

World Trade Organisation (WTO) related issues

6.37 The fourth WTO Ministerial Conference was held at Doha, Qatar from 9-14 November, 2001 to decide upon the future work programme of the WTO. In view of the failure of the third Ministerial Conference (Seattle, 1999) to take any decision, and in the context of the concerted efforts of certain developed countries to seek endorsement of expanded agenda for WTO, the Conference assumed considerable importance and attracted wide publicity. While there were strong pressures to launch a comprehensive round of negotiations including multilateral regimes on investment, competition policy, trade facilitation, Government procurement and environment, India was opposed to any such overburdening of the multilateral trading system with non trade or new issues in the agenda. It felt that WTO already had a sufficiently large agenda consisting of mandated negotiations and mandated reviews and therefore, India underlined the need for resolving the implementation issues, arising from the current agreements in a time bound manner before addressing new issues for negotiations.

6.38 India played a proactive role in the deliberations at the fourth Ministerial Conference at Doha. It wanted a genuine resolution of implementation related concerns, increased market access in agriculture, sufficient flexibility and clarity under TRIPS for public health policies and was strongly opposed to introduction of non-trade issues like labour in the agenda. It was able to ensure adoption of an agenda that emphasised not only trade but also the developmental goals and priorities of developing countries. The outcome of the Conference (Box 6.6) takes into account a number of concerns expressed by India. With the Doha Declaration laying down the agenda for the forthcoming trade talks, the focus will now shift to the work programme in WTO. India along with other developing countries would work to ensure that their interests and concerns are adequately taken care of in the work programme. The opportunity also needs to be used for hastening the pace of domestic reforms to further strengthen the country's competitiveness in global trade.

6.39 The mandated negotiations as per Article 20 of the Agreement on Agriculture commenced in 2000. India has submitted its comprehensive proposals in the areas of Domestic Support, Market Access, Export Competition and Food Security. The proposals keep in view the objectives of protecting India's food and livelihood security concerns by having freedom for taking all domestic policy measures for poverty alleviation, rural development and rural employment as also to create opportunities for expansion of agricultural exports by securing meaningful market access in developed countries. India, with a view to garner support of other developing countries, also co-sponsored two proposals with other countries: one on market access and another on export credit for agricultural products. As a part of consultation process with major stakeholders, a Conference of the Chief Ministers was also held in May, 2001 on the issue of "WTO Agreement on Agriculture and the Food Management" to seek views of the states on these issues. The modalities for further commitments in the areas of market access, export subsidies and domestic support, as well as special and differential treatment provisions, as per work programme agreed at Doha Ministerial, are to be finalized by 31 March, 2003.

6.40 Similarly, the mandated negotiations under GATS also commenced in 2000. The negotiations are to be conducted on the basis of Negotiating Guidelines and Procedures adopted in March, 2001. These guidelines are largely based on the proposal of India and 22 other developing countries and recognize the appropriate flexibility for developing countries and the primacy of the request-offer approach as the main method of negotiations. India has submitted a proposal on the movement of natural persons as it is an issue of core interest to India. The Doha Declaration recognizes the work already undertaken in the negotiations including a large number of proposals submitted by Members on a wide range of sectors and several horizontal issues as well as on movement of natural persons. The time schedule, as per the Ministerial, for initial requests for specific

BOX 6.6

The Doha Declaration

The Doha Declaration – comprising of a main Declaration, a Declaration on TRIPS Agreement and Public Health and a decision on Implementation related issues and concerns- launches the future work programme of the WTO and includes elaboration and timetables for the current negotiations in agriculture and services and negotiations/possible negotiations in a range of other issues.

Implementation Issues: A number of implementation issues have been addressed in the Decision on implementation related issues and concerns including longer time frame (of six months) for compliance with new SPS and TBT measures, moratorium of two years on non-violation complaints under the TRIPS Agreement, need for special care for initiation of back to back antidumping investigations within a year and co-operation and assistance by members in investigations relating to declared values. The declaration agrees that negotiations on all other outstanding implementation issues shall be an integral part of the work programme. Where specific negotiations are mandated, relevant implementation issues shall be addressed under that mandate and other outstanding implementation issues shall be addressed as a matter of priority by the relevant WTO bodies, which shall report to the Trade Negotiating Committee by the end of 2002 for appropriate action.

Agriculture: The Declaration commits to comprehensive negotiations aimed at: substantial improvements in market access for developing countries; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade distorting domestic support being given by the developed countries. It also takes note of non trade concerns of developing countries and their development needs including food security and rural development. Special and differential treatment for developing countries would be an integral part of the negotiations.

Services: The Negotiating Guidelines and Procedures adopted by the Council for Trade in Services would form the basis for continuing negotiations in Services with a view to achieving the objectives of GATS. The declaration recognises the large number of proposals submitted by the members on various sectors including on movement of natural persons.

Industrial tariffs: The negotiations under industrial tariffs would aim at reducing or as appropriate eliminating tariffs, including the reduction of tariff peaks, high tariffs and tariff escalations, as well as non tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without a priori exclusions with negotiations taking into account the needs and interests of the developing countries including through less than full reciprocity in reduction commitments.

