

India & The WTO

A Monthly Newsletter of the Ministry of Commerce and Industry

Vol.5 No.10 - 11

October - November 2003

Jaitley condoles the passing away of Murasoli Maran

Mr. Arun Jaitley, Union Minister of Commerce & Industry, Officers and Staff of the Ministry of Commerce and Industry have learnt with profound grief about the untimely demise of Thiru Murasoli Maran, former Union Minister of Commerce and Industry on November 23, 2003.

A condolence resolution passed at a meeting chaired by Mr. Jaitley said : He was known for his humility and excellent relations with officers and staff. He was a perfect administrator and a reputed parliamentarian. The Ministry has lost a Minister who steered the process of reform in the country and provided outstanding leadership to the developing countries in the W.T.O. We convey our heart-felt condolences to the members of the family and pray to Almighty for peace to the departed soul and to give courage and fortitude to the bereaved family to bear the irreparable loss.

WTO IS ALL ABOUT GIVE AND TAKE: JAITLEY

(Text of keynote address at FICCI-UNCTAD Seminar on "Reflections on post-Cancun Agenda : The way ahead" - 22 October, 2003, New Delhi)

“I am extremely grateful to FICCI and UNCTAD for having organised this meeting to discuss the post-Cancun scenario as far as the multilateral trading system is concerned.

I do remember that on the 14th of September, the Hon. Minister from Mexico who was presiding over the Conference adjourned the Conference for want of a possibility of a consensus. After discussing with some of my colleagues, we realised that there would be obviously three phases, post-Cancun.

The first would be the knee-jerk reaction which will include the blame-game and we decided consciously not to participate in the blame-game. The second would be a lull and I think, we are now going through that period and the third obviously would be the engagement process because there is no substitute to it.

Let me reaffirm India's position that we do believe that a rule-based multilateral trading system has to be a fair system and India is completely committed to strengthening it. We also see our own role as being proactive; we see India slowly but surely emerging as a global player and therefore, a lot of changes which are taking place, we see in the long run, working to our advantage. And it is precisely for this reason that till the very end, India along with several other countries which were thinking on similar lines with us, were actively involved in the engagement process even at Cancun and we wanted to avoid a stalemate at all costs.

Let me start off by just reacting to one or two statements and reactions which have come. Dr. Mitra had just referred to it. Firstly, whether the 13th September draft could be the starting point of a future dialogue. Even though I said that India consciously never decided to participate in the blame-game and we did not do so, we have not pointed fingers at countries or at blocs, but yet we have said and I wish to reaffirm that 13th September draft was the primary cause of the stalemate at Cancun.

IN THIS ISSUE

	P.No.
- Jaitley condoles the passing away of Murasoli Maran	1
- WTO is all about give and take: Jaitley	1
- Future of Multilateralism and India's Role	7
- Cancun Ministerial and beyond: An update	8
- Hong Kong, China to host next Ministerial Conference	11
- WTO reports significant decline in new anti-dumping investigations	12
- US seeks India's support in moving the Post-Cancun process forward	13
- WTO briefs	14
- NGO participation in Cancun Ministerial Conference was largest ever	15
- WTO International Trade Statistics 2003	16
- Include gender issues in WTO agenda, say women activists	17
- Conclusions and recommendations of the symposium on Trade, Globalisation and Gender	18
- Schedule of meetings at the WTO/Geneva	20

The 13th September draft completely failed to gauge and accommodate the mood of the participating countries.

In fact, on several issues it ran contrary to that mood. If we analyse what the issues were at Cancun, there were three principal issues being discussed even as there were several other issues, on which the controversies were much less and the disagreements were much less, and perhaps we could have left Cancun with an agreement on some of those issues. But the three issues which were occupying the mind space were agriculture and if I put a second subhead to agriculture - cotton, and the Singapore issues.

On agriculture, the pre-Cancun and the first four days of debate at Cancun was primarily on correction of trade distortions. The trade distortions were not merely export subsidies, as referred to by Dr. Jha, but also domestic support or subsidies. In fact, at one stage, the EU wanted to even take a stand and they did take a stand, that in the Doha Agenda, there was no commitment to eliminate the export subsidy, which was strongly contradicted by G-21, including India, and that was on a particular phraseology in that paragraph, as far as elimination of export subsidies is concerned. But then export subsidies, which obviously are the most distorting kind of subsidies, are not the only trade distortions. Domestic support subsidies of various categories also distort trade and they hugely distort trade.

The 13th September draft only had marginal references about reduction of these subsidies. And when it came to developing countries reducing tariff, the 13th September draft, effectively involved higher reduction of tariffs by the developing countries as against the developed countries. Now, the effect of subsidies is that they tend to encourage larger production and they encourage cheaper production. The huge quantum and cheaper quantum spill over into the world market and even if they do not enter developing countries, the obvious impact is that they depress prices in developing countries. So, agricultural products' prices get depressed in our economies, even if the products do not enter India, on account of the distortion that is created. In case the tariffs are further lowered, then the second level of protection is also gone. So, not only the prices of our products are going to be depressed, the distorted

priced-products are going to enter your market.

We made various calculations on the formulation on the 13th September draft. I can tell you from India's point of view that it was scary due to the kind of reductions we would have had to face, in the face of no substantial reduction in subsidies.

The second, in relation to the Singapore issues, the 13th September draft was even more curious. The Agenda of Doha was very clear on this and this was Mr. Maran's personal contribution to the Doha Draft - that, negotiations on modalities for the Singapore issues would commence only after explicit consensus is reached at the next Ministerial Conference. Now, every decision of the WTO is by consensus. The Doha Draft could have avoided mentioning it but as against consensus or implied consensus or obvious consensus, Doha chose to refer to it as explicit consensus. Explicit consensus means that the 146 members - now 148 members - have to explicitly say yes, and only then, modalities could begin.

I recollect the 12th evening, when I met the Facilitator, the Canadian Minister. Since India was known for its opposition to the Singapore issues, it was a brief conversation and he said that I am in a problem, will you bail me out? I said, you do not have a problem; your job is the easiest, because Doha mandates an explicit consensus and obviously there is no explicit consensus. All you have to say is I am here, sitting right in front of you and saying no. So, even one 'no' is enough to defeat an explicit consensus. But the curious fact about the Singapore issues is a lesson of Cancun which we all have to learn if we want the dialogue to continue fruitfully. Singapore issues make a very interesting case study not because of the content of the issues, but with regard to the transparency, the participatory character of the dialogue and even the other pressures which came into the dialogue. Can all these together lead to a meaningful, multilateral discussion? When Mr. Maran started opposing some of the Singapore issues, he almost found himself isolated, and towards the end, he was alone; and people called it a splendid isolation. But I would say that it was a great tribute to a man who was unwell, who sat through the night and said that I am not agreeing and got these words 'explicit consensus' included in it.

Now compare what happened in Doha and Cancun - the Malaysian Minister and I addressed a letter,

on behalf of 29 countries, and suddenly, we found that 29 becoming 69. When on Singapore issues we rejected – India was the first to speak against the Singapore issues - the 13th September draft, if we had taken the head count of the countries opposing, it should well have been in three figures. How did this 'one' of Doha, becomes such a large number as far as Cancun is concerned? What happens to the participatory character? One of the obvious effects was that if you offer trade preferences, if you offer other agreements, you may temporarily win over, but that is not how a long-term dialogue can go on. You had by that time 69 countries, which had officially given in writing saying that we do not agree.

If such a large part of the WTO membership does not agree, how is the 13th September draft produced, which says that modalities will now very shortly commence on investment, and immediately commence on trade facilitation and transparency in Government procurement. The only issue amongst the Singapore issues left out was competition policy because one of the important WTO members had serious reservations on competition policy. Now, one does not have to go very deep to see the method or how this draft came about. So as against an explicit consensus requirement, the draft wanted to push at least three of the four issues, in the face of a very large opposition by a number of countries.

