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FAMILIAR STORY AT WTO

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WHEN A NEW round of negotiations under the World Trade Organisation was launched in Doha last November it was given the grand title of the Doha 'Development' Agenda, the promise being that the interests of the developing countries would be the centre-piece of the talks. Less than a year later, it is apparent that 'development' was just a selling point to buy agreement at Doha. As the talks inch towards a mid-term review next year, ahead of the ambitious end-2004 deadline set for a final agreement, in form and content this round is turning out to be a repeat of the past. Issues of interest to the developing countries are being pushed aside, veiled threats are being served on hesitant negotiators and the agenda of the more important members of the WTO is being thrust forward.

When the agenda for the Doha round was framed, deadlines were laid down for some issues while the others only had to end in an accord within the larger target date of end-2004. Longstanding issues such as the implementation concerns of the developing countries as well as the more difficult subjects such as agriculture had specific deadlines. But what has already happened at the WTO is that the deadline in at least one area of interest to the developing countries is certain not to be met, while another is under threat of also falling by the wayside. At a review meeting at the WTO last week it was acknowledged that talks on operationalising the Special and Differential (S and D) treatment of developing countries would not meet the end-July target for an agreement. While there is substance in the argument that an over-emphasis by the developing countries on S and D treatment allows the advanced countries to generally treat them as less than equal partners, the relevant point here is the lop-sided nature of negotiations so far in the new round. It is also worrying that the U.S. is now speaking of "differential" treatment of developing

countries, implying that countries such as India and China should be treated differently from others. This sounds suspiciously like the approach followed by the U.S. in walking away from the Kyoto Protocol on climate change. Similarly, going by the current pace of talks, the developing countries have a legitimate fear that an agreement will not be reached on the more important set of implementation issues (arising out of the 1994 GATT agreements) before the end-December 2002 deadline. These issues have been on the table since 1999 and the promise always was that they would be speedily addressed within a larger WTO round.

The members of the WTO have now agreed that they will complete the modalities on an agreement on reduction of tariffs on industrial goods by end-March, 2003, and negotiations will be completed by the end of May. The industrial tariff issue is a weak spot for the developing countries because their customs duties are generally high, though these countries do have an interest in reducing tariff peaks and tariff escalation which hurt their exports. There was no specific deadline for industrial tariffs in the Doha agenda. It has now been inserted under pressure from the E.U. and Japan. In the complex cat and mouse game that is continuously played at the WTO the reason why these two major trade powers pushed for a deadline on industrial tariffs is that written into the Doha agenda is a first-stage deadline of March 2003 on agriculture, on which the E.U and Japan are under pressure. So the two need to know what they will gain on industrial tariffs before they commit themselves on agriculture. The way in which the negotiations have progressed so far and other developments such as the new U.S. law which enhances subsidies to agriculture and the caveats designed to boost protectionism contained in the U.S. Trade Promotion Authority legislation all point to a familiar story of trade might is right.

THE HINDU

23 JUL 2002

WTO services talks: India submits proposals

By Sushma Ramachandran

NEW DELHI, JULY 16. Even as negotiations for services at the World Trade Organisation pick up pace, India has submitted proposals seeking easier market access for professionals in the health sector as part of its drive for liberalisation in "movement of natural persons".

This is just one of the areas where India wants reciprocal facilities from developed countries which have been seeking greater presence of their financial and banking services here. The Indian proposal is part of a series of request lists being issued by all WTO member-countries interested in taking part in the services negotiations under the General Agreement on

Trade in Services (GATS).

Official sources say the Indian wish list for services is focussed on the "movement of natural persons" which is basically about allowing greater ease of movement for skilled workers from one country to another. With the country's huge educated and skilled workforce, the effort is to capitalise on this area of strength for the economy. Movement of these professionals largely for short-term work prospects is being hampered by developed countries due to various types of non-trade barriers.

The sources say that the scenario for movement of professionals to one of the biggest markets, the U.S., worsened af-

ter the September 11 terrorist attacks last year. While fears on security issues can be appreciated, it is felt such countries should be able to distinguish between genuine academics and professionals seeking employment and terrorist elements.

The U.S., on its part, is seeking to establish greater commercial presence in this country especially in the financial services sector. The principle of reciprocity, however, would have to apply since India would then seek easier market access for its workforce.

Among the areas where this country is seeking easier movement for natural persons are information technology where barriers for software professionals need to be eliminated. Similarly, greater market access will be sought for professionals in accountancy, education and communications, including audio-visual services. The proposal for allowing easier movement of doctors and other health service providers is the latest request list made by India which will demand more liberalisation in all these areas by the developed world.

The Commerce Ministry is currently holding consultations with other related Government departments and academic in-

stitutions before finalising the request lists for other areas.

In the case of IT, considered the most important area for the services negotiations, discussions are now being held with the IT and Communications Ministry. Several detailed studies have also been commissioned on these issues from institutes such as the Indian Council for Research in International Economic Relations (ICRIER) while talks are also being proposed with all the stakeholders.

Meanwhile, the WTO is trying to dismiss reports that these negotiations will help in liberalisation or privatisation of Government services including health, water distribution and education.

Describing these suggestions as untrue, the WTO has said that such sectors have rarely been discussed in the negotiations and the principal focus of talks lies in other service sectors.

Highlighting the tremendous interest of member-countries in the negotiations, the WTO has said that till the end of the June, as many as 55 WTO members have tabled written proposals either individually or jointly as in the case of the European Union and Mercosur. Of these, 32 are developing countries.

THE HINDU

17 JUL 2002

WTO urges India to step up reforms

By Sushma Ramachandran

NEW DELHI, JUNE 29. The World Trade Organisation (WTO) has urged India to intensify economic reforms to meet growth targets and make a serious dent in the high rate of poverty. The suggestion was made during the trade policy review for India carried out recently where the reform process, especially trade liberalisation and simplification of the trade and investment regime, were commended.

At the same time, there was concern over the persistence of high tariffs, escalation, complexities and the gap between applied and bound rates. According to an assessment of the review carried out by the WTO, members were also worried about India's increased use of contingency measures, notably anti-dumping. Others were concerned that the removal of quantitative restrictions last

year had been followed by an increase in other measures such as strict labelling, certifications and sanitary and phyto-sanitary requirements. The review considered both the study on the Indian economy by the WTO secretariat and the Indian Government's policy statement on the entire gamut of economic issues.

