

India's Statement at the Informal WTO Ministerial Gathering held at Davos on 25th January 2019

- 1) Let me begin by wishing all present a very happy new year. I would like to thank the Swiss Government for hosting the meeting and the DG WTO for his assessment.
- 2) The grim picture of the global trade scenario due to the rise of protectionist measures, increase in disputes, continuing impasse in the Appellate Body members selection and little progress in the negotiations should be a cause of concern for us all.
- 3) The strength of a functioning and efficient multilateral trading regime enshrined in the WTO arises from two key elements - the mutual benefit from the system, as perceived by its members and mutual trust.
- 4) Further, members will have a higher stake in the multilateral trading system if they have a strong sense of effective participation in its decision-making process. The long-term stability of the system would be under threat, if inclusive institutional mechanisms are not in place to address emerging challenges confronting the WTO.
- 5) Clearly, initiating a frank discussion on reforming the WTO is imperative. The process of reform, however, must not widen and perpetuate the asymmetries of existing agreements, which we need to address.
- 6) The reform process must fully take into account the reality that despite some significant success stories in developing countries, on the average they continue to lag far behind developed countries. Consequently, developing countries should not be expected to take the same obligations as the developed countries. Thus, the reform process must keep development at its core and the ongoing negotiations on fisheries subsidies should incorporate an effective S&D for developing countries.
- 7) In India's view the process of WTO reforms must adopt a sequential approach. In the first stage problems confronting appointment of new members to the Appellate Body must be addressed on priority. This will ensure that trust between WTO Members is re-established, and the institutional mechanism for preserving the rights and obligations of Members is not rendered dysfunctional. After the WTO Membership has successfully addressed this issue, other issues for reforms, including improvements in the Dispute Settlement Mechanism, could be taken up for detailed discussion by Members.
- 8) Undoubtedly the problems confronting the DSU merit deep reflection. However, attempts at addressing these problems must preserve certain basic features, such as the two-tier system of the DSM, comprising the panels and the Appellate Body; independence of the Appellate Body; automaticity in the dispute settlement process, as contained in the DSU; and decision-making by the Dispute Settlement Body (DSB) by negative consensus, wherever provided under the DSU.

9) WTO rules seek to foster an open and non-discriminatory trade regime. However, it is a reality that over the years some of the Members have found innovative ways of undermining their market access commitments. Improvement in notifications to the WTO would be a useful first step in identifying and addressing some of these problems. Further, some agreements contain specific obligations on the developed countries. However, in the absence of any notification requirements, it becomes difficult to assess whether these obligations are being complied with. It would be relevant and useful to require countries to make annual notifications on these issues as well.

10) Some of the provisions in certain agreements are inherently asymmetrical and unbalanced against the interests of developing countries. The Agreement on Agriculture (AoA) provides a useful illustration of the asymmetries and imbalances in the overall architecture of the agreement. Correcting the flawed architecture of agreements such as the AoA should be a priority in the reform process. A good starting point would be to proceed on the basis of progress made on some of the issues, where there was general convergence in views among most countries during the Doha Round. Fulfillment of the key mandates, including for a permanent solution for food security for all developing countries, to enable them to fight the growing scourge of hunger is a must have for us.

11) We recognize that some countries are engaging in plurilateral discussions and negotiations on issues, such as electronic commerce and investment facilitation. These initiatives will strike at the roots of multilateral system. Hence, we are not persuaded about the merit of the plurilateral initiatives on different issues. In e-commerce we already have a multilateral work program agreed to by Ministers, which will be undermined by the plurilateral initiative.

12) While some WTO members are seeking improvements in notifications and more transparency, let us acknowledge that transparency should start from the highest decision-making body of the WTO – the Ministerial Conference. The procedures adopted, both in the preparatory process in Geneva and at the Ministerial Conference itself, have to be transparent and open.

13) India stands ready to engage constructively and positively in the process of WTO reforms. We hope that the reform process will make trade rules more development friendly. This would be an important step in addressing the protests and angst against international trade and globalization, which we have been witnessing over the past 3-4 years.

14) Thank you.
