

The struggle has only begun

GROWING unity among developing countries at the World Trade Organisation (WTO) led to strong resistance to initiatives of the US and the EU at the recent Hong Kong ministerial conference, pushing India and Brazil into the thick of action along with China, South Africa and Mexico. Commerce & industry minister **Kamal Nath** turned into a spokesperson for the developing world, striking an aggressive posture on key issues like agriculture and industrial goods. Back home, he spoke to **G Ganapathy Subramaniam** on the future scenario at WTO and the Hong Kong declaration's impact on India. Excerpts:

Does the outcome of the Hong Kong ministerial mean an end to the stand-off within the WTO over development issues?

The struggle to end inequalities in global trade has only begun. It will go on till a level-playing field is made available to the developing world. At the consultations expected at Geneva in the new year and all negotiations between trade ministers, we will continue to take up issues pertaining to not only free but also fair trade.

We have seen a beginning at Hong Kong where the developing world stood united to thwart efforts to divide them and divert attention from core issues. The most glaring distortion in world trade today is on account of export subsidies provided in the US and Europe to farmers. I am glad that an end date has been set for phasing out these subsidies. Over a period of time, we will also taken up elimination of other subsidies and nagging issues like misuse of anti-dumping duties. The most important aspect to note is that a fresh momentum has been achieved to take the Doha Development Agenda (DDA) forward. We have put the discussions back on track to focus on development. The clear message is that it will be a development round and that is what the majority in WTO wants.

Is the WTO increasingly become a forum for dispute between the rich and the poor?

I have been making it clear that we are not pushing for a north-south confrontation. Decisions at WTO are taken by consensus and not by majority. We want everybody to cooperate in making global trade free and fair. Due to issue-based unanimity in views, more than 100 out of WTO's 150 members stood together at Hong Kong. It is not an attempt to isolate rich nations but an effort to end inequities in global trade.

Rich nations now have time up to 2013 to phase out farm export subsidies and there is criticism that this segment forms only a small part of the subsidies available to farmers in the US and Europe?

Export subsidies available to farmers may not be much in quantum but they are the most trade-distorting. They directly affect export flows and turn it into subsidy flows. For example, export subsidies make it more attractive for Indian consumers buy American cotton rather than produce from Africa the sourcing of which would help poor farmers who depend on this commodity for their livelihood.

Why did we climbdown from the initial demand that these subsidies should be phased out by 2010?



It is necessary for everybody to have a closer look at the implications of the Hong Kong declarations. I will meet all political party leaders and explain to them the benefits for India.

The European Union has also climbed down from its initial position that no end-date would be specified for phaseout of subsidies. It was important to set a deadline for phasing out these subsidies. Our demand was that they should go in five years. In any case, the Hong Kong declaration clearly states that a substantial portion of these subsidies would be phased out during the initial period of phaseout, indicating that there will be significant progress by 2010. We will not allow back-loading of the phaseout and rather insist on front-loading so that farmers in poor countries get some additional market access during the phaseout period.

While we claim that Hong Kong was successful for developing countries, we have agreed to the Swiss formula for tariff cut bindings in the case of industrial products. Is it a price that we have paid for elimination of farm export subsidies by 2013?

The Hong Kong declaration mentions clearly that there will be multiple coefficients to the Swiss formula rather than a single uniform number. A different co-efficient will apply to developing countries, making their commitment far less burdensome as compared to rich nations. This is exactly what we have been demanding. In fact, the joint proposal on non-agriculture market access (NAMA) from India, Brazil

and Argentina sought this type of arrangement. Our proposal was also a variant of the Swiss formula and we have protected our interests so far by keeping the initial idea of a single co-efficient out as that would have meant similar duty cuts by the developing world and the industrialised nations.

What is your view on the criticism back home over India's performance at Hong Kong?

We have managed to protect all defensive interests. We are not giving away market access in agriculture or industrial goods and the effort is to protect the interests of our farmers. Special products and special safeguard mechanism (SSM) were suggested by us and the Hong Kong ministerial has accepted the same. The concept of 'less than full reciprocity' has also been approved. More importantly, we have also made it clear that we will not be bulldozed, as it used to happen in the past.

We had done extensive consultations with political parties before the Hong Kong ministerial to arrive at a clear stand on key issues. What we have done at the ministerial is what we decided to do on the basis of the inputs available to us. I will meet representatives of all political parties and explain to them the benefits for India. It is necessary for everybody to have a closer look at the implications of the Hong Kong declarations.

We have not gained on services where a breakthrough was elusive at Hong Kong?

There was no possibility of 'full modalities' (detailed agreements) at Hong Kong and we knew this from the beginning. However, we have managed to give a push to the services negotiations by setting new deadlines for fresh offers as well as negotiations. The WTO has also agreed that members should improve their offers. Rather than going by the time-consuming 'offers & request' mode, we now hope to take a faster route towards services negotiations. Rather than the entire WTO membership, the countries interested in services

market access can carry out consultations and work towards an agreement to further open up this segment.

We do not have specifics on NAMA and progress in this area has now been linked to agriculture?

The next months will be crucial for NAMA talks and agriculture. Modalities have to be worked out and we need to have all the numbers in front of us. This means tough negotiations in 2006 which should hopefully see a good agreement signed to implement the DDA. While ample scope is available to protect sensitive segments and infant industries, we would also struggle hard to ensure that commitments arising out of NAMA negotiations do justice to the concerns of developing countries.

In any case, we have been carrying out autonomous reduction in our import duties to provide more market access to our partners. The situation is positive and we are focusing sharply on obtaining more market access for Indian goods and services. This will be our stand at the mini-ministerials expected in 2006 and also at the next ministerial which might take place in Geneva. We will also continue to consult with political parties and the domestic industry to achieve a good deal in NAMA. To some extent, most sections of Indian industry are in a position to live with some reduction in industrial tariffs.

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WORLD NEWS

'First round to developing world at WTO'

11-9
9-11-99

Commerce minister **Kamal Nath** was by all accounts rather pleased with his performance at the Hong Kong ministerial of the WTO last week. Back home, however, he has faced flak not just from the opposition, but also from his allies in the Left. He reacts to the criticism in this exclusive interview with **Shankar Raghuraman**. Excerpts:

The US and EU seem quite happy with the outcome of the Hong Kong Ministerial. Does that make you reassess your reading of the gains and losses India has made?

It doesn't. Hong Kong was not meant to conclude everything. What was concluded, all of it benefits India. For people to say that everything was not concluded is right, because everything was not meant to be concluded. The point is that for the first time, the script was not being written by the developed countries and even at the conclusion Pascal Lamy (WTO director-general) remarked that the balance of power in the WTO has shifted for the first time to developing countries. That is the important thing.

For India, the point is that we have to look not at the India of today, but the India of the future and how does what we have gained or what we are doing at WTO fit in with the India of the future. So our aggressiveness in merchandise goods, with new markets, our concerns about non-tariff barriers, about the abuse of the anti-dumping law, about the high tariffs of developed countries on products of export interest to India... these are the issues mentioned. Even what has been left to be discussed, the contours of those are shaped in a manner that is weighed for India, not against India. For instance,

the text on industrial tariffs talks about "in particular, products of export interest to 'developing countries'". This language need not have been there. Are you surprised that the Left is more critical than the opposition?

The Left has an ideological issue with the WTO. But Hong Kong wasn't meant to address the ideological issue. On Wednesday in the Rajya Sabha, I clarified to them that whatever they had demanded in the two Houses, we have got it. They believe that WTO is weighted against the developing countries. That may have been the story in the past. The real credit to India is that we have not let it move towards the developed countries calling the shots. Bargaining is by equals and really India is not speaking only for itself. The LDC package, the issue in cotton, where they (the developed countries) have agreed to eliminate all export subsidies by 2006... who raised these issues the most? India. So now, export subsidies on cotton will go by 2006. We say domestic support is the main thing, but the most distorting is the export subsidy, because it is only export-targeted. But to the extent that domestic subsidies substantially reduce the price at which they can export, isn't that the main distortion?

Right. Today we have on the table of offers like the US saying they will reduce domestic support by 70%, EU has

new ballgame, it will be a new ballgame for us too, not only for them. I think it's crucial that what is left to be concluded is done in the same way as what we have got.

On agriculture, India's strategy has been based on the assumption that in future we will become major exporters. If India does grow rapidly, per capita consumption of food must go up. So will we really be left with much to export?

Productivity is also growing. Plus, we are not compromising our defensive interests. We are just saying that in the event of India becoming a major agricultural exporter, we are creating space for ourselves. This is not at the cost of giving up our defensive position. Our defensive position is already secured.

How have our defensive interests been protected?

We have ensured that we have a provision for special products and a special safeguard mechanism that allows us to keep sensitive items outside the purview of any agreement on tariff cuts.

But since it hasn't been specified how many items can be treated as special products, doesn't that present a problem?

There are criteria laid down — the grounds of food security, livelihood security and rural development — anything that is covered by these criteria

can be part of the special products list. How can you put a cap on it?

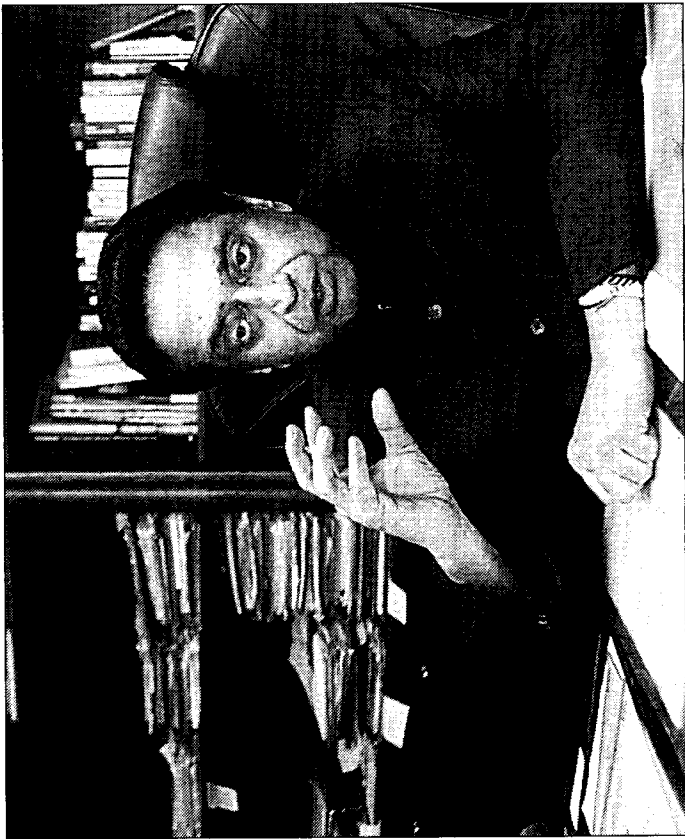
But obviously, there will be a number put on it, once the final modalities are spelt out...

Absolutely. But once you say self-designated and you specify the criteria, you cannot dilute the criteria. The main criticism, particularly from the Left, is in the area of services, that India is wrong in identifying its interests with those of the US and EU rather than with the developing world.

There are only about 32 countries, which dominate about 80% of services (trade). Certainly our interests in services can't be the same as Tanzania or Jamaica's and should not be. Our services interests are centred around countries like the US and EU. There is nothing in the services text which compromises on our policy space, makes us commit ourselves to anything or binds us. On the other hand, we have been able to see that there is a better method of engagement now.

In effect what the text is saying is that while we may not have to open up as much as them, we will have to open up....

The problem was that till now, when we were opening up, we couldn't negotiate what we would get. This will help us negotiate something in return for what was earlier a unilateral opening up.



'We have to look at the India of the future'

said we will do 53%. We could have pocketed that. But we have said this is not enough. Since the offer was not accepted, what is to stop them from saying it

was an offer we made then, now it is a new ballgame and we start with a clean slate? It is a continuation of the discussions, it's not a new ballgame. If it's a

Explain WTO pact to farmers, Badal tells PM

"By agreeing to subsidy reduction India has signed on the death warrants of farmers"

Staff Correspondent

CHANDIGARH: Shiromani Akali Dal president Parkash Singh Badal has said that by agreeing to the "subsidy reduction clause" in the recent Hong Kong round of WTO negotiations India had virtually signed on the death warrants of millions of beleaguered farmers of the country.

In a statement here, Mr. Badal asked the Prime Minister to explain to the farmers how a reduction in subsidies to them was a cause for celebration.

He said India ended up walking into the trap laid by the developed countries whose farmers can do without farm export subsidies.

"It is amazing that the Union Government is seeing a victory in the subsidy reduction clause without realising that any reduction by developed countries will have to be matched by a similar cut by the farm-oriented developing nations like India. For a country where farmers are committing suicide because of inadequate government support, this is a shocking development and one that will sound the death knell of farm sector in India," said Mr. Badal.

The Akali Dal chief said India should have pressed for an enhanced subsidy regime for the developing countries while advocating a cut for the developed nations to account for the vast disparities in ground realities affecting farmers in the two worlds.

• India ends up in walking into 'trap' laid by developed nations

• Badal wants enhanced subsidy for Indian farmers

• Reciprocal guarantees from rich nations 'absent'

Agriculture in India was in a state of doldrums and needed major doses of governmental assistance even for basic subsistence, Mr. Badal said, adding that there was no level-playing field for farmers in the developed and developing countries.

Referring to the absence of any reciprocal guarantees from the developed world, Mr. Badal said, "Too much has already been conceded for no gains to show for our farmers.

With no forward movement in the service sector and with vague promises on industrial tariff cuts, it is clear that India came back with its pockets picked from Hong Kong.

The victory claimed by the G-20 assumed menacing implications under the circumstances," said Mr. Badal.

Echoing the views expressed by eminent opinion makers in the country, Mr. Badal said the size and nature of agricultural exports had already reduced subsidies on farm exports to a sideshow.

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THE HINDU

We did not compromise: Kamal Nath

11/12/05
Special Correspondent

NEW DELHI: India has not made any compromise at the Hong Kong Ministerial conference of the World Trade Organisation (WTO). It has managed to protect its interests in two crucial areas of agriculture and industry. The concerns of the Left parties are "misplaced," Commerce Minister Kamal Nath said on Tuesday.

Mr. Kamal Nath, who returned on Monday from the WTO meet, denied charges that India did not support other members of the G-20 coalition of developing countries on the issue of fixing a date for developed countries to end export subsidies.

"This is not true. We fought to the last," he said. It was China, which initially insisted on an end date, and India extended support. The common agriculture policy of the European Union would end in 2013. Consequently, the final declaration said the substantive amount of export subsidies would be eliminated by 2010, while the entire system would have to be dismantled by 2013.

On the concerns raised by the Communist Party of India (Marxist) that the Government failed to protect the interests of farmers at the meet, he said the fears of the Left were misplaced and he would be meeting them shortly in this regard.

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INDIAN EXPRESS

India not to reduce farm duties

Our Delhi Bureau
20 DECEMBER

COMMERCE and industry minister Kamal Nath said on Tuesday India would not reduce import duty on key items like edible oil, sugar and foodgrain. "There's no commitment to reduce duties on agri products. We have made special provisions to protect the interests of our farmers," he said at a media briefing here after his return from the Hong Kong ministerial.

Indian farmers will get enhanced market access as the Hong Kong agreement will force industrialised countries like the US, France and Germany to phase out export subsidies on farm products.

Kamal Nath refuted the charges levelled by the Left parties. He said: "We will convince them. Export subsidies were distorting trade in a big way due to their direct impact," Mr Nath pointed out.

Due to pressure from the de-



KAMAL NATH

veloping countries, the European Union (EU) and the US have agreed to phase out farm subsidies by 2013.

Emphasising that the farmers' interests have been specially protected, the minister added that there was no question of committing any reduction in customs duty on sensitive agriculture products. These items will be covered under the provision for special products, which will be exempted from duty cuts.

Davos to host WTO mini-ministerial meet

Our Delhi Bureau
20 DECEMBER

AFTER a week of stormy discussions at Hong Kong, the scene for global trade liberalisation talks is shifting to the cooler climes of Europe. While the World Trade Organization (WTO) secretariat is gearing up to organise a series of meetings in Geneva after the New Year holidays, efforts are now on to hold an informal 'mini-ministerial' meeting at Davos. The Davos meeting will involve key trade ministers who are expected to travel to Switzerland for the World Economic Forum (WEF) meeting in January.

Commerce & industry minister Kamal Nath is expected to attend the mini-ministerial along with representatives of the US, European Union, Brazil and a number of other key trade ministers. "Since most trade ministers will anyway be travelling to Davos for the WEF conclave, it makes sense to hold a mini-ministerial there.

It will save time for everybody," senior government officials said. Incidentally, India is the theme of the 2006 WEF conclave. As the April 30 deadline for the finalisation of modalities of the agreement is not very far, trade ministers have to start work from January at the latest.

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The Economic Times

হংকং: জোট রাজনীতি

হংকং-এ অনুষ্ঠিত বিশ্ব বাণিজ্য সংস্থার সদস্য দেশগুলির মন্ত্রী পর্যায়ের বৈঠক সদ্য সমাপ্ত হইল। বলা চলে, বৈঠকটি সফল হইয়াছে, কারণ বিশ্ব বাণিজ্য সংগঠনটি এখনও টিকিয়া আছে। কথাটি শুনিতে চমকপ্রদ হইলেও সত্য। ১৯৯৪ সালে উরুগুয়েতে গ্যাট অর্থাৎ জেনার্যাল এগ্রিমেন্ট অন ট্রেড অ্যান্ড ট্যারিফের বৈঠকে বিশ্ব বাণিজ্য সংস্থা গঠনের সিদ্ধান্ত লওয়া হয় এবং ১৯৯৫ সালে সংস্থাটি গঠিত হয়। তাহার পরবর্তী এক দশক সময় ধরিয়া সংস্থাটি উন্নত এবং উন্নয়নশীল রাষ্ট্রগুলির অজস্র অমীমাংসিত বিরোধের নাক্ষী রহিয়াছে। বিরোধের কারণ উভয় গোষ্ঠীর পরস্পর বিরোধী স্বার্থ। গত এক দশকে বিশ্ব বাণিজ্য সংস্থার বিভিন্ন বৈঠক চূড়ান্ত ব্যর্থ বলিয়া প্রতিপন্ন হইয়াছে, হংকং বৈঠকও সেই পথেই চলিবে বলিয়া আশঙ্কা ছিল। বৈঠকের প্রথম পর্যায়ে ব্যর্থতার লক্ষণগুলি ফুটিয়াও উঠিতেছিল। কিন্তু শেষ পর্যন্ত উন্নয়নশীল রাষ্ট্রগুলির বেশ কিছু দাবি মানিয়া লইয়া বৈঠকটির মুখরক্ষা হইয়াছে। দাবিগুলি কৃষি ভর্তুকি, রফতানি ভর্তুকি এবং শিল্পজাত পণ্যের আমদানি নীতি সংক্রান্ত। স্থির হইয়াছে, ২০১৩ সালের মধ্যে সদস্য দেশগুলি রফতানি ভর্তুকির পরিমাণ শূন্য করিবে, দোহা রাউন্ড সম্পন্ন করিবার জন্য একটি চুক্তির খসড়া আগামী বছরের মধ্যে তৈয়ারি হইবে। বৈঠকের এই সিদ্ধান্ত অবশ্যই উন্নয়নশীল দেশগুলির জয় সূচিত করে। ভারত, ব্রাজিল, চীন এবং দক্ষিণ আফ্রিকার নেতৃত্বাধীন জি-২০ জোটের চাপের ফলেই উন্নত দেশগুলি সমঝোতায় আসিতে বাধ্য হইয়াছে। বিশ্বায়িত বাণিজ্যের বাজার হিসাবে এই দেশগুলির গুরুত্ব বৃদ্ধি পাইবার ফলেই বাণিজ্য সংস্থার অভ্যন্তরেও তাহাদের জোর বাড়িয়াছে।

