



**Regional Workshop on
UNDERSTANDING WTO INSTRUMENTS
BUSINESS IMPLICATIONS FOR SAARC**

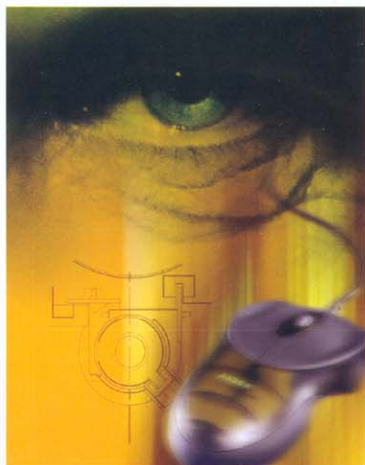
INTRODUCTION

As world trade become more and more global, the rules of the world trading system are being continuously redefined. The international business community is increasingly experiencing the impact of this process. For a better participation in the world trading system, it is thus necessary, now more than ever before, to understand clearly the business implications of these rules. This is especially so in developing and transitional economies.

The World Trade Organization (WTO) came in to existence on 1 January 1995, as a result of the Uruguay Round of Trade Negotiations. It is responsible for multilateral trading system which has gradually evolved over the last 50 years. WTO also provides a forum for continuing negotiations to liberalize the trade in goods and services through the removal of barriers and to develop rules in new trade-related subject areas. The WTO Agreements have a common dispute settlement mechanism through which Members enforce their rights and settle the differences that arise between them in the course of implementation. The WTO agenda adds negotiations and other work on agriculture and industrial tariffs, trade and environment, WTO rules such as anti-dumping and subsidies, investment, competition policy, trade facilitation, intellectual property, implementing the present WTO agreements.

The improved and strengthened rule-based system that has come into existence with the establishment of WTO is designed to promote the expansion of international trade. The system's primary goal is to provide liberal, secure and predictable access to foreign markets for the goods and service products of exporting enterprises. The system helps to ensure that enterprises can market their products internationally under conditions of competition that are equitable and without the disruptions caused by the sudden imposition of restrictions. The rules give industries and business enterprises certain rights vis-à-vis their own governments, and grant exporters in some cases the right to defend their interests in their export markets against the imposition of measures affecting their trade.

SAARC Chamber of Commerce & Industry (SCCI) has been actively playing a dominant role in creating awareness on WTO issues and advocating the private sector views in all international forums.



The severe polarization in views between the developed and the developing countries on WTO issues lead to a series of discussions in the world. The new emerging global trading environment has much use of WTO's implementations. WTO in this regime is very important regarding its role for the business community in the trade related sectors of the economy. SAARC Chamber of Commerce & Industry (SCCI) has been actively playing a dominant role in creating awareness on WTO issues and advocating the private sector views in all international forums.

To create an environment that builds up an understanding of the WTO instruments, SCCI in collaboration with AusAID organized series of workshops in SAARC member countries. The main objective of the workshops was the capacity building of stake holders at national as well as regional level on issues related to WTO to create awareness and formalize private sector strategy to meet the challenges of multilateral trading system. The first workshop was organized in Bhurhan on 8-12th February 2005 and second regional workshop was held in New Delhi on 29-31st March 2005. Workshops were attended by the identified target groups including businessmen, parliamentarians, trade lawyers, media persons and business analyst representing SAARC countries. Workshops focused on Doha Development Agenda with detailed discussion on Agriculture, Services, Textile, Dispute Settlement Mechanism, Trade Facilitation, and Anti-Dumping with focus on Roadmap for Hong Kong Ministerial.

▶ REGIONAL WORKSHOP ON WTO

Governments should come forward and need to define a tariff cutting formula on the non agriculture commodities which will lead to trade liberalization. Trade facilitation is a win-win situation which is a tool of economy boosting. Governments are going to adopt supplementary approaches to trade liberalization such as sector-by-sector tariff cuts. It has, therefore, become a matter of urgency that there is need to identify an approach that balances contributions with needs, and ensures an equitable outcome.

KipKorir Aly Azad Rana
Deputy-DG, WTO



The textile and clothing sector has emerged as the most important source of foreign exchange for almost all the SAARC countries. Many developing countries are heavily dependent on Trade in Textiles and Clothing Exports sector. The challenge in T&C is to improve the competitiveness of the South Asian garment industry by increasing vertical integration, capturing economies of scale as also focusing on horizontal specialization, incorporating innovative designs, and taking a stake in the global marketing networks. Hence, challenges for maintaining export competitiveness and industrial restructuring need to be analyzed on an urgent basis.

