

# 12th WTO Ministerial Conference

June 30, 2022

## Manifest Pedagogy-

The 12th Ministerial Conference (MC) of the WTO concluded recently. A series of agreements were concluded like temporary waivers on COVID-19 vaccines, a moratorium on e-commerce trade, food security and setting limits on harmful fishing subsidies. However, in order for the WTO to reclaim its waning prominence especially in light of the rising attention being paid to regional accords and groupings, certain long-standing difficulties must be resolved.

**In News:** The WTO's 12th Ministerial Conference was held in Geneva from 12-17 June. It was supposed to end on 15 June, but with intensifying negotiations, the conference was extended by two days.

**Placing it in Syllabus:** Economy and International relations

## Static Dimensions:

- About WTO and Ministerial Conference

## Current Dimensions:

- Key takeaways from the Conference
- What has India gained through the deal
- Issues with respect to the final outcome of the conference

## Content:

### WTO and Ministerial Conference-

- The World Trade Organization is the only international organization that deals with the rules of trade between

countries.

- It came into being in 1995 and is the successor to the General Agreement on Tariffs and Trade (GATT) established in the wake of the Second World War.
- The WTO is run by its 164 members, and according to its rules, all decisions are taken through consensus and any member can exercise a veto.
- Its aim is to promote free trade, which is done through trade agreements that are discussed and signed by the member states.
- The WTO also provides a forum for countries to negotiate trade rules and settle economic disputes between them.
- The Ministerial Conference is the WTO's top decision-making body and usually meets every two years.
- All members of the WTO are involved in the MC and they can take decisions on all matters covered under any multilateral trade agreements.

### **Key Takeaways from the Conference-**

- **Curtailing harmful fishing subsidies**
  - The WTO passed a multilateral agreement that would curb 'harmful' subsidies on illegal, unreported and unregulated fishing for the next four years, to better protect global fish stocks.
  - India and other developing countries were able to win some concessions in this agreement.
  - They successfully lobbied to remove a section of the proposal that would threaten some subsidies which would assist small-scale artisanal fishing.
  - Artisanal and traditional farmers would not face any restrictions under this agreement.
- **Global Food Security**
  - Members agreed to a binding decision to exempt food purchased by the UN's World Food Programme (WFP) for humanitarian purposes, from any export restrictions

- In light of the global food shortages and rising prices caused by the war between Ukraine and Russia, the group's members issued a declaration on the importance of trade in global food security and that they would avoid bans on food exports.
- However, countries would be allowed to restrict food supplies to ensure domestic food security needs.
- India's key demand to allow it to export food from its public stockholdings to other countries will reportedly be discussed in the next Ministerial Conference in 2023.
- **E-commerce transactions**
  - WTO members had first agreed to not impose custom duties on electronic transmissions in 1998, when the internet was still relatively new. The moratorium has been periodically extended since then.
  - All members agreed to continue the long standing moratorium on custom duties on e-commerce transmissions until the subsequent Ministerial Conference or until March 31, 2024.
- **Covid-19 vaccine production**
  - WTO members agreed to temporarily waive intellectual property patents on Covid-19 vaccines without the consent of the patent holder for 5 years, so that they can more easily manufacture them domestically.
  - This will contribute to ongoing efforts to concentrate and diversify vaccine manufacturing capacity so that a crisis in one region does not leave others cut off.
  - The current agreement is a watered down version of the original proposal made by India and South Africa in 2020. They had wanted broader intellectual property waivers on vaccines, treatments and tests.

## What has India gained through the deal?

- India's gains have been limited as there has been little movement in the key area of finding a permanent solution for public stock-holding.
- Although India had negotiated a peace clause earlier, which protects it against action from member-countries in case its food procurement (MSP) subsidies breach the existing cap of 10 percent of total produce, its stipulated conditions are difficult to meet.
- India did manage to protect fishers operating within the EEZ from subsidy cut commitments. However, this exemption is not in the form of special and differential treatment for developing countries but has been extended to all. This steals the advantage that was initially envisaged by India for its own fishers.
- On TRIPS, the limited waiver on vaccines is only a small gain for India which already has a compulsory license regime in place. Moreover, therapeutics and diagnostic tools have been excluded. Waiver on trade secrets and copyrights were also not extended.
- India agreed to exempt World Food Programme (WFP) purchases from export restrictions but its demand of allowing G2G exports for humanitarian purposes from public stocks was blocked.

## Issues with respect to the final outcome of the conference-

- **Curtailing harmful fishing subsidies-** This agreement would only restrict and not eradicate subsidies on illegal fishing.
- **E- Commerce**
  - India has asked the WTO to review the extension of the moratorium on custom duties on e-commerce transactions, which include digitally-traded goods and services
  - From 2017-2020, developing countries lost a potential tariff revenue of around \$50 billion on

imports from only 49 digital products.

▪ **Covid-19 vaccine production**

- The waiver agreed by the WTO was criticized by advocacy groups for being narrow in scope, as it did not cover all medical tools like diagnostics and treatments.
- This agreement fails overall to offer an effective and meaningful solution to help increase people's access to needed medical tools during the pandemic as it does not adequately waive IP on all essential COVID-19 medical tools and it does not apply to all countries.
- Rich pharmaceutical companies had strongly opposed this, as one of the biggest concerns about IP waivers is that they provide a short-cut to competitors looking to acquire expensive technology.
- Companies also say that IP relief will not accelerate vaccine manufacturing, because materials are in short supply and it can take several years to build up capacity from scratch.

**Way Forward-**

- The use of multilateral negotiations should be encouraged since they let participants with similar viewpoints get together to discuss a particular topic.
- An impartial tribunal could serve as the arbiter, weighing the opposing arguments and assisting in breaking the political impasse.
- The majority of times, dissident nations hinder negotiations. Therefore, rules should clearly define the conditions under which a country may exercise its veto right. The use of vetoes must be considered against everyone's interests and in light of the WTO's mandate.
- India need to play a major role in bringing the like minded nations together, for promoting the interests of

developing nations.

**Mould Your Thoughts:**

1. Discuss the key outcomes of the recently held WTO's 12th Ministerial Conference. Analyse how it will have an impact on India and the world in coming times. (250 Words)

**Approach to the answer-**

- Brief about WTO and MC
- Key Outcomes of the conference
- Significance and Issues of the outcomes
- Way forward and Conclusion.