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## TRIPS AND PUBLIC HEALTH: A STALEMATE

**Doha Declaration on the TRIPS Agreement and Public Health adopted on the 14 November 2001 under its para 6 recognised that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of the compulsory licensing under the TRIPS Agreement and instructed the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002. Negotiations on this issue have been taking place in the TRIPS Council in its regular meetings held in March, June, September and November 2002 as well as in a number of other informal meetings.**

Meanwhile, on 17th October 2002, the Chairman, TRIPS Council on his own responsibility came out with a Note "Possible Elements of a Paragraph 6 Mechanism" in an effort to present a balanced basis for further work. The Paper covered areas such as Product and disease coverage, Beneficiary importing Members; Eligible importing Members; Safeguards against diversion; Notification and transparency; Legal mechanism; and Meaning of the term Domestic Market in Article 31(f). Many developing and developed countries submitted their comments on the Chairman's Text. Thereafter, Chairman on 10 November 2002 came out with a revised Note.

**Chairman TRIPS Council on 20th November 2002 came out with the draft Legal Language for General Council Decision and on 24th November 2002 came out with a draft Decision. With minor changes, the draft Decision was finally circulated on 16 December 2002 as WTO document JOB(02)/217 for Member's concurrence.**

**The gist of the 16 December Draft Decision is as under :**

1. Active ingredients necessary for its manufacture and diagnostic kits needed for its use are included under "pharmaceutical products";
2. "Eligible importing Member" is any Member that has made a notification to the TRIPS Council of its intention to use the system as an importer. "Exporting Member is any Member using this arrangement that produces pharmaceutical products for and exports them to an eligible Importing Member:"

3. The obligations under Article 31(f) shall be waived if;
  - (a) Importing Member has made a notification to the TRIPS Council specifying the names and expected quantities of the products needed; confirming that the Importing Member, if not a LDC, has insufficient or no manufacturing capacities for that product in a manner as set out in the Annexure;
  - (b) Exporting Member shall issue a compulsory licence containing :
    - Only the amount necessary to meet the needs of the Importing Member may be manufactured under the licence and the entire production shall be exported to the Member(s) which have notified their needs to the TRIPS Council;
    - Products produced under the licensee shall be clearly identifiable through specific labelling/ marking/ packaging and/or special colouring/ shaping of the products themselves provided that such distinction does not have a significant impact on price;
    - Before the shipment, the licence shall put on a website, information regarding the quantities being supplied to each Member and the distinguishing features of the product,
  - (c) The exporting Member shall notify to the TRIPS Council regarding name and address of the licensee, the product(s) and their quantity(-ies) for which the license is being granted, the country(-ies) to which the product(s) is (are) to be supplied and the duration of the license;
4. Adequate remuneration as per Article 31(h) of TRIPS Agreement shall be paid;
5. Importing Members shall take reasonable measures within their means, proportionate to their administrative capacities to prevent re-exportation of the products;
6. Members shall ensure availability of effective legal means to prevent the importation into, and sale in, their territories of products produced under this system and diverted to their markets inconsistently with its provisions by using the means already available under the TRIPS Agreement.
7. This decision shall terminate for each Member on the date on which an amendment to the TRIPS Agreement replacing its provisions takes effect for that Member.

In the informal meeting of the TRIPS Council held on 16

December 2002, Hungary, Korea, Czech Republic, Chile, Botswana, Chinese Taipei, Slovak Republic, the EC, South Africa, Canada, Lesotho, Pakistan, Uruguay, Cuba and Japan stated that while they may have some problems but they are ready to accept the text as it is. The Philippines, Malaysia, Indonesia, Thailand and Peru expressed some difficulties with safeguards provision for importing countries as contained in paragraph 4. They, however, stated that they will consult with their Capitals and come back with their positions. Argentina agreed on all paragraphs except para 11 regarding the legal mechanism. Kenya and Brazil also stated that they would accept the text. The US, however, stated that they would not be able to accept paragraph 1(a) on the scope of diseases. In the TRIPS Council meeting held on 19th December, the US floated an idea of a footnote giving a list of diseases, as under :

“This decision applies to public health problem arising from yellow fever, plague, cholera, meningococcal disease, African trypanosomiasis, dengue, influenza, HIV/AIDS, leishmaniasis, T.B., malaria, hepatitis, leptospirosis, pertussis, poliomyelitis, schistosomiasis, typhoid fever, typhus, measles, shigellosis, haemorrhagic fevers and arboviruses and other epidemics of comparable gravity and scales including those that might arise in the future whether due to natural occurrence, accidental release or deliberate use”.

Indian delegation resisted this saying it would restrict the scope of diseases and that the Doha Declaration is not limited to diseases and it must take into account national emergencies and other cases of extreme necessity. The US delegation stated that some language on national emergencies such as those arising out of environmental, ecological and nuclear disasters and terrorist action could also be included in the footnote. However, the unanimous view of the developing countries was as under :

1. There is no question of reopening the Doha Declaration or restricting its scope in any way;
2. The footnote is almost likely to be rejected by the Capitals;
3. Even if an attempt is made to look at the footnote it would require long consultations with Health Ministries. Each country would then have its own list and negotiation would be long and protracted;
4. Any attempt to restrict the scope of diseases would be tantamount to changing the Doha Declaration. Besides upsetting the balance of the Doha Declaration, it would lead to pressures within countries that could lead to unraveling the entire Declaration.

In the TRIPS Council meeting held on 20th December 2002, emerging consensus was noticed amongst most of the Members including the Africa Group, China, Brazil, Argentina, Malaysia, Indonesia, Cuba, Pakistan, Thailand, Peru, EC, Canada etc. However, the US has not joined the consensus saying that it required legal certainty regarding the scope of diseases. Switzerland and Japan are also supporting the US on the scope of diseases. India in its statement accepting the draft Decision of 16 December said that hopes of millions of people are at

stake to get access to medicines at affordable prices and let us not fail them. It was in that spirit of compromise that India accepted the draft Decision proposed by the Chairman after extensive consultations.

As the deadline of 2002 approached, the Chairman TRIPS Council reported the matter to the General Council on 20th December 2002 where no consensus among the Members could be reached. The matter has since been referred to the General Council's next meeting on 10th February 2003.

## **SUPACHAI DISAPPOINTED OVER GOVERNMENTS' FAILURE TO AGREE ON HEALTH AND DEVELOPMENT ISSUES**

Director-General Supachai Panitchpakdi on 20 December 2002 expressed disappointment over the failure by WTO member governments to meet the year-end deadlines for agreement in negotiations on special and differential treatment for developing countries and access to essential medicines for poor countries lacking capacity to manufacture such drugs themselves.

