



Council for Trade in Services

REPORT OF THE MEETING HELD ON 5 MARCH 2021

NOTE BY THE SECRETARIAT¹

The Council for Trade in Services held a meeting on 5 March 2021, chaired by Ambassador Tan (Singapore). The agenda was contained in documents WTO/AIR/CTS/26 and Corrigendum 1.

Under Other Business, the Chairman announced that he would make a brief statement on the appointment of Chairpersons of the subsidiary bodies of the Council for Trade in Services.

The representative of the United States said that, under Other Business, his delegation would raise an issue concerning the handling of WTO information by Members and Observers.

The agenda was adopted as modified.

The Chairman recalled that delegations were meeting in virtual mode. He trusted that delegations attending virtually were, by then, all familiar with the main technical aspects of remote participation.

He urged delegates to speak at a reasonable, moderate pace and, if possible, to provide the interpreters with an advance copy of any written statements they intended to deliver, to help ensure that interventions were properly conveyed and understood when translated in the other two official languages.

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 Australia (S/C/N/1042), Switzerland (S/C/N/1044), Kazakhstan (S/C/N/1045) and Japan (S/C/N/1046).

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

1.3. It was so agreed.

1.4. Concerning the notifications made pursuant to Article V:7 (Economic Integration), the Chairman drew the Council's attention to the communications received from: the United Kingdom (S/C/N/1024); Antigua and Barbuda, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and the United Kingdom (S/C/N/1025); the United Kingdom, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (S/C/N/1026); the United Kingdom and Chile (S/C/N/1027); the United Kingdom, Ecuador and Peru (S/C/N/1028); the United Kingdom and Republic of Korea (S/C/N/1029); the United Kingdom and Singapore (S/C/N/1030); the United Kingdom and Ukraine (S/C/N/1031); the United Kingdom and Viet Nam (S/C/N/1032); the United Kingdom and North Macedonia (S/C/N/1033); the United Kingdom and Republic of Moldova (S/C/N/1034); the United Kingdom and Georgia (S/C/N/1035); the United Kingdom and Japan (S/C/N/1036); China and Mauritius (S/C/N/1037); Australia and Indonesia (S/C/N/1040); the United Kingdom and the European Union (S/C/N/1041); Brunei Darussalam; Cambodia; Hong Kong,

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.

China; Indonesia; Lao People's Democratic Republic; Malaysia; Myanmar; the Philippines; Singapore; Thailand and Viet Nam (S/C/N/1043).

1.5. The United States said that his delegation had taken note of the numerous notifications from the United Kingdom and its Regional Trade Agreement partners. These were a reflection of the UK's efforts to replicate or replace important trading relationships in their own right, separately from the previous EU agreements. His delegation looked forward to working with all Members in the Committee on Regional Trade Agreements (CRTA) on how to facilitate the review of those agreements according to the CRTA Transparency Mechanism.

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

1.7. It was so agreed.

1.8. While on the subject of the Committee on Regional Trade Agreements, the Chairman drew delegations' attention to the fact that, at its meeting scheduled for 22-23 March, the CRTA would be considering two regional trade agreements that covered services trade: the Free Trade Agreement between the European Union and Singapore, and the Free Trade Agreement between Peru and Australia. He trusted that the information would be useful to delegations.

1.9. With regard to the notifications made under Article VII:4 (Recognition), he drew the Council's attention to the communication received from Switzerland and the United Kingdom (S/C/N/1039).

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

1.11. It was so agreed.

1.12. The Chairman offered the floor to the Secretariat to introduce its Note containing an "Overview of notifications made under relevant GATS provisions", which Members had agreed would be updated annually. The Note had been circulated in document JOB(09)/10/Rev.11.

1.13. A representative of the Secretariat said 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 2020. The Note listed all GATS notification requirements applicable to Members, irrespective of whether any notifications had been submitted under those Articles during the year in question.

1.14. As indicated in the Note, during 2020, 22 notifications had been made pursuant to Article III:3, by 36 Members, 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 updated Note. First, 2020 had seen fewer notifications submitted under Article III:3 than in the previous year; nevertheless, the number of notifications had still increased when compared to the years 2016-2018. Of the 2020 notifications, one had been submitted in response to COVID-19 pandemic.

1.16. Second, the number of economic integration agreements notified by Members in 2020 was equal to that of the previous year. As had already been observed in earlier updates, the previous few years had witnessed a relative slowdown in the number of economic integration agreements notified.

1.17. Finally, there had been no change in the number of notifications submitted pursuant to Article VII:4 compared to the previous year, continuing a trend of increasingly more notifications under that Article in the previous three years.

1.18. The Chairman suggested that the Council take note of the statement made.

1.19. It was so agreed.

2 ITEM B: OPERATIONALIZATION OF THE LDC SERVICES WAIVER

2.1. The Chairman drew the Council's attention to the notification of preferential treatment in favour of services and service suppliers of Least-Developed Countries submitted under the LDC Services Waiver by the United Kingdom (S/C/N/1038).

2.2. Since 2015, the preferential treatment extended by the United Kingdom to LDCs had been contained in the European Union's notification under the LDC Waiver (S/C/N/840). When the United Kingdom had ceased to be a Member State of the European Union on 31 January 2020, it had entered into a transition period, during which time the EU notification continued to contain the preferential treatment extended by the United Kingdom to LDCs. The transition period had come to an end on 31 December 2020. Consequently, the United Kingdom had independently notified the preferential treatment which was available to services and service suppliers of LDCs.

2.3. The representative of the United Kingdom said that trade in services held great potential for supporting developing countries. Services played a vital role in economic performance and resilience, supporting productivity growth, facilitating and diversifying exports, and promoting the movement up value chains via inputs into goods.

2.4. The United Kingdom recognised that the LDC Services Waiver was an important tool for promoting LDCs' growth. The United Kingdom had been a leading advocate of the LDC Services Waiver from its inception. It also funded the Trade Advocacy Fund (TAF), which had supported the LDC Group to formulate the collective request, which had played a key role in operationalising the LDC Services Waiver to date.

2.5. Ensuring continuity in trading arrangements with developing countries as the United Kingdom left the European Union was a key priority, and the LDC Services Waiver was no exception. Immediately following the end of the United Kingdom's transition period with the European Union, the United Kingdom had submitted an independent notification under the Waiver (S/C/N/1038), which had come into force on 1 January 2021. The primary concern up to that point had been on ensuring continuity and transparency. That was why the United Kingdom had taken a technical rectification approach and retained the same formatting as well as maintaining the scope and substance of its former commitments under the EU notification.

2.6. The United Kingdom was committed to operationalising the LDC Services Waiver and would continue to explore ways in which it could enable LDCs to take advantage of the preferences offered in the notification. The representative said that her delegation also understood that market access was not the only barrier to services trade and that LDCs faced a range of constraints that prevented their businesses from making the most of export opportunities. That was why the United Kingdom continued to support LDC services trade through the Aid for Trade programming.

2.7. For example, the United Kingdom had been a key contributor to the Enhanced Integrated Framework (EIF). Among its other services-related work, the EIF coordinated essential country-specific trade analysis in the form of Diagnostic Trade Integration Studies (DTIS). That evidence-based work helped countries identify priorities to guide their trade agendas, including with regard to services trade.

2.8. Through the EIF, the United Kingdom was also supporting LDC governments to lead on recovery efforts in the tourism sector, which had been severely impacted by the COVID-19 pandemic. For example, in Burundi and Zambia, the Aid for Trade programming was helping to assess the impacts of COVID-19 on tourism and would be focusing on areas such as building resilience of small tourism operators, attracting investment and diversifying tourism products to meet market changes in the future.

2.9. The representative said that her delegation was a strong supporter of the LDC Services Waiver. It was pleased to have notified the United Kingdom's continued offer of preferences under the Waiver and remained committed to supporting LDCs' services trade.

2.10. The representative of Chad, speaking on behalf of the LDC Group, said that the Group welcomed the United Kingdom's notification of preferential treatment to services and service suppliers from Least-Developed Countries. The Group noted that, according to the statement of the

United Kingdom, the communication contained the same set of preferences that the United Kingdom had granted under the EU notification, submitted on 16 November 2015. At the time, the LDC Group had welcomed the useful contribution of the preferences granted by the European Union in favour of LDCs. The LDC Group had noted that a number of preferences responded to its collective request (S/C/W/356 and Corrigenda) and, at the same time, the Group had highlighted some areas where they would like clarifications or improvements.

2.11. The comparative review of the UK and EU notifications by the LDC Group was still ongoing. For the time being, the LDC Group thanked the United Kingdom for trying to maintain the preferences already granted within the European framework, in order to facilitate their review. As a preliminary point, the LDC Group particularly welcomed the preferences granted by the United Kingdom to contractual service suppliers and independent professionals in sectors covered in the LDC collective request, such as accounting and bookkeeping, architectural and urban planning services, engineering services, technical testing and analysis, advertising and public opinion polling services, various consulting services, translation and interpretation services, etc.

2.12. Regarding preferences under mode 3, for several sectors of interest the entry "none" had been inscribed, meaning that there were no restrictions and that the sectors were open to LDCs. These included maintenance and cleaning services, placement of personnel, packaging and printing, conference services, telephone answering services, security services, travel and tourism services, logistics services, entertainment, hairdressing, cleaning, dyeing, cosmetics and other beauty treatments, etc. The maintenance of British preferences was also welcome.

2.13. The LDC Group welcomed the fact that the UK notification included several services mentioned under modes 3 and 4, which were covered in the LDC collective request as "none" for modes 1 and 2. However, the LDCs noted the maintenance of a number of non-committed sectors for contractual service suppliers and independent professionals being of interest to them, such as medical services (including psychologists), veterinary services, services provided by midwives, nurses, physiotherapists and paramedics, higher education services, tour operators and tourist guide services. The Group also noted the existence of economic needs tests in other sectors of interest which could constitute constraints on LDCs' access to markets.

2.14. As in the case of the EU notification in 2015, LDCs would like to see improvements in preferences with the elimination of residency and nationality requirements, and the recognition of LDC qualifications. Regarding the qualifications and conditions contained in section 4.4(a) of the notification in document S/C/N/1038, the Group would like to know if there was a possibility to renew a service contract for three months. Regarding section 4.4(b), the notification requirements for independent professionals demanded at least six years of experience. Could that criteria be reduced to four or five years? Regarding section 4.4(c)(i), could more information be provided regarding the evaluation of equivalence of foreign university degrees that were not obtained in the United Kingdom?