হংকং বৈঠকে সিদ্ধান্ত হইয়াছে, উন্নয়নশীল দেশগুলি নিজেদের পছন্দ অনুযায়ী কয়েকটি পণ্য বাছিয়া লইতে পারিবে, যাহার ক্ষেত্রে আমদানি শুল্ক হ্রাসের হার দেশগুলি নিজেরা স্থির করিবে এবং সেই পণ্যগুলির আমদানি হঠাৎ বাড়িয়া গেলে তাহা প্রতিরোধে ব্যবস্থা লইবে। অন্য দিকে, আগামী আট বৎসরের মধ্যে ভারতকে আর কৃষি ভর্তুকি কমানিতে হইবে না। উদার অর্থনীতির তত্ত্ব অনুযায়ী, বিশ্ববাজারের প্রথম এবং প্রধান শর্ত হইল প্রতিযোগিতা। রফতানি ভর্তুকি নিঃসন্দেহে এই প্রতিযোগিতাকে নষ্ট করে। সুতরাং, মুক্ত বাণিজ্যের স্বার্থে সব দেশেরই ভর্তুকি কমানিয়া আনা উচিত। কৃষি ভর্তুকি লইয়া উন্নত বিশ্বের সহিত উন্নয়নশীল বিশ্বের সংঘাতের ইতিহাস দীর্ঘ। উন্নয়নশীল দেশগুলি বহু দিন ধরিয়া প্রথম বিশ্বের বিরুদ্ধে পক্ষপাতদুষ্ট আচরণের অভিযোগ জানাইয়া আসিতেছিল। সংস্থার বিভিন্ন বৈঠকের ব্যর্থতার একটি অন্যতম কারণও এই বিরোধ। হংকং-এ কৃষি ভর্তুকি সংক্রান্ত সিদ্ধান্তটি উন্নয়নশীল জোটের একটি বড় জয়। ভারতীয় বাণিজ্যমন্ত্রী স্বভাবতই খুশি।

জোট সফল, ইহা যেমন ভারতের পক্ষে আশার কথা, তেমনই আশঙ্কার কথাও বটে। জি-২০'র মতো জোটের প্রকৃত চালিকাশক্তি দেশগুলির নিজস্ব স্বার্থ। ভারত বা ব্রাজিলের মতো দেশগুলির কিছু সম-স্বার্থ রহিয়াছে, যেমন কৃষিক্ষেত্রে উন্নত দেশের ভর্তুকি বা আমদানিকৃত পণ্যের উপর শুল্ক হ্রাসের হার ইত্যাদি। সে সকল দাবি আদায়ের জন্য জোটবদ্ধ দেশগুলি যৌথ ভাবে কাজ করিয়াছে, সত্য। কিন্তু ভারতের অবস্থান সর্ব ক্ষেত্রে এই দেশগুলির সমান নহে। যেমন, অল্প কিছু ক্ষেত্রে ব্যতীত কৃষিপণ্যের বিশ্ববাজারে ভারত ব্যর্থ। শিল্পের ক্ষেত্রেও ভারত বিশ্বমানের কুশলতা হইতে বহু দূরে। ব্রাজিলের ন্যায় দেশগুলি নানা ক্ষেত্রে সুবিধাজনক অবস্থায়। ভারতের উচিত, ২০১৩ সাল পর্যন্ত যে সময়টি পাওয়া গিয়াছে, তাহার সদ্ব্যবহার করা, অর্থাৎ কৃষি বা শিল্পক্ষেত্রে দক্ষতা অর্জন করা। যদিও, পূর্ব অভিজ্ঞতা মানিলে বলিতে হয়, এ দেশে সে সম্ভাবনা নেহাতই ক্ষীণ। সন্দেহ হয়, ২০১৩ পর্যন্ত ভারতীয় নেতৃত্ব তাহাদের 'জোট রাজনীতি'র সাফল্য স্মরণ করিয়া বিমোহিত থাকিবেন, এবং কুশলতা বৃদ্ধির সুবর্ণসুযোগ হাতছাড়া হইবে। এখনই সচেতন না হইলে পরবর্তী বৈঠক ভারতের পক্ষে

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ডব্লিউ টি ও নিয়ে দুই মেরুতে প্রকাশ, অনিল

নিজস্ব সংবাদদাতা, নয়াদিল্লি, ও
কলকাতা ১৯ ডিসেম্বর: কলকাতা-
দিল্লির দূরত্ব কতটা?

বিশ্ববাণিজ্য সংস্থায় ভারতের
ভূমিকা নিয়ে সিপিএমের সাধারণ
সম্পাদক প্রকাশ কারাটের সঙ্গে
পশ্চিমবঙ্গের রাজ্য সম্পাদক অনিল
বিশ্বাসের বক্তব্যের ফারাক থেকে এই
প্রশ্ন উঠেই আসে। প্রকাশ যেখানে
সরকারের ভূমিকার কড়া সমালোচনা
করে বলেছেন, “হংকং বৈঠকে ভারত
সরকার দৃঢ় ভাবে গরিব চাষির স্বার্থ
সুরক্ষা করতে ব্যর্থ হয়েছে।” সেখানে
অনিলবাবু বলেছেন, “ভারতের ভূমিকা
ইতিবাচক। বাণিজ্যমন্ত্রী কমলনাথের
ভূমিকায় আমরা খুশি। আমাদের দাবি
সবটা পূরণ হয়নি। কিন্তু বর্তমান
কাঠামোয় ভারত সরকারের পক্ষে এর
বেশি কিছু করা সম্ভব নয়।”

সদ্যসমাপ্ত হংকং রাউন্ডে যে ভাবে
দিল্লির নেতাদের সঙ্গে রাজ্যের
নেতাদের দৃষ্টিভঙ্গির পার্থক্য ঘটিয়ে
দিল, তাতে পরিষ্কার — দিল্লির নেতারা
যখন হিন্দ-বলয় ও দক্ষিণ ভারতে
জনসমর্থন বাড়াতে বিভিন্ন বিষয়ে
কংগ্রেসকে সমালোচনার কাঠগড়ায় দাঁড়
করাতে পিছপা হচ্ছেন না, তখন বাস্তব
বাধ্যবাধকতার কারণেই রাজ্য নেতাদের
পক্ষে কেন্দ্রের ভূমিকাকে সমর্থন করতে
হচ্ছে। পেনশন বিল নিয়েও দিল্লির সঙ্গে
রাজ্য নেতাদের দৃষ্টিভঙ্গির ফারাক
ঘটেছে। কারণ পশ্চিমবঙ্গ সরকারকে
আর্থিক বোঝার চাপে হাবুডুবু খেতে
হচ্ছে। তাই সরকারের উপর থেকে
বোঝা কমাতে পশ্চিমবঙ্গ রাজ্য কমিটি
পেনশন নিয়ে বিকল্প প্রস্তাব পেশ
করেছে। কিছুটা বাধ্য হয়েই কেন্দ্রীয়

কমিটি তা গ্রহণ করেছে। বিষয়টি নিয়ে
কাল রাজ্য কমিটিতে আলোচনাও হবে।

প্রকাশ বলেছেন, “ভারতের
ভূমিকায় গরিব কৃষকদের স্বার্থ সুরক্ষিত
না হলেও তা আমেরিকা এবং ব্রিটেনের
স্বার্থকে রক্ষা করেছে। তা সমর্থনযোগ্য
নয়। আন্তর্জাতিক অর্থনৈতিক ব্যবস্থায়
যে অসাম্য বাণিজ্যযুগ চলছে, হংকং
ঘোষণা তাকেই পুনঃ প্রতিষ্ঠিত করল।”

কলকাতায় অনিলবাবু বলেছেন,
“আমরা যে ১১টি পয়েন্ট দিয়েছিলাম,
তার মধ্যে ৫-৬টি গৃহীত হয়েছে।
কমলনাথ সে কথা বলেছেন। এর বেশি
প্রত্যাশাও করিনি। এতে কেবল ভারত
বা আমাদের মত দরিদ্র দেশের
কৃষকদের স্বার্থ অনেকটাই সুরক্ষিত হবে
তা-ই নয়, বাণিজ্যে অন্যান্য বিষয়ও
অনেকটা সুরক্ষিত হবে।” তবে, সবই
যে কৃষকদের পক্ষে নয় তা জানিয়ে
অনিলবাবু বলেন, “কিছুটা কৃষকদের
বিরুদ্ধেও আছে।” দেড় বছর ধরে এ
ব্যাপারে ক্রমাগত তাঁদের চাপের ফলেই
কি এটা হল? জবাবে অনিলবাবু বলেন,
“আমাদের চাপ ছিল। অন্যদেরও চাপ
ছিল। আমাদের কথা তুলে ধরা হয়েছে।
তবে, এনডিএ ক্ষমতায় থাকাকালীনই
ভারত এই পথ নিয়েছিল।” অনিলবাবুর
মতে, কমলনাথ ভাল কাজই করেছেন,
কিন্তু বিষয়টি সংসদে আলোচনা করে
নিলে আরও ভাল হত।”

প্রকাশের পথে হেঁটে সীতারাম
ইয়েচুরি বিশ্ব বাণিজ্য সংস্থার
বিরোধিতায় সরব অরাজনৈতিক
সংগঠনগুলির সঙ্গে এক মঞ্চে এসে
তিনি তাঁর বিরোধিতার কথা
জানিয়েছেন। সেখানে সিপিআইয়ের
অমরজিৎ কৌরও ছিলেন।

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ANARBAZAR PATRIKA

Left parties unhappy over WTO deal

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DESPITE several rounds of discussions with the government prior to the WTO ministerial in Hong Kong, the CPM says the government is down the country's interests even as the government tried to draw mileage from the fact that the revised draft at the end of the meeting prevented it from being another failure after Cancun and Seattle.

CPM general secretary Prakash Karat's said: "The government failed to take a position in favour of the people. We will take up the issue with the government, and mobilise people and farmers." He replied in the negative when asked whether India's negotiations were in line with suggestions made by the Left parties in meetings with the government on WTO issues.

According to the CPM politburo, which made a formal statement on the issue, India's primary interest should have been to ensure the protection of small and marginal farmers. The special products and special safeguard mechanism proposed will not be sufficient as India had already

agreed to further cuts in agriculture tariffs. "The government has to explain how the agreement in Hong Kong will protect farmers and agriculture."

The global trading system continued to be weighted in favour of the rich countries and the commitment by them to ease export subsidies (by 2013) comprised a very small part of the total subsidies that agriculture receives in the EU — not more than 3.5 per cent, says the party.

On the opening up of various services like health, education, financial services and telecom, FDI in these sectors would have to be negotiated as India was now constrained to consider commitments on higher levels of equity participation. With increasing liberalisation, the party believes there will be fewer restrictions on foreign service providers.

But, according to the CPM, things are not going to end there. "In the coming negotiations, the objective will be to get all limitations removed with regard to FDI caps and bring the commitments as part of the international treaty obligations," the CPM said.



Union Commerce and Industry minister Kamal Nath being garlanded at IGI Airport in New Delhi on Monday after attending the WTO ministerial meet in Hong Kong. P71

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INDIAN EXPRESS

Dissent on WTO deal

JAYANTA ROY
CHOWDHURY

New Delhi, Dec. 19: The deal at the WTO ministerial summit in Hong Kong is under attack from within the government. Ministries feel that India has agreed to the Swiss formula of steep industrial tariff cuts and talks to open up its financial and banking sectors at a faster pace, without significant concessions on the farm front.

India should have forced further delays in cutting industrial tariff or reworked the Swiss formula, which calls for reductions in the case of products with the steepest customs duties, a panel adviser told **The Telegraph**. "These are usually products that are most vulnerable to foreign competition. This is why there is a strong wall to protect them," the official pointed out.

Officials said the Indian delegation may face attack at

home on this count not only from the usual Left and NGO opponents but also from various government departments which are not happy with the negotiations.

"In return, we did not even succeed in persuading Europeans to stick to the earlier deadline of 2010 for eliminating export subsidies ... the goalposts have been set back by three years," the official said. A section of the government is concerned that export subsidies, which are to be eliminated over eight years, are just \$3 billion or less than 1 per cent of the total subsidy bill of \$352 billion.

India will have to cut tariff on 600 farm goods from 2008, while being able to protect about 50-80 products. While the product details are yet to be worked out, the fear is that for "every line opened up, several hundred thousand farmers could be hit".

"The need to accelerate in-

dustrialisation of the rural hinterland through successful food processing chains is actually underlined by the deal ... if we cannot produce jobs for the farmers who will be thrown out of employment in the product lines which we open up, we could have more cases of farmers reduced to penury," officials said.

The inability of the government to gain anything immediately on the services front will also make the deal hard to defend at home, said officials. The Left parties have already criticised the deal on services, which will allow talks to open up health, education, financial services and telecom, possibly without any FDI caps.

"FDI caps have proved to be the big sticking point for this coalition government. The Congress government will have a tough time getting its allies to go along on this front," officials said.

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THE TELEGRAPH

India's concerns fully addressed, says Kamal Nath

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“Grand coalition” helped clinch deal at WTO

P. K. Bhardwaj

NEW DELHI: Commerce Minister Kamal Nath said on Monday the agreement at the Ministerial Conference of the World Trade Organisation in Hong Kong not only addressed the concerns of both the agriculture and industrial sectors but would also increase India's farm and manufacturing exports.

“The agreement fully secures the concerns of our farmers. It ensures that no subsidy-ridden farm products are exported to India ... the phase out of export subsidies by developed countries will also give Indian farmers a chance to compete in the world market,” said Mr. Nath on his arrival here.

The declaration envisages that the developed countries will eliminate their export subsidies

by 2013 while reducing them substantially by 2010.

Mr. Nath attributed the “success” to the strategy of India forming a grand coalition of developing countries (G-110) at the sixth WTO Ministerial that ended on Sunday. He said the agreement protected domestic farmers against a surge in imports through the provisions of Special Products (SPs) and Special Safeguard Mechanism (SSM) that had been included in the Ministerial declaration.

Under SPs, India and other developing countries would not have to cut tariffs on a specific number of products, while SSM incorporates both price and volume triggers to check a surge in cheap imports.

The Minister, who played an active role in shaping the outcome, said the agreement laid

the basic principles of trade negotiations and the modalities would be worked out next year.

He said the agreement took on board the concerns of industry, since the developed countries would have to reduce tariff peaks and tariff escalations on products from developing nations. Further elimination of tariff peaks and escalations would result in greater market access, as developed countries would not be able to put higher duty for value-added products such as leather and textiles, he said. Importantly, the Declaration includes principle of “less than full reciprocity,” as a provision, which will govern all market access commitments.

“No achievement”: Page 12

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THE HINDU

অবশেষে ঐকমত্য ডব্লিউ টি ও বৈঠকের শেষ দিনে

কৃষি রফতানিতে ভর্তুকি উঠছে ২০১৩ সালে

ইংকং, ১৮ ডিসেম্বর: অবশেষে কৃষিপণ্য রফতানিতে ভর্তুকি ২০১৩ সালের মধ্যে পর্যায়ক্রমে তুলে নেওয়ার প্রতিশ্রুতি মিলল বিশ্ব বাণিজ্য সংস্থার চূড়ান্ত সংশোধিত খসড়া প্রস্তাবে। ২০০৬ সালেই উঠছে উন্নত দুনিয়ায় তুলোচাষীদের দেওয়া ভর্তুকি। আজ ইংকং বৈঠক শেষে ১৪৯টি সদস্য রাষ্ট্রই এই প্রস্তাবে সায় দিয়েছে এবং সেই সঙ্গেই ভেঙে যাওয়া থেকে রক্ষা পেয়েছে হংকং বৈঠক। দু'বছর আগে কানকুন বৈঠকের ব্যর্থতার পর এটা যথেষ্ট আশাশ্রয় বলে জানিয়েছেন সদস্য দেশগুলির প্রতিনিধিরা।

ভারতের তরফে বাণিজ্যমন্ত্রী কমল নাথ এই যৌথপত্রকে স্বাগত জানিয়ে বলেছেন, এই খসড়ায় এ কথাও বলা হয়েছে যে, উন্নয়নশীল দুনিয়া তাদের কৃষকদের বাজার সুরক্ষিত রাখতে চাইলে তার পথে বাধা হয়ে দাঁড়াবে না ডব্লিউ টি ও। ভারতের মতো দেশগুলি 'নিজেদের পছন্দমাত্রিক' বাছাই করে নিতে পারবে 'উপযুক্ত' সংখ্যক কৃষিপণ্য, যেগুলির বাজার আদৌ খুলে দেওয়ার প্রয়োজন হবে না। দরিদ্রতম



বৈঠকের শেষ দিনে হংকংয়ের রাস্তায় মুখোপাধারী প্রতিবাদী মানুষের মিছিল।—রয়টাস

দেশগুলির পণ্যকে নিজেদের বাজারে শুষ্ক এবং কোটার আওতার বাইরে দুনিয়া। উন্নয়নশীল রাষ্ট্রগুলির জোট গ্রবেশাধিকার দিতে তাদের পণ্যকে রাখার প্রতিশ্রুতিও দিয়েছে উন্নত জি-২০ এবং জি-৩৩-র সঙ্গে গলা

মিলিয়েই খসড়ার প্রশংসা করেন কমল নাথ। তিনি বলেন, ১১০টি উন্নয়নশীল দেশের সঙ্গে হাত মিলিয়ে ভারত যথেষ্ট বিচক্ষণতার পরিচয় দিয়েছে। ব্রাজিলের বিদেশমন্ত্রী এবং জি-২০-র সমন্বয়কারী সেলেশো অ্যামরিন এবং জি-৩৩-র সমন্বয়কারী ইন্দোনেশীয় বাণিজ্যমন্ত্রী মোরি প্যানগোতসু এই প্রস্তাবকে স্বাগত জানিয়েছেন।

পাশাপাশি, ডব্লিউ টি ও-র খসড়া প্রস্তাবকে স্বাগত জানিয়েছে আমেরিকা এবং ইউরোপীয় ইউনিয়ন। মার্কিন সহকারী বাণিজ্য প্রতিনিধি সুসান শোমাবে বলেন, "উন্নত এবং উন্নয়নশীল দুনিয়ার মধ্যে অভূতপূর্ব সাফল্যের নজির রাখল মন্ত্রী পর্যায়ের এই ষষ্ঠ বৈঠক। কৃষি, পরিবেশ এবং শিল্প পণ্যে অবাধ বাণিজ্য ব্যবস্থা গড়ার পথে এই বৈঠক একটি মাইলফলক হয়ে থাকবে।" ই ইউ-র বাণিজ্য কমিশনার পিটার ম্যাগডেলনন বলেন, "আগামী মাসগুলিতে দোহা রাউন্ড

চূড়ান্ত করে ফেলার জন্য যে-উদ্যোগ শুরু হবে, তার ভিত গড়ে দেবে এই খসড়া প্রস্তাব। অন্যান্য রাষ্ট্রের কাছ

থেকে কৃষিতে সামপরিমাণ ভর্তুকি তোলার দাবি ইউরোপ তুলেছিল এবং তা আদায়ে তারা সফল।"

তবে, বিশ্বায়ন বিরোধীদের প্রতিবাদও এই দিন চরমে ওঠে। মূলত উন্নয়নশীল দুনিয়ার কৃষক সংগঠনের প্রতিনিধিরাই মিছিল এবং অবরোধ করেন সম্মেলন কক্ষের বাইরে।

ভারতীয় শিল্প মহল খুশি। ভারতীয় শিল্প মহল ডব্লিউ টি ও-র খসড়াকে যথেষ্ট ইতিবাচক পদক্ষেপ বলে অভিহিত করেছে। ভারতের স্বার্থরক্ষায় তৎপরতার জন্য তাঁরা কমল নাথকেও ধন্যবাদ জানান। সি আই আই ভাইস প্রেসিডেন্ট আর শেষেশ্বরী বলেন, দোহা রাউন্ডের পক্ষে এই একমত জরুরি ছিল। ফিকি সেক্রেটারি জেনারেল অমিত মিত্র ১১০টি রাষ্ট্রের ভারতের জোট বাঁধার প্রশংসা করেন। আর্সোচাম প্রেসিডেন্ট অনিল অণ্ডাল বলেন, বস্ত্র এবং চর্মজাত পণ্যে উন্নত দুনিয়া শুষ্ক কমানোয় সুবিধা হবে উন্নয়নশীল দেশগুলির। —পি টি আই

WTO revised draft evokes mixed response

CII hails it; disappointing, says FICCI

N. Ravi Kumar

HONG KONG: The World Trade Organisation's revised draft for its ongoing ministerial conference here, which was released on Saturday, evoked a mixed response from the leading Indian industry bodies.

