



## MINUTES OF THE MEETING

HELD IN THE CENTRE WILLIAM RAPPARD AND IN VIRTUAL FORMAT  
ON 19-20 DECEMBER 2022

*Chairperson: H.E. Mr. Didier Chambovey (Switzerland)*

The Chair and the Director-General bade farewell to Ambassador Taeho Lee (Republic of Korea) and Ambassador Angel Villalobos (Mexico) and expressed appreciation for their valuable contribution during their time as Permanent Representatives.

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<sup>1</sup> The proposed agenda was circulated in document WT/GC/W/861.

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## **1 REPORT BY THE CHAIR OF THE TRADE NEGOTIATIONS COMMITTEE AND REPORT BY THE DIRECTOR-GENERAL**

1.1. The Chair recalled that a formal TNC meeting had taken place on 30 November 2022.<sup>2</sup> He noted that since that meeting, two additional consultations had taken place with group coordinators on the matter of the chairmanships of the CoA SS and the NGR – together with the Director-General. While the situation remained unchanged, he again urged all delegations to work together in a constructive spirit to bring this issue to a solution as soon as possible.

1.2. The Director-General delivered the following statement<sup>3</sup>:

1.3. Since the October meeting of the General Council, I convened a formal TNC and informal Heads of Delegation meeting on 30 November to collectively take stock of our work post-MC12. My report

<sup>2</sup> The Minutes of the 43<sup>rd</sup> formal meeting of the Trade Negotiations Committee are contained in TN/C/M/43.

<sup>3</sup> The Director-General's statement was subsequently circulated in document JOB/GC/326.

and those of the CTD SS and TRIPS Council SS Chairs, as well as the GC Chair's statement were circulated to delegations in document JOB/TNC/105. The formal record of that meeting, which includes all your statements, was circulated in TN/C/M/43. Circulating comprehensive minutes within two weeks is part of the small step-by-step, reform-by-doing that some of you have been referring to recently.

1.4. As we heard from the GC Chair last Thursday, clarity on the MC13 date and venue seems to be emerging, and I hope we can take a decision on that here. With clarity will come the responsibility to use the intervening months to build convergence on meaningful outcomes – tangible deliverables in a few areas and frameworks to advance work in others.

1.5. All the stakeholders, Leaders and Ministers are expecting us to deliver. It has been clear in all the trips I made recently which were quite a few – from China to the United States, to Fiji, to Hong Kong, and other venues Australia and New Zealand. We are expected to deliver. I hope we can do that. At the Ottawa Group meeting last Friday, one of the Ministers repeated the mantra that I have been saying – MC12 must not be seen as the miracle on Lake Geneva. We have to construct other miracles as we go along for MC13.

1.6. This General Council meeting is the last gathering of Heads of Delegation for 2022. Your collective success at MC12 remains a highlight of the year – but as I observed at the last TNC, we have not done much serious negotiating in the past six months. So, my report on this is, of course, not there. We therefore have a lot of ground to cover and will have to intensify our efforts when we return from the winter break. I feel tempted to repeat my suggestion from the end of last year that delegations should consider returning early in January. Give it a thought.

1.7. In the negotiations, we all have to return to the table in earnest. But we also urgently need people to shepherd these negotiations. I just wish to echo the GC Chair and keep reiterating the need to reach consensus on the Chairs of CoA SS and the NGR. As the Chair indicated, since the TNC meeting, we have been reaching out to delegations to try to bridge gaps. But ultimately, this is a responsibility of Members. I hope that, as the Chair said, we are increasing consultations with each other and taking steps to make sure we resolve this problem. It should not be beyond this body to be able to appoint negotiating Chairs. Six months of not negotiating is not acceptable.

1.8. On special and differential treatment, I wish to recall Ministers' instruction at MC12 to continue to work on improving the application of S&DT in the CTD SS and other relevant venues in the WTO. I therefore encourage Members to help the CTD SS Chair, Ambassador Kadra Hassan, to help you find the best way forward.

1.9. On development in general, I welcome the GC Chair's intention to organize an informal dialogue on this important area in the context of WTO reform early next year. I also recognize the successful seminar on LDC priorities in global trade, which took place early this month, where we welcomed over 30 capital-based participants from over 20 LDCs to share experiences and explore evolving trade priorities together with Geneva-based delegations.

1.10. Greater synergies between what we do in Geneva and what is happening in capitals is necessary to better respond to LDCs' most pressing trade needs, and thus contribute further to what trade and development is all about – improving people's lives. As you know, the second part of the Fifth UN Conference on LDCs will be held in March 2023, and it is important that we include LDC issues in our reform discussions. I am convinced that this will be front and centre at this Conference. We must have some good things to report.

1.11. As I mentioned at the TNC, there is a widely held view that we cannot be seen as a responsive multilateral organization unless we reform, particularly with regard to our dispute settlement system. In this regard, I thank Minister Mary Ng of Canada and the Ottawa Group Ministers and delegates for the very productive meeting on Friday, which focused on WTO Reform and the lead up to MC13.

1.12. Excellencies, we have a lot on our plates. During the break, I encourage all of you to reach out to your capitals for guidance that will get us back on track when we come back. During these difficult times of economic slowdown, food and energy crises, climate change, and persistent developmental challenges, the WTO cannot afford to stand aside. We must begin to lay the ground for concrete results before, at and beyond MC13. In this regard, I understand that several of your

Ministers may be attending Davos. I hope we can use the opportunities offered there to catch up with those who attend to see if we can move forward on several issues.

1.13. Before concluding, I would like to thank Members for their active participation in the recently concluded World Trade Congress on Gender. Several Ministers and Heads of Agencies attended the event. 80 researchers showcased their work on challenges and opportunities for empowering women in global trade. This issue – and discussions like those at the Congress – are a key part of making trade more inclusive. And I think we can really be proud of what was achieved there.

1.14. Let me also inform Members that, as part of the Transformation Process in the Secretariat, on Friday, we launched new approaches on rewards outside of promotions. We celebrated teamwork and we celebrated long-serving staff. But I am also very proud to tell you that after seven years in the making, we have now launched a Framework on Gender Equality. For the first time, the Secretariat has an Equity and Gender Parity Framework. I am very happy about this, as I thought it was anomalous that an organization of this size and repute does not have a gender policy.

1.15. As I conclude my report, I would like to thank you all for a very fruitful first half of the year. On behalf of myself and the Secretariat, I want to extend best wishes to you and your families for a happy, festive holiday. I look forward to our work in the new year and to delivering more successes to our Organization. This concludes my report.

1.16. The Chair noted that an extensive and substantive debate took place at the TNC meeting on 30 November 2022. He also recalled that as mentioned by the Director-General, the TNC Minutes, which include all Members' statements, had already been circulated.<sup>4</sup>

1.17. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

1.18. The LDC Group requests that our statement from the TNC meeting held on 30 November is recorded for this meeting.<sup>5</sup>

1.19. The representative of India delivered the following statement:

1.20. On this item, let me take this opportunity to convey that our statement delivered at the TNC meeting can be placed on record.<sup>6</sup>

1.21. The representative of Indonesia delivered the following statement:

1.22. I would like to thank the Director-General for her report, as Chair of the TNC. On the TNC issues moving forward, Indonesia places its high priority in fulfilling the mandates of the TNC and concluding as soon as possible our remaining homework, especially on agriculture and fisheries subsidies.

1.23. The representative of Viet Nam delivered the following statement:

1.24. On the negotiations on fishery subsidies and agriculture, for the purpose of efficiency, we would not repeat and would just like to place on record Viet Nam's statement delivered at the formal Trade Negotiations Committee and Informal Heads of delegations meeting on 13 November.<sup>7</sup>

1.25. The representative of Tunisia provided the following statement:

1.26. I will limit myself in this first intervention to highlighting the most salient points for my delegation on the fisheries and agriculture negotiations, and I will come back to the other topics later, as per the agenda. On fisheries subsidies, we welcome the momentum generated by the retreat and first workshop that formed part of the second wave of negotiations. We believe, in this

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<sup>4</sup> See footnote 2.

<sup>5</sup> The statement is contained in paragraphs 4.48 to 4.51 in TN/C/M/43 and is incorporated by reference in the records of this meeting.

<sup>6</sup> The statement is contained in paragraphs 4.119 to 4.122 in TN/C/M/43 and is incorporated by reference in the records of this meeting.

<sup>7</sup> The statement is contained in paragraph 4.115 in TN/C/M/43 and is incorporated by reference in the records of this meeting.

respect, that "knowledge building" would gain in substance by continuing to involve the specialized agencies such as the Food and Agriculture Organization (FAO), but also representatives of some of the regional fisheries management organizations (RFMOs), the bodies most involved in the management of sustainable fisheries. It is worth recalling the critical need for an equitable agreement that prohibits the most harmful subsidies that contribute to overcapacity and overfishing and takes into consideration the urgent need for some developing countries and least developed countries (LDCs) to support the development of their fisheries sector.

1.27. Turning to the second focus, on the implementation of the agreement reached at MC12, and in order to speed up the acceptance processes, it would be useful to call for a collective legal audit among Members (as was undertaken after the adoption of the Trade Facilitation Agreement), which would ensure legal certainty during implementation and a unified and consistent cohesion with other WTO agreements. Lastly, bringing the funding mechanism into operation through specific actions should not be delayed, to enable the target countries to see the contribution of this mechanism in comparison to traditional strengthening mechanisms. On the agriculture negotiations, the consensus that has emerged from the intense discussions in the Committee on Agriculture since June is welcome. The work programme that has been agreed, and the road map developed to move discussions forward on the main food security concerns of LDCs and net food importing developing countries (NFIDCs), are a real source of hope after more than 20 years of famine. The constructive attitude that prevailed during the consultations between two of the most important groups in these negotiations, the CAIRNS Group and the African Group, bodes well for the future of these discussions. There should be an understanding that a successful outcome to these discussions will be the barometer of success for the Thirteenth Ministerial Conference. However, the emergency linked to the disruption in the supply of agricultural inputs due to the war in Ukraine, compounded by the drought and post COVID-19 recovery difficulties, is so pressing that immediate responses should be provided. If not, there is a risk of the collapse of many food security policies in developing countries and LDCs that have dwindling resources.

1.28. The representative of Vanuatu, on behalf of the Pacific Group, provided the following statement:

1.29. I wish to commend the Director-General for her visit to Fiji, marking her first visit to our Blue Pacific Region, and the successful Dialogue with Pacific Islands Forum Trade Ministers at the High-Level Event on Fisheries Subsidies in November. That event also enabled our Ministers to adopt a Ministerial Statement outlining the region's priorities in WTO. On fisheries subsidies, the Pacific Group remains committed to continue negotiations in the second wave, building on the partial Agreement on Fisheries Subsidies adopted at MC12. The completion of this outstanding work is important to fully deliver on SDG 14.6. The negotiations must aim towards a comprehensive agreement including overcapacity and overfishing as well as appropriate and effective special and differential treatment for developing countries with a view to making recommendations to MC13, in line with paragraph 4 of the MC12 Ministerial Decision. We therefore need to finalize the appointment of the NGR Chair in order to progress this work. We strongly urge Members to reach a consensus on this issue. On ratification, our members are making efforts to ratify the Fisheries Subsidies Agreement (FSA) in line with their domestic processes. They will be assisted in this regard with a comprehensive assessment on the implementation of the FSA to be undertaken by the Pacific Islands Forum Secretariat.

1.30. The representative of El Salvador provided the following statement:

1.31. I would like to report on the work of the Informal Working Group (IWG) on Trade and Gender. In 2022, the IWG built on work achieved in 2021. It strengthened Members' experience and expertise in inclusive policy making. It completed successful rounds of thematic discussions introducing the issue of trade and gender equality in the WTO for the first time. It designed and implemented the first work plan in the WTO on trade and gender based on the four work pillars of the IWG. These four pillars are gender-responsive policy making; gender lens applied to WTO; research and analytical work and Aid for Trade. We strengthened the WTO work on trade and gender with two MC12 outcomes, which provided a basis for further accelerating the IWG technical work in the last quarter of 2022. The first MC12 outcome that I am referring to is a paragraph contained in the MC12 outcome document (i.e., paragraph 13 of WT/MIN(22)/24 - WT/L/1135), which recognized the importance of women's economic empowerment and the work of the WTO on this issue at the multilateral level. This provided an additional and stronger basis for the IWG work in addition to what is contained in the interim report establishing the IWG in 2020. The second MC12 outcome

that I am making reference to is the 'Co-Chairs Joint Statement on Inclusive Trade and Gender Equality from the Co-Chairs of the Informal Working Group on Trade and Gender' (WT/MIN(22)/7). Both outcomes gave additional impetus to the IWG and as a result, work accelerated. Between September and December 2022, five workshops were held to specifically and further explore issues related to sex-disaggregated data collection on women in trade and various technical methods in order to gather information on how trade supports female entrepreneurs and how existing and future rules in the areas of trade facilitation, e-commerce, investment facilitation and government procurement could also offer economic opportunities to women. In 2022, we also contributed to the World Trade Congress on Gender. The congress brought together over 30 researchers from all over the world to share new data and research findings on trade and gender and more specifically on gender-responsive trade agreements, to outline solutions to mitigate the impacts of COVID-19 on women and to facilitate trade for women and female entrepreneurs. Speakers focused on innovative thinking and substantive new research in support of sustainable and inclusive trade. Many Members that participate in the IWG have supplemented these findings and in doing so, demonstrated how trade can work for women, especially in times of crises. In terms of future work and looking at MC13, work will continue to build on the four work pillars of the IWG. More specifically, we will continue to build on these technical progress and take the work further ahead with two main objectives. First, build a work plan for 2023 that will lead the IWG to MC13 – with a view to releasing a work plan, if possible, on 8 March for International Women's Day. Second, start the outline of a possible MC13 outcome. With regard to MC13, the IWG is now beyond making declarations of a general nature. We need something concrete to commit to, with deadlines. For this purpose, the co-chairs will conduct consultations with the IWG participants to decide on the format, content and timelines.

1.32. The General Council took note of the report by the Director-General and of the statements made.

## **2 FOLLOW-UP TO OUTCOMES OF MINISTERIAL CONFERENCES<sup>8</sup>**

### **A. MC12**

#### **(i) WTO Reform – Statement by the Chair**

2.1. The Chair proposed to take up matters under sub-item 2(a), namely, (i) WTO reform, (ii) the Work Programme on E-Commerce and (iii) the report by the TRIPS Council on paragraph 8 of the Ministerial Decision on the TRIPS Agreement separately, and open the floor each time under each matter. He also noted that on WTO reform, he would make a couple of points on other MC12 follow-up work that had been undertaken by various WTO bodies. He further proposed that Members then take up sub-item B, with his statement on the implementation of Bali/Nairobi/Buenos Aires outcomes - noting that some of these matters intersect with the outcomes of MC12.

2.2. The Chair delivered the following statement<sup>9</sup>:

2.3. As Members will recall, at our last General Council meeting, I reported on my consultations on WTO reform. I recalled a number of recommendations that I had put forward to assist in structuring the process, which included organizing an informal conversation among Members, under the auspices of the General Council, for Members to have a frank and open exchange on WTO reform. This Informal meeting took place on 10 November.

2.4. I would like to thank once again all of you for your constructive participation and also place on record my appreciation to Ambassador Aitzhanova (Kazakhstan), Ambassador Yamazaki (Japan), Ambassador Teehankee (Philippines), Ambassador Johnson (Togo) and Ambassador Benedetti (El Salvador) for facilitating the breakout sessions and the reports they provided.

2.5. My concluding remarks, made under my own responsibility, were circulated to delegations in document JOB/GC/325 – building on my reflections from October, which had been circulated as JOB/GC/318. I will not repeat them but highlight a number of issues.

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<sup>8</sup> At the General Council meeting, as proposed by the Chair, Item 4 was taken up immediately after Item 1.

<sup>9</sup> The Chair's statement was subsequently circulated in document JOB/GC/329.

2.6. I will start with development. Based on what we heard from Members at the Informal meeting, I noted in my concluding remarks that development also merited a similar conversation. This would provide Members the opportunity to discuss, *inter alia*, cross-cutting aspects of the development dimension.

2.7. In my statement at the TNC on 30 November, I indicated that I was reflecting on this issue. I also heard that a number of you had started reflecting on how to structure such a discussion in a meaningful manner.

2.8. Let me confirm that I will convene an informal meeting on WTO reform focused on development at the beginning of February next year. This will take place at the WTO premises and follow the same interactive, Member-driven format that we used in November. Delegations will receive a formal invitation including further details of this event in January.

2.9. The second topic I would like to highlight is dispute settlement. This issue has been identified as a priority by almost all delegations during recent discussions on WTO reform in the TNC and the General Council. Many delegations have expressed appreciation for the ongoing informal discussions at the expert level, while also calling for the discussions to be formalized in some manner. I am exploring ways in which the discussions may be institutionalized at the appropriate time in order to help Members fulfil their commitment in paragraph 4 of the MC12 Outcome Document "to conduct discussions with the view to having a fully and well-functioning dispute settlement system accessible to all Members by 2024".

2.10. Members also shared a broad spectrum of views about improving the negotiating function and finding ways to build convergence. The Director-General, as TNC Chair, and I continue to reflect about the appropriateness and timing of providing opportunities to have thorough exchanges on specific issues taking into account what we heard at the informal meeting.

2.11. Some institutional matters were also raised during the Informal meeting – including the idea to hold Ministerial Conferences annually, and cooperation with international organizations as well as outside stakeholders such as the private sector, civil society, and the academia. Given the need for further clarity and discussion, I reiterate my invitation to the proponents to reach out to other Members and, if they see fit, submit more detailed proposals.

2.12. With regard to the day-to-day work, you will recall that at the October General Council, I suggested that each subsidiary body should look at what it has done or achieved and explore ways to improve its daily functioning and better deliver on its mandate – and then report to the General Council, as appropriate.

2.13. To facilitate this work, I am coordinating efforts with the Director-General and the subsidiary body Chairs. To prepare for this meeting, I met with the Chairs of WTO regular bodies on 5 December. Let me highlight some of these reform-related efforts which have been brought to my attention.

2.14. The CTG Chairperson held consultations on whether and how the CTG should proceed with the implementation of three issues which could have an impact on CTG work namely, e-commerce, WTO response to the pandemic, and WTO reform. He also asked the Chairpersons of the CTG's 14 subsidiary bodies to prepare factual reports under their own responsibility, including on the current functioning of their Committees, and the actions taken over the past years to improve their work. The request by the CTG Chair was circulated in JOB/CTG/18. A list of the reports by subsidiary bodies of the CTG is contained in JOB/CTG/19.

2.15. In terms of next steps, an informal dedicated session will be held by the CTG on 31 January 2023 to discuss these reports and for Members to express their views on how to proceed. An information session on the WTO's digital tools used by the CTG and its subsidiary bodies was held on 9 December.

2.16. The CBFA Chair also informed me of several procedural improvements for the CBFA that were already agreed in April 2021. These include: the issuance of reminder notices before meeting agendas close; reporting on ongoing work by the Chair; and providing additional time to Members

to review reports by the Secretariat. The full set of procedural improvements is set out in document WT/BFA/W/538/Rev.2.

2.17. Still on WTO reform, I wish to say a couple of words on WTO meetings. As already mentioned in October, a number of delegations have raised concerns about scheduling conflicts, and this matter was also identified during the Informal meeting on WTO reform in November, as an area for improvement. I am pleased to inform you that, as requested by Members, the Secretariat is finalizing a tentative calendar of formal meetings for 2023. Care has been taken to avoid, to the extent possible, scheduling conflicts for formal Council and Committee meetings.

2.18. This concludes my update on WTO reform. Let me just stress that, together with the Director-General and the Chairs of WTO bodies, we will ensure that the principles set out in paragraph 3 of the MC12 Outcome Document are respected throughout our WTO reform work.

2.19. At the same time, given the Member-driven nature of our work, your inputs fuel this process and determine any outcomes that we achieve. I therefore urge you to consult with your capitals as necessary and return prepared to actively engage in the reform work early next year.

2.20. As I signalled at the outset, still on this sub-item, allow me to make a few additional points related to implementation matters from other MC12 outcomes that have been brought to my attention by the Chairs of the respective bodies.

2.21. I have been informed that, at its November meeting, the Committee on Agriculture established a work programme to consider food security concerns of least-developed and net food-importing developing countries, pursuant to paragraph 8 of the MC12 Declaration on the Emergency Response to Food Insecurity. The approved work programme (G/AG/35) sets out four thematic areas – and a working group has been established to arrive at possible recommendations by end-November 2023.

2.22. With regard to the WTO response to the pandemic, I refer to the factual reports from the CTG and its subsidiary bodies on work in this area. Discussions also took place in the context of the CTS, CTD and in WGTTT, and also in the area of TRIPS.

2.23. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

2.24. The LDC Group takes note of the results of your consultations on WTO reform. We request that our statement regarding the issues on reform at the Formal TNC, Informal HOD meeting, held on 30 November, be placed on the record of this meeting.<sup>10</sup> However, we would like to reiterate and highlight the following points. We urge Members to consider the elements of the LDC Group communication JOB/GC/223/Rev.1 and the LDC Ministers' Declaration adopted in October 2021. Among those elements include: (i) that reform must take into account the lessons learned in terms of conducting and participating in Ministerial Conferences since the creation of the WTO. In particular, we must ensure that LDC proposals are discussed in all green rooms and other forms of negotiations before they are brought to the attention of Ministers; (ii) that WTO reform must take into account the capacity constraints of LDCs. To this end, the Group's submission contains clear ideas on reforming the Committee and Council meeting processes, in order to avoid worsening the already severe capacity constraints for LDCs to follow and participate effectively in meetings; and, (iii) that the issue of administrative sanctions and measures against its Members should be reconsidered. Existing administrative measures, including access to documents and ineligibility for technical assistance, due to arrears in WTO membership fees, should be reviewed and reconsidered as well.

2.25. The representative of Antigua and Barbuda, on behalf of the OECS, delivered the following statement:

2.26. As I am taking the floor for the first time, I extend a hearty welcome to new Ambassadors, especially Ambassador Wilson of Barbados, a fellow member of the CARICOM Group. I also wish departing Ambassadors the very best as they open a new chapter. Let me thank you for your report.

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<sup>10</sup> The statement is included in TN/C/M/43 and is incorporated by reference in the records of this meeting.



We are also grateful for the reports from the Facilitator of the discussions on the Work Programme on Electronic Commerce as well as the Chairman of the TRIPS Council. I will address WTO reform first. The OECS assigns high priority to the reform agenda as elaborated in paragraphs 3 and 4 of the Outcome Document of the 12<sup>th</sup> Ministerial Conference. We thank you for your work to date with respect to the consultations as well as the informal meeting held on 10 November. We reiterate the need to conduct our work in a manner which is open, inclusive, transparent, and Member-driven. Regarding paragraph 3 of the Outcome Document, which is a general reform mandate, we support the conduct of work at the level of the subsidiary bodies, but this must be ad referendum to the General Council. We also believe that development should be a cross-cutting theme across all reform discussions. We also support dedicated discussions on the development dimension. On paragraph 4 of the Outcome Document, time is not on our side as it relates to having a fully and well-functioning dispute settlement system accessible to all Members by 2024. We have been active in the informal discussions which started last Spring. As phase two of this process nears completion, we look forward to the discussions being brought to the multilateral fold very soon. Finally, we align with the statement by the ACP and CARICOM.

2.27. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

2.28. We would like to begin by thanking you, the Facilitator and the Chair of the TRIPS Council for your respective reports. Our Group expressed its views on these matters at the November 2022 Trade Negotiations Committee meeting, and the relevant statement should be included in the TNC's report. We will therefore limit our statement today to a few points. Regarding reform, we reiterate the need for structured, inclusive and transparent discussions accompanied by detailed planning where necessary. We emphasize the importance of placing development at the centre of our reform discussions. Not only is development a cross-cutting issue, it also allows for constructive dialogue regarding a subject long overlooked by this Organization. To ensure such dialogue, our discussions must be based on the written proposals of all Members without exception. This is why the African Group thought it appropriate to submit an initial proposal on reform and will work to make textual contributions to the discussion wherever possible. We welcome your efforts to bring these discussions to a successful conclusion, and the contributions of various Members.

