

India's Stand in the WTO Statement in Parliament

1. I am making this intervention in the House today in order to place before the Hon'ble Members the details of the position taken by India and the outcomes at the Eleventh Ministerial Conference of the World Trade Organization (WTO), held in Buenos Aires, Argentina from 10 to 13 December 2017.
2. Let me say at the outset that India participated in the Ministerial Conference in good faith and in a spirit of constructive engagement. We worked closely with other WTO member countries in various formats. We were proponents in several areas of work, including public stockholding for food security purposes, an agricultural Special Safeguard Mechanism, agricultural domestic support and e-commerce. On Domestic Regulations in Services, India engaged by contributing textual suggestions to find a common way forward on the proposed text.
3. In the run-up to the Conference, decisions were expected on a permanent solution on the issue of public stockholding for food security purposes and other agriculture issues. Some WTO member countries were seeking outcomes on domestic regulations in services, disciplines on fisheries subsidies, e-commerce, Investment Facilitation and Micro, Medium and Small Enterprises (MSMEs).

Permanent solution on public stockholding for food security purposes

4. The Public Stockholding ('PSH') for food security issue is being negotiated at the WTO by the G33 coalition of 47 developing countries, of which India is a key member, to provide flexibility to

developing countries to use administered prices - such as India's Minimum Support Price (MSP) scheme - to build food reserves without being at the risk of violating the existing limits imposed by WTO rules on trade-distorting agricultural subsidies. As per a Ministerial Decision adopted at the Ninth Ministerial Conference of the WTO held in Bali in December 2013, popularly termed as a 'peace clause', WTO Members agreed that as an interim solution, Members would exercise due restraint in raising disputes under the relevant provisions of the WTO Agreement on Agriculture in respect of public stockholding programmes for food security purposes instituted before 7th December 2013, even if countries exceeded their permissible subsidy limits. They also agreed to negotiate a permanent solution by the Eleventh Ministerial Conference of the WTO in 2017. Subsequently as a result of the firm stand taken by India, the validity of the interim solution was extended by a decision of the WTO General Council (GC) in November 2014 till a permanent solution was agreed and adopted. The Ministerial Declaration at the Nairobi Ministerial in December 2015 took note of and welcomed the Bali and subsequent GC decision on Public Stockholding.

5. In accordance with the obligation placed on member countries by the Ministerial decisions at the Bali and Nairobi Ministerial Conferences, India and the G-33, as the key proponents, sought a permanent solution at the Eleventh Ministerial Conference at Buenos Aires. Quite logically, in addition to fulfilling the obligation placed by the Bali / Nairobi mandate, India viewed this as an opportunity for achieving an outcome that would be an improvement over the existing interim solution through less

onerous transparency / disclosure conditions, no additional safeguards in respect of programmes already covered by the interim solution and greater legal certainty. In this context it was made clear to all that India would only accept an improved outcome, and would not pay any price for achieving it, given the stand-alone mandate from Bali / Nairobi and the peace clause already available to it.

6. Some developed countries sought explicit language on existing safeguards. The United States stated that they could not agree to a permanent solution, perhaps to foreclose the possibility of the arrangement getting extended to new programmes of countries not covered by the interim solution.
7. Our public stockholding programmes, however, continue to be protected due to the interim solution that the government negotiated in 2014, which is available in perpetuity.

Other Agriculture Issues

8. The Agriculture agenda of the ongoing WTO negotiations covers, *inter alia*, other issues such as agricultural subsidies, an agricultural Special Safeguard Mechanism (allowing developing countries to raise tariffs to guard against import surges and price falls), customs duties on agricultural products and agricultural export restrictions/prohibitions. Many developed countries are against agricultural reform in these areas based on current WTO mandates and rules. There was an effort to put developing countries with agricultural subsidies as low as USD 260 per farmer per annum on the same minimally differentiated platform as developed countries with their agriculture subsidies as high as USD 60000 per farmer per annum.

9. The Minister Facilitator (Minister Amina Mohamed of Kenya) appointed to assist the MC11 Chairperson on agriculture issues, proposed a work programme for the next two years. However the United States rejected the proposal and as a consequence there was no outcome on agriculture at MC11.

E-Commerce

10. There is no negotiating mandate on E-commerce at the WTO. In 1998, the WTO General Council established a comprehensive work programme to examine all trade-related issues pertaining to global electronic commerce. This is being undertaken in various WTO Councils.
11. The work programme on E-commerce remained dormant for many years as the proponents did not take the necessary initiative. Over the last two years, however, with many countries making submissions on the subject, the discussions gathered considerable momentum. There was a strong push in the run up to MC11 to, *inter alia*, prematurely obtain a mandate to initiate comprehensive negotiations on all aspects of E-commerce, covering goods, services and intellectual property rights, without adequate deliberation to reach common understanding even on the definition and scope of the subject. Since this was opposed by many countries, there was an effort to, at the very least, expedite the discussion process under the current work programme by centralizing it and moving it away from the relevant WTO committees. A narrative is sought to be created that negotiations on E-commerce would be beneficial for development and would be in the interest of MSMEs. Global E-commerce is dominated by very few countries and the current proposals on the table would

freeze the existing non-level playing field permanently against the interests of the vast majority of countries. It was, therefore, felt appropriate to follow due process and reach a common understanding on the definition and scope before considering rule-making.

