

South Asia Conference on Trade & Development 2006
Multilateralism at Cross-roads: Reaffirming Development Priorities
19-20 December 2006, New Delhi

Background Note

On 24 July 2006, the Doha Round of trade negotiations were ‘suspended’ owing to the failure of the G 6 countries (Australia, Brazil, the EU, India, Japan and the US) to arrive at a landing-zone on key issues relating to domestic support and market access in agriculture. Although the subsequent months have been witness to a string of high profile meets and consultations amongst key players, the deadlock still persists.

However, there are reasons to believe that the current stalemate at the WTO has only resulted in a postponement of the Doha Round and not its termination. This view finds credence from the fact that impasses are not new, nor unusual in the history of the multilateral trade negotiations. Nevertheless, there are genuine apprehensions relating to the overall direction the Round is headed, and on what it would take for the resumption of talks.

It is by and large evident that the pivotal reason underlying the derailment of the Round is the intransigent negotiating stance adopted by some of the key developed countries and their unrealistically high levels of market access ambitions. The US, for instance, has pitched for a ‘market opening’ outcome as a central objective of the Round. It must also be noted that the developed country proposals on the table effectively sidestep the fundamental issue of the Doha Development Agenda, i.e. to correct the structural flaws and distortions plaguing the system of global trade.

Highlighting the divide, India has stated that the gap is essentially of ‘mindsets’ and ‘not of numbers’, and that while completion of the Round *per se* is important, it cannot be at the cost of its contents. It has also been argued that this ‘gap in mindset’ is turning the so-called ‘Development Round’ into a ‘market access round’, much against what was envisaged in the Doha mandate, July Framework of 2004, and the Hong Kong Ministerial Declaration (HKMD) of December 2005.

The shadows of the impending expiry of the Fast Track Negotiating Authority of the US President and the Congressional elections in the US are looming large over the Doha Round, creating an atmosphere of uncertainty. Despite the realization that a political will is necessary for the resumption of the Doha talks, the agenda of trade continues to take a back-seat in the domestic politics of countries like the US. Clearly, by any account, multilateralism is at cross-roads despite the vast majority of countries swearing faith in it.

Developing countries, in general, and South Asia, in particular, have also begun to look for parallel avenues, which could provide them an opportunity to expand trade. Engagements in Free Trade Agreements (FTAs) and bilaterals with a number of countries have also been stepped up. However, a concern has emerged that these moves towards

regional agreements are afoot even as there is an insufficient understanding of their potential impact on the developmental goals of South Asian countries. This is attributable to the observed tendency of the North-South FTAs/RTAs to push through various WTO-plus provisions on a range of areas, including investment and competition, intellectual property rights, and in many cases, even environmental and labour standards.

Given this backdrop, this year's South Asian Conference titled 'Multilateralism at Crossroads: Reaffirming Development Priorities', would strive to discuss and debate a wide range of issues with the aim of arriving at possible negotiating priorities of the South Asian countries. The conference would bring together trade policy delegations, academia, civil society organisations, research organizations, and media from across South Asia.

The Agenda of the Conference would include crucial multilateral and regional issues, such as, agriculture, NAMA, services, rules, LDC concerns, RTAs, etc. Moving beyond the mainstream debates, the Conference would also attempt to reflect on issues less visited, such as, trade and environment linkages, trade and Millennium Development Goals, Special Economic Zones, and building agriculture trade safety nets.

Release of Centad Publications

Centad is pleased to announce the release of its book titled, *Trade in Services and India: Prospects and Strategies*, at the South Asia Conference. The book, edited by *Prof. Rupa Chanda* with a foreword by *Prof. Jagdish Bhagwati*, is being published by Wiley India. Additional details of the book are being attached separately.

Also, we are happy to announce that the Conference would see the unveiling of the Executive Summary of the *South Asian Yearbook of Trade and Development (2006)*, undergoing publication by Wiley (India). The Editorial team of the forthcoming Yearbook comprises renowned trade experts - Shri. B.L. Das, Dr. Saman Kelegama, Prof. B. S. Chimni, and Prof. Mustafizur Rahman.