"Failure to meet the deadlines in these negotiations has been quite disappointing. These two issues are of great importance not only to developing countries but to the organisation itself and to the broader trade negotiations that are part of the Doha Development Agenda," Dr Supachai said.

"Nonetheless, delegates have informed me of their commitment to continue to work to find agreement in these complex and difficult negotiations. I am hopeful a solution can be found in the early part of 2003. I call on governments to summon the political will and commitment that will be required to bridge their differences on these two issues," he added.

Ambassador Ransford Smith of Jamaica who chairs the Special Session of the Committee on Trade and Development in which the issue of special and differential treatment was discussed, told the WTO's governing General Council that governments needed more time to finalise these negotiations. General Council Chairman Sergio Marchi

of Canada invited Amb. Smith to report back to the Council at its next meeting which is scheduled for 10–11 February 2003.

Ambassador Eduardo Pérez Motta of Mexico who chairs the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) told the General Council that intensive consultations had not resolved differences over the diseases that would be covered by the draft decision on intellectual property and health. He proposed that the TRIPS Council should restart its deliberations as soon as possible in the new year with the aim of reaching an agreement by the first meeting of the General Council in 2003, scheduled for 10–11 February.

WTO members have been trying to meet a year-end deadline aimed at addressing a problem posed by a provision of the WTO's intellectual property agreement (Article 31(f) of the Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPS). This says that production under compulsory licensing must be predominantly for the domestic market, which hinders countries lacking manufacturing capacity from importing cheaper generics from countries where pharmaceuticals are patented. Agreement on this would complete the mandate set by the WTO Ministerial Conference in Doha, Qatar, in November 2001, when a special ministerial declaration on TRIPS and Public Health was issued.



# STATE OF PLAY AT THE WORLD TRADE ORGANISATION

## Status of Negotiations in various Committees at the WTO

### 1. Agriculture :

As per Doha Mandate modalities for negotiations are to be established by 31st March 2003. The schedule of commitments based on the modalities are to be submitted by the Fifth Ministerial Conference in Cancun, Mexico, in September 2005. Negotiations based on the mandate in Article 20 of the Agreement on Agriculture formally commenced on 1 January 2000. In the first two phases of negotiations, completed on 7 February 2002, the work programme was analytical and initial negotiating proposals were made by many Members, including India. Under Phase 3 of the work programme, three dedicated special sessions have been held – on export competition in June 2002, on market access early in September 2002 and on domestic support towards the end of September 2002. In the discussions there seems to be a clear divide between the protectionist group led by the European Communities (EC) (including Japan, Norway, Korea, etc.) and the pro-liberalisation group led by Cairns Group and the US on each of these three pillars of negotiations. The pro-liberalisation group led by the Cairns Group and the US are in favour of substantial reduction in tariffs and domestic support and elimination of export subsidies. The protectionist group led by the EC favours the Uruguay Round-approach with gradual tariff reductions. However, the EC strongly supports incorporation of non-trade concerns, such as animal welfare, and food safety, in the negotiations. Another group consisting of newly acceded countries, like China and Croatia, do not want any cuts for themselves, though they press for substantial market access commitments from others. Among other developing countries, the net-food importing countries (NFIDCs) oppose substantial reductions in export subsidies, while small economies based on single commodity exports, such as Mauritius and the Caribbean, prefer maintenance of preferential market access into major markets.

### 2. Services:

**Doha Declaration mandates that the requests are to be filed by 30th June 2002 and offers are to be made by 31st March 2003.** Four sessions of the Committee on Trade in Services (CTS) have been proposed for the year 2002.

The process of filing of requests has been initiated and India has forwarded its requests in respect of **Medical, Dental and Health Services, Audio-Visual Services, Tourism services, Architectural services, Computer Related services and Maritime services.** The formulation of requests in some other sectors of interest to India are currently underway. **The sectors of interest to India are computer and related services, accountancy, auditing and Book Keeping services, architecture, urban planning and landscape services, construction and engineering services, tourism, education and audio-visual services.** A series of bilateral meetings were held with important trading partners at Geneva from 28 October – 1 November 2002 wherein our requests were clarified to them and attempt was made to understand the requests made on us and the priority attached to these requests by the trading partners.

On emergency safeguard measures (ESM) for services, the deadline for concluding negotiations has been extended to 15<sup>th</sup> March 2004. A work programme for the same has been finalised.

On subsidies, Govt. Procurement and domestic regulations for services, the Negotiating Guidelines and Procedures provide that Members shall aim to complete negotiations prior to the conclusion of negotiations on specific commitments.

### 3. Market Access for non-agricultural products:

In respect of negotiations on market access for non-agricultural products, the schedule of Negotiating Group on Market Access (NGMA) meetings for 2002 has been agreed upon. The first meeting was held on 2 August and the next two on 12-13 September and 4-6 November respectively. The final meeting for the year has been fixed on 2-3 December.

An agreement on the time frame for the modalities discussions has also been reached, according to which Members may submit proposals by 1 November 2002, however proposals submitted until 31<sup>st</sup> December 2002, will be fully taken into account in a consolidated overview of proposals to be submitted to participants at the first meeting of the Negotiating Group in 2003. A common understanding on a possible outline

of modalities is to be reached by the end of March 2003 with a view to reaching an agreement on the modalities by 31 May 2003. India has submitted its initial thinking on modalities on 18 October 2002.

#### 4. Environment:

Three meetings of the Committee on Trade and Environment (CTE) regular and special session have been held in the year 2002. One more meeting of CTE Special Session could be held in December, 2002. In the negotiations on the relationship between Multilateral Environment Agreements (MEAs) and the **WTO (para 31(i)), the EC, Japan and Switzerland have demanded that the CTE adopt and interpretation of Article XX so as to consider specific trade obligations set out in the MEAs as ipso facto consistent with the WTO rules. They have also proposed for widening the understanding of what are specific trade obligations in the MEAs. This has been opposed by all the other countries, particularly US, Australia, Argentina, Korea, Taiwan, India and a large number of developing countries.** On the issue of information exchange and observership between the MEAs and the WTO (para 31(ii)), the US and the EC have proposed regular procedure for information exchange sessions and document exchange between MEAs and WTO. They have indicated that this is an item for possible early harvest. On the issue of market access for environmental goods and services, it has been decided that the market access negotiations for environmental goods would be carried out in NGMA while those for services would be carried out in special session of CTS. CTE has been discussing as to what products could be considered as environmental goods. Developed countries have proposed that APEC list of environmental goods could be taken as a starting point. Other than European Countries, all other countries are opposed to include products based on npr-PPM.

