

**Press Information Bureau
Government of India
Ministry of Commerce & Industry**

20-January-2016 15:37 IST

Ex-post-facto approval on the approach adopted by India at the Tenth Ministerial Conference of the WTO held in Nairobi, Kenya during 15-19 December 2015

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval for the approach adopted by India at the Tenth Ministerial Conference of the WTO held in Nairobi, Kenya during 15-19 December 2015.

Background

The outcomes of the Conference, referred to as the 'Nairobi Package' include Ministerial Decisions on agriculture, cotton and issues related to least developed countries (LDCs). These cover a Special Safeguard Mechanism (SSM) for developing countries, public stockholding for food security purposes, a commitment to abolish export subsidies for farm exports and measures related to cotton. Decisions were also made regarding preferential treatment to LDCs in the area of services and the criteria for determining whether exports from LDCs may benefit from trade preferences. A Ministerial Declaration was also adopted.

In the run-up to the Nairobi Conference, it became clear that the Conference would determine the future of the Doha Round of trade negotiations. While the Round is very important for greater integration of developing countries in the global trading system, a few developed countries were strongly opposed to the continuation of the Doha Development Agenda (DDA). India took the stand that the DDA must continue after the Nairobi Conference and no new issues must be introduced into the WTO agenda until the DDA has been completed. The Nairobi Ministerial Declaration acknowledges that members "have different views" on how to address the future of the Doha Round negotiations but noted the "strong commitment of all Members to advance negotiations on the remaining Doha issues."

In view of the reluctance of developed countries to agree to continue the Doha Development Agenda post-Nairobi, India negotiated and secured a re-affirmative Ministerial Decision on Public Stockholding for Food Security Purposes honouring both the Bali Ministerial and General Council Decisions. The decision commits Members to engage constructively in finding a permanent solution to this issue.

Similarly, India negotiated a Ministerial Decision on another very important issue which recognizes that developing countries will have the right to have recourse to an agricultural Special Safeguard Mechanism (SSM) as envisaged in the Doha mandate. Members will continue to negotiate the mechanism in dedicated sessions of the Committee on Agriculture in Special Session. The WTO General Council has been mandated to regularly

review the progress of these negotiations. This is a crucial decision in view of the differing views about the future of the Doha Round.

Members also agreed to the elimination of agricultural export subsidies subject to the preservation of special and differential treatment for developing countries such as a longer phase-out period for transportation and marketing subsidies for exporting agricultural products. The Ministerial Decision also contains disciplines to ensure that other export policies are not used as a disguised form of subsidies. These disciplines include terms to limit the benefits of financing support to agriculture exporters, rules on state enterprises engaging in agriculture trade, and disciplines to ensure that food aid does not negatively affect domestic production. Developing countries have been given a longer time to implement these rules.

Another Ministerial decision extends the relevant provision to prevent 'evergreening' of patents in the pharmaceuticals sector. This decision would help in maintaining affordable as well as accessible supply of generic medicines.

India supported outcomes on issues of interest to LDCs including enhanced preferential rules of origin for LDCs and preferential treatment for LDC services providers. India already provides substantial preferences in these areas to LDCs.

Another area under negotiation in Nairobi dealt with the rules on fisheries subsidies. Like India, several other countries had strong reservations on this issue due to the lack of clarity. This was in tune with India's position. There was no outcome in this area of the negotiations. A group of 53 WTO members, including both developed and developing countries, also agreed on a timetable for implementing a deal to eliminate tariffs on 201 Information Technology products. Duty-free market access to the markets of the members eliminating tariffs on these products will be available to all WTO members. Though not a party to the Agreement, its benefits will also be available to India.

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