

Publications Digest 2017

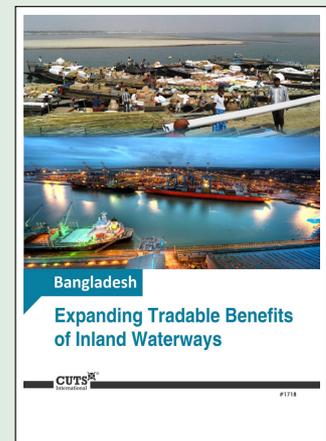
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REPORTS

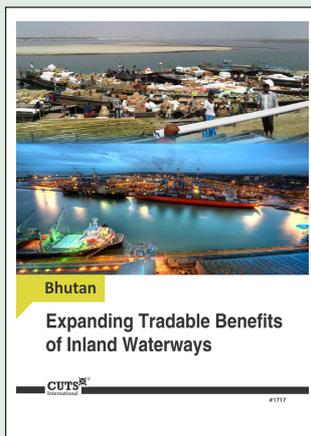
Expanding Tradable Benefits of Inland Waterways *Case of Bangladesh*

With a view to document the existing policy discourse as well as the perception of different stakeholders regarding use of IWs for transboundary trade- a country diagnostic study has been conducted. The study has revealed numerous poverty, livelihood, gender and environment related concerns of stakeholders.

This report selected three important locations based on their significance in bilateral trade, transport and connectivity through inland water routes and significant presence of major institutional stakeholders (e.g. BIWTA, BIWTC etc.) preferably established offices with adequate human resource and infrastructure. These three locations were (i) Sivalaya Upazila (Aricha) of Manikganj District, (ii) Ashuganj Upazila of Brahmanbaria, and (iii) Chandpur Sadar Upazila of Chandpur District.



www.cuts-citee.org/IW/pdf/IW_Bangladesh_Report.pdf



Expanding Tradable Benefits of Inland Waterways *Case of Bhutan*

This diagnostic study is an attempt to assess the livelihood benefits derived out of rivers in communities along selected locations and to determine the perception of stakeholders on river navigation in Bhutan. In addition to this, the case studies look at the management of river basin or water resource in general and governance of rivers in particular. The study was composed of two parts given the niche area of research on inland waterways.

The first part was composed of extensive literature review which helped recognise and shortlist locations for the field study. The second part consisted of field research comprising key informant interviews and focus group discussions at identified locations followed by a series of consultations and dialogues at subnational, national and basin levels to validate these findings.

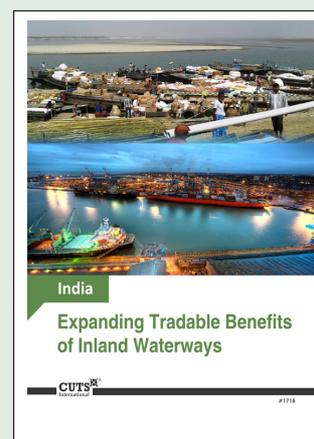
www.cuts-citee.org/IW/pdf/IW_Bhutan_Report.pdf

Expanding Tradable Benefits of Inland Waterways Case of India

This report presents the information gathered from the diagnostic study in India. The study was also successful in mapping the perceptions of various stakeholders like boat operators, freight handlers, boatmen, sand traders, fishermen community, private tour operators, logistics companies, academia and government officials to understand the current state of policy discourse on inland waterways with respect to trade, connectivity and livelihoods.

The study has been helpful in identifying the key areas of interventions for promoting waterways as a mode of regional transport and connectivity. However, this recommendation comes with certain caveats which require minute and judicious policy deliberations.

www.cuts-citee.org/IW/pdf/IW_India_Report.pdf

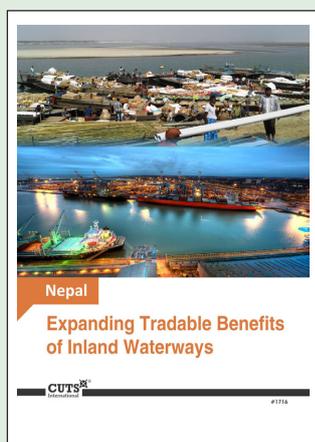


Expanding Tradable Benefits of Inland Waterways Case of Nepal

This report is based on the findings of a country diagnostic study, which focused on the Kosi River Basin and the Gandaki/Narayani River Basin. The prospects and challenges of developing a viable water transport system in Nepal — domestic as well as cross-border — while analysing the probable impacts on livelihoods along riverfronts is discussed in the report.

