

CURRENT AFFAIRS

WITH

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**WORLD TRADE ORGANISATION
AND
ASSOCIATED ISSUES**



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INSIGHT GENERAL STUDIES

WORLD TRADE ORGANISATION AND RELATED ISSUES

DOHA ROUND 2001

BUENOS AIRES CONFERENCE, 2017

WTO ON AN EVOLUTIONARY SCALE



BASIC DETAILS ABOUT WTO

The General Agreement on Tariffs and Trade (GATT) is an agreement that was arrived at in 1947 by 23 countries to establish a free and fair international trading regime among member countries based on dismantling of trade barriers-tariffs or non-tariff restrictions like quotas. It came into existence in 1948. **India was a founding member. WTO was setup as a result of the Uruguay Round (1986-94).** WTO came into existence in 1995. Doha Round is the first round under the WTO (2001).

The WTO states that its aims are to increase international trade by slashing trade barriers and providing a platform for the negotiation of trade and related issues. Basically, it sets up a rule based multilateral trading system to liberalise the regime and boost world trade.

Unlike other organizations like World bank and the International Monetary Fund(IMF) where there is weighted voting- a country has as much voting power as it contributes financially-, **WTO has a 'one country one vote' system making it relatively democratic.** Decisions are taken by consensus. Thus, the 23-year-old trade body requires unanimity among all 164 WTO member countries to reach any agreement.

WTO is not part of the United Nations and acts autonomously at the behest of its membership.

How GATT is different from WTO?

- The GATT was provisional. Its contracting parties never ratified the General Agreement and it contained no provisions for the creation of an organization.
- The WTO and its agreements are permanent. As an international organization, the WTO has a sound legal basis because all members have ratified the WTO Agreements, and the agreements themselves describe how the WTO is to function.
- **The WTO has 'members' while GATT had 'contracting parties'** underscoring the fact that officially the GATT was a legal text.
- **The GATT dealt with trade in goods. The WTO deals with trade in services and intellectual property as well.**

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- The WTO dispute settlement system is faster and more automatic than the old GATT system. Its rulings cannot be blocked.
- The WTO has introduced a trade policy review mechanism that increases the transparency of members' trade policies and practices.

STRUCTURE OF WTO

The Ministerial Conference (MC) is at the top of the structural organization of the WTO. It is the supreme governing body which takes ultimate decisions on all matters. It is constituted by representatives of (usually, Ministers of Trade) all the member countries. Under the Marrakesh Agreement establishing the WTO, the Ministerial Conference is to **meet at least once every two years**.

The General Council (GC) is composed of the representatives of all the members. It is the real engine of the WTO which acts on behalf of the MC. **It also acts as the Dispute Settlement Body as well as the Trade Policy Review Body.**

There are three councils, viz.: the Council for Trade in Goods and Services and the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) operating under the GC. These councils with their subsidiary bodies carry out their specific responsibilities

DISPUTE SETTLEMENT

World Trade Organization (WTO) has a dispute settlement body (DSB) that settles trade disputes among members. Disputes can arise from trade policies of members that are violative of the WTO rules.

WTO procedures require sixty days of 'consultations' among the disputants to resolve the dispute failing which a disputes panel is set up. There is no separate DSB but the General-Council which is the second highest body in the organization works as the DSB while giving verdict on the trade dispute. DSB conclusion can be challenged in an appellate body. After the ruling, the erring nation is directed to make changes in its laws to make them WTO compliant within a reasonable time. If the 'losing country' does not correct its laws, the complainant country is allowed to take cross retaliatory measures.