On cotton again, four African countries are predominantly a one-crop nation whose economies have been very badly, adversely affected on account of huge cotton subsidies to 25,000 farmers in one country – they receive a subsidy of \$3.7 billion annually. The amount of \$3.7 billion annually is the subsidy which is shared amongst 25,000 farmers. The effect of that is to distort cotton prices which effects the economies of Mali, Burkina Faso, Benin and Chad.

So, para 27 of the 13th September draft again spoke in terms of a study to be undertaken and almost the feel of para 27 was that some of the countries should be aided and advised, and then persuaded for crop diversification, because subsidies in any case cannot be reduced. If this is the kind of the 13th September draft, let me only repeat my first reaction, immediately when the draft came to the larger meeting there, that on agriculture it expected larger gains from developing countries, rather than developed countries. Their subsidies

are broadly maintained or very marginally touched; our tariffs are hugely cut as against them. I said that it is a draft which is completely loaded in favour of the developed countries. On Singapore issues, in the face of a requirement of an explicit consensus, three out of the four issues are pushed. The only one left back is the one on which the US had reservations. On Cotton, again the entire logic seems to have been turned. Therefore, if this draft were to be negotiated and finally approved, this would actually amount to completely burying the development part of the Doha Agenda. Then perhaps one has to accept that the only development in this draft would refer to the further development of the developed world.

It is obviously clear to me that this draft cannot be a starting point of any further negotiation. Secondly, it is also seen that the consensus element has become negligible. But all that I have to say is that we all want the discussion process to go on, the engagement to go on, the multilateral system to go on, and therefore, it is necessary that views and aspirations which are reasonable, as far as the large part of the least developed countries and developing countries are concerned, they are accommodated in the draft. Now, to accommodate them, if fairness is practised, consensus would certainly work. But if there were a complete absence of fairness, then consensus would normally run into difficulties.

I also see some positive things that have taken place in Cancun. Let me first of all say **that I do not subscribe to those who believe that the stalemate at Cancun itself means that Cancun is a failure. Cancun was not a process where a new round was beginning. Cancun was not a process where the round was to conclude. Cancun was stocktaking; it was a mid-way point during the Doha development round. So, you have to have a stocktaking of which way the entire negotiations are going . Cancun had, therefore, to set a direction.**

Cancun was a failure if the only yardstick is that it failed to produce a document, **but then Cancun also gave a direction, Cancun also had a situation where developing countries, poorer countries asserted their views, Cancun was also a process where genuine concerns of a very large section of the poorer world were highlighted. So, the future success of this**

multilateral process will certainly have to take all these things into consideration.

I think two important points are additionally being missed out – one is Cancun and another, pre-Cancun – which are again positive. The pre-Cancun resolution of some of the outstanding issue on TRIPs, that has been resolved in favour of public health considerations. It is again a very positive development which cannot be lost sight of in the stalemate at Cancun. Here you had an issue which arose out of the original TRIPs agreement and the Doha Declaration. The original TRIPs agreement categorically said that weighing the interests between intellectual property protection and public health considerations, countries which have an adequate manufacturing capability in medicine can produce predominantly for their own use those medicines which are required for various public health considerations. There was obviously no dispute on this. But the dispute was on countries without an adequate manufacturing capacity and mainly it meant poorer countries, African countries, which do require cheaper medicines and can also issue compulsory licences required for their own use.

For two years, post-Doha, we had struggled for a solution. There were various formulations which were suggested, and finally the one which found favour was this. And India played a proactive role in this. In fact, our Ambassador said in a particular meeting which found a solution to this that a country which is issuing a compulsory licence will have to intimate the TRIPs Council and there will be a separate packaging so that the products meant for the poorer countries do not get diverted to developed country markets. Thus, the TRIPs issue got resolved.

I also found that as far as Non-Agriculture Market Access is concerned, even though the draft declaration was more general in tone, there was a broad consensus in favour of that declaration.

Both on the issue of TRIPs and NAMA for industrial goods, I think, there is an important lesson for us in India to be learnt. As we have grown as a multilateral player, how does Indian society as such respond to such negotiations and development? I think, our business community is substantially maturing. Our negotiators both in Geneva and Delhi are maturing. We have had our own learning experience. One great evidence of maturity was that when I negotiated with a large number of political parties before going to Cancun, I found a

larger national consensus developing. Even on issues where some flexibilities were required for negotiators, I found a level of maturity amongst most of our political parties building up.

But I think, there are two areas which require a correction, and this requires a serious introspection for us in India. One is that you will always have isolated reactions. But isolated reactions do not reflect a national mood. When we negotiated a final settlement on TRIPs, and we had a general welcome by the Indian industry and the Indian drug industry, I could see an isolated reaction – why are we agreeing to the separate packaging and separate shape? The tendency even in our media was to play up such isolated reactions. Even though the substance may be very fragile in them, they always end up putting pressure on our negotiator. I told some of my friends that if you expect our negotiators at Cancun or Geneva to start having this type of a logic rather than build up the kind of consensus we were trying to build, we will precisely require one minute to get isolated. That is not a very happy situation for us at a multilateral forum.

Similarly on the non-agricultural market access, I seriously urge the Indian industry to reflect on the fact that even though the draft proposal made non-mandatory as far as zero-for-zero was concerned, but some of the areas of industry which were picked up for zero-for-zero duty regime were those which are very favourable to India. So, in any negotiation, a society has to be a mature society, always ready for a give and take.

So, if you gain in six areas and you do not gain in one area, then you must find your core competence in those six areas and not in the seventh area. That is how the economies world over are growing. But to halt the entire process because 6 areas suit us and the 7th does not, would never be a mature form of negotiations. These are very interesting opportunities for us for introspection where we have to decide what is the kind of discourse on multilateral trade issues in India which we have to carry on. What is the direction of the discourse which we want to take? It is obvious in a globalised world that there would be some areas which would not suit us and where you will have to import cheaper products. But there will be areas where you will be dominating the world

market; so, you have to weigh your own possibilities. You have to have a mature set of negotiations in these areas. I think, as far as business communities are concerned and our friends in public life politics and the media are concerned, this level of maturity has to come in our negotiations. Every free trade agreement that we enter into will have areas of our strength, and will have areas where our trading partners are going to be strong. So, do we halt the process or do we have the maturity to carry forward the process? There will be no agreements possible, multilaterally or bilaterally which is a one-way agreement where only you gain and others do not. One has to realise that this is a process by which as trade increases, areas have to be found which give a larger picture where there is a win-win situation for all.

I still feel that the core of future negotiations, post-Cancun lies in finding a solution to agriculture. On agriculture, the realisation must come that the world is not uniform. The world is not equal. You have 650 million people in India dependent on agriculture for livelihood. For our farmers, it is a livelihood concern; it is a food security concern; most of our farmers are subsistence farmers. You have approximately 2 million farmers in the US and about 5 million of them in the EU. So, by sheer numbers, our concerns are different; the plight of our agricultural farmer is different.

It is only then that it is possible for developing countries also to realise the virtues of liberalisation in agriculture. It is often said that we need domestic reforms. But with almost one billion a day of subsidies, and our domestic prices being depressed, people in the media and governance have occasionally toyed with the idea of taking out the public procurement system. It is not only the political compulsion, but also the impact of the distortion which would take place that need to be considered when you get into the process of domestic agricultural reform. So, to enable us to further domestic agricultural reform, it is equally important that distortions globally also start getting corrected. Without this, to have the entire process

of correction domestically is a lot more difficult. It is politically more difficult.

It is in this background that our concerns were represented and discussed with important trading partners like the US and the EU. Then, we had the August draft by the US and the EU, post Montreal. And that was a draft which did not satisfy our aspirations at all; and therefore, we were agreeable at one stage for a cut based on the Uruguay round formula as far as tariffs were concerned, provided there were substantial cuts in subsidies.

