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Suspension of Doha Round Talks

The Cost Implications for India

— Pradeep S. Mehta* & Pranav Kumar**

India should make all efforts to revive and conclude the Doha Round of negotiations, as overall the country will gain much from multilateral liberalisation.

India should seek a balance between market access and development dimensions of international trade while taking the Doha Round of negotiations forward.

I. A Brief Background

Doha Round of trade negotiations has raised much expectation for most of the developing countries when it was launched in November 2001. By all indicators, the Doha Round is the most ambitious in the history of the multilateral trading system under the aegis of the GATT/WTO. The intended objective is to address the prevailing imbalances in the world trading system, as manifested in many WTO agreements.

When the WTO was established in 1995, following the conclusions of the Uruguay Round of negotiations, many poor countries were not in a position to understand various developmental implications of trade and trade-related rules. Otherwise, how could one explain the backloaded nature of the Agreement on Textiles and Clothing?

This is especially intriguing because many experts (including former trade negotiators) were of the opinion that developing countries accepted the inclusion of the IPR (intellectual property rights) regime into the rules-based multilateral trading system in lieu of perceived gains from the opening of trade in textiles and clothing.

The word *Development* was in the declaration, which trade ministers agreed at Doha. One ostensible reason for the success of the Doha Ministerial Conference (including an agreement to launch a new round, first under the auspices of the WTO, of trade negotiations) was the 9/11 tragedy in the US, and it therefore became important to bring in some stability at least in the world economic system.

Many developing country members of the WTO were initially opposed to the launching of a new round, mainly because of unfulfilled promises of the Uruguay Round. They were also against expanding the WTO negotiating agenda by including Singapore issues[1], which were mainly being pushed by the European Union (EU) as sort of a quid pro quo for cutting down their farm subsidies.

Given the prevailing geo-politics, the poor countries agreed to the launch of the new round on a very categorical assurance that the Round will address their developmental concerns, including sorting out the problems in implementation of the Uruguay Round agreements.

Thus, from the very beginning *development* is as much important as *market access* (in its narrow sense) for the success of the Doha Round of negotiations. In other words the spirit of the Doha Round lies not in mercantilist approach to international trade (as manifested in "exports are good while

* *Secretary General, CUTS International; **Policy Analyst, CUTS CITEE*

India should take lead to get discussions on implementation issues of the Uruguay Round Agreement back on track and make a demand for binding commitments (as part of the Doha Package) on special and differential treatment.

The National Foreign Trade Policy, 2004-09 (including its annual supplements) should be implemented in its letter and spirit, and irrespective of progress on Doha Round of negotiations.

imports are bad") but to look at trade in terms of human development.

At Doha, until the very end India was against the launching of a new round. In fact she was left all alone in the end, after most of the poor countries got some concessions on their preferential access into the EU market. India's main concern was to ensure that Singapore issues should not be included in the negotiating agenda and for that India went to the extent of seeking clarification from the Chairman of Doha Ministerial Conference Youssef Hussain Kamal.

Along with the Doha Ministerial Declaration, the Qatari minister issued a supplementary statement clarifying that the decision to launch negotiations on the four Singapore issues would be taken at later date after an "explicit consensus on the modalities".

Another important worry of India (at Doha) was that implementation issues, compiled after months of hard toil should not fall behind as the new round is being launched. This very concern of India was addressed through a separate declaration at Doha.[2]

A close analysis of India's demand and stance at the time of launching of the Doha Round indicates that it did have market access interest and subsequently that interest was balanced with developmental concerns. This (developmental concerns) is particularly evident from negotiating positions that India is taking over the last two years or so.

This balancing of concerns has placed India as one of the key players in the course of negotiations and also helped her in placing and balancing both offensive and defensive interests in all three core areas of trade liberalisation: agriculture, industrial goods (known as non-agricultural market access (NAMA) in WTO vocabulary) and services. Along with this, Indian negotiators never forget to remind the rich members of the WTO that since she was not a *demandeur* of this round, she should not be blamed for its failure.

Now the Doha Round of negotiations has officially been suspended. This is a big setback to those who have been the major votaries of multilateralism. The suspension may not adversely affect the trading interests of countries like EU, USA, Mexico, Canada, ASEAN, etc., who are members of well functioning regional trading blocs.

What does it mean for India, which has simultaneously pursued multilateralism and bilateralism quite vigorously in the recent past? How does India perceive the implications of costs that she may have to incur in the wake of collapse of the Doha Round of talks?

