

International Business
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Lecture - 48

Multifiber Agreement, Agreement on Textiles and Clothing, UNCTAD, GSP, GSTP

Hello everyone, welcome to the class of International Business.

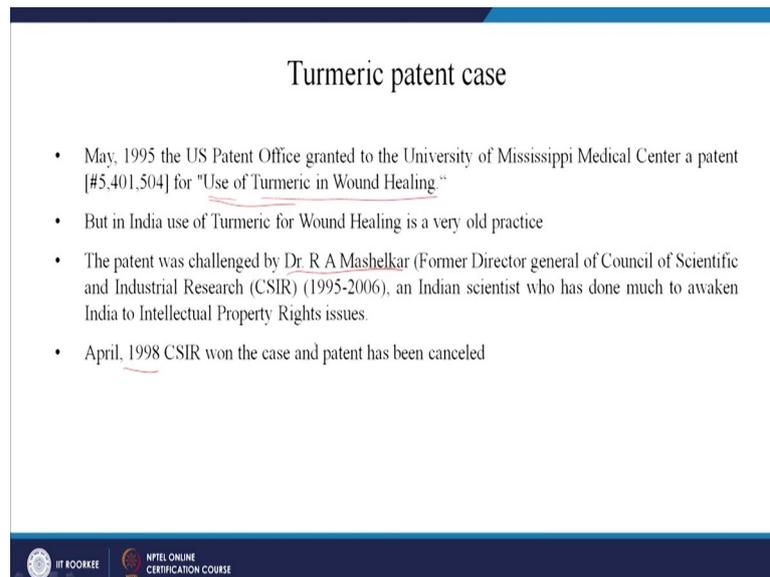
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So, in the last lecture, we had discussed about the General Agreement on Trade in Services – GATS; then we talked about the trade-related investment measures which is largely called TRIMs. And then we had talk, then we discussed about the trade-related aspects of intellectual property rights. We just in short called the TRIPS right.

So, there we talked about when we talking about discussing about the TRIPS, we discussed about the various firms; for example, the logos, the trademarks, the patents, you know all these that had that needs to be protected and it is because it is an intellectual property of somebody, so that needs to be protected and that has been largely discussed in the WTO.

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Turmeric patent case

- May, 1995 the US Patent Office granted to the University of Mississippi Medical Center a patent [#5,401,504] for "Use of Turmeric in Wound Healing."
- But in India use of Turmeric for Wound Healing is a very old practice
- The patent was challenged by Dr. R A Mashelkar (Former Director general of Council of Scientific and Industrial Research (CSIR) (1995-2006), an Indian scientist who has done much to awaken India to Intellectual Property Rights issues.
- April, 1998 CSIR won the case and patent has been canceled

So, one of the very popular case when you know today I would start with this lecture is the turmeric patent case which had happened. So, this was an interesting case in 1995, the US patent office granted the University of Mississippi Medical Center a patent for Use of Turmeric in Wound Healing right, but as in India turmeric has been used for wound healing since very, very early days.

So, the patent was challenged by Dr. R A Mashelkar the Former Director General of CSIR in and he an Indian scientist. So, he challenged this patent. And in 1998 CSIR won this case and the patent was cancelled, then right they realized that yes it was a very old practice in India, and they got the documentary evidences also for that.

So, and there are several other things which are still in problem. For example, neem has been a point of concern again, because neem has been widely practiced in India, but now people have been you know demanding that neem is a new introduction or a new invention of theirs, so that is what the uses of neem. So that is always such controversies have remained as a part of the intellectual property. Another important part in the TRIPS is the undisclosed information of trade secrets.

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Undisclosed information (Trade Secrets)

- Trade secrets are intellectual property (IP) rights on confidential information which may be sold or licensed.
- Trade secrets must be protected against unauthorized use, including through breach of contract or confidence or other acts contrary to honest commercial practices.
- In general, to qualify as a trade secret, the information must be:
 - **commercially valuable** because it is secret,
 - be known only to a **limited group of persons**, and
 - be subject to **reasonable steps taken** by the rightful holder of the information to keep it secret, including the use of confidentiality agreements for business partners and employees.



The slide features a magnifying glass with a black handle and a silver frame, positioned over a yellow folder with a white tab. The magnifying glass is focused on the folder, symbolizing the search for or protection of trade secrets.

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Now, trade secrets are also intellectual property rights on confidential information which may be sold or licensed. Now, what is a trade secret? Trade secrets must be protected against unauthorized use, including through breach of contract or confidence or other acts contrary to honest commercial practices.

In general to qualify that, trade secret the information must be commercially valuable, because it is a secret. To be in for example, you know the formula for making a the Coca-Cola is a very valuable asset, it is a secret right. We know only to a limited group of person, and be subject to reasonable steps taken by the rightful holder of the information to keep it secret; including the use of confidentiality, agreements for business partners and employees.

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Now, when you look at you know the whole of the intellectual property it can be largely seen through this diagram. So, trade secrets, trademarks, patents, copyrights; so they include different things which you can later on see right.

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Important points

- One way for a right holder to commercially exploit his or her intellectual property rights includes issuing a licence to someone else to use the rights. Recognizing the possibility that right holders might include conditions that are anti-competitive, **the TRIPS Agreement says that under certain conditions, governments have the right to take action to prevent anti-competitive licensing practices.**
- The Agreement says governments have to ensure that intellectual property rights can be enforced to prevent or deter violations.
- The TRIPS Agreement aims for the transfer of technology (see above) and requires developed country members to provide incentives for their companies to promote the transfer of technology to least-developed countries in order to enable them to create a sound and viable technological base.

https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm

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One way for a right holder to commercially exploit his or her intellectual property right includes issuing a license to someone right to use the rights. So, when you issue a license and you get a royalty or some fees for it. Recognizing the possibility the right holders might include conditions that are anti-competitive. The TRIPS agreement says that under

certain conditions governments have the right to take action prevent anti-competitive licensing practices.

So, I in the last class lecture we discussed if you remember about the case of the pharmaceutical industry, where certain companies they make a drug and they spend; obviously, lots of money on that or lots of time and money, but the point is when it is a important drug for example, the case of AIDS.

So, such drugs cannot be you know they the medicines that these companies were making are very costly. So, in such conditions they can be challenged, because when it comes to a poor economy or a country which has lot of poor people; so they cannot afford it right and you know AIDS spreads mostly in the lower economic zone, it has been seen.

