Nairobi Package – World Trade Organisation

The "Nairobi Package" was adopted in 2015 at the Tenth Ministerial Conference of the World Trade Organisation (WTO), held in Nairobi, Kenya. WTO ministerial conferences are very important for the UPSC exam. In this article, you can read all about the 2015 Nairobi Package.

At the end of the five-day conference, a Ministerial Declaration was adopted. The declaration outlined the Package. In addition, the future work of the World Trade Organisation was adopted at the end of the five-day Conference.

What is the Nairobi Package?

It is a series of six Ministerial Decisions dealing with cotton, agriculture and certain issues relating to the least-developed countries (LDCs). The package also had a commitment for the abolition of export subsidies on farm exports.

As per the Nairobi Package:

- Under the Ministerial Decision on Export Competition:
  - Developed countries had to abolish the farm export subsidies with immediate effect, with the exception of a handful of farm products.
  - The deadline for developing countries to eliminate the export subsidies on agricultural exports was fixed as 2018.
  - Flexibility was given to the developing countries for covering marketing and transport costs for farm exports extending the timeline to 2023.
  - Poorest and food importing nations were given additional time-frame.
- The countries also struck a deal on IT trade.
- As per the deal, tariffs on 201 IT products were to be eliminated each year. The purpose behind the deal was to ensure that all IT products would become duty-free by 2019.

What were India's concerns with respect to the Nairobi Package?

The provisions in the package implied that India would not be able to offer export subsidies for sugar and other farm products after eight years.

- No final decision was taken on public stock-holding as well as Special Safeguard Mechanisms (SSM).
- India had demanded that the public food procurement be exempted from subsidy reduction deals under WTO norms.
  - As per the subsidy reduction deals, public stockholding must not be more than ten per cent of the value of total production of food grains.

- India argued that it must be given permanent freedom to use the food reserves for feeding the needy and the poor in the country without having the threat of violation of international obligations, instead of the proposed peace clause to use its reserves.

A major setback for India and other developing countries and Least Developed Countries was that the Nairobi talks did not reaffirm the Doha Development Agenda, which was one of India's key demands.

Special Safeguard Mechanism (SSM):

- In Nairobi, the ministers adopted a decision on the Special Safeguard Mechanism (SSM) for Developing Countries.
- SSM would allow developing countries to temporarily increase tariffs on agriculture products in the event of increase in imports and fall in prices.