

W delegates,

we have come a long way since GATT was initially established in 1947. During the last 50 years, we have striven progressively to lower barriers to trade all over the world. We have negotiated long and hard and we have endeavoured to understand and accommodate the interests of all countries and groups of countries. The Uruguay Round Agreements represent a major step forward in our efforts. The establishment of the World Trade Organization has created a forum for continuous negotiations to reconcile the sometimes conflicting interests of trading partners.

2. India is proud to have been a founder Member both of GATT and of WTO. Over the years, our negotiators have played a prominent role in shaping the contours of the multilateral trading system as it exists today. We have contributed significantly to the successful conclusion of all trade negotiations. We have helped in various ways to reconcile seemingly irreconcilable positions. We have participated effectively in the formulation of all major trade agreements. Since the formation of WTO, our delegation has been active at all times in all deliberations and we have played a part in bringing difficult negotiations to a satisfactory conclusion.

3. The multilateral trading system, which the WTO administers, represents a balance of concessions which, if implemented in letter and spirit, could bring about orderliness, transparency and predictability in global trade. The principle of most-favoured-nation treatment of all Member countries by each country, more shortcomings.

We have to be clear in our mind regarding the manner in which we are going to take the system forward and how we are going to strengthen it. We have to set at rest apprehensions regarding the lack of fairness of the system. For the system to be strong and effective, all Member countries must be assured that they have an equal and effective role to play in its evolution and that their concerns will be viewed with understanding and a spirit of mutual accommodation.

5. In order to make WTO an effective multilateral body, which serves the objectives for which it was set up, it is necessary to go back to the basic principles. The Uruguay Round negotiators had stated their intentions quite clearly in the Preamble to the Marrakesh Agreement Establishing the World Trade Organization. They recognized "that their relations in the field of trade and economic endeavour

should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development. They recognized also "that there is need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development".

6. It is very clear that the intention of the negotiators was to use trade as an instrument for development, to raise standards of living, expand production, keeping in view, particularly, the needs of developing countries and least-developed countries. The WTO must never lose sight of this basic principle. Every act of implementation and of negotiation, every legal decision, has to be viewed in this context. Trade, as an instrument for development, should be the cornerstone of all our deliberations, decisions and actions. Besides, the system should be seen to be equitable and fair. It must be used in such a manner that the letter and spirit of the Agreements is fully observed. The WTO Members must mutually support and encourage each other to achieve the final goal. It must be recognized that all Members should assume a negotiating rather than an adversarial posture. It should also be recognized that different economies have different features and structures, different problems, different cultures. The pace of change must be carefully calibrated to take into account such differences. All Members should guard against unilateral action that cuts at the root of multilateralism.

7. Developing countries have generally been apprehensive in particular about the implementation of special and differential treatment provisions in various Uruguay Round Agreements. Full benefits of these provisions have not accrued to the developing countries, as clear guidelines have not been laid down on how these are to be implemented. A case in point is Article 15 of the Anti-Dumping Agreement, which explicitly says that "special regard must be given by developed country Members to the special situation of developing country Members" in applying such measures and that "constructive remedies provided for by this Agreement shall be explored before applying anti-dumping duties where they would affect the essential interests of developing country Members". In actual practice, we have faced situations in which our products have been subjected to repeated anti-dumping actions and levy of provisional duties, creating an atmosphere of uncertainty and instability in the market, thus resulting in closure of smaller units and unemployment. Another example is Article XVIII:B of GATT which provides for a special dispensation for developing countries in the institution and maintenance of quantitative restrictions on imports. This Article clearly lays down that quantitative restrictions may be imposed and maintained by a developing country "to ensure a level of reserves adequate for the implementation of its programme of economic development". However, in actual practice we find that the development dimension is totally ignored while assessing the adequacy or otherwise of foreign exchange reserves, with the result that there is no distinction between Articles XII and XVIII. All developing countries are firmly of the view that development has to be brought back to the centre stage of WTO activities, as was intended by the Uruguay Round negotiators.

8. Another issue of deep concern is the trend towards unilateral action by certain developed countries in total disregard of provisions laid down in the Uruguay Round Agreements. We are forced, at great expense and considerable difficulty, to take such issues to the dispute settlement mechanism. Distinguished delegates are aware that developing countries and least-developed countries have to battle against resource constraints and shortage of skills and expertise in these areas. Such unilateral action, I have no hesitation to say, brings to disrepute the entire multilateral trading system which we have struggled to build over the years. This would neces

9. There has also been an increasing trend in the recent past in favour of regionalism. While regional economic groupings have resulted in increased trade among countries in the region, there is inherent danger of discrimination against third countries. Article XXIV of GATT specifically recognizes regional arrangements as an exception to the multilateral system. While we recognize the positive effect of regional groupings that are consistent with the principles of the multilateral trading system and also the special needs of developing countries as enunciated in the Enabling Clause, we fear that the proliferation of such arrangements may weaken the framework of the system. The rules relating to such regional arrangements need to be clear and precise and should ensure that market access for third countries is not denied or reduced. Otherwise, we will, over the years, have a situation where the multilateral system becomes largely irrelevant.

10. The implementation aspects of the Uruguay Round Agreements need to be given special attention. We have been articulating from time to time our concerns regarding the implementation of the Agreement on Textiles and Clothing. At the Singapore Conference, we had drawn the attention of Members to the adverse impact on our exports of actions taken under this Agreement, such as the series of transitional safeguard measures, which were subsequently found to be inconsistent even with the provisions of the Agreement. We have taken careful note of the First Major Review of the Agreement conducted by the Council for Trade in Goods earlier this year. It is a matter of deep concern to us to note that, in spite of the provisions negotiated by us to ensure a commercially meaningful phasing out of restrictions maintained under the MFA regime, the review confirmed that the bulk of restrictions would get integrated into the GATT 1994 only at the end of the transition period. This is indeed a serious matter, considering that the Members resisting progressive liberalization of trade in this sector are demanding from countries

is dependent on agriculture and any measure that has an effect on employment in this sector needs to be carefully examined. It is necessary also to have a close look at the shortcomings in minimum market access provisions, which are circumvented in many ways in the actual process of implementation by various ingenious methods such as aggregation of tariff lines into product groups. The exemptions given for direct payments to farmers and deficiency payments from the ambit of reduction commitments in respect of production subsidies also need to be carefully studied. There is also the

any flow back of benefits from patentees to original developers calls for amendments in the TRIPS Agreement. The imbalances in the TRIPS Agreement and its tilt against the holders of indigenous know-how, mainly based in developing countries, misaligns it with another major international agreement, namely, the Convention on Biodiversity.

16. Moreover, where Multilateral Environmental Agreements, such as the Montreal Protocol or the Framework Convention on Climate Change set time bound targets for adherence to certain environmental standards, there also has to be provision for transfer of environmentally sound technologies and processes on fair and reasonable terms to developing countries built into the TRIPS Agreement. The same mechanism of transfer of technology on reasonable terms will have to be available where developed countries lay down difficult mandatory national standards. Resources for compensating individual exporters for transfer of technology at non-commercial rates could easily be found from the funds presently used for providing subsidies and support measures to producers in developed