

Developing country status by WTO

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In news— China's status as a 'developing country' at the World Trade Organization (WTO) has become a contentious issue with a number of countries raising concerns over the upper middle-income nation deriving benefits reserved for developing countries under WTO norms.

About Developing country status by WTO-

- **The WTO has not defined 'developed' and 'developing' countries.**
- Developing countries in the WTO **are designated on the basis of self-selection** although this is not necessarily automatically accepted in all WTO bodies.
- The classification also allows other countries to offer preferential treatment.
- Certain WTO agreements give developing countries special rights through 'special and differential treatment' (S&DT) provisions, which can grant developing countries longer timeframes to implement the agreements and even commitments to raise trading opportunities for such countries.
- WTO pacts are often aimed at reduction in government support to certain industries over time and set more lenient targets for developing nations and grant them more time to achieve these targets compared to developed ones.
- However, other members can challenge the decision of a member to make use of provisions available to developing countries.
- **Note: India is on the list of developing countries.**
- **The WTO recognizes as least-developed countries (LDCs)**

those countries which have been designated as such by the United Nations (is reviewed every three years).

- There are currently 46 least-developed countries on the UN list, 35 of which to date have become WTO members.
- LDCs are often exempted from certain provisions of WTO pacts.
- **Bangladesh, currently classified as an LDC**, receives zero duty, zero quota access for almost all exports to the EU.
- It is, however, set to graduate from the LDC status in 2026 as its per capita GDP has risen sharply surpassing that of India in FY21.