2.15. By way of general comment, the advent of mass online services and working from home, regardless of where the service provider was in the world, had proven to be important due to the COVID-19 pandemic. That phenomenon had made many of the residency obligations obsolete. The LDC Group stressed the need to enable LDC suppliers to provide professional services through modes 1 and 2, especially in the areas of education, psychology and other professional services that could be provided via mode 1. The LDC Group reiterated its call for preferences to facilitate the recognition of vocational training credentials from LDCs to enable the provision of services on those platforms. The LDCs appreciated that the UK notification contained comprehensive preferences for adult education services at primary, secondary and tertiary levels. However, the Group believed that an effort remained to be made regarding entertainment services for mode 1, taking into account the current health crisis.

2.16. The representative said that those were the preliminary comments of the LDC Group. The Group would come back to that agenda item at the next meeting to provide further information after completing the comparative review of the notifications of the United Kingdom and the European Union. Again, the Group understood that the aim was to maintain the preferences provided for in the EU notification. It hoped to consult with the United Kingdom and other notifying Members on how notifications could be improved. The Group was very pleased to see the UK notification of preferences among the notifications received until then.

2.17. The representative of the United Kingdom said that her delegation was grateful for the positive and constructive response from the LDC Group and would give further consideration to detailed suggestions for improvement and clarification. The United Kingdom looked forward to working with LDC Members on that issue.

2.18. The Chairman noted that the notification by the United Kingdom was welcomed by the LDC Group. He also remarked that the UK notification included preferences relating to measures other than those described in GATS Article XVI (Market Access) and that those preferences had been approved by the Council when they were included in the EU notification of preferential treatment, at the Council meeting held on 18 March 2016.

2.19. He suggested that the Council take note of the notification submitted and the statements made.

2.20. It was so agreed.

2.21. The Chairman reminded the Council of the proposal to organize a webinar, to bring together LDC service suppliers and consumers of LDC services in Members having granted preferences under the Waiver. Following an initial proposal from the LDC Group, at the December meeting the Council had agreed to task the Secretariat with the preparation of a draft programme for the event. The Secretariat draft had been circulated on 9 February, in document JOB/SERV/CTS/3. It was based on the outline that had been prepared by the LDC Group, in document JOB/SERV/CTS/2, and incorporated delegations' comments and observations.

2.22. The representative of the United States thanked the LDC Group and the Secretariat for putting together the draft programme. His delegation was interested in learning more about the experiences of LDC service suppliers and their efforts to expand into other markets, and hearing from notifying Members or service consumers in those Members where LDCs had actually used the preferences. The United States would welcome the sharing of their experiences. In addition, the United States was always interested in finding out more about statistics and data on services trade and viewed that session of the webinar as helpful. The representative also noted that as the programme developed, the United States would like to be consulted on various invited speakers and might be able to contribute to that effort.

2.23. The representative of Turkey said that her delegation fully supported the organisation of a webinar on LDCs' services export performance and the implementation of preferences granted under the LDC Services Waiver. She further thanked the Secretariat for the programme outline that had been circulated recently. Turkey was currently in the process of planning possible contributions to the webinar, especially under session 1, which was about LDC services trade data. Since 2016, Turkey's statistics institute, TurkStat, had instituted a comprehensive system for international trade in services statistics, which was based on direct reporting. TurkStat had made the current dataset public in March 2020 and had been improving the system ever since. The available data was fully compliant with Eurostat and OECD criteria. Turkey believed that it would be interesting to share data about its imports from LDC Members, including sectoral information. Turkey would also be happy to provide information on the operationalisation of its notification under the LDC Waiver and looked forward to cooperating further on the subject.

2.24. The representative of Singapore said that her delegation supported the proposed programme for the webinar on the sharing of information. Singapore believed that the key objective of the webinar was the sharing of information between LDC services suppliers and Members. The combination of presenting quantitative data as well as complementing and sharing experiences with some qualitative account was a good idea and Singapore believed that that would contribute to the conversation. She also suggested leaving some time for Members to engage with the panellists in a Q&A session.

2.25. The representative of the European Union thanked the Secretariat for the draft programme regarding the workshop on the LDC Services Waiver. The European Union attached great importance in assisting LDCs to strengthen their economies and services trade. The LDC Services Waiver was a very important instrument in that respect, in addition to the development and capacity-building programmes and instruments. The European Union believed that the proposed webinar's outline would allow Members to have useful exchanges on the operationalisation of the Waiver. The

perspective of LDC Members and services suppliers would be of particular interest and importance. As in previous occasions, the European Union stood ready to participate in the discussions and share its experiences on that issue.

2.26. The representative of India thanked the Secretariat for the programme outline. India 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 LDCs share in the global services exports. As a developing Member, India had always firmly supported better integration of LDC Members into the multilateral trading system. India welcomed the proposal of LDCs to hold a webinar on the implementation of the Waiver so that Members could better understand the practical difficulties of LDCs and provide them with capacity building and technical assistance in a more targeted manner. India looked forward to actively participating in the webinar.

2.27. The representative of Chad, speaking on behalf of the LDC Group, thanked the Chairman and the Secretariat for having worked with the Group in producing the draft programme for the webinar on export performance and the facilitation of the implementation of preferences notified under the LDC Services Waiver. Regarding session 2, the LDC Group pointed out that importers of LDC services likely to participate in the workshop were mainly based in Members that had made notifications. Therefore, the Group called on those Members to contribute to the identification of companies established in their territory which imported services from LDCs. In that regard, the Group hoped to have a dynamic exchange at the workshop between service providers from LDCs and businesses or consumers who might already buy services from LDCs. The seminar was extremely useful to the Group and those discussions would allow to better understand what was happening on the ground and to share the LDCs' experience, particularly in light of the current health crisis throughout the world.

2.28. The representative of Australia thanked the Secretariat and the LDC Group for preparing the further draft outline for the webinar. Australia saw significant value in that kind of information-sharing and would like to contribute to the webinar. In relation to session 2 specifically, and as Chad had mentioned, her delegation had been seeking to identify Australian importers of LDC services that might be able to participate in and contribute to that session. In relation to session 3, Australia might be able to contribute by providing information on and experiences with technical assistance and capacity-building to LDCs, assisting service suppliers to improve their export competitiveness and opportunities. As requested by the communication, her delegation would inform the Secretariat of any contributions it could make in due course.

2.29. The representative of South Africa confirmed her delegation's support for the proposed webinar. In addition, South Africa emphasised the need for improvements in implementation and aftercare of the Waiver, particularly the gaps with respect to monitoring and evaluating the impact of the implementation of the preferences granted under the Waiver, with a view to assessing its implications for LDCs' share in global services trade. COVID-19 had a disproportionate impact on developing countries, especially LDCs, that compelled to pay special attention to the recovery and participation of LDCs in world services trade.

2.30. In December 2020, South Africa had introduced a proposal to enhance implementation and aftercare of the Waiver, namely the introduction of an online WTO-hosted portal for LDC service suppliers and importers of such services, so that they could record bottlenecks or challenges in activating the preferences granted. The portal could facilitate the real-time collection of sectoral and mode-specific data and could also give preference-granting Members the opportunity to look into ways to address the issues recorded therein. Her delegation believed that the proposal deserved attention going forward and could be considered further in the webinar, considering the targeted audience, and in future meetings of the Council.

2.31. The representative of China said that her delegation welcomed the proposal of the LDC Members and thanked them for their meticulous work and informative presentation on a number of important issues about the proposed webinar. China was supportive of the idea to hold a webinar on the LDC Services Waiver as soon as possible and believed it would improve Members' understanding of the practical difficulties for LDC Members. It would further facilitate the possible granting of targeted preferences to the LDC Members within Members' capabilities. China would actively participate in relevant discussions and encouraged Members to exchange in-depth experiences and practices, so as to improve LDC Members to better achieve economic development through participation in the multilateral trading system.

2.32. The representative of Japan expressed his delegation's appreciation to the Secretariat for developing the programme and its support of the webinar. Japan was among the Members that had notified preferences under the LDC Services Waiver, and his delegation attached importance to further facilitating services trade of LDC Members. In that regard, Japan was interested in hearing first-hand experiences and information from exporters, importers and government officials. Japan looked forward to the webinar.

2.33. The representative of Brazil thanked the Secretariat for the programme outline on that important issue. His delegation attached a lot of relevance to that discussion. He further thanked the LDC Members for incorporating some of the suggestions that Brazil and other Members had put forward on that issue in the previous meetings. His delegation was particularly interested in the experience-sharing session by exporters and importers. Services was a vast field of economic activity, making it difficult to identify operators that used the preferences that Brazil and other Members had given under the LDC Waiver. Brazil would be thankful if LDC Members could identify some case studies and economic operators that could share the challenges and opportunities for LDC Members in using those preferences.

2.34. The representative of the United Kingdom expressed her delegation's support for the proposed webinar and thanked the LDC Group and the Secretariat for the programme outline and for organizing that event. The United Kingdom was committed to supporting LDCs' trade in services and welcomed the opportunity for Members to share experiences and best practice. Her delegation would be happy to share information on its work in supporting LDC services trade capacity. It would also consult with domestic stakeholders to identify case studies on importing LDC services that might be useful to share at the webinar and would be in touch with the organizers as requested.

2.35. The representative of Canada reiterated her delegation's support for the proposed webinar as presented in JOB/SERV/CTS/3 and thanked the LDC Group and the Secretariat for the proposal that built on the successful October 2019 dedicated session that had given further valuable insights into the state of LDC services trade. In Canada's view, the continued work underlined the importance of trade in services for LDCs' economic growth and the integration of LDCs into the multilateral trading system. Her delegation was encouraged to see that the updated proposed agenda for the webinar had taken into consideration many of the comments shared by Members, including Canada. She welcomed the focus on the experiences of LDC suppliers, including the challenges and opportunities related to COVID-19 and the importance of LDC-specific sectoral data. Canada was also pleased by the level of support expressed at that meeting.

2.36. Canada had also taken note of the proposal by South Africa on a potential online portal. It would be useful to have a written proposal to help in considering that further. She had understood South Africa to suggest that the portal should be discussed during the webinar. She thus asked for further clarifications and whether that would involve a revision of the programme, because she had understood that the programme was at a final stage.

2.37. The representative of South Africa replied that her delegation's proposal was not meant to amend the programme. There was scope to address it under the current webinar programme because the targeted audience consisted of importers and exporters of LDC services. During their discussions, they could also reflect if the proposal on a portal could be helpful in terms of addressing some of the issues that they encountered.

2.38. The representative of the United States said that his delegation wanted to consult a little further with the organisers of the webinar on the proposal made by South Africa. The idea had not been discussed or fleshed out thoroughly. It would be premature to start discussing that in the webinar, but the United States would be happy to take that back and consult further with Members and the Secretariat.

