

India's Challenges and Approaches towards WTO in the Era of Globalization

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Abstract

The General Agreement of Trade and Tariff (GATT) was established in 1947 with 23 nations signing a multilateral trading agreement. Later establishment of World Trade Organization (WTO) in the year 1995 gave a boost to international trade through increased global market competition which now consists of 155 member countries. The WTO has framed set of rules and principles, mutually designed and agreed upon to promote international trade in general and reduction of tariff barriers and removal of import restriction in particular. But many of those tariffs and import restrictions are still in place, with others continuously being erected, as countries find themselves unable to reach agreements on removing them within the existing paradigm.

The larger concern is towards globalization and liberalization of world trade. The parties involved are the governments and to certain extent international organizations. The agenda for international cooperation increasingly revolves around "behind-the-border" regulatory externalities that do not necessarily lend themselves to binding commitments in a trade agreement. The recent agenda has been to involve civil society and private players into the regime of WTO. It has also been a critic that it is in the sphere of developed nations and these powerful nations drive the agenda of the WTO in their favour. The principle of consensus to be reached in any agreement is never achieved and thus far from the reality principle. Global economic problems such as unemployment in many parts of the world indicate that multilateralism is in crisis, and the WTO must be reformed to assist workers, farmers, business, and the younger generation. Also that experienced trade lawyers are in dearth in developing countries which hampers from winning a case which involve international trade disputes.

Opening up market which is free and fair should not be only in black and white, but should be truly applicable in export and import of goods and services. WTO should be sensitive towards the issues of developing and Least developed nations (LDC). With the various challenges that lie ahead, new thinking is needed in the WTO. Since Doha has been in a stalemate, the world's trading powers have been busy bypassing the WTO by signing multiple bilateral and regional trade agreements. As more Free Trade

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Agreements have been created, the primary role of the WTO in liberalizing trade has been increasingly questioned. The WTO has played a fairly limited role in helping address other global issues related to trade, such as food security, climate change, and global trade inequalities. These issues should be fairly dealt by the WTO if the objective for which it was formed has to be achieved in the world of globalization. I would like to present some of these agendas and the future challenges that are before the WTO in this article.

I Introduction

The Second World War had a disastrous effect on the economy of all the nations. That paved way for the drafting of General Agreement on Tariffs and Trade (GATT). It was a multilateral international treaty. And International Trade Organisation (ITO) was also created but failed due to non ratification by US Congress. GATT as an interim arrangement continued to be in place till WTO was established.

The evolution of the World Trade Organization (WTO) at the end of intense discussion and negotiations over a period of time has generated great interest the world over. It has equally opened roads for the three forces to play its role i.e., globalization, liberalization, and privatization. Globalization, economic liberalization and market forces have caused restructuring of economy and increased competition worldwide. In the corridors of international power, there is a new discourse emerging. The global order is in a state of turbulence. The private sector has come forward to take active part in business, social development and governance. Yet there is a conflict between rich and the poor, the developed and developing countries, even when there is increased electoral participation which has strengthened democratic governance of WTO. The choice is between free trade *versus* protection. As of late, the WTO has been under serious pressure to take into consideration new dimensions of free trade, such as environmental protection and human rights. Few will nowadays deny that the WTO has significant political, moral, ethical, and social ramifications, and that it is more than a mere technical regime dealing with trade issues.¹

India has been one of the initial signatories to the GATT 1947, its post independence policy stance towards a closed economy notwithstanding. GATT was as an effort on the part of the developed world faced with mixed fortunes at the end of the war, to discipline themselves in trade in goods and to limit the spread of proactive protectionist policies by individual national governments. It was natural that the Indian intelligentsia remained

¹ Anja Lindroos and Michael Mehling,, Dispelling the Chimera of ‘Self-Contained Regimes’ International Law and the WTO, *The European Journal of International Law*, vol. 16 no.5, 2006, p.875.