Developing navigational waterways for the purpose of domestic inland transport could also be worthwhile due to its implications on the local livelihoods. At present, rivers like Kosi and Narayani and their tributaries hardly have any water transport service, even in non-mechanised forms.

www.cuts-citee.org/IW/pdf/IW_Nepal_Report.pdf



Benefits of the TIR Convention for the implementation of the BBIN Motor Vehicles Agreement

The Bangladesh, Bhutan, India, Nepal (BBIN) region is poised to become an effective trade nexus, with steady progress made in recent years through various unilateral, bilateral, regional and multilateral arrangements. However, efforts to liberalise regional trade have faced challenges.

The BBIN region's transit and transport connectivity faces a number of challenges. This includes soft and hard infrastructure barriers that hamper the efficient movement of vehicles across borders. This, in turn, is hampering the growth of intra-regional trade and investment – which places limits on broader ambitions for the region relating to development, sustainability and economic growth.

http://www.cuts-citee.org/pdf/Benefits_of_the_TIR_Convention_for_the_implementation_of_the_BBIN_Motor_Vehicles_Agreement.pdf



Many to Tango A Granular Analysis of National Highway 8 of India

An increasing economic activity with all time high gross domestic product (GDP) of nearly US\$2tn in 2015 from US\$63bn in 1970 required expansion of roads and highways across the length & breadth of India. Further positive GDP forecast, around five-seven per cent until 2020 and the Government of India's (GoI) aim to double overall trade from US\$465bn in 2014 to US\$900bn by 2020 have pushed initiation of various connectivity's, logistics development projects across the country.

It includes expansion and up gradation of the road network to enable high-speed road movement in both passenger and commercial vehicles segments. Other than this, reforms like the passage of Goods & Services Tax (GST), also known as Constitutional Amendment Bill, 2014, once implemented, will expedite freight movement as the entry tax (goods) or octroi would be subsumed into GST and therefore associated check posts would be hopefully eliminated.

www.cuts-citee.org/pdf/A_Granular_Analysis_of_NH-8_of_India.pdf



Climate Change Impacts on Indian Agriculture Staple Crops and Food Security Scenarios

Climate change and demographic changes in India have affected key natural resources, such as land and water. One visible aftershock of these effects is changing food production scenarios in India. Numerous General Circulation Models (GCMs) have been designed to quantify the physical impacts of climate change on food production scenarios. The discussions in this paper are based on the International Model for Policy Analysis of Agricultural Commodities and Trade (IMPACT) model analysis by International Food Policy Research Institute (IFPRI) on selected crops in different sub-regions of India and draws from conclusions of the 4th

Intergovernmental Panel on Climate Change (IPCC) assessment report.

This Discussion Paper argues that staple food crops have the potential to be compatible to transitional climate aberrations if supported with technology and policies. Given that the four pillars of food security are directly linked to food production and entitlement mechanisms, the paper also includes suggestions for improving such mechanisms.

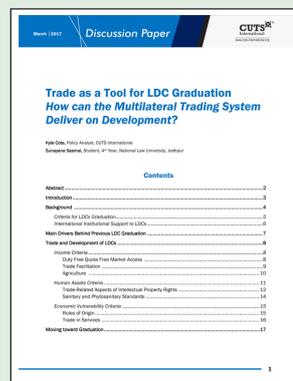
www.cuts-citee.org/FOODSEC/pdf/Discussion-Paper_Climate_Change_Impacts_on_Indian_Agriculture_Staple_Crops_and_Food_Security_Scenarios.pdf

Trade as a Tool for LDC Graduation: How can the Multilateral Trading System Deliver on Development?

