SETTING THE AGENDA FOR THE NEXT WTO ROUND: PERSPECTIVES FROM BANGLADESH ON THE SEATTLE MINISTERIAL

Paper 3

Mustafizur Rahman
Debapriya Bhattacharya
Rashed A.M. Titumir

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Centre for Policy Dialogue
House No 40/C, Road No 11, Dhanmondi R/A, Dhaka-1205, Bangladesh
Tel: 017-521580 (Temporary Contact); E-mail: cpd@bdonline.com
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Assistant Editor: *Ayesha Banu*, Coordinator (Dialogue & Communication), CPD
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The Centre for Policy Dialogue (CPD) has launched a programme on ***Trade Policy Analysis and Multilateral Trading System*** *to strengthen the national institutional capacity in the area of trade policy analysis, negotiations and implementation. The programme, inter alia, seeks to project the civil society's perspectives on the emerging issues emanating from the processes of globalization and liberalization. The outputs of the programme will be available to all stakeholder groups including the government and policymakers, entrepreneurs and business leaders, and trade and development partners.*

The core members of the CPD programme are: ***Professor Rehman Sobhan*** *(Advisor),* ***Professor Mustafizur Rahman*** *(Project Director) and* ***Dr Debapriya Bhattacharya*** *(Principal Researcher).*

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INTRODUCTION

The World Trade Organisation (WTO), which came into being following the conclusion of the Uruguay Round (UR) of the multilateral trade negotiation (MTN), is to soon celebrate its fifth anniversary. The major promise of the UR - generation of significant welfare benefit for *all* countries through strengthening of the multilateral trading system (MTS) - was put to test during the elapsed period. In this process one observes two distinctive trends involving the developing and developed countries.

On the one hand, the developing countries are trying to pursue a proactive approach in their effort to more effectively integrate their economies in the MTS, in the face of their continued marginalisation in the global trade and investment. On the other, the developed countries, faltering on their commitments towards their weaker trading partners, have stepped up their efforts to an early launching of a new round of MTN and broadening its scope through inclusion of "new" issues.

Box 1
Milestones in the Run Up to the Seattle Third Ministerial Meeting

- December 1993 Conclusion of the GATT Uruguay Round Negotiations
- April 1994 Signing of the Final Act at Marrakash by 111 of the 125 participating countries
- January 1995 Entry into force of the WTO Agreement agreed to by 104 countries
- December 1996 The First Ministerial Meeting held in Singapore which highlighted the threat of marginalisation of LDCs originating in the process of their global integration, and called for technical assistance for the LDCs
- October 1997 High Level Meeting on *Integrated Initiatives* held at WTO, Geneva and organisd by six major inter-governmental organisations
- May 1998 The Second Ministerial Meeting held in Geneva and adoption of Integrated Framework for Technical Assistance to LDCs
- May 1998 High Level Meeting held in Geneva and adoption of Integrated Framework
- June 1998 Meeting of the Senior Advisors to LDC Ministers of Trade Held in Sun City, South Africa
- 29 Nov. - Dec. 1, 1999 Third Ministerial Meeting to be held in Seattle will discuss launching of a new (Millennium) Round

Thus, with the approaching of the Third Ministerial Conference of the WTO, to be held in end November, 1999 at Seattle, which is to deliberate on the scope and structure of the "Millennium Round" ("Development Round"?), it has become imperative, for the developing countries (DCs) in general and the least developed

countries (LDCs) in particular, to take stock of the state of implementation of the UR agreements, to assess the prospect of reviewing the so-called "built-in agenda" of the UR agreements and to prepare for the next MTN.

Till the recent past, WTO matters had been the exclusive domain of official negotiations characterised by lack of transparency, accountability and stakeholder participation. Thankfully, it is now no more possible to ignore the contribution which the civil societies are capable of making through positive engagements, both with their own national governments as well as with the WTO. It is in this backdrop that the present paper seeks to project a civil society perspective on Bangladesh's concerns and expectations as regards the upcoming third WTO Ministerial Meeting.

The paper contains five core sections. Section I attempts to draw a balance sheet for the LDCs in terms of the macro indicators as they have behaved in the post-GATT phase within a comparative context. Section II focuses on the built-in agenda and highlights issues which needs to be addressed during the Seattle Ministerial. Section III attempts to identify elements of a positive agenda and their implementation modalities. Section IV examines the implications of the potential new issues which may find their place in the next multilateral negotiations. The final section (Section V) tries to articulate a strategic approach which Bangladesh may follow whilst addressing the issues which may define the contents of the new round.

I. STATUS OF THE LDCs IN THE POST-URA PERIOD

1.1 Economic Trends

Articulating an informed approach towards a new Round of MTN demands an analysis of economic trends in the post-URA periods. Is there any substance to the proposition that the process of marginalisation of the least developed countries (LDCs) has continued unabated in the post-URA period? What do the major economic indicators portray in this regard? What do the analysis of real GDP growth in LDCs reveal? Did the production structure in these countries undergo any changes? Do we witness any significant changes in their investment and savings scenario? What has happened to the terms of trade? Did the LDCs manage to increase their share in the world production and trade? Were the LDCs able to attract the required level of resource flows - private and official - for sustained growth of their production and trade. To seek answer to these questions, we briefly examine trends in output growth, trade expansion and financial flows.

1.1.1 Output, Investment and Savings Growth

The world output experienced an increased growth of 2.9 per cent during 1995-97 in comparison to 1.8 per cent which was recorded during the preceding three years (1991-94) of the URA. The improvement in global economic performance during the first three years of the post-URA was also shared by the developing countries. These countries increased their annual average growth rate to 5.3 per cent from 4.8 per cent during the corresponding period. More importantly, the LDCs recorded a sustained recovery from 1.1 per cent in 1991-94 to an average of 4.9 per cent in 1994-97 (Table 1). Output grew in Asian LDCs at annual rate of 5.3 per cent in 1997, down from 5.7 per cent in 1996. The South Asian economies grew at 6.8 per cent per year during 1994-96.

Notwithstanding this apparent upswing in global output during the post-URA, it may be noted that such performance only recaptured the lost heights of the 1980s. Moreover, by 1998, haunted by the Asian crisis, the world output growth slipped to 2.0 per cent. Slowdown in economic growth since 1997 has been the widespread pattern among all groups of countries. Whatsoever, the improved economic performance of the LDCs in the post-URA period was not strong enough, relative to the rest of the world to stave-off their creeping decline of share in world production (0.9 per cent in 1996).

Table 1
Growth in World Output: Pre- and Post-URA Period
(percentage per year)

	1991-94	1995	1996	1997	1995-1997
World	1.8	2.5	3.0	3.2	2.9
Developed Market Economies	1.5	2.1	2.5	2.7	2.4
Developing Countries	4.8	4.6	5.9	5.4	5.3
LDCs	1.1	4.4	5.5	4.8	4.9

Source: UNCTAD, The Least Developed Countries 1998 Report

The current levels of the volume of investment and savings as a percentage of GDP in the LDCs are far short of the required levels for attaining the sustained rate of growth that would lead to achieving significant productivity gains in the near future. The ratio of investment and savings are estimated to be at 16 per cent and 10 per cent respectively.

Historically, as was the case with all advanced countries, the transformation of an economy towards sustained growth is evident in the changes in its structure of production, measured in terms of sectoral contribution to real GDP growth. The production structure of LDCs as a group did not undergo any perceptible changes in post-URA period (Table 2). The share of agriculture in GDP remained dominant (38.6 in 1991-1994 and 38.4 in 1995-1996) and the output expansion largely underpined by growth in the service sector.

Table 2
Sectoral Contribution to Real GDP Growth in LDCs: Pre and Post URA Period
(as a percentage)

Period	GDP	Agriculture	Industry	Manufacturing	Services
Average growth rates per year					
1991-1994	0.9	1.6	2.2	0.3	1.8
1995-1996	5.1	6.4	4.2	6.7	2.8
Production Structure					
1991-1994	100	38.6	20.2	7.9	40.8
1995-1996	100	38.4	22.2	8.9	39.6
Relative Contribution by Sector					
1991-1994	100	33.4	24.9	1.5	41.7
1995-1996	100	54.7	20.6	13.3	24.7

Source: UNCTAD, The Least Developed Countries 1998 Report

The apparently high incremental growth observed in manufacturing in 1995-1996 (13.3 per cent) compared to 1991-1991 (1.5 per cent) failed to make any impact due to the sector's small weight in the production structure (8.9 per cent in 1995-1996 and 7.9 per cent in 1995-1996).

Moreover, the LDCs are likely to face a slackening growth prospects because of international economic environment and weather condition, two major determinants of these economies' performance remaining against them. The adverse weather conditions in 1997 showed the vulnerability of LDCs' economies to exogenous shocks. Widespread crop failures and the ensuing food deficit repressed growth, not only because the harvest of cash crop reduced, but also due to governments' compulsion to restructure expenditure outlay away from investment in infrastructure and manufacturing to emergency food procurement, rehabilitation programme and famine relief.

1.1.2 Trade Expansion

The world trade seems to have received a fillip following conclusion of the URA as it grew at an annual average rate of 7.8 per cent during 1995-97 in comparison to 6.0

per cent registered during 1990-95 (Table 3). During the corresponding period, export growth rate in developed market economies improved from 4.4 per cent to 6.8 per cent, while the export growth rates in developing countries increased from 8.1 per cent to 9.6 per cent. Concurrently the rate of import growth increased in the developed market economies to 6.6 per cent during 1995-97 as against 3.7 per cent in 1994-95. But such buoyancy was not noticed in case of developing countries import growth rate (9.1 per cent in 1995-97 as against 9.3 per cent in 1990-95).

Developments in commodity price, especially with respect to commodities of the LDCs' export interest does not show any encouraging trend in the post-URA period. Prices of non-fuel commodities witnessed a rise of mere 0.5 per cent in 1995-1997 in comparison to those of 1990-1995, but the correction is not associated with increases in the prices of agricultural products, important for LDCs' trade expansion.

Moreover, the trend observed during 1995-1997 period has been reversed by the Asian financial crisis. During June 1997 - April 1998, the non-oil commodity prices on an average recorded a dip of 10 per cent.

Table 3
Growth in World Trade and Developments in Commodity Prices
(percentage per year)

	1990-95	1995	1996	1997	1995-1997
World Trade	6.0	9.0	5.0	9.4	7.8
Volume of Exports					
Developed market economies	4.4	7.6	4.2	8.8	6.8
Developing countries	8.1	11.5	6.0	11.5	9.6
Volume of Imports					
Developed market economies	3.7	8.2	3.8	7.9	6.6
Developing countries	9.3	11.0	6.5	10.0	9.1
Commodity Prices					
Oil	-5.2	8.6	18.9	-6.2	7.1
Non-fuel	2.5	10.2	-4.2	-	3
Food	1.4	5.7	6.6	-4.1	2.7
Beverages	7.9	1.1	-16.5	28.8	4.4
Agricultural raw materials	4.1	16.1	-10.5	-10.9	-1.7
Minerals and metals	0.1	17.6	-12.9	-	2.35

Source: UNCTAD, The Least Developed Countries 1998 Report

In the absence of up-to-date comparable data, it is difficult to say conclusively what has happened to the growth correlates of the LDCs' exports and imports in the recent years. Our estimates suggest that the shares of LDCs in world exports and imports have at best stagnated at 0.4 per cent and 0.6 per cent respectively. However, it may very well be possible that during the recent past (between 1994 and 1998), the low-income economies have marginally increased its global share in exports (4.7 per cent to 6.7 per cent) and imports (5.0 per cent to 5.5 per cent).

It may, however, be stated that the share of Bangladesh's export in the global export has come down to 0.06 per cent from 0.09 per cent over the last decade (1989/90 - 1997/98). This has happened in spite of the country's impressive export expansion during this period.

Table 4
Trends in Share of LDCs in the World Economy
(as a percentage)

	1991-'96	1995	1996	1995-1996
Share of LDCs in world				
Output	0.7	0.8	0.9	0.8
Exports	0.4	0.4	--	..
Imports	0.6	0.6	--	..
FDI inflows	0.6	0.3	0.5	0.4

Source: UNCTAD, The Least Developed Countries 1998 Report

To assess nature of the recent recovery in LDCs growth performance in trade and its implication for the world trade, we need to take a close look at the changes in terms of trade, which portray a striking contrast. During 1980-1996 the terms of trade of the LDCs show a secular downward trend. Taking 1980 as base year, the terms of trade for LDCs were 77.8 in 1991-1994 and 60.0 in 1995-1996.

Recent data show that the terms of trade of the developed countries rose by 1.4 per cent, while those of developing countries as a whole have dropped by 3.9 per cent in 1998. Obviously, the LDCs have failed to take advantage of the tariff reductions induced price changes in the post-URA period.