I have seen statements saying that there are countries within G-21 which have a more offensive interests and there are countries which have a more defensive interest on agriculture. Well, till a few weeks before Cancun, the EU and the US had completely divorced interests as far as agriculture is concerned. They converged to prepare a common draft paper. That led to the developing countries converging together for a common draft paper which accommodated both the kinds of interests. I think, it is a realisation which has to come to the developed world, that the reforms would have to really start by first correcting the distortions which have affected the market. Then it will be easy for developing countries to carry out both their domestic reforms and also more trade liberalisation.

Just a few words on the Singapore issues. A very large number of countries had serious apprehensions and so, they wanted clarifications. These clarifications are extremely important. On investment, for instance, which is the principal among the Singapore issues, there were serious doubts, as to what all it would encompass. Would it be a pre-establishment investment, will it be a post-establishment investment? What is the scope of the dispute settlement mechanism? There are several issues which had to be clarified. We felt that there had not been an adequate discussion on this. But after the EU, on day-5, was ready to pull back as far as investment and competition are concerned and there was some kind of a liberal attitude being shown with regard to transparency in Government procurement, we felt that perhaps that was the opportune time to re-start the green room discussions on agriculture.

We could perhaps leave Singapore issues at that, and discuss agriculture and see if we can move further on that. But one of the questions which would always remain unanswered as far as my own mind is concerned was that once investment had gone off the table – it was no longer on the table, competition was no longer on the table, on transparency in Government procurement, we did not know what was happening, perhaps that had to be discussed a little more. At that stage, for the Conference to get stalemated on the Singapore issues, has left an unanswered question in my own mind and I had no answer to it. Perhaps, the Chairman of the Conference, who is a very experienced negotiator himself, had various inputs and he found that the going would be difficult in spite of what had happened, and therefore, he chose to adjourn the Conference because further progress could not take place.

But I think, it is possible for us to re-start discussing the Singapore issues from where we had left them on the 14th. It is possible for us to discuss the agricultural issues, keeping various concerns in mind. As I mentioned, we had not participated in the blame-game of pointing out fingers at various countries. It was very easy for us to do so. Somebody mentioned that the participating countries comprise those who would not do and who cannot do. I think, the simpler assessment was that the participating countries on agriculture comprised those who subsidise and those who cannot subsidise. That is the more obvious distinction amongst the participating countries; but this would not lead us anywhere. Therefore, one of the realisations which had to come is that a draft like the 13th September draft was primarily responsible for consensus eluding us. One of the important factors in the Cancun Agenda was trade-distorting subsidies, that Agenda cannot be wished away either by negotiations or by pressure, that Agenda has to be answered, that Agenda holds the key to further progress as far as negotiations on agriculture are concerned.

The developing countries did assert. Now, one obvious question that is always asked is this - and during the 5-days of Cancun, **I was asked this question every morning, 'Will G-21 or G-22 hold together today?' And my answer always was, 'Why do you not ask me questions about the non-merit in the contention of what G-21 is saying?' So, our questions were not with**

regard to the substance of what G-21 is saying. The question was with regard to the survival of G-21 itself. I think it would be better to call it G-X from now onwards! This is because the numbers - game, whether it is in three figure or two figure or one figure - is not very relevant. There are key players as far as G-21 is concerned. We have been in touch with each other. I think G-21 represents an important idea. And that idea really caught on.

I must say here to the fairness of the western media that in editorials and articles in large parts of the media both in England and the US the contentions raised by the G-21 favour. That is what even those economies will really have to address. **G-21 did hold together as far as Cancun is concerned. I think it is an important gain as far as Cancun is concerned that investment and competition went off the table. Even if somebody does try to bring them back on the table, I feel the legitimacy of those issues, for a multilateral agreement has been very seriously dented.**

How do we move forward now ? The lull needs to be broken soon. Time need not be wasted on the blame-game. We have to really pick up the thread from where we had left. Our representatives in Geneva would be meeting; some of the meetings have already started. Bilateral discussions between important players will have to start. After that, we have to broadly realise as to where the real problem lies. Unless we are able to address the problem, it will be difficult for us to find an adequate solution for it. The discussion process would have to be participatory. I repeatedly say that it will have to be participatory and transparent because we do not want a situation where a majority of the WTO membership say no to Singapore issues and you have a draft produced which says that all right, we are starting negotiations on the Singapore issues. WTO will be difficult if it is only to be driven by the richer countries. **I think Cancun is important in that the equilibrium also has somewhat changed. Therefore, participation of others in this entire process would have to go on.**

Once we are able to pick up the thread from where we had left off, I think it would be extremely important for us to make a few strides, at least on some of the issues, even if we cannot resolve all the issues which are outstanding at the moment.

With regard to India's position, let me just end by repeating what I had said during the course of my brief talk. We have been maturing as a society when we have been taking on these negotiations. **Now we have to realise that multilateral negotiations are all about first watching your own interest. As I had said earlier, WTO is a market; it is not a place of charity. In a market you have to pay for what you get. Since you have to pay for what you get, you have to go and try to get the best that suits your own interest. In the whole process, your negotiating ability will have to depend on where your interest largely lies. WTO cannot be a 'take-take' situation; it has to be a 'give and take' situation. That is where your negotiating abilities are at stake. But if we have a domestic opinion that even if you take nine and give**

one, it would not be acceptable, then our negotiators will always be under pressure. Therefore, as a mature society, we will have to realise that in this process the give and take situation will have to go on. But there are areas which are very difficult for us to have flexibilities on. I must straightaway say that one such area is agriculture, because it has social ramifications in India. In the current distorted environment which exists, our flexibilities will be very limited. But there are areas where we will have to always negotiate with some element of flexibility so that we can engage as an emerging economy and an emerging global player. There are large areas where our interests also lie in strengthening the entire multilateral trading process.

Thank you very much for your patience. ”

FUTURE OF MULTILATERALISM AND INDIA'S ROLE

"India is committed to multilateralism. India has been playing a very important role as far as multilateral dialogue is concerned and we are extremely anxious that the stalemate at Cancun gets resolved as expeditiously as possible. India has played a very vital role in resolving the issue of stalemate over TRIPS. We achieved it a week before the Cancun dialogue. As far as the market access of non-agricultural commodities are concerned, we thought that it was one area where even at Cancun we could have made progress but unfortunately other agenda occupied the space and, therefore, much progress could not be made. In the services sector, India is extremely anxious to make sure that the dialogue proceeds at a faster pace. Agriculture certainly holds the key and here there are still areas that require to be sorted out. We, in India, believe that agriculture is a matter of political and social sensitivity, given that a large section of our population depends on agriculture for livelihood. Most of these farmers for whom it is a question of food security are involved in subsistence farming and, therefore, the distortions in agriculture make it extremely difficult for our agriculturists to compete with highly subsidised farming. When our agriculturists have to compete with the highly subsidised competitors abroad, it is not the farmers of those countries that they are competing with, it is really the finance ministers of those countries that they are competing with. That really becomes unfair competition. And, therefore, while market access in agriculture will gradually grow, we need to see greater contribution to this area being made by developed economies, particularly in the matter of removing the market distortions in agriculture. We were making considerable headway even in Cancun as far as Singapore issues are concerned and I think it is extremely important that we start a dialogue from where we left behind in Cancun.... India remains fully committed to strengthening the multilateral process and to see it is carried to its logical conclusion".

