



**General Council  
13 October 2020**

## MINUTES OF MEETING

HELD IN THE CENTRE WILLIAM RAPPARD AND IN VIRTUAL FORMAT ON 13 OCTOBER 2020

*Chairperson: H.E. Dr. David Walker (New Zealand)*

The Chairman bade farewell to H.E Mr. Kyaw Moe Tun (Myanmar), H.E Mr. Saleh Al Hussein (Kingdom of Saudi Arabia) and H.E. Mr. Taonga Mushayavanhu (Zimbabwe) and expressed appreciation for their valuable contribution during their time as Permanent Representatives. The representatives of Zimbabwe and the Kingdom of Saudi Arabia took the floor.

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<sup>1</sup> The proposed agenda was circulated in document WT/GC/W/805.

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## **1 REPORT ON INFORMAL TNC AND INFORMAL HODS MEETINGS**

1.1. The Chairman recalled that on 12 October, the Informal TNC and Informal Heads of Delegation meetings had been convened by the four Deputy Directors-General in coordination with him as the General Council Chair. As he had noted at that meeting, the DDGs and he had thought that during the interim period, it would be useful to have a "no surprises" approach, and that included continuing to provide the important usual transparency and inclusiveness in the HODs/TNCs – for Members to update each other on their activities and express views on the way forward ahead of the General Council meeting.

1.2. DDG Agah, representing all DDGs, had chaired the meeting and had provided a report on recent activities. The Chairs of four Negotiating Groups had made oral reports on progress in their respective areas, and 47 delegations had taken the floor. As per past practice and as had also been indicated on 12 October, the report of the Deputy Director-General and the reports of the Chairs of negotiating groups would be included in the minutes of the General Council meeting. Statements delivered by delegations would also be included in the minutes, unless they indicated otherwise.

1.3. The representative of Saint Lucia, on behalf of CARICOM, said that, while no WTO Member had been spared from the upheaval brought about by the COVID-19 pandemic, it was undeniable that developing Members, in particular LDCs and SVEs, were far less equipped to address the multi-layered threats and impact of the pandemic. Small, vulnerable economies including those in the Caribbean faced an outside existential threat unlike any that others had confronted since the establishment of the multilateral trading system. The challenges faced by SVEs were particularly acute for those services-based Members that were reliant on the inflows driven by tourism, capital investment and financial services.

1.4. As responsible members of the international community, CARICOM member States had taken and continued to take extraordinary measures to safeguard their people and visitors from the borderless pandemic. While policy responses had resulted in the Caribbean maintaining one of the lowest caseloads of COVID-19 globally, that achievement had come at a high cost to social protection services and public finance. As small, open economies – those whose sustainable development was underpinned by international trade with an emphasis on trade and services such as tourism – restrictions on international travel driven by their own containment measures had placed members of the Caribbean Community in the invidious position of having no clear economic option to preserve and sustain their development aspiration.

1.5. Many SVEs had a limited policy toolbox and did not benefit from the support of strong central banks able to issue and monetise debt at unprecedented levels. To make those matters worse, due to extended lockdown and historic levels of unemployment in their source markets for vital financial remittances, Caribbean Member States faced an almost unsurmountable challenge in the absence of external support. Added to that, the threat of and continued unilateral, arbitrary and non-

transparent blacklisting strategy employed by some WTO Members did not serve the cause of international solidarity particularly at a time of unprecedented global uncertainty.

1.6. CARICOM member States continued to cooperate in an effort to meet extraterritorial demand by enacting legislation, strengthening their regulatory and enforcement regime in keeping with international standard and best practice – yet the goal post continued to shift beneath their very feet. There was a need for (i) an effective consultation with States people-blacklisting, (ii) reconsideration of the rigidity of the methodology used to blacklist, (iii) transparency in the methodology used and (iv) scope for open discussion with targeted countries to agree mitigation measures in advance of blacklisting. Continued extraterritorial action aimed at alleged non-cooperative jurisdiction did not take into account the progress, good faith and best efforts already demonstrated by members of the Caribbean Community.

1.7. While the WTO did not per se have a standing in the matter, CARICOM member States took the opportunity to reaffirm its interest in a strong, safe, rules-based international system. The Group further reinforced their previous call for multilateral organizations including the WTO to empower their members through respective bodies to assess and explore policy options that would support a strong exit from the crisis through targeted and collective action. CARICOM member States remained committed to contributing to the preservation and strengthening of the rules-based trading system and called on the support of all Members to take concrete action that would forestall the unravelling of the socio-economic gains that had been achieved over the past three decades.

1.8. The General Council took note of the report<sup>2</sup> of Deputy Director-General Agah, representing all DDGs, on 12 October, and of the statement that day as well as those delivered at the 12 October Informal TNC and Informal HODs meetings<sup>3</sup>.

## **2 IMPLEMENTATION OF THE BALI, NAIROBI AND BUENOS AIRES OUTCOMES – STATEMENT BY THE CHAIRMAN**

2.1. The Chairman recalled<sup>4</sup> that the item remained on the agenda so that the General Council could continue to follow up, in a horizontal and transparent manner, on the Ministerial decisions adopted in Bali, Nairobi and Buenos Aires. His statement would focus on those areas where there had been developments and was based on the information provided by the Chairs of the regular bodies on the implementation work taking place further to Ministerial mandates in their respective areas.

2.2. Starting with TRIPS non-violation and situation complaints, the tentative indications of a new submission had not yet materialised and he understood that the TRIPS Council Chair was considering leading an informal exchange after the TRIPS Council meeting that week, where the item was again on the agenda.

2.3. In Agriculture, subsequent to the invocation of the Bali Ministerial Decision on Public Stockholding for Food Security Purposes by a Member, the Committee on Agriculture had reviewed the notified information at its July and September 2020 meetings. The specific issues raised by Members at those meetings and the responses provided by the notifying Member could be viewed in the Agriculture Information Management System (AG-IMS), which contained the record of the Committee Review Process since 1995.

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<sup>2</sup> Deputy Director-General Agah's report, representing all DDGs, (also circulated in JOB/TNC/87) and the reports of the Chairs of Negotiating Bodies at the 12 October Informal TNC and Informal HODs Meetings are incorporated in the minutes of this meeting and are reproduced in Annex 1 of this document.

<sup>3</sup> The statements at the 12 October Informal TNC and Informal HODs Meetings by the following delegations are incorporated in the minutes of this meeting and can be found in Annex 2 of this document: Brazil; Chad (LDCs); China; Panama (Article XII Members); Egypt; European Union; Japan; Angola; Afghanistan; United States; Costa Rica (Joint Initiative on Services Domestic Regulation); Argentina; Iceland; Canada (Ottawa Group); Jamaica (ACP); Singapore; Australia (Joint Statement Initiative on Electronic Commerce); Botswana (African Group); India; Montenegro; Turkey; Saint Lucia (CARICOM); Philippines; Thailand; New Zealand; Mexico; Republic of Korea; Chinese Taipei; Chile (Structured Discussions on Investment Facilitation for Development); Switzerland; South Africa; Indonesia (G-33); Norway; Hong Kong, China; Uruguay (Informal Working Group on MSMEs); Nigeria; Malaysia; Qatar; Ecuador; Colombia; Namibia; Pakistan; Burkina Faso (C-4); United Kingdom; Bolivarian Republic of Venezuela; Sri Lanka and Peru. At its request, the statement of Barbados on this matter is likewise incorporated in the minutes of this meeting at the last part of Annex 2.

<sup>4</sup> The Chairman's statement was circulated in document JOB/GC/246.

2.4. Subsequent to the adoption by the General Council of the recommendations of the review of the operation of the Bali TRQ Administration Decision, the Committee on Agriculture had considered the issue of the follow-up to the Decision at its September meeting. A Secretariat background note featuring data on TRQ administration, fill rates and additional elements based on the agreed recommendations had supported the Committee's discussions. The Secretariat had also shared a draft underfill Tracking Register which would be finalised at the November meeting of the Committee on the basis of Members' comments.

2.5. The fifth annual dedicated discussion pursuant to the Nairobi Decision on Export Competition had also taken place at the September meeting of the Committee on Agriculture. A background document had been circulated based on Members' relevant notifications as well as their responses to the export competition questionnaire. Written questions by Members on their respective export competition practices and the corresponding responses could also be found in the Agriculture Information Management System (AG-IMS). With respect to the modification of schedules pursuant to the Nairobi Decision, Indonesia's revised draft schedule had been circulated on 12 October. Two Members had yet to submit their draft revised export subsidy schedules and they had updated the Committee on the steps taken to implement the Decision.

2.6. Turning to the LDC Services Waiver, at the last meeting of the Council for Trade in Services, the LDC Group had put forward some suggestions to advance the discussion on the operationalization of the Waiver. The Group had proposed that the Services Council organized a virtual workshop to bring together LDC service suppliers and consumers of LDC services in preference-granting Members, and had asked the CTS Chairman to hold consultations in that respect.

2.7. The Group had also noted that it planned to organize a webinar on the impact of COVID-19, and related measures taken by Members, on the supply of services from LDCs. Additionally, the Group had sought the Secretariat's assistance to update the information on LDC services trade initially prepared for the dedicated session on the Waiver held in 2019. Members had generally been open to discussing the LDC Group's ideas – with some Members calling for more details to be provided.

2.8. Regarding DFQF market access for LDCs, the CTD's annual DFQF review would take place in November. Given that divergent views persisted on the scope and coverage of the mandated Secretariat report on Members' DFQF market access for LDCs, he understood that it would once again not be possible for the Secretariat to prepare its report for the review. Members could nevertheless use that occasion to share any updates on their provision of DFQF market access for LDCs.

2.9. With respect to the Bali Decision on Trade and Transfer of Technology, at a recent meeting of the Working Group, a number of Members had made presentations on the policies they had implemented to encourage technology transfer, and the role that technology transfer had played in their economic development. The Chair of the Working Group intended to hold informal consultations with Members to hear their views regarding the lack of progress in recent years, and to assess what could be done differently to fulfil the mandate of the Working Group.

2.10. On Aid for Trade, at the meeting on 5 October, Members had considered a proposal by the Chairman on an addendum to the existing 2020-2022 Aid for Trade Work Programme entitled: "Empowering Connected Sustainable Trade". The purpose of the addendum was to collect, discuss and disseminate information concerning Members' Aid for Trade needs and responses to the trade-related challenges triggered by the COVID-19 pandemic, and the central focus was an Aid-for-Trade Stocktaking event that would be held in early 2021. The addendum<sup>5</sup> had been issued under the CTD Chairman's own responsibility on 12 October.

2.11. Regarding the Trade Facilitation Agreement, two additional Members had ratified the Agreement since his last report bringing the total ratification rate to 93% of the Membership.

2.12. And finally, on the Work Programme on Electronic Commerce, since his report to the last meeting of the General Council which had covered the webinar and the Informal open-ended meeting held in July, no additional submissions from Members had been received. Members continued to

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<sup>5</sup> The addendum was circulated in document WT/COMTD/AFT/W/81/Rev.1/Add.1.

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engage under the Work Programme in the relevant bodies, in particular in the Goods Council, Services Council, and TRIPS Council. Specifically, in the Services Council, a joint communication<sup>6</sup> proposing exploratory discussions on supporting digital capabilities of business and consumers, initially tabled in July, had continued to generate substantive engagement, with several delegations presenting information on their initiatives, including efforts to promote the development of the e-payment sector. In the TRIPS Council, delegations had had a rich discussion of specific TRIPS-related e-commerce topics at its meeting in July following a request from a Member. He understood that, in subsequent consultations, there had been broad support to put the item on the Work Programme on Electronic Commerce on the agenda of the next meeting with a view to mapping out how the TRIPS Council would move forward with the item.

2.13. Those discussions were welcome particularly given the current pandemic. In that regard, Members continued to underscore the crucial role of e-commerce in fostering economic growth and addressing the challenges faced. He urged all delegations to deepen engagement on both the Work Programme and the Moratorium in line with the December 2019 General Council Decision. As Chair, he remained ready to consult with Members and to facilitate further meetings as necessary. And for the current General Council meeting, as Members were aware, they had an item on the Work Programme and the Moratorium – item 9 – which had been requested by India.

2.14. The representative of Chad, on behalf of the LDCs, reiterated the importance of the decisions for the benefit of LDCs with the view to their better integration into the global trading system. That remained a priority. In the current circumstances, the implementation of the decisions was all the more important for contributing to a better way out of the current crisis. The LDC Group was therefore aiming at the effective implementation of decisions on DFQF market access, Services Waiver and Preferential Rules of Origin for LDCs. The Group referred Members to the statement it had made at the 12 October Informal TNC and Informal HODs meetings.

2.15. Concerning e-commerce, since the Ministerial Decision on the matter had been adopted in Buenos Aires, the LDC Group had submitted a communication that had been mentioned by the Chairman in his report stating the importance for LDCs of being equipped with sufficient information and communication infrastructure for them to be able to truly benefit from e-commerce. Regarding the e-commerce moratorium, the Group intended to continue to be fully involved in the discussions undertaken since December concerning whether that moratorium would be maintained.

2.16. The representative of the European Union recalled that a Member had invoked the Bali Ministerial Decision on Public Stockholding for the first time. The European Union was currently examining the relevant domestic support notification and accompanying data. The European Union, along with other Members, was still awaiting substantive answers to the technical questions raised on the matter in the Committee on Agriculture.

2.17. The European Union recalled that the Nairobi Ministerial Decision on Export Competition had been adopted, as the Chairman had referred to, in December 2015. That had required sixteen Members to submit schedule modifications. Three Members – but the Chairman had indicated earlier that Indonesia had submitted the previous day, so it was then two – had not still done so, including one who had co-sponsored the proposal which had led to the decision. The European Union urged the Members concerned to submit the necessary schedule modifications as soon as possible.

2.18. The European Union also recalled that the next review of the Nairobi disciplines was scheduled for 2021 and noted that developing Members should eliminate all export subsidies by the end of 2022. In that context, the European Union asked any Member contemplating the introduction of export subsidies to refrain from doing so.

2.19. The representative of India said that, as the WTO membership worked overtime to fulfil the mandate of MC11 and SDG 14.6 regarding disciplines on fisheries subsidies, India reminded them about the clear Ministerial mandates from Bali and Nairobi regarding an effective, permanent outcome on public stockholding for food security purposes. The outcome was also imperative for the achievement of Sustainable Development Goals 1 and 2 and for telling the world that the WTO could still deliver results especially in areas of immediate concern to the large majority of its membership.

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<sup>6</sup> The joint communication was circulated in document JOB/SERV/296. Several revisions of this document were subsequently circulated.

2.20. The COVID-19 crisis was posing significant challenges to the already strained food, nutrition and livelihood security of poor and vulnerable farmers in several developing countries and LDCs. In view of that, India emphasized the critical importance of engaging on the Ministerial mandate from Bali and Nairobi to have an effective and permanent outcome on the issue of public stockholding for food security purposes by MC12.

2.21. Responding to the issues raised by the European Union, as a responsible Member of the WTO, India had been consistently complying with its notification obligations at the WTO including with the notification obligations prescribed in document G/AG/2. India's track-record with meeting its transparency obligations had been much better than that of several Members who were pressing for enhanced transparency at the WTO. Pursuant to the Bali Ministerial Decision on Public Stockholding for Food Security Purposes and the General Council Decision of 2014 as contained in document WT/L/939, India had notified the Committee on Agriculture that it had, for the first time, exceeded the de minimis level of market price support for rice for the marketing year 2018-2019 by a very minor margin of 1.4%. Market price support for rice, a traditional staple food crop, was notified under Article 7.2(b) of the Agreement on Agriculture in pursuance of public stockholding programmes for food security purposes.

2.22. India's public stockholding programmes for food security purposes, covering rice and a number of other commodities, had been consistently reported in its Table DS:1 notifications since 1995. The programme was consistent with the criteria mentioned in paragraph 3, footnote 5, and footnote 5&6 of Annex 2 to the Agreement on Agriculture. Further, the stocks under the programme were acquired and released in order to meet the domestic food security needs of India's poor and vulnerable population, and not to impede commercial trade or food security of others. For those reasons, the notified level of market price support for rice was covered by the peace clause set out in the Bali Ministerial Decision on Public Stockholding for Food Security Purposes (WT/MIN(13)/38) and the General Council Decision (WT/L/939). India had been constructively engaging on the issue with other Members in the meetings of the Committee on Agriculture.

2.23. The representative of Indonesia said that a lot of work needed to be done to ensure meaningful progress on the mandated issues. Agriculture and fisheries subsidies negotiations were among top mandated priorities that deserved Members' utmost attention in the lead up to MC12. Indonesia reiterated its call to achieve significant progress on the negotiations on a permanent solution on PSH and the importance of a comprehensive and balanced outcome on SSM. Indonesia looked forward to seeing the advancement of that agenda in that context of agricultural reform that promoted food security and could address the challenges of today's pandemic and its future impact.

2.24. In addition, Indonesia recalled the impasse of the Appellate Body selection process and called on Members to renew their political will in resolving that issue in an expedited manner. The new Director-General that would hopefully be elected in the near future should place that agenda as an immediate priority to facilitate new dialogue between Members to end the impasse.

2.25. As the COVID-19 pandemic was continuing to spread, any work that Members were currently undertaking should be cognisant of the effect the pandemic had brought to Members. For developing and LDC Members, it had become difficult to engage meaningfully in all negotiating configurations due to continued lockdown in their capitals. While Indonesia understood that some negotiations needed some assistance in ensuring progress, the proliferation of meetings under some negotiating groups needed to be reconsidered as it could undermine the inclusivity and transparency principles embedded in the WTO.

2.26. Finally, the current agenda item should also take into account the challenges that Members faced due to the pandemic. It was high time for the WTO to provide advice and action for Members, that were allowed by existing rules, to facilitate Members' easy and affordable access to medicine, health equipment and vaccines. Members should also start talking about what the WTO could do to address the pandemic.

2.27. The General Council took note of the statements.

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### **3 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIRMAN OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT**

3.1. The Chairman recalled that in line with the agreement in the General Council in 2002, the Work Programme on Small Economies was a standing item on the agenda and the Committee on Trade and Development reported regularly to the Council on the progress of work in its Dedicated Sessions. In Buenos Aires, Ministers had adopted a Decision reaffirming their commitment to the Work Programme and instructing the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council.

3.2. Ambassador Mohammad Qurban Haqjo (Afghanistan), Chairman of the Dedicated Session of the CTD, recalled that he had reported to the General Council in July of his intention to convene a meeting of the CTD's Dedicated Session on Small Economies after the summer break, and the planned meeting of the Dedicated Session would be held on 2 November.

3.3. The Dedicated Session would firstly have a discussion on the opportunities and challenges for small economies in attracting investments. As part of that discussion, presentations would be made by experts from the ITC, UNCTAD and WTO. Some presentations were also expected from representatives of the Group of Small, Vulnerable Economies.

3.4. The second item on the agenda concerned the impact of the COVID-19 outbreak on the trade of small economies. The 2 November meeting of the Dedicated Session would be an interesting one with useful discussions and experience-sharing taking place under both agenda items. He looked forward to reporting back to the General Council on the deliberations.

3.5. The representative of Barbados associated with the statements to be made by CARICOM and the SVEs. Barbados was particularly pleased to express its collective enthusiasm in being able to finally secure a date for convening the 40th Dedicated Session on Small Economies in the CTD. It was however bittersweet that the issue that had caused the delay to convene earlier was due to the items that was on the agenda for that meeting.

3.6. The COVID-19 economic crisis had had a detrimental impact on the global economy. The impact had been most felt in the tourism sector – the sector in which many SVEs including Barbados depended on. The UN World Tourism Organization had revised its early modest figures to forecast 60% to 80% decline in tourist receipts in 2020. Equally, the UN DESA had indicated that owing to their inherent challenges associated with small size and vulnerability, small island developing States which made up a significant portion of the SVEs were disproportionately impacted by the COVID-19 economic crisis. Barbados therefore welcomed discussions on the impact of the COVID-19 outbreak on the trade of small economies and looked forward to a discussion on meaningful solutions which could assist small economies in their continued response and recovery processes.

3.7. The discussion on "Investment Attraction: Small Economies' Opportunities and Challenges" would come at an opportune time as Barbados and other small economies continued to be pressured by unilateral and harmful measures that threatened to undermine their ability to attract investment and their reputation and served as yet another problem in a shifting goal post which could have a detrimental effect on their ability to trade and access financial services. Barbados was therefore ready and eager to engage in the discussions on that item in the upcoming meeting.

3.8. In its 29 October statement, Barbados had reminded Members that although the narrative had been within and outside the WTO focused on the need to uphold multilateralism and the multilateral trading system, the future of the WTO had come down to how Members at present focused and reformed their work. The notions of dormancy of the organization remained unresponsive to the changing world and at the same time it being duty bound to complete unfinished business in traditional areas that continued to linger. The area that Members were all seeming to agree on was that the WTO should create a level playing field for its Members. For Barbados, that resounded *inter alia* that the WTO should be reflective of its Membership and ensure that the issues and interests of its Membership were reflected in various pillars of WTO work so that developing countries particularly SVEs and LDCs were fully integrated into the multilateral system.

3.9. As a small island developing State and a small, vulnerable economy, fulfilling such a notion would ensure that the issues of importance to their countries were reflected in WTO work. Barbados therefore looked forward to the continued engagement on the issue of natural disasters and trade in Members' upcoming work. The upcoming discussions would no doubt be of importance to Barbados. Barbados looked forward to participating in the meeting and to hearing the report of the CTD Chair under that agenda item during the next General Council meeting.

3.10. The representative of Guatemala, on behalf of the SVEs, noted that at the next CTD in Dedicated Session on Small Economies on 2 November, Members would discuss two important topics: opportunities and challenges for small economies in attracting investment and the impact of the COVID-19 outbreak on small economies.

3.11. Under the first topic, Members would discuss the relevance of investment attraction on the participation of SVEs in global value chains, key sectors for investment attraction, reduction of trade cost, regulatory and policy frameworks and mobilising investment to finance climate change mitigation and adaptation. The SVEs would also share their perspectives on the challenges that they faced in the attraction of investment and would hopefully share success stories. The discussions would be enriched by the participation of experts from the ITC, UNCTAD and WTO.

3.12. The SVEs looked forward to the discussions on how COVID-19 affected trade in their economies. They expected that the discussions of those specific challenges would be a catalyst for Aid for Trade projects and other technical support initiatives. The economic crisis that had resulted from the pandemic had highlighted that the small economies did not have the resources, the safety nets nor an economic insurance policy that many more resilient economies had. That was why the SVEs needed the support of the development community to achieve economic recovery from the effects of COVID-19. The SVEs would be reporting on the outcomes of that meeting at the next meeting of the General Council.

3.13. The representative of Sri Lanka associated with the statement made by the SVE Group. The two topics that the SVEs intended to discuss during the Dedicated Session on Small Economies – the opportunities and challenges for small economies in attracting investments and the impact of the COVID-19 outbreak on trade of small economies – were equally important during a pandemic of such an unimaginable magnitude currently being experienced by the world.

3.14. The COVID-19 pandemic remained an unprecedented crisis and had exposed many vulnerabilities especially of small economies that had been heavily dependent on international trade. It had spread through almost all economic sectors mainly those contributing to foreign currency reserves. While the primary focus of Sri Lanka's government remained the health and safety of its citizens, the revival of its economy and ensuring stable markets, supply chains and job creation were some of the other bigger challenges that demanded immediate attention.

3.15. Countries that had debt obligations nearly the same size as their GDP or more would face greater challenges in the post-pandemic period particularly as paying back the debt obligations and debt service charges became daunting tasks as the majority of foreign income generating sectors were producing zero foreign currency income. Furthermore, the sectors that were contributing to the foreign currency reserves such as migrant workers were facing the grim prospect of losing their jobs and means of livelihood while some were faced with the challenge of enforced return. In such instances, they needed collaborative action from their partners, the debt providers as well as from institutions on proposed courses of action that would not further dig such countries into debt traps.

3.16. The consideration of debt relief and financial stimulus for small and vulnerable economies should be duly recognized. It was important to provide necessary financial support to such countries to enable them to face diverse socioeconomic consequences caused or aggravated by the pandemic. Although that subject was not coming under the purview of the organization, Sri Lanka wished to put on record the most pressing challenges ahead for their countries following the current pandemic.

3.17. In addition, ways and means of ensuring equal access to vaccines for small economies when produced in resource-rich countries was another international response that Sri Lanka saw essential during a pandemic. Analysing the effects of the pandemic on numerous pillars by itself would not help Members overcome the challenges created by the pandemic. To address them, effective support



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measures should be put in place by way of policy considerations, appropriate Aid for Trade and other technical support initiatives.

3.18. The representative of Ecuador underscored the importance of Members coming together at the October meeting on the Aid for Trade Work Programme particularly concerning the impact of COVID-19 on developing countries. Ecuador, together with other Members, would be participating in discussions in that regard which would in turn help move their work forward on trade in services, the integration of SVEs into global value chains, international tourism, gender perspectives and the inclusion of vulnerable sectors particularly MSMEs. Ecuador also highlighted the importance of an exchange of experience and information on the impact of e-commerce on global trade.

3.19. During their dedicated discussions, Ecuador and other Members had been able to further understand national perspectives of a variety of Members and to detect issues of common interest. Consequently, Members had been able to identify the needs and requirements for cooperation and to raise awareness on different avenues for joint action to face up to the current crisis. The varying impacts of the crisis on different Members was one of the central elements of the considerations and reflections that Members should have in their work at the WTO particularly at the General Council.

3.20. The representative of Saint Lucia, on behalf of CARICOM, associated with the statement made by the SVE Group. The CARICOM Group placed high priority on discussions within the WTO on appropriate responses to the trade-related challenges of SVEs including with respect to climate change, trade and natural disasters, attracting sustainable investments, the impact of exogenous shocks as was the case with the COVID-19 pandemic and issues such as trade vulnerability.

3.21. Concerning the COVID-19 pandemic, all Members had made targeted increases in social spending to combat the socioeconomic fallout from the pandemic. In CARICOM Member States' tourism dependent economies where in some cases 34-48% of GDP came from tourism and related services, with the sector having screeched to a halt, the repercussions had been enormous. In their more commodity-based economies, on account of spiralling trade prices in sectors such as oil and gas, their economic experts had predicted that growth would be greatly diminished and that was already playing itself out. The CARICOM Group therefore supported any attempt to reduce trade costs for SVEs and better integrate them into global value chains.

3.22. In that regard, the Group recognized the need to expand Members' conversation and analysis to include those new ways of conducting trade which the COVID-19 pandemic had already brought into sharp focus. For example, digital access was crucial and would continue to be if the SVEs were to become more resilient. However, gaps in digital access, infrastructure and knowledge significantly limited the extent to which they could capitalise on the opportunities offered by the online world. The CARICOM Group took note of the upcoming Fortieth Dedicated Session of the CTD on Small Economies and looked forward to contributing in a substantive and constructive manner to those discussions.

3.23. The representative of Mauritius associated with the statements made by the SVE Group and Barbados. Mauritius looked forward to participating actively in the Work Programme on Small Economies especially in examining in greater detail the impact of COVID-19 on their economies. Mauritius had dealt fairly well with COVID-19 but the procurement bill had been very substantial and would weigh heavily on its national budget. It was from that perspective that Mauritius supported all initiatives that aimed at improving public health support.

3.24. Mauritius looked forward to the work of SVEs particularly focusing on sustainability. Members had heard about the Green Initiative and Mauritius supported the principle of a Green Initiative that would speak to small island States and to SVEs generally. Mauritius had recently been impacted by two things – COVID-19 which it had dealt with well, but it also had an oil spill. The latter had shown just how vulnerable one could become overnight by a single oil spill. Mauritius' artisanal fisheries had been impacted and its government was taking a lot of measures to try and deal with that. Mauritius realised that it needed to bring that reality to the fisheries negotiations and to the Work Programme on Small Economies.

3.25. Mauritius was a very small island but had nonetheless a maritime territory of some 400,000 km<sup>2</sup> – to put it simply, the size of France and Germany together. So, managing that was not an easy task which could make one wonder about how to cope with trade-related vulnerabilities

and the vulnerability of not being able to exploit what one already had. Mauritius took note of the dedicated session on small economies that would take place soon and looked forward to the discussions there.

3.26. The representative of the Republic of Korea was aware that the COVID-19 pandemic had led to a freefall in international travel – hitting small, vulnerable economies particularly hard. Korea therefore welcomed the upcoming dedicated session on small economies. Given that the first UNCTAD Conference hosted by a small island developing State would be held just a few months before MC12, the dedicated session would be a timely occasion to further explore how UNCTAD 15 and MC12 could be mutually supportive on the topic of small, vulnerable economies. Korea was happy to engage further in the dedicated session.

3.27. The representative of Fiji, on behalf of the Pacific Group, associated with the statement made by the SVE Group. The Pacific Group welcomed the deferral of the dedicated session to November to focus on investment attraction for SVEs. The Pacific Group had often highlighted that it consisted of small, open economies dependent on a narrow range of exports and were highly susceptible to external, economic and other shocks like the COVID-19 pandemic. The experience from COVID-19 had reinforced the perception on their vulnerability to depending heavily on imports and on a few key sectors such as tourism and attracting new foreign direct investments with their tourism having suffered significantly in the last four months.

3.28. In that regard, members of the Pacific Group saw investment as a very important catalyst for diversifying their economies as a means to strengthen trade capacity and increase their trade including through regional and global value chains. In addition, investment especially foreign direct investment was an important conduit for new technology and new skills needed to improving trade competitiveness. The Pacific Group further welcomed the inclusion of a new topic on the impact of COVID-19 on SVEs. That would be useful to better assess the economic and trade impact of COVID-19 on SVEs and to see what lessons could be drawn to prepare for future pandemics.

3.29. Vanuatu was scheduled to graduate from LDC status in December and Solomon Islands in 2023. They would soon find themselves in another vulnerable group – the SVEs, and would continue to be part of the small island developing States. The graduation from LDCs would not alleviate them from the negative effects arising from their vulnerabilities from climate change and vulnerabilities attributed to the smallness of their economies and the rising of natural and emerging disasters many of which were due to the changing environment and climate.

3.30. The Pacific Group underlined the importance of the work programme to the group and reminded Members of the objective of that work as mandated by Paragraph 35 of the Doha Ministerial Declaration "to frame responses to the trade-related issues identified on the fuller integration of small, vulnerable economies into the multilateral trading system." The Pacific Group urged Members to engage in the CTD in November to help frame meaningful responses to the challenges faced by SVEs and to better integrate SVEs into the multilateral trading system.

3.31. The General Council took note of the report of the Chairman of the CTD and of the statements.

#### **4 TWELFTH SESSION OF THE MINISTERIAL CONFERENCE – DATE AND VENUE**

4.1. The Chairman recalled that at the July meeting of the General Council, he had reported on the consultations that he had held further to the renewed offer by Kazakhstan to host MC12 in June 2021. As he had also noted at that meeting, the "working hypothesis" continued to be that the Conference would take place in the third week of June 2021 – specifically from 21 to 24 June – and that the General Council would take a formal decision at the appropriate time. A discussion on that matter had taken place at the July meeting. Some Members had noted the persistent uncertainties brought about by the COVID-19 pandemic and the different impact of the virus across different regions of the world.

4.2. At the same time, several delegations had reiterated the importance of formally agreeing on the date for MC12 to help the preparations of both the Members and the host. Some Members had also highlighted that logistical considerations should not divert the attention from the ongoing substantive discussions in the various WTO bodies which had remained the main focus to ensure a

successful Conference. Mentions had also been made to the possibility of considering contingency plans.

4.3. A number of Members had reiterated that MC12 had remained a crucial event for the WTO, and that delivering meaningful outcomes had been essential especially given the current challenges that the world was facing. With that in mind, he invited all Members to stay constructively engaged so that the General Council could take a formal decision as soon as feasible, and hopefully at their next meeting in December. His door remained open to continue to consult on the matter in the context of the information that he had provided that day.

4.4. The representative of Brazil still hoped that MC12 could be held as had originally been envisaged in Kazakhstan by mid-2021. Brazil could however not disregard the increasing levels of uncertainty due to the evolving COVID-19 pandemic. Members should therefore re-assess the situation at the next meeting of the General Council and have a plan B ready. If the original solution would not be possible, Members should be flexible and could set the venue to Geneva and work on a date and format that would allow enough time for (i) the new Director-General to take stock of the situation and settle in and (ii) Members to finally provide their undivided attention to negotiate in a credible and relevant package for MC12. That was an opportunity that Members could not afford to waste. Members should get back on track and start preparing a meaningful package for MC12.

4.5. The representative of Botswana, on behalf of the African Group, expressed sincere gratitude to the Chairman for his continued leadership during those challenging times, for the excellent manner he had been guiding the transition period and for the manner in which he had conducted the DG Selection Process. The African Group also thanked the Membership for their active engagement in that process and the support that had been given to its candidates.

4.6. Concerning MC12 date and venue, as it had previously expressed, the African Group welcomed the Government of Kazakhstan's offer to host MC12 and welcomed the 21 to 24 June 2021 dates as a working proposal subject to the evolution of the COVID-19 crisis and the uncertainty it presented.

4.7. The representative of the Dominican Republic welcomed the availability that Kazakhstan had shown with regard to hosting MC12 in 2021. The Dominican Republic was aware of the importance that the holding of MC12 had given that it would be the culmination of many different negotiations as well as the hard work that Members had been undertaking at the WTO. However, even though it welcomed Kazakhstan's proposal, the Dominican Republic also heard the concerns many delegations had raised with regard to the uncertainty caused by COVID-19 and the lack of knowledge as to how things would unfold for all Members.

4.8. The Dominican Republic understood that any date should be subject to the reality of the time at which a decision was taken. Members needed to continually monitor the pandemic especially for the health and safety of the delegations, the Secretariat and those in the host country. Members therefore needed to show some creativity by examining alternative options, leveraging new IT means which could give them an alternative way to hold that very much anticipated Conference particularly during the most challenging of times.

4.9. The representative of the United Kingdom remained committed to maintaining momentum in the WTO's negotiations and vital business. That was important now more than ever in response to the wide-scale economic disruption brought about by COVID-19. The next WTO Ministerial Conference would be a crucial milestone to taking stock of and concluding negotiations. The United Kingdom was willing to reflect on MC12 plans taking into account the fact that uncertainties around COVID-19 persisted. But Members' priority should be to agree on the new timing for MC12 as soon as possible so that Members could focus their attention on the negotiations. It was important that the COVID-19 crisis did not set back the vital work that the WTO had been tasked with.

4.10. To that end, Members should consider how to build the milestones in the journey to MC12 where decisions could be taken. The United Kingdom was willing to work with Members to achieve that. In particular, the United Kingdom had highlighted the potential benefit of Members coming together later in the year for a stocktake to mark progress on the current negotiations. The United Kingdom believed that there was still merit in considering that idea. Given that Members were also in the process of selecting a new Director-General, they should seek to work with the new Director-

General once in office to determine what form of political stocktake could be most helpful to build momentum in the negotiations ahead of 2021.

4.11. The representative of Namibia associated with the statement made by the African Group and registered profound confidence in the Chairman's leadership including as he directed that day's proceedings and for his comprehensive report. Namibia expressed appreciation to the Government of Kazakhstan regarding its offer to host MC12 on 21 to 24 June 2021 as a working proposal while observing how the COVID-19 situation unfolded. As MC12 remained very crucial, Namibia looked forward to the formal decision on the matter by the General Council.

4.12. The representative of South Africa associated with the statement made by the African Group and thanked Kazakhstan for being available to host MC12. As had been indicated by other Members, the evolution of COVID-19 remained unknown. South Africa agreed with the need to continuously review the date in the General Council. As Members prepared for MC12, it would be important to reflect on the role of the WTO in contributing to a global response in fighting COVID-19 and in promoting inclusivity, economic recovery and resilience. Balanced outcomes depended on the ability of Members to effectively participate in an inclusive manner on all issues of the negotiations.

4.13. As had been entailed in the transparency paper in document JOB/GC/218, transparency could not only be seen from the view of notification obligations. It should permeate the full spectrum of the operation of the WTO from its day to day meetings as well as the Ministerial Conferences. Therefore, the way meetings were organized should not overstretch the capacity of small delegations. As Members prepared for MC12, they should also focus on mandated issues arising from previous Ministerial outcomes to achieve credible results.

4.14. The representative of Viet Nam, on behalf of ASEAN, supported an early decision on the date and venue of MC12. In that regard, ASEAN thanked Kazakhstan again for its kind offer to host MC12 in Nur-Sultan tentatively from 21 to 24 June 2021. Deciding on the date and venue of MC12 was of utmost priority. It would not only enable Members to chart a definite course towards MC12 and leverage on the momentum in the negotiations but would also provide a message of confidence in the resilience of the WTO amidst the COVID-19 pandemic. ASEAN looked forward to working closely with other Members for a successful MC12.

4.15. The representative of the Russian Federation welcomed the offer by Kazakhstan to host MC12 in Nur-Sultan. However, due to the uncertainty brought about by the COVID-19 pandemic, the most reasonable and practical solution would be to keep the proposed dates of 21 to 24 June 2021 for MC12 as a working hypothesis and to revert to that matter during the next regular General Council meeting in December as the Chairman had suggested.

4.16. The representative of the Philippines associated with the statement made by ASEAN. The Philippines commended the Chairman's leadership on that important topic and expressed appreciation to Kazakhstan for its offer to continue on as host of MC12 in spite of the unique and difficult challenges presented by the COVID-19 pandemic. The Philippines echoed the sentiments expressed by a number of Members that day and in past meetings of the General Council on the importance of holding MC12 in 2021 and in coming to an agreement on the dates for MC12 without further delay. At the same time, the Philippines was fully cognizant that the risks and uncertainties generated by the COVID-19 pandemic had made the task of reaching agreement on the dates, logistics as well as format and on the virtual options more difficult than usual.

4.17. Some risks and uncertainties were however entirely within Members' control and could be mitigated through their combined political will and closer international cooperation. By that time, governments around the world would have already gained the necessary experience in preventing loss of life, stopping the spread of the virus and reducing the risk and rate of infection. Systems that were already in place could be extended to respond to the practical realities of managing logistics, mobilising resources, and ensuring the health and safety of delegates in a Ministerial Conference that was too important to put off any further. As their learning curve in combatting the virus improved, so too should their confidence and political will to push through with MC12 and face the many challenges confronting the multilateral trading system head on.

4.18. The representative of India thanked Kazakhstan for its continued commitment to host MC12 in June 2021 at Nur-Sultan despite the uncertainty associated with the global COVID-19 pandemic. Holding the much delayed Twelfth Ministerial Conference remained a matter of urgent priority for the membership. The certainty of schedule for MC12 had the advantage of allowing Members to work collectively towards implementing a work plan with appropriate markers and ambition for outcomes by then. An early decision on the issue would also help mute criticism that the WTO had not held a Ministerial Conference at a critical time. India hoped that there would be clarity on the scheduling of MC12 soon.

4.19. The representative of Afghanistan supported the renewed offer of Kazakhstan to host MC12 in June 2021 and thanked the Government of Kazakhstan for its proposal.

4.20. The representative of Malaysia associated with statement made by ASEAN. Malaysia registered its support to Kazakhstan as the future MC12 host. Malaysia was flexible with the dates proposed by Kazakhstan and stood ready to contribute towards achieving a meaningful MC12 outcome.

4.21. The representative of Chad, on behalf of the LDCs, noted that Members were living in a world full of uncertainties where the only certainty was that there was none. The LDCs fully espoused the Chairman's position and his intention to discuss the matter at the next regular meeting of the General Council in December. At that point, Members would assess the situation and see whether it was still appropriate to hold MC12 in Kazakhstan as per the potential host country's offer or to consider some other way forward. In any case, Members should take into account the constraints faced by small missions in terms of infrastructure. That, in turn, should be the basis of undertaking an objective assessment as they moved towards a decision on the date and venue of MC12.

4.22. The representative of Kazakhstan referred to the communication sent on 27 April 2020 on Kazakhstan's readiness to host the Twelfth WTO Ministerial Conference in June 2021 in Nur-Sultan. Despite all the unprecedented and current difficult circumstances, Kazakhstan remained confident that Members should continue their efforts and build on the progress made so far to further strengthen the multilateral trading system. The Government of Kazakhstan was strongly committed to working constructively with all Members to ensure successful outcomes of the next Ministerial Conference. Kazakhstan was also confident that MC12 would contribute to a positive path for the WTO and its work in the future.

4.23. Having heard some concerns expressed by delegations, Kazakhstan reiterated that its government stood ready for any proposals on alternative or creative ways of conducting the Ministerial Conference including the hybrid format as well as if there were any proposals on the new dates. In any event, Kazakhstan thanked the Chairman for his skilled leadership in ensuring the smooth transition in general and in conducting his continued consultations on the date and venue of the next Ministerial Conference in particular.

4.24. The General Council took note of the Chairman's report and of the statements.

## **5 APEC MINISTERS RESPONSIBLE FOR TRADE (MRT) VIRTUAL MEETING JOINT STATEMENT 2020 (WT/GC/220) – REQUEST FROM MALAYSIA**

5.1. The Chairman recalled that the item was requested to be included on the agenda by the delegation of Malaysia together with the communication in document WT/GC/220 concerning the APEC Ministers Responsible for Trade Virtual Meeting Joint Statement 2020.

5.2. The representative of Malaysia shared with the Membership the APEC Ministers Responsible for Trade (MRT) Virtual Meeting Joint Statement 2020 circulated in document WT/GC/220. The COVID-19 pandemic was far from over as it continued to send shocks throughout the global economy which required concerted efforts from all Members to minimise the impact. As the APEC 2020 Chair, Malaysia said that the APEC MRT Statement reaffirmed APEC members' commitment to effectively mitigate the economic impact of the COVID-19 pandemic and promptly navigate the region towards a path of resilient, sustainable, inclusive and expedited economic recovery.

5.3. Malaysia further noted that the Joint Statement acknowledged the importance of a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment to drive economic recovery at such a challenging time. Most importantly, the Joint Statement also affirmed APEC economies' commitment to ensure that emergency measures designed to tackle COVID-19 were targeted, proportionate, transparent, temporary, did not create unnecessary barriers to trade and were consistent with WTO rules.

5.4. The representative of Australia expressed gratitude to Malaysia for hosting the APEC Virtual Ministers Responsible for Trade Meeting and for facilitating the joint statement it had shared with Members that day. The path to economic recovery from COVID-19 would not be smooth and would require concerted and collective efforts by all Members. In that respect, APEC's support for an open, rules-based approach to trade, to building supply chain resilience and to advancing digital trade was particularly relevant.

5.5. In that regard, several activities were under way in 2020 that allowed APEC to support the WTO as one of its key priorities and that included notification of emergency measures, support to digital trade rules, work on the effects of COVID-19 on supply chains and work on women's economic empowerment and capacity building for women-led MSMEs. Australia thanked Malaysia for its report and looked forward to its hosting of APEC Leaders' Week later in the year.

5.6. The representative of Chile congratulated Malaysia for hosting the APEC meetings in 2020. As a member of APEC, Chile felt that APEC had an important role to play in those uncertain times particularly in defending predictable, rules-based trade to support the work that Members were doing at the WTO in increasing capacity to participate in negotiations, implementing WTO initiatives such as the Agreement on Trade Facilitation and the E-Commerce Moratorium as well as offering a safe space to exchange ideas on emerging topics.

5.7. The APEC Ministers Responsible for Trade had put out three statements – one in May and two in July – and in those, the APEC economies had committed to taking measures to tackle the crisis with which all Members were familiar with and to ensure supply of essential goods. Chile recognized that the crisis had exponentially increased the pace of digitalization programmes – one of the main consequences of the pandemic. Members therefore needed to provide their people with all opportunities in connecting to and accessing economic means to recover from the crisis.