WTO AGREEMENTS

The WTO oversees about 60 different agreements which have the status of international legal texts. Member countries must sign and ratify all WTO agreements on accession. Important among the agreements are the following:

**Agreement on
Agriculture**

**Agreement on Trade
Related Aspects of
Intellectual Property
Rights (TRIPs)**

**General Agreement on
Trade in Services
(GATS)**

**Agreement on Trade
Related Investment
Measures (TRIMs)**

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AGREEMENT ON AGRICULTURE (AOA)

One of the most contentious issues that the Uruguay Round addressed was Agriculture. When the **Marrakesh Treaty was signed in 1994, AoA was resisted by the developing countries.** They were won over with some concessional features and flexibilities. Its three pillars are:

Domestic Support

- Green Box
- Amber Box
- Blue Box

Market Access

- Convert non-tariff barriers into tariff duties
- Reduce Tariff Barriers

Export Subsidies

- Subsidies on the input of agriculture
- Making exports cheaper

DOMESTIC SUPPORT

It refers to the subsidies that governments give to the farmers like food, fertilizer, power, water etc. The domestic subsidies are grouped into three classes called "boxes": Green Box, Amber Box and Blue Box- the first two being borrowed from the traffic light colours.

There is a De-Minimis provision in Domestic support provisions under which developed countries are allowed to maintain trade distorting subsidies or 'Amber box' subsidies to level of 5% of total value of agricultural output in 1986-88. For developing countries this figure is 10%.

Green box

Agriculture-related subsidies that fit in WTO's green box are policies that are not restricted by the trade agreement because they are not considered trade distorting. To qualify for the green box; WTO says a subsidy must not distort trade, or at most cause minimal distortion.

The 'Green Box' measures are large in number. They comprise of two support groups:

- The first involves public services programmes (for example, research, training, marketing, promotion, infrastructure, domestic food aid or public food security stocks).
- The second involves direct payments to producers which are fully decoupled from production. These mainly involve income guarantee and security programmes (natural disasters, state financial contributions to crop insurance, etc.); programmes aimed at adjusting structures and environmental protection programmes, regional development programmes.

Amber Box (Aggregate Measurement of Support – AMS)

The AMS represents trade distorting domestic support measures. It is referred as the "Amber Box" in the Agreement on Agriculture. Agriculture's amber box, according to the WTO, is used for all domestic support measures considered to distort production and trade. **WTO members are required to maintain their amber box supports to within five to 10 percent of their value of production.**

The Aggregate Measurement of Support (AMS) consists of two parts - product-specific subsidies and non-product specific subsidies.

- Product-specific subsidy refers to the total level of support provided for each individual agricultural commodity.

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- Non-product specific subsidy, on the other hand, refers to the total level of support to the agricultural sector as a whole, i.e., subsidies on inputs such as fertilizers, electricity, irrigation, seeds, credit etc. Usually, these non-product subsidies are given to all crops.

In India, the price support given in the form of Minimum Support Prices is an example for AMS.

Blue box

Included in the blue box are **any support payments that are not subject to the amber box reduction agreement** because they are direct payments under a production limiting program. These are basically Amber Box Subsidies but they tend to limit the production. Any support that would normally be in the amber box is placed in the blue box if the support also requires farmers to limit their production.

Countries like Norway, Iceland, Slovenia etc. use this kind of subsidies.

MARKET ACCESS

Market access means all member countries should throw open their domestic market to agricultural imports by reduction of tariffs and removal of or non-tariff barriers. Countries should undertake:

- 'Tariffication' to convert non-tariff barriers (like quotas) to tariffs and
- "bind" their tariffs- to agree to a limit that is the 'bounded rate' and not increase the rates beyond them. The bounded rates are usually high

EXPORT SUBSIDIES

"Export subsidies" are to be limited by the developed countries either in value or volume terms so that international prices are not lowered below a point and exports of the developing countries are not priced out.

There is also a **Special Safeguard Mechanism (SSM)** in export subsidies provisions which allows developing countries to impose additional (temporary) safeguard duties in the event of an abnormal surge in imports or the entry of unusually cheap imports.

AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPOERTY RIGHTS (IPRs)

Agreement on TRIPS lays down legal standards for the member countries to protect intellectual property by way of copyright rights; geographical indications, industrial designs; integrated circuit layout-designs; patents; monopolies for the developers of new plant varieties; trademarks. TRIPs regulate dispute resolution procedures and enforcement procedures.