[Excerpts from keynote address of Arun Jaitley during a video conference with participants at the 4th India-EU Business Summit on 28 November, 2003]

CANCUN MINISTERIAL AND BEYOND : AN UPDATE

Cancun Ministerial Conference of WTO

1. The Fifth Ministerial Conference of WTO held at Cancun, Mexico, during 10-14 September concluded on 14th September 2003 without taking decision on various important issues including modalities on agriculture negotiations and launching negotiations on Singapore Issues. The Ministerial Statement that was circulated on the final day recognised that more work needed to be done in some key areas to enable WTO member countries to proceed towards the conclusion of negotiations under the Doha mandate. The Ministerial statement also instructed the officials to continue working on outstanding issues with a renewed sense of urgency and purpose and taking fully into account all the views expressed during the Ministerial Conference. The Chairman of the General Council of the WTO, working in close coordination with the Director General, was asked to coordinate this work, and to convene a meeting of the General Council at senior official level no later than 15th December 2003 to enable successful and timely conclusion of the negotiations.
2. We would certainly have preferred a Ministerial Declaration addressing our concerns, but this did not happen. It is, however, important to note that at India's initiative, two separate coalitions of developing countries - on Agriculture and on Singapore Issues were formed during the run up to the Cancun Conference. These coalitions were active during the entire Ministerial Conference and remained effective and relevant to the negotiations till the end of the Conference.
3. The Conference could not end with a Ministerial Declaration because the draft text that the Ministers had been asked to approve did not reflect the concerns of a large number of developing and least developed countries. This was the case as regards major issues before the Conference like Agriculture (the modalities for negotiations), Singapore Issues (start of negotiations based on explicit consensus on Investment, Competition Policy, Transparency in Government Procurement and Trade Facilitation) and Development Issues (Implementation Issues, Special and Differential Treatment provisions, Cotton subsidies etc).
4. In particular, on the Singapore Issues in the absence of clarity on many elements related to these issues a majority of the WTO membership had rejected launch of negotiations. However, ignoring such concerns the Draft Ministerial Declaration of 13th September 2003 (the Derbez draft) proposed launch of negotiations in Trade Facilitation and Transparency in Government Procurement. The section on Investment assumed that negotiations would commence on the basis of a General Council decision to be taken later. The text on Competition Policy on the other hand, referred to possible negotiations, an obvious attempt to accommodate the interests of some developed countries, the US in particular. There was no reference to further explicit consensus either in the paragraphs on Investment or Competition Policy. There was no headway even after the European Union, the main demandeur since 1996 on the Singapore Issues, offered to permanently take out its proposal for negotiations on multilateral treaties in WTO on Investment and Competition Policies. A number of Members refused to agree on negotiations on an agreement on trade facilitation on the ground that uniform customs procedures would impose heavy costs and require administrative skills that were beyond their ability. South Korea, on the other hand, opposed the removal of Investment and Competition Policies from the WTO Work Programme.

5. On the issue of phasing out of cotton subsidies, an issue of particular concern to certain African countries, the Draft Ministerial Declaration sought to deflect attention from the specific course of action suggested by Benin, Burkina Faso, Chad and Mali by seeking to address the impact of distortions that exist in the trade of cotton, man-made fibres, textiles and clothing to ensure comprehensive consideration of the entirety of the sector.
 6. The Conference Chairman then decided to end the negotiations among a small group of 30 countries since, as he later said, it was his assessment that "a consensus agreement would not be possible on the ministerial declaration." The Chairman took the decision even before intensive discussions could begin on the more important issue of agriculture.
- Post Cancun Scenario**
7. After the failure at Cancun major WTO Members have been keeping studied silence in the WTO forum on the way forward. Though the Chairman of the General Council of WTO has initiated informal consultations, capital based officials have not started participating in the discussions in Geneva. The negotiating groups set up after the Doha Conference for negotiations on issues like Agriculture, Non Agricultural Market Access (NAMA). Services etc remain suspended.
 8. The view of the European Communities (EC) appears to be that the initiative to revive the negotiations should come from developing countries like Brazil and India, who as leaders of the G - 20 + Group on Agriculture, according to EC, were responsible for the outcome at Cancun. EC also feel that the system of decision-making in WTO will have to change if we have to ensure that Cancun is not repeated in the future. EC want G-20+ countries to share the burden of concessions demanded by G-90 (LDCs/ACP/Africa Group).
 9. The US, on the other hand, does not appear eager for an early resumption of negotiations, presumably due to the forthcoming presidential elections. The interest of the US in Singapore Issues is limited to Transparency in Government Procurement and Trade Facilitation; and on these they have strong interest. As for Agriculture, the US would like to retain the entire amount they are now giving as support to the farm sector.
10. The APEC meeting held at Bangkok in the beginning of November reiterated the US view that further work in the agriculture sector may be carried out on the basis of the Derbez text (the draft Ministerial text of 13th September 2003). EC, on the other hand, has serious reservations on the provisions related to Agriculture in the Derbez draft.
 11. The G-20 is still intact. The last meeting of the Group was held on 30 October 2003, where Brazil and Argentina expressed themselves strongly in favour of no further flexibility by the Group.
 12. As regards Singapore Issues, there is lack of clarity on the status of those issues, post Cancun. Though EC stated in the Green room at Cancun that they would be agreeable to Investment and Competition Policy being permanently taken out of the WTO agenda, they now take the position that since no decisions were taken at Cancun, the position pre-Cancun would hold. The European Commission has prepared a paper for consideration of their 133 Committees, where the Commission has clearly recommended that Singapore Issues may be withdrawn from the single undertaking so that EC is no longer regarded as a demandeur of these issues and would have to make no payment for them. The ACP group is presently of the view that negotiation may concentrate on trade facilitation alone. The CAIRNS Group has been treating Singapore Issues as a bargaining chip in exchange for concessions in Agriculture, especially by EC.
 13. Cotton subsidy is an emotive issue for African countries and a solution specifically on cotton

is needed by them. On the other hand, the US have great difficulty in making concessions on cotton. They would prefer the cotton subsidy issue to be subsumed in the overall agriculture negotiations. As far as we are concerned, any attempt to link the cotton issue with other forms of textiles, particularly manmade fibres, carries with it the threat of undermining the Agreement on Textiles and Clothing. Mauritius has been mediating between the US and African countries on this issue, informally.

14. The post-Cancun scenario is still fluid and at this point of time it does not appear that the differing points of views of WTO Members can be reconciled by 15 December 2003, the date fixed by the Cancun Conference for the officials to meet at Geneva to continue the process. The solidarity that emerged between the US and EU before Cancun appears weak though it would still continue.

15. We have been taking the stand that:

- All WTO Members should show genuine commitment to re-start of the multilateral process short circuited at Cancun.
- The process of negotiations must be so conducted as to take into account concerns of developing countries. This should include their ability to participate in the world trading system without pain. Therefore, there should be differentiated commitments by developing countries, commensurate with their abilities;
- The 13th September 2003 draft at Cancun

was the major reason for the failure at Cancun, as it did not take into account the concerns of developing countries on major issues like Agriculture, Singapore Issues and development related issues. This draft (the Derbez draft) cannot, therefore, be the starting point for re-start of negotiations unless the results of other deliberations at the Ministerial Conference, including the Green Room process are also taken into account;

- The 15th December official level meeting at Geneva should not be an exercise in brinkmanship. There should not be any effort to force issues for quick decision (especially Singapore Issues), when Members are not ready, and have not fully understood the implications of the issues in negotiations; and
- Art. 9 of the Marrakesh Agreement establishing the World Trade Organisation (WTO) gives clear guidelines regarding decision-making process in WTO. This process should be exhausted before exploring alternative processes of decision-making. WTO is a Member driven organisation, and it may not be appropriate to change its democratic character by transferring more powers to the Secretariat or introducing multilevel decision-making process.

16. We will continue to work on the solidarity with the like minded countries built up during the run up to the Cancun Conference on major issues like Agriculture (G - 20 +) and Singapore Issues (G - 16).

(Source TPD/Ministry of Commerce & Industry)

HONG KONG, CHINA TO HOST NEXT MINISTERIAL CONFERENCE

WTO members accepted today (21 October 2003) Hong Kong, China's invitation for the Sixth WTO Ministerial Conference to be held there, but postponed a decision on the date.

The decision to go to Hong Kong, China was agreed in the General Council. Members also agreed to consider the date after a clearer picture has emerged on what happens next in the Doha Development Agenda talks.

Hong Kong, China thanked members for accepting the invitation and agreed that the decision on the date should be delayed. But Hong Kong, China reminded members that it will need about a year to prepare for the conference.

Under the WTO Agreement, the organisation's founding charter, Ministerial Conferences have to be held at least once every two years. The last conference, in Cancún, Mexico, was on 10-14 September 2003, which means the next conference should be held before the end of 2005.

