonised rules of origin. The Committee will continue its consideration of outstanding issues during 7-18 February 2000.



Quotes & Excerpts

"I rise to make a statement in response to comments made and concerns voiced by Hon'ble Members on the Third Ministerial Conference of the World Trade Organisation, which began in Seattle yesterday. The Ministerial Conference was to begin at 10.00 a.m. However, due to demonstrations and disturbances, including teargas shelling, the inaugural session could not start. Even the US delegation could not arrive at the venue and the inaugural session was abandoned. It was decided that the plenary will be set up at 3.00 p.m. It could start only at 3.40 p.m. Ministers could not use their cars due to disturbances and had to walk to the venue. The Commerce Minister of India made a statement just after 5.00 p.m. - that is 6.30 a.m., Indian time.... I assure the Hon'ble members that India's national interests will be fully protected and promoted at the Seattle negotiations".

(From the statement by Prime Minister Shri Atal Bihari Vajpayee in the Lok Sabha on December 1, 1999)

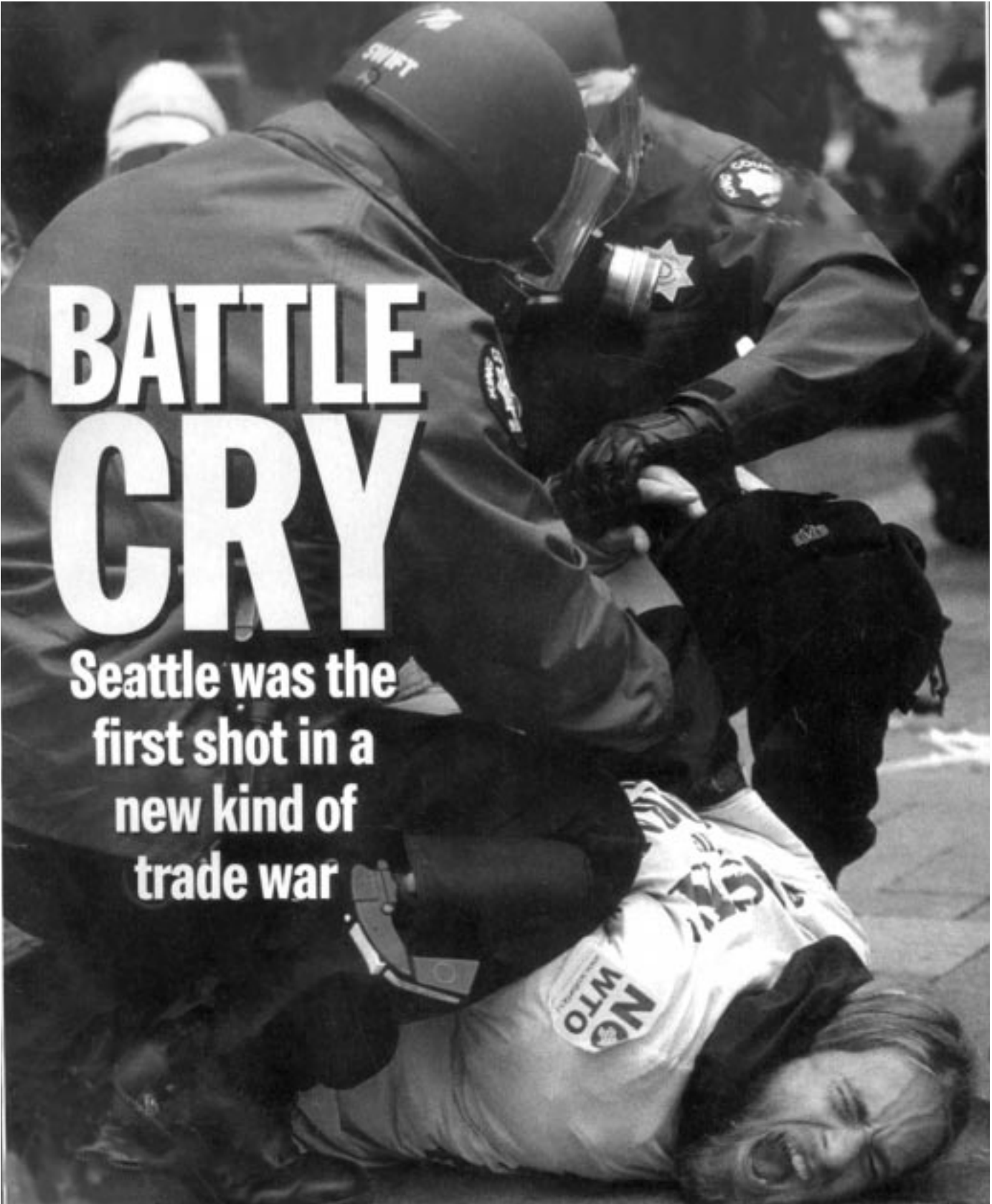
"Let me say in all candor, I am well aware that a lot of the nations that we most hope to support- the developing nations of the world - have reservations when the United States says, we support bringing labour concerns into our trade debate. And I freely acknowledge that, if we had a certain kind of rules, then protectionists in wealthy countries could use things like wage differentials to keep poorer countries down - to say, okay, you opened your markets to us, now we'll sell to you. But you're selling to us and we want to keep you

down, so we'll say you're not paying your people enough. The answer to that is not to avoid this labour issue - not when there's still child labour all over the world; not when there is still evidence in countries that ordinary people are not benefiting from this. The answer is not to just throw away the issue. The answer is to write the rules in such a way that people in our position, the wealthier countries, can't do that, can't use this as an instrument of protectionism. We can find a way to do this... I do not believe the United States has the right to ask India or Pakistan or China or any other country to give up economic growth. But I do believe that all of us can responsibly say, if you can grow at the same rate without doing what we did - that is, fouling the environment and then cleaning it up - Mr.Kono remembers - I remember the first time I went to Tokyo over 20 years ago, people wore masks riding their bicycles around. And now the air there is cleaner than it is in my home town in Arkansas".

(Remarks by President Clinton at the Luncheon in honour of the Ministers attending the meeting of the WTO at the Four Seasons Hotel, Seattle, Washington on December 1, 1999)

"Poverty, not trade, is the main cause of unacceptable working conditions. And the answer to poverty is more trade, not less and not imposing sanctions".

(Mike Moore, DG/WTO in his address to International Trade Unions at Seattle on 28 November, 1999)



BATTLE CRY

Seattle was the
first shot in a
new kind of
trade war

Snapshots



(Time Magazine: Dec. 13, 1999)

Schedule of Meetings at the WTO, Geneva : January 2000*

17-21/1/2000	:	Textiles Monitoring Body
24/1/2000	:	Council for Trade in Goods
26/1/2000	:	Trade Policy Review Body - Kenya
27/1/2000	:	Dispute Settlement Body
28/1/2000	:	Committee on Rules of Origin
28/1/2000	:	Trade Policy Review Body - Kenya

**Source : WTO / Geneva as on December 31, 1999*

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