2.29. The representative of the European Union delivered the following statement:

2.30. Today the European Union will just focus on some key points and respond to the issues that you raised. Delivering a more effective WTO in all functions by MC13 is the European Union's overarching objective. Looking at the state of the economy and world affairs, it is clear that multilateral cooperation is needed more than ever to avoid fragmentation. We are now six months since MC12 took place and must ensure that the WTO reform process now underway can produce tangible results by the 13<sup>th</sup> Ministerial Conference (MC13). On substantive WTO reform items, re-establishing a fully functioning dispute settlement by 2024 is the number one priority for the European Union. The European Union is keen to see reform discussions accelerating in the New Year. The membership cannot afford to miss the 2024 deadline identified in MC12. Hence the need to move as soon as possible to a new phase focused on a limited set of specific issues, paving the way for text-based discussions that should start in the first half of next year so that we can reach agreement by MC13. On enhancing the monitoring and deliberating function, we are encouraged by the valuable work underway in subsidiary bodies on improving their practical functioning in an incremental and bottom-up manner. The European Union sees the need for more meaningful policy deliberation by in response to global trade policy changes, such as on level playing field issues, the development challenges and the climate transition. We are reflecting on how to operationalise this objective to feed into the reform process.

2.31. On negotiations, we are encouraged by the good progress on the open plurilateral Joint Statement Initiative (JSI) on investment facilitation for development. Conclusion by MC13 is a priority. It is also crucial to achieve substantial progress on the e-commerce JSI given notably its contribution to integrating developing country members into global trade. On agriculture, the European Union supports the need for a new approach. Members should also integrate food security, sustainability and poverty aspects into the negotiations. Above all and more pressingly, we need to nominate the Chairs for the Agriculture and Rules Negotiating groups. Chair, on the reform process we fully support your suggested way forward and welcome the opportunity of a dedicated retreat on development in the new year. Finally, the European Union would like to thank the WTO Secretariat and Director-General Okonjo-Iweala for their efforts on women's economic empowerment. Earlier

this month, these efforts culminated in the first World Trade Congress on Gender at the WTO. You pulled off a unique event, bringing together gender researchers, trade diplomats and policymakers. Lastly, as Members consider how we can best support the international trading system, we cannot turn a blind eye to Russia's continued violations of the international order. Russia's continuing attacks on civilians and civilian targets are leaving millions without access to electricity, central heating and water in the middle of winter. We condemn these attacks and Russia's war of choice against Ukraine in the strongest possible terms. It is incumbent on the Russian Federation to cease its military actions, respect Ukraine's territorial integrity and restore the conditions for peace, trade and growth.

2.32. The representative of Vanuatu, on behalf of the Pacific Group, delivered the following statement:

2.33. On WTO reform, we thank you for your report and commend you for the work undertaken in this area, including the informal meeting held on 10 November. Our position on reform has been reiterated by our Ministers in their statement, whereby they stressed the need to improve the functioning of the WTO, to ensure that WTO reform is an open, transparent and inclusive process, and the need to restore a fully and well-functioning dispute settlement system that is accessible to all Members by 2024. The Pacific has always supported the restoration of the two-tier dispute settlement system. Any reform in this area should ensure that the dispute settlement system is accessible to all and are affordable to small Members, which is especially important for small island developing states now that we have the Fisheries Subsidies Agreement.

2.34. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

2.35. Thank you for your report on the implementation of MC12 issues. On WTO reform, we stress the need to adhere to the principles elaborated by Members. The ACP Group would like to draw Members' attention to the ACP Ministers' declaration for MC12 contained in document WT/MIN(22)/3, on such principles for the WTO reform work.

2.36. The representative of Pakistan delivered the following statement:

2.37. Thank you for your report. Pakistan remains a strong supporter of necessary reform of the WTO which needs to be oriented at mitigating shortcomings and enhancing its relevance to the current and very obvious challenges of the global commons, including, the global health crisis, climate change, and the collective global economic crisis while also remaining sensitive to evolving individual country crises, like food security. And for this, my delegation is convinced that members need to act cooperatively rather than to stick to narrow ideological positions. Development needs to be complimented with resilience to multifaceted global crises that will surely and increasingly confront us in times to come. In recognition of these facts, Pakistan would like to urge the membership to accord urgent priority to: (i) rectifying with mutual understandings, the existing imbalances in the current architecture of this organisation, which have been identified by Pakistan along with African Group, Cuba and India in WT/GC/W/778/Rev.5. These rectifications, in the longer run, shall bear fruit for global economy at large; (ii) addressing on priority, the issues that have been creating difficulties in the implementation of S&DT provisions. Here, I recall paragraph 2 of the MC12 Outcome Document and call upon the membership to act in a spirit of mutual cooperation; (iii) engage productively in the work program of e-commerce and to also reach a terminal decision on the moratorium and end the uncertainty; (iv) reinstate a two-tiered, accessible and functional DSB by 2024. Pakistan reiterates its openness to the ideas on process, scope and structure of reforms in a way that they do not compromise the cardinal principles of non-discrimination, inclusivity, transparency, and consensus driven decision-making as enshrined in the Marrakesh Agreement. Chair, the meanings of 'development' may need a revisit. Sustainability of development is necessary, we need to incorporate technology transfers, technical and capacity building assistance for the developing and LDC members in the reform agenda keeping in view challenges faced by their existing and prospective economic development. E.g., climate change, natural disasters, pandemics, food security, etcetera. Pakistan believes that rising trend of unilateralism is unhealthy for the spirit of multilateralism and provides all the more reason for reform to unravel the inherent imbalances of the system, meanwhile the GC shall encourage members to avoid taking unilateral trade measures which distort trade, act as technical barriers, protectionism and hurt the economic interests of all member countries and specially the developing and LDCs.

2.38. The representative of China delivered the following statement:

2.39. We are at the low tide of economic development. On trade side, as indicated by the Secretariat's report, global merchandise trade volume is to grow only 1 per cent in 2023. On the other hand, while the Appellate Body has been made paralyzed, measures taken in the nature of unilateralism and protectionism are increasing with no limitation. These measures run counter to the WTO rules, especially those under the guise of national security. They disrupt global supply chain with state interventions and sacrifice the interests of Members. All shows WTO reform is more urgent than ever. In the interest of time, I will not repeat China's positions in the previous meetings. Just to highlight two points: first, the formal discussion on dispute settlement reform should start early next year. Members should fully engage in a constructive and pragmatic manner, focusing on restoring fully functioning two-tier dispute settlement mechanism. Second, we are looking forward to a meaningful discussion in the coming retreat on development early next year.

2.40. The representative of the Russian Federation delivered the following statement:

2.41. Chair, I have, unfortunately, to react on continued political allegations from some delegations against my country. We believe that repeating them over and over again will not make them true or relevant to the work of the WTO. They just distract us from our work on mandated issues and are simply disrespectful to other Members. The retreat on the WTO reform in November was a good start, but we believe that a lot remains to be done. The prime task is to reach a common understanding on the main goals of the WTO reform. This would define the scope of the reform and the pathways to reach it. From Russia's perspective, the main goal of the WTO reform should be to ensure that the Organization provides a stable framework of openness, which promotes economic recovery and development. This requires the following. The reform should aim to enhance the WTO's effectiveness in safeguarding the stability and predictability of trade regimes. To achieve this, the WTO rules must be effective in combating the emerging forms of protectionism, distortion of competition and discrimination. It also necessitates a general agreement on approaches concerning the exceptions of the WTO rules in order to avoid their abuse under the pretext of national security or environmental protection. The WTO system of rules must be efficient, enforceable and fair. These rules must be respected and there must be legal remedies should they be violated. This requires a fully functioning two-tier dispute settlement system, which should be stable and predictable and ensures the independence and consistency of its decision-making practice.

2.42. The nature and outcomes of dispute settlements should be defined in a way that enhances the discipline of implementing the panel's recommendations. The WTO rules need to be adapted to modern-day challenges, which also implies the update of rules in emerging areas. Plurilateral agreements can be a solution – ways to incorporate them into the WTO law warrant a detailed discussion. However, the basic prerequisite for a positive contribution of pluri-tracks to the WTO negotiations is the inalienable right of any WTO Member to constructively participate in all of them. The reform should take into account the needs of developing and least-developed Members. It should also aim to equalize the imbalances in the obligations of the recently acceded Members. New Members joining the WTO undertake obligations based on the rules of the WTO, as well as those that are outside the scope of these rules. We acknowledge that the reform is not an easy task. However, MC-12 has proven that consensus is possible even in challenging circumstances. The basic prerequisite for success is an open dialogue among Members. Russia reaffirms its readiness to constructively engage in the reform process. And Chair, shortly coming back to the previous item of the agenda, I would like to thank you and the Director-General for your efforts to build a consensus regarding the time and venue of MC13 and MC14 and confirm that we are ready to join the consensus in the interests of the WTO. We also thank the delegations of the United Arab Emirates and Cameroon for their constructive approach and the amicable agreement that has been reached.

2.43. The representative of Nigeria delivered the following statement:

2.44. Nigeria wishes to thank you for your efforts in advancing discussions on WTO reform. We believe through this process we would collectively reposition the WTO to effectively adapt to the evolving nature of the global economic landscape for the benefits of Members. In our view, it is of critical importance that the reform process is geared towards the delivery of outcomes that would help Developing Countries overcome their development challenges and better use global trade to drive growth. We must therefore, through this process, address simultaneously the longstanding Development issues on the negotiating agenda of the WTO, together with issues of commercial significance that foster inclusive growth, create jobs, and widen the circle of prosperity. In our view,

the WTO rule book need to be updated with commercially meaningful rules on digital trade, services, investment and MSMEs for the institution to be more effective and relevant to the diverse economic priorities of its members in this 21st century. Finally, we should as a matter of urgency address the challenges and concerns regarding the Appellate Body, and restore a full-fledged, well-functioning two-tier dispute settlement system accessible to all Members. In conclusion, Nigeria would continue to engage constructively on this issue towards ensuring we collectively revitalise the WTO and enhance its role in global economic policymaking.

2.45. The representative of the United Kingdom delivered the following statement:

2.46. Six months almost to the day, we stumbled out of this room in the early hours of 17 June having, in our view, shown the resilience of this Organization and indeed of the multilateral system in the face of many challenges. Most notably, the unprovoked aggression by the Russian Federation against Ukraine, a fellow Member of this Organization, in violation of every principle of international law, the charter and the very principles on which this organisation is based. And we meet here today while Ukrainians are deprived of heat, light, food, and water thanks to the aggression of the Russian Federation. So, it is good that we have agreed this morning on both the hosts of our next two Ministerial meetings and the dates of our next Ministerial, MC13. But we have work to do, a lot of work to do. And we have not done a lot of work in the six months since we emerged from this building at the end of MC12. It is good that we have identified a date for MC13 and as others have said, it is really important that every Member of this organisation is able to participate in that meeting and we will do our best to support LDC Members participating as we did at MC12. It is good too that we have got a plan for a discussion on development early in the new year, the same as we have discussed reform and agriculture and fisheries. Hopefully that meeting too will be evidence based, will look at what is the evidence, the best evidence we can both inside and outside this organisation on how Members, particularly LDCs, have benefitted from membership of this organisation and what can be done in order that they can truly exploit the potentials of free and open trade. In that respect we very much welcome the work on ecommerce. As our colleague has said, these rules lie at the heart of enabling countries, particularly developing countries, to enjoy the fruits of a digital economy and to develop.

2.47. When we talk about WTO reform, for us, there is one issue above all others and that is the issue of dispute settlement and I think that is true for many of us in this room this morning. We have a mandate from our Ministers to establish a fully and well-functioning dispute settlement system as soon as possible, if we can by 2024 and let me pay tribute to the work the United States has done to bring us back into discussions on this issue. But we obviously now need to move up a gear, and to start looking at specific proposals, specific text, that we can agree by the time of MC13. On the other issues, the lack of agreement on Chairs, as you said this morning Director-General, is holding us back, let us be honest about that. If our agreement on Fisheries was one of the great achievements of MC12, the fact that we do not have a Chair in the Committee that established that agreement is a real block. The fact that we do not have a Chair to take forward discussion on agriculture, which so many of us say is a crucial issue, and as others have said, is part of the wider issues of greening the global economy and addressing global issues of food insecurity. The absence of a Chair is a real problem. So if we mean what we say; that MC12 was a success and we wish our colleagues in the UAE and Cameroon well at MC13 and MC14, we, the Members of this Organization have to take up our responsibilities and agree those Chairs, and find a way forward, so we can actually deliver real, meaningful outcomes for the global economy, for our workers, for our consumers and for our businesses at MC13.

2.48. The representative of Ecuador delivered the following statement:

2.49. We have taken due note of the main points of your report, and we commend you for what you did in the area of reform and support your work proposals for the future. Ecuador wishes to express at this meeting that reform for us is a unique opportunity in order for this Organization to move forward and to better respond to current challenges related to trade, for instance, sustainable development, environmental and health crisis, digital economy and food security. Ecuador believes that we should continue to work in different bodies in order to transparently and collectively, incorporate reforms in different areas of the WTO. I would also like to mention three issues in which my delegation is particularly interested. First, from a practical standpoint, as this would improve management at the WTO, is Brazil's suggestion to have an annual Ministerial Conference following what other international organisations do, in which one of two meetings takes place at the headquarters. Then we have the dispute settlement issue. We hope that reform will activate the

system which we view positively as soon as possible. Lastly, we should keep in mind that an important area for reform is making progress and that's the deliberative function of the organisation. Ecuador is in favour of taking this up inclusively and it should take into account, the challenges met by smaller delegations, including access to information and being able to participate in all decision-making bodies.

2.50. The representative of Bangladesh delivered the following statement:

2.51. Bangladesh congratulates Argentina for winning the Football World Cup. Our appreciation goes to France for an extraordinary performance. We appreciate all football playing nations and Qatar for successfully organizing the event: Hats off to the true spirit of fair play and football. Our delegation welcomes the new Ambassadors and bid farewell to the departing Ambassadors and wish them all the best. We also thank the UAE and Cameroon for their kind offer to host the next two MCs. Mr. Chair, as you have kindly guided us, we'll take the sub-items one by one. Under the sub-item 2(a)(1) on WTO Reform, Bangladesh aligns with the statement delivered by Djibouti on behalf of the LDCs. Bangladesh thanks the GC Chairperson for the report on this issue. On WTO reform, as the LDC Coordinator has pointed out, Bangladesh also emphasises the need to consider all the elements in the LDC Group's submission JOB/GC/223/Rev.1 and the MC12 Declaration of LDC Ministers in October 2021. Our delegation earlier pointed out that the development dimension in the work of WTO and preserving its multilateral character should be at the heart of Reform discussion. The relevant subsidiary bodies under the GC of course can do their part but the consolidation of such discussion and finalization of any decision on WTO reform must take place in the General Council. Bangladesh welcomes the GC Chair's proposal for organizing a dedicated dialogue or retreat on 'Development' early next year. The delegation of Bangladesh earlier suggested to improve the process of committee and council meetings through introducing detailed annotated agenda for every meeting. We are happy to see that some WTO committees are serving annotated agenda. All Committees and Councils should follow this practice. In addition, we also propose that a factual report in brief on the same day, immediately after the meeting, regarding the decision on every agenda item should be circulated to Members. Full reports may follow. This will be helpful for small delegations like us.

2.52. The representative of Malaysia delivered the following statement:

2.53. Malaysia wishes to stress the importance of maintaining the positive impetus of MC12. Malaysia was actively engaged in the negotiations and supportive of the constructive role of Members in achieving the landmark agreements towards MC12. Please allow me to briefly touch on these outcomes. On WTO reform, our Ministers have agreed to launch the WTO reform process with the aim of achieving results by MC13. In this regard, Malaysia considers WTO reform as a continuous process, and our priority is to restore the two-tier dispute settlement system. Most importantly, the reform should prioritize the influence and concerns of all Members. We are confident that this is attainable by MC13 provided that all Members are willing to show pragmatism, flexibility and ready to engage sincerely. As I have the floor, I would like to take this opportunity to congratulate the UAE and Cameroon and wish you all the best for hosting MC13 and MC14.

2.54. The representative of Japan delivered the following statement:

2.55. With regard to WTO reform, Japan attaches importance to the incremental but steady improvement of work at the Committees' level toward MC13. We intend to pursue a bottom-up approach in addressing issues such as enhanced engagement with outside stakeholders and the improvement of transparency, including compliance with the notification obligation. We also welcome the initiative by the Chair to hold a dedicated session on development aspects under the General Council in February. Japan will constructively participate in the discussion. To address the issue of development aspects, it is important first to make each function of the WTO more accessible for developing country Members. The Dispute Settlement system is where we see the existing function compromised and it merits the highest priority in the reform agenda among the WTO's three core functions. With a view to having a fully and well-functioning DS system by 2024, as agreed at MC12, it is important that the current informal discussion will be developed into a formal process at an appropriate juncture next year. On the negotiating function, we welcome the steady progress made in the Joint Statement Initiatives such as negotiations on Electronic Commerce and Investment Facilitation for Development, and the procedure for improving the Schedule of Commitments regarding the Service Domestic Regulation. We believe that the JSIs are effective means to address the challenges the WTO faces and expect more Members to participate in these initiatives. Finally,

Japan strongly condemns Russia's aggression against Ukraine. Currently we see much of Ukraine's energy infrastructure destroyed by Russia's attacks, causing massive blackouts across the country. These attacks are unlawful, inhumane and totally unacceptable. Japan strongly urges Russia once again to stop the aggression and withdraw its forces from the territory of Ukraine within its internationally recognized borders immediately.

2.56. The representative of South Africa delivered the following statement:

2.57. South Africa's perspective on WTO reform is articulated in the fourth Revision of the Africa Group, Cuba, India and Pakistan paper entitled: "Strengthening the WTO to Promote Development and Inclusivity". The WTO needs to be responsive to the needs of developing countries by rebalancing trade rules to promote development. There are rules that constrain development or remove policy tools that others have used to industrialize, and these must be addressed. Any reform agenda that does not address the interest of developing countries, long standing mandated issues, preserves the multilateral character of the WTO and provide policy space to developing countries to industrialise will be futile. South Africa is of the view that WTO reform should among others: (i) Safeguard the multilateral character of the WTO. This includes upholding and retaining consensus decision-making, equality, inclusivity and transparency in the operations of the WTO. (ii) Preserve the Member-driven nature of the WTO. This implies that Chairpersons of WTO bodies and the Secretariat uphold their roles as neutral facilitators of engagements among Members. Similarly, the role of other stakeholders, including intergovernmental and international organizations should be confined within their mandate and with due regard to a multiplicity of perspectives. (iii) Preserve policy tools to promote economic recovery and provision policy flexibility to support Intra-African Economic integration, structural transformation and industrialization. (iv) Reaffirm the principle of Special and Differential Treatment for developing countries in the WTO within existing and future agreements. We would emphasize the important role of the CTD SS in this regard. (v) Reassert development within the WTO by delivering on longstanding development mandates. (vi) Restore a functioning, independent and effective dispute settlement system in order to preserve and enforce the rights and obligations of all WTO Members in a fair and even manner. The dispute settlement system should be reformed to ensure it is accessible by all, particularly developing countries. We thank you for the recent retreat on WTO reform and look forward to the next meeting that will focus on development.

2.58. The representative of Tunisia delivered the following statement:

2.59. We thank you for your status report on the follow-up to MC12 outcomes and associate ourselves with the statement made by Cameroon, on behalf of the African Group. We reiterate our unwavering commitment to the founding principles of the WTO, which are based on openness, transparency and inclusiveness. The reform should take into account each Member's concerns and should also promote closer links between trade rules and development. The multilateral trading system we are aiming for should defend resilience for all and must draw on the impacts of recent crises to take into account the new challenges facing developing countries. These countries should have sufficient flexibility to make use of ad hoc and exceptional measures to address the impact of crises, particularly the unprecedented rise in energy prices, cereals and fertilizers, which have led to unprecedented trade balance deficits. We also hope that the discussions on the current blockage in the Appellate Body will enable Members to honour the mandate, with a view to having a fully functional dispute settlement system accessible to all Members by 2024.

2.60. The representative of Paraguay delivered the following statement:

2.61. On WTO reform, we would like to reiterate our commitment to the process. We believe that the priority of WTO Members should be to complete the MC12 mandate, to have a functioning dispute settlement system, especially the Appellate Body - that this be functioning and working correctly by 2024. We consider that it is necessary to improve transparency, not only in notifications but also in the various negotiations. In some JSIs, progress is being made without bearing in mind the challenges of developing countries, which does call into question the multilateralizing effect of the results. As such, we would like to reiterate the importance of the WTO taking better consideration of Special and Differential Treatment in WTO reform discussions. I would also like to express our concern in the lack of definition and the vacant chairs posts, especially in the important subject of agriculture. I would also like to thank the UAE and Cameroon who will be the hosts of MC13 and MC14 respectively, and of the work of the Chair to reach that agreement.

2.62. The representative of Mauritius delivered the following statement:

2.63. We associate ourselves with the statements made by both the African Group and the ACP Group. The MC12 mandate on reform is clear. We need to make WTO fit for purpose and able to meet the challenges of the changing global trading environment. The preambular paragraphs of the Marrakesh Agreement are explicit about the Organization's purpose. It is about raising living standards, sustainable development, and ensuring that developing countries reap the benefits global trade. This is what the reform should allow us to achieve. While the informal meeting held last month gave us all the opportunity to express our understating of the reform agenda. We still wish to emphasize the need for development to be at centre of all reform discussions. For instance, with regard to addressing the systemic imbalances in existing WTO Agreements, the capability of developing Members to leverage technology to integrate the global value chain and to benefit from new opportunities. The Organization further needs to recognize, not only in theory but in practice, that small developing economies require specific attention. On process, we insist on the need for ensuring openness, transparency and inclusivity. In this regard, we thank you and the Secretariat for avoiding clashes in the scheduling of important meetings while preparing the 2023 meeting calendar. This will be most helpful to small delegations like ours. Today's meeting has approved the venue and indicative dates for MC13. We are required to report on progress and propose draft decisions on reform for the next Ministerial Conference. In this regard, we urge that any such decisions should always include the development dimension.

2.64. The representative of India delivered the following statement:

2.65. First of all, on WTO reform, I would like to recall India's proposal along with other co-sponsors, contained in WT/GC/W/778/Rev.5. The WTO reform retreat provided us an opportunity to exchange our views and expectations on WTO reforms in a more relaxed and informal setting. Though different Members had different expectations on reforms, the common threads that emerged from the deliberations at the retreat was that Members want to preserve and strengthen the current multilateral trading system, the core principles of consensus, the agenda of development and Member-driven nature of this Organization. And this reflection I have gathered through various facilitators reports, which we listen to carefully. Members also would like to focus on those areas where reform can be undertaken more quickly. However, we should not lose aspects of such reforms which are more complex and challenging but these reforms matter to developing countries. We support this approach of taking incremental reform and will contribute to it so that we can reap an early harvest in the reform domain. And India looks forward to contributing to the process of relevant WTO reforms during its G20 presidency, in line with our strong support to a Member-driven multilateral trading system. Chair, we are looking forward to the proposed retreat on development in January 2023. And hope that Members try to seek convergence on this important issue, which needs to be at the centre of everything we do in this Organization. We also take this opportunity to raise some concern on the Chair's reflection during these retreats. This issue had come up during the retreat on WTO reform. We had some delegations, including my own delegation, that felt that it was humanly impossible for Chairs to provide a factual summary, fully reflecting the discussions that were taking place simultaneously across different groups. Therefore, if Members agree, we can have facilitators' reports in the public domain, so that we know what happened inside those five break-out groups. We need to ensure that such a summary needs to be factual, balanced and reflect views of the Members present and should not prejudice the position of Members. This issue needs further discussion, so that we can find a solution.

