

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:61
ANSWERED ON:05.12.2003
WTO MEET AT CANCUN
RAMSHETH THAKUR;SUNIL KHAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Fifth Ministerial meeting of WTO held at Cancun, Mexico in September, 2003 has concluded without any fruitful achievements;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details of issues put forth for discussion by the developed countries and developing countries led by India, separately;
- (d) the views of developed countries on the issues of developing countries and vice-versa;
- (e) whether China and other developing countries have fully supported India's view in respect of issues related to agriculture and cheap import of drugs;
- (f) if so, the overall outcome of the meeting; and
- (g) the further reaction of India and other developing countries including China with regard to the protection of the interests of poor countries?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (g) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF THE LOK SABHA STARRED QUESTION NO. 61 FOR DECEMBER, 2003. REGARDING WTO MEET AT CANCUN

(a) to (g) : The Fifth Ministerial Conference of the World Trade Organisation (WTO) was held at Cancun, Mexico, during 10-14 September, 2003 to take stock of the progress in the negotiations under the Doha Work Programme, provide necessary political guidance and take decisions as necessary. A decision was required to be taken at the Fifth Ministerial Conference by explicit consensus on the modalities of negotiations on the four Singapore issues viz. Trade and Investment; Trade and Competition Policy; Transparency in Government Procurement; and Trade Facilitation. In view of the serious differences among Members, the Conference ended without taking necessary decisions.

A draft Ministerial Declaration was forwarded by the Chairman, General Council and the Director General, WTO, to the Ministerial Conference at their own responsibility. The views held by a large number of countries were not adequately reflected in this draft Ministerial Declaration.

On September 13, 2003 the Chairman of the Ministerial Conference came out with a draft Declaration which did not provide sufficient balance to the expectations of the Members on the outcome of the Ministerial Conference.

On Agriculture, correction of distortions as a result of the policies of the developed countries was a major demand. The effect of removal of such distortions has a lag effect and therefore the developing countries required calibrated changes to market access. The developing countries also required special safeguard mechanism to deal with the ill effects of surge in imports as well as designation of certain products as Special Products, which would meet lower reduction in tariff.

On Singapore Issues, the developing countries were not clear about the nature and extent of obligations that were required to be undertaken. Therefore, developing countries felt that clarification process on these issues has to continue and run its full course. Some of these issues could result in denial of adequate policy space for the developing countries in their quest for development.

On Implementation Issues and Special Differential Treatment Issues, the concerns of the developing countries for speedy resolution were not adequately addressed. On the issue relating to Cotton, the developed countries sought to deflect attention from specific action suggested by certain Members to remove distortions that existed in the trade of cotton by bringing in issues relating to man-made fibers and textiles.

On the issue relating to provision of drugs to those countries that did not have adequate manufacturing capacity to produce such

drugs, the General Council of the WTO at Geneva resolved the matter by adopting a decision on 30th August, 2003.

A group of 20 countries was formed at the initiative of Brazil, India, Argentina, China and South Africa to voice their dismay at the attempt by US and EC to continue with distortions in the agriculture trading system, while demanding large market access from developing countries. Another group of 16 countries was formed to voice the concerns of developing countries on the Singapore Issues. China is part of this 16 Member group as well.

The Ministerial Conference ended on 14th September, 2003 recognising that more work needed to be done in some key areas to enable WTO Member countries to proceed towards the conclusion of negotiations under the Doha mandate. The Chairman of the General Council of the WTO, in close coordination with the Director General, has been asked to coordinate the work on outstanding issues and to convene a meeting of the General Council at senior officials level no later than 15th December, 2003 to enable successful and timely conclusion of the negotiations.

India has always supported the smooth functioning of a rule based and fair multilateral trading system. At the same time, we have also been emphasizing that if further progress is to be expected, all WTO Members should show genuine commitment to re-start the multilateral process. The concerns of large number of developing countries and least developed countries will have to be taken into account and the `development` dimension envisaged in the Doha mandate will have to be retained in letter and spirit. Agriculture has been at the core of the ongoing WTO negotiations and it is important that negotiations are concluded in a manner which not only leads to increased market access but also removes the distortions and inequities in the international trade in agricultural products. In our view this could be achieved through a process of decision-making that is both transparent and inclusive, without ignoring the sensitivities of the developing countries. In this regard a number of developing countries, including China, have been supporting our stand.