

India's Statement at Trade Negotiations Committee meeting at the level of Heads of Delegations held on 24th July 2018

1. Thank you, DG, for convening this informal meeting of the TNC and for your report and insightful assessment as the Chair of the TNC. We also thank the Chairs of the Negotiating Groups for their reports.
2. India associates itself with the statement to be made by Indonesia on behalf of the G-33.
3. We are now meeting for the last time before the summer break. As strong supporters of the multilateral trading system we are anguished at the situation that the WTO faces. Post MC-11 the organisation continues to face serious challenges with a spate of unilateral measures and counter-measures, deadlock in important areas of the negotiations and continuation of the ongoing impasse in the Appellate Body. What is even more worrisome is the complete disregard for existing mandates and substantive work of the last two decades with some suggestions of resetting the negotiations. These have further amplified the risk of eroding the credibility of the organisation and undermining the multilateral rules-based system.
4. In this not very rosy background, let me enumerate some ideas and our views on the way forward.

Agriculture

5. Agriculture remains a gateway issue for a large number of members in this organisation and a 'must have' for any package to be harvested at MCXII.
6. In domestic support, it is clear that given the asymmetries, the large trade distorting subsidies of developed countries cannot be treated at par with the minimal subsidies of developing countries targeted at subsistence farmers. To address this issue, India has jointly submitted a proposal with China for eliminating, in a phased manner, AMS beyond the de-minimis, which is the most trade distorting form of domestic support. Our joint proposal is pragmatic, based on wide consultations and feedback and this approach has found favour with a large part of the Membership. It is a calibrated approach of taking incremental steps to eliminate AMS, rather than eliminating it at one go.
7. The need for a permanent solution on public stock holding for food security for all developing countries and LDCs cannot be over-emphasised, as it alone can address the basic issues of poverty, hunger and malnutrition in the developing world and would also help achieve the SDGs 1 & 2. It is regrettable that despite having express and clear mandates from Bali and Nairobi Ministerials we could not come up with a permanent solution by the deadline of December, 2017. Missing deadlines, set by consensus, should galvanise us even more to work with greater urgency. We again urge members to constructively engage and address this issue in a time bound manner.

8. The fight against hunger is a fundamental commitment which cannot be derailed by archaic trade rules. We would also like to underline that to ensure a proper understanding of the ground situation we have brought up to date our DS1 subsidy notifications. We would encourage other proponents of transparency to catch up on this.

E-Commerce

9. India was one of the proponents, and welcomes the decision taken at MC-11 to strengthen the 1998 Work Programme on E-Commerce. We have always supported deepening our discussion and engagement under the Work Programme to understand the complex issues surrounding the debate on E-Commerce. It is in this spirit that we have submitted a proposal jointly with South Africa, to understand the implications of the moratorium on customs duties on electronic transmissions.
10. We believe that while E-Commerce can bring transformational changes and opportunities in trade and investment it also poses significant infrastructure, regulatory and other challenges, particularly, for developing countries which will not benefit from the opportunity, due to the huge digital divide. If we do not first address this issue urgently and on priority and instead move onto negotiations, e-commerce has the potential of creating further asymmetries and disruption for developing countries and LDCs.
11. We would, therefore, again urge members to engage to reinvigorate the multilateral work programme which in the long run will build a foundation for our future work on E-Commerce

Joint Ministerial Statements

12. We note with concern the joint initiatives are being pursued in areas of regular work where there is a multilateral mandate in the WTO like E-Commerce and domestic regulation. Though proponents are suggesting that these are new pathways and approaches to multilateral agreements we do not see the advantages of this approach and feel that this would further undermine our multilateral work, mandates and the consensus principle.
13. India has also consistently voiced serious concerns and reservations on introduction of new issues such as Investment Facilitation and MSMEs in the WTO till existing mandates have been addressed.

Role of the Secretariat

14. The Marrakesh Agreement clearly demarcates and lays down that the primarily role of the Secretariat is to support and strengthen the multilateral track. Moreover, it lays emphasis on the neutrality and need for the Secretariat not to align itself or take positions of particular members or groups.

The work of the Secretariat should be based on mandates rather than areas for which funds are available. We would not like to see the day where the golden rule in the WTO becomes: one who has the gold, makes the rules! Or even decides the work programme or the areas on which we work! And of course, we all need to be committed to the principle of Member driven process and work!!

DSB

15. The situation in the Appellate Body is now critical with the ongoing impasse in filling up of vacancies. If this is not resolved immediately the Appellate Body will soon become dysfunctional and the dispute settlement mechanism would be rendered ineffective.
16. While we appreciate that there is a need for reforming the DSU, this cannot become the reason for paralyzing the Appellate Body. We again strongly reiterate the need to delink launch of vacancies from Appellate Body reforms, urge members to outline problems they have, along with suggested solutions so that the entire membership can engage to address them.

Unilateral Measures

17. Unilateral measures followed by a spate of counter measures which weaken the fundamental architecture of the WTO agreements seem to be the 'new normal' in the WTO. We strongly believe that these raise serious systemic issues would severely impact the multilateral rules-based system, undermining its credibility and effectiveness. We would, therefore, urge members to explore other legitimate ways to address their concerns and seek concessions rather than resort to unilateral action.

Development

18. Development is a critical issue for a large majority of the Membership. The provisions of special and differential treatment for all the developing countries and LDCs are an integral part of the WTO agreements and need to be carefully preserved and protected in future agreements as well. Any talk of differentiation or graduation of developing countries is likely to be divisive, and a case by case approach a complete non-starter. The centrality of development is part of the basic structure of the WTO and a core principle enshrined in the Marrakesh Agreement.

Conclusion

19. Chair, there was a sense of disappointment when we left MC-11 as we failed to achieve any substantive outcomes. This has now changed to a feeling of despondency due to whatever has happened since. Everyday we see a fresh attack on the principles and processes of the WTO. As a result, the WTO weeps, it bleeds and each new day a gash is added to its wounds!

20. Since the beginning of the year India has constructively engaged in suggesting ways to strengthen the multilateral track and take our agenda forward. However, the crisis has only deepened with the organisation facing multifaceted challenges. It is important to realise that we now run the risk of dismantling the system which has been built with several decades of work. Therefore, we would again urge all members to engage constructively to address the challenges and re-establish mutual trust and faith in our work in this rule-based organisation which guarantees predictability. Let me reassure you DG that India stands committed to strengthen the organisation

Thank you.