Interestingly, the chairperson of the review noted that the large number of advance questions, numerous interventions amounting to about 30, and the high level of attendance indicated the important role played by India at the WTO. The members present gave India full support for its efforts to reform the economy. Many added that these efforts would be greatly enhanced by steps on the part of India's trading partners to reduce, if not remove, their impediments to India's exports especially in the context of new

negotiations in line with the Doha Development Agenda (DDA). It was also pointed out that India has clearly stated its support for the WTO and the DDA but considered that if further progress is to be made, the onus remains on the developed countries to keep the promises made in Doha. This view was endorsed by many other members, who it was stated, look to India for leadership in the negotiations. The trade policy review which is carried out at regular intervals by the WTO of all member countries resulted in members commending India for its strong economic performance over the last decade with six per cent average growth annually and a reduction in poverty. They noted that this resulted in great part from continued economic reforms, including trade liberalisation, lower government involvement in the economy and liberalisa-

tion of key services sectors. Several members remarked on the importance of investment especially for infrastructure, which needed urgent attention. The foreign investment regime had been significantly liberalised but FDI inflows had not increased significantly. Moreover the high fiscal deficit constrained public investment in infrastructure. It was noted that the deficit also had implications for further reform of the tariff, which remained a major source of tax revenue. Tariff reform, it was stated, needed to be accompanied by significant reform of the internal tax system which India was already striving to do. The WTO review appreciated India's initiative to simplify tariffs, but members commented on the high rates and complexities as well as imposition of additional and special additional duties on indirect taxes.

India critical of QRs at WTO trade review

By Sushma Ramachandran

NEW DELHI, JUNE 28. India has severely criticised the imposition of quantitative restrictions (QRs), especially in textiles, by developed countries as being among the most important non-tariff barriers affecting its trade.

In its report on the Trade Policy Review carried out by the World Trade Organisation (WTO), the Indian Government said that new tariff barriers faced by Indian products in overseas markets were severely constraining the country's exports. These include restrictive import policy regimes, standards including phytosanitary standards, export subsidies, barriers on services, government procurement regimes and other barriers such as anti-dumping and countervailing measures.

The comments on the hurdles to trade have been appended to the main report on India's trade policy review by the WTO secretariat. The WTO review had lauded India for its economic reform programme, which resulted in strong economic growth throughout the 1990s despite external shocks. *June 29*

The Indian authorities, in their policy statement, pointed to the numerous impediments to the growth of its international trade. Quantitative restrictions, especially in textiles, were one of the most important of them. The integration programme implemented by the importing countries on textiles had not been in line with the spirit of the Agreement on Textiles and Clothing though it may have conformed to the narrow technical and legal requirements of the agreement.

In the first stage commencing on January 1, 1995, major restraining countries did not integrate any product under restraint for India and the integration of restraint products had been negligible in the second and third stages. The result: even in the tenth year of the transition period, over 95 per cent of the country's apparel

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and yarn trade would remain un-integrated with some of its major trading partners. Besides, the integration schedules had a greater concentration of low value added products. It was, thus, obvious, the note said, that the major importing countries continued to backload the integration process and the bulk of integration would take place only at the conclusion of the transition period.

Another problem in textiles exports was the unilateral changes introduced by certain trading partners in their rules of origin. These had adversely affected the export of textiles and India's rights under the ATC including full utilisation of quota. Repeated anti-dumping investigations on textile products such as cotton fabrics and bed linen in which the country enjoyed a comparative advantage, had a debilitating effect on the Indian textile industry and exports. The ban on use of azo dyes had also affected textile exports.

Yet another area of concern on market access for textiles is an increasing tendency to enter into bilateral pacts for conferring selective liberalisation of quotas. The tariff preferences had also been extended bilaterally which were otherwise meant to be provided to all developing countries on a non-reciprocal basis.

There is a growing regionalisation of textile trade owing to formation of free trade areas and preferential trading arrangements. It is estimated that 59 per cent of world trade in textiles is at present taking place under RTAs and this is adversely affecting the country's textile trade. Highlighting the non-tariff barriers affecting market access, the Indian Government noted that in agricultural products there were barriers to export mangoes and other fruits owing to insistence on use of only the vapour heat treatment procedure. Sanitary and phytosanitary standards were affecting products such as flowers, milk products, meat.

WTO panel to look at US steel tariffs

Geneva, June 3

THE WORLD Trade Organisation has approved the setting up of a panel of experts to examine the legality of US steel tariffs following a complaint by the EU, European sources said here on Monday.

The United States used its right under WTO dispute settlement rules to block similar requests by Japan and South Korea, the source said.

But delegates representing Tokyo and Seoul told Monday's meeting of the dispute settlement body that they would both lodge a second request on June 14. According to WTO regulations, a second request cannot be blocked.

The complaints by the European Union, Japan and South Korea focus on the US introduction on March 20 of a three-year programme of up to 30 per cent tariffs on some imported steel.

Of the six million tonnes of steel that the 15-nation bloc exports to the United States every year, four million tonnes, or two-thirds, are "adversely affected" by the tariffs, the European Union has said.

They represent a trade value of 2.5 billion euros (2.3 billion dollars), according to the union's figures.

Accusing the US of employing delaying tactics, the EU told the

meeting that its delegation would ask for talks later in the day on the membership of the expert panel.

Brussels has already warned that it may impose 378 million euros worth of punitive measures on US products from June 18 if it is not compensated by the United States on its losses for the new steel tariffs.

Tokyo has taken a similar line, drawing up a list of US products that could be slapped with tariffs worth 4.88 million dollars from June 18 if the US does not remove its tariffs.

Both the EU and Japan have a second list of US goods that could be targeted for retaliatory measures in the case that the WTO panel rules that the US measures do not conform with global trade rules.

A decision by a WTO panel under the normal procedure takes about six months, but appeals by either side in the dispute could extend the process over a year. High-profile EU-US rows over bananas and beef are known to have dragged on for a number of years.

The US tariffs, introduced to bolster the flagging US steel industry, have also drawn strong condemnation from other countries, including China which is to request an expert panel on Friday.

AFP

India asks ADB to boost lending

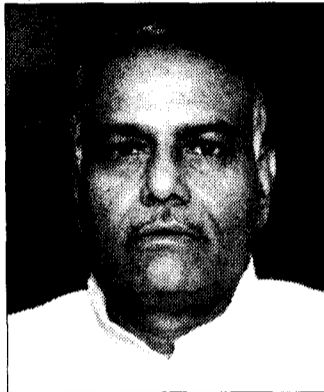
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PRESS TRUST OF INDIA

SHANGHAI, May 11. — India today asked the Asian Development Bank to make a quantum jump in its lending for developmental and infrastructure projects to make a real dent on poverty in developing countries.

"We need to look beyond the current lending levels at which we are operating and prepare for a quantum leap," the finance minister, Mr Yashwant Sinha, said here, adding ADB has to be capable of raising more resources to help developing member countries.

That would enable the Third World countries in equipping themselves to make a real dent on poverty, Mr Sinha said, addressing the 35th annual general



Mr Sinha

meeting of ADB here.

The bank needed to take pro-active measures to promote areas like rural telecommunications, rural electrification, rural roads and railways, the finance minister said.