The CTE in its meeting in March 2002 placed special emphasis on the item in para 32 (i) **'the effect of environmental measures on market access.....'**. **India submitted a paper on this issue.** CTE discussed the issue of 'the TRIPS Agreement' in its June 2002 meeting and the issue of 'eco-labelling' in September 2002 meeting. EC has proposed for clarification of WTO rules relating to eco-labeling. US, Australia, Argentina, India and a number of other countries are opposed to EC proposal. The CTE also discussed the issues of technical assistance, environmental reviews and procedure for discussing environmental aspects of negotiations in CTE. **The CTE has to submit a report under para 32 to the Fifth Ministerial Conference on the need for any clarification in WTO rules, including on the desirability of negotiations.**

#### 5. TRIPS :

**The negotiations for establishing a multilateral system**

**for notification and registration of geographical indications for wines and spirits have begun in the Special Session of TRIPS Council. As per the mandate given by Doha Declaration in para 17, these negotiations should be completed by the Fifth Ministerial Conference. EC and other European countries have proposed for a register wherein the products included would be deemed to have been registered in all Members. The proposal from US, Australia, Argentina etc. envisages the register only as a referral list. India has not taken a position on this issue. India has proposed that the multilateral register should be extended for products other than wines and spirits also.**

The TRIPS Council is addressing the following issues in accordance with the mandate given by Doha Ministerial Conference:

- (i) **The issue of exports to countries with limited or no manufacturing capacities in pharmaceutical sector, in accordance with para 6 of Doha Declaration on TRIPS Agreement and public health. The TRIPS Council has to find an expeditious solution to this problem and submit a report to the GC by the end of year 2002. Based on the proposal by Members, Chairman, TRIPS Council has given a proposal for a solution from his side. There are differences between the US on the one side and developing countries in LDCs on the other side on the issues of disease and product coverage, eligible importing countries, safeguards, notification and legal mechanism.**
- (ii) **Additional protection to geographical indications of products other than wines and spirits – The TRIPS Council has to address this issue in accordance with the mandate in para 12 and 18 of Doha Declaration. As an outstanding implementation issue, the TRIPS Council has to submit a report to TNC by the end of year 2002. A proposal by the 'friends of GIs' (EC, India, Swiss and others) has been submitted in the June 2002 meeting of TRIPS Council. US, Australia, Argentina, etc. are strongly opposed to this proposal.**
- (iii) **The relationship between the TRIPS Agreement and CBD and protection of traditional knowledge and folklore – The TRIPS Council has to address this issue in accordance with the mandate in para 12 and 19 of Doha Declaration. As an outstanding implementation issue, the TRIPS Council has to submit a report to TNC by the end of year 2002. India, Brazil, China and other developing countries have submitted a joint**

**proposal on this issue in the June 2002 meeting of the TRIPS Council. US is strongly opposed to this proposal, while EC is somewhat more accommodative.**

## **6. Rules & RTAs :**

These negotiations are currently being undertaken in the Negotiating Group on Rules (NG Rules). A decision has also been taken to organise four meetings of the Negotiating Group in the year 2002. While three meetings have been held on 6-8 May, 2002, 8-10 July 2002 and 16-18 October 2002, the remaining meeting of the NG Rules would be held on 25-27 November 2002.

**In respect of Anti-dumping and Subsidies Agreement the various proposals submitted to the Negotiating Group on Rules (NG Rules) have generally sought strengthening of disciplines. India has made two submissions to the NG Rules. The first submission has sought special and differential treatment for developing countries during anti-dumping and countervailing duty investigations. The second submission has identified specific provisions of the Anti-Dumping Agreement which require amendments.** Two joint submissions have been made by Brazil, Chile, Colombia, Costa Rica, Hong Kong China, Israel, Japan, Korea, Mexico, Norway, Singapore, Switzerland, Thailand and Turkey. EC has proposed taking public interest into consideration before application of an anti dumping measure and has suggested a swift dispute settlement mechanism for considering issues relating to initiation of investigations. In its submissions the US has, informed the NG (Rules) of its proposal made to the OECD Process on Steel Issues requiring participants to agree to prohibit substantially all subsidies in the steel sector, except for certain narrow exceptions. It does not appear averse to discussions and negotiations on further specific disciplines on trade distorting measures in the steel sector outside the WTO framework. While seeking to preserve trade remedy rules as a necessary response to the trade-distorting practices that continue to burden global trade, the US is also seeking enhanced disciplines on trade-distorting practices. So far only one substantial proposal has been submitted on the Subsidies Agreement. This proposal from Brazil addresses various issues relating to the countervailing duty investigation procedure.

Apart from negotiations on Anti-Dumping Agreement and the Subsidies Agreement, **the NG Rules has also been discussing issues relating to Regional Trade Agreements (RTAs) and Fisheries Subsidies.**

**In respect of RTAs concern has been expressed by various countries at the increasing number of such agreements that could undermine the multilateral trading system as preferences are exchanged between parties to RTAs and are not extended to non-members.**

**In respect of Fisheries Subsidies the proponents, including US, New Zealand, Australia, Chile, etc. are seeking strengthened disciplines on subsidies given in this sector. It is their view that fisheries subsidies are leading to overcapacity which has resulted in over-exploitation of fisheries resources.** The proponents consider that the heterogeneous nature of the products in this sector precludes a meaningful application of existing provisions of the Subsidies Agreement and hence are seeking a possible sectoral agreement on such subsidies. **The opponents, which include Japan and Korea, are of the view that heterogeneous nature of products is not unique to the fisheries sector and it is a generic issue. Hence there is no need for a separate sectoral agreement.**

## **7. DISPUTE SETTLEMENT UNDERSTANDING (DSU):**

**The deadline for finalization of DSU amendment proposals is May 2003 and thus negotiations on DSU are not a part of single undertaking.** A special session of DSB has been constituted and a meeting is proposed to be held every month this year except in June 2002. Major issues and points for clarifications will be discussed and this will be followed by focused discussion on specific proposals of members. **Comprehensive set of proposals have been tabled by EC, India along with certain other countries, Australia, LDCs, Africa Group, Costa Rica, Mexico, Japan etc.** In view of the nature of amendments to the DSU sought in the various proposals, it is unlikely that the deadline of May 2003 will be adhered to.

