

WORLD TRADE ORGANIZATION

RESTRICTED

WT/WGTTT/M/3

6 November 2002

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Working Group on Trade and Transfer of Technology Third Session

NOTE ON THE MEETING OF 10 OCTOBER 2002

Chairman: H.E. Mr. Stefán Jóhanesson (Iceland)

A. ADOPTION OF THE DRAFT AGENDA

1. The draft agenda was contained in Airgram WTO/AIR/1910 of 25 September 2002. The Chairman indicated that since the circulation of the agenda the Working Group on Trade and Transfer of Technology had received two further submissions which he would invite the respective delegations to introduce during the discussion on Agenda item E. The Chairman also indicated that he would like to raise two issues under "other business", namely the schedule of meetings and work programme of the Working Group.

2. The agenda was adopted.

B. REQUEST BY UNIDO FOR OBSERVER STATUS

3. The observership of the World Bank and the International Monetary Fund was approved, while that of UNIDO was accepted ad referendum, because one delegation indicated that it did not have instructions and so reserved its right to revert back on this issue.

C. PRESENTATION BY UNIDO

4. A presentation was made by the Programme Manager of the Industrial Promotion and Technology Branch of UNIDO.¹ He outlined the work that UNIDO has been doing to facilitate transfer of technology and identified some of the barriers to such transfer, including inadequate institutional infrastructure, management and marketing skills. UNIDO's objective, namely to assist countries in strengthening their capabilities in transfer, absorbing and mastering technology, was explained at the policy, institutional and enterprise level. The speaker highlighted UNIDO's investment activities and initiatives with respect to technology transfer and provided illustrations through case studies. He also explained the services offered by UNIDO's International Technology Centres and Investment and Technology Promotion Offices.

5. The presentation was followed by an active discussion with Members asking questions and seeking clarifications from the speaker. One delegation pointed out that about two-thirds of UNIDO's International Technology Centres were in Western Europe and stated that there should be more such centres in developing countries. Some delegations requested further details regarding the relationship between UNIDO's work and WTO rules, with special reference to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The questions of private sector involvement and

¹ The slide presentation is available in Room 2028.

concerns with respect to intellectual property protection were also mentioned. One delegation stated that even if a country had a good investment regime, it did not necessarily imply that there would be increased investment flows to that country. Even if increased Foreign Direct Investment (FDI) was forthcoming it might not necessarily be accompanied by transfer of technology. Accordingly this delegation wished to know whether it was necessary for Governments to intervene at some point to ensure transfer of technology. Some questions regarding UNIDO's cooperation with the International Atomic Energy Agency and the response of UNIDO's members towards the clean energy approach adopted by the United Nations (UN) were also raised. In response to the questions and comments from delegates, the speaker stated that amongst the obstacles to increased technology transfer in developing countries were strategic and managerial problems. He explained the different stages in the cycle of technology transfer in which UNIDO was involved and referred to a joint project with UNCTAD on evaluating the impact of TRIPS on technology transfer issues in developing countries. He emphasised that this project had only just commenced. The speaker stated that UNIDO made no distinction between the private and public sector and also worked closely with the private sector, including small and medium sized enterprises. He emphasised that UNIDO supported technology transfer on a "fair" basis.

D. PRESENTATION OF COUNTRY EXPERIENCES

6. The work relating to the sharing of country experiences on technology transfer continued with a presentation by the Director of Strategic Alliances, Industrial Research Assistance Program, Canada.² He explained the function and operation of the Industrial Research Development Program and other Canadian technology development models and programmes. He cautioned against looking at technology transfer from too narrow a perspective and explained that in his view it should cover both traditional intellectual property such as patents, copyright and designs, as well as "know-how" and "show-how". The speaker referred to a knowledge-based economy, which needs receptor capacity in the form of people to assess technology opportunities and firms to implement and develop technology. He emphasised the importance of a stable climate to plan, receive and protect intellectual property and associated foreign direct investment in technology. In his view the ability to develop local suppliers and favourable fiscal regimes with respect to tax and investment would also help in the transfer of technology. In conclusion, he stated that technology transfer must be both domestic and global and that technology transfer needed foreign direct investment, which should provide local spin-off benefits. He said that improved technology would enhance wealth and economic development in the recipient countries.

7. During the ensuing discussions, Members asked questions and requested clarifications from the speaker. One delegation, referring to the speaker's statement that the definition of technology transfer should not be too narrow, said that the mandate of the Working Group supported an inclusive definition. One delegation wished to know how to strengthen the domestic regulatory framework, keeping in mind the link between the domestic regulatory framework and international agreements. A number of questions and comments related to issues concerning the ownership and transfer of intellectual property rights. One delegation wished to know more about the relationship between transfer of technology and competition policy. The speaker responded to the questions and comments made by Members. He explained the ownership and transfer of intellectual property rights with respect to research and development at the Government and at the university level. He said that in the Canadian experience, it had been found to be more effective to transfer the right to use intellectual property under licence rather than to transfer ownership of the intellectual property.

² The slide presentation is available in Room 2028.

E. SUBMISSIONS BY MEMBERS

8. The representative of the European Communities briefly reintroduced its submission (WT/WGTTT/1) on "Trade and Transfer of Technology". He highlighted an inclusive definition of technology transfer and spoke of capacity building, the identification of technology transfer channels and the need to deepen expertise and knowledge in the area of technology transfer. He proposed that the Working Group proceed in a systematic manner by first identifying the issues, then sharing the expertise in other organisations and only then consider making possible recommendations according to its mandate. One delegation emphasised that the work of the Working Group should move forward with the purpose of fulfilling the Doha mandate. Another delegation stated that it would like to explore complementarity of work between the Working Group and other WTO bodies, so that there was no overlap and the Working Group could benefit from the work being done in other bodies. This was supported by Members and it was decided that the Secretariat would seek inputs from other WTO bodies in this regard.

9. A joint communication was submitted by the delegations of Cuba, Egypt, Honduras, India, Indonesia, Kenya and Zimbabwe (WT/WGTTT/3) on "Provisions Relating to Transfer of Technology in WTO Agreements". In the introduction of the paper, it was stated that as a first step in fulfilling the Working Group's mandate it would be important to examine the extent to which the existing WTO provisions relating to technology transfer had been effectively implemented, the difficulties experienced in utilising these provisions, and to then come up with concrete proposals in the context of the Doha mandate. The representatives of Jamaica, Pakistan and Mauritius requested that their delegations also be included as co-sponsors of the submission. One delegation mentioned that, in its view, exchange of know-how could in some instances have greater development value than the actual transfer of tangible goods and inputs. This submission would come up for substantive discussion in the next meeting.

10. The delegation of Canada introduced its submission on "Technology Transfer – the Canadian Experience" (WT/WGTTT/2). The Canadian representative stated that the paper provided an overview of factors that they had identified as crucial to the development and growth of Canada's technology transfer system. He explained that the paper initially looked at technology transfer within the context of Canada's new innovation strategy and then reviewed the Canadian experience of technology transfer from a number of different perspectives. These included domestic Canadian policies and technology transfer, Canada as a recipient of technology, and Canada as a provider of technology. The speaker emphasised that general business framework policies, many of which could be furthered in WTO obligations, could provide a critically important underpinning to all other efforts to support technology transfer. One delegation mentioned how a strong regulatory system still had to be combined with financial resources. This submission would also come up for substantive discussion in the next meeting.

F. OTHER BUSINESS

11. The Chairman shared with Members his views regarding the holding of a fourth meeting later this year and the possible issues that could be taken up in that meeting. After a brief discussion it was agreed that the fourth session of the Working Group would be held on 28 November 2002.
