

WTO 12TH MINISTERIAL CONFERENCE AND WHAT IT MEANS FOR INDIA

More often than not, the demands and needs of developing nations have been ignored and disregarded by first world countries. 'Gone are the days when India could be arm-twisted to accept outcomes that hurt the poor'- stated minister Piyush Goyal with regards to the recent 12th WTO Ministerial Conference, who seemed to be quite happy with the outcome of the conference. The WTO is an international organisation that regulates international trade and is one of the most powerful international organisations. The main purpose of WTO is to ensure free trade, settle disputes, regulate tariffs and barriers on various trade items. It has several decision making bodies among which the biennial Ministerial conference is the topmost decision making conference. The Ministerial conferences witness members from all the member countries and unions, who come together to make decisions about any matter under the multilateral trade agreements. Recently, the 12th ministerial conference was held from June 12-15 in Geneva, co-hosted by Kazakhstan. Agriculture, pandemic response, fisheries were some important topics discussed. India, who has been a member of the WTO from the very start, also attended the ministerial conference. The delegation was headed by Sri Piyush Goyal, Union Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles.

Fisheries Agreement

Fishery products support the livelihoods of many people and significantly contribute to food security, contributing about 17% of the average per capita animal protein intake worldwide. More than a third of global fish stocks are harvested to levels that endanger marine life. Yet many governments of fishing nations continue to provide the industry with detrimental fishery subsidies, despite the fact that a reduction in fishing effort and capacity would aid in the recovery of stocks. An estimated US\$22 billion worldwide is spent on subsidies that directly boost fishing capacity and may result in overfishing.

Keeping in mind the sustainable development goal - 14.6, WTO aims to address the concern of overfishing. The current text states that subsidies for fishermen who fish within 200 nautical miles of the coast will not be reduced. The developed nations now want to put an end to subsidies for distant water fishing for 25 years.

During the 12th MC discussion on Illegal, Unreported and Unregulated (IUU) fishing, India stood in strong opposition to curbing subsidies for the fishermen. Minister Piyush Goyal had stated that India barely offers a \$15 annual subsidy to each fishermen family, as opposed to some countries which give \$75,000 to some families.

The amount of subsidies given to fishermen families in India is necessary to support the livelihood of these families. India is home to 9 million fishermen whose livelihood depends on these subsidies. The proposed text at WTO did not address the concerns of developing nations like India. As a counter proposal India suggested a 25 year transition period instead of the seven years proposed by the rest of the countries. Another contentious issue on the table was deciding which of the underdeveloped or developing countries will be exempted from the ban on certain subsidies that cause overfishing.

WTO Response to Pandemic

The pandemic had caused damage to every country and a large amount of money was spent behind developing vaccines for the deadly Coronavirus. The Trade-Related Aspects of Intellectual Property Rights (TRIPS) is an international treaty which regulates intellectual property rights. Intellectual property rights are the rights granted to individuals over their mental works. For a fixed period of time, they usually grant the inventor exclusive rights to his or her creation. With the upcoming of COVID-19 Pandemic and development of vaccines, many countries have talked about weaving off intellectual property rights over the vaccines. Last year, India and South Africa had proposed a temporary waiver of intellectual property rights to increase the distribution and production rate of the covid-19 vaccines. The enabling of TRIPS waiver would not only reduce disparity between the population but will also enable India to produce patented vaccines for both domestic and international markets.

While India advocated for the waiver of TRIPS to promote free, transparent trade, the European Union has openly disagreed with this proposal. However, their arguments showcase why TRIPS is even more critical and has to be implemented. The EU had promised 200 million vaccines to the COVAX mechanism initiated by WHO, and they have donated only 6 million doses till now. By doing so the EU has affected this initiative, and the COVAX mechanism failed its goal of delivering 2 billion vaccines by the end of 2021 and was able to distribute only 311 million. The other argument that the EU had put forward is their bilateral aid in countries like Africa. But the truth behind these aids is that they are done not to help the people but to expand big pharma companies in new countries and maintain their monopoly by making the country entirely dependent on them. The EU approach relies on existing measures like compulsory licensing, which were not designed with a pandemic in mind and are far too limited to make a difference. The EU's approach also jeopardises existing TRIPS public health flexibilities. Fighting global epidemics cannot be done through charity, as we discovered

from the AIDS epidemic. It necessitates genuine cross-national cooperation, available technologies, and the development of local capacities.

Apart from the EU, many major pharmaceutical companies have protested against this waiver. They have argued that the IPs do not restrict access to vaccines and moreover, granting anyone and everyone the right to produce vaccines without consent of the creator undermines the hard work of the scientists and researchers. Many advocacy groups have also criticised as they feel the waiver is too narrow and does not include their demands and needs.