2.66. The representative of Singapore delivered the following statement:

2.67. As this is the first time I'm taking the floor, allow me to welcome new colleagues and I look forward to working closely with them. I would also like to register my appreciation to two colleagues Angel and Taeho and thank them for the friendship and contributions and I wish them all the best. Allow me to share three brief observations. First, a journey of a thousand miles starts with the first step, and I believe that we have started our multi-year journey on WTO reform on the right note. The Informal Meeting on WTO Reform was useful for Members to exchange views candidly and obtain a better understanding of each other's position on WTO reform. We must build on that momentum by continuing to engage Members across the spectrum and avoid staying in our own echo-chambers. As DG Ngozi had said in one of her first TNCs, we should start with the "END" in mind, meaning that we must "E" - Engage, "N" - Negotiate and "D" - Deliver. However, our engagement will only yield fruits if Members engage in good faith and keep in mind the system interests of the WTO and address new areas such as food security, E-Commerce, as well as trade and sustainability. Second, moving

forward, we should identify some points of convergence. It is almost a cliché to say that reform means different things to different members, who also have different views on how we can advance reform. However, the "development" dimension of WTO reform has emerged as a common thread that deserves our attention and Singapore welcomes your proposal to have another informal conversation in February next year. Third, we must demonstrate progress by MC13 as our Ministers have given us a clear mandate at MC12, "to work towards necessary reform of the WTO". In addition to delivering a "progress report" at MC13, we should develop a systematic roadmap to achieve a fully functioning Dispute Settlement System by 2024. This is clearly a top priority for the vast majority of Members. While Singapore will continue to play an active role in the informal "interest-based" discussions on dispute settlement reforms that has been initiated by the US, we should consider how to "mainstream" these discussions in order to achieve the objective.

2.68. The representative of the Philippines delivered the following statement:

2.69. I would like to thank the GC Chair for his report on WTO reform, and on this issue, the Philippines is pleased to note the strong convergence among Members to pursue "reform by doing", which is already being pursued by subsidiary bodies in streamlining calendars, agendas, focus areas of work and outreach. We see value in continuing the parallel top-down and bottom-up approaches and encourage continued discussions on WTO reform at the Heads of Delegation-level, which would focus on various proposals related to yearly Ministerial Conferences, development, rules-setting, negotiations, stakeholder engagement, and the role of the WTO Secretariat. We look forward to the informal discussion in February 2023 on WTO reform and development. We also concur with other delegations that we must pursue more structured discussions so that by 2024 we will have a fully functioning two-tier dispute settlement system that is accessible to all. I also thank in advance the TRIPS Council Chair and the E-commerce Facilitator for their hard work and their briefings to be given to Members and assure them our delegation's support and confidence in their continuing work.

2.70. The representative of Jamaica, on behalf of the CARICOM, delivered the following statement:

2.71. We thank you for the report on your consultations and the way ahead on WTO reform. We should ensure that all Members, particularly those that are small and have small Missions in Geneva, can participate fully in the deliberations as any final decisions on reform have to be multilateralized and owned by all WTO Members.

2.72. The representative of Ukraine delivered the following statement:

2.73. Under this agenda item, Ukraine would like to express its appreciation for holding the Informal meeting on WTO reform on 10 November 2022, where Members addressed the substantive aspects of necessary reform of this Organization. Ukraine also shared its top priorities in this context, namely: fully functioning WTO dispute settlement system with a reformed Appellate Body; reinvigorating the negotiations function, in particular substantial reforms on agriculture; striking the necessary balance in the level of WTO commitments among Members; enhancing transparency and strengthening notification requirements under WTO agreements; responding to current challenges in multilateral trade agenda. As you are aware, food security remains one of the most vital challenges that our trade community has yet to overcome. This challenge has been acknowledged in the MC12 Declaration on Emergency Response to Food Insecurity and Decision on the World Food Programme. Despite the horrible war, unleashed by the Russian Federation, Ukraine for its part remains committed to its obligations and is ready to continue shipping agricultural products to ensure global food security and price stability on the international market. In this regard, Ukraine welcomes the continuation of the "Istanbul Grain Agreement". Thanks to this agreement, signed in July 2022, Ukraine has already exported approximately 14 million tons of agricultural products. Food was delivered by 550 ships, about two thirds of which went to Asian, African and the Middle East countries. In addition, the President of Ukraine has introduced new humanitarian initiative "Grain from Ukraine" in order to secure supply of food together with partner countries. According to this initiative, we plan to send at least 60 ships from Ukrainian ports to the countries most affected by the food crisis and that are in need of urgent aid. Ukraine highly appreciates the collective efforts and support of our partners in this project. These two initiatives ("Grain from Ukraine" and the export grain initiative) provide for timely and powerful response to the threat created by the Russian Federation, which has been "weaponizing" food, targeting the civilian infrastructure of Ukraine, including ports facilities, and multiplying the world multi-crisis. Ukraine greatly appreciates tireless and continuous support rendered by our partners and calls on other WTO Members to continue making every effort in order to limit Russia's ability to wage devastating war, to kill Ukrainians, to



undermine the rules-based multilateral trading system, effective implementation of MC12 outcomes and future WTO Reform.

2.74. The representative of Nepal delivered the following statement:

2.75. My delegation wishes to refer to the statement delivered by Nepal at the meeting of this Council in October and expresses its full commitment to effective implementation of the Geneva Package of MC12. Regarding the process of WTO reform, both bottom up and top-down approach can be applied as appropriate. For instance, defining scope, setting parameters, and fixing modality can be decided by the General Council. Based on such a decision, the General Council and its relevant subsidiary bodies can proceed to conclude our tasks. Regarding the scope, my delegation views that main pillars of the WTO functioning that is trade negotiation, trade monitoring and dispute settlement should be covered. Levelling the playing field in legal architecture, accession practices and WTO functioning is essential. Discrimination in some WTO laws such as Agreement on Agriculture, and discrimination between founding and acceded Members created by the accession practices need to be fixed. Concerns of Members especially the LDCs which joined the WTO through accession process with very high level of commitment and obligations beyond their capacity should be addressed. This would allow them adequate policy space to take needful decisions particularly in enhancing their trade capacity and socio-economic development. Special and differential treatment for developing countries, especially the least developed countries and land-locked developing countries, should also be at the core of the WTO reform. Another important element of reform agenda would be addressing huge trade deficit: any Member facing huge trade gaps after joining the WTO such as having several times higher export-import ratio (though ratio threshold can be discussed further) should be given adequate flexibility for adopting needful policy space in a non-discriminatory manner. Similarly, issues and challenges faced by graduated LDCs should also form a part of the WTO reform to ensure their smooth transition after graduation. Finally, land-locked developing country Members have been facing unique difficulties and challenges while participating in global trade. Their concerns should also be addressed in an appropriate manner through the reform process. My delegation reiterates its readiness to engage in the entire reform process and contribute to conclude it in a timely and inclusive manner.

2.76. The representative of Chile delivered the following statement:

2.77. With regard to WTO reform, allow me to highlight the following relevant elements for my country at this stage of consideration of the matter. We agree on the urgency of restoring the dispute settlement system. The reform should include the changes necessary for the effective functioning of the Organization, particularly with regard to transparency and the regular work of its bodies. Without prejudice to this, we cannot miss out on the opportunity to have a WTO that can help address existing and future global challenges. In this context, reform should be framed within a set of common principles aimed at strengthening a more sustainable and inclusive multilateral trading system. We welcome the announcement that a dedicated meeting on the development dimension will be convened. We must have a broader discussion on special and differential treatment and on how trade can act as a catalyst for the development of production. This includes the necessary assessment of trade impacts and contributions to current challenges and the fulfilment of development needs, for example by favouring a regulatory environment that increases the value added of production and innovation and by promoting the transfer of green technologies to developing countries. Lastly, I would like to congratulate the Director-General and the Secretariat for organizing the first World Trade Congress on Gender. We believe that its success provides an example of how the Organization can interact with external actors and contribute to the generation and dissemination of knowledge and evidence on matters relevant to trade policy.

2.78. The representative of Brazil delivered the following statement:

2.79. I would also like to thank the speakers for their reports regarding MC12 mandates. MC12 has proven our capacity to find solutions to old problems and deliver concrete results on issues of common interest. Those outcomes are an important contribution to our collective reflection on the priorities for a future Ministerial. In our view, agriculture is part and parcel of a credible response to pressing global crises such as climate change and food security. MC12 showed the lack of consensus on several mandates. We now need fresh negotiating concepts to address the mandate established in Article 20 of the Agreement on Agriculture. Reaching outcomes in agriculture reform would be a major driver to promote efficiency in sustainable agriculture and to ensure global food security. Achieving these goals also requires the WTO to be reformed and made fit for purpose as the main

forum for a trade agenda aligned with current global challenges. We should deliver on all pillars of the reform process as soon as possible. Having a fully and well-functioning dispute settlement system is a priority for Brazil. We have been engaging constructively in an informal process which should be concluded next year. After that, this process should be transitioned to formal negotiations within a reasonable timeframe.

2.80. The representative of Canada delivered the following statement:

2.81. On reform, Canada commends the work that has already started in respect of the deliberative function, in particular the progress being made in the Council for Trade in Goods and its subsidiary bodies. The reports that have been circulated by the various bodies provide a substantive picture of what efforts have been made to improve the practical aspects of the work. We also welcome the presentations earlier this month on the main digital tools used by delegates and capital-based officials, especially the focus on how they can assist in the preparation and follow up to Committee meetings. We look forward to engaging next year in a purposeful, horizontal discussion of what has been done, and can be done, to enhance the Organization and conduct of our deliberative work. We join the EU, UK, and others on the urgent need for chairs for agriculture. Before concluding, I would like to say that as long as Russia's unprovoked, unjustified, and illegal war of aggression in Ukraine continues, Canada will not engage with Russia at the WTO in a business-as-usual fashion. Russia's heinous military actions have seriously affected the Ukrainian economy and its ability to trade- the very thing this organisation is designed to support. Canada's support for Ukraine and its people is unwavering.

2.82. The representative of Costa Rica delivered the following statement:

2.83. Regarding the reform process, Costa Rica welcomes the discussions that have taken place since the Ministerial Conference. The informal meeting on WTO reform identified issues that are important to Members and built trust among the delegations. Costa Rica believes that, when addressing the reform process, we should always bear in mind that the WTO has proven to be a key instrument in ensuring development for all, providing security for trade stakeholders and bringing predictability through a rules-based system. This is why the starting point for WTO reform should be to recognize the Organization's main objectives and its contribution to development. The WTO enables Members to trade securely and thus bring prosperity to their people. Open trade promotes competition and leads to more choice for producers and consumers. A trading system based on clear rules creates opportunities for all countries and provides the predictability and certainty that the private sector needs to invest and create jobs. The objectives of sustainability, food security and development will be more easily achieved with the prosperity, opportunities, stability and security afforded by a rules-based multilateral trading system. WTO reform must be geared towards helping this Organization to continue to promote global trade under stable conditions and according to clear rules, for the benefit of all.

2.84. The representative of the Republic of Korea delivered the following statement:

2.85. Now that we have a clear picture of MC13, we should focus on what we can deliver on WTO reform, to remain relevant and agile in tackling new issues in trade. While Korea places restoration of a fully functioning dispute settlement system as our top priority, we welcome informal discussions led by the US and would like to see this process develop at its own pace, while considering formal incorporation at an appropriate time. As for other pillars, we are committed to the work in the committees and councils for Reform-by-Doing to improve the deliberative function of WTO. We also hope to build up new success stories in the negotiation function before MC13 through the leading-by-example approach. Time is of the essence, and we should promptly agree on an indicative timeframe for discussions on reform, so that we can proceed in a speedy manner to achieve our mandate.

2.86. The representative of Guatemala delivered the following statement:

2.87. We are not going to dwell on the fact that WTO reform is needed. Our Ministers gave us a mandate and we must fulfil it. After several months of discussion, very quickly became evident that Members have different understandings about the meaning and scope of WTO reform. Guatemala is convinced that Members do not need to agree on the meaning and scope of the reform; at least, not as a precondition to start reforming and improving this Organization. We can start the reform by

doing. It is time to act! For the reform process to succeed, however, Members should agree on certain basic principles. First, Members should follow simultaneously the bottom-up and the top-down approaches. They are not mutually exclusive. Second, Members should agree that WTO reform is not a single undertaking. As a matter of fact, WTO reform is an ongoing process required to adapt the functioning and relevance of the Organization to the constant-evolving international environment. Third, WTO reform should be a continuous and progressive process. Members should implement decisions as soon as possible from the moment they are agreed. WTO reform should transcend the next Ministerial Conference and should not end with a package of decisions by MC13. Fourth, WTO Members should evaluate proposals on their own merits. Discussions about such proposals should take place in good faith, based on evidence and reasonable arguments. Fifth, WTO Members should agree that nothing is excluded from the scope of WTO reform. However, Members also could agree to start the discussions concerning the functioning of the Organization before moving to any other more substantive topic. Sixth, development should be at the heart of the discussions on WTO reform. In this regard, particular attention should be given to the special needs of developing countries and least developed countries to ensure their effective integration and participation in the multilateral trading system. Finally, considering the principles just indicated, Members should start by promoting informal discussions about ideas that in their view could improve the functioning of the Organization. These informal discussions could be fundamental in furthering the understanding of interests, concerns and needs of other Members and could provide the necessary flexibility to adapt proposals before their formal presentation. My delegation would be happy to develop these ideas further and is ready to engage with other Members in a constructive manner.

2.88. The representative of Argentina delivered the following statement:

2.89. Thank you for the reports which have been presented. We would like to state that our statements made in the Trade Negotiations Committee on various issues should be included in the minutes.<sup>11</sup> And we would call for an agreement that the Chairs keep this Organization working.

2.90. The representative of Switzerland delivered the following statement:

2.91. The rules-based multilateral trading system is still under significant pressure, and we should continue our efforts towards strengthening it. Switzerland therefore welcomes the commitment of the WTO membership to undertake necessary reform on all functions of the WTO. In the short term, we see great potential to achieve tangible results within the monitoring and deliberative function. We welcome the work that is taking place within committees and bodies as well as in the Secretariat. Regarding our mandate to restore a fully and well-functioning dispute settlement system by 2024, a top priority for Switzerland, we must work together to ensure that the current informal process will be conducive to a positive outcome. The process should be institutionalized as soon as appropriate. Considering development needs along the entire process will be key. In this respect, we welcome the upcoming retreat on development issues in the reform, envisaged to take place early next year. And we should make efforts to deliver on graduation as a concrete contribution to the development dimension of the reform process. WTO Members now need to engage with each other with an open mind. To do so, we should create room for informal and genuine exchanges to promote mutual understandings of our respective expectations of what the WTO should be able to deliver. Finally, Switzerland joins others in condemning the Russian military aggression on Ukraine in the strongest possible terms. Switzerland calls on the Russian Federation to respect its international obligations and to reverse its actions, as well as to withdraw its troops and contribute to de-escalation. Switzerland calls on all actors to respect international law, including international humanitarian law.

2.92. The representative of Mexico delivered the following statement:

2.93. At the recent TNC meeting, I referred to WTO reform and other matters. I request that the statement I delivered be recorded in the minutes of today's meeting.<sup>12</sup> I bid you farewell and express my gratitude and due appreciation. On 31 January, I will conclude my duties before this Organization after three years of having the privilege of representing Mexico in a forum that is of vital importance

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<sup>11</sup> The statement is contained in paragraphs 4.110 to 4.111 in TN/C/M/43 and is incorporated by reference in the records of this meeting.

<sup>12</sup> The statement is contained in paragraph 4.106 in TN/C/M/43 and is incorporated by reference in the records of this meeting.

to my country. Mexico's trade is currently worth over a trillion dollars. What happens or does not happen at the WTO is of key importance to my country. The past three years have undoubtedly been a little strange, marked by unexpected and/or unimaginable events. COVID-19 arrived; the appointment of the then incoming DG was blocked; the Ministerial was postponed and then cancelled a few hours before it was due to start; a cruel and absurd war broke out in Europe; we had a very successful Ministerial Conference, contrary to all expectations; and now, in the World Cup, Japan beat Germany and Spain, which must have been a heart stopping moment for my friend and colleague Kazu! It has certainly been an unusual three years. You imagine reaching the end of the cycle as something far off, something that happens to other people, and yet eventually it comes to us all. You therefore have to make the most of the temporary privilege of serving the interests of the economy that you represent and of contributing to strengthening a multilateral trading system that helps to improve the living standards of people in many parts of the world. This opportunity exists in an economically and culturally varied professional context that contributes to a better understanding of human diversity and reflects the challenges that need to be overcome in order to reach consensus. I would like to thank my colleagues from the Mexican mission for their dedication and professionalism; I am very proud of having been part of that team. Their passion for the issues addressed, their enthusiasm in advancing Mexico's agenda and their commitment to strengthening the WTO are exemplary. To all my team, I wish to express my appreciation, great affection and gratitude. I also wish to thank the Secretariat for providing me with effective and quality support in the fulfilment of my duties as Chair of both the Council for Trade in Services and the Trade Policy Review Body. The WTO Secretariat is one of the most professional and reliable multilateral organization secretariats that exists. It is an institutional asset that must be safeguarded. My special thanks go out to the colleagues with whom I have been lucky enough to interact, coordinate, conspire and socialize. In the various groups in which I worked and participated, I came across very professional, friendly and generous colleagues and would like to reiterate my gratitude and affection towards them. It is difficult to name them individually, as I do not want to leave anyone out, but they know who they are. I already come from a big family, but now have many more "brother and sisters". I thank the Director-General, the DDGs and the staff, who always respected and supported the issues raised by the Mexican Mission. I commend the Director-General on her boundless energy and her unwavering commitment to making a gear change in this Organization. The successful outcomes of MC12 and the global visibility that she has given to the Organization would not have been possible without her tenacity. Members can count on leadership that has exceeded expectations and should capitalize on this leadership to address the challenging agenda that lies ahead. It only remains for me to wish this Organization every success. The challenges on the agenda are well known, as is the complex economic and geopolitical context in which they exist. A climate of cooperation and trust among Members, as well as a necessary dose of political capital, will be instrumental in accentuating the relevance of the WTO and its contribution to addressing current and future global challenges.

2.94. The representative of Australia delivered the following statement:

2.95. Australia joins other delegations in continuing to condemn Russia's unilateral, illegal and immoral aggression against the people of Ukraine. Regarding WTO reform, the mandate we achieved at MC12 to pursue reforms to all WTO functions presents us with an opportunity to drive much-needed change. On dispute settlement, Australia's highest reform priority, the reform retreat demonstrated a strong will by Members to meet the MC12 mandate of restoring a fully and well-functioning dispute settlement system by 2024. We are pleased to see the informal discussions progressing – we must focus these discussions so we can urgently deliver on this shared objective. We welcome your read-out of the important, pragmatic reform of the deliberative function already underway, and we thank chairs of subsidiary committees for their efforts. This work will be critical for building transparency, trust and dialogue on emerging trade challenges. Australia is optimistic that we will see incremental but significant institutional reform through these channels. Innovative, open and inclusive group rulemaking initiatives are ongoing and serve to reinforce the WTO's role as the foundation of the multilateral trading system by updating the rulebook. We should seek to uplift and support these workstreams. At the same time, and with multilateral rulemaking spurred by the successful negotiation of the fisheries subsidies agreement, we must continue working on how we can drive progress on new multilateral rules on agriculture that consider contemporary challenges such as food security and climate change. In this regard, we reiterate calls for the urgent appointment of negotiating group chairs. We look forward to the informal retreat on trade and development in the new year, as a useful way to build greater understanding of how best to approach this crucial cross-cutting issue in the reform agenda. Finally, as we have noted previously, we think it would be helpful to build habits of cooperation through more regular

Ministerial Conferences. Australia welcomes Brazil's proposal for annual Ministerial Conferences, which we think could help reduce the 'all or nothing' atmosphere.

2.96. The representative of Norway delivered the following statement:

2.97. 2022 has been a year of ups and downs. The culmination obviously was MC12 and after that since that it has been mostly downs, perhaps with the exception of last night's game. We however continue to believe that we can turn this ship around, and that when we come back after the break, we can pick up the pace to deliver the results we all want in time for MC13. Two short comments on the reform. For us the most important aspect would of course be the dispute settlement, having dispute settlement be fully functional. We appreciate the informal discussions led by the United States we have had, but we hope also that in January, or when we start up again, that we can enter a new more formal phase, focusing on specific issues. On development, we welcome your plan to hold a retreat in respect of the wishes of many Members. We recognize the importance. It will give a good opportunity to focus on both the needs and the benefits of the multilateral trading system for developing countries. Finally, on Ukraine, Norway too, like others continues to condemn Russia's military attack on its neighbour, Ukraine. This war of aggression against Ukraine constitutes a violation of international law, including the rules-based system which also underpins this organisation.

2.98. The representative of Panama, on behalf of Article XII Members, delivered the following statement:

2.99. Regarding the follow-up on MC12 and other Ministerial Conference results, thank the Director-General for her report. The group of Article XII Members has long maintained that negotiations should result in levelling the imbalances that have accumulated in Members' commitments with each new accession negotiation. Our Ministers have once again referred to this situation in paragraph 7 of the MC12 Outcome Document, in which Members recognize the special situation of Article XII Members who have undertaken extensive commitments at the time of accession, including in market access, and that this situation should be taken into account in the negotiations. We believe that to reach a level playing field of those Members who currently enjoy higher levels of entitlement, that maintain significantly lower levels of commitment than those they requested and attained of acceding Members will have to make more significant contributions within the ongoing and future negotiations and the relevant reform processes. We have several mandates from our Ministers, and we will work towards fulfilling them. Addressing this will contribute to our collective goal of achieving a fair and more equitable multilateral trading system, and the group of course stands as always ready to engage constructively to achieve significant and balanced outcomes.

2.100. Now I would like to briefly present my national position. My delegation wishes to make reference to follow up to the outcomes of the Twelfth Ministerial Conference and WTO reform. With a view to laying the groundwork for the way ahead, work programmes should not be limited to include subsidiary bodies with mandates from the last Ministerial Conference such as the Negotiating Group on Rules and the Committee on Agriculture in Special Session. A calendar of meetings should be drawn up for all special sessions that have pending mandates in order to reactivate the negotiations. We must change the discourse, which has been reduced simply to insisting on what is specifically wanted, without indicating what we are ready to consider changing and when. Not only are we not negotiating, but we also cannot really claim to be moving forward in the negotiations. Panama hopes to participate actively in any consultations aimed at reviving negotiations and the regular and future work of the WTO. A speedy solution must be found as a matter of urgency to nominate the vacant chairs in order to continue the unfinished work in a timely manner. We appreciate the work of the troika and urge Members to show the necessary flexibility to make progress on the quasi consensus that already exists. We acknowledge the progress made on the Ministerial Decision on the Work Programme of Small Economies, which was mandated to conduct new work on "Integrating small economies into the post COVID-19 economy". We will study closely the proposal by a group of Members to reinvigorate the work programme on e-commerce. There is real convergence among several Members on the issues to be addressed and the way ahead. We thank the Committee on Budget and Finance and the Director-General for their draft budget, which sought to take into account new MC12 mandates and accommodate the new priorities indicated by Members. In future discussions, we should bear in mind that it is pointless to establish new mandates and demand reform without in parallel providing the resources to achieve them. Deciding in a timely manner about the date and venue of the thirteenth and fourteenth Ministerial Conferences will allow us to draw up a workplan in the coming months based on the outcomes of MC12. We hope to adopt

at this session of the General Council a decision on this matter. We wish to thank the United Arab Emirates, Cameroon, the Director-General and her team, and you, Chair, for your efforts to make progress on this matter. The WTO is constantly evolving and after almost three decades, has accomplished a lot in all of its pillars. It would be good to hold a stock-taking session to review everything that has been achieved, including good practices, and see how they were achieved. It is crucial to change our strategy and to stop thinking that we cannot move forward unless we complete the full package of Ministerial mandates.

