



UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

EDITORIAL ANALYSIS

WTO at a Crossroads – India's Trade Stance at MC14

THE HINDU

19 March 2026

SUBJECTS COVERED**ECONOMY** **IR****GS PAPERS****GS2** **GS3****CURATED & WRITTEN BY****Bharat Choudhary**

UPSC Educator & Content Creator •

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

Free UPSC & State PCS Resources

ujiyari.com

WTO at a Crossroads — India's Trade Stance at MC14

 The Hindu

19 March 2026

GS2

GS3

TH

The Hindu

MAINS RELEVANCE:

GS Paper 2

GS Paper 3



INTERVIEW ANGLE

"How should India balance its defensive position at the WTO with its ambitions as a global trade power?"

WHY IN NEWS

The WTO's 14th Ministerial Conference (MC14) is scheduled for March 26–29, 2026 in Yaoundé, Cameroon — the first MC to be held on African soil — bringing renewed urgency to unresolved crises in dispute settlement, agriculture, fisheries subsidies, and the e-commerce moratorium, all of which carry significant implications for India's trade policy.

THE WTO CRISIS: A SYSTEM UNDER STRAIN

The World Trade Organization (WTO), established on January 1, 1995 as the successor to the General Agreement on Tariffs and Trade (GATT, 1947), was designed to be the cornerstone of rules-based multilateral trade. It currently has 166 member countries, accounting for over 98% of global trade. At its centre was a two-tier dispute settlement mechanism — a panel system and an Appellate Body — that was once hailed as the “crown jewel” of international economic governance.

That crown jewel is now broken. The Appellate Body, which requires a minimum of three members to hear appeals, has been non-functional since December 2019. The United States — under both Republican and Democratic administrations — blocked all new appointments to the seven-member body since 2017, citing concerns that the AB was “legislating from the bench” and exceeding its mandate. The result: a paralysed appeals system, with losing parties simply filing appeals into a procedural void to avoid compliance.

The practical fallout has been severe. Countries with pending disputes have nowhere to take unresolved appeals. Trade retaliation that would otherwise be checked by appellate rulings now proceeds unchallenged. The rules-based trading system that developing countries like India depended upon for protection against unilateral measures has been significantly weakened.

MPIA: A WORKAROUND THAT EXCLUDES THE KEY PLAYERS

To address the paralysis, the European Union and several partners launched the **Multi-Party Interim Appeal Arbitration Arrangement (MPIA)** in 2020 — a voluntary system that mimics Appellate Body functions outside the formal WTO structure. As of 2026, over 50 WTO members have joined.

India is not among them.

India's absence from the MPIA is deliberate. New Delhi worries that joining a plurilateral workaround effectively normalises the dismantling of the multilateral system — a system that, despite its imperfections, offered smaller economies procedural equality with superpowers. India's argument is principled: the Appellate Body must be restored, not bypassed. The US and China, the two largest trading economies, are also not MPIA members — which further limits the arrangement's practical utility for India's most significant trade disputes.

At MC14, reforming dispute settlement will be the centrepiece agenda item. India will push for full restoration of the Appellate Body. Whether that ambition survives contact with US intransigence remains the defining question.

INDIA'S AGRICULTURE: THE PEACE CLAUSE BATTLEFIELD

No issue is more existentially important to India at the WTO than agriculture, specifically the right to maintain Minimum Support Price (MSP) procurement and public stockholding of food grains.

Under WTO rules (Agreement on Agriculture), domestic support that exceeds 10% of the value of agricultural production — the “de minimis” limit for developing countries — is technically illegal. India's food security operations, including procurement at MSP for the Public Distribution System (PDS), risk breaching this cap when measured against WTO's outdated 1986–88 reference price benchmarks.

The **Peace Clause**, agreed at the Bali Ministerial (2013) and extended indefinitely at the Nairobi Ministerial (2015), provides India a temporary shield — no WTO member can challenge India's food stockholding programmes even if they exceed the subsidy ceiling. However, the peace clause is conditional (India must notify data, ensure stocks don't distort trade) and, crucially, does not provide a permanent solution.

India wants a **permanent solution** for public stockholding at MC14 — not an indefinite extension of a conditional truce. This demand has been frustrated at every Ministerial since Bali. Developed countries, led by the US and EU, resist a permanent carve-out, fearing it could set a precedent for broader agricultural subsidy exemptions.

FISHERIES SUBSIDIES: SIGNED, BUT CONTESTED

The **Agreement on Fisheries Subsidies**, concluded at MC12 in Geneva (2022) after over 20 years of negotiation, was a landmark achievement — the first WTO agreement dedicated to environmental sustainability. It disciplines subsidies that contribute to illegal, unreported, and unregulated (IUU) fishing and

overfished stocks.

India signed the agreement but has pressed hard for **special and differential treatment (S&DT)** provisions that protect small-scale, artisanal fishers who dominate India's 1.4 million-strong fishing community. India's concern: the agreement, as structured, could disproportionately constrain developing countries' ability to support their fishing sectors while large industrial fishing nations that have historically depleted global fish stocks face less meaningful restrictions.

A second tranche of the agreement — covering subsidies to overfished stocks and the broader overcapacity/overfishing disciplines — remains unfinished. MC14 is expected to negotiate this tranche, and India's S&DT demands will again be a flashpoint.

THE E-COMMERCE MORATORIUM: TAXING THE DIGITAL ECONOMY

Since 1998, WTO members have maintained a moratorium on customs duties on electronic transmissions — essentially a ban on tariffs on cross-border digital trade. This moratorium, renewed at every Ministerial, has been criticised by India and South Africa as costing developing countries significant revenue and constraining their ability to govern data flows and tax digital services.