Hong Kong, China's invitation was circulated to WTO members on 25 August 2003 as General Council document WT/GC/72.

The following communication, dated 21 August 2003, has been received by the Director-General from the Secretary for Commerce, Industry and Technology of Hong Kong, China :

"It is my great honour to inform you, and through you the other Members of the World Trade Organization, that the Government of the Hong Kong Special Administrative Region invites the WTO to host the Sixth Session of its Ministerial Conference (MC6) in Hong Kong, China.

Hong Kong, China is aware that negotiations under the Doha Development Agenda will reach a critical juncture in the coming year and Members will need to deliberate carefully on the precise timing of MC6. If Hong Kong, China should have the great pleasure and privilege of our offer to host MC6 meeting with the approval of all WTO Members, we would be prepared to be flexible about the timing of MC6, although judging from experience of previous hosts, we consider that for a successful full-scale Ministerial Conference to be properly organised, around one year's lead-time for preparations will probably be required.

I should be grateful if you would transmit our invitation to all WTO Members and Observers."

Traditionally, the date and venue of a Ministerial Conference is agreed at the previous conference. However, at the end of the Cancún conference, on 14 September 2003, the ministers asked the General Council Chairperson to continue consultations on when and where the next conference will be held.

They noted "with appreciation" that before the General Council meeting in August, Hong Kong China had offered to host the next meeting. However, Chairperson Luis Ernesto Derbez, Mexico's foreign minister, noted that because members were preoccupied with the contents of the Cancún conference, they had not been able to discuss the dates and venue seriously, except in informal contacts with some delegations.



WTO REPORTS SIGNIFICANT DECLINE IN NEW ANTI-DUMPING INVESTIGATIONS

The WTO Secretariat reported that in the period 1 January — 30 June 2003, 18 Members initiated 79 anti-dumping investigations against exports from a total of 30 different countries or customs territories. This represents a significant decline from the corresponding period of 2002, during which 17 WTO Members had initiated 149 anti-dumping investigations. Twenty-eight of the 79 initiations during the first semester of 2003 were reported by developed countries.

The United States initiated the most investigations during the first semester of 2003, 16, a decline from the 22 investigations it had initiated during the first semester of 2002. India had the second highest number of initiations (12) during the first semester of 2003, down from 25 investigations initiated during the corresponding period in 2002. China reported 11 initiations, while other Members reported 6 or fewer initiations each.

China, with 12 investigations on its exports, remains at the top of the list of countries subject to anti-dumping investigations, although this number is a decrease from the 21 investigations initiated on Chinese exports during the first semester of 2002. Korea and India were next, with, respectively, 8 and 6 investigations initiated on their exports in the first semester of 2003. Chinese Taipei, Japan, and the United States each had 5 investigations initiated on their exports, while other Members had 3 or fewer investigations initiated on their exports during the first semester of 2003.

The largest number (26) of investigations initiated during the first semester of 2003

involved products classified in the chemicals sector of the Harmonized System of Tariff Classification. The second most affected sector was base metals, which includes iron, steel and aluminium products, with 15 investigations initiated, followed by plastics (10 initiations).

The United States initiated 7 of its 16 investigations on products in the chemicals sector, followed by 5 initiations on products in the base metals sector. India initiated half of its investigations on products in the chemicals sector (6 of 12 initiations), while China initiated all 11 of its investigations on products in that sector.

Sixteen WTO Members imposed a total of 112 final anti-dumping measures against exports from 41 countries or customs territories during the first semester of 2003. This is slightly more than the number of measures imposed during the corresponding period of 2002 (99), but the number of measures imposed by developed countries shows a significant decline, from 31 during the first semester of 2002 to 7 during the first semester of 2003.

India and Turkey imposed the most final measures (21 each) during the first semester of 2003. This is the same number as imposed by India during the corresponding period of 2002, but represents a significant increase from the 8 measures imposed by Turkey during the first semester of 2002. Thailand was a close second in the number of final measures imposed during the period, with 20, followed by Argentina with 18, and China with 11. Other Members imposed 4 or fewer measures each during this period.

Exports from China were once more the subject of

the largest number of final measures (16) imposed during the first semester of 2003. This represents a decrease from the 18 measures imposed against Chinese exports during the first semester of 2002. Korea and Russia were distant seconds, with 7 measures each on their exports, followed by Chinese Taipei, South Africa, and Thailand, with 6 measures each, Indonesia and Kazakstan (5 measures each), and the European Communities, India, Romania and Singapore (4 measures each). Other Members were the subject of 3 or fewer measures each during this period.

The sector most affected by final measures was base metals, with 43 final measures imposed on products in that sector. The plastics sector was second most affected, with 31 measures imposed, and the chemicals sector was third, with 22 measures. Of the measures on products in the base metals sector, the largest number was imposed by Thailand, which imposed all 20 of its measures on products in that sector, followed by Argentina, which imposed 10 of its 18 measures on products in that sector, and Peru, which imposed all 4 of its measures on products in that sector. Other Members

accounted for 2 or fewer measure each in this sector. In the plastics sector, Turkey accounted for the most measures, imposing 20 of its total 21 measures on products in that sector, followed by China, (5 measures), Argentina (4), and Poland (2). In the chemicals sector, India imposed the largest number of measures (12), followed by China (5), Australia (2), and Canada, Mexico, and the United States (1 each).

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

The anti-dumping semi-annual reports by Members for the period 1 January — 30 June 2003 can be found under document series G/ADP/N/105.

US SEEKS INDIA'S SUPPORT IN MOVING THE POST-CANCUN PROCESS FORWARD

Mr. Ashley Wills, Assistant United States Trade Representative (USTR), called on Mr. Arun Jaitley, Minister of Commerce and Industry, in New Delhi on 19/11/03. Mr. Wills, who was on a visit to India, discussed with Shri Jaitley the need for moving forward the post-Cancun agenda at the World Trade Organisation (WTO). He mentioned that agriculture was the key issue for all member countries, including both the US and India and therefore, there was need to unravel the present impasse. He suggested that bilaterally the US and India could move the process forward by discussions first at the technical level at Geneva and subsequently, if necessary, at the political level. Mr. Jaitley reaffirmed that agriculture remained the most significant area in the negotiations for countries like India as a large number of people in the country depended on agriculture for their livelihood. He agreed that bilateral consultations could take place in areas of mutual interest in the negotiations.

WTO BRIEFS



- **Harbinson gives up Agriculture Committee chair**

Stuart Harbinson, Director of the Office of WTO Director-General Supachai Panitchpakdi, announced on 6.11.03 that he intends to give up the chairmanship of the agriculture negotiations. Mr. Harbinson, formerly the permanent representative of Hong Kong, China to the WTO, was chosen by WTO Member Governments in February 2002 to chair the Committee on Agriculture in Special Session. He was subsequently selected by Director-General Supachai to serve as his chief of staff later that same year and assumed the post in September 2002. In announcing his decision, Mr. Harbinson said, however, that he recognised the need for continuity and said he would continue to serve Member Governments as the agriculture chairman until a successor was selected. "Chairing the agriculture negotiations has been extremely challenging and rewarding. In practice it has been possible to combine the chairmanship with my other duties. However, we are now entering a new phase in the agriculture negotiations and I think a new chairperson may be better able to bring the fresh perspective which we now need. I believe I did what I had to do as chairman over the past 18 months given the mandate issued by Ministers at the 2001 Doha Ministerial Conference. I have no regrets but it is now time for someone else to take up the banner," he said.