## **8. Development issues:**

- i Implementation issues: While the implementation issues pertaining to anti-dumping and subsidy agreements are being pursued at the Negotiating Group on Rules, the remaining ones are being examined in the concerned subsidiary bodies where the progress will be reported upon to the General Council/Trade Negotiations Committee (GC/TNC) by the end of year 2002. The progress is not encouraging. Developing countries have emphasised that it is necessary to address these issues satisfactorily in time as the context in which we are seeking early resolution now is totally different from the context prior to Doha.** The chairman of the Committee on Trade in Goods (CTG) was unable to make any recommendations to the GC on issues relating to textiles implementation tirets.
- ii Special & Differential (S&D) Treatment: As per the Doha mandate, the Committee on Trade and Development (CTD) in Special Session (SS) was required to come up with its recommendation to the**

GC by July 2002 on how to make S&D clauses precise, effective and operational. **India has submitted its specific proposal on a number of S&D clauses pertaining, inter alia, to Agreements on Agriculture, Import Licensing, Rules and SPS. Developing countries are concerned with the perceptible reluctance of developed countries to engage in meaningful negotiations on S&D issues. The strategy of QUAD has been working towards buying more time (i.e., till the end of the year) so that they may seek an extension in due course of time till the next Ministerial so as to achieve their objectives on Singapore issues by linking it to S&D. The Chairman, CTD has subsequently recommended to the GC to extend the July deadline to 31<sup>st</sup> December, 2002. India has expressed concern in the General Council on the lack of progress on S&D issues and the missing of July deadline. To achieve concrete results, it is necessary that CTD-SS workouts a detailed plan for structuring its future work in the remaining period. It is important to ensure that the deadlines laid down by the ministers are not changed by the delegations at Geneva and that the Doha package do not evolve in a lopsided fashion in the negotiation phase.**

- iii **Technical Assistance:** Activities to impart technical assistance to developing countries and LDCs are being carried out by the WTO as a part of Annual Technical Assistance Plan 2002. **The developing countries have however emphasised that seminars alone are not adequate. To ensure that the fruits of Doha are reaped by the developing countries, the technical cooperation should ensure creation of hardware and trained human resources in the developing countries. Therefore, the focus of technical cooperation needs to be changed towards achieving this objective. Proposals for the Technical Assistance Plan 2003 have since been submitted.**

## 9. Singapore Issues:

Discussions on issues identified in the Doha Ministerial Declaration for clarification until the Fifth Ministerial meeting have taken place in respective Working Groups. **The reports of the respective Working Groups to the General Council are expected in November in respect of Competition Policy and Transparency in Government Procurement and in December in respect of investment. India has been emphasising that discussions are in study mode and must proceed on the basis of the Doha declaration read along with the Chairman's statement. No attempt should be made to offer varying**

**interpretations to the mandate agreed to by members at the Doha Ministerial Conference. However, proponents like EC have been emphasizing that Singapore Issues are as important as other items on the post-Doha negotiating agenda. These Members also take the position that negotiations will commence after the Fifth Ministerial and results of negotiations would be part of 'single undertaking' to be concluded by 31<sup>st</sup> March 2005.**

### (i) Trade and Investment:

**After the Doha Ministerial Conference, three meetings of the Working Group on Trade and Investment have taken place.** In the April 2002 meeting issues related to definition and scope and transparency were discussed. The July 2002 meeting discussed as substantive issues non-discrimination and GATS type positive list approach. Besides technical assistance related issues were also discussed. September meeting had as substantive agenda, State – to – State dispute settlement and Balance of Payment and other safeguards. With this all the issues identified by the Doha Ministerial for clarification have been covered. The agenda for the remaining part of the time until the Fifth Ministerial is not clear as yet. It is likely that at least one meeting in 2003 would be devoted to revisiting these issues. It is also likely that depending on the developments in the preparations for the Cancun Ministerial, gradually focus may shift to the General Council. **The report to the General Council by the Working Group will be a factual statement of points made by delegations and there will not be any conclusions or recommendations. While, a number of developing countries indicated reservations on the elements of a possible multilateral framework on investment, nobody has come forward to object formally to the idea of an investment framework as such. However, the need for taking into account the development dimension in any possible framework has been emphasized by a large number of developing countries. In our intervention we brought out the inherent difference between investment flows and trade flows and highlighted as to why the WTO platform is not suited for making investment rules. We also highlighted the need to examine implications of closer multilateral cooperation on investment as far as developing countries are concerned. It was also emphasized that rules on entry and establishment of foreign investment belonged to the sovereign domain of host countries and that, therefore, external dispute settlement mechanism could be envisaged.**

### (ii) Trade and Competition Policy:

**In the case of competition policy also three meetings of the Working Group were held post Doha. There have**

been strong reservations expressed by South East Asian countries and Hong Kong. These countries do not have comprehensive competition laws at present. Hong Kong went to the extent of suggesting the International Competition Network (ICN) as a more appropriate international forum for competition policy. LDCs have largely spoken of technical assistance and capacity building. In fact, the first meeting of the Working Group (April 02) was on technical assistance and capacity building. **The second meeting (July 02) discussed 'Hard core cartels' and 'Voluntary Cooperation' and the third meeting (September 02) was on 'Core principles' including non-discrimination, transparency and procedural fairness. Unlike in the case of investment framework, in the case of competition policy what is envisaged by the Doha Mandate is 'voluntary cooperation'. This has been interpreted differently as non-binding rules as well as meaning voluntary cooperation in specific cases. While highlighting their strong reservations none of the countries strongly objected to a framework on Competition Policy emerging in the WTO. In our intervention, we highlighted the need for focusing on trade related competition policy and not expanding the purview to non-trade issues like merger rules. Such mandate already exists in the TRIMs agreement. We also highlighted the inadequacy of voluntary cooperation which would harm the interests of developing countries in view of the asymmetry in power balance as between developed and developing countries. As regards non-discrimination we pointed out that while non-discrimination is a fundamental principle in respect of trade, this may not be true in the case of Competition Policy. **Non-discrimination among unequals would tantamount to discrimination against the less equal.** On the other hand the proponents and the US emphasized that non-discrimination based on the nationality of the firm should be fundamental to any discussion on closer multilateral cooperation on Competition Policy.**

### **(iii) Trade Facilitation:**

In the case of 'trade facilitation' three meetings have taken place - one in May, one in July 2002 and one in October 2002. One more meeting is scheduled in December 2002. **In our interventions we have highlighted the trade facilitation measures undertaken by us autonomously. We have also indicated that the focus and pace of simplification and modernization of customs procedures were based on the perceived needs and available resources of different countries, which are at different stages of development. We also questioned the need to**

**undertake binding commitments on trade facilitation in WTO when the revised Kyoto Convention developed by World Custom Organization incorporated an appropriate balance between custom facilitation and control. It was also emphasized that developing countries like India faced several challenges like safeguarding custom revenue, reducing illegal import, poor infrastructure, and lack of resources, which made binding commitments on trade facilitation difficult.**

Opposition to binding commitments on trade facilitation in WTO was also made by China (PR), Brazil, Malaysia, Philippines, Indonesia, Uruguay, Jamaica and Pakistan.

