

India's terms for WTO talks

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NEW DELHI, Dec. 16. — India has called for dropping three of the four Singapore issues from the World Trade Organisation (WTO) agenda, implementation of less than full reciprocity for developing countries in market access and faster progress on implementation issues.

At the ongoing General Council meeting of capital based officials in Geneva, India said that work on trade and investment, competition policy and transparency in government procurement should be stopped to facilitate re-start of the stalled trade negotiations.

Work on clarification of various aspects of trade facilitation may continue in light of the interest expressed by several delegations, India said, adding that any subsequent decision on modalities should be by explicit consensus only. The GC meeting has been convened to enable members to narrow down differences on contentious issues mainly agriculture and the Singapore issues in a bid to put the derailed negotiations back on track. — BS

India wins case against EC at WTO

Ruling to provide some relief to exports to European Union

WORLD TRADE ORGANISATION (WTO) dispute settlement panel has upheld India's contention that the European Commission (EC) has violated its GATT/WTO obligations in granting tariff preferences. The panel was established at India's request in January 2003.

The panel has upheld that EC granted tariff preferences to 12 countries under the drug arrangements window of its generalised system of preferences (GSP) scheme without extending these preferences to other developing countries. The panel has also ruled

that the EC has failed to demonstrate that the drug arrangements are justified under the enabling clause, which otherwise allows the developed countries to grant tariff preferences to some developing countries without allowing the same advantage to others. India would seek adoption of panel report at the earliest in accordance with the provisions of WTO dispute settlement understanding, an official statement from the commerce ministry said.

This WTO ruling is likely to provide some relief to the Indian exporters to EC, particularly in apparel sector, which otherwise faces disadvantage by duty concessions to Pakistan under the drug arrange-

ments. The panel was not convinced by EC's contention that the drug arrangements were justified under the enabling clause. It found that the EC's drug arrangements, which was shown as a GSP scheme does not provide identical tariff preference to all developing countries. The differentiation was also neither for the purpose of special treatment to the least developed countries nor in the context of implementation of a priority measures. The panel has recommended that dispute settlement body request the EC to bring its measures in conformity with its obligations under GATT.

India had invoked dispute settlement proceedings of the

WTO in this case with extreme reluctance after having exhausted all available avenues for a negotiated settlement with the European Commission.

Indian exporters to the EC have suffered considerable loss on account of the 10 per cent tariff concessions available to exports from Pakistan of similar products.

During the panel proceedings, India clarified that while it did not disregard EC's right to give financial assistance to individual developing countries, facing problems relating to drug trafficking and production, this could not be done at the expense of other developing nations facing different but equally pressing needs, it said.

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India to table its offers at WTO

New Delhi, December 7

INDIA WILL submit its offers on services at the World Trade Organisation this week, ahead of the General Council meeting on December 15, when senior officials from 148 member countries meet to break the stalemate in trade negotiations after the collapse of Cancun Ministerial.

Services negotiations at WTO are carried out in the form of offers and responses and India's offer is likely to include sectors like health, computer and related, telecom, engineering, construction, financial, tourism and travel, accounting and book-keeping and maritime in various modes of supply, official sources said.

They, however, said most of the offers cover Mode I and Mode 4 of supply implying cross border supply of services and movement of natural persons respectively.

The offers made can be revised or withdrawn depending on the response received from the trading partners.

India had made limited commitments at the end of the Uruguay round in some sectors like engineering, tourism and computer-related, which are being revised now. Cabinet Committee on WTO, headed by the Prime Minister, had approved the broad strategy for services negotiations at WTO in June this year.

The Cabinet had also made it clear that government was not willing to negotiate on the opening up of distributive (retail and wholesale), legal, posts and courier and audio-visual services. Other services like energy, education, environment, recreation, culture and sports services could be considered for opening up only after undertaking more studies on these areas, the sources said.

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THE HINDUSTAN TIMES

3 DEC 2003

World Bank warns India on poverty policy

Press Trust of India

NEW DELHI, Sept. 21. — World Bank today warned India will not be able to reduce poverty and improve human development by 2015 without socio-economic reforms percolating to the poor.

“Without major improvement in policy, most states in India will not be able to accomplish the Millennium Development Goals (MDGs), which calls for halving the global incidence of poverty and broad improvements in human development by 2015,” it said in a report released here.

The ‘World Development Report 2004: Making Services Work for Poor People’ said improvement in human welfare will not occur unless poor receive wider access to affordable, better quality services in health, education, water, sanitation and electrification. “Without such improvements in such services, freedom from illness and freedom from illiteracy — two of the most important ways poor people can escape poverty — will remain elusive to many,” it said.

Commenting on the report, the World Bank president, Mr James D Wolfensohn, said “too often, key services fail poor people — in access, in quantity and in quality. Services work when they include all people. They work when we take a comprehensive view of development.” The report illustrated “shoddy services” received by poor, citing a government-sponsored programme in Andhra Pradesh, saying the weaker section were sup-

posed to get Rs 1,000 and 15 kg of rice for family planning operations but they get Rs 500 and 10 kg rice and make the poor run around for the rest.

“Much of the public spending never reaches poor people.

In India, the richest fifth receives three times the curative care subsidy of the poorest,” the World Bank lead economist, Mr Jeffrey Hammer, said.

Although Indian public sector runs almost 2,00,000 primary health facilities and 15,000 secondary and tertiary facilities, World Bank said “wide public provisions does not always translate into substantial use.” “In India, even with the huge organisation of public health facilities, the private sector accounts for 80 per cent of the out-patient treatments and almost 60 per cent of in-patient treatments,” it said.

Citing low quality of health services in the country, World Bank said “in India, the contamination of injection needles used by registered medical practitioners was alarmingly widespread.” Moreover, it noted that districts with a higher proportion of lower castes and some religious groups have fewer doctors and nurses. “Health outreach workers are less likely to visit lower-caste and poor households,” it said.

Highlighting the poor quality of education, World Bank said “in random visits to 200 primary schools in India, investigators found no teaching activity in half of them.”

THE STATESMAN

22 SEP 2003

WTO ruling boosts India

9/29/99

12/19 HC-12
Move comes as bolt from the blue for US-EU negotiators

K.A. Badarinarath
Cancun, September 11

INDIAN NEGOTIATORS led by Commerce Minister Arun Jaitley were buoyed by the support they got in their campaign at the World Trade Organisation ministerial summit against trade distorting subsidies worth US \$311 billion doled out by the United States and European Union.

The mood in the Indian camp was upbeat following a ruling by the chairman of the WTO fifth ministerial conference and Mexican Foreign Minister Dr Luis Ernesto Derbez Bautista on Thursday that an independent proposal on agriculture would be put up afresh accommodating concerns of all 146 member countries.

This ruling of the WTO ministerial chair was delivered after the G-21 delegation led by the Indian, Chinese and Brazilian commerce ministers raised serious objections on the previous offer circulated by the chairman of the general council Carlos Castillo. The alliance charged that the document reflected the US-EU position on agriculture and the proceedings on agriculture negotiations

CANCUN DIALOGUE

Trade's key role

BILATERAL TRADE and investment will play a key role in sustaining the partnership envisaged by both India and the United States, said US Assistant Secretary of State for South Asian Affairs Christina Rocca while speaking at a meeting organised by CII.

Economic reforms in India are likely to improve bilateral trade ties and foreign investments in all sectors.

Referring to the WTO ministerial at Cancun, Rocca said India is a critical player and has to lead the way toward constructive solutions to the growing demands of shared global economy.

lacked transparency.

This prompted the ministerial conference chairman to appoint Singapore trade minister George Yeo Yong-Bon as facilitator

for agriculture negotiations. He also ruled that the facilitator would prepare the offer document accommodating all viewpoints.

The direction came as a bolt from the blue for the EU-US trade negotiators who banked on the support of the WTO general council chairman.

Apart from this favourable ruling, day one of the ministerial conclave turned the tables in favour of India and its friends as not only did Egypt join the group on agriculture but the Cairns group led by Australia and New Zealand lambasted the US-EU for distorting farm trade.

More support came in for India as a group of another 22 developing countries led by Indonesia supported the G-21 cause for elimination of trade distorting subsidies. This new group is known as the Strategic Products and Special Safeguard Mechanism alliance.

Jaitley said there was commonality of approach towards market access on agriculture between the two groups.

Further, the mood for trade negotiations was set with UN Secretary General Kofi Annan making a passionate plea to the rich countries to

eliminate subsidies that played the field against the poor nations and denied fair competition in agricultural trade. In absentia, his speech was delivered by UNCTAD secretary general Rubens Ricupero.

Enthused by the swelling ranks by the day on agricultural issues, India and China opened another common front against the rich countries on the so-called Singapore issues — competition, transparency in government procurement, investment and trade facilitation. The two Asian giants announced an alliance of 15 developing countries on the Singapore issues.

Jaitley said a common approach paper will be forwarded to WTO on Friday seeking continuation of clarification process on these issues.