5.8. Chile contributed to the paper in document WT/GC/220 and supported Malaysia's work in that regard. No one could tackle the crisis alone. Members needed to operate on the basis of solidarity and international cooperation to overcome the health crisis and adapt to the new set of circumstances that would emerge from it. Chile congratulated Malaysia for the work that it had been doing with the view to a better economic and trade-focused cooperation.

5.9. The representative of the United States thanked Malaysia for its leadership in 2020 especially in light of the incredible challenges posed by the pandemic. APEC remained the premier economic forum in the Asia Pacific and the United States appreciated Malaysia's efforts in ensuring that APEC's important work continued. The United States looked forward to working with Malaysia to help ensure that the APEC Leaders Meeting and the work on APEC's post 2020 vision were as successful as the meeting of the APEC Ministers Responsible for Trade.

5.10. The representative of Canada noted that APEC's commitment to a resilient, sustainable, inclusive and expedited economic recovery was an important one. Achieving that result could only happen by keeping markets open and working together to facilitate trade among them. In the short-term, one step Members could take was to implement unilateral trade facilitating measures to support access to essential goods for all Members. Canada had done so and so had a number of other Members. In the longer term, an important step would be enhancing WTO disciplines to make sure that they aligned with the global imperative of collective and mutually supportive efforts to address future health crisis. Members should also avoid putting in place policies that would permanently raise costs for their healthcare systems.

5.11. As had been mentioned during the 12 October Informal TNC and Informal HODs meetings, Ottawa Group members were intensifying their discussions on trade in health with the goal of soon having ideas to share with the broader Membership. Canada was committed to ensuring that the

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multilateral trading system continued to do its part to address the current crisis and that it was well prepared to respond to future public health emergencies.

5.12. The representative of the Philippines associated with the statement to be made by ASEAN and thanked the APEC Chair Malaysia for its leadership at that crucial time. As a member of APEC, the Philippines had expressed its commitment to actively engage in operationalising the APEC MRT Statement on COVID-19 adopted by the APEC MRT in May under the capable stewardship of Malaysia as the 2020 APEC Chair. APEC's concrete actions to safeguard the health of their people, build their resiliency, and address the economic consequences of the COVID-19 pandemic could inform Members' collective efforts in the WTO going forward.

5.13. In that regard, the Philippines echoed the call of the APEC Minister Responsible for Trade, H.E. Mr. Ramon Lopez, for global action through international cooperation in data gathering and R&D in order to reinforce health systems and improve access to affordable, high-quality medical products, treatments, and services. To that end, the Philippines had expressed support for Malaysia's proposal for the "APEC COVID-19 LIVE" platform for virtual sharing of best practices and was open to discuss a regional stockpiling mechanism for critical goods.

5.14. Like other member-economies of APEC, the Philippines had also called for keeping trade in essential goods free, open and fair and facilitating cross-border essential movement of people. As had been reported by its Trade Minister, the Philippines had not implemented any import or export trade restrictions. The Philippines had exempted from duties, taxes and fees the importation of medical supplies and protective equipment deemed critical to address COVID-19 and had streamlined the process of their importation. The Philippines had demonstrated its adherence to the G20 principles that COVID-19 trade-related measures should not go beyond what was necessary and should remain timebound, targeted and transparent.

5.15. The Philippines had likewise urged Members to avoid actions that imposed additional burden and costs for consumers and traders particularly MSMEs. As the biggest sector imperilled by the pandemic, MSMEs needed Members' support to adapt to new business models and acquire digital tools and skills if they were to survive the crisis.

5.16. APEC's work on connectivity and on building a roadmap for the internet and digital economy reflected the role that the digital economy had played in sustaining many APEC economies amid the COVID-19 pandemic. The Philippines had acknowledged that more work was needed on data privacy, consumer protection, intellectual property protection and enforcement, and cybersecurity, and had stressed the need to provide access to finance, especially for MSMEs and other vulnerable groups.

5.17. The representative of Viet Nam, on behalf of ASEAN, agreed that concerted efforts were required for all to minimise the impact of the COVID-19 pandemic. ASEAN appreciated the commitment shown by all APEC members to work together towards a resilient, sustainable, inclusive and expedited economic recovery through joint declarations and statements in relation to the COVID-19 pandemic by their Leaders and Ministers. Earlier in the year, as could be seen in document WT/GC/210, ASEAN members had made a similar commitment which they continued to uphold. ASEAN supported the WTO efforts to coordinate a comprehensive response to the COVID-19 pandemic leading to the recovery of their economies.

5.18. On behalf of Viet Nam, she associated with the statement made by ASEAN. As an APEC member, Viet Nam pointed out that the APEC MRT Statement included a comprehensive declaration on facilitating the movement of essential goods which concretely addressed export restrictions and prohibitions and non-tariff barriers, encouraged trade facilitation and trade liberalization of those goods and provided a constant review mechanism to ensure commitments were met. Viet Nam was pleased to note that 46 Members including Viet Nam had co-sponsored document WT/GC/212/Rev.2 led by Switzerland which had strongly reaffirmed support for the rules-based multilateral trading system and the essential role of the WTO.

5.19. Viet Nam shared the view that a predictable, transparent, non-discriminatory and open global trading system would be essential for broad-based, sustainable economic recovery noting that there was a significant negative impact that the COVID-19 pandemic had had on MSMEs. Viet Nam remained committed to continue its effort to deepen and multilateralise MSME conversations at the

WTO including through the Informal Working Group on MSMEs. Viet Nam would work together with other Members to help MSMEs overcome the crisis and become more resilient.

5.20. The representative of Japan appreciated Malaysia's leadership as Chair of APEC. To further strengthen the multilateral trading system amid the COVID-19 crisis, Japan stressed the importance of the WTO's role in coping with the COVID-19 situation as well as advancing WTO Reform with more urgency. Japan welcomed APEC's contribution, led by Malaysia as its Chair, to that end.

5.21. The General Council took note of the statements.

## **6 PROCEDURES TO STRENGTHEN THE NEGOTIATING FUNCTION OF THE WTO – STATEMENT BY THE UNITED STATES (WT/GC/W/757/REV.1 AND WT/GC/W/764/REV.1)**

6.1. The Chairman recalled that the item was included on the agenda by the delegation of the United States together with documents WT/GC/W/757/Rev.1 and WT/GC/W/764/Rev.1.

6.2. The representative of the United States recalled that, at the Informal HODs meeting on 12 October, the United States had spoken about the paralysis of the WTO's negotiating function. The root causes were complex and varied. They included: Appellate Body overreach, which had enticed many Members to disfavour negotiation and instead pursue litigation to achieve desired outcomes; a chronic lack of transparency by many Members, especially some major players, which was distorting Members' grasp of key issues and undermining the foundation for negotiations; and certain Members' unjustified claim of automatic entitlement to blanket special and differential treatment, which ensured that ambition levels remained far too weak to produce negotiated outcomes. Members could not find trade-offs or build coalitions when significant players used S&DT to avoid making meaningful offers.

6.3. As the United States had discussed its S&DT reform proposal with Members, it had heard three criticisms. First, certain advanced, wealthy or influential Members claimed they had an automatic, permanent and sacrosanct entitlement to blanket S&DT. The United States disagreed. Its approach to S&DT eligibility could and should evolve to reflect the trade and development reality of today.

6.4. Second, some Members argued for a different solution – the "case-by-case" approach, where each Member was asked to contribute to the full extent of its capabilities to a set of disciplines. But Members knew from experience – it was called the Doha Round – that that approach did not work when some Members were not willing to take on obligations commensurate with their role in the global economy.

6.5. Some Members pointed to the Trade Facilitation Agreement as a successful case-by-case approach to S&DT but the TFA was not a readily or generally applicable model moving forward. As Members would recall, under the TFA, a Member could lose competitiveness if other Members fully implemented the agreement and it did not. Most trade agreements operated differently in that a Member was likely to believe it would be better off if other Members fully implemented the obligations and it did not.

6.6. Third, some Members said it was folly to try to create categories of Members. That was an odd criticism given that categories already existed. At present, there were three categories – first, those Members to which all obligations applied; second, the LDCs that enjoyed enhanced flexibilities and third, the majority of Members – around 90 – that claimed entitlement to blanket S&DT as self-declared developing countries.

6.7. So, the starting point was not categorization but what to do with that last category of Members that represented significantly divergent economies. Those Members simply did not fit the same mold or had the same needs. The more economically advanced of those Members were clearly capable of negotiating the flexibilities they needed rather than availing themselves of blanket S&DT.

6.8. As just one example, China's global merchandise exports were 14 times greater than the combined exports of all 49 countries that the UN categorized as LDCs. Its economy was more than 11 times the economies of all 49 LDCs combined. China's per capita income was more than five times higher than that of the LDC average – a remarkable development since 1995 when China's per capita income had been within USD 900 of the LDC's average.



6.9. China had even admitted at the General Council meeting in July that China was not in the same position as Benin or Liberia. It was helpful that China recognized that it should not receive the same flexibilities as LDCs. But the United States asked whether that meant that China believed it was in the same position as Pakistan or Kenya because China currently claimed the right to seek the same blanket S&DT as those and other lower-income countries.

6.10. In 1995, China's per capita income had been nearly 20 per cent smaller than that of Kenya and more than 25 per cent smaller than that of Pakistan. Today, China's per capita income was nearly four times that of Kenya, and more than triple that of Pakistan. The failure to differentiate some of the organization's most advanced, wealthy or influential Members from LDCs and others diminished the value of S&DT to those who needed it most. It also imperilled Members' ability to reach new agreements that could provide greater opportunities for the WTO's poorest Members who were least integrated into the global trading system. That issue, and the need for reform, was not going away. The United States looked forward to continuing its engagement with Members.

6.11. The representative of Brazil recalled what it had mentioned before that S&DT was a means to an end and not an end in itself. It was and had been designed to be flexible, varied and evolving to accommodate the ever-changing needs of the developing countries. Members should focus therefore on the technical aspects of S&DT and what it had been meant to do. S&DT was a tool to promote development but by itself it could not guarantee development. It only allowed time for those who needed it to promote the necessary reforms to achieve development.

6.12. Members had all agreed when they had established the WTO what those principles had been. In 1994, there had been a common desire to operate in an open and fair multilateral trading system. They were there to promote international trade as a driving force of economic growth, prosperity and development – as indeed it was. It was clear that there were significant differences among developing countries. Some needed S&DT more than others.

6.13. As a WTO Member, Brazil had decided to begin to forego the use of S&DT in current and future WTO negotiations. As a matter of fairness, Brazil urged Members to look at the true needs recalling that policy space also implied the need to have fiscal space to evaluate if Members could follow Brazil's example. For those that were not in a position to forego the instrument, Brazil believed that the use of S&DT should be precise to address specific sensibilities and needs thus providing room for those developing countries especially the LDCs who needed S&DT the most.

6.14. The representative of the European Union reconfirmed that development was a central pillar of the organization. The current distinction between developed and developing country Members no longer reflected the reality of the rapid economic growth in some developing countries. Members should therefore continue to work on special and differential treatment with a view to ensuring that flexibilities were made available to those Members who actually needed them to enable them to fully benefit from their Membership to the organization.

6.15. If the organization was to prosper, special and differential treatment should become much more granular in function of an individual Member's demonstrated needs and capacities. Future differentiation should be designed in terms of specific individual country needs at the sectoral or activity level rather than calling for a block exemption of a large category of Members. Furthermore, the European Union considered that each developing country Member's need for S&DT should be assessed on a case-by-case and evidence-based basis. The notable exception should be the LDCs who deserved particular treatment and who in any case had graduation mechanism.

6.16. The European Union was open to looking into special and differential treatment provisions in future agreements such as the ongoing negotiations on fisheries subsidies. The European Union expected to have a discussion with Members as to what development concern was raised by the provisions under discussion and what flexibility was necessary in order to eventually allow the affected Members to fully implement the agreement. It was only where special and differential treatment responded to a specific need that it could be truly effective. In that context, the European Union called on advanced WTO Members claiming developing country status to undertake full commitments in ongoing and future WTO negotiations. As had been mentioned previously, that should particularly be the case for members of the G20 which represented the world's most important economies.

6.17. The representative of the Russian Federation noted that in order to achieve the goals of economic growth and development for all, it was vital to ensure that Members had equal opportunities to effectively participate in the multilateral trading system including in the rules negotiating processes and in the implementation of their results. One of the crucial steps in that direction would be to provide for a true level playing field among all the participants of the ongoing and the future rounds of negotiations.

6.18. Striking a fair balance between Members' negotiating rights and implementation of the resulting commitments could be a fairer solution. Any negotiating party had the right to support agreement it was comfortable with. Such should also implement results of those negotiations and Members who could not do it for objective economic reasons should be identified in advance. Russia stood ready for discussion of the item in a meaningful way.

6.19. The representative of Botswana, on behalf of the African Group, said that the Group reiterated its statements on the matter from the previous General Council meetings. To date, the African Group was not in a position to accept the use of a pre-defined criterion for eligibility to access special and differential treatment provisions in the WTO. Rather, special and differential treatment remained a treaty embedded-right within the WTO framework for all developing and least-developed countries. It was founded on the recognition of the differences in the level of development and capacities between developed and developing Members and the necessity to bridge the development divide through flexibilities that allowed developing Members to better integrate into the global trading system.

6.20. The prerogative of a Member to determine their development status in the WTO and as such any decision to opt out of special and differential treatment flexibilities remained the voluntary decision of a Member who chose to do so. The African Group recalled the Joint Statement it had submitted with some developing and LDC Members contained in document WT/GC/202/Rev.1. COVID-19 emphasized the need for a development-oriented multilateral trading system that promoted inclusive growth. The pandemic had disproportionately affected Africa on the health, economic, financial, social and development fronts as the Group had articulated the peculiar challenges facing Africa in document WT/GC/219 – TN/C/20.

6.21. The African Group believed that trade was an important part of the economic recovery process and that delivering on the mandate in Paragraph 44 of the Doha Ministerial Declaration was critical to achieve that objective. In addition, precise, effective, operational special and differential treatment across various WTO agreements had to remain an integral part of current and future trade agreements and negotiations. Building better to promote economic recovery and resilience necessitated promoting policies and programs that helped create jobs and accelerate economic and structural transformation to reduce the economic impact of the pandemic now and build the capabilities needed to ensure inclusive economic growth in the future.

6.22. The G-90 S&DT proposals were specifically targeted to achieve those objectives. The African Group called on Members to engage constructively in the CTD SS with a view to achieve a meaningful outcome at MC12. The African Group likewise called on the CTD SS Chair to undertake consultations aimed at taking that issue forward. The African Group stood ready to engage constructively with the view to finding a mutually satisfactory approach to S&DT that aimed to preserve and promote a transparent, inclusive and development-oriented multilateral trading system.

6.23. The representative of South Africa associated with the statement made by the African Group and that to be made by the ACP. South Africa recalled the submission that it had co-sponsored with a number of developing country Members in document WT/GC/W/765 and it continued to be its response on that issue. South Africa also recalled previous statements since the submission of that item and its position remained. The mandate on S&DT was in accordance with Paragraph 44 of the Doha Ministerial Declaration and it was to strengthen S&DT provisions to make them precise, effective and operational. The CTD SS was a forum mandated to negotiate on that issue within the parameters of Paragraph 44. That was where Members should be focusing their energy.

6.24. S&DT was not an obsolete concept in trade negotiations. The more the trade agenda was expanded, the more demanding the commitments were and the more necessary it was to accommodate the various interests and levels of development of WTO Members. As the structural imbalances that justified S&DT were still there, Members witnessed an increasing tendency to narrow

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S&DT from a developmental tool to an adjustment tool that confined S&DT to transition periods, capacity building and technical assistance. That ignored the differences between the Members that could take advantage of trade liberalization and those that were left behind in the process.

6.25. S&DT was a key instrument to enhance the credibility of the WTO so that it was not perceived as an institution that served the interest of a few but led to fair and equitable outcome that benefited all its Members. Further, COVID-19 clearly demonstrated the prevalence of the development and digital divide both within and between Members but more importantly how disproportionate the impact was and would continue to be on developing country Members. The divide was also visible in the response measures to the pandemic. While many developed Members had been able to put huge stimulus packages, many developing country Members' governments had been torn between saving lives and saving economies due to limited fiscal space. Large fiscal deficits and high levels of public debt posed significant challenges to many developing countries particular commodity dependent economies, small island States and LDCs.

6.26. The pandemic was worsening poverty and inequality. The UN World Economic Situation and Prospects Report stated that 56% of the additional 34 million people who would be extremely poor due to massive unemployment and income losses would be in Africa. Developing countries faced mounting financial constraints especially those with low levels of reserve and large fiscal and current account deficit. COVID-19 exposed the deepening external vulnerability of many developing and emerging economies that relied on external flows whether through trade revenues, remittances and borrowing. The sharp decline in revenues had significantly increased the likelihood of debt distress in Africa, Latin America and the Caribbean.

6.27. In the case of South Africa, the UNDP Report on the Impact of COVID-19 on South Africa stated that due to the pandemic, South Africa's GDP was expected to plunge nearly 8% in 2020. It was also projected that South Africa's economy would recover slowly through 2024 with some 54% of households having been pushed out of formal jobs and at risk of falling into poverty. 34% of households were likely to exit the middle class into vulnerability. Due to investor panic as a result of the pandemic, the South African Rand together with the Brazilian and Mexican currencies had depreciated by about 30% between January and March 2020 pushing up the debt to GDP ratio.

6.28. That proved that S&DT and access to it could not be based on some arbitrary criteria that did not recognize the real development challenges and growing development divide between developing and developed Members. That was the time for global cooperation and not differentiation. It was the time when Members should be sensitive to the development plight of developing countries. While South Africa understood why Members could push that imposition, that was the time to reassess whether those positions were realistic under the current climate and whether they assisted to foster global cooperation that was so much needed right now.

6.29. South Africa did not believe that the General Council was the place to have a discussion on S&DT and development. The CTD SS was the dedicated forum for that purpose. South Africa invited the United States and other Members to support a Work Programme in the CTD SS to discuss the G-90 agreement-specific proposals as had been further clarified in light of the impact of COVID-19 and the achievement of the SDGs. The G-90 proposals aimed to strengthen S&DT in line with the mandate especially in the context of COVID-19 with a view to promote public health, accelerate industrialization, promote technology and close the digital divide. S&DT was an important principle and a right that should be preserved and was central to the integration of developing countries in global trade and to promote a fair, equitable multilateral trading system as well as trade justice.

6.30. The representative of Saint Lucia, on behalf of CARICOM, associated with the statement to be made by the ACP. The issue of differentiation was an important one for CARICOM which had been constructive and would continue to be constructive in the deliberations on that matter. The United States had aptly started its submission in document WT/GC/W/757/Rev.1 by citing the Marrakesh Agreement Establishing the WTO. Indeed, the Marrakesh Agreement called on Members to conduct their trade and economic endeavours with a view to raising standards of living, ensuring full employment, among others, in accordance with the objective of sustainable development.

6.31. However, where the United States ended its citation, the Marrakesh Agreement went on to indicate that Members' objectives should be pursued in a manner consistent with their respective needs and concerns at different levels of economic development. CARICOM was not prepared to

resile from the important principle that Members' multilateral obligations now and in the future should continue to reflect the real differences in their needs, concerns and levels of economic development.

6.32. The CARICOM Group further wished to underscore the importance it assigned to preserving the principle of S&DT for developing countries in the WTO. The Community did not believe in the need to eliminate self-declaration of developing country status in the WTO and its proposed categorization of Members which were ineligible for S&DT in WTO rules and negotiations. Moreover, the Community noted with concern approaches by some Members to secure those proposed reforms through unilateral action, if necessary.

6.33. CARICOM reaffirmed the existing Doha mandate to make S&DT provisions more precise and effective. CARICOM furthermore did not support a rigid categorization of Members for the purpose of determining eligibility for S&DT across all current and future negotiations. Additionally, the use of gross national income per capita as a determinant of eligibility for S&DT would erode CARICOM's longstanding efforts to have the special circumstances of SVEs recognized in the WTO.

6.34. Since the Eleventh Ministerial Conference, CARICOM had emphasized the need for focused global attention on the impact of climate change and natural disasters on the vulnerability of small States. Those and other exogenous shocks posed an existential threat to their economies, their wellbeing and the way of life of their people in a manner that GNI per capita for instance could never account for. CARICOM was advocating for a more nuanced approach to S&DT than the one proposed by the United States in its submissions – an approach that would allow for flexibilities to be calibrated across negotiations in a manner which allowed Members to determine the extent or nature of the flexibilities they required to achieve their development objectives.

6.35. The representative of Australia appreciated the contributions by the United States and others to the important topic of the role of S&DT in the WTO. Trade and openness were critical to economic development and it was in that context that Australia viewed S&DT as a tool rather than as an end in itself to assist Members to move to full implementation of the WTO Agreements and to drive economic development. Australia continued to support the provision of S&DT especially to LDCs and recognized its value in helping those Members integrate better into the global economy.

6.36. As Australia had said before, Members' approaches to S&DT over the years had not contributed to the objective of helping all Members integrate most effectively into the world trade system nor had helped them achieve negotiated outcomes. In some cases, their approaches had not reflected developments in the global economy. It was important to note that as some Members had benefited from the global trading system so it was that they should contribute in a manner commensurate with the growing role they played. If Members were to make progress in the critical rulemaking function in the organization, they needed to face up to that issue and discuss in more detail the real needs of individual Members in the negotiations currently before them.

6.37. The representative of Namibia associated with the statement made by the African Group and that to be made by the ACP. Namibia reiterated its statements on development from previous General Council meetings and Informal TNC and Informal HODs meetings. S&DT provisions were an integral part of WTO agreements. Namibia's position had been that the issue of S&DT should be addressed in a proper and transparent manner for all Members to achieve the objectives of the WTO. As trade was essential to achieving the SDGs, the WTO should ensure that LDCs and developing Members were provided such a privilege in order to achieve the objectives of the WTO which among others were to help developing Members benefit fully from the global trading system and to ensure that no Member was made worse off as they strived to preserve the multilateral trading system.

6.38. The representative of Chad, on behalf of the LDCs, had listened carefully to the United States and welcomed the flexible treatment that the United States was giving to S&DT to the LDCs. The LDC Group also thanked the Membership who had underlined the special case of LDCs when it came to the implementation of S&DT particularly the United States, Brazil, the European Union, the African Group, South Africa, Australia and those who would take the floor thereafter. While that was a topic worthy of reflection, the LDC Group underscored the principle of S&DT for developing country Members who needed it particularly the LDCs. It was an integral part of the Marrakesh Agreement Establishing the WTO and of the covered agreements.

6.39. S&DT was a legally binding commitment and was essential for those who faced structural capacity constraints. S&DT was needed for them to catch up economically, to enable a large portion of their population to leave poverty and to pave the way towards a more fair, equitable and inclusive multilateral trading system. The principle of S&DT was an integral part of the WTO and its agreements. S&DT should therefore continue to be a tool at the service of the development of those Members who needed it the most.

6.40. The representative of Norway recalled that the item had been in the General Council's agenda for more than a year and a half. In May 2019, under another agenda item but related to the same issue, Norway had warned that the negotiating pillar was in danger of deadlock and called for an open and pragmatic dialogue on how Members collectively accommodated the development dimension in current and future negotiations. Looking back at how that issue had been addressed in the General Council, there seemed to be little to report in terms of significant convergence.

6.41. Some nuances were however noteworthy. From one side of the debate, Members had noted the clarification that that was not a question of development status as such but a question of blanket access to S&DT. From another side of the debate, Members had noted statements expressing readiness to assume more responsibility and to make a greater contribution to the best of their capabilities. Both those signals were important and encouraging – raising expectations that Members could at some point be able to engage in a more practical and pragmatic approach to that issue.

6.42. Development was at the heart of the WTO and S&DT was one of the fundamental principles embedded in WTO Agreements. There was however not one single pre-defined operational S&DT modality that could be applied horizontally to every subject under negotiation. What was practical and possible in one area could not be practical or possible in another area. Members could not pre-define the result of a negotiation.

6.43. In the same way as the standard modalities had to be negotiated, any deviation from the standard should be negotiated. Modalities could not be negotiated in the abstract but had to be negotiated in a specific context. What mattered was not how Members were labelled. What matters was what commitments Members were ready to take on and how S&DT could be designed to address the development challenges Members were facing in each area under negotiation. Norway continued to believe that that was where Members should concentrate their collective energy and effort.

6.44. The representative of China had repeated many times that the debate on criteria to differentiate developing Members was totally meaningless as it was a systematic and directional mistake. Development was one of the WTO's key objectives which was also an important attraction for many countries choosing to join the organization. As WTO Members, their focus on development should be on how to translate the concept of development into practice rather than anything else. Members' collective efforts should be focused on how to effectively enforce the existing S&DT provisions and negotiate meaningful S&DT for developing Members such as in the fisheries subsidies negotiations. For the existing S&DT provisions, there should be assurance that developing Members in need could truly benefit from and fully integrate into the multilateral trading system.

6.45. China had done a preliminary review on the current 155 S&DT provisions contained in the 16 WTO agreements finding that at least 105 provisions were too vague to operate, accounting for 67.7%. For the remaining 50 provisions, at least half of them were related to transitional period or technical assistance. So, there were only 25 S&DT provisions in existing WTO agreements that were directly linked to individual Members' rights and obligations accounting for 16.1% of the total. It was therefore fair to say that the overwhelming majority of current S&DT provisions were only pie in the sky. There had never been an almighty blank check.

6.46. It was a long-standing consensus to make S&DT provisions more "precise, effective and operational" which was also a commitment across WTO Agreements. That was the very reason why developing Members had requested to discuss more than 200 "Implementation Issues" aiming at rebalancing the imbalanced rules from the Uruguay Round and the G-90 had put forward its written proposals. China fully endorsed the statement made by South Africa. China recalled that over the past 20 years, the G-90 had been compromising by reducing its 88 original requests to 25 in Nairobi and to 10 in Buenos Aires – demonstrating the G-90's utmost sincerity and restraint. Such reduction was not because the request was wrong. Rather, it was because the G-90 hoped all Members could be engaged and thus show flexibility.

6.47. For the current 10 proposals, some were to fill the loopholes of existing provisions such as proposing a procedural arrangement to invoke Article XVIII of the GATT. Some were to restore good practices in multilateral rules such as treating subsidies granted by LDCs and developing Members facing certain constraints as non-actionable subsidies according to Article 8 of the ASCM. Some were to allow developing Members to have longer timeframes for transitions or comments such as granting 180 days for Members facing capacity constraints to make comments on SPS measures notified by developed Members whereas the current practice was 90 days. Some were to urge developed Members to honour their already-committed obligations including technology transfer. The G-90 had made comprehensive responses both orally and in writing to all questions from Members on their proposals. No progress had however been made due to certain Members' reluctance to engage.

6.48. The WTO was a rules-based organization. If Members wanted to win back people's confidence in the organization, the most fundamental thing was to treat existing rules and implement promised commitments with respect and awe. To make existing S&DT provisions "more precise, effective and operational" was the clear commitment and unfinished mission of all Members which was also the most urgent task in the area of development. China called upon all Members to show their sincerity by meaningfully engaging in the discussion of the G-90 proposal and carefully responding to practical concerns of developing Members rather than wasting time and resources on no outcome debates.

6.49. As a response to the specific comments on China, his delegation responded that standing against the differentiation of developing Members did not mean it wanted to enjoy the same favourable treatment as small economies and LDCs. What China wanted was only to safeguard its institutional right of S&DT. In practice, according to its accession agreement, China had 14 specific S&DT provisions among all 155 Articles accounting only for 9%. Among the 14, 6 provisions were traditionally "obligations" of the developed Members such as providing translations of documents in WTO official languages upon request. Only 8 provisions were so-called meaningful "rights" such as relatively higher tariffs for certain goods.

6.50. Even in such circumstances, China always showed restraint in invoking S&DT provisions. Obviously, China had not requested to have the same S&DT as Benin, Liberia, Kenya or Pakistan, which had been proclaimed by the United States. On the contrary, as a large trading nation, China recognized the responsibility it should bear. China's approach was to address different issues according to their specific situations and make contributions within its capability. As it had done in the ITA expansion negotiations, China was the largest contributor among all the participants. China would continue to do that in the future.

6.51. The representative of Jamaica, on behalf of the ACP Group, took note of the submissions by the United States in documents WT/GC/W/757/Rev.1 and WT/GC/W/764/Rev.1. In the discussions on S&DT, Members should put into context the fact that the development divide continued to persist at every level of the socio-economic dichotomy with developing countries in a less advantageous position. The development indicators put forward in the submission would not adequately reflect whether or not the extent to which the development gap between developed and developing Members was narrowing. Developing Members continued to face formidable obstacles.

6.52. Those obstacles had been magnified by the impact of the COVID-19 pandemic. Developing countries remained more impacted by COVID-19 and did not have the financial means to finance programmes aimed at supporting the economy in response to the crisis. Due to COVID-19 induced lockdown policies and the disruption of global supply chains, developing Members had, *inter alia*, suffered a decrease in revenue earnings, strong downward pressure on the exchange rate of national currencies and the worsening of the balance of payment situation. Agriculture, manufacturing and tourism were among the worst hit sectors – making it difficult for MSMEs' operations.

6.53. The June 2020 Global Economic Prospects Report forecast envisioned a 5.2 per cent contraction in global GDP in 2020 – the deepest global recession in decades despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The ILO predicted that 1.6 billion informal economy workers could suffer "massive damage" to their livelihoods. Developing Members were and would be disproportionately affected. The ACP Group reminded the Membership that developing Members were not in a position to provide support for businesses or grant massive fiscal support to address the impact of COVID-19.

6.54. Under those circumstances, it was clear that developing Members needed to maintain flexibilities recognized in the WTO system with the principle of self-selection remaining a central pillar of the S&DT framework. COVID-19 had shown that the development divide was widening and not narrowing. The G-90 had submitted an updated paper in document JOB/DEV/60 – JOB/TNC/79 in which it had been pointed out that S&DT should be assessed by the extent to which it had enabled social and economic transformation to occur in order to meet the Sustainable Development Goals and to ensure that no Member was left behind.

6.55. Unfortunately, Members were nowhere near achieving the SDG targets. In fact, all assessments pointed to the targets being missed due to the impact of COVID-19 thereby resulting in, *inter alia*, many millions falling back into poverty. SDG Target 10.a specifically mandated governments to "Implement the principle of special and differential treatment for developing countries, in particular least-developed countries, in accordance with World Trade Organization Agreements". The CTD SS remained the only forum where that very important issue should be discussed. The ACP Group remained concerned regarding the low level of interaction on the 10 agreement specific proposals. The ACP called on Members to proactively engage on those proposals which were further clarified and backed by new information and data.

6.56. On the draft General Council Decision in document WT/GC/W/764/Rev.1, the ACP could not support a priori graduating criteria for developing Members. S&DT was an integral part of WTO rules provided to developing Members to adjust to trade rules at their pace and in accordance with their level of development. If existing rights could not be respected, the elimination of S&DT as a treaty right through that draft decision would fetter Members' ability to arrive at new negotiated outcomes. The ACP Group had long maintained the view that S&DT was part of the flexibilities meant to enable developing Members to progressively take on more obligations based on their capacity to do so and subject to the necessary technical support and capacity building as needed.

6.57. The draft decision contradicted the Ministerial mandates and invalidated Paragraph 44 of the Doha Declaration. There was no question that LDCs deserved maximum flexibilities in the WTO system. The right to development was a sovereign right of every Member. It was important that Members respected that right in the WTO and supported the achievement of their development goals in line with the objectives of the Marrakesh Agreement and the Sustainable Development Goals.

6.58. The representative of Indonesia noted that the Marrakesh Agreement acknowledged economic development differences among Members as justified consideration for differential obligation in WTO rules. S&DT enabled developing and LDC Members to secure a share in the growth of international trade commensurate with the needs of their economic development. Indonesia acknowledged the contribution of the WTO to the economic development of each Member since its inception. While those developments brought socio-economic changes and allowed Members to have a bigger share in global economic trade, a huge divide among Members however persisted and needed to be addressed by the WTO.

6.59. The pandemic showed that economic and digital divides contributed significantly to the lack of economic resilience of developing and LDC Members to external shocks. The pandemic also showed that economic divide differentiated the ability of Members to assist its business actors and labourers navigating through the crisis. Upsetting the current balance concerning the self-declaration of development status including abolishing S&DT for the rightful Members was therefore not only against the spirit of the WTO and other international agreements but was also tantamount to the worsening of the economic situation of some developing and LDC Members – worse than what they were already facing at the moment.

6.60. The representative of Barbados associated with the statements made by CARICOM and the ACP. Barbados continued to take note of the statements by the United States as they related to its proposals under that agenda item. Barbados' position in those proposals was well-known and had not changed since its last statement at the March General Council meeting. Barbados recalled its previous statements under that agenda item and continued to draw Members' attention to the shortcomings of per capita income as a measure particularly if it was used to determine the development status of small, vulnerable island States like Barbados. That stance did not only relate to Members' deliberations on that agenda item in the General Council but in other aspects of their work in the WTO including in the fisheries subsidies negotiations.

6.61. In March, Barbados had asked the proponents why despite the shortcomings of per capita income particularly as it related to the small countries with their high economic and environmental vulnerabilities, Barbados and Members like it would be excluded from assessing S&DT. Barbados was ready to engage with the United States and other interested Members which sought to find viable solutions aimed at strengthening the negotiating and other functions of the WTO that Members could all coalesce around and which did not unduly impede vulnerable developing Members like Barbados from accessing S&DT.

6.62. The representative of Japan noted that his delegation always put emphasis on the development aspect in the world economy and regarded development as an important element of the WTO. As Japan had stated in the previous General Council meeting, modernising S&DT was an important component of WTO Reform. S&DT which better reflected the current world would offer more effective, fair trade conditions to the economies really in need in the context of comparative advantage. In that context, Japan once again welcomed the decision by some Members to forgo S&DT in current and future negotiations. An increasing number of Members who would make those decisions would contribute to WTO Reform and reflect the reality of the 21<sup>st</sup> century and would further enhance free and fair trade. As Members prepared for MC12 in 2021, Japan would like to see more Members taking that decision thus lending positive momentum to WTO Reform.

6.63. The representative of India referred to the submission in document WT/GC/W/765 by India and other Members where they had dealt with most of the issues raised by the United States in the paper. India had underlined that special & differential treatment was a treaty-embedded right at the WTO – an entitlement which developing Members had paid for and that it could not be taken away from them based on certain arbitrary assumptions – certainly not in creative interpretations of the basis of G20 membership. G20 membership had not been conceived as a determinant of a Member's development status. G20 had been established for financial stability in an interconnected world. Developed Members recognized the need to have a group also consisting of emerging market economies to bring financial stability particularly after the debt crisis of the late 1990s. Continuing with such narrative on differentiation would only widen the trust deficit among Members.

6.64. The basis of S&DT was to give Members flexibility to integrate into the rules-based system. Members with huge differences in economic and social development could not be put in the same category. For instance, to put India, which had an annual per capita income of less than USD 2,500 in the same development category as the United States with a much higher per capita GDP – about 25 times – would be unfair. Recent studies had highlighted that the gap that had existed between developed and developing countries in the 1940s had actually widened and new gaps in the form of digital divide had emerged.

6.65. The strain of COVID-19 on economic, food and livelihood security was disproportionately impacting developing and LDC Members with large populations. Members could be facing the same storm, but they were certainly not in the same boat. As the developing economies and LDCs were set to experience their worst economic setback since the 1930s thanks to the uneven impacts of the pandemic, S&DT became all the more relevant now than ever before.

6.66. India was firm in its conviction that S&DT provisions should be part of any current and future negotiation in the WTO and could not agree to a case-by-case approach. It was high time that developed Members considered foregoing flexibilities available to them under various existing Agreements and Decisions. Those included AMS and green-box subsidies, Special Safeguard Mechanism and flexibilities under the Nairobi Decision on Export Competition which provided them with reverse S&DT – none of which were generally available to developing Members and in fact badly hurt their exports. The Membership needed to consider a case-by-case approach for such reverse S&DT unjustifiably enjoyed by developed Members en masse.

6.67. The only mandate that existed on S&DT was to review the S&DT provisions in the existing WTO disciplines with a view to making them more precise, effective and operational, as entailed in Paragraph 44 of the Doha Ministerial Declaration. In that context, India strongly supported the G-90's Agreement Specific S&DT Proposals as contained in document JOB/TNC/79 – JOB/DEV/60. India was at pains to see that the biggest votaries of the foundational principles of the WTO were not willing to engage on those concrete proposals that narrowed down on strengthening just 10 out of more than 155 S&DT provisions in various WTO Agreements. India hoped that Members could gather enough will required to work towards a meaningful outcome on those proposals by MC12.



6.68. The representative of Turkey said that, as a firm supporter of the multilateral trading system, Turkey was ready to discuss every proposal to enhance the negotiating function of the WTO. As it had however voiced several times, Members could not do that at the expense of the development needs of the Membership. S&DT had been an important tool for developing Members to receive benefits from international trade in accordance with the development requirements. Members should not forget that S&DT provisions as currently characterized had been part of an overall balance in the past negotiations. They had not therefore been simply granted to developing Members.

6.69. All Members knew that development was multi-dimensional and multi-faceted. In that respect, Turkey was opposed to the idea of determining the level of development by mainly interpreting some selected macroeconomic data and injecting arbitrary criteria. At that critical juncture, Members should rather focus on strengthening the negotiating function of the organization in the current agenda. There was ample room for achieving that without polarising the Membership. Turkey hoped that Members could concentrate their energy already on the ongoing negotiations.

6.70. The representative of Pakistan referred to its statements made under the same agenda item in previous General Council meetings. Pakistan saw no change in the proposal. S&DT was a treaty embedded right and had been negotiated at a time when the WTO had been established. Even during that time, all developing Members had not been a monolith. They already had their unique differences. When S&DT had been negotiated as a treaty embedded right in 1995 – even then Egypt had not been comparable to Ethiopia or Sudan and Mozambique to Turkey. But it had still been agreed as a treaty embedded concept and right.

6.71. Those differences between developing Members still remained but they had not altered the fundamental concept that developing Members needed policy space and flexibilities. If any Member felt it had grown big enough for those flexibilities, it could choose to give up any rights it liked but that should not preclude others to exercise their rights. S&DT was a right which Members should exercise themselves or relinquish themselves. If those that had grown wanted to forego their right, they were most welcome but they could not and should not force others to do so.

6.72. The representative of the United States thanked Members for continuing the discussion which had been going on for some time – but a year and a half in WTO terms was still a short period. The United States supported S&DT for LDCs and for certain self-declared developing Members as a means of helping them integrate into the global trading system. But there was a group of self-declared developing country Members that had advanced significantly since 1995 which should no longer be entitled to S&DT as a matter of right as they were fully capable of negotiating their own flexibilities.

6.73. The failure to differentiate among those self-declared developing country Members had had a very negative impact on the negotiating function at the WTO. The United States was only asking or requesting that the most advanced, wealthy or influential Members removed themselves from blanket S&DT to allow more effective delivery of appropriate S&DT to those that needed it most. Again, the US proposal was aimed at the future. The United States was not speaking about provisions on existing agreements. The question for the United States was whether Members were able to update and adjust their approach commensurate with the way the world had changed since 1995.

6.74. The General Council took note of the statements.

## **7 IMPORTANCE OF MARKET-ORIENTED CONDITIONS TO THE WORLD TRADING SYSTEM – JOINT STATEMENT BY BRAZIL, JAPAN AND THE UNITED STATES (WT/GC/W/803/REV.1)**

7.1. The Chairman recalled that the item was included on the agenda by the delegation of the United States and concerned the Joint Statement by Brazil, Japan and the United States on the Importance of Market-Oriented Conditions to the World Trading System circulated in document WT/GC/W/803/Rev.1.

7.2. The representative of the United States noted that the United States, Brazil and Japan had requested the agenda item to continue addressing the importance of market-oriented conditions to the global trading system. As a result of their work together, Brazil, Japan and the United States had released a joint statement circulated in document WT/GC/W/803/Rev.1. The statement reflected the importance they attached to market-oriented conditions for the world trading system and further elaborated the draft General Council decision circulated earlier in the year.

7.3. The joint Brazil-Japan-US statement reflected their shared belief in the core principles of the WTO to include that market-oriented conditions were fundamental to a free, fair and mutually advantageous world trading system. They affirmed a number of criteria that reflected the market-oriented conditions and disciplines to which their own enterprises were subject. And they affirmed that all Members' enterprises should operate under those conditions to ensure a level playing field for their citizens, workers and businesses.

7.4. When Brazil and the United States had first introduced the joint statement in July, they had invited the support and engagement of Members who wished to become co-sponsors. They were pleased to report that, since that time, they had been able to hold consultations with a number of supportive Members. They had also been pleased to welcome Japan's decision to become a co-sponsor of the joint statement and were thankful for their efforts to engage with other Members on that important matter. The views that they had heard in small group discussions confirmed that the joint statement reflected their shared values as WTO Members. They would continue to invite supportive Members to participate in one of their small groups as the discussions intensified.

7.5. The United States saw the discussion as necessary in the context of achieving meaningful WTO reform. To achieve such reform, Members should continue moving toward – and not away from – more open, market-oriented policies and conditions. But, as had been made clear in recent G20 discussions and reflected in the Riyadh Initiative Annex to the Trade Ministers' Communiqué, not all Members agreed that "market-oriented policies" was a principle of the WTO. One Member in particular could not reaffirm the principles of the Marrakesh Declaration or even bring itself to reference the Declaration and had gone on to dispute that its accession commitments had tied it to any market-oriented policies.

7.6. The usefulness of the recent G20 exercise had been to clearly articulate that division in the membership and that some did not agree with the core values of the institution. That crystallized the importance of reaffirming those core values. The Brazil-Japan-US joint statement recalled that the WTO had been established to promote Member economies' participation in a world trading system "based on open, market-oriented policies and the commitments set out in the Uruguay Round Agreements and Decisions".

7.7. The market-based reforms that GATT parties and acceding Members had undertaken during that process had helped ensure that their participation had been based on open, market-oriented conditions. Those Members' reform efforts had demonstrated their commitment to an international trading system that depended on the operation of market-oriented conditions in their economies. Ensuring that market-oriented conditions existed for market participants was critical to realising the benefits of the international trading system that came from their mutual commitment to those rules. That common foundation was necessary to ensure a level playing field for all Members.

7.8. Some Members had argued that the efforts to affirm the importance of market-oriented conditions were a pretext for questioning Members' choice of different economic models and that the WTO provided no basis for discussing those choices. However, that was not the discussion the United States was proposing to have, and those Members could have misunderstood its purpose. What the United States had argued was that market-oriented conditions provided a level playing field and therefore were necessary conditions for fair trade. The United States had not heard any Member argue for a different position – and asked whether any Member believed that fair trade could result when special advantages were given to domestic entities under those conditions.

7.9. For example, on the joint statement elements on financing and investment, where a Member's economic conditions generally ensured market-determined financing and investment decisions, it would mean that receipt of state-directed or politically-directed financing conferred an unfair advantage. That was not a question of debating different economic models but rather reflected a shared understanding of fair play. To that end, the Brazil-Japan-US joint statement affirmed that Members' enterprises should operate under market-oriented conditions and noted the elements that indicated and ensured those conditions for market participants. The United States encouraged Members to review those elements in detail as the discussions advanced.

