WTO Ministerial Conference 2022

Why in news?

The recently held 12th Ministerial Conference of the WTO has yielded a package of deliverables together called as Geneva Package.

What is WTO?

- The World Trade Organization 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).
- **Members**- The WTO is run by its 164 members representing 98% of world trade.
- **Decision making**- Unlike other organisations, such as the IMF or World Bank, WTO does not delegate power to a board of directors or an organisational chief.
- All decisions are taken through consensus and any member can exercise a veto.
- **Aim**- to promote free trade, which is done through trade agreements that are discussed and signed by the member states.
- The WTO also provides a forum for countries to negotiate trade rules and settle economic disputes between them.
- **Headquarters-** Geneva, Switzerland
- **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
- The General Council also meets under different rules as the Dispute Settlement Body and as the Trade Policy Review Body.

What are the key takeaways from the meeting?

- **Curtailing harmful fishing subsidies-** The WTO passed a multilateral agreement that would curb harmful subsidies on illegal, unreported and unregulated fishing for the next 4 years to better protect global fish stocks.
- The current agreement, which establishes new trading rules, is the second multilateral agreement in WTO's history.
- **Global food security-** It provides exemption for food purchased by the UN's World Food Programme (WFP) for humanitarian purposes, from any export restrictions.
- However, countries would be allowed to restrict food supplies to ensure domestic food security needs.
- **E-commerce transactions-** Member countries agreed to extend the current moratorium on not imposing customs duties on electronic transmission (ET) until MC13 to maintain certainty and predictability for businesses and consumers.
- **Covid-19 vaccine production-** WTO members agreed to temporarily waive intellectual property patents on Covid-19 vaccines without the consent of the patent holder for 5 years.

ETs consist of online deliveries such as music, e-books, films, software and video games. They differ from other cross-border e-commerce since they are ordered online but not delivered physically.

What are the criticisms against the current agreements?

- **Fisheries**- Critics argued that curtailing harmful fishing subsidies agreement would only restrict and not eradicate subsidies on illegal fishing.
- **Agriculture**- India's key demand to allow it to export food from its public stockholdings to other countries will reportedly be discussed only in the next Ministerial Conference in 2023.
- They could not reach agreements on issues such as permissible public stockholding threshold for domestic food security, domestic support to agriculture, cotton, and market access.
- **Moratorium on electronic transmissions**- India opposed the extension of moratorium as it resulted in a loss of 10 billion dollar per annum globally - 95% of which was borne by developing countries.
- Customs duties have been used as a tool to prevent an undesired surge in imports and provided the necessary capital infusion for capacity building.
- **IP waivers**- The current IP waiver is a diluted version of the original proposal made by India and South Africa in 2020 regarding the broader intellectual property waivers on vaccines, treatments and tests.
- It also fails to offer an effective and meaningful solution to help increase people's access to needed medical tools during the pandemic.

References

1. https://www.thehindu.com/news/international/indian-interests-at-the-wto-ministerial-conference/article6552670ece?homepage=true
2. https://indianexpress.com/article/explained/explained-the-key-takeaways-from-the-12th-ministerial-conference-of-the-world-trade-organization-7977696/

SHANKAR IAS PARLIAMENT
Information is Empowering