Others who have signed on include Malaysia, Indonesia, Bangladesh, Philippines, Cuba, Venezuela, Tanzania, Egypt and Jamaica. Chinese Commerce Minister Lu Fuyuan has apparently got a green signal from the communist leadership back home to go the whole hog on agricultural and Singapore issues as the country has already taken several commitments to enter the WTO.

India to resist non-trade issues at Cancun

Mamata Singh/Business Standard

NEW DELHI, Sept. 8. — India will stringently oppose any agreement on trade and investment while maintaining a flexible stance on trade facilitation and transparency in government procurement at the upcoming Fifth World Trade Organisation (WTO) Ministerial conference at Cancun.

The country's stance will be that the WTO is a body for discussion of trade related issues and investment, being a non-trade topic it should not be considered there, said official sources.

Negotiators going to Mexico have also been directed to consider an agreement on Competition policy, provided it is restricted to hard core cartels and is based on a peer review mechanism. They have however been told not to accept a binding agreement on competition policy.

The decision on whether to proceed with negotiations on these topics will come up for consideration at Cancun. The four issues, jointly referred to as the Singapore issues are uppermost on the agenda of developed countries, especially the European Commission.

"India's stand has been that negotiations on the issues should commence only after explicit consensus on modalities among all members of the WTO and that each of these four issues should be considered separately and not be covered under a single set of modalities," officials added.

The Indian team is also likely to push for the freedom to sign or to keep out of any agreement on each of the issues if the agreements are multilateral ones.

While the initial assessment was that the trade talks would focus on agriculture on which the United States and the EC had opposing views, the joint paper on agriculture submitted by the trade giants last month, sought to deflect attention from subsidies, and to focus on tariff cuts. India and a group of 20 developing countries have submitted their own paper on agriculture which is by and large supported by the Cairns group.

The country's broad stand on agriculture will be to oppose agricultural subsidies in developed countries, favour a Uruguay Round type formula for tariff reduction, push for exemptions from tariff reduction in case of certain sensitive products and for inclusion of livelihood concerns in the discussions.

On non-agricultural market access also, India will push for a formula which would allow for adequate protection to domestic products by going in for tariff binding at appropriate levels.

Flexibility to retain a few domestically sensitive tariff lines as unbound will also be sought.

Cabinet panel discusses Cancun strategy

Statesman News Service

NEW DELHI, Sept. 5. – The Cabinet Committee on the WTO met today to finalise India's strategy for the Cancun Ministerial meeting scheduled to begin next week, official sources said.

The meeting in Mexico is likely to be a contentious one, with major differences between developed and developing countries (in which category India falls) on crucial issues like agriculture, market access on non-agricultural products and Singapore issues.

Presided over by the Prime Minister, Mr Atal Behari Vajpayee, the meeting, which lasted well over an hour, formulated directions to the Indian negotiating team, to be led by the tough-talking commerce and industry minister, Mr Arun Jaitley.

Commerce ministry officials, including the commerce secretary, Mr Dipak Chatterjee, and the additional secretary, Mr S N Menon, participated in the discussions on the revised draft text, which will insist on a different structure of tariff reduction for developing countries.

Addressing the second India-Asean (Association of South-east Asian nations) business summit yesterday, the Prime Minister had referred to the impending Cancun meeting and had taken a dig at developed countries for sidetracking the 'genuine concerns' of the 'not-so-rich countries.'

"We try to highlight the asymmetries and imbalances in the multilateral trade agreements, but keep getting side-tracked into non-trade related issues."

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6 SEP 2003

6 SEP 2003

THE STATESMAN

India opposes USA, EU stand on agriculture

Business Standard

NEW DELHI, Sept. 5. — India today went on the offensive against the United States and the European Union's joint paper on agriculture saying that the two had opposite interests, while the 20 developing countries, which had submitted a joint framework to the World Trade Organisation, had a common demand for reduction in farm subsidies.

"While one of them wanted to continue with the protectionist regime with high tariffs and subsidies, the other was pushing for market access and saying that it would wait for the other partner to cut subsidies before it announced its plans. The two stands are diametrically opposite but they have still come together now," a senior commerce ministry official said.

India's attack comes just a day after EU Trade Commissioner Pascal Lamy launched a similar offensive against India and Brazil, which spearheaded the developing country campaign after the US and EU unveiled a joint framework last month.

Besides, officials said that members of the Cairns group, like Brazil and South Africa, which were now part of the G-20 coalition had been seeking steep subsidy reduction, a position shared with India.

As far as market access, through deep-

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er tariff cuts, was concerned, Indian officials said that the developed countries needed to make the first move by reducing subsidies. "At Cancun the developed countries will try to give the entire issue a spin by saying that countries like India have high tariffs. But protectionism does not begin in vacuum. The reforms must begin with subsidies. For every step we walk they (the developed countries) have to walk five," an official said.

The officials also accused the developed countries of trying to divide the developing world into the two groups in order to win the support of the "not so developed countries" in the developing nations camp.

They said that WTO country member was a developing country in certain sectors while it was a developed country in others. "India may be a developing country in agriculture but it is a developed country as far as information technology is concerned," an official said.

6 SEP 2002

THE STATESMAN

India toughens WTO stance

HT Correspondent
New Delhi, September 5

THE UNION government on Friday finalised its broad strategy for the WTO ministerial meet at Cancun beginning next week.


At a meeting of the Cabinet Committee on WTO, chaired by Prime Minister Atal Bihari Vajpayee, it was decided to target domestic and export subsidies to take on the EU-US combine on agriculture front.

Indian trade negotiators, led by Commerce Minister Arun Jaitley, have been asked not to compromise on protecting the livelihood of 650 million families dependent on agriculture, it is learnt. Further, some flexibility has apparently been given to Jaitley's team to deal with non-agriculture market access issues though most corporates have represented against opening up their areas including leather and auto components.

On Singapore issues, India

HT-12
69
9/5/03

ON THE OFFENSIVE



Arun Jaitley

- Farm subsidies identified as the Achilles' heel of EU-US combine
- Indian team will have fall back options to escape isolation
- Aggressive stance on sectors like services where India has lot to gain
- Plans to counter EU-US demand to deny reclassify developing country tag to India and China

along with 13 countries has formed a core group seeking clarifications on investment, transparency in government procurement, competition policy and trade facilitation. This core group will also coordinate with African, pacific and caribbean countries as well as least developed countries on seeking clarifications on the Singapore issues. With regard to imple-

mentation issues, India will be in the forefront to pursue resolution of commitments made earlier in Doha by the western economies.

Before finalising the strategy, Prime Minister Vajpayee apparently had a telephonic conversation with Congress President Sonia Gandhi appraising her of the official stand at Cancun summit, sources divulged.

6 SEP 2003

THE HINDUSTAN TIMES

Sangh suggests WTO alternative

Ahead of Mexico meet, Sangh outfits reiterate old demand, ask Centre to quit WTO

PRADEEP KAUSHAL writes here. RSS joint secretary Madan Dass Devi and ex-BJP general secretary K.N. Govindacharya were also present.

RAISING pitch ahead of the WTO ministerial conference scheduled to be held in Cancun (Mexico) this month, three Sangh Parivar outfits have called upon India to withdraw from the WTO and build an alternative trade body if developed countries do not reduce their subsidies and allow a greater market to poor nations.

The call was given by Datapant Thengadi, founder of these outfits — Swadeshi Jagran Manch (SJM), Bharatiya Mazdoor Sangh (BMS) and Bharatiya Kisan Sangh (BKS) — during a joint "Mahadhama" at Ramlila Maidan

"We want parity, but it is most unlikely that the seven-eight developed countries which dominate the WTO would give an equal status to India"

made to bring agricultural subsidies "down to our level. Otherwise, their farmers, because of lower costs, would sell their produce at lower rates and our farmers would commit suicide".

Thengadi said the WTO was not in India's interest. "But if we say this, we are attacked by the political establishment and media. Their charge is: Do you only know what is in the interest of the country? However, things have changed. There is awakening among poor developing countries. It was Prime Minister Mahathir Mohamad of Malaysia who had taken the lead in bringing about this awakening. The result was the Seattle fiasco. Several roadblocks developed at the Doha conference. Through this dharna, people want to

make it clear that bullying tactics of white countries would not work (*gore deshon la dadda giri nahin chalegi*). Thengadi said there were differences between the US and the European Union, but "the two demons (*rakshasas*) have joined hands against us. They would soon destroy each other". Referring to the recent cut in TB and malaria drug prices, he claimed it stemmed from a realisation by the West that "we would oppose their agricultural policies at Cancun. This is a sop to silence us".

