

## Issues Concerning India in WTO

### What is the issue?

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11<sup>th</sup> 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.
- Under the Marrakesh agreement establishing the WTO, the Ministerial Conference is to meet at least once every two years.
- The last Ministerial Conference took place in Nairobi, Kenya, in December 2015.
- The Eleventh Ministerial Conference (MC11) took place from 10 to 13 December 2017 in Buenos Aires, Argentina.
- 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 highlights 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.
- 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withdrawn, was a major point of discussion during the meet.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.
- Actions to add to or trade parts of this stockpile have big effects on world prices and thus can severely distort the market.
- 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.
- 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.
- India sees itself as a leader of the developing world in such fora, to seek to build its negotiating capacity.
- 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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