

# CITEE Activities Report

*CUTS Centre for International Trade, Economics & Environment (CITEE), established in 1996, aims to be a high-level global standards institution for research and advocacy on multilateral trade and sustainable development issues. This is the first quarterly report of what we are doing.*

## WORK IN PROGRESS

### South-South Economic Cooperation: *Exploring Mekong-Ganga Relationship*

This project, supported by the Swiss Agency for Development & Cooperation (SDC), is to explore and analyse the trade and economic relations between India and the three Mekong countries, viz Cambodia, Lao PDR and Vietnam. The main objective is to find out future trade scenarios between these countries and what policy measures are to be in place for South-South economic cooperation.

The following institutions are our partners in this project: Cambodia: Economic Institute of Cambodia (EIC); India: Research and Information System for the Non-aligned and Other Developing Countries (RIS); Lao PDR: National University of Laos (NUL); Vietnam: Institute of World Economics and Politics (IWEP)

Awareness generation among different stakeholders through networking and advocacy is an ongoing activity of this project that is being done by CITEE on a continuous basis. The background paper giving the past and present synopsis of trade & investment relationship between India and each of the three Indo-China countries (Cambodia, Lao and Vietnam), has been received from two country partners – Vietnam & Lao. Two other background papers would be coming by the end of May. These papers are being critically reviewed and commented upon by other researchers involved in this project.

## EVENTS

### Linkages between Trade, Development & Poverty Reduction

We still have a huge amount to learn about the complex links between trade, development and poverty, and involving grassroots civil society in a dialogue on the way trade affects people's livelihoods is vital to efforts aimed at deepening our understanding of these linkages, and, therefore, developing pro-poor trade policies. These were the comments expressed by the participants at a meeting organised by CUTS-CITEE at Jaipur, India, on March 18-19, 2005, to launch its project entitled 'Linkages between Trade, Development and Poverty Reduction,' supported by the UK Government's Department for International Development (DFID) and the Ministry of Foreign Affairs, The Netherlands.

This project, to be implemented over the next four years, in 16 countries across Asia, Africa and Europe, aims to discover more about how trade policies affect the livelihood of the poor. This will be carried through a perception survey of stakeholders. In addition, it aims to use these findings to advocate for pro-poor trade policies in these regions and at the international level.

## A success!

### State Governments' Role in Foreign Trade Policy

India is a huge federal country with 27 states, many of which are bigger than many United Nations (UN) member nations. While the Government of India brings out a national Foreign Trade Policy every year, the state governments are hardly consulted. On the other hand, each of the state governments periodically brings out its own trade and industrial policies, which differs from the Government of India's approach.

Through articles in media and personal lobbying with the Commerce Ministry and some key chief ministers of states, CUTS tried hard to engage state governments in the formulation and implementation of trade policy.

We met with success when the Commerce Minister, on April 7, announced a trade policy, which would also for the first time include the setting up of an inter-state trade council to engage states in implementation of the national trade policy.

Field research is in progress in all the four countries, which is expected to be completed by July. This will be followed by the country reports, which will constitute of the background paper and the field survey report of that country. The draft country report will be presented in the national consultation to be held in August in all the four countries.



(L to R): Doan Hong Quang, Vietnam; Victoria Kisarale, Uganda, and Sue Mbaya, South Africa, sharing their regional experiences on linkages between trade, development and poverty.

## WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations

CUTS-CITEE, in association with the Institute of Policy Studies (IPS), Sri Lanka, and South Asia Watch on Trade, Economics & Environment (SAWTEE), organised the launch meeting of the project: World Trade Organisation (WTO) Doha Round & South Asia: Linking Civil Society with Trade Negotiations. The meeting was held at Colombo, Sri Lanka, on March 9-10, 2005. The project is being supported by NOVIB (Oxfam, The Netherlands).

Jeyaraj Fernadopulle, Minister of Trade, Commerce & Consumer Affairs, was the Chief Guest and Mohan Kumar, Deputy High Commissioner of India to Sri Lanka was the Guest of Honour at the inauguration of the seminar.

The event involved academicians, business chambers, government and inter-governmental organisations and civil society representatives. The project focused on the five key issues of agriculture, non-agricultural market access, development dimensions, services, and trade facilitation.



Jeyaraj Fernadopulle, Trade Minister of Sri Lanka, Saman Kelegama of IPS, and Mohan Kumar, Deputy High Commissioner of India at the Inaugural.

