WTO MC13 Agenda

Why in news?

India's agenda will focus on food security, fishery subsidies and other such issues in WTO's 13th Ministerial Conference at Abu Dhabi in United Arab Emirates.

What is World Trade Organization?

- WTO is the *only international organization* that deals with the rules of trade between countries.
- **Establishment**- It was created in 1995 superseding the 1947 General Agreement on Tariffs and Trade (GATT).
- **Marrakesh Agreement**- WTO officially commenced under the Marrakesh Agreement, replacing the General Agreement on Tariffs and Trade (GATT).
- **Creation-** It was created by Uruguay round of negotiations and established in 1995.
- **Members-** The WTO is run by its 164 members representing 98% of world trade.

- **Ministerial Conference**- It is the *topmost decision-making body* of WTO which usually meets every two years.
- **General Council** - It is the WTO's *highest-level decision-making body* that has representatives from all member governments and meets regularly to carry out the functions of the WTO.

What are the key areas on India's agenda at 13th MC?

Key areas	India's stand	Issues
Food security	• India emphasizes the *need for a permanent solution* regarding its public stockholding program for food grains to ensure food security for large and vulnerable population. • Public stockholding program is a policy tool under which the government procures crop like rice and wheat from farmers at a Minimum Support Price (MSP) and stores and distributes food grains to the poor. • India has asked measures like amendment in the formula to calculate the food subsidy cap.	• WTO's Agreement on Agriculture poses constraints on a government's ability to purchase food at MSP. • A WTO member country's food subsidy bill should not breach the limit of 10 per cent of the value of production based on the reference price of 1986-88. • Developed nations are of the view that public stockholding program distort global trade prices of food grains.

Investment Facilitation for Development	• India opposes the proposal as it exceeds the mandate of the global trade body • India emphasizes that investment related negotiations should occur outside the formal structure of WTO. • India contends that this move would dilute the multilateral nature of WTO and violate the fundamental rule of consensus based decision making.	• The proposal is the effort of certain countries especially China, formally launched in 2020 which is backed by more than 100 countries. • Investor State Dispute Settlement is a system through which individual companies can sue countries for alleged discriminatory practices.
Agricultural reforms	• India prioritizes safeguarding the livelihoods of its farmers. • Measures such as MSP and public stockholding are crucial for ensuring food security and supporting vulnerable population	• Developed countries, however, focus on reducing domestic support and promoting market openness. • Despite providing substantial subsidies to their wealthy farmers, they push for policies that may impact developing nations.
WTO reforms	• India seeks reforms to the WTO's Appellate Body to ensure fairness. • India opposes proposals from developed countries that aim to alter negotiation processes and integrate non-trade issues without consensus. • India insists on *preserving key pillars* of WTO • **Special and differential treatment**-Ensuring fair treatment for less developed and developing nations. • **Equal voice**-Ensuring representation and participation for all members. • **Dispute settlement mechanism-** Maintaining an effective resolution process.	• US, a frequent participant in WTO disputes, has been obstructing the process due to dissatisfaction with inefficiencies and perceived overreaches by the WTO's judiciary.
Fisheries subsidies	• India, as a *low fisheries subsidizer*, emphasizes that advanced fishing nations (which historically provided substantial subsidies) should bear more responsibility. • The '*polluter pay principle*' guides this approach, recognizing the impact of overfishing on fish stocks. • Developing countries should be allowed to provide subsidies to their poor fishermen within exclusive economic zones (EEZs) or up to 200 nautical miles from the shore. • Rich countries engaged in fishing beyond this zone should cease providing subsidies for the next 25 years.	• **12th Ministerial Conference**-The subsidies will be prohibited for illegal, unreported and unregulated (IUU) fishing. • WTO is negotiating to curb subsidies that contribute to overfishing and overcapacity to promote sustainable fishing.
Custom duties moratorium	• India along with other developing nations seeks the termination of this moratorium.	• The moratorium on custom duties for electronic transmission has been in place since 1998. • Developed countries advocate for a *permanent duty free* flow of digital transmission.

Trade barrier	• India suggests addressing non-trade issues such as labour and environment should not be a part of WTO discussions. • India suggests addressing these issues in different multilateral forums such as United Nations. • India cautions against trade barriers like EU's carbon tax and deforestation regulations, as it could hinder the global trade.	• European Union has proposed *Carbon Border Adjustment Mechanism (CBAM)* to impose 20-35% tariffs on imports of high-carbon goods like steel, iron ore and cement. • EU regulations ban the import of products based on deforestation in the country of origin, likely to hit billions of dollars worth of exports from India.

Reference

The Hindu- What's on WTO MC 13 agenda for India?

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