So, in such condition it becomes very difficult and so there are exceptions where the government has the right to take action, ok. The agreement says government have to ensure the intellectual property rights can be enforced to prevent or deter violations. The TRIPS agreement aims for the transfer of technology, and requires developed country members to provide incentives for their companies to promote the transfer of technology to least developed countries in order to enable them to create a sound and viable technology base.

So, this agreement has a kept in mind the all the requirements for the you know intellectuals ok; who has that means, the intellectuals means I say, the inventors basically who have given the idea right.

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Access to medicine

The TRIPS amendment eases poorer countries' access to medicines by allowing generic versions of patented medicines to be produced under compulsory licences (i.e. without the consent of the patent owner) exclusively for export to countries that cannot manufacture the needed medicines themselves.

126
WTO members have accepted the amendment.

23
JAN 2017
The amendment entered into force in January 2017.

The amendment is entirely driven by public health concerns. African countries played a major role in bringing about this change.

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Access to medicine, this is the TRIPS amendment eases poor countries access to medicines by allowing generic versions of the patented medicines to be produced under compulsory licenses without the consent of the patent owner, right. Exclusively for export to country that cannot manufacture the needed medicine themselves, this is what the case we are talking about.

The amendment came into force in 2017, January right; 126 WTO members have accepted this amendment right. And this amendment is entirely driven by public health concerns, African countries played a major role in bringing about this change; so this we have been discussing.

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IP Legislations in India

1. Patents Act , 1970 ✓
2. Trade Marks Act, 1999 ✓
3. Copy Right Act , 1957 ✓
4. Designs Act , 2000 ✓
5. Semiconductor Integrated Circuits and Layout Designs Act, 2000 ✓
6. Geographical Indications of Goods (Registration and Protection) Act,1999 ✓
7. The Protection of Plant Varieties and Farmers Rights Act,2001 ✓

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Some of the intellectual property legislations in India has been for example, the Patents Act 1970; the Copyright Act, 1957; Trademarks Act, 1999; Designs Act, 2000; the Semiconductor Integrated Circuits and Layout Designs Act, 2000; the Geographical Indications of Goods Act, 1999; the Protection of Plant Varieties and Farmers Right, 2001. So, these are some of the once which the Indian government has taken steps, right.

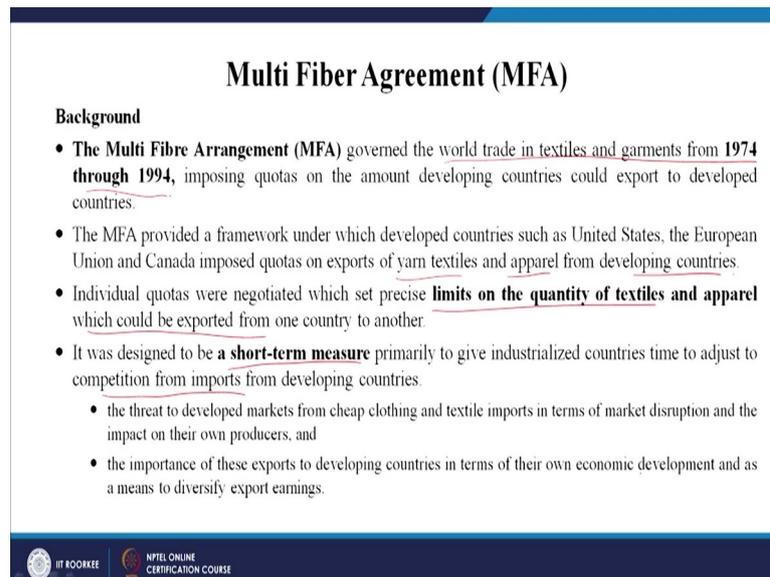
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Agreement on Textiles and Clothing (ATC)

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Multi Fiber Agreement (MFA)

Background

- The **Multi Fibre Arrangement (MFA)** governed the world trade in textiles and garments from **1974 through 1994**, imposing quotas on the amount developing countries could export to developed countries.
- The MFA provided a framework under which developed countries such as United States, the European Union and Canada imposed quotas on exports of yarn textiles and apparel from developing countries.
- Individual quotas were negotiated which set precise **limits on the quantity of textiles and apparel** which could be exported from one country to another.
- It was designed to be a **short-term measure** primarily to give industrialized countries time to adjust to competition from imports from developing countries.
 - the threat to developed markets from cheap clothing and textile imports in terms of market disruption and the impact on their own producers, and
 - the importance of these exports to developing countries in terms of their own economic development and as a means to diversify export earnings.

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Now, today will also talk about the agreement on textiles and clothing. Now, we will start with the multi fiber agreement, so this is a very old case. The multi fiber agreement governed the world trade in textiles and garments from 74 through 1994, and then it got obsolete right. Imposing quotas on the amount developing countries could export to the developed countries. So, there was quotas; how much one developing country could export to the developed countries right.

The MFA or the Multi Fiber Agreement provided a framework under which developed country such has the United States, the European, Union and Canada imposed quotas on exports of yarn textiles and apparel from the developing countries. Individual quotas were negotiated which set precise limits on the quantity of the textiles, so how much you can export; and apparel which could be exported. It was designed to be a short-term measure, primarily to give in the industrialized countries time to adjust to competition from imports from the developing countries.

The threat to developed markets from cheap clothing and textile imports in terms of market disruption; and the impact on their own producers and the importance of this exports to developing countries in terms of the own economic development and as a means to diversify export earnings. So, this was the two points that there was one threat to the developed countries that cheap clothing and textile would come into the market

and disruption, but on the other side the developing countries would have their own economic development, so it was a looked at that perspective ok.

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Agreement on Textiles and Clothing (ATC)

- In 1995, the MFA was replaced by the 1995 Agreement on Textiles and Clothing (ATC), with the advent of the World Trade Organization (WTO).
- Negotiators agreed that the MFA would be eliminated and full liberalization would be implemented on 1 January 2005.
- The Multi Fibre Arrangement (MFA) governed the world trade in textiles and garments from 1974 through 1994, imposing quotas on the amount developing countries could export to developed countries.
- Its successor, the Agreement on Textiles and Clothing (ATC), expired on 1 January 2005.
- The expiry of the **ten-year transition period of ATC implementation means** that trade in textile and clothing products is no longer subject to quotas under a special regime outside normal WTO/GATT rules but is now governed by the general rules and disciplines embodied in the multilateral trading system.