As per its National Foreign Trade Policy 2004-09 (henceforth NFTP), India is aiming to double its share in world merchandise trade by the year 2009. Would this be possible in the absence of meaningful trade liberalisation at the multilateral level? These are some pertinent questions, which need to be answered in the wake of the suspension of the Doha Round of talks.

II. India in Global Trade

In order to assess the cost implications, it is worthwhile to see how India has fared in international trade in the last one decade. In merchandise, India has been able to increase its share only marginally from 0.6% in 1993 to 0.8% in 2004.

Table 1: India' Share in Exports

Sectors	1993	2000	2004	2010
All (Merchandise)	0.6	0.6	0.8	2
Agriculture	0.8	1.2	1.1	-
Manufacturing	0.5	0.7	0.9	-
Services	0.5	1.1	1.9	-

Source: Constructed from different sources

Equal emphasis should be given for boosting exports of agricultural and industrial goods, and services. Performance should be benchmarked in terms of employment generation.

There should be a clear strategy on overcoming non-tariff barriers that Indian exports are facing in major destinations. Taking into account sub-national concerns and interests such a policy should be adopted, so that there is better synergy and coherence between policy and its implementation.

India is inching closer to one percent share in world merchandise trade, but lagging far behind its neighbour China, which has more than doubled its share (exceeding 6% in 2004) over the last decade. India's share in world agriculture trade has in fact gone down from 1.2% in 2000 to 1.1% in 2004.

The services sector is the only success story, where there has been a four-fold increase in its share in the world.

A closer look at India's trade data shows a mixed result. While in merchandise India will have to toil hard to double its present share in world trade by 2010 (as per the NFTP), in services it remains a challenge for India to sustain this high export growth.

During the 1990s, India's exports of services displayed one of the fastest rates of growth in the world – over 17 percent per annum and grew two and a half times faster than the domestically focused part of the services. The FDI in services also grew significantly faster than in goods.[3]

III. Cost of Suspension

3.1 Economic Loss

Following the new economic policy that India adopted in early 1990s, India has identified international trade as one of the main vehicles for economic growth and national development. The primary purpose is not the mere earning of foreign exchange, but for international trade to catalyse and stimulate economic growth.

India's shift towards greater openness is also evident from its increasing trade/GDP ratio. India's Openness Index (i.e. trade as a percent of GDP), which was 7.9% during 1970-71 increased to 16.62% in 1990-91 and after various trade liberalisation measures, it further increased to 30% in 2004-05. More specifically, NFTP is built around two major objectives. These are:

- Firstly, to double percentage share in global merchandise trade within next five years, i.e. by 2009
- Secondly to act as an effective instrument of economic growth by boosting employment generation

Surely, gaining meaningful market access is a prerequisite for increasing one's share in world trade and doing so through boosting employment generation is one of the pathways towards balancing market access with developmental concerns of international trade.

Keeping this in mind, the Government of India in its NFTP identified certain number of sectors for making concerted efforts to promote exports by specific strategies. The thrust sectors are: agriculture and village industry, handlooms, handicrafts, gems and jewellery, and leather and footwear.

All these sectors are labour-intensive in nature and directly linked to employment generation and consequently, poverty reduction.

The proposed measures suggested in the NFTP could only create a better domestic enabling environment for generating more exports surplus. What is equally or rather more important is increased market access, which has become uncertain following the indefinite suspension of Doha Round of trade negotiations.

The huge distortions in the agriculture market are unlikely to be dismantled in the near future. It has been almost 20 years since the launch of Uruguay Round in 1986, the WTO members have been trying to discipline agricultural trade but without much success.
Given this situation it is a foregone conclusion that Indian farm sector may

The Approach Paper to the 11th Five Year Plan should give more emphasis on the role of international trade in generating growth and employment – mainstreaming international trade into the development discourse of India should be a major policy thrust.

India should continue to play its legitimate role in taking forward development interests of the poor countries in the Doha Round of negotiations by using the available political space as it is today. India playing this role does have larger political ramifications in the current geo-political context globally, regionally as well as in the context of the political economy of inter-regional relationship.

not be able to increase its exports at least till 2009, the target year for doubling export share, despite taking positive steps domestically.

It is being widely speculated and feared that suspension of Doha Round of talks might result in adoption of a more protectionist trade policy by the developed North. The use of non-tariff barriers is also likely to increase.