rather skeptical about the potential vulnerabilities of the nation from the sudden exposure to the world economy across the board. It is true that WTO mostly benefit the developed countries. That does not mean that the developing countries like India are losing but not gaining anything.² The aftermaths of the Uruguay Round as well as the future issues that come under the purview of the WTO negotiations have to be handled carefully the developing countries as they have become equal partners the issues that are likely to dominate the agenda of WTO.³

The principles of WTO are so drafted that it is in favour of developed country. This has created conflict and at the other the sufferers are left with no voice of theirs. Most of the progress in new negotiations since 2001 has been in bilateral, regional and plurilateral initiatives, and some fear that if present trends continue the role of the WTO could be confined to the administration, surveillance and enforcement of existing multilateral agreements rather than the drafting of new ones. The objective of the WTO fails primarily here which aims at achieving equality among the nations.

II Principles of WTO

The WTO is a silhouette of global governance.⁴The Objectives of the WTO has been raising of standards of living and the progressive development of the economies of all contracting parties.

The main principles of the WTO boil down to the following:

1. Non discrimination

Non-discrimination is a key concept in WTO law and policy. In simple terms, the Most Favoured Nation⁵ treatment obligation prohibits a country from discriminating between countries; the national treatment obligation prohibits a country from discriminating against other countries. Discrimination in trade matters breeds resentment among the countries, manufacturers, traders and workers discriminated against. Such resentment poisons international relations and may lead to economic and political confrontation and conflict. In addition, discrimination makes scant economic sense, generally speaking, since it distorts the market in favour of products and services that are more expensive and/or of a lesser quality.

The MFN and national treatment obligations prohibit discrimination on the basis of 'nationality' or the 'national origin or destination' of a product, service or service

² S.R.Myneni, 'World Trade Organisation', 2nd ed., Asia Law House, Hyderabad, 2003, p. 203.

³ Munim Kumar Barai, 'WTO & the Developing World-Emerging Issues', *Chartered Secretary*, June 1996, p. 625.

⁴ Swapneshwar Goutam, 'World Trade Organisation & Effective Global Governance System', *Law Z*, August 2009, vol. 9, Issue 96, p. 28.

⁵ Article 1 of GATT 1994.

supplier. WTO law also prohibits discrimination based on criteria other than 'nationality' or 'national origin or destination'. GATT 1994 sets out a three-tier test of consistency to determine whether there is a violation of the MFN treatment obligation.

- a) Whether the measure at issue confers a trade 'advantage' of the kind granted by any Member with respect to customs duties, other charges on imports and exports and other customs matters, internal taxes, and internal regulation affecting the sale, distribution and use of products.
- b) Whether the products concerned are 'like' products. 'Like' suggests that 'like products' are products that share a number of identical or similar characteristics.⁶ Three things are kept in mind by deciding bodies while stating whether the product is like product which are, the characteristics of the products, their end-use and tariff regimes of other Members. For example, In *Spain Unroasted Coffee*,⁷ the Panel had to decide whether various types of unroasted coffee ('Colombian mild', 'other mild', 'unwashed Arabica', 'Robusta' and 'other') were 'like products' within the meaning. Spain did not apply customs duties on 'Colombia mild' and 'other mild'; while it imposed a 7 per cent customs duty on the other three types of unroasted coffee. Brazil, which exported mainly 'unwashed Arabica', claimed that the Spanish tariff regime was inconsistent with article 1.1 of GATT. In examining whether the various types of unroasted coffee were 'like products' to which the MFN treatment obligation applied, the Panel considered the characteristics stated above. The Panel concluded that unroasted, nondecaffeinated coffee beans listed in the Spanish Customs Tariff ... should be considered as "like products" within the meaning of Article I:1.
- c) Whether the advantage at issue is granted 'immediately and unconditionally' to all like products concerned. Article I: 1 requires that any advantage granted by a WTO Member to imports from any country must be granted 'immediately and unconditionally' to imports from all other WTO Members.⁸ Once a WTO Member has granted an advantage to imports from a country, it cannot make the granting of that advantage to imports of other WTO Members conditional upon those other WTO Members 'giving something in return' or 'paying' for the advantage.