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But then after in 1994, it was abolished; and 1995, it was the it was replaced the multi fiber agreement was replaced by the agreement on textiles and clothing. So, which took care of the problems which was existing with the multi fiber agreement, so this was the time when the WTO came into place. So, the negotiators agreed that the MFA would be eliminated and full liberalization would be implemented, so no more protection, no more quotas were there right.

The multi fiber agreement governed the world trade in textiles and garments from 74 to 94, imposing quotas. Its successor, expired you know the agreement on textile and clothing now this also has expired on January, 2005.

The expiry of the ten-year transition period of the ATC implementation means that trade in textile and clothing products is no longer subject to quotas this is very important. Under a special regime outside normal WTO or GATT rules, but is now governed by the general rules and disciplines embodied in the multilateral trading system.

So, first you had this 74 to 1994 you had multi fiber agreement which was replaced by the ATC – Agreement Textiles and Clothing. And 2005 that was also been now, it has expired.

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CONTI...

The ATC is a transitional instrument, built on the following key elements:

- (a) **the product coverage (listed in the Annex to the ATC)**, basically encompassing yarns, fabrics, made-up textile products and clothing;
- (b) a programme for **the progressive integration (laid down in ATC Article 2)** of these textile and clothing products into GATT 1994 rules;
- (c) a liberalization process to progressively enlarge existing quotas (until they are removed) by increasing annual growth rates at each stage;
- (d) a special safeguard mechanism to deal with new cases of serious damage or threat thereof to domestic producers during the transition period;
- (e) establishment of a **Textiles Monitoring Body** ("TMB") to supervise the implementation of the Agreement and ensure that the rules are faithfully followed;

The ATC foresees a step-by-step integration, with an increasing percentage of products brought under the layer of the GATT at each step. The transition from MFA to GATT, via the ATC, has four milestones:



The ATC is a transitional instrument right, it is a transitional instrument as it says which was built on the following elements. First one was the product coverage, so the product coverage now this list you can find it at this you know, when you Google it on the about the ATC you will find the list which is there. Now, the product coverage basically encompassing you know yarns, fabrics, made-up textiles products and clothing; so the entire list can be checked, you can Google it out right.

Second, a program for the progressive integration which is again laid down in ATC article 2 that you can check it of because it becomes very lengthy, so we have avoided; you can check it through the website Google website of their or their own website right; of this textile and clothing products into GATT 1994 rules. The third element was the liberalization process to progressively enlarge the existing quotas until they are removed, by increasing annual growth rates at each stage.

The fourth one was to safe guard mechanism to deal with new cases of serious damage on threat to the domestic produce producers during the transition period. So, when it would be stopped or something, so the domestic producers would be you know in a trouble, so to how to safe guard this producers. Establishment of a textile monitoring body to supervise the implementation of the agreement and ensure, that the rules are faithfully followed. So, these are the five elements the ATCs on which the ATC was built right. The ATC forces the step-by-step integration with an increasing percentage of

products brought under the layer of the GATT at each step. And this transition from the multi fiber agreement to GATT via the ATC has four milestones.

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Milestone 1: 1 January 1995 At least 16 percent of products to be brought under the WTO rules.

Milestone 2: 1 January 1998 At least a further 17 percent of products to be brought under the WTO rules.

Milestone 3: 1 January 2002 At least a further 18 percent of products to be brought under the WTO rules.

Milestone 4: 1 January 2005 All remaining products (up to 49 percent) to be brought under the WTO rules.

Stage	Date of implementation	Percentage of products to be integrated with GATT Rules	Increase in post-MFA quota growth
1	1 Jan 1995 - 31 Dec 1997	16% minimum, using 1990 imports as base	16% (i.e. from 5% to 5.6%)
2	1 Jan 1998 - 31 Dec 2001	17% minimum	25% (i.e. from 5.6% to 7.25%)
3	1 Jan 2002 - 31 Dec 2004	18% minimum	27% (i.e. from 7.25% to 9.21%)
4	1 Jan 2005 Full integration into GATT (final elimination of quotas, termination of ATC)	49% maximum	nil (full integration)




So, what are these four milestones; the first milestone was in 1995, 16 percent of the products to be brought under the WTO rules. So, first milestone said that was in first January 1995, at least 16 percent of the products would be brought under the WTO rules.

Second in 1998, it said at least of further 17 percent of the products would be brought under the 17 WTO rules; then on 2002, another 18 percent was added. And finally, so this was $16 + 17 = 33$; $33 + 18 = 51$ right up to this much it was 51. And in 2005, all remaining products up to 49 the remaining 49 percent would be brought under the WTO rules.

So, this is how they go went on adding, so that the sudden disruption would have created a disequilibrium in the market. So, did it through a slowly an incremental approach. So, this is how it looks like. So, date of implementation, percentage of the products to be integrated on GATT rules, and increase in post MFA quote quota growth right.

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Conti...

- **Article 3** deals with quantitative restrictions (or measures with similar effect) other than those under the MFA. ✓
- A key aspect of the ATC is the provision in **Article 6** for a **special transitional safeguard mechanism** intended to protect Members against damaging surges in imports during the transition period from products which have not yet been integrated into GATT and which are not already under quota.
- **Article 6** of the Agreement lays down the procedures and conditions under which an importing Member can introduce new restrictions on imports of particular products.
- **Article 9** of the Agreement provided "There shall be no extension of this Agreement".
- **Will trade in textiles & clothing be completely free after 2004?**

No, trade in T&C will not be completely free. By the end of a transition period of ten years (1995-2004), quota arrangements will end. Thereafter, restrictions will normally be limited to tariffs, which will be kept in line with WTO discipline.

https://www.wto.org/english/docs_e/legal_e/16-tex_e.htm



So, you can look at this. The article 3, deals with a quantitative restrictions or measures with similar effect other than those under the MFA. Now, the article 3, I think is not mentioned here; so as this is the article 2, the progressive integration. So, you have the article 3; now this article 3, it deals with the quantitative restrictions other than those under the multi fiber agreement. And you have different articles, so I have just written down these articles you can check those.

A key aspect of the ATC is the provision in article 6, for a special transitional save guard mechanism. So, as you have seen as to be a transitional approach otherwise sudden change would disrupt the market, and the developing economies would suffer a lot right. Intended to protect members against damaging surges in imports during the transition period from products which have not yet been integrated into the GATT, and which are not already under the quota.