Types of Intellectual Property Rights under TRIPs

- A **patent** may be granted for a new, useful, and non-obvious invention, and gives the patent holder an exclusive right to commercially exploit the invention for a certain period of time (typically 20 years from the filing date of a patent application).
- **Copyright** is given for creative and artistic works (e.g. books, movies, music, paintings, photographs, and software) and give a copyright holder the exclusive right to control reproduction or adaptation of such works for a certain period of time.
- A **trademark** is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises.
- An **industrial design right** protects the form of appearance, style or design of an industrial object.

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TRIPS and Patents

A patent is an exclusionary right. It grants the right to exclude others from making use of the patented invention for the given period of 20 years from the filing date. In return for the patent, the inventor offers the knowledge with commercial use to be put in public domain after the expiry of the patent. Patent is an incentive to innovate and invent. It sustains research and development (R and D).

Product and Process patents

Under WTO, patents can be granted for the process or product.

- Product patents provide for absolute protection of the product exhausting all the process that may lead to the product, whereas
- Process patents provide protection in respect of the technology and the process or method of manufacture.

Protection for process patents would not prevent the manufacture of patented products by a process of reverse engineering, where a different process or method from that which has been invented (and patented) is used. For example, national legislation requiring only process patent protection has enabled manufacturers in certain countries to make generic versions of patented medicines. RE (Reverse engineering) made it possible in developing countries to sell medicines cheap. India is a prime example.

TRIPS agreement allows both process and product patents though only product patents must be awarded for food, pharmaceuticals and chemicals. Patents should be valid for 20 years. Developing countries had 10 years to adopt the TRIPS agreement standards while the advanced countries adopted them from 1995 only.

Therefore, Indian Parliament passed the Patents (Amendment) Bill 2005. It introduced product patent regime for food, chemicals and pharmaceuticals. India was required to introduce product patent protection in these sectors from 1.1.2005 in accordance with the obligation under the TRIPS Agreement of the WTO.

Two Important Provisions of Indian Patent Regime

- Section 3(d) of the Indian Patent Act 1970 (as amended in 2005) does not allow patent to be granted to inventions involving new forms of a known substance unless it differs significantly in properties with regard to efficacy. **Thus, the Indian Patent Act does not allow evergreening of patents.** This is a cause of concern to the US pharma companies.
- Section 84(1) of Patents Act 1970 states that after the expiration of three years from the date of grant of patent any person may make an application for grant of compulsory licence on three grounds:
 - That the reasonable requirements of the public with respect to the patented invention have not been satisfied, or
 - that the patented invention is not available to the public at a reasonably affordable price, or
 - that the patented invention is not worked in the territory of India.

Compulsory licenses are authorizations given to a third-party by the Government to make, use or sell a particular product or use a particular process which has been patented, without the need of the permission of the patent owner. It is allowed under the WTO's TRIPS Agreement.

India's first case of granting compulsory license was granted by the Patent office in 2012 to an Indian Company called Natco Pharma for the generic production of Bayer Corporation's Nexavar.

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GEOGRAPHICAL INDICATIONS (GI)

What is a Geographical Indication?

A geographical indication (GI) is a sign used **on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin**. In order to function as a GI, a sign must identify a product as originating in a given place. In addition, the qualities, characteristics or reputation of the product should be essentially due to the place of origin. Since the qualities depend on the geographical place of production, there is a clear link between the product and its original place of production.

What rights does a geographical indication provide?

A geographical indication right enables those who have the right to use the indication to prevent its use by a third party whose product does not conform to the applicable standards. For example, in the jurisdictions in which the Darjeeling geographical indication is protected, producers of Darjeeling tea can exclude use of the term “Darjeeling” for tea not grown in their tea gardens or not produced according to the standards set out in the code of practice for the geographical indication.

However, a protected geographical indication does not enable the holder to prevent someone from making a product using the same techniques as those set out in the standards for that indication. Protection for a geographical indication is usually obtained by acquiring a right over the sign that constitutes the indication.