2.39. The Chairman thanked Members for their useful comments. He further noted the broad support for the draft programme outline prepared by the Secretariat. As for the suggestion brought up by South Africa, it was not a proposal to change the programme outline. He thus suggested that the Council agree to hold the virtual workshop around the end of May, on the basis of the Secretariat outline. He appealed to Members for their help in identifying possible speakers and communicating their names to the Secretariat.

2.40. He suggested that the Council take note of the statements made and revert to that item at its next meeting.

2.41. It was so agreed.

3 ITEM C: WORK PROGRAMME ON ELECTRONIC COMMERCE

3.1. The Chairman recalled that, at the previous meeting, the Council had continued its deliberations of the joint communication from a group of Members titled 'Exploratory discussions on supporting digital capability of business and consumers', circulated as document JOB/SERV/296/Rev.4.

3.2. He indicated that the communication had generated significant interest and discussion. The materials shared by delegations had offered, in his view, worthwhile inputs to help Members' reflections and understanding of e-commerce. Against that background, at the December meeting he had proposed that the information provided be compiled into a single document.

3.3. He had, therefore, issued a Chairman's Note, under his own responsibility, circulated as document JOB/SERV/CTS/4. The Note provided his account of the Council's activities focused on supporting digital capabilities. Its objective, and its value-added, was to capture the information provided by Members and present it in a structured and user-friendly manner.

3.4. He reiterated that the exchange of information had been in no way mandatory. Moreover, the information shared was only illustrative of the different types of initiatives that Members had undertaken to support digital capabilities and did not provide either a comprehensive or an exhaustive account of Members' initiatives in this sphere. Nevertheless, he had been heartened to see the Council engage in such extensive and rich exchanges over the past year and thought it worthwhile to capture their essence in an easily accessible snapshot document.

3.5. The representative of Chile said that his delegation was grateful to the Chairman for his Note and to the co-sponsors for their communication in JOB/SERV/296/Rev.4, which had significantly contributed to the Council's discussion under the e-commerce Work Programme, especially in the current circumstances marked by the COVID-19 health crisis.

3.6. Over previous years, on-line trade had exhibited important and sustained growth. That growth had accelerated because of the COVID-19 pandemic, which had created a series of challenges for goods and services suppliers, and MSMEs in particular.

3.7. In that context, his delegation was of the view that exchanging information about national programmes aimed at increasing digital capabilities was a very useful and opportune cooperation initiative.

3.8. At previous Council meetings, Chile had shared information about its programme to support electronic commerce called "ExportaDigital", developed by Chile's export promotion agency, ProChile. At that meeting, he wished to make a contribution in response to the second question in the communication, about domestic programmes, policies or practices that had been or were being put in place to increase digital capability and address the digital divide as they related to e-commerce, including any assistance to MSMEs.

3.9. In that regard, he mentioned the programme "Digitaliza tu PyME", which had been developed by Chile's Ministry of Economy, Development and Tourism, together with Corfo and Sercotec. That initiative aimed to help smaller firms in Chile use digital technologies to increase sales, lower costs and improve their relationship with clients and suppliers. To achieve that objective, the programme offered distinct activities and tools, like trainings, lectures, consulting services and platforms.

3.10. As a first step, the programme offered a digital check-up. MSMEs responded to a questionnaire that enabled a complete evaluation of the degree of digital maturity, on the basis of which qualified consultants made personalised recommendations to improve the company's process of digitalisation, which was evaluated over time.

3.11. In addition, through different platforms and webinars, interested MSMEs were invited to learn about how digital technologies could be used to their advantage and how digital knowledge and tools could be used in the running of their business.

3.12. The programme also included a free nationwide platform called "Pymes de Barrio" which connected consumer needs with MSMEs' supply through a virtual assistant. That greater digital presence was aimed at expanding MSMEs' sales channels. Moreover, an agreement had been reached with different firms focused on logistics for e-commerce to enable signed-up MSMEs to ship their products and easily sell from a digital application. Information about the programme was presented in a simple and accessible manner on the initiative's website, www.digitalizatupyme.cl.

3.13. The representative of the Republic of Korea expressed his delegation's appreciation for the Chairman's efforts with his informative Note. At the previous meeting, his delegation had outlined Korea's online shopping trend following the COVID-19 outbreak and its policy responses, including specific policy examples.

3.14. He wished to give an update about online shopping statistics in Korea. Prior to the pandemic, the proportion of online shopping in total retail sales was around 22%. That ratio had skyrocketed to around 28% in February and March 2020, bringing it to 26.2% in the first quarter of the year. In the second quarter, when the social distancing policy had been eased, the ratio had stabilized at around 25.7%. In the third quarter, however, the ratio had increased again, to around 27.3%. In the fourth quarter, the ratio had sharply increased, to 29.2%. Finally, in December 2020, online shopping had accounted for 30.4% of total retail sales, which was a dramatic figure and the first time that it had been above 30%.

3.15. What had been the factors contributing to that sharp increase in e-commerce transactions in Korea? The tightened social distancing policy in the fourth quarter of 2020 had been partially responsible for that phenomenon, but there had also been a fundamental shift in consumer behavioural trends. Many more people had become more accustomed to online shopping than offline shopping. Shopping via mobile devices accounted for about 70% of the total in December 2020, which was an increase of 4% compared to the previous year.

3.16. In Korea, there was a high rate of mobile device distribution, the IT infrastructure was well established, and delivery services were also highly developed. Some of those features had been supported by government policies. Korea's well-functioning online shopping system had acted as a preventive measure against COVID-19 and at the same time had led to steady consumption and a resilient economy.

3.17. A few weeks earlier, an innovative e-commerce company operating in Korea, which offered huge advantages in terms of rapid delivery and quality control, had announced its IPO plan at the NYSE. That move was aimed at raising more capital for deeper and broader innovation in the field of e-commerce.

3.18. Online shopping platforms worked 24 hours a day, seven days a week, unlike offline shopping. The online shopping industry was a kind of battlefield full of competition and innovation. The Korean delegation firmly believed that online retail had become more competitive due to open competition and continuous innovation. Many online retail companies had been financed by venture capital, with some companies evolving from offline retail business. Other companies were subsidiaries of global online retail chains. In terms of business model, some companies were agents and others functioned as dealers. Some companies were trying to be more competitive as dealers by focusing on quick delivery or just-in-time delivery, especially in the early morning.

3.19. Korea believed that those kinds of innovations came from open competition. The Korean government had not been seeking what the industry should exactly be like, but it had been creating a level playing field and a business-friendly environment for market participants.

3.20. The representative of Singapore thanked Chile and Korea, as well as other Members who had previously shared information on their experiences and initiatives. Her delegation had also contributed to the discussion at previous meetings.

3.21. At that juncture, by way of general remarks, she noted that digital transformation had impacted everyone's lives and that COVID-19 had accelerated digital adoption in many parts of the world; therefore, it was not surprising that that topic had dominated much of the CTS discussion in 2020. Her delegation saw Members' deliberations as a contribution to the broader e-commerce Work Programme agenda under the CTS, with the aim of sharing information in a constructive manner. She also appreciated the Council's focus on real and tangible examples and how they collectively tapped digital means, especially during the pandemic.

3.22. She also thanked the Chairman for his Note, which captured the key issues addressed in the previous year, summed up the keen interest Members had in e-commerce in the CTS and provided a useful reference point for Members on the CTS discussions under the Work Programme in 2020.

3.23. The representative of Australia thanked Chile and Korea for the very useful information they had shared on their policies and practices to boost the digital capability of business, including the innovative models used in the context of the COVID-19 pandemic. The exercise had been a useful and constructive contribution to the broader e-commerce Work Programme item in the Council.

3.24. She also wished to thank the many Members that had constructively engaged on the co-sponsors' communication and shared their experiences. Members had developed a rich dataset that provided both governments and business with best practice and information on practical initiatives they could tap into to improve their digital capability.

3.25. The representative of India thanked the Chairman for the compilation of information shared by Members under the Work Programme during the course of 2020. While her delegation welcomed such information exchange and the sharing of national experiences, India urged Members not to forget the mandated issues to be discussed under the 1998 Work Programme.

3.26. When the Moratorium on customs duties on electronic transmissions had been extended by the General Council in December 2019, this had been done with an understanding that the Work Programme would be reinvigorated with an objective of achieving clarity on issues related to the scope of the Moratorium, the definition of electronic transmissions, as well as its impact. Many Members did not yet fully comprehend the implications of e-commerce on competition and market structures, issues related to transfer of technology, data storage, automation and its impact on traditional jobs, and the gaps in e-commerce policy and regulatory frameworks in developing countries.

3.27. Therefore, Members needed to start discussing those issues, which required multilateral solutions. The digital revolution was still unfolding and there was an existing and widening digital divide among Members, which had been exposed further during the ongoing COVID-19 crisis. On that issue, India had been emphasizing how important it was for Members to first understand the complex and multi-faceted dimensions of issues related to e-commerce, including the scope of the existing temporary Moratorium on custom duties on electronic transmissions, its potential impact on the sustainability of the domestic industry and negative impact on job creation and revenue generation. The urgent need was to build the capacity in areas such as digital skills and digital infrastructure, rather than negotiating binding rules on e-commerce in a plurilateral framework. Making rules at that stage would only freeze the non-level playing field in support of existing players and against the interests of new players from developing countries.

3.28. India was of the firm belief that multilateral avenues based on consensus were the most effective means to achieve inclusive development-oriented outcomes. In that context, her delegation, along with South Africa, had recently made a submission in the General Council titled "Legal status of JSIs and their negotiated outcomes" (document WT/GC/W/819), wherein, inter alia, India's concerns on the plurilateral negotiations on e-commerce taking place under the Joint Statement Initiative (JSI) had been articulated. Given that the Work Programme on e-commerce clearly had a non-negotiating and exploratory mandate, which had been reaffirmed in successive Ministerial Decisions, India believed that rule-making on trade-related aspects of e-commerce by a group of Members would be tantamount to negating the decisions of past Ministerial Conferences and would be severely detrimental to the rules-based multilateral trading system under the WTO.

3.29. The representative of South Africa noted that the 1998 Work Programme stated that "the Council for Trade in Services shall examine and report on the treatment of electronic commerce in

the GATS legal framework". The issues mandated to be examined included: scope; MFN; transparency; increasing participation of developing countries; domestic regulation, standards, and recognition; competition; customs duties; classification issues etc. Structured discussions on the issues within the mandate of the CTS were critical if the CTS was to make progress. That could be done through identification of topics to be discussed in each of the CTS meetings, to enable advanced preparation by Members.