2. National treatment

This implies both foreign and national companies are treated the same, and it is unfair to favor domestic companies over foreign ones. Some countries have a most favored nation treatment, but under WTO the policy is that all nations should be treated equally in terms of trade.⁹ Any trade concessions etc., offered to a nation must be offered to others. It prohibits discrimination against imported products. Generally speaking, it prohibits

⁶ Article 1.1 of GATT 1994.

⁷ GATT Panel Report, *Spain, Unroasted Coffee*, para. 4.6-4.9.

⁸ Note that Article I: 1 also requires that any advantage granted by a WTO Member to exports to any country must be accorded 'immediately and unconditionally' to exports to all other WTO Members.

⁹ Article III of GATT 1994.

Members from treating imported products less favourably than like domestic products once the imported product has entered the domestic market. For ex. In 1958, in Italy, Agricultural Machinery, a dispute concerning an Italian law providing special conditions for the purchase on credit of Italian produced agricultural machinery, the Panel stated with regard to Article III; 'that the intention of the drafters of the Agreement was clearly to treat the imported products in the same way as the like domestic products once they have been cleared through customs. Otherwise indirect protection could be given.'¹⁰ Article III only applies to internal measures, not to border measures.

The products of the territory of any [Member] imported into the territory of any other [Member] shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products. This provision sets out a two-tier test of consistency of internal taxation,¹¹ which are (a) whether imported and domestic products are like products; and (b) whether the imported products are taxed in excess of the domestic products. If the answers to both questions are affirmative, there is a violation of Article III:2, first sentence.

3. Transparency/Market Access

WTO aims at achieving transparency in international trade relations by obligating Members to notify changes in trade regulations, technical and phyto-sanitary standards well in advance. Negotiations and process must be fair and open with rules equal for all. This helps exporters plan their business and safeguards them against unnecessary harassment. Under this WTO conduct periodic review of trade policies of its members. The principle works out with free market access for which trade barriers are dismantled. Physical restrictions on the import and export of goods are specially prohibited. Tariff can be used only to protect domestic industries. WTO specifies the precise tariff commitment that has been accepted.¹²

4. Rule Based Trading System/Fair Competition

The WTO stands for rule based trading system. WTO sets and enforces rules necessary for conducting world trade fairly. The principle proposes 'fair' trade and 'free' trade. The WTO's task is to establish an international trading system based on a free and open market, and competition policy that covers both domestic and international markets.¹³ It is more accurate to say it is a system of rules dedicated to open, fair and undistorted competition. The tariff reduction and elimination exercises go hand in hand with measures to reduce or eliminate subsidies. The 'level playing field' between foreign

¹⁰ GATT Panel Report, Italian Agricultural Machinery, para. 11.

¹¹ Article III:2 of GATT 1994.

¹² Arun Goyal & Noor Mohd, '*WTO in the New Millennium*', 5th Ed., Academy of Business Studies, New Delhi, p. 7.

¹³ Mitsuo Matsushita, 'Basic Principles of the WTO and the Role of Competition Policy', *Washington University Global Stud. Law Review*, U.S., 2004, p. 363.

and local goods encourages and fosters competition with the corresponding positive effect on efficiency and consumer welfare.

III Ethos of the WTO

The representatives and the supporters of the organization convey a strong sense of a mission to promote open trade across the world and free markets in every locality. There is a touch of evangelism to this mission, for open trade and free markets are seen as the natural concomitants of globalization.¹⁴ While the international negotiations were often specific and hard-headed, it is important to remember that the rules were made possible because the idea of one world and free trade are amenable to International trade. WTO speaks on specific issues relating the intellectual property, agriculture, manufactured products, medicines, textile and clothing, services and many more that can be traded.

Ideas and knowledge are an increasingly important part of trade. Trade Related Intellectual Property Rights (TRIPS) of the Uruguay Round provides for protection of Intellectual Properties Rights (IPRs). IPR includes trademarks, copyright, patents, geographical indication, etc. Creators can be given the right to prevent others from using their inventions, designs or other creations and to use that right to negotiate payment in return for others using them. The Uruguay Round achieved that. The WTO's TRIPS Agreement is an attempt to narrow the gaps in the way these rights are protected around the world, and to bring them under common international rules.