The essence of this Discussion Paper is to identify the manner in which tools provided by the multilateral trading system have the potential to assist LDCs in graduating, as provided by success stories of the past and specific benefits offered by trade-related programmes. While only four countries having graduated so far, certain LDCs, such as Bangladesh, Nepal and Kiribati provide interesting cases of complicated interrelationships of graduation criteria within the trading system.

Although difficult to directly correlate, the multilateral trade has the ability to assist more LDCs graduate, and meet the goal of Istanbul Plan of Action (IPoA), by focussing on certain assistance programmes and mechanisms while also amending its functions. Importantly, finding an equitable support structure for developed countries, the World Trade Organisation (WTO) and trade-related programmes to remove capacity constraints and building on the unique opportunities of each country lies at the heart of LDC graduation.

www.cuts-citee.org/pdf/Discussion_Paper-Trade_as_a_Tool_for_LDC_Graduation.pdf



Consumer Gains from Trade: A Case Study on Promoting Trade between Bangladesh and Tripura, India in Specific Agricultural Commodities

India and Bangladesh have natural and cultural complementarities in terms of producing and exchanging goods for everyday consumption. However, in addition to infrastructure bottlenecks, non-tariff barriers negatively affect trans-boundary trade and exchange.

Therefore, this study aimed to facilitate trade in specific agricultural commodities between Bangladesh and Tripura, India through knowledge generation on legal and regulatory framework for cross-border trade in such commodities, identification of solutions to promote market access and evidence-based advocacy to ultimately lead to trade and hence consumer gains.

June 2017 Discussion Paper CUTS^{RI}

Consumer Gains from Trade
A Case Study on Promoting Trade between Bangladesh and Tripura, India in Specific Agricultural Commodities

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Sustainable Economic Development of India and the Role of Biodiversity: Policy Challenges and Opportunities

With inclusion of environmental concerns, major shifts in development narratives have taken place in recent years. Thus, in order to sustain economic growth, it is important to preserve biodiversity through integrating actions related to conservation and promoting the sustainable use of biodiversity in cross-sectoral policies. Moreover, it is important to develop multi-sectoral policy frames and strategies for preservation.

This Paper reviews how biodiversity is treated in different cross-sectoral policies, challenges in mainstreaming biodiversity, and the economic opportunities.

www.cuts-citee.org/pdf/Discussion_Paper-

Sustainable_Economic_Development_of_India_and_the_Role_of_Biodiversity.pdf

June 2017 Discussion Paper CUTS^{RI}

Sustainable Economic Development of India and the Role of Biodiversity
Policy Challenges and Opportunities

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Boosting Competitiveness of India's Food Processing Industry: Challenges and Opportunities

Among the Indian states, Rajasthan is the largest producer of herbs and second largest producer of milk. The food processing sector of this state contributes around 25 per cent in the total State Gross Domestic Product (SGDP). In order to promote competitiveness of the Food Processing Industry (FPI), the State Government has undertaken a number of policy initiatives to improve Agrimarketing infrastructure, such as Mega Food Park Scheme, Rajasthan Investment Promotion Scheme, Rajasthan Agro-Processing and Agri-Marketing Promotion, etc.

This Discussion Paper tries to bring insights about the FPI of India and its challenges in view of changing global economic environment, at the conduit of its growth. This study also outlines policies and programmes of the Central as well as the State Government to overcome challenges and boost the overall competitiveness of the sector.

www.cuts-citee.org/pdf/Discussion_Paper-Boosting_Competitiveness_of_Indias_Food_Processing_Industry.pdf

September 2017 Discussion Paper CUTS^{RI}

Boosting Competitiveness of India's Food Processing Industry
Challenges and Opportunities

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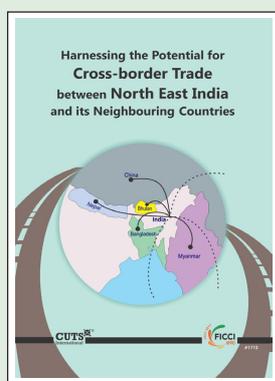
Discussion: This Discussion Paper was prepared by the Indian Division of Consumers, and was presented at "Rajasthan Food Proc. Meet 2017", on 18 January 2017.