GI is granted to a community or group or an institution that represents the interests of the product. It is generally not granted to an individual. It is given to a product for a specific period of time (10 years in India). The product can be an agricultural, natural or manufactured one. The manufactured goods should be produced or processed or prepared in that territory. It should have a special quality or reputation or other characteristics.

For what type of products can geographical indications be used?

Geographical indications are typically used for agricultural products, foodstuffs, wine and spirit drinks, handicrafts, and industrial products. Some Indian examples are: Basmati Rice, Darjeeling Tea, Kanchipuram Silk Saree, Alphanso Mango, Nagpur Orange, Kolhapuri Chappal, Bikaneri Bhujia, Agra Ka Petha, Mysore silk, Nilgiri Tea, Coorg coffee, Mysore sandal products, Malabar pepper etc.

In 1999, the Parliament passed the Geographical Indications of Goods (Registration and Protection) Act, 1999.

- This Act seeks to provide for the registration and protection of geographical indications relating to goods in India.
- The Act is administered by the Controller General of Patents, Designs and Trade Marks- who is the Registrar of Geographical Indications.
- This is a sui generic legislation intended to give better protection to GIs of India.

GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

The General Agreement on Trade in Services (GATS) is the set of regulations that governs trade in services among the WTO countries. GATS, which is one of the three agreements along with AoA and agreement on TRIPS was adopted in 1995 and details are being worked out since then.

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GATS rules cover a broad range of economic activity such as health care, education, telecommunications, banking, insurance, business process offshoring (BPO), tourism and so on. India is interested in these fields due to its core competence. With GATS, multilateral trading system extends to services for the first time. GATT, its predecessor did not cover services.

GATS negotiations are conducted among members bilaterally on the basis of requests and offers. Requests can be made by any WTO member in any service sector to any member. Each member makes bilateral requests to its major trading partners covering sectors with export interests. These requests ask for full market access and national treatment commitments. **'National Treatment' requires that foreign investor should be offered the same terms as the local one.**

The GATS agreement covers four modes of supply for the delivery of services in international trade:

Mode	Criteria	Supplier Presence
Mode 1: Cross-border supply	Service delivered within the territory of the Member, from the territory of another Member	Service supplier not present within the territory of the member
Mode 2: Consumption abroad	Service delivered outside the territory of the Member in the territory of another Member to a service consumer of the Member	
Mode 3: Commercial Presence	Service delivered within the territory of the Member, through the commercial presence of the supplier	Service supplier present within the territory of the member
Mode 4: Presence of a natural person	Service delivered within the territory of the Member with supplier present as a natural person	

AGREEMENT ON TRADE RELATED INVESTMENT MEASURES (TRIMs)

The Agreement on Trade-Related Investment Measures (TRIMs) recognizes that certain investment measures can restrict and distort trade. It states that WTO members may not apply any measure that discriminates against foreign products or that leads to quantitative restrictions both of which violate basic WTO principles. **A list of prohibited TRIMs such as 'Local Content Requirement' is part of the Agreement.** The TRIMs Committee monitors the operation and implementation of the Agreement and allows members the opportunity to consult on any relevant matters.

The coverage of the Agreement is defined in Article 1, which states that the Agreement applies to investment measures related to trade in goods only. Thus, the TRIMs Agreement does not apply to services.

As an agreement that is based on existing GATT disciplines on trade in goods, the Agreement is not concerned with the regulation of foreign investment. The disciplines of the TRIMs Agreement focus on investment measures that infringe GATT Articles III and XI, in other words, that discriminate between imported and exported products and/or create import or export restrictions.

For example, a local content requirement imposed in a non-discriminatory manner on domestic and foreign enterprises is inconsistent with the TRIMs Agreement because it involves discriminatory treatment of imported products in favour of domestic products. The fact that there is no discrimination between domestic and foreign investors in the imposition of the requirement is irrelevant under the TRIMs Agreement.

DOHA ROUND 2001

DOHA DEVELOPMENT AGENDA 2001

Owing to the allegations by developing countries of ignoring their developmental needs, developed countries agreed to a 'developmental agenda' for new round of negotiations. Thus, Doha Development Round begun at 4th ministerial meet in Doha.

