

Ministry of Commerce & Industry
Department of Commerce
(Trade Policy Division)

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Background note on the WTO Negotiations

The Eleventh Ministerial Conference (MC11) of the WTO was held at Buenos Aires, Argentina during 10-13 December 2017. In the run-up to MC11, decisions were expected on a permanent solution on food security, other agriculture issues and fisheries subsidies. Some of the Members were also pushing for outcomes in the area of e-commerce and domestic regulations in the services negotiations, investment facilitation and Micro, Small & Medium Enterprises (MSMEs).

2. The Conference concluded without a ministerial declaration but with ministerial decisions on fisheries subsidies and TRIPS Non-Violation and Situation Complaints (NVSC) and with a commitment to continue negotiations in all areas where consensus could not be established. Two work programmes were established in areas of e-commerce and small economies. There was no decision on agriculture issues including on permanent solution on public stockholding for food security purposes. The impasse on agriculture issues continued due to gaps in positions of the members.

3. During MC11, India strongly expressed its stand on the fundamental principles of the WTO which is a bedrock of rule-based multilateral trading system based on consensual decision-making; an independent and credible dispute resolution and appellate process; the centrality of development underlined in the Doha Development Agenda and special and differential treatment for all developing countries including the least developed ones.

Informal WTO Ministerial Meeting, Delhi, 19-20 March, 2018

4. In order to continue political engagement on the multilateral trade issues in the aftermath of MC11, India hosted a two-day Informal WTO Ministerial Meeting in New Delhi on 19-20 March 2018. Ministers and officials from 52 member countries

of the World Trade Organization (WTO) and the Director General of the WTO attended the meeting. Discussions were held with the aim of providing political guidance for further work in the WTO and the way forward on development.

5. Participants stressed on the need to preserve and enhance the functioning and credibility of the rules-based multilateral trading system as embodied in the WTO. Majority of the participants sought expeditious and immediate resolution of the impasse in the appointment of Appellate Body members - an issue that was viewed to be adversely affecting the credibility and functioning of the WTO.

6. In many interventions deep concern was expressed at the serious threat posed to the credibility of the WTO rules and some of its cardinal principles, such as non-discrimination, by the cycle of recent unilateral trade measures and proposed counter-measures.

WTO Ministerial Meeting of developing countries, Delhi, 13-14 May, 2019

7. India hosted a two-day WTO Ministerial Meeting of trade Ministers on 13-14 May 2019 in New Delhi wherein sixteen developing and six least developed countries along with the DG, WTO participated against a backdrop of continuing unilateral measures, impasse in the WTO and the one-sided narrative being built by a set of countries to dilute core elements of the WTO agreements, including the special and differential treatment for developing countries. The meeting culminated in an outcome document, which lays out priorities for developing countries in various areas. In addition, the document envisages addressing the challenges being faced by the Dispute Settlement system of the WTO.

8. In the meeting, members acknowledged the importance of the WTO as the global forum for formulating trade rules and agreed to work collectively to strengthen the WTO by making it more effective to the diverse needs of developing members including LDCs in line with the objectives of the WTO. India is a votary of multilateralism and will continue to work to strengthen the WTO in order to ensure relevance of the multilateral institution.

Recent developments

Appellate Body Crisis

9. The WTO Appellate Body (AB) is a standing body for hearing appeals on issues of law and legal interpretation arising from decisions made by the WTO dispute resolution panels in the first instance. It is an integral part of the Dispute Settlement Body (DSB) of the WTO which is the central element in enforcing the rights and obligations of the WTO members. In a world dominated by power play, the DSB has become crucial for the continued survival of the rule-based multilateral trading system.

10. The Appellate Body is composed of seven permanent members appointed by WTO Members by consensus. The initial appointment of an Appellate Body member is for a four-year term, with a possible reappointment for a second term. While the process of appointment of Appellate Body members was generally smooth in the past, blocking of the selection of Appellate Body members has precipitated a precarious situation. On 10 December the Appellate Body was reduced to one member after the second terms for two of the remaining three members expired. Normally composed of seven members, the Appellate Body no longer has the minimum three members needed to hear new appeals.

WTO reforms

11. India's contribution to the discourse on WTO reforms has been in the form of submission of developing country reform papers, WT/GC/W/778 (followed by Rev. 1 & 2) – “Strengthening the WTO to promote development and inclusivity” co-sponsored by Bolivia, Cuba, Ecuador, Malawi, South Africa, Tunisia, Uganda, Zimbabwe and Oman at the WTO. The key aim of the proposal is to bring balance in the ongoing discussions on WTO reforms by re-affirming the importance of development. The elements of the proposal include preserving the core values of the Multilateral Trading System; resolving the impasse in the Dispute Settlement System; safeguarding development concerns; and transparency and notifications.

Twelfth Ministerial Conference of the WTO (MC 12)

12. The twelfth Ministerial Conference of the WTO was to be held in June 2020 in Nur-Sultan, Kazakhstan but due to the ongoing COVID-19 pandemic, the Ministerial meeting has been postponed.