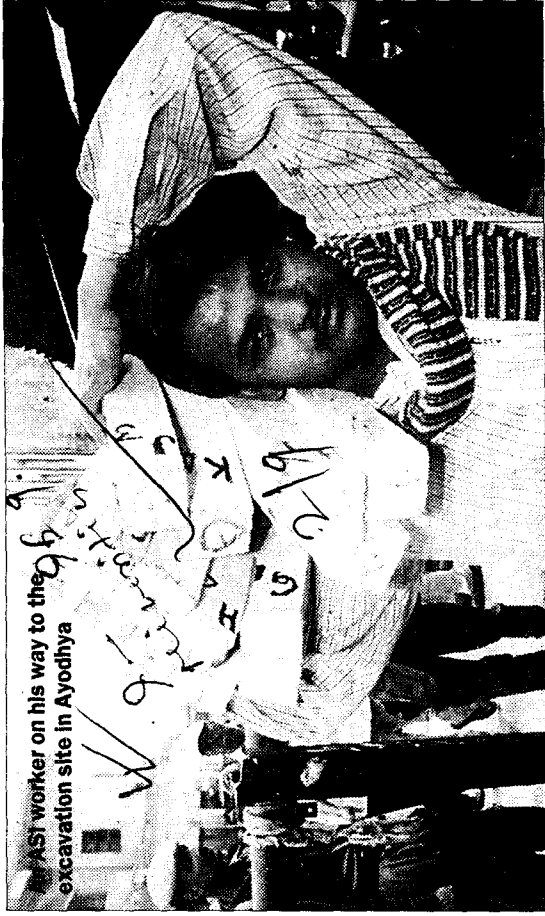
He said the P.V. Narasimha Rao Government had joined the WTO without taking Parliament and the public into confidence. "But now, it should not compromise the interest of its farmers and workers."

countries which dominate the WTO would give an equal status to India and other developing countries. So far, only these white countries drafted a treaty and imposed it on others. There has been a change since the Seattle fiasco. Members are talking of quitting the WTO. We also gave a call to the government to quit it."

The senior RSS leader said developed countries should be

What lies beneath disputed structure

Excerpts from the 574-page report submitted by the ASI on the excavation carried out in Ayodhya



ASI worker on his way to the excavation site in Ayodhya

FOR THE RECORD

EXCAVATION at the disputed site of Ram Janmabhumi — Babri Masjid — was carried out by the Archeological Survey of India from 12 March 2003 to 7 August 2003. During this period, as per directions of the Hon'ble High Court, Lucknow, 82 trenches were excavated to verify the anomalies mentioned in the report of the Ground Penetrating Radar Survey which was conducted at the site prior to taking up the excavations.

The anomalies were confirmed in the trenches as pillar bases, structures and foundation though no such remains were noticed in some of them at the stipulated depths and spots. Besides the 82 trenches, a few more making a total of 90 were also excavated keeping in view the objective fixed by the Hon'ble High Court to confirm the structures.

The results of the excavation

are summarised as hereunder:

The Northern Black Polished Ware (NBPW) using people were the first to occupy the disputed site at Ayodhya. During the first millennium BC although no structural activities were found in the limited area probed, the material culture is represented by terracotta figurines of female deities showing archaic features, heads of terracotta and glass, wheels and fragments of votive tanks etc.

On the basis of material equipment and 14C dates, this period may be assigned to Circa 1000 BC to 300 BC.

The Sunga horizon (second-first century BC) comes next in order of cultural occupation at the site. The typical terracotta mother goddess, human and animal figurines, beads, hairpin etc represent the cultural matrix of this level. The pottery collection includes black, red and grey wares etc.

The stone and brick structure found from this level mark the beginning of structural activity

at the site. The Kushan period (first to third century AD) followed the Sunga occupation. Terracotta human animal figurines, fragments of votive tanks, beads, antimony rod, bangle fragments and ceramic industry represent the typical Kushan occupation. Another important feature of this period is the creation of large-sized structures as witnessed by the structure running into 22 columns.

The advent of Guptas (fourth to sixth century AD) did not bring any qualitative change in building activity although the

period is known for its artistic elements. However, this aspect is represented by the typical terracotta figurines and a copper coin with Sri Chandra (Gupta) and illustrative potsherds.

During the post-Gupta-Rajput period (seventh to 10th century AD), the site has witnessed structural activity mainly constructed of burnt bricks. However, among the exposed structures, there is a circular shrine which speaks of its functional utility for the first time. Though the structure is damaged, the northern wall still retains a provision for *pranala*

(waterchute) which is a distinct feature of contemporary temples already known from the Ganga-Yamuna plain.

Subsequently, during the early medieval period (11th-12th century AD) a huge structure, nearly 60m in north-south orientation, was constructed which seems to have been short-lived, as only four of the 50 pillar bases exposed during the excavation belong to this level with a brick crush floor.

On the remains of the above structure was constructed a massive structure with three structural phases and three successive floors attached with it. The architectural members of the earlier short-lived structure with stencil-cut foliage pattern and other decorative motifs were reused in the construction of the monumental structure having a huge pillared hall providing evidence of a construction of public usage which existed for a long time during the period VII (Medieval-Sultanate level — 12th to 16th century AD). It was over the top of this construction during the early 16th century, the disputed structure was constructed directly resting over it. There is sufficient proof of existence of a massive and monumental structure having a minimum dimension of 50x30m in north-south and east-west directions respectively just below the disputed structure. In course of present excavations nearly 50 pillar bases with brick bat foundation below concrete blocks topped by sandstone blocks were found.

The centre of the central chamber of the disputed structure falls just over the central point of the length of a massive wall from the preceding period which could not be excavated due to presence of Ram Lala at the spot in the make-shift structure.

It is worthwhile to observe the various structures exposed from the Sunga to Gupta pe-

riod do not speak either of their nature or functional utility as no evidence has come to approbate them.

Another noteworthy feature is that it was only during and after Period IV (Gupta level) onwards upto Period IX (late and post-Mughal level) that the regular habitational deposits disappear in the concerned levels and structural phases are associated with either structural debris or filling material taken out from the excavation".

'The anomalies were confirmed in the trenches in the form of pillar bases, structures, floors and foundation'

Now, viewing in totality and taking into account the archeological evidence of a massive structure just below the disputed structure and evidence of continuity in structural phases from the 10th century onwards upto the construction of the disputed structure along with the yield of stone and decorated bricks and mutilated sculpture of divine couple and carved architectural members including foliage patterns, *amalaka*, *kapotapali* doorjamb with semi-circular pilaster, broken octagonal shaft of black schist pillar, lotus motif, circular shrine having *pranala* (waterchute) in the north, 50 pillar bases in association of the huge structure, are indicative of remains which are distinctive features found associated with the temples of North India.

The Hon'ble HC, in order

to get sufficient evidence on the issue involved "whether there was any temple/structure which was demolished and mosque was constructed on the disputed site as stated on page 1 and further on page 5 of their order dated March 5, 2003, had given directions to ASI to excavate at the disputed site where the GPR Survey has suggested evidence of anomalies which could be structure, pillars, foundation walls, slab flooring, etc which could be confirmed by excavation".

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Advantage India on farm issues at Cancun

Srinjoy Chowdhury in New Delhi

Aug. 28. - The World Trade Organisation meeting at Cancun begins next month, but India appears to be in a 'favourable' position on agriculture, something not universally recognised.

With India not strongly subsidising the farm sector, except in terms of fertilisers and power, and our tariff walls not very high compared with countries like Japan, there could be comparatively less pressure on agricultural issues. The other area of subsidies could be the minimum support price of foodgrain.

In comparison, said a senior government official, agricultural subsidies of the European Union are higher. This "favourable" position is not fully realised and some difference of opinion within the government on agriculture. While one section believes there should be more competition in agriculture, another section believes that farmers should be more strongly protected.

Meanwhile, India is likely to block all efforts to formulate the modalities on Singapore issues in the coming ministerial conference beginning on 10 September in Mexico.

The Singapore issues in the World Trade Organisation deal with four major subjects: trade and investment; trade and competition; trade facilitation and transparency in government procurement.

The WTO has been studying it for a few years, but the Centre has decided that during the conference officials should state that the 'clarificatory process' on the four subjects

India is also looking at a number of fall-back positions. In case allied developing countries fail to put up resistance, India will have to take a more flexible position on trade facilitation and transparency in government procedure

should continue as it is still not time for a decision on the modalities. This is to ensure that inclusion of subjects in the Singapore issues that are not in India's interest stays out.

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A similar effort may have to be made on the framework for competition policy if developing countries fail to keep together. India may oppose any agreement on investment, saying that WTO should be for trade-related issues. Therefore, rules on non-trade related issues like investment should not be negotiated in the forum.

Flexibility will be a byword and India could either get out of or get into any arrangement if there is convergence of views about making agreements on Singapore issues 'plurilateral' ones.

India expects a number of developing countries to work together. They include Malaysia (the chairman) as well as Kenya, Bangladesh, Philippines, China, Egypt, Zimbabwe, Uganda and Jamaica.

29 AUG 2003

Desi drug cos get WTO booster

India can now sell patented medicines to poor nations

By Priya Ranjan Dash
TIMES NEWS NETWORK

New Delhi: Poor countries facing public health emergencies can now override patents and order generic drugs—which they are unable to manufacture themselves—from other countries such as India.

