

Issues Concerning India in WTO

What is the issue?

\n\n

11th Ministerial-level meeting of the World Trade Organization (WTO) has ended without solving India's concerned issues.

\n\n

What is ministerial level meeting of WTO?

\n\n

\n

- It is the highest decision-making body of the WTO.

\n

- Under the Marrakesh agreement establishing the WTO, the Ministerial Conference is to meet at least once every two years.

\n

- The last Ministerial Conference took place in Nairobi, Kenya, in December 2015.

\n

- The Eleventh Ministerial Conference (MC11) took place from 10 to 13 December 2017 in Buenos Aires, Argentina.

\n

- The Ministerial Conference, was attended by trade ministers and other senior officials from the organization's 164 members.

\n

\n\n

What are the highlights of the recent meeting?

\n\n

\n

- WTO members launched the g7+ WTO Accessions Group (Group of seven leading industrial countries: Canada, France, Germany, Italy, Japan, United Kingdom, United States), a new platform designed to help post-conflict and fragile economies through WTO membership.

\n

- India's expenditure on Food Subsidy which is capped by the WTO and later

withdrawn, was a major point of discussion during the meet.

\n

- India for the first time submitted its formal documents opposing the inclusion of e-commerce in the list of negotiations to be held during the meeting.

\n

\n\n

What is India's area of concern in WTO?

\n\n

\n

- Matter of food stockpiles in developing countries is of particular interest to India, which has, through its poorly conceived public distribution system, created a vast stockpile of foodgrain.
- Actions to add to or trade parts of this stockpile have big effects on world prices and thus can severely distort the market.
- Developed countries such as the US, meanwhile, are unwilling to cede India and other developing nations the right to create a food stockpile through domestic procurement in perpetuity.
- They argue that they are willing to make allowances for food security and thus accept the need for a stockpile, but not the need for exclusively local procurement to build that stockpile.

\n

\n\n

What are the actions taken by India to address this?

\n\n

\n

- India has gone to successive WTO meetings with, essentially, a one-point agenda: To protect its procurement system.
- India sees itself as a leader of the developing world in such fora, to seek to build its negotiating capacity.
- India is also working to replace its policies perhaps with a form of income support for subsistence farmers so that they can gradually be weaned away from a dependence on wheat and rice that is straining the environment and distorting markets.

\n

\n\n

\n\n

Source: Business Standard

\n