3.30. Her delegation reminded Members that the Work Programme mandate was to examine all trade-related issues relating to global electronic commerce within the mandate of the CTS, "taking into account the economic, financial, and development needs of developing countries, and to report on the progress of the work programme, with any recommendations for action". But that aspect had been absent for a while at that point.

3.31. The Work Programme could be mutually supportive for Africa and the work underway in the continent to harness the opportunities of e-commerce and digital trade, to fast-track the achievement of the AfCFTA and BIAT Action Plan's objectives of increasing intra-African trade by 25%, as well as improving Africa's share of international trade, which currently stood at less than 3%

3.32. She also thanked the Chairman for his Note on information related to digital capabilities shared by Members. While such information was helpful, it however did not respond to the issues within the mandate of the Council under the Work Programme.

3.33. The CTS should not only facilitate information-sharing activities but should be intensely occupied with activities that truly reinvigorated the work under the Work Programme as agreed by the General Council in December 2019.

3.34. South Africa had highlighted, in a joint paper with India submitted recently in the General Council, and contained in document WT/GC/W/819, the legal, systemic and developmental concerns in discussing issues with a multilateral mandate outside of the multilateral trading system. Those issues required reflection by the Membership. Without those multilateral discussions as envisaged under the mandate, the digital entrepreneurship ecosystem in Africa would not achieve its growth potential.

3.35. Bridging the digital divide was fundamental, as too many informal service jobs of the Global South could not be performed from a 'home office', and so it seemed inevitable that the pandemic would reinforce the digital divide if their circumstances continued to be ignored by a rejection of the mandated Work Programme.

3.36. The representative of China thanked the Chairman for his hard work and leadership in promoting e-commerce discussions under the Work Programme. The Note he had circulated provided an overview of the main elements of the experience and information shared by Members, and was helpful and useful to guide Members' future discussions and information sharing under that agenda item.

3.37. At the CTS meeting in December, China had shared relevant information on South-South cooperation in e-commerce. At that meeting, her delegation would continue to share China's experiences on how to play the leading role of e-commerce to promote high-quality business development.

3.38. First, with regard to the application of digital technology, China was actively undertaking digitally-enabled transformation and digital business service innovation initiatives, while encouraging enterprises to carry out innovation with the application of advanced information technology in business such as 5G, big data, artificial intelligence, Internet of Things and blockchain, expanding the scope of application of electronic invoices, electronic contracts and electronic documents, and enhancing the application of new business models and scenarios such as contactless services and cloud exhibitions, to provide robust support for the recovery of economic activities during the COVID-19 pandemic.

3.39. Second, China further empowered rural development with technologies and gave full play to e-commerce to achieve targeted poverty alleviation. China's rural market was vast, but the facilities

were poor and under-exploited. Therefore, China had urged e-commerce enterprises to strengthen the construction of rural e-commerce infrastructure, such as logistics and distribution, and promote the synergistic development of e-commerce and express logistics. Moreover, China was actively improving the level of e-commerce on agricultural products. For example, China promoted the certification of "non-polluted, green food, organic and geographical indications" applied on agricultural products, encouraged the brand building of those products as well as the development of 'contract farming' in order to facilitate sales via e-commerce.

3.40. In addition, in the context of COVID-19, China was committed to promoting the digital upgrade of consumption. With the arrival of the Chinese lunar new year, China had taken pragmatic measures to promote online consumption, such as holding the "Brands and Qualities Online Shopping Festival" and the "National Online New Year Festival", encouraging e-commerce enterprises and businesses to better participate in e-commerce and stimulating consumers' consumption potential. Statistics showed that during the nearly one-month "New Year Festival", China's online retail sales had reached CNY 905.7 billion, and online food and beverage sales had increased by 48.5% compared to the same period in 2020. Moreover, China had also further revised relevant laws and regulations, improved industry standards, fostered new consumption and business models, and encouraged e-commerce platforms to develop customization to meet diversified consumption needs.

3.41. Finally, China welcomed and encouraged Members to carry out constructive exchanges under that agenda item and would continue to engage in information sharing regarding trade-related e-commerce topics with the Membership in the future.

3.42. The representative of the United States said that he had not intended to intervene but was spurred by South Africa and India introducing their joint General Council paper to the discussion under that agenda item, which had been a bit surprising and a distraction from the rich exchange of information the Council had been having. He had participated in the Work Programme deliberations for almost 20 years and he had seen the Work Programme reinvigorated a number of times. The United States had made a number of contributions to the Work Programme but most of the ideas put forward had not gained traction, mainly because certain Members had not been constructive in their dialogue.

3.43. In response to the interventions by India and South Africa, as his delegation had stated earlier that week in the General Council, the United States believed that plurilateral negotiations at the WTO could be a useful means to advance issues of interest to Members and to keep the WTO relevant. The United States did not view plurilateral negotiations and outcomes as undermining multilateral ones; in fact, plurilateral initiatives could foster new ideas and approaches and build momentum towards multilateral outcomes. The various rigid positions expressed in the paper that India and South Africa put forward seemed to foreclose Members' ability to pursue creative and flexible approaches at the WTO to the challenges of today and tomorrow. His delegation noted that India's attempt to insert their paper in the CTS discussion was a likely contributing factor to the pursuit by many Members of substantive discussions on important services-related topics outside of the CTS, such as in the areas of e-commerce and domestic regulation.

3.44. The representative of Australia noted the statements made by India and South Africa. On the issues raised in relation to the Moratorium, Australia considered that a permanent Moratorium on customs duties on electronic transmissions had to be central to WTO discussions on e-commerce; it was indispensable to the modern trading system, providing business better access to markets, and consumers more choice. A permanent Moratorium would reduce digital trade barriers and keep supply chains moving, which was crucial in Members' efforts to promote global economic recovery. Studies showed that the economic benefits of the Moratorium far outweighed any potential tariff revenue loss from digitalised goods and services, including for both developed and developing countries, and particularly MSMEs.

3.45. On progress against the Work Programme, she referred to her delegation's immediately preceding statement.

3.46. On the General Council paper referred to by South Africa and India, Australia was a participant in all the current JSI negotiations and strongly supported that important work in the WTO. Plurilateral initiatives were neither novel nor revolutionary to the multilateral trading system. They had always been a part of the WTO architecture and had constituted the predominant form of rulemaking in the

multilateral trading system for decades. WTO-consistent plurilateral trade agreements, with broad participation, played an important role in complementing global liberalization efforts. The current JSIs had the potential to deliver vital outcomes that strengthened the WTO's rulemaking function and the organization's health more generally.

3.47. As her delegation had outlined at the General Council meeting earlier that week, Australia did not agree with the legal analysis in the paper by India and South Africa. In the case of the e-commerce JSI, participants were still exploring the legal structure options they could best use to incorporate eventual outcomes into the WTO legal framework, but they were confident that those pathways could be found. Participants were all committed to improving the effectiveness of the WTO's rulemaking function. Australia encouraged all WTO Members to participate in, or at least to keep an open mind on, those plurilateral discussions, so that Members could get outcomes that modernised and enhanced WTO rules for the whole membership.

3.48. The representative of Nigeria said that this delegation had been consistent in calling on the Membership to reinvigorate the 1998 Work Programme and to explore ways of addressing the difficulties undermining the gains of developing countries from global digital trade. It was for that reason that Nigeria had co-sponsored the proposal on exploratory discussions on supporting digital capabilities of businesses and consumers in the CTS, and his delegation was pleased that the Membership was engaging constructively in those discussions and sharing information.

3.49. Regarding the opinion expressed in the paper by India and South Africa on the JSIs, echoing the statements from the United States and Australia, Nigeria did not agree with the assertion that the JSIs were likely to undermine the multilateral trading system. In Nigeria's view, plurilateral agreements had always been critical building blocks to the multilateral trading system, even during the GATT era.

3.50. The views expressed in the paper regarding the likely implication of introducing new rules resulting from the JSI negotiations into the WTO due to their perceived inconsistencies with the WTO Agreements was premature. The negotiations were on-going, and participants were working towards achieving balanced and equitable WTO-consistent outcomes. For instance, participants under the JSI on Services Domestic Regulation were working towards inscribing additional commitments into their GATS schedule, in accordance with Article XVIII, which would confer benefits to every Member, including non-participants, on an MFN basis. That would further strengthen the multilateral trading system and should be commended and encouraged.

3.51. He added that the legal opinion of one or more Members on the scope of application of specific provisions of the Marrakesh or WTO Agreements might not always be accurate.

3.52. Regarding the development implications of the JSIs contained in the paper, Nigeria believed that it was within the sovereign right of each Member to determine and pursue its respective development priorities in the WTO and other international fora. Nigeria was confident that the final outcomes under the respective JSIs would take into account its development priorities and avail Nigeria of the requisite tools to unlock its economic potential.

3.53. In conclusion, Nigeria believed that the JSIs were of critical importance if the WTO was to respond to the economic realities of the XXI century, and called on Members, and especially developing countries which were non-participants, to join the JSIs in order to collectively shape the discussion and to deliver a development-friendly outcome.

3.54. The representative of Canada acknowledged that India and South Africa had presented their new communication at the last General Council meeting. In that context, Canada had stated that it did not agree with the argumentation presented in that communication.

3.55. Canada believed that the work of the JSI initiative was not in violation with the WTO framework. Canada was a strong supporter of the multilateral trading system and had been participating constructively on a broad range of trade-related issues, including e-commerce, under various configurations offered by the WTO framework. In a number of those areas, creating new or modified trade rules was more than overdue. While in some cases, Members might be able to proceed multilaterally, in other instances, the Joint Statement Initiative model was the best avenue for interested Members to pursue common objectives.

3.56. As already expressed by others, the JSIs had been conducted as open, transparent and inclusive processes, wherein any interested Members could participate and share their views. That interest was growing, and Canada was pleased by the increased participation of developing Members and by the progress made until then. As each initiative was unique and evolving at its own pace, each JSI process offered the best vehicle to discuss specific views by Members.

3.57. Through the JSI, there was an opportunity to achieve meaningful outcomes in time for the next WTO Ministerial Conference, which would deliver a boost to the Organization and demonstrate that success was possible. Therefore, Canada would encourage constructive participation by any interested Member in the JSI discussions. As Canada had done, it was important to remember that the true test of any outcome, either plurilateral or multilateral, was whether it promoted development and sustainable growth and secured an increase in the predictability of the global trading environment.

3.58. The representative of United Kingdom thanked India and South Africa for their joint General Council paper and interventions at that meeting. However, as her delegation had made clear at the General Council earlier that week, the United Kingdom did not share the view that the work of the Joint Statement Initiatives was inconsistent with the rights and obligations of Members or the appropriate functions of the WTO.