India has consistently **opposed making the moratorium permanent**. New Delhi's position: as data becomes the new oil, the right to tax cross-border data flows and digital services must remain available to developing economies. A permanent ban, India argues, would lock in the advantage of countries that already dominate digital platforms — primarily the US and China.

At MC14, developed economies will again push for a permanent moratorium. India will resist. The outcome will set the terms of the digital trade order for years.

THE PLURILATERAL TRAP: A GENUINE DILEMMA

India's position across agriculture, fisheries, and e-commerce is often characterised — unfairly — as purely obstructionist. The more accurate framing is this: India is defending the principle that WTO outcomes must work for all members, not just those with the bargaining power to drive plurilateral clubs.

However, this principled stance carries real costs. When India blocks consensus, it is often left behind as plurilateral coalitions harden into de facto rule-making. The MPIA is one example; the Joint Statement Initiative on e-commerce (which India has not joined) is another. India risks finding that the multilateral rules it defended have been rendered obsolete by a patchwork of arrangements it was not part of.

Issue	India's Position	Developed Country Position	MC14 Likely Outcome
Appellate Body	Full restoration	Reform, not restoration	Inconclusive
Food Stockholding	Permanent solution	Extend peace clause	Extension likely
Fisheries Subsidies	S&DT for small fishers	Strict disciplines for all	Partial compromise
E-commerce Moratorium	No permanent ban	Permanent moratorium	Contested extension

THE PATH FORWARD: ENGAGEMENT WITHOUT CAPITULATION

India's trade negotiators face a genuine strategic dilemma. A pure defensive posture preserves principles but risks irrelevance. An aggressive reformist stance risks abandoning the farmers, fishers, and digital sovereignty concerns that the defensive posture protects.

The way through is targeted engagement. India should lead a coalition of developing countries to articulate a positive vision for WTO reform — not just block proposals it dislikes. On the Appellate Body, India should support concrete reform proposals rather than simply demanding restoration. On e-commerce, India should propose a framework for digital trade governance that addresses revenue concerns without rejecting all disciplines.

MC14 in Yaoundé is an opportunity. That it is being held in Africa — home to the largest bloc of developing-country WTO members — is symbolically significant. India, as a major developing economy with the ambition to be a global trade power, must show it can lead.

UPSC RELEVANCE

WTO establishment year (1995), GATT (1947), number of members (166), Appellate Body structure (7 members, 3 for quorum), MPIA, Peace Clause (Bali 2013, Nairobi 2015), Agreement on Fisheries Subsidies (MC12, 2022), e-commerce moratorium (1998), MC14 location (Yaoundé, Cameroon).

MAINS GS-2:

India's foreign policy, multilateral institutions, WTO reform;

GS-3:

Agriculture — MSP and food security, fisheries subsidies, digital economy, trade policy.

★ FACTS CORNER — KNOWLEDGEPEDIA
WTO — CORE DATA:

Established: January 1, 1995 (successor to GATT, 1947)
 Members: 166 (as of 2026); covers >98% of global trade
 Headquarters: Geneva, Switzerland
 Director-General (2025–): Ngozi Okonjo-Iweala (first African, first woman DG)
 MC14: March 26–29, 2026; Yaoundé, Cameroon (first MC in Africa)

DISPUTE SETTLEMENT — APPELLATE BODY:

Structure: 7 members; minimum 3 for a quorum to hear appeals
 US began blocking appointments: 2017
 Appellate Body suspended: December 2019 (fell to 1 member — below quorum)
 MPIA (Multi-Party Interim Appeal Arbitration Arrangement): launched 2020; ~50+ members; India NOT a member; US and China also not members

AGRICULTURE — PEACE CLAUSE:

WTO Agreement on Agriculture: de minimis support limit = 10% of value of production (developing countries)
 Reference price for calculating subsidy: 1986–88 fixed external reference price (outdated)
 Peace Clause (Bali 2013): temporary immunity from challenges on food security stockholding
 Extended: Nairobi 2015 (indefinite, with conditions — data notification, no trade distortion)
 India's demand: permanent solution (not yet achieved)

FISHERIES SUBSIDIES:

Agreement on Fisheries Subsidies: concluded at MC12, Geneva, June 2022
 First WTO agreement with explicit environmental sustainability objective
 India: signed, but seeks S&DT for small-scale/artisanal fishers
 India's fishing community: ~1.4 million fishers
 Second tranche (overcapacity/overfishing disciplines): under negotiation at MC14

E-COMMERCE MORATORIUM:

In place since: 1998 (WTO Work Programme on Electronic Commerce)
 Renewed at every Ministerial Conference
 India's position: opposes permanent moratorium; wants right to tax cross-border data flows
 Joint Statement Initiative on E-Commerce (JSI): plurilateral; India has NOT joined

OTHER RELEVANT FACTS:

TRIPS (Trade-Related Aspects of Intellectual Property Rights): WTO agreement; India seeks “policy space” to issue compulsory licences on medicines and technology
 India's top WTO dispute as complainant: against US steel and aluminium tariffs (Section 232)
 Previous MCs: MC12 Geneva (2022), MC13 Abu Dhabi (2024), MC14 Yaoundé (2026)
 Doha Development Round (2001): India's agricultural demands contributed to its stalemate; remains officially ongoing but practically stalled

Sources: The Hindu, WTO, Ministry of Commerce & Industry

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

 [linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

Published on ujjari.com · Free UPSC & State PCS Current Affairs