In pursuing the pro-poor

strategy outlined by the ADB president, Mr Tadao Chino, ADB could focus its operations specially in these areas as infrastructure development is a key necessity for ensuring economic growth, Mr Sinha said.

He said much more could be done to design instruments that channel development fund from multilateral institutions for socially productive investments by the private sector through credible intermediary institutions.

Private funds would then also be forthcoming in adding to these official flows, he added.

India with its rich and diverse human resources, its widely acclaimed intellectual capital and highly skilled workforce is firmly on course

in carrying forward the process of implementing enduring structural reforms, Mr Sinha said.

He said the current year's Union budget has proposed far-reaching reforms in agriculture.

It has also removed all controls in the capital account for expatriate Indians and has terminated the administered price mechanism for petroleum products.

"The efficacy of the restructuring measures and the competence of the current macro economic management are evident from the strong fundamentals of the economy," the Indian finance minister said.

The balance of payments situation is comfortable and inflation is at sustained low levels, Mr Sinha said.

'India should take the lead on food issues at WTO'

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25/4
By Sushma Ramachandran

NEW DELHI, APRIL 24. The Director-General of the International Food Policy Research Institute (IFPRI), Per Pinstrup-Andersen, has called upon India to take the lead at the World Trade Organisation (WTO) to bring agricultural issues pertaining to developing countries to the table during the current round of negotiations. Describing India's role as "very important", he said many developing countries find it difficult to participate in the negotiations owing to their complexity and India's participation ensures that critical issues are brought on board.

Speaking to newsmen on food security issues, Mr. Pinstrup-Andersen said that by putting food and livelihood security on the table as a "non-trade concern", India has steered the discussions towards a clearer focus on the potential impact on poor people. He felt it would also play a productive role in the Cairns group and help to change the current distortions in global agricultural trade.

While stressing that India could benefit substantially by opening up its markets, he said developed countries also have to reduce the huge subsidies being given to their farmers.

On a prescription for Indian agriculture, he suggested that

agricultural research should be stepped up substantially while subsidies should be reduced since many of these are meant for manufacturers like in the case of fertilizers, rather than farmers. As for the procurement system, he felt it needed to be gradually phased out as it had been introduced at a time of shortage and was not meant to cope with the existing scenario where the country is faced with grain mountains. In the case of research, he said the need was for more participative research to meet the needs of the farming community.

The IFPRI chief also highlighted the need for realistic user charges for water and power instead of the populist measures to woo the farming community in many States. At the same time, he pointed out that India is well within WTO limits for its existing farm subsidies but needs to cut back on these and use the funds for development of rural infrastructure especially in terms of primary education and health.

He was in favour of greater liberalisation and did not agree with the thesis that this might affect the poorer sections through violent price fluctuations. Instead, he said the possible risks of opening up for low-income groups needed to be met by devising social safety nets such as the public distribu-

tion system.

Later, delivering an address on "Emerging issues in trade and Technology - implications for South Asia", he said that if India remains hesitant about completing the liberalisation of agricultural trade, it may lose out on opportunities that globalisation offers while seeking to avoid the very real risks. "Now that China has joined the WTO and is deepening its engagement with globalisation, the biggest risk for India may be getting left behind", he said.

The address was part of a conference on the Economic Reforms and Food Security - the South Asia Initiative organised by the Indian Council for Research in International Economic Relations (ICRIER), IFPRI and the Indian Council for Agricultural Research (ICAR).

He also warned that unless developed countries are willing to open their markets to temperate zone agricultural exports from developing countries and end tariff escalation against processed and higher value products, the benefits that developing countries will derive from globalisation will be limited. In addition, South Asian countries face high tariff barriers in other developing countries' markets for such key exports as mangoes, tea and cashew.

IMF meet marked by peaceful protests

By Sridhar Krishnaswami

WASHINGTON, APRIL 21. Officials from the Group of Seven industrialised nations have called on the World Bank and the International Monetary Fund (IMF) to assess, as part of a regular economic review, efforts by member-countries to tackle money laundering and terrorist financing. They also discussed the economic crisis in Argentina.

Outside the meeting venue, thousands of people protested a host of issues, including globalisation and war. The demonstrations were peaceful as the police had cordoned off the meeting venue. Unlike two years ago, when the spring meetings of the World Bank and the IMF saw pitched battles between demonstrators and the police, this time, the protestors, who came from different parts of the country, were peaceful. An unofficial estimate placed the number of protestors at

50,000 but organisers said around 100,000 people took to the streets. "There are just large numbers of people who want to have their voices heard and that's what America is all about," the Chief of the District Police, Charles Ramsey, said.

Anti-globalisation groups were sharply critical of the policies of the World Bank and the IMF, which they believe has had an adverse impact on the environment and hurt the world's poor. The criticism has to be seen in the context of the view that poverty sowed the seeds of terrorism. But if the anti-globalisation groups thought that they could dominate the formal opening of the spring meetings, they were mistaken. The violence in West Asia was the major concern of those who showed up on Saturday. Thousands waved Palestinian flags in what was perhaps the biggest pro-Palestine rally in Washington.

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THE HINDU



Italy to back Russia on WTO

MOSCOW: The Italian Prime Minister, Silvio Berlusconi, and the Russian President, Vladimir Putin, held a second day of talks on Wednesday, moving from an informal meeting at the Black Sea resort of Sochi to Kremlin, Moscow. Mr. Putin praised the talks, which focused on expanding bilateral economic ties and strengthening Russia's cooperation with Europe. "I'm very pleased with Mr. Berlusconi's position that a common European space in economic, political, energy and cultural spheres can only be created together with Russia. We discussed in detail new mechanisms of cooperation between Russia and NATO," he told journalists after the meeting (*in the picture, Mr. Berlusconi inspects a guard of honour in Moscow on Wednesday*). Russian officials had hoped to use Mr. Berlusconi's visit to secure strong Italian support for Moscow's bid to join the World Trade Organisation, and Mr. Berlusconi said such support would be forthcoming. Mr. Berlusconi also said Italy firmly backed plans to boost Moscow's cooperation with NATO, its former Cold War foe. Last month, Italy offered to host a NATO-Russia summit to discuss cooperation between the alliance and Russia — AP



N. Korea to resume dialogue

SEOUL: North Korea said on Wednesday it will resume dialogue with the United States, but warned that it would call off any talks if the United States "slanders" the communist country again. It said the country was responding to a proposal made by U.S. officials during recent meetings in New York with North Korean delegates to the United Nations. "The Democratic People's Republic of (North) Korea carefully examined the U.S. side's position and decided to resume the negotiations, taking its request into consideration," a North Korean Foreign Ministry spokesman was quoted as saying by the country's official news agency, KONA. "At the contacts, it clarified the stand that groundless slanders against the DPRK should not be repeated and, if such things happen, it will regard the U.S. position as deceptive," the unidentified spokesman was quoted as saying. The New York meetings were between North Korea's U.N. — AP

