



## **DOHA ROUND IMPACTS ON INDIA**

### **Presentation of a Study by CUTS International**

**Room C, Official NGO Centre for the WTO Ministerial Conference, Conference Centre Varembe,  
Geneva, 1 December 2009, 10 00-1200 hours**

*Access to the venue is possible only for those who have been accredited to attend the WTO  
Ministerial Conference*

#### **Backgrounder**

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The Doha Development Round (DDR) of negotiations under the WTO will have profound and far-reaching impact on developing countries like India and a research project was initiated by CUTS International, Jaipur, India, with the objective of examine the impact of DDR on the economy of India. The specific objectives of the project were (i) to examine the impact of agricultural trade liberalisation under the Doha negotiations, (ii) to examine the impact of NAMA negotiations, (iii) to explore the combined effect of agricultural and NAMA negotiations, and (iv) to examine the impact of liberalisation of the domestic services sectors.

Dr. Selim Raihan and Dr. Bazlul Khondker of South Asian Network on Economic Modeling (SANEM), Dhaka, Bangladesh undertook the modeling exercise for this project using dynamic computable general equilibrium (CGE) framework. The model takes into account accumulation effects and thus allows long-run poverty analysis. In addition, it enables to track the adjustment path of the economy, which may include substantial effects on poverty. All these effects are analysed by comparing the business-as-usual scenario and the impacts of different policy scenarios.

The study shows that welfare effects of outcomes of negotiations on agriculture are positive and the effects are stronger in the long run. Poverty falls for all household categories both in the short and long run as a result. The NAMA scenario would lead to a rise in real GDP though a number of manufacturing sectors would contract, because of the more than offsetting effect of the expansion of textiles as well as some services and agricultural sectors. Similarly, the effects of services trade negotiation outcomes depend on the relative strength of two opposite effects viz. contraction of domestic services sectors and expansion of gross employment in services sectors owing to increased inflow of FDI. The full DDR scenario would therefore lead to mixed results and positive effects on GDP growth and poverty reduction become stronger and pronounced in the long run, despite the occurrence of short run sectoral setbacks.

Dr. Selim Raihan will present the main findings of the study followed by general discussion. It is expected that this study and the discussion in the event will prompt other such studies to allow developing countries make informed decisions regarding the DDR.