Agriculture was a topic considered way back in 1947 when GATT was formed. The GATT allowed countries to use export subsidies on agricultural primary products. In the lead-up to the Uruguay Round negotiations, it became increasingly evident that the causes of disarray in world agriculture went beyond import access problems which had been the traditional focus of GATT negotiations. The Agreement on Agriculture, (the "Agreement"), came into force on 1st January, 1995. In principle, all WTO agreements and understandings on trade in goods apply to agriculture, including the GATT 1994 and WTO agreements on such matters as customs valuation, import licensing procedures, pre-shipment inspection, emergency safeguard measures, subsidies and technical barriers to trade. Food processing industry is also included in this.

Textile, like agriculture, was one of the hardest-fought issues in the WTO, as it was in the former GATT system. Textile and clothing (ATC) are closely related both technologically and in terms of trade policy. Textiles and clothing are among the first

¹⁴ Christopher Arup, *The New World Trade Agreements-Globalizing Law through Services and Intellectual Property*, Cambridge University Press, Cambridge, U.K., 2000, p.43.

manufactured products an industrializing economy produces. From 1974 until the end of the Uruguay Round, the trade was governed by the Multifibre Arrangement (MFA). Since 1995, the WTO's Agreement on Textiles and Clothing (ATC) took over from the Multifibre Arrangement. By 1st January 2005, the sector was fully integrated into normal GATT rules. In particular, the quotas came to an end, and importing countries are no longer be able to discriminate between exporters. The Agreement on Textiles and Clothing no longer exists: it's the only WTO agreement that had self-destruction built in.

The General Agreement on Trade in Services (GATS) is the first and only set of multilateral rules governing international trade in services. Negotiated in the Uruguay Round, it was developed in response to the huge growth of the services economy over the past 30 years and the greater potential for trading services brought about by the communications revolution. The General Agreement on Trade in Services has three elements: the main text containing general obligations and disciplines; annexes dealing with rules for specific sectors; and individual countries' specific commitments to provide access to their markets, including indications of where countries are temporarily not applying the "most-favoured-nation" principle of non-discrimination.

For manufactured products, a WTO member may restrict imports of a product temporarily (take "safeguard" actions) if its domestic industry is injured or threatened with injury caused by a surge in imports. Here, the injury has to be serious. Safeguard measures were always available under GATT (Article 19). The WTO agreement broke new ground. It prohibits "grey-area" measures, and it sets time limits (a "sunset clause") on all safeguard actions. The agreement says members must not seek, take or maintain any voluntary export restraints, orderly marketing arrangements or any other similar measures on the export or the import side.

IV India's Approach to WTO

Over three-quarters of WTO members are developing countries and countries in the process of economic reform from non-market systems. During the seven-year course of the Uruguay Round - between 1986 and 1993 - over 60 such countries implemented trade liberalization programmes. Some did so as part of their accession negotiations to GATT while others acted on an autonomous basis. At the same time, developing countries and transition economies took a much more active and influential role in the Uruguay Round negotiations than in any previous round. This trend effectively killed the notion that the trading system existed only for industrialized countries. Nevertheless, the provisions of the GATT intended to favour developing countries remain in place in the WTO. In particular, Part IV of GATT 1994 contains three articles, introduced in 1965, encouraging industrial countries to assist developing nation members "as a matter of conscious and

purposeful effort" in their trading conditions and not to expect reciprocity for concessions made to developing countries in negotiations.

All countries, including whether rich or poor, have assets such as human, industrial, natural, financial, which they can employ to produce goods and services for their domestic markets or to compete overseas. "Comparative advantage" means that countries prosper by taking advantage of their assets in order to concentrate on what they can produce best. This happens naturally for firms in the domestic market, but that is only half the story. The other half involves the world market. Most firms recognize that the bigger the market the greater their potential - in terms of achieving efficient scales of operation and having access to large numbers of customers. In other words, liberal trade policies which allow the unrestricted flow of goods, services and productive inputs multiply the rewards that come with producing the best products, with the best design, at the best price. India is on the cross road to produce best and protect its own industries.

