Context:

USA claiming to remove the developing country status for India, China and South Korea.

South Korea has said that it will no longer seek special treatment reserved for developing countries by the World Trade Organization in future negotiations given its enhanced global economic status.

Background:

South Korea, Asia’s fourth-largest economy, has maintained its developing country status as a member of the WTO since the body’s creation in 1995, mainly to guard its agriculture industry.

Who are the developing countries in the WTO?

There are no WTO definitions of “developed” and “developing” countries. Members announce for themselves whether they are “developed” or “developing” countries.

However, other members can challenge the decision of a member to make use of provisions available to developing countries.

USA has its own definition of Developing country. It calls a country developed if it satisfies any one of the following criteria:

A. If it is a member of OECD.
B. Member of G20
C. If it has global share of exports more than 0.5%

What are the advantages of “developing country” status?

Developing country status in the WTO brings certain rights.

Developing country status ensures special and differential treatment (S&D) or provisions which allow them more time to implement agreements and commitments, include measures to increase trading opportunities, safeguard their trade interests, and support to build capacity to handle disputes and implement technical standards.

US demands:

For sometime now, developed countries, mainly the US, have been asking the WTO to end the benefits being given to developing countries.

Nearly two-thirds of the members of the World Trade Organization (WTO) have been able to avail themselves of special treatment and to take on weaker commitments under the WTO framework by designating themselves as developing countries.