## South-South Trade & Investment Co-operation: Exploring IBSA Initiative

CITEE, in association with the South African Institute of International Affairs (SAIIAs), organised the launch meeting of the project "South-South Trade & Investment Co-operation: Exploring IBSA Initiative" at Johannesburg, South Africa, on February 15-16, 2005.

Attended by representatives from the Indian and Brazilian missions, and a number of business, media and research organisations, the meeting provided a platform for engaging non-state actors in the India, Brazil and South Africa (IBSA) initiative, a timely and much needed extension of the ambitious co-operation process initiated by the IBSA countries. Several important questions were raised and comments made in the meeting.

## Doing Business under WTO's New Framework

A seminar on "Doing business under WTO's new framework" was jointly organised by the Indian Merchants' Chamber (IMC) and CUTS International, on February 10, 2005 in Mumbai, at the IMC premises. The seminar discussed ways to do business under the July Framework of the WTO, New Patent Amendment and post Multifibre Agreement (MFA) Regime.

Pradeep S Mehta, Secretary General, CUTS, along with Rajet Mitter, Joint Secretary, Ministry of Commerce & Industry, and Veena Jha, Coordinator, United Nations Conference on Trade and Development (UNCTAD)-India were some of the speakers who presented their viewpoints on this framework.

## Grassroots Reach out & Networking in India on Trade & Economics (GRANITE)

CUTS-CITEE, in association with CUTS-Consumer Action Research and Training (CART), organised the launch meeting-cum-first training seminar under the GRANITE



project at Jaipur, Rajasthan, India, from February 24-27, 2005. It is being supported by NOVIB (Oxfam, The Netherlands), and Norwegian Agency for Development Cooperation (NORAD). The project endeavours towards "Creating long-term capacity of grassroots civil society organisations (CSOs) and local media in India to address complex issues of globalisation and the WTO and their relationship with economic development and governance in India, with a special emphasis on two sectors, i.e. agriculture and textiles and clothing, keeping in focus women and the marginalised sections of society".

The role of CUTS-CITEE has been envisaged as that of a "mother unit" in the project. The project will be implemented over a two-year period in eight states, viz Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

The event was marked by articulation of perceptions of various civil society organisations, which are showing a deep interest in percolating benefits down to the grassroots through the country's trade related policies.

## ADVOCACY

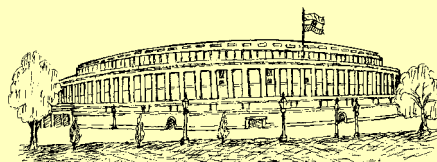
### Trade Policy Making in India

Mehta and Purnima Purohit, Programme Coordinator of CUTS, made a presentation before the Parliamentary Standing Committee on Commerce on WTO-related issues and expressed views on the formulation and implementation of Trade Policy in India, on February 4, 2005. These views will be expressed when the report will be placed before the Parliament.

In the hearing, Revolutionary Socialist Party (RSP) Member of Parliament (MP), N N Krishna Das, opined: "CUTS has been doing a good job by keeping parliamentarians informed about various economic policy issues".

### Engaging Parliamentarians on Economic Issues

Considering the poor commitment of Parliamentarians on vital economic policy issues, CUTS is engaged in launching a



Parliamentarians' Forum on Economic Policy under the leadership of Suresh Prabhu,

an Opposition MP. The forum will be non-partisan and efforts are being made to involve parliamentarians from all major political parties.

## REPRESENTATION

### Informal-Formal: Creating opportunities for the recycling sector in Asia

Nilay Chandra, Research Assistant at CITEE, attended Informal-Formal: Creating opportunities for the recycling sector in Asia, organised by *Chintan* Environmental Research and Action Group (*Chintan*), New Delhi, on March 28, 2005.

The objective was to showcase the experience of the Philippines, Cambodia and India on the ways of waste disposal and its segregation. The attempt was to understand the lessons that could be drawn from the experiences of these countries and the scope for integrating them for local use.

### First Meeting of the Expert Group (EG) on Interrelationship between MEAs and WTO

Pramod Dev M, Researcher at CITEE, attended the First Meeting of the Expert Group (EG) on Interrelationship Between Multilateral Environmental Agreement (MEA) and the WTO, organised by the Madras School of Economics, Chennai, on March 15, 2005.

The objective of the formation of the expert group was to use it as a resource base on the issues arising from the MEA-WTO interface. The expert group will be approached with specific questions/issues whenever they arise. But there will be rolling research activities on the

themes relating to the MEA and the WTO that each can suggest. The real objective is to concentrate on Para 31 of the Doha Declaration.