It is needless to mention here that India heavily relies on the EU and the USA for her exports. In 2004-05, these two regions had a share of 21.7% and 20.4% respectively in India's total merchandise exports. With deepening and widening of the EU market and USA threatening to withdraw GSP[4] (Generalised System of Preferences) benefits from India, the future does not look very bright.

In services sector, where India has achieved a phenomenal growth in the recent years, a successful Doha Round would have helped in locking the current liberal trade regime. Most studies predict that India continues to be the top destination along with the US for outsourcing services.

According to Diamond Cluster International's[5] 2006 IT outsourcing study India continues to dominate as the preferred offshore location for outsourced IT services. Almost 75% of study participants are offshoring to India than any other country. However, the presence of a strong anti-outsourcing lobby in the US will keep India on tenterhooks. Had it been brought under the GATS framework, there would have been a greater predictability of market access for India.

Given the current geo-politics, one may not expect much positive movement in labour mobility – liberalisation of labour market (particularly in the west) is a major demand for India at the WTO platform (and many other like-minded countries).

One can here argue that since the launch of the Doha Round in 2001, the exports from India have grown at the rate of more than 20% per annum. If we take total trade figures (merchandise and services), the growth rate is much higher.

Table 2: India's Exports & Imports (2001-02 to 2004-05) (% Growth per Annum)

	2001-02	**2002-03**	**2003-04**	**2004-05**
Exports	-1.6	20.3	23.3	23.9
Imports	-2.8	14.5	24.1	48.5

Source: Economic Survey 2005-06, GoI

This high growth was experienced in spite of the fact that the new Round did not result in significant trade liberalisation at the multilateral level. However, our share in world trade has increased only by a miniscule 0.1% during the last five years. Contrary to this China has been able to increase its share in world trade from 4.3% in 2001 to 6.6% in 2004.

3.2 Impact on Geopolitics

Undoubtedly the Doha Round is in serious crisis as the Indian Commerce Minister has rightly put it: "between intensive care and crematorium". However, the vicissitudes of the Doha Round has been a great revelation in many ways. Developing countries for the first time in the history of multilateral trade negotiations realised their collective bargaining strength.

India should convince other members of G-20 and G-33 group of WTO Members to devise a structure for constructive engagement (by these groups) with civil society groups so as to get a better political mandate while negotiating.

India should get into a constructive dialogue with the US on bilateral trade relations, including encouraging Track 2 methods (business to business, between civil society groups) for more better and win-win outcomes of this relationship.

Unlike in the Uruguay Round, where only a few developed country members formed part of the core negotiating group, the Doha Round witnessed the inclusion of India and Brazil in a core group. Whether it is G-6[6], FIPs[7] (Five Interested Parties) or New-Quad[8]; India and Brazil have become the flag bearers of developing countries.

This indicates an emasculation of rich country members' traditional role in driving and deciding the agenda of multilateral trade negotiations.

In the course of Doha Round of negotiations, India played a pivotal role in alliance building, although it was a bit skeptical at the time of the launch of a new round. During the Uruguay Round, only one formidable grouping of Cairns Group[9] could be formed and that too was not purely a developing country alliance as it included Australia, Canada and New Zealand.

Contrary to this, in the Doha Round developing country members worked with better coherence and coordination, which resulted in the formation of some very strong alliances such as G-20, G-33 and G-90[10]. While G-20 is a group of agricultural exporting countries formed at the WTO's Fifth Ministerial Meeting at Cancun, the G-33[11] came into existence just prior to the Cancun Ministerial and its main interest is in agriculture.

India is a member of G-20 and G-33 as it has both defensive and offensive interests in agriculture. India has very carefully blended her political diplomacy with trade diplomacy. India and Brazil together strengthened the voices of the South, a very diverse and large group, in the multilateral trade negotiations.

At the same time on some issues India joined hands with developed countries. For instance, India and the US made a joint submission on trade facilitation. On services trade liberalisation, the Indian industry group worked closely with the US coalition of service industries. India and Brazil also utilised their greater understanding in the WTO negotiations to launch a tri-lateral forum called IBSA (India, Brazil and South Africa – a new axis of emerging markets).

In its effort to emerge as a leader of larger group of developing countries, one remarkable point is that India always got the support of its neighbour Pakistan (as against a dynamically prevailing situation, which hinders bilateral trade between these two countries). Pakistan never contested India from taking a lead role in G-20 or negotiating on behalf of developing country members in the elite G-6 at the WTO platform.