1.1.3 Financial Resource Flow

The fragility of recent economic performance is quite evident in case of real resource flows - official and private - to the LDCs. Here, all the sources of resource inflow - official development assistance (ODA), private flows including foreign direct investment and portfolio investment - present a dismal picture. The net transfer of resources including technical assistance started to decline in 1995, when the net transfer of resources stood at 13.6 billion US dollars, down from the level annually recorded in 1990-1994 ($14 to $ 16 billion). Net private capital inflows as percentage of GDP declined to 1.5 per cent in 1995-1996 from 1.7 per cent in 1991-1994. ODA as percentage of LDCs' GDP decreased to 15.9 per cent in 1995-1996 from 17.0 per cent.

The process of marginalisation of the LDCs in the post-URA period is possibly most revealing in case of net financial flow. FDI inflow to LDCs averaged $2155 million during 1995-98, up from $1507 million in 1991-94. But in the backdrop of increase in global rate of FDI inflow to 26.7 per cent during 1995-98, share of LDCs in FDI inflows fell from 0.76 per cent to 0.47 per cent between 1991-94 and 1995-98 (Table 5).

Table 5
FDI Inflows
(Millions of dollars)

Region	1991-1994 annual average	1995	1996	1997	1998	1995-1998 annual average
World	197382	328862 (29.72)	358869 (9.12)	464341 (29.39)	643879 (38.66)	448988 (26.72)
Developed countries	128911	208372 (42.35)	211120 (1.31)	273276 (29.44)	460431 (68.48)	288300 (35.39)
Developing Countries	63707	106224 (4.96)	135343 (27.41)	172533 (27.48)	165936 (-3.82)	145009 (14.00)
LDCs	1507	1411 (72.91)	1780 (26.15)	2480 (39.32)	2948 (18.87)	2155 (39.31)
Bangladesh	8	2 (-81.81)	14 (600)	141 (907)	317 (124)	119 (387.29)
Share of Developed countries (%)	65.31	63.36	58.82	58.85	71.50	64.21
Share of Developing countries (%)	32.27	32.30	37.71	37.16	25.77	32.30
Share of LDCs (%)	0.76	0.43	0.49	0.53	0.45	0.47
Share of Bangladesh (%)	0.004	0.0006	0.003	0.03	0.04	0.02

Note: Figures in the parentheses denote growth rate over the previous year
Source: Authors' calculation based on UNCTAD (1999a) & UNCTAD (1998)

The figures presented above indicate that the process initiated through the adoption of the Final Act of the URAs and setting up of the WTO has not benefitted everyone equally - the LDCs have not been the beneficiaries of the envisaged advantage of the forces of globalisation.

The negligible output expansion that has taken place in LDCs in post-UR period is not underwritten by any manifest change in structure of production. The sectoral growth pattern of LDCs' economies reveals that recent performance was largely due to growth in agriculture, which is highly vulnerable to climatic condition. Moreover, the secular decline of terms of trade of the LDCs continued during the recent past. Furthermore, the weak performance of investment and savings and low FDI flows into LDCs, in the backdrop of declining ODA, casts doubts about the promises that were offered for liberalisation of their trade regime.

It is in the interest of the developing countries, especially for the LDCs, to seek more effective governance of the world economy in general and management of international trade in particular through adequate implementation of the commitments of the URAs and the last two WTO Ministerial meetings.

1.2 Experiences of Liberalisation

The developing countries accepted the Uruguay Round obligations on intellectual property rights, standards, etc., in exchange for market access – liberalisation by industrial countries on products of particular export interest to them. It is of importance to review the outcome of the Uruguay Round market access negotiations, with particular focus on what the developing countries agreed to versus what they have received in those negotiations. Because of lack of sufficient data, we are restricted to implementation experiences of agreements and some selected sectors which may considered as test cases.

1.2.1 Tariff Negotiations

At the Uruguay Round, the contracting parties agreed to tariff bindings or reductions. The tariff concession that the developed countries received following the URAs is 36 per cent of the imports whilst the corresponding figures for the developing countries was a 28 per cent. More importantly, it is evident from the Table 6 that the depth of the cut is higher in developing countries than developed countries. The reduction level received by the developed countries is 1.4, while developing countries benefitted by 1.0. On the other hand, the developing countries provided concession at a level of 2.3, while the depth of cut followed by developed economies were 1.0. Thus, the developing countries were doubly disadvantaged both as a "giver" and also as "receiver".

Table 6

Uruguay Round Tariff Concessions Given and Received

Tariff Concessions Given/Received - (All merchandise)	Bindings (percentage of 1989 imports)		Tariff reduction	
	Pre-UR	Post-UR	% of imports	Depth of cut
Tariff Concessions Given				
Developed Economies	80	89	30	1.0
Developing Economies	30	81	29	2.3
All	73	87	30	1.2
Tariff Concessions Received				
Developed Economies	77	91	36	1.4
Developing Economies	64	78	28	1.0
All	73	87	33	1.3

Source: Finger and Schuknecht (1999)
Note: The figures above only reflect reductions that resulted from commitments made at the Uruguay Round negotiations and do not include so-called ceiling bindings (bindings at rates above applied rates) nor do they include bindings of unilateral concessions.

1.2.2 Conversion of Non-tariff Barriers (NTBs): The Case of Agriculture

The UR Agreement on Agriculture (AoA) stipulates that all non-tariff barriers be converted into tariff equivalents, considering the 1986-88 as the base period. These tariff equivalents were to be added to the existing tariffs and the total tariff bound. The developed countries would then reduce the bound tariffs by 36 per cent on average, at least 15 percent on each item by January 1, 2000. The stipulation for developing countries was to reduce tariffs by 15 per cent on average and at least 10 per cent on each item. They were given until January 1, 2005 to accomplish the task.

The tariff equivalents for the base period 1986-88 chosen by Members are far higher than the "true" tariff equivalents (Pangariya, 1999). As shown in the fourth column of the Table 7, the announced base tariff rate exceeds the actual tariff rate (i.e., "dirty tariffication"). For EU and US such shifts are 61 per cent and 44 per cent respectively. The second column in the table shows the final tariff bindings for the major agricultural products in EU and the United States. For many products, post-UR rates are high in both developed and developing countries, but they are relatively high in the former. In effect this would allow the developed countries more manoevering power in future when negotiations on agricultural tariff reductions would be initiated.

Table-7
Uruguay Round Tariff Bindings and Actual Tariff Equivalents of Agricultural Protection, 1986-2000

Product	Actual Tariff Equivalent[a] (percent) 1989-1993	Tariff Binding (percentage) Final Period 2000	Proportional Reduction by 2000	Dirty Tariffication 1986-1988	Bindings 2000/ Actual Tariff Equivalent 1989-1993
European Union					
Wheat	68	109	36	1.60	1.60
Coarse Grains	89	121	36	1.42	1.36
Rice	103	231	36	2.36	2.24
Beef and Veal	97	87	10	1.00	0.90
Other Meat	27	34	36	1.32	1.26
Dairy Products	147	205	29	1.63	1.39
Sugar	144	279	6	1.27	1.94
All Agriculture					
Unweighted Average	45	73		1.61	1.63
Standard Deviation	57	96		1.58	1.68
United States					
Wheat	20	4	36	0.30	0.20
Coarse Grains	2	2	74	2.00	1.00
Rice	2	3	36	5.00	1.50
Beef and Veal	2	26	15	10.33	13.00
Other Meat	1	3	36	0.67	3.00
Dairy Products	46	93	15	1.09	2.02
Sugar	67	91	15	1.50	1.36
All Agriculture					
Unweighted Average	13	23		1.44	1.77
Standard Deviation	22	35		1.20	1.59

a: Announced base tariff rate as a ratio of actual tariff equivalent in the base period.
Source: Ingco (1995)

1.2.3 Removal of Quota: The Case of Textiles and Clothing

The Agreement on Textiles and Clothing (ATC) obligates all Members to liberalise all textiles and clothing products in four stages. The stages are on January 1, 1995, January 1,1998, January 1, 2002, January 1, 2005, encompassing 16 percent, 17 percent, 18 percent and 49 percent (by 1990 volume) of imports of all specified textiles and clothing products.

The implementation has proceeded through the first two stages, but most often complaints are voiced that importing member have weighted its liberalisation towards products that were not under restraint in that country, having little value added or on which developed economies do not have comparative advantage (e.g., yarns and fabrics rather than clothing). It is also argued that the developed countries have overused transitional safeguards or have applied antidumping and other WTO-legal restrictions disproportionally against textiles and clothing. The integration schemes are heavily back-loaded in order that actual liberalisation in textile trade takes place as late as possible.

An estimate, reported in Table 8, indicate that importers have integrated selected items that were not under restriction. The United States, in the initial two stages, has met its obligation to integrate 33 percent of its textiles and clothing categories into GATT 1994 in a way that has eliminated only percent of its MFA restrictions. The EU has eliminated 7 percent, Canada, 14 percent. Norway, among the countries mentioned in the Table 6, has liberalised more rapidly than the agreement requires. Similarly, this "integration" has been skewed away from products on which the developing countries have comparative advantage, e.g., few clothing categories, many categories of sophisticated textiles.

Table 8
Numbers of Specific Quota Limits on Textiles and Clothing Imports Notified and Eliminated in Stages 1 and 2 of ATC
(Stage 1 plus stage 2 requires integration of 33%, by import volume.)

Member	Notified, Number	Eliminated in Stages 1 and 2	
		Number	Percentage
United States	650	8	1
European Union	199	14	7
Canada	205	28	14
Norway	54	46	85

Source: WTO Doc, G/L/179, page 29, Norway G/C/M/23, p. 23.

In effect the experience of the five years of the post-GATT period vindicates the apprehensions that informed the developing countries' position during the URA, *viz* the challenges stemming from the agreements will be *real*, whilst opportunities will be *elusive*. The upshot of the above discussion is that in reality preferential treatment promised to LDCs in terms the technical assistance, safeguard clauses, S&D status, derogation commitments, best endeavor provisions, effort and flexibility clauses have remained largely unrealised. If this experience is to be treated as a *learning curve* for the LDCs then a cautious approach by the LDCs can be the only judicious strategy in any future negotiations in the WTO.

II. ADDRESSING THE BUILT-IN-AGENDA: ISSUES OF INTEREST

WTO provisions allow for reviews of particular provisions of certain Agreements as well as whole agreements at a certain specified period according to agreed schedules. This review of the *built-in agenda* is crucial on two counts. *First*, because it is important to evaluate the implementation process and the outcomes originating from it and based on this, to negotiate amendments, new provisions and agreements. And *second*, as distinct from earlier rounds, where disputes were resolved with participation of experts, without legal action and by consensus, the Uruguay Round's coverage is more complex and contains several *constructive ambiguities* for accommodating conflicting interests and hence has been subject to various interpretations during the process of implementation. Review of provisions is also important because according to Article 9.1 of the agreements which, whilst calling for continuing with GATT practice of consensus, provides for voting when decisions by consensus are not possible. The same principle also holds in case of dealing with interpretations, as is envisaged by Article 9.2[1]. Thus, a clear understanding about the problems of implementation, and new directions of negotiations pertaining to various provisions of the built-in agenda is of vital importance for a country such as Bangladesh.

Box 2 provides an idea about the major types of reviews which are expected to come under discussion in the forthcoming Seattle Meeting. The review of the built-in agenda essentially embraces three areas: (a) *specific provision review*; (b) *general review* and (c) *continuing negotiations.*

Box 2
Built-in-Agenda

Focus of Review:

- Improvements in existing agreements
- Traditional WTO agenda for continuing the process of liberalisation

Types of Review:

- Specific provisions review
  (e.g. subsidies/countervailing measures)
- General review
  (e.g. TRIPs)
- Continuing negotiations
  - Specified service sectors
    (e.g. movement of natural persons)
  - Specific subjects
    (e.g. safeguards/govt. procurement)
  - New negotiations
    (e.g. in agriculture and services)

[1] A majority of voters will be required for adoption of new provisions and a three-fourths majority for adoption of changes.