### **(iv) Transparency in Government Procurement:**

As far as transparency in Government procurement is concerned two meetings of the Working Group have taken place after the Doha Ministerial, in May and October, 2002. The elements identified in Chairman's Check List were discussed. **India made comments on these elements on the condition that this would not prejudice its stand that India did not find the need for a transparency agreement on Government procurement. Government procurement was excluded from the provisions of GATT and GATS because of the development dimension involved. Government, being the largest procurer in any country, could help regional development as well as provide necessary protection to socially weak sectors/sections like the small scale, tiny and village industries through its procurement policy. Besides, there was the question of practicability in federal set ups like that in India where the Government structure includes sub central levels like State, Municipal, Panchyat etc levels where it would be impossible to have regulations based on international rules. Moreover, there was no consensus in the working group even on the definition of what was meant by government procurement. Similar reservations were also raised by other developing countries especially against binding rules on transparency.**

### **10. Date of the Fifth Ministerial Conference :**

The Fifth Ministerial Conference of the WTO will be held at Cancun (Mexico) during 10-14 September 2003.

*{Source: Trade Policy Division, Ministry of Commerce & Industry}*



# MONTHLY REPORT ON MULTILATERAL TRADE ISSUES AND DEVELOPMENTS

(November 2002)

## State of Play on TRIPs & Public Health

**A number of consultations/drafting exercises were held throughout the month on the draft decision on TRIPs and Public Health under paragraph 6 of the Doha Declaration on TRIPs & Public Health.** The Chairman's 'elements paper' of 10 November 2002 was used as a basis for these discussions. **Ultimately, Chairman came up with a draft legal text of the proposed decision on 24 November 02. Differences appeared on this text as the United States attempted to roll back on the scope of disease coverage. The Africa Group and other developing countries expressed concerns regarding the attempts to restrict the scope of diseases and products, expand safeguards against diversion, concept of domestic market under Article 31(f) etc. The discussions were still continuing at the end of the month to find an amicable and acceptable solution.**

A Special Session of the TRIPs Council was held to discuss the multilateral register for notification of wines & spirits. The discussions mainly revolved around the question of 'participation' by Members in the system. EC was of the view that all Members should participate while other Members were in favour of voluntary participation in the system.

A formal meeting of the TRIPs Council was held on 25-27 November. The usual items on agenda, such as, extension of GIs, Review of Article 27.3(b), CBD & TRIPs and Traditional Knowledge & Folklore, etc were discussed. Matter of reporting on Implementation related issues to the TNC also came up for discussion. No agreement could be found and therefore TRIPs Council did not agree on the Report to the TNC. The Report on TRIPs & Public Health is being dealt separately.

## Dispute Settlement Body (DSB)

The DSB met in Geneva on 11/11/02. Under the other business we made a statement that we had fully complied with the DSB rulings and recommendations in India – Auto (DS146 & 175) dispute well within the reasonable period of time. The EC and

the US, the complainants acknowledged and congratulated us for this. The DSB took note of the statements. Also our compliance notification was circulated as WTO document to the Members. Under the regular business, the US presented status reports on Copyright Act, 1917 AD Act, Omnibus Act (Cuba rum) and Japan Hot-rolled Steel disputes. EC, Japan, Australia and Cuba expressed disappointment at continued delay in non-compliance of the DSB rulings by the US in these disputes. The Chile on Chile – Price Band System (DS207) and the EC on EC – Sardines (DS231) disputes formally expressed their intention to implement the DSB rulings. The DSB at its meeting on 1/11/02 adopted the panel report on US – Preliminary Determination on Softwood Lumber (DS236). While Canada welcomed the Panel report, US said that it had mixed feelings on it. EC simply noted that it was keenly watching the developments of the dispute (as the DSB established another panel on the same issue on US' final determination).

At a Special Session of the DSB held on 13, 14 & 15 November, 2002, Japan, Mexico and Chinese Taipei presented their proposals and we made a statement on these proposals generally welcoming these proposals and seeking clarifications from Japan and Taipei on certain of their proposals. With respect to Mexico, which were considered to be of far reaching in nature, we reserved our comments for the next meeting. Following the formal meeting informal consultations were held on Chair's informal checklist topics, compliance panel proceedings, determination of RPT, term and number of Appellate Body members, etc. Several Latin American Members expressed concern lack of progress in the negotiations and fast approaching of deadline. At a DSB meeting on 28/11/02, the US formally expressed its intention to implement the DSB rulings in US – Preliminary CVDs on Softwood Lumber (DS236), the panel report of which was adopted by the DSB on 1-11-02. The US hinted that there was nothing for it to implement as the final CVDs were subject of another dispute raised by Canada. Canada expressed concern at the US continued

violation of disciplines of the SCM Agreement.

### **Appellate Body**

Appellate Body (AB) held hearing on US – Continued Dumping and Subsidy Offset Act of 2002 (Byrd Amendment Act) dispute raised by eleven countries, including the EC, Japan, Canada, Korea and India. We made a statement seeking the AB to confirm the panel findings and request the US to repeal its Byrd Amendment. The EC made a statement on behalf of Indonesia, Thailand and itself. Following the statements by the participants, the AB put several questions to the participants seeking views on interpretative issues under the AD and SCM Agreements and understanding of the US law against these covered agreements. The US put up strong defence contending that WTO law did not provide for how a Member spends its revenues and its law was consistent. Alternatively, it stated that the payments made under the Act at best could amount to countervailable subsidy; the Panel did not admit this claim raised only by Mexico. It wondered why Mexico did not counter-appeal on this issue.

### **Negotiating Group on Market Access**

At this meeting held on 4 & 5 November, 2002, India presented its submission to the negotiating group. Other submissions included those made by Canada, EC, Hong Kong China, Japan, Oman and Mexico.

### **Meeting of the Committee on Customs Valuation**

Discussions on 4 & 5 November, 2002 mainly centered on the proposals submitted by Canada and EC on para 8.3 of the Doha Implementation related decisions. A series of questions were also posed by Mexico on our submission on para 8.3.

