



Council for Trade in Services

REPORT OF THE MEETING HELD ON 1 JULY 2020

NOTE BY THE SECRETARIAT¹

The Council for Trade in Services held a meeting on 1 July 2020 chaired by Ambassador Tan (Singapore). The agenda was contained in document WTO/AIR/CTS/23.

The agenda was adopted.

The Chairman welcomed the United Kingdom, which was attending the CTS as an independent Member for the first time since leaving the European Union.

As that was his first meeting as Chairperson of the Council for Trade in Services for 2020, he wished to thank Ambassador Muylle for his sterling efforts in guiding the Council's work during the previous year, and all Members for their trust and support in electing him to the position. He promised to do his utmost to chair the Council in the most efficient and productive way possible and he was confident that, with Members' cooperation, and the Secretariat's able assistance, the Council's work would advance smoothly and fruitfully. He looked forward to working closely with everyone to advance the Council's agenda in the face of the unprecedented challenges of the COVID-19 pandemic.

He reminded Members that, as announced in his communication on organizational and technical arrangements for that meeting, circulated on 19 June, delegations were meeting both in-person and in virtual mode. For those delegations attending in virtual mode, he briefly recalled the main technical aspects laid out in his communication. He thanked delegations for their patience and efforts in following those arrangements and for their understanding regarding the requirements and limitations imposed by the situation.

Finally, he reminded delegations that the meeting would run until 13h00, would resume at 14h00 and would end by 16h30 at the latest, to allow sufficient time for the Committee on Specific Commitments to meet. In view of the time constraints, Members agreed to postpone consideration of agenda item J, "I-TIP Services Trade Policy Database – Presentation by the WTO Secretariat" until the subsequent CTS meeting.

All delegations who spoke welcomed Ambassador Tan to the Chairmanship of the CTS, congratulated him on his appointment and wished him every success in that role. The Chairman thanked delegations for their kind words.

1 ITEM A: NOTIFICATIONS PURSUANT TO ARTICLES III:3, V:7 AND VII:4 OF THE GATS

1.1. With regard to the notifications made pursuant to GATS Article III:3 (Transparency), the Chairman drew the Council's attention to the communications received from: Thailand (in documents S/C/N/971 to S/C/N/979); the European Union (in documents S/C/N/981 to S/C/N/985 and documents S/C/N/1004 to S/C/N/1010, with the relevant Corrigenda); Switzerland (in documents S/C/N/987 and S/C/N/988); the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (in documents S/C/N/989 and S/C/N/990); Australia (in document S/C/N/991); the Russian Federation (in documents S/C/N/1000 to S/C/N/1002); Ukraine (in documents S/C/N/1011 and S/C/N/1012); and India (in document S/C/N/1013).

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

1.2. The representative of India took the opportunity to thank the delegation of Australia for providing useful clarifications, intersessionally, on certain issues with respect to their notification on Australia's Temporary Skills Shortage Visa reforms, contained in document S/C/N/970.

1.3. The Chairman suggested that the Council take note of the notifications and the statement made.

1.4. It was so agreed.

1.5. Concerning the notifications made pursuant to Article V:7 (Economic Integration), the Chairman drew the Council's attention to the communications received from: Iceland (in document S/C/N/919/Add.1); Hong Kong China and Australia (in document S/C/N/986); China and Hong Kong, China (in documents S/C/N/264/Add.11 and S/C/N/264/Add.11/Corr.1); China and Macao, China (in document S/C/N/265/Add.11); and the European Union and Singapore (in document S/C/N/1003).

1.6. The Chairman suggested that the Council take note of the notifications and that the agreements notified be referred to the Committee on Regional Trade Agreements (CRTA) for consideration.

1.7. It was so agreed.

1.8. The Chairman drew delegations' attention to the fact that, at its meeting tentatively scheduled for 27 July, the CRTA would be considering two regional trade agreements that cover services trade, namely: (a) the Free Trade Agreement between Peru and Honduras; and (b) the Free Trade Agreement between Hong Kong China and Georgia.

1.9. Turning to the notifications made under Article VII:4 (Recognition), he drew the Council's attention to the communications received from: Thailand (in document S/C/N/980); the Russian Federation (in documents S/C/N/992 to S/C/N/999); and Australia (in document S/C/N/1014).

1.10. He suggested that the Council take note of the notifications.

1.11. It was so agreed.

1.12. The Chairman indicated that the agenda included also consideration of the Note by the Secretariat titled "Overview of notifications made under relevant GATS provisions", which Members had agreed would be updated annually. The Note had been circulated as document JOB(09)/10/Rev.10.

1.13. A representative of the Secretariat explained that the Note provided a statistical account of the notifications made by Members under relevant GATS provisions, updated to incorporate notifications submitted between January and December 2019. For ease of reference, the Note listed all GATS notification requirements applicable to Members, irrespective of whether any notifications had been submitted under those Articles in 2019. Compared to the previous year's note, it also referred to the notification requirement in paragraph 5.c of the Annex on Telecommunications, which had been inadvertently omitted until then.

1.14. As indicated in the Note, during 2019, 51 notifications had been submitted pursuant to Article III:3, 5 economic integration agreements had been notified under Article V:7; and a further 11 notifications had been submitted pursuant to Article VII:4.

1.15. Three observations could be made based on the update of the Note. First, the number of Article III:3 notifications received in 2019 was five times higher than in 2018 and was the second highest ever recorded. Second, 2019 saw fewer notifications of economic integration agreements than was the case in the previous year, continuing a trend that had already been observed in earlier updates. Third, 2019 witnessed, like 2018, yet another increase in the notifications submitted pursuant to Article VII:4.

1.16. The representative of South Africa, speaking on behalf of the African Group, thanked Members for the various notifications submitted. Transparency remained an important obligation to be discharged by Members. The African Group, together with other co-sponsors, had submitted a paper

entitled "An inclusive approach to transparency and notification requirements in the WTO" (JOB/SERV/292/Rev.2). The paper highlighted that transparency was important for the operation and monitoring function of the WTO, especially during the prevalence of the COVID-19 pandemic.

1.17. As the African Group had observed in the previous meeting of the CTS, a statistical account by the Secretariat of the notifications made under relevant GATS provisions showed that developing countries and LDCs had submitted more GATS notifications, especially under Article III:3, than most developed countries. The reasons for that discrepancy were not altogether clear but became significant in the context of COVID-19, as that trend seemed to be continuing.

1.18. The African Group wished to thank the WTO Secretariat for compiling the overview of measures notified under relevant GATS provisions contained in document JOB(09)/10/Rev.10. The Group reiterated the importance of Members complying with their transparency obligations and supported the Secretariat's technical assistance efforts in that area. In line with its transparency submission, the African Group wished to emphasize that developing countries, including LDCs, often lacked capacities that developed countries had. On that basis, any transparency obligations should be commensurate with Members' level of development.

1.19. The Chairman suggested that the Council take note of the statements made.

1.20. It was so agreed.

2 ITEM B: APPOINTMENT OF CHAIRPERSONS TO THE CTS SUBSIDIARY BODIES

2.1. The Chairman indicated that, in accordance with paragraph 7.3 of the Guidelines for the Appointment of Officers to WTO Bodies in document WT/L/510, and as announced at the meeting of the General Council held on 3 March 2020, the outgoing Chairperson of the Council for Trade in Services, Ambassador Muylle, had been consulting on the appointment of Chairpersons for the subsidiary bodies of the Council for 2020.

2.2. Despite having to reschedule his consultations due to the COVID-19 pandemic, Ambassador Muylle had nevertheless been able to consult extensively with delegations and Regional Coordinators. Moreover, as stipulated in the Guidelines, he had coordinated closely with Ambassador Cancela of Uruguay, the outgoing Chairman of the Council for Trade in Goods.

2.3. Based on his consultations, on 20 May Ambassador Muylle had circulated a communication containing the proposed slate of Chairs for the CTS subsidiary bodies for 2020. However, before the prescribed deadline set out in that communication, one Member had presented a formal objection.

2.4. Consequently, Ambassador Muylle had continued to consult and engage with the Members concerned to find a satisfactory solution. As he had announced in the communication circulated to all Members, on 26 June there was no longer any objection to the initial slate he had proposed. The slate of candidates was therefore confirmed, and Ambassador Muylle thanked the Member concerned for its constructive engagement.

2.5. The Chairman added his own words of appreciation for the flexibility that was demonstrated and expressed his satisfaction that the issue, of an essentially housekeeping nature, could be resolved quickly and in the right spirit.

2.6. The election of the new Chairpersons would take place at the following meeting of the subsidiary body concerned or, if no meeting date had been confirmed yet, via a written procedure.

2.7. He suggested that the Council take note of the statement he had made.

2.8. It was so agreed.

3 ITEM C: OPERATIONALIZATION OF THE LDC SERVICES WAIVER

3.1. The Chairman recalled that, at its October 2019 meeting, the Council had held a dedicated session to review the operation of the preferences notified under the LDC services Waiver.

3.2. The dedicated session was organized in two parts, consisting of a workshop and a dedicated formal meeting of the Council, which were held respectively on 29 and 30 October. The workshop, entitled "Facilitating the Increasing Participation of Least Developed Countries in Trade in Services", offered diverse and valuable presentations and contributions, and several thought-provoking insights. The dedicated formal meeting was equally rich. It provided a platform for constructive and stimulating interventions and saw the active engagement of LDC Members and notifying Members alike.

3.3. He recalled that the Nairobi Ministerial Decision mandated the Council to "initiate a process to review the operation of notified preferences", and he believed that the dedicated session had been an important element of that review process.

3.4. The representative of Chad, speaking on behalf of the LDC Group, noted the importance of the Secretariat following up on the work that had been carried out for the workshop held in October 2019. The event had been useful, and it would be helpful to conduct an assessment of the notifications submitted under the Waiver, including in relation to their modal coverage, in light of the LDC Collective Request.

3.5. The LDC Group also underscored the need for preference-granting Members to share information on the initiatives they had undertaken to support the operationalization of the Waiver and to orient LDC service suppliers to take advantage of notified preferences.

3.6. The Group also wished for the work of the workshop and the review process to continue in light of the COVID-19 crisis, so as to obtain information about the views and experiences of LDC service suppliers, as well as of consumers in preference-granting Members, with regard to the operationalization of notified preferences. Preference-granting Members should also be able to share information about the industries and businesses that utilised LDC services.

3.7. As Members approached MC12, the LDC Group would be deepening its engagement with other Members so as to take stock of the operationalization of notified preferences in light of the relevant Nairobi Ministerial Decision.

3.8. The representative of South Africa, speaking on behalf of the African Group, supported the premise of the paper issued by the LDC Group on "Possible elements for a review of the operation of notified Preferences" (JOB/SERV/284). That paper emphasized the importance of the Nairobi Ministerial Decision on "Implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade" (WT/L/982) and set out core elements for a review of the operation of notified preferences. In that regard, the Group welcomed the dedicated session held on 29 and 30 October 2019 as an outcome of previous discussions that were held to refine the approach and format of the dedicated session. It remained critical to enhance the exchange of information between Members and relevant stakeholders related to the participation of LDCs in services trade.

3.9. The African Group had noted, from the exchange of information and various presentations, that even though LDCs' share in services trade was increasing, developing countries' services exports remained highly concentrated in travel/tourism and transport services. Infrastructure remained an impediment as a supply-side constraint, with electricity/energy supply and the level of digital connectivity exerting ever greater impacts on the ability of LDCs to benefit from market access. Export diversification was key, notably by building up the stock of human capital, and building coherent policy ecosystems was also important.

3.10. In that regard, targeted Aid for Trade interventions were needed that supported regulatory impact assessments, e-readiness assessments, more granular sectoral diagnostics and increased investments in backbone services, regulatory institutions and human capital in order to realize and implement LDCs services market access. Enabling LDCs to increase their participation in international trade was an important part of making the trading system more inclusive. MSMEs played an especially important role in LDCs, and barriers to access for such firms needed to be reduced. Recent experience with COVID-19 suggested that MSMEs from developing countries and LDCs had been disproportionately affected. Members had to take all relevant steps to ensure LDCs' market access was not negatively affected by such developments.

3.11. The representative of Senegal had appreciated the frank discussions and exchanges of experiences that Member had had at the dedicated session to review the operation of the Waiver of October 2019.

3.12. Those constructive discussions provided the foundations to improve the operationalization of the Waiver and improve LDCs' participation in world services trade. There was still a lot to do for LDCs to be able to benefit from the preferences that had been notified by developed and developing Members, in particular in a context where the COVID-19 pandemic was heavily affecting the services sector. In that regard, special attention had to be placed on the reduction of regulatory obstacles, and particularly visas and other permits necessary to LDC service suppliers. He also associated his delegation to the statements by the LDC Group and the African Group.

3.13. The representative of India reiterated that her delegation attached utmost importance to the meaningful implementation of preferences granted under the LDC services Waiver by all preference-granting Members with the ultimate objective of increasing the LDCs' share in global exports of services.

3.14. During the workshop on the Waiver held on 29 October 2019, India had provided specific information regarding the utilisation of the preferences it had granted in the three areas of visa-related preferences, technical assistance and capacity-building, and market access. Her delegation had also provided some suggestions on better future utilisation of those preferences by LDCs. India looked forward to further meaningful engagement with all Members on that important issue in the run-up to MC12.

3.15. The representative of Mali thanked India for the preferences it had notified and South Africa for its statement on behalf of the African Group, noting that 33 LDCs were in Africa. She echoed the statement by the LDC Group and Senegal, thanked other notifying Members and the Secretariat, stressing the importance of the Waiver to integrating LDCs in world services trade.

3.16. The representative of China said that his delegation attached great importance to the operationalization of the LDC services Waiver. China had been an active participant in, and contributor to, the LDC services Waiver. In recent years, China had taken concrete steps to fulfil its commitments, including by further liberalising services sectors for the benefit of LDCs, and further enhancing capacity-building for LDCs.

3.17. China was also ready to continue to make concrete contributions to the effective implementation of the Waiver and encouraged Members to exchange best practices in that regard, with a view to providing more effective support for LDCs to further participate in, and benefit from, global services trade.

3.18. The Chairman suggested that the Council take note of the statements made.

3.19. It was so agreed.

4 ITEM D: WORK PROGRAMME ON ELECTRONIC COMMERCE

4.1. The Chairman recalled that, on 10 December 2019, the General Council had adopted a Decision, contained in document WT/L/1079, in which Members had agreed to reinvigorate the work under the Work Programme, based on the existing mandate.

4.2. He informed delegations that in addition to the standard sub-item on "exchange of information and experiences based on submissions by Members", the Council had received a joint communication titled "Exploratory discussions on supporting digital capability of business and consumers", circulated as document JOB/SERV/296. Two Revisions to the communication had been issued since, to add two Members as co-sponsors.

4.3. The representative of Australia presented the communication on behalf of the co-sponsors. She indicated that, prior to COVID-19, trade in services had been the fastest growing sector globally, with commercial services exports increasing three times faster than goods exports when measured by value. At the same time, the move towards online services had increased. That trend, which was

expected to accelerate as a result of the pandemic, presented both opportunities and challenges for business, consumers and governments.

4.4. Businesses had rapidly responded to the changing environment and deployed digital solutions to continue, expand or diversify their operations, including with the support of governments. On the other hand, the pandemic had further highlighted key digital inclusion challenges, particularly faced by MSMEs, and in developing countries and LDCs. The co-sponsors proposed that Members, through the CTS Work Programme, exchange information on domestic programmes, policies or practices they had put, or were putting in place, to facilitate business and consumer engagement in e-commerce to consider how Members could most effectively harness opportunities and overcome challenges in that area.

4.5. She explained that the focus of the information exchange process would not be to create another avenue for Members to report on or notify measures they were taking in response to the pandemic, noting that the WTO Secretariat had already established such types of reporting processes. It was intended to be an information-exchange exercise only, which the co-sponsors hoped would be dynamic and could flexibly respond to the questions and needs of Members.

4.6. To structure that information-exchange process, the co-sponsors proposed that Members engage on the three following questions: (i) what are the challenges and opportunities for digital solutions and digital delivery of services? (ii) what are Members doing to address these challenges and harness these opportunities? For instance, what domestic programmes, policies or practices have been or are being put in place to increase digital capability and address the digital divide as they related to e-commerce, including any assistance to MSMEs?; and (iii) are Members undertaking cooperation activities to support digital capability and address the digital divide as they related to e-commerce?