### Conclave on India-Africa Project Partnership 2005

Dr Prasad P Ranade, Director (Research) at CITEE, participated in the Conclave on India-Africa Project Partnership 2005, organised by the Confederation of Indian Industry, Exim Bank of India, Government of India and the African Development Bank, at New Delhi, on March 2-4, 2005.

The primary objective of the Conclave was to enable Indian technical consultants and industry and project exporters to participate in the wide range of developmental activities and projects that are in the offing in several African countries, which are also recipients of significant funding from multilateral/regional funding agencies and the Government of India.

### Oxfam Regional Consultation

Bipul Chatterjee, Director, CUTS-CITEE was invited at a regional consultation on "agriculture and trade" organised by Oxfam International in Dhaka, Bangladesh, on January 17-18, 2005. He made a presentation on 'domestic subsidies'.

## FORTHCOMING EVENT

### Regional Seminar on 'Economic Cooperation in South Asia'

CUTS CITEE, in partnership with Friedrich Ebert Stiftung (FES India) is organising a regional seminar entitled: 'Economic Cooperation in South Asia', at Colombo, Sri Lanka, from May 7-9, 2005.

The seminar would attempt to facilitate cross-fertilisation of experiences and lessons learnt on economic (trade and investment) cooperation in South Asian countries in order

to develop appropriate policy responses; and discuss South Asia's position on global economic issues, its relations with other regional groupings and response to global developments.

Based on the recommendations of the seminar at Colombo and the issues discussed therein, five country seminars will be organised at Colombo, Delhi, Dhaka, Islamabad and Thimphu, followed by a summarising regional seminar in Spring 2006.

**India needs new alliances at WTO**

*Economic Times, India, March 31, 2005*

If India has to move the agenda on services forward, it has to create an alliance of like-minded groups of demandeur countries. Only then can we hope to make India a strong player in the services sector, said Mehta.

**More:** <http://www.cuts-international.org/articles2005.htm#india31mar05>

**View: Why should trade await a final settlement?**

By Pradeep S Mehta & Huma Fakhar

*Daily Times, Pakistan, March 27, 2005*

India-Pakistan economic relations have been facing the bugbear of some myths that continue to define the debate on whether the countries should or shouldn't resolve all disputes prior to forging trade and economic relations. Thus, progress on economic cooperation between India and Pakistan has taken a backseat. In this article, we have identified the major myths and proceed to demolish them.

**More:** <http://www.cuts-international.org/articles2005.htm-view27mar05>

**Doha Round: work out new alliances**

*Financial Express, India, March 15, 2005*

It is in the services sector that India will emerge as a major global player. India has made services a pivot of its stand on negotiations under the Doha round of the WTO. At Geneva, before it went into the winter break, India's new ambassador, Ujal Singh Bhatia, said India might have a problem in accepting the whole Doha package if the deal on services was not at par with agriculture and non-agricultural market access. This caused a furore among the trade negotiators' community in Geneva. It was not received well by Brazil, one of India's closest friends in the WTO and leader of the G-20 alliance.

**More:** <http://www.cuts-international.org/articles2005.htm#doha15mar05>



**PUBLICATIONS**

**Book**



**Trade in Environmental Services**

The Ministry of Environment and Forests (MoEF), Government of India, commissioned the study 'Trade in Environmental Services' to CUTS. It deals with

opportunities for trade in environmental services. Historically, these opportunities were limited as this sector is prone to natural monopolies. Until recently, governments were reluctant to allow private ownership of natural monopolies that provide essential services, for fear that they would exploit consumers.

The situation in India is changing as a consequence of pressure to achieve environmental objectives in an economically efficient way. New ways have been found to create markets for environmental services.

This study analyses the impact of liberalisation on the Indian environmental industry. It also discusses the modes of supply for environmental services and certain barriers that restrict supply to foreign markets. Finally, it presents an analysis of commitments made by a number of WTO members, and based on that it suggests a negotiating strategy for India on environmental services.

**Bill Blowup**

Bill Blowups are briefs produced for parliamentarians in understanding new legislation and enhancing the quality of the debates so that better laws are enacted. The paper attempts to identify and analyse the highlights and lowlights of the bill and also suggests certain "Action Points" to make the bill comprehensive.

**The Patent (Amendment) Ordinance, 2004**

A Bill Blowup prepared on the third patent amendment bill, seeking to make the patent regime of India fully compliant with the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) given in the World Trade Organisation (WTO). This is mainly related to the introduction of product patent protection in all fields of technology. The product patent prohibits others from making, using, offering for sale, selling or importing the patented product. As a result, the product patent gives a monopoly to the patent owner for the production of the patented article during the term of the patent (20 years).