India as a developing country is to yet stand the brunt of globalization and liberalization. Globalization, economic liberalization and market forces have caused restructuring of economy and increased competition. In the corridors of international power, there is a new discourse emerging. The global order is in the state of turbulence. The conflict is between globalization and self content. India's interest is not in further trade liberalization but in correcting the drawbacks in implementation of existing agreements, putting at rest apprehension about the fairness of the WTO system and giving all the members of the WTO an equal and effective role in the multilateral trading system.¹⁵

India is proud to have been a founder Member of both GATT and WTO. It has participated effectively participated in the formulation of all major trade agreements. The country as a whole deserves world-class infrastructure and greater engagement with the global economy.¹⁶ India has so far listed its commodities that can be traded fairly including agricultural products produced by using biotechnology. Yet the overall basket of the export has increased equally it is unable to reduce its import which is creating unfavourable balance of payment. The Indian export basket, consisting of agro-based products and manufactured items suffer from considerable supply side problems. So far as agro based products are concerned, the question of surplus is the most critical. In case of manufactured products, there are serious problems of competition relating to high cost, inefficiency in production, outdated technology, problem relating to delivery schedule

¹⁵*Supra* note 2 at p. 203

¹⁶G.R.Krishnamoorthy & Awadhesh Kumar Singh, '*India in Global Economy*', Serial Publication, New Delhi, 2007, p.1.

and product specification.¹⁷ Some of the Indian agri-products have significant demand in the world market such as basmati rice, and spices. But, the export of these products, have been difficult as there is lack of preservative facilities, inadequate transport linkages and poor access to market. And then in the global market fastest growth is seen in manufactured products such as automobiles and ready to eat food and beverages. India is yet to make its share in these areas too.

One more concern that crops is the tariff issue. The first basic principle relates to treating goods of all the countries with equality. It is common knowledge that while the industrialized countries reduced tariff barriers on a number of items as a result of negotiations under the GATT, non-tariff barriers have escalated as a measure of protective device. Non-tariff barriers may relate to health, safety, labeling, packaging, environment, standardization requirements, etc. This is very important area for the small and medium exporters from our country and will become even more important whenever there is a plan for expansion of export items like drugs, food grains, spices, leather and wooden furniture and toys.

To protect the standard of products and encourage export, Technical Regulation and Certification System has been introduced. WTO does not develop or prepare standards not does it insist that members have product standards. What it insists upon, as provided in the GATT 1994 is that the Agreement on 'technical barriers to trade' aims at ensuring that mandatory technical regulation, voluntary standard and testing certification of products do not constitute unnecessary barriers to trade. Here the member states have to ensure discipline, testing, transparency and certification. With all these adoption of principles and discipline, the question arises whether being WTO founder member has been a boon or a ban.

V Is WTO a friend or foe to India

India's stance at the WTO has undergone a sea change since the beginning of the Uruguay Round. Initially when it started India was reluctant to adopt the transformation. But the idea of make in India and be a self-reliant has brought a sea change in Indian Trading Principle. The idea of self-reliance has gone through a metamorphosis as to how it is to be achieved domestically as well as how it is to be signaled to the rest of the

¹⁷Jayanta Bagchi, 'World Trade Organisation- An Indian Perspective', Eastern Law House Pvt Ltd., Calcutta, 2000, pp. 25-26.

world. Significantly, India has experienced an improvement in the degree of specialization in some of the most dynamic sectors of world trade.¹⁸

