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(22-3919)

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Working Party on Domestic Regulation

REPORT OF THE MEETING HELD ON 29 MARCH 2022

NOTE BY THE SECRETARIAT¹

Corrigendum²

Please note the following corrections in bold and strike out:

On page 1, following the fourth paragraph, the report should read:

"The representative of Ukraine made a statement about the current situation in her country, and its effects on Ukraine's participation in the WTO. It was already the 34th day of war started by the Russian Federation against Ukraine and its people. For more than a month already, Russia had continued to commit an unprecedented aggression against her country, an attack on the sovereignty and the territorial integrity of Ukraine in brutal violation of international law.

The representative of the Russian Federation raised a point of order. She noted that the comments of the previous speaker did not fall within the competence of the WTO, the issues were not part of the mandate of the WPDR, and were not relevant to the meeting's agenda, as reflected in document WTO/AIR/WPDR/16 and Corr.1 and agreed by all the Members at the beginning of the meeting.

The Chairman said that he would allow Ukraine to continue.

The representative of Ukraine stated that her government – being devoted to the core principles and values of the WTO, as well as to the multilateral trading system in general – was convinced that the military aggression of one WTO Member towards another WTO Member was putting the trading system in an unprecedented situation that could not allow Members to conduct business as usual. Russia's military aggression was destroying the development of infrastructure and the economy. Effects on trade, prices, and the global flow of goods and services could already be observed. The full scale war launched by Russia had strong and long-term economic and trade consequences, which needed to be acknowledged and addressed. Bearing all this in mind, Russia's aggression had created an uncertain situation directly related to the process of implementation of Ukraine's commitments under the GATS with regard to all modes of supply and most - if not all - services sectors. In the current situation, Ukraine was not in a position to provide usual business conditions for services suppliers and consumers of other WTO Members. Therefore, Ukraine hoped that WTO Members would continue to stand in solidarity with Ukraine and its people and would impose trade restrictive measures against the aggressor state in order to stop the unjustified attack. Moreover, Ukraine urged all WTO Members to consider taking further action with a view to suspending the participation of the Russian Federation in the WTO for its violation of the purpose and principles of the Organization. Ukraine was very grateful to all WTO Members that had stood with Ukraine in response to this terrible war and were refusing to engage with Russia.

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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.

² In English only.

~~the mandate of the WPDR, and were not relevant to the meeting's agenda, as reflected in document WTO/AIR/WPDR/16 and Corr.1 and agreed by all the Members at the beginning of the meeting."~~

On page 3, the last paragraph before item 1 should read:

"The representative of the Russian Federation expressed her disappointment that this meeting of the WPDR had started with a violation of the procedure that required Members to follow the agenda as adopted. Unfortunately, Members had raised issues that were beyond the scope of the WTO. Lamentably, the meeting had started with disinformation, which was actively being used to manipulate public opinion and incite hatred towards Russians. **Previous speakers had not succeeded much in truthfulness and objectivity.** Many Members had called themselves supporters of the multilateral system at a recent General Council meeting, and had co-sponsored a statement on immediate action to support the multilateral trading system in preparation for a successful MC12.³ However, those same Members called for an economic war against Russia, introduced aggressive restrictive discriminatory measures, which were ineffective as a political tool, and led to damages to the world economy, to an increase in business costs, to disruptions in supply chains, and to shocks in various markets. The friends of the multilateral trading system were not those who sought further turbulence to trade, but those who abided by its rules and remembered that trade, even in the most difficult times, had been able to play a stabilizing role. The Russian Federation called on Members to respect the rules of procedures and not turn this formal meeting of the WPDR into a talk show."

On page 13, paragraph 1.42 should read:

"1.42 The Russian Federation noted that it had acceded the WTO in 2012 when the negotiating function had already been under pressure from serious divergences among **Members and needed to be driven**. At the same time, the urgency to negotiate up-to-date trade rules, especially in such an important economic sector like services, was clear. The Russian Federation had decided to join the Joint Initiative on Services Domestic Regulation since it was convinced that disciplines on transparency, legal certainty, and predictability that would aim to reduce unnecessary regulatory barriers for businesses and consumers around the globe, were closely in line with the spirit of the WTO and did not contradict the mandate of GATS Article VI:4. The Russian Federation did not consider that the disciplines could affect any existing rights and obligations of Members under the GATS. Members' right to regulate and to introduce new regulations in order to meet national policy objectives, especially in developing countries, as a key principle of the GATS remained unquestionable. This was very important not only in the context of domestic regulation, but also when negotiating any new rules on trade in services. Moreover, the Russian Federation noted that the activities of WPDR were to some extent unique, **perhaps more than in other subsidiary bodies of the Council for Trade in Services**, and its mandate provided space for further negotiating work. **To develop rules was a clear mandate of the WPDR.** In this regard, she echoed the Initiative's Coordinator to encourage all Members to consider what provisions on services domestic regulation could be discussed in the WPDR **on a multilateral basis.** ~~While the Reference Paper on Services Domestic Regulation already provided a good set of rules and recommendations. However, it was like a snapshot made in a certain period, the period of the outgoing era in trade policy. It was not necessarily exhaustive nor constant.~~ Indeed, in many regional agreements and at the national level, there were already examples of different and more ambitious provisions on domestic regulation in services sectors."

³ WT/GC/W/841/Rev.3.