Main Issues of Doha Development Round

Agriculture – It called for

- Agreement to commit to substantial improvements in market access.
- Reductions and ultimate elimination of all forms of export subsidies (including Green and blue box).
- Substantial reductions in trade-distorting domestic support.

Non-Agricultural Market Access (NAMA)

The aim: "To reduce or as appropriate eliminate tariffs, including the reduction or elimination of high tariffs, tariff peaks and tariff escalation (higher tariffs protecting processing, lower tariffs on raw materials) as well as non-tariff barriers, in particular on products of export interest to developing countries".

Trade Facilitation

The aim: To ease customs procedures and to facilitate the movement, release and clearance of goods. This is an important addition to the overall negotiation since it would cut bureaucracy and corruption in customs procedures and would speed up trade and make it cheaper.

Access to Patented Medicines – It involves the balancing the interests of pharmaceutical companies of developed countries that hold patents and the public health needs in developing countries. On 30 August 2003, WTO members reached agreement on compulsory licensing.

Special and Differential Treatment - In Doha round, members agreed that Developing and Least developed countries will continue to be eligible for a favorable treatment. However, lately, developed countries are claiming that big developing countries like India, China, Brazil and South Africa are unreasonable in their demand.

BALI PACKAGE 2013

The Bali Package is a trade agreement resulting from the 9th Ministerial Conference of the World Trade Organisation (WTO) in Bali, Indonesia, 2013. It is aimed at lowering global trade barriers and is the first agreement reached through the WTO that is approved by all its members. The package forms part of the Doha Development Round, which started in 2001. It consists of ten separate decisions by the Ministerial Conference covering three major areas as follows:

Trade Facilitation Agreement (TFA)

This agreement aims to simplify customs rules across all international borders for faster movement of goods and services. The Agreement contains provisions for faster and more efficient customs procedures through effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

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The TFA, which aims at simplifying customs procedure, increasing transparency and reducing transactions cost, is being pushed by the US and other developed nations as they seek to bolster their sagging economies through an unhindered international trade by way of a uniform and easy procedures at customs. The TFA through a worldwide reform of duties and tariffs and a reduction in red tape at international borders aims to ease trade relations between countries.

TFA is a trade protocol aiming to give a boost and do away with the stumbling blocks in doing international trade between various countries. The proponents of the agreement believe that the TFA once signed could add \$1 trillion to global GDP and also can generate 21 million jobs by slashing red tape and streamlining customs procedures.

TFA come into effect once two-thirds of the WTO members approve it. Government of India ratified the TFA in April 2016. Consequent upon the ratification of the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO) by India in April, 2016, a National Committee on Trade Facilitation (NCTF) under the Chairmanship of Cabinet Secretary has been constituted.

Peace Clause

During the Bali Conference, the member countries agreed to a "peace clause" which refers to a time period during which the member countries would refrain from seeking penalty against countries which still breach the 10% domestic support (total AMS) cap. The 'peace clause' said that no country would be legally barred from food security programmes (in case of India, it is procurement by FCI at MSP and its distribution through PDS) even if the subsidy breached the limits (10%) specified in the WTO Agreement on Agriculture.

The "peace clause" was an interim measure which prevents any WTO member from challenging any developing country for crossing the 10% subsidy cap. It was expected to be in force for four years until Dec. 2017 and after that it would expire. The members have agreed to work on a permanent solution to reach an agreement by Dec. 2017. Countries including India fear that the "peace clause" would expire by Dec. 2017 and if a permanent solution is not reached by then, then their subsidy programme may be challenged by other WTO members.

But India bargained hard in further negotiations and now the temporary peace clause has been replaced with an open-ended statement - "until a permanent solution to the issue of public stockholding and agricultural subsidies is arrived at, no member country can challenge other members for crossing the 10% subsidy cap". So now, there is no time limit within which we have to restrict our subsidies below 10%.

