

South Asia Civil Society Meet to articulate future strategies vis-à-vis Doha Round of negotiations

22 April, Jaipur: The current year is very crucial for the Doha Round of trade negotiations in view of its year-end deadline for concluding the Round. As expected the outcome of the Hong Kong Ministerial was modest but it did throw some pertinent issues for future research and advocacy which are likely to impact on South Asian countries.

Based on this Hong Kong Ministerial declaration, core issues viz non-tariff barriers under Non-Agricultural Market Access, trade in services from the point of view of South Asian LDCs, duty-free and quota-free market access to LDCs exports, special products and special safeguard measures in agriculture, preference erosion and aid for trade, have been selected for research by a group of research-based civil society organizations from five South Asian country.

The organizations – South Asia Watch on Trade, Economics & Environment, Nepal; Sustainable Development Policy Institute, Pakistan; Institute for Policy Studies, Sri Lanka; Unnayan Shamannay, Bangladesh, CUTS Centre for International Trade, Economics & Environment, India and select experts from the region including UNCTAD–India Programme assembled in Jaipur to brainstorm issues to be captured under these broad themes for further research work.

CUTS-CITEE hosted the meeting which was a part of the Project *WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiation initiated in the year 2005 with the support of Novib* (Oxfam, The Netherlands). The project is commonly known as South Asia Forum for International Trade (SAFIT) and being implemented with continued support from Oxfam Novib, The Netherlands.

As an outcome of the first phase of the SAFIT project, a book titled ‘South Asian Positions in the WTO Doha Round: In Search of a *True* Development Agenda’ was published and released at the recently concluded WTO Ministerial at Hong Kong in December 2005. The volume traces the background of major concerns, examines various ways in which the WTO might be reformed and the chances of success in the Doha Round thus enhanced *vis-à-vis* five key issues of the WTO July Framework Agreement of 2004.

Taking the project work forward to the next phase, the South Asian civil society organizations acknowledged the significance of the need for providing continuous feedback to the policy makers on the ongoing negotiations to enable them to draft pro-development negotiating strategies. It was mentioned that there are common as well as differentiated positions on different WTO issues among the South Asian countries. There is no doubt that South Asian countries share common concerns on development dimensions of international trade. However, it is important to highlight the increasingly evident differences between the developing and least developed countries and the project will specifically look into them.

During the discussions in the meeting, it was pointed out that services sector liberalisation is a major concern for developing countries and least developed countries (LDCs) of South Asia. But during the recent visit of Pascal Lamy the Director General of WTO, to India, he stated that service sector is not a major issue or concern at present. In this context it was opined that undermining services sector might affect the timely completion of the Doha Development Round.

One of the most important developments at Hong Kong Ministerial was decision to pursue towards full and effective implementation of the modalities for the special treatment for LDCs (adopted in September 2003) in trade in Services. But it was warned that LDCs must be aggressive in services negotiations to reap its fruits. However, on this issue there are differences of opinion among South Asian and African LDCs and the project needs to look into this aspect.

The meeting posed a question that would preferential arrangements like AGOA (African Growth and Opportunity Act of the US) and EBA (Everything But Arms initiative of the European Union) be traded off for Aid for Trade? Some participants highlighted that preference erosion was inevitable because of multilateral trade negotiations. However at the same time others pointed that generalised system of preferences such as the EBA are not legally binding therefore preferences could be rescinded at any point. Preference Erosion is not something that can be checked at this stage.

To stop preference erosion might be equivalent to stopping the NAMA negotiations. As developing countries, such as India, Brazil ask for agricultural subsidies to be reduced in return for tariff cuts in NAMA, then preferences will be eroded in GSP schemes, especially for LDCs. Removal of equitable treatment through preferences must be substantiated via other means, like easing Rules of Origin requirements in GSPs like EBA, AGOA.

Further, it was acknowledged that four countries in South Asia are LDCs and these countries have remarkable differences in their export structure and dependence on international trade. In this context, it was argued that it is important for the project to highlight that the preferential treatment provided to these countries should not be used by the rich countries to create rift between the LDCs.

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