

## WTO MC13 Agenda

### Why in news?

India's agenda will focus on food security, fishery subsidies and other such issues in WTO's 13<sup>th</sup> 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.

WTO	
Founded in	1995
Headquarters	Geneva, Switzerland
India's membership	India is a member

- **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 13<sup>th</sup> MC?

Key areas	India's stand	Issues
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<b>Food security</b>	<ul style="list-style-type: none"> <li>• India emphasizes the <i>need for a permanent solution</i> regarding its public stockholding program for food grains to ensure food security for large and vulnerable population.</li> <li>• Public stockholding program is a policy tool under which the government procures crop like rice and wheat from farmers at a <a href="#">Minimum Support Price</a> (MSP) and stores and distributes food grains to the poor.</li> <li>• India has asked measures like amendment in the formula to calculate the food subsidy cap.</li> </ul>	<ul style="list-style-type: none"> <li>• WTO's <a href="#">Agreement on Agriculture</a> poses constraints on a government's ability to purchase food at MSP.</li> <li>• 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.</li> <li>• Developed nations are of the view that public stockholding program distort global trade prices of food grains.</li> </ul>
<b>Investment Facilitation for Development</b>	<ul style="list-style-type: none"> <li>• India opposes the proposal as it exceeds the mandate of the global trade body</li> <li>• India emphasizes that investment related negotiations should occur outside the formal structure of WTO.</li> <li>• India contends that this move would dilute the multilateral nature of WTO and violate the fundamental rule of consensus based decision making.</li> </ul>	<ul style="list-style-type: none"> <li>• The <a href="#">proposal</a> is the effort of certain countries especially China, formally launched in 2020 which is backed by more than 100 countries.</li> <li>• Investor State Dispute Settlement is a system through which individual companies can sue countries for alleged discriminatory practices.</li> </ul>
<b>Agricultural reforms</b>	<ul style="list-style-type: none"> <li>• India prioritizes safeguarding the livelihoods of its farmers.</li> <li>• Measures such as MSP and public stockholding are crucial for ensuring food security and supporting vulnerable population</li> </ul>	<ul style="list-style-type: none"> <li>• Developed countries, however, focus on reducing domestic support and promoting market openness.</li> <li>• Despite providing substantial subsidies to their wealthy farmers, they push for policies that may impact developing nations.</li> </ul>
<b>WTO reforms</b>	<ul style="list-style-type: none"> <li>• India seeks reforms to the <a href="#">WTO's Appellate Body</a> to ensure fairness.</li> <li>• India opposes proposals from developed countries that aim to alter negotiation processes and integrate non-trade issues without consensus.</li> <li>• India insists on <i>preserving key pillars</i> of WTO</li> <li>• <b>Special and differential treatment</b>-Ensuring fair treatment for less developed and developing nations.</li> <li>• <b>Equal voice</b>-Ensuring representation and participation for all members.</li> <li>• <b>Dispute settlement mechanism</b>-Maintaining an effective resolution process.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

<b>Fisheries subsidies</b>	<ul style="list-style-type: none"> <li>• India, as a <i>low fisheries subsidizer</i>, emphasizes that advanced fishing nations (which historically provided substantial subsidies) should bear more responsibility.</li> <li>• The '<i>polluter pay principle</i>' guides this approach, recognizing the impact of overfishing on fish stocks.</li> <li>• 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.</li> <li>• Rich countries engaged in fishing beyond this zone should cease providing subsidies for the next 25 years.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>12th Ministerial Conference-</b> The subsidies will be prohibited for illegal, unreported and unregulated (IUU) fishing.</li> <li>• WTO is negotiating to curb subsidies that contribute to overfishing and overcapacity to promote sustainable fishing.</li> </ul>
<b>Custom duties moratorium</b>	<ul style="list-style-type: none"> <li>• India along with other developing nations seeks the termination of this moratorium.</li> </ul>	<ul style="list-style-type: none"> <li>• The moratorium on custom duties for electronic transmission has been in place since 1998.</li> <li>• Developed countries advocate for a <i>permanent duty free</i> flow of digital transmission.</li> </ul>
<b>Trade barrier</b>	<ul style="list-style-type: none"> <li>• India suggests addressing non-trade issues such as labour and environment should not be a part of WTO discussions.</li> <li>• India suggests addressing these issues in different multilateral forums such as United Nations.</li> <li>• India cautions against trade barriers like EU's carbon tax and deforestation regulations, as it could hinder the global trade.</li> </ul>	<ul style="list-style-type: none"> <li>• European Union has proposed <i>Carbon Border Adjustment Mechanism (CBAM)</i> to impose 20-35% tariffs on imports of high-carbon goods like steel, iron ore and cement.</li> <li>• 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.</li> </ul>

## BONE OF CONTENTION

- The 13th Ministerial Conference (MC) will be held from February 26 to 29 in Abu Dhabi

- India maintains that labour and environment are non-trade issues and should not be discussed at WTO

- Developed nations are pushing to include economic empowerment issues related to women

- Officials cite carbon border adjustment mechanism, deforestation laws as cases of dragging environmental issues into trade matters

## Reference

[The Hindu- What's on WTO MC 13 agenda for India?](#)



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