Leaders discuss Congo truce

LUSAKA (ZAMBIA): African leaders involved in the war in Congo met on Wednesday to discuss problems in implementing the cease-fire agreement and plans for the withdrawal of foreign troops from the central African nation. During the one-day summit held in the Zambian capital, Lusaka, the leaders were also expected to discuss the final deployment of U.N. forces in the country. The meeting follows an announcement at separate talks in South Africa among representatives of Congolese groups that Congo's Government was prepared to share power with rebels if they accept the reunification of the fractured country. Congolese officials described the offer as the greatest concession they could make, but some rebels rejected it, demanding the appointment of a transitional government, including a new President. The Government insists the position of the President, Joseph Kabila, is non-negotiable. — AP

Refugees sneak through tunnel

LONDON: Police were hunting on Wednesday for 20 illegal immigrants who got into Britain by hiding on a freight train as it passed through the Channel Tunnel. Police said nine other immigrants who crossed on the train had been caught at the Dollands Moor freight depot near Folkestone in southern England. Three other immigrants were caught on two other trains. The latest intrusion came as railway authorities struggle to restore full freight service through the tunnel. Service has been scaled back since

November because of the high number of illegal immigrants trying to sneak into Britain on trains from France. English, Welsh and Scottish Railways said efforts by illegal immigrants to cross through the tunnel succeeded on Tuesday night because French police guarding the route had been withdrawn to guard Jewish facilities in Calais after attacks by extremists in other parts of France. Freight services were suspended for almost two weeks last month when some 200 illegal immigrants invaded the train depot at the French end of the tunnel. — AP

India withdraws appeal against WTO ruling

By Ranvir Nayar

PARIS: In a sudden reversal, India has withdrawn its appeal against the ruling of a dispute settlement panel of the World Trade Organisation (WTO).



AUTOMOBILE

In January 2002, a WTO panel had ruled against India on a case filed by the European Union (EU) and the U.S. against the government's automobile policy.

In its ruling in January 2002, the panel had held that the automotive licensing policy of the government was against WTO norms and recommended that the policy be brought in line with WTO rules and India's commitments to the organisation.

The surprise Indian decision now means that India has no choice but to realign its automobile policy in line with the demands made by the EU and the U.S. as also its own commitments to the WTO.

"The sudden withdrawal of the appeal signals that the government may be about to overhaul the automobile policy and at least tackle those issues which had been challenged by the international community.

The export obligations imposed on the foreign manufacturers may be the first to go," says a Geneva-based consultant.

The U.S. and the EU had basically challenged two elements. The first challenge was for the conditions imposed on indigenisation or use of local content of components.

The manufacturers are currently supposed to reach a minimum level of 50 per cent indigenisation in the third year and 70 per cent within five years.

The other condition that was challenged at the WTO was the export obligation.

Currently each manufacturer is required to achieve broad trade balancing of foreign exchange. The agreement meant that all manufacturers had to export in value terms at least equal to the value of the imports made by the company.

The export obligation, however, kicked in only from the third year of production.

The dispute settlement panel (DSP) upheld the contention of the U.S. and the EU in this regard and urged India to take the steps necessary to bring its regulations in line with WTO rules.

It was in appeal against this order that India had moved the WTO January 31 and challenged the findings of the DSP.

However, on March 14, the Indian government sent a letter to the appellate body saying it was withdrawing its appeal. (IANS)

THE TIMES OF INDIA

21 MAR 2002

Don't ignore the poor: Annan

By Sridhar Krishnaswami

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NEW YORK, FEB. 5. The curtains came down on the five-day World Economic Forum meeting here with a sombre and blunt message from the United Nations Secretary-General that the international system should ignore the poor at its own risk.

"None of us, I suggest, can afford to ignore the condition of our fellow passengers on this little boat. If they are sick, all of us risk infection. And if they are angry, all of us easily get hurt," Kofi Annan said. Mr. Annan's reminder of global poverty and the widening gap between the haves and the have-nots was a fitting end to a conference that tried its best to stay away from an excessive emphasis on terrorism. In fact, over the last several days participants tried to turn the deliberations to any number of themes including poverty, disease, anger and hunger in the world. "The reality is that power and wealth in this world are very, very unequally shared and that far too many people are condemned to lives of extreme poverty and degradation," Mr. Annan remarked.

The Secretary-General also touched on a major criticism voiced at the World Economic Forum — that poverty was due to globalisation and caused by a handful of people. "The perception among many is that this is the fault of globalisation and that globalisation is driven by a global elite, composed of, at least represented by, the people who attend this gathering," Mr. An-



The United Nations Secretary-General, Kofi Annan, addresses the final session of the World Economic Forum in New York on Monday. — AFP

nan remarked.

The 32nd World Economic Forum held outside of Davos for the first time to show solidarity with the people of New York after the September 11 terrorist attacks has drawn mixed reviews. This year's deliberations by political, business and financial leaders were on a range of issues. Yet, there was criticism that the meeting continued to be elitist and the sole purpose of this annual get-together advanced corporate and personal interests. Mr. Annan said while the participants might not be as rich and powerful as made out to be, they were at

least more privileged "compared to the great majority of your fellow human beings, both in your standard of living and in the power and influence that you wield".

With 4000 police officers providing protection, the WEF ended quite peacefully. Around 200 persons were arrested by the police for a variety of reasons. The city, barring one or two minor instances, was not witness to any large-scale destruction of property as was witnessed in Seattle during the ministerial meet of the World Trade Organisation in 1999.

Religious leaders meet

Forty-three religious leaders from around the world convened at the Annual Meeting 2002 of the World Economic Forum, emphasising the opportunity to bridge divides between the rich and the poor.

This is the second year that a group of religious leaders and experts have been invited to the Annual Meeting to discuss the role of moral values, religion and spirituality in economic development. "The World Economic Forum has defined itself as a platform for global constituents. In the first 30 years of the Forum, business representatives, media, politicians and Global Leaders for Tomorrow have always participated in the discussions. In the last two years, we have found that the integration of religious leaders is also essential. We will continue to emphasise the strong participation of religious leaders in the Annual Meeting," said Klaus Schwab, President of the World Economic Forum.

WEF voices concern over W. Asia issue

By Sridhar Krishnaswami

9.5.9
NEW YORK, FEB. 4. Political, economic and financial leaders are winding up discussions at the World Economic Forum after five days of deliberations on a range of issues, including the dangers of terrorism.