Nature of Review:
- Annual review
  (e.g. Customs valuation)
- Review at specific date
  (e.g. Agriculture in 2000)

Review of Implementation:
- Notification
  - Ad hoc
  - one-time
  - periodic
    (e.g. tariff structure)
- Trade Policy Review
  (e.g. 6th year for Bangladesh)

As per the agreed provisions of the Uruguay Round the reviews will be undertaken at specified periods. The schedule for some of the major reviews is given in Box-3. However, since the Seattle Meeting will provide an opportunity to discuss the

Box 3
The Built-in-Agenda: Schedule for Review

Form of Review	Agreement	Time
Reviews related to specific provision	Subsidies and Countervailing Measures • Non-actionable subsidies • Export competitiveness • Presumption of serious prejudice	 • End of 1999 • 2000 • End of 1999
	Trade-Related Aspects of Intellectual Property Rights (TRIPs) • Patenting of plants and animals • Precondition for dispute settlement process	 • 1999 • 2000
	Negotiating rights for small suppliers	• 2000
General Reviews	Trade-Related Investment Measures (TRIMs)	• 1999
	Implementation of Trade Related Aspects of Intellectual Property Rights (TRIPs)	• 2000
	Textiles and Clothing	• January 1, 1998 • January 1, 2002 • January 1, 2005
New Negotiations	Negotiations in specified sectors • Maritime transport • Service sector • Agriculture	 • 2000 • 2000 • 2000

Source: Compiled from various WTO documents

Important components of the major agreements negotiated under the Uruguay Round and will set the agenda for some of the future negotiations, the broad guidelines along which such reviews will be undertaken in near future will, in fact, be defined in the Seattle Meeting. That is why it is so important for Bangladesh to design a thoughtful strategic response on each of the important issues involved in the built-in agenda which may come under discussion in the course of the Seattle Meeting and, in the process, to be able to influence the discussion in such a way that our country position gets adequately reflected in the *Ministerial Text* which will be adopted at the Meeting.

2.1. Reviews Relating to Specified Provisions

Reviews in this area relate to specific provisions in URAs which had been incorporated on a *trial basis.* The objective of this particular review will be to improve upon the operation of the relevant provisions through an examination of the usefulness and practicability of such provisions.

2.1.1. Agreement on Subsidies and Countervailing Measures

The Uruguay Round Agreement on *Subsidies and Countervailing Measures* refers to three types of subsidies; *non-actionable* or *permissible subsidies,*[2] *prohibited subsidies*[3] and *actionable subsidies* [4]. Here three issues are of importance to Bangladesh: (a) non-actionable subsidies, (b) presumption of serious prejudice, and (c) export competitiveness of developing countries.

As it stands now the prevalence of non-actionable subsidies across countries has an in-built danger to perpetuate the inequalities between our domestic firms and firms from developed countries with which they are to compete in the liberalised market framework. This is particularly important because our indigenous firms lack the capacity to engage in R&D, and lack the financial resources to acquire or develop new and advanced technologies. Here, Bangladesh should *argue for transparency* in the area of applicability of the three types of subsidies. It is somewhat absurd that subsidies for R&D activities is non-actionable whilst assistance provided for development, diversification and upgradation of productive base of developing countries is considered to be either actionable or prohibited. Bangladesh should also press for financial resources to be made available particularly with respect to subsidies covered by Article 8.2.c, i.e. the so-called *green subsidies*.

Under current provisions export subsidies has to be phased out within a stipulated period when a 'competitiveness threshold' is reached which is defined by market penetration of 3.25% of world trade for a particular product for two consecutive years. Since Bangladesh, as many other LDCs, has provisions such as cash compensation schemes in place, she should argue for *exemption of LDCs* from this type of export

[2] Non-actionable subsidies are generally applicable across the board based on objective economic criteria e.g. benefits provided to small-scale industries. However, some types of subsidies such as allowance given for research and development which are not applicable for across the board are also treated under this category.

[3] Subsidies given to the promotion of export competitiveness and import substitution fall in the category of prohibited subsidies.

[4] All subsidies which do not come under the above two categories are termed as actionable subsidies.

competitiveness thresholds. Failing this, it should also be explicitly stated that if a LDC falls below the level of export competitiveness threshold, it would be able to put a brake on phasing out of export subsidy or apply for reinstatement of the subsidies. Since many of the traditional export items of Bangladesh such as jute, tea are susceptible to frequent market fluctuations, such amendment could provide a much-needed safety net. Another line of argument could be for extension of the threshold period from two years to six years. Article 27.2 may also be amended in such manners that Article 3.1(a) on prohibition does not apply to export subsidies granted by LDCs where they account for less than 10 percent of the f.o.b. value of products. There should be a cap on application of countervailing duties which could be fixed at 7 percent of total imports.

2.1.2. Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs)

The agreement on TRIPs is designed primarily for protection of intellectual property rights (IPR) in the area of patents, copyrights, industrial designs and other areas of IPR. Unfortunately, it basically fails to tackle the important problems related to adverse effects of IPRs on consumers. Two provisions are to come under review here patenting of plants and animals and the preconditions for the dispute settlement. Both of these have come under close scrutiny of the Bangladesh civil society and several proposals have been put forward in this respect. Bangladesh's position on these issues should be sensitive to such national concerns. By definition protection of IPRs are targeted to benefit the developed countries. Although the principles and objectives of the provisions in the agreement on IPR refer to technological development in LDCs and DCs, the agreement does not spell out in what ways these are to be enforced. Articles 7 and 8 of the TRIPs agreement should be operationalised by providing for transfer of technology on fair and mutually advantageous terms. Here Bangladesh could also argue for the technical assistance in this area from developed countries under Article 67 and operationalisation of Article 66.2. Bangladesh should strongly argue for amendment to Article 27.3(b) to the effect that no patent is granted to naturally occurring plants and animals and their part, including the gene sequence and essentially biological processes for the production plants, animals and their parts. There should be a clear statement that patents inconsistent with Article 15 of *Convention on Bio-Diversity* (CBD) will not be granted. Bangladesh should argue for retaining flexibility to develop *sui-generis* protection regimes suited to the seed supply system of each country. Bangladesh should also demand inclusion of list of essential drugs endorsed by WHO in the list of exceptions to patentability in Article 27.3(b) of the TRIPs agreement. A provision should be included, in the context of Article 41, to enable members to use automatic compulsory licensing for essential drugs to be supplied at reasonable prices. No patents should be granted for plant materials obtained from collections held in international germplasms and other depositories where such line of goods are publicly accessible. With respect to cause of action initiating the dispute settlement process the present coverage under provision 27(a) should not be allowed to expand as it will enable developed countries to undertake actions against countries even when they carry out their obligations under the agreement.

2.1.3. Dispute Settlement Process and Agreement on Antidumping

The Agreement on anti-dumping, as stipulated by Article 6 of GATT and Article 17.6 provides a mechanism for anti-dumping measures. Over the recent years a number of developing countries have faced harassment through anti-dumping litigations. Bangladesh herself had in the past been subjected to ADDs imposed on the export-oriented terry towel sector of the country. The present system of excluding anti-dumping from the general dispute settlement process is proving to be onerous for DCs and LDCs. Article 17.6 should be removed so that anti-dumping is brought within the folds of the general dispute settlement process. Bangladesh could pursue a two-pronged strategy here: *firstly*, to make the procedures for the initiation of anti-dumping actions much more simplified - till now these had generally tended to be complex, technical and expensive; *secondly*, Bangladesh should argue that LDCs should be altogether exempted from anti-dumping actions. There should also be a minimum time period which should be fixed at, for example, two years, from the date of finalisation of the previous investigation for the same product. Under the present provisions there is ambiguities in the margin of dumping. In this respect Article 2.2 should be given more clarity. The *substantial quantities test* should be increased from the present threshold of 20 percent to 50 percent as also the threshold volume of 3 percent, which is accepted to be negligible under Article 5.8, should be increased to 10% for the LDCs.

2.1.4. General Agreement on Trade in Services (GATS): MFN Principle

The GATS stipulates that a country can claim exemptions from the MFN treatment in services. In fact an agreed list of exemption is part of the agreement and subsequent exemptions may only be gained by means of a waiver process which is cumbersome. On behalf of the group of LDCs, Bangladesh should argue for exemptions for development purposes with a view to promoting transfer of technology and investment.

2.2 General Reviews

General reviews of various agreements are stipulated to be initiated to assess, at particular intervals, implementation and operation of the specific agreements. These reviews have varied time frames, some are annual in nature whilst others are time-bound. These reviews are intended to take note of the implementation experiences and initiate changes for enhancement of their efficacy.

2.2.1. Agreement on Textiles and Clothing (ATC)

Under the ATC it is stipulated that a review would be undertaken before the end of each stage of liberalisation process. Such reviews took place in 1995 and 1998 and are scheduled for other stages to be initiated in January 1, 2002 and January 1, 2005. ATC is an area where it is expected that conflicts of interest will be voiced by participating Ministers from the developing countries and there may be divergence of opinion amongst participants from the LDCs as well. It is unfeasible that an agreement favouring a longer period of MFA phase out will gain support of the majority of textile and apparels exporting developing countries. Bangladesh is expected to be supported by many LDCs if she argues for enhancement of the quota, which is provisioned under the ATC, at an accelerated rate. Bangladesh should also ask for new provisions which will call upon the

developed countries to exercise caution before embarking upon anti-dumping investigations that inhibit the export prospects of textiles from LDCs. Developed countries may be requested for commitment to initiate structural transformation in the textile sectors of their respective countries so that export possibilities of LDCs in particular market segments could be enhanced in the post-MFA phase. Bangladesh should also argue for exemption from anti-dumping duties and safeguard measures with respect to export of textiles. A strong case should be built up so that the General Council undertakes specific measures such as duty-free access for all LDCs' textiles and clothing exports under preferential trading arrangement.

The growth rate in quotas for LDC suppliers should be substantially increased. The restraining countries should apply the methodology employed by the EU in implementing the growth-on-growth for small suppliers and extend the same treatment to LDCs. Further undermining of LDC interests could be checked by calling on the importing countries concerned not to initiate anti-dumping actions against products under quota restrictions. Bangladesh should also ask for a moratorium which should be applied by importing countries on anti-dumping actions until three years after the entire textiles and clothing sector is integrated into the WTO and quotas are fully eliminated. Such moratorium will provide a safety net for Bangladeshi exporters as they graduate from the quota based regime to a quota free regime.

2.2.2. Agreement on Custom Valuation

Till now the experiences of LDCs in implementing the Agreement on Custom Valuation has not been very encouraging. LDCs, whose export are to a large extent import-driven, are facing formidable difficulties because of lack of adequate measures or ambiguities in the interpretation of specific provision. Such ambiguities are benefiting the exporters of the developed countries. Bangladesh is also prone to suffer because Articles 1, 8 and 17 are not adequate enough to deal with collusion between the exporter and importer in case of undervaluation of goods. There exists no means available to the custom authorities to check the veracity of prices, when these entities sell the product at specially reduced prices, i.e. dump their product. The agreement, as it stands now, needs to be amended to enable the custom authorities in the LDCs to check the authenticity of prices when large corporations sell their products at specially reduced prices. Bangladesh should argue for extension of the transitional period contained in Article 20 of the Agreement and ask for a more realistic timeframe for the LDCs. Bangladesh should also call for provisions, inscribing concrete and substantial technical assistance on custom valuation and preshipment inspection. Bangladesh should also argue for strengthening of specialised organisations such as World Customs Organisation through enhanced resource availability.

2.2.3. Trade-Related Aspects of Intellectual Property Rights (TRIPs)

As per the GATT Agreement the review of the implementation of the TRIPs Agreement will be held in 2000 and every two years thereafter. One aspect of the agreement which Bangladesh should forcefully underscore is Article 66.2 of the TRIPs agreement which makes it obligatory for the developed countries to provide incentives to enterprises and institutions in their territories for the purpose of promoting and

encouraging technology transfer to LDC. This part of the agreement is often overlooked. Article 7 of the Agreement states that IPRs should promote innovations, dissemination and transfer of technology "to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to balance of rights and obligations". At present the Agreement does not strike a balance between the rights of the IPR holders on the one hand and the rights of the users and the society at large, on the other. Bangladesh should argue for devising ways so that LDCs could participate fully in the negotiations for TRIPs. Changes should be brought to the rules of origin for products of export interest to LDCs in order to promote the participation of LDCs' in global production chain and marketing of their products. In the above connection Bangladesh needs to argue for Articles 7 and 8 of the TRIPs agreement to be operationalised by facilitating transfer of technology on fair and mutually advantageous terms. The present scope and effect of current means of protection of geographical indications under Articles 22, 23 and 24 should also come under scrutiny as problems are emerging to the implementation of the relevant articles. A balanced approach to the regional cumulation needs also to be designed.

2.2.4. Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU)

The DSU was supposed to come under review by the end of 1998; however, the review is still continuing. The cumbersome procedures and timeframes set for the process are such that it may require about twenty-eight months before a country obtains final relief after a dispute process is formally entered into. The delay may cause grave damage and leave irreparable adverse effect on the economy of LDCs because of the weak trading links and structures.