The Confederation of Indian Industry (CII) welcomed it and said acceptance of the concept of multiple co-efficients in the NAMA (Non-Agriculture Market Access) formula was a positive development.

There, however, were certain critical elements that needed to be urgently addressed in NAMA, including the lack of adequate focus on the critical issue of 'flexibilities' in the text on industrial tariffs. The CII,

its vice-president R. Seshasayee said in a statement, would like to see the NAMA text given a lot more flesh in the area of 'Special and Differential' treatment and flexibilities. A separate paragraph amplifying this was required, he said.

It wanted the NAMA text to explicitly enable developing countries to keep some sensitive sectors unbound and a few other sectors to have flexibility to less-than-formula cuts in tariff.

From the Indian perspective, Mr. Seshasayee said, "the text on agriculture is adequate and is likely to provide for the food security and livelihood concerns that impact a large number of small and marginal farmers in the country."

However, in the areas of real reduction of export sub-

sidies and domestic support there needs to be more progress, he said.

"Unacceptable"

The Federation of India Chambers of Commerce and Industry, however, expressed deep disappointment over the revised draft. FICCI secretary general Amit Mitra said it failed to "correctly reflect the positions and views of a large number of developing countries and so required fundamental changes in the NAMA section.

It called upon the Indian government to reject the present draft on NAMA so that 'flexibilities' are not sidelined and the business would not have to face the sharp reduction in tariff rates in a compressed time-frame.

Trade Tales: Nath Presses The Panic Button At WTO By Firing A Strongly-Worded Letter

India threatens to dissociate from declaration

G Ganapathy Subramaniam
HONG KONG 17 DECEMBER

COMMERCE & industry minister Kamal Nath set off a 'panic attack' among WTO bigwigs here by firing a strongly-worded letter that indicated that India would 'dissociate' from the Hong Kong ministerial declaration if key concerns were not addressed.

The communication was submitted on Thursday night and it set off a panic wave which was resolved after top players, including WTO director general Pascal Lamy, intervened, diplomatic sources said. While there was no confirmation for obvious reasons, the sources confirmed that the communication was used as the last resort after all efforts, including 'Green Room' deliberations where trade ministers negotiate late at night, failed to adequately address India's concerns.

Sources in the Indian delegation confirmed the move and added that Kamal Nath was in regular

touch with Prime Minister Dr Manmohan Singh on the rapidly-emerging deliberations at Hong Kong. India's aggressive negotiating stance, co-ordinated closely with Brazil, China and South Africa, has led to heartburn among rich nations.

Concurrence to the final draft would also be in line with the mandate provided to Nath by the Cabinet Committee on WTO affairs, the sources said.

Meanwhile, the Indian delegation is all set to prepare for another round, or may be two, of gruelling trade negotiations during 2006.

Since progress at Hong Kong will be limited, another ministerial or a heads of state meet is expected next year.

It is understood that Brazil's president Luiz Inacio Lula da Silva has written to heads of several countries, including India, calling for infusion of 'political energy' to move the trade liberalisation talks forward.



G Ganapathy Subramaniam
HONG KONG 17 DECEMBER

INDIAN CEOs seem to be praying for the success of the Hong Kong ministerial meeting of the World Trade Organisation (WTO), fearing that failure here would only enable rich nations to buy more time to phase out subsidies. The ongoing conference should not go the same way as the Cancun ministerial of 2003 which could not break the deadlock between developing countries and the rich nations, they have said in a recent survey.

Lack of success at Hong Kong

CEOs want meet to succeed

would affect the interests of developing countries more than their rich counterparts, indicates the snap poll conducted by Assocham. The survey covered nearly 100 chief executive officers and CMDs out of whom 75% felt that completion of the Doha round of negotiations by the end of 2006 was important, especially since the US fast-track authority expires in the middle of 2007.

If this deadline was missed, the going could become difficult for WTO's rule based system. Assocham president Anil Agarwal, who is accompanying the Indian delegation attending the Hong Kong ministerial, said that the European Union and the US would mount further pressure on developing countries if the current opportunity was missed.

Nearly 70 per cent of the CEOs covered by the phone-in survey said the duty reduction commitment for developing countries should not be more than one-third of the commitment to be undertaken by rich nations.

Moreover, 75 per cent of the respondents said that elimination of farm export subsidies should not be linked to progress in non-agriculture market access.

WTO inches towards elusive deal

HT Correspondent
Hong Kong, December 17

EVEN AS protests by thousands of activists opposing free trade turned violent, the 150-member WTO trade ministers seem to be inching towards a compromise deal on trade in goods, services and agriculture.

With some impending changes, a final deal is likely to be hammered out overnight with the G-110, led by India and Brazil, finally agreeing to come on board in the proposed trade declaration to be adopted on Sunday at the sixth WTO ministerial conference.

This was evident from the reaction of several trade delegations and interest groups after the draft trade declaration was circulated by WTO director general Pascal Lamy. The likelihood of breaking the impasse was evident after Lamy had a two-hour meeting with all the trade ministers late on Saturday night.

The backstage informal consultations are expected to continue late into wee hours of Sunday to thrash out the final trade package.

India seems to have succeeded in its bid to protect the farmers' interests by ensuring the two separate windows — Special Safeguards Mechanism and Special Products — that would be used as defensive shields against any large-scale dumping of farm products by rich nations.

Indian negotiators divulged that at least 70-80 agriculture products could be shifted into



Riot police use pepper spray on a South Korean protester as they clash near the Hong Kong Convention and Exhibition Centre on Saturday.

these windows to prevent large-scale imports. There are about 660 agriculture products that may have to be considered for tariff cuts after becoming party to the deal.

The EU and US have, reportedly, sunk their differences to

agree for phase out of all export subsidies on farm products by 2010, thereby allowing some leg room for countries like India and Brazil to enter their farm markets.

Addressing reporters, commerce and industry minister

Kamal Nath said, "The basic draft has addressed some of our concerns, while others have to be addressed during next 20 hours".

He said that the solidarity amongst the developing and least developed countries has

frustrated the attempts of rich countries to "divide and rule" on trade issues. "Hence, perpetuation of inequities in global trade seem to be coming to an end," Kamal Nath said.

He demanded that a "simple linear formula must be put in

place" for reducing the tariff rates on agriculture goods.

Both India and Brazil have said that on industrial goods their demand for less than full reciprocity in tariff reductions and flexibilities on dealing with imports as well as dumping must be built into the trade deal.

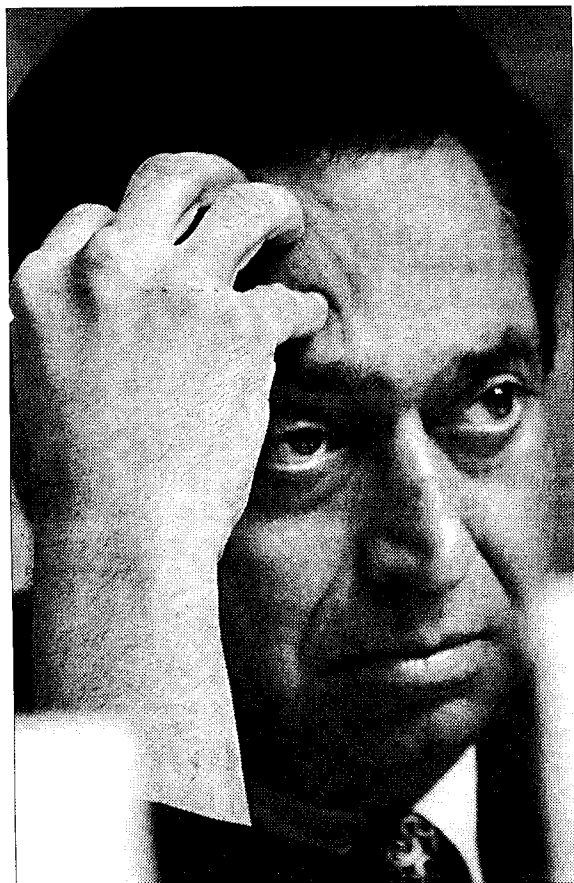
The Indian industry bodies were, meanwhile, divided on the issue of tariffs on industrial goods. While the Confederation of Indian Industry (CII) and Assocham were willing to go with the proposed formula, the Ficci expressed its 'deep disappointment' on treatment of tariff on industrial goods.

Ficci secretary-general Amit Mitra expressed his dismay over adoption of a Swiss formula without inbuilt flexibilities for developing countries in reducing tariffs. Assocham has also pointed to absence of such flexibilities.

Kamal Nath, on the other hand, emphasised the need for immediately going ahead with modalities for negotiations on services. He also asked the WTO leadership to commence negotiations on Trade Related Intellectual Property (TRIPs) and biodiversity issues.

Meanwhile, Brazilian President Lula had a telephonic conversation with Prime Minister Manmohan Singh during last two days to evolve a common strategy at WTO. It is learnt that the duo would seek a meeting of the world leaders at an appropriate time to resolve any unresolved trade issues.

A battle for free and fair trade



A shrewd politician, Congressman to the core and a tough negotiator, commerce and industry minister Kamal Nath is aggressively articulating our position at the ongoing World Trade Organisation ministerial conference

K.A. Badrinath
Hong Kong

Why is the WTO looked upon as some kind of a monster?

WTO is a multilateral trade body which puts together the rules for global trade. India, as one of the important members, has played a significant role in the trade negotiations since the WTO came into being. I believe that the WTO should evolve as a forum not only for free trade but also fair trade.

Why has agriculture become the focus of the trade talks for India?

The current trade negotiations are termed the development round as mandated at the ministerial conference at Doha in 2001. Agricultural trade, rural development and the subsistence of 650 million farmers has become the focus for trade negotiations. Agriculture is also the most seriously flawed sector in world trade. This is so because of the distortions and artificiality in the prices of farm products owing to the huge subsidies given to farmers by the US, European Union and Japan. As a result, Indian farmers have been subjected to depression in commodity prices in international markets. They cannot compete with low global prices for agricultural products. The biggest and

most serious issue is that developed countries see nations like India as export markets. The only defence mechanism against the onslaught of heavily subsidised products is import duties.

What are the other concerns India tried to address at the WTO?

Apart from export subsidies, a high level of domestic support given by developed countries to their farmers has induced trade distortions in agricultural products. We have opposed, tooth and nail, the continuation of these trade-distorting domestic subsidies. Protecting the export interests of our farmers is another major area. Currently, we export over US \$ 7 billion worth of agricultural products to a range of countries. With regards to agricultural trade, India has not only spoken for itself, but also the the developing and poor countries by sewing an alliance with 110 of them.

What was your mandate from the UPA government?

I came here to protect the export interests of our farmers as well as the industry. The stumbling block in preserving and furthering our export interests are non-tariff barriers (NTBs), misuse and abuse of anti-dumping laws by developed countries. In the post-MFA (multi-fibre agreement) era, several tariff and non-tariff bar-

riers have been put up by developed countries to deny Indian textiles and garments entry into their markets.

While there is a great potential for our *basmati* and *non-basmati* rice exports, the US, EU and Japan protect their rice markets artificially. The fight is for the subsistence of our farmers who earn less than a dollar vis-à-vis a billion dollar per day subsidy given out by rich countries to their farmers.

How is India perceived at the WTO?

India is seen as a force to reckon with, as a negotiator having the potential to engage the world on trade issues and be seen as a major economic power. Developing and under-developed countries look upon India for support, advice and guidance. The evolution of G-110 demonstrates that India can be the rallying point for the least developed, developing and small economies that continue to be subjected to trade distortions.

We have not heard much about the geographic indicators..

In the WTO scheme of things, French wines and spirits enjoy the GI rights. But once the rules are made and the GI register is open, I am sure our *basmati* rice, Darjeeling tea and *haldi* will make it to the patents list under the GI category.

India refuses to budge on farm front



South Korean anti-globalisation protesters wave flags during a demonstration on the sidelines of the sixth World Trade Organisation (WTO) ministerial meeting in Hong Kong on Friday. — AFP

Asha Ramachandran in Hong Kong

Dec. 16. — India today refused to move from its position on the agriculture issues at the ongoing World Trade Organisation (WTO) ministerial here, insisting upon an end date for removal of farm subsidies by the developed countries.

As the trade talks entered into the fourth day, reports of some amount of shove and prod emerged from the

'green room', lending optimism to a possible convergence by Sunday. Last night's closed door meeting by select representatives of the various member country groupings — G-20, G-33 and G-90 apart from the US and the EU — appeared to put a few chips on the negotiating table, one of them being the brokering of a text outlining a package for the least developing countries (LDC).

However, the 'green room', so called after the WTO secretary general's

office in Geneva, also saw India ruling out movement in industrial tariff reduction without flexibility to protect its domestic industry, a position held by the developing countries. "India is standing firm on the issues of interest to it in the key sectors of agriculture and NAMA (non-agriculture market access)," commerce and industry minister, Mr Kamal Nath said at an informal meeting at the end of the four-hour long hectic parleys. "We want an end date for elimination of export subsidies along with Special Products and Special Safeguard Mechanisms."

He said India has made it clear it will not agree on any formula for tariff reduction on industrial goods until the "flexibilities" for developing countries are specifically expressed in the draft text, for which intense negotiations are currently underway.

Mr Kamal Nath explained how such subsidies kept the prices of agricultural products in the international market at artificially low levels and adversely impacted on the interests of poor farmers in developing countries like India who were not able to get remunerative returns for their produce.

In order to safeguard the interests of Indian agriculture in the ongoing Doha Round of negotiations on agriculture, the G-20 — of which India is a founder member — has also sought elimination of all forms of export subsidies by a credible end date.

THE STATESMAN

India raises Trips, CBD at WTO

Asha Ramachandran in Hong Kong

Dec 15. — India today raised the issues of trade-related intellectual property rights (Trips) agreement and the convention on bio-diversity (CBD) at the ongoing ministerial conference of the World Trade Organisation (WTO) here.

At a meeting this morning with the facilitator, Mr Walker, the minister of Chile, on "Other Issues" that include Trips and environment-related matters, the commerce and industry minister, Mr Kamal Nath, underlined the importance of the issue, saying that harmonising the WTO Trips agreement with the CBD is vital for preventing bio-piracy and the rich traditional knowledge of developing countries.

Describing the imbalance in the Trips agreement between private intellectual property rights (IPRs) and the intellectual heritage of indigenous communities as part

of the unfinished agenda of development inherited from the Uruguay Round, Mr Nath made the point at the plenary session yesterday: "There is growing popular discontent among developing countries over bio-piracy and the misappropriation of their traditional knowledge for commercial gain. The Hong Kong ministerial must pave the way for the launch of negotiations on the issues pertaining to the relationship between the Trips agreement and the convention on bio-diversity."

On the issue of trade in environmental goods and services, India has opposed the "list approach" for seeking tariff reduction on environmental goods as it is not beneficial for developing countries. The "list approach" focuses only on goods and is, in fact, seen as a backdoor method to bring in NAMA. India has submitted an alternate approach called "environmental project approach" proposing that

all environmental goods and services in the project should get tariff concessions.

India along with a number of other developing countries, rich in bio-diversity, has proposed an amendment in the Trips agreement to address prevention of bio-piracy and check misappropriation of traditional knowledge. This amendment would pave the way for an international legally-binding regime. This is an implementation issue under para 109 in pursuance of para 12 of the Doha ministerial declaration.

India believes that to prevent bio-piracy of genetic resources and misappropriation of traditional knowledge, the Trips agreement needs to be amended, and three elements — "disclosure of country of origin", "prior informed consent", and "benefit sharing" arrangement, which are together called "disclosure requirements" — could be incorporated in the Trips agreement.

Tariffs: bound or applied?

HONG KONG, Dec. 15. — It was an EU bashing day today at the ongoing World Trade Organisation (WTO) ministerial meeting here. First they got their calculations on tariff all wrong and came under fire from the G-20 members. Then they entered into fresh spat with the US over market access to cotton farmers as well as on their refusal to come out with an end date for elimination of farm subsidies.

"It's fuzzy logic," quipped the Brazilian trade minister, Mr Celso Amorim, when confronted with an EU release that calculated the tariff cut on the basis of the applied rates (the duty effectively applied) when the July framework agreement clearly set the reduction process on bound rates (the maximum level above which a member cannot apply a tariff). — SNS

16 NOV 2005

THE STATESMAN

China, Japan back India

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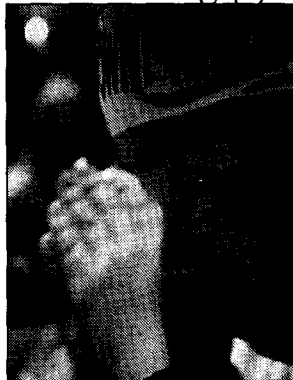
Hong Kong, Dec. 15: India was backed by China, Japan and several other members of the G20 at the WTO negotiations today as commerce minister Kamal Nath dug in his heels over opening up the agricultural sector.

Nath told EU trade commissioner Peter Mandelson and US trade representative Robert Portman that no discussion could take place on lowering tariffs in the agricultural sector without providing flexibility for special products and a safeguard mechanism for farmers.

No major breakthrough is expected in the current round of WTO talks. The western countries are hammering out a free trade package for least developed countries, which is being seen as a spin to the actual development agenda of the WTO.

Commerce minister Kamal Nath today admitted that there was a move to split the ranks of developing countries. The G20 will be holding another round of discussions to draw up a coherent strategy with the LDCs tomorrow.

Mandelson was at the receiving end today as ministers of the G20 countries and the US mounted pressure on him to come out with an end date for eliminating the export subsidies that the EU extends to its farmers.



A South Korean farmer weeps during a candlelight vigil to oppose the WTO conference in Hong Kong on Thursday. (Reuters)

It was agreed in the July 2004 framework agreement of the WTO that these export subsidies should be eliminated but the specific date by which this should be done has still not been agreed to.

However, the EU wants to use the end date issue as a bargaining chip to extract concessions from its negotiating partners.

Mandelson wants the G20 countries to lower tariffs in the industrial sector in return for an announcement on the date for ending export subsidies and scaling down of domestic support to agriculture.

However, Nath told him the agriculture issue could not be linked to industry just as the issue of visas for Indians could not be linked to industry.

THE TELEGRAPH

India stays put; US, EU spar on food aid

Nothing moves on second day of WTO talks

K.A. Badarinarath
Hong Kong, December 14

ALONG WITH other developing countries, India has refused to budge under pressure from US, EU and Japan on farm issues.

This was made clear by Commerce and Industry Minister Kamal Nath at a closed-door meeting G-20 group had with US Trade Representative Rob Portman. A similar stern signal will be sent out at another meeting the G-20 will have with EU's trade commissioner Peter Mandelson on Thursday.

Indian negotiating team's strategy seems to maintain equidistance from both EU and US and protect both its offensive and defensive interests in agriculture, industrial tariffs and services.

Earlier, speaking at the WTO plenary on Wednesday, Kamal Nath demanded a level playing field for poor countries while asserting, "Our farmers are willing to deal with trade flows, but not with an avalanche of subsidy flows from developed countries."

He also campaigned for market access for industrial products like textiles, clothing, leather products, footwear and a range of other medium technology products which "provide livelihood to hundreds of millions of industrial workers in small and medium enterprises in developing coun-

tries". Kamal Nath also tried to link the opening up of services trade to poverty alleviation in developing countries. His emphasis was more on Mode one and four, stating that services negotiations needed a firm direction.

Apart from speaking at the plenary, the minister and his negotiating team had a hectic day. He had two bilateral meetings with foreign and trade ministers from Japan and Mauritius apart from a discussion with Clement Rohoe, who is the facilitator at WTO on development issues.

Kamal Nath also backed the African Initiative on cotton. Expressing solidarity with African farmers, he demanded that US

should do away with subsidies on cotton to protect livelihood of African farmers. India has already announced duty-free and quota-free access to cotton from these countries. Though the applied tariff on cotton was reduced to 10 per cent, African farmers could not take advantage due to heavy subsidy element prevailing in US.

Meanwhile, WTO trade talks, on the second day, seemed to be losing focus as the deadlock continued with EU and US seeking to shift the deliberations away from agriculture. The day was also dominated by full-blown wordy duel between US and EU on the food aid for trade programme of UN that is hardly central to the proposed WTO declaration.

