

INDIA STANDS FIRM IN OPPOSITION TO WTO DEAL

The US accused India of bringing the World Trade Organization to the “brink of crisis” after New Delhi said it would block global trade deal without agreement on permanent rules covering its food programmes for the poor.

India stuck to its guns at the World Trade Organization in defiance of developed nations with a strongly worded statement at the general council meeting in Geneva on 25th July 27, 2014 that it will not agree to any accord on trade facilitation unless food security issue is also taken up, signaling its intent to take a hard stand on July 31, the deadline by which a decision has to be made. Instead, India has suggested a four-point action plan that seeks to deliver by December 31 a complete package on agreements reached at the Bali ministerial that includes trade facilitation, a package for least developed countries and public stocking for food security. The trade facilitation deal, struck in Bali last year, was designed to streamline the flow of goods across borders, and marked the first time in the two-decade history of the WTO that all of its ministers had concluded a deal. At the Bali ministerial in December, WTO members had agreed to pursue trade facilitation, a solution to the issue of public stock holding for food security and a package for least development countries.

However, although India signed up to the Bali pact, the new government is now threatening to withhold support unless a parallel dispute over its food security programme is resolved by the end of this year. India's food security law, which is based on massive government procurement from farmers and distribution to poor at subsidized prices, runs the risk of violating WTO rules that prescribe a limit on farm subsidies at 10% of output.

The G-33 countries, a group of developing nations, want a complete exclusion of subsidies given on account of public stockholding programmes from the category of actionable subsidies at the WTO. This will require amendment to the WTO Agreement on Agriculture to allow countries to procure food grain from poor farmers at minimum support prices and sell to poor people at subsidised rates through public distribution systems.

India sought immediate establishment of an institutional mechanism such as a dedicated Special Session of the Committee on Agriculture to find a permanent solution on public stockholding for food security.

Following are the gains for India:

- Food Security Law may push India’s minimum support prices above WTO limits, but interim mechanism provides safeguards till WTO rules are corrected
- Agreement on Trade Facilitation could boost India’s exports
- India gains global leadership by getting a crucial poor-rich country imbalance corrected on a multilateral forum
- Support subsidies to poor farmers across all developing countries get safeguards against WTO rules

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DOMESTIC NEWS

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SEBI steps up Ponzi clampdown; cracks whip on 10 in a month

To protect the public from fraudulent money-pooling activities, SEBI has stepped up action against entities raising funds illegally, even as it awaits Parliamentary nod for greater powers to check such

Central Bank of India posts Rs 192 Crore profit in June Quarter

Gross non-performing asset ratio for the state-owned bank fell to 6.15% in the three months through June from 6.22% in the March quarter.

INTERNATIONAL NEWS

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With the prospect of stiffer sanctions against Russia rattling confidence in Europe, investors will be looking to the United States and China to underpin the global economy.

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The firm added that at present it expects that these conditions will be satisfied and that "we will extend the date to August 19, 2015."

Goldmann Sachs mortgage deal with federal agency could reach \$1.25 billion

Goldman Sachs is discussing a settlement with the FHFA, which filed 18 lawsuits against Goldman and other banks in 2011 over about \$200 bn in mortgage-backed securities that later went sour.

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