In case of non-implementation, Article 21.5 of the DSU stipulates that such a disagreement should be referred to the original panel, which must give its verdict in 90 days. In the absence of consensus to the contrary, the Article 22.2 says that, on request, the DSB must authorise suspension of the concessions, within 30 days of the expiration of the reasonable period permitted for implementation. This arrangement needs to be reviewed. Under present provisions no compensation is given for the lengthy period of time during which the measures continued to be enforced following notification of the dispute, and before the measures are declared to be inadmissible are finally removed at the end of the dispute settlement process. Bangladesh should also strongly argue for lowering the legal requirement for cases initiated by the LDCs. Bangladesh should seek for formation of a panel of eminent trade and legal experts, paid from the regular WTO budget, to assist in the preparation and/or presentation of their complaints. A special technical assistance fund should be set up to pay for legal expertise required by the LDCs, on a case by case basis. Provisions for a special technical assistance fund for increasing the indigenous capacities of the individual countries should also be fought for.

2.2.5. Trade-Related Investment Measures (TRIMs)

The TRIMs Agreement explicitly prohibits the domestic content requirement for investment. This is based on the Article III of GATT which ensures national treatment. Considering the implication of domestic content requirement provisions in encouraging domestic economic activities and foreign exchange savings, Bangladesh could make a

case for removal of this restriction or its amendment. The provision may be amended so that LDCs are exempted from the disciplines on the application of domestic content requirement by providing for an enabling provision in Articles 2 and 4 to this effect. Specific provisions should be included in the Agreement to provide developing countries the necessary flexibility to implement development policies which may help reduce the disparities they face *vis-à-vis* developed countries. These will address, amongst others, social, regional, economic, and technological concerns. Bangladesh should needs to argue for an open-ended extension of the transitional period which should be granted to those countries which have not yet fulfilled their notification requirements, with another opportunity to notify existing TRIMs and to continue to apply them as long as they remain in the category of LDCs.

2.2.6. Agreement on Rules of Origin (RoO)

The RoO determines the source of an imported product. The agreement asks WTO members to undertake harmonisation of the rules of origin applicable to non-preferential trade. Negotiations are currently on to design a set of rules to this effect. It is important for the LDCs to monitor closely this work as they may be affected by the possibility of partial processing in their territories when the actual manufacturing is carried out elsewhere. Here Bangladesh should argue that rules of origin for products of export interest to LDCs should be tailored to promote the LDCs' participation in global production chains and the marketing of their products. Also, the rules of origin in autonomous and unilateral trade regimes (unilateral preferential trading arrangements) in favour of LDCs should be simplified and harmonised. The work on RoO should be expedited and the Committee on RoO should be required to complete its remaining work on harmonising non-preferential rules of within a year. Any interim arrangements introduced by any member country subsequent to establishment of the WTO should be suspended and no new interim arrangements should be allowed to introduce.

2.2.7. Understanding on Balance of Payment Provisions

Article 17b of GATT allows the developing countries to take restrictive measures when they face balance of payment (BoP) problems. In effect, problems are emerging with regard to the *criteria used to determine the existence* of a balance of payment problem. There is a growing tendency to assign greater importance to the quantum of reserves and the flow of foreign exchange, whilst the nature of the reserves and flows are being ignored. The Provisions explicitly state that price measures will take precedence over direct import control measurers, which can be taken only if price measures are shown to be ineffective. This is a serious constraint as price measures are, arguably, ineffective in LDCs. Bangladesh should propose that the criteria which determine the existence of a BoP problem should be the composition of reserves, flows and the level of the need for foreign exchange. LDCs should be given full flexibility in the choice of measures for import control, with the normal provision for scrutiny in the *Committee on Balance of Payment Restrictions*. It needs to ensure that only this committee should have the authority to examine the overall justification of BoP measures. The spirit of Article 18 which gives special treatment to LDCs should be maintained when conflicts arise with Article 12 that allows developed countries to take resort to protective measures when they are faced with BoP difficulties.

2.3. Continuing Negotiations

A number of WTO agreements have provisions mandating further negotiations in specific areas and specified sectors. As part of the built-in-agenda, trade in agriculture and services are expected to be the subjects of upcoming discussion during Seattle Meeting. Meanwhile member countries have already submitted a good number of proposals for new negotiations concerning agriculture, services and related issues, which are annexed as 1, 2 and 3 to this sections.

2.3.1. New Negotiations on Trade in Services

Three sets of issues are of interest in the area of services. These include: negotiations in some specified sectors of services, negotiations on specific subjects, and negotiations for further liberalisation of trade in all service sectors. Four areas of contention are involved here: (a) Movement of the natural persons as a means of providing services, (b) Financial services, (c) Air transport and maritime services, (d) Telecommunication services.

One obvious imbalance in the General Agreement on Trade in Services (GATS) is the *treatment of labour and capital*. There is a specific provision for allowing cross border movement of capital if such movement is an essential part of the market access commitment or if a commercial presence is involved. However, there is no explicit provision on the movement of natural persons on similar lines. Specific provisions need to be incorporated in the GATS to correct the imbalance in the mobility of labour with regard to capital in liberalising the trade in services.

In the negotiations on services, further liberalisation of movement of natural persons would be essential for the full implementation of Article 4.1(c) of the GATS, which provides for the liberalisation of market access in sectors and modes of supply which are of special export interests to developing countries. It would also contribute to restore symmetry between the four modes of supply. For advancing the negotiations on the movement of natural persons, Bangladesh may *put forward the occupational approach*. In this context Bangladesh may identify particular categories of services in which LDCs have a comparative advantage. Bangladesh should also ask for measures for overcoming barriers created by qualifications and licensing regulations. These measures could include the participation of LDCs in mutual recognition arrangements, the development of international standards for qualifications, and use of partial mutual recognition of qualifications. Bangladesh should also ask for improvement in the transparency and predictability in the administration of visa regimes, work permits, licenses, the recognition of professional qualifications and other entry requirements. Concrete cases of non-transparent and discretionary measures applied to this mode of supply of service should be collated and put under review.

Telecommunication services are critical in enhancing efficiency in LDCs' export sectors. They facilitate the provisions of new tradable services such as electronic commerce and data processing. Bangladesh should forcefully argue for inscription in the WTO agreements, as a contractual undertaking, the provision of technical assistance in the area of personnel training, telecommunication infrastructure, and the drafting of legislation for WTO compatibility. In effect, Bangladesh should push for identification of all those areas where members have failed to comply with the terms of Article IV.3,

which stipulates that they should take into account "the serious difficulty of the least developed countries in accepting negotiated specific commitments in view of their special economic situation and their development, trade and financial needs".

Bangladesh should, from negotiating standpoint, guard against any attempt at defining all electronic trade as goods with GATT discipline applied and an agreement for no custom duty signed.

If a decision to revert back to adopting the GATT discipline on electronic trade has to be made, all the developing countries together should make sure that they do not sign the agreement for zero custom duty without negotiating something in return. During the new round, pressures are likely to come on developing countries to sign these treaties (WIPO) and perhaps to bring them into the WTO. In principle, developing countries could argue that IPRs in this area are not a part of the UR built-in-agenda and, therefore, should be relegated to *second track*.

2.3.2. New Negotiations Concerning Trade in Agriculture

According to the Agreement on Agriculture (AoA) negotiations to continue the process of reducing protection and domestic support in agriculture will start from January 1, 2000. There are four categories of issues which are involved: (a) "core" agenda, mandated for further negotiation, which has three components: market access, export competition and domestic support. (b) "new" issues: state trading; the administration of tariff rate quotas (TRQs)[5] and the question of export restrictions.[6] (c) "parallel" issues, such as generalised system of preferences (GSP) and sanitary and phytosanitary measures (SPS) and (d) "related" issues, having significant bearing on the development of agricultural policies such as intellectual property, made more relevant to agriculture as a result of the move toward the patenting of genetic material.

Bangladesh should forcefully argue for grant of duty and quota-free access to all agricultural products, including those in processed forms, which are generally of export interest to LDCs. Bangladesh should also seek exemption for all LDCs, including those acceding to the WTO, from undertaking commitments on domestic support and export subsidies. It is important to argue for elimination of export subsidies by developed countries, within an agreed time period, particularly for agricultural products of strategic interest to LDCs. Most of the LDCs are net food importing countries and Bangladesh needs also to project their interest. Provision of technical assistance to LDCs as envisaged in the Marrakesh Ministerial Decision on *Measures Concerning Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries*, should be enhanced, and made concrete, operational and contractual. A time frame for the revision of this Decision should be set, preferably before 30 June, 2000 for ensuring effective implementation of the Agreement. It needs to be strongly argued that developing countries with predominantly rural-agrarian economies needs to have sufficient flexibility in the *green box* in order to adequately address such *non-trade concerns* as food security and employment, especially its rural component. If in the calculation of the AMS, domestic support prices happen to be lower than the external reference price (so as to ensure access of poor households to basic foodstuffs), thereby

[5] This has been elevated from a technical issue to a political controversy by the WTO banana dispute.
[6] This was made more urgent by the policies of some countries during the high price period of 1995-96.

resulting in negative product specific support, then Members should be allowed to increase their non-product specific support by an equivalent amount.

2.3.3. Sanitary and Phytosanitary Measures

In recent past Bangladesh, as is the case with many other LDCs, have faced problems on grounds of non-conformity with SPS measures as they currently stand in the URA. Here a case may be built to the effect that if a particular measure creates a problem for more than one developing country, then the country adopting the provision will have to withdraw the sanction enforced under SPS. The provision of Article 10:2 should be made mandatory for developed countries so that a time period of at least 12 months is given from the date of notification for compliance of new SPS measures for products from the LDCs. Since many contentious issues related to SPS originate in international standard-setting organisations, it should be ensured that countries with different levels of economic development and from all geographical regions are present, throughout all phases of standard-setting. This will help factor-in many of concerns of LDCs in such areas.

2.3.4. Dispute Settlement Understanding

The DSU sets out the conditions under which a WTO member government may initiate proceedings against another member on grounds of non-compliance in trade related matters. There are some significant improvements in GATT UR provisions in terms of dispute settlement compared to the previous rounds. There is now greater certainty about the outcome because adoption of panel/Appellate Body reports cannot be vetoed. Besides, there is an adequate safeguard against delays, as specific time limits have been prescribed for the various stages in the process. The dispute settlement body (DSB) is expected to become a powerful tool in the WTO form the perspective of implementation of the UR provisions in the coming days. Thus it is of vital importance to Bangladesh to recommend modalities to raise its effectiveness in terms of servicing LDC interest.

Inspite of the provisions in URA developing countries face specific problems in the dispute settlement process which make it difficult for them to make effective use of the process. First, the process is very costly. Secondly, the proceedings are very technical and intensely legalistic. As developing countries generally do not have adequate technical expertise for this purpose, they have to depend on very costly legal expertise available in the major developed countries. Consequently LDCs have been reluctant and hesitant to initiate the dispute settlement process. A severe imbalance has arisen between developing countries and developed countries with respect to the capacity to enforce rights and obligations in the WTO. The "due restraint" provision is in itself weak and has little operational significance in the context of WTO. The provision for intervention by the Director-General or the Chairman may not provide significant relief in really difficult and complex cases. The protection of the rights of weak members such as LDCs should be a common concern of the entire membership of WTO; there is a need to work out a more reliable, but less costly, way of settling disputes involving LDCs.

Bangladesh should specially draw attention to the high costs involved in the dispute settlement process and ask for devising ways of reducing their cost or supporting

developing countries in more effective ways. Bangladesh should urge for provision whereby LDCs will be compensated for the costs incurred by them, if stand of a LDC has been found to be correct by a panel/or Appellate Body. The erring country could be held accountable for the additional compensation. In consideration of the emerging practical difficulties, there should be a provision for joint action by WTO members in a situation where a developing country is a complainant and a developed country is required to take corrective action. A provision should also be there preferably for retrospective compensation from the date of initiating the dispute settlement process, in case the complainant is a developing country and the corrective action is to be taken by a developed country. Bangladesh should also urge that until negotiations as regards a particular issue is completed in their entirety, developing-country participants shall not be subjected to dispute settlement procedures in regard to agreements to be implemented after a transition period ending the year.