In the streets of outside the Forum, police arrested around 70 persons for disorderly conduct as protesters tried to block traffic. "Given the number of people we've had come to New York to visit us this weekend, we've had a very small number of arrests," the new city Mayor, Michael Bloomberg said. Inside the posh Waldorf-Astoria hotel, developed nations and multinational corporations once again heard speakers warning of the consequences if the larger perspective was not kept in focus. "We need to move toward a more ethical globalisation and to find a way to have civic democracy on an international level," the United Nations High Commissioner for Refugees, Mary Robinson, remarked.

Over the past four days, the developed nations of Europe and the United States have been criticised for their protectionist policies and double-

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speak rhetoric. For instance, the developing nations are being lectured on the need to get away from subsidies whereas the agriculture sector is heavily subsidised in the Western world.

Leaders sought to emphasise the need to sort out the crisis in West Asia. Also, a distinction was sought to be made between terrorism and religion. "If today Islam is perceived to be a religion of backward, violent and irrational people, it is not because of Islam itself..." said the Prime Minister of Malaysia, Mahathir Mohammad. While the formal sessions of the WEF were devoted to a range of issues, there was overwhelming concern over the direction of foreign policy, both of the Bush administration at a broader level and in the immediate hopes of lowering tensions in West Asia. The presence of the Israeli Foreign Minister, Shimon Peres, lent some hope of defusing tension in the West Bank and Gaza. But concern has been voiced over the next steps of the Bush administration, in particular whether Washington will expand its war on terrorism by targeting specific States such as Iraq.

INDIAN EXPRESS

5 FEB 2002

WEF / PROTESTERS HARP ON OLD THEME

Open up markets, WTO chief tells rich nations

By Sridhar Krishnaswami

NEW YORK, FEB. 3. Global leaders at the World Economic Forum criticised the United States and Europe for their protectionist policies as thousands protested in the streets against corporate greed. The head of the World Trade Organisation, Mike Moore, said the Doha round would fail unless the wealthy nations opened their agricultural markets to imports from poor countries. Even as the anti-globalisation activists on the streets harped on their complaint that rich nations dominated the world economy at the expense of poorer countries, participants inside a posh Manhattan hotel pointedly criticised Europe and the United States for protectionism.

We need to focus on giving developing countries better access and this includes the phasing out of these subsidies which are absolutely distorting and devastating sectors in the poor world," the Managing Director of the International Monetary Fund, Horst Kohler said. "If we are real-



Opponents of the World Economic Forum protest along Park Avenue outside of the meeting of world business leaders in New York on Saturday. — Reuters

ly serious about globalisation to work for all, the advanced countries will have to recognise that they can't do business as usual," Mr. Kohler added.

The World Trade Organisation chief was even more blunt at a news conference saying that criticisms that the markets of the

North were closed "are totally correct". Mr. Moore said the Doha round of Global trade talks would fail unless there was a marked change in the attitude of the wealthy nations vis-a-vis opening their markets to agricultural goods from poorer countries.

Economy to occupy centre stage

By Sridhar Krishnaswami

NEW YORK, JAN. 31. Political and business leaders from around the world have gathered here to discuss the international system's most critical and compelling challenges. And while no formal decisions will be made here, the general feeling is that the sentiment expressed and shared by delegates will be listened to carefully in many capitals.

The 32nd World Economic Forum, normally meeting in Davos, Switzerland, is being held in New York this time, to show solidarity and sympathy to the people of this city who are still reeling from the traumatic events of September 11.

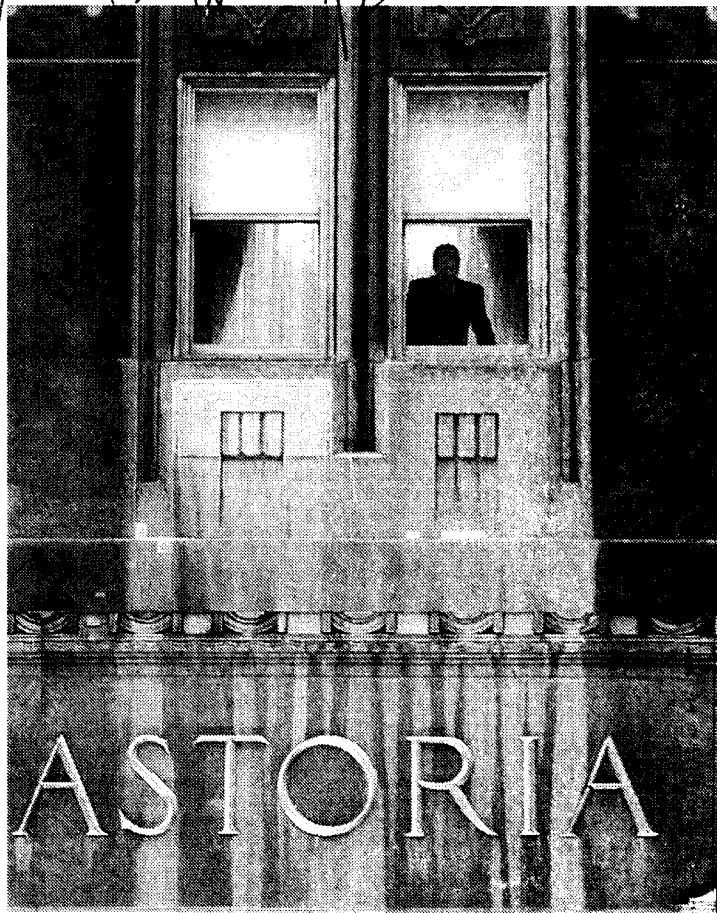
And the "Davos in New York" Forum is expected to attract some 3,000 delegates in the five day conference, many of whom will be looking beyond the campaign against terrorism to include such global problems as poverty, economic recession and developmental priorities.

"I think people from all walks of life are looking for an opportunity to get together, compare notes and find some new solutions to these difficult problems we are facing," a conference spokesman, Charles McLean, has said. The expectation is that the world economy and outlook will dominate much of the agenda, the hope being that economic pundits, financial leaders and decision makers will attempt to find ways for a brighter global picture.

The delegates could be expected to be outnumbered only by protestors who have now made it almost routine at any global economic meeting. That the police wish to take no chances given what has happened in other cities and countries before is evident from many sections of mid-town Manhattan off limits to traffic. Security is extremely tight.

Hundreds of police officers are out patrolling not just the busy streets but also keeping a careful watch on subway stations. "I hope it is going to be peaceful. That's all I can say," remarked the City Police Commissioner.

The workshop based format and agenda will deal not merely with the root cause of conflict and aspects of terrorism including bio-terrorism. Some of the discus-



A man looks at hundreds of New York City police gathering in front of The Waldorf-Astoria on Park Avenue on January 31, where the World Economic Forum is being held in New York City. Protestors and violence have targeted this Forum in the past and New York City has some 4,000 police officers surrounding the area to provide security. — AFP

sions will centre on the kind of Leadership that is needed in "fragile times," the challenges of global governance, a new strategic approach that factors in business, labour and globalisation, bridging the digital divide and the regional and global implications of the rise of emerging economies such as China.