The World Trade Organisation was set to endorse late Thursday an accord reached among five key countries, including the US and India, on the poor countries' right to cheaper medicines.

To satisfy the US, the world's largest patent drug manufacturer and home to powerful MNC pharma companies, key safeguards have been provided against the commercial misuse of this facility. But despite these restrictions, trade diplomats said the deal would benefit the poor countries, where millions die every year from curable infectious diseases for lack of medicines.

"It's an important step although it merely restores the right that the poor countries should not have been made to lose under the WTO patent regime in the first place," said

Anand Grover of Lawyers' Collective (HIV/AIDS unit).

The WTO deal also opens an window of opportunity for the vibrant Indian generic drugs industry which now stands to gain by supplying substitutes of patented medicines to many poor countries, indus-

Healing remedy

- WTO to endorse accord on poor countries' right to cheap medicines
- Key safeguards have been put in place to avoid facility's misuse
- Deal among US, India, Brazil, South Africa and Kenya

try sources said.

They said the industry was yet to assess the full impact of the safeguards now put against the commercial "misuse" of the system at the insistence of the US. It is also expected that the patent drugs manufacturers may slash prices in poor countries to avoid losing those markets.

The deal, a trade diplomat said,

was a major face-saver for the developed countries before the crucial Cancun meeting of trade ministers from 146 WTO member-countries in mid-September called to push negotiations aimed at opening up of trade in agriculture, services and industrial products. First promised 19 months ago at the Doha meeting of trade ministers, the facility for access to medicines by poor countries in public health crisis has taken long, tortuous negotiations in coming through.

Even now, it's a deal among only five key countries—the US, India, Brazil, South Africa and Kenya. But since the five represent the three main interest groups among the WTO members in this subject, trade diplomats see a full endorsement of the deal coming as early as Thursday.

It would have fructified in last December when all countries agreed to a compromise text suggested by the head of the relevant WTO committee, but the US blocked it, seeing an attempt by major bulk drug manufacturers like India and Brazil to run away with a clear commercial advantage.

Former PMs to meet Vajpayee on forthcoming WTO summit

NAVIKA KUMAR
NEW DELHI, AUGUST 25

FOUR former Prime Ministers — V.P. Singh, Deve Gowda, Chandrashekar and I.K. Gujral are slated to meet PM Vajpayee on Tuesday to express their concerns over India's position at the forthcoming WTO summit at Cancun, Mexico. The former PMs have serious objections to the government taking any position on issues relating to agriculture, especially since there is no Parliament sanction or sanction from state legislative assemblies despite the fact that agriculture is a state subject.

The four former PMs will be accompanied by leaders of Left parties and trade experts.

Commerce Minister Arun Jaitley is expected to be present at the meeting. Speaking to *The Indian Express* V.P. Singh said: "The government should have taken Parliament's assent to whatever India's position would be at the WTO round in Cancun. So far the government has failed to implement any of the advantages gained at Doha, hence our position vis-a-vis Cancun is a matter of concern."

Singh said India should take a firm stand against the US and EU and clearly say that so long as these countries would subsidise their agricultural produce, India would continue to place quantitative trade barriers like high customs duty. "So far India has not been able to extract much from the developed coun-

tries. It has now got to press that this is the need of the 100 crore people in India, a number the Western world cannot afford to ignore," Singh said.

Singh said so far India has taken a stand that as far as issues related to TRIPs are concerned which relate to prices of life saving drugs, the government would make sure these would not be outside the reach of the common people in the country but facts say otherwise. "Our companies will lose out in drug manufacture or even participating in government procurement orders as they would get no preference over multinational companies. Textiles will also suffer and we have not been able to do much about anti-dumping," he said.

INDIAN EXPRESS

26 AUG 2003

New Cancun draft irks business

Press Trust of India

NEW DELHI, Aug. 26. — Expressing dissatisfaction over the revised Cancun ministerial draft, the Federation of Indian Chambers of Commerce and Industry (Ficci) today said the draft had failed to effectively address several issues of grave concern to the developing countries.

Referring to the omission of elements of an agreement on TRIPS and public health as mandated in paragraph 6 of the Doha text on the subject, the Ficci said there was a need to arrive at a meaningful solution in this regard without any dilution of Doha declaration.

The lack of progress in critical areas or continued insistence by US to have some undertakings or guarantees would pose a big question mark even on the limited success expected from the Cancun ministerial, Ficci said in a statement.

On Special and Differential treatment as well as implementation issues, Ficci pointed out that the revised draft fell short of expectations.

On agriculture, the chamber pointed out that while the draft had recognised concerns articulated by developing countries like India, it had not gone far enough in effecting significant reduction in domestic support.

Disappointment: Even though the revised WTO draft agenda circulated two weeks ahead of the ministerial in Cancun is seen as a forward movement on agriculture negotiations but trade experts feel much more needs to be done to address the concerns of developing countries in the farm sector.

"It is certainly a forward movement from the pro-developed EU-US draft on agriculture but fell far short of the counter proposal made by developing countries led by India, China and Brazil," trade experts familiar with WTO negotiations said today.

There are several pluses and minuses as in any draft, experts said, adding that the proposal on non-agriculture market access appears to be somewhat balanced from developing countries' point of view.

THE STATESMAN

26 AUG 2003

Cabinet committee on WTO clears approach paper

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By Our Special Correspondent

NEW DELHI, AUG. 23. The Cabinet Committee on the World Trade Organisation (WTO) today approved India's approach paper for negotiations at the ministerial conference being held in Mexico next month. The committee, presided over by the Prime Minister, Atal Behari Vajpayee, was given a presentation on the subject by the Commerce Ministry before giving the final clearance.

The committee considered the various issues presented by

the Ministry which explained that there was a sharp divide between developed and developing countries on the Doha round of trade negotiations. The agriculture and investment issues are expected to dominate the discussions at Cancun, and India is seeking to form close alliances with other developing countries, according to official sources.

The Commerce and Industry Minister, Arun Jaitley, has announced the formation of a 17-member coalition which has presented an alternative paper

on agriculture at the WTO in Geneva. The proposed new framework for an agreement on agriculture has been formulated in response to the proposals made by the U. S. and the European Union and this does not indicate much forward movement in reducing their huge subsidies.

Significantly, China has joined hands with India as well as Mexico to become a co-sponsor for this paper which is likely to give the new coalition greater strength at the coming ministerial conference.

Protecting national interests at Cancun

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India should try to obtain commensurate benefits against whatever concessions it may give, says Bhagirath Lal Das

INTENSE CONSULTATIONS are going on in Geneva to shape the outcome of the Fifth WTO Ministerial Conference to be held in Cancun during September 10-14. These ministerial meetings are held once every two years and have caused great tension and anxiety to developing countries like India. The U.S. and the European Union have pushed their agenda strongly and obtained concessions from the developing countries without giving them any benefit in return. The developing countries get divided during these meetings and are unable to defend their positions.

There is no reason to believe that any more favourable situation will emerge in Cancun than in the past. Hence India has to be well prepared to guard against having to give any concessions that are against its national interest and to obtain commensurate benefits against whatever concessions it may give. In any multilateral negotiation, giving concessions is not wrong per se; what is, however, not correct is to make concessions without obtaining commensurate benefits in return. Of course, giving concessions without getting any benefit at all is totally wrong.

Imperatives in agriculture

Among the various subjects to be covered at the Cancun meeting, two involve India's basic national interests. These are agriculture and investment. In agriculture, the main imperatives in its national perspective are production of adequate food for domestic consumption and sustenance of its rural agricultural economy.

The former is important because the country should not have any structural dependence on imported food, even though it may import some food now and then for strategic reasons, such as building adequate stocks of a particular food item at a particular time. The latter is significant as nearly two thirds of the population depends on agriculture and it is almost impossible to find alternative means of livelihood for them in

other sectors for a long time to come.

Both these objectives are hit at present by the high non-reducible domestic subsidies (generally known as "green box" subsidies) of the U.S. and the EU. This category of subsidies has been treated in the WTO as non-trade distortive, hence they have complete immunity against reduction. This immunity is indefensible as these subsidies do give financial strength to the farmers of the U.S. and the EU to continue with non-viable agricultural production. To that extent they certainly distort production and trade. These subsidies pose grave dangers to

India's two basic national interests mentioned above. Even if India is allowed to maintain high tariffs, they may not provide adequate protection as these countries can raise these subsidies at will, as indeed they have done in the last five years or so. If these subsidies continue and there is no control on them, Indian farmers run the grave risk of severely unfair competition from imports in future.

Hence it is desirable for India to demand in Cancun that these currently non-reducible subsidies, that is, the green box subsidies, of the major developed countries should be brought under the discipline of reduction and eliminated within a specific time frame. It will not be correct to ignore it and merely insist on retaining its own high tariffs in agriculture.

