Differences remain amid some headway at WTO MC13

Issues like subsidies, public stockholding for food security persist

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Notwithstanding intense negotiations lasting over five days, the 13th Ministerial Conference (MC13) of the World Trade Organization (WTO) ended in a status quo. No consensus was reached on most key issues, leading to no visible outcomes.

Divergences in positions persisted on crucial matters such as curbing subsidies contributing to overcapacity and overfishing, and public stockholding for food security — a foremost priority for India.

While MC13 saw no specific outcomes, countries resolved to establish a fully functioning dispute settlement system accessible to all members by the end of 2024.

Even without a resolution on India's primary demand regarding grain stockholding, Commerce and Industry Minister Piyush Goyal expressed satisfaction, emphasising that India has retained full policy space for the benefit of its farmers.

Business Standard examines the outcomes of MC13, highlighting key hits and misses for India.

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AGRICULTURE

What India wanted

India, along with other developing countries, sought a 'permanent solution' to the public stockholding issue — a policy tool used by governments for procuring, stockpiling, and distributing food for domestic food security. This was India's foremost priority in agriculture.

Outcome

No agreement was reached on agriculture due to differences among countries. Developed nations, such as the European Union, argued that public stockholding programmes, if implemented as support to producers' prices, could impact the food security of other countries.

What it means for India

India faces no immediate threat due to the 'peace clause', offering a shield to developing countries from legal challenges over subsidies or free distribution of grains to the poor. Jonas Jaccard, policy officer of the Belgian non-governmental organisation Humundi, noted that the WTO's inability to address farmer demands from the Global South is concerning for food security. "This is dramatic because it leaves millions of farmers without the prospects of improving their livelihood," Jaccard said.

DECODED

FISHERIES SUBSIDIES

What India wanted

India acknowledged the negative impact of subsidies on the fisheries sector, emphasising the need to curb harmful subsidies for countries engaged in distant water fishing. However, such payouts are crucial for developing countries and small economies to safeguard the food security and livelihoods of fishermen, particularly those fishing up to 200 nautical miles beyond territorial waters.

Outcome

Member nations failed to produce an outcome document, and the ministerial declaration did not mention fisheries subsidies.

What it means for India

India retains full policy space for the benefit of its farmers, with no immediate threat. Olencio Simoes, general-secretary of the National Fishworkers' Forum India, highlighted that these negotiations consistently pose a threat to the livelihoods of small-scale fishers.

"While there had been some improvements to protect artisanal fishers from the prohibitions in this text, they weren't enough to justify a deal," Simoes said.

E-COMMERCE

What India wanted

India opposed the continued exemption of Customs duties on e-commerce or electronic transmission, arguing that the moratorium adversely affected revenue collections. India also wanted an assessment of the moratorium's scope and its impact on other countries.

Outcome

WTO nations agreed to maintain the current practice of not imposing Customs duties on electronic transmissions until the next ministerial conference or March 31, 2026, whichever is earlier.

What it means for India

Parminder Jeet Singh, coordinator, Just Net Coalition, Global/India, expressed disappointment, stating that the extension of tax breaks for Big Tech denies much-needed tax revenue for developing countries.

"This not only denies the much-needed tax revenue for developing countries but also curtails their policy space for undertaking their urgently required digital industrialisation, if they are to escape digital colonisation," Singh said.

OTHER ISSUES

MC13 also addressed various plurilateral agreement pacts, such as domestic services regulation, and non-trade issues such as investment facilitation.

An agreement on services domestic regulation, supported by 72 WTO members, was adopted. However, a similar pact led by China — Investment Promotion for Development — was blocked by India and South Africa, despite having the backing of more than 120 countries. India, in principle, has been against plurilateral pacts on platforms like the WTO, fearing a dilution of its multilateral trade framework. Ajay Srivastava, former trade ministry official and founder of the Delhi-based think tank Global Trade Research Initiative, raised concerns about new issues like e-commerce, investment, and micro, small and medium enterprises quietly entering the WTO agenda through joint statement initiatives by some countries.