Demystifying the Role of 'Barriers at and behind the Borders' in India: A Case Study of Pharmaceutical Products

With the significant reduction of tariff barriers to international trade, other forms of barriers, such as barriers at the border and behind borders are considered as the major challenge to the growth of global trade. These barriers are often high in developing countries as compared to developed ones and arise due to divergent regulatory frameworks, inefficient customs procedures, cumbersome export import procedures, administrative hassles, hidden taxes, congestion fee and sub-optimal trade infrastructure.

Against this backdrop, this Discussion Paper attempts to understand the role of different types of barriers in the import pharmaceutical products in India. It analyses the effect of three main barriers: tariff barriers; non-tariff barriers; and barriers at the border with a particular focus on understanding the role of procedural and regulatory impediments.

www.cuts-citee.org/pdf/Discussion_Paper-Demystifying_the_Role_of_Barriers_at_and_behind_the_Borders_in_India.pdf



Harnessing the Potential for Cross-border Trade between North East India and its Neighbouring Countries

The North East India is one of the least developed regions of the country. Off late, it has been realised that the region has all the potential to emerge as the missing link between India and South East Asia. However, such transition from an economically backward and security sensitive region to a trade hub and a bridge to the South East Asia is yet to be realised despite significant government-led attempts. Therefore, at this juncture it becomes important to understand the specific problems of the region and extend precise policy prescription towards the same including greater private sector participation to realise this goal.

This Knowledge Paper explores the potential for cross-border trade in goods between North East India and its neighbouring countries through land customs stations, identifying various challenges and providing key solutions.

www.cuts-citee.org/pdf/Harnessing_the_Potential_for_Cross-border_Trade_between_North_East_India_and_its_Neighbouring_Countries.pdf

ADVOCACY BRIEF

Food security in India: The Interactions of Climate Change, Economics, Politics and Trade

The potential impacts of climate change on agriculture are multi-faceted, directly influencing productivity, yields and the availability of arable land and water, as well as food prices and trade patterns for staple and high-value products alike; creating a serious challenge for food security in the country. Thus, there exists an intrinsic linkage among food production, distribution, public policy and trade which determines food security at the household level.

Based on household surveys and multi-stakeholder discussions in the state of Bihar and Karnataka, CUTS International has consolidated the various dimensions of the food security scenario in India in an advocacy brief which talks about grassroot evidences on expanding the food spectrum, reverse migration, use of small animals as food source and the *Jan Dhan-Aadhaar-Mobile* (JAM) initiative in India. An attempt has been made to identify distinct policy recommendations and change agents for the multiple dimensions related to food security in India.

www.cuts-citee.org/FOODSEC/pdf/Advocacy_Brief-Food_security_in_India-The_interactions_of_climate_change_economics_trade_and_politics.pdf



The Trump Presidency and Future of Indo-US Relations

The election of Donald Trump as the President of the United States of America came as a surprise to many around the world, none least of those watching in India. Taking into account high levels of expected uncertainty in what we have seen of Mr Trump and his team, India's true focus must remain in designing and implementing a clear, internally-based strategy in a transparent and inclusive manner to promote open and fair trade, addressing climate change, and boost cooperation bilaterally, regionally, and multilaterally.