Agriculture sector is the major contributor of Indian economy but is causing great concern as it is depended on rain. Agreement on agriculture had four main components, namely: (a) concessions and commitments on market access, (b) domestic support and export subsidy, (c) agreement on sanitary and psycho-sanitary measures, and (d) a ministerial declaration concerning least developed countries and developing countries importing net food. During last two decades India's agricultural exports as a part of total merchandise exports have continued to decline from the preponderant position they occupied in the pre-independence.¹⁹ India's stand on agriculture has always been defensive. Achievement of self-sufficiency in food grains and some other major agricultural commodities, which used to account for large portion of import bill, overall imports of agricultural commodities have sharply declined. Food processing industries have to undergo a world class technology adoption and the farmers too are required to be equipped with modern technology if India has to stand the wither of global competition in agriculture.²⁰ If India is able to diversify its production and add value by food processing, then this is a win-win deal for India. A number of commodities are exported to West and low tariffs in west will benefit Indian suppliers.

Indian agricultural products by seeking a reduction in the high tariffs and subsidies prevent in developed countries. A higher growth in agriculture, thus, needs a comprehensive revamp of agricultural policy with reorientation towards rapid diversification of this sector. Indian government is of the view that if high tariff is imposed it can safeguard Indian farmers. The ground reality seems to be different. Indian farmer complains that the costs of agriculture investment have been rising steeply, as the WTO and the developed countries have prescribed the cessation of all subsidies.²¹ The special safeguard mechanism available still remains problematic. It has so many conditions attached to its use and with remedies that are so restrictive, that it would in practice be of little utility.²²

¹⁸Michele Alessandrini, Bassam Fattouh and Pasquale Scaramozzino, *Oxford Journals Social Sciences, Oxford Review of Economic Policy*, vol. 23, Issue 2, p.27.

¹⁹Sheshagiri, B, et.al., 'Impact of W.T.O on Indian Agriculture: Performance and Prospects', *International Journal of Current Research*, vol. 3, Issue 10, September, 2011, p. 66.

²⁰ *Supra* note 16 at p. 29.

²¹ M.B.Rao & Manjula Guru, 'World Trade Organisation & International Trade', 2nd ed., Vikas Publications, New Delhi, 2003, p. 153.

²² Martin Khor, 'Imbalance Remain in the WTO Texts if 6 December, 2008', *Economic and Political Weekly*, 27th December, 2008, p.9.

As regards sanitary and psycho-sanitary measure, it sets out the basic rules for food safety and animal and plant health standards. As already stated WTO does not set standards. The standards are developed by leading scientists in the field and governmental experts on health protection and are subject to international scrutiny and review. It is essential for India to develop infrastructure and policies to respond to the SPS measures in their target markets as well as expectations of the consumers, by providing good quality and safe products at reasonable prices. To achieve this objective the country must ensure that: farming remains competitive and profitable; export policy is aggressive; domestic capabilities are strengthened for implementing SPS measures; products which we do not wish to enter our markets, because of the potential negative impact on health, agriculture or environment, are identified proactively. All this will be necessary to ensure free and safe trade in agriculture.

Textile and clothing has been predominant industry of India. Being labour intensive and related to law technology activities, India's market share is comparatively low. The first related to speed which signifies our readiness to complete delivery schedules and our readiness to respond to market changes. Second issue is to quality which has been a major concern. And the third cardinal issue is productivity. Globalization has had a positive impact on textile exports of India.²³ Indian textile exporters have been protesting that the demand is decreasing and the time is therefore for an accelerated phase-out.²⁴ Countries producing and exporting textiles have increased investment in spinning and weaving equipment. Even though Developing countries have comparative cost advantage in domestic and international market still they are implementing bringing structural changes to meet the needs of the global stringent buyer. Now textiles industry and its labour relations are undergoing profound changes. The retail market has opened and the producers' control over the product market has increased. Innovations in Supply chain management, professional services, branding will soon be key to sustainable growth in the textile industry.

India initially had a strong opposition to include Intellectual Property Rights within the ambit of trade negotiations. But over time this defensive approach became more moderate and finally turned somewhat aggressive with respect to specific dimensions. Two issues related to TRIPS and India. The first is the protection some of products grown in India such as basmati, neem and turmeric. And the second is on protection of indigenous knowledge. The special products issue showed the need for stronger protection for the products. The rules also were amended to give owners of traditional

²³Noopur Tandon & E Eswara Reddy, 'A Study on Emerging Trends in Textile Industry in India', *International Journal of Advancements in Research & Technology*, vol. 2, Issue 7, July, 2013, p. 267.