- **TRIPs and Public Health : New Web-Page set up for decision on intellectual property and public health**

The WTO website now includes a dedicated page for member governments to make known their use (or intention to use) provisions allowing cheaper pharmaceutical products to

be traded more easily across borders under compulsory licensing. The dedicated page is part of the task of putting into operation the 30 August 2003 decision, which makes it easier for countries in need to import cheaper generics made under compulsory licensing if they are unable to manufacture the medicines themselves. The decision says that certain notifications "will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to this Decision." This page is now available. On the import side, if a government intends to import a pharmaceutical product under the decision, it has to notify the names and expected quantities of the product that it needs. A government that has issued a compulsory licence for making and exporting a product under the decision has to notify certain information to the TRIPS Council, including the fact that it has issued a compulsory licence and the conditions attached to it. The government also has to state the website address on which the licensee will post some additional information, such as the quantities being supplied to each destination and the product's distinguishing features. (The licensee can also use the WTO's dedicated web-page for this purpose). All this information will be posted on the dedicated web-page.

- **Dispute settlement : WTO appoints new appellate body members and reappoint three existing members**

The WTO Dispute Settlement Body (DSB) appointed today (7 November 2003) Ms Merit E. Janow of the United States to the seven-member Appellate Body for a four-year term. Ms Janow will replace Mr James Bacchus of the United States, who is currently finishing his second and final term as a member of the Appellate Body. At the same time, the DSB reappointed Messrs

Georges Michel Abi-Saab of Egypt, Arumugamangalam Venkatachalam Ganesan of India and Yasuhei Taniguchi of Japan, each of whom will serve a second four-year term.

The appointments were made according to the Dispute Settlement Understanding (DSU) which stipulates that the Appellate Body shall "comprise persons of recognised authority, with demonstrated expertise in law, international trade and the subject matter of the WTO agreements generally." The DSU also requires that the Appellate Body membership be broadly representative of the WTO membership. These appointments were made following consultations with WTO Members and on the basis of a proposal by a Selection Committee comprising the Director-General, and the Chairpersons of the General Council, the DSB, the Council for Trade in Goods,

the Council for Trade in Services and the TRIPS Council. The Appellate Body hears appeals from dispute settlement panel reports on issues of law covered in the panel report and legal interpretations developed by the panel. Three members of the Appellate Body hear and determine any one appeal. The Appellate Body can uphold, modify or reverse the legal findings and conclusions of a panel. Appellate Body reports are adopted by the Dispute Settlement Body, and unconditionally accepted by the parties to the dispute, unless there is a consensus against adoption. Since its establishment in November 1995, the Appellate Body has issued 56 reports and every report has been adopted.

(Source : WTO/Geneva)

NGO PARTICIPATION IN CANCUN MINISTERIAL CONFERENCE WAS LARGEST EVER

Just under 800 non-governmental organisations and almost 1,600 of their representatives attended the Fifth WTO Ministerial Conference in Cancún, a record in the WTO's eight-year history.

The numbers have climbed almost eightfold since the first conference in Singapore in 1996. The Doha meeting in 2001 saw a dip in numbers because of limited accommodation. These are the numbers for the five ministerial conferences:

	No. of eligible NGOs	NGOs represented	No. of registered participants
Singapore 1996	159	108	235
Geneva 1998	153	128	362
Seattle 1999	776	686	1,500(approx.)
Doha 2001	651	370	370
Cancún 2003	961	795	1,578

TRADE STATISTICS : SUPACHAI : SLUGGISH TRADE GROWTH CALLS FOR URGENT PICK UP OF STALLED TRADE TALKS

Fuelled by strong import demand in developing Asia, transition economies and the United States world trade recovered in 2002 from its steep decline in 2001. But real growth of 3% was only half the rate of trade expansion in the 1990s and weak fourth quarter growth and the near stagnation of trade flows in the first half of 2003 have diminished hopes for a rapid recovery in world trade figures.

This sluggish performance in global trade and the prospects for weak trade expansion in 2003 reinforces the already pressing need for WTO member governments to get global trade negotiations back on track, said Director-General Supachai Panitchpakdi.

"The world's political leaders must focus their attention on the stalled Doha Development Agenda and demonstrate their willingness to spur the global economy through greater trade liberalisation and more equitable trade rules. The near stagnation of trade growth in the first half of 2003 underlines the urgency for governments to get back to the negotiating table and to work towards building a stronger and more vibrant trading system," said Director-General Supachai, following release of the WTO's International Trade Statistics 2003.

Highlights from the WTO International Trade Statistics 2003

- A weak trade recovery in 2002 was followed by a near stagnation of trade flows in the first half of 2003. The sluggishness of international trade reflects above all the weak economic growth in the OECD countries and in particular Western Europe. Uncertainty about the global economic prospects increased in the early months of 2003 due to the emergence of SARS and the tensions in the Middle East. While the economic impact of SARS was largely confined to one region (East Asia) and a few sectors (the tourism industry and air transportation), the situation in the Middle East contributed to an increase in energy prices worldwide and had thereby an impact on the global recovery.
- In 2002, world trade recovered from its steep decline in 2001. The average annual rate of merchandise trade expansion in 2002 was limited to 3% in real terms, only half the rate observed in the 1990s.

- The trade recovery in 2002 benefited from strong import demand in developing Asia, the transition economies and the United States. Sluggish import demand in Western Europe and a sharp contraction of Latin America's imports constituted a drag on global trade expansion.
- A combination of declining exports and rising imports by the United States has led to a record trade and current account deficit, the latter equivalent to 5% of its GDP. United States' merchandise trade recorded a deficit in all seven geographic regions, with all its six major trading partners and in 15 of the 17 merchandise product groups distinguished in this report.
- China's trade expansion (both exports and imports) remained outstanding. In the 1990s, China's trade growth was three times faster than global trade and between 2000 and 2002 its exports and imports rose by 30%, while world trade stagnated. China has become the fourth largest merchandise trader (if one counts the EU as a single trader) in 2002.
- Chemicals emerged as the product group with the strongest trade growth over the last two years. Driven by pharmaceutical trade among the developed countries, its share in world merchandise exports rose above 10%, exceeding in value not only world trade in automotive products, but also that of agricultural products.
- In the first half of 2003 world merchandise exports rose by 15% in dollar terms over the corresponding period in 2002, a strong acceleration compared to the average 4% annual growth in 2002. The depreciation of the US dollar and higher oil and non-fuel commodity prices contributed to the dollar price and value increase in international trade.
- Adjusted for price and exchange rate changes, a different and less bright trade picture emerges. OECD countries' real exports in goods and services have stagnated from the fourth quarter of 2002 through the second quarter of 2003 (on a seasonally adjusted basis).
- Developments in the first half of 2003 and the improvements of the leading indicators in the third quarter lead to a projection of world merchandise trade growth of 3%, basically unchanged from the preceding year's rate.

INCLUDE GENDER ISSUES IN WTO AGENDA, SAY WOMEN ACTIVISTS - CALL FOR GREATER MARKET ACCESS FOR GENDER SENSITIVE PRODUCTS

SYMPOSIUM ON TRADE, GLOBALISATION AND GENDER

Gender issues should be included in the agenda of the World Trade Organisation (WTO) negotiations and gender sensitive products i.e., products involving women, should be put on a fast track for greater market access, women's groups participating in the Symposium on Trade, Globalisation and Gender in New Delhi on 4 & 5 November 2003 have said. This is important because women represent a large proportion of the workforce especially in developing countries and the negative effects of trade liberalisation are believed to be the strongest in informal sectors such as textiles, garments, handicrafts, marine products, spices etc., and in subsistence farming where women tend to be predominate. Further, trade liberalisation in gender sensitive products (GSPs) should address non-trade barriers including trade defence measures like anti-dumping, subsidies and safeguard actions. Special dispensation such as peace clause against trade defence measures in textile and clothing following the phase-out of the Multi Fibre Arrangement (MFA) would be of great benefit. Safety valves by way of special safeguard mechanisms against import surges on GSPs should also be built in with a view to ensuring greater certainty in the workplace for women. In fact, the argument in favour of GSPs being given special dispensation is very similar to that made out in the case of environmental goods and services, where environment is seen as a public good. At the same time, they noted that expansion of trade has the potential to create new income and employment opportunities especially for women.