Geopolitically, India has been very successful in leaving her imprint on the Doha negotiations. A pro-development outcome of the Doha Round would have further enhanced India's important role in influencing international negotiations.

Now with the indefinite suspension of Doha talks, one cannot be too sure about the situation, whenever the talks resume. The US has reverted back to its old and time-tested tricks of arm-twisting and splitting the developing country unity.

First and, immediately after suspension, it announced its intention to undertake review of the GSP benefits granted to some large developing countries that includes India and Brazil. Secondly, the US is also aiming to split China off from Brazil and India who have, until now, managed to keep China in their fold with the common goal of dismantling farm subsidies of the West.

India should offer duty-free and quota-free access to specific products of export interest of LDCs and urge other large emerging markets to do so. As a first step, large and emerging developing countries like India could devise a regional approach to operationalise this practical tool for South-South cooperation.

There should be a policy of benchmarking trade liberalisation with overall economic reforms in India. Every effort should be made (including constructive engagement with the civil society) to make trade liberalisation and economic reforms coherent with each other and to have a better political mandate for this purpose.

In her recent visit to China, the USTR (United States Trade Representative) Susan Schwab urged China to play a greater role, commensurate with its new economic power, in resuscitating the cause of global trade liberalisation following the collapse of the Doha Round.

The USTR expressed surprise that China was willing to allow other developing countries to represent its interests in the Doha talks through the G-6 negotiating group. This could be an US ploy to dislodge India out of G-6 and bring China into the core negotiating group.

Thirdly, both India and Brazil have shown their inclination to sign more bilateral/regional trade treaties. While Brazil expressed its keenness to revive the dormant FTAA (Free Trade Area of Americas) and EU-Mercosur[12] negotiations, India is inching closer to Southeast and East Asia.

It may be recalled that Brazil was the main stumbling block for the US in FTAA negotiations. India’s name has figured in Japan’s proposal to create a 16-nation “pan-Asian comprehensive economic partnership agreement”. India has also shown its willingness to negotiate a bilateral FTA with the EU.

Finally, one more important factor, which may have significant bearing on dynamics of alliances, is how LDCs are treated in this interim period. Since the collapse of Cancun Ministerial in 2003, LDCs, who constitute almost one-third of the WTO membership, have always sided with other developing country members in the Doha Round of negotiations. LDCs’ support has been a great source of strength for all developing country alliances: G-20, G-33 and G-90.

Credit also goes to India, Brazil and other large developing countries who have never compromised with the interests of LDCs. However, of late, LDCs are not too happy with way the talks have progressed. They were particularly concerned about preference erosion and not getting duty-free and quota-free market access for all their exports.

All these forces are bound to introduce a new dynamic in Doha negotiation. With the US appearing to be resolute on marginalising India and Brazil by giving more importance to China and ASEAN countries, the geopolitics involving Doha negotiations might change.

The US intention is also clear from the fact that USTR Susan Schwab began the damage control exercise with a whirlwind tour of China and Southeast Asia. Besides that, the US is all set to conclude a free trade agreement with ASEAN. Both Brazil and India have assumed leadership by keeping in mind certain short-term losses and long-term gains.

While Brazil has kept aside its own very aggressive interest in agricultural trade, India too did not go hammer and tongs on services. Furthermore, these two countries have spent huge domestic resources and energy on negotiations by regularly participating in various meetings all over the world.

3.3 Setback to Economic Reforms

Multilateral trade agreements act as driving force in pushing domestic reform agenda in many developing countries. In view of this, a successful outcome of the Doha Round is important. Taking advantage of improvements in market access will entail additional domestic policy reform to facilitate trade as well as trade related capacity building.

To date, promoting trade and investment within a country’s national development strategy has been found to be “weak”. In a “constrained environment for aid resources”, trade-related issues have

Notwithstanding the progress and outcome of Doha Round of negotiations, India should reform its agriculture sector, particularly from the point of view of linkage between agriculture and international trade.

justifiably had to compete with priority sectors such as health and education. Securing a successful Doha Round will generate significant aggregate gains and relative to GDP and both developed and developing countries stand to gain.
A successful Doha round represents a powerful Global Public Good.[13]

In India too, many economic reform measures were taken in order to comply with various WTO obligations. For instance, the whole lot of quantitative restrictions (QRs) was abolished when India lost the dispute against USA in the WTO Dispute Settlement Body (DSB).