Even as the big boys slugged it out, attempts continued behind the scene to drive a wedge between the developing countries and the least developed countries. But, the developing countries led by India and Brazil put the flock together and mounted pressure for a package on agriculture.

In the process, there was hardly any progress on key issues like setting deadlines for subsidies phase-out, putting together a tariff package on industrial goods, liberalise movement of skilled personnel and development deal for the LDCs. Even in the crucial backstage negotiations, the issues

were tossed around without making any headway. Lack of forward movement frustrated those expecting 'respectable progress' at the six-day conclave.

The day commenced with EU's charge that US was using the UN operated food aid programme to dump its surpluses in the world market as well as promote commercial sale of its food grains. EU trade commissioner Peter Mandelson led the tirade against the US.

The US launched its deputy trade representative Karan Bhatia to articulate its position. He announced Bush administration's decision to double the support to food aid programme in five years to \$ 2.7 billion from the existing US \$ 1.34 billion.

This comes close on the heels of EU announcement to hike the support to this UN programme by US \$450 million and Japan's decision to pitch in with US \$10 billion. Through this, US-EU-Japan axis seeks to wean away the LDCs from G-20 axis on farm issues. Also, they have attempted to settle scores amongst themselves and thereby limit each other from using the UN's food aid programme as their commercial vehicle.

Portman asked EU to make extra concessions on agriculture while the latter sought to shift the focus away from farm issues.



Kamal Nath, Indian Minister of Commerce and Industry, speaking at the WTO plenary on Wednesday.



No takers for long speeches

The attendance at the WTO ministerial business sessions was thin on the second day given the fact that all action 'give and take' was taking place in the backstage negotiations where privileged 26 members were taking part. Even big players like Rob Portman of US, Peter Mandelson of EU and Kamal Nath of India had to keep their speeches short and to the point. For new members like Tonga, Saudi Arabia, who are attending as observers, it was a great experience listening to the 'blabber' filled with trade terms expressed in abbreviations. One member-country came out with a glossary of the full meaning of issues and abbreviations that are tossed around with ease.

Shiva, Clarke & Company

Canada-born Tony Clarke and Indian NGO activist Vandana Shiva along with activists from 'Our World is Not for Sale' put up a musical ensemble at the WTO convention centre. In Santa Claus attire, Clarke led the troupe singing anti-free trade songs tuned to Christmas carols. The show which lasted for ten minutes lashed out against privatising the health, water, energy, retail trade and services. Lyrics branded WTO chief Pascal Lamy as satan who had come to destroy the world. 'Our World is not for Sale is an umbrella organisation of 200 NGOs worldwide.

No visa talks

Indian techies who expect to get easy work visas to the US and EU countries are in for a shock as there is hardly any movement forward in services negotiations. Officials from top technology companies attending the WTO conclave either as official delegates, NGOs or observers are coming to grips with the situation. Same is the case with the industry bigwigs who expect that industrial tariff negotiations would be wound up by this weekend.

Dragon's mum

China has turned out to be a gracious host by not offering to talk much on progress of WTO talks. While all the other delegations addressed the 3,000-odd journalists who have converged in Hong Kong, China's trade team is yet to show their cards. Mum's the word for the big dragon that has surprised many. The Chinese trade minister was not seen even at the G-20 briefings.

No room

Hong Kong's Disneyland and the Magic Kingdom have closed their doors for the WTO delegates, media representatives, NGOs and the sundry that have come to this port city. For the first time, according to local residents, Disneyland has closed its ticket counters for those visiting the Magic Kingdom. The visiting WTO wallahs returned frustrated from many places where 'no room' signs were put up.

Monitoring of WTO trade aid must: Egypt

REUTERS
Hong Kong, December 14

DRAMATIC RICH country promises to help poor countries expand exports could fall without a change in how billions of dollars in aid are managed, Egyptian Trade Minister Rachid Mohamed Rachid said on Wednesday.

"The reality is whatever has been spent in the past 25 years isn't working. So we need to break that cycle and our proposal is to break it by putting some proper governance into place," Rachid said in an interview on a proposed development package being crafted this week at a World Trade Organisation meeting.

Washington, Tokyo and Brussels have pledged aid over the past few days to fund infrastructure and other projects to help poor countries improve their ability to export.

The WTO's richest members also are trying to agree on a plan that would open their markets to all exports from least developed countries. The EU already does that under its "Everything But Arms" initiative.

But "for most of the LDCs, the issue is not market access. They already have market access" under various trade preference programmes, said Rachid, chair of the African group of countries, which includes 25 of the WTO's 32 least-developed members.

Africa's share of world trade has dropped sharply over the past decade even as its trade preferences have increased, Rachid said. The real key is action on the "supply side" to help poor countries boost their exports, he said.

Many African countries believe the new funding pledges are little more than a reshuffling of money from other programmes. For the WTO development package to accomplish its goals, donor and recipient countries need to agree on new structures to ensure the aid is used wisely, Rachid said.

"So we will come very soon to the issue of governance, to how we manage this development package," Rachid said. Currently, "we are in this vicious cycle. The donors are disappointed and the receivers are disappointed."

Rachid said he was cautiously optimistic WTO countries could agree on the basic elements of a development package, although the United States may not be able to open its textile and clothing market to all least-developed countries.

Oxfam International activists wearing masks of world leaders pose in front of the venue of the sixth World Trade Organisation Ministerial Meeting in Hong Kong on Wednesday. The European Union and the United States demand too much when they ask developing countries to open their markets for industrial goods and services in return for reducing farm subsidies, Oxfam International said.



Balance shifts between secular and Islamist Iraq

The divide between Sunnis and Shias is only the most visible political fault line.

Jonathan Steele

14/12
A YAD JAMAL ELDIN receives his visitors in an extraordinary pavilion made of reeds, bent into huge arches to form a barrel vault above a carpeted floor. It is the typical guestroom of any leader of Iraq's Marsh Arabs but, in Baghdad where it was recently put up in the garden of a villa beside the Tigris, it looks exotic.

Even more exotic is the fact that Mr. Jamal Eldin is a prominent Shia cleric and scholar who believes in a secular state. "In a covert way the new constitution laid the basis for religious rule. This is one of its weak points. I have consistently called for religion to be kept out of politics," he says.

With views like this, it is not surprising he is not on the candidates' list put together by the Shia Islamists known as the United Iraqi Alliance. They are the dominant partner in Iraq's current government. Instead, he represents the large group of secular politicians who call themselves the Iraqi National List, and is its top candidate in his native southern province of Dhi Qar.

While the contest between Sunnis and Shias has gained most international attention during recent months, Mr. Jamal Eldin believes the struggle between secular and religious forces is equally important. Like many Iraqis who favour a secular state, he hopes the Islamists' preponderance can be reversed this week.

In Baghdad the Iraqi National List has given its top slot to Ayad Allawi, who was Prime Minister until April this year. So the slate is often known as the Allawi list. In fact it is no longer dominated by one man, which is why its supporters are hoping it will do better than in the first election in January.

In that poll the secular forces were divided. Mr. Allawi ran alone, hoping his position as Iraq's incumbent leader and image as a champion of tough-minded counter-insurgency would be enough to keep him in the post. He won 40 seats in the 275-member parliament, but it was not enough to allow him to make a deal with other parties and remain Prime Minister. Mr. Allawi is a Shia, but Iraq's majority Shia community saw the January poll as a historic chance to reverse decades of discrimination and exert their muscle by voting for religious lists that were unashamedly Shia.

40-11
A big question in Thursday's poll is whether things have changed, 11 months later. This time Mr. Allawi has joined up with almost all the other secular parties, including the Communists, who command support in many southern cities. Adnan Pachachi, a veteran Sunni liberal who was Foreign Minister in the days before Saddam Hussein's rule, is also with him.

The Shia religious parties clearly see the Allawi-led list as their main opponents. Its posters are regularly torn down from walls in southern cities and Mr. Allawi himself survived an assassination attempt in Najaf a week ago. Dirty-tricks posters claim he is a new Saddam who wants to restore Ba'athist rule. Several factors suggest that the religious list, which uses a candle as its logo, will lose support.

Though many blamed Mr. Allawi for failing to solve security, power and unemployment problems, Ibrahim Jaafari, the present Prime Minister, is criticised for the same inadequacy. He is unlikely to remain in his job.

Most analysts think the candle list will win a maximum of 120 seats, compared with 140 in January.

Another factor pointing towards a possible slippage in the Shia list's support is the hands-off position of Grand Ayatollah Ali al Sistani, the sect's most respected leader. In January he endorsed the candle, but this time his message is less clear.

He has urged Shias to vote for a religious party but has not said which one he has in mind. The difference may be academic, since few parties fill this bill other than the United Iraqi Alliance. Its campaign workers are certainly treating it that way.

Posters showing the Grand Ayatollah's face and the candle are visible everywhere. One new source of potential strength for the list is that Moqtada al Sadr, the radical young cleric, has 30 followers on it.

Mr. Allawi hopes to appeal across sectarian lines. A quarter of his list in Anbar province consists of former Ba'athists. But for many he is tarred by his support for the U.S. attack on Fallujah last year. Among Baghdad's middle class he is popular, but whether he can do better than the 40 seats he won in January remains the secularists' major challenge. —

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14 DEC 2005

THE IRACI

Left warns against trade compromise

CHARU SUDAN KASTURI

New Delhi, Dec. 12: The Left and other opponents of trade liberalisation have warned the government against striking compromises at the meeting of ministers of World Trade Organisation member countries this week in Hong Kong.

"The CPM has told the government that under no circumstances is the economy to be opened up further, especially in agriculture and the services. There is going to be huge pressure exerted by the developed countries, and we expect the government to stand up to it," said CPM politburo member and Rajya Sabha MP Brinda Karat.

With the five-year Doha round of global trade talks approaching its end, developed countries are expected to increase the pressure on India and other like-minded members of the Group of 20 countries to accept some of their demands in Hong Kong.

WTO head Pascal Lamy has said: "The failure of the Doha round will be seen as a failure of the WTO."

Speaking from Hong Kong, Vandana Shiva, environmentalist and WTO opponent, said: "Developed countries will try their best to break the stand taken by the G-20 countries."

The G-20 has been asking

the developed world to reduce agricultural subsidies, which, they feel, give farmers of these countries an undue advantage over their counterparts in the developing nations.

The European Union and the US, on the contrary, want developing nations to remove entry tariffs, which countries like India use to protect indigenous industry.

Shiva, in Hong Kong to participate in the discussions being held by WTO protesters alongside the ministerial meet, said developing nations should be prepared to face a "carrot-and-stick" policy.

"Carrot" in the sense that the draft text for the talks mentions "aid for trade", which means developing countries are going to be given financial support to fulfil WTO obligations.

"Stick" means developing countries will be told that if they don't agree to the removal of market entry barriers, there will be no reduction in agricultural subsidies by the developed world, she said.

Karat said the Left would oppose any acceptance by the government of the "aid for trade" clause. "The US and EU have not fulfilled their WTO obligations. They have not cut agricultural subsidies, so what 'aid' are they talking about?"

What's on the menu

Ministers from the World Trade Organisation's (WTO) 149 member states are meeting in Hong Kong from December 13-18 to free global trade. Here are some of the issues that will be on the table as ministers try to clear the way towards a draft deal by early next year.

Farm goods

* The aim is to slash rich nations' farm subsidies, which distort markets, and lower barriers to imports in developed and developing countries.

* Subsidies: Much of the framework for a deal is in place — the European Union has offered a cut of 70 per cent and the US 60 per cent. But the devil lies in the detail.

* Tariffs: Most politically sensitive area. Big importers with heavily protected farming, like the EU, and on the developing side, Indonesia and India, do not want to open the door too wide.

* The EU has offered cuts of 40 per cent, but with 8 per cent of its tariffs to be classified as "sensitive" and subject to shallower cuts.

* The EU has agreed in principle to end export subsidies, but no date will emerge in Hong Kong as WTO states



IT'S NO CHILD'S PLAY: A child runs past a protest balloon at the rally point for anti-WTO demonstrations in Hong Kong on Monday. (AFP)

have given themselves until the end of February.

Industrial goods

* Known as NAMA in WTO parlance, they account for 60 per cent of the world trade. Negotiators are battling to agree on a formula, or formulas, for developed and developing nations. They are near agreement that whatever is adopted should cut the highest tariffs the most. Other key questions include the degree of flexibility to be given to developing countries.

* Like agriculture, there are politically sensitive areas in services. One is making it easier for foreigners with special skills — who could range from computer experts to

Services

* Account for some 70 per cent of global economic activity.

ty, but less than a third of other WTO states. This is a key demand of developing countries like India.

Development

* The EU is among those pressing for a special package to help least developed countries to show the trade round will also benefit them.

* Among suggestions is an accord to give duty-free access to all goods from least developed countries.

* Cotton could prove to be a contentious issue. African producers say US subsidies will drive them out of business and want a quick accord to end them.

Shaky steps to Hong Kong pulpit

S. P. S. PANNU

Hong Kong, Dec. 12: Commerce minister Kamal Nath today pricked the balloon of expectations soaring over Hong Kong, saying India would not plunge headlong into the trade agreement that has eluded the world for long.

Talking to reporters after meetings with European trade commissioner Peter Mandelson and WTO director-general Pascal Lamy, Nath said he had driven home the message that the developed countries would have to lower tariffs and remove non-tariff barriers on textiles and leather products if an agreement is to be reached.

He pointed out that the imposition of anti-dumping duty on Indian textiles and leather goods was a big obstacle to the country's exports. As soon as a Western country imposes the levy, export margins on these products are squeezed.

In agriculture, he reiterated that India would like the advanced countries to set a specific date for eliminating export subsidies and reducing domestic support to farmers. Imports of subsidised farm goods from the West will also not be allowed. Instead, India will seek to export more.

Nath even said India was ready to take the blame of any failure if its concerns on agriculture were not addressed. "No WTO process can isolate India. The talks cannot be completed without us on board. We are ready to take the blame if our con-



Commerce minister Kamal Nath in Hong Kong on Monday. (AP/PTI)

cerns are not addressed. We are not here to make statement of good intentions. There could be no agreement in dribbles," he added.

Asked if the European Union must make improved offers in agriculture, Nath said the trade bloc must move forward as the July framework agreement (of 2004) clearly mentions that export sub-

sides must be eliminated. "If they have internal problems, it is their problem. We are not here to solve their problems," he added.

The minister said there are 65 to 70 agricultural products considered "special" to the livelihood of its farmers. Cheap imports could not be allowed in these items.

In a strong rear-guard action, the minister held meetings with the group of 20 countries comprising India, China, Brazil, South Africa and Argentina to consolidate the strategy of the developing countries against those from the West. The flurry of parleys included talks with Brazilian trade minister Celso Amin and Pakistan commerce minister Humayun Akhtar.

Nath admitted the advanced countries were trying to split the developing nations to get an edge in the talks. However, he was confident the strategy will not work.

Tonight, the minister said he would meet the "five interested parties" comprising the US, Australia, Brazil, the European Commission and India. Striking a more conciliatory note, he said it was important for multilateral trade that the negotiations at the Hong Kong meeting make some progress. "But the question is whether the progress is in inches, in steps or a leap forward," he said.

Asserting India's strength as a pivot in the G 20 and G 33 groups, Nath said the WTO talks cannot move forward without taking India on board.

Celebrity parade for the poor

OUR SPECIAL CORRESPONDENT

Hong Kong, Dec. 12: Nobel laureate Joseph Stiglitz, former Irish president Mary Robinson, west African singer Angélique Kidjo and Mexican actor Gach Garica Bernal.

What binds them for a cause? They have all descended at the convention centre to join a swelling phalanx of WTO baiters who believe the talks will starve the poor nations of their fair share while the rich feast.

As the Hong Kong police struggled to keep the raucous dissenters at bay, the line-up of celebrities stepped up their campaign against what they called was an "exploitative" multilateral trade order now in the works.

Stiglitz, a professor at Columbia university, is delivering a series of lectures at the

foreign correspondents club here to highlight the unequal nature of trade agreements sought to be foisted on the poor.

Robinson, the head of Oxfam, criticised the draft of the WTO ministerial. Singer Kidjo is lending his voice to echo the cause of the least developed countries and highlight the raw deal the African cotton farmers are getting. He tears WTO chief Pascal Lamy's "cotton dossier" to shreds.

Protest spill-over

These are tough days for Hong Kong police, which had to battle with a throng of 3,000-4,000 activists lunging towards the convention centre. Attired in their immaculate blue uniforms with ties to match, tottering state-of-the-art pistols and wireless sets, the cops moved with clinical efficiency to keep the venue clear of vandals.

Lam Sair Ping, a Chinese journalist covering the event for a local daily, said security in the area had never been so tight. Even sportsmen from a nearby stadium are staying home and a busy ferry service is closed to the public.

India not to be hustled into any deal: Nath

Asha Ramachandran in Hong Kong

Dec. 12. — Adopting a tough stance on the eve of the WTO ministerial here, the commerce and industry minister, Mr Kamal Nath, today said India will not be rushed into any global trade deal that displaces millions of its farmers and does not give greater market access to products of export interest to the country.

"The Hong Kong hype should not hustle us to agree to any resolution not desirable to us," Mr Nath told reporters a day before the start of the crucial ministerial of the Doha round of WTO, during 13-18 December.

A day crammed with meetings with the G-20, a coalition of member countries in agriculture negotiations, and G-4 countries, as well as bilateral talks with WTO director-general, Mr Pascal Lamy, EU trade commissioner, Mr Peter Mandelson, Pak commerce minister, Mr Humayun Akhtar Khan and

Brazil foreign trade minister, Mr Celso Amorim, saw the commerce minister trying to establish what could be achieved over the next week.

"Just now everybody is feeling the water, testing to see how each would react," Mr Kamal Nath said. Success, he warned, is not in addressing the concerns of the developed countries, but rather "whether we move forward an inch or leap forward". India as well as the rest of the developing world was watching what the US and the EU offered. "Unless there is movement and we get adequate overall access, there is no question of an agreement," the minister asserted.

On the agriculture sector, Mr Nath was very firm in saying "if and only if" the developing countries get concessions on special products there could be any ground for negotiations. "The deal must be all encompassing or nothing," he asserted. "We have not come here for a statement of good intentions. What comes out must be beneficial

to India."

Asked about the discussion with his Pakistan counterpart, Mr Nath said Mr Khan was the facilitator for NAMA. "Pakistan wanted to discuss the game plan and we talked about how to engage the other countries in this sector," he said.

Today, he said, developing countries had joined forces and that it was crucial to maintain this unity. He exhorted member countries to think and strategise also in the context of the developing country membership of the WTO as a whole and underlined the need to remain united in the negotiations.

Earlier, addressing the Asia Society, Hong Kong, organised by the Confederation of Indian Industry (CII), on "India: The New Paradigm", the minister said India was on the verge of greater integration with the rest of Asia - South Asia (through the South Asian Free Trade Area - Safta), and with South-East Asia as well as East Asia through the proposed India - Asean FTA.

Protests mark eve of WTO ministerial meeting

HONG KONG, Dec. 12. — As 149 countries begin a crucial ministerial meeting of the World Trade Organisation (WTO) here tomorrow, an estimated 10,000 pro-poor activists staged colourful demonstrations. Banners and t-shirts claiming 'Junk the WTO' and 'Stop collusion between government and business' were bandied as the demonstrators, mainly supporting farm workers and small businesses, felt the conference would only benefit the larger businesses at the expense of the smaller ones.

However, unlike the WTO meets at Seattle in 1999 and Cancun in 2003, the Hong Kong authorities have thrown a tight security cordon, limiting the protestors to some areas of the city. The convention centre itself is sanitised with hundreds of security personnel said to have set up the tightest measure ever, ensuring the venue is out of bounds to all but the participants. The security forces are tolerant of the protesters, seen as a legitimate demand for rights, but warn tough handling of any untoward incident.

The week-long ministerial meeting, the highest policy making organ of the WTO, faces rough days as developing nations, demanding a level-playing field in international trade, are pitted against rich countries, particularly the US and the EU, who are resisting any cut in their farm subsidies unless developing countries like India and Brazil throw open their markets for manufactured goods.