The two-day Symposium, organised by the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Fund for Women (UNIFEM), in association with the Ministry of Commerce and Industry, Government of India, was inaugurated by Shri S. B. Mookherjee, Minister of State for Commerce & Industry.

The UNCTAD – UNIFEM publication titled "Trade and Gender: Evidence from South Asia" edited by Dr. Veena Jha, Coordinator, UNCTAD India Programme, was also released by the Minister on the occasion. The book focusses on three broad issues: key issues in WTO negotiations that may have gender implications; exploring opportunities for employment and income generation for women from the WTO agreements; and examining and mitigating the effects of WTO rules on women in South Asian countries. Observing that the gender component relating to commercial diplomacy and its impact has not yet been given its due, the book, which contains a series of country papers with studies focussing on sectors having the maximum impact on livelihood opportunities for women, viz., marine products, textiles/garments/spices and food processing, observes that the Cancun ministerial was critical to women as it was centered around agriculture which employs a large proportion of women in many countries including India. " Now more than ever before, women from South Asian developing countries have a unique opportunity to influence the future trade agenda and to seek economic and developmental gains from further trade liberalisation. Regional cooperation can be helpful in this context, as evidenced by the negotiating strength of MERCOSUR, ASEAN and other such groups. ... There is a need to study the gender effects (of WTO) in a systematic way particularly with a view to sensitising the trade negotiators. It is also necessary to provide inputs to national and regional preparations for the next ministerial conference in Hong Kong", it says.

Ms. Farida Akhtar of Bangladesh (UBINIG), Ms. Zahra Hayat of Pakistan (Aurat Foundation), Hiramani Ghimire and Mona Shrestha Adhikari of Nepal (SAWTEE), and Ms. Anoma Ariyawardana of Sri Lanka (CENWOR), along with several participants

from India including Ms. Rehana Jhabwala of SEWA, Ms. Indrani Mazumdar, Centre for Women's Development Studies (CWDS), Ms. Ranjana Kumari, Council for Social Research (CSR) and Dr. Poornima Advani, Chairperson, National Commission for Women took part, besides Ms. Chandni Joshi of UNIFEM and Dr. Veena Jha. Shri Vinay Bansal, Additional Secretary, Ministry of Commerce; Prof. N.L. Mitra, Director, National Law University, Jodhpur and Shri R. Gopalan and Shri Rajeet Mitter, Joint Secretaries in the Trade Policy Division, Ministry of Commerce, addressed the sessions.

Capacity building in social infrastructure is needed to enable women to improve their productivity both in the manufacturing and the rapidly growing services sector where women are represented in all levels of the job hierarchy and in this context, market development for GSPs would be of immense benefit to women. Small and medium enterprises (SMEs) should also be promoted as important economic agents as they are major employers of women, the Symposium stressed.

CONCLUSIONS AND RECOMMENDATIONS OF THE SYMPOSIUM ON TRADE, GLOBALISATION AND GENDER

The G-20 (coalition of agriculture exporting countries) should include gender interests in its negotiating strategies and proposals in the World Trade Organisation (WTO), women's groups who participated in the recent Symposium on Trade, Globalisation and Gender have said. For this purpose, they say, there is a need to carry out systematic gender analysis of trade policies and trade agreements including engendering trade statistics. In this process, gender experts should be involved.

This is the first time that a technical organisation like UNCTAD that specialises in trade and UNIFEM whose core mandate and expertise lies in gender issues joined hands for a Symposium of this kind. The two-day Symposium, organised here by UNCTAD and UNIFEM in association with the Ministry of Commerce and Industry, Government of India, tried to assess the latest trends, opportunities and effects of trade liberalisation and globalisation on South Asian women. The studies from South Asia reveal that growth in exports have generated increase in employment but the increase in wages or improvement in living conditions are not commensurate with increased exports.

In its conclusions and recommendations, the Symposium has stressed that competitiveness in global markets should not come at the cost of poor living conditions, poor health and malnutrition for women.

There are several export sectors in the region like textiles, garments, agri-products, handloom, dairy, crafts etc. that provide livelihood opportunities to a large number of women. All such products could be classified as Gender Sensitive Products (GSPs) that are women friendly and be put on faster track for market access and liberalisation. Each country could notify to the WTO an illustrative list of products, which it considers as GSPs as done in the case of Environmental Goods and Services (EGS). A task force can be set up at the national level to identify these products and this task force should include gender experts.

More studies on these issues should be carried out and a regional task force set up with the objective of providing inputs into WTO negotiations. Regional networks of producers, entrepreneurs, home based workers as well as regional markets should be promoted. The impact of trade defence measures such as anti-dumping, subsidies and countervailing measures on women's livelihood should be examined.

Trade liberalisation by itself will not generate better living conditions and higher wages for women. Enabling policies at the national level such as skill development, promotion of social safety nets, better enforcement of legislation for wages and affirmative action for promoting equal opportunities for women and men should be encouraged. While

nurturing entrepreneurial skills in women market, linkages for women should be promoted through the provision of market information, trade fairs etc. A quantum jump in the level of professionalism, organisation of women workers and entrepreneurs along with a shift to bigger size targeted programmes are needed. A 1 % cess on export earnings could be used for this purpose.

Physical and social infrastructure need to be created to enable women to improve their

productivity. Market development for GSPs would be very important in generating greater benefits for them. Generating female employment and better incomes should also be seen as a global public good. It is also one of the main development pillars of any society and is an important Millennium Development Goal of the United Nations.

(UNIFEM: United Nations Development Fund for Women
UNCTAD: United Nations Conference on Trade & Development)

CLIPPINGS

7 | THE MONDAY PAGE

THE FINANCIAL EXPRESS | Monday, October 27, 2003

▶ THE MONDAY INTERVIEW/ Celso Amorim

"The New G20+ Group Has Revolutionised the WTO Game"

After playing a major role in the formation and coordination of the developing countries group on agricultural issues at the Fifth Cancun Ministerial, Minister of External Affairs of Brazil, Celso Amorim was recently in Delhi for talks with the government on issues ranging from coordination in multilateral economic fora, bilateral trade, science and technology and space research and civil aviation. In an exclusive interview with Anirui Sen and Shebani Roy Dasgupta of FE, Mr Amorim spoke on the WTO and the role of the major developing countries like Brazil, India, South Africa and China in future negotiations. Some excerpts.

Have you come to India with a specific agenda in mind?

Well, it's a broad agenda. First, I'm reciprocating a visit by foreign minister Yashwantrao Sinha. The fact that in such a short time we were able to have these two visits shows that we are not only intensifying our political relations but also our trade relations. I had a very positive meeting with commerce minister (Arun Jaitley). We discussed bilateral trade as well as our common strategy for the WTO, coordinating positions in the multilateral organisations and also intensifying our relations in several areas. Also, President Lula is coming here for the 26th January, and I hope that besides being a ceremonial occasion, some other fruits too can be reaped. My visit is also to prepare for his visit.

How do you plan to increase the relatively low bilateral trade between our countries?

Well, it is low compared to what it can be, but it has grown very fast in the last few years. Over the last five years our

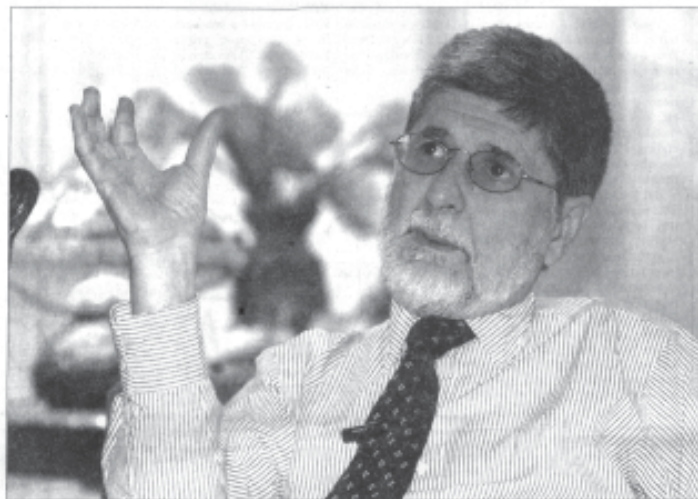
trade has grown from \$300 million to more than \$1.2 billion. It's still concentrated on some raw materials, though we have started to have more sophisticated goods. India is now investing in Brazil in pharmaceuticals and information technology; we are selling airplanes to your government and we are also hoping to sell to the civil aviation industry. So, we are increasingly moving upwards, not only quantitatively but also qualitatively.