India's participation at this forum is wide ranging in that it has the mix of political leaders at the Centre and State levels and captains of industry. The Union Finance Minister, Yashwant Sinha, is heading the delegation. He will be addressing the plenary session and also participating in the informal gathering of the world economic leaders. Among other

things the Indian Minister is expected to share his vision of the inter-twining of international needs and domestic interests.

The Chief Minister of Andhra Pradesh, Chandrababu Naidu, will be participating in a workshop on Bridging the Digital Divide where he will discuss the role and priorities of businesses, governments, international organisations and NGOs in the use of technology to alleviate poverty. Mr. Naidu and Mr. Sinha will be involved in briefing participants about India.

And the Confederation of Indian Industry (CII) is here with a 40-member strong industry and business delegation led by its President, Sanjiv Goenka.

Musharraf gets peace dividend from WTO panel

Our Delhi Bureau

NEW DELHI 30 JANUARY

WTO MEMBERS, at the conclusion of their second review of Pakistan's trade policies on 25 January 2002, expressed strong support for Pakistan's ongoing liberalisation efforts. They commended the simplification and sharp cuts in customs tariffs, especially on the sensitive textile items and that too ahead of schedule, but voiced worry about persistent high duties on a few sensitive items.

Pakistan's Comprehensive Economic Revival Programme, which addresses some of the imbalances in the economy of Pakistan, includes the implementation of a privatisation programme and further trade liberalisation. It also steps in to strengthen the tax base and improve governance. Long-term growth of the economy is also dependent on Pakistan's success

in diversifying its exports, which in turn depends on its trading partners' willingness to keep their markets open, or even open them further to Pakistani goods and services.



Members raised questions about Pakistan's arbitrary policies on most favoured nation (MFN), however. It may be noted that Pakistan has refused to extend the MFN status to India, potentially its largest trading partner. The upshot of the trade review is that the WTO joins the IMF, which has extended stand-by credit and substantial assistance under the Fund's Poverty Reduction and Growth Facility.

While the trade review makes no reference whatsoever to the Musharraf's recent move to redeem Pakistan from the grip of religious fundamentalism, there is little doubt that WTO's endorsement is also part of the peace dividend that General Musharraf is reaping for his pathbreaking speech.

The Economic Times

31 JAN 2002

US ready to abide by WTO tax-break ruling

EU-87 Business Standard III

269

Richard Wolfe
WASHINGTON, 27 JANUARY



Robert Zoellick

THE US on Friday said it was ready to comply with a World Trade Organisation ruling against a corporate tax break for US exporters, in a move designed to avert the threat of massive European Union trade retaliation.

Robert Zoellick, US trade representative, gave the pledge after talks in Washington with Pascal Lamy, EU trade commissioner. Zoellick said he wanted to resolve the issue with "a serious, good-faith and prompt set of responses".

Lamy welcomed the statement and said he was ready to work with Congress on a solution. However, the EU would retain its right to impose sanctions on US exports, to preserve leverage over Washington.

In a speech after his talks with US officials, Lamy said: "We, for our part, are absolutely ready to discuss with the US how they plan to comply with the WTO's findings, and we have

made that very clear. But if anyone out there wants to gamble on compliance on the basis that they don't think retaliation is a likely outcome, all I can say is that that would be very dangerous indeed."

The WTO's appellate body this month found in favour of an EU complaint that the US Extraterritorial Income Exclusion Act (ETI), which allows companies to shelter part of their foreign income from tax, was a prohibited subsidy that violated world trade rules.

Brussels values the subsidy at \$4 billion (£2.7 billion) and has said it will ask the WTO to approve by late March sanctions of a similar amount which it would impose if the US did not comply. However, it plans to suspend retaliation to allow time for further talks with Washington.

Zoellick said US negotiators would consult with members of Congress, tax officials at the US Treasury, and US business groups.

He had begun "preliminary conversations" with members of Congress, including Bill Thomas, chairman of the House Ways and Means committee, which effectively sets the tax agenda in Congress.

Lamy conceded that the issue would take time to resolve. "We have to be realistic," he said. "At some stage, it touches the US tax system. We

have enough knowledge and understanding of how things happen in this country, and we want to be helpful, supportive, coherent, energetic in the goal, which is compliance."

Congress has already changed the law on export tax relief once, in 2000, after the WTO upheld an EU complaint against the Foreign Sales Corporations Act, the ETI's predecessor.

Repealing or amending the law again would be likely to prove highly contentious and could be complicated by lobbying by business lobbies anxious to preserve the tax break. Some US lawyers argue that the WTO is overstepping its authority by intervening in domestic tax policy. Lamy said the EU did not want to tamper with US tax law, only to have the offending subsidy eliminated.

Zoellick said the tax dispute was not directly linked to US proposals to curb steel imports from the EU and other trading partners. US President George W. Bush, who is under heavy pressure from troubled American steel producers and Congress to protect the industry, must decide by March 6 whether to restrict imports. Brussels has said it will challenge any curbs in the WTO.

(Financial Times)

The Economic Times

28 JAN 2002

AFTER DOHA-II

Factors Behind Low Cost Of China's Exports

By DIPAK BASU

Chinese fireworks factory explosions have claimed hundreds of lives in recent years, as European and American demand for fireworks literally skyrocketed. However, there is little protection for the people who continue to assemble China's famed pyrotechnics. Often they do so by hand and almost exclusively in the country's poorest regions, sometimes illegally in private homes or even in schools.

Europeans and Americans are buying twice as many Chinese fireworks than they did a decade ago — which doubled the size and profits of the industry. Chinese people lose body-parts or lives, in increasing number of fireworks factory accidents. In March, 2001 an explosion killed 42 people in a school in south-western Jiangzi province, 38 of them children. Following the accident, villagers and relatives of the dead told that the children had been forced to make the fireworks in school to supplement the school's faltering budget. Nine days after the blast, Chinese Premier Zhu Rongji apologised for the accident at a nationally televised news conference, saying that the state council had failed to enforce safety directives. Later the Chinese government said the reason for the explosion was a suicidal "mad bomber" who placed the fireworks in the school, and was killed in the blast.

Militarised labour

Despite a human rights outcry over working conditions, the Chinese workers who sign on to work at the factories know they are working under dangerous conditions. But they rely on the industry for their income. Although the Chinese economy has grown tremendously over the past two decades, life is less than prosperous in large pockets of the country where foreign investment is rare and infrastructure is inadequate. One of the points of pride of the Chinese communist revolution was the idea of universal schooling, particularly in rural areas, and the abolition of child labour. But still, schoolchildren are working in sideline industries to pay for school fees.