This Working Paper provides insights on what to expect from a Trump Presidency, potential geo-economic and geo-political issues between the two nations, and policy direction on what India can do moving forward on trade, climate change, and security.

www.cuts-citee.org/pdf/CUTS-Working_Paper_Indo-US_relation_in_Trump_Presidency.pdf



Expanding Tradable Benefits of Inland Waterways in India

The development of inland water transport (IWT) is in its nascent stages in India and the government envisages making it fully operational, within and across states, by next 10-12 years. To realise this target, it is inevitable to revamp the IWT sector through investment in infrastructure development, technology up-gradation and institutional support. Nonetheless, it is imperative to understand its development dynamics through economic, geo-political, social and environmental angles and initiate an inclusive policy discourse (within and outside the government) for optimal facilitation of IWT.

www.cuts-citee.org/IW/pdf/Expanding_tradable_benefits_of_inland_waterways_in_India.pdf



Developing inland waterways in Nepal Prospects and Challenges Galore

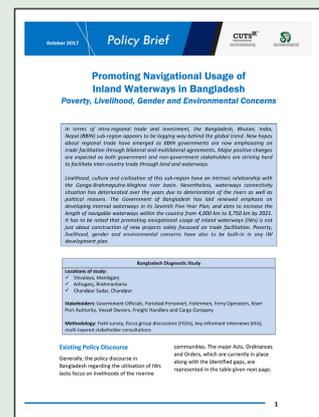
The perennial Himalayan rivers that transverse the entire length of Nepal can emerge as an alternative route of transport connectivity in the landlocked country. This Brief is based on the findings of a country diagnostic study, which focussed on the Koshi River Basin and the Gandaki/Narayani River Basin. The study was based on a literature review and interviews held with experts and stakeholders, including inhabitants of the areas impacted by water transport, boats operators, and community-based groups in the selected locations.

www.cuts-citee.org/IW/pdf/Developing_inland_waterways_in_Nepal.pdf

Promoting Navigational Usage of Inland Waterways in Bangladesh: Poverty, Livelihood, Gender and Environmental Concerns

The Government of Bangladesh has laid renewed emphasis on developing internal waterways in its Seventh Five-Year Plan, and aims to increase the length of navigable waterways within the country from 4,000 km to 5,750 km by 2021. It has to be noted that promoting navigational usage of inland waterways (IWs) is not just about construction of new projects solely focussed on trade facilitation. Poverty, livelihood, gender and environmental concerns have also to be built-in in any IW development plan.

www.cuts-citee.org/IW/pdf/Promoting_navigational_usage_of_inland_waterways_in_Bangladesh.pdf



Navigation in Bhutan

It was found out that there is an absence of any legal instrument and policy in place for Bhutan which currently oversees the transboundary river management programs. And more importantly there are no plans on initiating government dialogue on transboundary river management. Government's concern over environment degradation, especially the aquatic and water bird habitat, and more importantly the security concern while promoting transboundary navigation are some of the genuine concern raised by government stakeholders.

www.cuts-citee.org/IW/pdf/Policy_brief_on_navigation_in_Bhutan.pdf

VIEWPOINT PAPERS

Agriculture

Agriculture trade negotiations have been the most sensitive and longstanding as evidenced from the days of the Uruguay Round negotiations. This is attributed to the sensitivity of the sector as it is the backbone of most of the developing economies and subject to many trade-distorting protectionist measures by many developed countries. The primary concern of the WTO members is about delicately balancing out increased market access demand against food and livelihood security concerns.

To date, outstanding issues on agriculture negotiations evolve around finding a permanent solution on public stockholding for food security purposes, special safeguard mechanisms, export restrictions, and special products.

www.cuts-citee.org/pdf/Viewpoint_Paper_Agriculture.pdf



LDC Interests in the WTO

Least Developed Countries (LDCs) face a multitude of challenges that have hindered their effective integration in the multilateral trading system. These have been acknowledged by the WTO membership and as a result a number of Ministerial Conferences have made decisions favourable to resolving the challenges faced by LDCs.

Nevertheless, despite some progress, a number of issues in their interest remain unresolved. Some of the outstanding LDC-specific issues are related to agriculture, cotton, special and differential treatment provisions, and fisheries subsidies.

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LDC Interests in the WTO
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Least Developed Countries (LDCs) face a multitude of challenges that have hindered their effective integration in the multilateral trading system. These challenges have been acknowledged by the World Trade Organization (WTO) membership and as a result a number of Ministerial Conferences have made decisions favourable to resolving the challenges faced by LDCs. Nevertheless, despite some progress, a number of issues in their interest remain unresolved. Some of the outstanding LDC-specific issues are related to agriculture, cotton, special and differential treatment provisions, and fisheries subsidies.

