

## Key points of the treaty

The key points of the new GATT treaty include:

- Industrial countries will reduce tariffs on most manufactured goods by more than one-third to an average of 3%.
- There will be a reduction in the volume of subsidized agricultural exports.
- Trade in services such as banking and insurance, and export of skilled manpower, are brought under GATT.
- The multi-fiber agreement is to be phased out over a period of 10 years, because textiles will come under GATT.
- There will be a 20-year protection for patents, trademarks, and copyrights, but developing countries get a 10-year phase-in period.

Indian government spokesmen point out that to pull out of GATT is simply impossible, because it would force the country to deal with trading countries bilaterally—a proposition much dreaded by the developing countries' negotiators. It will also mean that India will not be given Most Favored Nation trade status, meaning that duties on Indian exports are not more than those of any other nation's, which may most certainly affect India's trade. On the issue of India's bargaining position during the negotiations, New Delhi has often pointed out that India's overall trade is less than 0.5% of world trade, and hence India has little bargaining leverage.

Neither of these points can be ignored, but it is also important to note what signing the treaty really means. The Indian Drug Manufacturers Association (IDMA) has voiced serious concerns over the government's acceptance of the Dunkel Draft proposals, and said that the biggest error that India made was to allow the trade-related intellectual property rights (TRIPS) to be part of the negotiations. The president of the IDMA accused the Indian government of succumbing to U.S. pressure, and pointed out that if TRIPS, as formulated by Dunkel, were accepted, the prices of drugs and medicines would go up several times, exports would go down, and imports would increase. It would also allow the multinationals to have a monopoly over the market and this would result in price and supply distortions. Threatening to move the issue to the courts, the IDMA president said that in a poor country like India, the enhanced price of drugs and medicines will create chaos.

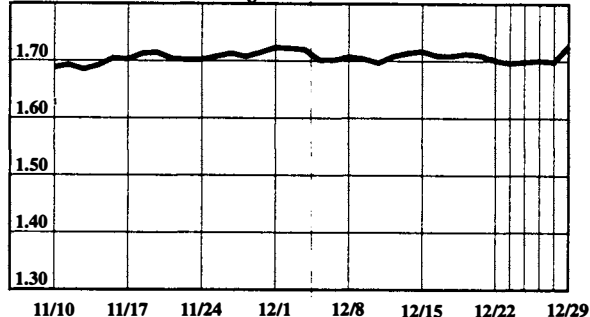
Besides textiles, food, and pharmaceuticals, concerns have been expressed about patenting life as part of TRIPS. Beginning with micro-organisms, it forces monopoly intellectual property rights regimes in the form of patents or breeders' rights in the areas of seeds and plant material. This gives license to the violation of farmers' rights to biodiversity and their collective IPRS. It also creates a regime for intellectual piracy under the pretext of IPR protection.

One important point to be noted by both the opposition and the Indian government, is that the article on biodiversity will be up for review in 1993, and it will be essential that farmers' rights and intellectual property rights are adequately discussed, and a mechanism to protect these interests worked out in advance.

## Currency Rates

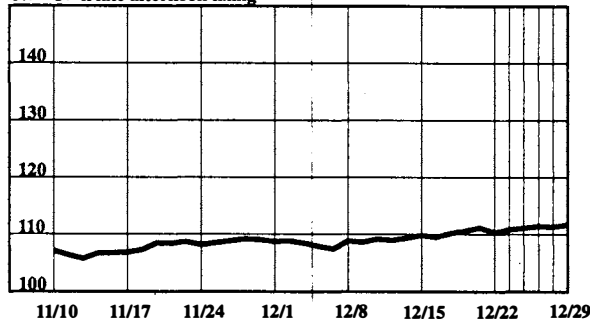
### The dollar in deutschemarks

New York late afternoon fixing



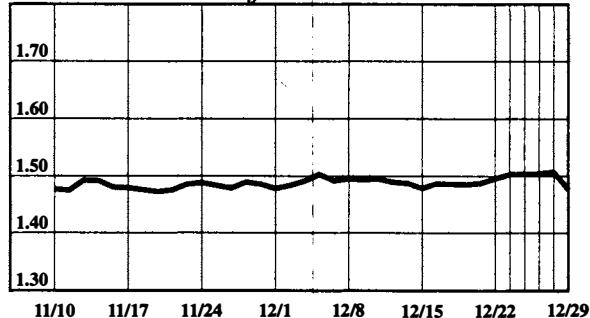
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