Unfortunately, the current draft for consideration at the Cancun meeting prepared by the chairman of the agriculture negotiating group leaves these subsidies untouched. The U.S. and the EU, as usual, have come together and recently given a joint proposal that naturally does not talk about the green box subsidies at all. India has to make special efforts to bring these subsidies under discipline. Fortunately, the new 14-country developing country alliance that presented a counter proposal on agriculture demands that these green box subsidies be capped and reduced.

Coming now to investment, India is under pressure to agree to negotiate an agreement in the WTO that will constrain the Government's role in

guiding the entry and operation of foreign investment in the country. The objective of the major developed countries, particularly the EU and Japan, is to ensure full freedom of entry and operation of their investors in developing countries like India. Such a move has the potential to cause severe danger to India's national interest as explained in brief below.

The normal objective of a foreign investor is to have a high and assured profit in a short time and he will choose the industrial/service sector and the geographical location accordingly. India's objective should be to have foreign investment for development of its infrastructure, upgradation of technology, production of exportable goods, providing innate strength to its production and services and development of economically weak regions. The foreign investor's objective may not coincide with India's objective. To ensure that foreign investment is beneficial and

completely close all options.

In these two areas, namely, agriculture and investment, India's choices in Cancun are very much limited. It has to ask for elimination of green box subsidies and oppose the launch of negotiations on investment. There are, however, some areas where there is scope for give and take. For example, India can expect to obtain a reduction of industrial tariffs in its major markets on products of export interest to it if it also agrees to reduce its industrial tariffs. Generally, Indian industrial tariffs are high and quite an eye sore to other countries. But India need not be apologetic about it as its current levels of industrial tariffs are also those of other countries are the elements of the current rights and obligations in the WTO. For reducing some of these tariffs, India must get commensurate benefit in return. For example, a substantial reduction of tariffs on textiles (particularly apparel) can improve its export prospects in the major developed countries. They have particularly high tariffs (15-35 percent) on textiles and several other products of export interest to the developing countries, even though their average industrial tariff is only about 4 per cent. Hence our objective should be to have these tariffs reduced.

COUNTDOWN — IV

not harmful to its national interest it is important for India to retain the role of guiding its entry and operation. It is precisely this role that will be constrained by any agreement on investment in the WTO. Hence, as in the past, it is desirable that India should resist the launch of negotiations on investment in the WTO. Even institutionally, the WTO is not an appropriate forum for negotiation on investment. Its remit is trade in goods and services, whereas investment spreads over a much wider area like production, finance, technology, trade and development. If at all there is to be a negotiation for an investment agreement, it should be done in the U.N. and not in the WTO.

It should be appreciated that an investment agreement in the WTO will not give any particular benefit to India. It is not likely to enhance the investment inflow while it will certainly restrict its policy options.

The flow of investment will be facilitated by creating a good infrastructure and proper environment, rather than by joining a multilateral agreement. Moreover, if India intends to liberalise its investment regime further, this should be better done through domestic policy rather than through a multilateral agreement in the WTO. The former course will leave the option open for further modifications in the light of future experience, whereas the latter will

(The author is a former Ambassador of the Government of India to GATT)



India forms new alliance on farm sector at WTO

By Our Special Correspondent

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NEW DELHI, AUG. 20. As against the proposals of the European Union and the U.S. on agriculture, India today submitted an alternative framework for an agreement along with 15 other countries at the World Trade Organisation (WTO). The co-sponsors are Mexico and China, while several of the 18-member Cairns group have signed the framework proposals aimed at providing greater market access to developing countries and reducing huge subsidies of the developed world. Briefing newsmen on the new proposals tabled at the WTO in Geneva this afternoon, the Commerce and Industry Minister, Arun Jaitley, said the paper contemplated a drastic reduction in domestic support subsidies, cut in export subsidies and their eventual elimination along with a sharp disciplining of export credits.

The countries which have joined hands with India apart from the co-sponsors Mexico and China are Brazil, Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Peru, Thailand, South Africa, Guatemala, Paraguay and Philippines.

On the contentious tariff issue, he said there are two separate proposals for developed and developing countries. For the South, the tariff cuts were proposed to be based on the Uruguay Round formula along with provision for special products and special safeguard mechanisms. In the

case of developed countries, a hybrid formula of tariff cuts has been envisaged which included capping of some high tariffs and the elimination of special safeguard mechanisms available earlier to developed countries.

Mr. Jaitley said the countries backing the new agreement proposals accounted for 60 per cent of the world population and produced 60 per cent of the world's rice, 35 per cent of wheat and 57 per cent of sugarcane globally.

Evidently confident that more countries would support the new framework proposals, he said the proposals submitted jointly by the European Commission and the U.S. were "unacceptable". Commerce Ministry officials also pointed out that most countries had "seen through the game" of these two powerful groups and were anxious to ensure that agriculture is preserved in developing countries while market access barriers in developed countries are eliminated.

The new proposals have been finalised as the market access commitments sought to be imposed by the E.U. and the U.S. on developing countries "completely disregard the interests and concerns of developing countries with regard to their agriculture", according to Mr. Jaitley. The response proposes the Uruguay Round approach to tariff reduction by developing countries and steeper reduction by the developed countries, using, among others, the

Swiss formula.

21/8

The framework proposal does not lay down in numbers in terms of tariff reduction but the Uruguay Round approach is for lesser reduction commitments while the Swiss formula is for sharper cuts. Mr. Jaitley said the proposed reform of agriculture in the EU-US proposals to eliminate subsidies and distortions completely fails to meet the requirements and objectives of the Doha ministerial mandate on agriculture. Therefore, the alternative proposals envisage time-bound elimination of all export subsidies by developed countries, substantial reduction in all forms of trade distorting domestic supports including elimination of blue box measures which are subsidies meant to limit production in developed countries. It also proposes capping of specific green box measures such as payments decoupled from prices and production.

The proposal also emphasised the need to build in specific elements of special and differential treatment requirements of developing countries such as maintaining and enhancing support programmes for low income and resource-poor farmers, to maintain marketing and transport subsidies on export by developing countries. It also proposes to incorporate market access instruments of special products for rural development and food security and new special safeguard mechanisms for developing countries to protect against price variation, volatility and import surges.

Preparing for Cancun

96
15/8
The commerce minister needs a trade negotiating authority 96
969

THE Indian policy making system has to find a way out of the dilemmas it faces in negotiating multilateral agreements. When Pranab Mukherjee went to Marrakesh to sign on behalf of India on the Uruguay Round Agreement, the Opposition political parties in Parliament, including the present ruling party, protested and demanded a parliamentary veto on such agreements. There are arguments in favour and against such a policy, given the division of powers between the executive and the legislature in a parliamentary democracy. Interestingly, in using Parliament's resolution on Iraq as an instrument in defining the Indian response to the US request for troops to Iraq, the NDA government has, for the first time, given Parliament a role in foreign policy making by the government of the day.

It remains to be seen how the government will deal with a demand that India's negotiating stance at the Cancun Ministerial of the World Trade Organisation should secure prior parliamentary approval. It may be recalled the a prime ministerial assurance to Parliament before the Seattle Ministerial had queered the pitch at the time for the negotiating stance of the Indian delegation. If that ministerial had not failed, the Indian negotiators may have been constrained by the PM's stated assurances in Parliament. Hence, it is extremely important that the government extend the required element of auton-

omy to the Union commerce minister, who for all practical purposes is the country's chief negotiator at the WTO. Inter-ministerial differences on policy matters are bound to exist and it is not surprising that the agriculture and commerce ministries take different views on certain aspects of the Cancun agenda. However, at the end of the day the commerce minister must have some autonomy in negotiating a deal or else he may be able to negotiate nothing.

The advocates of greater parliamentary authority will point to the US system and say that the autonomy of the US Congress has often been used by protectionists in the US to block trade liberalisation by the Administration. However, when the Congress gives to the US Trade Representative the "trade negotiating authority" he then is able to sit across tables and strike deals. Indian trade negotiators also require such authority. Equally importantly, the Indian ambassador to the WTO also requires some negotiating authority so that he does not have to wait for a clearance from New Delhi on every issue. Deftness in negotiation acquires increased salience in the run up to ministerial meeting because events move at a rapid pace. Rather than attack Commerce Minister Arun Jaitley for doing a deal, his party must give him the confidence to do one and assume he will be smart enough to safeguard national interests while promoting the cause of trade liberalisation.

FARM TRADE DEAL *W*

India rejects US, EU joint proposal

*9/2/03
9/5/9*
Business Standard *15/8 51- Business
9/2/03*

NEW DELHI, Aug. 14. — Worried over the US-EU deal on farm trade, India is exploring other alternatives, including aligning with the Cairns Group, top official sources said today.

Commerce Minister Arun Jaitley is expected to brief Prime Minister Atal Behari Vajpayee on last evening's developments in Geneva. The group of ministers on World Trade Organisation issues headed by Finance Minister Jaswant Singh is scheduled to meet next week to chart a course of action.

Commerce ministry officials said the ministerial group's meeting had been scheduled before last evening's US-EU deal but they conceded that India could be short of support for its stand.

