Issues Concerning India in WTO

What is the issue?

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11th Ministerial-level meeting of the World Trade Organization (WTO) has ended without solving India's concerned issues.

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What is ministerial level meeting of WTO?

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- It is the highest decision-making body of the WTO.
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- Under the Marrakesh agreement establishing the WTO, the Ministerial Conference is to meet at least once every two years.
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- The last Ministerial Conference took place in Nairobi, Kenya, in December 2015.
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- The Eleventh Ministerial Conference (MC11) took place from 10 to 13 December 2017 in Buenos Aires, Argentina.
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- The Ministerial Conference, was attended by trade ministers and other senior officials from the organization's 164 members.
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What are the higlights of the recent meeting?

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- WTO members launched the g7+ WTO Accessions Group(Group of seven leading industrial countries: Canada, France, Germany, Italy, Japan, United Kingdom, United States), a new platform designed to help post-conflict and fragile economies through WTO membership.
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- India's expenditure on Food Subsidy which is capped by the WTO and later

withdrawn, was a major point of discussion during the meet.
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- India for the first time submitted its formal documents opposing the inclusion of ecommerce in the list of negotiations to be held during the meeting.
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What is India’s area of concern in WTO?

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- Matter of food stockpiles in developing countries is of particular interest to India, which has, through its poorly conceived public distribution system, created a vast stockpile of foodgrain.
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- Actions to add to or trade parts of this stockpile have big effects on world prices and thus can severely distort the market.
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- Developed countries such as the US, meanwhile, are unwilling to cede India and other developing nations the right to create a food stockpile through domestic procurement in perpetuity.
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- They argue that they are willing to make allowances for food security and thus accept the need for a stockpile, but not the need for exclusively local procurement to build that stockpile.
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What are the actions taken by India to address this?

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- India has gone to successive WTO meetings with, essentially, a one-point agenda: To protect its procurement system.
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- India sees itself as a leader of the developing world in such fora, to seek to build its negotiating capacity.
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- India is also working to replace its policies perhaps with a form of income support for subsistence farmers so that they can gradually be weaned away from a dependence on wheat and rice that is straining the environment and distorting markets.
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Source: Business Standard

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