Nasim Qureshi,
*Former Deputy Head of Pakistan Mission to WTO
and Currently Joint Secretary,
Prime Minister's Secretariat, Islamabad*

The overall situation in Doha Round Negotiations was not a very reassuring experience. There were missed deadlines; entrenched positions on the key issues; lack of real engagement among countries, lack of progress in agriculture, in non-agricultural market access and dispute settlement. In almost every area there was lack of progress. The private sector must set the tone, must influence the Government negotiators. Government negotiators should try and keep some degree of policy space with them so that the Government can help the private sectors in the countries to develop, the industries to develop exports.

Ambassador Toufiq Ali,
*Permanent Representative of Bangladesh
on WTO, Geneva*

The General Agreement on Trade in Services (GATS) establishes a multilateral framework of principles and rules for trade in services with the objective of expansion and progressive liberalization of such trade as a means of promoting economic growth of all trading partners and the development of developing countries. The negotiations provide an opportunity for developing countries to achieve commercially meaningful market access commitments in sectors and means of supply of interest to them. The key concern for developing countries is not only whether the flow of trade is maximized but also the developmental aspects of such trade, including its contribution to building a competitive services sector and maximization of overall level of development at the national level.

Syed Habib Ahmed,
*Chief International Customs
Management Wing
Central Board of Revenue, Pakistan*





Some of the areas on which require greater transparency in the WTO agreements is the broad area of the trade defense measures and the DSP rules. On the trade defense measures itself both the agreement on anti-dumping and the agreement on subsidies and countervailing measures, there is need to be looked at to see in what manner our concerns can be dealt with. Anti-dumping is a two edge sword. Transparent international rules on anti-dumping, which can be applicable by all countries, is a necessity.

Shri S.N. Menon,
*Commerce Secretary,
 Government of India*

Having regard to the existing WTO provisions on matters related to investment and competition policy and the built-in agenda in these areas, including under the TRIMs Agreement, and on the understanding that the work undertaken shall not prejudice whether negotiations will be initiated in the future, there is need to establish a working group to examine the relationship between trade and investment; and establish a working group to study issues related to the trade and competition policy, including anti-competitive practices, in order to identify any areas that may merit further consideration in the WTO framework. Additional working group can conduct a study on transparency in government procurement practices, taking into account national policies, and, based on their study, can develop elements for inclusion in an appropriate agreement.

Inaamul Haque,
*Advisor WTO, P & D Department,
 Government of Punjab, Pakistan*

The development dimensions of the July Package will not cut tariffs or reduce any subsidies nor does it denote the end of the Doha Round. Special attention is required in the negotiations upon specific trade and development-related concerns of developing countries, including capacity constraints, food security, rural development, livelihood, preferences, commodities and net food imports & prior unilateral liberalization.

Syed Nayer,
*Counselor,
 Development Division,
 WTO*

Developing countries are entering into several bilateral agreements. These bilateral agreements are in the form of a new FTA which includes not only goods but services, trade facilitation and other areas. GATS article 5 allows developing countries to enter into these kinds of regional agreements, bilateral agreements. It also gives certain leeway to developing countries. It generally says that countries should remove substantially a large number of barriers and include a large number of sectors. In developing countries with the development of information technology the services barrier, the trade barrier is actually declining and there are various means in which trade is possible.

Dr. Arpita Mukherjee,
*Senior Fellow, Indian Council for Research on
 International Economic Relations*



Trade facilitation is a systematic rationalization of procedures and documents for international trade. There is need for rules and documentation to monitor and control movement of goods by sea, air, rail and road. The seller, buyer and stakeholders requires safe and timely delivery of goods of right quantity and quality in safe condition, the banks and insurance companies are involved in the transaction because there may be some loss of the goods involved, they have to be sure that no fraud is played. The Government agencies require for preventing illegal trade, to facilitate legal trade. The aim of trade facilitation is to reduce the information requirement, to provide standardize documentation and to provide harmonize procedures.

Shri Chittaranjan Satapathy,

Member, Customs, Excise and Service Tax Appellate Tribunal, Mumbai

There should be a strong mechanism to settle the disputes so that the confidence which is there in the WTO should remain alive or at least it should be generated. Most of the agreements of WTO, in fact, are very complex. One of the most important non-tariff barriers is that there is so much of paper work involved in WTO; there is so much of information flowing, the developing nations do not have the capacity to collate that information. The dispute settlement mechanism also ensures that in case there is a decision by the body against a particular country or a member, in that case, it should be complied with also. There is a need of a transparent process, timely and structured one and the dispute settlement mechanism should be faster than the domestically available mechanisms.

Shri Sharad Bhansali,

Strategic Law Group, Delhi

WTO is a system where there is a one country one vote principle, it works by consensus, in principle anybody can block the consensus, but in fact the realities of power, the realities of trade weight do tell and decisions which are right that do not always reflect the numbers of developing countries.