Development and LDC issues

Covers measures for Least developed countries (LDCs) and developing countries including preferential treatment and market access.

- Preferential Rules of Origin for Least-Developed Countries - simplified rules for identifying origin and qualifying for preferential treatment with importing countries.
- Duty-Free and Quota-Free (DFQF) Market Access for Least-Developed Countries.
- Monitoring Mechanism on Special and Differential Treatment - consisting of meetings and other methods for monitoring special treatment given to developing countries.

NAIROBI PACKAGE 2015

The Tenth Ministerial Conference of the WTO was held in Nairobi, Kenya during 15-19 December 2015. The outcomes of the Conference referred as 'Nairobi Package' include Ministerial Decisions on the following issues:

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- **Public stockholding for Food Security Purposes:** The members have committed to engage constructively to find a permanent solution to the issue of agricultural subsidies.
- **Special Safeguard Mechanism (SSM) for Agricultural Products:** The decision recognizes that the developing countries will have the right to have recourse to an SSM. SSM embodies the right to impose trade barriers if there is a surge in agricultural imports into a country because of price volatility in the international market.
- **A commitment to abolish Agricultural Export Subsidies:** Developed countries have committed to removing export subsidies immediately, except for a few agricultural products, and developing countries will do so by 2018. Developing countries will keep the flexibility to cover marketing and transport subsidies for agricultural exports until the end of 2023. The Least Developed Countries (LDCs) and net food-importing developing countries would be given additional time to cut such export subsidies.
- **Preferential treatment to exports originating from LDCs:** WTO members have committed to give preferential treatment to the products and services of LDCs i.e. allowing Duty Free and Quota Free (DFQF) Market Access for products originating from LDCs.
- **Preventing "evergreening" of patents in the Pharmaceuticals Sector:** "Evergreening" is referred to the practice whereby pharmaceutical firms extend the patent over products that are about to expire by doing minor reformulations or other iterations of the drug, without necessarily increasing the therapeutic efficacy. Evergreening delays the entry of generic drugs in the market. The decision to prevent evergreening of patents would help in maintaining an affordable and accessible supply of generic medicines in India.
- **Divergence in the views over the continuation of Doha Negotiations:** Ministers acknowledged that members have different views on how to address the future of the Doha Round negotiations but noted the strong commitment of all Members to advance negotiations on the remaining Doha issues.

From India's point of view, the Nairobi declaration was disappointing on multiple fronts. India has returned with very few, if any, of its demands met.

- There is no concrete agreement on a Special Safeguards Mechanism (SSM) to protect the farmers in the developing countries against sudden import surges and no short deadline for a permanent solution on public stockholding for food security purposes.
- The lack of an unambiguous reaffirmation of the Doha Development Agenda means new issues of interest to developed countries, including competition policy, government procurement and investment are now open for negotiations.

BUENOS AIRES CONFERENCE, 2017

The Eleventh Ministerial Conference (MC11) took place from 10 to 13 December 2017 in Buenos Aires, Argentina. It was chaired by Minister Susana Malcorra of Argentina. The Conference ended with a number of ministerial decisions, including on fisheries subsidies and e-commerce duties, and a commitment to continue negotiations in all areas.

ISSUE OF FISHERIES SUBSIDIES

The Eleventh Ministerial Conference (MC11) of the World Trade Organization (WTO) put off agreement on a draft text on subsidy prohibitions relating to illegal, unreported and unregulated (IUU) fishing and overfished stocks, among other decisions. The Ministerial Conference adopted a decision to "continue to engage constructively in the fisheries subsidies negotiations," with the aim of adopting an agreement in 2019.

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Fisheries subsidies are also addressed in the Sustainable Development Goal on life below water (SDG 14). SDG target 14.6 aims to, “by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries (LDCs) should be an integral part of the WTO fisheries subsidies negotiation.”