Now, this agreement article 6 of the agreement lays down the procedures and the conditions under which an importing member can introduce new restrictions on imports of particular products. And there is the article 9, which says that there will no there shall be no extension of this agreement. So, with trade and textile and clothing will be was completely free after 2004, this was this was the whole idea, this is how it this ATC started; and after 2004, it has achieved the 100 percent transition.

So, no trade in you know textile and clothing will not be completely free by the end of a transition period of ten years, quota arrangements will end. And thereafter, restrictions will normally be limited to tariffs which will be kept in line with the WTO discipline. So, this movement was a very important movement, because many developing economies which like Bangladesh right for example, it was largely dependent on the textile industry.

So, there was a lot of fear that if immediately it would have been done instead of a transitional mechanism, if it would have been done sudden, it would have dented their Bangladeshi economy very largely, but slowly that is why to understand to you know to adjust the equilibrium or to create an equilibrium in the market, it was done in a very slow incremental process right. So, let us talk about one of the cases.

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Case : The Cost of Protectionism on Northern Consumers

- The MFA is one of the best-documented examples of how consumers lose out when producers are excessively protected. The price of textiles and clothing continues to be maintained at artificially high levels in Europe and North America.
- In 1993, the GATT secretariat estimated that price protection for textiles and clothing cost each household US\$200-420 per annum in the US and US\$130 in the UK.
- When Sweden dismantled its MFA quotas, Swedish consumers were able to buy double the quantity of goods for the same money.
- A US study calculated the cost of MFA at US\$40bn, or US\$500 per household in 1986.
- A UK study, published in 1989, estimated the cost of the MFA to be US\$1600mn a year, or around five percent of retail prices.

So, it can be roughly assumed that the extra cost to consumers due to protectionism in developed nations was per se more than the actual traded volume.

Source: Textiles and Clothing – Who Gains, Who Loses and Why? By Pradeep S. Mehta, CUTS Briefing Paper No. 5, 1997.

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Now, this is a case which I have brought the cost of protectionism on northern you know consumers, so this was a case of protectionism right. So, the MFA is one of the best documented examples of how consumers loose out, when producers are excessively protected right. So, the producer who is producing when is protected right by the government or the you know, so how it could lose out. The price of textiles and clothing continues to be maintained at artificially high levels in Europe and North America.

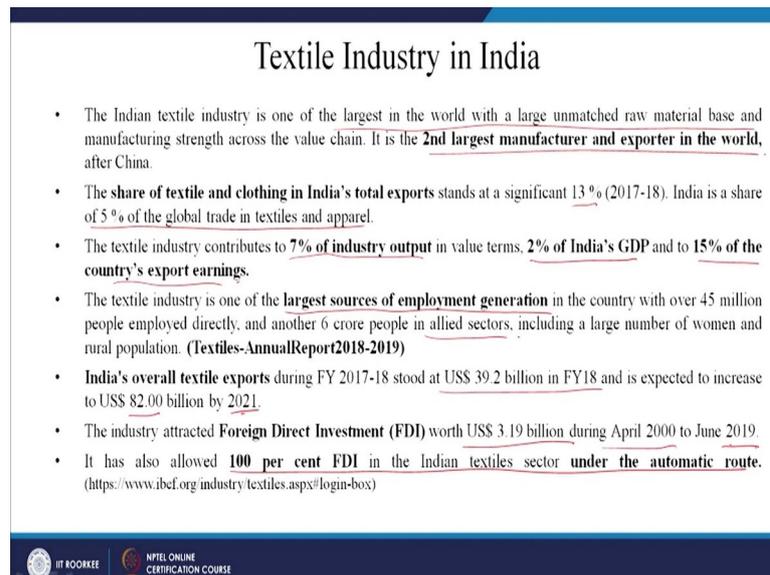
In 1993, the GATT secretariat estimated that price protection from for textiles and clothing cost each household 200 to 420 US dollars per annum in the US, and 130 US dollar in the UK, so that is a very high protection right. When Sweden dismantled its

MFA quotas, so this quotas was done, so that you know they would buy it from the developing economy or some of the countries which were good at textiles. Swedish consumers where able to buy it double the quantity of goods for the same money, so this was a big change.

A US study calculated, the cost of MFA at 40 billion US dollars or 500 US dollars per household in 1986; so you can imagine if you extrapolate the time value of money, and it would be much larger figured as of today. A UK study published in 89, estimated the cost of MFA the multi fiber agreement to be 1600 million US dollars a year or around 5 percent of the retail prices.

So, it can be roughly assumed the extra cost to consumers due to protectionism in the developed nations was per se more than the actual traded volume. So, this was why the multi fiber agreement and then the textile and other agreements were slowly faced out.

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Textile Industry in India

- The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the **2nd largest manufacturer and exporter in the world**, after China.
- The **share of textile and clothing in India's total exports** stands at a significant **13 % (2017-18)**. India is a share of **5 %** of the global trade in textiles and apparel.
- The textile industry contributes to **7% of industry output** in value terms, **2% of India's GDP** and to **15% of the country's export earnings**.
- The textile industry is one of the **largest sources of employment generation** in the country with over 45 million people employed directly, and another 6 crore people in allied sectors, including a large number of women and rural population. (Textiles-AnnualReport2018-2019)
- **India's overall textile exports** during FY 2017-18 stood at **US\$ 39.2 billion in FY18** and is expected to increase to **US\$ 82.00 billion by 2021**.
- The industry attracted **Foreign Direct Investment (FDI)** worth **US\$ 3.19 billion** during April 2000 to June 2019.
- It has also allowed **100 per cent FDI** in the Indian textiles sector **under the automatic route**. (<https://www.ibef.org/industry/textiles.aspx#login-box>)

