

**STATEMENT BY SMT. NIRMALA SITHARAMAN, MINISTER OF STATE
(INDEPENDENT CHARGE) IN THE MINISTRY OF COMMERCE AND INDUSTRY
IN PARLIAMENT ON 28 NOVEMBER 2014 REGARDING “INDIA’S STAND IN
THE WTO”**

1. I am making this intervention in the House today in order to place before the Hon’ble Members the facts relating to recent developments in the World Trade Organization (WTO), which came to a successful conclusion yesterday, vindicating the principled stand taken by India.
2. On 5 August 2014, I informed the Hon’ble Members that India had decided not to join the consensus in the WTO on the implementation of the Trade Facilitation Agreement till our concerns relating to the implementation of other Bali Ministerial Decisions, in particular, the Decision on Public Stockholding for Food Security Purposes, were addressed.
3. There was much criticism of this stand in the subsequent months but India stood firm. Over the ensuing months, we concentrated our efforts on explaining the concerns underlying India’s stand and working with other WTO members to find a way forward. These efforts have borne fruit. We were able to resolve our differences with the United States, and persuade them to support us in the WTO on our requirements.
4. I am happy to report to this House that we have been able to secure an outcome that addresses our concerns. Yesterday, the General Council of the WTO adopted a Decision on Public Stockholding for Food Security Purposes, a Decision on the Trade Facilitation Agreement and a Decision on Post Bali Work.
5. The General Council Decision on Public Stockholding for Food Security Purposes is a new, unambiguous Decision. It makes it clear that a mechanism, under which WTO Members will not challenge the public stockholding programmes of developing country members for food security purposes, in relation to certain obligations under the WTO Agreement on Agriculture, will remain in place in perpetuity until a permanent solution regarding this issue has been agreed and adopted.

6. This would do away with any ambiguity on this aspect as well as guard against the possibility of no cover being available after 2017 in case a permanent solution on public stockholding for food security purposes is not arrived at by then. It, therefore, strengthens the safeguard available for continuing the Minimum Support Price policy which is a lifeline for millions of our low income, resource poor farmers. It is also critical for food security in India and in countries which have similar policies.
7. The indefinite continuation of the waiver mechanism ensures the interest of the WTO membership in expeditiously working towards a permanent solution and protects us from the risk of having to accept an unsuitable solution under the threat of a limited duration peace clause coming to an end.
8. The Decision includes a commitment to find a permanent solution on public stockholding for food security purposes by 31 December 2015 on a best endeavour basis. This introduces a sense of urgency in the process and would encourage other developing countries also to join the effort in pushing for a permanent solution at the earliest.
9. The Decision has a firm commitment to engage in negotiations for a permanent solution through an intensified programme of work. The provision for dedicated sessions in an accelerated time frame for taking forward the negotiations will ensure that that the WTO accords priority to this issue and works on it in a focused manner. It would, moreover, avert the danger that countries like India would have to make concessions in some other area of the agriculture negotiations, in order to achieve a permanent solution.
10. The General Council has also unequivocally agreed to delink the negotiations for a permanent solution on public stockholding for food security purposes from the agriculture negotiations on other issues under the Doha Development Agenda. This would ensure that the negotiations for a permanent solution would continue even if the negotiations on such other issues are delayed.

11. As per the relevant provisions of the WTO Agreement¹, a General Council decision on these elements has the same legal status as a Ministerial decision.
12. The General Council also adopted a Protocol to make the Trade Facilitation Agreement a part of the WTO Agreement and opened the Protocol for acceptance. After this, the Trade Facilitation Agreement would automatically come into force if ratified by two-thirds of the members of the WTO.
13. As per the Bali Ministerial Decision, the Trade Facilitation Protocol was to be open for acceptance by Members until 31 July 2015. WTO Members have now decided to leave this open-ended. This would enable them to complete their internal processes for acceptance of the Trade Facilitation Protocol.
14. When I stood before this House on 5 August I expressed confidence that India would be able to persuade the WTO Membership to appreciate the sensitivities of India and other developing countries and see their way to taking this issue forward in a positive spirit. And we have accomplished this without any concessions, compromise or new conditions.
15. This is what India has now done. We were able to achieve a breakthrough because we were negotiating from a position of unassailable strength in the interests of those vulnerable sections who have no voice. A just cause, clearly articulated and backed by the strong leadership of our Hon'ble Prime Minister, made for a compelling argument. This ensured that our concerns were heard, understood and addressed.
16. This positive outcome reaffirms our faith in the multilateral trading system and proves that this is the forum that offers the best chance for developing countries to participate on equal terms in international trade. For that reason it is important to make our concerns known in time, ensure that development aspects remain in focus and to make all efforts to bring trade talks back on course when required.
17. We were never alone or isolated, even though not many chose to - or were in a position to - speak up in support of India's stand. I know from my interactions with several of my counterparts over the last few months that our stand

¹ The Marrakesh Agreement Establishing the World Trade Organization

resonated widely because we were fighting for a just cause. India is grateful for their support.

18. I would like to thank the WTO membership for their cooperation and efforts in enabling this successful outcome. We now look forward to working with all WTO members on the full implementation of the Doha Development Agenda including all elements of the Bali package, to obtain the real development dividend for the poor and vulnerable around the world.
19. In conclusion I must, once again, express my sincere thanks to Hon'ble Members of Parliament, farmers' organizations, civil society groups and academicians; I also thank all the political parties for the support extended to us. Their unstinting support of India's efforts to ensure a fair deal immeasurably strengthened our hands.

Thank you.