The factors behind low cost of China's exports are very low cost of energy, transport and public subsidies. However, the most important factor that creates significant comparative advantage for China is the very low cost of labour. China has no trade union rights or any human rights for workers for that matter. Chinese workers are treated in a militaristic fashion with very strict discipline which amounts to serious abuses. A lot of the labour force are young women who arrive from the villages at the age of 15 or 16 and would have to go back at the age of 30 when their efficiency due to long hours of tedious works with little food and cramped living condition will be diminished.

By far the largest of the Taiwanese enterprises in Dongguan is Yu Yuan, one of three factories in the region owned by the Bao Yuan company. It employs some 40,000 workers, 70 per cent of them female, who work and live at a single enclosed site. Some work 12-hour shifts called "long day shifts"; others are on "long night shifts". Often these exceed 12 hours. Much of the work involves sitting at industrial sewing machines and stitching together the various shoe parts. One can work longer if one can't finish

violation of China's labour laws, which stipulate a maximum of 36 hours of overtime work each month. Yet, all things considered, conditions at this city-sized factory are above average for the district. The meals are subsidised, and there is medical care and relatively low-density housing of 10 to a room.

The worst factories in south China do not even allow workers to leave the factory compound after work. In extreme cases the isolation and iron discipline are prison-like. The official press has



the day's allocated quota. Another unpaid extra hour or so is spent in preparation before the shift begins.

In addition, because there are long queues, one needs to arrive early at the gate to punch card on time, do the drills and then line up to get to the shop floor. One can't afford to be late because there's a penalty equal to half a day's wages. A large number of workers are on eight-hour shifts, but they are required to do considerable overtime work. During a busy period one needs to work from early morning till 11 pm or midnight. The slow workers stay even later.

Slave compounds

Workers get about two yuan an hour (about 25 American cents), which is just above the minimum legal wage. With about 80 hours of overtime work a month, their monthly wages are about 600-700 yuan (\$75-80 a month). The amount of enforced overtime is in

reported cases of unpaid workers enslaved in heavily guarded compounds who have staged escapes. In the worst example that has come to light in this region, a Taiwan-managed joint venture factory employs more than a hundred guards for 2,700 workers, one of whom recently died in an escape attempt.

These abuses have persisted because of extensive collusion between such factories and the local governments. Many of the Chinese partners of joint venture firms are actually local government organs and departments, which reap considerable profits from these factories. They are as eager to make money by overworking and underpaying the migrant workers as are the outside investors, and look aside when cases of imprisonment and other serious violations of law occur. Those who should be acting as impartial overseers and law enforcement agencies are, instead, management's accomplices.

If India and other developing nations have to compete against China and adjust or reform to comply with this type of labour market flexibility much sought after by their business communities and their policy makers, there will not be any human rights for the workers even in the organised sector in those countries.

Persecuting union organisers

For organising an independent labour union in Human province during the 1989 democracy movement in China, and for other labour activism, Li Wangyang, a worker at a cement plant, was convicted of "counter revolutionary propaganda and incitement" by the Shaoyang People's Court in October 1989. Eleven harsh years in prison left him afflicted with lung, heart, back, and respiratory illnesses. Hospitalised after his release, Li petitioned the government to pay his medical bills, and when it refused, went on a 22-day hunger strike in February this year. His sister, Li Wanglin, repeatedly intervened with officials, and publicised his plight in a Radio Free Asia interview with Han Dong Fang of the China Labour Bulletin. The government soon cracked down on both of them. On 20 September the Shaoyang People's Court again imprisoned Li Wangyang, now 51 years old. It sentenced him to 10 years for "incitement to subvert state power".

During a visit to Beijing last May, the director general of the UN International Labour Organisation, Juan Somavia, handed China's labour minister a list of 24 detained labour activists and asked for their immediate release. The list has grown since then. China insists anyone in prison or in labour camps is there only because he or she has "violated laws and regulations", which says something about China's laws and regulations and how they are administered.

The argument that the UN International Labour Office can promote better labour standards and thus there is no need for the WTO to interfere is meaningless. The ILO has no teeth to bite. For example even Japan has not yet ratified the ILO's Discrimination in Employment and Occupation Convention, 1958 (No 111), which covers discrimination based on race, national extraction and colour, inter alia. Nor has Japan ratified the ILO conventions concerning protection of migrant workers. Workplace discriminations based on gender or nationality is very common in Japan. The US has refused to sign the ILO convention 138, which bans labour by children under the age of 18. If it is not possible for the ILO to influence a very developed country like Japan or the US, what influence can it have on labour conditions in China which defies every international treaty with impunity?

(Concluded)

THE CHINESE

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AFTER DOHA-I

A Defeat For The Developing World

By DIPAK BASU

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The World Trade Organisation after the recent Doha meeting in November 2001 is about to start the new round of negotiations on new agendas. The opposition of developing countries, particularly India, is neutralised. A careful analysis will show it is the defeat and collective suicide of the developing countries.

In theory the WTO with 142 members including 47 African countries, operates by consensus. All countries have the right to participate in negotiations affecting them. In practice, however, key decisions, including formulation of documents presented as "consensus" positions, take place in smaller informal meetings that are closed or unannounced. These meetings include primarily the rich countries and sometimes representatives of a few key developing countries. Even when meetings are open, India, African and other developing countries are often unrepresented simply because they do not have enough personnel to send to many simultaneous meetings.

The unspoken rule is that if a country is not present or does not speak up at a meeting, it is considered to support the "consensus" later presented by WTO staff. Even when there is vocal dissent, the positions of developing countries are often totally excluded from the emerging statements. On 27 October, the chairman of the General Council of the WTO presented final draft texts for the Doha meeting of trade ministers. In principle, points of disagreement are supposed to be highlighted within brackets in the text. But the final text simply omits almost all areas of disagreement. As the Nigeria delegation commented, "The text generally accommodates in total the interests of developed countries while disregarding the concerns of the developing and least developed countries".

Patent rights

Patent rights, by granting temporary monopolies to drug manufacturers, keep drug prices and company profits up. As a result, the pharmaceutical industry has higher profit rates than any other major industrial sector. In 1994 the WTO agreement on "trade-related aspects of intellectual property rights" mandated that member countries bring their laws into accord with restrictive standards that maximise the rights of patent holders. Both the Nobel Prize winner Joseph Stiglitz and Muchkund Dubey, India's chief negotiator to the 1994 Treaty in Uruguay, have remarked, the 1994 agreement was "unequal" and "driven by commercial interests".

The agreement does include the option for countries to use generic alternatives to patented drugs in emergencies, as the US threatened to do recently to bring down the price of the patented antibiotic Cipra. In practice, however, using this option requires strong political

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will, economic clout, and high-powered lawyers to face up to pressure from drug companies and their home governments.