4.7. The proponents invited Members to respond to all or any of those questions at that juncture and/or at future meetings.

4.8. On behalf of Australia, she shared her delegation's perspectives and experiences in response to the questions. On the first question, Australian businesses were increasingly relying on digital solutions to trade, both during the pandemic and in the recovery phase, and they expected that trend to continue in the future. Making such a transition had generated many opportunities for businesses by opening up new markets, tapping into new customer bases, enhancing their operational efficiency and revenue, as well as innovating their services to meet new customer expectations. For example, digital tools saved small Australian businesses 10 hours per week and boosted revenue by 27 per cent, amounting to an additional USD 385 billion per year in revenue across all Australian small businesses.

4.9. However, Australian businesses had faced challenges in making such a transition, adapting their business models to the capacities, modalities and customer preferences of their new markets, ensuring compliance with relevant regulatory requirements, as well as accessing internet and other digital technologies, particularly in regional areas. The government was implementing a number of policies and programmes to address those challenges as they related to e-commerce, including in response to the pandemic specifically. For example, a key policy document was Australia's International Cyber Engagement Strategy, which, amongst other things, sought to create an enabling environment for digital trade, including through trade agreements, harmonization of standards and implementation of trade facilitation measures. Australia's government was now focused on mapping the digital economy policies and business support services needed to accelerate the digitization and resilience of Australian businesses in response to the pandemic and track the growth of Australia's digital economy. Australia also intended to identify technology-led deregulation projects. Her delegation would be happy to provide further information on those and other programmes to interested Members and updates at future meetings.

4.10. On the third question, Australia ran an USD4.5 million e-commerce Aid for Trade Fund, which was supporting developing countries in the Indo-Pacific region to expand digital trade by increasing

their e-commerce capabilities. The Fund prioritized projects that built productive capacity, supported effective trade policy and regulation and developed economic infrastructure in the e-commerce sector. The Fund's first round, which focused on developing countries in the ASEAN region, had commenced implementation early in 2020 with six organizations funded across different countries and sectors. Example areas of focus included building cybersecurity capability for MSMEs in Indonesia, accelerating e-commerce regulation adoption in Viet Nam and developing agribusiness e-commerce platforms in Myanmar. The second round, focused on Pacific Island countries, had sought applications earlier that year and selected organizations were expected to be announced that month. She hoped to be able to share information on lessons learnt through those programmes in the future. Australia looked forward to hearing about the programmes, policies and practices other Members had put in place domestically, and co-operation efforts to facilitate business and consumer engagement in e-commerce.

4.11. All delegations who took the floor thanked the co-sponsors for their communication, and the co-sponsors thanked Australia for its leadership.

4.12. The representative of New Zealand indicated that his delegation was pleased to co-sponsor the communication on the table as it saw a lot of value in discussing and sharing information and practices in that important area. New Zealand recognized the importance that digital technologies played in the facilitation of trade in the global economy, and the trade-enabling benefits that the digital economy could provide to SMEs.

4.13. His delegation wished to briefly respond to the questions posed in the communication. Digital connectivity was a key enabler for economic activity, and this had become even more apparent during the crisis as people had relied heavily on the internet to work, for education, to shop, bank, pay bills and keep in touch. As governments addressed the economic and social effects of COVID-19, it was essential that as many people as possible were able to access and fully utilize the internet. For New Zealand, this had meant ensuring that all their rural and isolated communities were equipped with good and reliable broadband connections so that they could fully access and engage with the benefits of digital connectivity.

4.14. He pointed out that 97% of businesses in New Zealand were MSMEs and the focus was on building their digital capabilities and adopting digital tools to support innovation and development. His government had recently appointed a Digital Council that would help identify gaps in accessing and using digital technology and advise on how digital technology could support and benefit societies and the economy. COVID-19 had also provided opportunities to increase the focus on tools like e-invoicing that facilitated prompt payment to SMEs, supporting cash flow during what had, for many businesses, been a challenging economic time.

4.15. New Zealand also recognized the challenges of engaging in the digital economy faced by some. As an example, New Zealand's main area of focus under the Aid Programme was the Pacific region, where the opportunities and levelling impacts of e-commerce and digital trade were well-suited to addressing traditional 'tyranny of distance' concerns and supporting a range of exporting sectors. For example, New Zealand had partnered with the World Bank to develop a regional strategy toward the improvement of the digital economy in the Pacific region, which was set to be completed that year. His delegation looked forward to hearing from other Members and further discussions in subsequent meetings.

4.16. The representative of Singapore stated that, as co-sponsor of the paper, her delegation supported holding exploratory discussions on supporting digital capability of business and consumers. The pandemic had highlighted the importance of digital tools, allowing small businesses in some instances to sustain their operations despite the closure of physical shops.

4.17. Her delegation wished to provide preliminary answers to some of the questions raised in the communication. On the second question, Singapore wished to share information about its recently launched "Senior's Go Digital Programme", which aimed at fostering digital inclusion amongst seniors. As social distancing measures were likely to stay, digital tools could help seniors to maintain

their social networks and adapt to new practices such as online grocery shopping. To that end, Singapore's Info Commerce authorities had employed around one thousand Digital Ambassadors to be stationed at familiar public places to provide technical support to seniors through three tiers of digital skills, including on the use of basic communication tools, like WhatsApp, government digital services, such as SingPass, and on the use of more complex tools such as e-payments. This was only one example, as there were many issues to discuss and experiences to share under that topic. Her delegation viewed that as an on-going discussion that would continue in the Council, and looked forward to exchanging further information, experiences and views with other Members on that matter in the future.

4.18. The representative of Japan said that the COVID-19 pandemic had highlighted the importance of e-Commerce and digitalization. Japan believed that sharing information on current domestic programmes to increase digital capability and address the digital divide in the Council was a meaningful initiative and it could also help to reinvigorate the Work Programme in the Council.

4.19. Regarding the question on domestic programmes, policies or practices to increase digital capability and address the digital divide, Japan wished to share briefly information on some of its projects. For example, Japan supported MSMEs by providing them practical management advice using information technologies and guidance on cybersecurity. Public authorities also supported improving the ICT environment in Japan by helping local municipalities and telecommunication service providers to improve the fiber-optic network infrastructure. As part of the policy aimed at encouraging 'telework' by companies and enterprises, including MSMEs, the government of Japan had increased the number of consultation points and gave advice to ensure speedy and efficient introduction and implementation of telework by MSMEs. Those were some examples of efforts made by Japan to increase digital capability and address the digital divide, especially regarding MSMEs.

4.20. On the third question, concerning cooperation activities, Japan wished to share the main elements of two projects. First, a cooperation project between Japan and Rwanda, aimed at strengthening the ICT innovation Ecosystem in Rwanda, implemented by the Japan International Cooperation Agency (JICA). Under that project, Japan supported enhancing Rwanda's ICT innovation system and promoting innovation, targeting particularly entrepreneurs and start-ups. More than 250 start-up initiatives were launched, and 5 companies were selected for intensive training. As a result, business relationships between Rwandan and foreign companies related to ICT had strengthened, broadening their business opportunities.

4.21. Second, Japan supported, in cooperation with ITC, a project aimed at encouraging participation in electronic commerce by lecturing using online systems. It was directed at helping women entrepreneurs in developing countries to better participate in international trade.

4.22. Last, but not least, Japan had been also promoting further understanding of e-commerce and digital trade rules by government officials from the ASEAN and African regions. Under that programme, Japan provided a variety of activities, including briefing sessions on strengthening digital capabilities, workshops on establishing digitalization efforts, and site-visiting programmes on digital-oriented companies in Japan. His delegation hoped to continue contributing to the discussion under that item.

4.23. The representative of Canada said that COVID-19 had changed the structure and functioning of the international business and trading environment in fundamental ways. Almost overnight, businesses and consumers, as well as governments, had had to conduct their work and/or business activities largely in the digital space. Ensuring broad and inclusive digital capability and connectivity was therefore critical to addressing the challenges of COVID-19 in navigating a business and trading environment that was increasingly taking place online. It was also critical for countries, businesses and individuals to harness the opportunities and benefits stemming from digital trade and the digital economy. The importance of collaboration and cooperation between governments, businesses and consumers remained critical to identify, address and advance work to ensure broad and inclusive digital capability and connectivity around the world. The WTO, and specifically the Council for Trade in Services, provided an important platform for that type of exchange of views and collaboration.

4.24. Canada also recognized the unique challenges that developing Members, particularly LDCs, as well as MSMEs faced in that realm. For Canada, a constructive discussion on that topic in the Council provided a concrete vehicle to advance that important issue. That work also very much complemented the work that a group of Members was undertaking in the WTO plurilateral e-commerce negotiations, where they were seeking to establish modern and comprehensive trade rules to govern global digital trade. As delegations had heard through the WTO JSI e-commerce negotiations and the Work Programme discussions, developing countries faced challenges relating to the digital divide that affected their ability to tap into the benefits of digital trade. Her delegation was hopeful that discussions in that broader Council forum could provide a useful platform to further examine those issues and challenges. In that regard, the information provided by other delegations at that juncture on their own experiences was useful. Canada intended to share its experiences in subsequent meetings and hoped that other Members would also take the opportunity to share their views.

4.25. The representative of Nigeria thanked the other co-sponsors and said that the reality of the 21st Century was that trade in services was growing rapidly and, therefore, the performance of the service sectors had become an important determinant of the distributional effects of trade and growth. That fact was also true for digital trade. Nigeria believed that to optimize the benefits of that economic reality, it was important to sustain and improve ongoing policy initiatives, improve the digital business climate and upscale investment in critical hard and soft infrastructure that underpinned growth.

4.26. The COVID-19 crisis was probably the most disruptive force altering the dynamics of the global economy since the great depression of 1930s. As indicated by the WHO, the virus was likely to hang around longer than it was earlier envisaged. Despite the adverse global economic impact of COVID, there were some positive economic developments. The world was experiencing exponential growth in e-commerce and the digital economy. Nevertheless, it was important to acknowledge the fact that given the North – South digital divide and digital exclusion, the benefits of e-commerce growth between countries and amongst domestic economic players were disproportionately shared. Therefore, it was necessary to think of innovative ways of addressing this apparent problem.

4.27. The first step in addressing the problem was to identify the remote and immediate causes and, thereafter, devise creative means of tackling the issues. Such creative means, in the case of e-commerce, included exploring international cooperation and partnerships to address the structural, infrastructural and other issues undermining the gains from e-commerce. It was for that reason that Nigeria had co-sponsored the communication on the table, which would enable Members, through the Council's Work Programme, to share information on current domestic programmes seeking to increase digital capability and address the digital divide as they related to e-commerce. In his delegation's view, the knowledge gained from each other's experience would provide Capitals with the information needed to formulate and implement appropriate policies to drive digital economic growth. His delegation called on Members to consider the elements of the communication with an open mind and to respond to the questions raised therein. He stood ready to share his delegation's responses to the questions raised in the paper at the following meeting.

4.28. The representative of the United Kingdom thanked the Chairman for his kind words of welcome at the beginning of the meeting. His delegation was pleased to co-sponsor the communication and welcomed the discussion of those issues at the WTO and in the Council. The digital economy and the digital divide were under intensive discussions in several multilateral fora. Important work was under way at the ITU on connectivity, and at UNCTAD on the digital economy. It was important that the WTO and its Members remained engaged in those cross-cutting efforts, as there were no single solutions to the challenges Members faced.

4.29. With an increasing proportion of services moving online, it was essential that developing and LDC economies were able to take advantage of the opportunities that that created. The COVID-19 pandemic had thrown the extent and implications of the digital divide into sharp relief. The Secretariat Note on "E-commerce, Trade and the COVID-19 pandemic" summarised how consumers, business and institutions worldwide had sought digital solutions in response to the pandemic, but only with difficulty where low connectivity, high costs and other barriers existed.

4.30. Before turning to international cooperation, he would refer to domestic activities in the United Kingdom. With regard to the challenges faced by MSMEs during the pandemic, one initiative put in place to support small businesses in the United Kingdom was a platform called 'Digital boost', which provided digital support by building a community of volunteer digital experts who offered one-to-one support to small business free of charge to help them improve their digital capability and build an online presence.

4.31. The UK government had a new 'Tech Export Academy' to provide expert advice for high-potential SMEs in the tech sector to support growth into priority markets. Supported by leading professional services firms, SMEs would receive expert advice across a wide range of areas, including legal, tax, intellectual property, regulatory and compliance, to help reduce the time to market for exporting and to increase UK exports. The support would also ensure that women tech founders were among those selected for the Export Academy.

4.32. The United Kingdom was also seeking to level up the success of the tech industry across its geographical regions. A network of tech export champions would help the most promising regional scale-ups in the English regions to develop their international expansion plans. Government departments would work with colleagues in Scotland, Wales and Northern Ireland to support very high-performing tech companies in the same way.

4.33. On the third question regarding cooperation activities, he said that the United Kingdom provided support to developing and LDC Members to build their digital capacity and increase participation in e-commerce. He wished to share with Members three examples.

4.34. First, through the 'SheTrades Commonwealth' programme, the United Kingdom was supporting women-owned businesses in the tourism, IT and business process outsourcing sectors in Kenya, Ghana, Nigeria and Bangladesh to build their brands, develop export strategies and expand their client bases. Recently, the programme had helped business to adapt to the challenges posed by the pandemic as well as the broader trends towards operating online. This had included helping women entrepreneurs to maintain their current customer base via e-commerce platforms and digital sales and to market their goods and services digitally to secure new markets.

4.35. Second, the UK 'Digital Access Programme' was helping to catalyse inclusive, affordable, safe and secure digital access for underserved communities in Nigeria, Kenya, South Africa, Indonesia and Brazil. It would increase connectivity and digital skills of marginalised communities, build cybersecurity capacity and grow local digital economies by establishing tech hubs and empowering start-ups with the skills needed to expand globally.

4.36. Finally, the United Kingdom was a founder member of the Digital Impact Alliance (DIAL), which was a multi-donor initiative that brought together development partners such as the Swedish and US governments, the Gates Foundation and the UN Foundation. It was uniquely positioned to serve as a neutral broker bringing together governments, industry, donors, NGOs and development stakeholders in the digital ecosystem to address challenges that no single actor or sector could tackle alone. His delegation encouraged other donors to continue to join and engage with DIAL on that important agenda. The United Kingdom looked forward to continuing discussing those and other initiatives in the Council as part of an ongoing discussion.

4.37. The representative of Mexico stated that her delegation was pleased to co-sponsor the communication, which was very important for the Work Programme and for developing countries in particular. Her delegation was working in Capital to be able to present Mexico's experience with the pandemic, which was having very disruptive effects for the Mexican economy, both within borders and across borders. She hoped to share Mexico's experience at upcoming meetings in terms of the challenges faced by consumers, small businesses, institutions and regulators involved in facilitating e-commerce.

4.38. The representative of Brazil was pleased to co-sponsor the communication and said that it offered an opportunity to reinvigorate discussions under the Work Programme. Brazil was glad to

share its experiences in that area. At that juncture, Brazil wished to offer preliminary responses to the questions raised in the communication, particularly on domestic experiences and international cooperation.

4.39. On the domestic front, Brazil was celebrating the 25-year anniversary of the Brazilian Internet Steering Committee, which comprised members from government, the corporate sector, the third sector and the academic community with the aim of coordinating and integrating all internet service initiatives in Brazil as well as promoting technical quality innovation, dissemination of the services available and promoting initiatives on digital inclusion. Brazil would be glad to share their domestic experience regarding the work of the Committee at future meetings.

4.40. In the regional context, Brazil had recently adopted a number of Decisions with other Mercosur partners to promote cross-border e-commerce. They had adopted some Decisions and common principles and guidelines on consumer protection and on cooperation among authorities and suppliers on electronic signatures and digital authentication. Those initiatives aimed to promote and facilitate engagement of consumers and companies in e-commerce in the region. Brazil would be glad to share and exchange information with other Members in the future.

4.41. The representative of China said that, as a result of the COVID-19 pandemic, people's travel had been restricted and offline consumption continued to be sluggish. However, online shopping demand had been fully released. The WTO Secretariat Information Note stated that e-commerce played an active role in responding to the COVID-19 pandemic and had increasingly become a driving force for economic growth and international trade development in WTO Members.