7.10. As the United States saw it, the continued relevance of the WTO would depend on whether it could deliver on the promises of a world trading system based on open, market-oriented policies. The success of Members' reform efforts would depend on their ability to ensure the fundamental premise of free, fair and mutually advantageous trade remained intact.

7.11. The representative of Brazil expressed its appreciation for the decision of Japan to co-sponsor the joint statement. Japan's engagement on the issue of core importance to WTO reform was much welcomed and encouraged Brazil to move forward with a higher degree of optimism. Since the last General Council meeting, Brazil and the United States had been reaching out to Members to present and clarify the scope of the declaration. They would continue working together to answer any questions that delegations could have about it.

7.12. Brazil hoped that an increasing number of Members would join them in reaffirming and in strengthening their collective commitment to market-oriented policies to ensure a level playing field and a fair and more open world trading system. Members were all aware of the harmful effects of non-market-oriented policies and practices to the proper functioning of international trade and that the WTO had been established to promote Members' economies' participation in a world trading system "based on market-oriented policies" as stated in the Marrakesh Declaration.

7.13. Brazil had systemic concerns with non-market-oriented policies and practices but also strategic objectives in reaffirming market-oriented conditions. Brazil's systemic concerns related to the effects of those practices: overcapacity, unfair competitive conditions and distortion of international trade relations. The United States' strategic objectives were connected to the reform of the WTO. Agreeing on basic principles was the surest path to renewed WTO and the long-term strengthening and stability of the multilateral trading system.

7.14. In 1994, there had been a common desire to operate in an open and fair multilateral trading system. There had been a common understanding that that had been for the benefit and welfare of all. There was currently a need to reaffirm that common understanding and to highlight once again the importance of market-oriented conditions to the world trading system. Members would not be able to move forward with WTO Reform unless they took a step back and reaffirmed the principles and goals upon which they had established the organization and the multilateral trading system.

7.15. It was encouraging that in a recent communiqué of the G20 Trade and Investment Ministers, there had been convergence on the need to advance in the reform process. All G20 countries agreed that fair competition and market openness were principles of the WTO and most of them stressed that market-oriented policies were also principles of the organization. It was about time to bring that discussion to the WTO and to speak up to its foundational principles. Members were there to foster international trade as a driving force of economic growth, prosperity and development.

7.16. That common goal should unite, not divide Members. The debate that Brazil, Japan and the United States were proposing was neither ideological nor academic. On the contrary, it was saying and reinforcing the multilateral trading system in the face of new challenges. Brazil was willing to work together with Members in order to build on that declaration and initiate discussions on how to deal with certain non-market-oriented and trade-distorting practices.

7.17. Horizontal disciplines to level the playing field were more important now than ever. That declaration contained gateway principles for discussing for instance subsidies in the industrial and agricultural sectors. Brazil remained open to discuss that declaration with all Members. It was Brazil's hope that it would include other co-sponsors in the future. Above all, it would be one of the fundamental pillars of WTO Reform.

7.18. The representative of Japan recalled that Japan had decided to become a co-sponsor of the statement in document WT/GC/W/803/Rev.1. The essence of the WTO system was to secure an environment that allowed the market to function efficiently and realise optimal resource allocation. Market-oriented conditions were therefore fundamental principles for the multilateral trading system in the WTO and the GATT. By observing the current global trading environment, it was important for Members to reconfirm those basic principles which had been confirmed, among others, by the Marrakesh Agreement.

7.19. That importance was even greater in the situation of the market turbulences due to the COVID-19 crisis. The reconfirmation of those principles by Members was also expected to have the effect of further revitalising various WTO Reform efforts. Based on that recognition, Japan considered it important to obtain broad support from Members for that statement. To that end, Japan was ready to contribute to the discussion with other Members.

7.20. The representative of South Africa noted that the substance of the statement had not changed from the statement presented by the United States in December and recalled South Africa's statements in that regard. As a principle, South Africa agreed with the importance of promoting market-oriented policies. The market was not however perfect. Cases of overpricing, market concentration, rising unemployment and inequality necessitated government intervention to ensure proper functioning of the market and to promote a range of public policy imperatives.

7.21. South Africa recalled the Preamble to the Marrakesh Agreement that recognized the right of every developing country including LDCs to secure a share of the growth in world trade commensurate with the needs of their economic development. The statement recognized the right and ability of Members to regulate in the public interest and in promoting the public's welfare. South Africa however needed to understand what was meant by "no significant government interference".

7.22. Almost all Members had mixed economies where governments intervened in the economy to achieve a developmental mandate. That clarity was important in a context of a legally multilateral framework that was subject to dispute settlement and especially in the context of COVID-19 during which many developed Members had undertaken massive fiscal stimulus packages. That was by far the best demonstration of the important role the State played in national economies.

7.23. South Africa's key objective was to ensure that multilateral rules did not overly constrain the ability of governments to address their specific challenges including in the previously stated cases such as regulating the labour market and ensuring that it operated fairly through a minimum wage. Members needed a multilateral trading system that supported inclusive growth and enabled national authorities to pursue steps to achieve national development objectives and outcomes that were based on their peculiar circumstances.

7.24. The discretion should be left to the State to decide how best to achieve national economic objectives and public policy objectives. Relying solely on the market was not practical given many market failures attributed to current practices of multinational corporations including patent abuse, anti-competitive practices that were associated with a number of the industries. Recent estimates on tax avoidance and other forms of illicit flows amounted to between USD 49 to 193 billion which accounted for 2.3% of the combined GDPs of Latin America, the Caribbean and Africa. That provided a clear example of market limitations.

7.25. The representative of the European Union recalled that his delegation had repeatedly stated that market-oriented conditions were central to allowing a level playing field. The European Union had also repeatedly expressed its concerns with non-market-oriented policies and practices that had resulted in distortions to the world trading system. The role of the WTO – and therefore the role of all Members was to ensure that there were effective rules in place to eliminate those distortions and to ensure a level playing field. There had clearly been gaps in the WTO rulebook that did not enable them to do so. Those gaps should be addressed through the negotiation of new or updated rules to address the issues raised in the statement of the United States and its co-sponsors.

7.26. The representative of the United Kingdom recalled that the WTO Agreements as had been agreed by the membership recognized the importance of market-oriented conditions to the world trading system. They sought to ensure fair competition by guaranteeing that all Members upheld their obligations under the agreements. The world trading system could only succeed if Members tackled unfair practices when those occurred. The United Kingdom therefore thanked Brazil, Japan and the United States for enabling that discussion. Members should make progress on issues such as industrial subsidies, state-owned enterprises and forced technology transfer and ensure that they reduced protectionist measures. Unfair practices not only violated the agreements but had real life impacts on the life of their citizens, innovation was stifled, communities were damaged and uncompetitive companies were bolstered.

7.27. The representative of the Philippines acknowledged and continued to consider the statement of the co-sponsors in document WT/GC/W/803/Rev.1 and would only make preliminary and general comments. The Philippines agreed that market-oriented conditions were fundamental to a free, fair and mutually advantageous world trading system because those ensured a level playing field for all Members. The world was a dynamic one where competitive circumstances constantly evolved and where it was necessary that all Members adapted to maintain a relevant and effective set of rules in the WTO. That invariably meant not only clarifying existing rules but modernising them as well while remaining faithful to the spirit and letter of the Marrakesh Agreement and the covered agreements.

7.28. Reality dictated that the exercise would need to be undertaken not in isolation from other exercises that required balancing as well as recognising and maintaining the important and positive role of governmental action such as what Members had seen in the midst of the COVID-19 pandemic and prior financial crises. That would hopefully pave the way for discussions towards a holistic resolution of the many challenges to achieving at the WTO a fair, open, market-oriented and rules-based multilateral trading system.

7.29. The representative of Nigeria commended the Chairman and the Facilitators of the DG Selection Process for the transparent and excellent management of the process. Nigeria also thanked all Members for their support which enabled its candidate, Dr. Ngozi Okonjo-Iweala to progress to the third and final round. Nigeria looked forward to their continued support for its candidate and for the conclusion of the process so Members could collectively build a WTO of their dreams.

7.30. Concerning the initiative, as had been stated at the previous meeting of the General Council, Nigeria welcomed the fact that unlike when the issue had first been presented through document WT/GC/W/796, the presentation that day was such that would foster discussion on the issue and would enable Members to gain greater insight on the meaning of market-oriented conditions and its importance to the world trading system. To be properly guided on the issue, Nigeria again sought clarification on the meaning of the term "market-oriented condition", the scope and application of the proposal and whether that was done with the purpose of establishing them at the WTO.

7.31. As it had said in July, Nigeria's assessment of market-oriented conditions existing in some liberal and market-driven economies both before and after the creation of the WTO depicted a system of market-subsidy schemes that provided financial support to prop up domestic enterprises. Those policies continued to distort global trade and undermine producers' competitiveness in most developing countries with limited fiscal space to provide support. During the COVID-19 pandemic, while most African States had extremely tight fiscal space to provide support for their industries, some Members were able to roll out robust stimulus packages to speed up economic recovery.

7.32. Nigeria asked about the effects of the proposed WTO decision on Members' economies. Such decision was likely to freeze the competitiveness of firms in developing countries at the current level – enabling developed countries' enterprises to take advantage of the overcapacity already created by their market subsidy schemes and undermining the survival of developing countries' firms even in their domestic market. Its views on those issues notwithstanding, Nigeria remained open to further discussions with the proponents to enable it to gain greater insight on that issue.

7.33. The representative of Switzerland said that a number of founding principles of the WTO promoted the market-oriented conditions that had been mentioned. Those principles were anchored both in the letter and in the spirit of the WTO Agreements and were entrenched in the Preamble. For example, the principle of non-discrimination guaranteed economic operators fair, competitive conditions on the global market. The other key principles of the WTO contributed to the proper functioning of markets notably transparency, predictability and legal security. The problem at present was that those principles had not been properly upheld.

7.34. Strengthening those principles and making them more operational was certainly going to be key in the reform. The founding principles of the WTO should also serve as an inspiration for Members to overcome the challenges they found themselves confronted with – addressing the issue of overfishing, ensuring that trade and environment could work together, adapting the rules of global trade to the digital era, differentiating the commitments taken on by Members in line with their capacity and ability to contribute to the system and updating the rules which governed international trade to ensure fair, competitive conditions.

7.35. The representative of the Russian Federation noted that the United States had been including that agenda item since December 2019. In the course of discussion of that agenda item, many Members had indicated that they would be interested in hearing from the United States and co-sponsors what role they envisaged the WTO playing in practice to address non-market-oriented policies. During the General Council meeting in July, the United States "looked forward to further engagement on the statement on the weeks and months ahead as it was a very important issue."

7.36. The Russian Federation agreed that the multilateral trading system should be based on open, market-oriented principles as provided in the Marrakesh Declaration of 1994. In order to achieve that, the Russian Federation like other Members had placed in the WTO several negotiating proposals including on subsidies in agriculture. The United States, the European Union and Japan had developed proposals on new rules in industrial subsidies.

7.37. When the Russian Federation said that trade in the WTO should be based on market-oriented principles, it presumed that it also meant less governmental involvement into activities of companies. The WTO should support competition between products and services and not between State budgets and money of taxpayers. That was an important feature of a normally functioning market. Members already had different ideas on how to do it including through the mentioned proposals on agricultural and industrial subsidies.

7.38. The United States, Brazil and Japan had proposed to develop another type of specific criteria which would help to determine where market-oriented conditions existed. Such criteria had existed in the legislation of some Members for dozens of years. The Russian Federation, being not a Member of the WTO at some point had been forced to pass through a very similar examination of its internal policies in order to qualify for the "market economy country" status and to avoid discriminatory treatment in the application of trade remedies.

7.39. The Russian Federation was not sure whether that could work again in respect of other Members. If so, the Russian Federation asked about the aim of the eight criteria – as it needed to understand the aim of the exercise before agreeing to do it. Although each of them had its own merits and its own problems, the Russian Federation did not want to open a discussion in respect of the substance of each of those eight criteria. All Members would however benefit from an example of a WTO Member which the co-sponsors thought automatically qualified as one that satisfied all eight criteria. That could help evaluate the whole proposal.

7.40. The representative of Norway had no major objections to the principles listed in the paper presented. They described conditions for a well-functioning market economy which Norway subscribed to. The principles underpinning the organization were embedded in the agreements Members had entered into. Norway subscribed to them too. Norway shared the concern regarding market distortions created by non-market-oriented policies. Norway knew that the magnitude and direction of government interventions and other behind the border measures could have a significant impact on international trade.

7.41. Norway was likewise concerned by unilateral actions and protectionist measures as well as bilateral agreements with the terms of trade seemed to be managed by governments rather than by the invisible hand of the market. It was important to remind themselves of the values and principles that should guide their endeavours. Members should do their utmost to abide by those principles – act as they preached. Furthermore, whenever inadequacies in the rulebook were identified, Members should do what it took to rectify those shortcomings. Norway agreed that such shortcomings existed, and that Members should address those issues head on within the framework of the house. Norway stood ready to do its part.

7.42. The representative of Mexico reiterated its readiness to discuss in an objective and comprehensive way with the Membership the elements which had been presented that day. Given the challenges facing the organization, Members should reaffirm its relevance by being ready to improve the functioning of the multilateral trading system. Any possible dialogue on that topic should have the aim of improving the functioning of the WTO and ensuring transparent and fair competition among their economies and in the international market. It was important to discuss and to find a solution to the measures which in one way or another had made Members put thought to the free flow of goods and services – one of the founding principles of the organization.

7.43. The representative of Canada recalled that, as it had mentioned in the past, Canada fully supported the principles that the multilateral trading system should be based on open and market-oriented policies. Canada also supported pursuing progressive liberalization or recognising the need to support economic development and sustainability. Canada shared the concerns of the United States, Brazil and Japan on the impact of non-market-oriented policies in creating trade distortions. For example, Canada was concerned about situations where governmental policies, intergovernmental agreements or government practices played a significant role in directing or influencing business decisions.

7.44. Canada was also concerned with the subsidies of some Members including from state-owned enterprises that had caused persistent overcapacity in certain sectors. Canada remained open to engaging all Members in that regard including in discussions that could eventually lead to new or improved WTO disciplines. Canada would, for example, be interested in hearing from the United States, Brazil and Japan on what specific role they envisaged the WTO playing in practice to address non-market policies.

7.45. The representative of Chinese Taipei said that the WTO was established to uphold the rules-based global trading system to provide fair and freer trading environment and to ensure a level playing field which respected market forces as the key determinant of enterprise and business decisions. That was reflected in the Marrakesh Declaration of 1994 which included the concept of open and market-oriented policies. The joint statement by Brazil, Japan and the United States which emphasized the importance of market-oriented conditions to the multilateral trading system seemed to have not created new disciplines or added new obligations on Members. Hence, Chinese Taipei did not find flaw in the elements included in the joint statements.

7.46. Certainly, every Member had its own right to pursue its own economic development models and to protect public interest and legitimate goals through proper intervention so long as there was no market distortion and the general principle of fairness embedded in the WTO Agreements was strictly observed. Most Members did not like to see undesirable market distorting trade practices caused by state interventions. Chinese Taipei looked forward to learning from the proponents on how they intended to advance that discussion and the future operation of that principle in the WTO.

7.47. The representative of India noted that the joint statement was still being examined by its capital and would offer its detailed comments on the proposal in due course. India had strived to pursue pro-market, pro-competition and transparent policies. State interventions had however been sometimes warranted to address market failures given the significant need to pursue pro-poor, pro-welfare and pro-equity policies to bring millions of people out of poverty. While doing so, India had been mindful of the need to achieve a fair balance between the market and state interventions.

7.48. India celebrated openness in people and governance. Open minds made open markets. Open markets led to greater prosperity. India shared those principles with many of its partners including the proponents of the statement. During the last six years, the government had made many efforts to make the Indian economy more open and reform-oriented. Those reforms had ensured increased competitiveness, enhanced transparency, expanded digitization and more policy stability.

7.49. India had raised its concerns on the proposal since it had been brought to the General Council. In that regard, India thanked the United States for providing some clarity on the proposal in its statement at the General Council meeting in July. India was however disappointed that the proposal remained the same and did not reflect the clarification given in the oral statements. India therefore looked forward to discussing with Brazil, Japan and the United States in the coming days.

7.50. As a founding Member of the WTO, India believed that the WTO's core objective was promoting sustainable development in a manner consistent with the needs and respective levels of economic development of its Members. The focus of the WTO in that regard was to facilitate trade for welfare and development for the benefit of all Members. India remained committed to supporting measures aimed towards that end.

7.51. The representative of Australia welcomed the statement from the United States, Brazil and Japan on one of the founding principles of the organization, and of the GATT before it. Australia shared the view that the WTO represented a fundamental commitment by Members to an open trading environment underpinned by market-oriented principles as set out in the Preamble to the

Marrakesh Declaration. Openness was critical to advancing economic development. Adherence to market-oriented policies therefore provided the basis for healthy trade between economies – a key contributor to economic growth and development.

7.52. Australia stood ready to contribute to constructive discussions with all Members on that important principle of the WTO to ensure that the organization remained fit for purpose and further contributed to liberalising global trade. Australia welcomed greater efforts to address those issues raised in the statement which could not be adequately covered by existing WTO rules. At the same time, Members should continue their work to find a way to further improve Member compliance with existing rules including those relating to transparency.

7.53. The representative of Pakistan referred to his delegation's statements at the March and July General Council meetings. Pakistan thanked the co-sponsors for clarifying some elements in the proposal, but was intrigued that Members continued to debate a concept such as market-orientation in the General Council – assumedly berating government intervention while their capitals continued to seek ways to intervene in their economies for various reasons.

7.54. Developed and developing alike, whether on grounds of protecting farms and farmers, research and development, taking green initiatives, bailing out too-big-to-fail companies or supporting businesses in financial crises, one way or another, Members continued to defy their own so-called orientation towards markets. Pakistan asked whether it was because Members believed that interventions were necessary and any orientation, market or otherwise, was only a matter of perspective; because they knew from their history that no successful economy in the world had been a sanitised market, completely clean of any interventions or because they knew that without interventions, markets failed and sometimes brought about crises and chaos. In Pakistan's view, all those were correct.

7.55. Members could not wish away government intervention just as they could not wish for perfect markets. The current global situation, not the least in terms of the pandemic confronting the world, was a stark reminder of that as Members continued to contemplate newer interventions each day. Pakistan therefore maintained that market-orientation was an ambiguous concept and that there was no perfectly free market or a perfectly market-oriented country or economic model.

7.56. It was not up to the organization to impose on its Members a particular model on how to run their respective economies. Each Member should take decisions based on its own domestic realities, requirements, development trajectory and methods of policy-making. Instead of seeking a one-size-fits-all approach which would only impede their progress as an organization, Members should allow and accept more diversity in their way of thinking and in their economic policies.

7.57. The representative of Colombia shared and upheld the principles mentioned in the proposal. Colombia had always based its participation in global trade on those principles. Colombia had participated in the creation of the WTO and had always reaffirmed being in agreement with it and being satisfied by the principles which helped uphold the global trading system and the market principles. Concerning the statement that had again been put forward, Colombia was looking at the affinity provided there and the possibility of extending its reading to other areas which had not been explicitly mentioned. In particular, all the practices involving subsidies in all sectors brought about a great risk for small and medium-sized Members which distorted their ability to compete with other producers – highlighting the importance of maintaining a level playing field.

7.58. The disciplines on market subsidies was one the fundamental reasons why Colombia and other small and medium-sized countries would be benefitting from the existence of the WTO. In that connection, the proposed strengthening of the market-oriented conditions found in the indicative list in the joint statement had been intrinsically well received by Colombia. The natural reading of that list should be extended to other sectors of the global economy beyond industrial subsidies as was correctly mentioned by Brazil. Colombia was open to participating constructively in that discussion.

7.59. The representative of China said that it was true that the multilateral trading system was built on the basis of market economy and all the WTO rules reflected the prevailing practices of market economy and were binding on all Members. There was also no doubt that in the past 40 years, China persistently deepened its reform and opening up to the world in the direction of market economy,



which was exactly the basis of its accession to the WTO and the reason for its firm support for the multilateral trading system.

7.60. The challenge the WTO was currently facing was not however on what the Marrakesh Declaration said but on what some Members were doing. With regard to the Marrakesh Declaration, when Members talked about open and market-oriented policies, they should not forget Article V which provided that, "Ministers recall that the results of the negotiations embody provisions conferring differential and more favourable treatment for developing economies, including special attention to the particular situation of least-developed countries". Those words were equally important. Unfortunately, some Members had selective amnesia.

7.61. China had no intention to repeat what it had said at the previous meeting that "common sense issues like market orientation do not need to be discussed at the General Council" and would simply dismiss the whole discussion. Albert Einstein, a scientist who had worked in Bern, once said, "Success is equal to hard work plus correct method plus less empty talk". Chinese people had also believed in "empty talks harm the country" since ancient times. China asked about the purpose of the proposal and the follow-up measures to be taken. He said that what puzzled China even more was that, at that moment, if the WTO could not prevent a Member's government from forcing foreign companies to sell their equities and technology to its national companies in any way, how could they sit there comfortably and discuss and tell the world what the market-oriented conditions were.

7.62. Members should bear in mind that, for more than three years, they had failed to take effective actions to stop unilateralist and protectionist measures that undermined the market rules from raging around the world and the organization they worked for had been widely criticised for falling short of such actions. He said that Members should feel ashamed. However, at least, they could still argue that it was not because they did not want to but because they were not capable enough. But now, China asked why Members should talk empty about the market-oriented conditions to give more reasons for the international community to laugh at them for being not only incapable but also naïve.

7.63. When a principle or a system was broken, one should take concrete actions to try to fix it rather than verbally repeating the importance and correctness of the rules to show the innocence of someone who had broken them. Ambassador Shea once said that "when the State puts its thumb – or even its fist – on the scale to distort competition and drive preferred outcomes to benefit certain domestic actors, that is unfair." China could not agree with him more. But it was common sense that if one asked others to do something, one should do it first.

7.64. For example, when a country, on the grounds of national security, arbitrarily and frequently imposed tariffs on foreign goods or deprived foreign services of market access, that was unfair. When a country used tariffs as a leverage to force its trading partners to concede in trade negotiations, the market was distorted. When a country blatantly violated fundamental trade rules and at the same time blocked the independent and neutral adjudications, the level playing field was gone. Instead of chanting the empty slogan of "market-oriented conditions", it would be better for Members to take concrete actions to address the above wrongful practices which undermined fair competition and market-oriented conditions.

7.65. The representative of the United States thanked the Members for their statements of support and even for their statements of criticism and statements of clarification. The United States appreciated that and would continue to work on the issue going forward. Through mutual recognition of those fundamental values, Members could ensure a WTO that functioned as a place where countries came together to promote a common goal of free and fair trade based on openness and market principles. To that end, the United States encouraged Members to continue expressing their views in the General Council however strongly felt or expressed so that they could promote robust engagement on that important issue.

7.66. The United States disagreed with those who would say that the importance of those conditions was only academic. Distortions caused by non-market policies and practices had a very real impact on citizens and businesses. The damage to the world trading system caused by those non-market policies and practices was not confined to a mere debate. Some Members appeared to take the position that market-oriented conditions were not part of the bargain they had struck – as if they did not want to provide a level playing field for other Members. If that was the case, that discussion

was even more important to have. Those Members should explain how they could have a level playing field if some Members offered market-oriented conditions, but others did not.

7.67. The United States also noted that some appeared to have misunderstood the Brazil-Japan-United States Joint Statement as promoting some vision of an unrealistic, pure, free market outside the bounds of any governance. They were not proposing such a scenario. Rather, the United States, Brazil and Japan had described a set of elements that could help identify whether market-oriented conditions existed for market participants for example in a particular sector which was critical for fair trade. While no Member was perfect, they would want to know that they were going in the right direction. Those elements provided a fair indicator of where Members wanted to go. It would be unfortunate if those elements should be considered controversial or too polarising for the WTO. Those conditions were the basis for ensuring fair trade. For the WTO to remain relevant, it should provide a level playing field. And for WTO reform to be meaningful, it should move Members toward and not away from more open, market-oriented policies and conditions.

7.68. The General Council took note of the statements.

## **8 PROCEDURAL GUIDELINES FOR WTO COUNCILS AND COMMITTEES ADDRESSING TRADE CONCERNS – STATEMENT BY CO-SPONSORS OF WT/GC/W/777/REV.5**

8.1. The Chairman recalled that the item was included on the agenda by the delegation of the European Union.

8.2. The representative of the European Union, on behalf of all co-sponsors of the "Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns", thanked Members for the conversation about the proposal at the General Council meeting in July. For the sake of new colleagues who had recently joined, the European Union wished to briefly recap the main objectives and features of the proposal. The proposed guidelines for WTO bodies dealing with trade concerns were part of the wider efforts to reform the WTO. Their concrete objective was to make an important part of the WTO's regular work more effective and responsive to the expectations of their stakeholders.

8.3. The starting point was that numerous regular Councils and Committees spent a considerable amount of time addressing trade concerns. The outcomes were however not always commensurate to the efforts that went into that work. Instead, Members saw too many repetitive, time-consuming exchanges which failed to generate genuine dialogue and collaborative solutions. At present, practices differed widely across Committees even though the concerns raised in different bodies were about the same or related measures. The co-sponsors shared the view expressed by several Members that the specificities of each Committee or Council should be respected but they also saw room for improving the interaction between bodies working on related issues such as trade concerns.

8.4. Accordingly, the proposed guidelines built on existing practices and procedures. They had been carefully drafted not to put those into question. When implemented, they would create a minimum platform of meeting arrangements and a set of good practices. In fact, some WTO bodies had applied certain provisions over the last months to better cope with logistical and organizational challenges of lockdown. Other provisions would have made life easier had they been in force such as improved timelines for convening meetings and circulating documents to be considered at meetings and a database where all documents pertaining to a trade concern could be easily accessible.

8.5. At the General Council meeting in July, the European Union had noted that some Members continued to have doubts about the proposal. A few had questioned whether a horizontal approach would be beneficial rather than leaving it to each Committee to come up with solutions. The European Union believed that a common platform would provide more clarity, allowing Members to engage more effectively. Some Members had expressed concerns that the proposal would jeopardise the neutrality of the Chairs and the Secretariat. The intention of the proposal was certainly not to encroach on such neutrality which was of high value to the proponents as for other Members. But the proposal aimed to give incentives to rely on the expertise of the Secretariat or of the good offices of the Chair within the remit of their competences.

8.6. A few Members had also been concerned that the suggested best practices would create additional burden for LDCs and other Members with capacity constraints. The European Union once again stressed that, apart from the section related to meeting arrangements, the proposal would create no binding rules. The proposal set out guidelines which would bring improvements for all Members with an assistance provision enshrined in it.

8.7. The co-sponsors had tried to address those points including in bilateral conversations and thanked again those Members who had engaged with them over the last few weeks. It was true that the current virtual way of working had made it more difficult to engage with more Members directly in an informal setting to go through comments in detail. Over the coming weeks and months, they would continue reaching out to those Members who had doubts and to try to address their concerns directly. They remained ready to consider any suggestion that could contribute to improve the proposal further and hoped that the Membership would reach consensus on it before MC12.

8.8. The representative of India supported the need for a mechanism to address specific trade concerns effectively and the proposal to improve the meeting procedures of the WTO bodies. Proposals such as indicative yearly schedules of meetings for each of the WTO bodies, timely circulation of the agenda and the minutes of the meetings and strengthening of the existing processes were welcomed. A pre-requisite for efficiency in Committees' work was Members' compliance with their transparency obligations. It was natural to expect that the track record of the main votaries of enhanced transparency such as the European Union would be nothing short of exemplary in complying with their existing notification obligations.

8.9. But India found that the European Union had still not submitted its DS:1 notification for the marketing year 2018-2019 well past the deadline of 30 September 2019 by when they should have notified that information according to the deadlines mandated in document G/AG/2 – constituting a delay of more than a year. The European Union had also been late by a period of almost 19 months in notifying its DS:1 notification for the marketing year 2017-2018. It was also disappointing to note that specific trade concerns concerning the European Union's policy related to MRLs and endocrine disruptors had remained on the agenda of the SPS Committee for several years.

8.10. Those were just the tip of the iceberg. It was not India's intention to point fingers at any Member. But India expected that Members practiced what they preached. India encouraged the European Union and other Members to lead by example and ensure that they fulfilled their existing transparency obligations before proposing to add an ever-growing list of new obligations and chastising other Members. The proposal was still being examined in its capital. In the earlier General Council meetings, India had already expressed its concerns over certain aspects of the proposal and for the sake of brevity would not reiterate them. India thanked the European Union for its engagement on the proposal and looked forward to continuing those discussions and its constructive engagement on the matter.

8.11. The representative of South Africa remained concerned with the horizontal application of the proposal. Addressing specific concerns was provided for under certain agreements. Mainstreaming of STCs across all Committees and Councils would negatively impact developing Members who already faced capacity constraints. While there were elements in the proposal that could be useful and could assist in improving the functioning of Committees, it was important for each Committee to assess those in terms of whether they were aligned to the mandate. South Africa therefore did not believe in the horizontal implementation.

8.12. South Africa also remained concerned with the additional obligations. South Africa had listened carefully to what the European Union had said but upon looking at the guidelines, they still encouraged submission of written questions and replies within a specific period which would overstretch the limited human and institutional capacities of Members. South Africa remained further concerned with the enhanced role of the Chair and the Secretariat. In the discussion on how to improve the functioning of the regular bodies, development was missing. With the current crisis in mind, it would be important to look at how the role of regular bodies could be seen through the lens of development including how the regular bodies could assist to achieve the SDGs.

8.13. The representative of the United Kingdom continued to support the proposal. Some Members had previously referred to the fact that the proposal would apply a common framework across most Committees and Councils – which was a reasonable approach. The proposal set out a fairly light

touch minimum standard while still allowing individual Committees to develop their own tailored approach to other questions relating to how the Committee operated.

8.14. The United Kingdom likewise recognized additional challenges faced by developing countries particularly the LDCs and the importance of providing technical assistance from the Secretariat. The United Kingdom looked forward to engaging further with Members on the proposal and reiterated its thanks to the Secretariat and to Members for their collective efforts to quickly and effectively resume WTO meetings in hybrid format during the pandemic. The United Kingdom was pleased that the important work of the Committees had continued during those unprecedented times.

8.15. The representative of Chad, on behalf of the LDCs, took note of the proponents' intention not to encroach on the neutrality of the Chairs and the Secretariat and of the fact that the European Union had clarified that the proposal would not create any binding rules apart from those on meeting arrangements. The LDC Group thanked the co-sponsors of the communication and agreed with the principle of potential benefits which could be drawn from a better structuring and functioning of the Councils and Committees of the WTO with the view to responding to Members' trade concerns.

8.16. In that regard, the LDC Group had submitted a communication in December 2019 spelling out the fact that any changes to procedures of WTO Councils and Committees should not entail additional burden for LDCs given their very limited resources both in Geneva and in capitals. Members should avoid any overlap in meetings. The LDC Group was not in favour of tightening of deadlines nor of a structured written exchange between Members regarding information concerning trade measures and any related consultations. For more details on the Group's position on reform matters, the LDCs referred Members to their communication circulated in document JOB/GC/223.

8.17. The LDC Group welcomed the flexibility of the co-sponsors. It was true that the LDCs had had several meetings with them to iron out discrepancies. The LDCs remained in that frame of mind and would continue to pursue discussions to move the matter forward. The membership clearly needed a functioning WTO which ensured the continuity of WTO activities regarding implementation of multilateral trade rules, analysis and technical assistance. The LDC Group remained open to discussing that matter and hoped that the concerns aired by them would be taken on board.

8.18. The representative of Mexico said that there was still some work to be done on the matter. Mexico was more than ready to pursue discussions on that to try and find alternatives which would enable to ensure that Committees overcame the difficulties in monitoring Members' commitments and the trade concerns arising from the implementation of the WTO Agreements.

8.19. The representative of Indonesia commended the continued efforts of the proponents in pursuing the proposal. Indonesia was not however convinced that the new arrangement would provide an efficient and transparent way of resolving any trade concern. The proposal could be an attempt to brush discussions on trade concerns under the carpet of the so-called "informal resolution mechanism". The proposal, even after several revisions, was still trying to put the already limited Secretariat resources and the limited ability of the Chair into a more difficult situation. Indonesia therefore needed more clarity through continued discussions on the proposal.

8.20. The representative of Thailand associated with the statements made by ASEAN under agenda items 4 and 5. Concerning the current item, the disruptive and widespread economic impact from the COVID-19 pandemic further highlighted the need for prompt, coordinated actions from the WTO including through reform to minimise impact and expedite economic recovery. The proposed guidelines was a practical step to enhancing the effectiveness of the WTO in one of its core functions.

8.21. The elements of meeting arrangements in the proposal were designed with a view to facilitate and foster Members' participation in meetings of regular bodies. They were especially helpful to smaller delegations in preparing for meetings and keeping updated with the work and information under regular bodies. The proposal provided an alternative mechanism to address resolvable trade concerns on a voluntary and flexible basis. Such enhancement could improve the WTO's functioning and help elevate the increasing burden and dependence on the dispute settlement system. Thailand had heard and had reflected on Members' views on the proposal and would continue its efforts to engage with Members to further clarify and address possible concerns.

8.22. The representative of Bangladesh associated with the statement made by the LDC Group. The proposed guidelines aimed to bring positive change in the working procedure of the Committees and Councils. Bangladesh welcomed the constructive ideas in the draft proposal reflected in the fifth revision. In previous meetings, Bangladesh had constantly suggested changes in the existing convening notice templates which should include information such as the date of the meeting, relevant documents, reference of the minutes of the previous meeting and name of the Chair. Members should also review the suggested time limit for serving a convening notice before the actual date of the meeting and for circulating the minutes of the meeting.

8.23. Bangladesh also proposed that a summary note should go to the WTO website immediately after the meeting. That would immensely help smaller delegations unable to attend all meetings in generally updating their information repository. The aim of the submission, as the proponents had explained, was to strengthen the capacity of regular WTO Councils and Committees to help Members function more efficiently. Bangladesh encouraged Members to reflect on the wider scope that the proposed guidelines had so that their decision would not create difficulties in the future.

8.24. Paragraph 13 of the draft suggested that Members should involve capital-based experts. Determining who to involve in its affairs should be under the prerogative of each Member concerned. The obligation or the necessity of participation of capital-based experts in the informal meeting in person or through video conferencing remained an issue for many Members. Bangladesh urged the proponents to rethink whether all Members would be in a position to implement those calls. Bangladesh remained constructively engaged with the proponents and other Members on the issue.

8.25. The representative of Chinese Taipei said that it had co-sponsored the proposal with the hope that Members would work together to improve the daily work of WTO bodies through various methods as had been suggested in the guidelines to deal with specific trade concerns more effectively. A set of horizontal procedural guidelines could help save time to address recurrent procedural issues and facilitate focused discussions on long-term or substantive trade concerns.

8.26. Some WTO Committees had recently tried to arrange discussions of issues, raising of concerns and provision of responses in a more efficient manner. Examples included the e-agenda system used by the TBT and SPS Committees and the possible use of the same system by the Market Access Committee. That system was similar to the database on trade concerns proposed in the joint proposal. It would improve the efficiency of related work and could help respond to the demands of WTO Reform. Chinese Taipei looked forward to further understanding and support from more Members on the proposal.

8.27. The representative of the European Union thanked all the co-sponsors of the proposal and all Members that intervened on the matter. The co-sponsors would be continuing to work with all Members to clarify and improve the proposal. As the European Union had indicated in its first intervention, the co-sponsors were proposing guidelines that could better organize work in the different bodies, Councils and Committees. The proposal was not a set of binding rules but was simply a code of best practices that could be used by the different Chairs in order to better organize the discussions in the different subsidiary bodies. The co-sponsors would be continuing their discussions with the Membership with the aim of progressing even further with their proposal.

8.28. The General Council took note of the statements.

## **9 WORK PROGRAMME ON ELECTRONIC COMMERCE AND MORATORIUM ON IMPOSING CUSTOMS DUTIES ON ELECTRONIC TRANSMISSIONS – REQUEST FROM INDIA**

9.1. The Chairman recalled that the item was included on the agenda by the delegation of India.

9.2. The representative of India said that the tennis aficionados in the house should have followed the French Open that had recently concluded. If the International Tennis Federation or ATP had decreed that tennis could only be played on grass courts like Wimbledon there would neither be Roland Garros, US Open nor Australian Open. The world would be deprived of watching Rafael Nadal's prowess on clay. If the inventors of the Gentleman's Game cricket had ordained that the long-duration format of Test Cricket had been the only acceptable format then the world would have been deprived of the experience of one day cricket or T20 format of cricket. There would neither be the Caribbean Premiere League, the Australian Big Bash League nor the Indian Premier League.

9.3. In the same vein, if the house had to make rules authorising digital payments only using conventional instruments then that amounted to a curb on innovation in terms of alternative digital payment platforms. Similarly, using only conventional authentication for digital signatures side-lined other cheaper options such as biometrics-based authentication for digital signatures that was being used in countries like India. In making rules on digital trade, the membership should be very careful not to curb innovation and intellectual creativity by restricting the playing field to established players. Rulemaking under JSI at the current stage would create asymmetry and reverse S&DT similar to the one existing in the Agreement on Agriculture. It would create a non-level playing field in support of existing players and to the detriment of new ones especially those that lacked resources and skills to compete in the game shaped by those that had resources and with early mover advantage.

9.4. As the digital revolution was still unfolding, India had on a number of occasions reiterated that it was important to first understand the complex and multifaceted dimensions of issues related to e-commerce. Members still did not comprehend the full implications of effects of e-commerce on competition and market structures, issues related to transfer of technology, data storage and automation and its impact on traditional jobs and the gaps in policy and regulating frameworks in developing countries. India had therefore been a proponent of strengthening Members' multilateral work under the non-negotiating and exploratory 1998 Work Programme on Electronic Commerce.

9.5. Under the multilateral Work Programme and with the intention of understanding the implications of the moratorium on customs duties on electronic transmissions, India along with South Africa had introduced three submissions which explained their understanding on the scope and impact of the moratorium. In December 2019, India had joined the consensus on the six-month extension of the moratorium with the understanding that the Work Programme on Electronic Commerce would be reinvigorated with the specific objective of achieving clarity on issues related to the scope of the moratorium, the definition of electronic transmissions, identification of products covered under the moratorium and its impact. India urged Members to engage sincerely on those issues in the multilateral Work Programme.

9.6. India reminded the Secretariat and the membership that Paragraph 1.2 of the 1998 Work Programme on Electronic Commerce mandated that "the General Council shall play a central role in the whole process and keep the work programme under continuous review through a standing item on its agenda". India expected that in line with the clear mandate of Paragraph 1.2 of the Work Programme, the Secretariat would keep the review of the 1998 Work Programme as a standing agenda item on the agenda of the meetings of the General Council.

9.7. The representative of South Africa recalled that the 1998 mandate on e-commerce and the General Council Decision of 11 December 2019 called for a structured discussion on all trade-related topics of interest brought forward by Members on the scope, definition and the impact of the moratorium on customs duties on electronic transmissions. Furthermore, Members had agreed that the current practice of not imposing customs duties on electronic transmissions should continue until MC12. It was therefore important to continue their discussions on the moratorium so that they could ensure that the Ministerial Conference could take an informed decision at MC12.

9.8. South Africa had seen a widening of the definition of electronic transmissions as had been interpreted by some delegations. South Africa reiterated the views expressed in its joint paper with India which highlighted that, as online trade increased with digitization, the share of physical trade would correspondingly decrease so customs revenue from physical trade in digitizable products would decline and therefore examining the revenue impact of the moratorium was all the more important. A more accurate picture could emerge if the revenue impact of the moratorium was on the basis of online trade. The moratorium would negatively impact the efforts of many developing countries which were lagging behind as far as digital industrialization was concerned. It was also important to examine the impact on the basis of what it was doing on existing industries.

9.9. Given that there was a difference of opinion between Members on whether content was covered in electronic transmission and the consequent significant implications that it had for calculating revenue losses, it would be useful for the Membership to arrive at a common understanding on that critical issue before the next session of the Ministerial Conference. The General Council should therefore keep that matter under review. South Africa listened to the Chairman indicating that he was willing to assist the Members. The Membership needed another informal dedicated General Council meeting before the end of the year to further reflect on that important issue specifically the scope, the definition and the impact of the moratorium.

9.10. The representative of Indonesia shared the view on the urgency for all Members to move forward with meaningful progress in the discussion under the Work Programme on Electronic Commerce. It should be comprehended by the whole Membership that the rapid growth and relevance of electronic commerce within global trade should also serve as the engine of economic and social development to developing Members. Members should clarify the scope of electronic transmission. In that regard, Indonesia reaffirmed its position that electronic transmissions should not apply to electronically transmitted goods and services.

9.11. On the moratorium, the effort to address the moratorium should be accelerated including its impact to fiscal revenue, digital competition and work creation, among others. Indonesia also reiterated the inevitable need for all Members to seek consistency in every pursued discipline related to that issue instead of establishing conflicting rules on the same matter. Indonesia looked forward to continue discussions on that issue.

9.12. The representative of Nigeria said that e-commerce was an economic reality that was unlocking the potential of economies by triggering growth as well as creating wealth and jobs. In today's world, e-commerce had become an important determinant for the distributional effects of trade and growth. It was therefore pertinent that Members continually discussed how they could foster inclusive development of that sector taking into account the challenges of developing countries especially LDCs. In furtherance of the General Council Decision of 11 December 2019 for Members to reinvigorate the work under the Work Programme on Electronic Commerce, Australia and Nigeria together with other Members had co-sponsored a proposal in the Services Council on exploratory discussions on supporting digital capability of business and consumers.

9.13. The aim of the proposal was to encourage Members in the Services Council under the 1998 Work Programme to share information on current domestic programmes seeking to increase capability and address the digital divide as it related to e-commerce. The knowledge that Members would gain from each other's experience would equip them with information needed to formulate and implement appropriate policies and programmes to address e-commerce challenges respective countries were facing such as the digital divide. The proposal had triggered robust conversation on the issue. Nigeria called on all Members to support it so that they could achieve the desired outcome.

9.14. Concerning the e-commerce moratorium, Nigeria agreed with some Members on the need for the WTO to clarify the scope and the definition of electronic transmissions. Nigeria was also mindful of the particular concern of some Members on the effect of the moratorium on tariff revenue especially given the result of some static analysis that were in public domain. In modelling the impact of trade arrangements on economies of Members, static analysis alone did not however tell the whole story given that it excluded the economic-wide dynamic effect of such arrangements.

9.15. For Nigeria, the benefits of e-commerce were unambiguous. The sector had become the engine of economic transformation in Nigeria and had set the country on a new growth trajectory. Rather than dwelling on the constructed revenue loss indicated in the results of some static analysis of the impact of the moratorium which were in public domain, Nigeria's focus was on the opportunities e-commerce availed of and on how to optimise its gains from global digital trade.

9.16. Nigeria was also cautious of the statutory effects of an unpredictable global e-commerce environment for businesses and consumers that was likely to occur from the non-renewal of the moratorium at MC12. The effects of such unpredictable global e-commerce environment on the world economy already shuttered by COVID-19 was unthinkable. Nigeria called on Members to approach the issue with an open mind to enable them to continue to engage constructively on how they could foster inclusive development of e-commerce in their respective economies and globally.

