Outcomes of the WTO Ministerial Conference

Why in news?

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The 11th biennial ministerial conference of the 'World Trade Organisation (WTO)' recently ended.

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What is the divide between developing & the developed world?

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- In the late 90s, it was felt that the rules of the emerging global free market economics was tilted in favour of the industrialised and developed countries.
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- As WTO was also ushering such a world order, the developing world countries raised their grievance in WTO's Doha Ministerial of 2001.
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- These prominent issues raised were –
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1. **Agriculture** - Undoing the trade-distorting subsidies provided in the developed countries for farming
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2. **Medicines -** Relaxing IPR norms for life saving drugs in developing countries
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3. **SDT** - Special & Differential Treatment was sought for goods from the weaker countries (to make them competitive internationally)
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- While, negotiations on most of these issues haven't concluded, the developed countries have been keen to move on to newer issues like 'e-commerce'.
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- On the contrary, the developing countries want the Doha issues to settled first before taking up newer things as it might distract focus.
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How did the current ministerial go?

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- **Developed countries** - They wanted the ministerial to see the fast-tracking of e-commerce talks but they didn't make much headway.
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- US, EU & Japan issued a joint statement aimed at China, on trade-distorting practices such as over-capacity and mandating technology transfer policies.
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- The U.S. even argued that the 'Developing Nation' tag was being misused by some countries that were rich in absolute GDP terms.
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- **Developing Countries -** Contrarily, India and China also submitted a joint proposal to end the trade-distorting farm subsidies of Western nations.
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- For India, although none of its 'offensive' interests were achieved, its 'defensive' interests remain protected.
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- Hence, despite the stalemate, it has been regarded a partial success for India.
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What are the major issues?

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- **Food Security Issue** - Currently, a temporary 'Peace Clause' is in effect.
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- This bars countries from lodging complaints with the WTO against the subsidised food security programs of the developing world.
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- In this backdrop, India pushed for a 'permanent solution' to replace the 'Peace Clause' and to safeguard its grain stockpiling & public procurement programs.
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- While a permanent solution was thwarted by the US, the current 'peace clause' remains in place – thereby retaining status quo.

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- **Fishing subsidies –** These are provided mainly by the developing world yo help their fishermen who are predominantly subsistence fishers.
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- These subsidies has been alleged to be distorting the markets as it affects the businesses of the high-tech industrial fisher countries like Japan & Canada.
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- The developed countires also stressed that, unsustainable fishing was on the rise due to such subsidy policies.
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- Due to opposition from the developing world, this issue has been pushed to the next ministerial in 2019.
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What are the challenges ahead?

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- **US Withdrawal -** Trump administration's disregard for multilateral forums and agreements was more than visible in the conference.
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- Previously, the US had blocked the reappointment of judges to the appellate body of the WTO. Such moves could weaken the WTO structurally.
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- **Lack of concensus –** The stubborn positions of the negotiating blocks has led to certain issues pending for decades.
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- These could effectively render WTO as an inffective forum of engagement.
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- **India's issue –** While India's GDP may be growing, the country has hundreds of millions living in poverty and without food security.
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- It has been facing an increasing rough WTO table as it tries to balance its soverign responsibility to feed its millions and the pressures against subsidies.
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Source: The Hindu

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