3.59. As such, the United Kingdom remained a strong supporter of the on-going JSI discussions on e-commerce, Domestic Regulation, Investment Facilitation for Development and MSMEs. The United Kingdom also remained a strong supporter of making the Moratorium on customs duties on electronic transmissions permanent. As Australia and Nigeria had mentioned, plurilateralism had always been an integral part of the WTO and the JSI discussions had brought much needed energy and dynamism to the WTO, enabling a significant proportion of the Membership to make vital progress on areas where new rules and commitments were urgently needed. The JSIs were open, transparent and inclusive and her delegation would encourage all Members to keep an open mind and to engage in those initiatives.

3.60. The representative of the European Union thanked the Chairman for the Note, which provided a useful account of the information exchange on supporting digital capabilities that Members had had in the Council in 2020. The European Union welcomed the interest expressed by Members in those discussions in the context of the e-commerce Work Programme. The COVID-19 pandemic had highlighted the importance of e-commerce and the European Union was pleased with the useful exchanges on the development dimension of e-commerce that Members had had, for example in the CTS the previous year and the information that Members continued to provide in that perspective. Her delegation remained open to continuing those discussions on the issues of interest to Members.

3.61. On the Moratorium on customs duties on electronic transmissions, the European Union wished to reiterate its strong support for a permanent WTO Moratorium. As the European Union had done in the past, the representative underlined and recalled the several recent economic studies that provided scientifically solid new evidence on the positive economic implications of the Moratorium. The European Union remained committed to engaging in the structured discussion on the Moratorium in line with the General Council decision of December 2019, taking into account the new evidence that had been published since then.

3.62. Finally, in response to the interventions by India and South Africa on the JSIs, the representative referred back to the EU statement on that issue delivered at the General Council earlier that week. She would not repeat that statement, but she stressed that the European Union believed that the JSIs, which were transparent and open for any WTO Member to join, provided an opportunity to advance the global trade agenda on the key issues, including on digital trade. Also, as the European Union had noted in the General Council, there were ways in which plurilaterals could be incorporated in the WTO and participants would be considering all those options, including in the e-commerce JSI, at the appropriate time.

3.63. The representative of Japan expressed his delegation's appreciation to the Chairman for his Note that compiled Members' discussions at the CTS. He also wished to thank Chile, Korea and China for sharing their experiences at that meeting.

3.64. Regarding the paper by India and South Africa, as Japan had said at the General Council, Japan very much appreciated the Joint Statement Initiatives as an essential framework to allow the WTO to address, in a flexible and realistic manner, the changing global economic needs of the XXI century. Japan believed that the JSIs would contribute to updating the WTO rulebooks and to ensuring the relevance of the WTO in today's world.

3.65. The JSI meetings were organized in an open, transparent and inclusive manner. The fact that many WTO Members were participating in the JSIs and actively engaging in negotiations in a creative and innovative way clearly showed the importance that Members attached to those initiatives. Japan did not agree with the assessment that the JSIs were "inconsistent" with the WTO.

3.66. The representative of Chile echoed what previous delegations had said by way of reaction to the paper by India and South Africa to the General Council. Based on its experience as a developing country, Chile was convinced of the benefits of the continuation of the Moratorium for its development and was looking for its permanent extension or, if that was not possible, for its extension for a set duration of time, as Members had done until then.

3.67. He had noted, from the outset, the request by some Members to discuss the scope and implications of the Moratorium, discussions which Chile had joined in a participatory and constructive spirit. Over several months, Members had engaged in conversations on those topics, and seminars had also been held, all of which had been helpful to clarify various issues related to the Moratorium. For that reason, his delegation was surprised that some Members did not recognise that all that work had been undertaken.

3.68. On the other hand, Chile was very supportive of the e-commerce negotiations under the JSI and was convinced of the opportunities that that process could offer to integrate developing Members into the digital economy.

3.69. The JSIs were addressing themes that were fundamental to trade in the XXI century and for development, and were doing so in an open, transparent and inclusive manner, consistent with the legal framework of the WTO. Chile would be very glad if multilateral results could be achieved on those issues, in view of the significant benefits that that would bring for the WTO and every one of its Members. However, Chile also respected the decision of those Members that preferred not to join those Initiatives; however, they also needed to respect the decision of those Members that had decided to participate and make progress in those negotiations, as their rights would in no way be diminished by those processes.

3.70. Bearing in mind that the JSIs had started a pragmatic, respectful and necessary process to overcome the stagnation of the fundamental negotiating function of the WTO, Chile encouraged Members to start a reflection on how to create a more expedient avenue to integrate agreements based on joint initiatives into the WTO legal framework.

3.71. With regard to the paper by India and South Africa on the legal status of the JSIs, the representative of Brazil said that, in particular with regard to the JSI on Domestic Regulation, a number of the points raised in the paper were not new and had been addressed elsewhere. For example, it had been noted that the mandate contained in GATS Article VI:4 was not affected by the fact that a subset of the WTO membership undertook additional commitments in accordance with GATS Article XVIII. Participants of that initiative had made it clear that they would give legal effect to the disciplines on Domestic Regulation by incorporating them in their respective GATS schedules, so that they would be applied on an MFN basis.

3.72. In that context, Brazil wished to make two points. First, nothing in the WTO Agreements prevented a group of Members that was willing to improve their commitments from doing so, either individually or collectively.

3.73. Second, a revision of the WTO architecture should be part of any package on WTO reform. Members should be able to do more than just improving commitments in their schedules. If that was not done, the world would not stop and wait for the conclusion of multilateral agreements in the WTO. New rules for international trade were already badly needed, and if they were not crafted in the WTO, they would be agreed elsewhere. Members needed to find a better way of incorporating the results of plurilateral negotiations into the WTO framework.

3.74. Besides, Brazil was convinced that the best way for Members to defend their interests and concerns was to participate in all negotiating initiatives in the WTO, multilateral or plurilateral.

3.75. The representative of Singapore wished to register a few points its response to the comments on the Moratorium and the JSIs.

3.76. On the Moratorium, Singapore remained a firm supporter of its extension. Her delegation appreciated the extensive discussions held on that issue in 2020 and recognised that Members had engaged already on that issue; that fact should not be ignored.

3.77. On the JSIs, the representative noted, first, that the initiatives were in line with the workings of the WTO. Plurilaterals had existed within the WTO and had been complementary to the broader multilateral framework. More crucially, it was worth noting that the JSIs had been open, transparent and inclusive to all WTO Members.

3.78. Second, the legal architecture was a topic that was still premature across most of the JSIs. It was prudent to determine the substance of the agreement before considering the legal modalities. Naturally, on many of the issues participants had both commonalities and differences in position, but Singapore was of the view that participants should build on the commonalities as they had done in many of the discussions, while concurrently discussing how to narrow the gaps on the differences that they had.

3.79. Third, the JSIs were very critical to maintaining the relevance of the WTO. There had been significant interest in the JSIs from key stakeholders, which had been evident from the considerable support that the business community had extended to those initiatives. In a time of crisis for the WTO, the JSIs were a bright spot for the Organization and had brought together a vast majority of Members.

3.80. The JSIs were capable of producing tangible results that would be of key interest to Members and stakeholders. Overall, Singapore believed that the JSIs continued to be a legitimate avenue to advance issues and provided Members with an opportunity to think creatively about the future of the WTO.

3.81. The representative of Switzerland appreciated the additional information shared by several Members at that meeting. The representative wished to react to the interventions made by India and South Africa regarding their communication introduced at the General Council and to echo reactions from other Members such as the United States, Australia, Nigeria and many others.

3.82. As his delegation had already said that at the General Council that week, Switzerland saw the JSIs as an appropriate instrument to reinforce the negotiating functions of the WTO. The JSIs allowed Members to identify the current challenges and were an effective and efficient approach which was neither new nor something that worked against the multilateral approach. The JSIs did not affect the rights or obligations of non-participating Members. They were transparent, open to all Members and in keeping with the multilateral spirit.

3.83. The representative of Hong Kong, China wished to respond to the interventions made by India and South Africa regarding the status of the JSIs. As his delegation had articulated at the General Council meeting earlier that week, Hong Kong, China disagreed with the views of those two Members. In particular, Hong Kong, China believed that the JSIs were contributing to reinvigorating the efforts of the WTO in making new rules that responded to the aspirations of consumers and business communities across the globe.

3.84. Those initiatives did not affect the existing mandate, the multilateral mandate or the on-going work of other WTO bodies and provided a more flexible and innovative avenue for like-minded Members to discuss and move forward on issues of importance to the world trading system. It would be premature to judge the legal format of those initiatives, which were still under discussion. Hong Kong, China was sure that participants would ensure that the outcome would be incorporated into the WTO framework in accordance with WTO rules and procedures.

3.85. Hong Kong, China also wished to stress that those initiatives were Member-driven, transparent, inclusive and open to all WTO Members. His delegation would therefore encourage more

Members, in particular those who were still considering whether to participate, to join the JSIs to reflect their views, work together and engage constructively for a meaningful outcome for the WTO.

3.86. The representative of New Zealand echoed the comments of a number of other Members who had spoken to emphasize the value of JSIs processes and the consistency of the JSIs with the WTO framework. Plurilateral initiatives played a constructive role in the WTO and ensured that the Organization was able to tackle issues of trade relevance in the XXI century. The JSI processes were transparent and were open to whole Membership, should they wish to participate.

3.87. The representative of Republic of Korea echoed the positions expressed by the United States, Australia and many other Members with regard to the JSIs. Korea was actively participating in the WTO JSIs, such as on Domestic Regulation and e-commerce.

3.88. Turning to the Moratorium, Korea had been a strong supporter of the Moratorium since 1998. The Moratorium could lead to greater global production, lower prices, more consumer surplus, more producer surplus and less deadweight loss despite the loss of tariff revenues. So, consumers could enjoy a greater variety of digital products and services transmitted across borders at more affordable prices. Moreover, businessmen and women had opportunities to access new markets and expand existing markets. He also noted the long-term dynamics in addition to the reduction in transport costs. The Moratorium could create a more business-friendly climate and innovative culture as corporations procured indispensable digital products and services abroad at lower prices in order to pursue their competitive advantage.

3.89. The representative of Costa Rica said that his delegation strongly supported the extension of the Moratorium; Costa Rica's position had been and remained that the Moratorium should be made permanent.

3.90. With regard to the comments on joint initiatives, Costa Rica associated itself with the statements by the United States; New Zealand; Hong Kong, China; and others. Costa Rica participated in all of the JSIs and did so with the conviction that they had a solid legal basis in the WTO Agreements and that they were a way to contribute to the multilateral trading system, strengthening its negotiating role.