9.17. The representative of Australia supported making the moratorium permanent. It was a critical part of the modern trading system providing better access to markets and providing consumers more choice. Letting it expire would encourage restrictions on digital trade and that would be detrimental to all of the efforts to restore the global economy. Consistent with the December 2019 decision to extend the moratorium and reinvigorate work under the work programme, Australia had engaged in a constructive workshop and an open-ended discussion in July. Australia also submitted a proposal on 1 July to the Services Council with 11 other Members to exchange information on ways Members were facilitating business and consumer engagement. Australia was open to engaging in

future discussions. As to where those discussions occurred, each of the Committees could make their own decisions about whether they wish to pursue them. Australia would be pleased to engage.

9.18. On the JSI which India had mentioned at the outset, Nigeria had made the point well. E-commerce and digital trade were unlocking considerable growth, jobs and development in all economies and it was high time that the WTO responded. It was important for Members to foster an open digital economy – one that fostered innovation, growth and development. That was the purpose of the JSI. Most people were familiar with that. 85 Members were currently engaged in the project of building rules of the game for unlocking exactly those benefits. All Members were free to participate in the JSI and were welcome in doing so to contribute to those rules as they evolved. As the world knew well, every good sport needed good rules if it was to be enjoyed fairly by all.

9.19. The representative of Botswana, on behalf of the African Group, reiterated the importance of the 1998 Work Programme on Electronic Commerce in the various bodies where the General Council played an important role in reviewing its progress. The December 2019 General Council Decision on extending the moratorium on the application of customs duties on electronic transmissions remained an important focus area. Without a clarification on the scope and the definition of an electronic transmission, Members could never accurately estimate the revenue implications of the moratorium.

9.20. While COVID-19 had highlighted the importance of digital connectivity and e-commerce, it had brought to light the implications of the digital divide both within and between Members, particularly infrastructural gaps to enable e-commerce in Africa and how to develop it. The African Group therefore supported that discussions continued under the auspices of the General Council to explore appropriate mechanisms to address the relationship between electronic commerce and development in a focused and comprehensive manner.

9.21. The representative of Bangladesh referred to his delegation's initial submission in JOB/GC/152 circulated on 14 November 2017 and the subsequent revision in JOB/GC/152/Rev.1. Bangladesh's submission on the future work on e-commerce focused on the different core issues. It had been decided at the Second Ministerial Conference that the General Council should play a central role in the whole process and keep the Work Programme on Electronic Commerce under continuous review through a standing item on its agenda. Though Members had adopted the Work Programme in 1998, no work had been carried out on the core elements identified therein. Ignoring those elements would be an injustice to the Work Programme especially as they remained relevant. Bangladesh therefore proposed to conclude the work assigned to the relevant bodies to help deepen Members' discussions and expected that Members would engage in fruitful discussions on those elements. Bangladesh remained constructively engaged on the issue.

9.22. The representative of Jamaica, on behalf of the ACP Group, noted that the workshops held under the auspices of the General Council on the moratorium on imposing customs duties on electronic transmissions had been informative and had highlighted the need for further analysis on the measurement of revenue loss from digitization. It had also highlighted the need for experience sharing and meaningful technical assistance and capacity building as it related to the imposition of taxes on products purchased electronically, beyond the question of tariffs as the moratorium did not cover imposition of internal taxes. Those were among the issues that the ACP Group would have indicated to be of core importance for discussions under the development component of the discussions of the Work Programme on Electronic Commerce.

9.23. While those issues remained of importance, recent developments had elevated the need for urgent, serious and focused discussions on other aspects of the development aspects of the Work Programme. What had initially emerged as a health crisis and resulted in the imposition of measures to curb the spread of a virus had wreaked serious havoc on the economies of ACP countries. The literature showed however that despite the devastating impact that the crisis had had on a number of economic sectors, there had been at least one obvious highlight. The information communication technology sector unlike other areas had realised exponential growth at the time when other sectors had been declining. The increased demand for services relating to telecommuting such as web conferencing and electronic commerce was evidence of that.

9.24. At a more granular level, electronic commerce had allowed for telemedicine, online education and increased personal and professional communication. As a Group, those mechanisms had benefitted its members through supporting their engagement and participation in the WTO and other



processes. The ACP Group thanked its technical assistance partners for that support. The ACP Group looked beyond the question of the moratorium to the other elements of the Work Programme that together with the issue of the moratorium underpinned the needs of consumers and entrepreneurs to enjoy a liberal and level playing field to participate in the e-commerce platform.

9.25. Despite those positive advances, the crisis had exposed the gaping digital divide and, in some instances, had widened it. The impact had been particularly felt by developing and LDC Members including those in the ACP Group. Access to the internet and basic electricity were some of the basic infrastructural challenges faced by a large section of the population in many ACP countries thereby stymieing the ability to provide online education, teleworking and online access to provisions.

9.26. While statistics could reveal a positive trend in online purchases in developing countries, what was not apparent was that access to online platforms as sellers by a vast majority of MSMEs in ACP countries remained elusive. Further, the statistics on the unbanked in a number of their countries had been understated. The crisis had also further warranted the need for effective and efficient legislation and regulations. That was pertinent if consumer protection, data privacy, cyber security and cybercrime were to ensure that governments, consumers and businesses in ACP developing countries were to be protected and guaranteed an adequate level of safeguards for online activities.

9.27. The ACP Group was pleased to have witnessed the experience sharing by Members during the recent meeting of the Services Council, one of the bodies entrusted to advance and intensify the organization's work on electronic commerce. The Group stressed the urgency in discussions seeking to see how the WTO, and equally its Members, could assist developing and least-developed ACP countries to bridge the digital divide thereby allowing for greater participation and benefit sharing from the global trade in electronic commerce.

9.28. The ACP Group recognized that if those issues were to be brought forward, the onus would be on the members of the ACP Group and countries like them. The Group therefore continued to engage among themselves and with other Members with the aim of treating to the issues relating to the development component of the Work Programme and looked forward to its continued engagement in the General Council and other respective bodies charged with undertaking work on the Work Programme on Electronic Commerce.

9.29. The representative of Namibia associated with the statement made by the African Group and the ACP. Subsequent to the Work Programme on Electronic Commerce and other Ministerial Declarations and Decisions, Namibia supported India's request for that important item to be part of the discussion of Members' work moving forward. Without repeating its well-known position, Namibia pointed out that the request would assist to explore different avenues with a view to overcome the negative impact of e-commerce on industrialization due to the loss of the use of tariffs as a critical trade policy instrument during and after the COVID-19 pandemic.

9.30. The representative of Saint Lucia, on behalf of CARICOM, associated with the statement made by the ACP. As Members continued to grapple with challenges related to the COVID-19 pandemic, it was perhaps time for Members to reorient their approach to the December 2019 General Council decision to reinvigorate work under the Work Programme on Electronic Commerce. The current global reality was vastly different from that in December 2019. The pandemic had confirmed the indispensability and urgency of digital transformation especially as it related to electronic commerce. Those with limited capacity to deploy digital solutions had experienced the paralysis of businesses, sectors and economies as a whole. That had compromised their social development systems and had set back their sustainable development efforts.

9.31. Some Members had benefited considerably from exponential increases in demand for digital solutions in 2020 such as those relating to electronic payments and telework. On the other hand, many developing and least-developed Members had lacked the wherewithal – including the requisite infrastructure, capacity and regulatory frameworks – to leverage such solutions. Those challenges had long constrained their ability to access the benefits of electronic commerce and the digital economy and they gravely undermined efforts to weather the crisis triggered by the pandemic. The digital divide seemed wider now than ever before. Given the present circumstances, it would therefore be instructive for Members to prioritise other aspects of the e-commerce conversation rather than dedicate their efforts almost exclusively to the moratorium.

9.32. While providing opportunities to clarify perspectives and consider technical studies, Members' discussions had not brought them closer to convergence on the scope and impact of the moratorium, without which it was difficult to advance their work. In that regard, CARICOM welcomed efforts to broaden the dialogue on electronic commerce including in the Services and the TRIPS Councils and would support further efforts in that regard in the period ahead. Upon entering the final quarter of 2020 and in considering the outcomes under the Work Programme Members would wish to pursue in the context of MC12, the CARICOM Group reiterated its call for the consideration of other trade-related topics of interest to Members such as focused discussions on the digital divide.

9.33. The representative of the United Kingdom reiterated that his delegation was a strong supporter of the moratorium and believed that that should be made permanent. As Jamaica had said, COVID-19 had highlighted just how important digital trade and services were to the global economy. It would continue to be of fundamental importance as Members looked to build back better from the crisis. The United Kingdom also agreed with Nigeria that digital trade should be uninhibited by tariff barriers like customs duties to provide the stability and predictability that businesses needed whether in developed or developing countries to innovate, grow and prosper in the digital age.

9.34. Barriers to trade were barriers to trade and Members should seek to avoid introducing them. The United Kingdom recognized that there were a range of views held by Members on the impact of the moratorium and drew Members' attention to the paper by the OECD entitled "Electronic Transmissions and International Trade" which shed new light on the moratorium debate. Those publications played an invaluable part in increasing understanding of what was a complex set of issues and they could help to generate informed and constructive debate between Members. The United Kingdom welcomed continued discussions on that important issue through the Work Programme on Electronic Commerce.

9.35. The representative of Turkey said that e-commerce was an area with growing importance for all Members and it had to be thoroughly discussed in the organization. The WTO could not afford to be left behind on developments in e-commerce. In that respect, the Work Programme on Electronic Commerce already required Members to examine all trade-related issues relating to electronic commerce taking into account the economic, financial and development needs of developing countries. Members should continue to do their part in that regard in the relevant WTO bodies and reinvigorate the Work Programme with more solid action.

9.36. As had been stated before, there were a number of questions and concerns surrounding the current moratorium which included the terminology used and questions related to classification and technological neutrality. Before making any decision on the moratorium, Members needed a better understanding of the consequences of the current practice especially the fiscal implications of the moratorium for developing and LDC Members since they were net importers of digitizable products.

9.37. In all their work, Members should focus on preserving policy space to address the challenges of the current rapid technological advances. That assessment should also take into account its potential benefits in promoting trade, creating new industries, boosting innovation and development. That assessment was absolutely necessary as it was crucial in fostering the rapid increase of trade in electronic transmissions with digitalised works. The practice of extending the moratorium while they further discussed those aspects would be the optimal solution.

9.38. The representative of the United States noted that when Members had first established the prohibition on customs duties on electronic transmission in 1998, e-commerce had been in its infancy. More than twenty years later, it was clear that the moratorium had supported the rapid growth of digital trade by ensuring that exports of digital products and services were not subject to tariffs. The benefits of the moratorium had only become more salient in the current context of the pandemic in which the availability of digitally delivered products and services had become a lifeline for many consumers and businesses including SMEs around the world.

9.39. In December, when the General Council had agreed to extend the moratorium until MC12, it had also called upon Members to reinvigorate the work under the Work Programme on Electronic Commerce based upon the existing mandate as set out in document WT/L/274. To that end, the United States had actively participated in the webinar and an open-ended meeting of the Work Programme that had taken place in July to discuss the moratorium.

9.40. To the specific General Council point raised by India, issues under the Work Programme had regularly been discussed in General Council meetings as well as in recent informal open-ended meetings. In order to ensure that there was sufficient Member-interest to sustain a productive discussion, the United States preferred that those discussions continued to proceed on the same basis that they had that day rather than establishing any new permanent items that were automatically added to the General Council agenda.

9.41. The representative of Mali said that e-commerce was a development matter. Mali which was a landlocked LDC Member had suffered severely from the catastrophic effects of border issues following COVID-19 – representing more than 40% of the State budget. That was an official figure. Although Mali would like to join the JSI, it also recalled that there was a problem and a mandate which had not yet been implemented and achieved. There were four bodies in the WTO for which the issue of e-commerce had been discussed – none of which had been able to give a proper account. Nobody knew what the status of the work programme was. Those bodies needed to publish it. At the same time, Members should also be fully aware of the effects of the moratorium on development.

9.42. Mali agreed and was happy for those which were developed enough to eliminate customs duties and wished that it was among them. Mali hoped they would share their experience with the Membership. The issue of e-commerce was a development issue. There were African countries and LDCs where the rate of electrification was at 20% and there were those experiencing less. There were Members with a very low level of banking activity where electronic payment did not exist. Mali questioned the discussions surrounding the moratorium and on engaging in conversations on rules on e-commerce given such circumstances including the fact that Article 66.2 of the TRIPS Agreement on the provision of technology transfer had not yet been applied. Mali therefore appealed to Members to consider and resolve the issue of technology transfer as it continued to suffer from that problem.

9.43. Online classes and telework seemed like effective concepts to address school and work arrangements during the pandemic. In Mali, children had not been in school for a long time. Schooling had been stalled for an entire generation. In several countries, students had been back to school since August or September but for Mali, it would still be sometime in October. And e-commerce could help address such issues. The problem was that Mali did not have the sufficient means for it and nobody wanted to give Mali the essential resources despite what was enshrined in Article 66.2 of the TRIPS Agreement. Members should therefore implement that provision. Mali called on all Members to help each other to achieve the objectives of the Work Programme on Electronic Commerce and to implement technology transfer under Article 66.2 of the TRIPS Agreement.

9.44. The representative of Mexico said that his delegation had always looked for a permanent moratorium with the commitments which had been undertaken according to regional and bilateral agreements. E-commerce had been able to grow beyond what had been predicted thanks to the multilateral commitment to not impose customs duties on electronic transmissions. The increase in electronic transmissions and transactions had positively impacted employment and innovation and had encouraged and favoured low-income groups. With regard to the COVID-19 pandemic, consumers had used electronic platforms more and more in order to access banking services and undertake electronic payments including accessing public services, buying goods and services especially with relation to health as well as the use of mobile telephony and urban mobile services – enabling them to have access to educational services, among others.

9.45. With regard to the effects of the COVID-19 pandemic, recent studies had confirmed that e-commerce had helped many families to stay at home and to have access to health services and medication. It had also helped many MSMEs to remain relevant in a difficult economic environment. A non-comprehensive fiscal analysis approach would not lead to successful public policies. The benefits of not imposing customs duties on electronic transmissions should be seen in light of the comprehensive economic effects of the expansion of the sector and not on short-term economic appetite which induced the negative effects on the development of the sector. Mexico therefore reiterated its position supporting the extension of the moratorium.

9.46. The representative of Canada supported the points made by Nigeria and Australia and rejected India's concerns about the JSI on E-Commerce. The JSI was open to all, was transparent and aimed at increasing openness and predictability. Many participants were developing Members and they had full rights in those negotiations and Canada was working closely with them. Canada was convinced that ensuring a permanent, tariff-free space for cross-border electronic transmissions provided valuable long-term predictability and openness for businesses and consumer. Obviously, that had

always included content transmitted electronically, if not it would be meaningless. To that end, Canada reiterated its support for having the multilateral moratorium become a permanent prohibition and had also welcomed and participated in the informal, open-ended meetings on the Work Programme on Electronic Commerce brought forward by Members' submissions.

9.47. The representative of Switzerland was pleased to see that activities had picked up even if they had been delayed by the recent lockdown. Switzerland thanked the Chair for the regular update that he was providing to the General Council under the item dedicated to the implementation of the Bali, Nairobi and Buenos Aires Decisions. That was a useful format to channel the discussions. On the moratorium, activities foreseen under the structured discussions had also resumed in the summer with a workshop and discussions on the basis of two submissions, one by Switzerland and 12 other Members, the other by India and South Africa.

9.48. While looking forward to continuing the structured discussions, Switzerland remained of the view that the moratorium was part of the framework conditions that had contributed to the expansion of e-commerce. Switzerland cautioned against the temptation to introduce barriers to digital trade in the form of customs duties. Those tools were unsuited to the digital environment and excessively costly if they could be implemented at all. Switzerland saw no good reason to let go of an important contribution of the WTO that left Members the full discretion in the area of internal taxation. On the contrary, Switzerland supported making the moratorium on electronic commerce permanent.

9.49. The representative of Israel welcomed the decision to extend the moratorium on e-commerce to MC12. It was an important decision that sent a positive message of certainty and predictability to the international business community. The benefits of the moratorium outweighed the potential cost for revenue losses. Those benefits were made clearer on a daily basis during the ongoing COVID-19 pandemic which demonstrated the importance of cross-border trade by electronic means. Israel welcomed the continued work on that and other e-commerce related rules.

9.50. The representative of Singapore remained committed to fully implementing the December 2019 GC decision to (i) re-invigorate the Work Programme and (ii) maintain the practice of not imposing customs duties on electronic transmissions until MC12. Members should recognize that the COVID-19 pandemic had accentuated the importance of digital trade and it was imperative that Members continued to engage constructively on that important issue. It was impossible to wait until the full effects of the digital transformation were clear because the digital transformation was already upon them and they could not be left behind.

9.51. Members had been engaging in regular exchanges of views on the E-Commerce Work Programme under the General Council agenda item on the "Implementation of the Bali, Nairobi and Buenos Aires Outcomes – Statement by the Chairman". The Work Programme had also been addressed in various committees throughout the year. For example, the recent CTS meetings, on 1 July and 2 October, had seen substantive discussions under the agenda item on the "Exchange of Information and Experiences based on Submission by Members". Singapore looked forward to continuing such useful exchanges using those modalities.

9.52. Singapore was puzzled by the request to include the E-Commerce Work Programme as a standing agenda item of the General Council since it was already covered under agenda item 2. In fact, that agenda item was a standing agenda item under which Members had regularly exchanged views on the E-Commerce Work Programme. From a pragmatic and procedural viewpoint, if every issue Members discussed at the WTO were to become a standing item in the General Council then the agenda would become bloated in no time.

9.53. In concluding, Singapore noted that the rules of tennis had been invented in 1837. Clay courts had become popular in the mid-1900s. Having established rules had not prevented innovation and had not prevented clay courts from becoming a fact of life which the world could now enjoy. So, when Members drew lessons from history, they should draw the right ones.

9.54. The representative of Japan supported the Work Programme on Electronic Commerce which had formulated a solid foundation for Members' longstanding practice of the moratorium on customs duties. Japan was open to reinvigorating the work under the Work Programme as appropriately in the run up to MC12 based on Members' agreement in the December General Council meeting. In the General Council, discussions related to the Work Programme were covered under the agenda item

on the "Implementation of the Bali, Nairobi and Buenos Aires Outcomes". In addition, Members had already agreed in the General Council meeting in December to have structured discussions on the moratorium. Those existing format and agreement could provide sufficient foundation for discussions on the Work Programme and the moratorium.

9.55. On the customs duties moratorium, Members should recall its objective of ensuring free trade environment that was conducive to the development of electronic commerce. The moratorium had been providing both businesses and consumers with certainty and predictability in international trade for more than 20 years. To discontinue the moratorium would be considered a serious step backward for e-commerce and international trade especially during the COVID-19 crisis which shed light on the utility and the potential of electronic commerce. That was why Japan strongly believed Members should maintain the current multilateral practice of the moratorium and make it permanent.

9.56. At the same time, Japan was open to finding solutions to address the challenges faced by developing Members in adapting to electronic commerce. In that regard, Japan was co-sponsoring the proposal in the CTS (JOB/SERV/296/Rev.3) that encouraged Members to share information on how to increase digital capability and address the digital divide in developing Members. Such work was instrumental for Members to overcome challenges in electronic commerce such as those pointed out by India and other Members. On the JSI, as a co-convenor, Japan believed that the ongoing JSI on electronic commerce could complement the required work under the Work Programme as Australia had mentioned.

9.57. The representative of Sri Lanka supported India for having proposed the agenda item. When the moratorium on customs duties on electronic transmissions had been agreed in 1998, there had been no clarity on the scope of the moratorium and how that could have unfolded with the digital revolution. Members had therefore agreed on disciplines on electronic transmissions without a clear indication of the fiscal, industrial and economic implications. Accordingly, Ministers in 1998 had agreed on the establishment of "a comprehensive work programme to examine all trade-related issues of global e-commerce".

9.58. The subsequent Ministerial Conferences and the General Council had adopted decisions to extend the moratorium on the imposition of customs duties on electronic transmissions with the promise of reinvigorating the work under the E-Commerce Work Programme, including having structured discussions. The Work Programme was therefore a critical aspect that should have informed decision-making on the moratorium. As per the latest decision, Members had agreed to maintain the moratorium until MC12 and for the General Council to report to MC12 on the work under the Work Programme on Electronic Commerce.

9.59. Sri Lanka noticed from the discussions held so far since December 2019 that Members continued to have divergent views on the scope and impact of the moratorium which indicated that there was still a lot of work that needed to be done for another extension of the moratorium beyond MC12. Meaningful and genuine engagement by the Membership was a critical building block towards the reinvigoration of the work under the Work Programme for achieving clarity on scope, definition and impact of the moratorium as mandated by the General Council in December 2019.

9.60. As it had been emphasized by many, it was important for Members to come to a common understanding on the scope of the moratorium. Without clarity on the scope of the moratorium, there would be no predictability for business, trade and industry. More importantly, governments would not have known what their obligations and rights were. Only a clear understanding on the scope and an appreciation of its impact would help the Ministers take a well-considered and wise decision on the moratorium at MC12.

9.61. The submissions before Members, particularly the joint proposal by South Africa and India in document WT/GC/W/798 dated 11 March 2020, which Sri Lanka supported, provided their understanding of the scope of the moratorium and its implications. The empirical evidence had drawn from a number of studies which they had outlined in the paper to define the scope of the moratorium on electronic transmissions as applicable to physical goods.

9.62. The key concern was the impact of the moratorium on customs duties on electronic transmissions on Members' efforts to industrialise digitally including its impact in undermining existing industries. Meaningful progress on the work programme was therefore important due to the

value Members had attached to effective and inclusive participation in e-commerce and the digital economy, and the role it could have played in the development of their economies. Governments should have been able to promote digital industrialization and ensure that e-commerce was conducted in a fair manner and contributed to the resources of government just as every other economic activity was typically required to do.

9.63. The benefit that developing countries derived from e-commerce could not be limited to consumer welfare. While that was important, the role of trade policy was more relevant as an instrument of industrial development. The meaningful economic impact for developing countries arising from e-commerce would be from an industrial and job creation point of view which would promote resilient economies and sustainable development. The moratorium therefore had long-term implications for the developmental prospects of developing countries.

9.64. For the last 22 years there had been a remarkably inefficient situation in which similar goods such as e-books and physical books were receiving different policy and tax treatment. One could not ignore the revenue losses estimated by UNCTAD as amounting to USD 10.1 billion per annum for developing countries if bound rates had been applied and USD 5 billion when based on applied rates. Sri Lanka's corresponding per annum tariff revenue loss from the moratorium using bound duties was estimated to be around USD 10 million and the total tariff revenue loss from the moratorium using effective applied duties was around USD 9.3 million.

9.65. The custom surcharges and other additional duties were also important sources of revenue for developing countries including Sri Lanka. Rising digitalization of products and shift of imports from physical imports to online imports with moratorium on electronic transmissions could have serious implications on government budgets especially in those small economies including Sri Lanka. A true reinvigoration of the 1998 Work Programme was therefore needed through the relevant bodies taking up the discussion based on their mandate. The priority had to be the scope of the moratorium which would inform decision-making on the moratorium at MC12 and the developmental aspects that would promote inclusive participation in the digital economy under the CTD.

9.66. To assist developing countries such as Sri Lanka in making the above decisions in a more pragmatic way, the Work Programme should be reinvigorated and accelerated with a pre-defined agenda enabling Members to focus on the following issues for which clear milestones and a constant review mechanism under the General Council for arriving at decisions before proceeding for another extension and paving the way for further extension of the moratorium beyond MC12: to examine the scope and definition of electronic transmissions in relation to the customs duties moratorium and, particularly, whether it covered only goods or also services and the implications thereof and to take a decisive action on the scope and definition of electronic transmissions and to examine the technical feasibility of implementing customs duties on electronic transmissions.

9.67. While looking forward to more intensive discussions on the various aspects of the moratorium in various settings, Sri Lanka supported India's proposal that in the light of the Buenos Aires and the December 2019 General Council Decisions on the Work Programme, it was useful and productive for the Membership to continue with the periodic reviews of the Work Programme by the General Council in its future sessions until the following Ministerial Conference. Accordingly, Sri Lanka called for the General Council to review progress on the Work Programme as had been proposed by India.

9.68. The representative of the European Union remained convinced that the multilateral commitment not to impose customs duties on electronic transmissions had brought multi-faced benefits to all Members. It had contributed to the development of digital trade, had helped consumers to access new services and had provided certainty to business, including MSMEs. A permanent moratorium would provide the necessary certainty to business and consumers and would facilitate planning decisions related to further engagement in digital trade.

9.69. The European Union remained committed to continue engaging in the structured discussions on the moratorium in line with the General Council decision of December 2019 taking into account the new evidence that had been published over the past year on the multiple benefits of the moratorium for business and citizens. The European Union remained committed to continue discussions in the informal open-ended General Council meetings, in the regular WTO Committees and structured discussions and failed to see the need for a standing item on the General Council agenda on the Work Programme and moratorium.

9.70. The representative of Pakistan said that the rules of various games had evolved with technological advances – the introduction of the third umpire, the electronic eye in cricket being a case in point. The moratorium on customs duties on electronic transmissions had been under discussion at the house for some time now. The more Members discussed and explored, the more it became evident that changing times were revealing new dimensions and implications of the moratorium. Rapidly evolving technologies dictated that developing countries, most often constrained financially, could not ignore serious revenue and industrial implications. The scope and definition of electronic transmissions was increasingly becoming a complex area. Moreover, at a domestic and social level, welfare for the consumers and producers within a national economy needed to be balanced by governments. Any decision on the continuation of the moratorium could not therefore be straightforward and should consider all aspects for developing countries.

9.71. Pakistan understood that the multilateral mandate on the Work Programme needed to be fulfilled in a focused way to discuss and explore solutions for developing countries. The Government of Pakistan had placed digitization and digital development as one of its top priorities and Members should find collective ways for developing countries to secure their place on the global digital map.

9.72. The representative of Chad, on behalf of the LDCs, noted that Mali had highlighted the concerns of LDCs and had given a clear picture of the situation. The LDC Group granted importance to the Work Programme and stressed the importance for LDCs to be equipped with the appropriate infrastructure as far as new technologies were concerned. That would enable them to benefit from e-commerce. It was important to explore new and appropriate avenues to enable LDCs to reach that objective. Before talking about e-commerce, Members should first have the necessary tools. It was regrettable that during the WTO meetings, many delegations in capitals had not been able to take part in the meetings simply because they did not have the required infrastructure to be able to do so. Sometimes their Ministers intervened virtually and during the intervention the sound would cut off. The use of internet was failing because they did not have advanced technology which did not enable their capitals to take good part in their discussions also due to the pandemic. There was a sense of urgency in addressing such issues.

9.73. Members should help LDCs at least by ensuring that they were equipped with the necessary infrastructure so that they could take part in the meetings and exchange their experiences from capital with the WTO. Some Members had the necessary tools to help LDCs gain access to those tools at lesser costs so that they could make better and easier use of e-commerce. Some Members had important infrastructure such as satellites. The LDC Group therefore launched an appeal to Members to look at the matter in depth to help the LDCs. Regarding the moratorium, the LDC Group thanked India for all the explanations it had provided. The Group would continue to fully participate in the discussions under way on the moratorium, would remain flexible and open and would continue to take part on discussions on the matter.

9.74. The representative of Chile thanked India, an active protagonist at the WTO, for providing Members an opportunity to exchange views on the issue even though they already had that opportunity under another agenda item. At the previous meeting, Chile had given a detailed statement saying why it supported the extension of the moratorium. Chile was comfortable as a co-sponsor together with other developing and developed Members on the discussions on the extension and development of the moratorium on electronic transmissions in document WT/GC/W/799/Rev.1. That document picked up the conclusions from a paper by the OECD entitled, "Electronic Transmissions and International Trade: Shedding a new light on the debate on the moratorium".

9.75. The OECD paper reflected that an evaluation of the costs and benefits should be based on a holistic analysis which included many variables on the one hand but also various economic effects that such a decision would entail. Members all knew that the analysis of one or two variables was not per se a holistic analysis. The OECD study came to the conclusion that the terms of the moratorium would have an effect on limiting public income and would be done at the expense of more interest for the consumers and the competitiveness of companies in that sector. The benefits of the moratorium therefore compensated for the possible loss of public income. But it was not just the study that had mentioned the advantages of the moratorium. Those had also been made more visible by stakeholders including in seminars organized by various sectors in developing countries.

9.76. Chile was fully aware of the limitations of developing countries especially LDCs to benefit fully from the digital economy such as infrastructure and technical capacity. Chile had also encountered similar constraints. It was however difficult to conclude that the imposition of customs duties on

electronic transmissions could help overcome those obstacles because it would give greater competition to the digital market. Like Chile, majority of developing Members did not have big developed domestic markets. Their digital SMEs had bases elsewhere. They needed to have necessary tools to connect to those companies outside the country making it necessary to enhance trade with simple, transparent and predictable systems. That was what Chile had learned and what it had wanted to share with the WTO. None of its digital MSMEs had identified imposing customs duties as something that would stop them from developing – another data that Members should bear in mind.

9.77. Concerning the discussions on the Work Programme, Chile echoed what other delegations had previously pointed out that the Chairman regularly informed the General Council on updates regarding the Work Programme under the item on the "Implementation of the Bali, Nairobi and Buenos Aires Outcomes". In December 2019, it had been agreed to hold structured debates on the moratorium that was why there had been meetings throughout the year in that regard. But Members should thank India for being so active in that matter. Chile hoped that Members would find a multilateral solution on that issue and would reach an agreement soon as the matters discussed were not theoretical concepts but realities.

9.78. The representative of India thanked the Chairman and the Members for their engagement that day under that agenda item. The interest shown by Members that day clearly showed the benefit of having a set agenda for review. In the end, all Members had learned their lessons in the last 25 years but India still did not know whether those had been the right or the wrong ones.

9.79. The Chairman recalled that South Africa had earlier noted that he had urged all delegations to deepen the engagement on both the Work Programme and the Moratorium in line with the General Council Decision of December 2019. He reiterated that, as Chair, he remained ready to consult with Members and to facilitate further meetings as necessary.

9.80. The General Council took note of the statements.

## **10 WTO PENSION PLAN**

### **10.1 Annual Report and Financial Statements for the year ending 31 December 2019 (WT/L/1093)**

### **10.2 Report of the Independent External Auditor on the Audit of the Financial Statements of the World Trade Organization Pension Plan (WTOPP) for the year ended 31 December 2019 (WT/L/1094)**

10.1. The Chairman drew Members' attention to the Annual Report of the Management Board for 2019 contained in document WT/L/1093 which was submitted to the General Council in accordance with Article 5(d) of the Regulations of the WTO Pension Plan. He also drew their attention to the Report of the Independent External Auditor on the Audit of the Financial Statements of the WTOPP in document WT/L/1094.

10.2. Mr. Jean-Marc van Dril (Switzerland), Chairman of the WTOPP Management Board, presented to the General Council the 2019 Report of the External Auditor and the 2019 Annual Report of the World Trade Organization Pension Plan which could be found in WT/L/1093 and WT/L/1094. Those reports, covering the period from 1 January 2019 to 31 December 2019, had been prepared in accordance with Article 5 of the Regulations of the Plan for presentation to the General Council and to Plan participants. The Annual Report and External Audit Opinion were issued unusually late mainly due to travel restrictions associated with the COVID-19 pandemic which had delayed completion of the work of the external auditors. The Management Board was pleased to inform about a positive audit report with an unqualified opinion.

10.3. Regarding Investment, in 2019, financial markets had been unexpectedly strong. That was reflected in the return of the Pension Plan investments portfolio at end-2019. The Management Board's investment strategy had delivered a nominal return of 12.6% which was significantly above the 3.5% target rate of return used in the actuarial assumptions. Over the last five years, the Plan's portfolio had generated an average annual return of 4.7% in nominal terms. Variations in returns with years above and year below the target were normal. If 2019 had brought strong returns, 2020



would be challenging for investors with the COVID-19 global pandemic affecting the economic activity and weighing on the performances of the financial markets.

10.4. That uncertainty meant that the prospects for investors were likely to remain challenging in the near future. In such a context, it would be normal to expect that markets could correct and that the Pension Plan experienced some below average returns in the future. The WTO Pension Plan was however a long-term investor. Its investment strategy was designed to make use of opportunities provided by market downturns, by purchasing at attractive prices assets that held the potential for more sustained, even if modest, returns.

10.5. Regarding the actuarial matters, a triennial full actuarial valuation based on 2019 data was ongoing. The disruptions of COVID-19 and the technical complexity of that work had meant that that valuation was still in progress. For that full valuation, the Board had launched a comprehensive review of the assumptions to be used for projecting the future liabilities of the Plan. In just the past weeks, the Management Board had learned that the company employing the lead actuary had made his position redundant in a corporate restructuring. The lead actuary had been responsible for that valuation and had been advising the Board since many years. Those sudden developments had made it impossible to complete on schedule the triennial full actuarial valuation.

10.6. Consequently, the Management Board was in the process of launching a competitive procurement exercise for a new consulting actuary. That would allow it to continue the periodic full actuarial valuation and to issue the report of the valuation. Although the recent events were causing a delay in the delivery of the report, the valuation would more appropriately be based on 2020 data. As mentioned earlier, near term economic conditions were expected to be challenging, a situation that could result in sustained below-average returns. Combined with unprecedentedly low, and even negative, interest rates and shifting staff demographics, that could lead to an actuarial imbalance. The Board would be closely monitoring those trends and, if necessary, would be making recommendations to address such an imbalance.

10.7. Regarding Outlook/Governance, in 2019, the Management Board's Working Group on Governance had adopted its first policy on risk management which had been gradually implemented since adoption. The Working Group on Investment had focused on Environmental, Social and Governance aspects. That had led to the updating of investment guidelines which had also been implemented into the portfolio during the year. The Management Board remained committed to full engagement in ensuring the continued good governance and sustainability of the WTO Pension Plan.

10.8. The General Council took note of the Annual Report in document WT/L/1093, of the Report in document WT/L/1094, and of the WTOPP Management Board Chairman's statement.

## **11 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON MEETINGS OF JUNE, JULY AND SEPTEMBER 2020 (WT/BFA/186, WT/BFA/187, WT/BFA/188)**

11.1. The Chairman noted that the final agenda item concerned the reports on the work of the Budget Committee. In that regard, he drew Members' attention to the reports in documents WT/BFA/186, WT/BFA/187 and WT/BFA/188 and invited Ambassador Teehankee (Philippines), Chairman of the Budget Committee, to introduce them. The General Council would then take action on the recommendations from the Budget Committee. Then, Ambassador Teehankee would provide an update on Administrative Measures for Members and Observers in arrears.

11.2. Ambassador Manuel Teehankee (Philippines), Chairman of the Committee on Budget, Finance and Administration, reported that since his last report to the General Council, the Committee had met on several occasions, both formally and informally. His remarks that day would focus on the items recommended for approval by the General Council at the meeting of the CBFA held on 17 September 2020. The report of that meeting had the reference WT/BFA/188. He would also provide some highlights of the carry-over of discussions of other meetings that had taken place since then as well as of the formal meetings of the Committee on 3 June, 23 June and 7 July. The reports of those meetings were contained in documents WT/BFA/186 and WT/BFA/187.

11.3. With respect to the WTO Financial Performance Report, he reported that the Committee had endorsed the transfers between budgetary sections as outlined in Paragraph 2.34 of document WT/BFA/W/527. He also noted that the Independent External Auditor had placed an unqualified audit

opinion on the WTO's Financial Statements. The CBFA was therefore submitting the following recommendation to the General Council for approval: "The Committee recommends that the General Council approve the transfers between budgetary sections as outlined in Paragraph 2.34 of document WT/BFA/W/527. The Committee further recommends that the General Council approve the WTO Audited Financial Statements for the year ended 31 December 2019."

11.4. Further, regarding the proposed utilization of the 2019 Budgetary Surplus, the Committee had endorsed and was herewith submitting the following additional recommendation to the General Council: "The Committee on Budget, Finance and Administration recommends to the General Council that the WTO budgetary surplus for the year ended 31 December 2019, amounting CHF 5,010,376 be transferred to the Working Capital Fund."

11.5. Concerning the 2021 Budget Proposal, a key priority for him was to ensure the timely passage of the 2021 budget proposals. The WTO 2021 budget proposal had further been discussed at the meeting of the Committee held on 17 September and subsequently also on 5 October. For its part, the Secretariat had responded to questions raised by Members at the relevant meetings of the Committee and through written communications contained in document WT/BFA/INF/12 dated 11 August 2020 and in document WT/BFA/INF/13 dated 7 October 2020. No action was required at that time on the matter.

11.6. On the Suspension of Administrative Measures for Niger, he reported that the CBFA had endorsed a payment plan for Niger – a copy of which could be found in document WT/BFA/W/528. He then read the recommendation: "In accordance with the decision of the General Council of 15 November 2012, the Committee on Budget, Finance and Administration recommends that the General Council suspend the application of Administrative Measures for Niger with the proviso that Niger undertakes, in writing, to abide by the schedule of instalment payments for liquidating all arrears, over a period of seven years. The payments must be received no later than 31 December of each year, starting in 2020, failing which the Administrative Measures will be reinstated."

11.7. The representative of India said that while India was reasonably satisfied with the work of the CBFA in 2020 including progress in the discussions on budget, India wished to bring to the attention of the General Council some issues. Concerning the Report of the External Auditor, the report of the Independent External Auditor on the WTO budget 2019 had pointed out irregularities in recruitment, procurement policies that were inconsistent with WTO policies and commonly accepted practices globally. India hoped the Secretariat would address those issues expeditiously.

11.8. Concerning Trust Funds, the report of the Independent External Auditor had also noted serious concerns over the way in which the Trust Funds were being managed by the WTO. It had recommended that the WTO should critically review its Trust Funds Policy. Those were the same concerns that India and other Members had been raising for the past several years and they had not seen much progress in implementing measures to improve the management of Trust Funds. The Auditor's Report was a wake-up call for Members and should help them work towards a better system to govern the Trust Funds.

11.9. Concerning the budget-cut, austerity began at home. With the WTO being a home and as the global economy battled a significant recession, WTO Members across developed and developing countries were experiencing significant budgetary constraints. Though it appeared that Member contributions had remained the same over the years, the currency depreciation had in fact increased the nominal contribution outgo for majority of Members. India called upon the Secretariat and the WTO Membership to consider a voluntary short-term cut in the budget of the organization as a symbol of solidarity with the Members who were battling a grave economic situation. India hoped Members could consider that for the budget for 2021 and 2022.

11.10. The representative of Chad, on behalf of the LDCs, noted that the consequences of the global health crisis caused by COVID-19 in WTO's activities especially concerning technical assistance had meant that all technical assistance activities provided by the WTO Secretariat and the ITC had stopped completely since the pandemic. The LDC Group regretted that undesirable situation which affected the programmes for LDCs and continued to place importance on the follow up of those technical assistance and training programmes. Members should strengthen the LDCs' capacity to implement the WTO Agreements to enable them to better integrate into the multilateral trading system. In that connection, the funds which had been earmarked for technical assistance in 2020

should be preserved and should be added to the 2021 budget – in particular the capacity-building activities requested by their capitals and provided for in the biannual technical assistance plans but which had not been implemented due to the restrictions linked to the COVID-19 pandemic.

11.11. Members should be able to make up for the delay in technical assistance and capacity building for LDCs which should be provided for as soon as it would once again be possible without any losses in terms of funds allocated in the current budget nor those within the budget under discussion for the succeeding period. The LDC Group would like to see the funds carried forward for the next period because of the exceptional circumstances linked to COVID-19 as it was impossible for those programmes to take place in 2020. The LDC Group called on Members to approve the budget and improve predictability. Members required an organization that was operational which assured the continuity of activities while limiting uncertainties – such would be beneficial for all. The LDC Group invited Members to redouble their efforts to guarantee as soon as possible the granting of resources to be allocated to the 2021 budget for the WTO and the ITC bearing in mind the need to allow them to propose technical assistance adapted to the increasing development needs.

11.12. The General Council approved the Budget Committee's specific recommendations in paragraph 2.49 of WT/BFA/188 concerning transfers between budgetary sections and the WTO Audited Financial Statements for the year ended 31 December 2019 and in paragraph 4.3 of WT/BFA/188 concerning the budgetary surplus; took note of the CBFA Chairman's statement concerning the WTO budget proposal; approved paragraph 5.5 of WT/BFA/188 concerning the suspension of Administrative Measures for Niger; adopted the reports in WT/BFA/186, WT/BFA/187 and WT/BFA/188 and took note of the statements<sup>7</sup>.

11.13. Ambassador Manuel Teehankee (Philippines), Chairman of the Committee on Budget, Finance and Administration, recalled that the administrative measures applicable to Members and Observers with arrears in contribution had been in place since 1 March 2013. In accordance with the decision of the General Council, he would state all Members and Observers under all categories of administrative measures. As at the end of the third quarter on 30 September 2020, and as updated that day with the approval by the General Council of Niger's payment plan, there were currently a total of 16 out of 164 Members and 6 out of a total of 25 Observers that were under Administrative Measures.

11.14. For Category III Measures, there were the following 7 Members: Antigua and Barbuda; Burundi; Central African Republic; Congo; Guinea-Bissau; Sierra Leone and Bolivarian Republic of Venezuela. The following 3 Observers were subject to measures of Category III: Libya; Sao Tomé and Príncipe and Somalia.

11.15. For Category II measures, the above-mentioned Members and Observers he had just quoted were also subject to Category II measures. In addition to them, the following Members and Observers were also subject to Category II measures: Democratic Republic of Congo; Senegal and Yemen and Comoros – an Observer. That brought to 10 Members and 4 Observers subjected to Category II measures.

11.16. All the above-mentioned Members and Observers were also subject to Category I measures. In addition to them, the following Members and Observers were subject to Category I measures: Plurinational State of Bolivia; Cuba; Ghana; Guinea; Tonga and Zambia and Observers Iran and Syrian Arab Republic. That brought to the total of 16 Members and 6 Observers being subject to Category I measures. The CBFA recommended the General Council to take note of that update.

11.17. The Chairman said that the General Council Procedures for Members and Observers subject to Administrative Measures in WT/BFA/132 required that, at the end of each meeting of the General Council, the Chair of the Committee on Budget, Finance and Administration would provide information with regard to which Members and Observers were under Administrative Measures. And, as had also been required by the General Council Procedures, at each General Council meeting, he requested Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears could be expected.

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<sup>7</sup> At its request, the statement of the delegation of Niger is incorporated in the Minutes of this General Council meeting and can be found in Annex 3 of this document.

11.18. The representative of Cuba went on record with its firm will to comply with its financial commitments such as its obligations with the WTO budget. Unfortunately, its assessments had been late for the first time in the history of the WTO and as a consequence, administrative measures had been applied as foreseen in the Rules of Procedures.

11.19. The aggressiveness of the economic financial blockade imposed by the United States on Cuba had increased brutally over the last two years – even during the pandemic. The US Administration had particularly intensified going after Cuba's financial transactions and its main sources of income were continually attacked to strangle it. For example, from 2019, the US Administration had applied 121 punitive measures against Cuba which was equivalent to over one measure per week. That was the unilateral policy of the current US Administration – which had also imposed fines on companies that had financial relations with Cuba worth millions of US dollars. Cuba nonetheless fully intended to comply with its financial commitments even under the very difficult conditions their trade relations were in.