4.42. Taking China as an example, the data of February 2020 showed that imported goods purchased by consumers on Tmall Global had increased by more than 52% year-on-year, and online cross-border shopping had been widely welcomed by consumers. That context highlighted the significance of cross-border e-commerce, as well as related logistics and payment services.

4.43. China supported continuing to share information and experiences on e-commerce issues within the WTO framework, and would welcome new proposals by Members. China hoped that, through those discussions, the opportunities and challenges faced by Members in relation to e-commerce, in particular by developing Members and LDCs, would be fully considered so as to facilitate their entrance into the speedway of e-commerce development as early as possible.

4.44. The representative of Colombia stated that his delegation was convinced of the importance of e-commerce as a tool for development, which had been confirmed during the pandemic. His delegation fully supported a dynamic and fruitful discussion on how to support digital capabilities of business and consumers.

4.45. On the first question in the communication, Colombia had identified important opportunities and challenges for digital solutions and digital delivery of services that affected the use and benefits derived from e-commerce. These included, particularly, logistics, new business models, using e-commerce platforms, consumer trust issues, new technologies and others. E-commerce was an important way of facilitating trade and the pandemic had shown that e-commerce was instrumental in enabling business, especially MSMEs, access national and international markets, allowing them to strengthen business and consumer relations. E-commerce had also provided opportunities for customers, for example, allowing access to essential goods and services.

4.46. On the second question, he pointed out that Colombia was preparing a first draft of its national policy on e-commerce, which involved the Ministry of Communication and Technologies, the Ministry of Trade and other related agencies. In addition, the Ministry of Trade was promoting national initiatives to foster the use of digital platforms to support business.

4.47. On the third question, in the context of the Pacific Alliance, the group had agreed to carry out a study that would identify barriers associated to services such as transport and logistics as they related to e-commerce.

4.48. The representative of Hong Kong, China said that e-commerce had already been recognized as a driving force for trade and economic growth. The pandemic had further shown that developing e-commerce was not only a business trend, but also important for responding to the challenges that emerged in modern society. Changes in consumption habits and business models of enterprises would not only represent short-term business opportunities, but also bring profound longer-term impact on the e-commerce market.

4.49. At the same time, his delegation recognised that that might pose challenges for small businesses, especially those just starting to adapt to e-commerce, as well as for some Members who might face infrastructural constraints. For example, his delegation had launched a Faster Payment System (FPS) two years earlier to support instant electronic retail payments and fund transfers. It had been observed that transactions through FPS had increased sharply, by 60% in the previous quarter. That growing acceptance of e-payment driven by the pandemic could signal a transformation to a more digitally empowered society conducive to the further development of e-commerce.

4.50. Against that background, the communication was very timely and relevant, as it encouraged Members to share information on domestic policies and initiatives and enhancing digital capabilities, especially for MSMEs. Members could learn from each other's experiences and best practices and policies to support e-commerce development. Hong Kong, China looked forward to sharing its experiences and initiatives at future meetings and encouraged other Members to participate.

4.51. The representative of Mali wished to reiterate that e-commerce raised development issues, and that the implementation of the DDA could help to address that problem. Mali associated itself with the statements made or to be made by the African Group and the LDC Group.

4.52. In Mali, there was a Ministry of Digital Economy, and the government had taken a broad range of measures to support e-commerce. In the WTO, different bodies addressed different issues related to e-commerce from different angles. For instance, the Council for Trade in Goods discussed customs valuation issues and the TRIPS Council the transfer to technology, while the Committee on Trade and Development examined issues relevant to developing countries in terms of possible impacts of e-commerce, including their financial consequences, notably in terms of customs duties.

4.53. Developing countries faced several challenges that precluded them from accessing e-commerce properly, such as access to electricity, digital connectivity and e-payment solutions. The pandemic had highlighted the importance of e-commerce, as well as the challenges that needed to be addressed, including for landlocked countries like Mali, such as the lack of infrastructure. Some delegations had highlighted the recent imposition of restrictive measures on imports or exports, and the fact that other countries had been impacted by this type of protectionism. She wished to request the relevant WTO bodies to focus on the implementation of the Work Programme and address the issue of technology transfer, which in her delegation's view was key to promote e-commerce and the integration of developing countries and LDCs in global services trade.

4.54. The representative of India wished to make two statements, one more specific in response to the new communication received, and a second general statement on sharing experiences under the Work Programme.

4.55. Her delegation agreed that due to increased travel restrictions and reduced demand for proximity in services delivery as a result of COVID-19, the demand for online delivery of services had increased. The online delivery of services offered exciting opportunities for countries like India, given their strength in IT-business process outsourcing services. However, as was rightly mentioned in the communication, it was very important to address the challenges posed by the digital delivery of services if developing countries were to benefit from the opportunities of digital trade.

4.56. Her delegation wished to highlight some of the foremost challenges faced by developing countries. For example, developing countries would have to urgently put in place laws relating to data protection and privacy, online consumer protection, cyber security and electronic transactions.

These constituted necessary conditions to do online business, not sufficient conditions, if gains from online trade were to be more equitably shared amongst all stakeholders. There were at least three pieces of legislation that were required, namely: (i) a legal framework for ownership and pricing of data, including a legal framework to regulate the cross-border flow of data; (ii) on taxation, to move to the concept of economic presence as the basis of taxation, against the earlier used concepts of physical or commercial presence; and (iii) laws to curb concentration and anti-competitive practices in online trade.

4.57. Most importantly, there was an urgent need to build the digital capacities of developing countries and LDCs in areas like digital skills and broadband infrastructure, so that the benefits of online applications like e-education, tele-medicine, electronic payments and the use of digital platforms for sourcing goods and services were available to everyone including in developing countries and LDCs. India was working on those lines and had put in place the Digital India Programme to improve digital infrastructure, e-services, e-governance, and the use of digital platforms for empowering citizens for feedback on government policies. India was also developing an e-commerce National Policy Framework for preparing to be competitive in the digital space.

4.58. As to her second general statement on the Work Programme, India welcomed the General Council Decision of December 2019 calling upon Members to reinvigorate the 1998 Work Programme on e-Commerce, which had a non-negotiating and exploratory mandate. India had always maintained that while e-commerce had created new and exciting trade and investment opportunities, it had also posed several new infrastructure and regulatory challenges, which needed to be addressed, including the need for bridging the digital divide.

4.59. On the other hand, some Members were pushing for new rules on e-commerce. In her delegation's view, the gains from e-commerce should not be confused with the likely benefits of rulemaking in e-commerce. India believed negotiation on rules and disciplines on e-commerce would be very premature at that stage, especially given the highly asymmetrical nature of the existing global e-commerce space. Therefore, India reiterated its serious concerns on the parallel discussions on e-commerce under the Joint Statement Initiative with clear objectives of rulemaking, which clearly run contrary to the exploratory mandate of the 1998 multilateral Work Programme regularly reaffirmed by all Members. India was concerned about the impact of some of the e-commerce rules being proposed under the Joint Statement Initiative on existing trade rules, particularly GATS schedules that provided useful flexibilities and could wither away due to the onslaught of the so called 'high standard' e-commerce elements. As her delegation had already informed other Members, the Government of India, in consultation with stakeholders, was working on the National E-Commerce Policy, which would inform India's international engagements on that important subject. The draft had been put up in the public domain for stakeholder consultations in February 2019. Based on the feedback received, India was developing an E-Commerce National Policy Framework for preparing to be competitive in the digital space.

4.60. As regarded the e-commerce Moratorium, which was a cross-cutting issue, India and South Africa had tabled another joint submission on the scope and impact of the moratorium, which would be discussed in the forthcoming meeting of the General Council. While India had always held the view that the Moratorium was harmful for developing countries not just from the revenue point of view, but also in terms of negatively impacting developing countries' efforts towards their digital industrialisation, COVID-19 had further demonstrated the importance of retaining flexibility to regulate imports of electronic transmissions.

4.61. The representative of Ukraine said that in view of the increased volumes of e-commerce transactions and the move towards online services, in particular in the context of COVID-19, Ukraine considered that the communication on the table was timely and important. Regarding the questions posed in the document, following consultations with national authorities, Ukraine wished to contribute to the discussion by providing some preliminary answers on questions two and three.

4.62. In order to increase digital capability and address the digital divide, Ukraine was taking measures to improve the regulatory and legislative framework aimed at the development of

telecommunication networks, information and communication technologies, broadband Internet access and introduction of fifth generation mobile communication systems. One of the principles of digital economy development was the requirement to increase the level of trust and security. Some prerequisites for simultaneous digital development and appropriate prevention, elimination and management of related risks, had been to ensure information security, cybersecurity, personal data protection, privacy and users' rights in digital technologies, strengthening and protecting trust in cyberspace.

4.63. In order to fulfil those tasks, Ukraine had been harmonizing its legislation on cybersecurity, information protection and electronic trust services with the EU legislation and best international practices in those areas, which would in turn facilitate further cooperation with other Members on those issues. For example, Ukraine's legislation on electronic trust services had been fully harmonized with the EU Regulations on Electronic Identification and Trust Services for Electronic Transactions in the Internal Market. Ukraine had also been taking measures to regulate the mutual recognition of Ukrainian and foreign public key certificates and electronic signatures used in the provision of legally significant electronic services in the process of interaction between entities of different states. In the context of bridging the digital divide, measures aimed at improving access to mobile internet and creating conditions for mobile broadband access had been undertaken by the relevant Ukrainian national authorities. Ukraine stood ready to engage constructively on that matter.

4.64. The representative of Switzerland welcomed the initiative as it was clear that the health crisis had further increased the importance of conducting trade through digital means and the opportunities for development. All three questions in the communication were relevant, but at that juncture he wished to focus on the third one.

4.65. Switzerland had put in place various cooperation activities aimed at making enterprises in developing economies more competitive and help them better integrate into the global trading system. They included providing support to MSMEs for the digitalization of their supply chains, the use of global platforms, the collection of targeted data to improve their trade and investment decision-making, as well as the development of new finance models and payment solutions. The programme financed by Switzerland also supported the creation of favourable framework conditions, for example, linked to trade facilitation and intellectual property rights. His delegation remained committed to helping developing and LDC Members to strengthen their digital capabilities and looked forward to sharing best practices in that area.

4.66. The representative of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu stated that the pandemic had highlighted the importance of e-commerce in today's world. All Members were facing challenges and rebuilding their economies after the pandemic, while also trying to close the digital divide. Given the critical role that e-commerce played, his delegation supported the communication's proposal to share information across the Membership on current domestic programmes that sought to increase digital capabilities and to address the digital divide as related to e-commerce.

4.67. As a contribution to that discussion, at that meeting his delegation wished to share a few of the policies that the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu had adopted in that respect. For example, to help business respond to the changes resulting from COVID-19 and to assist manufacturers with strengthening export promotion, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu had launched a series of relief measures and domestic programmes on e-commerce aimed specifically at cultivating the talent required for digital transformation.

4.68. In those programmes, manufacturers could apply for counselling in such services as 'Product Information', 'Digital Advertising' and 'Production on a Cross-border E-commerce Platform'. In addition, a 'Digital Trade Academy' had been launched, which offered training instead of subsidies. The course covered the four most relevant and important topics: cross-border e-commerce, digital transformation, digital commerce, and digital marketing. The purpose was to ensure that the

necessary talent and expertise was available to enterprises that needed those capabilities to drive digital transformation.

4.69. His delegation looked forward to further discussion and experience-sharing on those subjects, which were critical to the recovery of Members' economies, to the future of world trade, and indeed to the WTO.

4.70. The representative of Barbados, speaking on behalf of the ACP Group, stated that the communication demonstrated the seriousness and commitments of the co-sponsors to the 1998 Work Programme. That type of engagement was especially important as Members progressively moved towards MC12.

4.71. The Group continued to be a staunch supporter of exploratory discussions under the Work Programme, particularly as they related to development. The Group was therefore preparing a communication to contribute to those discussions. They were keen on outlining areas of consideration in the CTS as well as in cross-cutting discussions under the auspices of the General Council.

4.72. The Group recognized that significant progress had been made in advancing ITC infrastructure and services and Members saw the benefits in many respects during the still-evolving COVID-19 crisis. Despite those benefits, however, the crisis had also underscored much of what the Group had been saying in various WTO bodies, highlighting the obvious and pressing need to address the digital divide. Therefore, it was important that any deliberation in the CTS address the digital divide issue head-on. However, Members needed to be careful that the rhetoric surrounding that issue was not diluted or devised in a way to divert discussion away from long-standing and severe problems of the divide for many developing countries. Specifically, Members should build on the discussions around moving developing countries and LDCs from being predominantly mere buyers to becoming active suppliers of e-commerce services.

4.73. The issue of digital inclusion or lack thereof was critically important for the ACP countries, particularly as it related to their MSMEs and to the smallest and most vulnerable countries amongst the Group. Therefore, the ACP Group wished to lend its support for the elements highlighted by the LDC Group in their communication to the General Council in December 2019. The problems faced by LDCs had strong resonance with ACP countries, many of which were LDCs and SVEs.

4.74. The ACP Group was interested in hearing from the co-sponsors of the communication on how they saw themselves supporting the most impacted countries in the digital divide, since much of the difficulty underpinning the use of e-commerce was a lack of necessary infrastructure. The backdrop to the infrastructural challenges that ACP Members faced included electricity shortages, resulting in load-shedding, tele density, payment systems, lack of mechanisms to start up enterprises in e-commerce businesses, limited assistance for an affordable ICT infrastructure (e.g. internet, broadband coverage, telecom infrastructure and services, access to credit cards - the main vehicles for online payments, high incidence of unbanked consumers and limited experience with online payment), trade finance for e-commerce enterprises and a lack of access to e-commerce digital platforms.

4.75. Furthermore, data was a key component of digital inclusion as data was the centre of the digital economy. Data ownership and access to technologies to analyse and utilise data for data industrialization were at the core of effective participation in the digital economy. Multilateral cooperation to promote technology transfer was therefore critical and the work in the CTS in that regard had to identify areas of cooperation that would result in inclusive digital industrialization.

4.76. In terms of services, most ACP countries were already open but were not considered attractive because of deficiencies in infrastructure. UNCTAD's work on e-readiness assessments had shown that the problem was overwhelming and confirmed what the Group had identified as issues facing their economy. That work had been specific to LDCs due to inadequate donor assistance, despite the growing demand for such technical assistance. If the developing countries and LDCs were to

participate effectively in the economic benefit at home and in discussions in the WTO, such work had to be expanded, including to cover developing countries like those in the ACP Group.

4.77. Many ACP countries felt that there was societal and business dividend to be had for the major players in the industry in advanced Members to make available to developing countries and LDCs facing e-commerce challenges the necessary technologies and services to reduce the digital divide. That benefitted the leading enterprises by increasing the depth of the market worldwide and tapping into enterprises and their services suppliers as well.

4.78. That could be done through the establishment of an industry trust to support digital development in a manner similar to initiatives for access to medicines and healthcare. It could include building the necessary IT infrastructure and services, training of relevant agencies on policies most effective for e-commerce to flourish and bring in returns for developing countries. All players, including from the developed world, benefitted if widespread IT infrastructure was funded across developing countries, making consumers and businesses fit for purpose. This would strengthen the foundations for an e-commerce trading system where the poorest and capacity-constrained Members would build confidence in their engagement in the WTO. The Group wished to hear the co-sponsors' views on those aspects to address digital solutions and delivery of services.

4.79. The representative of South Africa, speaking on behalf of the African Group, said that the Group welcomed a discussion of the issues raised in the paper, which constituted an important recognition on the side of the proponents that it was necessary to continue the exploratory discussions under the Work Programme. The African Group believed that the 1998 Work Programme on Electronic Commerce remained an important feature of the work of the CTS, as the General Council had renewed it in December 2019.

4.80. Therefore, the proposal on the table to share information on current domestic programmes seeking to increase digital capability and address the digital divide as they related to e-commerce was welcomed. Whereas the African Group found the premise of the submission useful, it was couched too narrowly, since the questions posed addressed only certain aspects of wider issues that could be usefully discussed under the Work Programme. Paragraph 1.1 of the 1998 Work Programme directed Members to "examine all trade-related issues relating to global electronic commerce, taking into account the economic, financial and development needs of developing countries", and in paragraph 1.3 it further stated that "the Work Programme will also include consideration of issues relating to the development of the infrastructure for electronic commerce".