Initially, it was thought that the removal of QRs would have some negative impact on the economy but no such major instances have been recorded. Though there is not much credible research to arrive at any firm conclusion about the impact of the removal of QRs, but the government data shows that the impact is minimal.

India's policy on promoting trade facilitation should be based on value-chain analysis of those products, which are of its major export interest. While there should be a long-term policy (say for a period of 10 years), this analysis should be repeated on a triennium basis so that supplementary policies can be adopted as per the need of the hour.

Indian economic reforms have mostly been reactive in nature. In 1991, when the country was facing a severe economic crisis, wide scale measures were taken to reform the industrial sector and external sector. At that time agriculture was kept outside the purview of the agenda of the new economic policy. It was mainly because of its political sensitivity and informal nature. Whatever little reforms, have taken place in the agriculture sector, were primarily to fulfill obligations under the WTO Agreement on Agriculture.

Undoubtedly, the Indian agriculture needs reform. By reform it doesn't necessarily mean opening up the sector to foreign suppliers. But the sector definitely needs better domestic enabling policies to boost its production through higher productivity. The share of agriculture in total merchandise trade of India (and its share in GDP growth) has also been declining continuously. WTO agreements may not be directly influencing domestic policy making vis-à-vis agriculture, but a successful Doha Round might have resulted in establishment of a better-regulated market for agricultural trade.
This probably would have worked as an incentive for Indian policy-makers to bring in a right set of domestic policy measures for boosting agricultural productivity. Setback in Doha negotiations means loss in momentum of domestic reforms.

The second important area of reform, which may suffer, is trade facilitation (TF). It is well known that India with a long coast line and more than 1000 major and minor ports (including dry ports) has a reform agenda in hand in relation to trade facilitation.

The July Framework Agreement (the July 2004 Package), which has become the basis of TF negotiation in the Doha Round, promises adequate provisions for technical and financial assistance for developing countries to meet their TF needs. The collapse of Doha talks will definitely delay such assistance, which might affect India's chances of speedy improvement and modernisation of its border infrastructure and customs procedures.

3.4 Cost of Litigious Disputes

It is being widely feared that suspension of Doha talks would result in more trade disputes involving North and South. For developing countries it is an additional burden because of high litigation costs.

Rich countries have become more vulnerable to attract more disputes cases in the WTO in view of their huge farm subsidies. But it would definitely make their legal professionals wealthy.

There should be a policy of benchmarking pro-development outcomes of trade negotiations (at multilateral as well as bilateral/regional level) with domestic preparedness, so that a robust linkage between pro-development outcomes of trade negotiations and pro-poor outcomes of trade liberalisation is established.

Even a country like India, which is known worldwide for its high quality human resources, mainly hires legal professionals from the developed world to fight its cases in the WTO.

Box 1: Litigation Costs

Legal aid is (thus) nothing the (WTO) Secretariat can offer at the present time. It is up to each party to arrange and pay for its own legal counsel. And professional counsel can be a very expensive proposition. The fees charged by top-notch law firms in Brussels and Washington D.C. are in the range of $500 to $1000 per hour plus expenses, and first class law firms fly first class and stay at first class hotels.

If we plug in these rates in the *conservative* time budget used by the Advisory Centre on WTO Law (ACWL) – an independent centre for legal aid set up in 2001 – we find that the legal fees may add up to several hundred thousand dollars even for relatively simple cases.

Source: The Cost of WTO Litigation, Legal Aid and Small Claim Procedures, Hakan Nordstrom, National Board of Trade, Stockholm

India has been an active participant in the WTO DSB. It has been involved in a number of cases with mixed results. With the suspension of talks, India along with many other developing countries might be tempted to bring more cases against some developed countries in the WTO.

India should have a standalone policy paper having an analysis of costs and benefits that the country will have in future while entering into preferential trading arrangements. Such analysis should be based on sustainability impact assessment (in terms of economic, social, environmental and political impact on sustainable development) of PTAs.

Therefore, it would be very important that the legal expenses (and political costs) be weighed against potential gains. What are the prospects of winning the case? And what would a legal victory be worth in terms of increased trade? In short, do the potential gains outweigh the costs?

Moreover, legal cost is not everything there is to it. Bringing a case to the WTO may be viewed as a hostile act with political and economic retributions for the complainant. This may have a chilling effect on developing countries that depend on trade preferences, foreign aid and other economic and political benefits.[14]

IV. Conclusions

An indefinite suspension of Doha Round of talks after five years of intensive negotiations is a big setback to a majority of WTO members.