11.20. The General Council took note of the statements.

## **12 OTHER BUSINESS**

### **12.1 G20 Trade and Investment Ministerial Meeting – Statement by the Kingdom of Saudi Arabia**

12.1. The representative of the Kingdom of Saudi Arabia, speaking under "Other Business", expressed sincere thanks on behalf of the Kingdom of Saudi Arabia for the support of many Members for the candidacy of H.E. Mr. Mohammad Al-Tuwaijri for WTO Director-General. The Kingdom of Saudi Arabia was honoured by the encouragement expressed for him in the selection process. H.E. Mr. Al-Tuwaijri personally considered his participation to be a success as he had been able to contribute to the critical debate about the future leadership of the WTO, to meet and hear the views of so many representatives of Members and to share his ideas and solutions regarding many of the challenges facing the WTO.

12.2. As the holder of the current Presidency of the G20, the Kingdom of Saudi Arabia wished to provide a brief report on the recent G20 outcomes relevant to the WTO. In particular, the Kingdom of Saudi Arabia referred to the communiqué from the G20 Trade and Investment Ministerial issued on 22 September 2020 and that had subsequently been circulated in document WT/GC/221. The Kingdom of Saudi Arabia emphasized the clear recognition that the work of the G20 could in no way prejudice any Member's position at the WTO. In that context, the communiqué from G20 Trade and Investment Ministers was shared to promote transparency and reference to discussion within a group of G20 members and guest countries. The discussion of the communiqué would hopefully lead to further debate and actions at the WTO among its full Membership.

12.3. Regarding the scope of the coverage of the communiqué, several topics could be of interest to the WTO Members, including G20 cooperation and coordination to (i) support recovery of international trade and investment; (ii) support the necessary reform of the World Trade Organization to which the Riyadh Initiative on the Future of the WTO provided political support; (iii) encourage greater international competitiveness of MSMEs; (iv) foster economic diversification and (v) strengthen international investment. Concerning the WTO, G20 Trade and Investment Ministers had transmitted to all WTO Members through the General Council the summary of the exchange of views under the Riyadh Initiative on the future of the WTO which had been attached to their communiqué as Annex 1. The summary had been prepared by the Saudi Chair of the Trade and Investment Working Group under his own responsibility and was without prejudice to the position of the individual G20 members.

12.4. As background to the Riyadh Initiative, G20 Leaders had repeatedly called for and supported the necessary reform of the World Trade Organization. In Argentina in 2018, Leaders had recognized the contribution that the multilateral trading system had made to "growth, productivity, innovation, job creation and development" and that "[t]he system is currently falling short of its objectives and there is room for improvement", and had therefore supported "the necessary reform of the WTO to improve its functioning." In Japan in 2019, Leaders had reaffirmed their "support for the necessary reform of the WTO to improve its functions" and had committed to "work constructively with other WTO Members, including in the lead up to the 12th WTO Ministerial Conference." Additionally, in

endorsing the "G20 Actions to Support World Trade and Investment in Response to COVID-19" at their Extraordinary Meeting of 14 May 2020, the Trade and Investment Ministers had noted that the long-term actions identified in the document "support the necessary reform of the WTO and the multilateral trading system."

12.5. The Riyadh Initiative had been launched by the Saudi G20 Presidency and the support of all G20 members to build on commitments from Leaders to provide an additional opportunity for Members to work constructively towards the necessary reform of the WTO. Although the Riyadh Initiative had sought to identify common ground of WTO objectives and trade policy principles shared among G20 members, it had explicitly been confirmed that discussion on the specific issue of WTO Reform would continue to take place exclusively at the WTO among its full Membership. Therefore, further to that commitment especially in that challenging time for international trade and as Members finalised the selection process for the next Director-General, the Kingdom of Saudi Arabia hoped that the Riyadh Initiative would provide a helpful basis for broad discussion among all Members regarding the common ground that bound Members together to pursue the objective to realise a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment and to keep markets open as supported by the founding text of the WTO.

12.6. With respect to the shared principle that underpinned the WTO, the Chair's Summary of the Riyadh Initiative had noted that G20 members had referred to the fundamental principles embodied in the Marrakesh Agreement and included in the covered agreement with most Members noting that some of those fundamental principles were also reflected in the Marrakesh Declaration. The WTO principles listed by G20 members were included in the Chair's Summary which the Membership would hopefully have a chance to discuss and develop further.

12.7. Most importantly, the Riyadh Initiative had confirmed that G20 member and guest countries shared common objectives and were committed to trading according to shared principles that could serve as a guide to the necessary reform of the WTO. The Riyadh Initiative had also highlighted areas where further work was required to achieve consensus and underscored that the WTO was the only venue to address those particular issues. All G20 members had agreed on the need to provide political support to achieve the necessary reform of the WTO and to improve its functioning. The Kingdom of Saudi Arabia hoped that the Riyadh Initiative would help expand and strengthen political support for all Members for the reform of the WTO.

12.8. The Kingdom of Saudi Arabia thanked all G20 members and guest countries for their collaboration and input on the Riyadh Initiative. In particular, the Kingdom of Saudi Arabia welcomed feedback from WTO Members on how they could all work together to move the multilateral trading system ahead in order to achieve their common objectives based on their mutual commitments to the fundamental principles of the WTO.

12.9. The General Council took note of the statement.

## **12.2 Origin Marking Requirements by the United States – Statement by Hong Kong, China**

12.10. The representative of Hong Kong, China, speaking under "Other Business", noted that on 11 August, the United States had announced a revised origin marking requirement for products from Hong Kong, China imported into the United States. Under that revised requirement scheduled to come into effect on 9 November, goods produced in Hong Kong, China and to be exported to the United States could no longer be marked to indicate "Hong Kong" as their origin but should be marked to indicate "China" instead.

12.11. Hong Kong, China expressed its strong objection to the revised origin marking requirement imposed by the United States. Hong Kong, China had already written to request the United States to withdraw such measure with immediate effect and invited the United States for bilateral discussions with a view to resolving the matter in their mutual interests. Regrettably, the United States had so far not withdrawn the measure.

12.12. The objection of Hong Kong, China was multi-fold. Not only did the US measure disregard the fact that Hong Kong, China was a separate customs territory with its own trade policies and origin rules, it would also impose unnecessary burden and difficulties to the business communities of both sides and would cause confusion to US customers.

12.13. The US requirement also ignored the well-established origin marking rules under the WTO which aimed to facilitate the flow of international trade and to eliminate unnecessary trade barriers. If Members turned a blind eye to such arbitrary move, they were risking the dismantling of the principle of neutrality and objectivity in the origin marking of goods.

12.14. From a systemic perspective, if a Member had been allowed to unilaterally and arbitrarily dictate the name of another Member, or the name of the place of production or the identification that could be shown on the products of another Member, without regard to the facts, prevailing commercial practices and the relevant WTO rules, serious disruptions would be caused to international trade.

12.15. As a staunch supporter of the rules-based multilateral trading system, Hong Kong, China took the rights and obligations of the WTO seriously and expected all WTO Members to also respect WTO rules, honour their commitments and act in accordance with the WTO framework. That was the very reason why Hong Kong, China was currently bringing the matter to the attention of the General Council – the body responsible for overseeing and facilitating the implementation of WTO agreements, to see to it that the United States, as a WTO Member, fulfilled its commitment and responsibility under the WTO.

12.16. He recalled that, thirty-four years before, Hong Kong, China, being a separate customs territory, had been accepted as a Contracting Party to the GATT. Hong Kong, China was proud of its separate and full membership and treasured the values of openness and non-discrimination that were fundamental and unique to the rules-based multilateral trading system.

12.17. Profound developments had been witnessed in the ensuing 34 years: the establishment of the WTO in 1995 with Hong Kong as one of the founding Members; the establishment of the Hong Kong Special Administrative Region in 1997 when it had started using its present name "Hong Kong, China"; its hosting of the Sixth Ministerial Conference in 2005; and there were many more. But what remained unchanged was its status as a separate customs territory, its full membership at the WTO as well as its continuous and steadfast commitment to free and open trade and to the rules-based multilateral trading system with the WTO at its core.

12.18. Hong Kong, China again urged the United States to honour its commitment and responsibility as a WTO Member and take the necessary actions to ensure its compliance with the rules under the WTO. Should the United States fail to address its concerns over its revised origin marking requirement, Hong Kong, China was determined to defend its legitimate rights and interests in accordance with the dispute settlement procedure under the WTO.

12.19. Hong Kong, China then posed the following question: "How would it be justified for any WTO Member to deny another Member of its intrinsic rights to mark the origin of its products for international trade clearly, truthfully and unambiguously?" Such a denial was tantamount to erasing the name of a Member from an overseas market together with the brand names and goodwill that its entrepreneurs and traders had worked so hard for generations to build.

12.20. The representative of the United States, as a procedural matter, noted that it was not appropriate for a Member to raise a substantive issue under "Other Business".

12.21. As Members were aware, on 5 June 1997 the US Customs Service had issued a Federal Register Notice that goods produced in Hong Kong, China should continue to be marked to indicate the origin as "Hong Kong" under 19 USC 1304 after Hong Kong, China's reversion to the sovereignty of the People's Republic of China on 1 July 1997. On 14 July 2020, the President of the United States had issued Executive Order 13936 entitled "The President's Executive Order on Hong Kong Normalization". Pursuant to Section 202 of the United States Hong Kong Policy Act of 1992, the President had suspended the application of Section 201 (a) of that Act as amended to certain statutes including 19 USC 1304 due to the determination that Hong Kong, China was no longer sufficiently autonomous to justify differential treatment in relation to China. The United States had implemented Executive Order 13936 transparently. On 11 August 2020, the US Customs and Border Protection had issued a Federal Register Notice that had informed the public that in light of the Executive Order, imported goods produced in Hong Kong, China could no longer be marked to indicate "Hong Kong" as the origin but should be marked to indicate "China". The United States had also provided for a transition period in light of commercial realities.

12.22. The USTR was currently reviewing and analysing the concerns that Hong Kong, China had raised in letters to Ambassador Lighthizer, Acting Deputy USTR Barloon and Ambassador Shea. The USTR was in contact with the Hong Kong Economic and Trade Office in Washington DC and would follow up once they had completed a review and analysis.

12.23. The General Council took note of the statements.

### **12.3 Chairmanship of the Working Party on the Accession of Somalia – Statement by the Chairman**

12.24. The Chairman, speaking under "Other Business", recalled that a process of consultations had been undertaken by Deputy Director-General Alan Wolff on his behalf concerning the Chairmanship of the Working Party on the Accession of Somalia and in that respect, he referred to the relevant communications sent by DDG Wolff in May, August and September. Following those consultations, and in keeping with usual WTO practice, he was pleased to inform Members that there was a broad consensus on the appointment of Ambassador Mikael Anzén (Sweden) as Chair of the Working Party on the Accession of Somalia. On behalf of the General Council, he thanked DDG Wolff for his efforts in the process and wished Ambassador Anzén all the best in his new role.

12.25. The General Council took note of the Chairman's Statement.

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## **ANNEX 1**

### **STATEMENTS BY THE GENERAL COUNCIL CHAIRMAN AND BY DEPUTY DIRECTOR-GENERAL FREDERICK YONOV AGAH – CHAIRING THE MEETING AND REPRESENTING ALL DEPUTY DIRECTORS-GENERAL AND REPORTS BY THE CHAIRS OF THE NEGOTIATING GROUPS AT THE INFORMAL TNC AND INFORMAL HODS MEETINGS HELD ON 12 OCTOBER 2020<sup>1</sup>**

#### **Statement by the General Council Chairman**

1. You will have all seen the convening notice for today's meetings - which was sent out to all TNC Participants by the four Deputy Directors-General, in coordination with me as General Council Chair.
2. We have already had a very busy start to our second semester, with work having resumed in several areas in a number of configurations, including with the Chairs and amongst Members.
3. Therefore, we – the DDGs and I – thought that during this interim period, it is important to have a "no-surprises" approach. This includes continuing to provide the opportunity to all Members for transparency and inclusiveness through today's TNC/HoDs mechanism, ahead of General Council meetings.
4. As you know, the next General Council is scheduled for tomorrow and 14 October – so, immediately after these informal TNC/HoDs meetings today.
5. As was indicated in the convening notice, today's meetings are being chaired by DDG Agah, representing all DDGs, in coordination with myself as the General Council Chair.
6. We are acting in line with the understanding that was reached at the General Council in July – that reflecting the existing and appropriate boundaries of governance, the Deputy Directors-General will undertake their responsibilities in close consultation with Members, where relevant, as represented by the General Council Chair.
7. I am also pleased to note the DG Appointment Process continues to advance expeditiously with the second round of consultations having been concluded last week and the third round of consultations - to assist you – the Members – to arrive at consensus on the next Director-General – commencing next week.

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#### **Statement by Deputy Director-General Frederick Yonov Agah – Chairing the Meeting and Representing all Deputy Directors-General**

1. As the General Council Chair has pointed out, our main focus – as Deputy Directors-General – is ensuring stability and continuity during this transition period.
2. That is what you, the Membership – through the General Council - requested of us. And, it is what we are committed to.
3. In that regard, we have remained in contact with the General Council Chair and Members, as appropriate.
4. In preparing for today's meetings, and acting in coordination with the GC Chair, we held a virtual meeting of Negotiating Group Chairs, on the 2<sup>nd</sup> of October. At that meeting, the Chairs stressed the importance of continuing to carry out the work of the TNC during the transition period; and of keeping Members informed about ongoing developments in the negotiating bodies.

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<sup>1</sup> Also issued as JOB/TNC/87.



5. They stressed that it was important to keep working – as Members indeed have work to do. I believe that this is also what we heard from many of you at the last TNC/HoDs meetings in July.

6. The Chairs informed us that, since July, a number of them had resumed work or contacts in various configurations. I will, shortly, give the Chairs whose groups have seen developments since July the opportunity to report to you.

7. In addition, the Chairs of the special sessions of the TRIPS Council and the Services Council will soon reach out to delegations for your views on how to advance work in these areas. We should hopefully hear reports on their outreach efforts at our next meeting.

8. But, before moving to the reports from the chairs, I would like to update you on the management of the Secretariat during this interim period, including our own recent activities as DDGs.

9. We, the DDGs, wish to reassure all Heads of Delegation that the transition has been smooth, in line with your instructions at the General Council. The Secretariat continues to function normally in all areas of its work, and remains available, as usual, to support delegations with all means at its disposal.

10. I am happy to report that since the summer break, we have witnessed an increase in the number of meetings and activities on-site – with many delegations returning to the building. We welcome this.

11. In this regard, let me assure all delegations that the top objective of the Secretariat's Health Task Force is to ensure that the WTO remains one of the safest places in town. While there have been isolated cases of staff members testing positive for COVID-19, there is no evidence of spread within the Centre William Rappard despite the increased numbers of people here. This, I am sure, can be traced to the good practices that we have adopted.

12. We will continue to count on your cooperation in adhering to the sanitary guidelines that we have put in place, to ensure the safest possible environment for Members and the Secretariat to meet and work.

13. In addition, we are responding to Members' requests to increase the number of meeting rooms, equipped with virtual technology for hybrid meetings. This month, two additional rooms were made available to delegations. At the same time, we continue to explore other platforms to find better, lower-cost alternatives.

14. We – the DDGs – want to ensure that the WTO maintains its engagement with all stakeholders during this transition period. And so, we have continued with outreach activities in Geneva and elsewhere, mainly through digital platforms.

15. In all these discussions, the economic and social impacts of the COVID-19 pandemic have featured prominently.

16. Our activities have included:

- First, the G20 Trade and Investment Ministerial meeting in September chaired by the Kingdom of Saudi Arabia, with DDG Wolff representing the WTO.
- Second, the Inter-Agency Task Force on Financing for Development met at the principals level last week, with the WTO represented by me.
- The first anniversary of World Cotton Day, which we marked last week is also an important outreach event.
- All four of us have taken part in a wide range of events and panel discussions, on topics ranging from the 25<sup>th</sup> anniversary of the TRIPS Agreement to women's economic empowerment, agriculture and WTO Reform.

17. We have also had several contacts with many of you – Ambassadors – here in Geneva.

18. In all of these discussions, we have emphasized the critical importance of international cooperation and coordination to meet today's challenges. We stress the importance of open and

predictable markets to foster a strong and inclusive recovery for all countries. And we make clear that closing off trade would mean unnecessary supply shocks, slower global trade growth, weaker productivity and lower living standards.

19. G20 Trade and Investment Ministers pledged to continue cooperation and coordination to support the recovery of international trade and investment, and to support the necessary reform of the WTO. The G20 Ministers also underscored the significance of ongoing WTO negotiations, and reiterated their support for an agreement by 2020 on comprehensive and effective disciplines on fisheries subsidies.

20. The G20 Communiqué was circulated to all Members at the request of the delegation of the Kingdom of Saudi Arabia, as document WT/GC/221.

21. Last week, WTO economists provided some positive news about global trade flows following the deep, COVID-19 induced slump.

22. June and July saw stronger-than-expected growth in merchandise trade. Our economists now predict that the volume of global merchandise trade will shrink by 9.2% this year compared to 2019. This would be among the worst contractions in years, on par with the drop seen during the 2008-09 crisis. But, it is significantly better than the 13% drop that appeared likely in June, which would have been the worst fall in trade since the 1930s. And back in April, when our economists issued their first forecast for the year, that 13% contraction represented a relatively optimistic scenario. They projected that, if the outbreak and the policy response took turns for the worse, merchandise trade could fall by 32%, or even more.

23. Another positive sign for trade is that imports and exports are clearly helping to meet the sharply rising demand for key medical goods. For example, new trade data shows that trade in personal protective equipment (PPE) in the second quarter of this year was 92% higher than the year before - 122% higher if we compare May of this year to the same month in 2019. This confirms that trade is part of the solution when it comes to supply resilience.

24. None of this means we can afford complacency or inaction. While precise data are not yet available, we know that services trade has been badly affected, with a sharp fall in travel and in-person services. And even for merchandise trade, the 7.2% rise foreseen for 2021 would leave us below the pre-crisis trend, with serious downside risks from a possible resurgence of the pandemic that could disrupt the trade recovery.

25. We must remain vigilant, and continue to lay the groundwork for a strong, sustained and inclusive economic recovery. For job creation and growth, the policy choices you adopt at home will matter. So will the decisions and actions you take here at the WTO.

26. This includes transparency and information-sharing. We are pleased that Members continue to discuss COVID-19 related trade measures in relevant WTO bodies, as well as share information with the Secretariat's pandemic-related trade monitoring work.

27. Also, in relation to our transparency mandate, let me take this opportunity to remind you that the preparatory process for the WTO's end-of-year trade monitoring reports has been underway since early September. We urge you all to provide the necessary information to the Secretariat.

28. The pandemic and its impacts only compound the challenges that our organization was already confronting. Our task now is not only to ensure that trade contributes, in every way possible, to making the COVID-19 response more effective. It is also to ensure that the trading system emerges from this crisis stronger and better-equipped to respond to the aspirations of all Members. This means bringing ongoing reform efforts to fruition, in the shape of new agreements and renewed cooperation.

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**Reports by the Negotiating Group Chairs:****1. Negotiating Group on Rules****The last report to the TNC in July**

1. As colleagues will recall, my last report on activities in the Negotiating Group on Rules was at our last TNC HoDs on 20 July. At that meeting, I noted that I had prepared a first draft of a basic consolidated text that I had introduced to the Negotiating Group on Rules at the level of Heads of Delegation on 25 June.

2. Since then, at another NGR HoDs meeting on 21 July, Members indicated that they were prepared to use the consolidated draft document to continue work with the objective of reaching an agreement at the end of this year. This is the first time the NGR is negotiating on the basis of a single document and the significance of this should not be understated.

3. Of course, this does not mean anyone has agreed to anything. Indeed, as I have stated many times, the entire document is in brackets, and it includes a good number of additional internal brackets along with some placeholders where no text has yet been introduced. The document was always meant to evolve step-by-step into a text that everyone could accept. So, it goes without saying that we still have a lot of work to do to arrive at that point, but now at least we have a focus for that work.

4. At that meeting on 21 July, Members agreed to move into a continuous negotiating mode from September onwards, with clusters of meetings organized for the weeks of 14 September, 5 October, 2 November and 30 November, and an intensive schedule of work in different configurations between these clusters. That said, several delegations stressed the impact of the COVID-19 pandemic, both here in Geneva and at home, on their ability to participate fully in all of these activities.

**Events after July: September and October cluster and consultations**

5. Since we resumed work in September, we have had two negotiating clusters; one during the week of 14 September; and the other last week. During the two weeks in between, I also held various meetings in different configurations, and we have several meetings lined up for later this week. I can, therefore, confirm that we are indeed in continuous negotiating mode. Despite the challenges that have come with the pandemic, remote conferencing technology has actually increased participation in our negotiations, with many interventions from capitals.

6. At the NGR HoDs meeting on Monday 14 September, I received broad-based support for my suggestion that I take responsibility for changes to the draft text – and that these would be made only when all delegations had had the chance to consider and exchange views on the respective issues.

7. During and after the September cluster, the plenary sessions have focused on specific issues in the draft consolidated document, either where existing text needs to be clarified, or where placeholders need to be filled. So far, we have had plenary meetings on:

- i. Certain aspects of the overcapacity and overfishing discipline, namely the general prohibition and special and differential treatment;
- ii. Prohibition on subsidies for fishing outside national jurisdictions;
- iii. Transparency and notifications;
- iv. The mode for drafting the consolidated document;
- v. The definition of "fish";
- vi. An exemption for natural disasters;
- vii. Due process in IUU determinations; and
- viii. How best to ensure that the final document has no implications for territorial claims.

8. At the NGR HoDs meetings on 18 September I reported to you on the work undertaken during that week's cluster; and last Friday – 9 October - I reported to you on the work of the NGR since 18 September, including last week's cluster. Therefore, I will not repeat the same details today.

9. As you know, I also stated that, later this week, we will have meetings to address:

- i. IUU minor infractions;
- ii. artisanal and small-scale fishing; and
- iii. government-to-government access agreements.

10. Also, as I said to you on Friday at the NGR HoDs, I am currently reflecting on how to make the best use of the coming weeks, and I will communicate more details to the NGR soon. What I can say for now is that, in order to make the necessary progress in the short time before the end of the year, we will need to keep up a similar intensity for the three weeks between now and the first November cluster.

11. I must say that my sense over the last few weeks is that we are starting to see some movement, even if the movement may be perceived as slow. We have very little time before the end of the year, and a significant number of issues still to be addressed, and/or returned to.

12. Given this, the intersessional agenda will continue to be busy. For a very long time now, there have been calls for "text-based negotiations". Now that we have finally entered that phase, interventions should be about the text – with specific suggestions for modifications aimed at making it more likely to attract convergence. There is neither the time nor the need for lengthy general statements. We need to put all of our collective energy into actually negotiating a text that can be agreed by all.

13. In this regard, as I continue to say, we need to seek text that all of us can live with rather than a text that one Member or group of Members prefer. You, as Heads of Delegation, now face a choice: either you insist that your delegates engage and negotiate; or you will need to step in and negotiate for them. I heard some delegations say that I should only go to you when an issue is "mature enough" or when there are "bottlenecks". But if the delegates in the technical discussions do not negotiate pragmatic solutions, issues will never become mature, and there will indeed be bottlenecks, which you will need to deal with, sooner or later.

14. All of that said, I believe that last week was productive and I remain optimistic that we can continue to make progress. In this regard, I was very encouraged by the communique from the G20 Trade and Investment Ministerial Meeting of 22 September that underscored the high priority of these negotiations, with their reiterated support for reaching an agreement this year.

15. To conclude, you may recall that I have been saying that I would be reaching out to some of you who had volunteered to help me as Friends of the Chair, something that had been suggested to me at previous NGR HoDs.

16. Today, I am pleased to share with you that Ambassador Didier Chambovey, Permanent Representative of Switzerland to the WTO, has accepted to work in this process as Friend of the Chair. He will be working primarily on Special and Differential Treatment. I take this opportunity to welcome you and thank you Didier for your willingness to work with me and the whole NGR in these important negotiations.

17. I am currently in the process of speaking with other Ambassadors that have kindly volunteered to help. I will report back to you as soon as I have their confirmation.

## **2. Committee on Agriculture in Special Session and Sub-Committee on Cotton**

1. I would like to structure my statement today around **three key points**:

- i. The importance Members attach to advancing agricultural negotiations;
- ii. The need for a balanced outcome in agriculture for the benefit of all WTO Members and for the credibility of the organization; and
- iii. My suggested way forward to facilitate progress with a view to achieving an incremental outcome at MC12.

2. Following my appointment as Chairperson of the CoA Special Session on 21 July, I held after the summer break consultations with 36 group coordinators and individual Members. I then convened an informal meeting of the CoA Special Session on 25 September. This meeting had two main objectives: (i) to provide an opportunity to Members to introduce new submissions; and (ii) to report on my consultations and discuss the state of play in the negotiations and way forward.

3. I was impressed by Members' **commitment and engagement in the agriculture negotiations** as demonstrated by the number of submissions introduced, and the intensity of discussions that followed. As expected, COVID-19 was part of the discussions. Members debated on how the COVID-19 crisis and Members' policy responses could impact the negotiations, in particular, on issues such as Export Restrictions, Domestic Support, PSH and transparency. My report on this meeting was circulated on 29 September in document JOB/AG/189.

4. Based on my consultations and the discussions in the CoA SS, I fully share the view that **an agricultural outcome at MC12 is needed** to continue the reform program for the benefit of all Members, to build trust, as well as to preserve the credibility and relevance of the organization, including for addressing challenges such as those posed by the COVID-19 pandemic.

5. While recognising the uncertainty around the date for MC12, it should not delay in any way our collective effort to move forward in the negotiations. Many members stressed the need to maintain the momentum and look at ways to engage quickly in a problem-solving mode. There is no time to waste given the amount of work that still needs to be done to enhance our common understanding of some issues and close the negotiating gaps, and to develop doable elements for an outcome at MC12.

6. It is with all these elements in mind that I decided to initiate a **topic-by-topic facilitators-led process**. This process will complement CoA SS meetings, Dedicated Sessions, and my consultations. On 1 October, I circulated a communication laying out the main features of this process and calling for interested delegates to put their names forward. I am currently in the process of finalising the list. The facilitators should start their work soon.

7. In suggesting this way forward, I am mindful of the request by many delegations to look at ways to engage in a more interactive and solution-searching mode. In this regard, several Members noted that open-ended meetings could be complemented by small group meetings that have proven in the past to be more effective in stimulating dialogue. Facilitators would therefore have the possibility to convene meetings in various configurations, including small group meetings broadly representative of the range of views within the Membership.

8. I am aware of the inherent challenges related to such an exercise, including the need to ensure it does not become too burdensome as well as the fundamental requirement to preserve inclusiveness and transparency. Therefore, facilitators will make every effort to avoid overlap with other relevant meetings. They will also take into consideration the fact that delegations, in particular the smallest ones, would require time between meetings for internal work and exchanges with other Members. To ensure full transparency, Facilitators will report on their work at CoA SS meetings.

9. This process will remain under my guidance and direct supervision and I expect it to be technical and flexible in nature. It should contribute to advancing discussions as far as possible on the various negotiating topics, based on Members' inputs and analytical work, taking into account the specificities and level of maturity of each one of them. The goal is to look at ways to narrow gaps and identify realistic landing zones where possible.

10. My intention is to be pragmatic and adapt the process as necessary to the changing and uncertain environment we find ourselves in. This process will therefore be subject to a first evaluation at the latest in the beginning of 2021.

11. It is also my intention to convene two more CoA SS meetings before the end of the year, tentatively scheduled for **10 November 2020 and 7 December 2020**.

12. I am convinced that with the engagement of all Members, this process will contribute to building confidence and trust despite the current exceptional and unprecedented conditions and allow us to make progress in the negotiations.

### **3. Committee on Trade and Development in Special Session**

1. A formal meeting of the CTD SS was held on 23 September 2020. The main purpose of the meeting was to allow Members to consider and express themselves on a communication from the G-90 circulated in the early part of this year, which contains the G-90's ten Agreement-specific proposals on S&D, as well as an introductory section with some explanations on the proposals.

2. A second communication, containing the responses by the G-90 to written questions by other Members on the proposals, was also reflected on the agenda. The second submission is the outcome of a process for a written exchange on the G-90 proposals that I initiated during the lockdown period.

3. In their statements, the G-90 representatives stressed the importance of S&D for developing countries and LDCs, and outlined the rationale for their proposals. They pointed to the COVID-19 pandemic and its negative impact on the economies of developing countries and LDCs as an additional reason to strengthen S&D provisions. They also indicated their intention to submit a proposed work plan in order to make progress in the CTD SS.

4. While some delegations expressed their support for the G-90 proposals, the sentiment expressed by some other delegations was one of disappointment. These Members recalled that the same ten proposals had been discussed on several previous occasions, and that their concerns on these proposals had been previously shared with the G-90. In their view, discussion on the ten proposals has been exhausted, and there is little scope to move forward in the CTD SS on the basis of these proposals.

5. In closing the meeting, I noted the disappointment and frustration on both sides, but nevertheless encouraged Members to continue to engage. I indicated that I would need to consider what the next steps might be, and that I will be in touch with Members in that regard. While recognising the difficulties, it continues to be my hope that Members may be able to work towards at least some concrete deliverables on S&D for MC12.

### **4. Dispute Settlement Body in Special Session**

#### **Ongoing work**

1. I do not have new things to report, but I wanted to say that at the last meeting of the DSB in Special Session in November 2019, some Members signalled that resuming intense work in the group may not be fruitful at that time, as the attention of participants was focused on more pressing issues relating to the functioning of the dispute settlement system and the upcoming MC12.

2. This appears to be still the case in the current circumstances.

3. That said, I would like to stress that I remain available to meet with any delegation wishing to discuss the work of the DSB in Special Session. If there is interest in such discussions, my door is still open.

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**ANNEX 2****STATEMENTS BY MEMBERS AT THE INFORMAL TNC AND INFORMAL HODS MEETINGS  
HELD ON 12 OCTOBER 2020**

Following the General Council Chairman's statement under Item 1 of the agenda of this meeting – "Report on Informal TNC and Informal HODs Meetings", the statements made by: Brazil; Chad (LDCs); China; Panama (Article XII Members); Egypt; European Union; Japan; Angola; Afghanistan; United States; Costa Rica (Joint Initiative on Services Domestic Regulation); Argentina; Iceland; Canada (Ottawa Group); Jamaica (ACP); Singapore; Australia (Joint Statement Initiative on Electronic Commerce); Botswana (African Group); India; Montenegro; Turkey; Saint Lucia (CARICOM); Philippines; Thailand; New Zealand; Mexico; Republic of Korea; Chinese Taipei; Chile (Structured Discussions on Investment Facilitation for Development); Switzerland; South Africa; Indonesia; Norway; Hong Kong, China; Uruguay (Informal Working Group on MSMEs); Nigeria; Malaysia; Qatar; Ecuador; Colombia; Namibia; Pakistan; Burkina Faso (C-4); United Kingdom; Bolivarian Republic of Venezuela; Sri Lanka and Peru are included below as part of the Minutes of the General Council meeting. At its request, the statement of Barbados on this matter is likewise incorporated in the minutes of this meeting.

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**1. Brazil**

As we approach the end of a challenging year for the WTO, it is time to put our act together and to prepare for deliverables that will strengthen the multilateral trading system into the future. We need, first and foremost, to conclude the selection process of the next Director-General by November as scheduled. Finding a new Director-General that understands the importance of reforms and the need to have a credible negotiating package for MC12 to keep this organization relevant is vital. Having a Director-General that is able to offer political leadership, at the highest level, to navigate the most serious crisis of this organization – compounded by a pandemic which had severe effects across the globe – is a step in the right direction.

While focusing on the DG selection, we should take the opportunity until the end of this year to seed the ground for progress in the negotiating functions of this organization. We need to refocus our attention on the substantive matters of the WTO. There are two interlinked questions here: the short-term WTO responses to the international trade consequences of the pandemic and, equally important, the shaping of a negotiating package towards MC12 and beyond.

On the coronavirus pandemic, Members should consider rolling back some of the trade-restrictive measures put in place during the early onset of the pandemic. This does not mean that Members cannot or should not protect their populations in a period of a clear public health crisis. But, having a better picture of the effects of the pandemic, thanks in part to the transparency exercise we all conducted, it is now possible for Members to start to differentiate between what is necessary to preserve public health and what is hard to justify.

We should take the wake-up call of the pandemic to deal with issues such as export restrictions and domestic support in agriculture, elements that impact the availability of food and global food security. If we use the pandemic as an excuse to restrict trade and promote self-sufficiency ideals, we will all be worse off. Not to mention that one of the cornerstones of the multilateral trading system is the idea that development and prosperity are only made possible by free and open markets.

On the negotiating package for MC12, Brazil believes it must contain clear deliverables in agriculture, an issue that contains both short-term responses to COVID-19 and long-term reforms. Indeed, food security discussions relating to international trade which were prompted by the pandemic point to the need for reforms. Brazil presented a conceptual paper to both the Ottawa Group and the CoA SS on the subject. It is clear that we need to reduce all current agricultural trade-distorting domestic support entitlements.

We fully support Ambassador Peralta's approach and consider we need to start the work of facilitators in the next few weeks.

On SPS, we are working with the United States, Argentina, Australia, Chile, Canada, Singapore and others on the Ministerial Declaration on SPS that we expect will be endorsed at the Ministerial Conference to enhance the negotiating agenda in agriculture.

The conclusion of the fisheries negotiations is also relevant for its trade, environmental, and systemic repercussions. Last week, Brazil circulated a revised proposal on limits and reductions of fisheries subsidies, which incorporates suggestions from various Members and seeks to offer a balanced, feasible and effective approach to this issue. Equally relevant are advances in plurilateral initiatives such as e-commerce, investment facilitation and domestic regulation.

We are pleased that Japan has joined the statement on the Importance of Market-Oriented Conditions (WT/GC/W/803/Rev.1) by Brazil and the United States. Horizontal disciplines that level the playing field are central to the multilateral trading system. The principles of market economy and the pursuit of open trade as a driving force of economic growth, prosperity, and development must be re-established at the WTO. Market-oriented conditions are a gateway to horizontal discussions on industrial and agriculture subsidies. They also guarantee that overcapacity, unfair competitive conditions and trade distortions do not find their way into our markets. Members should be prepared to live up to the WTO foundational principles.

This brings me to the date and venue of the next Ministerial Conference. There is much uncertainty given the evolving pandemic situation across the globe. We should reassess the situation by the end of this year, and be prepared for a plan B, providing adequate time for both the new Director-General and ourselves to negotiate a credible and relevant package for MC12. Furthermore, a virtual WTO Ministerial should simply be avoided.

We should not underestimate the challenges ahead to the multilateral trading system. A system that does not address today's fast changing reality, that does not foster international trade as a driving force to economic growth and development, will not remain relevant. Solutions will be found elsewhere. That is why Brazil prefers, above all, to reform and strengthen the WTO.

## **2. Chad (LDCs)**

I take the floor on behalf of the LDC Group. Thank you for convening this Trade Negotiations Committee meeting, as well as for your report on the state of world trade and on ongoing negotiations at the WTO. Also, I would like to thank the negotiating bodies' Chairs who spoke to take stock of the progress made in their respective files.

Our Group remains deeply concerned by the consequences of the COVID-19 crisis, of which we do not yet know the full magnitude, knowing that there is at this time no effective treatment, or vaccine, able to stop the progression or resurgence here and there of the pandemic. So, the pressures on our economies remain strong. We do not know when we will see the light at the end of the tunnel and the return to near-normal operating conditions. The LDCs' economies are already fragile and face significant structural and institutional constraints. The negative effects of the pandemic only further increase our burden, roll-back our progress, and expose us to increased poverty.

In such a context, where the pandemic affects us all, but even more the LDCs on the economic and development front, we have a crucial need for WTO's contribution and of its Members, in order to offset, as much as possible, the crisis effects, and enable Members, in particular LDCs, to emerge from the recession in the best possible conditions, and to promote their greater resilience – to better cope with such exogenous shocks in the future.

From the LDCs' point of view, building a greater resilience, and a better ability to come out of recessions, lies in our structural transformation, notably through the development of trade – both at national and international levels. Therefore, it is important to keep open possibilities of trade in goods and services, as much as possible. Also, it is important for us all to have the possibility of being equipped with the best existing protection devices, against infection with the virus, so as to maintain an optimal business activity, as well as consumption and investment – despite the difficult circumstances. The LDC Group communication dated 4 May 2020 (WT/GC/211) falls within this framework. It noted the dire situation for the world to protect their nationals but urged Members to maintain LDCs access to essential medical and food products.



Members of the LDC Group need to see an industrialization and diversification of our economies, to be able to better generate income, and to be less dependent on the primary sector and the sale of raw products. From this perspective, a way is to support our better anchoring to regional and global value chains, for diversifying our production, industrialising it, and increasing its value. The result will be economies that are more resilient, more job-creating, and better integrated into world trade. The rules we set at the WTO, as well as the Aid for Trade programmes, and the technical assistance provided, are likely to significantly contribute to the achievement of the objectives we have mentioned, and which will allow us to better resist future crises.

The positions that the LDC Group holds on various trade-related issues, in negotiations at the WTO and the implementation of decisions in favour of LDCs are all intended to serve the strengthening of our economic and social conditions, and the existence of a more fair, more equitable and more inclusive multilateral trading system – for the benefit of all and a better global economic stability, in time of crises. Thus, we call on Members to accede to our stated requests, particularly in the area of trade in agricultural products, and trade in cotton. We must find the necessary solutions to the issue of domestic support. On this point, we refer Members to our submission made on 9 July 2019 (JOB/AG/159).

Also, we wish Members accede to our requests relating to the negotiations on fisheries, so that we can live better off the fishing activity and better exploit our sovereign waters economically, and sustainably. Our Group has made several proposals on this issue, the last submission dated 6 March 2020 (RD/TN/RL/125). We are actively engaged in bilaterals and in the Negotiating Group on Rules with ideas we hope will build convergence.

Also, it is important for our Group to operationalise the decisions taken in the past, in favour of LDCs, notably in terms of facilitating access to markets for services providers from LDCs. Likewise, LDCs wish to better utilise the preferences granted on duty-free and quota-free market access, as well as on rules of origin. We have initiated work in this direction, in collaboration with Members and the WTO Secretariat, but we need to pursue our efforts and receive more technical assistance. We will shortly circulate to Members a new submission on rules of origin. Regarding trade in services and preferences notified for LDCs, at the last Council for Trade in Services this year, our Group announced our intention to run a virtual meeting on COVID-19 impact to our services portfolio. We also requested that Members, the Chair and the WTO Secretariat work with us to deliver a virtual seminar to be organized early next year, that comes closer to bringing forward concrete information in an exchange between LDC services suppliers and consumers in notifying Members. We thank notifying Members who have recently reported concrete updates on implementation of the waiver, in particular the Nairobi Decision. We urge other Members to do so. Also, at the CTS, we asked for updated and more detailed data from the WTO Secretariat on LDC services exports and imports by sector and mode of supply.

Moreover, it is important for us to obtain more results in terms of technological endowment, which is crucial for our productive modernization, for improving our capacities to export, and for doing electronic commerce. We have circulated several communications to this effect, as part of the TRIPS Council (the latest under documents IP/C/W/664 dated 17 July 2020 and IP/C/W/668 dated 1 October 2020), or at the General Council level, as part of the Work Programme on Electronic Commerce (under document WT/GC/W/787 dated 21 November 2019). We wish Members meet their commitments on these issues in order to contribute to the achievement of our objectives using vectors of better integration into world trade.

Also, the LDC Group reiterates its call on Members to consider maintaining flexibilities for graduated LDCs, during a reasonable period, allowing a smooth transition and a sustainable graduation. This is an additional aspect of building better resilience to face unexpected economic shocks.

The Special and Differential Treatment is a necessary instrument to be applied, *ex ante*, as part of WTO rules, in order to facilitate LDCs' economic catching up, and allow, *ex post*, a more solid multilateral trading system. This dimension of Special Differential Treatment must not be omitted in the momentum of WTO Reform undertaken so as to take into account the specific and multiple constraints faced by LDCs in terms of infrastructure, institutions, and human and financial resources. We invite Members to take into account our submission made on 6 December 2019 (JOB /GC/223) on the various WTO Reform aspects. Also, we take the opportunity here to reiterate the importance of appointing new Appellate Body members as soon as possible in order to restore a fully functioning multilateral system.

The LDC Group is committed to a constructive approach of negotiations at the WTO to achieve positive results not only for our societies but for those of all WTO Members – on the long run. We need, now more than ever, a more equitable, fair, and inclusive multilateral trading system – therefore more resilient, facing major unexpected shocks, as we experience it today.

### **3. China**

Let me start by expressing my sincere appreciation to the four DDGs for their hard work ensuring the smooth function of this organization in the vacancy of the Director-General. We also commend the Secretariat's work of monitoring pandemic-related policies and welcome Members' initiatives that aim to manage the emergency and achieve full recovery. In particular, we support the statement to be made by Indonesia on behalf of G-33 highlighting the importance of food security and farmers' livelihood in fighting against the pandemic and calling on the advancement of agriculture negotiations in the WTO.

On Fisheries Subsidies, we fully support the Chair's efforts to intensify the negotiations and encourage him to lead Members to formulate a complete text. China is open to any proposals that will help push the negotiations forward but would like to stress the fundamental fairness of the potential outcome. That is, the fairness in the treatment of various kinds of subsidies. No matter whether subsidy programs are specific or not, as long as they are harmful to the sustainability of fish resources, they should be bound by the discipline equally.

On Development, the focus should be concentrated on how to address the real concerns and practical difficulties of developing Members by introducing precise, effective and operational favourable treatment. It is disappointing that some Members refuse to do so. China calls upon all Members to start a real conversation on G-90 proposals in a constructive manner and deliver development outcome as soon as possible.

China also welcomes further progress on JSIs' discussions including E-commerce, Domestic Regulations and MSMEs. In particular, we commend Mr. Mathias Francke, Ambassador-designate of Chile for his great leadership and coordination on the Investment Facilitation for Development and are pleased to see the initiative successfully moved into negotiating mode last month. The participants had another two days of negotiations last week, and we expect more progress to be made as well as more Members to join our initiative in the months to come.

Restoring the Appellate Body remains the top priority. We have strong concerns that cases were appealed while there is no functioning Appellate Body at all, which will inevitably cause serious negative impact on Members' confidence to effectively implement existing rules as well as negotiating new disciplines. China calls upon meaningful and constructive engagement of all Members with a view to finding a multilateral solution to break the deadlock.

The DG Selection Process is still ongoing under the leadership of the Troika. Like others, we hope this is a transparent and fair process without any political interference. We look forward to having a capable Director-General who can unite the Members and bring the organization out of the current crisis.

### **4. Panama (Article XII Members)**

Good morning. I am making this statement on behalf of the Article XII Members. As we have already said, our Group expects that current negotiations should result in levelling the imbalances that have accumulated in Members' commitments with each new accession negotiation. We do not seek to backtrack on commitments we undertook on accession at the request of Members that now enjoy significantly higher levels of entitlements and flexibilities. In our view, in order to reach a level playing field, all those who currently enjoy these higher levels of entitlements and flexibilities will have to make more significant contributions within the ongoing reforms process.

Our Group would like to remind Members that while large gaps remain in agriculture domestic support and market access commitments, the built-in agenda is not limited to agriculture. While there has not been much activity in the non-agricultural market access negotiations, we reiterate that wide gaps remain in the average bound tariff levels and coverage levels of the Article XII Members and the Original Members. This is also evident in services where Article XII Members have undertaken more commitments in every subsector in comparison to the Original Members. We expect that our ongoing negotiations lead to closing these gaps and would like to see significant progress by MC12.