2.101. The representative of Indonesia delivered the following statement:

2.102. Regarding WTO reform, first and foremost, Indonesia would like to emphasize the importance of resolving the current impasse of the Appellate Body to restore predictability and security to the multilateral trading system. As mandated by paragraph 4 of the MC12 Outcome Document, Indonesia urges that having a fully and well-functioning dispute settlement system accessible to all Members by 2024 should be prioritized and placed at the forefront. For Indonesia, the reform process must also continue to place development issues as its core, to overcome the existing imbalances and asymmetries. Special and Differential Treatments for developing countries and LDCs, in this regard, must remain an integral part of the outcomes. I would also like to quote the message from the President of Indonesia, Joko Widodo, at the EU-ASEAN Commemorative Summit a few days ago. "From the multi-dimensional crisis that we are currently facing, we can learn an important lesson that to grow and to prosper together is the only option. Furthermore we must not only prosper together but prosper equally."

2.103. The representative of Colombia delivered the following statement:

2.104. First of all, I would like to thank you for your report and the hard work over the past few weeks to connect with the membership. I would also like to thank the Director-General for her presence and explanations, as well as for her efforts to achieve women's empowerment in this Organization and beyond. Also, Santiago Wills, whom I wish to congratulate for his first formal meeting of the General Council in his new post. Colombia would like to make three comments on reform. First, Colombia supports the ideas on the reform process that have been submitted. In particular, we support the idea of the retreat on the development dimension, to take place next year. Second, on dispute settlement, we agree on the importance of improvements as a key feature of overall reform. We support the European Union's idea of moving forward next year towards a more concrete, text-based path with a limited number of concrete proposals, which will enable us to take important decisions for MC13. Third, Colombia considers that the discussion on reform must be more ambitious and be seized as an opportunity to think about a WTO that is fit for purpose to face the challenges of the 21<sup>st</sup> century, not just thinking about today, but about how we would like this Organization to be in the next 25 to 50 years. A number of significant changes to the global economy are occurring and the multilateral trading system is experiencing several pressure points. All sectors are presenting a sharp increase in their levels of subsidies, which places countries with a narrow fiscal policy space at a disadvantage. There is also an increasing use of non-conventional trade protection measures. The larger economies are adopting increasingly strong positions among themselves. There are also insurmountable obstacles in the area of intellectual property that demonstrate, ultimately, that the TRIPS Agreement is considered by many as inadequate to defend the interests of the entire membership. A number of issues remain unresolved as to the WTO's role in combating climate change and inversely, an ineffective response based on unilateral measures is being observed. Lastly, the dispute settlement system is being increasingly eroded. All of these circumstances point to a weakened and fragmented system. Multilateralism should be able to adapt and play its part in averting the escalation of tensions and a situation where more problems are created than solutions. Our discussion should not be limited just to making minor adjustments or procedural improvements. As we have said in a number of fora, we need to aim higher and think about novel solutions to the problems that are taking place further afield. Even beyond MC13, we must identify serious measures and think of innovative ideas during these months.

2.105. The representative of Chinese Taipei delivered the following statement:

2.106. I have the following points to make: First, about the format: We welcome a series of focused informal retreat-like discussions on WTO reform. While we recognize the immense usefulness of informal discussions, we would also emphasize the importance of transforming the outcomes from the informal discussion into concrete proposals. Also, in addition to subsidiary bodies being vested with the reform task, we place importance on having special setting to address horizontal or cross-

cutting topics. Second, about the topic of reform: We welcome the reform discussions on some operational aspects. However, at the current stage, the reform on the negotiating function for new rules is less discussed. We hope that there will be far more intensive and systemic discussions on the reform of negotiation function, which is of highest importance. This is to ensure the WTO being always relevant. In my interventions in other meetings, I raised a possible more frequent use of plurilateral approach and the possible use of soft law, which has already been seen and reflected in the use of the "best endeavour" provision in recent JSI negotiations and in Ministerial declarations. We hope a systemic use of such soft law approach will be seriously considered. Third, on Dispute Settlement reform, we are pleased that informal discussions have been progressing. We hope that the current discussions will soon be institutionalized and transformed into concrete proposals to address key concerns by, and being acceptable to, all Members.

2.107. The representative of Thailand delivered the following statement:

2.108. On this issue, Thailand has five key interests. (i) We welcome the development retreat meeting that the Chair just proposed. We believe that this is an important component of the WTO, as evidenced by the discussion at MC12. We hope that Members will participate actively in the retreat. I took note that there is already a proposal on the table and urge Members to engage with it when the retreat comes up. (ii) The second issue is the DSB, and I thank the Chair for the plan to find a way to institutionalize the current discussion, which will be very useful. (iii) On the issue of food security and agriculture, Thailand is very happy to see the work programme agreed upon in the CoA, and this is an important issue for all countries (whether developed, developing, or LDCs). I hope that the next stage of the discussion that you are planning will result in a beneficial engagement. (iv) E-commerce, we thank the Ambassador of Mauritius for her efforts, not only in hosting the meeting but also in conducting the several consultation meetings, which we find very useful. Any converging ideas and interests on this issue - hopefully, the discussion will pick up next year. (v) The WTO should consider working with other international organizations. Chair, you said that you would ask Members to come with the proposal, so we think that we can contribute to this topic as well. Lastly, something that I do not hear much about is the issue of the environment and climate change. We hope that Members will take this issue seriously and actively engage on it.

2.109. The General Council took note of the report by the Chair and of the statements.

## **(ii) Work Programme on E-Commerce – Statement by the Facilitator<sup>13</sup>**

2.110. The Chair recalled that following the October General Council meeting, he had appointed Ambassador Usha Dwarka-Canabady of Mauritius as Facilitator for the E-Commerce Work Programme and Moratorium.

2.111. Ambassador Usha Dwarka-Canabady (Mauritius), Facilitator for the E-Commerce Work Programme and Moratorium, delivered the following statement<sup>14</sup>:

2.112. I welcome this opportunity to report on the work conducted since my appointment as facilitator and to share some thoughts on the work ahead. Let me first recall that Ministers at MC12 instructed us to reinvigorate work under the Work Programme and intensify discussions on the moratorium. Based on this decision and on the suggestions made by delegations at the General Council meeting in October, a first Dedicated Discussion was convened on 18 November. My remarks at that meeting and those of the Chair of the General Council were circulated in JOB/GC/324. The objective of that Dedicated Discussion was to identify and start discussions on cross-cutting issues under the Work Programme. At the meeting, delegations also considered a submission from a group of Members titled "Ideas to reinvigorate the Work Programme on Electronic Commerce" (WT/GC/W/855). I noted positive engagement from all Members. Delegations reiterated their commitment to engage in meaningful discussions and shared suggestions on topics of interest. What I heard is that delegations want to address the development dimension as a priority. In that respect, a variety of issues were raised. These can be grouped into some broad categories, namely: (a) bridging the digital divide; (b) legal and regulatory frameworks; (c) consumer protection; (d) issues related to digital trade facilitation and facilitation of electronic transactions; (e) economic empowerment and inclusion of the underrepresented and marginalized group, and geographically remote countries; (f) cooperation with other IGOs and relevant stakeholders; and, (g) other issues

<sup>13</sup> Some of the statements refer to both item 2(a)(ii) and item 7.

<sup>14</sup> The Facilitator's statement was subsequently circulated in document JOB/GC/330.

mentioned included special and differential treatment and policy space, sharing of experiences and best practices, and data-related issues.

2.113. This is a non-exhaustive list, but I believe it covers the broad range of comments made by Members at the 18 November meeting. On the moratorium, delegations indicated their readiness to discuss its scope, definition and impact, as per the MC12 Decision. Some delegations indicated their intention to submit proposals; and indeed, we have already received two submissions: India's submission on consumer protection in e-commerce (WT/GC/W/857), which is on the agenda of this meeting, and Indonesia's submission on customs duties on electronic transmissions (WT/GC/W/859). I heard several issues of interest at the 18 November meeting as mentioned earlier but, these were broad, and more specificity was required especially under the development dimension.

2.114. Building upon the 18 November discussions, small group consultations were convened this month to hear Members' priorities, specifically on the development-related issues, with a view to develop a thematic calendar of meetings for next year. Four consultation sessions were held: two sessions on 7 December, and two others on 9 and 14 December which I added to accommodate those delegations that could not attend due to conflicting meeting schedules. All delegations were invited to indicate their willingness to participate in these consultations. Around 35 delegations participated, including group coordinators, representing a broad spectrum of views. Delegations confirmed their interest in discussing some of the themes that had emerged in the Dedicated Discussion, and some offered more details on what they sought to discuss. In particular, I heard a clear interest in addressing the digital divide. However, delegations noted that this is a broad issue, and that more specificity was needed, especially on what elements the WTO can address within its core competences. Delegations also mentioned the importance of addressing the legal and regulatory framework, especially looking at best practices and Members' regulatory experiences to create an enabling environment for e-commerce. Several delegations further noted that this could be considered under the broad umbrella of the digital divide. Many delegations identified consumer protection as a good starting point for our discussions; and, as I mentioned, we now have a submission in that regard. Other issues that I heard include digital inclusiveness, facilitating electronic payments and digital transactions, measuring the digital economy, digital industrialization, digital trade facilitation, building digital skills, and data-related issues. Several also expressed interest in discussing issues of access to e-commerce-related technology and indicated that the work of the Working Group on Trade and Transfer of Technology would be relevant to our discussions. Delegations also highlighted the importance of cooperation with relevant stakeholders and stressed the importance of the WTO's convening power. In that regard, they noted the need to better cooperate with other international organizations – such as ITC and UNCTAD. Such cooperation could assist Members in identifying gaps and opportunities, as well as providing relevant data and information, including on available technical assistance and capacity building. In this regard, the role of the WTO's ITTC was also noted. Some delegations also mentioned the importance of engaging the private sector, especially MSMEs, and academia. On process, I heard a lot of emphasis on the sharing of experiences and best practices, both at national and regional level, and several delegations have already expressed readiness to contribute to this exercise. Delegations also made suggestions on what the WTO Secretariat could do to facilitate Members' discussions. They pointed to existing documents and resources and suggested that the Secretariat compile and update relevant documents.

2.115. With regard to the moratorium, delegations reiterated the need to discuss its scope, definition and impact, as per the MC12 Decision. There was also some interest in sharing experience on the imposition of internal, non-discriminatory taxes on electronic transmissions. In terms of timing, it was noted that the moratorium discussion should not be pushed too far down the line so as to allow for substantive engagement.

2.116. Reference was also made to the work of other regular bodies. In this regard, I have engaged with the Chairs of the bodies that are also tasked with implementing the Work Programme, in an effort to better coordinate the work on e-commerce and we will continue working together.

2.117. Based on what I heard in these four consultation sessions, my conclusion is that Members are ready to intensify the discussions both under the Work Programme and on the moratorium. Members are also willing to start with issues related to the development dimension, and in particular examining how to bridge the digital divide. In the invitation notice to my recent consultations, I had indicated that, based on Members' proposals, I would suggest a thematic calendar of meetings. I



heard no objections to establishing such a calendar. Indeed, many delegations welcomed the idea of setting out a workplan to better structure our engagement. I have therefore identified some tentative dates for the first semester of next year: (a) Thursday, 26 January; (b) Tuesday, 21 February; (c) Wednesday, 22 March; and, (d) Thursday, 20 April.

2.118. With regard to specific issues for discussion, based on what I heard in my consultations, I believe that for the first part of next year we could hold thematic sessions on consumer protection, digital divide, legal and regulatory framework, as well as on the moratorium. I will reflect further on how to best structure these thematic sessions.

2.119. This would not be a closed list of issues and we would have to add and adjust as we progress. However, I thought it might be useful to already identify themes of common interest to a large number of Members. These are my suggestions, based on what I heard at the consultations. As I said at the Dedicated Discussion last month, this is a Member-driven process, so Members determine the agenda and Members determine the pace of the discussions. My role is to facilitate the conversation. How we move forward will depend very much on the suggestions and priorities that are made. I hope we can take this opportunity to establish a positive agenda for the Work Programme – one that is centred on what the WTO can do to unlock the e-commerce potential for all of its Members. I count on the engagement of all Members. This concludes my report.

2.120. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

2.121. On the e-commerce work programme, the LDC Group thanks the Facilitator for her report on her consultations. These consultations are important to implement the Ministers' instructions contained in decision adopted at MC12. In our consultations with the Facilitator, we supported her plans to set up thematic sessions focusing on the development dimension. We requested that the issues raised in the LDC Group's submission WT/GC/W/787 of December 2019 be taken into account as the plans go forward to set themes for the schedule of thematic sessions planned by the Facilitator. We also supported the inclusion of a date for the Secretariat to prepare an information note on the development dimension through regular bodies since the establishment of the programme of work in 1998. The scheduling of information-gathering seminars will also be useful. These seminars could include LDC-specific information from UNCTAD's e-readiness assessments and the work of other organizations such as the ITU and the EIF for example. The LDC Group believes that the work programme should be transparent about information on the question of customs duties and about internal digital tax mechanisms used by WTO Members.

2.122. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

2.123. On e-commerce, we thank the Facilitator. The consultations by the Facilitator have been helpful as they have allowed Members to express their interests in reinvigorating the work programme, particularly on the development dimension, as mandated by Ministers at MC12. We have participated in the consultations as a Group and have indicated that it is important that in devising a thematic schedule of meetings, developing countries and LDCs should be the key architects in defining what should be the understanding of the development dimension. We should focus at this stage on other issues that are important in building our understanding of the role that WTO would play, consistent with the September 1998 Work Programme, and include the challenges that developing countries currently face, such as consumer protection, data protection, payment systems, the role of internal digital taxes, and the digital divide questions.

2.124. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

2.125. Regarding the Work Programme on Electronic Commerce, it is important to note that our Group has provided its comments in this respect. It is fundamental that these discussions lead to a shared commitment to the inclusive development of e-commerce so that developing countries can obtain the resources needed to acquire the infrastructure that is vital for their economic fabric in this sector. To achieve this, we need to move beyond dogmatic posturing, seize what is real and positively transform this highly concentrated sector to create shared wealth. This is the essence of our call, which is shared by many Members; together we are willing to work with the entire membership.

2.126. The representative of Fiji, on behalf of the Pacific Group, delivered the following statement:

2.127. On the Work Programme on E-commerce, the Pacific Group thanks the Facilitator for her report of her consultations on this topic. This enabled Members to exchange views on issues of interest to Members. The Pacific Group envisages that this work should assist developing countries address the digital divide they face such as internet access and prices; to better understand issues relating to data and consumer protection; and to how to collect data relating to online trading. Perhaps this work could also take into consideration the national and regional efforts to bridge the divide. The Pacific Group is already taking steps through national and regional e-Trade readiness assessments to identify gaps and challenges. Our position remains unchanged on the moratorium of customs duties on e-transmissions – a better understanding of the costs and benefits of the moratorium for developing countries is needed. This should cover both the impact of the moratorium on revenue and the development of digital industries.

2.128. The representative of the United States delivered the following statement:

2.129. My intervention will address agenda items 2 and 7 at the same time. First, thanks to Ambassador Dwarka-Canabady for helping get the E-Commerce Work Programme off the ground. We of course supported the extension of the moratorium which we believe has brought substantial benefits to developing countries as they expand their presence in the digital economy. We also support a reinvigorated work programme and have actively worked with developing country Members to help identify potential areas of broad interest to pursue. The United States appreciates the efforts of the facilitator and India in leading us to a topic that enjoys broad support and will allow us to start work in early 2023. We are currently considering the guiding questions in the communication and look forward to providing our contribution.

2.130. The representative of Indonesia delivered the following statement:

2.131. On the issue of the Work Programme on Electronic Commerce, Indonesia appreciates the role of the Facilitator in holding small group consultations. Indonesia supports the organization of special discussions on a regular basis. We believe this will advance the Work Programme on E-Commerce, as mandated by the Ministers at the MC12. To contribute to the process, and which have been mentioned by Ambassador Dwarka-Canabady in her report, Indonesia would like to introduce our paper, which we will explain further under agenda item 7.

2.132. The representative of the European Union delivered the following statement:

2.133. This statement addresses item 7 of our agenda as well ("Rejuvenation of work programme on e-commerce and moratorium on imposing customs duties on electronic transmissions"; "Communication by India on consumer protection in e-commerce"). The European Union welcomes the interest among Members to implement the MC12 Decision on e-commerce and in particular intensifying engagement on the development/digital trade related issues, which was evident from the Members' engagement at the first dedicated General Council meeting on 18 November. This first meeting allowed us to hear from each other how we want to proceed in our dedicated sessions, what our priorities are – especially those of developing and least developed countries – and how these sessions could be efficiently focused and structured. We took careful note of the numerous suggestions for possible topics for future work presented by the Members at that meeting. In our view, our reflection on potential priority topics should not delay progress in our substantive discussions. Instead, it would be important that we move to substantive discussions as soon as possible on one of the specific topics (or a cluster of related issues) put forward by Members, for example those relating to consumer protection. In this regard, we thank India for their communication (WT/GC/W/857) on consumer protection in e-commerce. This is one such valuable input that we trust will contribute to a constructive and useful dedicated discussion within the Work Programme. Our suggestion would be to select one of the topics – possibly consumer protection – for our next dedicated discussion for early 2023. In parallel, we can continue reflecting what specific discussions could come next and when. Let me use this opportunity to thank Ambassador Dwarka-Canabady for her efforts in facilitating our Work Programme discussions. We look forward to further engagement based on facts and getting into specific discussions as soon as possible to identify a way forward on both the Work Programme and the multilateral e-commerce moratorium well ahead of MC13.

2.134. The representative of Nigeria delivered the following statement:

2.135. Nigeria also wishes to thank the Facilitator of the discussions on the Work Programme on Electronic Commerce for her statement. We commend her efforts in advancing the discussions especially for organizing small group consultations that centred on the development-related issues under the Work Programme. We are hopeful that through the ongoing discussions, Members would be able to explore ways of addressing the difficulties undermining the gains of developing countries from global digital trade. As with most Members, we are of the view that discussions on development dimension should be structured around carefully selected themes. The themes could include digital divide where issues such as technology transfer could be discussed. It could also include digital industrialization under which Members can share experience on their respective e-commerce policies such as data flows and data localization, digital trade facilitation, privacy, and other issues. Given that the moratorium provides opportunities for our MSMEs to access intermediate products and other inputs at cheaper price thereby improving their competitiveness and growth, as well as unlocking their productive capacities, we are of the view that the moratorium is an integral part of developing countries digital industrialization policies. We could therefore under this theme undertake discussions on renewal of the moratorium. The themes should also include technical assistance and capacity building that would foster discussions on effective ways of ensuring the provision of technical and financial assistance to developing countries. Regarding the moratorium, we are mindful of the negative effects of an unpredictable global e-commerce environment for businesses and consumers that is likely to occur from the non-renewal of the moratorium anytime it lapses. It is for this reason that Nigeria will continue to support the extension of the moratorium. We understand Members have divergent views on the impact of the moratorium. However, in our view, the benefits outweigh the cost. While we support the call for a study on the impact of the moratorium, such studies should not be limited to static effect analysis. It should entail a general equilibrium analysis. Also, the appropriate tariff data for such analysis should be the effective applied tariff, that is applied tariff that takes into account preferential tariffs and not the bound tariffs used in some of the earlier studies with misleading conclusions. In conclusion, I wish to assure you of Nigeria's continued support on this issue.

2.136. The representative of Bangladesh delivered the following statement:

2.137. Bangladesh aligns with the statement delivered by Djibouti on behalf of the LDC Group. Our delegation thanks H.E. Ambassador Dwarka-Canabady, the Facilitator for the E-Commerce Work Programme for her detailed report. We welcome the proposal to set up thematic sessions focusing on the development dimension in e-Commerce work programme. We also support the idea that the Secretariat can prepare an information note on the development dimension through regular bodies since the establishment of the work programme in 1998. In this regard, our delegation requests Members' kind attention to the submission (JOB/GC/152) circulated in 2017 by Bangladesh that highlighted several important elements including the consumer protection, SMEs, and fair competition in e-commerce. Bangladesh looks forward to working with Members on this important issue. Thank you.

2.138. The representative of China delivered the following statement:

2.139. On E-commerce and the moratorium, debates have been there for years. Constructive dialogues are needed based on national experiences and best practices. In this regard, China appreciates Ambassador Dwarka-Canabady's hard work and is ready to fully engage. We hope the discussion on the moratorium will be targeted and lead to a meaningful outcome to ensure that WTO could continue to play its role in this dynamic world.

2.140. The representative of Norway delivered the following statement:

2.141. Thank you also Ambassador Dwarka-Canabady for facilitating our dialogue and our exchanges on the work programme, on electronic commerce and on the moratorium. We appreciate that you encourage an open and inclusive dialogue. We welcome the reinvigoration of the work programme and intensifying discussions on the moratorium. Norway's prioritized topics for the discussions are presented in communication WT/GC/W/855/Rev.1 that we are co-sponsoring. We are ready to engage on other horizontal issues affecting trade that are of particular interest to developing members. Most important for us is to get started. We look forward to engaging in line with your risk report and proposed schedule until the end of next year. We stand ready to provide

input to the discussions, drawing on our experience in digital trade and development, in addition to implementing internal non-discriminatory WTO-consistent taxes on electronic transmissions.

2.142. The representative of India delivered the following statement:

2.143. India would also like to thank the Facilitator, Ambassador Dwarka-Canabady, for her report. We welcome the resumption of the continuous discussions on the work programme on e-commerce through the dedicated session of the General Council after long years of waiting. In the 18 November meeting called by the Facilitator, we laid out our priorities for the topics that we believe the work programme should cover, while remaining focused on the development dimension. My delegation also participated in the small group consultations held by Ambassador Dwarka-Canabady in December. We welcome the idea of publishing a periodic forward-looking calendar for the work programme discussions and we look forward to engaging in these dedicated sessions. With respect to our submissions under item 7, I would come back on that again under that item.

2.144. The representative of Japan delivered the following statement:

2.145. First, I would like to appreciate the General Council Chair's and Ambassador Dwarka-Canabady's efforts to convene dedicated session process and small group consultation. Japan welcomes the achievement of extension of the moratorium on customs duties, with the reinvigoration of Work Programme on Electronic Commerce at MC12. We consider the Work Programme serves as a solid foundation for our longstanding practice of the customs duties moratorium, which, we believe, will be made permanent eventually. We recognize that some members are concerned about the fiscal implications of the moratorium. However, we believe it is important to focus on the broader benefits the moratorium brings about the Members, such as increase of domestic consumption, opportunities for domestic firms including MSMEs and economic growth. In the previous dedicated session, a variety of Members referred to possible topics regarding developing dimension of the Work Programme to be discussed in the process. We also acknowledge that digital divide is a matter of concern by developing Members and LDC Members, and "digital connectivity and inclusion" is an important topic. Under the framework of the dedicated sessions, it would be useful for Members to share the experiences or knowledge about how domestic policies or international commitments, including Annex on Telecommunications and Telecommunications Reference Paper, have contributed to the development of telecommunications infrastructure. Japan is generally flexible for discussing topics related to developing dimension of the Work Programme and will constructively engage in the dedicated session.