Annex 1 to Section II

A Summary of the Proposal Submitted for the Incoming Round of Negotiations on Agriculture

Issues	Triads (United States, European Union & Japan)	Developing Countries
Market access		
Tariff peaks	• For reduction and elimination of the gap between applied and consolidated tariffs (USA) • Against reduction or minimal reduction (Japan) • For gradual reduction (EU)	• Substantial reduction or elimination of tariff peaks and escalation (Indonesia, Malaysia, Philippines and Thailand) • For Reduction (Cairn's group, Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic) • Claim for S& D resulting in better and greater market access (Andean Community Countries) • Tariff peaks reduction based on a general formula (no sectoral negotiation) (Chile)
Tariff quotas (current and minimum access)	• More transparent administration (USA) • Greater minimum access in some markets (EU & Japan)	• Non-discriminatory allocation and administration of tariff quotas (Indonesia, Malaysia, Philippines and Thailand) • To broaden and make commitments operative (Cairn's group & Costa Rica) • More transparent administration; Better and greater market access for products of interest for developing countries; Reduction of tariff escalation (Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic and Cairn's group) • Increase of minimum access and decrease of the applied tariff quotas (Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic) • Increase of the tariff quotas that were used more than 80%, (Chile) • Use of tariff quotas only by WTO members (Argentina and Uruguay)
Domestic Support	• Reduction, review of criteria to include measures in the "green box" aimed at non - distortionary trade. Enhanced discipline in the case of "blue box" measures (USA) • Review of the multifunctionality of agriculture and non-trade concerns considering the role of "blue box" in the reform process (EU) • For the multifunctionality of agriculture, some support is necessary (Japan)	• Substantial reductions in aggregate and product-specific domestic support (Indonesia, Malaysia, Philippines and Thailand) • Provision for certain degree of flexibility for the adoption of domestic policies and strategies for unleashing potentials in agriculture and for addressing non-trade concerns, including food security, rural development and poverty alleviation (India, Indonesia, Malaysia, Philippines and Thailand) • Develop a package of measures for improving national food security situation, maintaining the standard of living of rural population and preserving the environment, and exempt such measures from the reduction commitment (Cuba, Dominican republic, El Salvador, Honduras and Nicaragua) • Flexibility for compliance with agricultural agreement for countries that are victims of natural disasters and temporary application of domestic support measures for reviving domestic production (Cuba, Dominican republic, El Salvador, Honduras and Nicaragua) • Review of the "Green Box" measures that imply a circumvention of commitments and elimination of "Blue

		Box" ((Indonesia, Malaysia, Philippines,Thailand and Cairn's group) • Flexibility and advantages for developing countries, if these measures are directed to improve marketing, transportation, diversifiacation and compliance with SPS norms (Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic). • S&D treatment in order to progressively reduce these measures (Andean community Countries)
Special safeguard	• Continuation (EU & Japan) • Limitation of its use and eventual elimination (USA)	• Elimination and applicability of Art. XIX GATT 94 (Cairn's group) • Elimination of its application on products of interest for developing countries(Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic)
Export Subsidies	• Elimination (USA & Japan) • Gradual Reduction (EU)	• Complete abolition of export subsidies except as a special and differential provision for developing countries (India) • Immediate elimination of all forms of export subsidies and flexibility for developing countries (Indonesia, Malaysia, Philippines and Thailand) • Immediate and total elimination (Cairn's group) • For allowing its use by developing countries (Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic and Andean Community Countries) • Abolition of annual accumulation of unused subsidy amounts (Argentina, Brazil, Uruguay)
Export Credits	• Freedom of action (USA) • Greater discipline with multilateral rules (EU & Japan)	• Implementation of UR commitments to develop internationally agreed disciplines (Cairn's group) • Elimination of governmental intervention and subsidised insurance (Chile)
State trading companies	• Greater discipline with multilateral rules (USA) • Consideration of their role in the domestic policies on food needs (Japan)	
Other Issues	• Greater discipline for the use of export taxes that distort trade (USA) • Consideration of consumer concerns and developing counties' needs (Japan) • Measures for preservation of human, animal and plant health (EU)	• Special treatment for the elimination of illegal crops (Andean Community Countries). • No renewal of Peace Clause (Chile)
Food aid	• No restriction for the developing countries to fulfill their import needs	
Special and differential treatment		Proposed for inclusion in the negotiations (Indonesia, Malaysia, Philippines , Thailand, Cairn's group, Cuba, El Salvador, Honduras, Nicaragua, Dominican Republic, and Andean Community Countries). Elimination of S&D for developing countries in the case of export subsidies (Chile)

Source: Compiled from Proposals submitted by WTO member countries.

Annex 2 to Section II

A Summary Matrix of the Proposal Submitted for the Incoming Round of Negotiations on Service

Issues	Advanced Industrialised Countries	Developing countries
Nature of negotiations	• Negotiations should include all sectors and issues (EU, Norway, Australia and USA) • Greater commitment of members should be obtained for endorsement (USA) • The structure of GATS should be examined to obtain a formula allowing greater liberalisation (Australia)	▪ Negotiations should include all sectors and issues (Korea) ▪ The impact of GATS on developing countries should be assessed appropriately to define the negotiation landscape ▪ Gradual libearalisation should be sought as a way to promote economic growth in all countries including the developing countries (Argentina and Uruguay) ▪ Bilateral, plurilateral and multilateral negotiations should be accepted (Argentina)
Market access (concerning sectors in which commit-ments were made)	• To broaden the number of sectors covered by GATS	▪ Agreements in sectors of interest for developing countries should be opened for negotiations (Turkey, Egypt India and Uruguay) ▪ All sectors, including air and sea transport, should be liberalised (Chile) ▪ The system of positive lists should be maintained (Uruguay) ▪ The present architecture of GATS should be maintained (Argentina and Uruguay)
Market access (concerning supply modes)	• The ongoing work of the Committee on Trade in Services should be allowed to take care of tes issue (USA)	▪ Supply modes of interest for developing countries should be opened to negotiation (Turkey, Egypt and India) ▪ Displacement of people should be opened to negotiations (Turkey, Egypt and India) ▪ The system of positive lists should be maintained (Uruguay)
National regulation (Art. VI:4)	• Discipline should be strengthened to ensure a predictable and transparent regulatory context. Competition-friendly principles should be promoted (EU) • Regulatory disciplines should be established to support market access and national treatment	▪ Negotiations should be continued according to the GATS' mandate and to the decision included in the document S/L/70 from April 1999 (Uruguay)
Safeguards (Art. X)	• Defining whether these are feasible within the GATS framework (USA) • Inclusion of this issue in the 2000 negotiations (EU)	▪ To move forward for negotiations (Argentina, Mexico, Peru and Uruguay)
Government Procurement (art. XIII)	• Negotiation for commitment in the working group on transparency for better use of resources (USA) • Inclusion of the issue in the 2000 negotiations (EU)	▪ To move forward for negotiations (Argentina, Mexico, Peru and Uruguay)
Subsidies (Art. XV)	• Defining whether rules are feasible (USA)	▪ Priority should be given for negotiation in order to eliminate measures that distort

	• Inclusion of the issue in the 2000 negotiations (EU)	trade, in particular, those measures that affect exports (Argentina)
Participation of developing countries	• Assessment of effects of commitments (USA)	▪ Developing countries' interests are not given their due weight in spite of Art. IV. ▪ Mechanisms for implementation are lacking (Brazil) and are not operational (Peru) ▪ Greater participation of developing countries should be sought (Uruguay and Argentina)
Financial services	• Full implementation of the agreement should be given priority and further liberalisation should be obtained (USA)	
Telecommunications	• Full implementation should be given priority (USA) • Technical assistance for the regulatory reform should be granted (USA)	
Sea transport services	• Negotiations should be reinitiated (EU)	Negotiations should be completed (Argentina)
Natural Persons' Movement	• Specific provisions for correcting imbalances in the mobility of labour as regards movement of capital (Pakistan)	

Source: Proposals submitted by WTO member countries.

Annex 3 to Section II

A Summary Matrix of Proposals Submitted Developing Countries for Negotiations in Other Areas

Agreement	Proposal
Agreement on custom valuation	• Provision for rejection of transaction value method in cases of doubt about the truth or accuracy of the declared value of goods (India) • Appropriate correction in determining customs value since determination on the basis of transaction value of identical or similar goods creates a bias in favour of importers (India) • Inclusion of buying commisions in the computation of value under Article 8 of the agreement • Transition period granted is insufficient and extension is sought (Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Djibouti, Egypt, Gabon, Ghana, Kenya, Madagascar, Mali, Mauritania, Mauritius, Nigeria, Senegal, Togo, Tunisia, Uganda and Zambia)
TRIPS	• Additional multilateral protection, applicable for wines and spirits in terms of articles 23 of the Agreement, to the products of developing countries (India) • Protection of indigenous knowledge which risks being used by patent holders in developed countries without the flow of benefits from patentees to the original developers (India) • Mmoratorium on the application of the non-violation remedy under the Agreement should be maintained (African group)
Technical Assistance and Capacity Building	• Effective technical assistance and capacity building programmes for LDCs (Bangladesh)
Trade and Competition Policy	• Continuation of the educative, exploratory and analytical work of the WGTCP; • Assistance to participate more effectively in the work of the WGTCP; • Establishment of special technical assistance programme in the area of work related to competition policy; • Support for institution and capacity building; • Promotion of coherence between competition policy and related laws/policies (African group)
Agreement on Import Licensing Procedures	• Require amendment/ revision to improve ability to facilitate commercial exchanges (Korea)
Agreement on Rules of Origin	• Require amendment/ revision to improve ability to facilitate commercial exchanges (Korea)
Trade Facilitation	• Require new rules in simplification and modernisation of custom procedures, use of electronic media and electronic data interchange (EDI), technical cooperation, and transparency of rules and regulations on trade and custom procedures (Korea)

Source: Proposals submitted by WTO member countries

III. DEVELOPING A POSITIVE AGENDA: COMPONENTS OF THE DESIGN

As the process of GATT negotiations moved on from one round to another in the course of the last few decades, the developed countries were increasingly recognising that for any successful comprehensive agreement on the multilateral trading system (MTS) the concerns of the LDCs have to be taken on board. The intention was to weaken the developing countries' resistance to many of the provisions which came up for negotiations in consecutive rounds. This was done by way of showing some sensitivity to the problems of the developing countries, but without jeopardising the overriding interests of the developed countries. Thus, at the time of launching of the Uruguay Round at Punta del Este (1986), the Ministerial Declaration agreed upon by the participating countries stated that "there is a need for positive measures to facilitate the expansion of trading opportunities for the least developed countries". The need for such support was reinforced during the UR (1986-1993) where it was observed that through out the negotiations the developing countries in general and the LDCs in particular had been passive reactors to the agendas set by developed countries.

At Marrakesh (1994), the Ministers once again adopted a *Decision on Measures in Favour of LDCs* which reiterated the appeal for expeditious implementation of the provisions favouring the LDCs in various agreements. These included:

- advance implementation of MFN concessions on tariff and non-tariff measures for products of export interest to LDCs;
- an undertaking to improve preferential schemes including GSPs as regards exports from LDCs;
- a commitment to substantially increase technical assistance to LDCs;
- a further strengthened and deepened S&D status provided to the developing countries;
- exemption from a number of obligations either *indefinitely* (e.g. agri-subsidies and export subsidies on industrial products), or for *extended periods of transition* (e.g. TRIMs).

The positive trade agenda, an important outcome of the initiative originating from the Singapore Ministerial Meeting (1996), is a recognition of the fact that the current phase of globalisation may have varying impacts on different countries. The three goals of the positive agenda which are of vital interest to the LDC include the following:

- enhancement of the process of structural transformation and reversal of further marginalisation of the LDCs in world trade;
- ensuring LDC integration into international trade and the global economy on equal footing and from a position of strength; and
- reactivating and promoting economic growth of LDCs through trade, more specifically through export led growth strategies.

The issue of how far this promised package has been realised on the ground in the post-URA period must be put under serious scrutiny in the Seattle Meeting. It is now being increasingly felt that in order to play a more active role in future negotiations, developing countries and LDCs need to develop a reinforced "positive agenda" as a bargaining platform.

3.1. Technical Assistance to Enhance LDC Capacity: The Integrated Framework

Most of the technical assistance for the LDCs promised in the various WTO provisions are provisioned through such interventions as "assistance" and "endeavours", in few cases by "flexibility of approach", and only in rare cases by "derogation". Excepting for technical assistance in the form of two consultants who are available at the WTO secretariat to provide legal advice and assistance to LDCs in the event of a dispute, and assistance in a few other areas, concrete measures of technical assistance are yet to be formalised and realised.

To address some of the emerging issues in this area the first Ministerial Conference in Singapore adopted an *Integrated WTO Plan of Action for the Least-Developed Countries* which "envisaged closer co-operation between the WTO and other multilateral agencies assisting least-developed countries" in the area of trade. The Plan of Action envisaged "demand-driven" Integrated Framework (IF) which was supposed to extend trade-related technical assistance to LDCs. This initiative is underwritten by six major inter-governmental institutions as well as other multilateral, regional and bilateral agencies. The IF was mandated to assist LDCs to enhance their global competitiveness and trade opportunities by addressing four key constraints that inhibit global integration of LDCs:

- supply side constraints;
- constraints in the area of trade promotion and trade support services;
- market access constraints; and
- constraints in the area of WTO-compliance.

