

Welcome Address by Saman Kelegama, Executive Director, Institute of Policy Studies of Sri Lanka, at the seminar on *WTO Doha Development Agenda and South Asia: Linking Civil Society with Trade Negotiations*, Salon Orchid, Hotel Galadari, 9 March 2005.

Hon. Jeyaraj Fernandopulle, Minister of Trade, Commerce & Consumer Affairs, Mr. Mohan Kumar, Deputy High Commissioner of India in Sri Lanka, representatives of the partner organizations, distinguished foreign and local participants, members of the media, Ladies & Gentlemen.

It gives me great pleasure to welcome all of you to this two day Seminar on WTO Doha Development Agenda and South Asia organized by the Institute of Policy Studies of Sri Lanka, Consumer Unity and Trust Society, Centre for International Trade, Economics, and Environment, India and South Asia Watch on Trade, Economics & Environment, Nepal.

We are honoured to have with us the Hon. Minister of Trade as the Chief Guest and the Deputy High Commissioner of India as the Guest of Honour at this Inauguration. I extend a warm welcome to them for being present here despite their busy schedules. I also welcome Mr. Prasad Ranade from CUTS and Mr. Ratnakar Adhikari from SAWTEE who are at the Head Table.

For all participants, I extend a warm welcome. I extend a especial welcome for our foreign delegates. Although we are in neighbouring countries, I know that for some of you coming to Colombo means breaking rest, long transit times in various airports, and above all, long hours of travelling. I hope the jet lag or jet fatigue is over and you are fresh for intense 1 ½ days serious discussions on the concerned topics. Colombo has a lot to offer you, so please make use of the free time after lunch tomorrow to visit some places that may be of interest to you. Our staff in the main desk as well as the hotel staff will be ready to help you in this regard.

This Seminar is organized by three leading South Asian research institutions that have done collaborative work over the past five years. We have done joint projects and joint

publications over the years and for the first time we are doing a joint Seminar together. We hope to build on this partnership and keep our intense interactions in the coming years.

The Seminar is of crucial importance especially because by the end of this year, i.e., December 2005, South Asian Trade Ministers, Trade Officials, members of the civil society will gather in Hong Kong for the 6th WTO Ministerial. The Ministerial Conference of the WTO evokes a lot of interest among policy makers and the civil society given the critical impact of their decisions for the development process in individual countries.

The world now accepts that there are benefits from free trade, but the source of conflict is the sharing of free trade benefits among countries. In this respect, the world trading community is divided into two broad groups, developed and developing countries, and their quarrels reflect essentially how to split the spoils of free trade. The Doha Development Agenda (DDA) was essentially a compromise between the concerns of developed and developing countries. The WTO Cancun Ministerial was supposed to do a mid-term review of the progress made in the DDA before reaching an agreement in January 2005. The attempts made in Cancun failed. However, trade officials continued working on outstanding issues at the WTO General Council and came up with the so-called July 2004 package.

The July Package sets the stage for negotiations among members during the run-up to the Hong Kong Ministerial and beyond. The July Package identifies five issues as priority areas for negotiations: viz., Agriculture, Services, Non-Agriculture Market Access (NAMA), Trade Facilitation and Development Dimension. These are the areas that we will discuss in the Seminar today and tomorrow from a South Asian perspective. And these areas will be juxtaposed with concerns and perceptions of diverse stakeholders. On each issue, the position of a particular country and civil society perceptions will be placed with those of other countries, so as to see whether South Asian countries could have a common position on a particular issue or not.

South Asia did have a common position for both Seattle and Doha Ministerials. Unfortunately, for Cancun we could not find a common position despite the civil society networks in July 2003 in Kathmandu under SACSINITI (South Asia Civil Society Network on International Trade Issues) preparing one and circulating among key trade negotiators in South Asian capitals. Perhaps the political situation at that time did not permit the South Asian region to speak with one voice.

South Asia is a diverse region with four least developed countries, viz., Bangladesh, Nepal, Bhutan, and Maldives, two large developing countries, viz., India and Pakistan, and one small developing country, viz., Sri Lanka. The issues that concern least developed countries are a bit different from those for large developing countries. And issues that concern large developing countries are a bit different to that of small developing countries. Therefore, South Asian countries cannot see eye-to-eye on every possible WTO issue. Some South Asian countries find commonality with other developing countries outside the SAARC region. During the Doha round this was manifested as the Like Minded Group (LMG) and in Cancun as G-20. Despite these manifestations there are common areas of interest to all South Asian countries. It is these areas that we have to tighten and consolidate and I hope as in the 2003 July SACSINITI Meeting, we could come up with a South Asian Civil Society position paper at the end of the Seminar.

At this juncture, we need to take cognizance of the trading environment in which developing countries are operating at present. Many developing countries are in a disadvantageous position in regard to WTO and after the failure at Cancun, developing countries are gradually losing faith on a rule-based multilateral trading system as advocated in the WTO. They are increasingly looking at the bilateral and regional option to short-circuit the WTO process and some developing countries are even exploring the WTO-plus option under bilateral free trade agreements with developed countries. Such actions are basically weakening the WTO.

The primary principle of the DDA, as stated earlier, is to ensure that the DDA based agreements promote development in poor countries. The agreements must enshrine both *de jure* and *de facto* fairness. This means ensuring that developing countries are not

prevented from unlocking the benefits of free trade because of a lack of institutional capacity. The principle of fairness should also be sensitive to countries' initial conditions.

At a recent WTO meeting in Nairobi, Rwanda's Commerce Minister, Manasseh Nshuti stated: "For developing countries, particularly Africa.....trade is life.....our poverty is anchored in imbalanced trade.....unless we get a fair deal for our people, I can assure you Cancun will be replicated in Hong Kong". I think this statement clearly indicates the concerns of many developing countries. Let us hope that there will be substantial progress in the July Package by December 2005 and there will be a positive outcome from the Hong Kong Ministerial for developing countries.

This Seminar, I am sure, will make a contribution to bring some coherence on the South Asian stance for the Hong Kong Summit. This will indeed be a positive contribution to the success of the Hong Kong Summit. Your contribution during the next two days will go a long way in making this a reality.

Let me once again welcome all of you and wish you a very pleasant stay in Sri Lanka.