

Informal TNC/HODs
May 3, 2019
Statement by India

1. Thank you, DG, for convening this meeting and for your report and assessment as the Chair of the TNC. We also thank the Chairs of the Negotiating Groups for their reports.

State of Play

2. It is a matter of concern that since March 2019, there is little progress and the organization is heading towards a crisis. We are disappointed at the absence of active engagement of the Member holding appointments to the Appellate Body hostage on proposals for resolving the Appellate Body impasse. Further, the attack on the right of developing countries to special and differential treatment, and efforts at differentiating amongst them can further erode trust and push the organization into a deeper chasm.

3. In this background, let me share my thoughts on some important issues.

WTO Reforms

4. We would like to reiterate that while there is a need to make the WTO more effective, it is equally, if not even more important, to take everybody along ! Therefore, there has to be a balance in the reform agenda by addressing some of the longstanding demands of developing countries. We stand ready to work with other like minded Members to make specific proposals to facilitate this. Further, we would like to emphasise that getting the Appellate Body on its feet and preserving the independent dispute settlement system of the WTO needs to receive urgent and undivided attention.

Negotiating Agenda

5. Agriculture can be the engine of progress if mandated issues like finding a permanent solution for public stockholding for food security are taken forward with focus and determination. On the other hand, burdening the CoASS with growing demands for additional information, and endless debates, with the objective of wriggling out of past commitments, is clearly a recipe for failure.

6. We are committed to working for a fair and equitable agreement on disciplines on fishery subsidies. However, we need to be mindful that any solution which rewards Members, who are major subsidizers and are largely responsible for the current state of affairs, will be self-serving and unacceptable. The MC11 decision on fishery subsidies clearly mandates that there should be appropriate and effective special and differential treatment for developing countries. This needs to be honoured in letter and in spirit. We will be introducing a proposal shortly, to carry forward the work on this issue.

Electronic Commerce

7. We already have a multilateral programme on e-commerce agreed to by Ministers at MC11, which we will pursue. In our view, going against this exploratory mandate and starting negotiations on e-commerce, strikes at the very roots of the multilateral system. Further, most developing countries are not ready for binding rules in this area. India is preparing, by drafting a national e-commerce policy, which seeks to use India's data for its own development rather than allow its value to be appropriated by others. It also proposes to preserve our flexibility of imposing customs duty on electronic transmissions to protect domestic industry and leverage technology for creating jobs and wealth, by ensuring competition and a level playing field. We are also keen to assess the extent of sacrifice of revenue involved, and the distribution of this loss among Members, when new technologies like additive manufacturing will result in electronic transmissions cascading and many dutiable goods being manufactured by digital printing. Further, we fear the impact of some of the e-commerce rules being proposed under the Joint Initiative on e-commerce, on existing trade rules, particularly the GATT tariffs, which protect our industry, and GATS schedules that provide us useful flexibilities. Both the GATT & GATS could wither away due to the onslaught of the so called 'high standard' e-commerce elements.

Conclusion

8. To conclude, the topmost priority has to be a reform agenda that is balanced and inclusive, solves problems that we face in the WTO rather than that which imposes additional burdensome obligations. At the same time, we need to protect and preserve the dispute settlement system at the WTO. Moreover, preserving special and differential treatment for all developing countries and LDCs which is a core principle of the WTO as well as addressing the asymmetries in Uruguay Round Agreements should be an over riding priority.
