Losers and Gainers at 12th Ministerial Conference of the WTO

Why in news?

India, which found itself on the losing side at the 12th Ministerial Conference (MC12) of the WTO, needs to course correct.

To know more about the 12th Ministerial Conference of the WTO, click here

What is the background of the COVID-19 fight?

- In 2020, India and South Africa put forth a proposal seeking to temporarily suspend the protection of intellectual property rights such as patents, copyrights, industrial designs and trade secrets, so that the production of vaccines, therapeutics and diagnostics could be ramped up to fight the COVID-19 pandemic.
- The proposal garnered the support of almost 100 countries at the WTO.
- The opponents of the proposal (Germany, the UK, Japan, Switzerland and the US) found themselves on the wrong side of the global opinion on this issue.
- In 2021, the U.S. gave its support to the proposal, but limited it to vaccines.

How has the outcome of the MC12 benefitted the European Union (EU)?

- **TRIPS Waiver**- The EU made a counter-proposal to undermine the proposal made by India and South Africa.
- It provided a simplification in certain procedural aspects of compulsory licensing in patent rules.
- With the active support of the WTO's Director-General, it also launched a process in to reach a compromise.
- In a completely opaque process, by March 2022, India and South Africa were confined into accepting the EU's proposal which formed the basis of the final outcome at the MC12.
- At the MC12, WTO members agreed to temporarily waive intellectual property patents on Covid-19 vaccines without the consent of the patent holder for 5 years.
- **WTO reform**- In the name of WTO reform, the EU sought to make fundamental changes to the institutional architecture of the WTO.
- It also sought to give a formal role to the private sector in WTO processes.
- **Environment issues**- The EU has also managed to create a window to pursue negotiations on issues related to trade and environment at the WTO, an issue of concern for many developing countries.

Why India finds itself on the losing side?

- **Public stockholding**- Despite having the support of more than 80 developing countries, the issue of a permanent solution to public stockholding has not found mention anywhere in the ministerial outcome.
- Instead, the WTO members have succeeded in diverting attention from India's interest by agreeing that food security is multi-dimensional, requiring a comprehensive solution.
- **Taxing electronic transmissions**- India has also failed in the objective of securing the right to raise revenues by taxing electronic transmissions.
- **Fisheries subsidies**- India gets 2 years to have suitable regulatory mechanisms in place to monitor fish catch and reporting. Otherwise, subsidies to traditional fishermen will be prohibited.
- Although it has secured a temporary reprieve to provide subsidies for enhancing its fishing fleets, it will have to fight an uphill battle on this issue in future negotiations.

References

1. https://www.thehindu.com/opinion/op-ed/mc12-over-its-gains-for-the-developed-world/article65678848.ece

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