TRIPS: The Work programme mandates negotiations on establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the 5th session of the Ministerial Conference. The issues related to extension of the higher level of protection of geographical indications to products other than wines and spirits, examination of relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), the protection of traditional knowledge and folklore and other relevant new developments would be addressed by the TRIPS Council as part of the Implementation issues. Further, the Declaration on **TRIPS and Public Health** is one of the most significant outcomes of the Doha Conference. It recognises that the TRIPS Agreement can and should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and to promote access to medicines for all.

WTO Rules: The Declaration mandates negotiations aimed at clarifying and improving disciplines under the Agreement on Implementation and Subsidies and Countervailing Measures while preserving the basic concepts, principles and effectiveness of these Agreements and taking into account the needs of developing countries. It also includes negotiations aimed at clarifying and improving disciplines and procedures under the existing WTO provisions applying to regional trade agreement (keeping into view the developmental aspects of these Agreements). Negotiations are further mandated on improvements and clarifications of the Dispute Settlement Understanding. Addressing outstanding implementation issues on these subjects would be an integral part of these negotiations.

Special and Differential Treatment (S&D): The negotiations shall fully take into account the principle of special and differential treatment for developing countries. It has also been agreed to review all special and differential treatment provisions with a view to strengthening them and making them more precise, effective and operational.

Electronic Commerce: The Work Programme declares that Members will maintain their current practice of not imposing customs duties on electronic transmissions until the Fifth Ministerial Session.

Singapore issues: The issues relating to Trade and Investment, interaction between Trade and Competition, Transparency in Government Procurement and Trade Facilitation will continue to be pursued in the Working Group Study process. Negotiation on these subjects, according to the Work Programme, will take place after the Fifth session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations.

Environment: Negotiations on limited aspects of trade and environment (relationship between existing WTO rules and specific trade obligations set out in Multilateral Environmental Agreements, procedures for regular information exchange between MEA and WTO and reduction/elimination of tariff and non tariff barriers to environmental goods and services) has been mandated, along with instructions to the Committee on Trade and Environment to pursue its work on all items on its agenda, giving particular attention to the issues of market access, the relevant provisions of the TRIPS Agreement and labeling.

Labour: The Declaration recognises that ILO is the appropriate forum to address the issue of core labour standards.

Working Groups: The Work Programme has also set up two Working Groups. One to examine the relationship between Trade, Debt and Finance for suggesting solutions, within the WTO mandate, to the problem of external indebtedness of developing countries and to strengthen the coherence of international trade and financial policies, with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability. The other Working group will examine the relationship between Trade and transfer of Technology and to facilitate, within the WTO mandate, increased flow of technology to developing countries.

Negotiations under the Work Programme are to be concluded not later than 1 January 2005 (except negotiation on improving and clarifying the Dispute Settlement Understanding which is to be concluded by end of may 2003). The conduct, conclusion and entry into force of the outcome of negotiations will be treated as parts of a single undertaking (except for DSU). The overall conduct of the negotiations is to be supervised by a Trade Negotiations Committee under the authority of the General Council.

commitments and initial offers are 30 June 2002 and 31 March 2003 respectively.

6.41 Under TRIPS, India has been seeking greater flexibility and clarity in the interpretation of the Agreement on TRIPS in order to ensure affordable access to essential medicines and life saving drugs, in keeping with the public health concerns of developing countries. India, the African group of countries, Barbados, Bolivia, Brazil, Dominican Republic, Philippines, Peru, Sri Lanka, Thailand and Venezuela jointly submitted a paper on TRIPS and Public Health to the TRIPS Council in which India, along with other co-sponsors, had demanded that the WTO should ensure that TRIPS Agreement does not undermine the right of the WTO members to formulate their own public health policies and adopt measures for providing affordable access to medicines. Nothing in the TRIPS Agreement should prevent Government from taking measures for protecting public health. It should also be clarified and reconfirmed that Governments should be able to issue compulsory licences to achieve public policy objectives and ensuring that nothing in the TRIPS Agreement limits the grounds for Governments to issue compulsory licences. The Doha declaration affirms that the TRIPS Agreement can and

should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all.

6.42 India, along with other developing countries, continued to maintain pressure for resolution of implementation related issues relating to various perceived asymmetries and imbalances in existing WTO Agreements and effective operationalisation of various special and differential treatment provisions for developing countries. The developing countries during their preparatory process and also during the Conference adopted a highly coordinated approach making it amply clear that genuine resolution of their implementation related concerns is a must for the success of the Conference and also to maintain their confidence in the multilateral trading regime under the WTO. This yielded results, and at the conclusion of the Conference, the Ministers adopted a decision on implementation related concerns. Out of the total of 102 issues considered, the Doha Conference took decisions in respect of 43 issues. The remaining issues have been referred either to negotiations or to subsidiary bodies for further examination and thus are an integral part of the Work Programme of the WTO.