Mahmood Ahmad,

Executive Committee Member, SCCI Pakistan



It would be a good idea for South Asia as a whole to think proactively for zero Sectoral negotiations on products, say leather for instance. The UNCTAD has identified new areas of cooperation in the SAARC Region and recognized that there are differences between South Asian countries on some issues especially insofar as preferences are concerned and felt the need for objective study, research and capacity building to understand these issues. Cooperation in the neighborhood is critical for South Asia, to South Asia's ability to forge common positions in the WTO. All initiatives for cooperation at one level need to be driven by industry. It is not something that can create. It has to be felt at one level. It must be back by the respective Governments because it is the Governments which will have to eventually effect the policy changes.

Shri Kailas Karthikeyan,

UNCTAD-INDIA





other WTO agreements in the conduct of trade relations and the settlement of disputes. The longer experience with the DSM, including the implementation of panel and appellate recommendations, will further enhance the effectiveness and credibility of the dispute settlement system.

Majid A Wajid,

Consultant WTO, P&D Department,
Government of Punjab, Pakistan

1st Regional Workshop on WTO Participants, 8th-11th February 2005, Bhurban, Pakistan

1. Abdul Quasem Haider, Businessman, Bangladesh
2. Abu Hena, Member Parliament, Bangladesh
3. Ahmed Muizzu, Businessman, Maldives
4. Anil Sadanand Khanna, Businessman, India
5. Ashok Boss Sharma, Journalist, India
6. Madhurendra Nath Jha, Lawyer, India
7. Md. Moksadul Islam, Barrister, Bangladesh
8. Ngawang Jamyang Dorji, Member Parliament, Bhutan
9. Pema Needup, Lawyer, Bhutan
10. Ravi Ladduwahetty, Businessman, Sri Lanka
11. Sohail Manzoor, Journalist, Bangladesh
12. Subodh Kumar, Representative FNIS, India
13. Tandim Wangchuk, Businessman, Bhutan
14. Upal Jayasuriya, Lawyer, Sri Lanka
15. W. Ganwilli Perera, Businessman, Sri Lanka
16. Mohammad Aijaz Ahmad Ch., Member Parliament, Pakistan
17. Afshan Sobhi, Journalist, Pakistan
18. Mehmood Ahmed, Businessman, Pakistan
19. Ahmad Jabbar, Businessman, Pakistan
20. Kemal Ali Agha, Member Parliament, Pakistan
21. Waqar Ahmad, Program Coordinator, SCCI

2nd Regional Workshop on WTO Participants, 29th-31st March 2005, New Delhi, India

1. Pema Rinzin, Legal Officer, Bhutan
2. Rinchen Dorji, Businessman, Bhutan
3. Sangay Khandu, Member Parliament, Bhutan
4. Yeshey Chen Chen Lham, Trade Officer, Bhutan
5. Safiullah Chowdhury, Businessman, Bangladesh
6. Mir Muniruzzaman, Secretary (Int'l Affairs), FBCCI
7. Fatema Anwar, Barrister, Bangladesh
8. Abul Bashar, Journalist, Bangladesh
9. Ibrahim Shareef, Member Parliament, Maldives
10. Aminath Arif, Businessman, Maldives
11. Ali Rasheed Hussain, MNCCI Representative
12. Hon. Dr. Roop Jyoti, Member Parliament, Nepal
13. Prachanda Bdr. Shrestha, Businessman, Nepal
14. Bharat Upreti, Senior Advocate, Nepal
15. Shanti Chadha, Businesswoman, Nepal
16. Ratish Basnyat, Incharge SCCI Desk, FNCCI
17. Hon. Sagala Ratnayake, Member Parliament, Sri Lanka
18. Thivanka Ekanayake, Lawyer, Sri Lanka
19. Faizal Samat, Journalist, Sri Lanka
20. Indira Kulathillake, Businesswoman, Sri Lanka
21. Fatima Rifa Musthapa, Lawyer, Sri Lanka
22. Rohan Gunasekara, Journalist, Sri Lanka
23. Samantha Abeywickrama, Secretary General FCCISL
24. Amjad Rafi, Businessman, Pakistan
25. Maher Alam Khan, Incharge SCCI Desk, FPCCI
26. Mairaj Fatima, Journalist, Pakistan
27. Ejaz Hussain Rathor, Lawyer, Pakistan
28. Waqar Ahmad, Program Coordinator, SCCI



SAARC CHAMBER OF COMMERCE & INDUSTRY

Permanent Headquarters:

House No. 5, Street No. 59, F-8/4, Islamabad - Pakistan Tel: 92-51-2281395-6, Fax: 92-51-2281390
E-mail: info@saarcchamber.com Website: www.saarcchamber.com