Over 2000 NGO representatives from across the globe are on the watch against any "anti-poor, anti-farmer" deal struck at the meeting. The protestors are gearing up for demonstrations at the inaugural tomorrow as well as next Sunday, when the ministerial is expected to come up with some final agreement. The countries are in any case aligned in various alliances, like group of 20 (G-20), G-33, G-10 and G-90. India figures in nearly all, in one negotiating capacity or the other. These pressure groups were formed post Cancun ministerial though agriculture forms the central point in most. — SNS

Congress avoiding discussion on WTO, says BJP leader

'Consensus possible if ruling front facilitates a debate'

Special Correspondent

JAIPUR: Former Bharatiya Janata Party president Murli Manohar Joshi accused the Congress party of "escaping" a discussion on the World Trade Organization (WTO) related aspects. "The Congress Governments always escaped discussions on the matter.

Farm front

The issues involved, especially on the agriculture front, should be discussed within and outside Parliament so that a consensus emerges on the stand the country should take," he said.

Talking to media persons here on Saturday, Dr.Joshi said dur-

ing the National Democratic Alliance Government the then Commerce Minister, the late Murasoli Maran had defended India's interests effectively in the meeting at Doha. Later, Arun Jaitely, the Minister concerned, also carried forward the voice of India and the other developing nations before the developed countries.

Serious implications

"Now I have a feeling that all those who show a brave face here grow weak and succumb to pressures once they cross the shores," Dr.Joshi said. "The ruling front did not hold any discussion on WTO related issues within Parliament or with the people. The issues are of serious

implications to the nation," he said. Parliament could have set guidelines for the forthcoming WTO ministerial meeting in Hong Kong. "There can be a consensus on the issues if the ruling front facilitates a discussion," he said.

Food security

Dr.Joshi said the country should not allow any agreement which would endanger the farm sector.

"The rich countries which provide an overall 400 billion dollar subsidy to the agricultural sector annually should set a time- frame to reduce their subsidies," he said. "What is at stake is India's food security," he added

112 DEC 2005

THE HINDU

WTO: Left to demand Parliament discussion

Protest planned to send a "warning" against Hong Kong meeting

Special Correspondent

NEW DELHI: In a move to step up pressure on the Government ahead of the crucial World Trade Organisational meeting at Hong Kong this month, the Left and other parties have asserted that they would demand a discussion in Parliament.

At a convention organised here to ahead of the December 13-18 Ministerial round, it was decided to organise mass protest/rallies in various places, including Delhi, to send a "warning" against it. In addition, conventions were to be organised to coincide with the meeting.

Karat's demand

"The nation must be taken into confidence, the Government will have to give a statement [in Parliament] on its approach to the WTO agenda," the Communist Party of India (Marxist) general secretary, Prakash Karat, said at a seminar by the Indian People's Campaign against WTO here on Saturday.

Mr. Karat said when the Left parties in a meeting with the Government said they wanted a discussion in Parliament before the Ministerial round, the message was that the Left should refrain from raising the issue so that the Government's hands were not tied.

"If Parliament cannot discuss where can we discuss this issue... this proposal is not agreeable," he said, adding the Government

• "If Parliament cannot discuss where can we discuss this issue..."

• International agreements signed by the Government should be ratified by Parliament

• Government under pressure from the U.S.

was under pressure to agree to the proposals, including Agriculture, Non-Agricultural Market Access, General Agreement on Trade and Services and Trade-Related Intellectual Property Rights.

To provide an instance of the damage caused by the WTO to the farming community, he said, suicide of farmers had gone up. In Wayanad district of Kerala as many as 57 farmers took their lives due to agrarian crisis.

The CPI general secretary, A.B. Bardhan, and the former Prime Minister, V.P. Singh, said international agreements signed by the Government of India should be ratified by Parliament.

Manoj Bhattacharya of the Revolutionary Socialist Party said the Manmohan Singh Government was under pressure from the United States, which was also "dictating" the country's economic policies. "If the Government cannot take care of the interest of 70 crore people whose lives depend on agriculture what are they for," he

asked.

Mr. Bhattacharya said the Government should remember that the ruling coalition was being supported by the Left parties, a point that was also underscored by the CPI Secretary, Amarjit Kaur, who said minus the Left parties the UPA was in minority.

Suggesting that the Left parties intensify struggle and ensure that a strong message goes from the country at a time when the Hong Kong round was on, the CPI (M-L) general secretary Dipankar Bhattacharya said the fight was not just against the WTO but the Government too which makes economic policies to support the international obligations.

Speaking in a similar vein, Samajwadi Party leader Sunilam said the real fight should be against the Government which agrees to WTO clauses without even discussing the implications of such agreements even in agriculture, a State subject.

G. Devarajan (All-India Forward Bloc) said the entire attempt was to capture every sector and said the effort was to enlarge trade to services sector something that was not envisaged earlier.

S.P. Shukla, former bureaucrat, who was the convener of the convention, said the agreement on agriculture had deepened the crisis in the sector. GATS that includes basic services was in corporate interest, he said.

04 DEC 2005

INDIAN EXPRESS

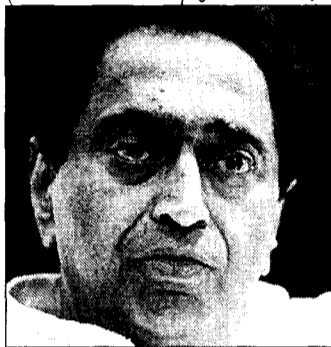
India unhappy with WTO draft

Times News Network

New Delhi: India has expressed disappointment over the first draft text for the Hong Kong WTO ministerial conference. In a statement made at the Trade Negotiations Committee meeting at WTO in Geneva, commerce secretary S N Menon said the draft does not focus on development concerns, a major issue of Doha round of talks.

Meanwhile, commerce and industry minister Kamal Nath said development impact will be the main parameter against which the ongoing Doha round will be judged.

Addressing the G-90 summit of the African-Caribbean-ACP (ACP) countries in Brussels, he said, "If the impact on development is adverse, it should be dis-



carded and a positive, pro-development solution should be found. High subsidies in cotton for rich farmers in developed countries are responsible for the devastation of the livelihoods of millions of poor farmers in developing nations," he added.

The G-90 countries, who were

critical of US and EU, warmly applauded India's position. They welcomed India's move to unilaterally grant duty-free quota access to the Least Developed Countries (LDCs) of Africa.

On non-agricultural market access (NAMA), Nath stressed that the modalities for liberalisation in NAMA must accomplish two things simultaneously: Ensure that existing high tariffs, tariff peaks and tariff escalations in developed countries are eliminated in this round, and ensure sufficient flexibility that accommodates the sensitive sectors and adjustment needs of developing countries.

These flexibilities are stand alone, and cannot be traded off against the tariff-reduction formula.

ডল্লু টি ও সন্মেলন
১৩-১৯ ডিসেম্বর
ভারত জুড়ে
প্রতিবাদ সপ্তাহ

আজকালের প্রতিবেদন: দিল্লি, ১ ডিসেম্বর— বিশ্ব বাণিজ্য সংস্থার শর্তের কাছে দেশের স্বার্থ বিকিয়ে আত্মসমর্পণ করেছে ইউ পি এ সরকার এবং সমর্থক বাম দলগুলি। সি পি আই (মার্কসিস্ট-লেনিনিস্ট) কেন্দ্রীয় কমিটির পক্ষে দিল্লিতে বৃহস্পতিবার এই অভিযোগ জানিয়ে বলা হয়েছে, হংকংয়ে বিশ্ব বাণিজ্য সংস্থার বৈঠক চলাকালীন ১৩ থেকে ১৯ ডিসেম্বর ভারত জুড়ে প্রতিবাদ সপ্তাহ পালন করবে দল। দলের সাধারণ সম্পাদক কানু সান্যাল বলেন, বিশ্ব বাণিজ্য সংস্থার চুক্তি মেনে নতুন পেটেন্ট আইন, শস্য বিল, চুক্তি চাষের মতো বিষয়গুলিতে বিপন্ন হবে কৃষক ও ছোট-মাকার ব্যবসায়ীদের ভবিষ্যৎ। মুক্ত বাজারের নাম করে কার্যত সুবিধা করে দেওয়া হচ্ছে বহুজাতিক সংস্থাগুলির। আগামী হংকং বৈঠকে আবার দেশের মানুষের স্বার্থ বিসর্জন দিতে বসেছে কেন্দ্রীয় সরকার। এর প্রতিবাদে দেশ জুড়ে প্রতিবাদ সপ্তাহ পালন ছাড়াও বৈঠক শুরুর দিন অর্থাৎ ১৩ ডিসেম্বর 'সর্বভারতীয় কালো দিবস' পালন করা হবে বলে জানান কানু সান্যাল।

02 DEC 2005

THE DAILY

No discussion in RS on WTO

Statesman News Service

Protests over LPG

NEW DELHI, Nov. 30. — The Rajya Sabha Chairman, Mr Bhairon Singh Shekhawat, today ruled out any discussion in the House before the forthcoming WTO ministerial at Hong Kong in December, noting that a separate meeting with the political parties and stakeholders would be better.

Raising a question on India's stand at the WTO, scheduled to be held from 13 to 18 December, Mr Vijay J Darda asked whether India's approach paper outlining the structure and basis for services negotiations had been accepted and whether India was lobbying for it.

With the commerce and industry minister, Mr Kamal Nath, away in Brussels to attend the G-90 meeting, defence minister Mr Pranab Mukherjee replied that negotiations among various trade partners was continuing. "This is the penultimate stage before the Hong Kong ministerial," he added, highlighting India's special interest in Mode I or cross-border supply and Mode IV or movement of natural persons.

NEW DELHI, Nov. 30. —Irate BJP MPs walked out of the Lok Sabha today, dissatisfied with petroleum minister Mr Mani Shankar Aiyar's response to the situation arising out of the shortage of LPG in different parts of the country. — SNS

He assured the House that the government would protect India's vital interests in agriculture. "In the sensitive agricultural products' case, our interest is in protecting them but within the broad framework of agreement," he added.

With Mr Rudra Narayan Pani raising the issue, BJP members, led by Dr MM Joshi, demanded the House be taken into confidence about the government's stand at the ministerial.

While Mr Mukerjee expressed the government's comfort with either a discussion in the House or a separate political parties' meet, the Chairman felt it is better to have "a discussion with political parties separately". When BJP members persisted for a discussion, Mr Shekhawat said "I am now rejecting it."

THE STATESMAN

India's role in WTO talks crucial: UNCTAD

Statesman News Service

NEW DELHI, Nov. 28. — The World Trade Organisation (WTO) is an ongoing work and no expectations should be made at the forthcoming ministerial at Hong Kong next month. UN Conference for Trade and Development (UNCTAD) secretary-general, Mr Supachai Panitchpakdi, today said. "But that does not mean we are failing," the former WTO director-general added.

Highlighting India's role in the WTO negotiations as that of a leading player by virtue of its existing and potential trade weight, Mr Panitchpakdi said it was among the few developing countries with a diversified positive agenda.

"India plays an active role by itself and in association with other developed and developing countries as part of the G-4, G-20, Core Group on Services among others," the UNCTAD chief said. "So what happens in Hong Kong and in Doha negotiations in general will also be shaped by India's positions."

Earlier, addressing a stakeholder consultation workshop, Mr Panitchpakdi said India was one of the few countries that had a comparative advantage in both knowledge economy and in low wage labour products. "India must ensure that this double compara-

Call for more strength

NEW DELHI, Nov. 28. — The UN Conference on Trade and Development (UNCTAD), which has an important role to play as an agency for trade and development, should be strengthened and sustained in view of its institutional strengths and expertise built up over the years, commerce and industry minister, Mr Kamal Nath today said.

The minister said this when UNCTAD secretary-general, Dr Supachai Panitchpakdi, called on him this morning.— SNS

tive advantage brings greater trade gains," he said.

Noting that India was under performing by 70-80 per cent of its trade potential, Mr Panitchpakdi recommended that the country simultaneously develop its internal market and look to the external market for greater competitiveness.

"India has a strong leverage for her market and its potential for trade growth, from its present 0.8 per cent of world trade, is great... To achieve its full potential in trade, India should therefore, simultaneously develop its internal market and look to the external market for greater competitiveness," he said.

THE STATESMAN

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WTO²⁴ draft offers no roadmap: Ficci

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Statesman News Service

NEW DELHI, Nov. 27. — The Federation of Indian Chambers of Commerce and Industry (Ficci) has expressed disappointment over what it called "the directionless approach" of the first draft for the Hong Kong WTO ministerial conference.

Criticising the postponement of modalities in important areas such as agriculture and non-agricultural market access (NAMA), Ficci said the draft, released yesterday, should have been more than a mere compilation of "chairmen's reports". "Such an approach, without any substantive guiding parameters or roadmap in the main text, has somewhat diluted the importance of the work carried out so far in the WTO," the chamber said. "The draft has also failed to adequately reflect several constructive proposals given by

developing countries on different multilateral trade-related issues."

According to Ficci, the draft could have been structured differently to recognize the degree of convergence as highlighted in the annexed reports. In other words, the areas of convergence could have been brought forward in the main text and thus could form the basis of further discussions.

Giving an example, the chamber said in case of domestic support in agriculture, the chairman's report itself says there was an undeniably significant convergence on the range of cuts for domestic support. But it does not say whether despite this convergence these ranges of cuts could be a way forward for negotiations; instead the draft merely takes note of the Chairman's report.

Ficci also expressed concern over the failure of the draft to resolve the issue of paragraph eight flexibilities for developing countries.

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THE STATESMAN

28/11/2005

Left seeks white paper on WTO

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Says outcome will have far-reaching adverse consequences

Special Correspondent

NEW DELHI: The Left parties on Monday asked the Government not to commit the country, without national consensus, on the World Trade Organisation at the December Hong Kong Ministerial round. They sought a white paper on the stand the Government proposes to take. In a note to the Government ahead of its meeting with Commerce Minister Kamal Nath, they said the negotiating position adopted by the Government in Hong Kong and its outcome would have a far-reaching and even irreversible, adverse consequences for the country's economy and pol-

ity, especially the working class and peasantry.

Referring to the previous rounds, the parties said: "we should learn from that bitter experience. It is thus imperative that the positions that the Government proposes to pursue at the Hong Kong Ministerial are set out in a white paper and discussed in Parliament during the winter session. It is important that an informed debate takes place on the floor of Parliament and no commitment is taken without a national consensus to back it." Incidentally, a scheduled meeting of the Left leaders with Mr. Nath on Monday could not be held due to some confu-

sion over the issue of entry passes to CPI national secretary D. Raja and former bureaucrat S.P. Shukla to the Minister's office in Parliament House. Three MPs, Rup Chand Pal (CPI-M), Manoj Bhattacharya (RSP) and Bir Singh Mahato (AIFB) were waiting in the Minister's chamber. Former CPI-M MP, S. Ramachandran Pillai, was to accompany Mr. Raja and Mr. Shukla. The

meeting would now take place on October 27, Mr. Bhattacharya said adding that the Government's response to the note did not address their concerns.

Seeks review

The Left parties suggested a comprehensive review of Trade-Related Aspects of the Intellectual Property Rights (TRIPS) and detailed sheet on Agreement

Refers to previous experiences

Says it will have adverse consequences on country's economy and polity, especially the working class and peasantry

on Agriculture. They said the Government should expedite negotiations on the Protection of Geographical Indicators in the WTO, in order to extend it to agriculture, natural goods, manufactured goods or any goods of handicraft or goods of industry or food stuff on the lines elaborated earlier; argue for exclusion of patentability of micro-organisms and non-biological and micro-biological processes during the ongoing review; pursue the issue of access to biological resources, prior informed consent and benefit sharing; propose mechanisms to promote public domain science. It said that it should argue

specifically, General Public Licence in software and bio-technology on the basis of the principle that all inventions and software that make use of knowledge in the public domain under open licences cannot be copyrighted or patented and the laws of all countries should reflect this protection; that the patent law of each country should provide for technology transfer promptly without further negotiations and interpret as trade barriers the Motta Text imposition of severe impediment to the provision of Parallel Import by bringing in strict conditions and argue that it be done away.

“Bring Doha agenda back on track”

Chidambaram appeals to world community

WASHINGTON: India has warned that failure to break new ground in WTO talks and the growth of protectionist tendencies in some advanced countries are impeding global trade and asked the world community to play a “pro-active” role for the success of the Hong Kong Ministerial in December.

After the failure of the Cancun WTO Ministerial in 2003, the world is eagerly looking forward to the Hong Kong session for putting the Doha Development Agenda “back on track,” Finance Minister P. Chidambaram said. The progress made so far was “disappointing.” Speaking at the World Bank Development Committee here on Sunday night, he said it was imperative that the global com-

munity reached a consensus in Hong Kong on ambitious developmental outcomes.

“Maybe the time has come for abandoning well-known positions and for upholding the Monterrey view, which had recognised that international trade is an engine for development and cautioned against trade barriers and other trade distorting measures.”

Mr. Chidambaram asked the World Bank to play an intensive role in the coming weeks in protecting interests of developing countries.

The Hong Kong Ministerial must focus on negotiating modalities on agriculture and make dedicated progress on services, rules and trade facilitation. — PTI

Left seeks say in trade talks

OUR SPECIAL CORRESPONDENT

New Delhi, Sept 14: The Left parties, the Congress-led government's most significant allies, will use their leverage with the Centre to highlight what they believe are issues "critical" to the WTO talks.

They had earlier submitted a note to the government outlining their position on subjects the world trade body has been discussing.

Last week, the Centre said: "Our approach to the talks is being dictated by our national interests, especially our concerns for the millions of farmers who are dependent on agriculture for their livelihood. It is also our objective to stimulate economic growth and development through export of goods and services."

Yesterday, CPM general secretary Prakash Karat said: "We want to start discus-

sions with the government on WTO negotiations. We have identified the subjects of discussion."

The Left parties, which were opposed to the WTO in the past, now want to play a role in shaping the terms of the negotiations. They played a part in drawing up the provisions of the Patents Amendment Act and held several rounds of discussions with senior Congress ministers to thrash out a document acceptable to both.

The Left parties want to use their influence at the Centre to send the message that they can make a difference in major policies. This is what they claimed after the patents act was passed — that it was their persistence that made the government come up with a draft better than the one prepared by the previous regime.

In their note to the government, the Left said: "Before agreeing to any tariff

reduction, there should be substantial reduction in all forms of subsidies granted by the US and the EU. India should mobilise G20 and G33 countries to ensure that the US and the EU are prevented from granting subsidies at the high levels they were doing."

The Centre responded, saying: "India has been seeking to secure its negotiating objectives in agriculture through strategic alliances such as the G20 and G33."

The government says its objective is to "protect the country's low-income and resource poor farmers and agricultural landless labourers".

It has reminded the Left that the G20 has "consistently taken an aggressive stance against the high volumes of trade distorting support which continues to be provided by three major subsidisers — the EU, the US and Japan".

THE HINDU

Trade facilitation: India to sign revised pact

Handwritten notes: "19/8" and "9:59 am" with a checkmark.

No compromise on security, says Kamal Nath

NEW DELHI: India has decided to sign the revised Kyoto convention on customs and a proposal in this regard is expected to be taken up by the Cabinet soon.

"At the moment inter-ministerial consultations are on. It will then be sent to the Cabinet for its approval soon," Central Board of Excise and Customs (CBEC) Chairman M. Jayaraman said here on Thursday.

As per the convention, which has been signed by about 38 countries including the European Union, Australia, New Zealand, China and Pakistan, India would be under multilateral obligation to follow standardised procedures on customs.

New Delhi was also a signatory to the earlier convention, which was less rigorous than its revised form having 121 legal provisions annexed to it.

The U.S. is not a signatory to this convention. It outlines standardised procedures for transparency in customs procedures,

treatment of offences and use of IT some of which India is already implementing, Jayaraman said at an UNCTAD seminar on trade facilitation.

Joint paper with U.S.

Delhi Correspondent adds:

In a message to the seminar, Commerce and Industry Minister Kamal Nath said the ongoing WTO negotiations on trade facilitation must address concerns of exporters in developing countries. He said reduced transaction costs at borders would give a competitive edge to industry and also improve the country's attractiveness as an investment destination.

"We are an active participant in the trade facilitation negotiations. We look upon these negotiations as an opportunity to review our domestic procedures...We have in fact filed a joint paper with the U.S. in an area of high concern to us — namely to evolve an effective cooperation

mechanism between customs administration to deal with issues concerning violation of customs laws," he said.

