

WTO MC13

Why in news?

The World Trade Organization's (WTO) 13th Ministerial Conference (MC13) held at Abu Dhabi in the UAE adopted the Abu Dhabi Ministerial Declaration.

What is WTO?

- The World Trade Organization is the only international organization that deals with the rules of trade between countries.
- **Establishment** Created in 1995 under the Marrakesh Agreement, replacing the 1947 General Agreement on Tariffs and Trade (GATT).
- **Members** 164 members representing 98% of world trade.
- **Decision making** Unlike other organisations, such as the IMF or World Bank, WTO does not delegate power to a board of directors or an organisational chief.
- All decisions are taken through <u>consensus</u> and any member can exercise a veto.
- **Aim** To promote free trade, which is done through trade agreements that are discussed and signed by the member states.
- To provide a forum for countries to negotiate trade rules and settle economic disputes between them.
- Headquarters- Geneva, Switzerland
- **Ministerial Conference** It is the topmost decision-making body of WTO which usually meets every two years.
- **General Council** It is the WTO's highest-level decision-making body that meets regularly to carry out the functions of the WTO.
- The General Council also meets under different rules as the Dispute Settlement Body and as the Trade Policy Review Body.



What are the key takeaways from the meeting?

The key takeaways from the *Abu Dhabi Ministerial Declaration* and other Ministerial Decisions are as follows.

• E-Commerce - Members agreed to maintain the current practice of not imposing

customs duties on electronic transmissions until the 14^{th} Ministerial Conference or 31^{st} March 2026, whichever is earlier.

- TRIPS Non-Violation and Situation Complaints Moratorium on non-violation and situation complaints regarding the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) was also extended until MC14.
- **Dispute Settlement Reform** Officials were instructed to accelerate discussions and work on unresolved issues such as appeal/review to have a full and well-functioning dispute settlement system accessible to all Members by 2024.
- **Transition support to LDC category** Member graduating from LDC category shall continue to benefit from special procedures available in <u>Dispute Settlement</u> <u>Understanding</u> for 3 years.
- During this period, the Member will also be eligible for LDC-specific technical assistance and capacity building provided under <u>WTO's Technical Assistance and Training Plan</u>.
- **Agriculture** Divergences remained on <u>public stockholding (PSH)</u> for food security purposes and in respect of timelines, expected outcomes and the scope of the flexibility to be provided to food imports by the most vulnerable countries from export restrictions.
- **Fisheries Subsidy** *Fisheries Subsidies Agreement* has been formally accepted by some 71 WTO Members till now.
- Agreement on Application of Sanitary and Phytosanitary Measures and Agreement on Technical Barriers to Trade - The officials were instructed to continue their work in the WTO Committee on Trade & Development in Special Session, the SPS Committee and the TBT Committee and report the progress by 2024.
- Investment Facilitation for Development Agreement Joint Ministerial Declaration was issued on finalisation of <u>Investment Facilitation for Development (IFD)</u>

 <u>Agreement</u> to facilitate the flow of FDI between the Parties.
- **Environment** Members called for increased transparency and continued work on the subjects of Plastics pollution, environmental sustainability, and fossil fuel subsidy reform.
- **Women in international trade** WTO and the International Trade Centre (ITC) launched a USD 50 million global fund to help women tap opportunities in international trade and digital economy.
- **Services Domestic Regulation** The disciplines on services domestic regulation entered into force for a group of 72 WTO members.
- **New members** The WTO membership terms of *Comoros and Timor-Leste* was approved at a special ceremony held at the MC13.

What issues were unaddressed?

- **Fisheries subsidy** The delegates left MC13 with no progress on fisheries beyond the MC12 deal.
- Issues will continue to plague global fishing, particularly the lack of subsidy bans on active overfishing.
- **Agriculture (Public stockholding)** Public stockholding program is a policy tool under which the government procures crops like rice and wheat from farmers at a minimum support price (MSP), stores and distributes foodgrains to the poor.

- They can distort trade when the government purchases food from farmers at fixed prices.
- During MC13, *the G33* (a group of developing nations including India) pushed for the long sought-after permanent solution to public stockholding.
- However, other developing countries and the United States refused to accept the permanent solution outright.

The G33 (or Friends of Special Products in Agriculture) is a coalition of developing countries formed ahead to the 2003 Cancun ministerial summit to cooperate during the Doha Round of World Trade Organization negotiations, particularly in agriculture. **India is a member** of this group.

- Agriculture (unrelated market access) Many nations, including Brazil and some within the Cairnes Group coalition, demanded progress on unrelated market access negotiations.
- However, the European Union staunchly opposed to such linkages, further complicating negotiations.

Cairns Group established in 1986 is a coalition of agricultural countries advocating market-oriented reforms in the international agricultural trading system. **India is not a member** of this group.

References

- 1. The Hindu | What are the hurdles to fair global trade?
- 2. CSIS | Insight into the 13th WTO Ministerial Conference
- 3. Lexology | MC13