Introduction
It is acknowledged that LDCs are faced with challenges that have not only hindered their effective participation in international trade. Indeed, Paragraph 3 of the WTO Doha Ministerial Declaration of 2001 underscores the WTO members' commitment to ensure the integration of LDCs in the multilateral trading system by addressing the critical issues preventing them from leveraging trade for development.

Subsequently, the 2005 Hong Kong Ministerial Declaration explicitly reaffirmed the WTO members' commitment to respectfully integrate LDCs in the multilateral trading system by addressing issues of their interest. This resolution has been carried on through subsequent Ministerial Conferences, where LDC-specific issues are addressed.

At the same time, it should be highlighted that progress has been achieved in addressing LDC-specific issues, which provides a positive basis for the road ahead.

Including the pending issues. A case in point is the re-examination and simplification of preferential rules of origin, which, following the Bali and Nairobi Ministerial Decisions, progress has been made with an agreed complete already in place.

Furthermore, a number of preference-granting countries have committed themselves to the simplification of the origin (Bali) but have not reported to the regional WTO committee for monitoring its implementation.

However, despite the progress made, imbalances persist in agricultural and other sectors that are of paramount importance to LDCs.

Agriculture
Most LDCs are heavily dependent on the agricultural sector, which employs the majority of their workforce. However, challenges in this sector such as low productivity and production per hectare, and in many cases have resulted in food

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Issues relating to Blue Economy
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The blue economy is becoming increasingly relevant for sustainable economic and political strategy to address business and climate change issues, taking marine resources into consideration. While untapped marine resources can provide opportunities for growth, especially for developing countries, an sustainable use is a global responsibility and a need of the hour. Presently, the world seems to be divided between developed and developing countries over marine resource management. Although the United Nations Convention on the Law of the Sea (UNCLOS) provides the legal framework for ocean resource management, some of the key issues of concern, such as fisheries subsidies, come under the mandate of the World Trade Organization (WTO). Therefore, it is important for developing countries to prepare blue diplomacy strategies in order to work with the developed countries for their social and economic development, while maintaining the ocean's health.

Introduction
The global economy has witnessed dramatic shifts in economic, strategic, and geopolitical order in which the blue economy has evolved as a new narrative. Based on the views of the Integrated

Central Zone Management (CZM), blue economy furthers the goal of green economy. According to World Bank Blue Economy Development Framework, some blue economy related productive sectors are as follows:

No.	Subsector	Related Industries
1	Harvesting and trade of marine resources	<ul style="list-style-type: none"> • Fisheries (primary fish production) • Aquaculture (marine and inland activities like, prawn, sea and pearl farming, sea production and supply, boat construction and maintenance, maintenance of fish-rearing equipment, packaging, marketing and distribution) • Aquaculture • Marine biotechnology and bio-processing for pharmaceutical products and chemical production
2	Extraction and use of marine resources	<ul style="list-style-type: none"> • Offshore mining for extraction of minerals • Oil and gas • Seabed mining for freshwater generation
3	Marine renewable energy (wind, waves, and tidal energy)	<ul style="list-style-type: none"> • Generation of (off-shore) renewable energy
4	Coastal and trade in and around the ocean	<ul style="list-style-type: none"> • Shipping and shipbuilding • Maritime transport

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Issues relating to Blue Economy

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prepare blue diplomacy strategies in order to work with the developed countries for their social and economic development while maintaining the ocean's health.

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TRIPs-related Issues

The architecture of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) accords the WTO members the sovereignty to promulgate rules of a *sui generis* (unique to their socioeconomic circumstances) nature, for purposes of maximising intellectual property rights (IPRs) protection. Despite the foregoing, the developing country members are still faced with pulls and pressures not only with regard to compliance and enforceability of their TRIPs obligations, but most importantly ensuring that TRIPs provisions reflect and deliver their socioeconomic needs.