### **Committee on Trade & Development (CTD)**

Back to back meeting with Sanitary & Phyto-sanitary (SPS) Committee was organised on 6/11/02 to discuss Special & Differential (S&D) proposals relating to SPS Agreement. US, EC, Canada, Australia and some other members gave their comments on the proposals. No consensus was reached on any of the proposals put forward by African Group, LDCs and LMG.

Discussion of the CTD on 11, 18, 20 & 21 November, 2002 focussed on the WTO Technical Assistance (TA) Plan for 2003. After detailed discussions, the TA Plan was adopted by the CTD. India-Sri Lanka notification on FTA under Enabling Clause

was also on the agenda. US suggested to have discussion in the next CTD Session on the transparency requirement with respect to FTAs notified under Enabling Clause. The Annual Report of the CTD was adopted. The report on the Implementation tiret was also adopted. Discussion in the CTD – Special Session on 21 & 25 November, 2002 focussed on cross-cutting issues; para 12.1(iii) of the Doha Decision as well as remaining agreements specific proposals. On Monitoring Mechanism, developing countries argued that the first task of the CTD was to make S&D provisions more effective and precise and, thereafter, discussion should be held on Monitoring Mechanism. Given the reporting requirement to the GC, the Chairman suggested that the plurilateral informal consultations be held to discuss agreements specific proposals as well as to discuss way forward.

### **Panel Meeting**

The Panel on US – Sunset Review on Japan Steel (DS244) met on 6/11/02 with third parties, Brazil, Chile, Canada, EC, India, Korea and Norway. Canada and India simply expressed systemic interest in the dispute and did not make any oral presentation. The other third parties, however, criticised the US' law and practice Anti-dumping sunset reviews.

### **Sanitary & Phyto-sanitary (SPS) Committee**

Discussions were held on the Canadian proposal on transparency with respect to S&D provisions. Discussions were also held on paragraphs 5, 6 & 7 of the decision on equivalence. Recommendations on clarification of paras 5 & 6 were adopted by the Committee. US provided details on its new Bio-Security Act. The Annual Report of the Committee was adopted. The transitional review of China as per paragraph 18 of its protocol of accession was conducted. On November 5, Seminar on Technical Assistance in SPS area was held in Geneva.

### **Sub-Committee on Least Developed Countries (LDCs)**

The Thirtieth session of the Sub-Committee on LDCs was held on 7<sup>th</sup> November, 2002. The formal meeting was held back-to-back with the informal meeting with latter discussing a draft General Council decision on facilitating accession of LDCs. The major discussion in the formal meeting of the Sub-Committee was held on the Secretariat Note (WT/COMTD/LDC/W/28) on market access issues related to products of interest to developing countries. The issue of technical assistance.

## **Budget Committee**

Lengthy discussions were held in the Budget Committee on 11, 12, 20, 27 & 28 November, 2002 on the budget proposals presented by the DG for 2003. While the Chairman came out with a proposal limiting the overall increase to last year's level, the DG tabled a proposal, which envisaged an increase of over 9% in the total budget. The important question of increase in salaries to be granted to staff remained unresolved with the DG requesting for a minimum of 6% while the Chairman proposed 4%. Some major contributors like the US, Japan, and Germany have serious problems with the DG's proposal.

## **Committee on Regional Trading Agreements (CRTA)**

The thirty third session of the Committee on Regional Trade Agreements (CRTA) was held on 12-13 November, 2002. The Committee discussed and examined a number of regional agreements on the agenda of the meeting. In view of the Cancun Ministerial Conference in the year 2003, it was agreed that the reporting obligations for the RTAs for the year 2003 may be shifted to the year 2004.

## **Transfer of Technology (TOT)**

Discussions were held on 14/11/02 on the organisation of work of the next formal meeting of the working group. There was broad consensus on the work programme circulated by the Chairman earlier in June 2002 as the basis for structuring the future work. There was, however, disagreement on the number of meetings in 2003 before Cancun Ministerial Meeting next year. The World Bank gave a presentation on TOT at the meeting of the Working Group on TOT on 28/11/02. The Annual Report of the Working Group and the work plan for the coming year were considered and adopted.

## **Working Party on the Accession of Cambodia**

The third meeting of the Working Party on accession of Cambodia took place on 14<sup>th</sup> November 2002. There was a highly constructive and positive approach of the members towards the accession of Cambodia. It was emphasized that Cancun Ministerial is a sort of deadline for the accession process. The Secretariat circulated the Factual Summary in the meeting.

## **Meeting of the Committee on Rules of Origin**

A formal meeting of the committee on rules of origin took

place on 14 & 15 November, 2002 to discuss the 45 outstanding technical issues. Only one issue was resolved at this meeting and on the rest the position of members remained the same.

## **Meeting of the Committee on Balance of Payments Restrictions**

A formal meeting of the Committee on Balance of payments was held on 18/11/02 to discuss its report to the TNC which was adopted. The other important issue was discussion with regard to China's TRM.

## **Special Session on Agriculture**

The Special Session on Agriculture held on 18 & 20 November, 2002 was attended by Shri K.M. Sahni, Additional Secretary, Ministry of agriculture and Shri R. Gopalan, Joint Secretary, Ministry of Commerce. India's paper on Special & Differential treatment for developing countries was presented.

## **STC**

Notifications received from members, including from India, were examined. The Annual Report of the Working Party was adopted. It was agreed to organise an informal meeting in 2003 to discuss the issue of notification obligations by Members.

## **Working Group on Competition Policy**

The EC presented a paper on 20/11/2002 on which there was preliminary discussion. The annual report was adopted and the work programme for the coming year discussed.

## **Sugar Dispute Consultations**

Two-day consultations were held on EC –Sugar Subsidies raised by Australia and Brazil. 13 ACP countries, Canada, Colombia and India participated as third parties. Except Canada and Colombia all the parties and third parties made statements. Though Australia and Brazil repeatedly assured that their dispute was not against preferential quotas being enjoyed by the ACP and India, but against exports subsidy reduction commitments not being respected by the EC, ACP countries, however, expressed concern about this dispute. The Mauritius Minister on behalf of ACP suggested that on going agricultural negotiations were the right forum to discuss this issue and not in formal dispute mode, which he feared would go in Banana dispute way ruining their economies. EC did not share any information with the parties and its responses to several questions were evasive. In response to our questions, the EC stated that it would continue the preferential quotas being giving to the ACP countries and India.

