

**Working Together to Promote Trade Multilateralism**

**Tuesday, 20 June**

**WELCOME AND INTRODUCTORY REMARKS**

**By Pradeep S Mehta**

**I cordially welcome everyone to this webinar.**

**Since we have a large number of speakers and want to carefully hear everyone's views, let me cut straight to the chase.**

**At the last India-US Trade Policy Forum meeting in January, both sides called for WTO reform which “builds trust in the multilateral trading system, and enables the WTO to better advance its foundational objectives and respond to the needs of all of our people.”**

**Similar lines on reaffirming commitment to multilateralism and the WTO are standard-issue in official statements and declarations.**

**The future of world peace and prosperity lies in a robust and well functioning multilateral order to deal with myriad complex issues of global governance. Among these, the multilateral trading system under the WTO is essential as a core element.**

**These are but truisms. The question therefore arises, are we really walking the talk? How do we go beyond lip service and actually demonstrate our shared commitment to trade multilateralism?**

**Another recent trend has been to call for a “rules-based global trading system *among market economies and democracies*”.**

**This approach of ‘multilateralism minus one’ is a mistake.**

**I have been a staunch trade multilateralist for over five decades now. I firmly believe that it is impossible to conceive of effective trade multilateralism without China.**

**Fortunately, the visit of US Secretary of State, Anthony Blinken to Beijing day before yesterday reflects the US maturity to pursue peace with one of their arch enemies and perhaps reconcile their differences to the best extent possible.**

**One of the reasons for the stand off among both giants which is holding back progress at the WTO is the US’s impression that China has gamed the system to their advantage by supporting their public sector units to do business with state support. China’s retort is that the US and other western powers have been gaming the system by their dirty farm subsidies without any sign of reforms.**

**In spite of the farm sector distortions, there also seems to be a general underappreciation of the leadership role the US has historically played in getting the multilateral trading system off the ground.**

**In all these decades, I have also seen the achievements of the multilateral trading system being gradually taken for granted, including by those who have been its biggest beneficiaries.**

**A popular narrative in recent years has been that the WTO is no longer ‘fit for purpose’, having failed to keep in sync with evolving global realities.**

**We need to get countries like India and the US to invest more political capital in adapting with the multilateral trading system, rather than abandoning it for ‘less than multilateral’ approaches.**

**Finally, while the old multilateralism created unprecedented global economic growth and partially reduced poverty around the world, it could not distribute it equitably among and within countries.**

**With the US appetite for trade liberalisation waning and the focus now on industrial policy and protectionism, does this have the potential to shape a ‘new multilateralism’ where economic benefits created are shared much more broadly? Where does this leave countries like India?**

**Overall, the WTO and the larger multilateral trading system today seems to be a victim of its own success. How can we ensure the WTO retains its centrality to the multilateral trading system in the coming decades, rather than being relegated to only playing a supporting role? How can India and the US collaborate towards these ends?**

**The upcoming visit of PM Modi to the US is an opportune moment for the two sides to join hands and reiterate their shared commitment to the WTO and trade multilateralism, including working together to restore the two-tiered dispute settlement mechanism.**

**Even if the MTS is not discussed by the two leaders during this visit, they could well do so in September when Biden is expected to visit India during**

**the G20 Summit. In any event, WTO reforms will be a part of the G20 Summit Declaration on which both Modi and Biden will have to sign off.**

**Irrespective of outcomes, I think it is important that our efforts remain unwavering. Stronger bilateral ties can also have positive spillovers on cooperation in multilateral settings.**

**In sum, leadership by India and the US is indispensable for the success of the multilateral trading system.**

**We are privileged to have a top-notch panel with us today to discuss how India and the US can work together to promote trade multilateralism.**

**Let me once again welcome and thank all present for taking out the time and joining us today. To ensure a productive discussion, I request all our esteemed speakers to make brief, succinct and pointed interventions. May I also apologise in advance to request speakers to terminate their comments in view of the time limitations.**

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