2.146. The representative of Switzerland delivered the following statement:

2.147. Our statement also covers agenda item 7. Switzerland welcomes the decision taken at the Twelfth Ministerial Conference on the Work Programme on Electronic Commerce and the extension of the moratorium. Members have thus ensured that the WTO remains a relevant forum for trade governance in the 21<sup>st</sup> century. We also welcome the launch of dedicated sessions and the fact that you have appointed a facilitator to lead these sessions. The Facilitator can count on Switzerland's support in their efforts, and we hope to be able to quickly move on to discussions on substance. In this regard, Switzerland welcomes the substantial contributions made, in particular, India's contribution concerning consumer protection. We believe it is more appropriate and effective to discuss material issues within the framework of dedicated sessions. The same applies to the topics that Switzerland itself has proposed as a co-sponsor of communication WT/GC/W/855/Rev.1.

2.148. The representative of Nepal delivered the following statement:

2.149. I associate with the statement delivered by Djibouti on behalf of LDCs. The COVID-19 context has highlighted the importance of going digital. LDCs and LLDCs are yet to fully participate in and benefit from e-commerce. This is mainly due to the huge digital divide, especially in availability, accessibility, affordability and application. Data security and protection of consumer rights are also important. To address the digital divide that LDCs and LLDCs are facing, reinvigoration of ecommerce work programme is crucial. Thank you.

2.150. The representative of Viet Nam delivered the following statement:

2.151. Concerning the work programme on electronic commerce, Viet Nam welcomes the robust discussion after MC12. We appreciate written submissions by many Members for enriching our understanding of the issues at hand, and for our consideration of the priorities to be taken to reinvigorate the work under the work programme on electronic commerce as mandated at the MC12. We take note of the fact that a number of cross-cutting topics in e-commerce have been identified through these submissions such as MSMEs, consumer protection, digital connectivity and inclusion. In our view, they deserve dedicated sessions of the General Council, therefore we are supportive of the idea to have increased frequency of dedicated sessions of the General Council for Members to share experience, give comments and suggestions on these topics.

2.152. The representative of Ecuador delivered the following statement:

2.153. Ecuador extends a warm welcome and thanks the Facilitator for everything she has done already in the dedicated session. I will also be referring to item 7. Ecuador sees the work programme on ecommerce adopted at the Ministerial Conference as a priority amongst topics on the WTO agenda. Therefore, it should also be seen as part of the achievement of the Sustainable Development Goals. There is also a strong link between e-commerce and the empowerment of women, the integration of MSMEs, inclusive and sustainable economic growth which has been specifically mentioned in the MC12 Outcome Document. For the same reasons, we see that there are other organisations working on the same topic, such as UNCTAD and the ITC. We also see in a positive light the proposals that have been circulated and the inclusive and active debate around topics such as digital infrastructure, access to digital tools, basic tools for the integration of small economies into digital trade, and also the role of consumer protection and digital aspects of the economy on the moratorium. Ecuador reiterates its support for the extension of this for reasons that we have set out before, particularly the positive effect that we see in our country and our developing countries for MSMEs, as well as the general promotion of trade.

2.154. The representative of Chinese Taipei delivered the following statement:

2.155. We would like to thank Ambassador Dwarka-Canabady for facilitating the dedicated session and consultations under the Work Programme on E-commerce. We support the meetings planned by the Facilitator to focus on the challenges, opportunities, impacts and benefits for developing and least-developed country Members. We also support inviting stakeholders to share their views. The idea of having stakeholders involved in the discussion is in line with the views expressed by many Members at various informal discussions. We co-sponsored the document to share ideas to reinvigorate the Work Programme on Electronic Commerce (WT/GC/W/855/Rev.1) and believe that the development-dimension issues suggested in the document for discussion are of high value.

2.156. The representative of the Russian Federation delivered the following statement:

2.157. The Russian Federation welcomes the report of the Facilitator - Ambassador Dwarka-Canabady. We support the proposed format of the future work. In our view to fulfil the task set by the Ministers at the MC12, it is very important to have a clear and consistent action plan. It is equally imperative to ensure that future discussions will be inclusive and transparent. My delegation is interested in a multilateral dialogue on various topics related to electronic commerce and development. We are in favour of any kind of discussions on traditional issues like digitalization of customs procedures and the development of paperless trade. At the same time, in our opinion, during future discussions members should not forget about the interests of the consumer and end-user. In this sense, considerations at special sessions can also include different aspects of the personal security of participants in electronic commerce (such as protection of consumer rights and personal data, safe data transfer, etc.). In this regard my delegation thanks the delegation of India for its contribution to the future discussions made in communication WT/GC/W/857. Even when previewing the document, we are pleased to note the similarity of a number of thoughts and approaches. Russia has constantly advocated for the consideration of this topic when discussing electronic commerce. In 2018 Russia made the communication JOB/GC/190 on this issue as well. So, we look forward to a fruitful discussion in the dedicated session next year. As for the moratorium, the Russian Federation considers that it is crucial to support all efforts focused on reaching a compromise. In this work, we welcome any kind of exchange of views. Learning from Members' experience is a good way of reaching a common understanding of such a complicated issue as duty for electronic transmissions. In this regard I want to thank the delegation of Indonesia for its comprehensive communication including its interesting analysis and conclusions. Finally, I want to

emphasize that the Russian delegation has always attached great importance to the issues of electronic commerce and is ready to actively participate in all future discussions.

2.158. The representative of the United Kingdom delivered the following statement:

2.159. Let me speak about both items 2 and 7. First, let me thank our distinguished colleague from Mauritius both for her eloquent report and her skilful handling of her role as Facilitator on this and particularly the way she handled that first dedicated meeting last month and the subsequent consultations on this issue and we support the way forward that she has set out today. We are of course a co-sponsor of one communication on this issue and we note the other communications that have been submitted by India and Indonesia. We welcome further contributions, particularly from developing country Members and LDCs because I think we very much share the hope and the aspiration that our work on this enables more countries and more companies in the developing world, to benefit from the potential of the digital economy. It is very clear that renewing the moratorium at MC13 is a priority for us, but we also believe it is a priority for global businesses and global consumers. And I think it is really important that if we are to live by the words of one of the Forbes 100 most influential women's comments - that future of trade should be 'green, inclusive, digital and services', that what we do in this organisation enables that process and does not frustrate it.

2.160. The representative of New Zealand delivered the following statement:

2.161. We also join those Members who have condemned Russia's unprovoked war of aggression against Ukraine, which has implications for global peace, security, and economic stability and undermines the work of the WTO and the multilateral cooperation underpinning it. Turning to substance. I would like to thank Ambassador Dwarka-Canabady for her report and work so far to reinvigorate the work programme. We particularly commend efforts to outline clear dates and topics for our work in the first part of next year. This will help to increase the quality of engagement. New Zealand looks forward to contributing to that effort.

2.162. The representative of Brazil delivered the following statement:

2.163. This brief statement addresses both agenda items 2 and 7. Brazil reiterates its commitment to contribute towards the implementation of the MC12 mandate to reinvigorate the Work Programme on E-Commerce in line with its development dimension. In this context, we would like to thank Ambassador Dwarka-Canabady of Mauritius for her work as the Facilitator of the dedicated discussion on e-commerce and for holding consultations with Members on priorities on development-related issues under the Work Programme on E-Commerce. Brazil would like also to thank proponents of communications WT/GC/W/855/Rev.1 and WT/GC/W/857, which we are still assessing internally. Our preliminary view is that we could work on the basis of these communications to share our experiences and exchange views in areas of interest to Brazil under the Work Programme on E-Commerce.

2.164. The representative of Peru delivered the following statement:

2.165. I express our thanks and support to Ambassador Dwarka-Canabady for her role as Facilitator of this important topic, as well as for her very detailed report. Peru has joined the other 17 co-sponsors of WT/GC/W/855/Rev.1, which set out ideas for revitalising the work programme on electronic commerce. It aims to bring a non-exhaustive and flexible list of issues or topics to be discussed in line with the MC12 mandate, and that we were very happy to present in November at the respective meeting. We also welcome the submission by India on consumer protection, which we will gladly review. We are aware that there are other varying concerns held by neighbours and we remain flexible to include them in the work programme that has been described today by the Facilitator. We support that we do need flexibility because it is the only way we can take up all of our concerns and thereby find consensus-based decisions. We also see that we are on the right path and that we have taken a major step. Members are bringing their ideas and showing a positive attitude. We hope that this spirit will spill over into 2023. In closing, we once again reiterate our support for the Facilitator. We are certain that with her leadership we will have meetings that respect the principles of this Organization.

2.166. The representative of the Republic of Korea delivered the following statement:

2.167. Korea welcomes the appointment of Ambassador Dwarka-Canabady as Facilitator. Korea, as a co-sponsor of communication WT/GC/W/855, stresses the importance of sharing experiences and best practices to support trade facilitation and enhance the digital capability to address the development dimension. Given the multifaceted nature of the issue, Korea believes it is important to reflect the views of various stakeholders including experts, businesses and consumers in the discussions. In addition, Korea, as a strong supporter of the permanent extension of the moratorium on imposing customs duties on electronic transmissions, reiterates the importance of holding dedicated discussions on the moratorium in line with the discussion on the Work Programme. Timely discussion would be necessary to make significant progress on this important issue before MC13.

2.168. The representative of Australia delivered the following statement:

2.169. We will intervene once on e-commerce issues and will not intervene again under item 7. Australia welcomes the intensification of discussions under the Work Programme on Electronic Commerce, and we thank Ambassador Canabady for her work on this front. Australia looks forward to engaging in constructive evidence-based discussions on the opportunities and challenges of e-commerce, particularly for developing countries. Australia believes e-commerce is a powerful tool for development. By lowering transaction costs and barriers to trade, e-commerce is enhancing the economic empowerment of groups that have historically faced disadvantages in accessing foreign markets. We recognise it also presents unique challenges, including those relating to building consumer trust. As India has highlighted in its paper, ensuring consumer protection online is key to building this trust. We recognize that developing and least developed countries face additional barriers to participation in the global digital economy. We therefore welcome the Facilitator's recent consultations on the development-related issues under the Work Programme. Australia and other co-sponsors have put forward our views on promising areas of focus under the WT/GC/W/855 document. Next year's dedicated, focused discussions will offer an opportunity to share best practices on and improve Members' understanding of relevant trade-related aspects of e-commerce.

2.170. The representative of Cambodia delivered the following statement:

2.171. My delegation associates itself with the statement made by Djibouti, on behalf of the LDC Group. We would like to thank Ambassador Dwarka-Canabady for the report and facilitating the discussion on e-commerce work programme. We also welcome the work plan she has proposed to take up the discussions forward. We note the topics identified by Members in the consultations which are all important especially in bridging the digital divide in order for developing countries, especially the LDCs, to benefit from e-commerce. Integrating MSMEs into digital trade is also very important and we can help them by trying to find ways to reduce cost of access to e-commerce products and technologies and increase their visibility on the global market. We look forward to taking part and contribute to the discussions on all topics.

2.172. The representative of Vanuatu, on behalf of the Pacific Group, delivered the following statement:

2.173. The Pacific Group thanks the Facilitator for her report of her consultations on this topic. This enabled Members to exchange views on issues of interest to Members. The Pacific Group envisages that this work should assist developing countries address the digital divide they face such as internet access and prices; to better understand issues relating to data and consumer protection; and to how to collect data relating to online trading. Perhaps this work could also take into consideration the national and regional efforts to bridge the divide. The Pacific Group is already taking steps through national and regional e-Trade readiness assessments to identify gaps and challenges. Our position remains unchanged on the moratorium of customs duties on e-transmissions – a better understanding of the costs and benefits of the moratorium for developing countries is needed. This should cover both the impact of the moratorium on revenue and the development of digital industries.

2.174. The representative of Antigua and Barbuda, on behalf of the OECS, delivered the following statement:

2.175. We applaud the efforts of Ambassador Dwarka-Canabady of Mauritius who we consider to be ideal for this role. We call for the intensification of work on the Work Programme in the year ahead. We are interested in addressing the digital divide as a cross-cutting theme, along with issues

such as legal and regulatory frameworks. We see value in using the convening power of the WTO to bring other international organisations and the private sector where there is unique expertise, to enhance our discussions. On the moratorium, we also see value in an independent/objective assessment of its scope and impact and invite Members to be open to this possibility to move the discussions forward. Finally, we align with the statement by the ACP and CARICOM.

2.176. The representative of Pakistan delivered the following statement:

2.177. We thank Ambassador Dwarka-Canabady for her work and report on this. We welcome this development and look forward to discussions on this after the break. We understand the issues highlighted are only initial and would evolve as we learn from countries more developed in this area as well as the international organisations that will be a welcome involvement on this, like other areas of our work.

2.178. The representative of Tunisia delivered the following statement:

2.179. Despite the sense of collective commitment found in the discussions launched last November, the fact that we are still at the stage of identifying the cross-cutting issues to be addressed in the revitalization of the work programme on electronic commerce after 24 years of mandate is having a limiting effect on ambitions. This is because, when comparing the often-rapid results achieved in other forums working on improving digital ecosystems, such as the UNCTAD "eTrade for all" initiative or eTrade Readiness Assessment exercises, the question naturally arises as to whether our working methods in the WTO would be in tune with what is happening elsewhere in this constantly changing economic field. However, we remain optimistic about the collective commitment to the inclusive development of electronic commerce, based on an approach to identifying the gaps in capacities and resources of some Members and bridging them through various forms of technical and other support.

2.180. The representative of Malaysia delivered the following statement:

2.181. On the work programme of e-commerce, as there are different opportunities in addressing the development aspect of e-commerce, we would suggest more policy dialogue aimed at deepening Members' understanding of issues and to share best practices on policy approaches.

2.182. The General Council took note of the report by the Facilitator and of the statements.

### **(iii) Paragraph 8 of the Ministerial Decision on the TRIPS Agreement – Report by the TRIPS Council**

2.183. Ambassador Lansana Gberie (Sierra Leone), Chair of the TRIPS Council, delivered the following statement:

2.184. Since the adoption of the Ministerial Decision on the TRIPS Agreement on 17 June 2022, Members have held discussions on its extension to therapeutics and diagnostics in formal and informal meetings of the TRIPS Council on 6 July, 19 September, 3 and 12-13 October, 2 and 22 November, and 6 and 15 December 2022. In these extensive discussions, Delegations engaged actively, including through new submissions, and their detailed substantive exchanges helped clarify various aspects and nuances of positions. While delegations remain committed to the common goal of providing timely and secure access to high quality, safe, efficacious and affordable medical technologies for all, disagreement persists on whether an extension of the Decision to cover the production and supply of COVID-19 diagnostics and therapeutics is necessary. On 6 December 2022, a group of 65 Members tabled a proposal for the General Council to extend the Decision *mutatis mutandis* to COVID-19 therapeutics and diagnostics, which a number of other Members also supported. Other Members preferred to continue fact- and evidence-based discussions on whether there are IP- and TRIPS-related barriers to accessing COVID-19 therapeutics and diagnostics. In light of these persisting differences, intensive discussions were necessary in various formats last week to permit Members to agree on any Report on this matter. The text that the TRIPS Council finally adopted on Friday evening – and which has been circulated in document IP/C/95 – thus represents the bare minimum of common ground that could be identified among Members. The agreed report recommends to the General Council to extend the deadline specified in paragraph 8 of the Ministerial Decision. That is the recommendation, Chair. This completes the formal part of my



report under the agenda item. Before I conclude, kindly permit me to thank all Members for their constructive and spirited approach to the discussion leading to this report.

2.185. The Chair thanked the TRIPS Council Chair for his report which, as he noted, contained a recommendation addressed to the General Council and asked whether Members, or whether the General Council, could agree to the recommendation by the TRIPS Council as presented by the TRIPS Council Chair. He noted that he was aware that delegations wished to take the floor under this item, but he proposed to deal with this item in two steps, namely, first with the recommendation and to then subsequently have a debate.

2.186. The representative of South Africa delivered the following statement:

2.187. The co-sponsors of IP/C/W 669 Rev.1 are disappointed that the WTO membership is yet to decide on the extension of the MC12 Decision on the TRIPS Agreement to cover therapeutics and diagnostics. The extension of the MC12 Decision is a credibility issue for the WTO. A solution on vaccines alone is not sufficient. COVID-19 is not over and all of us remain vulnerable, more so people in countries that have low vaccination rates as they are vulnerable to variants. You will recall that the position of the co-sponsors has always been a comprehensive solution that covers vaccines, therapeutics and diagnostics. We are extremely disappointed that we could not meet the Ministers' deadline, and this is not due to lack of trying by the co-sponsors. The co-sponsors engaged in good faith in all discussions and provided ample evidence on the IP-related challenges on therapeutics and diagnostics and these were also highlighted by the WHO in their input to the TRIPS Council. In addition, the Act-A Facilitation Council Working Group Report on Diagnostics and Therapeutics of September 2022 has confirmed the concentration of manufacturing which contributes to inequitable roll-out of COVID-19 diagnostics and therapeutics which threatens to undo public health gains achieved throughout the pandemic. The position to expand the product coverage to therapeutics and diagnostics is informed by the need to ensure access to all effective therapeutics at a reasonable price. A decision on vaccines only was agreed on the understanding that Members are committed to take a decision no later than six-months as entailed in paragraph 8 of the MC12 decision. It is disappointing that we have been engaged in circular discussions and the WTO is yet to take a decision on this regard. The extension must be short and cannot be more than what Ministers agreed to in the first instance. We therefore support an extension until the next meeting of the General Council or at the most 3 months.

2.188. Millions of people are grappling with symptoms that linger for weeks to several months after they had been diagnosed with an infection. Various treatment options are required based on many factors and must be adapted to various contexts. The WTO must make a meaningful contribution to address concentration of production and deliver a solution that contributes to Members test to treat strategies which are recognised as critical to a comprehensive response. The MC12 decision on the TRIPS Agreement is already narrow and is a far cry from the original TRIPS Waiver and poses no risk to the IP eco-system but is a necessary flexibility to foster diversification of production. The failure of the WTO to meet the first and most important deadline on public health says a lot about the ability to deliver on developmental issues that are in the interest of humanity and developing countries. As over 100 CSO said in an open-letter to the Director-General, COVID-19 vaccines, therapeutics and diagnostics are vital for controlling the pandemic and preventing hospitalizations, loss of life, long-term health consequences, and economic disruptions. However, access to these life-saving medical technologies remains grossly inadequate in developing countries, as pharmaceutical companies prioritise high prices and profits in rich markets. We hope that Members will use the extension wisely. Chair, we missed the opportunity to provide governments with the tools to save millions of lives up to now. However, we can still redeem our image in the eyes of the world. Let us do so expeditiously. We remain ready to engage constructively with Members.

2.189. The representative of Nigeria delivered the following statement:

2.190. We thank the Chair of the TRIPS Council for his report. At the outset, we wish to associate ourselves with the statement delivered on behalf of the African Group regarding the mandate contained in paragraph 8 of the MC12 Decision on the TRIPS Agreement. Though we were unable to fulfil the mandate within the timeframe envisaged by our Ministers, we however welcome the consensus on the extension of the deadline. We call on Members to continue their constructive engagements with requisite political will to enable us to extend the decision to cover the production and supply of COVID-19 diagnostics and therapeutics as soon as possible. This would foster the

ramping up of production and ensure timely access to these lifesaving products by developing countries.

2.191. The representative of Pakistan delivered the following statement:

2.192. We note the report shared by the TRIPS Council Chair and echo the statement made by South Africa. The demandeurs for this waiver have engaged in consultation with the membership in the true spirit of paragraph 8 of the Ministerial decision. Several questions raised during the course of consultations were well taken and duly responded in various documents: IP/C/W/670 and IP/C/W/674. We all know that in time of emergencies and crises, all of us, as individuals and governments take decisions to mitigate, in absence of complete information, or react in good faith on the basis of only partial information. In a global context especially, this is the best we can expect. Information can never be perfect. Unfortunately, we at the WTO spent almost two years discussing whether vaccines were adequately available. Now we are doing the same for diagnostics and therapeutics. We claim that we need to stay relevant. We believe timeliness is an integral element of being relevant. For many poorer countries the issue is not simply of supply, it has been that of access and affordability, as has been articulated by the Director-General of the WHO on 16 December. I would like to take this opportunity to urge the General Council to uphold the mandate given to us by our Ministers in paragraph 8 of the decision while, very reluctantly, repeat reluctantly, allowing for a shorter extension in the timeline to decide on extension of the waiver to therapeutics and diagnostics, as suggested by South Africa.

2.193. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

2.194. As far as TRIPS is concerned, and particularly the extension of the Ministerial Decision to therapeutics and diagnostics, we welcome the consensus on extending the deadline, which emerged from the Council's work. While we understand that this is sensitive topic of discussion for some Members, we remain dissatisfied with the lack of an outcome in these discussions to date. A final decision should be made as soon as possible, so as to avoid entering a vicious circle that would render these talks meaningless. Note should be taken of the marked increase in infections and the finding that vaccines alone cannot tackle this illness, especially in developing countries. For this reason, we call upon Members to decide to extend the Ministerial Decision on vaccines to therapeutics and diagnostics.

2.195. The representative of Argentina delivered the following statement:

2.196. The Argentine Republic wishes to align itself with the statement made by the distinguished Ambassador of South Africa. Our country, like many developing and less developed countries, encountered numerous barriers to obtaining access to medical technology during the pandemic. This is why, since the start of the discussions in October 2020, we have supported a general waiver on intellectual property provisions. Regrettably, we are now in December 2022, and we are still discussing. We must be able to agree health policy tools that place human life above economic interests. We thus call on the membership to show maximum flexibility in order to give effect to the recommendation made by the Council for TRIPS, and to extend the provisions of paragraph 8 which allow us to reach a similar decision to the one we were able to take regarding COVID-19 vaccines, only this time for diagnostics and treatment. A new decision adopted in a timely manner would facilitate more equitable access and affordable prices of these goods at the global level. Extending the Ministerial Decision would provide developing countries with an additional public health policy tool to address current and potential health challenges. The mandate in paragraph 8 is very clear and does not require a general debate to be opened up on the role of intellectual property rights in obtaining access to health care. We must act in a consensual and constructive manner so as not to further delay decision making and show that the WTO and the multilateral trading system can bring concrete solutions to the challenges faced by all nations.

2.197. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

2.198. Regarding paragraph 8 of the Ministerial Decision on the TRIPS Agreement, we thank the Chair of the TRIPS Council for his report and his persistent efforts to ensure that Members reached an agreement on a way forward in light of the 17 December 2022 deadline to decide whether the TRIPS Decision could extend to the production and supply of COVID-19 diagnostics and therapeutics.

The ACP Group welcomes the recommendation to extend the deadline in order to accord sufficient time to deliberate on this important issue. The Group reiterates its support for an extension of the aforementioned Decision to cover diagnostics and therapeutics and calls upon Members to treat this matter with the urgency it deserves in the coming year.

2.199. The representative of Fiji, on behalf of the Pacific Group, delivered the following statement:

2.200. We thank the TRIPS Council Chair for his report and the recommendation. Like other delegations, the Group is disappointed that this work has not been concluded by the deadline set at MC12. However, we support the recommendation to extend the deadline for this work and urge Members to work together earnestly in 2023 to reach a decision on the extension of the waiver to therapeutic and diagnostic products. For us, this is not just a trade issue but a life-saving matter for our countries.

2.201. The representative of Bangladesh delivered the following statement:

2.202. Bangladesh thanks the TRIPS Council Chair for his report. Regarding paragraph 8 of the Ministerial decision on TRIPS Waiver, Bangladesh aligns with the statement delivered by the distinguished Ambassador of South Africa on behalf of the co-sponsors of IP/C/W/669/Rev.1 and the statement to be delivered by Djibouti on behalf of the LDC Group. We are disappointed that Members could not agree within the deadline to follow the good gesture of the Ministers by extending the TRIPS Waiver decision to cover the COVID-19 diagnostics and therapeutics. The TRIPS Council has recommended that the GC extends the deadline that ended on 17 December 2022. The extended deadline must not change the MC12 decision and its scope: that the MC12 TRIPS Waiver decision must be extended to cover COVID-19 diagnostics and therapeutics. We are aware that the pandemic is still ongoing. People need test and treatment against COVID-19. We cannot also ignore the threat of the future pandemics and the necessity of affordable and timely access to diagnostics and therapeutics. Therefore, the Ministerial decision on TRIPS Waiver should not be confined only on vaccine and should be extended to cover COVID-19 therapeutics and diagnostic. Our delegation supports the idea that extension of the deadline must be short and should not go beyond the first GC meeting in 2023.

