

To,

1st March 2006

Dr Manmohan Singh,
Prime Minister of India

Sri Kamalnath,
Cabinet Minister for Commerce,
Government of India.

Sub : Charter of demands to Government of India on the WTO Negotiations

After the 6th WTO Inter-ministerial meeting held in Hong Kong, developing countries including India have to finalise the tariff reductions by 30th April 2006, and the rules and modalities by July 31st 2006. The Declaration also demands that the Doha Development Agenda be implemented by 31st December 2006. It is understood that the Ministry of Commerce is busy working to meet the deadlines and has started a process of identifying sensitive products and special products and they are holding regional consultations with the 'stakeholders'.

In the last 10-15 years, many scientists, social activists and economists had warned about the process of Globalisation, Liberalisation and Privatisation, but without considering their apprehensions, the Government had gone ahead and signed the treaty. Now while the country is already facing the brunt of this thoughtless decision, we do not know off even one Government agency that has done a detailed study and analysis of the impacts of this decision. We believe that because of this, our negotiators have failed in setting a clear and strong agenda for protecting our national interest (represented by the welfare and good of the common person). They have not been able to negotiate for the effective removal of the distorting practices continued by the developed countries, nor have they been able to negotiate an advantageous deal for our country (as is evident from the August 1, 2004 Declaration – July Framework)

The Developed Countries that had agreed to reduce the domestic agriculture subsidies by 20% in 5 years time have not done so even after 10 years. The European Union and the US have now agreed only to reduce their export subsidy by 2013, which is only 1% of their total annual agriculture subsidy of 360 billion dollars. And this our negotiators think is a "Great deal"!!. We should have demanded that they reduce their domestic subsidies and export subsidies by at least 80% in 2010 on a front-loading basis. Only then developing countries like India will be able to compete on a level playing field in the global market and have the expected market access. Moreover, the developed countries have very cleverly manipulated the trade regulating boxes and have shifted many of their trade-distorting subsidies in the agriculture sector from the restrictive amber box to the green box. And thus they have gained legality to many of their illegal agriculture subsidies. This in a real sense is trade distorting and needs to be challenged.

The reality is that after joining WTO, the imports into the country have increased phenomenally while exports have decreased, and all further compliance and negotiations are only aggravating this crisis.

In the meantime, India has also started negotiating and signing several regional Free Trade Agreements, further adding to the complexity of the issue.

From the ongoing consultations and after an in depth study of the Pre-Hong Kong and the Hong Kong Declarations and after discussions with our own members, stake holder groups and grass root organisations, we have reached a clear understanding that

1. Many of the commitments agreed upon by the developing countries like India in the Hong Kong Ministerial is clearly disadvantageous and even harmful. India stands to lose more than gain, in the acceptance and implementation of the same.
2. In such circumstances, it is shocking that these matters have not been discussed and debated in the Indian Parliament.
3. There has been no consultation whatsoever, on the Hong Kong Ministerial, its outcomes and the formulation of various modalities, with any of the stakeholders across the country.
4. There has not been any discussion in the state assemblies even though agriculture is a state subject, and the situation of farmers and agriculture vary from state to state.
5. There are chances of some states or some regions losing out since only 5% of the 688 tariff lines can be selected according to the WTO modalities.
6. Most of our farmers and consumers and even the parliamentarians, legislatures and the bureaucracy has not understood the Hong Kong declaration and the full implications of it and hence has not been able to argue for their case and
7. In these circumstances it is dangerous and suicidal to go ahead with the fast track deadlines as arrived at in the Hong Kong Ministerial meeting in December 2005.

Therefore we demand that:

1. Complete details of Hong Kong negotiations and declaration should be made available to the entire public for discussion, and any further action on the part of the Government should be based on a publicly arrived at consensus.
2. The Central Government reject the deadlines of April 30th, July 31st, and December 31st, 2006 to comply with the Doha Development Agenda. For undertaking a detailed study and discussion within the country, the Govt. of India should demand to WTO that this deadline should be extended to at least December 2007. Failing with these, the Central Government should not go ahead with the negotiations.
3. The Government has to explain why in the July 2004 Agreement they had agreed to cut the domestic subsidies to the farmers, while the Marakesh Agreement had actually agreed not to cut down subsidies to marginal farmers as well as domestic agriculture subsidies in developing countries. Therefore, we demand that a parliamentary committee be set up and a comprehensive enquiry be conducted into this matter as well as other matters concerning the WTO negotiations.
4. The modalities of Hong Kong Declaration be taken up for discussion in detail both in the Rajyasabha and Lok Sabha before any finalising is done.

The various concerns of the States and other stake holders also need to be addressed and as these matters affecting agriculture, industry and the services are in the State list, they need to be discussed in the State Assemblies as well.

5. Such finalising of modalities be preceded with a more comprehensive study of possible impacts, both on a sectoral basis and regional (state, district, area according to the product) basis.

6. An independent commission be set up with members from the developing countries and least developed countries (LDCs) to enquire into the matter of various developed countries shifting their trade-distorting subsidies to the less regulatable boxes (Blue and Green Box).

7. As long as the Developed Countries (OECD) continue with their domestic subsidies, India should not remove the quantitative restrictions of any of its products.

8. India reject the decision taken in the Hong Kong Ministerial to give market access to Least Developed Countries without tariff barriers and quota restrictions in all the countries. This decision could affect the producers of developing countries, including India and could lead to conflicts between the developing and least developed countries. Therefore, it is demanded that this sort of market access should be limited to only developed countries.

9. Reduction in the tariff rates of agricultural and non-agricultural products, should be close to the bound rates. It must not be on the basis of the applied rates, otherwise it will be detrimental to countries like India. As the tariff rates in India are very low compared to the developed countries, it is necessary that the bound rates must be used as the reference point.

10. The special bound rate of 45% set for Soya bean oil be increased to 300% like all other edible oils. This special rate gives unfair advantages to the United States, which is a major producer. Since, it is detrimental to the Indian producer of edible oils, the Government should stop this protectionist measure for Soya bean oil, failing which the Indian Consumers would be forced to boycott this oil, in the National interest.

11. That all negotiations should be reviewed on the guiding principle of "Right to Food". So far, hunger is a non- trade concern and in future also negotiations should be based on the guiding principle of the right to food. It should ensure that countries will have the right to take adequate safeguard measures if their commitment towards the WTO obligations leads to hunger and poverty.

We urge that the Central Government and the Ministry of Commerce should consider these demands very seriously and stop taking any hasty decisions. Deadlines can wait, but we cannot and should not compromise the lives and livelihood security of our millions of farmers and the food security of our country.

Thanking you