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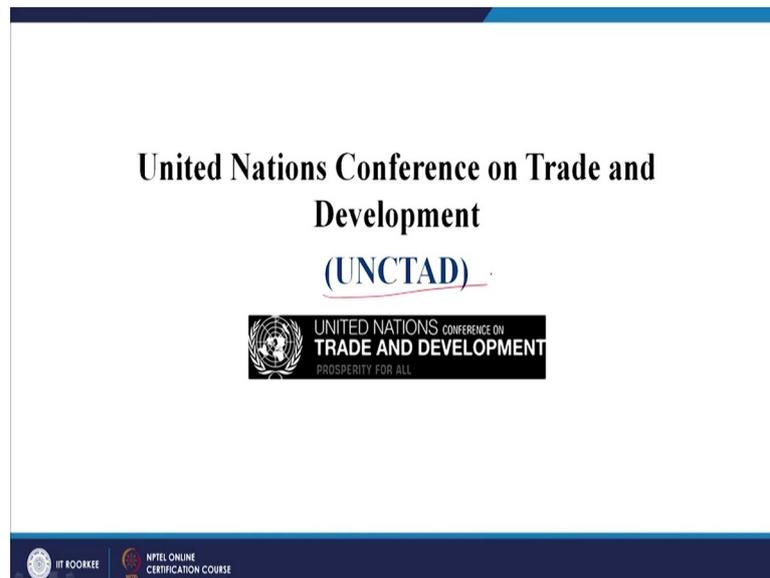
The textile industry in India is one of the largest in the world with a large unmatched raw material base and manufacturing strength, it is the second largest manufacturing exporter in the world after China right. The share of textile and clothing India's total export stands this much and is a 5 percent of the global trade in textiles and apparel. This industry contributes 7 percent of industry output in value, 2 percent of the GDP and 15 percent of the exported earning, export earnings. Now, it is one of the largest sources of employment generation ok, with 45 million people annually you know people employed;

and another 6 crore through allied sectors, including large number of women and rural population.

Now, overall India's overall textile exports stood at 39.2 billion financial 18 and was expected to increase to 82 billion by 2020 2021. The industry FDI is worth 3.19 billion US dollars during April 2000 to June 19; and it has allowed 100 percent FDI in the Indian textile sector under the automatic route, so this is the case of the Indian textile industry.

So, during the you know the multi fiber agreement this time, 74 to 94 and from 94 to 2005; there was lot of protection given to those economies which were good in textile development, so these developing economies were largely dependent on the textile exports. So, all this was slowly faced out, so that the developing economies would come a be more competitive and can stand in the competition with the other countries.

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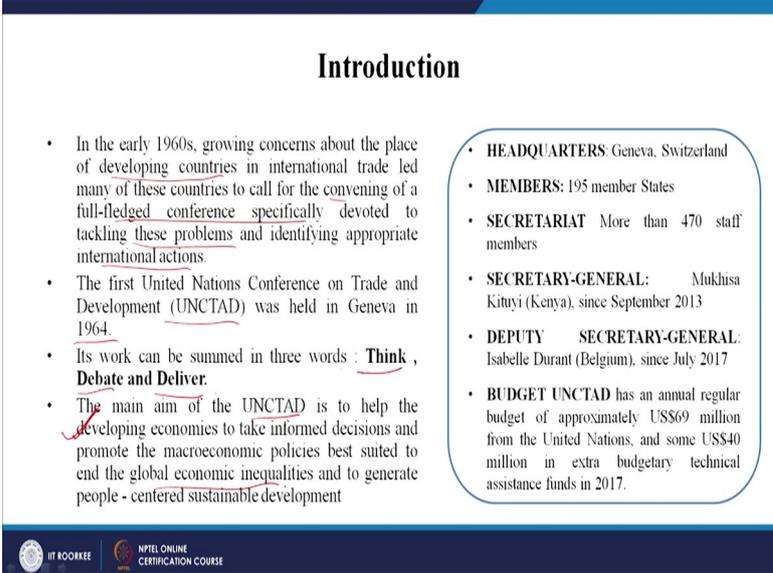


So, after this today we will discuss about one more point which is the United Nations conference on trade and development. So, as we know all the whole purpose of this you know, whatever exercise like there GATT, the WTO, the you know and the different functions for example, the TRIMs, TRIPS whatever.

Has been two things, one has been the growth of the economy and you know transparency in the economy; and then also to you know the to uplift the people in the

social position, in the social you know condition right. So, the United Nations conference as we say UNCTAD right also has a similar kind of approach.

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Introduction

- In the early 1960s, growing concerns about the place of developing countries in international trade led many of these countries to call for the convening of a full-fledged conference specifically devoted to tackling these problems and identifying appropriate international actions.
- The first United Nations Conference on Trade and Development (UNCTAD) was held in Geneva in 1964.
- Its work can be summed in three words : **Think , Debate and Deliver.**
- The main aim of the UNCTAD is to help the developing economies to take informed decisions and promote the macroeconomic policies best suited to end the global economic inequalities and to generate people - centered sustainable development

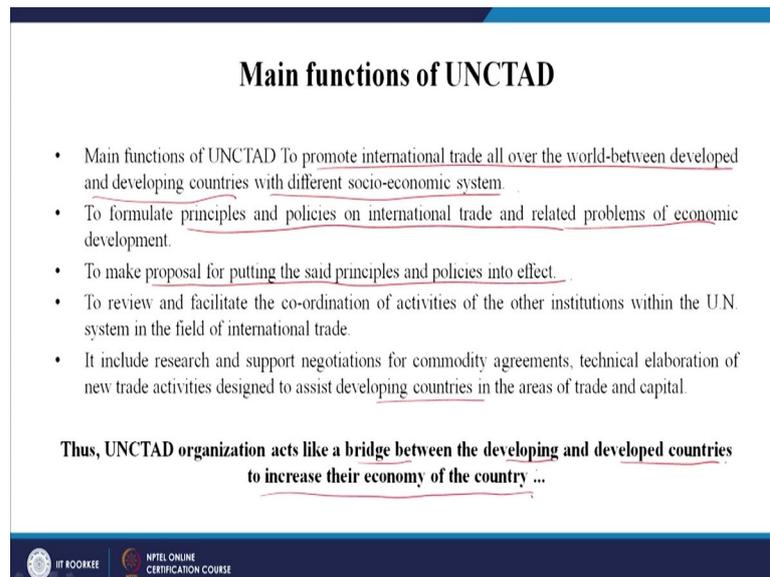
- **HEADQUARTERS:** Geneva, Switzerland
- **MEMBERS:** 195 member States
- **SECRETARIAT:** More than 470 staff members
- **SECRETARY-GENERAL:** Mukhisa Kituyi (Kenya), since September 2013
- **DEPUTY SECRETARY-GENERAL:** Isabelle Durant (Belgium), since July 2017
- **BUDGET UNCTAD** has an annual regular budget of approximately US\$69 million from the United Nations, and some US\$40 million in extra budgetary technical assistance funds in 2017.

