

WTO'S DISPUTE BODY

Emerging nations warn of collapse

FE BUREAU
New Delhi, May 14

AS MANY AS 17 developing nations, including India and China, on Tuesday pitched for resolving the deadlock over the appointment of members to the WTO's appellate body at the earliest, warning of a complete paralysis in the dispute settlement mechanism of the multilateral trade body by December if members don't act fast.

This was part of a declaration released after a two-day ministerial meeting of 22 developing and least developed member countries of the World Trade Organisation (WTO) in New Delhi. The meeting was held in the shadow of an escalating trade war between the US and China. The Delhi Declaration was signed by 17 of the 22 participating countries, while five others — Kazakhstan, Turkey, Argentina, Brazil and Guatemala — did not sign it on technical grounds.

The declaration also made a strong case for preserving flexibilities that are being offered to developing countries under the WTO's special and differential treatment (S&DT) provisions, as they are rights of developing nations.

Commerce secretary Anup Wadhawan said at a technical session on e-commerce that there was unanimity that its scope and definition were still not fully understood and



appreciated and its boundaries were still 'somewhat ambiguous and unclear'. E-commerce is one of the new issues being pushed by developed countries, including the US, at the WTO, much to the chagrin of developing members.

The members expressed concern over the delay in appointment of members to the WTO's appellate body, blocked by the US, as it has hampered its functioning. The minimum quorum (3) for the functioning of this body will end on December 10, after which it will become unless appointments are made at the earliest.

"S&DT is one of the main defining features of the multilateral trading system and is essential to integrating developing members into global trade. S&DT provisions are rights that must be preserved and strengthened in both current and future WTO agreements," the declaration said.

Briefing media after the meeting, India's ambassador to

India postpones retaliatory tariff deadline for US products to June 16

THE GOVERNMENT on Tuesday again extended its deadline to impose retaliatory import duties on 29 US products, including almond, walnut and pulses, till June 16.

A notification of the finance ministry said that implementation of increased customs duty on specified imports originating in the US has been postponed from May 16 to June 16 this year. These deadlines were extended several times since June 2018, when India decided to impose these duties in retaliation to a move by the US to impose

high customs duties on certain steel and aluminium products.

This extension comes in the backdrop of the US decision to withdraw export incentives being provided to Indian exporters under Generalised System of Preferences (GSP) programme, which is expected to impact India's exports to the US worth \$5.6 billion under this scheme. America had given 60 days notice, which ended on May 2 but has yet to withdraw those benefits.

Meanwhile, US commerce secretary Wilbur Ross and

commerce minister Suresh Prabhu held bilateral meetings on May 6 here.

Further extension of GSP benefits was part of a trade package being negotiated between the two countries. However, those negotiations hit a roadblock after the US announced its decision to roll back GSP benefits from Indian exporters.

The US administration has alleged India in imposing high import duties on products such as paper and Harley Davidson motorcycles from America.

— PTI

the WTO. J S Deepak said, "Our position is clear that it is an unconditional right. It is not only a principle but a modality to help developing countries, including LDCs, to adjust themselves to the global trade rules".

Deepak said India will continue to use such S&DT flexibilities in existing and new agreements. In future negotiations, India will demand appropriate and effective S&DT, including in issues involving fishery subsidies.

Special and differential treatment allows developing

countries longer time frames to implement commitments and greater flexibilities in adopting measures to improve their presence in global markets, among others. For instance, developing countries are allowed to provide considerably larger input subsidies and minimum price support (They can offer product-specific farm subsidies up to 10% of the value of production, against 5% for developed countries, although the latter enjoy other flexibilities).

Commenting on the impasse over the appointment

of members in the appellate body of WTO's dispute settlement system, the commerce secretary said, "Its functioning needs to be continued beyond the period when some members will be retired and the quorum will be lost."

The outcome document also stressed that the process of WTO reform must keep development at its core, promote inclusive growth, and take into account the interests and concerns of developing members, including the specific challenges of graduating LDCs.

