CED&L's
GLOBAL BULLETIN
WEEKLY NEWSLETTER ON INTERNATIONAL AFFAIRS

Centre for Economy Development and Law

CENTRE FOR ECONOMY DEVELOPMENT & LAW

20.9.2014 Issue 9

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There are three areas where TTIP can be a prescription for reducing friction in the drug development pipeline:regulatory harmonization, intellectual property protection and enforcement, and market access. Also, TTIP could do much to reduce duplication and align practices between the European Medicines Agency and the U.S. Food and Drug Administration.

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image courtesy: http://www.daretogamble.com/

UNCTAD CALLS FOR POLICY U-TURN: WILL THE WORLD LISTEN?

GENEVA, 15th Sept — Addressing the concerns raised on "Tackling inequality through trade and development: A post-2015 challenge" (3rd Agenda item) on The Sixty-first session of the UNCTAD Trade and Development Board, the conference called for an total overhaul of the existing trade practices both at national and international levels.

The panel for the discussion was composed of the Minister for Trade and Industry of South Africa; a professor of development economics from the University of Florence, Italy; and the Special Adviser to the Deputy Director-General for Policy at the International Labour Office. The session discussed UNCTAD Document No. TD/B/61/7 which enlisted policy recommendations that sounded a broad deviation from the existing patterns.

Managed trade liberalisation, selective recourse to foreign sources which do not limit the policy space, controls on the flow of speculative capital, well regulated banking regimes, interest suisidies, guaranteed credits, public financial institutions, national developmental banks, strengthening labour and wage bargaining institutions, regulation of international financial flows and development friendly rules are all back on the agenda. The report reaffirms rising inequality, uneven development, and erratic growth as becoming threats not only to the social contract on which capitalism is based, but also to democracy itself.

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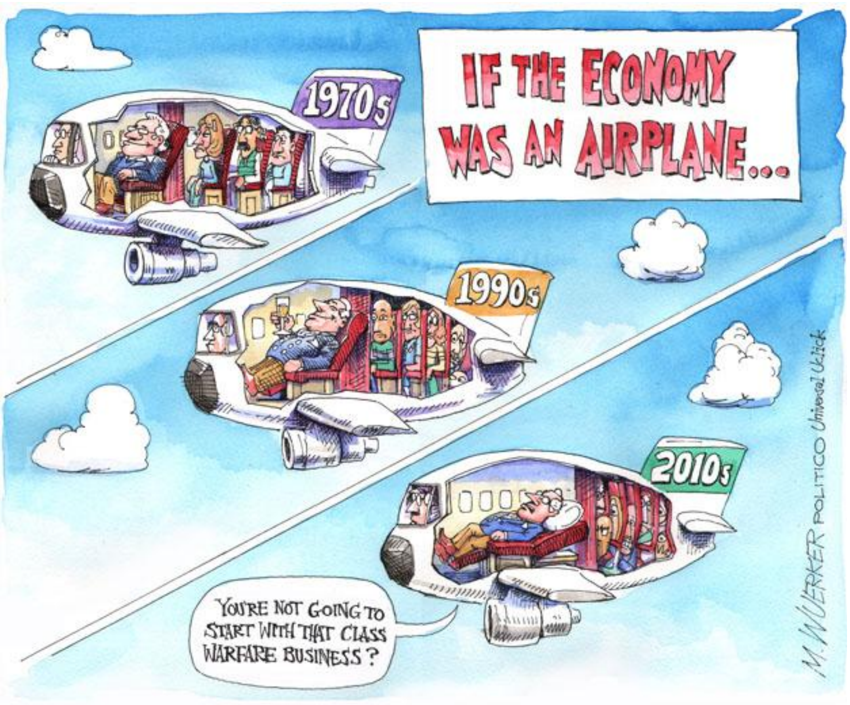
"Global Economy has risen inequality WITHIN THE STATES, both rich and poor": Secretary General, UNCTAD

UNCTAD Secretary-General Mukhisa Kituyi, speaking on the opening afternoon of the sixty-first session of the UNCTAD Trade and Development Board on 15 September said: "The new global economy has brought with it both immense hopes but equally immense inequities. [In the last 50 years] we have seen promising declines in inequality between countries as some developing countries have experienced strong growth and have begun to close the gap between themselves and the richest countries. But compared to 50 years ago, today inequality within countries has risen in a startling number of countries – both rich and poor."