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In the 60s, there were growing concerns about the place of developing countries in international trade. Led many of these countries to call for conveying of a full-fledged conference devoted to tackle the problems and identify appropriate international actions, so the developing economies were mostly worried. So, UNCTAD was held in Geneva in 1964 for the same purpose, and its work can be some in three words; what are they think, debate and deliver.

So, the main aim of the UNCTAD was to help the developing economies to take informed decisions and promote the macroeconomic policies best suited to end the global economic inequalities. So, there was a fear by the developing economies that there would be inequality, so to reduce its inequality the united came into place; so this is the details about the UNCTAD, right.

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Main functions of UNCTAD

- Main functions of UNCTAD To promote international trade all over the world-between developed and developing countries with different socio-economic system .
- To formulate principles and policies on international trade and related problems of economic development.
- To make proposal for putting the said principles and policies into effect .
- To review and facilitate the co-ordination of activities of the other institutions within the U.N. system in the field of international trade.
- It include research and support negotiations for commodity agreements, technical elaboration of new trade activities designed to assist developing countries in the areas of trade and capital.

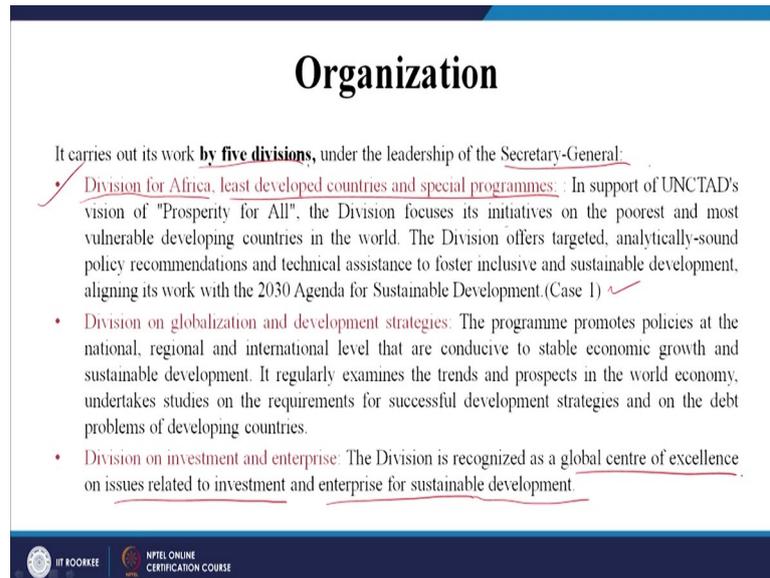
Thus, UNCTAD organization acts like a bridge between the developing and developed countries to increase their economy of the country ...

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So, as it says the main functions to promote international trade all over the world between developed and developing countries with different socio-economic system. To formulate principles and policies on international trade and related problems of economic development. To make proposal for putting the set principles and policies into affect. To review and facilitate the co-ordination of activities of other institutions within the UN system, in the field of international trade.

It includes research and support negotiations for commodity agreements, technical elaboration of new trade activities as designed to assist developing countries. So, the whole idea this UNCTAD was to take care of the developing economies, so that they would not be exploited or they would not suffer due to any new policies. So, thus UNCTAD organizations acts like a bridge between the developing and the developed countries to increase the economy for the country.

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Organization

It carries out its work by five divisions, under the leadership of the Secretary-General:

- Division for Africa, least developed countries and special programmes: In support of UNCTAD's vision of "Prosperity for All", the Division focuses its initiatives on the poorest and most vulnerable developing countries in the world. The Division offers targeted, analytically-sound policy recommendations and technical assistance to foster inclusive and sustainable development, aligning its work with the 2030 Agenda for Sustainable Development. (Case 1)
- Division on globalization and development strategies: The programme promotes policies at the national, regional and international level that are conducive to stable economic growth and sustainable development. It regularly examines the trends and prospects in the world economy, undertakes studies on the requirements for successful development strategies and on the debt problems of developing countries.
- Division on investment and enterprise: The Division is recognized as a global centre of excellence on issues related to investment and enterprise for sustainable development.

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So, it carries out five divisions under the leadership of the secretariat-general; so I will just talk about its highlights. So, the first one is the division for Africa, least developed countries and special programs. So, this was done in order to you know develop the poorest and the most vulnerable countries, right.

The second is the developed division on globalization and development strategies. So, this was again to promote policies at the national, regional and international level to make economic development and sustainable development. The third one is a division on investment and enterprise, so this is recognized as a global center of excellence on issues related to investment and enterprise for sustainable development; so the key thing is now sustainable, right.

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- Division on international trade and commodities: It offers analysis and advice and seeks to build consensus, strengthen capacity and promote partnerships for trade policy, trade negotiations, trade in goods and services, competition law and consumer protection, and managing issues arising at the intersection of trade, the environment and climate change.
- Division on technology and logistics: This division aims to enhance the economic development and competitiveness in developing countries - in particular Least Developed Countries - through efficient trade logistics services and transit transport systems; science, technology and innovation, including increased access to and sustainable use of information and communication technologies; and training and capacity-building programmes for local institutions(Case 2)
- UNCTAD technical cooperation activities are financed from three main sources:
 - ✓ - Trust funds (i.e. voluntary contributions from donors)
 - ✓ - United Nations Development Programme (UNDP)
 - ✓ - United Nations programme budget

The fourth point was the division on international trade and commodities, and the last one is division on technology and logistics. So, there are few cases I have brought for you; one is the case 1 regard to this point, and the case 2 in this year which is regarding this point.

The UNCTAD technical cooperation activities are financed from 3 main sources, what are they; Trust funds which are voluntary contribution from donors, then second is the United Nations Development Programme – UNDP, and third is the United Nations programme budget.

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Case 1: How will South Africans get better access to superior medicines?

- In May 2018, South Africa approved the first phase of a new intellectual property policy that paves the way for better access to high-quality, affordable medicines in a country plagued with high infection rates for HIV/AIDS and tuberculosis.
- The government asked UNCTAD to help develop the policy because of its long-standing experience in technical cooperation in intellectual property, access to medicines and local pharmaceutical production – a priority sector for the country's industrial development.
- UNCTAD organized two stakeholder consultations in cooperation with the Department of Trade and Industry of South Africa and the UN Development Programme (UNDP). The World Health Organization, the World Intellectual Property Organization and the World Trade Organization also took part.
- Together with UNDP, UNCTAD analysed how the proposed intellectual property policy could help the government meet international and domestic human rights obligations related to the right to health and sought technical inputs from the Office of the United Nations High Commissioner for Human Rights.
- Not only is this an essential step toward improved access to medicines in South Africa, but also toward a stronger domestic pharmaceutical sector. The policy is now in line with international practices and strikes a fair balance between incentives for innovation and the need to promote competition and access to medicines.