The EU's position on steeper tariff cuts in return for a lower subsidy reduction has upset India's calculations. The European Union was one of the 75 WTO members, including India, which supported the Uruguay Round modalities for agriculture negotiations through lower tariff cuts.

During the day Jaitley told reporters the package was not acceptable to India. "Protecting the interests of farmers is our priority. We cannot give the farmers the kind of (trade-distorting) subsidies that the developed countries are giving and, therefore, they must reduce and thereafter eliminate these subsidies. Second, we have to give a reasonable tariff protection to our farmers. We also need additional tariff protection for sensitive items and special safeguards to stop surges in imports," he said.

So far, India has positioned itself as a third force in agriculture negotiations. The US and the Cairns group, comprising countries like Australia, Brazil and South Africa, were bargaining for steep cuts in tariffs and farm support.

The EU wanted moderate cuts on both fronts, while India has argued for reductions and eventual elimination of trade distorting subsidies, along with protection for its products.

India warns WTO of a backlash

10-12/212 ✓

By Sushma Ramachandran

NEW DELHI, JULY 30. India has warned World Trade Organisation (WTO) members of a backlash in developing countries if economic reforms being undertaken autonomously are perceived to be an imposition from outside. It has noted that this could set back the whole process of multilateral negotiations.

Speaking at the three-day informal meeting of 24 WTO Trade Ministers at Montreal, the Disinvestment Minister, Arun Shourie, said: "stick to the (Doha) text and be cautious in moving forward."

He stressed the importance of agriculture as India's key concern in the WTO negotiations and pointed out that food

and livelihood security of a large number of Indians were dependent on it. Referring to the proposed Special Products, which were of interest to the developing countries, he said the selection of such products must be made on the basis of a self-declaration, given that it was not possible to have multilaterally agreed criterion applicable across the board to all countries. He said the Special Products would need to be combined with special safeguard measures (SSMs) with a suitable trigger mechanism, in terms of both import volume and price, in order to protect the interest of farmers.

According to an official release, Mr. Shourie had pointed out that there were about 35 crops in India on each of which

around five million people were dependent and more than 25 crops had an area of over one million hectares each. He said there should be real reduction in trade distorting subsidies without the camouflage of shifting of boxes, while the key issue of non-tariff barriers, which hindered exports from developing countries, should be adequately addressed.

On Singapore issues, such as investment, he made it clear that there should be explicit consensus on the modalities, in accordance with the Doha mandate before any negotiations. "Nobody would like to take the first step without knowing where it will all lead," he said.

He also emphasised that Singapore issues could not be a trade-off for negotia-

tions on agriculture or non-agriculture market access and they should be treated independently. The Singapore issues should not in any manner be made the focus of the meet at Cancun, he said.

Speaking at the session on non-agricultural market access, he said while India was in broad agreement with the Girard formula; there were sensitive sectors, which would need continued higher levels of protection. He mentioned, in particular, the sensitivities of the small scale and cottage industries, agricultural products which had crept into industrial goods during the Uruguay Round, having all characteristics of primary agricultural products and categories of industries which had not fully stabilised.

India finalises strategy on services negotiations at WTO

By Our Special Correspondent

NEW DELHI, JUNE 5. India today finalised its strategy on the services negotiations at the World Trade Organisation (WTO), an area crucial for this country especially in regard to movement of professionals. While seeking greater opening up of developed countries in this area, it is prepared to offer in turn liberalisation in the financial, health, computer-related, architecture, tourism, book-keeping and professional sectors.

The strategy was finalised at a meeting of the Cabinet committee on WTO affairs presided over by the Prime Minister, Atal Behari Vajpayee. Official sources said the Commerce Minister, Arun Jaitley, made a detailed presentation on the strategy to be adopted at the forthcoming WTO ministerial conference at Cancun in Mexico in September. As a result, the meeting stretched on for two hours as Cabinet members sought information on the various complex issues to be dealt with at the Cancun conference. This in-

cluded agriculture which is likely to be one of the main items on the agenda at the conference.

The sources stated that Mr. Jaitley had not planned to make such a presentation but proceeded to do so in view of the keen interest shown by several Ministers in WTO issues, especially those handling key economic portfolios.

Regarding the strategy on services negotiations, the committee is believed to have decided that India would not be prepared to negotiate opening up in four services. These include the retail and wholesale distribution trade, law, posts and courier services and audio-visual sector such as films.

The process of services negotiations has begun at the WTO and India has already made its offer to 62 countries, of which 25 have responded including the U.S. and the European Union. This country is greatly interested in what are known as the mode 1 and mode 4 negotiations in the General Agreement on Trade in Services. The first

relates to business process outsourcing (BPO) which has already raised a controversy with several States in the U.S. banning shifting of such jobs from their domestic market to countries such as India.

In this area, India is seeking complete liberalisation.

The second is what is known as "movement of natural persons" where this country has been seeking a rise in the bound rate for granting visas for professionals.

This is especially needed in countries such as the U.S. which has bound itself to giving only 65,000 H1B visas to professionals from abroad though the demand is for providing visas to much larger numbers.

In mode 3 there is a linkage of foreign direct investment flows to commercial presence of organisations.

India is not in favour of linking movement of natural persons with commercial presence, sources say, though this is an issue related to telecom and financial services where FDI flows are involved.

WTO negotiation roadmap placed

Business Standard

NEW DELHI, June 5. — The cabinet committee on WTO matters today put in place a roadmap for services negotiations and mandated the commerce ministry to make requests for liberalisation of nine services.

The list cleared by the cabinet committee includes financial services, construction and engineering, computer and related services, architecture, telecommunications, health, accounting, tourism and maritime services. At the same time it was decided that audit, legal, posts and courier services and distribution comprising retail and wholesale trading, besides commission agent services and franchising activities.

Senior government officials told Business Standard that the commerce ministry will now decide if it will make initial requests for all the nine service categories or will make limited requests. The details are to be worked out in consultation with the other ministries and a proposal is planned to be submitted to the WTO by the end of the month. Also, the nine sectors consist of sub

sectors which have to be dealt with while making requests. For instance, financial services includes insurance, banking, securities and other financial services.

"We have to consider the 25 requests received from other countries and then balance them with our goals when we make the requests," an official said. Under the service negotiations, India has made requests to 62 countries, of which 25 have responded including the United States and European Union.

Officials said that India was eyeing access under mode 1 dealing with transfer of services electronically or through fax and mode 4 which would enable Indian professionals to offer services in other countries.

On the other hand, India's major trading partners like the United States and the European Union are seeking mode 3 access which would enable companies offer services in India by setting up branches and subsidiaries. India would therefore have to make sectoral commitments on permitting foreign investment in the country.

51-8 Cabinet panel to deliberate on WTO

Business Standard 28/5

NEW DELHI, May 28. — The cabinet committee on WTO matters will deliberate on whether India was willing to further open its doors to foreign investment in return for a greater mobility of labour under mode 4 of the services negotiations.

Government officials said that in a cabinet note, the commerce ministry has argued that the main requests from India's trading partners were to liberalise the country's foreign investment policy, also known as mode 3 which relates to setting up commercial presence through means like branches and subsidiaries.

The ministry has therefore proposed that "India's offer should be somewhere between the minimalist offer and throw open all its cards", officials said.

India's interest in the services negotiations under the General Agreement on Services, (GATS) lie primarily in liberalising movement of independent professionals like software

engineers to other countries. But the note points out that liberalisation in this area has been inadequate among most countries. India is also interested in the other service area of allowing companies to sell their services across borders electronically, where India has a huge comparative advantage. Known as mode 1, officials said it would be to India's advantage to maintain the level of liberalisation achieved and where presently there were few restrictions.

"It would be to India's advantage to get its trading partners to fully bind the existing liberal regime, but we also need to undertake similar cross-cutting commitments in mode 1," said an official.

India is also unlikely to make any commitments on opening up of legal and distribution services, while offering to partly open accounting and book-keeping. The government was planning to make offers for opening up sectors like computer, financial, maritime tourism, construction and engineering. They said India was planning to permit access under mode 4 for accounting.

29 MAY 2009

THE STATESMAN

India rallies developing countries against WTO investment pact

TIMES NEWS NETWORK

New Delhi: India on Monday sought to rally key developing countries in support of its stand against launching WTO negotiations on a global investment agreement. It cautioned developing countries against falling into the trap of an international agreement on foreign direct investment (FDI) being proposed by certain developed countries at WTO meet.

With the developed countries mounting pressure for kicking off the negotiations on the investment agreement at the next WTO ministers' conference at Cancun in September, India, in collaboration with UNCTAD, is playing host to a conference of senior representatives from 16 key developing country players in WTO.

India's attempt is to evolve a common developing country position in consultation with the participant countries, namely, China, Brazil, Egypt, Malaysia, Kenya, Jamaica, Argentina, Bangladesh, Indonesia, Morocco, Nigeria, the Philippines, Tanzania, Venezuela, Zambia and Zimbabwe.

