

RIS World Trade and Development Report 2026: Ten Key Insights for Developing Economies on the Eve of WTO MC14, Yaoundé



The Research and Information System for Developing Countries (RIS) released its flagship World Trade and Development Report 2026 (WTDR 2026) days before the WTO's 14th Ministerial Conference (MC14) in Yaoundé, Cameroon. Published since 2003 ahead of every Ministerial, WTDR 2026 provides analytical perspectives centred on the Global South. Below, the IJSES Research Desk distils ten critical insights from the Report.

Global Trade at a Glance (2025–26)

Indicator	Value / Status
Global trade volume (2025)	> US\$ 35 trillion
World GDP growth (2026 est.)	~2.7%
South–South trade (2025)	US\$ 6.8 trillion
LDC share of world exports	1.1% (target: 2%)
WTO Appellate Body status	Non-functional (2019–)
Cases 'in the void'	30+ disputes
E-commerce moratorium	Since 1998; contested
India growth forecast (2026)	6.6% (fastest major economy)

Sources: RIS WTDR 2026; UNCTAD Global Trade Update Mar 2026; UN WESP 2026.

Ten Key Insights

1. The WTO at a Crossroads: MC14 convenes amid the gravest institutional crisis in the WTO's 30-year history. With the Appellate Body non-functional since 2019 — blocked by US refusal to approve new appointments — over 30 disputes languish 'in the void'. WTDR 2026 argues that restoring a two-tier, rules-based dispute settlement system is the single most urgent reform for developing countries whose market access depends on enforceable rules.

2. Rising Unilateralism Threatens Multilateralism: US tariff escalations in 2025 triggered retaliatory measures across trading partners, raising average global tariffs and generating policy uncertainty that discourages investment. The Report warns that systematic use of tariffs as geopolitical tools — bypassing WTO disciplines — risks permanently fracturing the multilateral trading system that developing nations built over decades.

3. Food Security: An Unresolved Justice Issue: India and

like-minded developing countries continue to demand a permanent solution for Public Stockholding (PSH) programmes under WTO's Agreement on Agriculture. The current system uses 1986–88 base prices — deeply outdated — to calculate domestic support, artificially inflating subsidy estimates and exposing food-secure programmes to legal challenge. WTDR 2026 asserts that 95% of permissible subsidy entitlements are held by developed nations, making the current framework structurally inequitable.

Permissible Ag. Subsidy Entitlements (Approx. Distribution)



4. Fisheries: Equity vs. Ecology :

Fisheries-II negotiations seek to discipline harmful subsidies — a development-positive goal — but risk penalising small-scale fishers in developing nations. India advocates a 25-year transition period for developing countries and application of the 'polluter pays principle' to advanced distant-water fishing nations that historically depleted fish stocks. WTDR 2026 supports differentiated obligations protecting artisanal fishers while disciplining industrial overcapacity.

5. The E-Commerce Moratorium : Revenue vs. Digital Access:

The moratorium on customs duties on electronic transmissions — in force since 1998 — annually costs developing countries an estimated US\$10 billion in foregone tariff revenue (UNCTAD). Developed nations push for a permanent moratorium to lock in free digital trade flows, while India and others argue this limits policy space, entrenches digital multinationals and widens the digital divide. WTDR 2026 calls for a development-conditioned resolution rather than an indefinite extension.

Estimated Annual Revenue Loss from E-Commerce Moratorium

Country/Group	Est. Annual Loss	GDP Impact
All Developing Countries	~US\$10 bn	Significant
India	~US\$1.0–1.5 bn	Moderate
LDCs	~US\$0.5 bn	High relative

Source: UNCTAD estimate; RIS WTDR 2026.

6. South–South Trade: A Bright Spot: South–South trade has surged from US\$500 billion in 1995 to US\$6.8 trillion in 2025, now exceeding 25% of global trade. WTDR 2026 highlights this as the most dynamic growth vector for developing economies but cautions that LDCs still account for only 1.1% of world exports — far below the 2030 SDG target of 2%. Deepening preferential trade among developing nations and strengthening AfCFTA, RCEP and bilateral agreements is essential.

7. EU Carbon Border Adjustment Mechanism (CBAM): A New Trade Barrier: Phase II of the EU-CBAM, operational from 2026, requires EU importers to pay a carbon price on embedded emissions in imports (steel, cement, aluminium, fertilisers, electricity, hydrogen). This imposes compliance costs and market-access risks on Indian and developing-country exporters. WTDR 2026 flags CBAM as a de facto trade barrier lacking WTO consistency and calls for technical assistance and green finance to help developing nations adapt.

8. Special and Differential Treatment (S&DT): Non-Negotiable: The principle of S&DT — providing developing and least-developed countries greater flexibility, longer implementation timelines and special privileges — is under threat from developed-nation proposals for 'graduation' and 'differentiation'. WTDR 2026 defends S&DT as a foundational development compact of the multilateral system, warning that eroding it would strip low-income countries of the policy space needed for industrialisation and food security.

9. Investment Facilitation for Development (IFD): Governance Concerns: China-backed IFD Agreement, seeking integration into Annex 4 of the WTO as a plurilateral agreement, faces strong opposition from India and several others. India argues that investment is not a trade issue within the WTO's mandate, that the IFD lacks full membership consensus and that its implementation could constrain governments' ability to regulate FDI in alignment with development priorities. WTDR 2026 notes that governance coherence and development conditionality must precede any IFD integration.

10. WTO Reform: Development Must Drive the Agenda: MC14 is designated a 'Reform Ministerial'. WTDR

2026's central recommendation is that reform must be development-driven: preserving consensus-based decision-making, restoring the Appellate Body, safeguarding S&DT and resisting efforts to embed plurilateral agreements without universal membership consent. The Report warns against reform proposals that prioritise procedural efficiency over equitable representation, cautioning that an enfeebled or captured WTO serves the interests of the already powerful.

India's Priority Positions at MC14

Issue	India's Stand	Outlook
Public Stockholding (PSH)	Permanent solution; update 1986-88 base	Deadlocked
Fisheries Subsidies-II	25-yr transition; protect small fishers	Unlikely deal
E-Commerce Moratorium	Oppose permanent; revenue protection	Temp. extension
Appellate Body Restoration	Fully functional 2-tier system	No breakthrough
IFD Agreement	Oppose; not a trade issue	Contested
S&DT Preservation	Non-negotiable; oppose graduation	Defended
US Tariff Escalation	Multilateral rules must be respected	On agenda

Source: GoI official positions; RIS WTDR 2026; IJSES Research Desk compilation.

Observation: WTDR 2026 arrives at a defining moment. Global trade has crossed US\$35 trillion yet the institutional architecture governing it is under unprece-dented stress. For India and the developing world, MC14 offers neither a panacea nor a turning point — it is a rearguard action to preserve gains won over decades. The RIS report's prescriptions are clear: defend S&DT, restore the Appellate Body, resist CBAM and IFD overreach and ensure that food security and fisher livelihoods are not sacrificed on the altar of trade liberalisation theology. The stakes for rural economies and smallholder farmers across the Global South could not be higher.

— IJSES Research Desk