Brazil is already a part of the Cairns group, so what prompted you to form the G20+ with China and India?

Yes, we are a part of the Cairns group and we share many of the objectives in the area of liberalising agriculture.

But even the Cairns group, at some point, thought it was important to have a dialogue with the developing countries that have specific problems in the area of small agriculture. But it was always difficult for the Cairns group, because its interests were so different. So we (Brazil) decided, just before Cancun, that we should work more closely with G20+ as there are many more things that unite us than separate us.

It was logical to put this group together and give it the moral legitimacy it has now. But many of the trade battles are fought not only by negotiators; they are also fought with public opinion. In the past, it was very easy for some of the more protectionist governments to discredit the efforts of the Cairns group by saying that they are a bunch of radicals, and they will disrupt the agriculture of millions of small farmers in India and Egypt. Well, now we have a group that has India and Egypt and China, so that can no longer be said. It was never true anyway! This is



Photograph by SARAF SHARMA

the first time that you have a large section of public opinion in favour of trade liberalisation. One has always seen trade liberalisation as something that it increases inequality and NGOs and representatives of civil societies have been opposing it. Now, for the first time we have many NGOs on the side of trade liberalisation. Of course, the kind of liberalisation we are supporting respects the needs of farmers in India, Egypt and even Brazil. So I think it's a big new thing — a new coalition.

Before Cancun, EU trade commissioner Pascal Lamy had said that India and Brazil have different interests in agriculture and there is no

rationale behind their coming together. What are your comments?

You know, they (EU) have always tried to divide us, maybe because in the past we have been naive. In Brazil's case, only the offensive aspects of our interests had been highlighted and the special and differential treatment that we proposed had been deliberately ignored. In India's case, just the opposite was done. So they were able to split us and confuse us. They tried to project that the interests of the big commercial agricultural entrepreneurs in Europe and the US were the same as the small farmers in India or Egypt. Now, it's clear that's not the case. We (G20+) all suffer from agricultural subsidies and the absence

of access to their markets. So I think the new group has revolutionised the game in the WTO. And that's why the people reacted.

The chairman of the US Senate finance committee, Charles Grassley, had warned that he was keeping an eye on how the Latin American countries behaved at Cancun and that future decisions would be taken with that in mind. Do you think your taking the leadership in G20 will affect your relations with the US?

We try to do what is right. We are not here to take any confrontational positions or make statements against the US or EU. In fact, I told a group of US Congressmen that I was

surprised that the agenda that the G20+ fought for was about 80% of the agenda of the US. So, it was not us but they who changed — for reasons I can only speculate about. But it would be totally unfair to take decisions on other matters based on our position on the G20+ and WTO, especially because what we fought for there was largely what the US itself used to fight for itself.

Peru and Colombia have opted out of G20+ and some say that is because of growing US pressure. In light of that, how do you see the future of the group?

The G20+ is not a club or a political party that you have to affiliate to, or where you have to send your card back when

you get out. It's an informal group for informal negotiations. And I'm pretty sure that as the negotiations approach, and if they go indeed as we desire, many countries will see the utility of getting closer to the G20+. There were moments in Cancun in which countries that were seeking EU membership were at the meeting. Then, maybe for some political consideration, they got out. But there's a core group of countries that will not be imposed by this kind of pressure, and they are a potent force. If you can have others it will be better, but if you can't, we'll move on.

How important is India's role in this group?

Oh, India's role is crucial. Not only is it a very big partner, but India, Brazil and China are some of the countries that are in all kinds of meetings in the WTO. So it has an intrinsic importance. Also the fact that you have 600 million people who live on agriculture gives you an enormous moral force in the discussions.

Will you be ready to accept the September 13 draft as the starting point of discussions on agriculture, post Cancun?

I think in principle, we should take the negotiations in Geneva in all areas from where we left them in Cancun. These apply to Singapore issues, in the sense that those that had been dropped should not come back. And certainly, in agriculture, I think we can take that text as a starting or a reference point. It's not exactly what you want and I'm sure that others too will want to make amendments as well. The night preceding the interruption of the negotiations, we already had a number of amendments that were readied after discussions

among ourselves. We were prepared to negotiate them and we continue to be prepared.

At the Buenos Aires 10 days ago, did you chart out your future strategy?

It was an interesting meeting to show our continuing commitment, and to send the message that we want to negotiate. We put ourselves at the service of the Director-General of the WTO; he has called me and Mr Jaitley and others because he's interested in moving the process forward. For most of the G20+ countries, the WTO is ineluctable, especially for our relations with the developed countries. We can have other agreements with them but the kind of rules the WTO has, especially in dispute settlements, is impossible in any other forums.

Finally, how is the idea of a trade agreement between South Africa, India and Brazil progressing?

Well, this is an idea that is already well established. When Mr Sinha went to Brazil, we had the first meeting of the trilateral forum at the ministerial level, and during the UN General Assembly, we met at the level of heads of government. We are now going to have a trilateral joint commission, which will be the first of its kind, in March. In Brazil, preparations are taking place with great enthusiasm. I just had meeting with different ministries about five days before coming, and I saw great enthusiasm on their part. So I'm sure it will prosper. And it's a logical idea because it's not only a grouping of developing countries. Here, you have three big democracies of three continents which have great respectability in their own areas and around the world. ♦

SCHEDULE OF MEETINGS AT THE WTO/GENEVA*

NOVEMBER - 2003

7	Committee on Technical Barriers to Trade
7	Dispute Settlement Body
7	Working Party on the Accession of Bosnia and Herzegovina
10-13	Geneva Week
11	Working Party on State Trading Enterprises
11	Committee on Budget, Finance and Administration
12	Committee on Trade in Civil Aircraft
12	Trade Policy Review Body - Thailand
13	Committee on Balance-of-Payments
13-14	Dispute Settlement Body - Special Session
14	Seminar - Regional Trade Agreements
14	Trade Policy Review Body - Thailand
14	Geneva Week - Closing Session
17	Committee on Rules of Origin
17	Symposium - "Intellectual Property and Transfer of Technology"
17	Committee on Budget, Finance and Administration
18-20	Council for Trade-Related Aspects of Intellectual Property Rights
20	Committee on Agriculture
24	Textiles Monitoring Body
25	EID AL-FITR (WTO non-working day)
26	Committee on Budget, Finance and Administration
26	Council on Trade in Goods
27-28	Committee on Trade and Development
28	Working Party on the Accession of Algeria

DECEMBER - 2003

1	Committee on Trade in Financial Services
1	Dispute Settlement Body
2	Trade Policy Review Body-Chile
2-3	Committee on Regional Trade Agreements
2	Working Party on GATS Rules
3	Working Party on Domestic Regulation
4	Trade Policy Review Body - Chile
4	Committee on Specific Commitments
4	Committee on Budget, Finance and Administration
4	Working Party on the Accession of the Republic of Lebanon
5	Council for Trade in Services
8	Sub-Committee on Least-Developed Countries
10-12	Textiles Monitoring Body
10-11	Working Party on the Accession of Vietnam
15-16	General Council
16	Committee of Participants on the Expansion of Trade in Information Technology Products
17	Trade Policy Review Body - Turkey
18	General Council
19	Trade Policy Review Body - Turkey

Published by

Ministry of Commerce & Industry

Government of India

Udyog Bhawan, New Delhi - 110 011

We welcome your comments and suggestions :

Telefax : 2301 4622

E-mail : sbiswas@ub.nic.in

Website : <http://commerce.nic.in>