4.81. Furthermore, the African Group agreed that COVID-19 was having a severe impact on service providers in all countries, noting the particular challenges that developing countries and LDCs were facing. It would be important to address the digital divide to ensure digital inclusion in order to enable equitable participation of the Group in the digital economy.

4.82. While the demand for digital services had increased, ICT goods and services exports remained highly concentrated in only a handful of countries, which accounted for more than 99% of all exports. The modest participation of African economies paled in comparison to overall digital trade figures. For example, Google accounted for 90% of the market for internet searches; Facebook accounted for two thirds of the global social media market and was the top social media platform in more than 90% of the world's economies; Amazon had a 40% share of the world's online retail activity and had increased that percentage during COVID-19; and Amazon Web Services accounted for a similar share of the global cloud infrastructure services market. MSMEs were especially affected by the power of platforms and the practices and conditions imposed on them to participate on such platforms. Most Members of the Group had big informal sectors and were likely not to be connected as they were disadvantaged by the digital divide.

4.83. In that regard, he recalled the communication from the African Group contained in JOB/GC/133 of 21 July 2017 on digital industrialisation policy and development. Therein the Group had pointed out the extremely high market concentration levels existing in the current global e-commerce space, evident both in terms of how e-commerce trade was distributed across the global

economy, and in terms of the number of firms that dominated that space, notably in terms of market capitalization.

4.84. The African Group had also highlighted that some countries had used policy tools such as data localization requirements, internet filtering and technology transfer requirements (i.e. disclosure of source code) to promote domestic digital firms and allowed them to catch-up with the leading multinational firms. National policies had played a vital role in preparing countries to take advantage of e-commerce.

4.85. In view of the cross-sectoral nature of digitalization, a whole-of-government response was important to the formulation and implementation of policies aimed at securing benefits and dealing with challenges associated with e-commerce. Ensuring affordable and reliable connectivity remained a major challenge in many African economies, especially in rural and remote areas, and required attention. The profits and revenues of digital giants were rising substantially, and developing countries were net importers of digital services. Taxation was another area that required further consideration. As the tax landscape evolved, it was essential to ensure wide and more inclusive participation of developing countries in international discussions on taxation in the digital economy.

4.86. The Group also pointed out that massive financial subsidies were being rolled out in the North to sustain their businesses during the pandemic. Developing countries, which could not afford comparable bailouts, would, at all levels, need to revive the use of strategic trade and industrial policies. On that basis, the African Group would contribute to the discussion of the Work Programme by submitting a proposal that would seek to capture the developmental aspects of the Programme. The Group, guided by 'Agenda 2063: The Africa we want', would focus on issues such as building a data economy; building cloud computing infrastructure; strengthening broadband infrastructure; promoting e-commerce in the region; promoting regional digital payments; progressing on single digital markets in the region; sharing experiences on e-government, promoting digital innovations and technologies; and building statistics for measuring digitization. It was important to locate developing countries within relevant value chains, while addressing infrastructure shortcomings in order to eliminate the trade-related disadvantage that many developing countries faced.

4.87. The representative of [Guyana](#) associated her delegation with the statement made by the ACP Group. Guyana considered that the questions posed by the communication were important and could contribute to reinvigorating discussions under the Work Programme.

4.88. Guyana's MSMEs faced real challenges in utilizing and adapting to digital tools. Those challenges included the high costs of broadband connectivity due to low population density in the interior and some coastal areas; high transactional costs and limited interoperability between financial services providers, including banks; a low level of trust in digital payments solutions; and a nascent legal and enforcement framework for consumer protection.

4.89. For a small vulnerable economy such as Guyana, digitalization was likely to be a catalyst for social and economic development, if well harnessed. Guyana deemed the digital revolution as an opportunity to enhance its competitiveness in both domestic and export markets, as well as to increase its ability to reach and penetrate new markets. Digital trade could allow to create new employment opportunities for youth and women, improve security for businesses and citizens through cashless payments solutions and attract targeted FDI into traditional and non-traditional sectors of the economy.

4.90. In response to the aforementioned challenges and aspirations, Guyana continued to develop policies that made digital services more accessible to the population, especially in the interior regions. With the aim of enhancing skills to bridge the digital divide, the government had put in place ICT training programmes for schools from primary through tertiary education, implemented policies aimed at improving Guyana's rank and ease of doing business, and established public ICT hubs in 24 communities across the country.

4.91. As a small economy with a lot of potential to develop digitally, Guyana looked forward to continuing discussions on solutions to bridging the digital divide through the Work Programme. In closing, Guyana sought Members' guidance on the following: policies and programmes Members had implemented to ensure internet connectivity to their most vulnerable populations in poor communities and sparsely populated areas; best practices in increasing trust and enforcement in digital financial transactions for burgeoning digital economies; and best practices suggested for MSMEs to increase their access to financing. Guyana looked forward to continued collaboration and cooperation in that discussion.

4.92. The representative of Senegal said that his delegation associated itself with the interventions made by the African Group and the ACP Group, and welcomed the discussions on supporting digital capability of business and consumers.

4.93. Senegal was committed to making digital technologies and e-commerce a strong lever of economic and social growth. E-commerce constituted a channel for domestic production and facilitated consumer access to goods and services. Physical exchanges and financial transactions were often carried out from accessible platforms at affordable costs, based on suitable, secure and data-protective infrastructure and through reliable and efficient supply and distribution channels.

4.94. With a view to creating a favourable environment for digital players, in December 2019 Senegal's Ministry of Trade and SMEs had adopted two major strategic documents, namely the National Strategy for the Development of Electronic Commerce (SNDCE) and the Strategy for the Development and Promotion of Services Exports.

4.95. While the pandemic had impacted several sectors at the international level, it had also accelerated the implementation of Senegal's strategy for e-commerce. In that context, it was necessary to deploy digital solutions aimed at supporting businesses, consumers and the various stakeholders.

4.96. At the strategic level, in addition to the 'Senegal Digital 2025' strategy, Senegal had adopted guidelines on e-commerce, which aimed to promote the development of a digital ecosystem for the development of e-commerce with leading players, who would be leaders in their respective fields and would make a decisive contribution to the formation of GDP. The National Strategy for the Development of Electronic Commerce also aimed to significantly increase Senegalese exports.

4.97. Its vision was based on "inclusive and sustainable electronic commerce based on an open and competitive market essentially driven by local production and SMEs". It was structured around five major axes: development of supply and demand for e-commerce products and services; e-commerce support infrastructures; building of national skills and expertise in electronic commerce; mobilisation of financial resources through innovative mechanisms adapted to electronic commerce; and strengthening of the legal framework for electronic commerce in Senegal.

4.98. Four major projects had been identified to support its implementation: Project I on the creation of a national electronic commerce platform to serve as a central point of information for companies wishing to develop through e-commerce, but also for individuals and consumers; Project II on the creation of a national school to satisfy the lack of profiles corresponding to the requirements of the electronic commerce market; Project III on the generalization of technical infrastructures in rural areas, to reduce the digital divide between urban and rural areas so as to harness the significant potential of e-commerce in these areas; and Project IV on the awareness and training campaign to build a bond of trust between the different operators.

4.99. COVID-19 had specifically highlighted the importance of digital inclusion and the difficulties Senegal faced in resolving the digital question. Thus, in order to address those issues, particular emphasis had been placed on the promotion, development and facilitation of e-commerce.

4.100. Regarding the promotion of e-commerce, the 'ecommercesenegal.sn' platform had been created to drive the promotion and online sale of all product categories, particularly local products.

Initially launched as 'ecommercecovid.sn', it aimed at referencing national expertise, developing local resources, promoting territorial equity and increasing job opportunities. In order to make it an inclusive platform and promote the management of stakeholders' needs, the National Consortium for E-commerce, which was an integral part of the electronic commerce monitoring system, had also been created, with the aim of promoting partnership between operators. It was composed of a commercial and a non-commercial section, with the objective of reflecting on the modalities of development of the 'ecommercesenegal.sn' platform and its appropriation by the operators.

4.101. For the development of e-commerce, the 'eKomkom' platform had been launched to support SMEs that were active in the marketing of local products, to help them better cope with the disruption of supply chains caused by COVID-19. It aimed at strengthening the presence of Senegalese SMEs on the internet, offering them solutions ranging from the design of product catalogues to online sales and home delivery of products, as well as the management and monitoring of orders.

4.102. As part of the facilitation of e-commerce, the Ministry of Commerce and SMEs, in collaboration with bakery professionals, had set up a bread sales system, the Jaayma Mburu ('Sell me bread' in Wolof), which was a platform that allowed individuals to order bread online and have it delivered at home. Likewise, the Ministry of Commerce and SMEs had installed relay points, known as 'Point Jégé' ('Bringing closer' in Wolof), which were service centres aimed at improving supply and distribution channels, and provided populations in disadvantaged areas with assistance in using digital platforms and financial and non-financial intermediation services at reduced costs. They would also be functioning as professional and secure pick-up points for e-commerce orders.

4.103. The 'Senegal Digital 2025' strategy, which consisted of 28 reforms and 69 projects, had a total cost of CFAF 1,361 billion, or approximately USD3 billion. Around 73% of that funding was expected to come from the private sector, 17% from the public sector and 10% from public-private partnerships. From that perspective, international cooperation and foreign direct investment in the various areas of the strategy was essential for Senegal to achieve its goal of digital transformation.

4.104. The representative of Chad, speaking on behalf of the LDC Group, stressed that e-commerce was important for service providers from LDCs, for entrepreneurs, as well as for consumers. In that regard, the Group wished to draw the attention of Members to its communication on the matter submitted to the General Council in December 2019 (document WT/GC/W/787).

4.105. Specifically, the Group called for mechanisms to support the creation of businesses in the e-commerce space and highlighted the existing limitations in terms of ICT infrastructure, cost issues and insufficiencies with online payment systems. An additional issue was that of trade finance for LDC e-commerce businesses, as well as the problem of limited skills among companies wishing to use e-commerce and ICT strategically for the purchase and sale of goods and services in the context of business-to-business, business-to-consumers, or business-to-government commerce. Finally, there was the problem of access to credit cards and the high rate of unbanked consumers, who had limited familiarity with online payments. LDC Capitals also experienced difficulties participating in virtual meetings, testifying to the difficulties faced by LDCs.

4.106. The global health crisis had added further challenges for LDCs, making the situation extremely difficult for them. Therefore, the LDC Group called for Members' understanding, support and effective implementation of WTO rules in that area.

4.107. With regard to the communication on the table, the LDC Group appreciated the contribution and considered that it reflected the co-sponsors' interest to engage constructively in the Work Programme. The Group encouraged further engagement on that matter as pertinent to LDCs and in view of MC12.

4.108. The representative of Thailand said that the discussion on the 'digital divide', which was an important issue also discussed under the JSI on e-commerce, constituted a critical challenge for developing countries and LDCs. Thailand recognised the importance of digital technology in economic and social development. To that end, the Ministry of Digital Economy and Society had been

established four years earlier with the aim of developing and regulating basic telecommunication infrastructure and promoting the research and development of digital technology and innovation.

4.109. Thailand wished to share its experience concerning the second question posed in the communication, regarding domestic programmes to increase digital capability. Thailand had developed the "National Digital Economy and Society Development Plan and Policy 2018–2037" to prepare to enter the digital age with the aim of transforming Thailand towards 'Digital Thailand'.

4.110. Thailand recognized the challenges and opportunities arising from digital technologies and, therefore, the Plan would serve as a framework for utilizing digital technology as a key mechanism for promoting economic and social development. The Plan included several strategies focused on bridging the Digital Divide in the country, with a view to ensuring that everyone could reap the benefits of digital technology.

4.111. First, the strategy included a nationwide high-efficiency digital infrastructure broadband project called 'Net Pracharat', namely that high-speed internet networks would be introduced in every village in the country. As of 2019, the fiber-optic cable network already covered over 24,000 rural villages with 6.6 million users throughout the country. In 2020, the government had planned to increase internet speed and followed the Open Access Network (OAN) model by allowing telecommunication service providers to use the network.

4.112. Second, the Plan also aimed to strengthen competitiveness at the regional level through digital infrastructure connectivity initiatives, under bilateral cooperation and regional digital connectivity under the ASEAN framework. A good example was the New Asia Pacific Submarine Cable Project connecting Hong Kong, China and China's Guangdong Province, Japan, the Philippines, Singapore, Thailand and Viet Nam, which was expected to be completed by the fourth quarter of 2022.

4.113. Third, the Plan also aimed to build an equitable and inclusive society by creating equal opportunities for access to and use of digital technology by the public, in particular the elderly, the disabled and those living in remote areas; developing people's digital literacy, including their skills and ability to analyse media and information in a free and open digital society. In that regard, the Ministry of Digital Economy and Society had launched 'Digital Literacy Thailand Project' in order to develop the Digital Literacy Curriculum and collect information regarding media and information literacy in Thailand. Finally, the Plan also focused on workforce development for the digital age, by developing digital skills for all ages, including workers in both public and private sectors, in every profession and occupation.

4.114. As to cooperation activities and technical assistance provided to other Members, Thailand had been engaged in a number of sub-regional and regional cooperation programmes through various projects. These included: (i) the Young Entrepreneur Network Development Programme (YEN-D), initiated by the Department of Foreign Trade at the Ministry of Commerce, which aimed to connect young successful entrepreneurs in ASEAN and included a series of workshops and seminars sharing business success stories, including the effective use of digital technology by the MSMEs.; (ii) Rural E-Commerce Development in the GMS Project under the Mekong-Lanchang Cooperation programme, comprising China, Cambodia, Laos, Myanmar, Thailand and Viet Nam and aimed at enhancing the understanding of the opportunities provided by e-commerce business development and developing a mechanism for promoting rural products that would help enable rural enterprises to participate in broader markets.

4.115. As to measures taken during the pandemic, the government had provided assistance to Thai people and entrepreneurs using digital technologies, with a view to facilitating new working trends and lower costs for businesses. The policies enacted by various Ministries included: free broadband internet for 3 months; promoting digital technology in SMEs by helping them to acquire digital transformation technologies; human resources development programmes to develop digital skills for 700 targeted SMEs, such as on cyber security and data analytics; cooperation with foreign online platforms to promote local products. For example, the Ministry of Commerce had opened an online

store named 'TOPTHAI' on the Chinese Tmall online platform, organized webinars regarding the benefits of online marketing using e-commerce platforms, as well as online trade exhibitions.

4.116. The representative of Peru wished to briefly share some information on domestic measures adopted during the pandemic as a means of contributing to the discussion of the communication. E-commerce had played an important role during the pandemic and, as of June 2020, online trade in Peru had increased to 700 million of Nuevos Soles.

4.117. One of the main challenges faced by her government was to promote consumers' confidence in digital markets. For that reason, the National Institute for the Defence of Free Competition and Intellectual Property Rights (INDECOPI) had created a special form that allowed citizens to report any issues arising from e-commerce transactions.

4.118. In the context of the digitalization of MSMEs, the Ministry of Production had launched a platform called 'Kit Digital 2.0', which aimed to increase the online sales of MSMEs, promoting e-payments and domestic deliveries. In addition, the government had set forth an e-commerce protocol, which aimed to contribute to the prevention of new COVID-19 cases at workplaces by setting forth some guidelines for the surveillance of workers and consumers online. Her delegation stood ready to share further information in the future.

4.119. The representative of the European Union welcomed the communication and was happy to see so many Members participating in the exchange of information on policies supporting the digital capability of businesses and consumers at that juncture.

4.120. The importance of services sectors and services trade for all Members' economies was uncontested, and that had only increased with digitalization. COVID-19 had moved lives to the online world, putting more spotlight on digital technologies and digital trade. At the same time, the strengths and weaknesses of economies as regarded the availability and use of digital technologies had become more visible.

4.121. The European Union wished to briefly answer the first question posed in the communication, as it considered that benefitting from digital technologies required a set of pre-conditions, such as the need for solid broadband internet connection, affordable digital devices to connect to the internet and the necessary skills to do so. The combination of appropriate domestic policies and international cooperation was also important to help businesses, and in particular MSMEs, participate in regional and global value chains.