3.91. As a small developing country, Costa Rica had a strong interest in the WTO operating within the legal framework agreed by Members. Costa Rica rejected any attempt to be forced to comply with new obligations that would be imposed on it without its consent. The reason was simple: Costa Rica recognised the need to adapt to the trade policy challenges of the XXI century.

3.92. Therefore, his delegation was disappointed that the right of any WTO Member or groups of Members to improve their services commitments was being questioned.

3.93. The Joint Initiatives continued to be open and transparent, and all Members were welcome to join their meetings and to engage constructively with participants to ensure that the outcome benefitted services suppliers worldwide and included as many Members as possible.

3.94. The representative of Colombia said that he could not let that opportunity pass without registering Colombia's position on the Moratorium and the JSIs.

3.95. With regard to the Moratorium, Colombia considered that discussions had been quite useful in understanding the importance and implications of that instrument and reiterated its support for its extension.

3.96. With regard to the JSIs, he associated his delegation with the statements of the participants who had preceded him and referred to Colombia's statement at the General Council.

3.97. Colombia wished to underscore that it did not agree with the legal analysis presented by India and South Africa. On the contrary, Colombia was convinced that each and every one of the Initiatives had gone through the proper procedures to be formal negotiations. Moreover, they were processes that had been characterised by openness, inclusivity and transparency. That has been proven by the formal participation of many developing countries.

3.98. There were, of course, substantial differences in the level of progress of each of the Initiatives, so it was premature to assess the outcome and structure of the discussions on e-commerce and Investment Facilitation. Colombia was working, together with the other participants, to ensure balanced provisions that responded to the interests and sensitivities of all, within the parameters set out in the WTO.

3.99. Being a developing country that faced great economic challenges, Colombia was of the view that the different JSIs were a great step towards strengthening the WTO. Colombia was convinced both of their consistency with the rules and procedures of the WTO, and of their positive impact on international trade in services, which was a priority interest for many developing countries that, like Colombia, had great potential in that area.

3.100. The representative of Uruguay wished, first of all, to acknowledge the circulation of the Chairman's Note concerning information on the digital capacities shared by Members under the Work Programme, as well as the experiences presented at that meeting, and the delegations of India and South Africa for the presentation of their submission, which was being considered further in his Capital.

3.101. Uruguay wished to recall its intervention at the General Council. His delegation concurred with the importance of respecting international law and the WTO Agreements. In addition, in the current international context and challenges of the international economic system, and without losing sight of pending discussions, it was of the utmost importance to be able to respond in a timely manner to new realities, needs and challenges.

3.102. This required discussing all relevant issues, including legal and formal issues, as well as substantive issues, with the intent of achieving concrete results that would benefit the development of Members' economies and societies.

3.103. Uruguay noted that at the bilateral and regional levels, Members were adopting commitments, rules and disciplines in those areas. The JSIs, with their multilateral vocation and being respectful of the rights and obligations of Members within the framework of the WTO Agreements, were intended to be an opportunity to provide answers at the multilateral level, to avoid fragmentation among the different approaches to those issues and to achieve higher levels of international co-operation and co-ordination.

3.104. Uruguay would continue to follow Members' discussions closely.

3.105. The representative of Chinese Taipei thanked the Chairman for his Note on the information shared by Members regarding their initiatives and practices for promoting e-commerce development. His delegation was of the view that the information contained therein was of great reference value to Members and thanked the Chairman very much for his efforts.

3.106. Regarding the paper by India and South Africa on the legal status of JSIs, since it had been discussed at that week's General Council meeting, he would not be repeating his delegation's statement and position on that issue. He just wished to briefly emphasize the essence of his delegation's views.

3.107. Chinese Taipei was of the view that, as the world evolved, the WTO had to evolve as well. The various JSIs being negotiated among Members allowed the WTO to face XXI century challenges and move forward so as to deliver and respond to the needs of Members' businesses and consumers. Since the JSIs negotiations had been and were being conducted in an open and transparent manner, Chinese Taipei did not believe that they would undermine Members' rights or lessen Members' obligations under the WTO. His delegation encouraged those non-participating Members to favourably consider joining the JSI negotiations, in order to defend their rights and achieve results that they considered balanced.

3.108. The Chairman thanked Members for the interesting and rich discussion. In his view, the discussions had highlighted three points. First, e-commerce continued to be an extremely important issue, especially in the wake of the COVID-19 pandemic, during which Members had seen evidence of e-commerce accelerating and reaching new heights.

3.109. Second, he thanked Members for sharing their additional experiences. E-commerce had brought benefits to the rural community in China, which had focused on agricultural e-commerce products, MSMEs and women.

3.110. Third, Members had emphasised that e-commerce was the future and the question Members had to ask themselves was whether they wanted to embrace the future or to stop a train that had already left the station.

3.111. He had been encouraged by the comments he had heard on the Note issued under his own responsibility. Being mindful of the fact that the Note was, at that time, contained in a restricted JOB document and that certain Members might wish to share the Note with their stakeholders, once all the minutes that were referenced in the document had been derestricted, he said that he would be reissuing the Note as an unrestricted document.

3.112. He suggested that the Council take note of the statements made and said that the Council would revert to this item at its next meeting.

3.113. It was so agreed.

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

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

4.2. The representative of India said that, as has been emphasized by her delegation on several previous occasions, India reiterated its request for the update of Secretariat Background Notes on all four modes of service supply and also supported Secretariat work on inter-modal linkages, as requested by one delegation.

4.3. As her delegation had clarified previously, while India welcomed the US proposal on the issue of inter-modal linkages, that should not substitute the request to update the separate modal Background Notes by the Secretariat. India urged the United States to reconsider its position, as having an inter-modal linkage Note made no sense without first updating the modal Notes.

4.4. The representative once again requested all Members to positively consider her delegation's proposal, which was inclusive and comprehensive. India believed that it would be a very useful exercise for the Council.

4.5. As previously stated in the CTS, the representative of the United States said that his delegation did not support an updated Secretariat Background Note on mode 4. The US position on that issue had been clear for the past couple of years.

4.6. As his delegation had stated repeatedly in the past, the United States had suggested a compromise to India which they believed accurately reflected the interests of many Members. The United States were not demandeurs of those types of papers but were trying to be constructive. His delegation continued to be disappointed that the compromise kept being rejected by India and that India had refused to demonstrate any complementary flexibility.

4.7. If India were to agree to the compromise proposal for the Secretariat to prepare a paper on the interlinkage of the modes of supply, the United States would be happy to support it. Again, that suggestion was a direct outgrowth of India's mode 4 seminar held a few years earlier. It would reflect an updated and timely way to look at that evolving issue and was based on the comments that had come directly from the Indian participants in the mode 4 seminar. The United States did not support a revised paper that perpetuated an anachronistic view of the various modes of supply, as his delegation had explained a number of times.

4.8. The representative of South Africa reiterated its position expressed in December 2020 and supported India's proposal for a Note on mode 4, especially considering that the information in the 2009 Note was outdated.

4.9. Her delegation wished to urge those delegations who did not see value-added in the Note that they should not stand in the way of analytical work that other delegations found useful for promoting and facilitating knowledge-building. It made no sense to have a Note on the modal interlinkages without updated Notes on the different modes. All Members had experienced the dampening effects of the pandemic on their mode 4 exports and imports and so there was absolutely no harm in having an updated Note.

4.10. The representative reminded those delegations who maintained there was no value for such a Note that mobility-related pandemic measures had turned sources of employment and growth into a vulnerability for developing countries and LDCs; they had also impacted investment and mode 3-related mobility. South Africa urged Members to reconsider their position and support the updating of the Note, which would benefit all Members, purely because it would update dynamic changes in mode 4 trade occurring over the years since the date of the last Note.

4.11. South Africa noted the objections from some delegations and wished to ask them whether they maintained educational policies that required children studying calculus in 2021 to utilise outdated curricula and textbooks from 1942. South Africa requested Members to reflect on that question when responding to the role updated Notes provided for improving technical support to WTO Members.

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

4.13. It was so agreed.

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

5.1. 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.

5.2. The representative of the United States said that for several years, the United States had raised concerns in the Council that various Chinese draft and final measures, including in connection with China's Cybersecurity Law and its National Security Law, might restrict cross-border data flows and required localization of data. In the December 2020 CTS meeting, the United States had raised concerns regarding aspects of China's October 2020 draft Personal Information Protection Law that could impact companies' ability to transfer personal information across borders.

5.3. The United States noted a particular concern that Article 40, in connection with Article 39 of the draft Law, would impose a data localization requirement on operators of critical information infrastructure and personal information processors that processed personal information whose volume had reached a certain threshold. Those entities would be subject to a "security assessment" before being able to transfer any personal information out of China. The United States had repeatedly raised its concerns about Chinese measures and policies that proposed those types of security assessments on data transfers. Imposing unduly restrictive requirements on data transfers, simply because they were cross-border, unfairly disadvantaged foreign suppliers, and did not enhance protections for personal information. The United States repeated its request for China to remove Article 40 from the draft Law.

5.4. In addition, the United States raised a concern that Article 52 of the draft Law would require that data processors outside of China established an office or appointed a representative in China. The United States noted that cross-border services suppliers seeking to supply services consistent with China's GATS commitments should not be required to establish a commercial presence in China as a condition to supply those services. At the December 2020 CTS, China had committed to forward the concerns raised by WTO Members to its Capital for further consideration. The United States welcomed China's update on how it planned to revise the draft Law to address those concerns.

5.5. With respect to Viet Nam, for the past three years the United States had raised concerns in the Council about Viet Nam's data localization and local presence requirements in its Cybersecurity Law and its draft implementing Decree. As his delegation had explained, those requirements would undermine the provision of services foundational to the digital economy, ranging from e-mail to electronic payment to cloud computing services, which were frequently provided on a cross-border

basis. The United States would welcome any update Viet Nam could provide regarding the status of that draft Decree.

5.6. The United States was also very concerned to see that on 9 February, Viet Nam had released a draft Decree on Personal Data Protection (PDP), which appeared to replicate and indeed expand the scope and restrictiveness of data localization requirements. The United States appreciated that Viet Nam had provided interested stakeholders with the opportunity to submit written comments before 9 April. The United States was continuing to carefully study that draft PDP Decree and intended to submit written comments to the Government of Viet Nam.