In this context, we would like to thank the Cairns Group Members for their document RD/AG/81/Rev.1. We also acknowledge and greatly appreciate the work of other Members whose contributions helped to move forward discussions in the Committee on Agriculture in Special Session. On a general note, we would like to urge all other Members to aspire as a minimum to the commitments assumed by the Article XII Members in domestic support but also in the other pillars of agriculture.

We would also like to express our Group's continued support of the ongoing discussions on WTO Reform in transparency and inclusion. This includes ensuring all Members have equal access to all WTO meetings through flexible format during these uncertain times. Improving compliance and the quality of notifications would allow us to have a reliable measure of the state of play in negotiations towards MC12.

Lastly, we reiterate our support to the ongoing accessions and hope that we can see new Members join the WTO by MC12 in Kazakhstan – the first one to be hosted by an Article XII Member. Our Group stands ready to work with other Members towards achieving incremental, balanced and meaningful results for MC12.

## **5. Panama**

The WTO has forecasted a dramatic reduction in global trade for 2020, as DDG Agah was saying at the outset of the meeting, as a consequence of the disruption to trade activities due to measures related to COVID-19. Now, we are looking at what recovery may be possible in 2021 but that is also very uncertain. Trade in services as a component of global trade has been seriously affected by COVID-19. And, among other factors, it has led to the introduction of transport and mobility restriction. As Members, we must continue to deploy efforts to guarantee that there is free flow of trade in services particularly essential goods and services including medicine and food.

Panama is of the view that we must do everything possible to continue our work across all areas of negotiation to ensure that there is a balance of rights and obligations of Members in the range of negotiations and discussions including in the services pillar. In this regard, Panama thanks the proponents of a series of different discussion papers that have been circulated on environmental services, logistics and financial services which will be taken up in the coming meetings of the Council for Trade in Services in Special Session.

We would like to thank Ambassador Abraham for her leadership in agriculture discussions. We support her process with a view to a result in all agricultural pillars – to meet Members' obligations.

On fisheries subsidies negotiations, my delegation would like to thank Ambassador Wills for his efforts. We reaffirm our support to these talks. We call on delegations who hold extreme views or positions which do not garner enough support to come towards the centre – and likewise those proposals which do not seek further commitments or adjusts but just seek to maintain the status quo. We are calling also on those who are pursuing actions which do not have a mandate to do the same given the complexity of the situation.

Panama would like to furthermore thank the Coordinators of the Structured Discussions on Investment Facilitation for Development, the Informal Working Group on MSMEs and the Joint Statement Initiative on Electronic Commerce. It is more obvious than ever how important it is for us to strike concrete results as part of the multilateral wing of e-commerce talks.

We reiterate our commitment to work actively and constructively as part of the multilateral framework and we will work alongside all the DDGs and the Secretariat, particularly those involved in the DG Selection Process – and wish them the best of luck on their work.

## **6. Egypt**

I would like to endorse the statement to be delivered by Botswana on behalf of the African Group. While the COVID-19 pandemic continues to spread in many countries, its economic and social impacts will last for much longer, especially in developing countries, jeopardising the progress achieved on many SDGs. This setback should be a catalyst for further global collaboration to lay the ground for economic recovery, in which the WTO has a central role to play. Therefore, we call upon Members to view our work and discussions through a developmental lens, with the aim of achieving a fairer international trade environment that would enable our countries to pursue sustainable growth and contribute to the realization of the SDGs. Having said that, I would like to briefly address several issues.

### Agriculture

We praise the ambitious work plan proposed by the CoA SS Chair and trust that she will maintain the principles of transparency and inclusivity every step of the way. We call on Members to consider the sensitive nature of food security issues for LDCs and NFIDCs as well as the flexibilities they need to enhance their productivity and build up their agricultural production capacities. We also believe COVID-19 underscored the need to focus on issues related to food security including domestic support, PSH and SSM.

### Fisheries Subsidies

Egypt acknowledges the Chair's diligent efforts to bring Members' divergent views into a convergence as well as Members' strong commitment and active engagement on this issue. Such commitment, complemented by a spirit of compromise and a sense of urgency, is key for a meaningful outcome towards the achievement of SDG 14.6. Nonetheless, caution shall be made not to divert from the goal of our negotiations which is to prohibit harmful subsidies. We believe our scope shall not include subsidies provided to low income, resource-poor fishing activities aiming at ensuring food security and improved livelihoods especially that this category of fishing activities has no or minimal impact on the sustainability of fish stocks. Additionally, Egypt echoes the call by several Members for effective special and differential treatment for developing countries and LDCs to be an integral part of any agreement as per the Ministerial Decision in Buenos Aires.

### WTO Reform

It is evident that reforming the organization is the way to deal with the unprecedented challenges affect its basic functions. Perhaps among the most important of these challenges are the crisis of the Appellate Body, the deadlock in the negotiations on special and differential treatment in the CTD SS and the urgent need for reform in agriculture trade.

In our view, the next Director-General's first priority should be building consensus among Members on an agenda for the reform process. Efforts towards effective and inclusive reform must be accelerated to accommodate different perspectives on what is required to be done to restore credibility and confidence in the WTO. Special consideration is deeply needed to reform the current procedures of the DG Selection Process including the breadth of support indicators.

We have a collective responsibility to agree on how to make MC12 a success and create the "WTO of the Future". In our view, an inclusive, balanced and, above all, realistic reform process is the way to achieve an organization responsive to Members' development needs and the challenges of the twenty-first century and the post COVID-19 world.

## **7. European Union**

I would like to congratulate the four deputy Directors-General for their dedication and commitment to steer the organization during this transition period. Maintaining a positive agenda at the WTO is a challenge under the current circumstances that will require strong political commitment and concerted efforts. We need to urgently pursue our work on reforming the WTO, to ensure that it remains the bedrock of open markets and free trade and contributes to the recovery effort post-crisis.

In this context, until the end of the year, the priorities for the European Union will be:

- First, to bring the DG selection to a successful conclusion and ensure a smooth and rapid entry into office for the new Director-General. In order to face the multitude of challenges ahead, the WTO needs strong new leadership as soon as possible.
- Second, to deliver on ongoing negotiations, starting with the fisheries subsidies negotiations where significant progress is needed to achieve conclusion by the end of 2020 deadline, and crossing significant thresholds in the Joint Statement Initiatives on e-commerce, domestic regulation in services, MSMEs and investment facilitation. Concretely this means:
  - for e-commerce, to present a significantly more streamlined, consolidated text by the end of the year;
  - for services domestic regulation, to get a clean draft reference paper by the end of the year;
  - for MSMEs, to continue to progress to reach a significant threshold by the end of the year; and,
  - for investment facilitation, to streamline as much as possible the current negotiating text.
- Thirdly, to ensure that the WTO lives up to the current challenges born out of the pandemic, in particular on two topics:
  - Health where the European Union has started work for a WTO trade and health initiative. We are currently discussing with the Ottawa Group members the content of such an initiative which we intend to bring to the WTO soon. We will be ready to engage with Members on that basis.
  - Sustainability where, as recently announced by the Executive Vice President Dombrovskis and new Commissioner for Trade, we are working on advancing the environmental agenda through an initiative that would encompass various angles such as facilitating trade in green goods and services, transparency, development and other aspects. We aim at having an inclusive and transparent process that others can join. This would contribute to ensuring a sustainable and green recovery. We will be ready to explore this further with Members as the initiative progresses.

## **8. Japan**

Summer is already behind us, and the end of the year is fast approaching. At this juncture, it is important to take stock of the progress made and discuss the way forward toward MC12.

First, concluding the fisheries subsidies negotiation is a priority both from the perspective of achieving the SDGs and as a test case for the WTO's multilateral negotiation function. Members are engaging in more focused, text-based negotiation, yet a wide gap remains. Going back to our mandate is the most significant way to advance the negotiations, in particular in the field of overfishing and overcapacity. With our deadline in mind, we will support and cooperate with the Chairman, Ambassador Santiago Wills, to expedite the negotiations.

On agriculture negotiations, Japan firmly believes it is critical for global food security to ensure that global supply chains remain open, transparent and predictable. However, our analytical work, submitted to CoA SS based on the actual food export restrictive measures introduced during the COVID-19 pandemic (JOB/AG/188) shows that many export restrictive measures were made without complying with the mandatory notification requirement. The work also sheds light on the ambiguity of the disciplines of the Agreement on Agriculture. We look forward to discussing this further in the run up to MC12 in order to improve transparency and clarify disciplines on this pillar.

COVID-19 remains the imminent challenge facing us, and it is critical that the WTO responds robustly to it. Addressing export and import restrictive measures such as those applied to medical products is particularly important. Relevant WTO bodies should review COVID-19 related measures and discuss pertinent issues including the clarification of relevant disciplines. We also welcome ongoing discussions among Members including at the Ottawa Group.

We have seen progress on the Joint Statement Initiatives since July. On E-commerce, the stock-take text was circulated in August. Japan encourages Members to accelerate work to further streamline the text through intensive discussions in order to develop a consolidated negotiating text by the end of the year. As for the JSI on domestic regulation, we should focus on finalising the draft reference paper as soon as possible. It is also important to engage in outreach activities and Japan has been reaching out to Asian Members. On investment facilitation, we welcome the start of official negotiations based on the informal consolidated text.

We stress the importance of ensuring a level playing field. Japan will continue to engage with other Members, especially on strengthening international rules on industrial subsidies. Further, Japan has recently joined the statement on the importance of market-oriented conditions to the world trading system with the United States and Brazil. Market-oriented conditions are fundamental to the WTO system. We look forward to discussing this issue at tomorrow's General Council.

Modernising S&DT is an important component of WTO Reform. Japan welcomes some Members' decision to forgo S&DT and we believe this represents a tangible achievement toward the WTO Reform reflecting the reality of the twenty-first century. We expect more Members to follow suit.

Last but not least, Japan underscores the importance of activating the discussion to find ways and means to restore the proper functioning of the WTO dispute settlement system, and Japan will actively participate in the discussion.

## **9. Angola**

My delegation aligns itself with the statement made by Chad, on behalf of the LDCs, by Jamaica, on behalf of the ACP, and by Botswana, on behalf of the African Group. The COVID-19 pandemic has been affecting the economies of LDCs more drastically and it will not be easy for them to recover alone. From the ongoing negotiation process, we consider that the sequence of discussions is beneficial and especially important but it must also be efficient and progressive. We continue to notice a lack of convergence in ideas which benefits some Members but certainly not the LDCs.

The existing provisions of special and differential treatment and future provisions strengthening them and making them more precise, effective, and operational, as mandated by Paragraph 44 of the Doha Ministerial Declaration partially reduce the imbalance of existing Agreements but they are still below our aspirations. Therefore, any reform of the multilateral trading system in this area must take into account this reality and respect the mandate for the development of this negotiating round. We believe that the G-90 proposals on special and differential treatment should be given priority.

Political space is central to us, developing countries, as recognized in Agenda 2030 for Sustainable Development and the Addis Ababa Agenda for Action. It allows us to define our national priorities according to our own interests while ensuring the active participation of our countries in the multilateral trading system. We call for an intensification of the negotiating work to achieve the expected progress, especially on issues crucial to development. In this way, we consider it essential to fulfil the mandate of the Ministers to conclude the negotiations on fisheries subsidies which is especially important for Angola. The negotiations must preserve the sustainable development of our fishing industry, mainly artisanal and of subsistence, as stated here before. We should be more realistic and proactive about banning subsidies on IUU fishing, overfishing and overcapacity.

Regarding the Committee on Agriculture in Special Session, we have faith in the new leadership at the Committee and hope it will continue the principles of consensus, transparency and inclusivity in its work. So, we continue to consider the reform of trade-distorting domestic support, including the elimination of the AMS, as extremely important, thus should really move the negotiations. A permanent solution to the issue of public stockholding for food security purposes should include new elements to cover existing and future programs and not impose demanding requirements of transparency.

## **10. Afghanistan**

With MC12 in the horizon, we hold the view that we must overcome the organizational challenges of the WTO and do our homework to deliver substantive work to achieve concrete outcomes for all Members in order to reap the benefits of global trade and development based on a fair, inclusive, sustainable and rules-based multilateral trading system. We are happy to note that the two leading candidates for the Director-General position share this vision including overcoming these challenges.

My delegation supports the current negotiations and subscribes to the call upon all Members to engage constructively to achieve possible convergence on key and important issues such as development, agriculture (with emphasis on fisheries subsidies and cotton) and others based on solution-targeted and result-oriented approaches and efforts. To this end, Afghanistan is committed to engage in these efforts and we are of the view that the current pace of the negotiations needs to be accelerated by prioritising them based on their mandate and urgency to balance and sustain the benefit of global trade for all Members especially the most vulnerable economies and LDCs.

Special and differential treatment is an essential part of the WTO Agreements for a fairer, more equitable, inclusive and transparent system. All S&DT measures must be made more effectively in compliance with Paragraph 44 of the Doha mandate – in line with the founding principles of the WTO. On development, we encourage Members to engage in a constructive manner with the G-90 on the substance of the 10 Agreement Specific Proposals. Acknowledging the fact that there is still room for further improvement, we should focus on text-based discussions of the proposals. In line with the position of the G-90 and the LDC Group, my delegation supports a political declaration of the Ministers reaffirming the centrality of development in the WTO as an outcome for S&DT at MC12 with the hope that the negotiations on the G-90's 10 Agreement Specific Proposals conclude before MC13.

Regarding the DSB, Afghanistan is of the view that a well-functioning Dispute Settlement Body is an imperative to the multilateral trading system and to the WTO itself in order to ensure a full and fair enforcement of rules and obligations by Members. Afghanistan regrets and expresses its deepest disappointment that, despite tireless efforts of Members, we could not save the system as it was. Hence, for my delegation, resuming the two-pillar dispute settlement system is an urgent and essential issue. We therefore call upon all Members to double their engagement to find a pragmatic solution to the dispute settlement system problem and resolve it before or during MC12.

Finally, on the joint initiatives, Afghanistan supports the work on investment facilitation, MSMEs and women's empowerment through trade. Afghanistan subscribes to the work of the informal groups on the build-up of the respective frameworks and their inputs towards a multilateral working program under the WTO. We appreciate discussion on these initiatives and commend their proponents, coordinators and members for their extensive work and we acknowledge the opportunity through open, transparent and inclusive discussions where all Members can participate and engage. Particularly, regarding investment facilitation, we thank Members for their efforts on developing a streamlined text.

I would also like to thank the Chairman of the Negotiating Group on Rules for organising and conducting the monthly cluster meetings and bilateral consultations with groups and Members and for his efforts in managing the text-based negotiation process. I would also like to thank all Members and facilitators for their cooperation in continuing the negotiations based on the draft text and we hope the negotiations will be concluded soon.

## **11. United States**

It is encouraging to see a growing international consensus on the need for a reset of the WTO, and an acceptance that the organization needs to undergo fundamental reform after years of limited achievements. I would like to focus my remarks today on one aspect of the necessary reform of the WTO – confronting the failure of the negotiating function to bring about greater liberalization of trade and to promote market practices. We had once believed that successive rounds of negotiations at the WTO would preserve the relevance of the organization by addressing the uneven liberalization of tariffs and other market access barriers across the Membership, and by providing a forum to deal with the profound distortions to the world economy from non-market practices and policies. We are all well aware that this has not happened. We have to push a bit deeper into why that is the case.

The institutional paralysis of the negotiating function should be at the centre of our reform efforts. It is clear to us that piecemeal reforms will not suffice to pull the WTO from its current rut. Consequential reform of the negotiating function needs to begin with a shared commitment to the foundational principles of the WTO, which include a strong commitment to market openness and a level playing field.

We believe that all Members – whether founding Members or Article XII Members – have undertaken commitments to curb non-market practices that cause significant trade distortions. From this foundation, we need to take concrete steps to revitalise how we negotiate. Otherwise, we will once again collectively fail to achieve our negotiating objectives. We have asked some simple questions to begin with – do we all agree to commit to fulfilling basic transparency obligations, and do we agree that we should reserve special and differential treatment to the lowest-income countries least integrated into the global trading system? If not, then perhaps our divisions are far deeper than they may outwardly appear.

We also need to appreciate the connection between a dysfunctional dispute settlement system and the near collapse of the WTO's negotiating function. As the Appellate Body assumed more and more authority beyond that envisioned in the Dispute Settlement Understanding, many Members refocused their efforts, using litigation rather than negotiation as the means of achieving desired outcomes.

If we are going to change the unacceptable status quo at the WTO, we need to question our current way of doing things. The United States has actively engaged on issues we believe are important, and we have been willing to put our name to concrete ideas and proposals. We have sought to reassert our shared vision of a trading system based on market-oriented conditions; reform our approach to special and differential treatment; encourage greater compliance with basic transparency obligations and reaffirm that it is up to the Membership itself – not elements of the WTO's dispute settlement system – to issue authoritative interpretations of the WTO Agreements.

These are all necessary building blocks for a multilateral negotiating pillar to function properly. Looking ahead, we have difficulty in seeing how we break out of the rut we now find ourselves in unless we address some of these fundamental questions that speak to how the negotiation function is going to work. As the United States stressed at the recent G20 meeting, if we collaborate to embrace reforms and reinvigorate the WTO, we stand a chance of making it relevant in light of today's challenges. A good first step would be concluding an ambitious fisheries subsidies agreement this year. However, time is running short.

## **12. Costa Rica (Joint Initiative on Services Domestic Regulation)**

I welcome this opportunity to provide an update on the open-ended negotiations in the context of the Joint Initiative on Services Domestic Regulation. Since my last report in July, the Joint Initiative has continued working steadily and has made further progress. Two additional Members, Nigeria and Peru, submitted their indicative draft schedules, which propose to incorporate the Reference Paper on Services Domestic Regulation into their respective GATS Schedules. The Initiative now counts 62 participants, and 57 of them have already circulated their indicative draft schedules, confirming their commitment to a legally binding outcome on an MFN basis.

Over the past months, participating Members have advanced work on several fronts: for one, text-based negotiations have continued on the remaining outstanding issues in the Reference Paper. The group is aiming to stabilise the text by the end of this year. In addition, delegations have intensified their outreach efforts towards all WTO Members, and beyond, to the business community and other stakeholders. Participating Members have repeatedly emphasized that delivering a concrete outcome on services domestic regulation would not only give an important boost to services trade, but also contribute to the post-COVID economic recovery.

The Initiative's commitment is to keep the process open, inclusive and transparent, especially under the current circumstances. The Initiative's objective is to deliver an outcome consistent with WTO law and procedures, which will contribute to further facilitating services trade and promoting economic growth and development. To conclude, I invite all Members not already part of this process to engage actively in the discussions and consider joining the Joint Initiative on Services Domestic Regulation.



### **13. Costa Rica**

Costa Rica wishes to take this opportunity to thank the facilitators for the Director-General Selection Process and is pleased with the way the process has been led. We are confident that we can successfully bring this process to a conclusion within the agreed deadlines, at a time when the organization needs strong leadership. We are delighted to witness a historic moment, when a woman will become the next Director-General.

With respect to the negotiations on fisheries subsidies, we believe that the discussions are on track under the leadership of Ambassador Wills, whom we fully support. However, we believe it necessary to accelerate the work to meet the time limits set by our Heads of State. We therefore urge Ambassador Wills to intensify the work of the Negotiating Group through meetings in a variety of configurations, and that, under his responsibility, a revised version of the consolidated text that includes the progress on, and possible solutions to, the outstanding issues be circulated as soon as possible.

Costa Rica also supports the discussions on the Joint Initiatives and hopes to achieve concrete results by the end of the year, which reflect the progress made on the issues of domestic regulation, electronic commerce, investment facilitation and micro, small and medium-sized enterprises. The results of these initiatives, and of the multilateral negotiations under way, will be crucial to our economies during a post COVID recovery.

Lastly, on the issue of electronic commerce, we believe it is vital to continue the Work Programme and approve a permanent moratorium on the non-imposition of tariffs on electronic transmissions.

### **14. Argentina**

Things were already difficult for the WTO before the pandemic, and yet, at the same time, the pandemic is perhaps an excellent opportunity to prove the relevance of this organization – because it is clear that we can overcome this crisis if we act quickly and work together, in an enhanced and improved spirit of multilateralism. In this respect, Argentina is very pleased that the Committee on Agriculture in Special Session has resumed its work, and we thank Ambassador Gloria Abraham for the important consultations she has organized. It is also gratifying to see that momentum has been maintained in the joint initiatives.

My delegation finds it particularly satisfying to see how smoothly the selection process for our next Director-General is going. It is very important to note that press reports all over the world are highlighting this new phase in which the WTO will be led by a woman. The time has come for us to move on from gender equality rhetoric to reality.

As we have said on other occasions, Argentina cannot dissociate the objective from the means required to achieve it. For this reason, a situation that will continue to be of concern to us until a solution can be found is the paralysis of the Appellate Body. Argentina, together with 120 other Members, supports a specific initiative to begin the Appellate Body member selection process which we hope will be able to obtain the consensus needed for its approval. The Appellate Body's current state of paralysis affects the entire WTO dispute settlement system.

Lastly, I would like to mention the huge effort that is being made by Ambassador Wills to ensure progress in the negotiations on fisheries subsidies. This will be one of the most difficult challenges we face in the coming months, as we seek to prove that the WTO negotiating pillar remains relevant. We call upon all delegations to move on from the national desires and positions stage to the common interests stage, so that an agreement that helps to build a fairer and more balanced multilateral trading system can soon be reached.

### **15. Iceland**

I would like to use this opportunity to inform the Membership on the ongoing work on Trade and Gender. At the last meeting of the International Gender Champions Trade Impact Group in September, a decision was made to establish a WTO Informal Working Group on this important issue. It was a result of our consultation with WTO Members who expressed support for working or for following up on commitments of the Buenos Aires Declaration on Trade and Women's Economic Empowerment.

The Informal Working Group's objectives will be to continue to share best practices among Members on increasing women's participation in trade, to consider and clarify what that gender lens is in the context of international trade and review how gender lens could be applied to the work of the WTO, to review and discuss gender-related analytical work produced by the WTO Secretariat and to explore how best to support the delivery of the WTO Aid for Trade Work Programme. The Working Group is open for all Members to participate and the aim is to hold the first meeting before the end of this year and establish a schedule of activities and themes to be discussed in the run up to MC12.

Finally, a few words on the negotiations on fisheries subsidies. We would like to thank Ambassador Wills for his leadership. Discussions on the draft consolidated document have been constructive and are making progress. It cannot be said too often that the WTO has a duty to deliver on the mandate, which is clear, but the time left is very short. We support the work programme set forward by Ambassador Wills as well as his proposal to update the draft consolidated document for continued discussion.

## **16. Canada (Ottawa Group)**

Ottawa Group Vice-Ministers met virtually on 30 September to take stock of efforts by the group in each of the action items from the 15 June Ministerial Joint Statement on COVID-19 and to exchange views on how to promote progress in other areas of WTO work such as the negotiations on fisheries subsidies and the JSIs on e-commerce, domestic regulation for services, investment facilitation and MSMEs.

With respect to specific follow up items on the joint statement, a communication on transparency of trade-related COVID-19 measures was issued during the July TPRB meeting. It welcomed efforts by the WTO Secretariat to monitor these measures and encouraged more work to collect and share information and best practices on trade-related measures taken in response to COVID-19. Members of the group will continue to discuss next steps on this important work.

On the second action point, Ottawa Group members are engaging in discussions on how to improve predictability in agricultural trade in response to COVID-19. Views and positions on agricultural issues such as domestic support vary within the group. However, Ottawa Group members continue to deepen discussions on transparency and export restrictions with a view to bringing practical ideas forward to the Membership. As set out in the Joint Statement, Ottawa Group members have intensified discussions on trade and health with the goal of bringing ideas to the broader Membership on steps we can take.

Regarding trade facilitation, we presented to the recent informal meeting of the Trade Facilitation Committee an illustrative list of measures we have implemented over the past half-year in response to the challenges of COVID-19. We share these experiences to support identifying ways to take full advantage of the opportunities for trade facilitation. We look forward to hearing the experiences of WTO Members in upcoming committee meetings.

On the e-commerce JSI, Ottawa Group members have reaffirmed their commitment to achieve a consolidated text by the end of the year and will continue their active and constructive participation in these negotiations. We also initiated a discussion on how to enhance transparency of the future consolidated text.

The Ottawa Group will continue our WTO Reform efforts, move forward on the various elements of the June statement and we intend to reconvene for a Ministerial meeting later this year.

## **17. Canada**

We all face enormous challenges as a result of the COVID-19 pandemic and we should always be aware of this difficult situation that Members find themselves in as we continue our work here at the WTO. Since the last TNC in July, Canada has actively participated in the ongoing WTO work and in various negotiations taking place despite the disruptions caused by the pandemic.

Canada continues to place a priority on the agriculture negotiations and we welcome the Chair's initiative for a facilitator-led small groups and encourage all Members to engage in technical discussions.

For the fisheries subsidies negotiations, Canada supports the steps that are being taken by the Chair, including involving Heads of Delegations on discrete issues and using small groups to facilitate constructive dialogue. Canada wishes to reiterate the importance of taking all steps possible to conclude an agreement.

On e-commerce, we thank the co-conveners for preparing a stock-take document on progress to date. It is important to intensify our work by using all configurations available. We believe that we are on track for reaching a meaningful consolidated text by the end of the year. In this respect, we would like to remind JSI participants of the proposal co-sponsored by New Zealand, Ukraine and Canada regarding greater transparency to stakeholders in the negotiations.

On services domestic regulation, Canada commends Nigeria for joining the JSI and for submitting a draft indicative schedule. Canada looks forward to working with all interested Members to achieve a clean and stabilised text by the end of the year.

On investment facilitation, Canada welcomes Indonesia's participation. Canada continues to take part in the open-ended negotiating meetings and proposed text on anti-corruption during the September session.

We continue to be very concerned about the Appellate Body's inability to hear new appeals and about the fact that the United States has taken advantage of this situation of its own making to stymie the full operations of the Dispute Settlement Understanding by appealing into the void. We still remain open to constructive discussions with Members towards resolving the Appellate Body impasse. However, in the current unfortunate circumstances, Canada considers that the Multi-Party Interim Appeal-Arbitration Arrangement is the best means to preserve Members' rights under the Dispute Settlement Understanding. We invite all Members that have not joined to consider doing so.

Finally, Canada still continues to believe it is essential to carry out the work of the WTO during these difficult times and remains flexible about continuing negotiations in virtual or hybrid format. Finally, we would like to commend the Secretariat for its efforts in making these formats possible.

## **18. Jamaica (ACP)**

Our trade capacity and development objectives continue to be eroded by the impact of the pandemic across sectors of our economies. As developing countries and LDCs, our ability to cushion the trade-related impact is severely limited and this has compromised our long-term development and growth trajectory, including our achievement of the SDGs. The WTO has an important role to play in assisting its Members which are at different levels of development to manage recovery from the impact of the pandemic and to successfully adapt to a post-pandemic global trading environment. This includes initiatives fostering greater collaboration with international organizations such as the WHO and WIPO. The ACP Group is urging the Membership of this organization to accord high priority in this regard.

As regards the issues under negotiations, the ACP Group is disappointed with the level of engagement in the CTD SS. We support a work programme to examine the 10 Agreement Specific Proposals. The ACP reiterates the importance of effective S&DT as part of any outcome at MC12 and maintains that the CTD SS remains the only mandated forum for the discussion of S&DT under the Doha mandate.

On Fisheries Subsidies, we must adhere to the Buenos Aires mandate. Any outcome on this file should enjoy the ownership of all Members. Hence the need to improve adherence to established principles of consensus, transparency, balance and inclusiveness. The work of the Negotiating Group on Rules should bear in mind the COVID-19 - induced challenges affecting capitals' ability to guide delegations in Geneva. We have engaged constructively in the September and October clusters and will continue to do so until we arrive at an outcome. We believe that there is a lot of ground to cover to improve the draft consolidated text, including the incorporation of elements that have been long advocated for by the ACP Group.

Our key guiding principles remain:

- The agreement should complement rather than conflict with or duplicate other international instruments relating to fisheries.

- The focus should be on subsidies, especially those provided by large subsidizers.
- It should not regulate fisheries management.
- An outcome should provide appropriate exemptions for natural disasters and similar events.
- We also need policy space for our small scale and artisanal fisherfolk.
- An outcome should not be prejudicial to the sovereign rights of Members in their maritime space, should not interfere with matters related to territorial disputes and should not encroach on national processes related to fisheries management and IUU determinations.

As it relates to Agriculture, we welcome the new Chair, Ambassador Peralta of Costa Rica, and will support her efforts to guide us to a successful outcome. In principle, we support the need for inclusive small group meetings. We are however concerned with the proliferation of Facilitator-led small group meetings in a number of the negotiations that overstretch the limited capacity of small delegations.

We call for all engagements to be inclusive, transparent and consensus-based. The schedule of meetings should accommodate the capacity of small delegations and accommodate virtual participation. The ACP Group is recommending a follow-up meeting to the CoA SS of 25 May to continue Members' assessment of the impact of COVID-19 on the work programme. Domestic Support, PSH and the SSM are priorities for the ACP Group. So too is the need to arrive at an outcome on Export Restrictions that assists the World Food Programme in their operations.

In the context of the COVID-19 pandemic and TRIPS, the ACP Group continues to reiterate that the WTO should prioritise improved easier access to medicines, diagnostics, medical equipment and other technologies protected by intellectual property rights thereby expanding the capacity to distribute them globally with the necessary quality and quantity. We also wish to commend the Secretariat for its important work in facilitating Member's reporting on the IP Measures that have been implemented in the context of COVID-19. The ACP takes note of the joint proposal of India and South Africa on a waiver from certain provisions of the TRIPS Agreements for the prevention, containment and treatment of COVID-19 and looks forward to an initial discussion in the TRIPS Council on the issue. Finally, on TRIPS, we also wish to signal the Group's support for the extension of the LDCs TRIPS flexibilities which are due to expire in July 2021.

Services trade is a priority for many ACP Group members. The impact of COVID-19 continues to take its toll in the form of foreign exchange loss, closure of key sectors such as tourism and significant disruption in economic linkages. We renew our call for the CTS SS to proceed in a manner that is sensitive to the vulnerabilities of developing countries and LDCs. We also continue to urge the CTS to deliberate on an appropriate response to the impact of COVID-19.

As it relates to E-commerce, we have always recognized the benefits especially given our experience during the pandemic. We need to address the digital divide within and among countries which is essential for our MSMEs. We see value in continuing the conversation on and beyond the moratorium to cover issues such as revenue implications, the impact on our businesses, consumer welfare and the extent to which the temporary moratorium has impacted national ICT and industrial policies.

On Reform, the ACP Group reiterates its position that the process and substance should accentuate the development dimension of international trade, complement the SDGs, be fair, transparent and inclusive. If we are seeking to have an inclusive reform agenda, the package should incorporate reforms in critical economic and trade-related sectors, including:

- unfair domestic subsidies,
- establishing a fair international marketplace for cotton,
- better synergy between TRIPS and public health that would expand access to critical therapeutics and vaccines,

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- addressing non-tariff measures that frustrate effective access of industrial and agricultural products into important external markets, and,
  - activation of work within the WTO that is principally focused to pro-poor, pro-development policies.

We therefore need to begin with a comprehensive dialogue on the structure, scope and objectives of WTO Reform. We must collectively find a resolution to the Appellate Body impasse to ensure that we have a two-tier, transparent, independent dispute settlement system as envisaged by the DSU. In closing, the ACP Group re-commits to playing a constructive role as we seek to ensure that the WTO responds to the challenges to the multilateral trading system.

## **19. Singapore**

With less than three months to the end of the year, it is timely that we assess what the WTO can deliver for 2020 which has been a particularly rough year due to the COVID-19 pandemic. Let me suggest three areas that may offer some glimmer of hope amidst the gloom.

First, WTO Members can agree not to impose export restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme. This will build on what the G20 Agriculture Ministers agreed to in April this year. We should do so by adopting a simple decision at the December General Council meeting which will be both timely and meaningful because COVID-19 has laid bare the negative impact of export restrictions on the WFP's life-saving work to feed the most vulnerable. Such restrictions have caused delays in the WFP's deliveries and increased costs, which means less food for the beneficiaries. In fact, the WFP estimated that the number of people likely to suffer food insecurity due to the pandemic may increase by 270 million.

Such a multilateral agreement will signal three things to the world that: one, the WTO is relevant; two, it can deliver concrete actions to address COVID-19-related issues; and three, it can support the most vulnerable to achieve SDG 2 on zero hunger. This will also bolster Members' confidence that we can find agreement on more issues ahead of MC12 and support the WFP which was just awarded the 2020 Nobel Peace Prize.

Second, the pandemic has underscored the urgency for WTO Members to respond to the challenges of the digital transformation. Looking ahead, we can expect E-Commerce to feature more prominently in our daily life, and play an increasingly critical role in global economic recovery efforts. In this context, the WTO negotiations on the Joint Statement Initiative on E-Commerce presents an excellent opportunity for all Members to participate meaningfully in shaping the future landscape of E-Commerce. As one of the co-conveners, Singapore, together with Australia and Japan, are working to achieve a consolidated text at the end of the year which will serve as the basis to advance negotiations. We hope that the consolidated text will send an important signal to the business community and other stakeholders that the WTO is committed to updating the rulebook in order to provide predictability that will spur the expansion of global trade.

Third, while the pandemic has thrown up severe challenges for the WTO, it has also provided the opportunity for the WTO to demonstrate that it is up to the task of responding to these challenges. One important area where the WTO can demonstrate leadership is in enhancing the resilience of supply chains in essential goods, including food and medical supplies, and to ensure their availability so that Members can effectively respond to public health emergencies. On medical supplies, it is timely to explore initiatives related to Trade and Health as a concrete way to address the adverse impact of the pandemic. For example, making a commitment to refrain from imposing export restrictions on essential medical supplies would go a long way to help healthcare authorities cope with the pandemic. The Singapore-New Zealand "Declaration on Trade in Essential Goods for Combating the COVID-19 Pandemic" can serve as a useful reference point.

The pandemic has shed light on areas where the WTO can play a role in combatting the healthcare crises and support post-Covid-19 recovery. We must focus on delivering some concrete deliverables by December. At the same time, we must not take our eyes off a couple of pressing issues. The first issue is fisheries subsidies negotiations, for which we must identify realistic milestones. Having missed the MC11 deadline, it would be remiss if we have nothing to show in 2020, especially since negotiations have been ongoing for more than a decade.

The second issue that Members must address is the state of the dispute settlement mechanism. Singapore is concerned with the recent filing of "appeals into the void", which have left disputes in limbo. While the Dispute Settlement Understanding provides for each Member's right to file an appeal, Singapore calls on the concerned Members to recognize that it is equally the right of every Member to have a satisfactory settlement of a dispute in a prompt manner.

## **20. Australia (Joint Statement Initiative on Electronic Commerce)**

I will first provide a report on work under the Joint Statement Initiative on Electronic Commerce on behalf of the co-convenors: Australia, Japan and Singapore. Since our last report on 20 July, the JSI has made good progress. Most notably, on 20 August, we circulated a 'Stocktake Text', prepared by co-convenors under their own responsibility, and including streamlined text based on all proposals submitted by Members to date. This document should provide a useful basis for the consolidated negotiating text we have agreed to develop by the end of this year.

The JSI has met twice – on 27 July and 17 September. At the 27 July meeting, Guatemala announced it was joining the initiative, taking the total number of participants to 85. Discussions covered potential areas of focus for services market access negotiations, identified by several participants. The 17 September meeting covered several topics that had been scheduled for the postponed March and April-May rounds, namely: Open Internet Access; Access to and Use of Interactive Computer Services; and Competition.

At both meetings, participants involved in intersessional small group discussions reported progress in finding elements of convergence in areas such as consumer protection, spam, electronic signatures, electronic authentication, trade facilitation, customs duties on electronic transmissions, open government data, and market access. Reports from the small groups to plenary are an important step to ensure transparency.

We also facilitated further webinars with stakeholders in July and September, designed to build understanding and promote dialogue in the areas of services market access and digital health and medical technology. We will meet again on 23 October to discuss personal data or information protection and ICT products that use cryptography, and hear further reports from small groups on their work.

The electronic commerce JSI remains transparent and inclusive: meetings are open to all WTO Members and papers are available on the WTO portal. The COVID-19 crisis has underscored the urgency of developing global rules governing digital trade. We encourage participants in the initiative to intensify their work, maintain their constructive spirit and demonstrate flexibility where possible with a view to achieving as much progress as possible to be captured in the consolidated text at the end of the year.

## **21. Australia**

Turning to Australia's statement, as the health and economic effects of COVID-19 continue to impact globally, the impact on global trade has been severe, as you noted at the outset. Importantly, the impacts on our societies and on global poverty, are also likely to be severe, with the World Bank noting that the number of extremely poor will rise by up to 100 million people this year. We have an opportunity – indeed a significant responsibility – to respond through our work here at the WTO. The world needs a stable, rules-based environment for global trade cooperation more than ever, which requires focus, patience and our continued dedication to the task.

We are pleased that our immediate priority, selecting a new Director-General, is progressing well and look forward to conclude the process soon after 27 October. We now need to step up our work here in three important respects. First, we must ensure the WTO dispute settlement system continues to operate despite the challenge of COVID-19 restrictions. We urge panels and the Secretariat to explore flexible, alternative ways to progress disputes while we navigate the ongoing disruptions. And we will continue to contribute to work to ensure that both tiers of the dispute settlement system return to their full functioning as soon as possible.

Second, we need to make progress on rule-making to demonstrate that cooperation on trade is alive and well. We are pleased at the sense of building momentum in the fisheries subsidies negotiations as described by the Chair. But hard choices are going to need to be made in all of our capitals. If

Members continue to approach the negotiations with a view to changing absolutely nothing in their own subsidy practice, we will fail. The outcome must change the status quo in some way. That of course does not mean Members will lose the ability to subsidise – but it means Members will need to undertake to ensure their subsidies are not harmful.

On agriculture, where food systems have been disrupted by COVID-19, we estimate that access to harmful trade-distorting domestic support will top USD 2 trillion by 2030. That is why Cairns Group members have proposed a Framework for Negotiations on Domestic Support, in order to delivering a reset in the agriculture negotiations at MC12, and a halving of support levels by 2030. And we need to keep driving forward on our various Joint Statement Initiatives where progress is promising. On e-commerce, now is the time for Members to narrow their differences to achieve the best consolidated text by December. On services domestic regulation, we must now move ahead with the result that is now in sight given the role that services will play in the global economic recovery. In the same vein, as the acceleration towards the digital economy has gathered pace during COVID-19, extending the e-commerce and TRIPs moratoria has become an even greater priority.

Third, COVID-19 has impacted heavily on the normal distribution of food and medical products and it is vital that the WTO responds directly with COVID-19 initiatives – to restore confidence in our ability to cooperate in these two key sectors of the global economy. We therefore welcome the initiative by Singapore to prevent export restrictions on procurements made by the World Food Programme. This is a core commitment made under the Cairns Group's June COVID-19 initiative, and a commitment which would deliver tangible benefits to the world's poorest.

Australia has also been pleased to participate actively in the valuable work initiated in the Ottawa Group on a trade and health initiative, and we look forward to engaging with all Members in taking it forward. COVID-19 has dealt a difficult blow to lives and livelihoods across the globe. Now is the time to put aside our differences and unite behind the common purpose of aiding the recovery of the global economy and of global trade, by achieving results here at the WTO.

## **22. Botswana (African Group)**

I deliver this statement on behalf of the African Group. We welcome the convening of this TNC amidst the challenges we continue to face owing to the COVID-19 global pandemic and what is now seemingly transforming into a second wave – globally. We therefore reiterate the importance of enhancing the work of this body so that it responds to the existential challenges that we face and the disproportionate impact of the COVID-19 crisis on us the smaller and more vulnerable countries in Africa and particularly the LDCs. In this connection, the concerns and challenges the African Group outlined in document WT/GC/219 and TN/C/20 remain valid and emphasise the role that trade policy tools can play in responding to pandemic and building capacities to address structural vulnerabilities.

### TRIPs and Public Health

We hold the view that the WTO has an instrumental role to play in foster multilateral cooperation that will promote equitable and affordable access to key products necessary for the prevention, containment and treatment of COVID-19. In accordance with the Doha Declaration on the TRIPs Agreement and Public Health, solidarity and close cooperation among Members to ensure that intellectual property rights do not prevent the protection of public health is very important in this critical time.

### Aid for Trade

The WTO has another important role to play through the Aid for Trade initiative to support developing and least-developed countries recover from COVID-19. Aid for Trade programmes therefore will need to be targeted to address the trade-related needs and supply-side constraints identified by beneficiary countries to aid them in effectively responding to the challenges posed by the COVID-19 global pandemic.

### Fisheries Subsidies

On fisheries subsidies negotiations, we thank the Chair of the Negotiating Group on Rules for his efforts to move the negotiations forward. We would however like to reiterate the importance of

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transparency and inclusiveness underpinning this process as well as the imperative to keep a "bottom-up" approach in these negotiations.

- On substance, the African Group reiterates the need for focussed negotiations that will result in simple, implementable and effective disciplines that will contribute to reducing the already excessive fishing capacity around the world. To make progress, we must limit our discussions to the mandate as per SDG 14.6 target – and thus refrain from introducing issues that do not have a direct relation with the subsidies.
- On IUU, proposals are being advanced that will allow subsidising Members to continue supporting vessels that have committed IUU fishing in other Members' jurisdictions under the auspices of the so called "due process". The African Group reiterates its views that IUU vessels should not be subsidised whatever the determining entity is.
- On overcapacity and overfishing, the Chair's text basically provides that as long as Members have management measures and policies in place, they should be able to provide capacity and effort enhancing subsidies. Such an approach is tantamount to maintaining the status quo.
- Effective and appropriate special and differential treatment should be an integral part of any outcome on fisheries subsidies. It is also important to preserve policy space to support small scale and artisanal fishing.

### Agriculture

On Agriculture, the Group appreciates the CoA SS Chair for her consultations and the proposed work program (October-December). However, the African Group would like to bring forth several concerns. The topic-by-topic facilitator-led process will not favour our small delegations with capacity constraints. With the benefit of hindsight, the facilitator-led process by the previous CoA SS Chair posed challenges for our Members to fully participate and follow through with the process resulting in the outcomes of the process to be skewed in favour of the positions of Members with bigger delegations and unrepresentative of the views of a significant portion of the Membership.

We are therefore concerned about how the new facilitator-led process would interface with the main track of negotiations including its impact on small delegations. In addition, we hold the view that focus should be directed to a limited number of issues and precedence should be given to the issues prioritised by the vast majority of Members, the ones with clear Ministerial mandates and those with direct impact on development and food security. On that basis, the African Group would like to reiterate that any future process be transparent, inclusive and accommodate the limitations of small African delegations in all aspects of the negotiations including the scheduling of meetings.

Now focusing on the substance, we reiterate that the COVID-19 pandemic demonstrates that the core objectives of the Agreement on Agriculture reform surpasses trade into non-trade concerns – top of the list being food security. Therefore, we should prioritise our focus to the pressing food insecurity challenges and ensure that we address priority issues such as trade-distorting domestic support, SSM, PSH, among others, as outcomes for MC12. Any outcome should take into consideration the peculiar challenges of the LDCs and NFIDCs, and allow the necessary policy space to enhance their productivity and build their agricultural production capacities.

### Cotton

From 6 to 8 October, the second edition of the World Cotton Day was celebrated across the world. The various activities organized on this occasion made it possible to discuss the effects of COVID-19 on the cotton sector in Africa and the opportunities of the cotton road program for women and young people. They have also given rise to the exhibition within the WTO of masks and other items made in the C-4 countries to help tackle COVID-19. The African Group welcomes the successful organization of these commemorative activities and invites all partners to continue to support the efforts of the C-4 which aim to contribute to improving the livelihoods of millions of small cotton producers throughout the world.