It may not adversely affect those countries that are a part of well functioning preferential trading arrangements (PTAs) but a great loss to majority of WTO members, especially developing countries.

This loss is more profound because the Doha Round was designed and mandated to deliver pro-development outcomes and at the same time WTO members are urged to make concomitant domestic reforms in order to take full advantage of the Doha Round (this is the essence of "mainstreaming trade into national development strategy" as stated in the Doha Ministerial Declaration).

Moreover, such domestic reforms are to be benchmarked on whether they can lead to a relatively more pro-poor growth or not, if one has to link pro-development outcomes of trade negotiations with pro-poor growth outcomes.

For instance, phasing out of quotas in textiles trade created a big international market of textiles and clothing but countries' (particularly the poor ones) ability to reap benefits out of this new quota-free regime entirely depends on how this sector is restructured and modernised domestically.

Furthermore, there is always an opportunity cost. India wholeheartedly participated in the multilateral trade negotiation despite not being a demandeur of a new round (the Doha Round). On the other hand, many countries like the USA simultaneously pursued negotiation on bilateral PTAs.

Since 2001, the USA has signed not less than a dozen bilateral agreements and many provisions of these agreements are "WTO-Plus".

India is also engaged in bilateral/regional PTA negotiations but not as successfully as the USA and some other developing countries.

Only India and EU are two major countries, which were not aggressive in pursuing non-multilateral route following the collapse of the Cancun WTO Ministerial.

However, today the situation is slightly different – EU and India are actively considering starting negotiations on a comprehensive free trade agreement.

We would need to find answers to the big question: will India gain more by signing such bilateral PTAs rather than spending more resources on multilateral trade negotiations?

Endnotes

[1] Singapore Issues are Competition, Investment, Trade facilitation and Transparency in government procurement.
[2] Doha Development Agenda comprises of three documents – Ministerial Declaration (WT/MIN(01)/DEC/W/1), Declaration on the TRIPs Agreement and Public Health (WT/MIN(01)/DEC/W/2) and Implementation-Related Issues and Concerns (WT/MIN(01)/W/10).
[3] Sustaining India's Services Revolution, The World Bank 2004.
[4] Generalized System of Preferences (GSP) is a preferential tariff system extended by developed countries (also known as preference giving countries or donor countries) to developing countries (also known as preference receiving countries or beneficiary countries). It involves reduced MFN Tariffs or duty-free entry of eligible products exported by beneficiary countries to the markets of donor countries.
[5] DiamondCluster International, headquartered in Chicago, USA, is a premier global management consulting firm.
[6] G-6 comprises of Australia, Brazil, EU, India, Japan and USA.
[7] The FIPs are the US, European Union, Brazil, Australia and India.
[8] An informal grouping, includes the EU, US, Brazil and India. It played a decisive role in setting the agenda and the direction of the negotiations.
[9] The Cairns Group is a coalition of 18 agricultural exporting countries. A diverse coalition bringing together developed and developing countries from Latin America, Africa and the Asia-Pacific region, the Cairns Group has been an influential voice in the agricultural reform debate since its formation in 1986.
[10] The G90, otherwise known as the Group of 90, is an alliance between the poorest and smallest developing countries that are part of the World Trade Organization (WTO). The G90 emerged as a strong grouping at the WTO's Ministerial conference at Cancun in September of 2003, taking common positions representing the largest number of countries, with 64 of the 90 countries in the G90 being members of the WTO. It is the largest trading body in the WTO, and it was formed as an umbrella body including the African, Caribbean and Pacific Group (ACP), the African Union, and the group of Least-Developed Countries (LDC).
[11] G-33 seeks stronger safeguards for developing countries to cushion them against market volatility and sudden surges of agricultural imports, as well as the right to designate "special products" exempt from tariff reductions.
[12] The Southern Common Market, or MERCOSUR, was created by Argentina, Brazil and Paraguay and Uruguay in March 1991.
[13] "Aid for Trade" Increasing Support for Trade Adjustment and Integration – A Proposal, Draft Concept Paper prepared by Susan Prowse, DFID, June 2005
[14] The Cost of WTO Litigation, Legal Aid and Small claim Procedures, Hakan Nordstrom, National Board of Trade, Stockholm, June 2005

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