Following up on the mandate contained in the Singapore Ministerial Declaration, a *High Level Meeting (HLM) on the Integrated Initiatives for Least-Developed Countries' Trade and Development* was held in the WTO on October 27-28, 1997. The HLM endorsed an Integrated Framework (IF) for Trade-Related Technical Assistance. It was reported that initially 39 LDCs expressed interest in the exercise to be carried out under the IF.

The *Second Ministerial Conference* of the WTO which was held in Geneva on May 10, 1998, in its Declaration, recommended follow-up on the decisions of the HLM on LDCs. However, the work programme of the Second Ministerial was quite ceremonial in nature as it was scheduled to coincide with the fiftieth anniversary of the establishment of the GATT.

As the experience of LDCs including Bangladesh during post-Singapore period shows, precious little has so far been done in implementing the IF commitments.[7] The Third Progress Report on the Follow-up to HLM prepared by the WTO indicates that the IF is yet to be operationalised in a single LDC. Funds have not been forthcoming and many of the LDCs have become frustrated with the slow pace of the implementation of commitments.

In this backdrop, Bangladesh should vigorously pursue the idea in the Seattle Meeting to the effect that Article II of GATT, which talks about endeavours for technical assistance and cooperation to be provided to LDCs by developed countries is made *obligatory*. To effectuate this, Bangladesh could call for separate provisioning in the

[7] The Round Table Meeting (RTM) for Bangladesh under the Integrated Framework is planned to be held in end-January, 2000.

budgets of key agencies for providing technical assistance to the LDCs. Developed countries should be pursued to accept an undertaking in this respect in Seattle. Technical assistance needs to be projected as a right of the LDCs and its adequate and effective provisioning has to be a precondition for any future negotiations under the WTO.

In this connection, the proposal on Technical Assistance/Capacity Building submitted by Bangladesh, Lesotho, Nigeria, Senegal, the United States and Zambia appears to in the right direction, but not enough. The proposal envisages a new action agenda which will improve the IF through a number of measures including binding the Members by not later than July 2000 to complete an evaluation of current capacity building technical assistance delivery mechanism and develop proposals for General Council consideration by :

- examining implementation of the IF for the least-developed and propose improvements to the programme;
- assessing the viability of a development partner programme for the least-developed to assist these countries in making full use of the IF;
- improving cooperation among international intergovernmental organizations (IGOs) in the identification and delivery of technical assistance, with the objective of maximizing the number of participating IGOs in the new action agenda, particularly those participating in the IF;
- ensuring that capacity-building assistance of address "supply-side" and/or regulatory and other infrastructure needs are appropriately examined for further action;
- incorporating bilateral donors and technical assistance providers into activities under the new action agenda, including the IF, and explore ways to improve coherence in the interaction among bilateral donors, IGOs, including relevant regional IGOs and the non-governmental organization (NGO) community;
- working to establish a comprehensive framework for the funding of technical assistance, based on an evaluation of priority requirements, current funding mechanisms (including expenditures) and other potential funding sources to ensure effective use of resources and ensure their sustainability over the long term, including the Special Adviser's ability to coordinate the IF with adequate human and other resources;
- establishing a mechanism for the regular review and evaluation of capacity building and technical assistance activities which may include regular progress reports and follow-up to the General Council by the Director-General, a Deputy Director-General or Special Adviser; and
- taking into account progress on implementation of the IF for least-developed countries, to consider creation of a separate and distinct integrated technical assistance coordination and delivery mechanism for other less advanced countries and economies in transition, employing concepts used in the IF, where possible.

It will be interesting to observe to what extent these suggested measures get reflected in the Seattle declaration.

3.2. Special and Differential Treatment

The S&D status provided to the LDCs is a crucial component of the WTO mechanism which was designed to facilitate the process of global integration of the

LDCs. The S&D status given to the LDCs is envisaged to be implemented through: (a) exemptions; (b) delays in implementation; (c) preferential disciplines; (d) flexible scheduling; (e) best effort provisions; (f) technical assistance; and (g) safeguards.
However, in most cases the S&D related promises have not been matched by concrete actions. Realisation of many of the provisions of S&D treatment is contingent upon corresponding changes in the legislatures, fiscal and regulatory policies of the developed countries. Till now, this has not been done in majority of the developed countries. An analysis of these provisions reveals that marginal progress has been achieved in each of these areas (see Annex 1 to Section III).

In this context, Bangladesh's approach could be three-fold. *Firstly*, it is to be ensured that the S&D status favouring the LDCs continues to be an integral part of the new multilateral trade negotiations and should be designed in a manner which is responsive to specific needs of LDCs by taking into account their level of economic development. *Secondly*, Bangladesh should seek that all S&D provisions are converted into concrete obligatory commitments. *Thirdly*, it needs to be ensured that preferential treatment by developed countries will, in accordance with the *Enabling Clause*, be implemented in a manner which is generalised, non-discriminatory and non-reciprocal.

3.3. Consolidating and Strengthening the Positive Agenda

The approach to establishing a positive agenda for the developing countries and the LDCs does not consist of searching for a single common position for all such countries. Obviously, differences in the levels of economic development and economic interests will no let this happen. Rather the strategy should be to identify the different interests that will inform the positive agenda and then to build negotiating coalitions to firm up the agenda relating to various issues. Bangladesh's approach at the Seattle meeting should be to seek support for new elements in the positive agenda, especially focussing on preemptive steps to contain the potential negative effects which may emerge from any future negotiations involving "new" issues. As a strategic move Bangladesh should strive to inscribe special provisions in the text of the Seattle Meeting which will allow the LDCs to manoeuvre in future negotiations involving such areas as electronic commerce, government procurement, environment, investment, competition and trade facilitation and any other new issues.

As is known, WTO has four main functions: (a) rule making; (b) policy orientation and monitoring; (c) negotiations and (d) dispute settlement. The LDCs must keep in mind that in any future round in each of these four areas contentions issues will emerge which would need to be fought over, issue by issue.

The Singapore Ministerial Meeting has set a dangerous precedence - the decision to liberalise a particular sector, in this case trade in information technology, outside a negotiating round. If this trend continues, LDCs' precarious position is likely to be further aggravated, because they would have less time to prepare themselves and lesser opportunity to have a balanced agreement. As a strategy, Bangladesh should press for the discussion on further and future liberalisation to be brought within the ambit of WTO platform and reinforce LDC interest through appropriate positive agendas.

Bringing New Issues of Importance for Developing Countries

The effective way of striking a balance of rights and obligations in the WTO is bring to new issues of interest to the developing countries to the WTO agenda. On the one hand these initiatives would improve upon the negotiating position of developing countries; on the other, these processes of give and take between the developed and developing countries would strengthen the mechanisms of the WTO. The following issues may be taken up for putting in a place a strengthened positive agenda.

Market Access Issue

The issue of market access rightfully occupy a prominent place in the WTO Plan of Action for the LDCs. The WTO members at the High Level Meeting (1997) were invited to announce steps they should be taking on "an autonomous basis" to enhance market access to imports from the LDCs, and to notify the details to the secretariats of WTO and UNCTAD "as soon as possible".

Since the HLM, the WTO Secretariat has received only a few communications regarding award of further market access and trade opportunities to the LDCs. The Government of Turkey was first to inform that, with effect from January, 1998, it will apply preferential tariff rates to some 250 products at the 12-digit tariff line basis originating from the LDCs. The second notification came from the Commission of the European Communities stating that, as of January, 1998, non-ACP LDCs are benefiting from zero duties on a large number of industrial products which were previously excluded from GSP scheme as well as from tariff reductions on agricultural products in line with ACP preferences that were also previously excluded from GSP. As a result, 99 per cent of LDCs exports now enter the EU market duty-free. Similar notifications were also received from Switzerland, Canada, Egypt, Mauritius and the United States.

However, the provision on autonomous offers on market access remains vague and such notifications sent to the WTO are very few in number. Moreover, given the ambiguity regarding the contractual status of these offers, it is not clear whether they may be withdrawn or changed in the future. Thus, the process is potentially untransparent and unstable. Furthermore, providing legal basis for preferences by developing countries in favour of LDCs also requires waiver from GATT Article 1. Accordingly, market access provisions will be of singular importance for Bangladesh giving teeth to the reinforced positive agenda.

Tariff Reduction. It can be safely predicted that the upcoming MTN will have to deal with industrial tariff reductions, particularly because of the fact that incidence of tariff peaks and tariff escalation are still prevalent in sectors of export interest to the DC as well as the LDCs. Thus, a stringent formula, binding tariff reduction, needs to be introduced with a view to removal of the remaining barriers to market access those are adversely affecting the export interests of the LDCs.

Interestingly, many developing countries as well as LDCs, as a result of unilateral liberalisation or IMF/World Bank conditionalities currently apply lower tariffs than their bindings in the UR. In these cases, the DCs/LDCs should not allow WTO to become a

vehicle of further tariff reductions in sectors of interest to developed countries only. Rather, wherever possible, attempts should be made by the DCs/LDCs to match such proposals for tariff reductions with a demand for tariff reduction in sectors of export interest to them.

Zero-Tariff Access. The Director General of the WTO in his report to the Second Ministerial Conference (1998) (and later at G-7 meeting in Lyon) proposed that it would be appropriate to consider, in preparation of the Third Ministerial Conference, including the objective of eliminating all tariff barrier in favour of the LDCs as a matter of implementation on priority basis in the negotiations which start in year 2000. It was maintained that this concerns not just all advanced economics, but also the most dynamic developing countries, which may subscribe to this objective and to the principle of binding the liberalisation under the WTO.

It is quite surprising that, when all the developed countries have in principle committed to provide zero-tariff access to the LDCs through various high level declarations of the WTO, starting from its founding covenants, why should they make it an issue for the upcoming MTN. Why zero-tariff provision can not be accorded to the exports from the 48 LDCs, which together account for *less than one per cent of the world trade* as a "downpayment" for their participation in the new round (or as a withheld instalment from the last round) where they are being asked to take on new obligations. At best, their zero tariff provision for the LDCs should be made effective at the very beginning of the round signifying an "early harvest" for these countries.

To sum up, the developed country members should immediately implement the market access commitments made by them at the HLM (1997). Particularly, the commitment containing in the Second Ministerial Conference (1998) Declaration, i.e. "to continue to improve market access conditions for products exported by LDCs on as broad and liberal a basis as possible" should be implemented. A quantitative assessment of the extent of actual benefit that may have accrued to the individual LDCs as a result of implementation of the market access commitments by the developed countries needs to be undertaken. In fact, there is a need to strengthen the capacity of the WTO Committee on Trade and Development which monitors the implementation of the provision of UR agreements in favour of the developing country members by installing a transparent reporting system for S&D treatment including autonomous offers or policies in favour of the LDCs.

Non-tariff Aspects

It needs to be, however, underscored that, market access problem of the LDCs is not limited to tariff related issues. For strengthening the participating capacities of the LDCs in the WTO, the developed countries also need to do away with he technical barriers to trade (e.g. environment related measures, anti-dumping and counter-veiling duties, hygiene and phytosanitary measures) set up by certain importing countries. Such efforts are to be complemented by national supply capacity building measures in the export sectors.

Movement of Labour

While there are few or no barriers to trade in factors of production such as goods, services and even ideas, there appears to be no effort to remove barriers to the free movement of labour, having the highest forms of stringent conditions. Thus mobility for capital without equal mobility for labour has created more asymmetry in the global economy.

It is of the interest of the developing countries to push for removal of barriers to the movement of labour at par with movement of capital. The developing countries should not limit negotiations in this area to the confines of GATS, rather pursue the movement of labour parallel to the work programme on trade and investment.

Equal Participation in the WTO

The negotiating process in the WTO is opaque and is greatly influenced by a few major advanced industrialised countries. Moreover, the Secretariat is also dominated by developed countries.

Many developing countries, particularly the smaller delegations, are concerned with negotiating processes at the WTO since they are often excluded from much of the bargaining process going on in the 'Green Room' negotiations. In a signed declaration the representatives of Bolivia, Cuba, El Salvador, Guatamala, Honduras, Mauritius, Panama, Paraguay, Dominican Republic, Uganda and Djibouti stated that such "arbitrary" led to "divisiveness" and resentment.

The developing countries should ask for true execution of the principle of 'decision by consensus'. The developing countries should ask for removal of the often practised 'Green Room' deals and pressure tactics by a transparent and accountable decision making process where members are treated equally irrespective of their size and strengths. The secretariat needs to be restructured to reflect the diversity and composition of the WTO membership.

This also needs to be complemented and supported through active collaboration with civil society organisations which would prioritise issues from the point of national interest, social justice and equity considerations. Only such a combination is capable of designing and pushing forward a strategic positive agenda to be pursued in any future round of negotiation which will truly serve Bangladesh's national interest.