4.122. On the second question, her delegation wished to briefly highlight a couple of examples from the EU experience. The Connecting Europe Facility (CEF) supported the development of high-performing, sustainable and efficiently interconnected trans-European networks, including in the fields of transport and digital services. The telecom component of that initiative facilitated cross-border interaction between public administrations, businesses and citizens by deploying digital service infrastructures and broadband networks. Digital technologies and building up research infrastructures were also important elements in the EU research and innovation programme Horizon 2020. In terms of future actions, the Digital Europe Programme was in preparation and foresaw to invest in five key digital sectors: high-performance computing; artificial intelligence; cybersecurity and trust; advanced digital skills; and, ensuring the wide use and deployment of digital technologies across the economy and society.

4.123. Moving to external actions, the EU and its Member States had contributed to and implemented numerous cooperation and capacity-building projects to support services trade and the development of regulatory frameworks under the Aid for Trade programme. In the last years, the European Union had experienced a strong shift in interest towards digital solutions. The European Union had also worked in the context of the 'Digital4Development' strategy, including on connectivity and the strengthening of digital skills.

4.124. Cooperation actions and recommendations related to digital innovation, telecommunication services and other elements of digital economies had also been addressed in the context of the "EU-African Union Digital Economy Task Force". For example, the "Policy and Regulation Initiative for Digital Africa", provided support for the harmonization of ICT/telecom regulatory frameworks, among others, by strengthening the continental cooperation between national telecom regulatory authorities, or for harmonized spectrum allocation. The Digital4Development hub would be launched in October as a platform of coordination for EU actors to engage with African stakeholders and accelerate the implementation of digitalization actions by partner countries. Her delegation would be happy to provide further details on the different programmes and projects at the request of interested Members.

4.125. The representative of Fiji said that his delegation welcomed the communication and supported discussions in the context of the Work Programme. His delegation associated itself with the statements made by the ACP Group and the Pacific Group.

4.126. There was no doubt about the potential of e-commerce for the development of Members' economies and the satisfaction it provided both to consumers and suppliers. It was particularly relevant for small island developing economies, who were dependent of the services sector. Most notably, e-commerce could help MSMEs to connect with world markets, helping to tackle poverty and unemployment. Nevertheless, bridging the digital divide was necessary and efforts had to be geared towards addressing the limitations of countries like Fiji in terms of connectivity, infrastructure, etc. Therefore, it remained crucial to share information and explore avenues on how to transform Members' economies without leaving some behind. Fiji looked forward to exchanging information with other Members on those issues.

4.127. The representative of Nepal said that his delegation associated itself with the statement made by the LDC Group and wished to highlight some key issues. The relevance of electronic commerce had been acknowledged since 1998 with the Work Programme. However, Members had yet not been able to deliver as expected.

4.128. E-commerce had emerged widely in the global trade regime in different dimensions and modes, and therefore, meaningful interventions and result-focused initiatives in the WTO had become inevitable. The pandemic had reminded Members of the importance of expediting work in that area in a participatory, fair, and inclusive manner. In that context, Nepal and other LDCs Members had realized the high relevance of e-commerce during and after the pandemic period, in order to foster a quick recovery and improve their economies. Furthermore, trade in services had become more important for landlocked LDCs like Nepal, and e-commerce could significantly contribute to socio-economic development.

4.129. However, there was a huge gap between developed, developing and LDC Members, and such a gap existed within countries as well. In that context, revitalizing the e-commerce Work Programme was crucial for digitalization to contribute to global economic development without any digital divide among Members and within Members' territories, particularly in LDCs. Furthermore, fair and equitable distribution of the benefits derived from e-commerce and the digital economy had also become important while designing future policies in that area.

4.130. An additional package of support to enable weak Members to walk together had become urgent and would have positive multiplier effects on socio-economic development, including achieving the SDGs 2030 agenda in a timely manner regardless of the pandemic. Capacity building, digital infrastructure development and other issues that LDCs were facing needed to be well-discussed and addressed for an inclusive digital economy globally, in order to bridge the digital divide and make the future trade regime more inclusive. Nepal wished to extend its appreciation to developed and developing country Members for their cooperation and support to LDC Members, including Nepal, in that regard.

4.131. The representative of Vanuatu, speaking on behalf of the Pacific Group stated that the Group welcomed the communication on the table and particularly that the discussion was being held in the

context of the Work Programme. The Group also supported the statements made by the ACP and LDC Groups, respectively.

4.132. The Group considered that e-commerce had the potential to overcome some of the challenges faced by its members due to their isolation from major markets by connecting the private sector, including their MSMEs, which formed the majority of their businesses, to the global marketplace. In addition, e-commerce had the potential to reduce poverty by connecting key sectors of the economy, including rural and urban areas, as well as to economically empower and improve the lives of women, who were predominantly in MSMEs.

4.133. To realise that potential, serious consideration should be given to addressing the digital divide that existed in developing countries and LDCs. The Pacific Group identified with the various challenges outlined by the ACP Group, which related to both physical infrastructure and utilities to enable internet connections, as well as soft infrastructure by way of policies, regulations, e-payment systems, consumer and data protection, logistics services and trade facilitation. COVID-19 had indeed exposed the need to address the digital divide.

4.134. While the communication aimed at the exchange of information at that stage, the Group hoped that such exchange would lead to concrete measures and support needed by developing countries to address their challenges. The Pacific Group saw that discussion as a useful starting point and a constructive way forward.

4.135. In that connection, the Group stood ready to engage in the exchange of information, based on the three questions posed by the proponents as it had been taking steps in that direction. In addition to national efforts, the Pacific Group had embarked on a regional approach to address the challenges it faced, through e-trade readiness assessments as a first step, and the development of a regional roadmap for implementation based on gaps identified by the assessments. The Group acknowledged the support of the EIF, the European Union and Australia in those assessments. Therefore, they looked forward to further engaging in the exchange of information with other Members in future meetings of the Council.

4.136. The representative of Pakistan stated that digital capabilities and the digital divide were amongst the key issues that governments were confronted with, and this had been further highlighted by the pandemic. The digital divide was a grave reality, much like the technological divide in the 20th century separated the 'haves' and 'have-nots' in their attempts to industrialise their countries. COVID-19, and its effects on the global and domestic economies, had brought out that reality in an acute form and it was being felt very strongly.

4.137. Increasingly, the digital divide was acquiring more connotations and different meanings beyond just infrastructure and connectivity, to encompass digital and technological capabilities, the ability and authority to harvest, accumulate and process data and the access and control of large platforms. In that regard, it was extremely important for Members that were on the wrong side of the digital divide to acquire the necessary capabilities. That aspect would help, not just during the current pandemic but in the long term, to assist in building responsive digital industries to be ready for future eventualities.

4.138. Data, their ownership, the ability to regulate their flows, instituting regulations on taxation, competition and access to critical embedded technologies posed a very difficult conundrum for digitally impoverished countries. Linked to those were issues of privacy, ethical and moral implications for the use of digital data and various applications, particularly the need to develop them in local languages for the domestic population. That had come to light in the context of COVID-19 specifically, where several digital applications had been developed for contact tracing and other uses.

4.139. Against that backdrop, Pakistan would be happy to learn from the experiences of other Members, particularly with regard to acquiring, nurturing and developing their digital industries and capabilities, not just in the context of trade in services but the overall digital economy. The question

of how Members that had successfully built their digital industries had done so would be key to Pakistan's understanding of digital solutions in the current pandemic and beyond. It would also be encouraging to discuss other services-related digital issues under the Work Programme.

4.140. The representative of Ecuador said that Ecuador, like other developing countries, hoped not only to be able to create trade channels for MSMEs through e-commerce, but also to benefit from digital information and data. Digital technologies offered significant opportunities to optimise business processes for service suppliers. To benefit from the opportunities provided by e-commerce it was necessary to improve connectivity, develop digital skills and have in place an appropriate policy and legal framework, taking into consideration the need to protect citizens' fundamental rights.

4.141. One year earlier, Ecuador had published its first e-commerce policy 'Ecuador Digital', which focused on improving connectivity, efficiency, security of information, as well as innovation and competitiveness. Several Ministries were developing the 'E-commerce National Strategy', which was aimed at developing an adequate legal framework, promoting e-commerce for the benefit of MSMEs, promoting financial inclusion, e-payment solutions and logistics for e-commerce. Her delegation looked forward to sharing further information in future meetings.

4.142. The representative of Egypt said that his delegation looked forward to a constructive engagement on that topic at upcoming meetings. He echoed the statement made by the African Group and thanked the Secretariat for activities carried out in the field of trade in services to enhance the capacity of developing and LDC Members in the area of trade in services. Indeed, that was a very important pillar of the Work Programme discussions. In that regard, he wished to thank the co-sponsors of the communication for encouraging discussions on that crucial element particularly in light of the challenge that COVID-19 had presented and which highlighted the many difficulties faced by developing and LDC Members in terms of digital development and being able to benefit from e-commerce.

4.143. Egypt wished to provide some preliminary responses to the questions posed by the communication. On the first question, the Egyptian authorities had seen a significant increase of demand for e-commerce-related activities, of up to 20%, as a result of the pandemic. The number of visitors to online platforms had increased by 16% and consumption had increased by 4%. From the business side, there were also new digital solutions had been developed by local developers and software companies.

4.144. On the second question, developing countries faced many challenges, which had been highlighted by the pandemic, such as lack of capacity in terms of telecommunication infrastructure, which limited their capacity to cope with the increased online traffic. There was also significant competition faced by local companies related to the use of foreign applications; it would be useful to discuss how to provide a competitive advantage to local producers, particularly with regard to the development of software in the national language, which was an aspect that posed additional challenges. There was also a lack of equal and balanced geographical distribution in terms of quality of infrastructure and access to the internet, especially via broadband. The Egyptian Government had tried to tackle those issues, but much more work was needed. Finally, there were also challenges associated with the lack of integrated databases for the sectoral analysis of e-commerce-related activities, which also led to the absence of an integrated legal framework. That was also an area that the Government was trying to work on.

4.145. On the third question on international cooperation, he cited some examples, such as the recent cooperation agreement on the implementation of the E-com@Africa initiative, as well as a recent agreement with Arab States on electronic signatures. Finally, Egypt had recently put in place a project called "Our Opportunity is Digital" to help address the needs of MSMEs in the area of digital development.

4.146. The representative of Côte d'Ivoire said that the pandemic had revealed in a flagrant manner the urgent need for closer cooperation on e-commerce in several areas. From his delegation's

perspective, to enable all Members to take advantage of the opportunities offered by e-commerce, physical and digital infrastructure, logistics, and cross-border payment solutions were crucial, as in order to respond to the need of e-commerce, it was essential to have a complete and high-quality digital infrastructure.

4.147. There was a need to support domestic digital networks. In that regard, the Secretariat could be tasked with putting together a catalogue of the different technical assistance and capacity-building programmes available to help improve access to the internet for rural areas and disadvantaged groups, and of the technical assistance and pilot projects for the development of e-commerce to the benefit of Members who so requested.

4.148. It was also necessary to put in place an intra-institutional cooperation framework, as well as a support fund for the integration of developing and LDC Members into the digital economy and e-commerce. It was also important to look into the issue of competition. In his delegation's view, the WTO could also take part in initiatives put in place by UNCTAD to help assess the readiness of developing and LDC Members to participate in e-commerce, as those initiatives enabled the identification of the needs and difficulties faced by those countries.

4.149. The representative of Turkey thanked the proponents for igniting the discussion on how the COVID-19 pandemic had affected trade in services and how digital services had helped with the burden that the pandemic had laid upon Members' economies and for bringing forward the need for digitalization and support for MSMEs.

4.150. Turkey had been prioritizing digital innovation for its business even before the pandemic. Her Government had set up the Virtual Trade Academy where anyone interested in a business endeavour could find valuable training on establishment, domestic trade and cross-border trade, both in goods and services. The Academy had proven to be an important resource for businesses interested in selling their products internationally or going online. Since COVID-19 had started and self-isolation and lockdowns had been imposed, the number of participants of the Academy had skyrocketed.

4.151. As was the case worldwide, also in Turkey the economic effects of the pandemic had been strongest for SMEs. Therefore, the Ministry of Trade had introduced on 8 May 2020 a solidarity campaign called "As e-commerce, we stand with SMEs". It brought together online marketplaces, e-payment solutions, e-commerce infrastructure providers and non-governmental organizations in the area of e-commerce to share their resources, allow access to their platforms, lower their membership costs and provided financial and technical support to SMEs. Although the results of the initiative were yet to be seen, the Government expected more SMEs to move online with the advance of the pandemic.

4.152. Finally, her delegation wished to underline that the benefits of digitalization, which had allowed to keep businesses afloat during the pandemic, were felt mostly at the domestic level. In her delegation's view, the effects of the digital economy on cross-border trade for goods and services were still uncertain.

4.153. The representative of Paraguay thanked the co-sponsors for the communication and agreed with the need to urgently share experiences related to programmes and policies implemented domestically as a result of the COVID-19 pandemic. That exchange could contribute to enriching discussions in the context of the Work Programme.

4.154. Her delegation wished to briefly share some preliminary answers to the questions posed. Electronic commerce had emerged as the survival tool through which a certain dynamism was maintained in trade, the provision of government services, and the supply of essential goods and services for consumers and MSMEs, which represented 93% of all economic units in Paraguay.

4.155. The National Economic Team had recently approved a post-pandemic economic recovery plan that focused on e-commerce and that would be further developed in the following months. As

an example, social subsidy programmes had been implemented in view of the quarantine that had been put in place in Paraguay since March. The programmes, called Nangareko and Pytyvo, provided social subsidies for low-income people and independent or informal workers. Through solutions and transfers that were 100% digital, people who had been affected by the cessation of activities due to the pandemic could purchase essential goods in supermarkets and pharmacies.

4.156. Among the initiatives to support MSMEs, in addition to the strong support provided to access credit and exemptions from payments for some services, Paraguay had put in place the MSME digitization plan. This plan allowed MSMEs to create a webpage totally free of charge, facilitating the dissemination of, and enabling access to, electronic payment mechanisms. In addition, the Government had put in place numerous and frequent training workshops and courses aimed at developing digital skills.

4.157. In the field of international cooperation, together with ITC, Paraguay was finalizing the pilot plan for the Global Trade Helpdesk and would be launching the platform in Spanish to facilitate access to information and trade intelligence, which was key for participation in international trade. Her delegation hoped to share more detailed answers at future meetings.

4.158. To conclude, Paraguay wished to suggest that the proponents include in their communication a strong development component. She called on Members to share their experiences, good practices and challenges. Paraguay hoped to further contribute to the debate and bring the perspective of landlocked developing countries, as these countries faced additional obstacles in terms of internet connectivity, due in particular to cost overruns for access to submarine fiber-optic cables and difficulties in digital infrastructure and logistics services for e-commerce. Still, those difficulties did not prevent Paraguay from continuing to work to foster greater digital and financial inclusion of vulnerable populations, consumers and MSMEs.

4.159. The representative of the [Kingdom of Saudi Arabia](#) said that her delegation deemed the communication on the table very useful and saw value in sharing information on Members' domestic programmes, policies and practices to increase digital capacity.

4.160. As a result of the pandemic, digital industries had become central to every interaction in life, forcing businesses and consumers to adapt very quickly. Regarding the challenges faced by the Kingdom of Saudi Arabia, as in most developing countries, the lack of international legal framework for digital trade was one of the main challenges. In addition, the rapid progress of digital tools and the need to reorganise SMEs to be able to integrate in the new digital world, the need to reinforce logistics, such as delivery and others, and basic technical capacity for businesses and consumers were badly needed.

4.161. On possible solutions, her Government's investments in technology had paid off in its fight against the pandemic. With 'Vision 2030', her Government had started a national transformation strategy to shift from an oil-dependent economy to a digitally empowered one. In that vein, it had introduced legislation and frameworks, created institutions for international partnerships and focused on introducing digital solutions in priority services sectors such as justice, health, electricity, culture and tourism, with the clear goal of becoming the region's tech leader.

4.162. The Government's prioritization of digital transformation resulted in the gradual deployment of commercial 5G networks in 2019 in more than 20 cities, helping to boost the Kingdom's tech credentials amongst investors keen to invest in industries benefiting from such infrastructure, such as tech, finance, education, as well as the public sector. In addition, the Government had introduced a host of smart tools, which had proven effective and gained the public's trust.