### **Committee on Trade in Goods**

Under TRIMS Review on 22/11/02 under Article IX, Indian and Brazilian Ambassadors introduced the joint proposal submitted in the context of implementation issue as well as TRIMS review. EU, US, Canada, Korea, Japan and other members gave their comments arguing against the proposal. Pakistan and Philippines supported the thrust of India's proposal. The formal meeting for the council for trade in goods on 22/11/2002 held detailed discussions on the paper on TRIMs presented jointly by Brazil and India. Other issues which were taken up included reports of subsidiary bodies on China's TRM of which the council took note of; adoption of annual report, adoption of the report of CTG to the General Council, recommendation for adoption of the draft waiver decision to the General Council by the CTG as well as a discussion on request for waiver under WTO article IX by Canada and others with regard to the certification scheme of diamonds under the Kimberley process.

### **Negotiating Group on Rules**

At the meeting held on 25 & 27/11/02, the EC presented a paper on subsidies, the focus of which was export credits. On S&D, the paper said that the issue should be taken up once there is clear agreement on rules. India said that the existing position on export credit is to the disadvantage of developing countries and that this needs to be rectified. It added that the discussions on S&D should be an integral part of the negotiations on rules concerning subsidies. The US presented a paper on S&D provisions in SCM Agreement. It suggested that S&D provisions should be temporary and that the rules regarding them tightened. India, Malaysia, Philippines, etc. expressed strong disagreement with the US proposal. In the segment on RTAs, Turkey presented a paper. There was a brief discussion on the Chairman's paper of transparency.

### **Anti-Dumping Committee**

Recommendations on Implementation Issues on the time period to be considered in making a determination of negligible import volumes for purposes of Article 5.8 of the Anti-Dumping Agreement and Improvement of annual Review procedures under Article 18.6 of the Agreement were adopted at the meeting of the Anti-Dumping Committee held on 27/11/02.

### **Trade Policy Review Body (TPRB) – TPR of Venezuela**

A meeting of the Trade Policy Review Body was held on 27 and 29 November 2002 to conduct the second Trade Policy Review of Venezuela. The major issues discussed during the review include Venezuela's structural reforms Programme, extreme over dependence on hydrocarbon sector, protected agricultural sector, frequent use of trade remedial measures, IPR protection regime and the use of SPS/TBT standards. During the Review, EC raised the issue of Venezuela's compliance with core labour standards on which a number of members including India raised strong reservations on the ground that labour issues are beyond the mandate and competence of the WTO and the TPRB.

### **Trade Policy Review Body (TPRB) – TPR of Japan**

A meeting of the Trade Policy Review Body was held on 6 and 8 November 2002 to conduct the sixth Trade Policy Review of Japan. The major issues discussed during the review include Japan's structural reforms Programme, subsidized agricultural regime, stringent SPS/TBT standards, Japanese approach towards RTAs, and Japan's proactive approach towards improvement in trade remedy rules.

### **Working Group on Transparency in Government Procurement (WGTGP)**

The 16<sup>th</sup> meeting of the Working Group on Transparency in Government Procurement was held on 29<sup>th</sup> November 2002. The draft report of the Working Group for the year 2002. as was circulated to members vide Job(02)/158 dated 11<sup>th</sup> November, 2002 was adopted as such by consensus. Two formal meetings of the Working Group were decided to be convened in the year 2003.

### **Meeting of the Committee on Customs Valuation**

The meeting on 29/11/02 could not adopt the report to the GC as well as the draft terms of reference hence was suspended on these agenda items for further informal consultations. It however adopted the report to the TNC on the implementation tires as well recommended the delay period for application of minimum values by Sri Lanka till the 28<sup>th</sup> of February 2003.

[ Source: PMI/Geneva ]



## PARLIAMENT BRIEFS



### ■ WTO NEGOTIATIONS ON AGRICULTURE

In the on-going negotiations under the World Trade Organisations' Agreement on Agriculture various Member countries are seeking support of the other Member countries on proposals made by them from time to time. The government's objective in the negotiations is to safeguard the interests of the Indian farmers by, *inter alia* providing appropriate levels of tariff protections on imports and taking into account our food security and livelihood concerns, and through increased market access for agricultural products of export interest to us. India has been building coalitions with other Member countries holding similar interests and concerns. This was stated by Shri Rajiv Pratap Rudy, Minister of State for Commerce & Industry, in a written reply in the Rajya Sabha on 9 December, 2002.

### ■ NEGOTIATIONS TO PROTECT INDIAN AGRICULTURE IN WTO

The fifth Minister Conference of the WTO, scheduled to be held in Cancun, Mexico, on 10-14 September 2003 will take stock of progress in negotiations, provide any necessary political guidance, and take decisions as necessary. Indian's positions and approach in the on-going negotiations in agriculture under the WTO's Agreement on Agriculture is based on wide-ranging consulting held by the Government from time to time with the Governments of State and Union Territories including State Agriculture Ministers, representatives, of political parties, farmers' associations, eminent agro-economists and research institutions. In these consultations, there is a general convergence of the views of various stake-holders in agriculture on the need to safeguard the interests of our agricultural production and farmers during the negotiations by, *inter alia*, providing appropriate levels of tariff protection on imports and taking into account the food security and livelihood concerns of developing countries like India, and through increased market access for agricultural products of export interests to us. India has been building coalitions with other WTO Members holding similar interests and concerns. The negotiations are scheduled to be concluded by 1 January 2005.

### ■ LOSS OF BED LINEN CASE AGAINST EU

India had resorted to WTO's Dispute Settlement Mechanism and challenged the anti dumping duty imposed by European Communities (EC) on imports of bed linen from India. On 12 March 2001 the Dispute Settlement Body (DSB) adopted the Appellate Body Report and the Panel Report as modified by the Appellate Body, in this dispute. These Reports concluded that the EC's imposition of definitive anti-dumping duties on imports of cotton-type bed linen from India had been inconsistent with the Anti-dumping Agreement. Pursuant to the recommendations of these Reports, the DSB, requested the European Communities to bring its measure into conformity with its obligations under the Anti-dumping Agreement. Subsequently EC undertook a review of the anti-dumping measure and redetermined the level of anti-dumping duty. However, the application of the duty was suspended. India strongly disagreed with the re-determination and at its request a Compliance Panel had been constituted to examine the consistency of measures taken by EC in compliance with the decision of the DSB in the original bed linen dispute with EC. The Compliance Panel has concluded that EC has implemented the recommendations of the DSB in the original bed linen dispute. The Compliance Panel Report would be adopted by the DSB unless a party to the dispute decides to appeal the report or the DSB decides by consensus not to adopt the Report. The Government is considering the future course of action in this dispute in accordance with the rules of the WTO.