Annex 1 to Section III

SDT Provisions and Extent of Implementation of the Uruguay Round Decisions

Provisions	UR Decisions	Extent of Implementation
Delays on Implementation/ Exemptions	*Agriculture* - Developing countries given 10 years to implement (6 years developed countries) - least developed exempt from export subsidy, domestic support reductions. *TBT* - Time limited exceptions awardable to developing countries on request. *SPS* - Time limited exceptions grantable to developing countries on request; least developed may delay implementation up to 5 years; developing 2 years. *TRIMs* - 5 years for developing countries, 7 years for LDC and 2 years developed country. *Customs Valuation* - 5 years for delay on implementation; plus technical requirements on computation of duties *Import Licensing* - 2 years delay for developing countries. *Subsidies/Countervailing Measures* - Prohibited use of export subsidies contingent on export performance not to apply to LDC, (or developing, $1,000 GDP/capita). If countries become export competitive, subsidies to be phased out over 8 years. Other developing countries face 8 years phase after WTO initiation, and 2 years where competitiveness criteria apply. *Safeguards* - Developing countries can keep safeguards measures for 10 years (8 years for other countries). *TRIPs* - All developing countries have 4 years delay on implementation. Implementation of certain patent protection can be delayed further 5 years. 10 years delay for LDCs.	*Agriculture* - Exemptions under export subsidies/supports reflected in LDCs' schedules. *TBT* - No delays seem to have been requested by any developing country. *SPS* - No developing country seems to have requested delays. *TRIMs* - Uganda has requested a delay. *Customs Valuation* - 12 LDCs requested delays. *Import licensing* - Three least developed countries (Bangladesh, Burkina Faso, Myanmar) invoked longer implementation period. *Subsidies/Countervailing* - LDCs have right to longer termination *Safeguards* - No LDC has used safeguard measures. *TRIPs* - Automatic right to delayed implementation, no need to invoke.

Preferential Disciplines	*Agriculture* - Average 24% tariff cut (min 10%) for developing countries (36; 15 for developed). Developing countries allowed to retain import restrictions on some staples. Reduction in domestic supports (13.3% as against 20% for developed countries). Lower reduction required in export subsidies (24% versus 36% for developed countries). LDCs exempted from some transport related export subsidy commitments. *Subsidies/Countervail* - more generous *de minimis* provision on countervailing duty investigations (2% versus 1% subsidy for developed countries; 4% import volume, subject to a 9% cumulation rule). LDCs (< $1,000 GDP/capita) have 3% *de minimis* for eight years. *Safeguards* - *De minimis* on safeguards actions against developing country with exports of 3%.	Reflected directly in WTO disciplines.
Flexibility in WTO Disciplines/Procedures	*Article 18B* - Simplified consultation procedures may be requested by LDCs. *TPRM* - simplified procedures under TPRM available if also under BoP consultation; applies to all developing countries. *Agriculture* - Measures to encourage rural development exempted from disciplines on domestic support for developing countries. Developing countries exempted from Article 11 restrictions on export bans. *Dispute Settlement* - Developing countries have rights to at least one developing country panelist. Time limits for stages of dispute settlement can be extended if a developing country is the defendant. Panel reports are to indicate how SDT has been taken into account. Special situation of LDCs to be taken into account at all stages of dispute settlement.	*BoP/Article 18B* - Bangladesh requested simplified consultations, but was denied. *TPRM* - No information on use of simplified procedures. *Agriculture* - LDCs exempted from domestic support disciplines; special exemption for rural development measures. *Dispute Settlement* - No LDCs seem to have been involved in dispute settlement.

Best Efforts	*Agriculture* - Developed countries to take into account developing country interests in implementing market access decisions. Mechanisms to be established to preserve food availability in net food importing countries and LDCs. *Textiles/Apparel* - LDCs to be accorded more favourable treatment in the MFA phase out, also applicable to wool producing developing countries. *Anti Dumping* - Special account to be taken by developed countries interests of developing country. *Subsidies/Countervail*- WTO Committee on Subsidies/Countervailing Measures stands ready to review measures against specific developing countries if requested. TRIPs - Developed countries to provide incentives for technology transfer by their companies to LDCs.	*Agriculture* - Unclear of the extent to which developing country interests taken into account in implementing Developed country schedules. Net food/food availability commitment reaffirmed by developed countries; actions unclear. *Textiles/Apparel* - First stage phase out implementation by developed countries was criticised by developing countries as lacking in substance; preferential implementation towards LDCs unclear (besides US and Canadian actions referred to in text). *Anti Dumping* - Legislation of only one WTO member reflects special consideration to the commitment. *Subsidies/Countervail* - No request known. *TRIPs* - Technical assistance from WTO, WIPO; developed countries incentive measures undocumented.
Technical Assistance	Commitments in a number of areas (agreements) - BoP, SPS, TBT, Customs Valuation, Preshipment, TRIPs, Dispute Settlement, TPRM, GATS.	*BoP* - Unknown. *SPS* - Unknown. *TBT* - Implementation pending. *Customs Valuation* - Provided by World Customs Organization. *Preshipment* -Unknown- Some provided by World Bank. *TRIPs* - Provided by WTO & WIPO. *Dispute Settlement* - Consultants made available by WTO - no dispute cases for LDCs (outside bananas). *TPRM* - Unknown. *GATS* - WTO provided assistance.
Services (GATS)	Developed countries to establish (within 2 years) special contact points for developing country service suppliers. More favourable treatment on sectoral coverage requirements on regional integration arrangements for developing countries. Development objectives to be taken into account for developing countries in future subsidy negotiation. Flexibility on commitments to be made by developing countries in future negotiating rounds.	*Contact Points* - No information. *Regional Integration* - Unclear, no information on provisions used.

Source: Whalley (1999), Paparizo (1998), UNCTAD (1998a,b), and WTO (1998)

IV. INCORPORATING "NEW" ISSUES: AREAS OF CONCERN

It is by now well known that the developing countries are reticent about inclusion of the "new" issues beyond the already mandated negotiations on services and agriculture in the proposed review. However, it seems some of the developed countries are adamant in their wish to keep a number of "new" issues (such as investment, labour, biotechnology, environment, and industrial tariffs) on the negotiation table.

For more than a decade major developed countries have tried to bring "new" issues in to fold of the GATT and subsequently within the ambit of the WTO. For example, this was the case with *trade and environment* as regards which the terms of reference of a work programme for the WTO Committee on Trade and Environment (CTE) was designed following up on Marrakesh Ministerial Decision. This committee was to report to the first WTO Ministerial Conference in Singapore and, subsequently, the Singapore Conference decided to continue the work of CTE. Again, in connection with Marrakesh Declaration, through setting up of two Working Groups to study the association between *trade and investment* and the interplay between *trade and competition policy,* these issues got included in the WTOs discourse. Similarly, a Plurilateral Agreement on Government Procurement was adopted in Marrakesh which was signed mostly by developed countries. In Singapore, some major developed countries proposed that WTO should study the issue of *transparency in government procurement* practices for giving shape to a multilateral proposal. The work in this area continues. The other earlier covert attempt to include "new" issues in WTO agenda relates to the proposal on trade and labour standard linkages which though a compromise formula got included in the Singapore Declaration.

Given the historical experience with "new" issues, Bangladesh should do her best not to allow any work plan to be adopted on any of the "new" new issues or further work on "old" new issues. The WTO is a "single undertaking", meaning that a member has to accept all agreements. Refusal to sign on to one of the agreement means the country cannot be a WTO member, or has to leave. This makes it risky or even dangerous for new issues to be negotiated in the WTO. If there is agreement to negotiate a new issue like the investment treaty, and then a good majority of countries have reached agreement, those that do not agree would be under intense pressure. For there may be the prospect of having to leave the WTO as a whole. Accordingly, embarking on new issues of interest to the developed countries can be only done following adequate groundwork.

4.1 Trade and Environment

Major developed countries are insisting that trade restrictive measures enforced in pursuance of Multilateral Environment Agreement (MEAs) are automatically acceptable in GATT 1994. This was to be done by taking recourse to the terms of the general exceptions continued in Article XX of the GATT 1994 which permits a country to deviate from its obligations and take necessary measures for the protection of the life or health of human beings, animals and plants. This met with stiff resistance from the developing countries as they feared that such dilution may give birth to protectionism.

Another disagreement originates from whether trade measures should be considered only for "related" processes and production methods (PPMs) which refers to content and characteristics of the product as was the case in GATT or those "unrelated"

PPMs which do not modify the product at all. If such restriction is allowed, this could open up massive discrimination against the producers of the developing countries.

An associated problem relates to *eco-labelling*, whereby some countries use special labels that conforms to certain environmental standards. Developing countries have rightly expressed concern about the trade restrictive nature of such practices, particularly if unrelated PPMs are included in the eco-labelling standard. With respect to this, Bangladesh's position should be to ensure that developed countries are not allowed to include this agenda in the new round. As has been noticed, major developed countries under pressure from their industrial and environmental (protectionist) lobbies have in the past resorted to imposition of restrictions on imports from developing countries and LDCs on environmental grounds. Bangladesh should forge unity with the developing countries in order to prevent any dilution of discipline contained in the Article XX of GATT 1994.

4.2. Trade and Investment

On the contentious topic of investment, there remain three different positions. On the *one end of spectrum*, the EU argues that at Seattle, members should decide to include investment as a substantive negotiating issue. *On the other end*, a number of developing countries (including Malaysia, Egypt, and Pakistan) are against negotiating on investment, and advocate that the study process already underway at the WTO in the working group on Trade and Investment should continue. Playing a *middle ground*, Australia provides a third option, which suggests a continuation of the working group for two more years, followed by a report that would recommend the "desirability of beginning and concluding negotiating a framework of rules and disciplines for foreign investment".

The EU version of the Multilateral Agreement on Investment (MAI) envisages to give rights to foreign companies to establish themselves with 100 per cent equity in all sectors (except security) in any WTO country, without restrictions, and to provide "national treatment" (or be treated equal to or better than local firms). As a result, national policies/laws that favour local enterprises and other facilities would be deemed discriminatory, culminating to WTO-illegal and in cancellation.

In promoting its proposal to developing countries, the EU says the foreign investment treaty would lead to greater foreign investment in the South. Arguably, concern for the interests of the South is only a pretext, but the real motives of the proponents are to increase access of their companies to resources and markets of the developing countries, as well as to have another powerful instrument that prevents the emergence of strong domestic enterprises in the South and thus block the development of potential rivals.

The issue is not whether or not foreign investment is good or should be welcomed. Most countries presently accept the importance of foreign investment and are trying their best to attract foreign investment. However, there is evidence that foreign investment can have both positive and negative effects, and a major objective of development policy is to maximise the positive aspects whilst minimising the negative aspects, so that on balance there is a significant benefit.

The dominant view of the developing countries in this respect is the following.

- The WTO is a trade organisation. Its function should be restricted to trade issues. Moreover, issues it takes up should not only be substantially trade related (because there are many issues that are trade related) but also can be shown to be trade distortive, and thus impose an unfair situation on certain Members. It is not within the WTO's area of competence or jurisdiction to deal with investment issues *per se* or with rules and policies regulating foreign investments as such.
- Issues that link investment measures to trade are already covered by the TRIMs agreement in the WTO. The acceptance of this agreement in the Uruguay Round was already a major concession by developing countries (TRIMs for instance prohibits countries from having a local content policy for their industries, thus restricting the South's development potential). The WTO should stick to having TRIMs and not broaden its scope by incorporating investment regimes as a whole. There will be a process of reviewing the TRIMs agreement in the next few years. This review process is the appropriate place in the WTO for a discussion of the need and possibility of broadening the trade and investment issues. There is no need to start a working group on this issue.
- The proposed foreign investment treaty would deprive developing countries of a large part of their economic sovereignty. This goes against various UN charters and declarations. It removes the right of states and the powers of governments to regulate foreign investments and investments in general as well as other key elements of macroeconomic policy, financial management and development planning. The treaty is a throw-back to colonial-era economics. It cannot have a place in the present world where developing countries have the legitimate right to regulate investments, develop their own domestic economy and to strengthen their own enterprises.
- There is an important role for foreign investments in developing countries. But this role can be positively fulfilled only if governments retain the right to choose the types of foreign investments and the terms of their entry and operation.
- If there is a need to discuss the inter-related issues of investment needs, rights of investors and obligations of investors, the forum should not be a negotiating venue like the WTO, but a more open and neutral body such as UNCTAD, which has the general mandate to discuss policies within the development context. Through UNCTAD-IX, UNCTAD also has been given the specific mandate to discuss policies within the development context. Thus an educative process can be conducted at UNCTAD in the next few years, and there is no need to begin a similar process in the WTO.