He also quoted many other analysts and authors saying that a global system that comforts the comfortable and afflicts the afflicted can no longer be tolerated. He also mentioned about the past year have witnessed the surprise success of Thomas Piketty's book, Capital in the 21st Century. He then quoted the startling statistic from Oxfam that the world's 85 wealthiest citizens own more than the bottom three and a half billion people.

"Unsustainable economic practices leading to the over accumulation of wealth are not only unfair, but can bring stagnation and conflict" cautioned Mr. Kituyi. He also told Trade and Development Board that he welcomed the fact that the emerging post-2015 agenda was likely to include trade as a means of achieving the sustainable development goals. He said the current proposal for the sustainable development goals, which will soon be taken up by United Nations Members in New York, also reflect this realization with proposed Goal 10 on reducing inequality within and among countries by 2030. Further he posited that for UNCTAD to build this consensus against inequality reflected a fifty year effort.

Earlier the UN Document numbered has TD/B/61/7 which was released on 4th August 2014, reaffirmed that the current pattern of global income distribution is extremely unequal, both between countries and within countries. Inequality between countries has recently declined somewhat due to the very rapid growth of China. If China is not taken into account, the inequality between countries is higher today than it was in 1980. The report underlines that though the relationship between growth and inequality is complex, rising inequality is neither a necessary condition for sound economic growth, nor its natural result, and thus could be altered by proactive economic and social policies. Further it had called for a coherent macroeconomic, industrial, trade, environmental and social policies that reinforce each other at national levels in order to reduce global inequality. Policy coherence at the national level should be complemented by policy coherence at the international level, providing countries with the policy space needed to implement their national development strategies and achieve sustainable development goals.



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Further the report poses the logic that if policy changes introduced in the 1980s helped to increase inequality, there is no reason why a different set of policies could not alleviate or even reverse these adverse effects. Mr. Kutiyi concluded his address calling for trade as an enabler not a disabler, finance as constructive not destructive and technological progess that ensures the interests of every segments of society. He said he is looking forward to practical recommendations for the achievement of this goal.

news courtesy: unctad.org

India ad China signs 5-year Trade and Economic Development Plan to cut massive trade deficits

NEW DELHI 18th Sept - Prime Minister Narendra Modi and Chinese President Xi Jinping exchanged 12 documents on Thursday following talks between the two leaders. The government also signed a 5-year trade and economic cooperation agreement with China with a view to improve the trade balance and obtain US $20 billion Chinese investment into the country.

The 'Five year Trade and Economic Development Plan' was signed by Indian Commerce Minister Nirmala Sitharaman and her Chinese counterpart Gao Hucheng in the presence of Prime Minister Narendra Modi and Chinese President Xi Jinping, who is on a three-day visit to the country.

Among other things, it seeks to reduce the bilateral trade imbalance between the two countries and strengthen investment cooperation to realise US $20 billion investment from China in 5 years. The trade gap between the two countries stood at US $35 billion in favour of China. Analysts say Modi is trying to reduce this deficit by encouraging Chinese companies to set up manufacturing bases in the country, which could boost the country's exports to Asia's largest economy. The total bilateral trade stood at US $66.4 billion in 2013.

The agreement lays down a medium term roadmap for promoting balanced and sustainable development of economic and trade relations between China and India, on the principle of equality and mutual benefit. Also a transparent, stable and investor friendly business environment and an enhanced cooperation between Chambers of Commerce and financial sectors of the two countries would also be covered under the pact.

On the other hand despite efforts from both China and India to open a new chapter in bilateral ties, Xi's visit was clouded by the reported standoff along the contested border between the two countries. (news courtesy: Business today and Deutsche

No more extremely favourable terms to foreign investors in agriculture and mining: UNCTAD tells LDC

In the call for tackling inequality rising within the nation states, UNCTAD had suggested reformations in trade policies of developing nations. In a policy framework that aims at linking the development of productive capacities with employment creation in order to reduce inequality, fiscal policies acquire a central position. It suggested widening the available fiscal space requires diversifying public sector financing sources and strengthening domestic resource mobilization by broadening the tax base, improving the collection system and making the tax system more progressive.