In respect of the disputes in which the DSB has adopted the panel and Appellate Body reports, India has won 5 cases and also lost 5 cases. In one case India requested termination of the panel proceedings in light of the removal by the United States of the disputed safeguard measure. Government has been pursuing WTO cases in coordination with concerned administrative Ministries, Department of Legal Affairs and the legal experts engaged for the disputes. For each dispute a lawyer is appointed with the prior approval of Department of Legal Affairs. Where necessary an experienced foreign lawyer is also appointed with the approval of the Department of Legal Affairs.

(Source: Replies given in Parliament during December, 2002)



## WTO BRIEFS



### ■ General Council approves accession of Armenia

The WTO's General Council on 10 December approved the accession package of Armenia to the World Trade Organization. In his address to the Council, Armenian Prime Minister Andranik Margaryan said that acceding to the WTO was a historic occasion. After the Council's decision, Karen Chshmaritian, Minister of Trade and Economic Development, in a ceremony attended by WTO Director-General Supachai Panitchpakdi, signed the Protocol of Accession to formally complete the negotiating process. Dr. Supachai welcomed the conclusion of Armenia's negotiations which started in 1993 and said he was looking forward to Armenia becoming a full and active Member of the Organisation. The Protocol of Accession is now subject to the ratification of Armenia's Parliament. Thirty days after the Secretariat receives official notification of this ratification, the country will become a Member of the WTO. Among former Soviet Union Republics, Estonia, Latvia, Lithuania, Georgia, Moldova, and the Kyrgyz Republic are also members of the WTO. Azerbaijan, Belarus, Kazakhstan, the Russian Federation, Tajikistan, Ukraine and Uzbekistan are all in the process of negotiating their terms of accession. There are now 25 countries in negotiations for accession to the WTO : Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia Herzegovina, Cambodia, Cape Verde, Kazakhstan, Lao People's Democratic Republic, Lebanese Republic, Nepal, Russian Federation, Samoa, Saudi Arabia, Seychelles, Sudan, Tajikistan, Tonga,

Ukraine, Uzbekistan, Viet Nam, Yemen and the Federal Republic of Yugoslavia.

### ■ WTO agrees new procedures for DG selection, new budget and new measures to assist poor countries with accession

The 144 member governments of the World Trade Organisation agreed this week on a range of measures which among other things will streamline the WTO accession process for the world's poorest countries, clear the way for Armenia's accession, increase the organisation's budget and provide greater clarity in the selection of future directors-general and chairpersons for WTO councils and committees. General Council Chairman Sergio Marchi of Canada and WTO Director-General Supachai Panitchpakdi praised WTO governments for reaching these accords. At the same time, they both urged governments to continue working toward compromise in negotiations involving two issues of great importance to WTO member governments, enhancing access to life saving drugs for developing countries lacking the capacity to produce pharmaceuticals and agreeing provisions to assist those developing countries experiencing difficulty in implementing existing WTO agreements. "The issues of access to essential medicines for poor nations and the extension of special and differential treatment for developing countries remain unresolved. These two outstanding issues are of huge importance. However, I believe the political will exists on all sides to find a balanced agreement. With a bit more hard work and a

little more flexibility I believe governments can get the job done," Mr. Marchi said.

Dr. Supachai also said: "The package on LDC accession and the agreements on budget and selection procedures are important for our organisation, but we still have work to do in the coming days. Agreements on access to medicines and special and differential treatment are of great importance. These issues are high priorities for developing countries and success in these negotiations will provide substantial momentum for our work next year as we confront important deadlines in agriculture, services, non-agricultural market access and reform of the Dispute Settlement Understanding". "Meeting all of these deadlines is essential if we are to conclude the Doha Development Agenda on time. New deadlines face us at each stage of the Doha process and we cannot afford to postpone decisions on key issues. Failure to meet deadlines this year and next carries the risk of overloading our agenda at the Ministerial Conference in Cancún next year," he added.

Launched by Ministers in Doha, Qatar in November 2001, the Doha Development Agenda includes a wide range of trade negotiations including those in agriculture, services, market access for industrial products, trade and environment, intellectual property and WTO rules. Ministers agreed on a 1 January 2005 deadline for those talks. The Doha agenda also includes other tasks including the implementation of current agreements and other work programmes. Member governments are committed to agree a framework for the final agricultural agreement by 31 March 2003 and guidelines for non-agricultural market access by 31 May 2003. Governments also face a

deadline of 31 March for submitting offers in the services negotiations. Negotiations on reforming the DSU are scheduled for completion by 31 May 2003. It is part of the Doha agenda, but is separate from the package of negotiations, known as the "single undertaking" that has the 1 January 2005 deadline. WTO ministers will meet in Cancún, Mexico 10–14 September 2003 to assess progress in the talks and make decisions which would further shape these negotiations.

#### ■ **Trade Policy Review: Hong Kong, China—Open trade regime has helped withstand recent external shocks**

A WTO report, along with the policy statement of the Government of Hong Kong, will serve as a basis for the fourth Trade Policy Review (TPR) of Hong Kong, China by the Trade Policy Review Body of the WTO on 16 and 18 December 2002. A report on the trade policies and practices of Hong Kong, China, released December 18 by the WTO Secretariat, says that the territory maintains an open trade and foreign investment regime which has been crucial for withstanding external shocks such as the Asian financial crisis in 1997-98 and the global economic slowdown in 2001. The report also notes that Hong Kong, China has had to face considerable structural adjustment associated with its growing integration into the rest of China, and that the approach of allowing market forces to allocate resources remains, by and large, in place. However, partly as a result of the economic downturn, the Government would seem to have become more proactive in promoting value-added activities..

**[Source: WTO/Geneva]**



## **SCHEDULE OF MEETINGS AT THE WTO/GENEVA\* JANUARY 2003**

### **JANUARY**

13	Special Session of the Council for Trade in Service	24	Working Party on the Accession of Belarus
15	Trade Policy Review Body-Maldives	27	Dispute Settlement Body
17	Dispute Settlement Body	27 & 28	Textiles Monitoring Body
17	Integrated Framework Steering Committee	28	Committee of Participants on the Expansion of Trade in Information Technology Products
17	Trade Policy Review Body - Maldives	28 & 29	Special Session of the Dispute Settlement Body
23	Council for Trade in Goods	29	Textiles Monitoring Body
24	Special Session of the Committed on Agriculture	30	Special Session of the Dispute Settlement Body
24	Sub-Committee on Least-Developed Countries	30	Working Party on the Russian Federation

Source : WTO/Geneva as on December 2002

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