

**Informal Trade Negotiations Committee meeting held on 25.07.2017**

**Statement by India**

Thank you, Mr. Chairman for convening this informal meeting of the TNC and for your report and assessment as the Chair of the TNC.

2. We also thank the Chairs of the Negotiating Groups for their comprehensive reports.

3. At the outset, my delegation associates itself with the statement of the G33.

4. India, along with a large part of the membership, continues to believe that implementation of the Declarations and Decisions adopted at Doha and the Ministerial Conferences held thereafter, is the only way forward to conclude the DDA. The development dimension is at the core of the DDA and issues of interest to developing countries and LDCs must be addressed on priority.

5. Ministerial Declarations are an article of faith which must be fulfilled with utmost seriousness. If we fail to do so, the credibility of the WTO is at risk. The successful conclusion of the Doha Round is a shared responsibility of all WTO members. This is also in our collective and individual self-interest.

6. In this context, I would like to enumerate India's priorities, particularly in the area of agriculture where the inequity and asymmetry in the rules, is particularly pronounced.

**PSH**

7. There is a clear mandate to arrive at and adopt a permanent solution on Public Stockholding (PSH) for food security purposes by December 2017. The G33 has recently submitted a textual proposal to amend the AoA for a permanent solution at Buenos Aires. The G33 has also stated its openness to engage on specific concerns of some members.

8. With more than eight hundred million hungry and undernourished people in the world, the problem of ensuring food security remains an enduring challenge especially for developing countries. Many developing countries face daunting challenges, including a stagnant farm sector, inadequate domestic food stocks, volatility in food prices in international markets and low purchasing power among the poor and needy for buying food. This is an issue of interest not only to India, but to a large number of other developing countries as well. We cannot imagine a substantive outcome at MCXI without a permanent solution on food security.

9. Mr. Chairman, my delegation would like to express disappointment at the linkage being drawn between PSH and the domestic support discussions. The mandate on this is absolutely clear. The two have to be kept on separate tracks and efforts need to be accelerated to arrive at a permanent solution on food security.

10. In this context some members were not willing to engage on the grounds that some of the proponents were not notifying agricultural domestic support. As many of you would be aware, India has recently done so upto 2013-14.

## **SSM**

11. The Nairobi Ministerial Decision on SSM for developing members reinforced and strengthened the mandate in the Hong Kong Ministerial Declaration. The G33 has demonstrated a great deal of constructive engagement through its successive submissions.

12. We are concerned that some Members are seeking to silence the issue refusing to engage and by drawing linkages with market access.

## **Domestic Support**

13. The Agreement on Agriculture favours a few developed members and provides them with huge space and flexibilities to subsidize agriculture including the possibility of concentrating subsidies on a few products. Some of the proposals may in fact further widen the imbalance.

14. While there are several proposals in this area, the discussions indicate that there is considerable divergence in Members' positions. China and India have recently made a submission on AMS, the most trade distorting of all categories of domestic support. It is our conviction that the Doha Work Programme can best be taken forward by reducing some of the inequities built into the WTO rules in favour of the developed Members. It also illustrates clearly the adverse effects of concentration of AMS on a few products, which no other proposal on the table addresses. Elimination of AMS, we believe, should be the starting point of reforms rather than seeking reduction of subsidies by developing countries, some of which like India provide a subsistence amount of US \$ 260 per farmer per annum.

15. Special and differential treatment for developing countries is a very important part of the WTO's mandate and of the DDA and this, I must emphasize, is a must have.

## **Cotton**

16. We also support the proposal of C4 to eliminate AMS on cotton, while retaining the existing *de minimis* limits of developing countries.

17. India has always been a supporter of special dispensation for LDCs and provides 98.2% tariff lines as duty free or preferential access to LDCs with applicable tariff on all cotton lines at zero. In addition, we are implementing a major technical assistance programme in 7 African countries, including the C4 for the last 05 years to improve the productivity of both the agriculture and textile part of the cotton value chain. We have also provided one of the most liberal packages for services waiver, including complete waiver of visa fees.

## **Services Trade**

18. Services negotiations at the WTO have lagged behind. India's initiative on trade facilitation in services is an effort to address this issue and we are happy that Members have engaged actively on it. We would soon be coming out with a revised version on the basis of feedback of Members.

## **New Issues**

19. Mr. Chair, we would like to highlight paragraph 34 of the Nairobi Ministerial Declaration that states that work where results have not yet been achieved should be prioritised. However, some Members are also keen to begin to identify issues for multilateral rule-making and some see it necessary to promote the expansion of e-commerce. However, we strongly feel that the gains from E-commerce should not be confused with the likely benefits of rulemaking in E-commerce. In India, we have seen the benefits of E-commerce both in use of electronic platforms for goods trade and convenient delivery of services. We support its growth and value the benefits that it brings to consumers. But at the same time, we see no additional benefits of taking disciplines on E-commerce at the WTO and cannot agree to restriction on policy space in an arena where technology is rapidly evolving along an uncertain path leading to an era of M2M communication and Industry 4.0.

20. In fact, most of the proposals at the WTO do not have elements that can lead to growth of E-commerce. On the other hand, they will impose constraints and prevent companies in developing members from growing to compete with global behemoths as the existing non-level playing field will be frozen permanently against their interests and will preserve the status quo. We, therefore, see merit in continuing with the existing work programme and the progress of bottom up approach for productive discussions and remain open to any exploratory discussion in the relevant WTO bodies as per the existing mandate. We would not agree to any approach that takes away the role of the relevant bodies in discussing ecommerce related issues as per the Work Programme which has been reiterated in successive Ministerial Decisions.

## **Conclusion**

21. To conclude Mr. Chairman, we are concerned that some of the issues being pushed for outcomes at MC11 seem to address issues other than those on which mandates already exist and which have not yet been implemented.

22. It is problematic that the outcomes or package sought to be taken forward for MC11 seem overwhelmingly to be constituted of new issues. These issues like e-commerce, MSMEs and investment, we believe firmly, are highly premature for rule-making as the membership first needs to deal with the gateway issue of the extent to which these subjects actually lie within the domain of the WTO.

23. Attempts are also being made to relegate development issues which have been discussed for several years and need to be implemented on priority, to the background.

24. I would like to reemphasize that India cannot envisage an outcome at Buenos Aires which does not include a solution on PSH. We also expect that the process at MCXI is transparent, inclusive and we hope only mature texts will be put before Members at Buenos Aires.

25. Some Members have spoken on the role of informal HODs.

26. Our understanding is that a forum for negotiations can only be created by the decision of the Ministerial Council. Further the mandate of the TNC flows from the decision of the Ministers in Doha in November 2001. The TNC was set up to supervise the overall conduct of the negotiations under the guidance of the General Council.

27. The TNC, therefore, together with its bodies remains the only negotiating forum at the WTO and no other parallel negotiating forum can be created. Therefore, we believe that as in the past, the DG in his capacity as Chair of the TNC is free to report to the GC on his travels and meetings under the framework of the TNC.

28. In light of this overarching remit of TNC we would like to hear from the DG, the need for having an informal HODs to be chaired by him.

29. Chair let me also assure you that India stands committed to strengthening multilateralism and constructively engage in discussions on all areas of work in the WTO.

\*\*\*\*\*