

## Thirteenth WTO Ministerial Conference – 26<sup>th</sup> February 2024 – ROUND-UP

WTO's Director-General Ngozi Okonjo-Iweala set a strong tone at the MC13 Opening Ceremony in Abu Dhabi, describing the Multilateral Trading System as a 75-year-old global public good.<sup>1</sup> Interestingly, during her speech, the Director-General highlighted the MPIA Arbitration Agreement.<sup>2</sup> She integrated it into the wider umbrella of WTO Rules, thereby recognising its potential to bolster momentum for reforming the WTO Dispute Settlement Body.

### India opposes inclusion of non-trade issues in trade mandate

- On the very first day, during the Ministerial Conversation on Trade and Inclusion, India has advocated against the inclusion of non-trade issues in the WTO's mandate.<sup>3</sup> India believes that the inclusion of non-trade issues in the WTO's mandate will encourage trade distortive subsidies and non-trade barriers, thereby leading to fragmentation of the multilateral trading system.
- Weeks before the run-up to MC13, Indian officials had expressed jurisprudential concerns about such a wide-net inclusion of issues in WTO's ever-expanding mandate.<sup>4</sup> The concern emerging from India is that unilateral actions, such as EU's CBAM, undermine multilaterally negotiated rights and obligations of countries.<sup>5</sup>

<sup>1</sup>[https://www.wto.org/english/news\\_e/spno\\_e/spno43\\_e.htm](https://www.wto.org/english/news_e/spno_e/spno43_e.htm)

<sup>2</sup> Ibid

<sup>3</sup><https://pib.gov.in/PressReleaselframePage.aspx?PRID=2009228#:~:text=India%20stressed%20that%20issues%20like,subsidies%20and%20non%2Dtrade%20barriers.>

<sup>4</sup> <https://www.financialexpress.com/policy/economy-india-to-oppose-inclusion-of-non-trade-issues-in-wto-agenda-3387362/>

<sup>5</sup> Ibid

### Joint Ministerial Declaration on China-led Investment Facilitation for Development (IFD) Agreement

- The China-led plurilateral agreement, i.e. the Investment Facilitation for Development (IFD) Agreement found support from 123 WTO Members. Consequently, a joint-ministerial declaration was released which sought to integrate investment facilitation into the WTO's mandate.
- India has reportedly opposed this initiative, though the Chinese media has simultaneously reported that Indian officials were instrumental in concluding IFD Agreement's draft text negotiations.<sup>6</sup>
- India along with South Africa and United States haven't signed the pact and have expressed limited opposition with respect to IFD's inclusion in the WTO in the absence of a Ministerial mandate.<sup>7</sup>

### India bats for a permanent solution on Public Stockholding (PSH)

- India's Minister of Commerce and Industry, Piyush Goyal made a fresh push for a stand-alone permanent waiver to WTO rules that currently restrict domestic agriculture subsidies on food items like rice. Goyal also said that to cut global hunger by 2030 it is necessary to find a permanent solution on public stockholding (PSH).<sup>8</sup>

<sup>6</sup>[https://english.www.gov.cn/news/202307/08/content\\_WS64a8a88ec6d0868f4e8dd97c.html](https://english.www.gov.cn/news/202307/08/content_WS64a8a88ec6d0868f4e8dd97c.html)

<sup>7</sup> <https://www.thehindubusinessline.com/economy/wto-mc13-123-countries-want-incorporation-of-investment-pact-into-wto/article67888911.ece>

<sup>8</sup> [https://m.economictimes.com/news/economy/foreign-trade/wheres-india-key-holdout-countrys-minister-absent-from-wto-meeting/amp\\_articleshow/108026804.cms](https://m.economictimes.com/news/economy/foreign-trade/wheres-india-key-holdout-countrys-minister-absent-from-wto-meeting/amp_articleshow/108026804.cms)

- The PSH issue revolves around certain countries, particularly India, exceeding agreed limits for subsidies used to buy food stockpile. This limit for most developing countries is currently set at 10% of the value of production (or 8.5% for China), but this counts as domestic support under the WTO Agriculture Agreement.<sup>9</sup>
- In 2013, a 'peace clause' was agreed upon in Bali,<sup>10</sup> allowing developing countries to exceed their domestic support limits without any challenge, if they don't buy at market prices. This interim agreement continues to remain in place until a permanent replacement is agreed.
- Therefore, along with extension of the peace clause, India had also sought for renegotiation of how domestic support is currently calculated.<sup>11</sup> This acquires greater significance in the light of the intensified farmer protests in India<sup>12</sup> and the upcoming Lok Sabha elections. It will be interesting to see if India presses on this demand during the MC13 proceedings.

We hope you have found this information useful. For any queries/clarifications please write to us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

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<sup>9</sup>[https://www.wto.org/english/tratop\\_e/agric\\_e/factsheet\\_agng\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/factsheet_agng_e.htm)

<sup>10</sup> Ministerial Decision of 7<sup>th</sup> December 2013 - [https://www.wto.org/english/thewto\\_e/minist\\_e/mc9\\_e/desci38\\_e.htm#para4](https://www.wto.org/english/thewto_e/minist_e/mc9_e/desci38_e.htm#para4)

<sup>11</sup> [https://www.business-standard.com/industry/agriculture/wto-meet-india-to-seek-permanent-solution-to-food-security-issues-124022500127\\_1.html](https://www.business-standard.com/industry/agriculture/wto-meet-india-to-seek-permanent-solution-to-food-security-issues-124022500127_1.html)

<sup>12</sup> <https://www.livemint.com/news/farmers-demand-india-s-exit-from-wto-11708947696643.html>