12. Through the efforts of various countries, it was decided to, *inter alia*, continue with the non-negotiating mandate of the existing Work Programme on E-commerce. An existing moratorium on imposing customs duties on electronic transmission was extended for two years in exchange for another moratorium on TRIPS¹ non-violation complaints, which, *inter alia*, prevents 'evergreening' of patents in the pharmaceuticals sector, thereby ensuring accessibility and affordability of generic medicines.
13. The above decisions are in line with India's position in the matter. This is a major achievement for India. In the negotiations, India, the African Group and several other developing countries had similar positions on these issues.
14. In response to the failure to obtain a mandate for rule-making in E-commerce, a Joint Statement was issued on behalf of around 70 of the 164 WTO Members, including the US, supporting rule-making on E-commerce. China, which favours a multilateral outcome on E-commerce, is not part of this Group. We will have to keep a close watch on the course of events as rules set by this small group may have an impact on any E-commerce related work by the WTO in the days ahead.

¹ Trade-related Aspects of Intellectual Property Rights

Disciplines on Fisheries Subsidies

15. Arising from the global understanding reached with regard to Sustainable Development Goal No. 14.6 (relating to prohibition of certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and elimination of subsidies that contribute to illegal, unregulated and unreported fishing) negotiations are underway in the WTO. There was a strong push for a Ministerial Decision at the Conference prohibiting certain types of fisheries subsidies.
16. India is not a demandeur of disciplines on fisheries subsidies. In developing countries like India, where a large number of small, resource-poor fish workers depend on fishing activity as a source of livelihood, suitable special and differential (S&D) treatment provisions would need to be built in while framing disciplines.
17. At the Conference, there was no immediate outcome on disciplines on fisheries subsidies. Members agreed on a Work Programme on disciplines on fisheries subsidies with a view to arriving at a decision by the Twelfth Ministerial Conference of the WTO, in 2019. The decision clearly recognizes that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of the negotiations, which is a key requirement of India.

Other Issues

18. Draft Ministerial decisions by proponents on domestic regulations in Services and on new issues like Investment Facilitation,

MSMEs, gender and trade, which lacked a mandate or consensus, were not taken forward.

Ministerial Declaration

19. A few members did not support the acknowledgment or reiteration of key underlying principles guiding the WTO and various agreed mandates. As a result, Ministers could not arrive at an agreed Ministerial Declaration at the end of the Conference on the basis of a draft brought forward from Geneva, which could potentially, have met the aspirations of the larger membership. As the revised draft Ministerial Declaration subsequently proposed by the Chairperson excluded or failed to adequately include important issues such as multilateralism, the Doha Development Agenda and special and differential treatment of developing countries, India could not support it.
20. However, even in the absence of a Ministerial Declaration, the existing mandates and decisions would remain valid and be carried forward. This ensures that work will go forward and the WTO would continue to work on issues such as the permanent solution on public stockholding for food security purposes, agricultural subsidies and other issues.

Bilateral Meetings

21. On the sidelines of the Conference, I had bilateral meetings with several Ministers including the Argentinean Chairperson of the Ministerial Conference, the Argentinean Foreign Minister, the Trade Commissioner of the European Union, Ministers from Brazil, the Netherlands, Russia, South Africa, Spain, Switzerland, and the

United States Trade Representative. I also called on the President of Argentina and discussed issues of bilateral cooperation.

22. In order to share India's position and develop a common understanding I hosted an interaction which was attended by Ministers and Ambassadors of over 20 countries, including Indonesia, Sri Lanka, Bangladesh, Nepal, South Africa, Rwanda and China.

Conclusion

23. To reiterate, India participated in a positive spirit in the Ministerial Conference and worked proactively with other WTO member countries across issues to constructively find a way forward. Towards this end India was a proponent in nearly all agenda items under consideration, including public stockholding for food security purposes, an agricultural Special Safeguard Mechanism, agricultural domestic support and the way forward on E-commerce. On Domestic Regulations in Services, India engaged by contributing textual suggestions to find a common way forward on the proposed text.
24. India had created strong coalitions based on common interests in agriculture and other areas. Leading up to the Ministerial and at the Ministerial itself, India's coalition partners remained steadfast in their support not only for a permanent solution on public stockholding but also on other issues of interest to developing countries. The 53-member African Group as well as a large number of other developing countries supported India in opposing premature rule making on E-commerce and the attempts to bring new issues such as Investment Facilitation and MSMEs into the WTO's agenda.

25. India stood firm on its stand on the fundamental principles of the WTO including multilateralism, rule-based consensual decision-making, an independent and credible dispute resolution and appellate process, the centrality of development and special and differential treatment for all developing countries. I wish to assure the House that India is committed to preserving and promoting the WTO and the multilateral trading system with a view to taking the agreed agenda of the WTO forward.

Thank you.