Part of the reason is that the TRIPs Agreement is silent on obligations of the developed country members with respect to issues of development assistance and sharing of royalties. This silence is reflected in the 'best endeavour' language, which does not compel the developed country members to aid the developing country members. There are four core issues linked to TRIPs and development: Article 27.3(b) of the TRIPs Agreement, Geographical Indications, Traditional Knowledge, and Non-Violation Complaints.

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TRIPs-related Issues
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Background
The long-standing debate on the TRIPs Agreement has been to make a balance for the developing country members of the WTO with special attention to least developed countries (LDCs) and Small and Vulnerable Economies (SVE). While other Agreements in the WTO whose focus is on market access through tariff and subsidy reduction, the TRIPs Agreement is focused on protection and enforceability of IPRs.

Therefore, not to lose sight of its development dimension, the debate must arrive at practical measures in favour of developing countries, LDCs and SVEs. The issue goes to that developed countries have taken full advantage of TRIPs to

enter their industrialisation, most importantly, through IP protection provisions.

The TRIPs debate at the multilateral level is based on proposals by the developed country members for stronger, if not additional, protection of IPRs on the other hand, the developing country members' focus has been on increased flexibilities to ensure that TRIPs captures its developmental dimensions.

Another debate has been on the issue framework of the TRIPs Agreement that has caused the WTO members to seek additional protection from other IPR related treaties, such as the Patent Cooperation Treaty, Berne Convention,

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Electronic Commerce

With the 11th WTO Ministerial Conference approaching, many member countries are engaging in a tug of war whether or not to discuss rules for global e-commerce. While the focus is on accelerating cross-border e-commerce trade, it must not result in backdoor multilateral liberalisation of industrial goods and services.

www.cuts-citee.org/pdf/Viewpoint_Paper_E-commerce.pdf

Viewpoint

Electronic Commerce

8/2017

With the 11th WTO Ministerial Conference approaching, many member countries are engaging in a tug of war whether or not to discuss rules for global e-commerce. While the focus is on accelerating cross-border e-commerce trade, it must not result in backdoor multilateral liberalisation of industrial goods and services.

Introduction

E-commerce, an industry worth USD220 bn (2014/15), has become a buzzword both for consumers and business. The increasing contribution of e-commerce to global trade has prompted many policymakers to call for rules for cross-border e-commerce, at various levels, including now within the multilateral trading system.

The importance of e-commerce in trade may be assessed from the inclusion as a standalone chapter in new trade agreements, such as Singapore-Australia Free Trade Agreement (FTA), South Korea-Singapore FTA, US-South Korea FTA, the Trans-Pacific Partnership.

The first effort to adopt multilateral rules for e-commerce is traced back to 1998 with the establishment of a 'Work Programme on E-Commerce', following which the programme was discussed during the WTO ministerial conferences at Doha (2001), Hong Kong (2005), Geneva (2009) and Bali (2013) and Nairobi (2015).

While e-commerce is expected to be discussed at the 11th WTO Ministerial Conference in Buenos Aires in December 2017, countries are gearing up to engage with others in support or against having a multilateral mandate to negotiate.

A Quick Recap

While the scope of proposed discussions on e-commerce is limited to examining all trade-related issues relating to global electronic commerce at the WTO, members such as US, Japan, Canada, Australia, Chile, Korea, Norway, Paraguay and European Union (EU) have been steering unilateral progress to start negotiations for multilateral rules on trade-related aspects of e-commerce through their proposals submitted to the WTO.

On the other hand, a number of other members such as India, the African Group have opposed against such a mandate for negotiations, claiming the existing services or government. China has emphasized on prioritising easy access first for rules setting to avoid conflicts among members at the multilateral

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Investment Facilitation

Discussions on investment facilitation are likely to be raised at the Buenos Aires Ministerial Conference of the WTO. Some countries having (and expected to have) significant investment interests across the world are supporting such a move, which is being opposed by many other countries. Such countries will need to be prepared with a back-up plan. This would entail providing informal support for preparation and dissemination of detailed counters to specific provisions of investment-related proposals being tabled at the WTO.

