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**The 13th Ministerial  
Conference of WTO**

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## THE 13TH MINISTERIAL CONFERENCE OF WTO

### Context:

- Recently, it was found that the '**Apex Decision Making Body** of World Trade Organization (WTO)' made **little progress** on key issues that affect global trade on its **13th meeting**.

### About the 13th Ministerial conference of the WTO:

- It took place in Abu Dhabi, United Arab Emirates.
- It was a significant event in the global trade landscape, with representatives from 164 WTO-member countries gathering to discuss a wide range of issues affecting international trade.
- It saw the formal joining of Comoros and Timor-Leste as members of the WTO.

### WTO (World Trade Organisation)

- It is the **only global international organisation** dealing with the rules of trade between nations.
- Its main function is **to ensure that trade flows** as smoothly, predictably, and freely as possible.

### Formation of WTO:

- **Predecessor: The General Agreement on Tariffs and Trade (GATT)** was established by a multilateral treaty of 23 countries in 1947 after World War II.
  - ♦ GATT was designed **to provide an international forum** that **encouraged free trade** between member states by **regulating and reducing tariffs** on traded goods and by providing **a common mechanism for resolving trade disputes**.
  - ♦ **The Marrakesh Agreement:** The establishment of the WTO was agreed upon during the **Uruguay Round of GATT negotiations**, which took place from 1986 to 1994.
  - ♦ It was signed by 123 nations on April 15, 1994, marking the culmination of the Uruguay Round and the official establishment of the WTO.
  - ♦ It expanded upon the scope of the GATT to **include new areas such as services, intellectual property, dispute resolution, and trade policy review mechanisms**.
- The WTO officially commenced operations on January 1, 1995, in accordance with the **1994 Marrakesh Agreement**, replacing the GATT.

### Organisational Structure of WTO:

- **Ministerial Conference:** The WTO's **apex decision-making** body is the **Ministerial Conference**, which *usually* takes place **every two years**.
- **General Council:** It is just below the Ministerial Conference that meets several times a year at the WTO's headquarters in Geneva.
  - ♦ It meets as the **Trade Policy Review Body** and the **Dispute Settlement Body**.
  - ♦ **Trade Related Intellectual Property Rights (TRIPS) Council:** It is for the Goods, Services, and Intellectual Property, and it reports to the General Council.

### Dispute Settlement Mechanism of WTO:

- The WTO has a Dispute Settlement Mechanism to resolve trade disputes between its member countries, and has one of the most active international dispute settlement mechanisms in the world.
  - ♦ Since 1995, over 350 rulings have been issued.
- **Appellate Body (Dispute Settlement System of WTO):** These play a crucial role in resolving trade disputes among WTO members.
  - ♦ **The Appellate Body** was established in 1995 under Article 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.

**Significance of the WTO:**

- Its main function is to ensure that global trade flows as smoothly, predictably, and freely as possible. These include:
- **Facilitating Global Trade:** The WTO operates a system of trade rules and provides a forum for governments to negotiate trade agreements.
  - ♦ It helps to reduce obstacles to international trade and ensures a level playing field for all, thus contributing to economic growth and development.
  - ♦ The WTO has been a force for globalisation, with both positive and negative effects.
- **Mediating Trade Disputes:** The WTO plays a vital role in mediating trade disputes.
  - ♦ It helps to resolve conflicts and disagreements over trade policies and practices, ensuring that trade relations among countries remain fair and balanced.
- **Supporting Developing Countries:** The WTO supports the needs of developing countries.
  - ♦ As an influential member of the WTO, India, for example, has been at the forefront of building fair global laws, statutes, and shields and supporting the concerns of the developing world.
  - ♦ By being a member of the WTO, several countries are now trading with India, thus giving a boost to production, employment, the standard of living, and an opportunity to maximise the use of the world's resources.

