

Address by Shri Anand Sharma  
Union Minister of Commerce and Industry  
At the Plenary Session of the  
9<sup>th</sup> Ministerial Conference of the WTO

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India congratulates Indonesia and Minister Gita Wirjawan for hosting the 9<sup>th</sup> Ministerial Conference of the WTO in Bali. We acknowledge and appreciate the leadership of DG.

India welcomes the newly acceded Members. The progress in accessions over the last few years is an affirmation of our faith in the multilateral trading system.

For over 12 years, we have struggled to bring the complex negotiations of the Doha Round to conclusion. The continuing stalemate has led to frustration and cynicism when this was the only round dedicated to development.

We have a shared responsibility in preserving the credibility of the WTO as a negotiating forum.

India has remained sincerely and constructively engaged in the challenging negotiations in Geneva. A candid evaluation of the proposed package is required. We firmly believe that a package at Bali must be substantive with demonstrable horizontal balance.

We have a half-baked agricultural package, statements of pious intent for Least Developed Countries (LDCs) and several unresolved issues in the trade facilitation agenda.

Most of the texts that are before us are ostensibly for the benefit of developing countries. In reality, on issues including cotton subsidies, export

competition, monitoring mechanism and DFQF, the draft texts contain mere statements of intent with best endeavour provisions. Even in trade facilitation, while financial support for LDCs and some developing countries was considered a core element since the commencement of the negotiations, it has now been diluted with only a weak and non-binding reference in the footnotes.

None of these texts require the developed countries to make binding commitments for the benefit of developing countries. In contrast, developing countries would be required to undertake significant commitments in trade facilitation. If this imbalance in the Bali package is not redressed, the world at large would accuse all of us of collectively making hollow promises and keeping the tank empty on development content.

Historical imbalances in trade rules must be corrected to ensure a rule-based, fair and equitable order.

The Doha Round, with its strong development mandate, unambiguously recognized the centrality of food security, livelihood security, and rural development in trade negotiations. It acknowledged the inherent imbalance and asymmetries in trade rules, and promised to correct historical distortions.

Agriculture sustains millions of subsistence farmers. Their interests must be secured. Food security is essential for over 4 billion people. I recall the words of Mahatma Gandhi “There are people in the world so hungry that God cannot appear to them except in the form of bread”. Unlike other areas, the ‘survival’ aspect of agriculture far outweighs any of its ‘commercial’ aspects.

A trade agreement must be in harmony with our shared commitments of eliminating hunger and ensuring the right to food. These are an integral part of the MDGs.

For India food security is non-negotiable. Governments of all developing nations have a legitimate obligation and moral commitment towards food and livelihood security of hundreds of millions of their hungry and poor.

Public procurement at administered prices is often the only method of supporting farmers and building stocks for food security in developing countries. Need of public stockholding of food grains to ensure food security must be respected. Dated WTO rules need to be corrected. The G-33 proposal was mooted precisely for this purpose.

The G-33 proposal provides a constructive and credible basis for moving forward on this issue. The due restraint provision, in its current form, cannot be accepted as it has several shortcomings. It is only temporary with no assurance of a permanent solution and, moreover, does not provide protection from challenge under the Agreement on Subsidies and Countervailing Measures. It must remain in force till we reach a negotiated permanent solution and provide adequate protection from all kinds of challenge.

We appreciate the collaborative efforts for putting in place a new Trade Facilitation Agreement. India has remained constructively engaged. We have played a crucial role in resolving several complex issues. Yet, a few contentious issues remain. In a spirit of constructive engagement, we have even lowered our ambition in the field of Customs Cooperation, which was one of our key demands in these negotiations. The same spirit has, however, been sadly missing in the positions of some of the members from the developed world.

On a few issues of grave concern to India and many other WTO members, the text on trade facilitation has eluded consensus. Till these issues are successfully resolved, it may not be possible for us to collectively reach a balanced agreement. We consider it premature to lend support to an inconclusive TF agreement.

However, India remains optimistic on a balanced and successful conclusion of the trade facilitation negotiations and its entry into force in accordance with Article X.3 of the Marrakesh Agreement.

The Least Developed Countries (LDCs) must also get their rightful share in global trade. India strongly supports a meaningful outcome for LDCs. The current texts for LDCs are rather disappointing. Most of them contain hollow promises. For instance, in Duty Free Quota Free (DFQF) what is being offered is less than what was mandated in the Hong Kong Ministerial Declaration of 2005. However, in a spirit of constructive engagement, India endorses the texts proposed on the five LDC issues.

I bring with me the mandate of my Government to expand the coverage of Duty Free Quota Free market access for LDCs to 96.2% of Indian tariff lines.

India has been an unwavering votary of multilateralism. The Doha Round is the litmus test for us. We must agree on a firm post-Bali work programme to conclude the DDA. Any other approach runs the risk of damaging the credibility of the multilateral trading system.

Mr. Chairman, we are confident that with you as Chairman of this Ministerial Conference, the decision-making process will be transparent and inclusive.

Let Bali be remembered for bringing development back into focus.

Thank you.