2.203. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

2.204. Regarding paragraph 8 of the MC12 TRIPS Decision, the LDC Group would like to thank the Chair of the Council for TRIPS for his report and we thank all of us for working together last Friday to come to the solution we needed. The LDC Group, as in the TRIPS Council last Friday, is again happy to agree on the proposed text that extends the time found in the MC12 Decision on COVID-19, to decide on whether to include therapeutics and diagnostics under the waiver.

2.205. The representative of Antigua and Barbuda, on behalf of the OECS, delivered the following statement:

2.206. With respect to the TRIPS matter, we are supportive of a positive outcome to the discussions on a waiver for therapeutics and diagnostics. COVID-19 has not disappeared, and at the end of last week, cases were up 11% and deaths up by 15% globally. As most countries have reopened since the most intense phases of the pandemic, promoting greater access to therapeutics and diagnostics should be seen as key to the fight to combat the virus. Finally, we align with the statement by the ACP and CARICOM.

2.207. The representative of Mozambique delivered the following statement:

2.208. Regarding paragraph 8 of the MC12 TRIPS Decision, my delegation thanks the Chair of the TRIPS Council, Ambassador Lansana Alison Gberie of Sierra Leone, for his report. Mozambique aligns itself with the statements delivered by South Africa, on behalf of co-sponsors, the African Group and the LDC Group. We join the consensus on the recommendation to extend the deadline of the Ministerial decision to cover the production and supply of Covid-19 therapeutics and diagnostics under the waiver. However, we are of the view that the extension must be as short as possible. As co-sponsors, Mozambique encourages the WTO membership to continue with an open spirit and constructive negotiations in compliance with the Ministerial mandate of paragraph 8 of the decision.

2.209. The representative of Indonesia delivered the following statement:

2.210. Indonesia thanks the Chair of the TRIPS Council for his short report. On the agenda of Paragraph 8 of the Ministerial Decision on TRIPS Agreement, while echoing previous statements of the TRIPS waiver co-sponsors delivered by Ambassador Xolelwa Mlumbi-Peter, and our support to document WT/GC/W/860 – IP/C/W/694, it is regrettable that we have reached another impasse as previously experienced before the MC12. In fact, after the conclusion of the MC12, the Decision was criticized as coming too little and too late. Therefore, to present a WTO that is agile, responsive, and caters to the needs of all, any extension on paragraph 8, must be as short as possible, preferably to be decided in the next General Council meeting in early 2023. Indonesia would also like to highlight the role of relevant international organizations in their particular field on IP and global health, such as WHO and WIPO, and the WTO can certainly benefit from their expertise in discussions on the extension of the Ministerial Decision to therapeutics and diagnostics.

2.211. The representative of the Maldives delivered the following statement:

2.212. Since this is the first time that we are taking the floor, our delegation welcomes the new Ambassadors who were recently accredited to WTO and wish farewell to all the Ambassadors who are leaving us. Our delegation would also like to thank the Chair of the TRIPS Council for the update provided to this Council and for his continuous engagement with Members to a speedy conclusion on the way forward for the paragraph 8 of the Ministerial Decision on TRIPS Agreement. The COVID-19 virus is still affecting all regions across the globe. At the WHO, WIPO, WTO Joint Technical Symposium on the COVID-19 Pandemic: Response, preparedness, resilience held last Friday, the WHO Director-General stated in his opening remarks that ten thousand people are still dying from this virus every week. He also stated that even though access to vaccines has significantly improved, access to diagnostics and life-saving treatments for COVID-19 remains unaffordable. We believe that WTO Members can play a pragmatic role in providing access to diagnostics and therapeutics related to the COVID-19 virus. Therefore, as a co-sponsor of the IP/C/W/669/Rev.1, Maldives strongly urges the WTO membership to decide on the extension of the Ministerial Decision on the TRIPS Agreement to cover therapeutics and diagnostics in compliance with the Ministerial mandate in paragraph 8 of the said Decision.

2.213. The representative of Nepal delivered the following statement:

2.214. We associate ourselves with the statement by Djibouti on behalf of LDCs. I commend the report of the TRIPS Council and appreciate Members' engagement in the spirit of MC12. The MC12 decision on the TRIPS waiver is a good example of the outcome of multilateral deliberation to address the global public health problem. It would definitely contribute to saving lives around the world. However, this decision by itself is not sufficient, as provision of vaccines alone does not solve the pandemic problem. We further need to take a decision on its extension to cover production and supply of COVID-19 diagnostics and therapeutics in a timely manner. We, therefore, support the recommendations by the TRIPS Council. We call upon Members for engaging constructively and demonstrating flexibility at the maximum possible level.

2.215. The representative of Paraguay delivered the following statement:

2.216. First of all, I would like to thank the Chair of the TRIPS Council for his report. Second, I would like to state that we are concerned by the systemic impact of non-compliance with the specific mandate we were given just six months ago. My delegation agrees to the extension and believes that a definition of the parameters should be provided soon. That is why we support South Africa's proposal, which has been seconded by other delegations, to extend the decision to the first meeting of the General Council in 2023. For countries that are net importers of medical goods and equipment with limited local production capacity such as Paraguay, what is most important is: an adequate international supply chain of COVID-19 vaccines and medicines, equipment, medical devices and diagnostics, markets that remain open and without unnecessary distortions, as well as greater transparency in terms of prices and conditions. We also support the strengthening of trade facilitation measures with a view to reducing restrictive measures imposed by producer Members because the most affected countries are always the most vulnerable ones. This does not only have a trade aspect; it is directly linked to the health of our citizens.

2.217. The representative of Mauritius delivered the following statement:

2.218. Mauritius supports the statements made by the African Group and the ACP Group. We note that the mandated deadline has been extended by consensus. We hope this extension will be short. Last Friday we had the opportunity to listen to experts at the WHO-WTO-WIPO trilateral Symposium on the COVID Pandemic. The presentation by Dr. Abdul Karim was both enlightening and frightening as he pointed to the long-term effects of COVID and potentially the disabling of a proportion of the work force. We already know that many have not resumed their work and are still suffering from the debilitating effects of long COVID. Some words that stick to our minds from that symposium are – Inter agency cooperation – Consolidation of Global Governance and Actions including on multilateral trade. Reflection and discussions on pandemic preparedness is also happening elsewhere and we know that the International Negotiating Body at the level of the WHO has advanced work on the proposed International Convention to strengthen Pandemic prevention, preparedness and response. It is the turn of the WTO. We appreciate this is not an easy issue but urge a constructive engagement and positive outcome for the credibility of this Organization.

2.219. The representative of the Plurinational State of Bolivia delivered the following statement:

2.220. I would like to briefly touch upon the various items on the agenda. You are all aware of Bolivia's positions on most of these topics. We would like to join those voices, particularly those of South Africa on paragraph 8. We express our concern with regards to the small progress made in the last six months. We were a co-sponsor, and we therefore urge Members to fulfil the Ministerial Decision. We urge Members to do so as soon as possible, working constructively on the topic so that we can ensure that tests and treatments are included. This way, the WTO can play a relevant role in meeting the outstanding needs of our citizens.

2.221. The representative of Switzerland delivered the following statement:

2.222. Thank you to the Chair of the TRIPS Council for his report. Paragraph 8 of the Ministerial Decision on the TRIPS Agreement provides a mandate for Members to decide no later than 6 months on whether or not to extend the decision to cover the production and supply of COVID-19 diagnostics and therapeutics. Switzerland appreciates that discussions on this matter have been held and would like to thank all delegations for their contributions. In our assessment, during the last 6 months the discussions in the TRIPS Council failed to produce convincing facts that demonstrate that IP-based problems regarding the access to COVID-19 therapeutics and diagnostics exist. On the contrary. Switzerland has produced evidence (such as included in communication IP/C/W/693 co-sponsored by Mexico), which clearly indicate that there are no IP-related barriers to the access to these products. The proponents have not submitted any up-to-date information which would refute these facts. Switzerland therefore deems an extension of the MC12 TRIPS Decision to be not only unnecessary, but indeed counterproductive to our common goal of ensuring equitable and affordable access in a sustainable manner. Such a signal sent from the WTO would have a negative impact on the preparedness of relevant stakeholders to continue to engage in pandemic research and development. With that, WTO would run counter to its own goal of pandemic preparedness, prevention and response for future pandemics. However, Switzerland is willing to continue to engage and discuss this issue further, based on facts and evidence, with other Members in the TRIPS Council.

2.223. The representative of the European Union delivered the following statement:

2.224. The European Union thanks the Chair of the TRIPS Council for his report and steering. Since July 2022, the European Union has constructively engaged in the discussions on whether to extend the scope of the Decision to COVID-19 therapeutics and diagnostics. These are not easy discussions as the situation is complex. Contrary to COVID-19 vaccines, there is no clear definition of these products. In addition, there are multiple factors that affect their accessibility and affordability such as the available financing, licensing, procurement mechanisms or regulatory procedures, just to name a few. The European Union is committed to find a way to advance the discussions of the TRIPS Council by addressing questions that remain open, identifying concrete problems and the ways in which these problems can be addressed. At the current stage, it is clear however that there is no consensus in the TRIPS Council. Therefore, the European Union supports the continuation of the discussions and the extension of the deadline in which to complete this discussion. We are flexible as regards the duration of that deadline. We can support a short extension of the deadline.

2.225. The representative of the United Kingdom delivered the following statement:

2.226. Let me thank the Chair for his report today and the way he has handled these discussions over the last few weeks and months. Since we met at MC12, we have certainly tried to engage in good faith in an attempt to drive and secure what we hoped would be an evidence-based discussion on whether, or not, to extend the scope of the MC12 TRIPS decision on Covid-19 vaccines to therapeutics and diagnostics. We have welcomed positive contributions from other Members towards such a fact-based debate but, as others have said, the reality is that we have not reached a consensus in the TRIPS Council on the substance of this issue. We thank everybody for trying to find a way through and we thank in particular those who worked on this on Friday. We have exercised our own level of flexibility here, being content to just say that we have not found consensus, but we are willing to continue those discussions in the way that the TRIPS Council Chair has suggested and is reflected in the report for us.

2.227. The representative of Japan delivered the following statement:

2.228. Japan would like to express its appreciation to the TRIPS Council Chair, Ambassador Gberie, for the report. In considering whether or not the extension of the Ministerial Decision will also cover diagnostics and therapeutics, we must ensure that our discussion continues to be based on evidence and facts. On the other hand, we recognize that at this point Members have different views on whether the TRIPS Council has been presented with concrete evidence supporting the need for extension to diagnostics and therapeutics. In light of this situation, we can support the Chair's report. We consider that the discussion will be fact-based, and we appreciate the communication from Mexico and Switzerland, and the discussion paper from Chinese Taipei in this regard. We would like to engage in the discussion constructively. With regard to the duration, we consider that, whether we can find the facts and evidence, the quality of discussion is important. We are flexible on the duration.

2.229. The representative of Chinese Taipei delivered the following statement:

2.230. We thank the TRIPS Council Chair for his report and for having convened several formal and informal meetings. We commend the Chair's patience to facilitate Members' discussions. Although the report is concise, it precisely reflects the current status. We have explained in many meetings that the issues involved in "diagnostics" and "therapeutics" are far more complicated than the issues involved in vaccines. If we intend to be effective in the following stage, the discussion must be more focused and more fact- and evidence-based. My delegation has submitted a discussion paper and raised a number of product-related and supply-demand related factual questions. We hope that this will be the basis for a "focused" discussion.

2.231. The representative of Tunisia delivered the following statement:

2.232. We thank the Chair of the TRIPS Council for his report and note the recommendation. Clearly, even though the decision on the extension of the deadline gives hope of moving towards a successful outcome later, we could not hide our disappointment that the discussions on the extension to therapeutics and diagnostics failed to reach a successful conclusion. We remain puzzled by this decision on extension on several levels, including the following two points: (i) The decision to postpone suggests that the six-month period since the MC12 Decision was too short to gather all the facts needed to make a decision. This is not exactly the case, given that since the submission of the proposal by the co-sponsors in October 2020, the polarized high-level discussions between Members have focused on finding a comprehensive solution, including vaccines, therapeutics and diagnostics. As a result, Members had more than two years to gather the facts needed to make a decision. (ii) The existing division over the understanding of the mandate of paragraph 8 of the decision, between those in favour of taking a decision (positive or negative within the deadline), and those who instead support a decision on whether or not an extension is appropriate, will of course continue, given that the decision on extension is presented in an impartial manner and provides no clarity on the matter. However, what is undeniably encouraging beyond this confusing situation on the outcome of the decision is the level of commitment and cohesion between the heads of the three lead organizations in this process (the World Health Organization (WHO), the World Intellectual Property Organization (WIPO) and the WTO), with a view to building resilience in order to be better prepared for future pandemics. The ninth Joint Technical Symposium held last week had once again been an opportunity to confirm the high level of trilateral coordination. The Director-General of the WHO, Dr. Tedros, and participating scientists confirmed that, and I quote: "severe global inequities still hamper the response" and indicated that developing the "local production of vaccines, diagnostics and therapeutics is key to bringing this pandemic to an end, and for strengthening

preparedness for future emergencies". I would like to end with the words of the Director-General of WIPO, Mr Daren Tang, who stated that: "There is no certainty when the next pandemic will strike us, but there is absolute certainty that it will happen again. We can and must do better the next time it happens, for ourselves and our children".

2.233. The representative of Malaysia delivered the following statement:

2.234. On the Ministerial Decision on the TRIPS Agreement, we believe that vaccine equity can be further improved in the vulnerable parts of the world in a timely manner. On paragraph 8, we call for Members to continue engaging in finding mutual workable decisions that would address the needs and concerns of all Members.

2.235. The representative of Viet Nam delivered the following statement:

2.236. Regarding the TRIPS Council report on the discussion on the expansion to cover the production and supply of COVID-19 diagnostics and therapeutics, Viet Nam understands and appreciates that the TRIPS Council has worked very hard for the agreement to recommend the General Council to extend the deadline. Viet Nam is willing to join the consensus on this recommendation.

2.237. The representative of India delivered the following statement:

2.238. We thank the TRIPS Council Chair for his report to the GC. Although I am little confused, as to which part of it was the formal report, and which part was on his own responsibility. Let me thank him for at least coming out with a revised kind of paragraph 5 of the earlier circulated draft report – whereby today he has acknowledged that there were three groups in the room: (i) 669/Rev.1 co-sponsors who were seeking an extension of the decision; (ii) those that there were not co-sponsors but supporting strongly the extension of the decision; and, (iii) the third group was seeking the extension of the timeline or the deadline. Let me also thank South Africa on behalf of the co-sponsors, and India would like to align itself with the statement made by South Africa. In the last GC meeting in October, India suggested that there should be a standard practice of the TRIPS Council providing a report to the GC instead of co-sponsors proposing its inclusion in the agenda. It is disappointing that we could not take a decision to deliver the mandate provided by Ministers at MC12 in paragraph 8 of the MC decision on the TRIPS Agreement within the deadline. We have spent six months since the Ministerial, first almost three months inaction, even though we provided a calendar in the form of a room document before the summer break, and then in the protracted circular discussion, which still we want to continue and endless demands on evidence. We have had retreats on agriculture, fish and WTO reform, all of which were important. Unfortunately, we have not had one on this topic which also is, if I may say, an important topic. The decision at this stage is crucial and urgent for responding globally to the ongoing pandemic. Therefore, India would like to reiterate the urgency to extend the decision to therapeutics and diagnostics, and also urge the General Council to quickly decide on the way forward beyond the deadline. And may I suggest, our suggestion is to consider a short extension of the deadline up to the first General Council meeting in 2023 or at best three months from now.

2.239. In summarizing the discussion, the Chair recalled that a recommendation had been prepared and agreed by the TRIPS Council, recommending to the General Council to extend the deadline - without any indication on the length of this extension and the period of time for which the deadline should be extended. He noted that in the interventions, several suggestions had been made regarding the period of time for the extension, and the last intervention by India was echoing what South Africa had proposed in its intervention. India was also suggesting that the General Council should extend the deadline up until the first meeting of the General Council in 2023, or for a period of up to three months. He noted that he had heard that a number of delegations were flexible as to the period of time for the extension, and asked if the WTO membership would agree to extend the deadline until the next meeting of the General Council next year, or for a maximum period of three months.

2.240. The representative of the United States delivered the following statement:

2.241. As everybody is aware, the United States is engaging in a domestic process which I recognize is a US domestic process. Stakeholders are invited to participate in it and this process is significantly

longer than three months. I also think that even, setting that aside, three months is very short. We are about to leave basically for two months here on various holidays. While I have some flexibility on timeframe, I think three months is not something we can agree to. I am also a little bit confused, we did agree and we did work with others on Friday on what ended up being the draft report. But this agenda item is a report from the TRIPS Council. I recognize that ideas have been thrown around on the timeframe, but I am a little bit confused about the agenda item.

2.242. The Chair suggested to suspend deliberations on this topic and to revert to it at a later juncture during the meeting. He urged that, in the meantime, concerned delegations should get together to find language that would be acceptable to all. He then suspended the agenda item.

2.243. On the following day of the meeting, i.e., on 20 December, the Chair took up item 2(a)(iii) again and recalled that he had suspended the discussion on this matter the day before with a view to providing more time to concerned delegations to work out a mutually agreed solution. He noted that Members had not yet managed to work out such an agreed solution, and he therefore afforded more time to those delegations until the afternoon of that meeting. In doing so, he noted that, as he saw it, the General Council would be left with two options. First, to agree to the recommendation of the TRIPS Council, or second, there would be no consensus and the General Council would not be in a position to agree to the recommendation. He expressed his hope for Members to work out a consensual solution on this matter.

2.244. The representative of South Africa delivered the following statement:

2.245. We concur that there is still a need for Members to come together on this issue. But maybe in response to your two options, I think we probably also need to put a third option, which could be if there is still no solution until the end of our meeting today, the item can remain suspended, and the General Council can come back to it in its first meeting of 2023. That could be another option to consider.

2.246. Later that day, and before proceeding to "Other Business", the Chair took up item 2(a)(iii) once again and delivered the following statement as a follow-up to the intervention he had made earlier<sup>15</sup>:

2.247. As you will recall, this morning I asked the concerned delegations to continue working together in order to see whether they can find solution to the matter of a specific deadline for the recommendation of the TRIPS Council that was raised yesterday that could be acceptable to everyone. I noted that I would revert to this matter as we resume our meeting this afternoon.

2.248. I understand that discussions have taken place among interested delegations and that good progress was made. While there is no convergence yet on the specific duration of a deadline to attach to the TRIPS Council's recommendation, we may be able to put forward a compromise solution. Based on the statements heard yesterday and the further informal discussions that took place thereafter, I would like to suggest proceeding as follows:

- a. "The General Council agrees to the recommendation as put forward by the TRIPS Council to extend the deadline, and the General Council agrees to revert to the matter of the duration of such deadline at its next meeting."

2.249. The General Council so agreed.

## **B. Buenos Aires (MC11), Nairobi (MC10), and Bali (MC9) (G/RO/97)**

2.250. The Chair delivered the following statement<sup>16</sup>:

2.251. I will only focus on areas where there are new developments to report. I would also refer you to earlier statements made under this item at previous meetings of the General Council. On the implementation of the Bali Ministerial Decision on Public Stockholding for Food Security purposes, the Committee on Agriculture, at its November meeting, continued its examination of the information

<sup>15</sup> The Chair's statement was subsequently circulated in JOB/GC/333.

<sup>16</sup> The Chair's statement was subsequently circulated in JOB/GC/329.



notified by the Member who has invoked the Decision. As a part of the first triennial review of the operation of the Bali TRQ Decision, Members looked into specific proposals for enhanced transparency of tariff quota notifications. Regarding the LDCs Services Waiver, at the December meeting of the CTS, the Chair recalled the suggestions he had heard from delegations during his consultations to implement paragraph 8 of the MC12 Outcome Document relating to the Waiver. The LDC Group indicated that it was working on a written submission and may also supplement its 2014 Collective Request. Delegations indicated their openness to consider LDCs' future proposals. The Services Council tasked the Secretariat with the preparation of a methodological Note on how LDC services trade statistics could be improved. Regarding the Bali Decision on Duty-Free Quota-Free Market Access for LDCs, the annual review was conducted at the November CTD meeting. The CTD Chair noted that her consultations had not found a way forward that would allow the Secretariat to update its report on Members' DFQF market access for LDCs. She invited Members to provide guidance. On Aid for Trade, two CTD informal sessions were recently held. The purpose of these informal meetings was to consider the Aid for Trade work programme for 2023-2024. On the basis of the issues raised by Members, a first work programme was circulated on 25 November (JOB/COMTD/AFT/1). An initial discussion of the draft took place on 2 December, at which the CTD Chair requested Members to submit further written comments on the work programme. The deadline was extended to 20 January. A further informal consultation will be held in the week of 23 January.

2.252. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

2.253. The LDC Group thanks you for your report on the implementation of the decisions adopted at the previous sessions of the Ministerial Conference held in Buenos Aires, Nairobi and Bali, respectively. The implementation of these decisions is one of the priorities of LDCs. We look forward to the work at the level of the relevant bodies to implement the instructions given by Ministers in paragraph 8 of the MC12 outcome document, concerning decisions taken in favour of LDCs at these previous Ministerial Conferences.

2.254. The representative of India delivered the following statement:

2.255. First of all, I would like to thank you for your report and indeed, I would also like to congratulate the Committee on Agriculture team, the delegates, the Chair and the Secretariat for finalizing the work programme as per paragraph 8 of the MC12 Ministerial Declaration on the Emergency Response to Food Insecurity (WT/MIN(22)/28). The TRQ decision was also a decision of the Bali Ministerial but for the same Ministerial one main and substantive decision was the permanent solution to PSH. It has been more than nine years since that decision, but the permanent solution to public stockholding is still to find its finality here, for the past nine years a permanent solution to PSH has remained elusive. Despite the Ministerial mandate, the food insecurity situation caused by COVID-19 and the ongoing conflict has only reinforced the urgency to deliver on PSH. India has demonstrated a successful PSH model that has helped maintain food security to its 1.4 billion population. Therefore, it is important that we address the mandated issue of PSH on priority and my request is that we can adopt these decisions at the General Council even before MC13, as was done in 2014.

2.256. The representative of Nepal delivered the following statement:

2.257. My delegation welcomes the report of Committee on Rules of Origin and commends for continued efforts in making past decisions implemented. My delegation also commends the Members that have taken initiatives to implement those decisions in an effective manner, such as EBA facility of the European Union and the United Kingdom, and the initiatives undertaken in rules of origin and operationalization of service waiver by some Members. Nepal calls upon Members for respecting the decisions in favour of the LDCs on effective operationalization of service waiver, simplifying rules of origin, and mobilizing additional resources in implementation of category C measures of the Trade Facilitation Agreement, as it would contribute to LDCs' integration into the global trading system.

2.258. The representative of Cambodia delivered the following statement:

2.259. I would like to express our welcome of the outcomes of MC12 on the matter of implementing past outcomes from Bali, Nairobi and Buenos Aires. We welcome the report as in document G/RO/97. For our delegation, the Ministers' instructions to further review, promote and implement past

decisions in favour of the LDCs are indications that those decisions are not yet fully utilized to the benefit of the LDCs. Specifically, while we acknowledge the decision reached at the Committee on Rules of Origin on 14 April 2022 (G/RO/95) on Preferential Rules of Origin is a step in the right direction to improve ease of market access for the LDCs, other decisions such as the LDC Services Waiver and the DFQF preferential market access for LDCs are yet to be fully operationalized and implemented. Therefore, we would like to emphasize that any review and promotion of decisions in favour of LDCs from past Ministerial Conferences should be done in a manner for those decisions are to be used as tools for the benefits of LDCs as befitting their intended purposes. In addition, we urge Members to consider favourably and practicably to any requests by the LDCs so that the benefits from waivers and flexibilities in favour of LDCs could be realized and to allow the LDCs to be fully integrated into the multilateral trading system.

