

● SYSTEM NON-FUNCTIONAL SINCE 2019

India pushes for talks on WTO dispute body

US starts to engage on the issue after blocking appointments to the appellate body in 2017

MUKESH JAGOTA
New Delhi, October 30

WITH THE WORLD Trade Organisation's (WTO) ministerial conference just four months away, India has pressed for early start of formal talks on getting the dispute settlement system at the world body functioning again.

The US, whose actions led to the whole dispute settlement system becoming non-functional, has now started engaging on the issue of Dispute Settlement Body's reforms in informal ways, a senior official said.

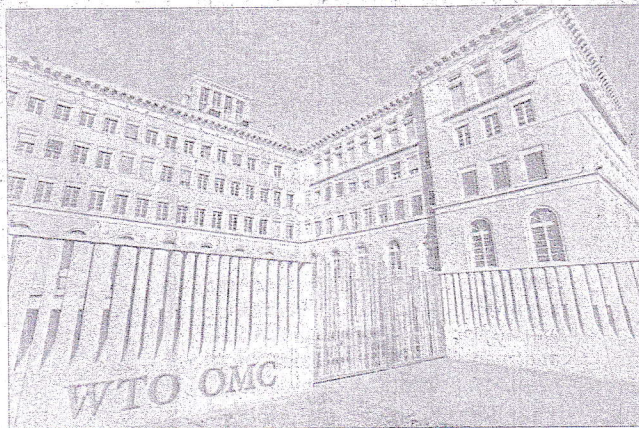
The informal setting poses challenges to participation of other members of the WTO who have limited presence of ambassadors at the trade regulating body. Other logistics challenges, including something as mundane as not having enough translators is also hampering broader participation in informal discussions.

At the 'senior officials' meeting of the WTO in Geneva last week, India asked for shifting of negotiations to a more formal setting of a committee so that other members can deploy resources and participate in the discussions.

"We have to formalise this process as soon as possible. India stated that if you want to maintain the WTO's credibility, we need to talk on this," the official added.

India has not submitted any paper or proposal on the reform as talks are happening informally.

There are two main ways to settle a dispute once a complaint has been filed at the WTO. Either the parties involved settle it among themselves or they may move for adjudication. The ruling of the dispute settlement body can also be



HEADWAY LIKELY AT ABU DHABI MEET

■ At the 'senior officials' meeting of the WTO last week, India asked for shifting of negotiations to a more formal setting of a committee

■ The informal setting poses challenges to participation of other members who have limited presence at the trade regulating body

■ The US had derailed the system after it lost many cases at the WTO and wants a system that relies on negotiation & does not have an appellate body

challenged at the appellate body.

The US had derailed the dispute settlement system after it lost many cases at the WTO. According to reports, US wants a system that relies more on negotiation and does not have an appellate body as the litigation in the legacy system is costly and time consuming.

"They are talking about peripheral reforms, but our main demand is that there should be a two tier system including a system of appeals," the official said.

The dispute settlement system at the WTO has been in limbo since the US in 2017 started blocking appointments to the appellate body of the dispute settlement system as the judges there retired. By 2019, the system became non-functional. Since 2020, all seven seats of the appellate body have been vacant.

This has resulted in a situation

where rulings by the dispute settlement body of the WTO cannot be implemented as the system of appeal is not available. Normally more than 70% of the rulings by dispute settlement body end up in appeal. Since December 2019, over 20 appeals have been filed for appeal.

At various occasions, major trading countries have committed to get the dispute settlement system functional by 2024. At the G-20 meeting of trade ministers and the summit, this commitment was reiterated. During the senior officials meeting, the members were encouraged to participate in the ongoing reform of the dispute settlement reform with a view to achieve tangible outcome by the next ministers meeting of the WTO which is scheduled to be held during February 26-29 in Abu Dhabi.