

India, US, China and Australia show disputes can still be settled at WTO, say officials

Amiti Sen
Geneva

The amicable settlement of about seven trade disputes between India and the US at the WTO through bilateral discussions is evidence of dispute settlement at the multilateral body still producing value, despite non-functionality of the appellate body, according to Geneva-based trade officials.

Intense discussions are going on at the WTO on the future of dispute settlement with the WTO appellate body dysfunctional for over four years and over 30 disputes appealed "in void" by members with no chance of an immediate verdict, the official said. "As the WTO's appellate body has not been functioning because of the

US blocking the appointment of members, a lot of discussion is happening around whether there should be an appeal and review process at all. Many members say yes, but there are some, including the US, that have quite a different view," the official told *businessline*.

While the appellate body is not functioning, there is no problem at the level of dispute panels at the WTO, which give the initial verdict on a dispute, the official pointed out. Talks are therefore, happening around how to proceed beyond the panel phase and what could be the scope and standard of review, the official added.

DISPUTES SETTLED

"There is a view that once a panel gives a verdict and a member affected adversely

◎ WAY AHEAD?

With WTO appellate body not functioning, members are intensely discussing future of dispute resolution

wants to appeal, then instead of appealing in void to the appellate body, the countries could sort out the matter bilaterally," the official pointed out.

"India's successful settlement of seven disputes with the US and China's settlement of dispute with Australia indicate that bilateral settlement following establishment of panels can work and dispute settlement still produces value," the official said. The WTO disputes settled between India and

the US had been filed over a decade in key sectors such as steel, aluminium, renewable energy, poultry, solar products and certain key export-related measures.

China and Australia recently settled a dispute on penal import duties imposed by China on Australian wine after a dispute panel was set up on Australia's request. These success stories notwithstanding, a large number of members see merit in continuation of the appeal and review process. "Members wanting continuation of the appeal and review process say it adds legitimacy to the system, gives opportunities to correct errors and better ensures that decisions are correct," the official said.

The writer is in Geneva at the invitation of the WTO