### Development/S&DT

Turning to development, it is instructive to recall that the Marrakesh Agreement recognizes the "need for positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share of growth in international trade commensurate with the needs of their economic development". To date, there has been no integrated or systematic legal framework to accommodate these issues.

The African Group is therefore disappointed that some Members seem reluctant to engage in a constructive discussion on S&DT especially in view of the COVID-19 pandemic that has exposed the vulnerabilities of developing countries both from a health, economic and social perspective. The African Group remains supportive of a work programme that will review the 10 agreement specific proposals as contained on the G-90 proposal. Effective S&DT remains a fundamental pillar of any outcome that may be achieved at MC12.

### Appellate Body paralysis

The African Group is disappointed that up to now the DSB has failed to fill the vacancies in the Appellate Body as a result of the impasse despite the proposal to launch the AB selection process co-sponsored by over 130 Members. We fear this will have knock-on effects in other areas such as the negotiating function of the WTO as we all know rules are only as good as you can enforce them.

### Conclusion

In conclusion, the African Group looks forward to progressing discussions on all these issues in a focused manner subject to the evolution of the COVID-19 pandemic and the ability of our capitals to provide technical guidance and political oversight on our negotiations. It is instructive to note that the realities imposed by COVID-19 have thus far limited our ability to prepare, coordinate and engage particularly for the fisheries negotiations.

## **23. India**

### State of Play

As you have mentioned, the pandemic has plunged the global economy into recession. Magnitude of this may vary across economies but there is unanimity in various forecasts that the global economy including global trade will shrink. Economists predict that the world will experience a "K-shaped recovery" with a "v-shaped recovery for the wealthy and a struggle for everyone else". The fall-out of the crisis will be most severely felt in developing countries including LDCs with widespread challenges of food and livelihood security.

The pandemic has also brought out the inherent weaknesses and inequalities in the global economic system. We must treat COVID-19 not only as a crisis to be managed but an opportunity to identify and address the structural barriers in the way forward for a more inclusive, equitable and resilient future for all. The need of the hour is a short-term package of effective measures to address the immediate challenges posed by the pandemic, and a long-term conversation on how to reform an ailing and imbalanced global trading system. In this backdrop, let me share our views on the role that the multilateral trading system can play in combating and responding to the COVID-19 pandemic in the short-term and going forward.

### TRIPS Waiver

Our first and foremost priority has to be to save lives. In this context, India and South Africa have put a proposal for the forthcoming TRIPS Council (in document IP/C/W/669) that seeks to ensure timely and equitable availability of new diagnostics, therapeutics and vaccines for COVID-19, in sufficient quantities and at affordable prices. We call upon all Members to constructively engage with and support our proposal on the TRIPS waiver.

### Movement of Healthcare Professionals

The pandemic has highlighted the need for ensuring easier cross-border movement of healthcare professionals. Members who could have been able to mobilise more healthcare professionals, as they

were not short of financial resources, were not able to meet increased demand due to restrictive trade practices in the services sector. We must start working on having a multilateral initiative in this respect for an outcome at MC12.

#### Appellate Body

Resolution of the crisis in the Appellate Body must precede other reforms. We must engage to restore multilateral, effective and independent two-tier dispute resolution system.

#### On Special & Differential Treatment (S&DT)

These provisions continue to be a non-negotiable right of developing countries, for which we have already paid for. We strongly support the G-90 proposals contained in document JOB/TNC/79 and urge Members to work towards a meaningful outcome in this regard by MC12.

#### Agriculture

Job losses in the services and manufacturing sectors on account of COVID-19 will increase the pressure on agriculture as a source of livelihood. Meaningfully addressing the challenge will require Members to look beyond the trade prism. We may have to work to combat the challenges to food and livelihood security. A first step towards this would be to work towards levelling the playing field in agriculture by addressing the existing asymmetries in entitlements. An immediate response to the food security challenge would be to deliver an effective outcome on the mandated issue of a permanent solution for Public Stockholding for food security purposes at MC12. India associates itself with the G-33 statement on the priorities of developing countries in agriculture negotiations.

#### Fisheries negotiations

There is a lot desired from those who provide large subsidies, both in value and on per capita basis. There may not be a second thought on S&DT for developing countries who need it and for LDCs as agreed to by our Leaders in SDG 14.6. This is a very sensitive issue involving livelihood of millions of marginal fishermen. The process leading to conclusion has to be fair, transparent and inclusive.

#### E-commerce

The pandemic has accelerated the shift to a digital economy and also brought out the digital divide. The urgent need therefore is to build the capacity in areas such as digital skills and digital infrastructure rather than negotiating binding rules on e-commerce in a plurilateral framework. Making rules at this stage will only freeze the non-level playing field in support of existing players and against the interests of new players from developing countries. It is all the more important to understand the scope of the existing temporary moratorium on custom duty on electronic transmission, its potential impact on the sustainability of the domestic industry and negative impact on job creation and revenue generation. We must move forward by reinvigorating the mandated work under the 1998 Work Programme on e-commerce in various Councils.

To conclude, in the run-up to MC12, our priority should be to work cohesively to put in place an outcome that addresses the immediate priorities confronting the world. India stands ready to work constructively with other WTO Members to protect human life and work towards restoring inclusive and sustainable global economic growth.

## **24. Montenegro**

Montenegro remains strongly committed to the WTO's rules and principles, and their further observance, implementation and promotion. And our continuous policy of being a staunch supporter of an open and predictable rules-based multilateral trading system has clearly shown its relevance, particularly in the light of vast, unprecedented economic challenges caused by the evolving COVID-19 pandemic. The uncertainties surrounding the world today are a reminder of the WTO's important role for the global economy and its growth. These developments have also demonstrated the need for a fundamentally reformed, modernized and more efficient WTO. Therefore, we support stepping up the discussion on this crucial matter.

In this regard, the successful conclusion of the ongoing negotiations on fisheries subsidies, preferably by the end of this year, would show the relevance of the WTO and its potential to still deliver new multilateral rules. We also welcome the progress that has already been made in negotiations on Joint Initiatives on e-commerce, investment facilitation, MSMEs and domestic regulation of services. We firmly believe that some of the already achieved consolidated texts provide a good basis for intensifying the negotiations to conclude agreements, if possible, before MC12.

Recognising the importance of trade for the global economy and human development, Montenegro has not introduced any trade restrictive measures during the COVID-19 pandemic crisis we are going through and has continued to keep its borders and ports open for the transit of goods and services. Finally, as already stated, while strongly advocating the implementation of existing WTO rules and principles, Montenegro supports the reform and modernization of the WTO, entailing the effective dispute settlement mechanism.

## **25. Turkey**

We are currently going through a very important process for the WTO. Last week, we have been informed on the outcome of the second round of consultations concerning the selection of a new Director-General. All the candidates had impressive resumés and outstanding qualifications. We would like to express our deep gratitude to them for taking part in the selection process. We are confident that this process will further contribute to multilateralism and the rules-based trading system.

With the pandemic, we have all realised how interdependent we have become, how fragile our supply chains could be and how international trade was affecting each and every sphere of our lives. We saw much more clearly the importance of having resilient supply chains not only in food but also pharmaceuticals and medical equipment. We saw the strong interlinkage between trade and human life, health and safety. We witnessed the increasing importance of having efficient policies for ensuring flow of goods and services especially to keep our MSMEs functioning. All of these have brought to the fore the relevance of the WTO rules on trade and underlined the necessity to make the WTO more relevant, functional and up to date.

As you well know, COVID-19 came at a time when trade tensions ran high and growth rate forecasts had already been downgraded for 2020. That said, we have seen from the recent announcement of the WTO that the fall in world merchandise trade is now expected to be lower than the forecast earlier this year. Now, considering all the challenges we face, it is time for the WTO to prove that we, as Members, can deliver on every single negotiation and contribute to get through the rough times the world is undergoing. I thank the Negotiating Group Chairs for their briefs and would like to provide our remarks on some of the negotiation areas.

Regarding the fisheries negotiations, we commend the Chair's efforts to keep Members in a continuous negotiating mode. Since September, we have entered a new phase and the text-based discussions have increased the momentum and engagement among the Members. We believe that the end of year deadline is still achievable and, in this regard, I highlight three points: First, Turkey maintains the view that the negotiations should focus only on disciplining "specific subsidies" within the meaning of the SCM Agreement and non-specific subsidies should be kept out of the scope. In this respect, fuel de-taxation schemes should not be addressed within the scope of the new agreement. Second, appropriate and effective S&DT should be an integral part of the negotiations in accordance with our mandates. Third, the prohibition disciplines should be practical and simple considering Members' different circumstances and development levels. In this regard, we fully support the process led by the Chair and Turkey is ready to do its best in this challenging task.

As for the agriculture negotiations, there is a broad agreement that it should form part of any outcome in the next Ministerial Conference. The COVID-19 pandemic underlined the critical importance of food security for the countries from all levels of development and proved that the supply chains in agriculture are crucial and should remain open to ensure food security. To ensure this, as the CoA SS Chair has already explained today, we see that a new roadmap has been drafted. For Turkey, the elimination of the inequality between Members is crucial. For this, domestic support is one of the priority issues in agriculture not only for Turkey but also for an overwhelming majority of Members. In determining the new disciplines on domestic support, the position of developing countries should be taken into consideration.

On services, we believe that the most effective way for liberalization is still the multilateral forum and we are ready to put more effort to re-energise the negotiations. It is very clear that efficiency in the supply of services is critical for the proper functioning of global value chains. In this respect, we see the need to solve problems in services trade, especially in the areas of transport, logistics and delivery services. Temporary movement of natural persons is also critical for the provision of services, and with an open-minded approach we can improve rules at the multilateral level in this area, as in many RTAs.

We are pleased with the good progress in plurilateral initiatives especially Domestic Regulation and Joint Statement Initiative on MSMEs, e-commerce and investment facilitation. Turkey already actively engages in these discussions.

For almost a year, this organization lacks one of its strongest features – the Appellate Body. This has a devastating effect on the rules-based multilateral trading system. We should continue our efforts to restore the dispute settlement system which is a must for engaging in trade in a predictable environment. There is no alternative to this.

## **26. Saint Lucia (CARICOM)**

This statement is delivered on behalf of the Caribbean Community (CARICOM) Group. At the outset, the Group associates itself with the statement delivered by the African, Caribbean and Pacific Group. The CARICOM Group further extends thanks for the reports from the Chairs of the various WTO bodies.

### Fisheries Subsidies Negotiations

CARICOM wishes to reiterate the importance of the Fisheries Subsidies negotiations to the economic, social and environmental sustainability of our fisheries sectors and the preservation of rural livelihoods. It is important that discussions remain focused on the problem at hand, that is, eliminating harmful subsidies that contribute to the degradation of our fisheries resources and preventing subsidies that contribute to IUU fishing.

We further wish to reiterate that as small fishing nations with under-developed fisheries sectors, our footprint is too tiny to have much, if any negative effect on the health of global fish stocks. Furthermore, our economies are highly susceptible to exogenous economic and climate-related shocks that often impact on our growth and development prospects. It is in this context that the CARICOM Group highlights the importance of including strong provisions on S&DT that are in keeping with, and consonant to, the core principles enunciated in the Marrakesh Agreement.

As these negotiations advance, the CARICOM Group will continue to place emphasis on the importance of ensuring that work on the draft consolidated text proceeds in an unambiguously, inclusive and transparent manner, especially bearing in mind the small size of our delegations. While we reiterate our willingness to negotiate the details with Members, including safeguards and other assurances, we call on Members to be sensitive to the realities of our economies. The CARICOM Group commits to playing an active and constructive role in these negotiations.

### Agriculture

Historically, agriculture has played a central role in CARICOM economies. While it makes up a smaller share of our economies today, the sector is no less important in terms of supporting national income, rural livelihoods, food and nutrition security and government accounts. These factors underscore our broad interest in achieving a favourable outcome on Agriculture at the WTO. The CARICOM Group is cognizant of the fact that a significant amount of work lies ahead in the agricultural negotiations.

It is in this connection that we remain committed to the reforms envisaged by Article 20 of the Agreement on Agriculture. These reforms must better reflect the heterogeneity of the WTO's Membership by addressing the existing imbalances in the Agreement, particularly with respect to the domestic support pillar. Most critical for us is an outcome that offers us appropriate and effective special and differential treatment. The new rules should therefore secure the following: (i) afford us enhanced flexibilities and adequate policy space to facilitate the development, participation and more meaningful integration of our agricultural sector into global trading; and (ii) sufficiently simplify transparency and notification requirements insofar as they take into account our technical and

financial capacity constraints. Agriculture remains a key anchor to our development and must not be left behind.

### Services

The services sector accounts for the bulk of economic activity in most CARICOM economies – the sector accounts for more than 70% of GDP and 75% of total employment in the region. It therefore stands to reason that the economic fallout from the COVID-19 pandemic has had a crippling impact on the broader services sector particularly with respect to tourism. It is in this context that we maintain a systemic interest in the services discussions at the WTO. We take note that work on the Joint Statement track with respect to services Domestic Regulation has stabilised. We are also hoping that all Members will approach the work on the multilateral track with the same degree of urgency and seriousness.

### Investment Facilitation for Development

We note that Members have now entered formal negotiating mode. Four CARICOM Member States are part of this process and the wider region has a systemic interest in investment facilitation given that we are net capital importing countries. Furthermore, since our countries have concluded bilateral investment treaties and are part of regional and sub-regional economic integration initiatives, we maintain an interest in ensuring that the emerging international framework does not undermine our existing or future rights and obligations at the bilateral and regional levels, nor should it reach into areas such as investor-state dispute settlement. The CARICOM Group endorses any efforts that refocus the investment facilitation for development negotiations on the developmental aspirations and aspects of investment facilitation. We further endorse any attempts to incorporate the maintenance of Members' right to regulate, responsible investment, S&DT, technical assistance and capacity building, and sustainable development into a final agreement.

### E-commerce

On the 1998 Work Programme on Electronic Commerce, we are mindful that challenges and exigencies relating to the COVID-19 pandemic made it necessary to adjust the plans for structured discussions in early 2020 referenced in the December 2019 decision of the General Council. The July 2020 webinar and informal open-ended meeting of the General Council constituted two key elements of an effort to regroup in this regard as have been the discussions on the Work Programme held in the relevant bodies most recently in the Council for Trade in Services.

In the last quarter of 2020, and as COVID-19 continues to challenge Members in myriad ways, our work within the framework of the Work Programme has become even more important. We need to clarify the way forward in this regard. Electronic commerce and digital transformation are no longer new and emerging issues. They are present and pressing issues, critical to the very survival and future of our economies and our efforts aimed at sustainable development. In the circumstances, it is not enough to continue to focus on the moratorium at the expense of other trade-related topics identified by Members such as the digital divide.

### WTO Reform

On WTO Reform, the CARICOM Group has long been a proponent of WTO Reform. It is for this reason that CARICOM Member States have both individually and collectively championed the Doha Development Round as a means of reducing the inequities in the outcomes of global trade. The Group therefore supports reforms that are focused on enhancing the development credentials of the multilateral system and ensuring real and positive impacts on the prospects for the most vulnerable.

The CARICOM Group notes that while some updating may be necessary, the Group calls for the restoration of and proper functioning of the Appellate Body. Such renewal would serve not only to restore the full functioning of the DSB but critically serve notice to the world that the WTO will not shirk its responsibility as the focal point for the establishment and enforcement of international trade rules.

## **27. Philippines**

At the outset, the Philippines expresses its support for the statement to be delivered by Indonesia on behalf of the G-33 and its call for delivering on Ministerially-mandated decisions on a permanent solution to PSH and a balanced outcome on SSM.

The Philippines thanks the DDGs for continuing the practice of holding the TNC/HODs Meeting during this unprecedentedly challenging time for the multilateral trading system. The Chair's report and updates shared by the Chairs of the Negotiating Groups and updates to be received on the Joint Statement Initiatives demonstrate that the WTO can help build a more resilient and responsive multilateral trading system by moving forward on mandated negotiating issues of importance for developing countries and on emerging areas of relevance to the global economy.

### Fisheries Subsidies Negotiations

The Philippines thanks Ambassador Wills and the Secretariat for the hard work in advancing the substantive discussions in different formats in an inclusive and transparent manner. Considering we only have two clusters left for this year, we encourage Members to refrain from reinventing definitions and disciplines already in international fisheries treaties. We should also start to accept that the delivery of SDG 14.6 is best achieved through effects-based approach. If a subsidy contributes to the biological unsustainability of a fish stock then it has to be prohibited. Comprehensive and effective disciplines must be likewise finalised as they will influence the shape and form of many cross-cutting issues. Most importantly, my delegation looks forward to receiving the Chair's revised text at the soonest time possible.

### Agriculture Negotiations

The Philippines remains committed to the reform objective of the Agreement on Agriculture. We thank the Chair, Ambassador Abraham, for her pragmatic approach to adapt the negotiations toward a more interactive, solution searching and problem-solving mode. We support the envisioned topic-by-topic facilitators-led technical process and look forward to a targeted and technical analytical work. We acknowledge the broad support of Members on Domestic Support as the priority for reform. The Cairns Group's constructive effort to reach out on this topic through document RD/AG/81/Rev.1 is a good basis to move forward. On potential low-hanging fruit, we also believe that the proposal to exclude non-commercial procurement of foodstuffs by the World Food Programme from Export Restrictions is mature for delivery at MC12.

At this point, I would like to congratulate the World Food Programme for winning the 2020 Nobel Peace Prize. According to its Executive Director David Beasley, this award emphasized that providing assistance to increase food security not only prevents hunger but can also help to "improve prospects for stability and peace".

### Joint Statement Initiatives

The Philippines continues to actively participate in the various MC11 Joint Statement Initiatives, specifically on MSMEs, electronic commerce, investment facilitation for development, and the Buenos Aires Declaration on Trade and Women's Economic Empowerment, to which the Philippines is a signatory. We note the advancement of work on each of these initiatives and we support all efforts to keep the momentum going to reach significant progress by the end of this year towards achieving concrete outcomes at MC12 next year.

## **28. Thailand**

The COVID-19 pandemic is an unprecedented circumstance which is causing significant disruption to global economy and health. The prolonged uncertainties require prompt responses from the WTO to ensure predictable, transparent, fair trade in the rules-based trading environment in order to minimise impacts and ensure speedy economic recovery from the pandemic. Looking ahead, the WTO needs to be functioning in the most efficient and effective manner. This requires challenges and key tasks at hand, before and after the pandemic crisis, to be addressed expeditiously and inclusively. Thailand would like to touch upon some key issues.

First, the DG selection process has been progressing as scheduled, and we must make every effort to come to a consensus on the DG appointment as soon as possible and no later than the agreed deadline of 7 November. Second, we need to find a permanent solution to the Appellate Body impasse. The paralysis of the Appellate Body has clearly and adversely affected to the rights and obligations of Members, prevents the full functioning of the dispute settlement system and undermines the overall effectiveness of WTO. Third, we must take this opportunity to foster and expedite discussions on WTO Reform, including in the area of enhancing transparency and improving the efficiency and effectiveness of the WTO regular bodies. Fourth, the WTO needs to revitalise its negotiating function and deliver outcomes on important negotiations.

In this regard, Thailand remains committed to achieving a meaningful Fisheries Subsidies agreement by the end of this year and therefore supports intensified text-based negotiations. We also support the Chair's efforts in developing a revised text based on the textual suggestions brought forward by Members with the view to bringing the Membership closer to a compromised text.

Agriculture remains a crucial negotiating issue for Members. Thailand therefore welcomes the process proposed by the CoA SS Chair which aims to convene constructive discussions in various configurations including through facilitators-led process. We believe that for an MC12 Agriculture package to be credible, it must include domestic support. In our view, an agreement on a framework for negotiations on domestic support that sets a meaningful target for entitlement reductions at the global level, based on fair, proportional, and balanced principle remains a realistic ambition for MC12.

A significant progress on JSI on e-commerce will further enhance the credibility and relevance of the WTO. We therefore welcome the continuous progress made under the negotiations. It is important that the momentum of the negotiations is maintained in the months ahead in order to deliver a Consolidated Text by the end of this year before presenting the tangible progress at MC12.

Lastly, Thailand looks forward to the constructive engagement of all Members on the key issues mentioned with the view to preserving and further strengthen the WTO and the multilateral trading system.

## **29. New Zealand**

New Zealand's broader interests, including in working towards meaningful and ambitious outcomes on agriculture and progressing Joint Statement Initiatives, WTO Reform, resolving the Appellate Body impasse and supporting the WTO's contributions to the global COVID-19 response and recovery are known to Members. I will not comment on them in detail today.

We often hear that the WTO is at a crossroads and facing an existential crisis. And this is true, perhaps now more than ever, in the face of the pandemic. The WTO faces a number of critical systemic challenges, and swirling questions about the ability of the multilateral trading system to deliver outcomes. This characterisation has only been bolstered by the fact that the WTO has not delivered significant multilateral outcomes in recent years. One is reminded of the phrase "what have you done for me lately?"

An outcome on fisheries subsidies offers the opportunity and responsibility to deliver on what we are here for. The deadline our leaders set for the conclusion of negotiations, December this year, is quickly advancing and is less than two months away. Let that sink in. The deadline, imposed by our leaders in SDG 14.6, and reaffirmed by Ministers at MC11, is not a "soft deadline". It does not suggest we should finish by December 2020. It tells us we must. Meeting this deadline is about achieving SDG 14.6 but it is also maintaining our credibility as an organization to deliver.

Thanks to the stewardship of the Chair, we believe that there is framework containing all of the ingredients for a comprehensive outcome. We see no genuine reason why we cannot meet this deadline. What we need from Members is earnest engagement on substance, including a willingness to engage on text and to provide credible alternatives where absolutely necessary. We see significant scope for developing the substantial elements further, including in small group settings where that helps to move us forward.

We have spent a disproportionate amount of time discussing process. The truth that we all need to accept is that the Chair has a wide prerogative to conduct his process in a way that helps us narrow the possibilities towards consensus. Consensus does not emerge at the start or middle of a process.

If it was there, we would not need to negotiate. Consensus comes at the end after we have all made painful compromises. We remain optimistic and engaged for an outcome. The world is watching, and we must deliver – not only for fish, oceans and sustainability, but for multilateralism.

### **30. Mexico**

Many thanks to DDG Agah and to the Chairs of the Negotiating Groups for their respective reports. I would also like to thank the Chair of the General Council and the four DDGs for their dedication and efforts to ensure smooth sailing during this peculiar transition. However, the fact that this organization has no Director-General, although there is an interim one, reflects the complex context in which we find ourselves and, in particular, highlights the considerable challenge of rebuilding the trust that underpins any forum for cooperation. In this indispensable rebuilding of trust, the level of shared responsibility is surely greater for the main participants in international trade.

Fortunately, there has been an ordered and civilised process by means of which the Membership is now on the verge of selecting, for the first time in its history, its first female Director-General. We strongly believe that both candidates have the necessary experience and leadership skills to play a part in reaffirming the relevance of this institution. We are in the throes of a pandemic that has led to an unprecedented economic and trade crisis. Now more than ever, the WTO and its entire Membership should respond to and meet the challenge of this new reality. That is why, in the next few months, we should step up our efforts and focus on the topics which, in the short-term, have a greater likelihood of finding consensus.

With regard to fisheries subsidies, given the very limited time we have to honour the commitments that all of us have made, we are convinced that this topic should be a priority and we should intensify the discussions. I would like to take this opportunity to thank Ambassador Wills and the rules team and recognize the work they have carried out. In this regard, we support their work programme and agree on the need to draft a new text containing the progress made in the latest discussions.

With regard to Joint Initiatives, we welcome the progress made in every one of them. Domestic regulation of services is at a very advanced stage. We encourage more Members to submit their draft schedules of commitments and to join the initiative. With regard to electronic commerce, the level of commitment and the work done in each and every one of the small groups is encouraging, and we are convinced that by December we will have made substantial progress. With regard to investment facilitation, we are satisfied with the work and progress made to date. We hope to show significant results in the three initiatives towards the end of the year.

With regard to agriculture, it is encouraging that there is renewed interest in moving forward in the negotiations, which is reflected in the ideas that some Members have submitted on domestic subsidies and export restrictions. In this regard, we agree with Ambassador Abraham on the need to step up our work and support the way in which she has suggested continuing the process, that is, by means of plenary sessions and with groups that are seeking to facilitate and expand technical discussions. Mexico reiterates its commitment and determination to achieving a result in this area.

Lastly, this December, it will have been a year since the Appellate Body last convened, and 10 months have passed without a clear signal of when it will be reactivated or at least of when the intention to have formal discussions on its possible re-establishment will occur. My delegation once again calls for this situation not to become "our new reality", on any grounds.

### **31. Republic of Korea**

COVID-19 has revolutionized the way we live and how we work to an extent never imagined before. The in-person contact once taken for granted has become restrained. Global trade has been seriously disrupted. Though still cautious, we are adapting to this situation and finding ways to best cope with it. Thanks to the tremendous efforts of the Secretariat, WTO meetings are almost back to their normal pace. Recent figures in merchandise trade also show signs of bouncing back from the deep slump and are more optimistic than previously expected. Now is the time to focus our attention on what we could achieve by the end of the year and set practical roadmaps to work constructively for positive progress.



### Fisheries Subsidies

Members should make their utmost efforts to conclude negotiations on disciplines by the end of this year. Members have actively engaged in discussion on the draft consolidated text and we should concentrate our current efforts on the possible deliverables with a result-oriented perspective. To accelerate negotiations, Korea is open to allocating more days for open-ended plenary meetings. As many Members have reiterated, the negotiations need to be centred on the prohibition of most harmful subsidies.

### Agriculture

The CoA SS has recently started consultations based on previous discussions. Korea expects practical and balanced approach for future discussions and hopes for continued frank conversation to build confidence among Members.

Next, I would like to briefly touch upon Joint Statement Initiatives where Korea is an active participant in each area.

### Services Domestic Regulation

Negotiations on services domestic regulations have made significant progress on the reference paper thanks to flexibilities shown by many Members. Korea has high hopes of finalising negotiations on the text by the end of this year. Also, thanks to Nigeria's circulation of its indicative schedules, our goal of securing indicative schedules from all participants seems closer than ever. We will also actively reach out to other Members in an effort to create a favourable environment for services trade worldwide.

### E-commerce

Despite many challenges brought by COVID-19, it has shed light upon the growing imperative that trade rules on e-commerce require an imminent update to reflect rapid digitalization of the global economy. Therefore, it is encouraging to witness continued progress through various configuration of meetings. We also welcome increasing participation of Members, including Guatemala. We call for Members' continued efforts to agree on a consolidated text by the end of this year to keep the level of momentum in high spirits. Korea remains committed to making greater contribution as we move forward.

### Investment Facilitation for Development

It also bears mentioning that Structured Discussions on Investment Facilitation for Development have entered negotiations mode. Slowly but surely, progress is being made as participating Members work to achieve a concrete outcome by MC12.

### MSMEs

It is vital that Members spur more efforts to better support MSMEs' participation in global trade as COVID-19 has caused a much bigger negative impact on them. So, it is very welcoming to hear that a plenary session would be held to approve seven documents which are the results of three years of painstaking work.

### Trade and Women's Economic Empowerment

Korea also welcomes the start of the Informal Working Group on Trade and Women's Economic Empowerment. It will provide a useful platform that takes a closer look at the works of the WTO from a gender perspective.

### Ottawa Group

Last, but not least, Korea joins the works of the Ottawa Group in its timely initiatives responsive to COVID-19. Korea will continue to support measures to tackle COVID-19 and look forward to further concrete and practical discussions.

### DG Selection Process

Lately, with the initiation of the DG Selection Process, the WTO has also garnered more attention from capitals, and prospective outcomes of the respective negotiations are being discussed with a larger audience. Despite limitations from COVID-19, we should utilise this momentum to a full extent, to create more concrete outcomes and rebuild trust and confidence to make the WTO more relevant.

### **32. Chinese Taipei**

Although progress could not be dramatic, we are still optimistic on the work and on achieving certain goals in some areas. First, on fisheries subsidies, many delegations expressed the usefulness of the current text-based negotiations. We share their view on this. Unlike other trade agreements which ensure freer flow of goods and services and eliminate trade distortions, the new fisheries subsidies disciplines involve a high level of public interest. We are of the view that for certain issues where delegations hold views of sharp differences, it might be the time for the Chair to provide us with compromised text, taking full account of the views expressed, so that at the end of the negotiations, everyone can live with the outcome, if not everyone is happy with that. We thought that the fisheries subsidies negotiation is the area that could help the WTO to rebuild its credibility.

Second, we are pleased to see the new type of plurilateral joint statement initiatives injecting new momentum into WTO negotiations. Among them, the formulation of new global e-commerce disciplines is particularly urgent which can help Members adapt to the "new normal" and realise the potential of the digital economy. We believe that relevant discussions can complement the multilateral Work Programme on Electronic Commerce. We thank the co-convenors and the facilitators for their efforts on the stocktake text and various meetings in order to maintain the momentum of the negotiation. We will work together to complete a more consolidated streamlined text by the end of this year and by MC12. In addition, the continuous progress on MSMEs, investment, environment, gender and other issues are encouraging.

Third, on the selection of the new Director-General, we are happy with the procedure thus far. We are grateful to the Chair and the two co-facilitators for having conducted very professional work, and are pleased that we have two very capable candidates entering into the final stage. We certainly can expect that the new Director-General will bring in new ideas into her future job to help our work move on. During the course of the first two rounds of the selection process, other candidates proposed many new ideas, action plans and initiatives. I am hoping that no matter who will be the final one who earns most support from WTO Members as the new Director-General, she will review those that other candidates have said and proposed, so that good ideas, plans and initiatives will not be left behind merely because their proponents were not selected.

Fourth, among the initiatives which are already in the process, we like to note that transparency and procedural guidelines to help the proper operation of WTO Councils and Committees is of high importance to the multilateral trading system. We certainly hope that the proposals on "Procedures to Enhance Transparency and Strengthen Notification Requirements under WTO Agreements", and "Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns" which we co-sponsored will also have your support, if you have not yet done so.

Fifth, on WTO Reform, we understand that this is not an easy task. However, if we can work together to have certain blocks being built piece by piece, incrementally, we can still have remarkable achievements. For instance, Members might want to consider establishing certain detailed rules and procedures specifically for good offices, mediation and conciliation so as to make the alternative procedure more user-friendly and to reduce the burden of the dispute settlement panel procedure. We will bring up relevant ideas or concrete suggestions in appropriate contexts. We believe that at the end of DG selection, the WTO will gain new momentum toward a fruitful MC12 and successful reform. We reiterate our firm commitment to achieve substantial results at MC12. We look forward to working with all Members and the new Director-General to promote a living WTO that can respond to challenges and ensure fair competition for all.

### **33. Chile (Structured Discussions on Investment Facilitation for Development)**

I am delivering this statement on behalf of Mr. Mathias Francke, Ambassador-designate of Chile, who is coordinating this initiative on Investment Facilitation for Development from Santiago and

looking forward to arriving as soon as possible to Geneva. In keeping with the open, transparent and inclusive nature of the Joint Initiative, I am pleased to update Members on the latest developments since the last report to the HODs in July.

Even in a challenging context, participants have made substantive progress over the last months, both on substance and participation. With Indonesia joining the process, there are currently 105 participants with several more attending the meetings on a fairly regular basis. Three meetings have been held since the last report to the HODs, on 24 July, on 24-25 September, and on 8-9 October.

At the meeting on 24 September, participating Members completed a thematic review initiated in June of the informal consolidated text. This allowed for a better understanding of Members' proposals and provided a solid background for our current negotiations. As you are aware, the initiative is now in full "negotiating mode". The negotiations are based on the "Informal Consolidated Text" by the coordinator which includes proposals submitted so far by Argentina, Brazil, Canada, China, Costa Rica, the EU, Indonesia, Japan, Korea, Mexico, the Russian Federation and Turkey, as well as the drafting suggestions submitted by participating Members during the meetings.

Attendance and participation in the negotiations have been remarkable so far. In the first three negotiation meetings, participating Members made very good progress on two core sections of the text – Section II on transparency of investment measures and Section III on streamlining and speeding up administrative procedures and requirements. The short-run objective is to clean up and streamline the informal consolidated text and aim for as much convergence as possible by the end of 2020. The ultimate goal – as stated in the November 2019 Ministerial Statement – is to achieve a concrete outcome by MC12.

In order to achieve those goals, an intense process has been foreseen until the end of this year. Additional negotiation meetings are scheduled for November and December. The working methodology endorsed by participating Members in September also foresees the organization of intersessional meetings as well as small-group consultations. The first intersessional meeting will be held on 29 October, with the aim of reviewing the drafting suggestions on Sections II and III of the informal consolidated text that the coordinator will put forward in advance of that meeting. These drafting suggestions will be circulated to all WTO Members and, as it has been the case throughout this process, they will be invited to all meetings including the informal intersessional ones.

### **34. Chile**

Chile is taking the floor at this very special time that the WTO is facing in the context where the DG Selection Process is in its third and final stage. This process has been led in an impeccable manner through the Troika. It has been an inclusive, secure and transparent process. We thank the eight candidates who have put themselves forward for this process. We thank them for their interest in working for the WTO and we congratulate Nigeria and Korea for reaching the final stage. It is a final stage which is unprecedented historically as we all know. These are individuals who are extremely competent and who are going to be doing some very difficult tasks. And we are very satisfied to note that the candidates who reached the final stage are both women.

Concerning fisheries subsidies, we would like to once again thank Ambassador Wills for the work undertaken during the series of discussions last week. We have made significant progress in the negotiations and we think that it is very positive that the Membership has worked constructively – that is the best way to perceive it. Without prejudice to the foregoing, much work remains to be done as has been noted by a number of delegations. Chile would like to reiterate to these negotiations especially in terms of achieving an ambitious outcome relating to the Buenos Aires Ministerial Decision.

We are concerned by the stagnation of negotiations in agriculture given that a lack of concrete outcomes for MC12 especially in terms of domestic support would be disadvantageous for this house. We would like to thank Ambassador Abraham for all the work in the CoA SS.

Chile is strongly committed to the discussions under the various Joint Statement Initiatives. We are very pleased that these initiatives have continued their work and that progress has been made in each one of them. The road towards MC12 continues and we should like to call on all participants of these initiatives to make the best efforts they can including on domestic regulation for services and

on achieving a concrete outcome in investment facilitation where we are making significant efforts. The same goes for electronic commerce and MSMEs.

### **35. Switzerland**

No one needs reminding of the severe impact that the COVID-19 crisis is having on public health, trade and employment. At this critical juncture, trade and investment must continue to stimulate innovation and sustainable development, not only to mitigate the effects of the pandemic, but also to foster global economic recovery. The WTO has an important role to play. Its *acquis*, by ensuring market openness, favour the rational allocation of resources and allow for more effective action to prevent shortages. It falls to us to preserve these *acquis* and to re-establish a fully functional dispute settlement system.

However, the status quo is not enough when it comes to addressing present-day challenges. Decisive action must be taken to strengthen and reform the WTO. And this begins by restoring the confidence needed to ensure the success of this ambitious project and by appointing a new Director-General as soon as possible. The first priority is to conclude the negotiations on fisheries subsidies. We welcome the progress made recently in this area. However, it is not enough to enable us to conclude the negotiations by the end of the year. It is, of course, with pleasure and conviction that I intend to contribute to the success of this work as a "friend of the Chair". Dear Santiago, thank you for entrusting me with this role.

This is not the only area in which we can, and must, demonstrate the WTO's ability to respond to significant global challenges. In order to help improve access to medical goods to address the current health crisis and ensure that the system is better equipped in the event of any future pandemics, Switzerland, together with other Members, undertakes to move discussions forward in the area of "trade and health". "Trade and environmental sustainability" is another issue close to our hearts. It is time to "build back better" and to ensure that the multilateral trading system is able to respond to the challenge of climate change.

The COVID-19 crisis has taught us the importance of open and predictable markets. In the area of agricultural trade, this relates to food security. Recently, we have been pleased to note Members' growing interest in the subject of export restrictions. Let us make the most of this positive dynamic to achieve concrete results. Switzerland is happy to see that activities have resumed at a steady pace as regards the joint initiatives. This means it should soon be possible to conclude our work on domestic regulation in services and MSMEs.

We are also hoping to see concrete progress between now and the end of the year in the joint initiatives on investment facilitation and e-commerce. Digital technologies harbour considerable potential, as shown by the COVID-19 crisis. The introduction of a basic international framework will help businesses of all shapes and sizes take better advantage of the opportunities provided by e-commerce. We also hope that the customs moratorium on e-commerce will be made permanent at the next Ministerial Conference.

Lastly, we believe that certain WTO rules should be adjusted to take account of present-day economic realities. While the challenges are numerous, they also provide opportunities to reaffirm the relevance and centrality of the WTO. Switzerland is delighted to participate actively in these efforts.

### **36. South Africa**

We align ourselves with the Statement by the ACP and the African Group. The WTO forecasts a 9.2% decline in the volume of world merchandise trade in 2020. Global GDP is expected to decline to -4.8%. Downside risks still predominate particularly if there is resurgence of COVID-19. Lockdowns imposed significant supply-side constraints on national economies, drastically reducing output and employment and resulting in ballooning public debt especially in poorer countries. There is a need to collectively reflect how the WTO can facilitate economic recovery and resilience.

The WTO has a unique opportunity to be part of a global solution on COVID-19 and to deal with the health crisis and restore its credibility. It is important more than ever for the Membership to work together to define a balanced and effective response to ensure equitable and affordable access to the vaccine, technologies and treatments for the pandemic through the TRIPS waiver.

### Agriculture

Substantial reform of trade-distorting domestic support that addresses historical imbalances, concentration, preserves the architecture in Article 6 and delivers on the spirit of Article 20 of the AoA is more urgent given the effects of COVID-19. A meaningful outcome at MC12 should address this including cotton, SSM and a permanent solution on Public Stockholding for food security purposes. We welcome the Chair's report and her efforts to continue engagements on the seven pillars. We however remain concerned whether facilitator-led small groups will enable an inclusive and transparent process that allows participation of all on issues of interest. Transparency while important cannot be the only outcome.

### Fisheries Negotiations

We thank the Chair for his efforts. We re-iterate the need for a systematic approach to the negotiations with focus on the core disciplines – the sequence of issues is therefore important. The aim of the negotiations is not market access but sustainability. Therefore the concept of common but differentiated responsibility is key. In order to make progress, we must focus on delivering on the mandate as entailed in SDG 14.6 and not bring management aspects into the WTO. A simple and implementable list-based approach is the most pragmatic to make progress. Disciplines must therefore target large scale industrial fishing and safeguard food security and livelihoods and allow policy space to develop our marine resources. The outcome must deliver on all the pillars of the mandate including S&DT. Text-based negotiations must be inclusive and Member-driven.

### Special and differential treatment

The G-90 tabled a new proposal in recognition of the growing COVID-19 crisis that threatens to disproportionately affect developing countries, not only as a health crisis but a devastating socio-economic crisis with much wider effects. This therefore calls for the WTO to reinvigorate substantive discussions in the CTD SS and deliver on the mandate in Paragraph 44 of the Doha Ministerial Declaration. The revised S&DT proposals tabled by the G-90 are critical to increasing trade opportunities of developing countries and LDCs, promoting economic recovery, provide an effective response to the current crises, and put developing countries on a sustainable development path and achieve the SDGs Agenda 2030. We are disappointed by the lack of substantive engagement on our well-motivated and clear proposals. We will table a proposal for a Work Plan to facilitate text-based discussions on S&DT in the CTD SS. We look forward to engage constructively with Members with a view to have an outcome at MC12 on this important issue.

### WTO Reform

We must reaffirm our collective commitment to the objectives and principles enshrined in the Marrakesh Agreement. Importantly, it must result in trade rules that are balanced, promote inclusivity, deliver on the development mandate and put our economies on a sustainable development path and promote resilience to deal with current and future crises. The lack of a structured discussion on reform results in cherry picking of certain issues, while mandated issues are ignored. Reform must preserve the multilateral character of the WTO and the WTO should be judged on the basis of its ability to deliver on multilateral outcomes.

### E-commerce

A decision at MC12 on the e-commerce moratorium will depend on our ability to provide clarity, including on the scope and reinvigorate the Work Programme as well as our ability to address the developmental aspects of e-commerce, including the digital divide. We stress that the e-commerce and TRIPS moratoria must be considered on their merit as their mandates and contexts are different.

### Appointment of Appellate Body members

The appointment of Appellate Body members has significant implications for the preservation of rights and obligations of Members. We need a solution-oriented multilateral process to restore a two-stage dispute settlement system and unlock the impasse in the selection process of Appellate Body members.

In conclusion, the WTO processes must allow for all voices to be heard, especially the most vulnerable to ensure that the outcomes are balanced and in the interest of all.

### **37. Indonesia (G-33)<sup>2</sup>**

The COVID-19 pandemic has severely impacted every aspect of livelihood and the agricultural sector, particularly in developing countries. Reduced consumer demand and disruption of agri-supply chains are posing considerable challenges to food and livelihood security. Levelling the playing field in agriculture, ensuring the undisrupted trade flow of food products, enhancement of food production, and efforts to ensure the availability of food reserves are essential to address the food security issue, price volatility, and needs for emergency food distribution during the crisis.

In this context, WTO Members should ensure the ability of Members to address the food security issue and uninterrupted flows of agricultural goods to promote food security as well as to provide to our producers fair trade without distortions. For that purpose, we believe that the agriculture negotiations in WTO should move forward. Efforts need to be redoubled, confidence needs to be rebuilt, and cooperation between Members should be enhanced in order to deliver meaningful outcome for this important sector since collective actions are imperative during this challenging environment.

We, the G-33 Members, are open to dialogue and discussion with the aim to enhance cooperation among Members, in particular to advance the agricultural negotiations taking into account the newly revealed challenges as a result of the COVID-19 pandemic. Lack of motivation for further negotiation is a fact which Members should be more focused on, with mutual understanding of the conditions for each other. We believe that this pandemic has clearly indicated the pressing needs for Members to move forward in the reform of agriculture. It includes commitments in domestic support in particular on trade-distorting domestic support programs, and to work towards delivering the Ministerially-mandated Permanent Solution for Public Stockholding for Food Security purposes, effective and operational Special Safeguard Measures and Special Products as well as the other pillars of agriculture. It is important to have meaningful outcomes that are acceptable and effective to all in the long run.

In domestic support, the G-33 provides its attention towards the effort in advancing the negotiation of this topic, by way of providing more methods to express the needs of G-33 Members which may help to create a common base.

On this occasion, we would also appreciate the initiative to establish facilitator-led negotiations and to convene small group meetings put forward by the CoA-SS Chair. We would underline the importance of ensuring that the facilitator-led meetings are efficient, inclusive, transparent and provide full opportunity for meaningful participation by smaller delegations. We look forward to engaging actively on the way forward of this initiative, taking into account the views expressed by all Members, and its contribution to the effort in advancing the agriculture negotiation.

To conclude, we would take this opportunity to call for commitment, flexibility, and commitment by Members to advance and deliver a meaningful outcome in agriculture negotiations.

### **38. Indonesia**

My delegation appreciates the effort and hard work of the Chairpersons of the TNC bodies in furthering the negotiation process, as we see after the summer break. While we see some progress in the negotiations under our mandates, some technical challenges are still faced by many delegations because of the global pandemic situation.