2.260. The representative of South Africa delivered the following statement:

2.261. We believe that it is important to maintain this agenda item which enables the WTO membership to reflect on whether we are delivering on Ministerial mandates. The inability of the WTO to implement agreed decisions and mandates remains a matter of concern. It contributes to the inequity we see in benefits from the multilateral trading system. This has been exacerbated by the COVID-19 pandemic, the current food crisis that is contributing to rising food insecurity, which emphasizes the need deliver on the mandate in Article 20 of the Agreement on Agriculture, including the need to conclude the outstanding work on disciplines on the trade distorting domestic support, a permanent solution on PSH, disciplines on cotton and SSM. As we approach MC13, it is important to work collectively on a food security and livelihoods package. Most importantly, we need to deliver on the outstanding DDA issues, which remains critical if the WTO is to deliver on the development mandate. We therefore urge Members to prioritize the fulfilment of outstanding Ministerial mandates. We also need to deliver on the mandate for the CTD SS on S&D, which is integral to all WTO agreements and negotiations and the G90 ASPs. The multiple crisis have a disproportionate impact on developing countries, the development dimension of the WTO mandate needs serious attention, we must ensure that development continues to underpin the work of the WTO. Finally, we associate ourselves with the statements delivered by Cameroon, on behalf of the Africa Group, and Kenya for the OACPS.

2.262. The representative of the European Union delivered the following statement:

2.263. The European Union recalls the need to ensure correct implementation of the Bali Decision on Public Stockholding and in particular highlights the transparency aspects as part of the review in regular Committee on Agriculture. The European Union has engaged in consultations with India on the basis of Article 6 of the Bali decision. We see these consultations as a useful way to increase transparency on the stockholding programmes and look forward to further discussions. The European Union underlines the importance of respecting the Nairobi decision on export competition, which is even more relevant in the current food security crisis. We consider there is need to review the transparency tools in the area of export competition with a view to streamlining and harmonising, following the changes resulting from the Nairobi decision. We look forward to further discussions with Members on ways to improve transparency across in agriculture.

2.264. The representative of Indonesia delivered the following statement:

2.265. Indonesia will continue to reiterate that we still have our unfinished homework from Bali and Nairobi Ministerial Decision, which is our deliberation to achieve a permanent solution on Public Stockholding for Food Security Purposes. We should not put aside our lost list of homework and endlessly debate among ourselves. The world is watching us, and our people are waiting. We should act now and resolve the Ministerial mandates.

2.266. The General Council took note of the Chair's report and of the statements.

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

3.1. The Chair recalled that in accordance with the agreement in the General Council in 2002, the Work Programme on Small Economies was a standing item on the agenda and the Committee on Trade and Development reported regularly on the progress of work in its Dedicated Sessions. At

MC12, Ministers had reaffirmed their commitment to the Work Programme and instructed the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council.

3.2. Ambassador Usha Dwarka-Canabady (Mauritius), Chair of the Committee on Trade and Development, delivered the following statement with regard to the ongoing work in the Committee:

3.3. I would like to start by recalling the Decision taken by Ministers at MC12 on the Work Programme on Small Economies, which is found in documents WT/MIN(22)/25 and WT/L/1136. The Ministerial Decision contains, *inter alia*, a reaffirmation of Members' commitment at Ministerial level to the Work Programme on Small Economies. Note is taken of all the work conducted to date, and the CTD is instructed to continue its work in the Dedicated Session on Small Economies under the overall responsibility of the General Council. The Dedicated Session is to continue monitoring the progress of the small economy proposals in WTO bodies and in negotiating groups with the aim of providing responses, as soon as possible, to the trade-related issues identified for the fuller integration of SVEs into the multilateral trading system. In terms of future work in the Dedicated Session, the Decision instructs the WTO Secretariat to provide relevant information and factual analysis for discussion among Members on the topic of "integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities."

3.4. As I previously reported, the Dedicated Session agreed earlier this year on an outline for a Secretariat paper on this mandated topic. The Secretariat document will form the basis for the discussions that will take place in the Dedicated Session. I have maintained contact with the Secretariat these last few months on the progress that is being made in the preparation of the document. I am now pleased to inform you that the document is entering the final phase of preparation, and is expected to be circulated in January 2023. Once the Secretariat document has been finalized and circulated, I will give Members some time to digest the document, which is expected to be substantive and statistical in nature. A meeting of the Dedicated Session will then be convened, in the first quarter of 2023, so that Members can begin their discussion on the important topic of integrating small economies into the post COVID-19 economy.

3.5. Let me close by once again encouraging all Members to participate actively in the discussions that will take place in the Dedicated Session. I also take this opportunity to once again call on all Members to continue to engage in order to frame responses to the trade-related issues identified for the fuller integration of SVEs into the multilateral trading system. This concludes my intervention.

3.6. The representative of Guatemala, on behalf of the SVEs, delivered the following statement:

3.7. The SVE Group would like to thank the CTD Chair for her report on the Work Programme on Small Economies. As mentioned, the Ministerial Decision of the Work Programme is an important outcome of the 12<sup>th</sup> Ministerial Conference. Ministers have reaffirmed their commitment to the Work Programme and mandated further work, this time on the topic: "Integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities." The SVE Group would also like to thank the Chair of the CTD for her report on the progress of the Secretariat's background note that will serve as the basis for the discussions, and the group looks forward in receiving it and discussing it in the near future.

3.8. The representative of Antigua and Barbuda, on behalf of the OECS, delivered the following statement:

3.9. We align with the statements by Guatemala on behalf of the SVE Group; by Kenya on behalf of the ACP and by CARICOM. Let me also thank the Chair of the CTD for her report. The Work Programme on Small Economies is of utmost importance to the OECS, especially given our unique vulnerabilities as Small Island Developing States (SIDS) and SVEs. The mandate in the MC12 Ministerial decision is clear and we look forward to the intensification of work on "Integrating small economies into the post COVID 19 economy: effects of the pandemic, challenges and opportunities." As we advance work across the WTO on a wide range of issues, such as Reform, Agriculture, Fisheries Subsidies and others, we also remind Members to take into account the unique circumstances of SVEs as elaborated in the Nairobi Ministerial Decision of 2015. Back then, Ministers agreed to address in every area of WTO work, and in a substantive and meaningful manner, the needs of small, vulnerable economies (SVEs) and to favourably consider the adoption of such measures as would

facilitate their fuller integration into the multilateral trading system, and to take into account the needs of SVEs in all areas of negotiations, without creating a sub-category of WTO Members.

3.10. The representative of the United Kingdom delivered the following statement:

3.11. May I again thank the Chair of the CTD, who was as eloquent on this item as she was earlier. The vulnerability of small island developing states and small economies generally is a particular issue for us and we have set out our own International Development Strategy, our vision that by 2030, small island developing states will have the economic and the climate resilience not only to graduate from Official Development Assistance (ODA) with sustainable economies but to withstand economic and climate shocks so we very much support this strand of work and we look forward to further discussions in the dedicated session on SVEs in the new year.

3.12. The representative of Barbados, on behalf of CARICOM, delivered the following statement:

3.13. The CARICOM Group thanks the Chair of the Committee on Trade and Development for her report under this agenda item. At the outset, we align ourselves with the statement delivered by Guatemala on behalf of the SVE Group. The Group wishes to underscore the importance of the Ministerial Decision on the Work Programme on small economies, which is a critical element of the outcomes of MC12. The work carried out since 2018 on reducing trade costs, opportunities and challenges for small economies in attracting investments; and the economic and trade impact of natural disasters on small economies have been helpful to us. We are pleased with the progress that has been made so far under the auspices of the Work Programme on Small Economies and looks forward to continuing our discussions in the CTD with a view to implementing the Work Programme. COVID-19 and the economic crisis that emanated as a result of the pandemic have had a significant impact on the economic activities and trade performance of our economies. The CARICOM Group, therefore, remains committed to the Work Programme on Small Economies and the mandated work on the topic: Integrating small economies into the post-COVID-19 economy: effects of the pandemic, challenges, and opportunities. We look forward to receiving the Secretariat's factual background note to guide our discussions. We all know that SVEs have been particularly affected by the poly-crises faced over the last few years. From climate change to food insecurity; and from lack of access to development finance to limited value addition to its productive sectors, SVEs remain in need of support, greater analysis of pathways to progress and more knowledge sharing on interventions than can support economic recovery in SVEs. That said, there is also much that SVEs can share with our partners on efforts made to digitise our economies or to access greater finance for climate resilience and recovery as can be seen in the 'Bridgetown Initiative'. We look forward to engaging more in these kinds of discussions in the CTD. The CARICOM Group reaffirms its commitment to the work of the CTD in its dedicated session on small economies and is ready and willing to continue its active participation in this regard.

3.14. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

3.15. The ACP Group welcomes the report on the Small Economies Work Programme. We continue to underscore the importance of the MC12 Decision. We look forward to the Secretariat document, which is still in progress, and which will cover the topic of "Integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities". We hope that next year, ahead of MC13, there will be meaningful progress on the Work Programme.

3.16. The representative of Fiji delivered the following statement:

3.17. My delegation wishes to also expresses its gratitude to the CTD Chair for her continued dedication including her comprehensive report in the CTD and on the Working Group on Small Economies. I wish to align my remarks with the statement delivered by Guatemala on behalf of the SVE Group, the Pacific Group and Kenya, on behalf of the ACP Group. Fiji values the work of this WG as it affords an opportunity for us to address small economies vulnerabilities and how trade can support our development aspirations, including the integration of our economies into the multilateral trading system. Frankly speaking, SVEs, like the Pacific Island nations, are unlikely to claw our way out of this category if the underlying factors that contribute to our vulnerabilities are not properly addressed – i.e., the disproportionate impact of climate change, frequent and more intense natural disasters, slow recovery from the COVID-19 pandemic, among many other well-known traits of SVEs. It sometimes feels like we are living in that famous place sung by The Eagles called "Hotel

California", where you can check out anytime you like but you can never leave. It is therefore important that small economies find adequate space in the trade discourse given the immense role trade can play in our development. We welcome the MC12 Decision as a starting point to reaffirm the work programme on the stipulated topic for the integration of small economies. We therefore look to the CTD Chair's further update, including consultations on the impending Secretariat Paper in the first quarter of 2023.

3.18. The representative of Jamaica delivered the following statement:

3.19. Jamaica thanks the Chair of the Committee on Trade and Development for his report. The MC12 Ministerial Decision on the Work Programme on Small Economies is one of Jamaica's priority areas for work in the WTO. Given the current global economic landscape and environment within which small economies operate, we are happy to contribute to discussions on the topic to guide our work, that is, "Integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities." Jamaica calls on WTO Members to engage on this topic with flexibility, foresight and with a constructive spirit. We have benefitted from previous work done under the Small Economies Work Programme, including as it relates to trade costs and the impact of natural disasters, and Jamaica looks forward to engagement in the new year with a view to build on progress achieved to date. For the current Work Programme, Jamaica's interests, which we hope to be included in the work to be done, include: (i) understanding the extent of the impact of the pandemic on the trade performance of small economies, which we all know were disproportionately affected by the pandemic; (ii) good practices for building resilient systems and trade policies to respond to impacts such as those emanating from the pandemic, as well as shocks from natural disasters and the impact of climate change; (iii) access to finance to improve the trade performance of small economies; (iv) good practices on improving value chain development, and (v) improving digital readiness of small economies to successfully compete in global trade. We see the Work programme as an opportunity to advance the views of small economies and to galvanize support for addressing the challenges they face in attempts to successfully integrate into global trade. Jamaica, therefore, reaffirms its commitment to the implementation of the work programme and stands ready to engage actively in this regard.

3.20. The General Council took note of the report of the Chair of the Committee on Trade and Development and of the statements made.

#### **4 DATE AND VENUE OF THE THIRTEENTH SESSION OF THE MINISTERIAL CONFERENCE AND VENUE OF THE FOURTEENTH SESSION<sup>17</sup>**

4.1. The Chair recalled that Members had received two offers to host the next Session of the Ministerial Conference – by Cameroon and by the United Arab Emirates, and that extensive consultations had taken place on this matter. He referred Members to his communication of 12 December 2022 and the recent Informal meeting of the General Council on 15 December 2022. As reported at that meeting, Cameroon and the United Arab Emirates had been working in close cooperation, both in Geneva and in the respective capitals. As a result of their cooperation, an amicable agreement had been reached, whereby the UAE would host MC13, and Cameroon MC14. The matter of sequencing had been raised throughout the Chair's extensive consultations and Members had expressed their support to this proposed way forward if it would help arrive at a solution.

4.2. In his capacity as General Council Chair and in his personal capacity, he expressed his deepest gratitude to the Governments of Cameroon and the United Arab Emirates for offering to host a session of the Ministerial Conference, and for their excellent efforts and cooperation in arriving at this amicable solution. He paid tribute to Ambassador Salomon Eheth of Cameroon and Ambassador Ahmed Abdulrahman Al Jarman of the United Arab Emirates, for their commitment and dedication to the WTO, for their constructive spirit and for their continued support.

4.3. In terms of dates, he recalled that at the Informal GC meeting on 15 December 2022, the United Arab Emirates proposed the week of 26 February 2024, as a possible window for the Conference. The Chair noted that from the Informal General Council meeting on Thursday, he had understood that these dates could be acceptable to the WTO membership. In light of these developments and taking into account the extensive consultations – and given the high level of

<sup>17</sup> As proposed by the Chair, Item 4 was taken up earlier – immediately after agenda item 1.

support for this proposed way forward that the Chair had detected – he believed that Members were in a position to take a decision on the date and venue for MC13 and the venue for MC14. He therefore proposed that the General Council formally agreed that the Thirteenth Session of the WTO Ministerial Conference would be hosted by the United Arab Emirates in Abu Dhabi in the week of 26 February 2024, and that the Fourteenth Session of the Ministerial Conference would be hosted by Cameroon.

4.4. The General Council so agreed.

4.5. The Chair further noted that as indicated at the Informal General Council meeting, the timing for MC14 would be agreed to in consultation with the host and delegations at a later time.

4.6. The Director-General delivered the following statement:

4.7. Thank you, Chair. As you said, the fact that two Members offered to host this MC, is a sign of good health for this Organization. The membership has demonstrated the value they attach to multilateralism and global solidarity by taking this important decision today. Let me also place on record my thanks to the Governments of Cameroon and the United Arab Emirates – specifically, to H.E. Mr. Luc-Magloire Mbarga Atangana, Minister of Commerce of Cameroon and the delegation of Cameroon, led by Ambassador Eheth Salomon, and H.E. Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade of the United Arab Emirates and the delegation of the UAE led by Ambassador Ahmed Abdulrahman Al Jarman, for their effort. The partnership, pragmatism and flexibility they exhibited in trying to get together, and agree on a mutually acceptable outcome, provide an example to us all to work to move this Organization forward. It was not easy to get there. But the important thing is, they got there finally. I am also happy because today's decision will provide enough time for the Secretariat Ministerial Conference Task Force under the leadership of DDG Angela Ellard to ensure a smooth and successful MC13. DDG Ellard and the rest of the Taskforce have been working hard to prepare for the Conference and will of course be working closely with the UAE in the lead-up to MC13 in 2024. The race is on, the countdown has begun. This decision provides a clear target to work towards. As I said earlier in my report as TNC Chair, we must now intensify our efforts, so as to be on track to deliver meaningful outcomes, set up effective processes for others and put in place frameworks that will enable us to make significant progress in the various areas of work. I will probably sound like a broken record talking about the need to focus on what the outcomes will be, but you will not cease hearing from me on this issue. Let me end by once again thanking the UAE and Cameroon. We look forward to MC13 and MC14.

4.8. The representative of Cameroon delivered the following statement:

4.9. The Delegation of Cameroon welcomes this decision, which has just been taken by the General Council, namely, on the sequential organization of the next two WTO Ministerials - MC13 in the United Arab Emirates and MC14 in Cameroon. As we reminded Members at the Informal General Council meeting on 15 December 2022, Cameroon's proposal to host this important event is the manifestation of its constant commitment to trade multilateralism, development, and the full and effective integration of our country and the African continent, in trade and the global economy. We would like to sincerely thank Members for this important decision and this mark of confidence in favour of Cameroon to host MC14. We would also like to thank the actors who led this process from start to finish with responsibility, by promoting dialogue and consensus between our delegation and that of the United Arab Emirates, whom we would like to congratulate, in particular, the efforts led by the Director-General, the Chairman of the General Council, Deputy Director-General Angela Ellard, and all others that were involved. While expressing our deep gratitude, we want to reaffirm our commitment and our determination to work with all the stakeholders of our Organization, for the total success of this event in Cameroon. We are convinced that MC14 on African soil, the cradle of the WTO, will be in line with the dynamics initiated at MC12. Just like the delegation of the United Arab Emirates, which we would like to congratulate for their appointment to host MC13, we already wish to welcome you to Cameroon for MC14, this Africa in miniature, which only asks to welcome you and to discover the splendour of its charms and its hidden treasures.

4.10. The representative of the United Arab Emirates delivered the following statement:

4.11. Director-General, Excellencies, dear colleagues, Ladies and Gentlemen, I would like to refer to the statement I delivered, on behalf of the delegation of the UAE, at the Informal meeting of the General Council last Thursday. On behalf of my Government, I wish to express my deepest thanks

to all Members for the positive response to the UAE's offer to host MC13, as well as the date that we have proposed, namely the week of 26 February 2024. The Government of the United Arab Emirates is only too aware of the amount of work ahead, and therefore, stands ready to make the necessary contribution to the ongoing efforts with a view to making international trade part of the solution, shed more light on the expertise of the WTO, and highlight the role of the multilateral trading system. The UAE, since its accession to the WTO more than twenty years ago, has always joined consensus whenever it considers that the issues under discussion are beneficial to all Members - developed, developing and least-developed countries alike. We cannot stress more the need to enhance and reinvigorate, today more than ever, a rules-based, non-discriminatory, open, fair, equitable and transparent multilateral trading system. Chairman, under the skilful guidance of the Director-General, and with the strong determination of the membership, MC12 has shown the world that our global institution is relevant, efficient and capable of coping with the challenges and emergencies of our time. We highly value the importance of the package of agreements achieved at MC12: responding to the global health crisis, dealing with the food security crisis, an Agreement on Fisheries Subsidies, extending e-commerce moratorium and the work programme, launching a Member-driven process of the institutional reform, including the challenges and concerns related to the Dispute Settlement Body, recognizing the urgent need to proceed to the appointment of Appellate Body members, among other deliverables. The Government of the UAE will do its utmost to ensure that all WTO Members have the opportunity to advance the ongoing discussions and take part in shaping outcomes for the benefit of all nations. We remain confident that the Members will confirm today the consensus reached last Thursday on the date and venue of MC13, and on MC14, on the basis of the amicable agreement between the United Arab Emirates and the Republic of Cameroon.

4.12. The representative of Brazil delivered the following statement:

4.13. Brazil welcomes the consensus reached on the decision regarding the venues for upcoming Ministerial Conferences. We thank both the United Arab Emirates and Cameroon for their willingness to host respectively MC13 and MC14. We now need to reflect collectively on our priorities and deliverables for MC13, particularly, on agriculture, WTO reform and trade and sustainability. I would also like to highlight Brazil's proposal to hold yearly Ministerial Conferences on the same lines as other key multilateral economic organizations, such as the IMF and the World Bank. Our goal is to better enable the membership to address both current and pressing trade-related issues and long-term structural challenges. This would not necessarily involve negotiating agreements every year, but would help foster trust amongst the membership. International trade is part of the solution in tackling global challenges, such as climate change, pandemics and food security. The WTO must also be part of the solution.

4.14. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

4.15. The LDC Group takes note of your statement on the dates and venues of the 13<sup>th</sup> and 14<sup>th</sup> Sessions of the Ministerial Conference. We would like to thank the United Arab Emirates and Cameroon for reaching an agreement on their proposals to host the next Ministerial. In this regard, we thank the distinguished delegations on their plans to host MC13 and MC14 respectively. The Group looks forward to working with the delegations and the WTO in the months ahead. We also call on the WTO to commence preparations to assist all LDCs to participate in these Ministerial Conferences.

4.16. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

4.17. The ACP Group welcomes the solution regarding the venue and date for the Thirteenth Session of the Ministerial Conference. We also support the designation of Cameroon as the host of MC14. We urge the WTO to indeed begin the necessary preparations for MC13 including the support for our Members that will require assistance to attend.

4.18. The representative of Morocco delivered the following statement:

4.19. We are pleased about the decision on the venue of MC13 and MC14. This is the result of discussions over the past few weeks. This is also the result of the efforts you made, Chair, and the Director-General. Morocco is also pleased to see the constructive spirit and the flexibility shown by both countries that have let us to take this decision this morning. We trust that both countries have

all the resources and experience needed to successfully organize a Ministerial Conference. Morocco supports this arrangement consisting of holding MC13 in the UAE and MC14 in Cameroon. We also agree with the date for MC13. We hope that the date for MC14 is also decided as soon as possible. We believe that we need specific objectives and a realistic agenda, and we should have that for both MCs as soon as possible. It is important for both Conferences to be coordinated, so that Members have more visibility when it comes for preparing for both Conferences.

4.20. The representative of Kazakhstan delivered the following statement:

4.21. On behalf of the delegation of Kazakhstan, let me congratulate the membership and especially the delegations of the UAE and Cameroon on the successful result achieved through various rounds of consultations on the important issue of hosting the next Ministerial Conference. Kazakhstan expresses its appreciation to Ambassador Salomon Eheth of Cameroon and Ambassador Ahmed Abdulrahman Al Jarman of the United Arab Emirates for their engagement and constructive spirit on this important endeavour. It is very positive that the General Council can take this decision in the last meeting of the year. These two offers and intense follow-up discussions were a sign of Members' commitment towards the mission of this Organization. It also demonstrates the strong belief in the Multilateral Trading System and that Members can keep on strengthening and making progress on the issues that matter the most. I would like to assure both delegations that they can count on Kazakhstan's support on working together towards a successful Conference. I believe that due to the pandemic-related challenges, we have some unique experience to share. In conclusion, I also would like to express our strong support for the date for MC13 – that is, the week of 26 February 2024.

4.22. The representative of India delivered the following statement:

4.23. We congratulate both the UAE and Cameroon for this decision, and we look forward to working with them.

4.24. The representative of Tunisia delivered the following statement:

4.25. We welcome the consensus reached between the two candidates and thank the United Arab Emirates and Cameroon for offering to host the Thirteenth and Fourteenth Ministerial Conferences. As an Arab and African country, we are doubly proud of the level of preparation of both countries to host events of this magnitude. We congratulate the United Arab Emirates on agreeing to host MC13; we are confident that the country will provide everything needed for Members to ensure the success of the Conference. We also thank Cameroon for agreeing to host MC14 and congratulate it on securing the confidence of the Members. Cameroon has shown remarkable flexibility and commitment to the fundamental principles of the Organization promoting consensus. We hope that these next two Conferences will maintain the positive momentum of MC12 and chart a better future for our Organization by achieving outcomes that meet Member expectations.