²⁴*Supra* note 2 at p. 204.

knowledge sufficient reward for the use of the know-how in modern bio-technology.²⁵ Indian medicine system which is based on traditional knowledge such as *Ayurveda*, *Siddha* or *Unani Tibb* is also protected under IPR. Intellectual property can travel effortlessly from one country to another. Piracy of Intellectual Property has become International character.²⁶ Hence, this traditional knowledge should receive protection from being pirated. India will have to grant greater protection to patent and for much longer period. Further, it has to grant national treatment to foreign firms. On the matter of purchase too it should not discriminate.

In manufacturing there are many goods which are specially manufactured and exported but the problem is of use of new technology. For example when analyse car manufacture in India and its sale abroad there is lot of difference. Joint venture companies have satisfied domestic passenger car vehicle needs, but price and quality problems have left the industry open to some challenge in a free market post-WTO world. Domestic manufacturers would rise to the challenge of WTO membership, and producers would make world-class vehicles competitive in most ways with imported cars and trucks. A middle ground course would see the industry muddling along with characteristics similar to the status quo. If India has to stand in the world market then it is essential that world class products are produced which shall have demand in the world market.

VI Conclusion

India as a founder member of both the GATT and the WTO must become proactive on the world arena by evolving itself into a formulator of visions and leader of the WTO. India must play a much larger and important role in global trade. The situation is ripe for India to pay a leading role at multilateral trade institution.

The parameters of India's WTO policy have been by and large determined by its domestic imperatives fulfilling the country's best interest as perceived by the policy makers from time to time. The trend of industrial restructuring and consolidation that is taking place in the developed countries is clear from the recent spate of Multinational company formation through mergers and acquisition. There is a consolidation at the regional and global level with the mergers and acquisition between national champions eg. Hero with Honda, Maruti with Suzuki. In this era of globalization, the only plausible way for deficit nations like India is to put the economy back on rails would be to

²⁵ *Ibid* at 205.

²⁶ D.N.Mishra, 'International Investment Law, WTO & IPR with Special Reference to WTO: DSU in Developing Countries', *Indian Bar Review*, vol. XXXI, 2004, p. 92.

assiduously pursue an export led growth polity rather than depending merely on the domestic market activities.²⁷

VII Suggestions

1. On to agricultural production, if Indian farmers and processors are to enjoy a modicum of protection, then tariffs have to be negotiated. Introduction of dent in leading edge technologies to farming and agriculture shall resolve the matter. Further concession as to imposition of tariff for agriculture supply from foreign countries to continue till the situation improves.
2. Second and a high profile area is import of cars and vehicles. This principle shall be applied to new as well as used vehicle. New cars are posing tough competition and those who cannot afford go for second hand ones at throwaway price in foreign markets. Since India has so far not bound its tariffs on cars. It does have freedom of setting the import duty on used cars. This should continue and with this import duty should also be extended to new cars which shall protect the local automotive industry.
3. Food processing and make in India should be theme of every manufacturer. And on this India should reach International Standards in the quality of both industries and agricultural products. If only we could export more, we will be able to have a favourable balance of payment. Self sufficiency can be achieved by producing more in India and International market can be reached only by assuring quality and standard.
4. India on to service sector should properly plan and utilize its cheap and abundant human and natural resource.
5. Agriculture research must be carried and application of biotechnology in agriculture must be encouraged. Patenting has to encouraged which shall bring a huge revenue to India.
6. Intellectual Property and make in India has facilitated Simplified procedure for filing, E-filing facilities and incentives. But more care has to be taken care of in patenting products of Indian Origin including medicines.

²⁷ V.K.Bhalla, 'World Trade Organisation-Converting Crisis into opportunities', *Chartered Secretary*, January, 2002, p. 35.