



Mains Marathon

Day 43: What are the outcomes of the 12th Ministerial Conference of WTO? Discuss the issues raised by India at this conference. (250 Words)

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Approach / Explanation / Answer

- Briefly discuss Ministerial Conference of WTO.
- Discuss the outcomes of 12th WTO ministerial conference.
- Explain the issues raised by India in the conference.
- Conclude suitably.

Answer:

The Ministerial Conference is at the very top of WTO's organizational chart. It meets once every two years and can take decisions on all matters under any multilateral trade agreement. All decisions at the WTO are made collectively and through consensus among member countries at varied councils and committees. This year's conference took place in Geneva, Switzerland.

The key areas of discussions at the 12th Ministerial Conference 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.

The Key Outcomes of the 12th 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 should 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 31st 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. 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-19 vaccines and that the removal of patent protections gives researchers that quickly produced lifesaving 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.

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.

WTO members will have to deal more effectively with China's trade policies and practices. Given the pressing issues around climate change, increased efforts to align trade and environmental sustainability could help to both tackle climate change and reinvigorate the WTO. One possibility for moving forward could be a plurilateral agreement with a group of like-minded countries on a new set of rules that serve as an addendum (supplement) to the broader WTO.

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