

WTO developing country

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Why is it in the news?

US President Donald Trump has recently questioned the developing country status of China and India.

WTO definition of developing country?

- There are no WTO definitions of “developed” and “developing” countries.
- Each country unilaterally announces for itself whether it is a “developed” or “developing” country.
- As many as a two-third of the 164 members of the WTO have classified themselves as developing countries.
- However, other members can challenge the decision of a member to make use of provisions available to developing countries.

What are the benefits of being a developing country in WTO?- Special and Differential treatment (SDT)

- The “developing country” status allows a member of the WTO to seek temporary exception from the commitments under various multilateral trade agreements ratified by the organization.
- These exemptions are called special and differential treatment (or SDT in WTO parlance).
- This lets developing countries adhere to less onerous norms such as longer periods of compliance, without violating the WTO rulebook.
- On the issue of farm subsidies the developed countries have stricter provision when compared to developing countries.
- They can continue to impose tariffs and quotas on goods and services in order to limit imports and promote domestic producers who may otherwise be affected by

imports that are lower in price or better in quality.

- India subsidizes agriculture heavily in the name of food security.