4.163. Saudi SMEs were already on a road to higher cloud adoption and the pandemic further accelerated this trend: more than 25% of enterprises had in place a plan to deploy a mix of on-premises dedicated private clouds, multiple public clouds and platforms to meet their infrastructure needs. MSMEs were reconsidering their IT purchase decisions and pushing some of their IT spending towards making their consumption more efficient and economical.

4.164. The pandemic coincided with the Saudi Presidency of the G20 forum in 2020. That had offered the Kingdom an opportunity to lead by example, by implementing an early lockdown, suspending most trade in services activities and using its Chairmanship position to coordinate the global response to the pandemic on various fronts, particularly in the digital sector. The Kingdom advocated for digital response and recovery and promoted collaboration with international organizations and the private sector, marking a shift in Saudi priorities. Her delegation remained ready to cooperate and work constructively with other Members to support digital capacity to address the digital divide as it related to e-commerce.

4.165. The representative of Cameroon said that his delegation welcomed the communication and fully supported the statements made by the ACP Group and the African Group, respectively. His delegation was of the view that that initiative could open the way for useful discussions that could help deliver concrete results. In that regard, it would be essential for each Member to engage in a frank, open and sincere discussion.

4.166. While it was true that all Members agreed about the importance of e-commerce, which had been further highlighted during the pandemic, it was equally true that the digital divide that existed between developing and developed countries did not favour a balanced development of e-commerce. With COVID-19, e-commerce had proven essential in view of the lockdown constraints and had been extremely useful for continuing trade, including for MSMEs that were able to contain losses and remain in contact with their customers.

4.167. The communication on the table called strongly for an inclusive approach. It was essential to avoid ideological and dogmatic positions and to work based on facts by bringing concrete examples of national initiatives launched to develop the necessary infrastructure and frameworks and actions undertaken to address the challenges identified. This would allow to have a clearer picture of the different needs of Members and to identify the way forward to ensure that e-commerce not be a divisive issue but rather a consensual one which all Members supported with concrete measures.

4.168. It was with that view in mind that Cameroon would engage on that issue and supported and encouraged other Members to contribute to an approach to e-commerce that placed inclusion at its core.

4.169. The representative of the United States said that he had found Members' responses to the three questions posed by the communication on the table interesting and insightful. The United States had contributed to the Work Programme with various submissions that had highlighted a number of capacity-building projects that the United States had advanced in that area with developing countries, including LDCs.

4.170. More broadly, his delegation wished to stress the need to keep the discussion trade-focused and identify ways in which trade could help address some of the concerns raised by Members at that juncture. Going forward, it would be important to ensure that steps contemplated by Members, such as with respect to privacy, data, and custom duties on electronic transmission, were not ones that would serve to further undermine those Members' goal of increasing participation in international digital markets.

4.171. The representative of Sri Lanka acknowledged the importance of the communication on the table, while reiterating the importance of the 1998 Work Programme and the mandate for conducting exploratory discussions contained therein.

4.172. While recognizing the work carried out by various Committees under the Work Programme, her delegation noted that most discussions were focused on the benefits of e-commerce. It was, however, important that every Member could count on the necessary infrastructure and other requirements to have a fair share of those benefits.

4.173. The discussion on the digital divide focused on the hard and soft infrastructure required to achieve digital development. However, Members should be mindful that access to data and

ownership of data were also critical in the 21st century, as data was considered the oil of the future. At the same time, Members were hearing from developed country sources that for their companies and institutions to deal with COVID-19 there was a need for free trade flows and new digital trade growth. However, her delegation was doubtful that free data flows constituted the only or the best option available to achieve a balanced outcome and benefits. Members should take a step back to look at the range of options and see which ones could help developing countries also be suppliers of digital goods and services in the future. It was also important to examine the implications of free data flows and how those compared with other forms of data government systems including data ownership. Sri Lanka hoped to see further progress on the discussions under the Work Programme in the Council.

4.174. Finally, her delegation welcomed the submission by India and South Africa contained in document WT/GC/W/798 and looked forward to having a fruitful discussion on the Moratorium on customs duties on electronic transmissions.

4.175. The Chairman thanked all delegations for their active participation and rich exchange of views. There was broad recognition of the importance of e-commerce, which had been highlighted by the pandemic, as well as of the challenges faced by developing countries and LDCs.

4.176. The Chairman suggested that the Council take note of the statements made and said that it would revert to that item at its next meeting.

4.177. It was so agreed.

5 ITEM E: UPDATE OF THE SECRETARIAT BACKGROUND NOTE ON MODE 4 – REQUESTED BY INDIA

5.1. The Chairman indicated that the item had been added to the agenda of the Council at the request of the delegation of India.

5.2. The representative of India said that, as had been clarified by her delegation on previous occasions, India would welcome the updating of all the Secretariat modal Background Notes, on modes 1 and 2, mode 3 and mode 4. In addition, the Secretariat, as requested by the United States, should also prepare an additional note on inter-modal linkages. As her delegation had clarified, while the issue of inter-modal linkages was indeed useful and, therefore, India welcomed the US proposal, this should not substitute its request to update the separate modal Background Notes by the Secretariat.

5.3. India also understood that, while most delegations supported that inclusive and comprehensive proposal, the United States continued to have concerns on updating those Notes, especially the one on mode 4. On past occasions, the United States had also maintained that since no new multilateral negotiations had happened on mode 4, the Secretariat Note of 2009 on mode 4 did not require to be updated.

5.4. In that regard, she stated that, while unfortunately there had been no forward movement on mode 4 negotiations at the WTO, the following elements from the 2009 Note could nevertheless be updated, namely: improved methodology for statistics on mode 4, including the recent work on Trade in Services data by Mode of Supply (TiSMOS); how mode 4 and related issues, such as MRAs, provisions for facilitating trade in professional services, etc. had been addressed in some recent RTAs, covering not only the commitments but also regulatory disciplines on mode 4; analysis of commitments and MFN exemptions of recently acceded Members; sectoral specificities, as the 2009 Note had only provided an analysis of mode 4 commitments on a horizontal basis; obstacles to mode 4 based on new literature and empirical information.

5.5. The updated Note could also cover new studies on potential economic effects of mode 4 liberalization. For instance, the ongoing COVID-19 pandemic had demonstrated the importance of cross-border movement of healthcare professionals, which essentially arose because of a mismatch between demand and supply. Therefore, the revised Note could also include a section on how best Members could leverage labour market complementarities, especially for medical professionals.

Those were only suggestions, and her delegation would be happy to engage with other interested Members on their views and suggestions on the proposed update to the mode 4 Note.

5.6. The representative once again requested the United States to positively consider her delegation's proposal. Updating of all Secretariat modal Background Notes, as well as the proposed additional Note on inter-modal linkages, would be a very useful exercise in trade in services.

5.7. The representative of Turkey noted that discussions under that agenda item had not moved forward and expressed her delegation's discontent with the fact that Secretariat work on mode 4 could not proceed. Turkey highly valued Secretariat work that would: update the information on GATS mode 4 commitments and MFN exemptions by acceded Members, provide a recent literature review and, most importantly, include a study of Members' RTA practices. She recalled that her delegation supported updating also the Secretariat Background Notes on the other modes of supply and producing a new Note on inter-modal linkages. She hoped that discussions under that agenda item would conclude with an agreement for the Secretariat to undertake work on all modes, including the most up-to-date information on RTA provisions.

5.8. The representative of the United States said that, as previously stated in the CTS, the United States did not support an updated Secretariat Background Note on mode 4. That had been the US position for the previous couple of years.

5.9. The United States was agreeable to the Secretariat preparing a Note on the interlinkage of the modes of supply but did not support a revised Note on the various modes of supply, as his delegation had explained a number of times.

5.10. The Chairman suggested that the Council take note of the statements made.

5.11. It was so agreed.

6 ITEM F: CYBERSECURITY MEASURES OF CHINA AND VIET NAM – REQUESTED BY JAPAN AND THE UNITED STATES

6.1. The Chairman indicated that the item had been added to the agenda of the Council at the request of the delegations of Japan and the United States.

6.2. The representative of Japan said that, in continuation from the previous CTS meeting, his delegation appreciated the opportunity to share its concerns again on China and Viet Nam's recent measures related to cybersecurity.

6.3. With regard to China's measures, Japan noted that China's Cybersecurity Review Measures had entered into force on 1 June 2019. Japan remained concerned with the measures at issue because they gave the Chinese authority a wide range of discretion and the criteria that the authority used in assessing security were not clear. Thus, Japan requested that China implement those measures with transparency and fairness, by ensuring that they were fully consistent with China's GATS commitments.

6.4. Japan had continuously placed the issue on the agenda of the Council and raised concerns regarding China's cybersecurity law and its related regulations. While his delegation did not repeat its concerns, as those had already been elaborated in past meetings, he stressed that Japan continued to pay close attention to how China addressed his delegation's concerns.

6.5. As his delegation had reiterated in the Council, Japan requested that China develop and implement the laws and regulations at issue in such a manner that they did not unfairly hinder the level-playing field of the business environment in China, both in formal and actual treatment, and were fully consistent with the GATS.

6.6. Turning to Viet Nam's measures, Japan wished to again raise concerns with regard to the draft Cybersecurity Law. With respect to the draft decree relating to the Law on Cybersecurity of Viet Nam, Japan recognised that the Government of Viet Nam was still working on deliberating the draft decree. Japan requested that Viet Nam continue to ensure transparency and take into consideration the inputs of all stakeholders before finalising the decree and related laws and regulations.

6.7. The representative of the United States said that he would not reiterate all of the points that his delegation and others had previously raised, but noted that the United States and several other Members had expressed concerns regarding the trade-restrictive nature of China's Cybersecurity Law, which had come into effect in June 2017, and various implementing measures for the Cybersecurity, and National Security, Laws, some of them still in draft form, that imposed restrictions on cross-border data transfers and required data localisation.

6.8. One particular concern was in regard to measures implementing Article 37 of the Cybersecurity Law. That Article called for restrictions, including data localisation, for cross-border data transfers implicating a potentially very broad or even unlimited definition of "important information" and "critical infrastructure". For example, the recently finalised Cybersecurity measures, effective 1 June 2020, appeared to allow China to define what entities were considered to be critical information infrastructure operators in a manner that was overly broad and could include all entities in a range of sectors, including telecommunications, healthcare and finance.

6.9. China had stated in the past to the Council that it did not intend to restrict cross-border transfers of data that was routinely transferred in the course of international business. The United States would appreciate China's renewed confirmation of that policy. Could China provide information on which draft measures implementing the Cybersecurity Law, that affected cross-border transfers of data, remained to be finalised, and what, if any, additional implementing measures or regulatory guidance China was contemplating with respect to that Law?

6.10. In addition, the United States was concerned that China's Cybersecurity Review Measure created a formal process for reviewing and approving the use of information and communications technology (ICT) products and services by critical information infrastructure operators in China. The United States feared that China might use the review process to squeeze out foreign ICT products and services for industrial policy purposes rather than because of legitimate cybersecurity concerns.

6.11. Turning to Viet Nam's measures, the United States remained concerned about Viet Nam's proposed data localisation measures in its draft cybersecurity decree. His delegation looked forward to Viet Nam amending that draft measure in a transparent manner to address concerns that the United States and other Members had raised, in order to ensure that the Cybersecurity Law was implemented in the least trade-restrictive manner possible. Did Viet Nam have any updates to share on the status of the draft decree?

6.12. The representative of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu expressed appreciation to Japan and the United States for having raised that issue again in the CTS and echoed Members' statements in that regard. Members' measures on the international transfer of information would affect cross-border business operations and MSMEs' equal opportunity to market access. From a systemic perspective, his delegation would carefully follow that issue in the future.

6.13. The representative of the European Union said that her delegation was following closely the implementation of China's Cybersecurity Law and shared the concerns expressed by the previous speakers.

6.14. The European Union continued to be concerned with the scope of the requirements that were unclear, as key terms had not been specified in sufficient detail. Concepts such as "critical information infrastructure" and "secure and trustworthy products" were not sufficiently clarified.

6.15. The European Union noted that the Law only made reference to national standards. That could lead to lack of interoperability with international standards. In the development of national standards, it would be appropriate to build on existing international standards and to involve all relevant stakeholders, including foreign-invested and fully-foreign-owned enterprises, in a non-discriminatory manner in the relevant Technical Committees.

6.16. The EU wished to request more clarity regarding several of the implementing measures following China's Cybersecurity Law. For example, the Cyberspace Administration of China's Cross-Border Data Transfer Measures continued to raise concerns on the EU side about the broad scope of those regulations, regarding what was considered as critical information infrastructure and which kinds of cross-border data transfers were affected.

6.17. Moreover, the European Union noted with concern that the Cybersecurity Law already applied and was enforceable, while the implementing measures that would clarify its implementation were still not in place. This created significant uncertainty for economic operators. Could China inform the Council when implementing measures would be adopted?

6.18. The European Union also took the opportunity to reiterate its concerns on the Cryptography Law published by the Office of State Commercial Cryptography Administration. The European Union called on China to ensure that legal and regulatory requirements were based on non-discrimination, did not favour specific technologies, did not limit market access and did not lead to a forced transfer of intellectual property.

6.19. Finally, the European Union would also welcome an update by Viet Nam on the state of play of the implementation of its cybersecurity measures and, in particular, on how the concerns expressed by stakeholders had been taken into account.

6.20. The representative of Canada said that, as per past statements, her delegation was also following closely measures on cybersecurity by China and Viet Nam.

6.21. With regard to China's measures, Canada appreciated China's June 16 response to her delegation's questions, submitted in the TBT Committee, on its Measures for Cybersecurity Review and Cybersecurity Law. Nonetheless, Canada wished to echo interventions made by the United States, Japan, the European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and continued to have concerns regarding the requirements' consistency with GATS and TBT requirements, including their (i) lack of transparency; (ii) absence of clear references to National Treatment and MFN treatment, and the use of international standards, and (iii) the short implementation period for the Measures for Cybersecurity Review.

6.22. Turning to Viet Nam's measures, Canada supported the interventions made by previous speakers and noted the large product coverage of Viet Nam's requirements. Canada continued to seek Viet Nam's agreement to facilitate trade by adopting international standards and conformity assessment frameworks. Canada would appreciate receiving any updates on those measures.

6.23. The representative of China thanked previous speakers for their interest in China's cybersecurity-related measures. China had been drafting and implementing cybersecurity-related measures in accordance with the Law on National Security and the Law on Cybersecurity. The purpose of those measures was to identify and avoid possible risks arising from the purchase and use of cyber-related products and services, thus guaranteeing the security of critical information infrastructure and its supply chain and safeguarding national security.

6.24. China had been following the principle of transparency in the drafting process of various measures by seeking public comments and had taken into consideration the opinions and suggestions from various stakeholders. Some of the measures were already in place and some were still in the drafting process, and China would continue to welcome suggestions from other Members. China would also continue to welcome foreign products and suppliers in that market.

6.25. China noted that Japan and the United States also had respective laws and regulations on cybersecurity, such as Japan's IT Basic Law, Action Plan on Critical Infrastructure Information Security Measures, Cyber Security Strategy, and the United States' Patriot Act, Executive Order 13636 and Cybersecurity Act of 2015. China believed that protection of security of critical infrastructure was a common objective of Members, although they might have different practices.

6.26. As his delegation had reiterated time and again in previous meetings, China's cybersecurity-related measures were equally applied to domestic and foreign services and service suppliers. Nevertheless, China noted the Executive Order issued in May 2019 by the United States, which banned specific foreign enterprises from providing information and communications technology or services. China had expressed grave concerns over that measure, as it obviously violated US GATS commitments and WTO rules. Therefore, China urged the relevant Member to stop those wrong practices as soon as possible, abide by WTO rules and fulfil its GATS commitments.

6.27. The representative of Viet Nam thanked the Members who had intervened for their continued interest in Viet Nam's legislative drafting process for the decree to implement certain articles of the

Cybersecurity Law. He reiterated that the process had been transparent, with an open mind and all stakeholders' comments had been reviewed for the continuing internal consideration.

6.28. The Chairman suggested that the Council take note of the statements made.

6.29. It was so agreed.

7 ITEM G: 5G-RELATED MEASURES OF AUSTRALIA – REQUESTED BY CHINA

7.1. The Chairman indicated that the item had been added to the agenda of the Council at the request of the delegation of China.