The New Delhi conference, as commerce secretary Dipak Chatterjee puts it, is to address just two important questions:

Whether there is a need for a global investment agreement and if WTO is the appropriate forum for this purpose.

"India considered it useful to host an international conference on this important

subject, which could analyse all the issues and implications in some depth from a developing country perspective," Chatterjee said.

In accordance with the decision taken by the ministers in the last WTO meeting in Doha, the member-countries will decide at Cancun through "explicit consensus" on whether there should be WTO negotiations on investment agreement.

This mechanism of explicit consensus in theory allows a single WTO member-country to block negotiations from taking off.

But India realises that if the negotiations are to be blocked, the developing country-members of the WTO, who form the majority, must be mobilised in support of such a stand.

Inaugurating the conference, minister of state for commerce Rajiv Pratap Rudy recalled the work so far done on investment in a WTO study group.

He said the discussion in the working group had brought out the complexity of the issues involved and the divergence of views among the WTO members. Moreover, it had also brought out the limitations of a trade negotiating body discussing complex investment issues.

"What is the vision that has been envisaged for WTO? Is it that of a rule-making behemoth seeking to discipline every area of economic policy? Or, should its scope be limited only to trade and trade-related issues?" Rudy asked.

21 MAY 2003

THE TIMES OF INDIA

India unlikely to open up legal services at WTO

Business Standard

NEW DELHI, April 29. — India is unlikely to make any commitments on opening up of legal and distribution services, while offering to partly open accounting and book-keeping as part of its sectoral commitments for the services negotiations at the World Trade Organisation.

Senior government officials told Business Standard that the government was also planning to make offers for opening up sectors like computer, financial, maritime tourism, construction and engineering.

They said India was planning to permit access under Mode 4 for accounting. The offer list is being referred to the cabinet committee on WTO which will authorise India to make commitments in various areas.

For accountancy, a consultation paper of the

commerce ministry had proposed that India should take full market access and national treatment commitments in modes 1, 2 and 3 and horizontal commitments, which apply to all sectors, in mode 4. In the Auditing sector, the paper had suggested full commitments in modes 2 and 3 and horizontal commitments in mode 4.

Mode 1 relates to cross-border trade, while mode 2 is for consumption abroad, mode 3 relates to commercial presence and mode 4, which is of primary importance to India is meant for presence of natural persons.

Officials also said that the law ministry and the Bar Council of India had opposed any move to allow foreign lawyers to practice in India and the commerce ministry was only heeding to the advice of the stakeholders involved.

India wins case at WTO

By Our Special Correspondent

NEW DELHI, APRIL 10. India expects the European Commission (EC) to revoke the anti-dumping duty on bed linen imports and terminate the ongoing partial interim review. This follows a ruling by the appellate body of the World Trade Organisation that the Commission has failed to act consistently with the provisions of the Anti-Dumping Agreement.

The Commerce Ministry while describing the WTO ruling as a major gain, pointed out that the decision was linked to the EC's implementation of the rulings and recommendations of the WTO's dispute settlement body in a dispute with India on imposition of anti-dumping duty on bed linen imports in November 1997.

The Ministry said in a statement that in light of the findings of the appellate body, India expected the Commission to revoke the anti-dumping duty on bed linen and terminate the ongoing

partial interim review as well as the sunset review, as these were based on a measure that had been found to be inconsistent with the anti-dumping agreement.

The Ministry recalled that on August 7, 2002, the Council of the European Union adopted a regulation amending the original definitive anti-dumping duties on bed linen from India purporting to comply with the Disputes Settlement Body's recommendations in the original dispute while simultaneously suspending its application.

India strongly disagreed that this re-determination complied with the DSB's rulings. Accordingly, it sought the establishment of a compliance panel to examine the existence or consistency of action taken by the Commission to implement the DSB decision.

India argued that the Commission failed to determine the volume of dumped imports attributable to non-examined producers on the basis of

"positive evidence" and an "objective examination". Though the compliance panel concluded that the Commission had complied with the DSB decision in the original dispute, India later appealed against certain issues of law and legal interpretations. While reversing a new finding of the compliance panel, the appellate body now held that the Commission's determination of the volume of the dumped imports for purpose of making a determination of injury was not based on an objective examination.

The appellate body concluded that the Commission's determination that all imports attributable to non-examined producers were dumped, though the evidence from the examined producers showed that the producers, accounting for 53 per cent of imports attributed to examined producers, were not dumping, did not lead to a result which was unbiased, even-handed and fair, the statement said.

11 APR 2003

THE HINDU

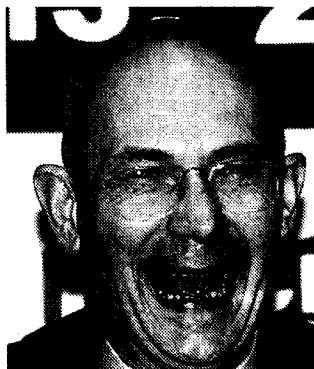
India will gain by rise in FDI flows: EU

✓ RD-11
25/3

By Sushma Ramachandran

NEW DELHI, MARCH 14. The European Union is confident that India is opposing the inclusion of the four Singapore issues on the agenda of the World Trade Organisation's trade negotiations merely on "tactical" grounds rather than on any substantive objections. It feels that with India having an internationally credible investment and competition regime already, it will actually gain by a rise in foreign direct investment flows.

The visiting EU Trade Commissioner, Pascal Lamy told *The Hindu* that there were good reasons for seeking to bring the four issues into the Doha Development round of negotiations. In the case of investment and competition specially, the EU felt it



Pascal Lamy

would help trade opening benefits to be translated into economics. In the absence of investment or competition legislation, such liberalisation did not translate into FDI or benefit to consumers, he said.

The four Singapore issues cover the linkages of trade with investment, competition policy, transparency in government

procurement and trade facilitation measures. It was to block the inclusion of these issues onto the Doha Development Agenda that the former Commerce Minister, Murasoli Maran, had insisted on the need for "explicit consensus" all WTO members at the last ministerial conference.

On why the WTO should be the forum to take up such issues, Mr. Lamy said this was because the basic principles of transparency, non-discrimination, national treatment and regulatory mechanism for that were the guiding principles of the WTO.

He pointed out that other institutions like the International Monetary Fund (IMF) dealt with the issue of short-term capital flows but FDI did not come into that category and thus needed to be dealt with by the WTO.

15 MAR 2003

THE HINDU

57-13
373

'Govt must develop safeguards under WTO'

Prope Trust of India

NEW DELHI, March 2. — Trade experts have asked the government to devise safeguards to resist pressure by developed countries to provide increased market access for their agricultural products.

"At Cancun, pressure may come for opening our markets for agricultural products. We have opened our markets to an extent but our tariffs continue to be very high and pressure may build up for this," Professor Anwarul Hoda of Indian Council for Research on International Economic Relations said here.

Addressing a session on WTO organised by Consumer Unity and Trust Society, he said India's stand was correct, especially in wake of "absurd" subsidies provided by European Union and US, adding that the government

should work on devising proper safeguard measures that would on their own restrict market access.

These measures, he said, should be in addition to the safeguards mentioned in the WTO agreement.

While much would depend on how much political will was generated at Cancun among developing countries, it was hoped that at least some decisions taken at the Cancun Ministerial later this year would be in line with Doha Declaration.

He said it was also a good time for India to review regional trading areas in wake of several countries entering into bilateral and regional trade pacts.

Mr Manoj Pant of JNU said India should see if it could join hands with a stronger nation like US or EU as its items of exports did not figure among any of products subsidised by them.

2 MAR 2002

THE STATESMAN

India wants trust in WTO restored

By P. S. Suryanarayana

SINGAPORE, FEB. 16. A select group of proactive members of the World Trade Organisation concluded the three-day conference in Tokyo today without settling any of the persistent differences across the development divide. However, India suggested a six-point road map for future negotiations between the developed bloc and the developing countries before and during the WTO's next plenary ministerial conference at Cancun in September this year.

Unveiling India's proposals during the conference, the Commerce and Industry Minister, Arun Jaitley, said the restoration of universal trust and confidence in the WTO system should be treated as the first priority.

The early resolution of the pending development-related issues — TRIPS and public health (as also) progress in the areas of Special and Differential Treatment and Implementation Issues”

could help restore trust in the WTO system. An active engagement from the developed countries” was called for in this context. Clear deadlines should be set by the WTO Director-General, in his capacity as the Chairman of the Trade Negotiations Committee, for the resolution of various

development-driven issues. Closely related to the twin elements of trust and deadlines would be the need to resolve the question of internal transparency of the parleys under the WTO auspices.

The inter-related fourth aspect of India's road map was the emphasis on the principle of deadlines, as already set out in the Doha ministerial declaration, even if these be updated now.

Drawing attention to the importance of farm trade negotiations in this context, Mr. Jaitley said that the removal of distortions could take place only if both domestic support and export subsidies are substantially reduced or eliminated in the developed countries”.

