



## 12th WTO Ministerial Conference

**For Prelims:** WTO, Issue of agriculture in the WTO

**For Mains:** WTO reforms and its implication on the developing nations. India's suggestions on WTO reforms

### Why in News?

Recently, the 12<sup>th</sup> Ministerial Conference of the [World Trade Organization \(WTO\)](#) concluded.

- The key areas of discussions were WTO's **response to the pandemic, Fisheries subsidies negotiations, Agriculture issues** including [Public Stockholding for Food security](#), [WTO Reforms](#) and [Moratorium on Custom Duties on Electronic Transmission](#).
- The **164-member World Trade Organization** held its first ministerial conference in nearly five years, following [Covid-19](#) postponements.

### What are the Key Outcomes of the 12<sup>th</sup> Ministerial Conference?

- **WTO Reform:**
  - **Members reaffirmed the foundational principles of the WTO** and committed to an open and inclusive process to reform all its functions, from deliberation to negotiation to monitoring.
  - Notably, they committed to work towards having a **well-functioning dispute settlement system** accessible to all members by 2024.
- **Agreement on Curtailing Harmful Fishing Subsidies:**
  - It would **curb 'harmful' subsidies** on illegal, unreported and unregulated fishing for **the next four years**, to better protect global fish stocks.
  - Since 2001, member states have been negotiating the banning of subsidies that promote overfishing.
  - **India and other developing countries** were **able to win some concessions** in this agreement. They successfully lobbied to remove a section of the proposal that would threaten some subsidies which would assist **small-scale artisanal fishing Artisanal and traditional farmers would not face any restrictions under this agreement.**
- **Agreement on Global Food Security:**
  - Members agreed to a **binding decision to exempt food purchased by the UN's [World Food Programme \(WFP\)](#)** for humanitarian purposes, from any export restrictions.
  - In **light of the global food shortages and rising prices** caused by the [war between Ukraine and Russia](#), the group's members issued a declaration on the importance of trade in global food security and that they **would avoid bans on food exports.**
  - However, countries would be allowed to restrict food supplies to ensure domestic food security needs.
- **Agreement on E-commerce Transactions:**
  - From 2017-2020, developing countries lost a potential tariff revenue of around USD 50 billion on imports from only 49 digital products.

- **WTO members had first agreed to not impose custom duties on electronic transmissions in 1998**, when the internet was still relatively new. The moratorium has been periodically extended since then.
- However, **all members agreed to continue the long standing moratorium on custom duties on e-commerce transmissions until the subsequent Ministerial Conference or until 31<sup>st</sup> March 2024, depending on whichever comes first.**
- **Agreement on '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**, so that they can more easily manufacture them domestically.
  - This “will contribute to ongoing efforts to concentrate and diversify vaccine manufacturing capacity so that a crisis in one region does not leave others cut off.”
  - The current agreement is a **watered down version** of the original **proposal made by India and South Africa in 2020**. They had wanted broader intellectual property waivers on vaccines, treatments and tests.
  - Rich pharmaceutical companies had strongly opposed this, arguing that IP’s do not restrict access to Covid vaccines and that the removal of patent protections gives researchers that quickly produced life saving vaccines, a negative message.
  - The waiver agreed by the WTO was criticized by advocacy groups for being **narrow in scope, as it did not cover all medical tools like diagnostics and treatments**. “This agreement fails overall to offer an effective and meaningful solution to help increase people’s access to needed medical tools during the pandemic as it does not adequately waive IP on all essential Covid-19 medical tools and it does not apply to all countries.

## What are the Issues Raised by India?

- **On WTO Reforms:**
  - India believes that WTO reforms discussions must focus on strengthening its fundamental principles.
  - At this time, reserving **Special and Differential Treatment (S&DT)**, which includes consensus-based decision making, non-discrimination, and special and differential treatment, should not result in the preservation of inherited disparities or aggravate the imbalances.
  - India takes the initiative to suggest reforms for developing countries (**Developing countries reform paper "Strengthening the WTO to Promote Development and Inclusion"**).
  - India offered a proposal in which it took the lead in criticizing the **European Union** and Brazil's suggestions, both on the process and its goals. It was against an open-ended exercise on WTO amendments.
- **E-commerce Transactions:**
  - **India had asked the WTO to review the extension of the moratorium on custom duties on e-commerce transactions, which include digitally-traded goods and services.**
  - It argued that developing countries faced the brunt of the financial consequences of such a moratorium.
- **On Food Security:**
  - WTO **should renegotiate subsidy rules for government-backed food purchasing programs** aimed at feeding poor citizens in developing and poor countries.
  - India wants **assurances that its public stock-holding program**, which buys exclusively from the nation’s farmers and has exported in the past, **cannot be challenged at the WTO as illegal.**

## What are the Important Facts about the World Trade Organization?

- **About:**
  - It came into being in **1995**. The **WTO** is the successor to the **General Agreement on Tariffs and Trade (GATT) established in the wake of the Second World War**.
    - **Its objective is to help** trade flow smoothly, freely and predictably.
    - It has **164 members**, accounting for **98%** of world trade.

- It was **developed through a series of trade negotiations**, or rounds, held under the GATT.
  - GATT is a **set of multilateral trade agreements** aimed at the abolition of quotas and the reduction of tariff duties among the contracting nations.
- The WTO's rules – the agreements – are the result of negotiations between the members.
  - The current set is largely the outcome of the 1986- 94 Uruguay Round negotiations, which included a major revision of the original GATT.
- The WTO Secretariat is based in **Geneva (Switzerland)**.
- **WTO Ministerial Conference:**
  - It is the WTO's **top decision-making body and usually meets every two years**.
  - All members of the WTO are involved in the MC and they can take decisions on all matters covered under any multilateral trade agreements

## UPSC Civil Services, Previous Years Questions (PYQ)

### Q. Consider the following statements: (2017)

1. India has ratified the Trade Facilitation Agreement (TFA) of WTO.
2. TFA is a part of WTO's Bali Ministerial Package of 2013.
3. TFA came into force in January 2016.

### Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

**Ans:(a)**

**Exp:**

- Trade Facilitation Agreement (TFA) was negotiated at the 2013 Bali Ministerial Conference. **Hence, statement 2 is correct.**
- It entered into force on 22 February 2017 following its ratification by two-thirds of the WTO members. **Hence, statement 3 is not correct.**
- India had ratified TFA in 2016. **Hence, statement 1 is correct.**
- The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.
- **Therefore, option (a) is the correct answer.**

**Source: IE**