7.2. The representative of China said that, since August 2018, the Australian Government had implemented a series of measures to prohibit Chinese companies from participating in its 5G telecommunication projects. Since 2019, the Australian Government had extended its restrictive measures to areas beyond 5G projects, and Chinese companies had been facing many unreasonable and discriminatory requirements when maintaining their 4G networks or transmission networks in Australia. The Australian Government had also exerted pressure on Australian operators behind closed doors to restrict their cooperation with Chinese companies. Those unreasonable and non-transparent measures severely restricted Chinese suppliers' ability to provide equipment and services in Australia and were inconsistent with WTO rules, seriously undermining the business operations of Chinese companies in Australia.

7.3. China had expressed strong concerns over those measures at the CTG and in other fora. Those measures, while violating GATT rules, were also inconsistent with the GATS obligations of Australia.

7.4. First, those measures prevented Chinese companies from providing network construction and operating services in Australia, impairing the market access of Chinese companies and Chinese services in Australia, and violating the MFN principle under GATS Article II.

7.5. Second, Australia had made commitments in its GATS schedule in the value-added telecommunication services sector and all sub-sectors of computer and related services (except for database services). It had also made commitments in basic telecommunication services and construction and related engineering services (with a few reservations on foreign equity ownership and nationality of the directors). Prohibiting Chinese companies from participating in its 5G projects was in violation of Australia's commitments in those sectors.

7.6. Third, China noted that the Australian Government had declared that those measures were based on its Telecommunications and Other Legislation Amendment Act 2017, yet its restrictive measures were imposed before the Act had come into force. That was a clear violation of due process and of the transparency obligations under GATS Article III.

7.7. China required Chinese companies to comply strictly with local legislation when operating overseas. In the meantime, China strongly opposed any suppression against, and interference with, business operations of law-abiding Chinese companies by foreign governments. China urged Australia to treat Chinese companies in an objective, just and fair manner, and stop its unilateral and discriminatory measures against Chinese companies, so as to fulfil its WTO obligations, create a sound business environment for companies from both sides, and safeguard the legitimate rights of foreign companies to operate and develop in Australia.

7.8. The representative of Australia thanked China for its statement. Australia was committed to upholding and actively participating in a rules-based multilateral trading system and its position on 5G networks was fully WTO consistent. Australia welcomed foreign business in that market, which it considered essential for the efficient and effective operation of Australia's telecommunications sector.

7.9. That was the first time that Australia was hearing that matter in the Council for Trade in Services, although it had been previously discussed elsewhere in the WTO. Australia remained open to bilateral dialogue with Members and would continue to engage constructively.

7.10. The Chairman suggested that the Council take note of the statements made.

7.11. It was so agreed.

8 ITEM H: RUSSIAN FEDERATION FOREIGN-LICENSED FIXED SATELLITE OPERATORS MARKET ACCESS (DECISION OF THE SCRF NO. 17-42-07, DATED 4 JULY 2017) – REQUESTED BY THE UNITED STATES

8.1. The Chairman indicated that the item had been added to the agenda of the Council at the request of the delegation of the United States.

8.2. The representative of the United States said that his delegation had placed that item on the CTS agenda because it was seeking clarification of a measure adopted by the Russian Federation.

8.3. On 4 July 2017, the Russian State Commission for Radio Frequencies (GKRCH) adopted Decision No. 17-42-07 on the allocation of radio frequency bands for satellite communication earth stations and VSAT-stations relying on transponders of spacecraft used by foreign satellite networks over the territory of the Russian Federation.

8.4. According to Appendix 3 of the Decision, telecommunications operators wishing to rent capacity from a foreign satellite operator needed to first demonstrate that Russian satellite providers did not have such capacity.

8.5. No such requirement was in Russia's Schedule of Commitments, and Russia's Working Party Report stressed that any foreign-licensed fixed satellite operator could access the market of the Russian Federation by providing capacity to a juridical person of the Russian Federation that possessed a license for telecommunications services. There was no requirement that those licensees had to use Russian satellites. Could Russia provide more details on that requirement? In particular, were foreign fixed satellite service providers allowed to provide services directly to customers in Russia without a requirement for those customers to first use Russian fixed satellite service providers?

8.6. The representative of Canada indicated that her delegation shared the US concerns that Decision No. 17-42-07 on the allocation of radio frequency bands for satellite communication earth stations and VSAT-stations appeared to be inconsistent with Russia's mode 1 commitments on fixed satellite services. Canada would appreciate further clarifications from Russia on that measure and how it complied with Russia's existing GATS obligations.

8.7. The representative of the European Union also wished to express its concerns with respect to the licensing procedures of Russia for the provision of fixed satellite services, which created an effective barrier affecting EU satellite operators wishing to provide satellite services in the Russian market.

8.8. The Decision in question required telecommunications operators wishing to rent capacity from a foreign satellite operator to first demonstrate that Russian satellite providers did not have such capacity: this was discriminatory against foreign satellite providers, who were prevented from providing their services to customers on the same conditions as their Russian competitors.

8.9. The European Union considered that the requirements in Decision 17-42-07 of the State Commission on Radio Frequencies (GKRCH) were in breach of the Russian Federation's GATS commitments, which required non-discrimination between national and foreign fixed satellite services. Moreover, EU-based satellite operators had provided evidence of actual loss of business in Russia due to that provision. The European Union therefore renewed its request that the measure be brought in line with Russia's GATS commitments.

8.10. The representative of the Russian Federation said that according to Federal Law "On communications" of 7 July 2003 No. 126-FZ, the right to use the radio frequency spectrum was granted by allocating radio frequency bands and assigning radio frequencies or radio frequency channels. The Law set a procedure for users to obtain permission for access to the radio frequency spectrum.

8.11. At the first stage of obtaining a permission for the usage of the radio frequency spectrum, it was necessary to obtain a decision of the State Commission on Radio Frequencies (GKRCH) on

allocation of radio frequency bands. At the second stage, it was necessary to get a permission to use radio frequencies or radio frequency channels by the Roskomnadzor.

8.12. The Russian Federation wished to stress that it was not aware of any instances when that procedure had created a barrier or a difficulty for foreign service suppliers. Her delegation did not have any such communications from foreign, including US, companies. She emphasised that there had been no rejections for the Russian operators' usage of foreign satellites since the Decision of the State Commission had come into force.

8.13. Her delegation was ready to review any information of specific practical difficulties experienced by any US companies in the context of the said Decision of the State Commission on Radio Frequencies (GKRCH).

8.14. She had also taken note of the statements of Canada and the European Union, would consider them carefully and revert to them in the future as necessary.

8.15. The Chairman suggested that the Council take note of the statements made.

8.16. It was so agreed.

9 ITEM 1: RUSSIAN FEDERATION SOFTWARE PRE-INSTALLATION MANDATE (FEDERAL LAW DATED 2 DECEMBER 2019 NO. 425-FZ "ON AMENDING ARTICLE 4 OF THE LAW OF THE RUSSIAN FEDERATION 'ON PROTECTION OF CONSUMER RIGHTS'") – REQUESTED BY THE UNITED STATES

9.1. The Chairman indicated that the item had been added to the agenda of the Council at the request of the delegation of the United States.

9.2. The representative of the United States wished to raise in the Council for Trade in Services the Russian Federation's software pre-installation mandate that could be found in Federal Law No. 425-FZ titled "On Amending Article 4 of the Law of the Russian Federation 'On Protection of Consumer Rights'" dated 2 December 2019. That was not the first time Members had raised concerns about that measure in the WTO. It had previously been discussed at the February and May meetings of Committee on Technical Barriers to Trade and the June 2020 meeting of the Council for Trade in Goods.

9.3. The United States was raising that issue in the CTS because of the implications of that measure to various services and service suppliers. The measure required pre-installation of Russian software on certain types of what the Law called "technically complex goods (TCG)" sold in Russia.

9.4. Russia had undertaken market access and national treatment commitments in a variety of services sectors related to the use of software in computers. Could Russia explain how the requirement that certain Russian software be pre-installed complied with Russia's services commitments?

9.5. Specifically, first, the draft Resolution listed programmes for search engines/browsers among the types of software for which a Russian version must be pre-installed before a TCG could be sold in Russia. How did that requirement comply with Russia's commitment not to impose limitations on national treatment for Computer and Related Services (CPC 84) (except with respect to certain subsidies), On-line Information and Data Base Retrieval (CPC 7523) (except for certain limitations applicable to satellite communications) and/or On-line Information and/or Data Processing (CPC 843) (except for certain limitations applicable to satellite communications)?

9.6. Second, the draft Resolution listed programmes to send and receive email among the types of software for which a Russian version must be pre-installed before a TCG could be sold in Russia. How did that requirement comply with Russia's commitment not to impose limitations on national treatment for Electronic Mail (CPC 7523) (except for certain limitations applicable to satellite communications)?

9.7. Third, the draft Resolution listed programmes for instant messaging among the types of software for which a Russian version must be pre-installed before a TCG could be sold in Russia.

How did that requirement comply with Russia's commitment not to impose limitations on national treatment (except for certain limitations applicable to satellite communications) for Other Telecommunication Services (CPC 7529)?

9.8. Fourth, the draft Resolution listed programmes for audio-visual services among the types of software for which a Russian version must be pre-installed before a TCG could be sold in Russia. How did that requirement comply with Russia's commitment not to impose limitations on national treatment (except with respect to certain subsidies) for audio-visual services (CPC 9611)?

9.9. The representative of Japan shared the concerns expressed by United States regarding the Russian Federation's software pre-installation measure. Russia's proposed measure included unclear articles regarding definitions of terms, requirements for review and evaluation, which could hamper market access by foreign enterprises in Russia, and the level playing field between Russian enterprises and foreign companies. Therefore, Japan requested Russia to implement that measure to be fully consistent with GATS.

9.10. Also taking advantage of that opportunity, Japan wished to ask Russia to explain the reason why the measure to install the Russian programme into electronic items such as smartphones and computers would result in consumer protection.

9.11. Japan called on the Russian Federation to provide a response to the concern and question that his delegation had raised at that meeting and on other occasions.

9.12. The representative of the European Union shared the concerns expressed by the United States and Japan with respect to the Russian Federation's software pre-installation mandate in "On Amending Article 4 of the Law of the Russian Federation 'On Protection of Consumer Rights'". Her delegation had also raised that issue in other Committees earlier that year.

9.13. However, the envisaged measures also raised concerns with regard to their compliance with the GATS market access and national treatment commitments of the Russian Federation in certain services sectors. In particular, the European Union would welcome Russia's explanation on how the obligation to pre-install certain Russian software would comply with the national treatment commitments Russia had made in computer and related services (CPC 84) and in telecommunications services (in particular, CPC 7523).

9.14. The representative of Canada said that her delegation was also following closely the measure at issue and wished to echo the concerns raised in previous statements. Canada also sought Russia's explanation of the legitimate objective it was pursuing.

9.15. The representative of the Russian Federation thanked Members for their interest in the Russian Federation's regulation on the protection of consumer rights.

9.16. The amendments to Article 4 of the Federal Law of the Russian Federation "On Consumer Rights Protection" had been drafted in cooperation with foreign companies that were members of the Association of Trading Companies and Manufacturers of Electrical Household and Computer Equipment (RATEK) in order to prevent possible negative impacts on trade. The authorities responsible for the drafting process had taken into account the position of the industry and its suggestions. Moreover, some of the largest transnational corporations involved in manufacturing and exporting technically complex goods had evaluated positively that initiative and did not consider it to be a burden for conducting trade activity.

9.17. Her delegation wished to assure the delegation of the United States that the amendments did not contain any discriminatory provisions. In particular, they did not provide for any limitations or restrictions that were contrary to the national treatment obligation.

9.18. The Law did not prohibit the pre-installation of foreign software. The Law did not prohibit importation and distribution of products should they contain pre-installed software of non-Russian origin, subject to the requirement that such software did not violate other laws and regulations of the Russian Federation, in particular those related to public order, data protection, consumers' rights protection. However, her delegation wished to note that such other laws and regulations applied on a non-discriminatory basis to software of any origin, Russian or non-Russian.

9.19. The Law did not require the manufacturers or distributors to uninstall any pre-installed software of non-Russian origin. However, any software, whether of Russian or non-Russian origin, should be consumer-removable. The programmes would be installed on the basis of commercial contracts between software developers and device manufacturers.

9.20. Her delegation stood ready to review any information of specific practical difficulties experienced by any US companies in the context of the said Federal Law and amendments thereto.

9.21. She had taken note of Members' comments and questions and would consider them carefully. Her delegation would be glad to continue the constructive discussion on that issue in the future.

9.22. The Chairman suggested that the Council take note of the statements made.

9.23. It was so agreed.

10 ITEM K: THE COVID-19 PANDEMIC AND IMPLICATIONS FOR TRADE IN SERVICES

10.1. The Chairman recalled that, as indicated in the communication on organizational and technical arrangements for that meeting he had circulated on 19 June, he had added that item to the Council's agenda in light of the unprecedented disruptions that the COVID-19 pandemic had inflicted on public health, the global economy and world trade. He was of the view that it would be timely and important for Members to have an opportunity to share information and exchange views on the aspects of the pandemic that related specifically to trade in services.

10.2. As the Secretariat Information Note on "Trade in services in the context of COVID-19" observed, the services sector had been heavily affected by the measures governments across the world had implemented to contain and combat the pandemic. Mobility restrictions and social distancing measures imposed for public health reasons had not only severely hit the services economy, but also services trade.

10.3. The effects of the crisis varied by sector and mode of supply. Trade in services that relied on physical proximity between suppliers and consumers, such as in tourism or entertainment services, had practically ground to a halt. Services that were traded in connection with the international movement of goods and people and the operation of supply chains, like transport services, had also been hit badly. At the same time, the crisis had led to an increase in the on-line supply of many services, such as retail, telecom or audio-visual services, and a shift towards mode 1 trade. That had also brought to the forefront technology and connectivity disparities.

10.4. Services trade statistics became available with a lag, and thus at that moment there were no figures available that registered the full extent of the impact of the pandemic. In fact, he feared that the situation would get worse before it got better. Nevertheless, it seemed safe to assume that, when statistics did become available, they would reveal a significant drop in services trade. Simultaneously, they might be expected to show an intensification of the shift towards on-line service supply.

10.5. Overall, the pandemic had highlighted the fundamental role that services played, both in providing vital infrastructure to facilitate all economic activities and international trade, as well as essential items of final consumption. In so doing, it had also underscored the critical importance of services trade and services policies in supporting the post-COVID-19 economic recovery.

10.6. He would welcome hearing about Members' experiences, and delegations' views, on the implications that the pandemic was having on trade in services, and their responses to mitigate its immediate impact and in the post-pandemic recovery.

10.7. The representative of Chad, speaking on behalf of the LDC Group, said that the Group appreciated the information about the implications of COVID-19 on trade in services. The Group had observed that a number of the measures introduced were aimed at relaxing requirements to facilitate access to the internet and other resources.

10.8. The service sector had been severely affected by the need to interrupt travel, tourism and the operation of many industries crucial for LDC economies during a three-month period, with the aim

of protecting against the spread of the virus. LDCs that were very dependent on financial transfers from abroad, in addition to tourism, were hardest hit. Some LDCs were just at that juncture experiencing the peak of the pandemic.

10.9. The near-total interruption of cross-border commercial activities due to travel restrictions and border closures introduced to limit the spread of the pandemic showed the extent to which LDCs were particularly exposed to heavy negative economic consequences.

10.10. LDCs had very limited financial resources to compensate for revenue losses and ensure minimum levels of protection and livelihoods for their citizens. LDCs did not have the budgetary capabilities necessary to counter to the effects of the crisis, differently from some other Members that had the resources to compensate the losses suffered by their businesses and employees.

10.11. There was no question that the crisis was seriously affecting LDCs' development programmes and their short and medium-term development objectives. The crisis also clearly demonstrated the extent to which LDCs needed to build greater economic resilience to face exogenous crises and shocks. That was the perspective LDCs were planning to pursue, with Members' support, so as to enable them to exit their condition of fragility and poverty.

10.12. There were many unknowns with regard to the rhythm and depth of the pandemic in LDCs. Nothing was certain with regard to the development of a vaccine and the best treatment of the disease. All Members would need to continue to adapt to a constantly evolving situation. Given those circumstances, LDCs were seeking flexibility and adaptability. To succeed, it seemed appropriate to build a collective pact.

