

India and South Africa express contrasting views to the WTO investment agreement held in Abu Dhabi

At the recently concluded meeting of the World Trade Organization (WTO) in Abu Dhabi, India and South Africa indicated their disapproval of an investment agreement, hampering its adoption. A move of this nature will seriously affect the financing projections, costing billions of dollars. With the support of 125 nations, the pact proposes to spur foreign direct investment, accelerate the administrative procedures, and foster a better environment for investments.

However, WTO rules allow any of its 164 members to block the adoption of a deal, which is crucial for ensuring adherence among countries. A partner at Akin Gump Strauss expressed worry, saying that this "deplorable" situation would impact the world's poorest countries, and added that the idea of two members being able to stop a wider group of interested member countries from moving ahead was absurd.

Chile and South Korea propped by China, lead an Initiative known as Investment Facilitation for Development (IFD). A study suggests, that the agreement could make it a global welfare improvement by \$200-800 billion.

Despite efforts to encourage discussions, not much has been achieved in terms of a breakthrough. The United States has eliminated all possibilities of agreeing on the WTO dispute settlement gateway, further complicating negotiations. Additionally, climate change is still placed in the WTO annex of the draft package, showing how tough it is to address significant issues in trade.

