

Outcome of the WTO Ministerial Meeting of Developing Countries held in New Delhi

Working collectively to strengthening the WTO to promote development and inclusivity

The Ministers and high-level officials from Arab Republic of Egypt, Barbados, Central African Republic, Federal Republic of Nigeria, Jamaica, Kingdom of Saudi Arabia, Malaysia, People's Republic of Bangladesh, People's Republic of China, Republic of Benin, Republic of Chad, Republic of India, Republic of Indonesia, Republic of Malawi, Republic of South Africa, Republic of Uganda and Sultanate of Oman met in New Delhi, on 13th and 14th May 2019, to discuss recent developments at the World Trade Organization (WTO) to explore ways for working with all Members to strengthen the multilateral trading system :

- They reaffirmed the pre-eminence of the WTO as the **global forum for trade rules setting and governance**. They noted with concern the multiple challenges confronting the rules-based multilateral trading system and agreed to work together with all WTO Members to strengthen the WTO, make it more effective and continue to remain relevant to the diverse needs of its Members, in line with objectives of the WTO.
- They reaffirmed that the **dispute settlement system of the WTO** is a central element in providing security and predictability to the multilateral trading system. This has proved to be more effective and reliable as compared to its predecessor, GATT. They noted with concern that Members have failed to arrive at a consensus in the selection process to fill vacancies in the Appellate Body. This ongoing impasse has weakened the dispute settlement system and threatens to completely paralyze it by December 2019. They, therefore, urged all WTO Members to engage constructively to address this challenge without any delay in filling the vacancies in the Appellate Body, while continuing discussions on other issues relating to the functioning of the dispute settlement mechanism.
- **An inclusive multilateral trading system based on equality and mutual respect** should ensure

that all WTO Members abide by WTO rules and abjure any form of protectionism. The core value and basic principles of the multilateral trading system must be preserved and strengthened, particularly with a view to building trust among Members. To this end, they urged WTO Members to adopt measures that are compatible with WTO rules to avoid putting the multilateral trading system at risk.

- **Multilateral avenues, based on consensus**, remain the most effective means to achieve inclusive development-oriented outcomes. Members may need to explore different options to address the challenges of contemporary trade realities in a balanced manner. They noted that in the post-MC 11 phase, many Members have evinced interest in pursuing outcomes in some areas through joint initiatives approach. The outcomes of these initiatives should be conducive to strengthening the multilateral trading system and be consistent with WTO rules.
- They recalled that international trade is not an end in itself but a means of contributing to certain objectives, including raising standards of living. **Special and Differential Treatment** is one of the main defining features of the multilateral trading system and is essential to integrating developing Members into global trade. Special and Differential Treatment provisions are rights of developing Members that must be preserved and strengthened in both current and future WTO agreements, with priority attention to outstanding LDC issues.
- They stressed the importance of **technical assistance and capacity building** provided to developing Members, in particular LDCs, including through the Enhanced Integrated Framework, Aid for Trade and other tools. They urged Members to continue doing so.
- The process of WTO reform must keep development at its core, **promote inclusive growth**, and fully take into account the interests and concerns of developing Members, including the specific challenges of graduating LDCs. The way forward must be decided through a process that is open, transparent and inclusive. They agreed to work collectively with the aim to develop proposals to ensure that our common interests are reflected in the WTO reform process.
- WTO rules seek to foster an **open and non-discriminatory trade regime**. In order to instill confidence among the Members, it is imperative that the Ministerial Conferences of the WTO are organized in a more open, transparent and inclusive manner. WTO notification obligations must consider the capacity constraints and implementation related challenges faced by many developing Members, particularly LDCs. In the WTO, a more cooperative and gradual approach is

the best way in dealing with the issue of transparency, where many developing Members struggle to comply with their notification obligations.

- Some WTO agreements, for example the Agreement on Agriculture, contain imbalances and inequities that prejudice the trade and development interests of developing Members. There is a need to provide **adequate policy space to the developing Members** to support their farmers through correcting the asymmetries and imbalances in this Agreement on priority. This should be undertaken on the basis of work done and progress already made in the past, and provide further flexibilities to the LDCs and Net Food Importing Developing Countries. It is time that cotton receives concrete and appropriate responses it deserves.
- They agreed to consult on various **issues of common interest to developing Members**, including comprehensive and effective disciplines on fisheries subsidies with appropriate and effective Special & Differential Treatment provisions for developing Members.
- They urged WTO Members to expedite the process of **accession of new Members**.
- They reiterated their commitment to work towards strengthening WTO by **promoting development and inclusivity for the benefit of all Members**.

Please contact for any query related to this mail to Ms. Bhawna Kakkar, Research Associate at bhawna.kakkar@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on





"Towards an Inclusive & Prosperous India"



PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947



COPYRIGHT: All rights reserved. No part of this publication/Release may be reproduced, distributed, or transmitted in any form or by any means, without the prior written permission of the publisher. For permission requests, write to the publisher.

DISCLAIMER: This message and its attachments contain confidential information. If you are not the intended recipient, you are strictly prohibited to disclose, copy, distribute or take any action in reliance on the contents of this information. E-mail transmission cannot be guaranteed to be secure or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.