5.7. Implementing sweeping requirements that companies store data locally, or that they seek government approval prior to transferring any personal data across borders, could seriously impede the supply of cross-border services in many sectors where Viet Nam had GATS commitments. Moreover, such requirements did not contribute to, and could in fact be counterproductive to the objective of protecting data privacy. The United States urged Viet Nam to seriously consider the comments of the United States and other WTO Members on those measures and to consider options for taking a less trade-restrictive approach to protecting personal data.

5.8. The representative of Japan said that his delegation had been expressing its concerns about China's cybersecurity-related laws and regulations at past meetings of the Council. However, China had not addressed, to date, Japan's concerns or made improvements in its legislative process in response to the concerns. In that meeting, Japan would like again to lay out its general concerns on those laws and regulations. Japan hoped to receive clear answers from China and to see improvements to that situation going forward.

5.9. Japan's major concern with the cybersecurity-related laws and regulations was the substance and the ambiguity of the terms used in those laws. Japan feared that the broad definitions used would unnecessarily affect, directly or indirectly, many businesses in China. Japan, therefore, requested China to further clarify the definitions and contents of those laws and to ensure transparency in their implementation. Japan believed that a business environment that ensured the free flow of data was very important for foreign companies that used data to conduct business activities in China and globally. Such a favourable environment would also contribute to China's economic development.

5.10. In that regard, Japan wished to point out the following facts. Firstly, laws and regulations such as the "Measures for Security Assessment of Cross-border Transfer of Personal Information and Important Data" and the "Guidelines for Data Cross-Border Transfer Security Assessment" required network operators to conduct safety evaluations in order to transfer "important data" to places outside China. Secondly, the "Regulations on Critical Information Infrastructure Security Protection," the "Draft of Personal Information Protection Law of the People's Republic of China" and other laws and regulations had provisions requiring data localisation.

5.11. Japan reiterated that, depending on the actual operation and interpretation of those provisions, they could impose additional burdens on foreign businesses compared to Chinese ones, which might lead to the violation of the national treatment obligation under Article XVII of the GATS.

5.12. Japan appreciated China's efforts to seek public comments from domestic and foreign stakeholders in view of transparency. Japan also noted that China had been engaging in discussions at the Council. However, Japan believed that its concerns remained unaddressed. Once again, Japan requested that the concerns expressed by Japan and other Members be addressed in China's legislation in a manner that was both balanced and consistent with the GATS rules.

5.13. With regard to Viet Nam's measures, Japan recognized that the Government of Viet Nam was still deliberating the draft Decree relating to the Law on Cybersecurity and that the Government of Viet Nam had submitted its draft Decree on Personal Data Protection for public comments in February. Japan reiterated its request that those measures should not unfairly impede equal competition between foreign and local enterprises in Viet Nam and should be consistent with the GATS.

5.14. The representative of the European Union reiterated her delegation's questions and concerns with respect to the Cybersecurity Law of China, in particular with respect to the scope, the

requirements, and terms contained therein. For example, it was not clear when a company constituted a network operator or a Critical Information Infrastructure operator. That was very relevant given the more stringent obligations for the latter. Moreover, the definition of critical information appeared to cover many commercial activities and whole sectors that had no bearing on national security.

5.15. Furthermore, the European Union referred to a growing number of administrative review processes, such as cybersecurity reviews, cybersecurity information-sharing scheme and cybersecurity inspections, pre-sale certification process for "critical network equipment and network security products" as well as approval, assessment and reporting requirements established for collection and cross-border transfer of data under data security measures. The European Union had observed that many of those requirements were contained in different procedural laws and under different Government entities, which posed a challenge for foreign companies to comply.

5.16. The European Union also expressed its concerns with respect to the requirements related to the cross-border transfer of a wide range of data. Those requirements effectively prevented network operators from transferring personal information or important data, collected or generated during their operations in China, to anyone outside without completing an official security assessment. For foreign companies operating in the services sector in China, that implied shouldering an additional burden that domestic companies would not bear, since they would typically not need to transfer important data overseas.

5.17. Moreover, the draft Data Security Law covered "data activities" within China, but also beyond the territorial mainland of China, which might harm China's national security or public interest. The European Union was concerned about the broad scope of the draft Law. In addition, it seemed to give the power to local authorities to identify their own important data. That could lead to a lack of harmonization of the term, making it impossible for companies to comply when conducting cross-border data transfers. As per her delegation's comments during the consultations conducted, the European Union would welcome a common definition set at the central level, with clear boundaries identifying which data were considered "important". Or, at the very least, that the list defining "important data" be only released at the central level by the relevant industry department, and not by local authorities.

5.18. Regarding the Vietnamese Cybersecurity Law, the European Union shared other Members' concerns and reiterated its remarks about the potential economic impact and the compatibility of that Law with Viet Nam's commitments under the WTO. The European Union was concerned about certain provisions of the Cybersecurity Law, in particular as regarded the data localisation and local presence requirements and the liability of foreign companies.

5.19. The European Union considered that the framework for implementation of data localisation and local office requirements needed to be clearer on the specific conditions based on which foreign companies would be requested to open local branches or localise the data they processed or hosted.

5.20. The representative of Canada thanked the United States and Japan for adding that item to the agenda. In previous meetings, Canada had raised its concerns regarding the new measures on cybersecurity. Canada referred to those previous statements and reiterated its concerns. In general terms, Canada subscribed to the comments by the United States, Japan and the European Union with regard to cybersecurity.

5.21. The representative of Australia appreciated China's efforts to consult with interested parties on its draft measures relating to cybersecurity. Australia had been pleased to make submissions to the Chinese Government as part of public consultations on its cybersecurity framework, including most recently, China's draft Personal Information Protection Law and draft Data Security Law.

5.22. Her delegation was concerned that China was considering introducing provisions that had the potential to create inconsistencies with WTO rules. Australia noted that any measure or countermeasure taken under those laws should only be applied consistently with China's WTO obligations. Australia continued to urge China to take into account the concerns of businesses and Members in the implementation of those measures and development of future measures.

5.23. Her delegation appreciated Viet Nam's engagement on its cybersecurity measures. As her delegation had raised in previous CTS meetings, like other Members, Australia remained concerned with several concepts in Viet Nam's Cybersecurity Law and urged Viet Nam to ensure that its legislative measures aligned with its WTO obligations. Australia looked forward to continuing to work with Viet Nam on that Law and related measures.

5.24. The representative of China thanked Members who had taken the floor for their continued attention to China's cybersecurity-related legislation. China had already responded to Members' remarks and questions at several previous meetings. In that meeting, China would not repeat its responses again.

5.25. As emphasised previously, the drafting process of those legislations had been open and transparent. China welcomed and attached great importance to the constructive suggestions from all stakeholders. China had formulated the cybersecurity-related laws and regulations with the purpose of guaranteeing cybersecurity, data security and personal information protection, as well as addressing the development needs of the digital economy, which was compliant with the international practices and WTO rules. China also had comprehensively referred to various experiences of other Members in that regard. For the next step, China would continue to formulate and improve supporting measures of relevant laws and regulations and was willing to work with Members to promote the sustainable development of the global digital economy.

5.26. The representative of Viet Nam thanked the United States, Japan, the European Union, Canada and Australia for their continued interest in Viet Nam's legislative drafting process for the Decree to implement certain articles of the Cybersecurity Law. As already explained in the December 2020 Council meeting and previous Council meetings, Viet Nam's process for the Decree had been transparent. All stakeholder's comments had been reviewed for continuing internal consideration.

5.27. With regard to the new draft Decree on Personal Data Protection, following legislative procedures in line with domestic and international transparency obligations, on 9 February 2021 the Ministry of Police, which was the drafting agency, had completed the draft and made it available on its website for public consultations for a period of two months.

5.28. That Decree aimed at providing for the scope of personal data, personal data processing as well as for purposes of data protection measures, rights and obligations with regard to personal data handling, establishment of a personal data protection committee dealing with personal data breaches, and responsibilities of relevant agencies, organisations and individuals for protecting personal data.

5.29. Such a Decree was urgently needed for Viet Nam in the current context of digital transformation, to properly protect personal data in sync with the efforts of many Members sharing the same objective. Viet Nam took note of the specific comments by Japan and the United States in that regard and would convey them to Capital for consideration.

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

5.31. It was so agreed.

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

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

6.2. The representative of China said that regarding Australia's 5G-related restrictive measures, his delegation had raised concerns at the CTG and CTS meetings several times since 2018, but the related issues had yet to be effectively addressed. At that meeting, China would not repeat the specific questions and concerns and hoped that Australia would rectify its discriminatory practices as soon as possible and provide further clarification on the relevant restrictive measures which were inconsistent with the provisions of Articles II, VI, XVI and XVII of the GATS, as well as the provisions of paragraph 5 of the GATS Annex on Telecommunications Services and paragraphs 2 and 5 of the Reference Paper on Telecommunications.

6.3. The representative of Australia said that that was the fourth occasion that China had raised that issue in the Council, having first raised it elsewhere in the WTO in late 2018. Throughout that period, Australia had engaged constructively and in good faith with China to explain in detail the rationale for its position, including in relation to the protection of Australia's national security.

6.4. Australia was committed to upholding and actively participating in a rules-based multilateral trading system and its position on 5G networks was country-agnostic, transparent, risk-based, non-discriminatory, and fully WTO-consistent. Australia continued to welcome foreign business involvement in the market, which was essential for the efficient and effective operation of Australia's telecommunications sector.

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

6.6. It was so agreed.

7 ITEM G: 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

7.1. 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.

7.2. The representative of the United States noted that his delegation had had a number of other items related to measures by the Russian Federation on previous CTS agendas. The United States had removed those items from the agenda and was discussing them bilaterally. However, his delegation might revert in future CTS meetings on those issues. In that meeting, the United States focused on the pre-installation of software issue.

7.3. The representative recalled that, in the past few meetings, his delegation had raised concerns about Russia's software pre-installation mandate created by Federal Law No. 425-FZ and had provided written questions to the Russian Federation regarding that mandate. Despite the conversations in that Council, those questions remained relevant and the United States still awaited written responses.

7.4. To date, the responses from the Russian Federation had not adequately explained how the requirement that certain Russian software be pre-installed in certain "technical devices" complied with Russia's services commitments. In the last CTS, other Members had also identified certain telecommunications services and computer and related services as the ones most affected by those measures.

7.5. The latest amendment to that Law (Law No. 460-FZ, amending Law No. 425-FZ) added a further requirement that pre-installed browsers must provide the ability to use "by default" the search engine of the Russian Federation or another Member of the Eurasian Economic Union. Those new amendments accelerated a dangerous trend of the Russian Government eliminating consumer choice and dictating what browser and search engine the consumer had to use, which might undermine certain GATS commitments, such as on telecommunications or computer and related services.

