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To

The Director General
World Trade Organisation

Subject: India's Key concerns at WTO's 11th Ministerial conference

Aggregate Measurement of Support (AMS)

Agriculture is a key issue for India and the majority of its population. But developed country subsidies, in particular the **AMS** (Aggregate Measurement of Support) are hurting farmers in India. We support the proposal by India on eliminating the AMS and strongly urge you to push on this, while making it very clear that the development subsidies we get cannot be touched as these represent an important tool to support farmers in developing countries. More than 100 developing countries support us in this endeavour. Billions of small farmers stand united to end injust and unethical subsidies being given by developed world. Therefore,

- Sir, you are requested to set agenda in order to put pressure on developed countries to eliminate AMS as it brings large disparities between developed and developing countries. Rich countries get more subsidy entitlements because of AMS and can also concentrate subsidies on a few products which get large subsidies such as rice, wheat, dairy products etc.
- We demand elimination of AMS while defending the development box of subsidies/input subsidies (as suggested by Australia, New Zealand etc). That cannot be brought under subsidy reduction talks as it is S&DT.
- Now 100 countries are supporting India's position on AMS (India China proposal).

Permanent Solution of Public Stockholding

We demand **permanent solution on public stockholding**, which has to be allowed without limits. We do not accept very difficult compliance conditions, including those set out under the Peace Clause which makes it almost impossible to use. This decision needs to be taken by December Ministerial as has been agreed. Therefore,

- Therefore you are requested to facilitate a permanent solution by Buenos Aires ministerial as the Peace clause is difficult to use. It has to be specifically triggered. US still sued China even with Peace Clause.
- The permanent solution has to be better than the peace clause. The demand for exemption of these subsidies (i.e. Put them under Green Box) is correct and we stand by that stand (the G-33 proposal).
- In particular cannot have the onerous notification requirements which make it impossible to use. We cannot have more onerous notification requirements than the developed countries have for Green Box.
- We denounce the effort by EU, Brazil etc to divide the developing countries and LDCs.

Special Safeguard Mechanism

Every country has the right to adopt special measure in order to curb sudden surge in supply of agricultural produce, to safeguard the interest of the farmers, by increasing tariff. An agreement on these SSMs is pending for many years, which needs to be pushed to protect our farmers against surge in import of agricultural produce. Therefore,

- Therefore we demand earliest conclusion for SSMs, which should not be linked with further market access (tariff cuts). The market is already distorted by developed country subsidies and standard barriers.
- The developed countries already enjoy the Special Agricultural Safeguard (SSG) which is very simple to use. Then, why not SSM for developing countries?

Fisheries

There is a proposal to push rules on **fisheries subsidies** at the December Ministerial. While we support sustainable fishing and think big industrial fishing needs to be discouraged, we are extremely worried that the current proposals being discussed will actually allow developed countries to continue with their subsidies while banning subsidies that are for small scale informal fishing in developing countries. The special and differential treatment which our fisher folk urgently needs is not at all visible or actionable in the current proposals. Our organisation has had close connections with small scale fishers in India and has been fighting for their cause against mechanised deep sea fishing and therefore, it would be detrimental to the interests of traditional fisherman. If we agree to current proposals, as they can affect their lives and livelihoods. It is better to reject bad outcomes than to try to improve them without doing thorough research on the implications. Such discussions can be taken up later.

Investment Facilitation

Proposals on **investment facilitation** that are being pushed in the negotiations, is a matter of great concern. We know very well from the history of the WTO that what starts off as simple 'facilitation' can end up as crucial commitments on investor protection and market access. India is trying to revise its approach on investment protection as it faces millions of rupee damages in investment lawsuits. To take up an additional commitment in a multilateral forum on investment may pose a major problem at this point in time. We support our government's position of totally rejecting any negotiations on investment, 'facilitation' or otherwise as it has done in Geneva this year.

E-commerce

E-commerce is a complex and unknown area where the entire future of the country is potentially impacted. It can restrict future economic policy making and curb the government's ability to regulate giant e-companies. It is not in best interest of our country to give away a critical raw material like data for free to large corporations in the west to profit from affecting future manufacturing policy space; and allow the WTO to decide on rules shaping key policies on health, agriculture, finance. Losing all tariff revenue on e-commerce as well as the regulatory control it exerts over imports is also unthinkable for a country like India. When we do not know how and what future e-technology will develop and what regulation it will need, the question of freeing up regulation in this area should not even arise at this juncture. Therefore,

- Do not allow opening of mandate at WTO.
- Do not allow permanent waiver of customs duties on e-trading as e-trading is growing fast, more and more digitised goods, and even physical manufactured goods can come in as China wants

duty waiver even on manufactured goods ordered online for Alibaba. In the future even software can come in and threaten domestic manufacturing through 3-D printing.

- E-commerce is not just about trading. It has more impact on manufacturing. Data is the new raw material for the 4th industrial revolution. It is the new oil. E-commerce proposals ask for free flow of data.
- Entire e-economy is controlled by huge monopolies; a few giant corporations control the data, the technology. They want uninhibited access to data, and no regulation. The argument that it will benefit SMEs is limited. SMEs will benefit for a short while but will be at the mercy of the corporations and will have to accept prices and terms set by these giant corporations who own the platforms.
- We want to enjoy access to these services but with regulation and ensure these services continue to remain beneficial for us.
- So most important to remember, we do not know how the e-economy and the technology there will evolve so cannot give up regulatory space. E-commerce proposals challenge regulatory space of at least 13 ministries of Government of India, including finance, labour, trade, industry, agriculture, health and so on.

We support Indian representative for taking a right approach in WTO about not allowing e-commerce in the agenda in the Ministerial Council 11 WTO. We know any commitment on e-commerce will be of great impact for our retailers, especially small retailers in India many of whom are already adversely affected by mostly MNCs run e-trading portals. Inclusion of e-commerce in WTO negotiation will severely impact the retailers as well as customs duty revenues and therefore government spending. Concerns have been expressed at various levels with regard to the impact of e-commerce rules on policy areas, not only on commerce but on India's manufacturing policy which will face competition from duty free entry of digitized, digitisable, and even physical manufacturing goods. China is pushing interests of 'Alibaba', which seeks duty free access for its manufactured goods into our markets using the e-commerce route.

Apart from China, which has its own interest, e-commerce rules are being pushed by the American giant e-corporations who are advancing their demands through Japan. These rules seek to free up all regulation on their activities through provisions such as free data flows, no disclosure of source code and so on. Why should India give up its sovereignty and national policy space to these corporations, which seek to maximize their profits? India also needs to retain control over its public data and private data of its citizens and not hand it over to corporations for excessive profit making.

In addition, the full implications of e-commerce rules in trade agreements are as yet not clearly known or understood. The technology in this field is moving very fast which makes it difficult to estimate the full impact of such commitments especially for a developing country like India at this point. It is not the correct time to make such binding commitments in trade agreements.

With Regards,

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All India Co-convenor, SJM