10.13. Tourism had come to a halt. The closure of capital markets had prevented fund-raising and left start-ups and innovative companies by the wayside, even though their contribution to the economy was particularly relevant at that time. The crisis had also affected many fast-growing companies that needed access to capital to fuel a strong expansion. That had come on top of the sharp collapse in the prices of oil and mining products, which were important sources of revenue for some LDCs and which directly affected public expenditure.

10.14. There was therefore a need to mobilise private and public funds to support enterprises that could survive the crisis. The response to the economic downturn was essential to reduce the deep and global health crisis that was likely to affect LDCs in particular. The crisis caused by COVID-19 showed just how much LDCs needed to consolidate their productive capacity of goods and services in order to improve and diversify their means of income, through trade. Such a development would help LDCs better cope with economic shocks and global crises.

10.15. The LDC Group warmly thanked the Secretariat for the Information Note on the impact of COVID-19 on trade in services. It had been extremely useful, and the Group would request that the Secretariat look particularly at the situation of LDCs, analysing the specificity of the different areas hardest hit by the pandemic and the consequences on trade in services for LDCs.

10.16. The representative of South Africa, speaking on behalf of the African Group, noted that UNCTAD, in its updated Trade and Development Report of May 2020, estimated that global output would contract by at least 3%, with up to half the global workforce at the risk of losing their jobs, and billions of people, especially in the South, pushed back into poverty and hunger.

10.17. The asymmetry in mobilising public resources had emerged even more starkly during that period. UNCTAD pointed out that developed economies had so far committed on average almost 30% of their GDPs to fight the pandemic, while the average size of relief packages in developing countries did not even reach 5% as at 25 May 2020. The crisis also demonstrated the important role that governments and governmental agencies played in the rapid response measures that were needed during that time. The downsizing of state institutions and the weakened fiscal base in most developing countries further constrained actions to address the ravages of COVID-19.

10.18. The WTO Secretariat reports on "E-commerce, trade and the COVID-19 pandemic" and "Trade in services in the context of COVID-19" of 4 and 28 May 2020, respectively, pointed out that while demand for internet and mobile data services had increased, demand had fallen for certain services, such as tourism, transport and distribution services. The reports further pointed out that

e-commerce-related challenges had arisen or been further amplified during the pandemic. Those included price gouging (i.e. increasing prices to unreasonably high levels), product safety concerns, deceptive practices, cybersecurity concerns, the need for increased bandwidth and development-related concerns.

10.19. The pandemic had highlighted the glaring need to bridge the digital divide. COVID-19 might have accelerated further concentration in the digital marketplace, a trend that already existed before the pandemic. If left unchecked, that concentration would make the digital divide permanent. Furthermore, the Secretariat Note pointed out that online purchasing of tourism and travel by value had plummeted as a result of the COVID-19 pandemic. African Group Members had suffered massive losses in the tourism and travel sectors due to the COVID-19 lockdowns that remained in place in the face of an increase of infections in their Members' jurisdictions. Remittances had also diminished substantially, and income from mineral resources and oil revenue had suffered tremendous shocks.

10.20. The advancement and availability of technology to collect tariffs on electronic e-commerce should be noted. If it was possible to collect duties on electronic transmissions during COVID-19, that would constitute a meaningful source of government revenue that could be used to address the health and economic consequences of the pandemic, especially for developing countries. Whereas the African Group was not a demandeur of the application of the Moratorium, current trends under COVID-19 should be noted as Members moved towards the next Ministerial Conference.

10.21. Changes in behaviour resulting from the COVID-19 crisis were likely to have longer-lasting effects, so any post COVID-19 recovery strategy had to aim to bridge the digital divide to allow more countries to take advantage of digitisation. If left unchecked, the gap between under-connected and hyper-digitised countries would increase. There was a need for new policies and regulations to ensure a fair distribution of gains from the digital economy, with a focus on technology transfer, capacity building and targeted aid for trade measures.

10.22. The representative of Barbados, speaking on behalf of the ACP Group, said that, although the full extent of the emergent financial and economic crisis remained unknown, the evidence in the statistics as well as on the ground in their Capitals revealed that all ACP economies were reeling from the impact.

10.23. While the disciplines of the GATS allowed for flexibilities in the rules in emergency situations like COVID-19, the Group wished to remind WTO Members that the invoking of such flexibilities was not without conditions. Any measures invoked had to be temporary, not applied in an arbitrary or discriminatory manner and not serve as disguised restrictions to trade. Most of the measures introduced appeared to relax or facilitate services pertaining to accessing e-commerce during the pandemic lockdowns, supporting businesses to continue in a modified way to work from home or to reach many clients around the globe and families and friends to keep connected.

10.24. Some of those measures appeared to add licenses for providers of mobile services or increase broadband. However, the Group asked Members to ensure the temporary nature in cases where measures discriminated in terms of MFN, departed from a national treatment commitment in relevant Members' services schedules or were disguised restrictions or provisions in those services sectors.

10.25. While the WTO Secretariat's monitoring of services-related measures taken by Members in the name of COVID-19 was useful, the Group wished to stress that Members' rights and obligations had to be preserved. A clear indication that the Secretariat's reports were not official and were subject to verification was useful.

10.26. Across the ACP Group, the travel sector accounted for the largest share of ACP earning. Some of the Group's Members were dominant in tourism, transport services and financial services, which represented their greatest source of export revenues. In terms of services imports, the three leading sectors for ACP countries were transport, other business services (characterised by research and development, professional and management consulting and technical trade/trade-related services) and travel services. These three sectors stood out in terms of the value of imports, ranging from between USD38 million for transport to USD90 million for travel. Other sectors, notable for trade measures deployed in the context of COVID-19, such as financial and telecom services, did not represent as much of a share of imports on aggregate.

10.27. The biggest challenges facing ACP economies was how to promote economic recovery. Given the devastating impact of the pandemic on their services sectors, it would be critical to assess multilateral rules and how they could support economic recovery efforts of ACP countries, given the unprecedented nature of the crisis.

10.28. Based on a survey on the main sectors impacted by services measures reported by the WTO Secretariat, it could be noted that the travel and transportation industries constituted the most vital sectors in services trade for ACP countries, owing to their sheer loss of normal earnings. While developed countries might have lost earnings in those sectors as well, the impact on ACP Members had a comparatively devastating effect.

10.29. New services might have emerged as a result of the pandemic, such as direct delivery of produce to homes, especially for seniors, as well as new platforms to provide telemedicine services. It was still early days to know how Members had adapted and come forward with innovative services to keep contact and responded to new demands. It would be useful to exchange information in the CTS in that regard, as that could be helpful to other Members in find ways to cope.

10.30. The representative of Singapore said that the COVID-19 pandemic had severely disrupted global economic activity and had led to both demand and supply-side shocks to the Singapore economy.

10.31. There were a number of segments of the economy that had been most badly hit. First, those that relied on international travel, including air transport, accommodation, and tourism-related sectors. Second, consumer-facing sectors, such as retail and food services, had also been adversely impacted by the cutback in domestic consumption amid safe distancing measures. Third, outward-oriented sectors, such as manufacturing and wholesale trade, had been implicated due to the fall in external demand and supply chain disruptions.

10.32. However, there were some bright spots seen in the rise in demand for on-line sales and services. To some extent, the pandemic had been a catalyst for digitisation amongst some of Singapore's SMEs. Suppliers from across various sectors were accelerating efforts to expand their online operations and consumers were adopting new habits that might contribute to a profound and long-term shift towards online services.

10.33. To mitigate some of those immediate impacts, the Singapore government had introduced some measures to assist enterprises in the area of managing their cash flow, enhancing digitisation capabilities and up-skilling their workers.

10.34. Overall, services sectors and online transactions would be the key to recovery in the economic slowdown. Her delegation thought that would be a relevant topic that Members could explore in the CTS in the following months and would welcome further discussions with Members.

10.35. The representative of Peru said that, in Peru's case, tourism, international transport services, restaurants and some entertainment services, which had been severely affected by the domestic measures adopted, such as border closures and restrictions to the free movement of people, had been amongst the most affected sectors.

10.36. Only companies that provided essential and other complementary services (such as telecommunication services, financial services, food and medicine distribution services and call centres, among others) were able to continue operating with some normality. Remaining businesses had resorted to remote work whenever the nature of their work allowed it.

10.37. In that sense, many companies were forced to adapt to their staff working from home and had to make adjustments to their costs and structures. In addition, some of their client portfolios were reduced, which directly impacted their revenues. However, opportunities also arose for the design of new business strategies, and for adaptation to e-commerce and digital transformation.

10.38. There was also considerable growth in demand in the telecommunication sector, due to the need to implement platforms for tele-education, tele-health, e-commerce and delivery services. During April alone, Internet traffic had increased by 12%. In the particular case of basic education,

in order to bring teaching to as many Peruvians as possible, education was provided through the internet, but also through broadcasting services, such as radio and TV.

10.39. In conclusion, although the pandemic had strongly hit the services sector, the supply of on-line services had increased and a great interest had been generated in the country to promote a better environment for business through digital media, which was very positive. His delegation hoped that that difficult situation would serve to promote, throughout the world, the design of policies that facilitated e-commerce, such as the free flow of information, respect for the confidentiality of source codes, the free location of data, which were amongst the issues that Members were discussing in the WTO.

10.40. The representative of Canada said that her delegation supported discussions aimed at strengthening transparency and allowing all Members to have a better overview of the evolving set of measures and initiatives in place in the context of COVID-19. She welcomed the Secretariat's analysis of the impact of the pandemic and would support further work as appropriate. She also thanked the Secretariat for its tracking of services trade measures and for its timely updates. It was clear that services trade had been impacted by the current situation. Transparency was a key pillar of the WTO functions and the CTS offered a venue to further engage on that topic.

10.41. The representative of Japan said that his delegation welcomed the Council's discussion of that important issue. The pandemic was affecting services trade significantly, and it was important for Members to share views and experiences.

10.42. His delegation appreciated the Secretariat's efforts in collecting information on Members' measures affecting trade in services. Japan had, for example, taken facilitating measures to allow more flexibility in the financial sector to deal with the crisis. Japan wished to stress that emergency measures had to be targeted, proportionate, transparent, temporary and consistent with WTO rules. Further, trade-restrictive measures had to be lifted as soon as they became unnecessary. His delegation hoped to continue to review the situation in the CTS.

10.43. Japan also welcomed the Secretariat Information Note released on 28 May, which analysed the impact of the pandemic on different service sectors and modes. The Note explained that sectors such as tourism and air transport services had been heavily affected. At the same time, the crisis had focused more attention on online service supply, including online retail sales, telemedicine and online education. The Note concluded that the crisis might lead to an increase in mode 1 trade and accelerate the trend from the traditional categories of transport and travel-related services toward telecommunication, computer and information services, business services and audio-visual services.

10.44. Sharing information on how the pandemic was affecting Members' services trade was very useful. If possible, his delegation wished to invite the Secretariat to collect information and make a presentation at the CTS.

10.45. Finally, as the crisis had shown the growing importance of e-commerce, Japan wished to stress the importance of improving resilience through digitalisation and making international rules for the digital economy in a way that contributed to economic recovery. Japan was committed to accelerating negotiations on electronic commerce.

10.46. The representative of Mali wished to express her delegation's gratitude to UNCTAD and the World Bank for their support and very clear diagnosis of the impact of the COVID-19 on LDCs. The World Bank was also investing in basic health access training of health workers, which was badly needed in LDCs. In terms of healthcare, LDCs had seen limitations on exports of medical products.

10.47. When it came to education services, developed countries and some developing countries had been able to offer online lessons to their students, but because of the digital divide, in LDCs children who had had to stay at home had had no lessons and had lost a year.

10.48. With regard to tourism services, Mali had one highly touristic area and yet at that juncture, it was one of the most dangerous areas and as a result, Mali had no income from those activities. Furthermore, being a landlocked country, the pandemic had further worsened Mali's connectivity challenges.

10.49. The representative of India said that the COVID-19 pandemic had demonstrated the importance of cross-border movement of medical professionals, including doctors and nurses as well as other essential service providers. Members should not only improve their specific commitments in that regard, but also commit on commercially meaningful disciplines, as per the mandate of GATS Article VI:4, to facilitate the movement of essential professionals.

10.50. India's proposals on domestic regulation disciplines for mode 4 service suppliers had been discussed by the Working Party on Domestic Regulation in 2018 and 2019. Several Members and Groups had supported India's proposals and expressed their interest in working on issues of interest to developing countries, with priority on development. Leveraging labour market complementarities for the movement of skilled essential professionals would be a win-win outcome for all Members.

10.51. The representative of the United States welcomed the opportunity to share views on the COVID-19 pandemic and implications for trade in services. He noted that the United States and many other countries were currently in the midst of a public health crisis. At the same time, the health crisis had sparked a separate economic crisis, with job losses at their worst in many services industries in many countries, including the United States.

10.52. However, one item to note amid the challenges of the pandemic had been the successful use of digital technologies in adapting to business and consumer needs where physical interaction had been limited, whether through communications, like call/videoconference, online sales of goods, online consumption of entertainment, or use of digital technologies to process business and governmental forms.

10.53. The resilience and adaptability of the digital ecosystem (networks, services, and applications) had been encouraging, and had played a major role in limiting the economic harm of the pandemic, and in some cases, spurring innovation into new products and services.

10.54. What was obvious from that acceleration of the digital transformation was that some of the core policies the United States had advocated for, such as avoiding restrictions on cross-border data flows and mandatory data localisation, were more important than ever, and that such restrictions would hurt the ability of countries to leverage digital technologies and recover from the pandemic. Since business, consumers, and government were increasingly reliant on technologies such as videoconferencing, for example, blocking or degrading such services seriously disrupted legitimate economic activity.

10.55. The representative of China said that the COVID-19 pandemic had had a serious impact on global services trade, especially in the tourism, transport, retailing and health sectors. At the same time, the importance of e-commerce had also been further highlighted during the pandemic. China recognised the critical role of services trade in economic growth and was committed to promoting its development through further liberalisation of the services market.

10.56. In the context of the COVID-19 pandemic, China encouraged Members to strengthen international cooperation, redouble efforts on negotiations on services trade-related topics and uphold the multilateral trading system, so as to help the global economy to recover rapidly from the impact of the pandemic.

10.57. The representative of New Zealand expressed appreciation to the Chairman for including that item on the Council's agenda and to Members for sharing their experiences. The pandemic represented the greatest challenge currently facing all Members, with significant trade implications, and it was therefore important for Members to discuss those issues in the WTO and in the CTS. All Members benefitted from transparency, sharing ideas and coordinating trade responses. His delegation saw value in continuing those discussions and in further analysis by the Secretariat.

10.58. The representative of the European Union thanked the Chairman for adding that important point on the agenda, and the Secretariat for producing a Note on the impact of pandemic on services trade. Indeed, as could be seen from the experiences shared at that meeting, services sectors had been badly affected by the current health and economic crises, and in particular trade through modes 2 and 4 had been largely paralysed.

10.59. At the same time, services trade was important for the recovery of Members' economies. Telecommunications and computing services were key for on-line supply, while distribution, transport and logistics were essential to facilitate goods trade. That only underscored the importance of providing fresh impetus to services trade, and the European Union was open to sharing information on those aspects at future meetings.

10.60. Finally, her delegation welcomed efforts to ensure transparency with regard to measures related to services trade taken during the pandemic and invited all Members to report any such measures in the future.

10.61. The representative of Australia also thanked the Chairman for adding the item on the agenda, and the Secretariat for its efforts in analysing the impact of the pandemic and tracking COVID-19 measures. While being hit hard by the COVID-19 pandemic, trade in services would be essential to all Members' efforts to respond to the health, economic and social impacts of COVID-19. Australia agreed that information-sharing on that topic was useful and would look forward to further discussion at future meetings.

10.62. The Chairman thanked all delegations who had intervened. It had been a very interesting and instructive discussion, which had provided him, and hopefully all Members, with food for thought to guide a reflection on how every WTO Member could play its part to combat COVID-19, facilitate the post-COVID-19 economic recovery and uphold the rules-based multilateral trading system.

10.63. He suggested that the Council take note of the statements made.

10.64. It was so agreed.

11 ITEM L: OTHER BUSINESS

11.1. No issue was raised under this agenda item.

11.2. The meeting was adjourned.