One-way liberalisation

Even though South Africa forced the drug companies to back down on a court case on the issue of HIV/AIDS drugs in April 2001, the intimidation factor is still extremely powerful. While Brazil, India, and Thailand have aggressively used generic drugs to push down costs, despite US pressure, only a few African and other developing countries have taken hesitant steps to do so.

The rich countries are also offering to

Together with other measures such as tariffs (Japan has 500 per cent tariffs on imports of rice) and quotas, these subsidies make it difficult for developing countries to compete in rich country markets. Even more damaging, they allow agricultural exports from the rich countries to drive small farmers out of business even in their home countries. This threatens domestic food security as well as undermining export potential. The previous Uruguay Round of trade negotiations which ended in 1994 promised greater market access in the rich countries for developing countries' exports. This has not happened. Develo-



change the deadline for patent-law compliance by "least developed countries" from 2006 to 2016. But by applying only to "least developed countries", this would exclude precisely those developing countries most able to produce and export generic drugs, including Brazil, India, and African countries.

Trade liberalisation, its proponents promise, will bring benefits to all countries. The World Bank, for example, calculates that "full" trade liberalisation could bring between \$200 billion and \$500 billion in additional income to developing countries. First, these forecasts are just as good as astrological forecasts. In practice the rich countries take full advantage of the openings they press on developing countries, while failing to open their own markets. This is particularly clear in agriculture, where agricultural subsidies to farmers in the US, Europe, and Japan have risen to almost \$1 billion a day - more than six times the amount these countries provide in development assistance.

ping countries wanted this failure to be addressed before they accept another round of negotiations. However, their request fell upon deaf ears. The Doha declaration only mentioned abolition of export subsidies but precisely very little about various tariffs and non-tariffs restrictions on imports, production subsidies and price-supports in most developed countries that cause unfair trade advantages against farmers of developing countries both in their exports and domestic markets.

Unkept promises

Developing countries have identified at least 104 specific "implementation" issues they wanted to address. A few examples include US use of "anti-dumping" barriers to restrict exports of steel from developing countries, including India, the impact of lower industrial tariffs in devastating domestic industries in many developing countries, and the failure of the rich countries to provide adequate technical assistance to enable

developing countries to comply with trade regulations and compete effectively. Developing countries have also led a fight to oppose the use of intellectual property rights to patent life forms, a trend which threatens developing country control over genetic stock vital for agricultural production.

The bottom line is that while developing countries have been forced into opening their markets, allowing cheaper imports to undermine domestic agriculture and industry, rich countries have failed to lower their own trade barriers, which cost developing countries some \$100 billion in lost opportunities. Indeed of addressing these concerns, the rich countries and the WTO secretariat have pressed for a new round while offering practically nothing to address these implementation issues.

All previous trade agreements, including the Uruguay Round concluded in 1994, recognise in theory that developing countries have disadvantages that may warrant "special and differential treatment". In other words, these countries may and should be granted better market access, be allowed greater flexibility in implementing trade rules, and be allowed to sign agreements with developed countries that do not require full "reciprocity".

The draft declaration for Doha does include a commitment for a committee to study existing provisions for special and differential treatment and consider the option of making some of them mandatory. This commitment, however, falls far short of the extensive review developing countries regard as essential.

Labour standards

The levels of tension between rich and poor countries are now at even higher levels than in Seattle. Instead of taking the opportunity for dialogue, rich countries have offered little or nothing to address the concerns of the developing countries. The poor are asked to accept the agenda whether they like it or not and to swallow their rage as rich countries, claiming to represent global interests, once again impose their minority views.

The developing countries fought and won in one point: the developed countries readily accept their demand not to include "labour standards" in the new found of talks of the WTO.

The question is: is it a victory or suicide and why have the developed countries agreed so easily? The answer is, "labour standards" will affect the developed countries badly as well and the developing countries have lost the major weapons to improve their labour standards and to protect their industries against the forthcoming onslaught by the Chinese exports. Some of the developed countries are deeply involved with the Chinese export drives and are not inclined to include "labour standards" in the future talks of the WTO. That would harm their own interests too.

(To be concluded)

THE STATESMAN

11 JAN 2002

WTO rules against US on rum trademark

51-1380-10
211

Frances Williams & Nancy Dunne

GENEVA/WASHINGTON, 6 JANUARY

IN A COMPLEX verdict with implications for international trademark protection, the appeals body of the World Trade Organisation on Wednesday ruled that a US law barring registration of confiscated Cuban trademarks violated WTO non-discrimination rules.

The European Union brought the case in 1999 after the US passed a law - Section 211 - designed to prevent Pernod Ricard, the French drinks giant, gaining US registration for its "Havana Club" rum trademark. The US rights to the trademark, which

Pernod Ricard has registered in more than 180 countries, are claimed by Bermuda-based Bacardi, the world's biggest rum producer.

However, both sides in the dispute between the US and EU over Cuban rum will be pleased by aspects of the ruling, which reversed several findings of a WTO panel report last summer.

In particular, it upheld the right of WTO members to determine their own criteria for trademark registration, including the right to refuse registration of confiscated marks.

Jean Rodesch, Pernod Ricard's vice-president for European affairs, said on Wednesday the US

would now be forced to change the law, which has stopped the company pursuing trademark claims in the US courts.

The US trade representative's office acknowledged the finding that the US failed to give equal treatment to US and Cuban com-

panies, contrary to WTO rules. In a carefully worded response, it suggested the US law would be acceptable if only discrimination were absent and promised to consult closely with Congress "in considering an appropriate response" to the ruling.

The appeals body said Section 211 breached WTO principles of non-discrimination between trading partners and treating domestic and foreign nationals equally.

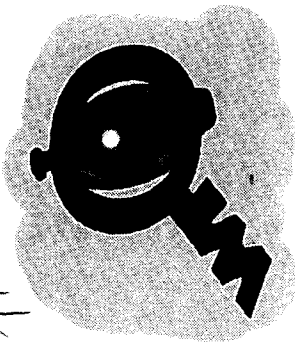
But the US can be expected to underline that the appellate body has not overturned the central foundation of Section 211, which denies registration to confiscated marks. Pernod Ricard denies the Havana Club mark was

confiscated, saying it was legally abandoned.

The Havana Club label originally belonged to the Arechabala family, now living in the US, whose assets were seized after the 1959 Cuban revolution.

After the Arechabalas let the trademark lapse, it was acquired by the Cuban successor company that later went into business with Pernod Ricard. Their joint venture, Havana Club Holding, sells rum under that label in more than 80 countries. However, Bacardi, which claims to have bought the rights to the Havana Club label from the Arechabala family in 1997, contested the US registration.

Financial Times



THE STATESMAN

7 JAN 2001