The present version of the TRIPS waiver agreement is, however, a toned down version of the original version proposed by India and South Africa last year. After a lot of discussion and deliberation, the conference agreed on the revised version of the TRIPS waiver proposal. The intellectual property patents shall be temporarily waived off for five years without the consent of the patent holder. Cabinet Minister Piyush Goyal has claimed to be extremely happy with the outcome. Despite the proposal being toned down, the waiver fulfils India's need.

Agriculture

Amidst a world food crisis, there was a pressure on countries to negotiate a meaningful result in the matters of food and agriculture. The countries negotiated on seven major issues under agriculture and food - Domestic subsidies for the farm sector, market access, Export competition, Export restrictions, Cotton, Special safeguard mechanism and Public stockholding for food security purposes.

One of the key points raised was whether WTO members could agree to waive export restrictions for food purchased by the United Nations World Food Programme for humanitarian purposes (WFP). Members decided on a binding agreement that such export restrictions should not apply to food acquired by the UN's World Food Programme (WFP). India first resisted this proposal as it did not want to agree to provide such full endorsement in light of the fact that it must provide for its sizable, predominantly impoverished people.

However, India's main demand was to export food to other nations from its public stockholdings. Public stockholding (PSH) is a policy whereby governments procure, stockpile and distribute food whenever needed. For example, The MSP scheme. These programmes, which include buying from farmers at set prices, are essential for helping the nation's farmers and consumers. The amount of a subsidy that may be given to such purchased goods is restricted by WTO regulations. The G-33, a group of developing nations, of which India is a

significant member, and the African Group, have joined forces with the ACP group and submitted a proposal seeking permanent solution to the issue of public stockholding for food security purposes. This has been under negotiation at the WTO MC. With regards to the World Food Programme, India was unable to secure agreement to continue its government-to-government sales. India has always demanded a permanent solution regarding public stockholding, however, till date the countries could never reach a consensus. During the 12th MC, there was constant pressure to reduce subsidies given to farmers. Compared to what the US and EU provide, subsidies given by India are much lower. According to records, the Indian government provides \$300 in subsidies to farmers, compared to \$40,000 in the US. However, this discussion regarding stockholding was not discussed extensively, and was put on hold for the next conference.

What does it mean for India?

In the agreement regarding fisheries, India and other developing nations were able to secure some exemptions. According to The Associated Press, they successfully campaigned to get a provision of the draft removed that threatened some subsidies that supported small-scale artisanal fishing. India was able to gain the autonomy to offer "other" subsidies, which are neither for overfished stocks nor for illicit, unreported, or unregulated fishing. Such subsidies are really important to sustain the fishermen population of India. Many critics argue that the WTO had failed, yet again to reach consensus and put an end to overfishing subsidies. What is to be noted is that- through the course of the Ministerial Conference, the developed countries have more often than not neglected the concerns and needs of the developing countries. The reports based on which discussions have taken place were also very selective in nature. Publications have discussed IUU fishing in the Indian Ocean and the Bay of Bengal. However, there is no mention of other sizable ocean areas where huge commercial fishing fleets operate. Such selective reporting is alarming and unfortunately common.

To an extent, India secured a gain at the 12th MC by securing the right to provide 'other' subsidies. However, the failures have been more than the gains. The declaration on food insecurity makes no mention of a long-term solution to the problem of public stockholding. The proposal put forth by India enables changing the dated external reference price for the years 1986–88 based on current market prices or inflation rates. Additionally, it specifies that actual purchase be included in subsidy calculations rather than all eligible output. This will be very helpful to emerging nations like India that depend on price support to benefit their farmers. However, the developed nations and several developing nations have utterly outclass India. India failed to even receive

acknowledgement that it is working toward a lasting solution, in contrast to past ministerial meeting outcomes that gave an explicit directive to intensify efforts for reaching a permanent settlement.

Coming to the issue of pandemic response and India's proposal of Trips TRIPS waiver, Minister Piyush Goyal had stated that India has been able to achieve its goal , but many critics say the proposal agreed on is a very diluted version of the original.

Apart from the aforementioned issues, the subjects of e-commerce and WTO Reforms were also discussed. The WTO reforms hardly found a paragraph mention in the outcomes document. In the subject of e-commerce, India focused on the infrastructure India requires to 'catch-up with the developed countries in the digital arena.' When it came to the prohibition on customs duties, Indonesia, Sri Lanka and Pakistan could have succeeded in their persuasion against it if India had backed them up. However, India was too late to the opposition.

The European Union has benefited the most from MC12. It was successful in weakening the TRIPS waiver, obtaining an ongoing mandate for WTO reform that included some of its preferred changes, and nearly retaining the ability to subsidise deep-water fishing. India has experienced severe reputational damage. Its involvement in weakening the TRIPS waiver and relative silence on the matter of a moratorium on customs taxes on electronic transmissions raise doubts about its suitability to serve as a reliable coalition leader who defends both its own interests and those of many other developing nations.

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