7.6. It was unclear whether implementing regulations for the latest amendments had been adopted, as the amendments required that that mandate be in accordance with procedures established by the Russian Federation. The representative asked whether the delegate from the Russian Federation could provide an update on whether implementing regulations for the new amendments had been adopted, or when those regulations would be adopted, and whether concerns raised by WTO Members would be considered so that those regulations did not further undermine commitments made by the Russian Federation in the WTO.

7.7. The representative of Japan said that, as pointed out at the last CTS meeting, his delegation had a concern that the Russian measures in question could, depending on the details of the regulations and implementation, impede the entry of foreign enterprises to the Russian market and

violate the principle of non-discrimination. Japan requested the Russian Federation to ensure that its measures were in compliance with GATS rules and obligations.

7.8. The representative of Canada said that, as indicated in the past CTS meetings, her delegation was concerned about the Russian Federation's software pre-installation mandate. More particularly, Canada was concerned that those requirements might not be consistent with Russia's GATS National Treatment commitments, such as on electronic mail, as the requirement might modify the conditions of competition in favour of Russian digital service providers. Canada was of the view that that would be problematic for foreign firms seeking to enter the Russian market and could negatively impact trade.

7.9. Canada continued to appreciate receiving more information on the next steps, including the timeframe for relevant implementing regulations, as ensuring timely access to information would be essential for companies impacted by those measures. Canada understood that, at the previous CTS meeting, the Russian Federation had itself referred to having posed questions. Canada would appreciate receiving those questions in writing. Canada also noted that it had submitted questions in writing and was still waiting for the responses. Canada looked forward to continuing to work with the Russian Federation and other interested Members on that matter.

7.10. The representative of the European Union shared the concerns expressed by the United States and other Members that had intervened on the Russian Federation's software pre-installation mandate. As previously requested, the European Union would appreciate more information from the Russian Federation on the type of equipment that would be covered and on the list of Russian software that must be pre-installed.

7.11. Moreover, the European Union would welcome clarifications on how the obligation to pre-install certain Russian software would comply with the National Treatment commitments that the Russian Federation had made in computer and related services and in telecommunications services.

7.12. The representative of the Russian Federation referred to its previous statements regarding full conformity of the measures in question with Russia's WTO commitments. Her delegation also informed Members that the date of entry into force of that measure had been postponed based on the consultations with interested companies, including foreign companies. As a result of those consultations, the Law was expected to enter into force on 1 April 2021.

7.13. Throughout the process of developing the draft Law, the comments submitted by stakeholders had been taken into due account. The current version of the Law provided for a number of flexibilities. In particular, there were several options for the pre-installation of software and the product manufacturers were free to choose the ones most convenient for them. If the programme was not compatible with the operation system, the Law did not require pre-installation. The software in question was already available in manufacturers' digital stores, so the Law did not require the installation of applications incompatible with companies' rules and policies.

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

7.15. It was so agreed.

8 ITEM H: MEASURES OF THE UNITED STATES RESTRICTING TRADE IN SERVICES – REQUESTED BY CHINA

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

8.2. The representative of China recalled that his delegation had expressed concerns about a series of trade-restrictive measures taken by the United States on TikTok and WeChat in the CTS meetings in October and December 2020, while the US delegate had only made general statements on the grounds of national security; however, China did not see the rationale.

8.3. China continued to express concerns in that regard. In addition, the Trump administration had issued an Executive Order in January 2021, prohibiting the use of eight Chinese software, including Alipay, QQ Wallet and WPS. The US practices discriminated against Chinese enterprises and violated

WTO rules, and China requested that the United States immediately revoke the above-mentioned executive orders.

8.4. The representative of the United States said that, as stated in its response in December, the actions cited in China's intervention had been taken by the United States to protect the US national security.

8.5. The representative of China requested the United States to stop abusing the excuse of national security. China noted that on 10 and 11 February, the US Government had asked a Federal Court to suspend the ban on TikTok and WeChat, respectively, in order to re-examine the threat to US national security posed by the relevant mobile apps. The representative asked whether the United States could explain the progress of the relevant work in the next meeting and what criteria would be applied to conduct such a review. Particularly, in terms of the "thorough review" mentioned in the US interventions of the December meeting, the representative asked whether the United States could provide further information about that and explain how TikTok and WeChat had affected the national security of the United States.

8.6. Lastly, China had always required Chinese enterprises operating overseas to comply with the laws and regulations of host Members and was willing to work with the Membership, including the United States, to maintain open and transparent business environments and international rules. China welcomed the suspension of the ban by the United States regarding TikTok and WeChat and hoped that the United States would lift the ban as soon as possible, as well as on other Chinese apps and software to create a sound business environment for enterprises.

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

8.8. It was so agreed.

9 ITEM I: MEASURES OF INDIA RESTRICTING TRADE IN SERVICES – REQUESTED BY CHINA

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

9.2. The representative of China said that, at the CTS meetings in October and December 2020, China had raised concerns about India's tightened investment approval policy, the ban on Chinese apps and a series of other measures restricting trade in services. However, India had ignored China's concerns and had not as yet rectified its restrictive measures. India's actions and restrictive measures seriously violated the basic principles of the WTO and India's specific commitments under the GATS.

9.3. China hoped that India could provide further clarifications on the violations of Articles II, III, VI, XVI and XVII of the GATS. China firmly opposed any discriminatory and restrictive measures against Chinese enterprises and continued to express strong concerns about such restrictions. China reserved the right to take further actions in the future.

9.4. The representative of India reiterated her delegation's commitment to upholding its obligations at the WTO. India valued and was committed to protecting the democratic rights of its citizens, including access to goods and services, while reserving the right to take measures to ensure the protection of privacy, data security, and national security. India firmly believed that the two measures, raised under that agenda item, were fully consistent with India's GATS commitments.

9.5. The representative of China responded that her delegation raised concerns based on the claims from Chinese investors in India, whose legitimate interests had been seriously impaired by the Indian Government's restrictive measures. To that end, China kindly reminded that the restrictive measures did not only harm the local employment supported by the Chinese investors but also impacted the livelihoods of numerous local content-creators and MSMEs.

9.6. She further noted that China had always required Chinese enterprises to abide by international rules, operate in compliance with the laws and regulations of the host countries, and respect local public order and customs in their overseas operations. China urged India to respect WTO rules and

its commitments and to provide an open, transparent and non-discriminatory business environment for services suppliers from all WTO Members.

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

9.8. It was so agreed.

10 ITEM J: OTHER BUSINESS

10.1. The Chairman made a brief statement regarding the Chairpersons of the subsidiary bodies to the Council for Trade in Services for 2021. In accordance with the Guidelines for the Appointment of Officers to WTO Bodies (WT/L/510), the outgoing Chairperson of the CTS was to conduct consultations on the appointment of the new Chairpersons for the CTS subsidiary bodies.

10.2. As he had announced at the General Council earlier that week, he would be consulting with delegations with a view to arriving at a proposed slate of names of Chairpersons for 2021 that would enjoy the wide support of the Membership. In order to ensure the balance of the slate, as mentioned in the Guidelines, he would also be coordinating with the Chairman of the Goods Council and would be making sufficient time available to meet with Members. The Chair would conduct such consultations starting on 19 March and informed delegations that he would be sending out a communication about the organisational aspects shortly.

10.3. The representative of the United States raised a reminder to WTO delegates to carefully handle restricted documents of the WTO and not to share them with outside parties that did not have clearance from the WTO to view them. The delegate also reminded WTO Observers to appropriately protect the information that had been entrusted to them at the WTO. In order to have candid discussions and negotiations in the WTO, it was crucial that all Members felt confident that their interventions and negotiating positions were protected in accordance with the rules that Members had agreed to and that those documents and information were not leaked publicly.

10.4. The representative of Australia registered its support for the statement made by the United States. It was important that Members and Observers to the WTO handled restricted documents appropriately and in accordance with the relevant requirements, to ensure Members could engage confidently and comfortably in discussions at the WTO, including in negotiations.

10.5. The representative of Singapore echoed the views raised on the careful treatment of WTO-restricted documents. As Members of the WTO, it was important to respect the confidentiality of the documents, to enable an environment that was conducive to candid exchanges and information-sharing.

10.6. The representative of Japan echoed the United States and other Members on the importance of handling restrictive information provided to Members with care to have candid discussions at the WTO.

10.7. The representative of China echoed the concerns raised by other Members that had taken the floor.

10.8. The Chairman also echoed the concerns raised.

10.9. The representative of Norway drew the Council's attention to a report on protectionism in maritime economies that had been launched on 24 February. The report had been commissioned by the International Chamber of Shipping (ICS), the global trade association of the shipping industry.

10.10. Norway welcomed maritime issues on the agenda in trade policy discussions. Without going into the details of the findings of the report, Norway believed that the report was a pertinent input that warranted the Council's attention, as discussing trade in services going forward post-COVID. The report addressed a broad spectrum of maritime aspects of trade, although trade in services was at the heart of it.

10.11. The Council for Trade in Services had not formally considered maritime transport services as a topic for in-depth discussions for a long time. However, maritime transport remained by far the

leading mode of transport for goods in bulk. In fact, ships carried around 90% of global trade. That made maritime transport the lifeblood of the world economy. Maritime transport, therefore, would also have to play a vital role in the global post-COVID economic recovery.

10.12. In that context, Norway was pleased to note that the Secretariat was in dialogue with the ICS about the planning of an event on the study later that year. Norway supported those steps and was looking forward to furthering information to delegations.

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

10.14. It was so agreed.

11 ITEM K: APPOINTMENT OF THE NEW CHAIRPERSON

11.1. The Chairman said that, based on the consensus reached in the General Council, he was pleased to pass on the Chairmanship of the Council for Trade in Services to Ambassador Villalobos of Mexico. He was confident that, with his experience, knowledge and wisdom, Ambassador Villalobos would guide the future work of the Council capably and efficiently. He had enjoyed working with all delegations and had truly appreciated their cooperative and constructive spirit in fulfilling the mandate of the Council. He then proposed that the Council elect Ambassador Villalobos by acclamation.

11.2. It was so agreed.

11.3. The new Chairman, Ambassador Villalobos, thanked Ambassador Tan for his kind words and hard work during the previous year. He commended him for his efforts, vision and guidance, particularly in view of the exceptional circumstances, and challenges, that 2020 had presented for all.

11.4. He thanked Members for their trust and support and affirmed he would do his best to chair the Council for Trade in Services in the most efficient way possible and was confident that with delegations' cooperation, and the Secretariat's assistance, the Council's work would move forward smoothly and fruitfully.

11.5. The meeting was adjourned.