Mr. Nath noted that while relentlessly reforming on domestic basis, India could not make commitments to the WTO that had the potential to adversely affect the core functions of safeguarding revenue and security. "We need to be cautious that commitments should not be such that they put unsustainable additional resource burden on us," he said.

He said India opposed inclusion of these issues in the WTO not because of serious opposition to trade facilitation but because of the other three contentious issues. These were investment, competition and government procurement. Once these issues were off the table, he said India's comfort level improved considerably. "We are will to negotiate on trade facilitation," he said.

WTO: India opens up more services

HT Correspondent

New Delhi, August 13

INDIA HAS made an aggressive revised offer on services at the WTO in exchange for free movement of professionals across the borders till now being resisted by western economies led by Europe and the US. As part of its revised offer, India has opened its market to architecture, tourism, education, construction, engineering, sports and real estate services from abroad.

The offer made at the ongoing services negotiations at WTO in Geneva is in consonance with the mandate given by the Cabinet Committee on WTO Affairs to Commerce Minister Kamal Nath.

An official news release said that India has made binding commitments on foreign investment limits in exchange for reciprocal moves made by trading partners. The obvious reference is to lifting of visa restrictions limiting movement of services professionals from India. Fresh commitments made by India with regard to providing access to its markets relate to auxiliary insurance services, asset management and distribution barring retail trade.

1 8 APR 2000

INDIA

Cabinet okays revised offer on services at WTO

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New Delhi: India will offer liberal FDI limits in services sector, including telecom and finance, at the WTO with the cabinet committee on WTO on Monday giving its go-ahead to the government's revised proposal.

The decision will give commerce ministry the flexibility to move forward in WTO talks within the limits of its 'autonomous liberalisation'.

This implies that the ministry can offer up to 74% FDI in telecom, 49% in banking, 26% in insurance in its commitments at the WTO if it receives good offer from developed nations in the outsourcing or movement of professionals.

The meeting of the cabinet committee on WTO (CCW), chaired by PM Manmohan Singh, on Monday, directed the commerce ministry to make improved offers in sectors, where initial offers had been made already in 2003.

However, a ministry official said, revised offer in telecom would be made for

4', the two areas where India have offensive interests.

In services sector negotiations at WTO, a country can withdraw its offers if it does not in turn get satisfactory offers from other member countries. But after the final agreement a member country cannot go back on the offer (the foreign investment limit) unless it compensates. India and most member countries keep some cushion in what investment limit they actually offer nationally and what they commit multilaterally at WTO. The cabinet committee also directed the commerce ministry to submit the

Nod for mega auto testing project

New Delhi: The government on Monday cleared a Rs 1,718 crore project to set up five centres for automotive testing and homologation throughout the country over the next six years.

"The project would be completed in two phases over the next six years," finance minister P Chidambaram said after a meeting of the Cabinet committee of economic affairs, which approved the National Automotive Testing and Research and Development Infrastructure Project (NATRIP). Under the project two full-fledged testing and homologation centres would be set up in Manesar in Haryana and another near Chennai, he said. Agencies

49% which could be raised to 74% (current FDI cap) only if India received good offers on BPO and movement of professionals. While outsourcing comes under 'Mode 1' of cross-border supply of services, movement of professionals comes under 'Mode

revised offers at WTO by this month end or August. India's major trading partners such as the US, EU, Japan, Canada and Australia have already submitted their revised offers but these offers have not matched New Delhi's expectations. Agencies

78 322 THE TIMES OF INDIA

India to protect farm interests at WTO

Statesman News Service

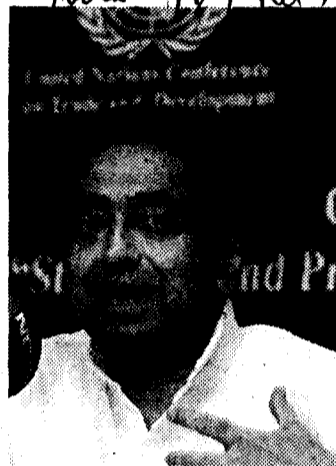
NEW DELHI, July 20. — Commerce and industry minister, Mr Kamal Nath, today assured that the farmers' interests will be safeguarded and that India will not cross certain limits at the ongoing negotiations on agriculture at the Doha round of the World Trade Organisation (WTO).

"We need to be drawing our own lines. There are certain issues that are non-negotiable," Mr Kamal Nath said in his valedictory address to the Pre-Hong Kong Ministerial Stakeholder Consultation Workshop on Agriculture. Negotiations organised by the ministry and the UN Conference on Trade

and Agriculture (UNCTAD).

The minister made it clear that there should be an urgent end to export subsidies and effective and substantial reductions in domestic support provided by the developed countries to their farm sector, which depressed international prices of agricultural produce, thereby adversely affecting farmers in developing countries. "These steps must precede market access into developing countries, and not the other way round," he stressed.

Mr Kamal Nath emphasised that market access commitments by both the developed and the developing countries should be designed to ensure wider distribution of benefits for all nations. "Insofar as



Mr Kamal Nath

developing countries are concerned, the commitments in market access would have to be subject to the requirements of

alleviating poverty, promoting rural development and safeguarding livelihood and food security that are central to their economic growth and improvements in standards of living," he noted.

"This was an integral part of the July Framework of 2004. Therefore, it remains essential that developing countries like India are provided sufficient policy space and flexibilities in instruments. To this end, we have succeeded in re-vitalising the G-33 coalition on Special Products and the Special Safeguard Mechanism."

These formed part of the basket of three options available for the developing countries. The third was Sensitive Products, he added.

21 JUL 2005

THE STATESMAN

White paper sought on talks with WTO

Special Correspondent

NEW DELHI: The All India Forward Bloc on Monday demanded that the Centre publish a white paper on the current negotiations with the World Trade Organisation (WTO) and that issues concerning agriculture, service and related matters be discussed with trade unions.

At the conclusion of its three-day central committee meeting at Kolkata, the party charged the Government with engaging in secret talks with the WTO on serious issues that affect a vast majority of the people. "The Government should discuss with all trade unions, farmers organisations and political parties and also keep Parliament informed about the next ministerial round of talks to be held at Hong Kong," the party general secretary, Debabrata Biswas said in a press release.

The party also asked the Government to withdraw the Pension Fund Regulatory and Development Authority Bill, currently being considered by the Parliamentary Standing Committee on Finance. It said the proposed Authority would do away with the minimum social security currently available to retired employees. "The sole aim of the Bill is to channelise pension funds to stock or speculative market," he said. The party said the move would not allow any retired person to expect a minimum amount of pension every month and destabilise family budget of the poor employees.

The AIFB reiterated that the Government should not go ahead with its plan to offload equity in the BHEL.

12 JUL 2005

THE HINDU

Some WTO issues not negotiable: Kamal Nath

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India
989 news

Statesman News Service

NEW DELHI, July 4. — The commerce and industry minister, Mr Kamal Nath, today made it clear that certain issues in the ongoing World Trade Organisation (WTO) negotiations are non-negotiable for India.

Presiding over the Parliamentary Consultative Committee of the ministry of commerce and industry here, Mr Kamal Nath said, there was no question of accepting any kind of Swiss formula for tariff reduction in agriculture in whatever form.

For the non-agricultural market access, India will resist proposals for deviation from the applied rates. Tariff reduction commitments by the developing countries should provide for adequate policy space and reflect their development needs, he added.

“Developed countries subsidise their agriculture to the extent of one billion dollars a day and about 25 to 50 per cent is the subsidy component in the agricultural exports of many developed countries. We cannot allow this...

Safeguarding our interests, especially in sensitive sectors such as agriculture and small and medium enterprises (SMEs), will be our main concern,” the minister said.

In services, he said India would calibrate its offers with the quality of offers from its major trading partners in sectors and modes of interest to India. India would also strongly resist attempts to divide developing countries by differentiating the so-called advanced or large developing countries from others, he stressed.

Mr Kamal Nath noted that the time was extremely important for India to remain actively engaged in the WTO process, which was all about framing the rules of world trade and not leave rule making to a handful of countries as had happened in the GATT.

“India should actively participate in framing world trade rules, which should be not only equitable to India but also to the entire developing world,” he said. The real challenge would be to harmonise India’s offensive and defensive interests in different areas of WTO negotiations, he added.

THE STATESMAN

Call for 'policy space' in WTO talks

Statesman News Service

NEW DELHI, June 28. — India today underlined that any tariff reduction formula at the WTO negotiations must only be on the basis of bound rates, not the actual applied rates, and that this issue would be non-negotiable.

In a hard-hitting address at a stakeholder consultation workshop on pre-Hong Kong WTO ministerial negotiations on non-agricultural market access (NAMA), commerce and industry minister, Mr Kamal Nath, today insisted upon policy space for developing countries in the World Trade Organisation (WTO) negotiations.

"Some developed countries are calling for what they call 'real' market access — by which they mean reduction of import duty below the current applied rates, irrespective of what the bound rates are," the minister said. "India is determined to counter any attempt to use applied rates as the base for application of a tariff reduction formula."

He said, India would not accept this reduction formula as it meant re-writing the July Framework pact agreed upon by WTO members last year, Mr Kamal Nath said.

9 JUN 2005

THE STATESMAN

India's formula helps end WTO agriculture impasse

Paris: India has mooted a "100-100" initiative in the crucial agriculture negotiations which seems to have overcome the deadlock on the technical issue of calculating tariffs.

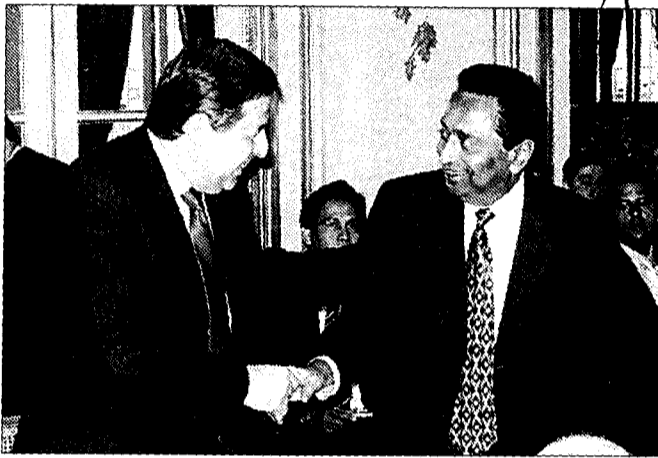
The initiative tabled by commerce minister Kamal Nath during an intervention at the informal mini-ministerial meeting of WTO in Paris aims at ensuring a level playing field to farmers of developing countries who are denied market access due to application of specific duties amounting to high tariffs on products of their export interest. Nath proposed that all member countries of the World Trade Organisation, both developed and developing, convert 100% of all specific duty tariff lines into ad valorem equivalents and then bind them after conversion.

Regardless of the formula or methodology that is finally adopted for the conversion, the maximum agricultural tariff should not exceed 100% at the end of Doha Round, Nath said, adding that this will ensure greater access for farmers of developing countries to markets of developed countries.

The conversion of AVE from specific duties had led to a roadblock in trade talks at the meeting but ministers were successful in overcoming it. "With this agreement, which must still be accepted by all the WTO members, we have broken a deadlock in the negotiations," Celso Amorim, Brazilian foreign minister said.

Nath as a member of FIPS (comprising Australia, Brazil, India, EU and US) also helped in achieving a breakthrough by arriving at an agreed formula for conversion of specific duties into AVEs. Giving India's perspective on the issue, Nath said, "If we are all agreed that specific duties lack transparency and that they unfairly penalise more efficient producers, then we must declare as our objective the conversion of all specific duties into AVE on a permanent basis."

"In fact, once we decide that, all this quibbling about the formula for conversion will evaporate,"



Kamal Nath at the ministerial meeting in Paris

Nath said at the ministerial meeting hosted by Hong Kong and attended by 30 trade ministers. Nearly 98% of all specific duties are applied by developed countries. Intervening on the non-agricultural market access issues, Nath came down heavily on developed countries for applying double standards saying that while they were not willing to bind duties in ad valorem terms in agriculture, they called for reduction from applied rates and 100% binding in ad valorem terms in Nama.

Nath referred to the joint proposal on NAMA already submitted by Argentina, Brazil and India as balanced and equitable as it combined satisfactory degree of liberalisation with the required security for developing countries.

He cautioned members not to treat harmonisation of tariffs as an end in itself and sought removal of non-tariff barriers pointing at how least developed countries and other developing countries were unable to make a dent in developed markets even with zero tariffs.

Nath also emphasised on services being given priority in negotiations and articulated India's interest in Mode 1 (cross border supply and Mode 4 (movement of natural persons). Reuters

07 MAY 2005

THE TIMES OF INDIA

India's farm initiative at WTO

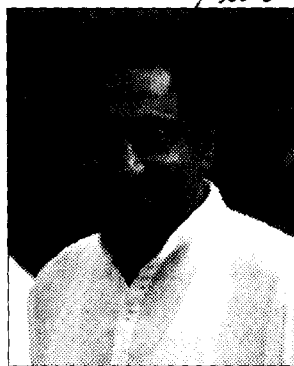
Statesman News Service

NEW DELHI, May 5. — India has tabled an ambitious initiative in agriculture in a bid to bring focus on the World Trade Organisation (WTO) negotiations to the development agenda of the ongoing Doha Round. The "100-100 Initiative" tabled by the Union commerce and industry minister, Mr Kamal Nath, through an intervention at the informal ministerial (mini-ministerial) meeting in Paris last night, is aimed at ensuring a level-playing field for farmers of developing countries who are denied market access due to the high tariff levels

levied by some developed countries, an official communique said here today.

The two-fold initiative mooted by Mr Nath proposed that all member countries of the WTO, both developed and developing, convert 100 per cent of all specific duty tariff lines into ad valorem equivalents (AVE) and then bind them after conversion.

Secondly, regardless of the formula or methodology that is finally adopted for the conversion, the maximum agricultural tariff should not exceed 100 per cent at the end of Doha Round. "This will ensure greater access for farmers of developing countries to markets of developed



Mr Kamal Nath

countries, giving them a fairer share of the world trade in agriculture," Mr Nath said.

The minister as a member of FIPS (comprising Australia, Brazil, India, EU and the USA) also helped in achieving a break-

through by arriving at an agreed formula for conversion of specific duties into AVEs. This was supported by participants at the mini ministerial and would be approved in Geneva by 148 member countries.

Intervening on non-agricultural market access (NAMA) issues, the minister came down heavily on developed countries for applying double standards.

These countries sought reduction from bound rates and were not willing to bind duties in ad valorem terms in agriculture, but called for reduction from applied rates and 100 per cent binding in ad valorem terms in NAMA, Mr Nath noted.

06 MAY 2005

THE STATESMAN

WTO objectives achieved in pact

Special Correspondent

NEW DELHI: India has achieved all its major objectives in the Framework agreement of the World Trade Organisation (WTO) on the Doha round of trade negotiations adopted in August last year, including in the crucial area of agriculture.

This is highlighted in the Commerce Ministry's annual report for 2004-05 which notes that the Government took an active part in the revival of the Doha process by interacting with both developing and developed countries in the WTO.

"As a result of these efforts, the agreement was adopted by WTO member-countries in the General Council meeting in Geneva of the WTO on August 1, 2004, ensuring that the negotiations were back on track", the report says.

It points out that with a view to safeguarding the interests of farming sector, India made concerted efforts with like-minded alliance on agriculture and the Group of 33 alliance on Special Products. This ensured the elements and the principles incorporated in the agreed framework on agriculture would lead to substantial reductions in trade distorting domestic subsidies provided to farm sector largely

by developed countries. It is also expected to lead to a credible end date for elimination of their export subsidies and substantial market access improvements for products of export interest to developing countries.

Similarly, the report maintains that the Government negotiated successfully in the area of non-agricultural market access (NAMA), services and ensured the framework agreement includes a firm commitment to addressing implementation issues and operationalisation of special and differential treatment for developing countries on a time bound basis.

Highly competitive

It also stressed the growing competitiveness of Indian exports and high growth rate registered by its manufacturing sector, coupled with recovery in global economy and world trade, which helped maintain the buoyancy in India's export growth over and above the targeted levels. With the high growth achieved despite strengthening of the rupee vis-a-vis dollar, the country is expected to double its percentage share of world merchandise trade by increasing its exports to \$150 billion by 2009, according to the report.

25 APR 2005

THE HINDU

FM calls for IMF^{IMF} structural_V reforms

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S. Rajagopalan
Washington, April 16

INDIA HAS made a strong pitch for urgent structural reforms in the International Monetary Fund (IMF) to bring about "equal partnership between the developed and developing countries" and improve the Fund's overall governance.

The institutional arrangements for decision-making at the Fund remain heavily weighted in favour of the developed countries, finance minister P. Chidambaram told the International Monetary and Financial Committee as the IMF-World Bank spring meetings got under way here today.

He proposed a redistribution of voting power among the member countries to reduce the current "democratic deficit" in the functioning of IMF. The existing biases in representation and voting power are inconsistent with the increasing contribution of emerging market economies in global growth, he pointed out.

On IMF conditionality that over the years has drawn flak for proliferation and intrusiveness, he said this instrument should be made responsive to institutional realities in member countries respecting sovereign decision-making.

The Fund should "avoid asking a sick man to demonstrate his fitness by carrying out a tough regime of exercise." He also stressed that conditionality should be transparent and remain within the bounds of IMF's core responsibilities.

17 APR 2005

THE HINDUSTAN TIMES

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BYRD AMENDMENT / WTO RULING

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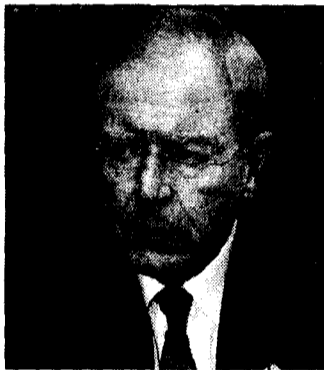
India should declare sanctions against U.S.: Canadian Minister

By R. Gopalakrishnan

CHENNAI, APRIL 8. India should declare sanctions against the United States for its failure to repeal the "Byrd Amendment" which had been struck down as illegal by the World Trade Organisation, says James Peterson, Canada's Minister of International Trade. India is a co-complainant in the case in the WTO against the U.S. on the issue of payment of anti-dumping duty proceeds to domestic industries.

Canada, one of the two main complainants in the WTO against the Byrd Amendment, has last week announced trade sanctions against the U.S. in the wake of the latter's failure to meet the deadline imposed by the appellate and other tribunals of the WTO for repealing the U.S. domestic law. "I hope India will similarly issue sanctions," he said, adding, "if the WTO is to work, all parties must play by the rules," he said replying to questions in an exclusive interview with *The Hindu* here today.

Mr. Peterson said the "preferred option" would be for the U.S. to repeal the impugned law



**James Scott Peterson,
Minister of International
Trade, Canada.**

— Photo: Vino John

(which is perceived to give double benefit to U.S. domestic industries, viz, once by way of protection against dumping by foreign exporters and a second time by way of access to free funds from the *exchequer*). However, as long as the Byrd Amendment was not repealed, it was only fair that affected trade partners of the U.S. were allowed to retaliate by way of sanctions, he added.

Mr. Peterson expressed "disagreement" with the censorial approach towards the prolifer-

ating free trade agreements (FTAs) displayed by the Peter Sutherland report of the WTO, issued early this year. "There is no doubt that priority should be given to the Doha Development Agenda of the WTO, since that is the only way of tackling the high agricultural subsidies of the U.S. and the European Union (EU). At the same time, trade liberalisation is a must and bilateral and regional agreements that do provide for liberalisation of trade can be positive [in their impact]," said Mr. Peterson, whose own country is a founder-member of the North Africa Free Trade Agreement (NAFTA, including the U.S. and Mexico) and is negotiating, along with the U.S., a Free Trade Agreement of the Americas (FTAA) embracing a large number of South American countries.

"NAFTA has proved beneficial for all its members," he said, adding that in the case of India, Canada would "pursue a Foreign Investment Protection Agreement." When pointed out that India had a liberal democratic system that was unlikely to warrant the exercise of provisions of such an agreement, he said the need for the agreement

arose from the possibility that the current framework of the Doha agenda might not make available required guarantees to investors.