Let us look at the first case, the case 1. This case 1 was related to this point; where we talked about how division for Africa, the division for Africa least developed country and special programmes. Now, in May 2018 South Africa approved the first face of a new intellectual property policy that paves the way for better access to high quality affordable and medicines in a country plagued with high infection rates for HIV AIDS and tuberculosis.

So, these are some of the biggest problems right to the world. So, the government asked UNCTAD to develop the policy because of its long standing experience in technical cooperation, in intellectual property, access to medicine and local pharmaceutical production. UNCTAD organization two stake holder, consultations in cooperation with the Department of Trade and Industry for South Africa and the UNDP.

The WHO, the world intellectual property organization and the world trade organization also took part. Together with all of this the UNCTAD analyzed, how the proposed intellectual property policy could help the government with international and domestic human rights obligations, right. Related to the right of health and sought technical inputs from the United Nations high commissioner for human rights.

So, all this you know taken together the ideas the inputs they came out with the better policy right, not only is this an essential step towards improved access to medicines in South Africa, but also towards a stronger domestic pharmaceutical sector. The policies

now in line with the international practices and strikes a fair balance between incentives for innovation and the need to promote competition and access to medicine.

So, this was a very important you know event right and a important function or a job that the UNCTAD played right, role that it played.

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Case 2: Automated System for Customs Data

- The UNCTAD Automated System for Customs Data (ASYCUDA) and customs modernization programme, operating in Afghanistan since 2005 and funded by the World Bank, delivered remarkable results in 2018.
- The ASYCUDA system now covers more than 90 per cent of international trade with Afghanistan, delivering significant benefits to the country by contributing to an increase in customs' annual revenue to almost \$1 billion in 2018 (up from \$50 million in 2005).
- ASYCUDA was rolled out simultaneously with UNCTAD-led trade facilitation reforms which were implemented by the Ministries of Finance and of Industry and Commerce. The computerization of customs operations has played an essential role in the consistent and transparent enforcement of customs legislation, regulations and procedures at the national level, leading to more straightforward trading, faster exports and imports – and a positive impact on the Afghan economy.
- ASYCUDA now provides accurate and timely information to decision-makers by constantly monitoring imports and exports. Waiting times at significant border crossings (pictured below) have dramatically decreased – at Torkham, on the border with Pakistan, more than 90 per cent of trucks are now cleared in less than 90 minutes, down from 18 hours in 2003.
- More than 100 developing countries work with UNCTAD to use ASYCUDA to automate their customs processes, contributing significantly to improving the management of customs, raising revenues from tariffs and enhancing their private sector's competitiveness in international trade.
- The programme has been regularly updated and upgraded over the years and is now developing single-window environments bringing together various parties that interact with customs during import and export procedures.

https://unctad.org/en/PublicationsLibrary/don2019_en.pdf

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This is the second case which you can go through right; so because of paucity of time, I am skipping this.

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UNCTAD Conferences

- **The highest decision-making body of UNCTAD is the quadrennial conference**, at which member States make assessments of current trade and development issues, discuss policy options and formulate global policy responses. The conference also sets the organization's mandate and work priorities.
 - The conference is a **subsidiary organ of the United Nations General Assembly**.
 - The conferences serve an important political function: they allow intergovernmental consensus building regarding the state of the world economy and development policies, and they play a key role in identifying the role of the United Nations and UNCTAD in addressing economic development problems.

Start Date	Title	Location	Country
18-23 Oct 2020	Fifteenth session of the United Nations Conference on Trade and Development (UNCTAD 15)	Bridgetown	Barbados
17-22 Jul 2016	Fourteenth session of the United Nations Conference on Trade and Development (UNCTAD 14)	Nairobi	Kenya
21-26 Apr 2012	Thirteenth session of the United Nations Conference on Trade and Development (UNCTAD XIII)	Doha	Qatar

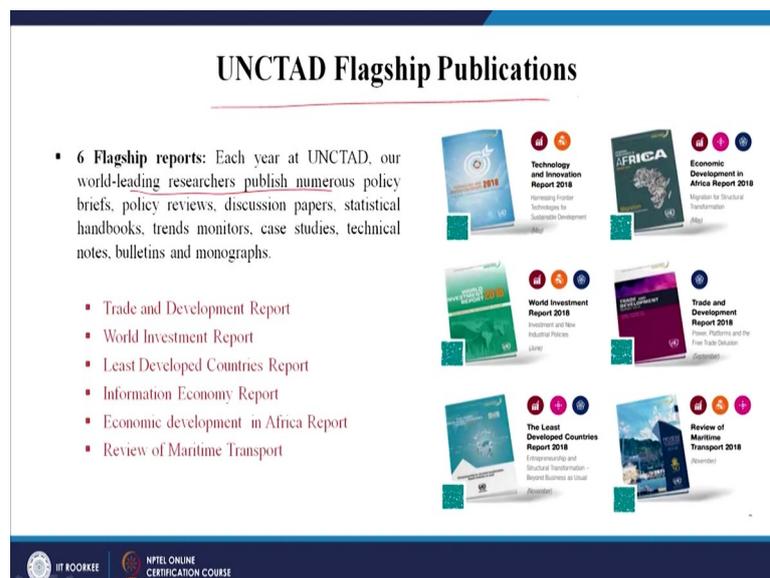
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Then the UNCTAD conferences, the highest decision-making body of UNCTAD is the quadrennial conference. Now, this conference is where the member states make assessments of current trade and development issues; discuss policy options and formulate global policy responses.

So, this conference is a subsidiary organ of the United Nations general assembly right. And it serves an important political function, they allow inter governmental consensus building regarding the state of the world economy and development policies.

And play key role in identifying the role of the United Nations and the UNCTAD in addressing economic developmental problems right. So, this is how it has gone through; so 2020, 2012, 2016, 2020; the three you know last three, so in Doha in Qatar, then Nairobi in Kenya, and Bridgetown Barbados it has been held, this is going to be held right.