**Challenges and Criticisms Ahead of WTO:**

- **Impasse in Negotiations:** The current impasse in the WTO negotiations has led member countries to believe in the necessity of carrying out urgent reforms.
  - ♦ At the core of the divide within the WTO is the Doha Development Agenda, which the developed countries sought to jettison in favour of a new agenda that includes, amongst others, e-commerce, investment facilitation, MSMEs, and gender.
- **Dispute Settlement Mechanism:** Reinstating a fully functional WTO dispute settlement body to resolve trade disputes between countries could take longer than expected as there continues to be wide differences between developed and developing countries over the issue.
  - ♦ The US, since 2017, has been blocking the appointment of new judges to the WTO's seven-member appellate court as it believes that the body is hurting its interest.
- **Unilateral Protectionist Measures:** India has expressed serious concerns in a WTO meeting over an increase in the use of trade protectionist measures by certain countries in the name of environment protection.
  - ♦ The **European Union's (EU) decision to impose a carbon tax** (a kind of import tax) on sectors such as steel and fertiliser; and adoption of deforestation regulation by the 27-nation bloc are some examples.
- **Definition of 'Developing Country':** The push for a change in the definition of 'developing country' under the principle of special and differential treatment (S&DT), aimed at upgrading certain developing countries, will deeply impinge on the status of emerging economies such as India, China, South Africa, Turkey, Egypt, etc.
- **Fisheries Subsidies:** Among the **current negotiations at the WTO**, nothing commands more attention than the fisheries subsidies negotiations. These subsidies often lead to overcapacity and overfishing.
  - ♦ India can lead the way in finding a landing zone by urging others to settle for the lowest common denominator, while seeking permanent protection for traditional and artisanal farmers who are at the subsistence level of survival.
- **Agriculture and Food Security:** One of the **long-standing issues** discussed at the conference was public stockholding for food security.
  - ♦ **Public Stockholding** is a policy tool under which governments procure crops like rice and wheat from farmers at a **minimum support price (MSP)**, store, and distribute food grains to the poor.
  - ♦ It is continuously persisted and carried forward from the **12th Ministerial Conference held at Geneva**.
  - ♦ However, the 13th conference **ended without finding a permanent solution** to the public stockholding issue.

### Challenges Specific to India:

- India has always faced pressure from developed nations, including the US, EU and Canada, to reduce the subsidy it gives to farmers.
- WTO rules deal strictly with **product-specific support** to producers (as given by India) but they do not discourage **'Green Box' subsidies**.
  - ◆ India has fought for dropping the distinction between green box and other subsidies.
- **Peace Clause** only includes the government programmes started before 2013 and the Indian government wants programmes started after 2013 to be included as well.
- **Special and differential treatment:** The gaps between the developing and developed members have widened in many areas, emphasising that the special and differential treatment (S&D) must continue.
  - ◆ Such treatment has been a treaty-embedded and non-negotiable right for all developing members.

### Suggested Reforms in the WTO:

- To reinvigorate the WTO, reform needs to cover **all three pillars**.
  - ◆ **Negotiation:** It needs to be more responsive to the changing dynamics of global trade.
  - ◆ **Dispute Settlement Mechanism:** It needs to be made more efficient and effective.
  - ◆ **Monitoring and Deliberation:** It needs to be strengthened to ensure better compliance by member countries.
- **Accept a diluted Appellate Body:** While the US has so far opposed the AB in principle, it may consider an Appellate Body with limited powers.
  - ◆ The powers of the Appellate Body can be truncated in various ways, such as requiring it to be largely deferential to the parties to the dispute, stating that Appellate Body rulings will not have a persuasive value, etc.
- **Resurrect the Appellate Body in its original form with one important change:** Countries will have the option to opt out of Appellate Body's compulsory jurisdiction.
  - ◆ This option is to resurrect the Appellate Body in the same form as it existed till 2019.
- **India strongly supports robust WTO reforms and modernisation agenda,** it stressed that the reform process should take place in the General Council and other regular bodies too.
  - ◆ India, among other countries, has been actively pitching for WTO reforms and pressing for better dispute settlement mechanisms. At the upcoming G20 meeting, India will push for reforming and strengthening the WTO.
  - ◆ At least 60 countries including India have proposed a **new method to calculate subsidies** given to purchase, stockpile and distribute food to ensure food security for developing and poor nations.

### Conclusion and Way Forward:

- The need for **WTO reform is urgent** and must be addressed on a top priority basis. It is crucial for the future of global trade and the world economy.
  - ◆ The WTO must adapt to the **changing dynamics of global trade** and ensure that it continues to play its role effectively in the years to come.
- Despite the lack of consensus on key issues, the conference did result in some outcomes. The **members agreed to extend the moratorium** on imposing import **duties on e-commerce trade** for two more years.
  - ◆ The WTO continues to strive towards its goal of ensuring that trade flows as smoothly, predictably, and freely as possible.

### Daily Mains Practice Question

**[Q]** What are the key issues faced by the World Trade Organization and what reforms are necessary to address these challenges in the context of the evolving global trade landscape?"