

The Dalai Lama

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A kinder, gentler Lamy

PASCAL LAMY,
EUROPEAN UNION TRADE
COMMISSIONER

If you happened to drive past Mansingh Road on the edge of Lutyens's Delhi at around seven on a Friday morning, you would spot a spry elderly European jogging vigorously. That's Pascal Lamy, European Union trade commissioner, who is sticking to his morning routine even though he's on an official overseas trip of just two days.

The 55-year-old Frenchman is a marathon runner and an avid cyclist, though the world knows him better as one of the toughest negotiators among the World Trade Organisation members.

On his third trip to India in as many years, however, Lamy has grown wiser to Indian sensitivities.

This time, in his discussions with various stakeholders — the government, parliamentarians, business heads and civil society representatives — EU's chief trade negotiator has taken care to strike a positive note.

Having meticulously planned his two-day visit (March 13 and 14), Lamy has spoken only on issues of common concern to India and the EU, which is the surprise element of his visit. A famously tough negotiator, he has chosen to highlight areas where the two parties' stance converge.

Agriculture, for instance, he says, is not just about producing food. "Like India, we believe agriculture is intimately tied up with how we run our rural economy, our rural society and, indeed, the whole rural landscape," he says. Similarly, on public health and textiles.

"It's an investment and part of a process," Lamy remarked when asked about the progress on trade talks with India on his first day. After a morning meet-



Pascal Lamy: Respecting India's liberal policies

ing with Agriculture Minister Ajit Singh, Lamy took time off to talk to the mainstream newspapers. "We have been quite active all along," he said, adding that the visit was prepared well in advance, and promised proper follow-up on the talks.

In fact, watching Lamy talk is more interesting than listening to him. He can be a photographer's delight. He has a mobile face, and he speaks with a studied emphasis that is both entertaining and riveting.

A graduate of France's leading business school, the Ecole des Hautes Etudes Commerciales and the Paris Institute of Political Sciences, Lamy started his bureaucratic career with the finance ministry's auditing agency in 1975. Before being appointed as the EU's trade commissioner in September 1999, he helped restructure Credit Lyonnais before it was privatised.

Lamy's associates here claim that he had struck a rapport with former Commerce Minister Murasoli Maran. The hard stance that Maran took in Doha perhaps endeared him to Lamy, who played a key role in trying to convince WTO members to go in for a fresh round of trade talks.

This is where he will have

a difficult task because India still feels that several key implementation issues have remained unaddressed.

"India, however, has a clearer position now than what it had earlier on the 30 items of negotiations," Lamy says, adding that the channels of di-

alogue between India and the EU have diversified between his November 2001 visit and now.

"Although we have distinct positions on various issues, we are realising that we are closer," he adds.

According to Lamy, India is already "WTO-plus" on basic standards — it has liberalised significantly its investment norms and has a competition law in place.

"India doesn't want a negotiation on investment which carries a negative commitment. It instead wants to retain its ability to regulate with positive commitments," he says, quickly adding, "which the EU respects."

Lamy's advice to India is that it would be better to lock in its regulatory reforms at WTO and claim negotiating credits that can be traded against something else. On its part, the EU was willing to sign a bilateral deal with India on textiles, he says, and evolve joint business council in some other areas.

With this, the EU-India trade that has been growing at an average 10 per cent could well take a significant leap. More when Lamy plans to make his fourth visit to India in November.

— P Vaidyanathan Iyer