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The slide is titled "UNCTAD Flagship Publications" and features a list of six reports on the left and their respective covers on the right. The reports listed are: Trade and Development Report, World Investment Report, Least Developed Countries Report, Information Economy Report, Economic development in Africa Report, and Review of Maritime Transport. The covers shown include "Technology and Innovation Report 2018", "Economic Development in Africa Report 2018", "World Investment Report 2018", "Trade and Development Report 2018", "The Least Developed Countries Report 2018", and "Review of Maritime Transport 2018". The slide also includes logos for IIT ROORKEE and NPTEL ONLINE CERTIFICATION COURSE at the bottom.

These are some of the UNCTAD flagship publications. So, the Trade and Development Report, World Investment Report, Least Developed Countries Report, Information Economy Report, Economic Development and Africa report, and Review of Maritime Report. So, these are some of the publications which is does which is the research output of the UNCTAD or U N C T A D you can say right. So, you can see these right which gives us different kind of ideas or inputs, ok.

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Generalized System of Preferences (GSP)

- The Generalized System of Preferences (GSP) is a non-contractual instrument by which industrialized (developed) countries unilaterally, and on the basis of non-reciprocity, extend tariff concessions to developing countries. The GSP was formally accepted in 1968 by UN members at the second UNCTAD conference in New Delhi. (Resolution 21 (ii))
- The main objectives of granting trade preferences to developing countries are to:
 - ✓ to increase their export earnings;
 - ✓ to promote their industrialization; and
 - ✓ to accelerate their rates of economic growth.
- The idea of granting developing countries preferential tariff rates in the markets of industrialized countries was originally presented by Raul Prebisch, the first Secretary-General of UNCTAD, at the first UNCTAD conference in 1964.
- There are currently 13 national GSP schemes notified to the UNCTAD secretariat.
- The following countries grant GSP preferences: Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey and the United States of America

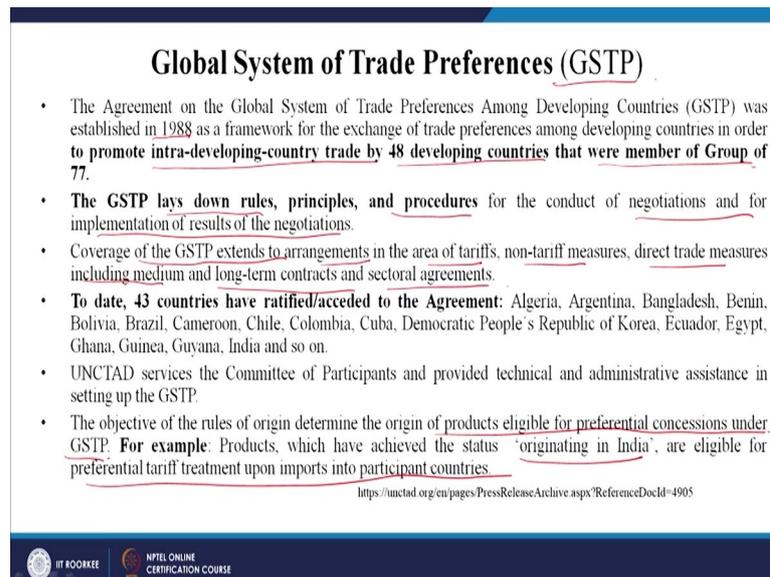
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Then we talk about the GSP, now what is this GSP; GSP is the generalized system of preferences. It is a non-contractual instrument by which the industrialized or the developed countries unilaterally, and on the basis of non-reciprocity extend tariff concessions right. So, GSP was formally accepted in 1968 by the UN members; the main objective was to increase the export earnings to promote industrialization and to accelerate the rate of economic growth.

The idea of granting developing countries preferential tariff rates in the markets of industrialized countries were originally presented by Raul, the first Secretary-General of UNCTAD at the first conference in 64.

There are currently 13 national GSP schemes, and the following countries grant GSP preferences; Australia, Belarus, Canada, European Union, up to the United States of America right. So, the whole idea is to give a extend the tariff concessions to the developing countries, so this was the whole idea right GSP.

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Global System of Trade Preferences (GSTP)

- The Agreement on the Global System of Trade Preferences Among Developing Countries (GSTP) was established in 1988 as a framework for the exchange of trade preferences among developing countries in order to promote intra-developing-country trade by 48 developing countries that were member of Group of 77.
- The GSTP lays down rules, principles, and procedures for the conduct of negotiations and for implementation of results of the negotiations.
- Coverage of the GSTP extends to arrangements in the area of tariffs, non-tariff measures, direct trade measures including medium and long-term contracts and sectoral agreements.
- To date, 43 countries have ratified/acceded to the Agreement: Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India and so on.
- UNCTAD services the Committee of Participants and provided technical and administrative assistance in setting up the GSTP.
- The objective of the rules of origin determine the origin of products eligible for preferential concessions under GSTP. For example: Products, which have achieved the status 'originating in India', are eligible for preferential tariff treatment upon imports into participant countries.

<https://unctad.org/en/pages/PressReleaseArchive.aspx?ReferenceDocId=4905>

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And there is one more, this is the last we will discuss today is the GSTP; this is the agreement on the global system of trade preferences among developing countries which was established in 88, right. So, now what does it say; it is the framework for the exchange of trade preferences among developing countries in order to promote an intra-developing-country trade by 48 developed developing countries which are a member of the group of out of a member of 77.

Now, it lays down the principles rules and procedures for the conduct of negotiations and for implementation of results of the negotiations. So, to date 43 countries, so what it says; the coverage of the GSTP extends to arrangements in the area of tariff, non-tariff, direct trade measures including medium and long-term contracts and sectoral agreements.

So, there are 43 countries have acceded to the agreement, so there are some and the objectives of the rules of origin in this which is very important is to determine the origin of products eligible for the preferential concessions under GSTP. For example, products which have achieved the status originating in India; for example, are eligible for preferential tariff treatment upon imports into participant countries.

So, these are some of the things which we have discussed for example, today we talked about the turmeric case we discussed, then we talked about the UNCTAD right; and how, what is its role right. Then we talked about the multi fiber agreement which came

then changed way, then give way to the next agreement the clothing agreement. And then that was phased out entirely by 94 and then 2004, and then it became completely open to the market mechanism, so there was no protection anymore.

So, it was done in a transitional phase, so that every country would not get into a shock and they could adjust themselves right. Then we talked about the GSP and the GSTP, which are some tariff concessions given to the countries for improvement of their to create to reduce the inequality and to bring this countries more into the global you know, scenario and to help in the in their development right. So, this all we had for discussion today.

So, thank you very much.