Developed Countries vs Developing Countries Views

- Developed countries claim that fisheries subsidies, estimated to be in the tens of billions of dollars annually, create significant distortions in global fish markets and are a major factor contributing to overfishing and overcapacity and the depletion of fisheries resources.
- But developing countries want to protect subsidies for low-income, resource-poor fishermen for whom it is a matter of livelihood.
- Both China and India provide only de minimis (negligible) support. China provides 8.5% while India provides 10% as product-specific and non-product specific support under de minimis. The two countries are also exempted from reducing their de minimis support under the existing Doha negotiating mandates, particularly the 2005 Hong Kong Ministerial Declaration.
- In contrast, the rich countries provide support under the most trade-distorting amber box measures, the de minimis support and the blue box of minimal trade-distorting support programmes.
- The US, the EU, Japan, Switzerland and Norway also provide a large quantum of funds under what is called green box subsidies, which are currently exempted from reduction commitments. But several studies have pointed out that even the green box subsidies provided by the rich countries are trade-distorting and need to be reined in.

India's Concerns with the scrapping of Fishing Subsidies

- The filing to the WTO Committee on Subsidies and Countervailing Measures (SCM), shows ‘fishery subsidy schemes’ at the Central, state and union territory-levels provided for subsidies worth Rs.284 crore in 2014-15 and they mainly aim to “protect and secure the livelihood of traditional and poor fishing communities.”
- Overall, marine fish landings in India stood at 3.40 million tonnes in 2015 compared to global marine fishery production of over 83 million tonnes.
- India, among others, has expressed apprehensions that the demand for a ban on subsidies for IUU fishing could lead to prohibition even on fishing that could be termed non-IUU. This could, in turn harm the interests of lakhs of subsistence fisherfolk in poor and developing nations. This is because currently there is no unanimity among WTO members on what constitutes IUU fishing.
- The subsidies were provided to fishermen who are either homeless or poor, boat owners, those with registered crafts, and members of fishermen cooperative societies.

India's Proposal to eliminate Fisheries Subsidies

- India has proposed the members to agree to apply prohibitions only outside territorial waters. This would leave the management of territorial waters to their respective national authorities. This provision is exceptional of the prohibition in cases of IUU (illegal, unreported, unregulated fishing). Such an arrangement would not disturb the benefit of subsidies offered to small scale fishers and continue to protect subsistence and artisanal fishing.

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- India has suggested a flexibility clause for the concern on over-fishing. Accordingly, when a fish stock is found to be over-fished, developing countries must be given some flexibility in terms of time period. Within a specified number of years, the country should withdraw the related subsidies. And this rule should only cover areas beyond the territorial waters.

US Stand on Fisheries Subsidies

The US too gave its proposal stating that it would like a strong, clean prohibition on fisheries subsidies that negatively affect over-fished stocks and that this too should be applied with no exceptions, contrary to some members' proposals to leave the management of territorial waters to their respective national authorities and in effect exclude territorial waters from the scope of this discipline.

ANALYSIS OF THE RECENT CONFERENCE

- The 11th Ministerial Conference of the World Trade Organisation (WTO) did not manage to produce a final Ministerial Declaration. Consensus could not be achieved on relevant issues on the table such as public food stockholding or harmful fisheries subsidies. This raises the questions about the body's ability to govern increasingly disputed global trade.
- The failure to reach any major deals meant that negotiations on the same topics will continue into 2018, with no deadline and no heavyweight ministerial momentum to get agreement.
- The dividing lines between developed and developing countries became clear over the disagreement on whether to include the development aspects of the Doha Agenda on the final statement.
- With regards to e-commerce, member states could not agree on any change to the existing e-commerce mandate, approved in 1998.
- After the US blocked a permanent solution on government stockholding for food security purposes, India toughened its stand on new issues including e-commerce and investment facilitation. The US' refusal to reaffirm multilateralism and the Doha development mandate in the outcome was objected to by many countries including India leading to a breakdown in talks at the 164-nation WTO.
- Member states did agree to secure a deal on elimination of fisheries subsidies by the next ministerial in December 2019. Reluctance on the part of China and India to make immediate commitments thwarted a deal on fisheries at the Buenos Aires meet.