

Open ended NGMA Meeting on 20 February 2008

Intervention by India

India fully supports the statement made by South Africa on behalf of the NAMA 11 as well as the statement made for Brazil by Roberto Azavedo. Roberto has highlighted the strange Jekyll and Hyde nature of these negotiations. He has reminded us that we cannot go any where in these negotiations without balance and a modicum of logical consistency. It is rather late in the day for such elementary lessons but if we are to make progress we have to keep this firmly in mind. I would also like to lend my support to the statements made on behalf of the ACP, Africa Group, SVE's, LDC's and Para 6 countries.

Let me begin my comments on your text on a positive note – we are happy to see the revised text and happier to see our comments and views included there, albeit with comments attached to them which tend to prejudge our positions and views.

Having said this, I must record our deep disappointment with the fact that the revised paper makes minimal changes to the modalities themselves. The barest that we expected was bracketing of the various proposals in the modalities. Such an internalization of the proposals into the modalities text would have made the process and the content comparable to that in agriculture.

We have noted your comments today about how you perceive your role- as an enabler and a facilitator rather than an activist judge. Frankly we do not see evidence of this in some of your proposals. We hope to see more evenhanded treatment of Members' positions in your future efforts.

The proposal on flexibilities has left us perplexed, to say the least. In these NAMA negotiations the first important step that Members took was to agree to adoption of a formula – this was a highly significant agreement in itself. Then we agreed, with caveats, on a Swiss formula - again an example of a shared commitment for significant reduction in tariffs. It was at this stage that the Ministers agreed on a structure and outline of the flexibilities that were deemed necessary for developing countries to accept the Swiss formula.

In this framework all that was left was to decide on the formula coefficients that would determine the ambition, balance between agriculture and NAMA, and the achievement of the LTFR mandate.

However, with the present text we now find ourselves in a situation where the coefficients and ambition have been determined for us and there has been a total unraveling of the flexibilities provisions which are crucial for developing countries. We just cannot visualize how developing countries could agree to the coefficients, without clarity on the flexibilities first. India certainly cannot. This reversal has to be undone and numbers that are deemed to be the barest minimum restored – this is the only way we can proceed towards meaningful horizontal negotiations.

I would like to recall that the numbers of 5% and 10% in the flexibilities were introduced by Ministers in the July Framework. Their sudden removal without any explanation can only cause serious discomfiture and constrain the negotiating process. Mr. Chairman, I urge you to clarify that these numbers continue to be regarded as the barest minimum. Or if they do not, that Members will have to negotiate them *ab initio*. That sort of candor will surely elicit a negotiating response – right here and right now. You said today that there was never any agreement on the numbers in the flexibilities and as such there is no new uncertainty. Well there was neither any agreement on tariff ranges. Perhaps you should have removed the numbers from the coefficients also. If we are to move backwards, let us do so in a balanced manner so that we do not topple over completely.

We have heard dissatisfaction with the proposals on other elements of the modalities applying to other developing country groups. All of these proposals need to be looked into again. For the position on para 6 countries, the absence of any comments is surprising. We welcome the changes relating to preference erosion, in particular inclusion of the aid provisions – but the commitment to provide aid should be mandatory and not a best endeavor effort. Regarding the SVE's, a cap on reduction commitments is essential if the hierarchy of reduction commitments is to be adhered to. Between them, these groups represent a major part of the membership and it is essential that their concerns are frontally addressed.

Mr. Chairman we are at a very delicate make or break moment in this Round. The only possibility of success lies in the feeling of Members that as they enter the next stage of negotiations, there is enough on the table to reflect

their aspirations and allow them to negotiate with confidence. Your present text does not impart that confidence. We would urge you to take up a robust process which will provide you the necessary inputs for producing a balanced text that all Members can find comfort in, as they move to the next stage.