

To strengthen multilateral trade agreements, world needs a strong and relevant WTO: Harsha Vardhana Singh, Deputy DG

NEW DELHI, July 18, 2012: Dr Harsha Vardhana Singh, Deputy Director General, World Trade Organization (WTO) has underlined the need for a stronger and more integrated WTO to strengthen the multilateral system for enhancing global trade.

Delivering a special address at a meeting organized by the Federation of India Chambers of Commerce and Industry (FICCI), Dr. Singh pointed out that the problem of unemployment continues unabated, economic growth across countries is showing no signs of recovery even as the pressure to increase the economic output rises by the day.

“Good governance is the only way out to deal with these issues and WTO can provide the required platform. For instance, WTO allows all nations to have certainty by providing them with a level playing field and following a non-discrimination policy. It also has provisions to settle disputes arising between trading nations without giving undue advantage to any party concerned,” he said.

Furthermore, “there is a fundamental transitional and conceptualization situation that has resulted in the current stalemate in the Doha Round of Trade Negotiation. There is a fundamental gap in the perception and understanding of the needs of developing and developed nations.” This lack of an appropriate balance, not just in WTO but in all other multilateral fora, is affecting the successful conclusion of multilateral agreements adversely. Hence, in these uncertain times, WTO can act as a strong and relevant system and overcome the challenges facing the nations the world over.

Mr Y K Modi, Chairman, FICCI Committee on WTO & FTA Affairs and Former President, FICCI, remarked, “With the expansion of global value chains and concept of ‘Made in the World’ taking centrestage and the rising trade in intermediate goods across the globe, the need for multilateral trading system has become imperative to curb protectionist tendencies and ensure fair trade.”

However, with the stalemate in Doha negotiations, the future of this trading system is being questioned. The failure to achieve multilateral trade liberalisation by concluding the Doha Round would mean that the world would lose the gains from trade that a successful conclusion of the negotiations would have brought, he observed.

Mr. Modi stated, “FTAs supplemented the multilateral trade laws and co-existed. Experts have pointed out that if multilateralism fails to come back on track, it would also impact these trade agreements.” He mentioned the words of caution expressed by Professor Jagdish Bhagwati who has stated that if the era of multilateral trade rounds comes to an end, the rules would mostly be governed by the interests of the more powerful partner in trade agreements.

MEDIA DIVISION