While recognising the specifics of India's agricultural sector such as small size of land holdings and a large population dependent on it for livelihood though its contribution to the gross domestic product was less than 25 per cent, Mr. Peterson said cooperation in the WTO between India and countries such as Canada and Australia was necessary for ensuring reduction of U.S. and EU farm subsidies.

"As I told Kamal Nath [Minister for Commerce], successful conclusion of the Doha process will need that we are alive to certain sensitivities of member-nations."

Mr. Peterson said the much-talked-about Indo-Canadian agreement on co-production of films "is not far off." It had been decided that initially a limited number of projects would be covered for 18 months before expanding the programme. There were also problems on the "distribution front," he added.

09 APR 2005

THE HINDU

Govt plans to keep WTO coalition going

Our Delhi Bureau
15 MARCH

IN a bid to wrest a good deal for developing countries from the forthcoming World Trade Organization (WTO) negotiations, India has initiated measures to keep alive the alliance with key members like China, Brazil and South Africa.

The G-20 (grouping of 20 members) alliance formed during the Cancun ministerial meeting of the WTO should work together for tackling contentious issues like reduction of farm subsidies, commerce & industry minister Kamal Nath said on Tuesday. A preparatory

meeting for this purpose is being hosted by India next week in the Capital.

The G-20 alliance will prepare a paper articulating the developing countries' stand for the ongoing WTO negotiations, Kamal Nath said during a meeting with reporters here. The two-day meeting, beginning on March 18, will take stock of the state of play in the negotiations in Geneva since the WTO framework agreement was signed last July.

"We should not allow a few (developed) countries to arrogate themselves to set the rules for multilateral trade," Kamal Nath said, adding the G-20, through a diverse grouping, will formulate

The meeting assumes significance as it would look at critical areas like formula for tariffs reduction in agriculture and the special and sensitive products that needed to be pushed in WTO negotiations.

It would also look at an end date for export subsidies, which resulted in artificial prices of farm products of developed countries denying market access to developing countries.

"According to an Oxfam study, farmers of six European countries were given \$1 billion subsidy in 2003 so that their products could be dumped in world markets at artificially low prices," he pointed out.



KAMAL NATH

strategies to ensure a level playing field for developing countries.

The commerce & industry minister also cited a Minnesota study which showed that in 2003, American wheat was exported at prices 28% below the average cost of production. Corn, soyabean, cotton and rice were also exported at rates far below cost of production.

The Delhi meet will also discuss the ongoing efforts to draw out self-serving interlinkages between agriculture and other areas of the negotiations such as non-agricultural market access (NAMA), services, trade facilitation, rules, TRIPs and environment. Failure in resolving development issues would also be discussed.

The draft patent law

By Frederick M. Abbott, Amy Kapczynski & T. N. Srinivasan

THE BASIC purpose of any patent system that grants a temporary monopoly or exclusive rights to an innovator is to stimulate innovation and also investment in the production of the newly innovated goods and services. The utilitarian justification for the system is the expectation that the gains to society from greater innovation will outweigh the effects that higher prices have on consumers. There is, however, little empirical evidence that patents function as intended, although in selected industries such as pharmaceuticals the association between innovation and patent protection is somewhat stronger. (Josh Lerner, "150 years of Patent Protection," *American Economic Review Papers and Proceedings* 92 (May), 2002: 221-25, and Lee Branstetter & Marko Sakakibara, Do Stronger Patents induce More Innovation? Evidence from the 1988 Japanese Patent Law Reforms, *RAND Journal of Economics* 32: 77-100 (2001))

Until recently, patent systems around the world differed dramatically, for example, in terms of what innovations were deemed patentable and how long patents lasted. This was sensible because social benefits and costs from patents vary according to the type of innovation and the countries' stages of development. For example, India's Patent Act of 1970 excluded patents on products such as pharmaceuticals and foods. Undoubtedly, this encouraged the phenomenal growth of the generic pharmaceutical industry in India.

All this changed with the signing of the agreement concluding the Uruguay Round of multilateral trade negotiations under the auspices of GATT in Marrakesh in 1994. This agreement created the World Trade Organisation and included a treaty called the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), which mandates a U.S.-style patent system for all members of the WTO. TRIPS requires countries to offer patents in all fields of technology, to products as well as processes, and establishes a uniform 20-year term for all patents regardless of the social cost and benefit from the patented innovation. The only concession to the varying stages of development among countries was the longer time allowed to developing and least developed countries to bring their national patent system into conformity with the TRIPS Agreement. India was generally required to conform its patent system to TRIPS standards by January 1, 2000, and did so. But India had until January 1, 2005 to provide product patent coverage for pharmaceuticals and agricultural chemicals. The Patent Ordinance, promulgated in December 2004, addressed this requirement.

In its current session, Parliament will debate and enact legislation to replace the Ordinance. It must consider how to structure it to India's ad-

Its generic manufactures are too crucial for India, and for the world, to be allowed by a misguided patent law to be wiped out.

vantage while conforming to TRIPS. The option not to grant product patents for medicines is no longer available. Not only does India have to provide patent protection for medicines developed after January 1, 2005, it also has to consider applications filed during 1995-2005 under the so-called "mailbox" provision (Article 70.8) of TRIPS. Because these applications might cover brand name products for which Indian companies are currently providing cheaper generic substitutes (e.g., antiretrovirals), it is likely that prices of essential drugs will go up significantly once patents are granted. It would indeed be a major calamity if India's efforts to contain the AIDS epidemic and prolong the lives of the millions who are HIV positive is hampered, if not crippled, because Indian generics are pushed out of the markets by the newly granted patents on branded products.

Details of the 7,000 applications in the mailbox have recently been made public. An analysis by the Indian Pharmaceutical Alliance of these suggests staggering and disturbing implications. Since only 250 of the applications could relate to new chemical entities and associated new drugs that were developed outside India during the 10-year period of 1995-2005 (See National Institute for Health Care Management, *Changing Patterns of Pharmaceutical Innovation* (2002) relied on by the U.S. Federal Trade Commission in *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy*, October 2003.), the other 6,750 must relate to something else — including, for example, minor changes to the structure of molecules. Indian generic producers who are manufacturing drugs which were invented even before 1995 could now be blocked from the market as foreign producers might be granted Indian patents for older drugs based on later-filed something else patents. Very few Indian generic producers have the financial means to fight protracted legal battles with the major multinational pharmaceutical companies over the thousands of something else patents or will choose to do so.

Nothing in the TRIPS Agreement requires India to accept this onslaught. As per Article 27 of TRIPS, the three criteria for patentability are "novelty," "inventive step" and "capability of industrial application." That most of the claims in mailbox applications are not "inventive" in a patent law sense will be obvious to anyone in the pharmaceutical industry. For example, a patent application may cover the idea of combining two anti-AIDS medicines in a single tablet, on the theory that putting the medicines together makes it easier

for the patient to adhere to a treatment regimen. (The incentive for pharma companies to apply for such patents is obvious — if granted, such patents could be used to extend the life of existing patents indefinitely. This is known as "evergreening" in the literature.) The theory may be true but the idea is obvious. And if such applications are rewarded with patents, they will block generic versions of combination pills — produced by Indian companies, which today make the world's cheapest AIDS treatments, upon which hundreds of thousands of patients around the world depend for their lives.

The Indian Parliament can prevent these problems by allowing patents only for new chemical entities and for modifications to these entities that are clinically demonstrated to be a significant therapeutic improvement over any previously patented form of the medicine. Such a demonstration, though not required under U.S. or European patent law, is permitted by TRIPS.

Secondly, Indian law should retain maximum flexibilities available in TRIPS Articles 30, and particularly Article 31 relating to compulsory licensing. India currently allows the grant of compulsory licenses, but the procedure is cumbersome and offers many opportunities for patent holders to delay or prevent the grant of such licences. This process must be streamlined. In addition, the Ordinance imposes an unnecessary hurdle on many developing countries without their own manufacturing capacity who might want to buy low-cost drugs from India as permitted under the waiver to Articles 31 (f) and (h) of TRIPS adopted on August 30, 2003 by the WTO General Council. The Ordinance requires them to grant a compulsory patent license even if the drug is not patented there. This hurdle is unnecessary, benefits no one, and is not required by the waiver, of which India was, in fact, a champion! India's generic producers, who could produce for export, need as much breathing space as can be legally provided without violating TRIPS so that they continue their successful supply of low-cost products to Indian and world markets.

Third, India's Patent Act of 1970 included a so-called "pre-grant opposition" right to third parties seeking to challenge a patent application before the patent was granted. The Ordinance apparently changes this from a right to a discretionary act by the Controller General of Patents who decides whether a challenge should be allowed. Since the TRIPS Agreement as well as patent laws in a number of developed countries permit the use of pre-grant opposition, it is important

for India to allow them. This is particularly important with respect to the mailbox applications because, without effective pre-grant opposition, generic producers may need to challenge thousands of improvidently granted patents in the courts, placing them at a significant disadvantage compared to the better financed foreign multinationals.

Fourthly, Parliament should consider whether India would benefit from a global exhaustion regime — i.e. from allowing medicines that have been lawfully placed on the market with the consent of patent holder in another country to be imported into India. The U.S. Congress is considering this as a strategy to lower the price of medicines. Finally, India should join with other like-minded developing countries in the ongoing Doha Round of multilateral trade negotiations in pressing for further liberalisation of Articles 30 and 31 of TRIPS to enable developing countries to meet public health concerns in the manner they deem best. Countries should have the freedom to apply social cost-benefit calculus relevant to their circumstances in a transparent and predictable manner in determining whether to grant a patent and, if so, on what terms.

There is an expectation that by legislating a highly protective patent regime — such as that of the Ordinance — India would attract substantial investment by foreign multinational drug companies and would become an attractive venue for clinical testing of drugs. Such investment, whether greenfield investments, buy-outs of, or mergers with, Indian producers could indeed be attractive. However, the downsides are significant. Most likely, prices of medicines in India will go up substantially. It is possible, though not inevitable, that foreign and domestic companies in India will tilt their research towards generating drugs, including the so-called lifestyle drugs, for upscale world markets, rather than work on developing drugs for diseases, such as malaria and tuberculosis, afflicting billions of the poor in the developing world. There is a danger that India, instead of promoting a homegrown pharmaceutical revolution, will end up encouraging giant pharmaceutical oligopolies. As the *New York Times* editorial (March 5, 2005) said: "Seldom has India's Parliament considered anything of such global import. If Parliament can preserve India's ability to provide generic[s] . . . it will make the difference between life and death for millions of people at home and abroad." Indian generic manufactures are too crucial for India, and for the world, to be allowed by a misguided patent law to be wiped out.

(Frederick M. Abbott is Edward Ball Eminent Scholar at Florida State University College of Law, Amy Kapczynski is post-doctoral fellow at Yale University, and T.N. Srinivasan is Samuel C. Park Jr. Professor of Economics at Yale University.)

Surrender to multinationals

A patent law that tests the boundaries of the flexibilities even at the risk of being challenged in the WTO is better than the one that subjects India to a TRIPS-plus regime and benefits the pharma MNCs, argues Arvind Panagariya

REPRESENTING the interests of its ultra-powerful pharmaceutical multinationals, the US had pushed for a very high level of patent protection for medicines during the Uruguay Round negotiations. India, which had witnessed its poor benefit greatly from the low-cost generic-drugs industry that grew around its relatively weak patent regime for medicines, had led the fight against this US push. In the end, though the US was largely successful in achieving its objectives, India managed to push a set of flexibilities into the Uruguay Round Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) that could be used to protect the interests of the consumers against those of the multinationals.

It now appears, however, that India too has capitulated to pharmaceutical multinationals, both foreign and domestic. In the recent Patent (Amendment) Ordinance, 2004 that implements the TRIPS Agreement in full in India, which must be replaced by an Act of Parliament within six months under the Indian Constitution, India has failed to take advantage of the very flexibilities for which it had fought so hard more than 10 years ago. This means cheaper generic versions of the newly patented drugs will be slower and harder to appear on the market than the TRIPS Agreement would permit.

Ironically, this surrender has taken place under a government that prides itself in championing the cause of the poor and with the aid of the domestic pharmaceutical lobby that had stridently opposed the TRIPS Agreement during the Uruguay Round. It has also happened relatively quietly — in contrast to the hundreds of demonstrations by hundreds of thousands of Indians during the Uruguay Round, few Indians have come out to protest in New Delhi this time around.

The Ordinance fails on a number of fronts but most importantly in the area of compulsory licensing. The TRIPS Agreement allows countries to issue compulsory licences for the manufacture of paten-



ted drugs without the patent holder's permission in case of public-health emergencies. It also gives the country the sole right to determine if a particular situation represents a public-health emergency.

The Ordinance takes no advantage of this provision. Instead, it leaves in place just the old provision for compulsory licence in the Patent Act, 1970. Under that provision, the Controller of Patents must take into account such matters as the time elapsed since the issuance of the patent, efforts made by the patentee to make full use of the invention and the ability of the applicant for the compulsory licence to work the invention to public advantage.

In so far as public health emergencies are concerned, India can scarcely afford the bureaucratic delays that these requirements imply. For example, they effectively give the patent holder the right to object to the compulsory licence even prior to the issuance of the compulsory licence. Under the TRIPS Agreement, it would be perfectly legitimate to issue a compulsory licence expeditiously, postponing any representations against it till after production has

begun. Can India, with the AIDS public-health emergency virtually at its doorstep, afford to go slow on allowing the manufacture of generic versions of the future, more effective AIDS drugs?

CLOSELY connected is the issue of exports of generic versions of patented drugs produced under compulsory licence to third countries that lack the capacity to produce their own generic versions. The Ordinance provides for the issuance of compulsory licences for such exports but gives the controller of patents the power to specify any criteria that he sees fit. Such blanket bureaucratic discretion within the Indian system can only delay the beginning of production and exports of the drugs. The WTO decision of August 30, 2003, provides a clear statement of the conditions to be satisfied for a licence for exports to third countries. These conditions are relatively straightforward and there is no rationale for India to go further by placing additional conditions on the licence. The export of generics by the Indian firms have been responsible for bringing

the prices of antiretroviral therapy from \$12,000 to \$140 per year and the value of such restraints on drug prices to the world's poor can be scarcely underestimated.

The Ordinance is also vague on the extension of patents beyond the normal 20-year period. There should be no room for so-called practice of "evergreening" whereby firms manage to extend patent by switching from capsule to tablet or finding new uses. The practice, endemic in the US, has been known to extend the monopoly power of the patent holder and to discourage innovations around the patent. The 20-years patent required under the TRIPS Agreement is already excessively long and there should be no room for extension under any circumstances.

Also puzzling is the weakening of the provisions for pre-grant opposition to patent applications that had existed in the original Patents Act, 1970. The TRIPS Agreement imposes no such requirement and if the interests of the public rather than multinationals are to be safeguarded, there is little excuse for this weakening. Even many developed countries such as Canada and the UK, which give priority to public interest, have much tougher pre-grant-opposition provisions.

The silver lining on this otherwise bleak horizon is that India will have the opportunity to correct its mistakes when the government places the Patent (Amendment) Bill, 2005 before Parliament to replace the Ordinance prior to June 30 as required by the Constitution. If Prime Minister Manmohan Singh truly wishes to protect the interest of the public and, indeed, India as a whole, he must ensure that this Bill makes the fullest use of the flexibilities in the TRIPS Agreement that he himself probably helped negotiate as the FM in the '90s. A patent law that tests the boundaries of the flexibilities even at the risk of being challenged in the WTO is a far superior option than the one that subjects India to a 'TRIPS-plus' regime and benefits the MNCs manufacturing drugs.

(The author is a professor at Columbia University)

World Bank wants rail fares hiked

Srinjoy Chowdhury in New Delhi

Jan. 27. — Weeks before Mr Lahu Prasad presents the Railway Budget, the World Bank has recommended to the Centre an increase in passenger fares and reduction in freight charges.

In a presentation where officials from the PMO, finance ministry and Planning Commission were present, the Bank made a number of points, all of which point towards a hard Railway Budget. Sources said Mr Prasad is keen on doing exactly the opposite, in terms of passenger fares and freight charges.

According to the Bank's statistics, the average passenger tariff in India is 55 per cent lower than in China but the freight tariff is 70 per cent higher. The average passenger fare in the USA is 0.55 cents per km while it is 1.25 cents per km in China, the presentation said.

On the other hand, freight tariff was 1.6 cents per km in India and 0.96 per km in China. Overall, it said, India's efforts to upgrade its transport infrastructure is about 10 years behind China's.

Some of the other suggestions of the World Bank are:

- Eliminate loss-making services and lines and use the real estate (the Railways is one of the largest owners of land) for income generation.
- Privatised major areas, including dedicated freight lines and container corridors.
- Decide, once and for all, whether the Railways is a commercial organisation or it has social obligations.
- Make only financially viable investments and cut down projects sanctioned for political reasons.

The Bank warned that the Indian Railways was falling behind its Chinese counterpart. If the Chinese Railways had invested \$85 billion over the decade, it was \$17.3 billion in India. Similarly, the average employee output in the Chinese Railways is more than twice that of the Indian Railways. The staff costs for IR are not sustainable — the Chinese spend far less on wages and salaries.

28 JAN 2005

THE STATESMAN

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Kamal Nath to lead delegation to Davos

9 Jan 95

NEW DELHI, Jan. 23. — The Union commerce and industry minister, Mr Kamal Nath will lead a high-power delegation to the Davos World Economic Forum Summit beginning 26 January to be followed by a WTO mini-ministerial.

The WEF meeting assumes importance as it comes at a time when Indian manufacturing and exports were looking up and Mr Nath will use this opportunity to showcase the country as an ideal destination for foreign direct investment (FDI). Mr Nath is being accompanied by the minister of state for science and technology, Mr Kapil Sibal and a 50-member CII delegation for the four-day summit.

With India emerging as a low-cost manufacturing centre for pharmaceuticals, a delegation of the industry, which is expected to grow at 35 per cent, is expected to go with the minister to Switzerland. — PTI

Baglihar issue for 'neutral expert'

By B. Muralidhar Reddy

ISLAMABAD, JAN. 19. A day after receiving a request from Pakistan for the appointment of a "neutral expert" to resolve the differences on the Baglihar hydroelectric project, the World Bank has said that it was not a "guarantor" of the 1960 Indus Waters Treaty and that the differences would be referred to a "neutral expert" under the laid down procedures.

The Treaty was concluded by India and Pakistan on September 19, 1960. "The World Bank is a signatory to the Treaty for cer-

tain specified purposes. It is not a guarantor of the Treaty. Many of the purposes for which the World Bank signed the Treaty have been completed. There are now three remaining responsibilities for the World Bank under the Treaty, relating to settlement of differences and disputes," the Bank said in a statement.

It said that disagreements on the interpretation of the Treaty were classified into three categories: questions are examined by the Permanent Indus Commission; differences by a Neutral Expert; and disputes by a

Court of Arbitration. According to the Treaty the remaining responsibilities of the World Bank are a role for it in the appointment of a neutral expert. The first step under the Treaty is to resolve any "question" through the Permanent Indus Commission itself.

If the "question" is not resolved there, it becomes a "difference" and is referred to a neutral expert, to be appointed by the two countries, or by a third party agreed upon by the two countries.

In the absence of an agreement on the name of a neutral

expert, the Bank, in consultation with the two countries, would make the appointment.

"The decision of the neutral expert on all matters within his competence shall be final and binding," it said.

The Treaty provides a role for the World Bank in the establishment of a Court of Arbitration. If the "difference" does not fall within the mandate of the neutral expert, or if the neutral expert rules that the "difference" should be treated as a "dispute", then a Court of Arbitration would be established.

“New patent regime will not hike drug prices”

By Our Special Correspondent

NEW DELHI, JAN. 5. The Government today maintained that the new patent regime would not push up drug prices and noted that items such as seeds and traditional knowledge were out of its purview.

“The impact on prices will be minimal. Drug prices will not go up, as 97 per cent of the drugs are off patent,” the Union Industry Secretary, Ashok Jha, told correspondents today.

In line with its World Trade Organisation (WTO) obligations, India promulgated an ordinance to adopt the product patent regime from January 1

for food, drugs and chemicals and embedded software.