A document endorsed by 'investment recipient countries' on principles of investment facilitation may also be prepared. At MC11 in Buenos Aires, developing countries may agree for the setting up of a Working Group on Investment Facilitation, if there is concrete (not just substantial) progress in different areas of agriculture, where many of them are demandeur.

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Viewpoint

Investment Facilitation

8/2017

Discussions on investment facilitation are likely to be raised at the Buenos Aires Ministerial Conference of the World Trade Organization (WTO). Some countries having (and expected to have) significant investment interests across the world are supporting such a move, which is being opposed by many other countries. Such countries will need to be prepared with a back-up plan. This would entail providing informal support for preparation and dissemination of detailed counters to specific provisions of investment-related proposals being tabled at the WTO. A document endorsed by 'investment recipient countries' on principles of investment facilitation may also be prepared. At MC11 in Buenos Aires, developing countries may agree for the setting up of a Working Group on Investment Facilitation, if there is concrete (not just substantial) progress in different areas of agriculture, where many of them are demandeur.

Introduction

In mid-2017, five proposals on investment facilitation were submitted to the WTO General Council. The objective was to initiate discussion on multilateral instruments for investment facilitation with the intention of possible deliverables at the ministerial conference (MC11) in Buenos Aires in December 2017.

The submissions faced stiff resistance from many developing countries who have other priorities. These have subsequently been modified by 'investment recipient' nations calling for any WTO General Council decision.

The action at the WTO is closely linked with developments at G20 during the last year. In 2016, a Trade and Investment Working Group was established at G20 under the Chinese Presidency. The G20 trade ministers agreed on an interim

Guiding Principles for Global Investment Policy Making in 2017. Joint deliverables on investment facilitation were proposed by the Chinese Presidency. These included a draft package on investment facilitation, which was met with significant opposition.

Nevertheless, given that G20 collectively accounts for 85 per cent of the world's gross domestic product (GDP) and represents more than two-thirds of global foreign direct investment, any policy framework endorsed by G20 carries considerable international influence.

A Quick Recap

For nearly four decades of the General Agreement on Trade and Trade (GATS), investment issues were not brought under its rubric, until the Uruguay Round of negotiations, which was held in mid-1980s. At the first WTO MC in

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Trade Facilitation in Services

The concept of Trade Facilitation in Services (TFS) is fairly new. Recently, several WTO members have put forward proposals regarding domestic regulations in services trade on development of measures, administration of measures, transparency, gender equality, and development. Simultaneously, India has put its proposal on TFS, which can be viewed as an extended version of all proposals on domestic regulations. It will be interesting to see how successful will India be to take its proposal forward to the regular work programme of the WTO amidst growing concerns from many WTO members and long pending other issues.

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Introduction

The share of services sector in world trade has increased from 19.7% per cent in 2006 to 23.7% per cent in 2016. Value of world trade in services has increased from USD1.5 to USD3.6 bn during the same period. After the adoption of the WTO Trade Facilitation Agreement (TFA) in goods in 2014, there is a growing voice for a similar kind of trade facilitation disciplines in services trade.

Recently, many members have tabled proposals governing various principles of domestic regulations, which have been further required by India's proposal on Trade Facilitation in Services (TFS).

A Quick Recap

The General Agreement on Trade in Services (GATS) is the only existing set of multilateral rules covering international trade in services. Article XIX of GATS envisages that members shall enter into successive negotiations, beginning not

later than five years from the date of entry into force of GATS, for liberalising services trade and providing higher market access. Thus, negotiations began in January 2000 but until the WTO members have only been able to negotiate disciplines on domestic regulations in the accessory sector.

Currently, the WTO members are engaged in negotiating a separate set of technical disciplines on domestic regulations, which will not be able to liberalise the accessory disciplines, sector specific and will apply to all measures affecting trade in services within the scope of GATS.

Domestic Regulations

Services trade is protected mainly through disciplines of domestic regulations. The GATS agreement contains disciplines on barriers to trade in services in the form of restrictions on market access (Article XVI) and on national treatment (Article XVII).

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