In the case of developing countries rich in energy and mineral resources, domestic resource mobilization may be achieved particularly through improvements in the capture and redistribution of resource rents. Resource-rich countries can increase fiscal revenue by reversing their current practice of offering extremely favourable terms to foreign investors in agriculture and mining. With regard to agriculture, this means imposing a tax on land leased for large-scale investment projects or raising the existing tax on land, as well as revising the taxation on the activity undertaken by those projects. In the case of mining, Governments can raise their revenues by higher levies, royalties, income taxes or, in specific cases, export taxes.

It recommended trade liberalization should be managed so as to prevent a collapse of import competing sectors. In addition, it is necessary to limit foreign indebtedness and mobilize domestic resources. To avoid boom-and-bust pattern, fuelled by the inflow and outflow of foreign capital, different kinds of capital controls must be used. In parallel with this, developing countries should choose intermediate exchange-rate regimes to minimize the risk of currency crises. Further it suggested monetary policy could also contribute to lessening economic inequalities by aiming not only at low inflation, but also on aggregate growth, productive investment, employment generation or poverty reduction. Special emphasis is needed on the level of employment, the relationship of wages to productivity growth and the remuneration of self-employed workers as it is the only way of reducing inequality.

Expanding Trade can speed flow of New Medicines: TTIP Prescription

In early September, the most recent round of negotiations on the Trans-Pacific Partnership (TPP) – were held in Hanoi. And in coming weeks, the United States and the European Union will meet again, this time in Washington, for talks on the Transatlantic Trade and Investment Partnership (TTIP). In this context, Forbes publishes in its opinion page of 16th September, real world impacts of trade policy – and, in particular, TTIP – on the development of new medicines. It tells us if we think of discovery and development of new medicines as a liquid flowing through a pipeline, the volume of what emerges, and the speed at which it arrives, has to do with the size of the pipeline and the amount of friction or blockages inside of it and a freer trade can enlarge and smooth out the pipeline.

The author John Lechleiter, Chairman of Eli Lilly and Company claims that there are three areas where TTIP can be a prescription for reducing friction in the drug development pipeline: regulatory harmonization, intellectual property protection and enforcement, and market access. There is much TTIP could do to reduce duplication and align practices between the European Medicines Agency and the U.S. Food and Drug Administration. For example, the two agencies conduct plant inspections of our facilities on a regular basis to ensure good manufacturing practices (GMP). These inspections are time-consuming and expensive – and often redundant – and they could be reduced if regulators would agree to mutually recognize each other's findings. He further suggests that in clinical trials and manufacturing certification – if regulators working together, it could serve to reduce costs and speed development time without compromising safety.

He claims that TTIP provides an opportunity to enshrine the highest IP standards for future trade agreements in other parts of the world – while cutting time and lowering cost and perhaps the EU and U.S. need to work together on IP challenges in other countries where inconsistent standards and arbitrary enforcement threaten investment and growth prospects.

He also suggests that TTIP is a great chance to ensure that the process for reimbursing medicines throughout the EU as clear, predictable and transparent though the health care market access and reimbursement remain in the purview of the EU member states. Industry recommends a "pharmaceuticals annex" to TTIP – similar to the one included in both the US and EU trade agreements with Korea – establishing principles for reimbursement that reward innovation and creating more equal access to new medicines for patients across Europe. And at a later stage this will meet up the needs of rest of the world.

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(CED&L) is an inter-disciplinary centre established under Government Law College, Thrissur, Kerala. The proposed centre envisages to be a platform for academic discussion and as a creative think-tank for studying, analysing and interpreting various socio-economic and legal issues. This forum intends to generate perceptual framework to explore and understand social issues and events, thereby enabling the people and institutions to create best possible models in policy making and legal practices. Students, academicians, jurists, journalists, politicians and anyone who wishes to offer his/her creative and intellectual input are invited to be part of the forum.

CED&L WELCOMES YOUR REVIEWS, THOUGHTS AND SUGGESTIONS ON OUR HONEST EFFORTS TO BRING YOU THE LATEST NEWS ON INTERNATIONAL AFFAIRS. KINDLY MAIL US : newsletter.cedl@gmail.com

Printed and Published by: Centre for Economy Development and Law, Government Law College Thrissur. For Free Distribution.

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