On Fisheries Subsidies, the lack of support from experts in capitals due to the continued lockdown creates technical barriers for Geneva-based mission. The fisheries subsidies negotiation is like no other previous agreements in WTO. Multi-discipline experts and their analyses are needed to ensure that this discipline is effective in achieving SDG 14.6 and, at the same time, in line with our rights and obligations under other international treaties.

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<sup>2</sup> Also circulated in JOB/TNC/88.

Given the progress and technical difficulties, we believe it is wise to consider the timeline in order not to give undue burden which would create undesirable outcome. Indonesia, that has the second longest coastline in the world with millions of small-scale and artisanal fisherman, has a lot of stake in this negotiation. We will not hastily agree to any discipline that could undermine their interest. In addition, we also underline that an effective special and differential treatment shall remain as an indispensable part of the negotiation.

Indonesia also takes interest in the development of the Work Programme on Electronic Commerce. My delegation underlines the importance of electronic commerce which serves as a tool to support economic and social development of WTO Members. We share the view on the need to update the Work Programme and clarify the scope of "electronic transmissions" which in our view shall not apply to electronically transmitted goods and services.

The settlement of the two-tier dispute settlement is also of paramount importance for my delegation. The deteriorating situation on the Appellate Body issue clearly shows the lack of credibility in the WTO at the moment. While we understand all the work to resolve the issue is stopping and even diverting, we should not lose hope. My delegation once again urges Members to renew their political will to resolve this issue in order to ensure the effectiveness of the dispute settlement mechanism of the WTO.

Lastly, my delegation would also like to thank the delegations of India and South Africa for their proposal in the TRIPS Council to address the challenges in the prevention and containment of COVID-19. This proposal is timely for us to open the discussion on our role in ensuring equal, affordable, and timely access to PPEs, medical equipment, diagnostic test, drugs and vaccines for the prevention and containment of COVID-19. My delegation looks forward to contributing in the discussion.

### **39. Norway**

My comments this afternoon will be focused on the negotiations on fisheries subsidies. First of all, we welcome the clear and strong statement of support from G20 trade ministers to achieve an agreement by 2020 on comprehensive and effective disciplines on fisheries subsidies. This gives us renewed confidence that our objective is realistic and attainable, and it should inspire us all to redouble our efforts.

We are engaged in a continuous negotiation process, but concluding our negotiations by the end of the year will not come easy. We would like to thank Ambassador Wills for his perseverance and how he is trying to build consensus around text, step by step. Progress remains slow, but it is not insignificant. What is important is that we manage to capture whatever progress is being made. For this reason, we believe it would be a good idea to issue a revised text soon. A revised text would be a visible manifestation of the progress made and provide us with an updated platform for making further progress – progress which must be achieved if we are to reach our objective within the next couple of months.

The urgency which we are under should also be reflected in the way we organize ourselves and how we prioritise our resources. This includes making sure that appropriate facilities, such as meeting rooms and access to the Interprefy platform, are made available for the fisheries subsidies negotiations. If this means that other activities or meetings will have to give way or be postponed, so be it. We will all have to show the required flexibility, as there is no other ongoing multilateral negotiation as important and urgent as the fisheries subsidies negotiations.

### **40. Hong Kong, China**

As the pandemic situations remain serious in many parts of the world and as trade officials in the capitals of many Members are working hard to respond to the pandemic and its economic impacts, here in Geneva we should also do our best to prepare for and contribute to the long and challenging road to global economic recovery after the pandemic. Despite the uncertainties, we cannot afford to stand still. The very first thing we should do is perhaps to adjust to the new normal and ensure that the WTO continues to carry out its functions fully in spite of the various pandemic-related limitations. We need to find ways to organize effective meetings and to facilitate the operation of the rules-based multilateral trading system. We need to find ways not only to recover but also to explore and harness new opportunities arising from the new normal.

WTO bodies have an important role to play in enhancing the transparency of COVID-19 trade-related measures and in ensuring that the implementation of these measures is consistent with WTO rules. The effective monitoring of restrictive measures and promotion of facilitative measures are equally crucial to the smooth flow of international trade. Both can make a big difference and push us forward on the road to economic recovery.

At the same time, we will need to redouble our efforts to deliver in the area of negotiations which brings me to the subject of fisheries subsidies. I would like to thank in particular the Chair of the Negotiating Group on Rules, Ambassador Wills, for his tremendous efforts in keeping the momentum of the negotiations. As we now enter text-based negotiations, Members should focus on finding landing zones and bridging gaps.

More intensive discussions on the core disciplines of overcapacity and overfishing as well as overfished stocks will be most welcome, especially regarding the controversial issues such as stock assessment and non-harmful subsidies. The more thorough our discussions are, the more likely we will be able to come up with a clearer draft text.

Much of the year 2020 has unfortunately been characterized by different sorts of delays and cancellations and it would be easy for people to lose heart. But, let us not forget that there is still some way to go before the year draws to a close. Let us keep our eyes on the goal while learning to cope with the new normal and work together to make the best of 2020.

#### **41. Uruguay (Informal Working Group on MSMEs)**

I make this statement as Coordinator of the Informal Working Group on MSMEs. I am delighted to announce that on 20 October the members of the Informal Working Group aim to endorse a package of six recommendations and declarations to help MSMEs' participate in international trade. The issues covered include the promotion of transparency through the WTO TPR process and access to trade-related information through the ITC-UNCTAD-WTO Global Trade Helpdesk; MSME-inclusion in the development of trade regulations; support for WTO work with particular relevance to MSMEs such as trade facilitation; support for MSMEs' access to finance and cross-border payments; and implementation of the recently adopted decision on the Integrated Database.

The hard work of members of the Group over the last few months to finalise this package is proof of the importance they attach to their MSMEs. We intend to use the coming two months, between now and December before we formally present our package, to build support for this package beyond the current membership of the Group. I invite all Members of the WTO to support our package to help shape a better future for our small businesses. The more we are the stronger the political signal will be. I hope we can count on your support and cooperation. By working together we will make our MSMEs stronger.

#### **42. Uruguay**

Uruguay would like to thank Ambassador Abraham for her report on the status of the negotiations on agriculture and for her proposal for the procedures for the coming months. I would also like to thank her for the consultations and for organising the previous informal meeting of the Committee on Agriculture in Special Session. My delegation is fully committed to these negotiations with a view to achieving positive and significant results at MC12 and beyond. These in turn could contribute to the progress towards fulfilling the mandated objective on agriculture to achieve an agricultural system which is fair and market-oriented through substantive and gradual reductions of the levels of support and protection.

After the failure of the previous Ministerial Conference, this only stresses the urgency there is in achieving concrete results in agriculture at the next Ministerial Conference which will be in line with our mandate. This will show the capacity of the organization to respond to the needs of its Members and generate consensus-based agreements which genuinely contribute to food security and to the well-being of our populations at a global level. To this end, Uruguay fully and firmly supports the process described by the CoA SS Chair for the coming months on the understanding that this process will help strike the appropriate balance between, on one hand, the respect for the principles of transparency and inclusiveness and, on the other, the urgent need to maintain frank and open discussions among Members so that we can ensure that we can achieve something at MC12.



On fisheries subsidies negotiations, we would like to thank Ambassador Wills for his report and for the work he has been doing since the Formal TNC meeting in July up until the cluster held last week on the basis of the consolidated text which was presented to us in July. The objectives of sustainable development and SDG 14.6 not only give us a mandate to achieve an agreement "to prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies [...]". Our mandate also demands that we do this by the end of 2020. This deadline is not whimsical.

The 2020 deadline is a response to the call of the international community as the situation of overfishing and exploitation of species in our oceans and seas is extremely serious and must be dealt with as fast as possible if we really do not want to reach a point of no return. To achieve this objective requires a total and collective commitment by all Members to work with the sense of urgency. We must work intensively and with flexibility to achieve a consensus result which will contribute in an effective and genuine manner to the sustainability of our common resources. Therefore, Uruguay firmly supports the process outlined by the Chair and invites all delegations to do likewise and at the same time to commit themselves to work in a constructive manner within this framework and to do their part so that this organization can comply with the important task which was given to it.

### **43. Nigeria**

At the outset, we wish to associate ourselves with the statements delivered on behalf of the African Group and the ACP. Though the disproportionate negative impact of COVID-19 on fragile African economies is alarming, we believe by working collectively, the WTO can and should deliver outcomes that will speed up post COVID-19 economic recovery for all. It is therefore of critical importance that we work assiduously in this body to achieve outcomes in the ongoing negotiations that are fair, balanced and equitable as well as ensure that MC12 does not deliver Zero-Sum outcomes.

#### Agriculture

The evolving COVID-19 situation in Africa has further shed light on food security difficulties as well as related livelihood and extreme poverty issues in the region. We believe no one is in doubt that whereas attaining SDG 1 on poverty and SDG 2 on food security is no more an issue for some Members, it still remains an uphill task for Africa given the incidence of poverty and hunger in the region. In our view, all it takes to foster inclusive growth and development of Agriculture globally is a multilateral arrangement that enables all parties to compete fairly. Such arrangement should address the inequities and imbalances of the current rule. We have concerns regarding the call for discussions on all seven areas of agriculture negotiations to proceed concurrently as envisaged under the CoA-SS Chair's proposed work programme (October-December) given our capacity and resource constraints earlier highlighted by the African Group. We therefore wish to further reiterate the point made by the African Group that the future process should be Member-driven, transparent and inclusive. It is also critical that we do not lose sight of the urgency of resolving specifically mandated issues such as PSH, SSM and Domestic Support. In our view, the future process should prioritise these specifically mandated issues.

#### TRIPS and Public Health

We believe given the threat to humanity posed by COVID-19, the WTO should and can play a role in ensuring that patents and other intellectual property rights do not unfairly stand in the way of achieving critical public health objectives. Such role include unlocking TRIPS flexibilities to allow access to essential medicines, vaccines and other resources needed for treatment and prevention of COVID-19.

#### Fisheries Subsidies Negotiations

We thank the Chair of the Negotiating Group on Rules for his effort to advance the process. From the discussions at this cluster, we welcome the draft negotiating text as a basis for the fisheries subsidies negotiations. However, we urge that amendments to the said text should be done in accordance with approved processes. We note the divergence of opinions regarding the draft consolidated text as many Members still maintain their previous positions. We all need to change strategy if we are willing to achieve a compromise text before MC12. We therefore call on Members

to take on a spirit of compromise and adopt a more pragmatic approach to achieve a consensus text. Regarding some substantive issues discussed at the just concluded NGR cluster, we are not convinced that an effects-based approach is the solution to global fish problems.

On IUU, we note and identify some areas of convergences and we believe that no Member will knowingly subsidise IUU fishing. We reiterate that a flag State should not be allowed to make an IUU determination except where it is clearly indicated in the text that a coastal State shall have primacy in jurisdiction in making an IUU determination.

For us, the overfishing and overcapacity pillar, is of critical importance. Our mandate is to negotiate disciplines that prohibit subsidies that contribute to overfishing and overcapacity. It is our duty to deliver on this mandate and we reiterate that a simple prohibition is our preferred approach as opposed to the management based approach as this will be burdensome to developing countries. Also, we are opposed to the management-based approach which permits the continuance of issuing capacity and effort enhancing subsidies as long as management measures are in place. This in our view will not solve the overfishing and overcapacity global fish problems.

#### Special and differential treatment

In conclusion, we want to reaffirm our well-known position that S&DT is crucial to achieving an acceptable balance of rights and obligations among Members. The mandate of the fisheries subsidies negotiations requires that the final outcome must include an appropriate and effective special and differential treatment for developing countries including LDCs. In our view, S&DT must be an integral part of all current and future negotiations. We look forward to constructive engagement on these and other issues with a view to achieving win-win outcomes in MC12.

#### **44. Malaysia**

Malaysia takes cognisance of the challenges facing the multilateral trading system. We acknowledge Members' continued efforts to preserve the system in ensuring that this house continues to stand. We believe that the WTO has been effective in ensuring that global trade governance remains open, predictable and transparent, benefitting all Members.

#### DG Selection Process

Let me on behalf of my delegation express our sincere appreciation to the General Council Chairman, Ambassador Walker, alongside co-facilitators, Ambassador Castillo and Ambassador Aspelund for their hard work in ensuring that the first and second rounds were conducted in an efficient manner. It is our hope that the whole process can be completed in a smooth and timely manner while preserving the confidentiality as agreed by us all.

#### Fisheries Subsidies

We welcome the progress made thus far although much work remains to be done towards MC12. Malaysia believes that if we were to deliver an outcome in the fisheries subsidies negotiations in Nur-Sultan, we need to have a real engagement, beyond mere repeating the well-known positions and statements.

#### Dispute Settlement Mechanism

It is a very unfortunate event that one of the critical pillars of this institution has collapsed. We welcome the new Director-General's work on this matter in November to unlock the impasse.

#### Joint Statement Initiatives

We welcome various ongoing discussions on the Joint Statement Initiatives on MSMEs, Investment Facilitation, and Electronic Commerce. We see these initiatives as potential deliverables at some stages for MC12 and their deliberations should continue.

## Development

WTO Members should assume a more constructive role in narrowing the gaps in key areas of negotiations. Greater political will and flexibility are crucial if we want to see this through, bearing in mind the unprecedented challenges that we are all facing now. We acknowledged that international trade has been an important enabler for Members' economic growth, and therefore, we must recognize the development component in the negotiations, in which, becomes the foundation of this multilateral institution.

Lastly, COVID-19 has brought us with challenges that we have never faced before. As the battle with COVID-19 is far from over, it is critical that Members cooperate and exercise flexibilities to resolve the bigger issues. We need to join hands to ensure that the credibility of the multilateral trading system is not undermined.

### **45. Qatar**

On behalf of the State of Qatar, I would like to touch briefly upon three core issues: (i) the reform of the WTO; (ii) the Appellate Body crisis and the (iii) Joint Statement Initiative on Investment Facilitation. These three issues, while very different in substance, are central to the role of the organization in restoring faith in the world trading system and ensuring that it can support us all in overcoming the global crisis that is a consequence of the COVID-19 pandemic.

First, with respect to the reform of the WTO, we all agree that reform is required to adapt to the changes in the international economic landscape that have taken place since the conclusion of the Uruguay Round and based on the experience we have developed over the last 25 years. Despite this common agreement, we have been unable to make substantive progress on this issue of WTO Reform. Qatar supports an open, inclusive, predictable and transparent system that takes into account development objectives and allows for an effective administration of trade relations. Qatar will engage actively and constructively with all Members on the question of WTO Reform as it is a priority to ensure that the organization retains a central role in governing world trade and in accompanying the further development of trade.

Second, with respect to the crisis of the dispute settlement system in general and the Appellate Body in particular, Qatar considers that it is clear that the WTO cannot afford continuing to have an Appellate Body that is not functioning. Because the Appellate Body is currently unavailable to resolve appeals, trade disputes cannot be settled. This affects the interests of particular Members concerned by appeals that cannot be addressed. But it also affects the world trading system as a whole as a properly functioning dispute settlement system of the WTO is a central element in providing security and predictability to the multilateral trading system. Qatar recognizes the importance of seeking to improve dispute settlement procedures in order to ensure the prompt and efficient settlement of disputes. Qatar calls on all Members to renew efforts to rapidly restore a functional Appellate Body.

Third, on investment facilitation, Qatar fully supports the ongoing negotiations for a multilateral framework of disciplines on investment facilitation for development. In the preparatory discussions and in the recent negotiations, active Members have highlighted the strong nexus between investment, trade and development. Foreign investment is an essential tool to promote sustainable development and economic growth, particularly in developing and least-developed countries. The uncertainty resulting from the COVID-19 pandemic has confirmed this. On this issue, Qatar again calls on interested Members to maintain their ambitions to rapidly achieve a concrete outcome to facilitate foreign investment.

In conclusion, Qatar considers that active engagement of all Members is essential in order to address a number of issues that are essential for the future of the organization and that are key to restoring confidence in the world trading order. We must all strive to reach a consensus on these issues without delay. Qatar is committed to that.

### **46. Ecuador**

Ecuador thanks DDG Agah and the Chairs of the Negotiating Groups for the reports they provided during this meeting. We also extend our thanks to the DDGs who have, during this transition period, been allowing us to continue the work of our organization especially given the current circumstances. We all know in this organization that we are developing programmes as described by the Chairs of

the Negotiating Groups and we thank them for their efforts. And we look forward to the election of the new female Director-General.

There are two priorities which, for Ecuador, should be taken as general guidelines that we should not lose sight of. The first is immediate in nature. We need to look at how we can allow international trade to recover post pandemic bearing in mind the differentiated impact that this has on the different regions and countries of the world. The second, in the medium and long term, goes hand in hand with what is happening internally. We need to be working on strengthening the multilateral trading system in the different areas of negotiation, in promoting transparency and in dispute settlement.

With regard to socio-economic recovery and the impact of COVID-19 on international trade, we are seeking to ensure that the WTO through its institutional work and programmes can support the efforts made by all Members especially in terms of development in order to move forward in the months and years to come. For countries such as Ecuador, we have an economy which is still developing. It depends on the size of the economy but for us, a large part of it comes from trade and which requires the preservation of exchange in trade in goods and services moving forward. The WTO can serve as a catalyst for this in the medium and long term which would lead to the increase in exchange in trade and take into account the differentiated impact that the COVID-19 pandemic has on developing countries.

With regard to the negotiating pillar, Ecuador will be working together with other Members in order to keep the active dynamic in terms of the WTO negotiations. It is essential that we achieve concrete outcomes for the Ministerial Conference and these outcomes should look at the progress that we have made for example in agriculture and in cementing progress on fisheries subsidies. We welcome the reports by Ambassador Wills and Ambassador Abraham and we share the objective of achieving the goals regarding the December deadline and of ensuring that we are ready for the Ministerial Conference. Members and the Chairs can count on Ecuador's support to facilitate the progress in our work including for the initiatives that have been proposed in these areas.

With regard to the dispute settlement pillar, Ecuador would like to reiterate our aspiration for there to be a way forward to facilitate the appointment of the members of the Appellate Body and to reactivate it. Ecuador believes that the Appellate Body should be reactivated through consensus and through the implementation of the relevant rules for a pillar that is fundamental within the multilateral trading system.

Ecuador looks forward to a successful culmination of the DG Selection Process. The new female Director-General will have the task of building bridges between Members as well as allowing the WTO to reach out to the stakeholders in order to ensure its international relevancy and to ensure that it can continue its work. DDG Agah has referred in his statement the substantive decrease in global trade this year and I think that is a demonstration of the serious challenge that the WTO faces and that the new Director-General would have to address together with the Membership. The recovery of trade in goods and services is key for the years to come and the leadership role of the new Director-General will be crucial in defining the WTO's support in the endeavour.

#### **47. Colombia**

In this statement, I would like to discuss four specific issues which are fundamental to Colombia, concerning the ongoing negotiations which we hope will deliver positive results in the coming months.

Firstly, with respect to agriculture, we wish to highlight the renewed push that Ambassador Abraham of Costa Rica has provided to the technical work undertaken by her predecessor, Ambassador Ford of Guyana. She can count on our full support and our dedication to the proposed work of facilitators. As everyone knows, Colombia's priority is the domestic support pillar. Domestic agricultural subsidies adversely affect a level playing field and reduce healthy competition between companies and producers to a size of wallet issue, always to the disadvantage of medium and small countries. As Members, we should make ambitious contributions that are proportional to the distorting effect that existing subsidies have on world markets, while constantly seeking to implement the phase in commitments signed by all of us in Article 20 of the Agreement on Agriculture and thus move towards improved market conditions in the agricultural sector.

Secondly, in the negotiations on fisheries subsidies, we welcome the boost that the G20 Ministers' Statement has given to these negotiations. Colombia, as a member of the 6LAT group, is among those countries interested in achieving a high ambition outcome. The exceptions and flexibilities contained in the consolidated text should not have the individual or cumulative effect of undermining disciplines or legalising the status quo. We encourage the Chair of the negotiations, in light of the outcomes of the intense discussions of recent weeks, to produce a revised text as soon as possible.

Thirdly, as regards the Joint Initiatives, we wish to express our support for the progress made following the discussions that took place this year. We are encouraged by the increase in participation and the support of Members in the discussions on electronic commerce, investment facilitation for development, and domestic regulation in services. We reiterate our interest in achieving a future multilateral implementation and adoption of the three initiatives which will help strengthen this organization.

Fourthly and lastly, we note with interest the impetus that the G20 Ministers' Statement has given to the issues surrounding the reform of the organization. This confluence of interests, along with the opportunities provided by a new WTO Director-General, suggest there will be intense crosscutting negotiations in which Colombia wishes, of course, to participate on an active and permanent basis.

#### **48. Namibia**

Let me begin by reaffirming the rightful and important role of the WTO in ensuring that trade flows as smoothly, predictably and freely as possible. At the outset, Namibia aligns itself with the statement delivered by Botswana on behalf of the African Group and that delivered by Jamaica on behalf of the ACP Group. We recognize that there are existing and emerging threats and challenges that continue to frustrate the collective efforts to attain greater economic development through the multilateral trading system. Many promises were made in the past through decisions during the Ministerial Conferences since the establishment of the WTO. However, to date, only few of those decisions were implemented, and the majority are still being negotiated. Looking ahead towards MC12 and in the challenging times of COVID-19, it is pivotal that we effect those decisions in order to build confidence among the Members that the WTO can still deliver on its mandate.

##### TRIPS and Public Health

In view of the current situation of the COVID-19 pandemic, my delegation appeals to Members to be more pragmatic and flexible in order to achieve SDG 3 by providing universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all, among others. In addition, the Doha Declaration on the TRIPS Agreement and Public Health affirms the right of developing countries to use to the full the provisions in the TRIPS Agreement regarding flexibilities to protect public health and in particular provide access to medicines for all.

##### Agriculture

Agriculture remains an important topic for negotiations with a view to addressing trade distortive effects and to further provide African Countries with the opportunity for policy space to address food security concerns through concerted efforts to ensure that public stockholding is considered for food security purposes.

##### Fisheries Negotiations

My delegation takes note and appreciates efforts and progress made during the clusters of meetings. However, consideration should be made in line with mandate with the view of achieving a positive outcome in meeting SDG target 14.6 with a 2020 deadline. In addition, my delegation reiterates Namibia's position that the WTO is not a fisheries management organization and that the rights and obligations under international law must be respected to give prerogative to national authorities of the Coastal States to determine the IUU and the situation of overfished stock under their jurisdictions. Furthermore, Members should address capacity constraints and the need for policy space to build and develop domestic fishing industries. My delegation wishes to reiterate that there is a need for transparency and inclusivity to allow the participation of capital-based experts to attend meetings via virtual platform.

### Development

Special and differential treatment provisions are an integral part of the WTO Agreements. Hence, Members need to ensure that LDCs and developing countries are provided such privilege in order to achieve the objectives of the WTO, among others, to help developing countries benefit fully from the global trading system.

#### **49. Pakistan**

The effects of the COVID-19 pandemic on our everyday lives and on international trade are now beginning to get entrenched. New realities have brought new challenges for all countries, particularly those with weaker capacities, infrastructure, and resources to address their needs. This includes production capacities for essential medicines and other medical equipment to fight this public health emergency. We must accept and be ready to deal with trade negotiations based on new domestic realities and the new global challenges. We cannot continue to ignore the demands for sustainable development and improved standards of living for a very large segment of the world's population.

Pakistan has always supported efforts to keep multilateralism alive and has strived for outcomes that deliver shared prosperity especially for developing Members. We remain hopeful that the two-tiered dispute settlement mechanism will be restored to its proper functioning state soon.

### Agriculture

Agriculture negotiations remain one of the foremost areas needing attention. Livelihood and food security concerns in developing countries continue to mount in the wake of the COVID-19 pandemic and therefore levelling the playing field in agriculture trade has become paramount. The existing anomalies in the Agreement related to domestic support must be corrected first and specific entitlements for developing countries and the interests of NFIDCs must be safeguarded. A solution to the issues of developing countries pointed out by Indonesia on behalf of the G-33 is also crucial to these negotiations. As always, we continue to support an ambitious outcome on cotton. We believe that the C-4 have put forth a meaningful and useful proposal which can contribute in a big way to the well-being of our cotton farmers.

### Fisheries Subsidies

Similarly, we recognize the efforts being made in fisheries subsidies to achieve meaningful progress. In our view, proper sequencing of issues could be a good way to move forward where more important and pressing elements are given due attention first. The urgency to conclude must not brush aside fundamental concerns regarding development and the sustainability of small-scale and artisanal fishermen. Special and differential treatment for all developing countries is a fundamental, treaty-embedded right in all negotiations. Effective use of this pillar will ensure a balanced outcome in the talks on fisheries subsidies.

### WTO Reform

Discussions on WTO Reform will gain more importance as we approach MC12. We hope that the organization will also see a good start under a new Director-General very soon. It is imperative that any reforms reflect our learning from past mistakes. They must keep poorer countries at the centre and should be geared towards addressing their needs particularly with lessons from the global pandemic fresh on our minds. As we undertake newer initiatives in an attempt to move with the world, we should be careful not to leave anyone behind and conclude all unfinished business. Pakistan remains confident that together we can find our direction once again and we are willing to work with the Membership to achieve this objective.

#### **50. Burkina Faso (C-4)**

I am making the statement on behalf of the C-4 and of the 36 African Country Cotton and Cotton Product Producers and/or Exporters. The C-4 would like to thank DDG Agah for his report and the Chairs of Negotiating Groups for the efforts they have made in leading the respective groups as well as for their reports. We would also like to thank everyone involved in the organization of the Second World Cotton Day as well as our development partners and the members of the Quad+ for their effective support despite this difficult context.

The C-4 commends the CoA SS Chair for the series of consultations which she has held in order to drive forward the negotiations on agriculture and more specifically on cotton. The C-4 would like to express its desire to achieve an acceptable outcome for the different Members on agriculture and more specifically on cotton by the next Ministerial Conference. In this connection, we support the proposal of the CoA SS Chair to proceed the series of focused discussions on the various areas under the agriculture portfolio with facilitators to make progress on each issue – one of which is cotton.

The C-4 underscores the importance of the Hong Kong Ministerial Decision of 2005 which calls on Members "to address cotton ambitiously, expeditiously and specifically". The COVID-19 crisis has highlighted the urgency of cementing this decision in order to send a strong, clear signal of an organization which is working to respond to the developmental challenges of its Members especially the LDCs and the most vulnerable ones who are faced with difficulties in the global cotton market which have been caused by high levels of domestic support implemented by some Members.

The C-4 would like to reiterate our priorities with regard to the negotiations on agriculture and particularly on cotton. The reduction and elimination in progressive terms of domestic support remains a priority for the C-4. This will allow millions of individuals who depend on cotton for their livelihood within LDCs and who have been strongly affected by the COVID-19 pandemic to live in a dignified way from what they produce – in order to provide a concrete response to poverty in line with the SDGs. We therefore call on all Members to demonstrate greater flexibility and for more transparency in terms of arriving at a measurable and concrete outcome for MC12.

The C-4 is also attached to the issue of transparency in terms of the measures implemented by Members in the cotton sector following the commitments taken on market access, the elimination of export subsidies as well as the effects on trade in cotton in terms of the measures taken as a result of COVID-19. The C-4 would like to reiterate that we remain committed to the negotiations on cotton and we will welcome any proposal which would look to facilitate finding consensus based results and one which is advantageous to all stakeholders.

## **51. United Kingdom**

In the face of continuing uncertainty with regard to COVID-19, the United Kingdom commends the Secretariat for the steps they have taken to enable work to continue while keeping staff and delegates safe. This has enabled our work to progress in an inclusive manner despite an evolving situation in Geneva and across capitals. The United Kingdom would once again like to reiterate the importance of forging ahead with ongoing work at the WTO, including efforts to reinstate a fully functioning dispute settlement system as soon as possible. The United Kingdom welcomes Members' engagement on the draft consolidated text on fisheries subsidies, circulated by Ambassador Wills, as a basis for developing effective disciplines.

We have been strong supporters of the Joint Initiative on E-commerce since its inception. We welcome the resumption of monthly negotiating sessions in small groups and in plenary, and we stand ready to intensify our efforts towards achieving a consolidated negotiating text by the end of the year. The pandemic has shown us that digital trade lies right at the heart of the global economy – and will continue to be of fundamental importance as we look to build back better from this crisis. We need to ensure that this initiative delivers an outcome that benefits developed, developing and least-developed Members.

The United Kingdom has been a ready participant in the reinvigorated efforts on the Joint Initiatives on Services Domestic Regulation and Investment Facilitation for Development. On domestic regulation, we urge Members to reinvigorate their efforts to resolve the small number of issues that remain. We look forward to working with Members to finalise the draft Reference Paper by the end of the year and encourage others to join this important initiative. We also welcome the shift to negotiating mode in investment facilitation for development which is testament to Members' commitment to progressing this initiative.

Finally, on MSMEs, the United Kingdom thanks the Facilitator and the Secretariat for the further progress on texts made since the beginning of summer. With MSMEs accounting for 99.9% of British businesses, we strongly support this initiative and we hope for an ambitious outcome in December.

## **52. Bolivarian Republic of Venezuela**

We wish to extend our thanks to the Chairman of the General Council, Ambassador Walker, and to the ambassadors who support him, for having ensured the smooth conduct of the selection process for the next WTO Director-General. All the candidates who have participated in this contest should be applauded. As of now, we celebrate the fact that, regardless of the final outcome, the organization will soon be headed by a woman. This is most certainly an excellent message of renewal.

With regard to the reports submitted by the Negotiating Group Chairs, we endorse the statement made by Indonesia on behalf of the G-33 which clearly sets out our country's vision in terms of priorities for the agriculture negotiations. We also reiterate the importance of addressing, in a crosscutting manner, the particular issues faced by net food-importing countries through specific flexibilities that enable us to effectively meet our objectives with regard to food security, security of the means of subsistence and rural development. In our particular case, we also face complex challenges in ensuring food security for our people as a result of being a country subject to unilateral coercive measures.

It is important to remember that the agriculture negotiations also have a mandate linked to the Sustainable Development Goals. SDG 2 seeks to end hunger, ensure food security, improve nutrition and promote sustainable agriculture. To this end, it defines as specific targets the commitment to correct and prevent trade restrictions and distortions in world agricultural markets and the commitment to ensure the proper functioning of food commodity markets in order to help limit extreme food price volatility.

Regarding the negotiations on fisheries subsidies, our delegation reiterates its commitment to participate actively and constructively in the process led by the Chair of the Negotiating Group on Rules, focusing on the elements established in the negotiating mandate reflected in target 14.6 of SDG 14, especially the inclusion of appropriate and effective special and differential treatment for developing and least-developed countries. In this connection, we hope to establish more flexible rules relating to artisanal and small-scale fishing. We welcome the Ambassador of Switzerland as facilitator for special and differential treatment in the fisheries negotiations and are sure that he will take into consideration our realities and priorities regarding this important element of negotiation.

With regard to the negotiations on special and differential treatment in general, Venezuela believes this principle should be reflected in a crosscutting manner in each of this organization's issues and activities. We therefore call upon all Members to show the necessary political will to understand the arguments on which the G-90's proposals are based. The proposals have a logic for those who submit them and Members who do not understand them must make the necessary effort to do so and, on this basis, move forward towards common ground.

In the time we have left between now and December, my delegation believes that priority should be given to the following four areas:

- Complete the selection process for the new WTO Director-General and ensure that she has the flexibility needed to organize her work.
- Continue to look for a permanent solution regarding the functioning of the Appellate Body.
- Maintain the pace of the negotiations on fisheries subsidies, agriculture and special and differential treatment while taking care to ensure that the procedures followed are transparent, inclusive and mindful of the realities of the current pandemic and that agendas do not overlap in such a way as to make it impossible for delegations with few officials to engage in various processes simultaneously.
- Continue making progress in initiatives that enable the WTO to address challenges stemming from the COVID-19 pandemic. In this regard, we welcome the initiative that will be presented by South Africa and India in the TRIPS meeting this week. Please be assured of my delegation's full support.



### **53. Sri Lanka**

For Sri Lanka, the COVID-19 pandemic remains an unprecedented crisis of the time and had exposed many vulnerabilities especially for developing countries and small economies such as mine. Sri Lanka continues to bear an enormous socio-economic fallout from the pandemic. As reported by the World Bank, Sri Lanka's economy (real GDP growth) is set to contract by 6.7 per cent (-6.7 per cent) in 2020 owing to the overall impact caused by the COVID-19 pandemic. While the primary focus of our government remains the health and safety of its citizens, the revival of the economy and ensuring stable markets, supply chains and job creation are therefore some of the other bigger challenges that demand its immediate attention.

Turning to some of the issues of concern and priority, agriculture remains a core priority for MC12. COVID-19 would without a doubt affect the agriculture negotiations and the WTO is required to deliver on mandated issues such as SSM, PSH as well as trade-distorting domestic support. A balanced outcome that is reflective of priorities in agriculture effectively responded to the effects of COVID-19 and preserved the policy space available to developing countries to promote food security and support vulnerable farmers are therefore needed. Sri Lanka wishes to align itself with the statement of the G-33 delivered by Indonesia today. Sri Lanka intends to engage constructively in the negotiations towards successful outcomes in MC12 and looks forward to working with the new CoA SS Chair and her new friends.

On the fisheries subsidies negotiations, Sri Lanka is committed to approaching these negotiations in line with SDG 14.6. Sri Lanka appreciates the efforts of the Chair of the Negotiating Group on Rules for the draft consolidated text for a balanced outcome. While Sri Lanka recognizes the importance of these negotiations and the need for conclusion, the process should not be blind to the unprecedented challenge presented by COVID-19 and the need to ensure that the process is transparent, inclusive and allows for Members to get mandates from capitals and to have capital-based fisheries officials involved.

Disciplines are required to deliver on all pillars of the mandate, target large scale industrial fishing and not constrain the use of beneficial subsidies that contribute to the sustainability of fish stocks, safeguard food security and livelihoods of coastal communities, including policy space to develop their marine resources. S&DT had to be an integral part of the outcome. Sri Lanka would work constructively with the Chair towards a balanced outcome that delivers on the mandate. Disciplines are required to focus on distant water and large-scale industrial fishing, provide exemption and carve outs for the needs of small and subsistence fishermen who operate in the territorial seas and exclusive economic zones and seek greater contribution from those who provide large subsidies. In order to advance the work in a transparent and inclusive manner, Sri Lanka requests that any process, whether it be consultations, plenary sessions or small group proceedings, should be conducted in a transparent, inclusive and consensus-based manner.

Sri Lanka is deeply disappointed to note that despite the requests made by many heads of delegations at the meeting held last Friday to reconsider in scheduling of meetings of the Negotiating Group on Rules not to be in conflict with other important meetings due to numerous difficulties being faced by small delegations such as mine, the Chair has proceeded with his plan in scheduling the meetings which are now in conflict with WTO TRIPS Council meeting and UNCTAD e-Commerce Expert Group Meeting. This situation is very unsatisfactory and seen as an attempt to exclude small delegations out of the Negotiating Group on Rules negotiating process. Sri Lanka suggests that the Chair may consider clear guidance on the work schedule, the sequencing of the content, and also on the precise role of the friends of the Chair.

In relation to S&DT, the G-90 had tabled its revised proposals. S&DT is one of the key principles of the WTO provided to developing countries to adjust to trade rules at their pace and in accordance with their level of development. This principle and right should be preserved and is central to the integration of developing countries in global trade. The proposals are a genuine attempt to address real and specific challenges facing developing countries in their quest to participate in global trade and industrialise. Sri Lanka wishes to continue to engage constructively with a view to having a meaningful outcome on this important issue at MC12.

On the impasse on the appointment of Appellate Body members which has significant implications for the preservation of rights and obligations of Members, a solution-oriented multilateral process to restore the two-stage dispute settlement system and unlock the impasse is urgently needed.

**54. Peru**

I would like to begin by emphasising the importance that my country attaches to the selection process for the next WTO Director-General. The Director-General's role is key to the proper functioning of this organization, and the Director-General will play a crucial part in ensuring that the WTO overcomes its current crisis. In this regard, I would like to thank the Chairs of the General Council, the Dispute Settlement Body and the Trade Policy Review Body for the work they have carried out as well as all the Members that have put forward candidates for this important position. My country hopes that this process will be concluded within the designated timeframe.

I acknowledge the important work carried out by the Secretariat to monitor the impact of the COVID-19 pandemic on international trade. The analysis conducted is in-depth and timely and helps us to understand and address recent changes in trade policy and trade flows. The WTO's most recent press release on its trade forecast for 2020 and 2021 deserves a special mention. We are heartened to learn that the projected decline in trade in goods for 2020 is less severe than previously estimated, and that considerable trade growth is forecast for 2021. Peru will continue to make every effort to ensure that international trade returns to a path of growth for the sake of the global economy.

Turning to the negotiations, we would first like to mention the fisheries subsidies process led by Ambassador Wills. We thank Ambassador Wills for his efforts and wish to assure him of our renewed support. Peru welcomes the fact that, over the last few weeks, we have addressed the main disciplines, some institutional matters, and elements that for the moment are still placeholders, since paths have been traced that could lead us towards better scenarios. Peru, both alone and together with the group of six Latin American countries (6LAT), will continue to contribute to the negotiations and promote the conclusion of the agreement we are seeking by the end of the year. We also hope that we will soon be able to develop the placeholder on notifications and transparency, on the basis of the proposal co-sponsored by Peru and other Members.

My delegation wishes to reiterate its support for Ambassador Gloria Abraham, Chair of the Committee on Agriculture in Special Session. We welcome her efforts to revive the agriculture negotiations and endorse the pragmatic nature of her work proposal. We recall our commitment to the mandate set out in Article 20 of the Agreement on Agriculture and will continue working to achieve a concrete outcome in this area of negotiation at the next Ministerial Conference.

As regards the joint initiatives, we see signs of progress that should not be overlooked. In the joint initiative on services domestic regulation, for instance, we recognize that there is a good chance of achieving an outcome in the near future. In this connection, Peru has recently shared, for WTO Members' consideration, a draft addendum to its schedule of specific commitments under the General Agreement on Trade in Services and will continue to participate actively so that the initiative moves forward as intended. Peru also welcomes the progress made in the negotiations on e-commerce and reiterates its interest in participating actively in the various working groups.

Furthermore, we hope that the initiatives being put forward by the Informal Group on Micro, Small and Medium-Sized Enterprises will take practical shape in specific statements and in a work plan that facilitates more extensive and dynamic involvement for these enterprises in international trade. Lastly, with regard to trade and women's economic empowerment, Peru welcomes the recent creation of an informal working group to continue implementing the Joint Ministerial Declaration on this subject and will continue to collaborate with this initiative so as to foster the increased participation of women in international trade.

**55. Barbados**

While there is movement in some areas, there is scope for progress in other areas particularly those of interest to developing countries, and more specifically to small vulnerable economies and least developed countries among them. As a small island developing State, multilateralism and by extension the multilateral trading system as embodied by the World Trade Organization is critically important. For us, it allows us to have an equal voice on trade and trade-related issues within the context of a rules-based system that is multilateral in nature. It also allows us as a Member of the organization, no matter how small, to participate on an equal footing in all WTO bodies and in so doing, ensure with other Members, that the principles of transparency and inclusivity which underpin the WTO and its work, are not mere concepts, but are seen to be upheld.

Barbados takes note of the progress made in the fisheries subsidies negotiations, and would wish to reiterate the importance of this issue to us. We are guided by our national positions and interest in those discussions. We are therefore pleased to hear the level of progress that has been made thus far and the plans for future work. The engagement of the Chair at the Heads of Delegation level has been welcomed. We would however wish to remind that for small delegations, like ours, that also cover all other international organizations in Geneva, it is difficult to participate in meetings of interest to us if the agenda is packed with any one area. Like others may profess, our scarce resources allow for the allocation of only one delegate to cover the fisheries subsidies negotiations, and that one delegate also covers a number of other areas in the WTO and wider international Geneva. We would therefore appeal to the Chair of the TNC and other negotiating bodies to be mindful of the scheduling of other major meetings, particularly those in the WTO, when scheduling meetings.

Additionally, while we do recognize the need for intersessional meetings, including in the informal small group format, such discussions must be inclusive and participatory of those delegations that have an interest in the issues being discussed. Consensus on these issues at the plenary level is contingent of all delegations being able to carefully reflect on these issues in Geneva and in capitals and on being a part of the discussions and issues surrounding them.

Barbados recognizes that even in the pre-COVID-19 phase, there was a global increase in e-commerce trade, and that in the post-COVID phase, these figures have increased exponentially as teleworking, online shopping and other similar services became the means by which we worked, shopped and socialised. We note that while there has been an increase in e-commerce and ITC services, one of the most glaring realizations in the post-COVID phase is the gap in the digital divide, prohibiting all countries from reaping the benefits from the increase in trade and new growth prospects in these areas. While this has spurred encouragement by some to expedite the negotiations on a plurilateral initiative to develop trade rules in electronic commerce, it has also revealed the stark reality that not all Members are at the same level of development in this area. It has therefore enhanced the need for the interests of small developing countries to be taken well into account in those discussions and aggravated the urgency of intensifying discussions on the development dimension in the exploratory discussions of the 1998 Work Programme on Electronic Commerce.

In services, we are pleased to see a reinvigoration of the GATS mandated multilateral discussions on market access in the CTS SS. We recall that discussions on market access were deemed to be more advanced than other areas when negotiations stalled in 2011 and the suspension of negotiations in these discussions were due primarily to a lack of progress in other areas in the WTO. We continue to believe that the existing structures allow for serious engagement in this area and look forward to engaging in these discussions in the CTS SS in a few days.

Barbados' economy, like that of many other WTO Members, continues to be significantly impacted by the COVID-19 health and economic crisis. This translates to a significant decrease in foreign exchange earnings, an increase in unemployment as our main trading sectors experience declines. This has demanded that we become innovative in the short-run if we are to continue to trade particularly in tourism and financial services. Over the longer term, Barbados has ensured that it is compliant with its commitments at the international level. It is therefore not helpful, but rather detrimental to our economies if other WTO Members impose unilateral, coercive and harmful measures that impact on our reputation, ability to trade and our economic development.

In closing, Barbados remains engaged in the work of the WTO, particularly in those areas under its negotiating pillar. We remain ready and willing to do our part while ensuring that the discussions are reflective of our interests. Barbados associates with the statements delivered by Saint Lucia and Jamaica on behalf of the CARICOM and ACP Groups, respectively.

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**ANNEX 3**

**STATEMENT BY NIGER ON THE COMMITTEE ON BUDGET, FINANCE AND  
ADMINISTRATION – REPORTS ON MEETINGS OF JUNE, JULY AND SEPTEMBER 2020**

**(AGENDA ITEM 11)**

At its request, the statement of Niger is included below as part of the Minutes of the General Council meeting.

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Allow me first of all to congratulate Ambassador Walker on his considerate chairmanship of the General Council in a particularly difficult work context.

I would also like to thank the Members of the WTO on the adoption by the General Council of the recommendation made by the Committee on Budget, Finance and Administration at its meeting of 17 September 2020, with respect to a payment schedule for contributions in arrears for my country.

As you can see, the new arrears settlement plan will last seven years. Its aim is to accompany the efforts made by my country at the start of this year to reduce its arrears burden towards the organization.

We are therefore pleased that WTO Members fully supported this plan at the meeting of the Committee on Budget, Finance and Administration on 17 September, and that they have deemed it in line with the external auditors' recommendations.

I can assure you of our full commitment to abide by the plan, and reiterate our continued attachment to a multilateral trading system which is inclusive and favourable to accelerating the development of countries still in difficulty such as ours.

Lastly, I would like to thank the Secretariat for its excellent work throughout the process which has led to this result.

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