Only three per cent of the drugs were covered under the new patent regime and almost all of them had alternatives, Mr. Jha said, adding that product patent would help the Indian pharmaceutical industry, which has made large investments in research.

Lowest in world

Also, checks and balances and safeguards, such as compulsory licensing would ensure that drugs were available at affordable prices, Mr. Jha said. Indian drug prices were the lowest in the world and studies

had shown that—except for normal inflation—the prices had not gone up significantly since the Trade Related Intellectual Property Rights (TRIPs) regime came into being in 1995. “Price rise and patents have no correlation,” Mr. Jha said. Any price threat was “imaginary” as several old drugs would go off the patents list while some new drugs were patented. Also, there were only 350 essential drugs and none of them was patented.

Consultations

Several rounds of consultations had taken place before the ordinance was promulgated, Mr. Jha said.

About the Mashelkar Committee report, he said it was being “selectively quoted” to say there were no adequate safeguards in the patent regime to check spurious drugs from flooding the market. It was not the patent law but the poor quality that threatened the smaller units. Quality was a separate issue.

With the Act coming into effect, the process of grant of product patents would start rolling with the opening of the “mailbox” where applications had been put in since 1995.

There were about 12,000 applications in the mailbox and it would take about three to four months to go them.

Wrong Medicine

Patent Ordinance to Drive Up Drug Prices

By Rajindar Sachar

On December 27, the Centre issued the Patents (Amendment) Ordinance, 2004. The ordinance amends the Indian Patents Act, 1970 for the third time with a view to introducing product patents for drugs, food and chemicals. With this, India claims to have conformed to the Trade-Related Intellectual Property Rights (TRIPS) Agreement of the World Trade Organisation. Even so, it is a mystery why the redeeming provisions permissible even in the TRIPS Agreement have not been included. The ordinance virtually rules out access and availability of medicines at low cost.

To give a recent instance, multinationals charged \$12,000 annually per person for AIDS anti-retroviral (ARV) drugs, but were compelled to reduce prices because India under the existing process patent regime introduced generic versions of the ARV drugs at \$140 annually per person. Countries like Pakistan under product patent are already reeling under monopoly prices charged by MNCs. According to reports, Pakistan's consumers could have saved over Rs 100 crore on only nine medicines in 1995 if the companies had offered Indian prices. These medicines constituted 14% of the retail market in Pakistan. At Indian prices, the expenditure incurred by the people of Pakistan on those medicines would have fallen to a third, resulting in a 66% saving. The saving would have been still more phenomenal at current prices. For example, 10 tablets of the anti-inflaxilant cipro flexocine cost Rs 50 in India, against Rs 400 in Pakistan. Anti-ulcer medicine ranitidine costs Rs 74 a packet in Pakistan, against Rs 5 in India.

Faced with this reality, some of us urged the government against amending the law to switch over to product patents. But it appears the Centre does not have the political will to take on the MNCs. It has in its ordinance not made changes that are permissible even under TRIPS following the 2001 Doha Declaration on public health. The Doha Declaration states that TRIPS should be interpreted and implemented in a manner supportive of WTO members' rights to protect public health and promote access to medicine for all.

Our present Patent Act strikes a balance between the property rights of a patentee and the public interest involved in cheap availability of medicine. It empowers the controller of patents to grant a licence to produce any such product to any person on terms as he thinks fit, even if the patentee has refused to do so. This equitable provision has also been accepted by Doha Declaration. Following this, Brazil, Canada, China provide for compulsory licence being granted on reasonable terms if the patentee has refused to comply in spite of commercial terms having been offered. The

deliberate omission of this public interest provision in the ordinance, even though permitted under the TRIPS Agreement, is hard to explain. The absence of such provisions for compulsory licensing will only enable MNCs to charge monopoly prices.

Another serious flaw in the ordinance is that it proposes to do away with the effective pre-grant opposition procedure. At present, there are 6,000 pending applications (received during 1995-2004). Though formally permitting a pre-grant opposition to the grant of patent, the 2004 ordinance states that the controller will not give a hearing to a person opposing the grant. This provision reduces the pre-grant opposition virtually to a mockery; it seems all the more objectionable when countries like Australia, New Zealand and Pakistan have granted full pre-grant hearing to the objector. This denial will lead automatically to the grant of patent to most of these 6,000 mailbox applicants and expose local manufacturers to patent infringement charges. A provision should be made that the products already in the market between 1995 and 2004 should be immune from challenge for patent infringement as a result of patents being granted to any of these 6,000 applicants.

The ordinance has not properly incorporated the August 30 decision of the TRIPS General Council, which permits the grant of compulsory licences for export purposes to countries with no or insufficient manufacturing capacity in the pharmaceutical sector. The ordinance proposes to permit compulsory licensing to a country with no or insufficient manufacturing capacity in the pharmaceutical sector, if there is a corresponding patent in the importing country. This ignores the fact that in many cases there may not be any patent protection in the importing country, because the deadline for Least Developing Countries (LDCs) to comply with TRIPS is 2016. In such a situation, Indian drug companies cannot export to LDCs, leaving the field open to MNCs.

With so many dangers looming on the public health horizon, the government should not have issued an ordinance. These are matters that need to be debated fully in Parliament. The facile explanation that had the ordinance not been issued, it would have violated the January 1, 2005, deadline — by which time India was expected to change the patent law to comply with TRIPS and incur penalty if it didn't — is an imaginary ghost. UK, France, Argentina delayed making amendments to conform to TRIPS by three years, one year and four years, respectively, without incurring any penalty.

The government should repeal the ordinance. The matter must be left to the wisdom of the representatives of the people in Parliament.

(The author is former chief justice of Delhi high court.)



The fallout of Patents Ordinance

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THE PATENTS (Amendment) Ordinance, 2004 introducing product patents for all industrial sectors has been announced and along with the deletion of Section 5 of the principal Act of 1970, dealing with the exemption of drugs, foods and chemicals from the scope of product

marketing rights) which in many ways was an anachronism as it provided protection without grant of patents.

At the same time, if the clearance of mail-box applications takes up to four years post-2005 and the validity remains at 20 years from the date of application, the virtual protection peri-

namely, novelty, inventiveness and industrial application can be applied as per the terms and guidelines of the national law of each member country without redefining the meaning of what constitutes an invention.

Pre-grant opposition

With respect to pre-grant opposition to avoid frivolous applications, there is already a provision under the Indian Patents Act 1970 under Section 3 which forbids such applications. There is no indication so far that this provision will be repealed under the Third Amendment. In addition, as per the Second Amendment to IPA 1970, pre-grant examination of

many of these new provisions can be accommodated within the TRIPS provisions under Articles 1, 7, 8, 27, 30, 31, and 69 of TRIPS which are amenable to be interpreted to favour the new Indian patent legislation.

With reference to more contentious issues such as imports not being considered equivalent to working of the patent, permission to stockpile products to enable early introduction of the generic product and liberal compulsory licensing norms, while strictly not compliant with TRIPS, have been generally endorsed by other emerging economies such as Brazil, Venezuela, South Africa, Argentina and Egypt and hence

mandatory status for member states, regardless of their economic status, provides a wide latitude for interpretation and implementation of most clauses to make them beneficial to their interests while staying within the overall ambit of the TRIPS provisions. Wherever there is scope for further negotiations to improve upon the present format and contents in selected areas of concern to individual members or groups of members, the TRIPS Council and the inter-ministerial conferences are excellent forums to promote their causes.

Dispute areas

However like in the case of most legislations with international ramifications, India can possibly default on two counts, the first with respect to the framing of the rules which govern the Act and second with respect to implementation of the rules in a just and timely manner in order to be fair to the inventor and the user. While the judicial system in the country is not only strong but also just, regardless of the parties involved, many provisions under the Act will possibly lead to a highly litigious industrial sector unless utmost diligence and caution are exercised while framing the rules to anticipate potential dispute areas and appropriate steps are taken to avoid them.

On the pro-active side, one also needs to consider whether India should take a lead in aspects of intellectual property protection outside the strict ambit of the mandatory provisions embodied in the TRIPS Agreement.

Some of them are protection of traditional knowledge, practices, medicinal plant resources and products indigenous and unique to India through special 'sui generis' type of protection systems, the usefulness of enacting provision for petty patents and protection of heritage sites through appropriate legislations.

While the first priority will be to enact legislations and implement them in a manner that yields the maximum benefits to the country within the current framework of the TRIPS Agreement, it is equally important to design innovative approaches to protect the unique natural and knowledge assets of the country.

(The author can be contacted at: mdnair@vsnl.com)

The contentious issues such as imports not being considered equivalent to working of the patent could be a matter to be taken up with the TRIPS Council, says M. D. Nair.

patents, a few new features have been added. Those who oppose India honouring its commitment under the GATT (General Agreement on Tariffs and Trade) of which Trade Related Intellectual Property Rights (TRIPS) was a part, often forget that the country has much to gain by being a member of the global community, considering that it is among the fastest growing economies and perhaps the second largest repository of scientific and technical talent in the world. Myopic visions of some interest groups do not help broader macro-economic considerations affecting various sectors of the Indian economy, whether they are in textiles, other manufactured goods or agriculture.

Unlike individual stakeholders in a particular sector, the Government needs to take a balanced view to ensure that overall national interests are protected and in that process a give and take on many issues with other members of. The World Trade Organisation will be prudent. Through the ordinance the Government has taken into account the concerns of various stakeholders on the implications of the Bill presented by the previous government to the Lok Sabha in December 2003.

Other major issues

While the deadline of January 1, 2005 for introduction of product patents for all innovations including drugs and food products has been met, the other major issues addressed in the ordinance include the need for a facility for pre-grant opposition as provided for in the IPA 1970 and virtual removal of the provision for EMR (exclusive

od for a product patent filed in 1995 will be reduced to six years, a period far too short to be of any benefit to the inventor.

Exporting rights to assist least developed countries with no technical ability to utilise their compulsory licences as provided for under the Doha Declaration are to be exercised by India, even though the rules mandated by the TRIPS Council for its implementation call for a debate, issue of compulsory licences in case of non-manufacture in the country as well as in situations of healthcare emergencies resulting from diseases other than malaria, TB and HIV/AIDS mentioned in the Doha Declaration, provision of parallel imports from the cheapest source in another member country and powers for issue of compulsory licences in deserving cases of non-availability, non-accessibility and/or non-affordability of patented drugs are the other features.

Apparently restriction of patentability to the first innovated molecule, with no provision for granting patents to derivatives, polymorphs, isomers, new crystal forms and new delivery systems to prevent what has been referred to euphemistically as ever-greening of the patent by the original innovator, has not been incorporated. This is justified as establishing higher standards of patentability for an invention is strictly within the rights of nation states under TRIPS and through patent office action the legitimacy of patentability of any invention can be challenged and patents not granted.

Similarly with respect to new uses for existing molecules, the yardstick of patentability,



PRODUCT PATENTS: The deadline for introduction of product patents for all innovations has been met through the Patents (Amendment) Ordinance, 2004, which addresses many specific issues relating to the pharmaceutical industry. — Photo: AFP

patent applications is to be done away with and the applications are to be published without examination automatically 18 months after they are filed.

While some inequities and non-compliance with TRIPS provisions are bound to be raised, as a sequel to the provisions under the ordinance, in balance, it would appear that

could be a matter to be taken up with the TRIPS Council to find an acceptable and at the same time equitable solution within the world body's game rules.

As international multilateral agreements go, the TRIPS agreement has maintained an equitable balance between the rights and privileges of the inventor and the user. However, the TRIPS document and its

Minister, medicine and you

Statesman News Service

NEW DELHI, Dec. 31. — Mr Kamal Nath had said in December that with the new patents regime coming into effect today, if the R&D was protected in the pharmaceutical industry, consumers would ultimately benefit since they would have access to more advanced medicine. Better drugs will certainly reach the market, but that's no guarantee for their access. Drugs may be considered accessible when they are available and affordable. Anti-retroviral therapy, for example, is available. But less than 10 per cent of people living with HIV/ AIDS can access it in India.

To that the minister would say, as he'd said earlier, that the government has enough safeguards like compulsory licensing and price control to keep the prices in check. Though the state's asking for licensing won't infringe on the TRIPs' regulations, hardly any part of the DPCO (Drug-Price Control Order) could remain in its present stringent form. If

MAJOR DRUGS GOING OFF PATENT BY 2006, I.E., WHOSE PRICES ARE LIKELY TO PLUMMET:

Drug Name	Category	Patent Holder	Annual Turnover
Prisolec	Anti-ulcerant	Astra Merck	\$3.7bn 2000
Vasotec	Antihypertensive	Merck	\$2.5bn 2000
Papcid	Anti-ulcerant	Merck	\$1 bn 2000
Prozac	Anti-depressant	Eli Lilly	\$2.4bn 2001
Mevacor	Anti-cholesterol	Merck	\$1.3bn 2001
Augmentin	Anti-biotic	Smithkline	\$1.4bn 2002
Procardia	Antihypertensive	Pfizer	\$2 bn 2003
Cipro	Antibiotic	Bayer	\$1.3bn 2003
Claritin	Anti-allergic	Schering	\$1 bn 2004
Zocor	Anti-cholesterol	Merck	\$2.8bn 2005
Zoloft	Anti-depressant	Pfizer	\$1.4bn 2005
Staxin	Antibiotic	Abbott	\$1.2bn 2005
Prevacid	Anticholesterol	Bristol-Myers	\$1bn 2005

FOLLOWING DRUGS, HITHERTO UNDER DPCO, WHOSE PRICES MAY SOAR

■ Sulphamethoxazole-Isopropen-Sulphadoxine, ■ Penicillins-Metamizol (analgin)-Norfloxacin, ■ Tetracycline-Doxycycline-Cefadroxyl, ■ Rifampicin-Ciprofloxacin-Parthenates-Panthenols, ■ Streptomycin-Cefotaxime-Furazolidone, ■ Ranitidine-Dexamethasone-Pyridoxine, ■ Vitamin C-Ephedrine-Sulphadiazine, ■ Bethamethasone-Vitamin B1 (thiamine) Franysetin, ■ Moxonidazole-Carbamazepine-Verapamil, ■ Chlorzoxazone-Vitamin B2 (Riboflavin)-Amikacin Sulphate, ■ Insulin-Theophylline-Gliclazide, ■ Erythromycin-Levodopa-Spiro lactone, ■ Vitamin A-Tolnaftate-Pentoxifylline, ■ Oxytetracycline-Vitamin E-Amodiaquin, ■ Prednisolone-Nalidixic acid-Sulphamoxole, ■ Cephazolin-Grisofulvin-Furosemide, ■ Methyldopa-Gentamycin-Pheniramine maleate, ■ Aspirin-extrapropoxyphene-Chloroxyfenols, ■ Trimethoprim-Halogenated-Hydroxyquinoline, ■ Bacampicillin-Cloxacillin-Pentazocine-Lincosycin, ■ Sulphadiazine-Captopril-Chlorpromide, ■ Salbutamol-Naproxen-Mohydroline, ■ Salazosulphapyrine-Diamine-Trimiprane, ■ Methandienone-Phenyl Butazone-Lynestrol, ■ Famotidine-Pyralol Chlorpromazine & Mefenamic acid

prices remain controllable after all this hue and cry over the patents' law. what

nisms : in almost all segments, the brand leader for a drug (i.e. the brand with the highest turnover) is the most expensive. It defies the argument market forces

and competition stabilise drug prices. A class of product, say — mobile phone services, has seen a checked price regime only because there, service providers are dealing directly with people. Whereas in case of drugs, pharma companies don't sell their products directly to people.

History supports our apprehension — In 1995-96, after a round of price decontrol through the Drug Price Control Order (DPCO) 1995, most drugs' prices had shot up. Ditto 2002-03. With each amendment of the 1970 Act, more leeway was given to the inventor and the prices shot up. This amendment cannot be different — rules the TRIPs. "...India gives herself opportunities in exports and potential to become a hub in R&D-based clinical research outsourcing, specially in biotech," Mr Kamal Nath said.

This is redoubtable. The onus now lies on the industry, of which pharma is a part, to shun its lackadaisical state and improve upon the pitiable percentage of Indian patents abroad.

Patent puzzles and pricing prized drugs

Surajit Dasgupta in New Delhi

Dec. 31. — The year 2005 starts disallowing Indian companies to legally produce generic versions of drugs currently protected by patents. Under the regulations of Trade Related Intellectual Property Rights (TRIPs) and the WTO, India is duty-bound to accept this international law. From the consumer's point of view, the impact could be unavailability of cheap generic drugs before the 20-year protection period lapses.

Let's face facts: a patented drug's retail price = its manufacturing cost + royalty to the inventor + brand value of the drug + incentives claimed by the inventor + dealer's margin.

The second, third and fourth constituents herein are the result of the Indian government's compulsion to conform to TRIPs. This does not necessarily mean prices of all medicines will shoot up. Why not? Well, the proposals take advantage of some allowed under TRIPs itself. For instance, natural inorganic things cannot be patented.

The most notable feature of the Ordinance: it cannot attempt to go beyond a strict interpretation of the TRIPs.

Articles 7 and 8.2 of TRIPs, which recognise the need to balance the rights and obligations of patent holders — make them release their clutches even over such drugs which are not life saving. Such provisions ought to reduce prices of some drugs. Yet, despite Mr Kamal Nath's assurances, fears are yet to be allayed.

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New world trading order: mixed results for India

By Sushma Ramchandran

NEW DELHI, DEC. 31. India steps into a radically changed world trading order in the new year with the long-awaited dismantling of the multi-fibre textiles agreement (MFA) and the shift to a product patents regime for the food, chemicals and pharmaceuticals industries. While the removal of quotas on exports to developed countries may bring about a boom in textiles exports, the move to a product patents regime could prove far more challenging to the domestic industry. In fact, a segment of the drugs industry is already pointing out flaws in the ordinance issued on December 26 to amend the existing patent law to bring it in line with rules laid down by the WTO.

Official sources point out there was no option but to issue the amending ordinance since India is a signatory to the 1994 agreement establishing the WTO as well as the one on trade related intellectual property rights (TRIPs). The TRIPs agreement is part of the WTO pact which India had ratified. In fact, it was the present Defence Minister Pranab Mukherjee who had then signed the agreement in his capacity as Commerce Minister.

Patents regime

Under the terms of this agreement, the patents act was to be amended as soon as the 10-year transition period for developing countries expired on December 31, 2004. For this country, which has a major chemicals and pharmaceuticals

industry, the earlier process patent regime being followed was extremely beneficial as it enabled manufacturers to provide drugs to consumers at much lower costs than in the developed countries. With the process patent regime, manufacturers could produce similar drugs being supplied abroad by making a marginal change in the process of production though the ultimate product would be virtually the same.

Drug trade resilient

It was this system that enabled Indian drug manufacturers to manufacture even anti-HIV drugs at much cheaper rates than multinationals. This in turn forced developed countries to concede at the WTO's Doha conference that licences could be issued on public health grounds to manufacture patented drugs but several conditions were attached to this concession.

Even so, the domestic drugs industry is currently resilient enough to face the challenge and associations such as the Indian Pharmaceuticals Alliance and the Indian Drug Manufacturers Association (IDMA) are convinced that it should be able to face the paradigm shift without any major problems. They continue, however, to seek some significant changes in the ordinance amending the patents legislation.

"Full safeguards"

The Commerce and Industry Ministry feels, however, that there are "full safeguards for public health concerns" in the

ordinance of December 26. It says there are "effective provisions" to ensure availability of products at reasonable price through compulsory licence and for revocation of patents for non-working in India as well as in public interest. It also provides for parallel import so that the patented product can become available at the lowest international prices.

The Ministry claims the needs of the public in regard to availability and affordability are taken care of and public interest particularly public health and nutrition are fully protected.

The law effectively balances and calibrates intellectual property protection with public health concerns and national security, it says.

Chinese competition

In contrast, the outlook on the second major development in the trading arena — the dismantling of the MFA — appears to be entirely positive with numerous studies having cited bright prospects for textiles exports from this country to the developed world.

The only cloud on the horizon could be the tough competition that India will face from China which is far ahead in terms of volumes and established production capacity.

The textiles industry which had resorted over the last 10 years to setting up units in Bangladesh, Sri Lanka and Mauritius to overcome the quota handicap of exporting from India is now likely to expand production capacities in a big way.

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