

WTO Conference at Buenos Aires - The Challenges ahead

Why in news?

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World Trade Organisation's 11th biennial Ministerial Conference is going to be held in Buenos Aires, Argentina.

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What are major areas of contention?

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- Focus will be on the new rules on farm subsidies, removing support for unsustainable fisheries and the regulation of e-commerce.

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- **Agri Subsidy Issue** - There is a plan for Indo-China joint proposal with the backing of over 100 developing countries.

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- This is to vouch for the elimination of trade-distorting farm subsidies worth \$160 billion in several industrialised economies.

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- This is seen as a prerequisite to address the prevailing imbalance in the WTO 'Agreement on Agriculture (AoA)', which unfairly benefits developed countries.

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- **Public Stocking** - Contrarily, countries like US & Canada insist on restricting public food grains stock-holding programs.

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- They believe large public stock-holdings and subsidies like 'Minimum support Price (MSP)' & 'Public Distribution System (PDS)' will distort the market.

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- But most developing countries (G-33 coalition) consider large stockholding is needed to strengthen their food security.

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- G-33 coalition (Indonesia, China, India etc...) is hence not willing to either restrict stocking or scrap subsidy programs for poverty-alleviation.

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- **Bali Peace Clause** - While the stock-holding issue came up in the 2013 Bali WTO plenary, a temporary peace clause was agreed upon for 4 years.
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- It said that, till 2017, no country would be barred from food security programmes even if the subsidy breached the limits specified by WTO.
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- As a solution has not been reached yet, countries that have such food security programs face the risk of legal prosecution.
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What are the challenges?

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- The high stake India-China joint proposal risks unravelling the negotiations as India looks stubborn on its position currently.
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- Contrarily, EU & Brazil seem willing to endorse the G-33's position on public stock-holding in return for support for reduction in trade-distorting subsidies.
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- Also, U.S. is currently being piloted by an administration that seeks to undermine the WTO and is increasingly protectionist in its approach.
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- US is already exploring unilateral alternatives to the formal dispute resolution mechanism of the WTO to settle trade conflicts with partners.
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Source: The Hindu, Business line

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