On a parallel track, market access in the developing countries needs to be carefully calibrated so that social tensions in the rural areas do not occur”. He also underlined that “adequate bound rates and special safeguards must be available to prevent surge of imports”.

Outlining the last two inter-linked points of the Indian plan, Mr. Jaitley called for a fast-paced consensus-building, wherever feasible, ahead of the Cancun meeting, so that only the most important issues would be left to be decided there. He also warned against slippages as regards the deadlines

set at Doha.

As for the non-farm sector, India called for an increased (global) market access for products of export interest to India such as textiles, leather and other goods”. Indicating India's strong interest in the services sector, the Minister turned the spotlight on the movement of natural persons as service-providers” and asked for a greater (global) liberalisation in (respect of) this mode of delivery of services”.

On the so-called Singapore issues”, such as investment and competition policy, he said that these matters could not be treated as the direct concerns of the WTO which should stay focussed on trade-specific problems.

In a related context, India called for stronger discipline in anti-dumping and anti-subsidy” so that there would be no negation of market access that the developing countries might obtain through reductions in tariffs and the removal of non-tariff barriers.

While the deep differences over farm trade talks precluded any specific accords between the rich countries and the developing bloc at this juncture, the Tokyo meeting was also rocked by disagreements on how the poor could access patented medicines.

WHO issues global warning

THOMAS H. MAUGH
HONGKONG, MARCH 16

THE World Health Organisation on Saturday issued a rare emergency advisory cautioning travellers and airline employees to be on the alert for a severe form of pneumonia that has killed at least nine people and hospitalised hundreds of others, particularly in the Far East.

The advisory did not call for a halt in travel, but warned travellers to be alert for symptoms of the disease and to seek treatment immediately if they become apparent. "We want people to be aware that if they have symptoms, they should go to a doctor," said WHO's Christine McNab.

WHO said it has detected 150 new cases of the disease — which it is calling severe acute respiratory syndrome, or SARS — and expressed alarm at the speed with which it is spreading. Two deaths and several cases of SARS were reported in Canada last week, and on Saturday, a Sin-

PNEUMONIA SCARE



A pneumonitis patient being taken into a ward at Prince of Wales Hospital in Hong Kong on Sunday. Reuters

gaporean physician travelling from New York was hospitalised in Frankfurt, Germany, after falling ill on his flight.

Others on the flight were quarantined in Germany. Late on Saturday, it was re-

ported that another traveller, returning from Asia, had fallen ill aboard a flight from Atlanta to Canada. "SARS is now a worldwide health threat," said Dr Gro Harlem Brundtland, WHO's director general. Officials stressed that there is no evidence linking the outbreak to terrorism.

"The emergence of two clusters of this illness on the North American continent indicates the potential for travellers who have been in the affected areas of Asia to have been exposed to this syndrome," said Dr. Julie Gerberding, CDC director. "Therefore, we are instituting measures aimed at identifying potential cases among travellers returning to the US and protecting people with whom they may have come in contact."

Both WHO and CDC have sent teams of disease experts and other physicians to southeast Asia to help identify the cause of the outbreak and to assist in control efforts. The agencies are also sending masks, gowns, gloves, goggles and other hospital equipment to medical facilities to help break the transmission chain. —*LATTP*

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A pneumonia patient being taken into a ward at Prince of Wales Hospital in Hong Kong on Sunday.
Reuters

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WTO not a forum for complex issues: Delhi

Press Trust of India

TOKYO, Feb. 16. — Articulating the Third World view, India today contended that WTO, being a trade-negotiating forum, was incapable of handling complex Singapore issues such as investment and financial flows.

This was made clear at the concluding session of the World Trade Organisation's mini-ministerial by the commerce and industry minister, Mr Arun Jaitley, when European Union, supported by some of the 22 participating countries sought urgent and speedy consensus on Singapore issues, which also included competition law, trade facilitation and transparency in government procurements. At the outset of the debate, the minister in his intervention said that not enough

discussion has taken place on these complex issues. "Moreover, WTO is a trade-negotiating forum, incapable of handling such complex issues," Mr Jaitley said.

India resents US remarks

TOKYO, Feb. 16. — Taking umbrage at repeated US reference to poor patent protection laws of certain developing countries, India today made it clear that it has one of the world's best compatible patent law regimes in place. Speaking at the ministerial session, Mr Arun Jaitley said "if you look at the patent law regime of India, it is the one of the most compatible law regimes in the world". — PTI

After the discussions went on for some time, New Delhi raised a dispute as to whether the issues were ripe enough for discussions at all at the multi-lateral forum.

Mr Jaitley said that negotiations have not yet begun on Singapore issues and referred to the Doha ministerial chairman's remark that negotiations on these issues could begin only after 'explicit consensus' among member countries on them.

India said that no 'explicit consensus' has yet been reached on these and modalities had not been worked out as modalities itself will also require such consensus'

AFP adds: Japan said today it has no plan to give way to the USA and other foods exporters over agricultural trade reform, pledging to form a united front with the EU and other countries over the sensitive issue.

17 FEB 2003

THE STATESMAN

India to take tough stand at Tokyo WTO meet

By Our Special Correspondent

NEW DELHI, FEB. 11. The coming Tokyo-based mini-ministerial conference of the World Trade Organisation (WTO) will see India seeking to maintain continuity with the policy stances taken at the Doha conference. An official delegation led by the Commerce and Law Minister, Arun Jaitley, will also take a firm stand on the issue of market access in agriculture and services as a large population is dependent on these sectors.

Disclosing this here today on the eve of his departure, Mr. Jaitley said the effort would be to evolve a consensus with other developing countries on many key trade issues at the meeting which was one of several slated to be held in the run-up to the WTO Cancun ministerial conference in September.

The high-level delegation includes the Agriculture Minister, Ajit Singh, in view of the critical nature of negotiations in this area where Mr. Jaitley pointed out

that there was little scope for flexibility.

While he said the precise policy stances could not be divulged prior to the conference, he stressed that there was no dilution of the stand taken by this country at the Doha ministerial conference in November 2001. Responding to questions, he also underlined the fact that there would be "a lot more continuity" despite the changes at the top level in the Commerce Ministry.

Other members of the official team include the Commerce Secretary, Dipak Chatterjee, the Additional Secretary, S.N.M. Menon, and India's Ambassador to the WTO in Geneva, K.M. Chandrashekhar. The focus of negotiations at the Tokyo mini-ministerial is expected to be on agriculture and trade-related intellectual property rights (TRIPs) and health. The agenda of the meeting will include market access-related issues covering agriculture as well as non-agricultural products and

services, the four Singapore issues, development-related issues, rules and general discussions on the road to Cancun.

Mr. Jaitley told reporters that the discussions at Tokyo would be on various issues covered under the work programme which was agreed by ministers at the Doha conference in November 2001.

The objective of the mini-ministerial meet is to see how further progress can be made in taking forward the Doha work programme by the time of the next ministerial conference of the WTO proposed to be held in Cancun, Mexico later this year.

Mr. Jaitley pointed out that there was not much change in the approach to the four Singapore issues of investment, competition, trade facilitation and transparency in government procurement, barring the fact that this country now had a modern competition law in place.

1 2 FEB 2003

Major victory for India, others at WTO over anti-dumping duties

New Delhi: In a major trade victory for India and several other countries, the World Trade Organisation (WTO) has held as violation of global trade rules a controversial US law allowing American companies to collect more than \$470 million in anti-dumping duties from the US government.

The ruling was given by an appellate body of the Geneva-based WTO while upholding a finding of a three-member dispute settlement panel, which was challenged by the US.

The ruling is the latest in a spate of US defeats at the WTO after India, the 15-nation European Union, Australia, Brazil, Canada, Chile, Indonesia, Japan, Mexico, South Korea and Thailand brought the case before the world trade body.

"The US continued Dumping and Subsidy Offset Act of 2000 is inconsistent with certain provisions of the WTO agreements on anti-dumping and on subsidies because it is a specific action against dumping or a subsidy," the ruling said.

The high profile case prompted more complaints than any other since the WTO was founded in 1995, with 11 governments challenging the so-called Byrd Amendment, named after an American senator who sponsored their law. Six other countries were also parties to the case and supported their objections.

The three-member WTO panel had ruled in September that the US had unfairly awarded penal duties collected from foreign competitors to American companies including US Steel Corp., Hershey Foods Corp. And Timken Co. Which won trade complaints.

The WTO endorsed the views taken by India and other complainants that governments must keep with it the anti-dumping duties slapped on foreign companies and that distributing the funds to companies encourages them to file trade complaints.

"This measure clearly flies in the face of the letter and the spirit of WTO law," said European trade commissioner Pascal Lamy. "We now expect the US to act quickly in order to repeal the law."

The appellate body, however, gave some consolation to the US when it overturned the panel's conclusion that the US may be regarded as not having acted in good faith with respect to its obligations. P71

18 JAN 2003