However, host of these objections are not relevant for Bangladesh, as it has already extended "national treatment" status to FDI.

4.3. Competition Policy and Restrictive Business Practices

There are divergent views about competition policy and restrictive business practices. The EU supports inclusion of harmonisation of competition rules in the next round of negotiation. The US, however, remains opposed given that half of WTO members do not yet have domestic competition policies. The US argues that this fact would preclude concluding a new round in three years (concluding an agreement in three years is one of the few positions nearly all members agree on). The EU argues that WTO

competition rules could balance globalisation-related investment and mergers, and that competition rule would contribute to the overall objectives of the WTO, including the promotion of trade. Several developing countries and non-governmental organisations oppose using the WTO as a forum for negotiating multilateral rules on competition. These countries worry that the WTO national treatment and MFN principles would allow big companies to enter national markets, displacing local companies and possibly facilitating concentration of global market power in a few large corporations.

The subject of Competition Policy and Restrictive Business Practices (RBPs) has been before the international community for at least 50 years. The Havana Charter, which dealt with the government role in international trade, also envisaged control of the anti-competitive activities of business-corporations acting in restraint of trade.

Chapter V of the Charter, and Article 46, laid out the general approach, the obligation of each ITO member to take appropriate measures and cooperate with the ITO "to prevent, on the part of private or public commercial enterprises, business practices affecting international trade which restrain competition, limit access to markets or foster monopolistic control, whenever such practices have harmful effects on the expansion of production or trade and interfere with the achievement of any of the other objectives set forth in Article 1."

The issue figured on the agenda of UNCTAD-II (New Delhi 1969), and at UNCTAD-IV (Nairobi, 1976) a decision was made for initiating actions at international level. This in turn led to negotiations under UNCTAD auspices on the issue which resulted in the adoption by the UN General Assembly (Resolution 35/63 of December 1980) of the "Set of Multilaterally Agreed Principles and Rules for the Control of Restrictive Business Practices" (The Set). This was made applicable to all transactions in goods and services. Its adoption became possible only after compromises recognising and legitimising non-arms-length transactions involving TNCs - between parent and subsidiary, or among subsidiaries - but still allowing actions in domestic law in cases of abuse of dominant market power.

The "Set" though is only a voluntary guideline, placing a moral obligation on governments to introduce and strengthen legislation in this area and ensure that their enterprises, public and private, abide by the code.

While developed countries use these competition laws to hit anti-competitive practices and their negative effects on their domestic markets, they have generally ignored or often even encouraged export cartels whose activities affect other countries. Developing countries particularly have found it difficult to cope with these, and the cooperation of the developed countries in investigating and discovering such practices has been lacking.

Whatever the pros and cons of this concept of oligopolistic competition among the industrial countries, the developing countries face the problems of vertical integration characteristics of transnational corporate activities in the developing world. It is all inter-industry rather than intra-industry, and small and segmented markets. For example, the merger of Colgate and Palmolive some years ago, and more recently of the pharmaceutical firms Ciba-Geigy and Sandoz may or may not have had monopolistic effects in their home markets or in their export markets in industrial countries. But the former in India immediately created a high concentration and monopoly power.

Several of the covered agreements of the WTO have provisions in them relating to competition laws and policies - mostly they preserve the right of states to use competition law for public purpose. Such provisions can be found in TRIPs, in the GATS and other agreements.

Given the longer experience of UNCTAD in the administration of the Set, perhaps there is a case for more studies and discussions at UNCTAD that could provide a better comprehension of the differing problems and the best way of multilateral actions to deal with them. In fact the issues of foreign investment, technology transfers and restrictive practices and the competition issues are so interlinked that none of these could be dealt with in isolation, and there is no international organisation with competence. Only the UN can convene such a conference to address all the issues and see whether an overall framework is needed and if so of what nature, where, and how.

In fine, the developing countries maintain the following.

- Competition is generally desirable, but negotiation for a multilateral framework can only be initiated after a thorough scrutiny, keeping in track all the aspects. Laying a common standard or minimum standard across the countries is not desirable, should the local industries have to pursue a developmental objective.
- A policy framework need to be developed so that the local firms do not suffer unduly from subsidiaries of large corporations.
- There is need for a multilateral framework that could regulate the activities of the TNCs.

4.4 Government Procurement

The government procurement has not been subject to the normal GATT rules of non-discrimination as between countries (MFN) and between products (national treatment). Some developed countries proposed in the Singapore Ministerial that WTO study the subject of transparency of government procurement and identify the elements for a proposed treaty. This move by the developed countries is seen as an exercise aimed at expansion of markets for their goods and services by introducing MFN and national treatment clauses.

It is urged that Bangladesh should oppose introduction of MFN and national treatment in the area of government procurement. Bangladesh, along with other developing countries should actively participate in the process of defining the guidelines for government procurement in order to ensure that the current work should not be an excuse towards expanding the market of the developed countries.

4.5 Trade Facilitation

Like the other so-called new issues, study is underway to examine how various impediments to the free flow of international trade could be removed. It is important for the developing countries to identify procedural obstacles in other countries and to include those in the ongoing exercise.

Once again the developing countries should be cautious about embarking upon onerous obligations in this area.

To sum up, Bangladesh will have to put in quite a lot of effort, along with other developing countries, to ensure that the scope of next round of negotiation does not get broadened through inclusion of "new" issues of interest to the developed countries.

V. APPROACHING THE NEXT WTO ROUND: ELEMENTS OF BANGLADESH STRATEGY

In the past, Bangladesh, like many other low income countries, had been a passive observer of the evolution of the MTS and a benign recipient of the outcomes of the MTN. It is true that Bangladesh's marginal size as a trading economy imposed an absolute limitation on its ability to have any impact on the process and outcomes of the MTN. But it is possibly equally true that earlier there was hardly any appreciation on the part of the government as well as the business community about the high stakes involved in such global negotiations. Hopefully, things have changed for the since then.

Whatsoever, it is our contention that, since Bangladesh has committed itself to use international trade as one of the main vehicles for national development, the country can not afford to be a *fence-sitter* in any future MTN. By following a strategy of *positive engagement* on a *pro-active agenda*, Bangladesh can at least maximise from the opportunities available within the WTO regime and remain vigilant about the pitfalls involved in the process.

Four-pronged Approach

The analysis and observations presented in the foregoing sections allow us to delineate a four-pronged approach for Bangladesh towards managing the proceedings of the Seattle meeting. The four features of this approach are the following.

- *Maximum emphasis on full and faithful implementation of the UR commitments and subsequently undertaken obligations by the developed countries towards the LDCs.* Bangladesh should continue to hammer on the need to carry out an independent review of the impact of UR on the less developed countries before accepting fresh obligations under a new round.
- *Energetic participation in mandated reviews under the built-in-agenda to address the provisions inhibiting trade expansion of the less developed countries*. Certain agreements (e.g. ATC) and specific provisions (e.g. CVD and subsidies) which are of special interest to Bangladesh has to be kept under close scrutiny.
- *Creative development of a strengthened positive agenda reflecting the trade-related capacity building needs of the LDCs.* Bangladesh has to make vigorous effort to highlight issues of particular interest to her (e.g. movement of natural persons and zero tariff access) while defining the scope for next MTN.
- *Positive opposition to attempts of the developed countries in the past to include non-trade issues within the scope of next MTN.* Bangladesh should try to invoke the participation of relevant intergovernmental agencies (e.g. UNCTAD) for dealing with specific new issues (e.g. competition policy). Settled issues (e.g. Singapore consensus on labor standards) should not be allowed to be reopened.

Agreeing to a Minimalist Agenda

Operational implication of the above described strategic approach essentially means resisting launching of a new round till comprehensive assessment of the post-UR developments have been made. However, such resistance will be to a large degree of tactical nature as the built-in-agenda requires negotiations for increased market access in the areas of agriculture and services. Given the prevailing pattern of industrial tariff

spikes in developed countries, Bangladesh may agree to UR built-in-agenda follow-ups *plus* market access negotiation in industrial goods. Given the lack of negotiating capacity for a round with extended agenda, it will be highly advisable to limit the scope of next MTN to a *minimalist agenda.*

Taking a Holistic View

Outcomes of UR were offered as a single undertaking. This approach has served developing countries poorly. Accordingly, while carrying-out negotiations on specific agreements (provisions) efforts should be made to maximise the total benefit from the full range of negotiation. This implies, the country has to identify the bargaining chips which it can give away to the trading partners in order to enhance welfare gains in areas of more vital importance.

However, given the unequal distribution of bargaining power, Bangladesh may argue for a *two-track approach* where trade liberalisation and built-in-agenda will be in one track and the rest of the issues in the other track.

Building Issue-based Coalition

Although Bangladesh is a LDC and a leader of the group for that matter, it will be unwise to define its stance exclusively by the perspective of low-income countries. There will be some issues where Bangladesh would need to pursue agendas of its direct interest which may apparently be in conflict with the position of other developing countries (e.g. transition period of ATC). However, there will be many other systemic issues where Bangladesh may piggy-back on the efforts of other developing countries (e.g. TRIPS related aspects). Thus it is important to pick and choose not only issues, but also coalition partners depending on concrete circumstances.

The Seattle Declaration

The process to draft a Ministerial Declaration which would outline the scope of the future negotiations that will be emerging from the Seattle meeting seems to remain plagued by diversity of views. The most recent version of the text (released on October 19, 1999) is essentially a compilation of tentative formulations collated from various proposals. A revised draft declaration was expected by November 18.

Parallel to the "official" draft which is being prepared under the stewardship of WTO General Council Chairman, another "rebel" version which has been released by a group of developing countries known as the Like-Minded Group (India, Egypt, Pakistan and Malaysia) has highlighted two key implementation issues that they want on the table at Seattle. The first is the issue of *textile market access;* and the second is the issue of *export subsidies* for industrial products.

While agreeing with the spirit of the "parallel draft", Bangladesh has to remain conscious of the fact that its interests in the textile market access issue is not similar to other large clothing exporting countries (such as India and Pakistan). Whatsoever, Bangladesh has to pay close attention to the final wordings of the Seattle declaration as it will serve as the mother document for the negotiations that will follow.

Need for Adequate and Continuous Preparation

While urging for articulating an informed and forward-looking national position for the Third Ministerial, it needs to be pointed out that the WTO meeting which is to

take place in Seattle is *just the beginning* of a new phase. Usually, three-year time frame is generally agreed upon for WTO talks, but the last review lasted for almost eight years. This implies that, if the Seattle meeting agrees on launching of a new round of MTN, with whatever agenda, then Bangladesh has to be prepared for actively participating in it for the next three years, if not more. Keeping this in view, Bangladesh has to mobilize its own scarce resources for technical preparation in order to protect its areas of interest and launch a concerted effort with issue-based coalition partners towards capturing the initiative from the very beginning of the negotiations process.

Within the milieu of Bangladesh's economic policymaking process, such preparations have to be embodied at least in five focal areas in a coordinated fashion: *the Ministry of Commerce, Chambers of Commerce and Industries, Bangladesh's Permanent Mission in Geneva,* the institutions involved in policy research and analysis, and *the concerned civil society organisations.*

- The capacity of the Ministry of Commerce, particularly its WTO Wing has to be significantly strengthened in terms of human and other technical resources so that it may provide necessary leadership in the negotiation process. Resources available from the on-going technical assistance programmes (e.g. Export Diversification Project) or other future programme (which may follow from the IF Round Table Meeting) may be used for this purpose. A high-powered steering committee will have to monitor and provide effective guidance to the whole process.
- The trade bodies needs to acquire a critical level of internal competence so that it may articulate their "felt need" and propose strategic options to the government. Being the representatives of the major market actors, the Chamber leaders have to work as a conduit for transmittal of signals (information) to the government emanating from the evolving global economic scene.
- The Permanent Mission of Bangladesh is Geneva needs to be equipped for effective participation in the negotiation process. In case the government feels financially constrained to increase the strength of the Mission in Geneva, the Chambers should create an endowed position in Geneva, as least for the next three years.
- In the backdrop of scarcity of trade policy analysts in general, and specialists in WTO matters in particular in Bangladesh, targetted efforts need to be undertaken to promote national research and analytical capacity in these areas. While the academics have to renew their professional interests in the issues concerned, both the government and the trade bodies have to reach out to these experts for ensuring their participation in the policy formulation and implementation process.
- Trade policy is now-a-days too important a matter to be left exclusively in the hands of the government and business community. Given the far reaching impact which the WTO rules and regulations usually have on the livelihood and welfare of the common citizens, the concerned civil society organisations have to strengthen their own capability to influence national policymaking process. Such a role of the civil society bodies will also contribute towards improving the state of governance in trade policy-related matters through enhanced transparency and accountability.

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