4.26. The representative of Mozambique delivered the following statement:

4.27. Let me start by thanking you, Chair, and the Director-General, for the leadership and commitment to this process of consultations to conclude this important matter. My delegation is in agreement with the consensus reached on the solution on the venue and the date of the Thirteenth Session of the Ministerial Conference and supports the designation of Cameroon as the host of MC14. We encourage the WTO to begin the necessary preparations for MC13 to take place in the United Arab Emirates. We urge Members to focus now their attention on discussing the implementation of MC12 outcomes and to bring solutions before MC13.

4.28. The representative of Nigeria delivered the following statement:

4.29. We also wish to express our support with the decision of the General Council on the hosting of MC13 and MC14 by the UAE and Cameroon respectively, and to thank them for their offers to host the next Ministerial Conferences. We also want to urge Members to speed up the process for the implementation from MC12, so that MC13 will have a positive report to take note of, and of course, that would encourage Ministers to adopt more decisions at MC13.



4.30. The representative of Indonesia delivered the following statement:

4.31. Indonesia would like to express its appreciation to the United Arab Emirates and Cameroon for their constructive spirit in reaching a consensus in determining the host for MC13 and MC14. We would also express our appreciation to the Director-General, the GC Chair and the Secretariat who have tirelessly facilitated the dialogue between the two Members. In this regard, Indonesia would like to express its support for the consensus that has been reached and congratulate the two Members. We wish the Government of the UAE and the Government of Cameroon success in the preparation of the Ministerial Conferences.

4.32. The representative of Viet Nam delivered the following statement:

4.33. The fact that the date and venue of the MC13 is now formally set gives us a target to work towards. With great thanks to the Governments of Cameroon and the United Arab Emirates. We call for great efforts to achieve meaningful outcomes at MC13.

4.34. The representative of South Africa provided the following statement:

4.35. We thank the Members for availing themselves for hosting the upcoming Conferences and for finding an amicable solution. We look forward to working with both Members to make the Conferences a success.

4.36. The General Council took note of the statement by the Director-General and of the other statements.

## **5 THE DEVELOPMENT ASSISTANCE ASPECTS OF COTTON – STATEMENT BY THE DIRECTOR-GENERAL**

5.1. The Chair recalled that in 2004, the General Council had instructed the Secretariat to continue to work with the development community and to provide the Council with periodic reports on the development assistance aspects of the Cotton Initiative. The Council had also instructed the Director-General to consult with the relevant international organizations, including the Bretton Woods Institutions, the FAO and the ITC, to direct effectively existing programmes and any additional resources towards development of the economies where cotton has vital importance. The Bali and Nairobi Decisions had reaffirmed this mandate and invited the Director-General to continue to provide periodic reports.

5.2. The Director-General delivered the following statement:

5.3. Following the presentation of the 9<sup>th</sup> Periodic Report on the development assistance aspects of cotton in June this year in the context of MC12 (WT/MIN(21)/5/Rev.1), I am pleased to report today that our work on the development assistance aspects of cotton has continued to progress remarkably well throughout 2022. We have achieved excellent results both in terms of regular work under my Consultative Framework Mechanism on Cotton, and in terms of special activities and initiatives. Firstly, it is important to acknowledge the leading role, engagement, and persistence of the C-4 countries (Benin, Burkina Faso, Chad, Mali and Côte d'Ivoire). This has been essential for achieving results in our work on cotton. Thus, I wish to compliment them for their continuous engagement and proposals in this area of our work.

5.4. On our "regular work", the monitoring of development assistance projects benefitting the cotton sector of the C-4 and other developing countries has seen the following advancements reflected in the "Evolving Table" circulated on 31 October 2022<sup>18</sup>: The total number of currently active projects under Part I "Cotton-specific development assistance" increased to 29 (up from 26 in the previous tally). For demand-driven projects, a total of 11 project requests have been submitted by Benin, Burkina Faso, Burundi, Cameroon, Mali, and the C-4 as a group, for consideration. Some of these have captured the interest of donors at the Second Partners' Conference we held here at the end of July, on which I will tell you more shortly. Committed amounts for active cotton specific projects recorded in the Evolving Table increased from USD 199 million in May this year, to USD 225 million in November. Two Thematic Sessions were organized by the WTO

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<sup>18</sup> See document WT/CFMC/6/Rev.33.

Secretariat upon demand by Members, to examine: (i) supply chain disruptions affecting cotton exports from LDCs and (ii) the situation of fertilizers availability and trade in cotton-producing developing countries and LDCs. They were commended by Members and appreciated for their timeliness and pragmatism. I would like to particularly thank the Members and multilateral agencies who reported active cotton specific projects in the November 2022 revision of the Evolving Table: the European Union, France, Germany, Italy, the Netherlands, Sweden and Switzerland. Cotton is vital for the livelihoods of millions of people in some of the poorest regions of the world, so supporting cotton development projects today means supporting women and youth empowerment, poverty alleviation, job creation and social inclusion. So, my gratitude truly goes to everyone who supports the development of the cotton sector in the C-4 countries and in other developing countries and LDCs. In addition, I wish to thank Brazil and India for their engagements under the South-South cooperation chapter of the Evolving Table, and the Convention on Biological Diversity (CBD), the Enhanced Integrated Framework (EIF), the FAO, ITC, the Organisation of the African, Caribbean and Pacific States (OACPS) and the Common Fund for Commodities (CFC) for their engagements under the multilateral agencies chapter of the Table.

5.5. Regarding cotton "special activities and initiatives" organized this year, I would like to report on three key initiatives: (i) the Partners' Conference I mentioned before; (ii) the celebrations of World Cotton Day; and (iii) the cooperation with FIFA we started at the end of September this year. The Partners' Conference was held on 27 July, at the request of the C-4, on the margins of the Aid for Trade Global Review. Its impact has been very positive: The project proposals tabled by the C-4 and the other beneficiaries ahead of the conference included the regional Cotton Roadmap Project – highlighted by the C-4 as their top priority – as well as important national projects to support sustainable cotton production and supply chain development. The donors' community reacted positively, with Afreximbank making a financial pledge of support for project preparation work and a Call for Action to support C-4 cotton development plans signed by several participants (the C-4, Afreximbank, Better Cotton, ITC, UNIDO, UNCTAD and the ACP Secretariat) at the end of the meeting. World Cotton Day celebrations were held on the 7 October, now officially proclaimed by the UN General Assembly as the International Day of Cotton, thanks to the initiative put forward at the WTO by the C-4 back in 2019. The FAO Headquarters in Rome hosted a high-level event, opened by FAO Director-General Qu Dongyu, and attended by the Minister of Trade and Industry of the Republic of Chad, H.E. Ali Djadda Kampard. Ministers of Benin, Brazil, China, Peru and representatives of the founding partner organizations of World Cotton Day – the WTO, represented by DDG Paugam, UNCTAD, ITC, and the International Cotton Advisory Committee (ICAC). On 27 September, the WTO signed an MoU with FIFA on the margins of the WTO Public Forum. The main focus of the WTO-FIFA MoU is on opportunities to enhance the participation of the (C-4), Côte d'Ivoire and other LDC cotton producers in global football apparel value chains. Early stages of work have focused on how FIFA's existing programmes supporting procurement of apparel by national football associations might help value addition activities in the cotton sector of the C-4 and Côte d'Ivoire. There appears to be no large-scale manufacturing currently in these countries, so the current focus is on: A baseline analysis of national capacity to produce high-quality cotton-made apparel in the C-4 and Côte d'Ivoire and links with national football federations; and feasibility of developing new fibre lines targeting sportswear, combining the use of recycled plastics from the C4 and sustainable cotton. WTO and FIFA are working closely with ITC and the United Nations Industrial Development Organization (UNIDO) in the framework of this cooperation.

5.6. Let me conclude by adding few thoughts on this FIFA-WTO cooperation on cotton. This FIFA-WTO MoU provides an unprecedented operational platform to mobilize investments and technical expertise to support textile and apparel value chain development in the C-4 and Côte d'Ivoire and LDCs in general. Leveraging on the FIFA-WTO initiative, global sportswear brands could also be engaged to support the development of national/sub-regional and regional cotton-to-textile and apparel value chains in West Africa. For FIFA and the WTO, the ultimate goal is to mobilize resources for the development of cotton to textile and apparel value chains in partner LDCs and African countries; with these efforts we aim to help advance the operationalization of the C-4's Cotton Roadmap. During my recently concluded visit to the Pacific, I took the opportunity to raise with the Prime Ministers of Australia and New Zealand the need to explore avenues through which the upcoming Women's World Cup can provide a platform to give visibility to C-4 cotton. Let me say that the outlook for next year looks really promising for cotton development assistance, both on the front of regular work and on that of special initiatives; in particular, I am determined that the collaboration with FIFA will have an instrumental impact on the development of the cotton sector in the C-4 and Côte d'Ivoire.

5.7. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

5.8. The LDC Group thanks the Director-General and takes note of her report on the development assistance aspects of cotton. Cotton is a strategic commodity in the economies of several LDCs. It is both a commodity and a source of livelihood and income for millions of people around the world, particularly in LDCs. The group welcomes the 37<sup>th</sup> round of consultations under the Director-General's Consultative Framework Mechanism for Cotton, held on 11 May 2022, and the celebration of World Cotton Day on 7 October. The Group also takes note of the evolution of cotton production and exports from LDCs. We note the impact of the COVID-19 pandemic and geopolitical tensions on LDCs' production and exports. The Group commends all development partners who have provided support to cotton producing LDCs through the implementation of different types of development projects. Finally, the LDC Group supports the C-4 statement on this agenda item.

5.9. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

5.10. The 44 members of the African Group thank the Director-General for her report as well as the efforts to move forward these delicate discussions. We agree with the comments made by the C-4 on behalf of all the African cotton-producing countries. It is important to remember that the cotton assistance development programme is an attempt to address the impasse in the discussions on cotton subsidies. It is therefore a constructive space that allows for discussion and the provision of targeted responses to points of common interest. The programme largely depends on the willingness of the partners, and we call on them to take more concrete action in favour of projects submitted by producing countries, particularly as this assistance programme cannot really compensate for the losses and harm that states are experiencing as a result of cotton subsidies. We will continue to work towards finding sustainable and effective solutions for cotton producers in Africa and other developing countries.

5.11. The representative of Chad, on behalf of the C-4 and the 36 African Country Cotton and Cotton Product Producers and/or Exporters, delivered the following statement:

5.12. On behalf of the members of the Sectoral Initiative in Favour of Cotton (C-4), the Republic of Côte d'Ivoire and all 36 African countries producing and/or exporting cotton and its by-products, I would like to once again express our deep gratitude to the WTO Secretariat, the Director-General and all our partners who provide us with useful support, wise counsel and relevant analysis in respect of the fulfilment of our objectives regarding the emblematic issue of cotton at the WTO. The C-4 take note of your report on the development assistance aspects of cotton. Cotton is a crucial sector that accounts for more than 40 per cent of the export income of the C-4 countries and up to 70 per cent of agricultural export income. These figures highlight the weight and importance of trade in cotton for the C-4. We welcome the success of the Partners' Conference in July 2022. This gathering was of paramount importance to us, since it touched on the issue of developing our cotton sector through financial resource mobilization and technical expertise with a view to implementing the various projects we proposed. It also addressed support for the reconstruction of the cotton sector following the pandemic, and the pandemic's ongoing impact on the supply chain. The development partners play a key role in our capacity to develop our cotton production, improve its quality, and ensure that our raw output is processed into higher value finished products that can then be exported to various markets. We therefore reiterate our call to the technical and financial partners to support us in the effective implementation of the priorities identified by the C-4.

5.13. The C-4 also welcome the signing of a Memorandum of Understanding (MoU) between FIFA and the WTO. The C-4 take this opportunity to thank the Director-General for her continued commitment, and very much welcomes FIFA's support in ensuring greater well-being for cotton producers in our respective countries. This initiative is a major and historic achievement for two large international institutions (FIFA and the WTO). It will give a dynamic boost to international trade, growth and sustainable economic development, particularly for the most fragile countries. The MoU highlights the cotton issue in LDCs, particularly those of the C-4, and clearly demonstrates the commitment of FIFA and the WTO to supporting our countries' efforts to develop cotton value chains, particularly in relation to the cotton textile component. This commitment includes support for cotton sector productivity, marketing and competitiveness. For the C-4, this MoU helps strengthen a common vision, an inclusive and lasting partnership and a choice that makes cooperation and negotiation the preferred instruments for finding, within the WTO framework, the most appropriate solutions to the cotton issue. This cooperation, which should be dynamic and

diverse, is now more than ever indispensable if our countries are to bounce back from the various ongoing crises, build back better and contribute to the achievement of the SDGs. The diligent implementation of the MoU, which we encourage, will constitute a meaningful response enabling us to address the current trends in cotton productivity and processing in Africa that fully justify the urgency attached to the issue. Creating employment for young people is also important if we are to halt the rural exodus that results in waves of migration to Europe. For this reason, we view the MoU between FIFA and the WTO as a ray of hope that will significantly contribute to support for the development of the cotton sector in Africa and, in particular, LDCs.

5.14. Lastly, Chair, a number of interesting discussions on cotton took place on 7 October 2022 at the World Cotton Day event in Rome, Italy. The 2022 edition of World Cotton Day focused on the measures and solutions that can be implemented to enhance the visibility of the cotton sector and ensure it has a brighter future. It was emphasized that no challenge is more damaging to smallholders than the lack of access to information and the necessary resources. We believe that technology could help provide cotton farmers with the appropriate tools. We need a relevant transfer of technology in the area of cotton. It was also recalled that cotton is a vehicle for the development of other high export potential crops that can increase producers' incomes. This occurs, in particular, through the manufacture of compost and the cultivation of mushrooms, etc. Investment is considered vital for boosting production and yields. The development of new seed varieties resistant to climate change and pests has also been identified as relevant. The C-4 will work tirelessly to achieve its objectives in an optimal manner, not only for the development component of cotton, but also the trade component. This will involve negotiating, with our partners, specific modalities for capping and phasing out all forms of trade-distorting support in the cotton sector. We hope that together we will achieve successful outcomes by MC13. The C-4 reiterate their commitment to working towards strengthening the multilateral trading system through concrete outcomes that will, over time, have a significant impact on the living conditions of millions of people in Africa who are unable to enjoy the benefits and opportunities provided by international trade.

5.15. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

5.16. The ACP Group thanks the Director General for the presentation of her report on the development assistance for cotton. It also supports the statement made by Chad on behalf of the C-4. The cotton trade is essential for economic development, poverty reduction in rural areas, and food security for millions of people in Africa, and particularly for the economies of the C-4 countries (Benin, Burkina Faso, Chad and Mali) and Cote d'Ivoire. The ACP Group stresses the need to work on the issue of the valorisation and transformation of cotton by-products by proposing innovative approaches and integrating all relevant segments. We urge technical and financial partners to contribute to the implementation of integrative programs and projects likely to promote the production, processing and marketing of cotton and its by-products. We recall that the various rounds of negotiations conducted since 2003 culminated in the Hong Kong Ministerial Decision of 2005, which mandated WTO Members to address the cotton issue ambitiously, expeditiously and specifically, within the framework of the agriculture negotiations, with a view to finding a negotiated solution aimed at eliminating all forms of subsidies and domestic support that distort the international cotton market. This mandate was reaffirmed at the Ministerial Conferences in Bali in 2013 and Nairobi in 2015 and remains in force. Pursuant to this mandate, the C-4 has taken several initiatives, the most recent being the draft decision submitted for adoption at the MC12, which proposed concrete modalities for reducing domestic support for cotton. Despite the flexibilities and concessions made, the C-4 was unable to maintain the draft decision in the discussions. The ACP Group believes that MC13 should be the Ministerial Conference on Agriculture and supports an open, transparent, inclusive and balanced process for agricultural negotiations. It is important to ensure that the specificity of cotton is not diluted in a broad agricultural package, and it is fundamental to find a consensus on the emblematic issue of cotton at the WTO.

5.17. The representative of China delivered the following statement:

5.18. China thanks DG's report and commends the WTO's efforts as well as its close collaboration with other international institutions, including FAO and FIFA. China is the world's largest producer, consumer and importer of cotton. China imported 2.23 million tons of cotton in 2021. About 155'000 tons were from Africa, 1.8 percentage increase than 2020. In recent years, China has actively supported the C-4 participating and hosting World Cotton Day. Besides, we have been constantly sending expert teams to offer cotton technical assistance, providing cotton seeds, fertilizer and

other materials, training experts of cotton-producing African countries. In the last two years, China implemented three South-South cooperation projects on agriculture in Africa, including cotton. At the same time, we work intensively with C-4 partners for cooperation on the development and utilization of cotton by-products. China is looking forward to further cooperation with C-4 and other cotton-producing African countries through multilateral and bilateral channels.

5.19. The representative of the European Union delivered the following statement:

5.20. The European Union would like to thank the Director-General for overseeing the work on development assistance to cotton. Following the Nairobi Decision on cotton, the European Union has continued to support efforts and contributions to enhance the production, productivity and competitiveness of the cotton sector in developing country Members, especially the LDCs. It is to be underlined that in 2021, European Union member States increased development cooperation to the cotton sector in developing countries, especially in Africa and the C4 countries. The European Union has been an engaged partner at WTO level, at regional level and at national level in partner countries where cotton has been identified as a priority sector. The European Union also recognises the importance of cotton by-products specifically in our programming. For example, EU's 2020-2023 programme in West Africa on competitiveness specifically includes a focus on the cottonseed oil sector. The EU's objectives in supporting sustainable and inclusive cotton by-product value chains are to ensure an income to smallholder farmers but also a decent life and improved resilience for thousands of small producers in developing countries and especially LDCs. This is done while respecting also the needs to make production much more sustainable. This is achieved by promoting and providing financial support to agro-ecological practices and organic cotton production.

5.21. The representative of India delivered the following statement:

5.22. I would like to thank the Director-General for her report. On this subject, India under the South-South cooperation has been engaging meaningfully in providing assistance to strengthen the agricultural and textile part of the cotton value chain in Africa. We remain committed to building on our long-standing development partnership with Africa - especially in the field of cotton. Based on the success of TAP-1 programmes, India is presently engaged in designing TAP-2. In its second phase, the TAP programme will cover a total of 11 African countries, including the C-4. This programme is going to be implemented over a period of five years. The programme is likely to focus on increasing cotton production and improving the post-harvest and plant residue-based industry in the participating countries as well as building the capacity of the cotton-based textile sector in these countries. Symbolically, I would just like to remind the WTO membership of India's gift in 2019 during Cotton Day - as a symbol of the value addition in the cotton value chain - the spinning wheel, which is displayed near the WTO atrium.

5.23. The representative of South Africa provided the following statement:

5.24. South Africa associates itself with the African Group position.

5.25. The General Council took note of the statement by the Director-General and of the other statements.

## **6 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON MEETINGS OF 22 SEPTEMBER, 5 OCTOBER, 8 NOVEMBER, 1 AND 5 DECEMBER 2022 (WT/BFA/206, WT/BFA/207, WT/BFA/208, WT/BFA/209)**

6.1. The Chair drew Members' attention to the reports of the Committee on Budget, Finance and Administration, contained in documents WT/BFA/206, WT/BFA/207, WT/BFA/208 and WT/BFA/209, and invited Ambassador Bettina Waldmann (Germany), Chair of the CBFA, to report on the discussions in the CBFA.

6.2. Ambassador Bettina Waldmann (Germany), Chair of the Committee on Budget, Finance and Administration, delivered the following statement:

6.3. Thank you for your kind words regarding the significant process reforms that the CBFA has adopted and is implementing successfully. Since my last report to the General Council, the CBFA has met on several occasions. I would like to present to you the CBFA reports for the meetings that took

place in September, October, November, and December. My remarks today will focus on the items recommended for approval by the General Council. The reports of those meetings can be found in documents WT/BFA/206 to WT/BFA/209. I will turn now to recommendations endorsed by the CBFA.

6.4. On the Transfers between Budgetary Sections and the 2021 Audited Financial Statements in WT/BFA/W/588, I am pleased to report that the CBFA endorsed (at its meeting held on 22 September) the WTO Audited Financial Statements for the year ended 31 December 2021. The Committee also endorsed the transfers between budgetary sections outlined in paragraph 2.33 of document WT/BFA/W/588. With respect to these items, the CBFA is submitting the following recommendations to the General Council for approval:

- a. The Committee recommends that the General Council approve the transfers between budgetary sections as outlined in paragraph 2.33 of document WT/BFA/W/588. The Committee further recommends that the General Council approve the WTO Audited Financial Statements for the year ended 31 December 2021.

6.5. On the Proposed Utilization of the 2021 Budgetary Surplus in WT/BFA/W/614, I am also pleased to report that the CBFA endorsed (at its meeting on 5 December) the use of the 2021 budgetary surplus to cover mandatory and unavoidable expenses arising in 2023. The CBFA discussed the proposal over the course of several meetings. The discussions were constructive and helped clarify the important context for the proposal, including the significant increases in external, contractual, and other unavoidable costs. Members expressed strong support for the use of the surplus to cover these mandatory expenses. They also expressed appreciation for the work of the Secretariat and noted the importance of ensuring that the Organization has the resources it requires to fulfil its mandate. Members further acknowledged that the costs of energy, interpretation, and other necessary services have increased in recent years. Against this backdrop of rising economic challenges and inflationary pressures, Members viewed the proposed utilization of the 2021 budgetary surplus as a reasonable way to cope with the difficult financial situation it is facing in 2023. Regarding the budgetary needs of the Organization for 2024 and 2025, Members noted that this would be discussed in the context of the next budget cycle.

6.6. While noting that the WTO meetings are a major driver of the budget, because they cost staff time, interpretation and it is one of the justifications for increase in budget and the use of budget surplus, one delegation emphasized during the discussion of the surplus that expenses for activities involving a subset of Members should be segregated from the expenses for meetings of the regular bodies and negotiating bodies of the WTO, so that Members could consider how those activities should be managed. Another Member noted in informal consultations that it is appropriate to use the surplus for energy expenses but that all other expenses should be paid out of the regular budget or the Building Renovation Fund. Other Members who responded to the invitation to participate in consultations gave their support for the proposal.

6.7. I am pleased to report that following a positive and open exchange, the CBFA endorsed the following recommendation and is submitting it to the General Council for approval:

"Having considered Table 1 contained in document WT/BFA/W/614 and acknowledging the ongoing exchange of information, the Committee on Budget Finance and Administration (CBFA) recommends to the General Council that the WTO Budgetary Surplus as at 31 December 2021, amounting to CHF 6 million, be exclusively utilized to cover mandatory and unavoidable expenses."

6.8. On the Complete Set of Revised Financial Regulations of the WTO in WT/BFA/W/610, you will recall that the CBFA has been reviewing the WTO Financial Regulations for several years now. We have previously agreed upon specific revisions to Financial Regulations 4, 17, 23, 26, 27, 29, 37, 38 and 42. Following extensive discussions, the CBFA has also agreed on changes to Financial Regulation 19 (regarding voluntary contributions to trust funds).

6.9. I am pleased to report to you that the CBFA endorsed (at its meeting held on 8 November) the full set of revised Financial Regulations of the WTO, as set out in document WT/BFA/W/610. With respect to this item, the CBFA is submitting the following recommendation to the General Council for approval:

"The Committee recommends that the General Council approve the Revised WTO Financial Regulations annexed to document WT/BFA/W/610."

6.10. On the WTO 2022-2023 Mid-Term Budget Review in WT/BFA/W/607 and 2023 Scale of Contributions in WT/BFA/W/616, after several meetings and discussions pertaining to the 2022-23 mid-term budget review, set out in document WT/BFA/W/607, the CBFA decided to defer further consideration of the proposed revision to the 2023 budget amount and to continue the conversations in the context of the biennial budgeting process for 2024-2025. In view of this, the approved budget for 2023, amounting to CHF 197,203,900, remains unchanged, and is to be funded to an amount of CHF 195.5 million from assessed contributions from Members and CHF 1,703,900 from miscellaneous income. The assessed contributions from Members for 2023 are based on the updated trade statistics, as foreseen in Financial Regulation 12 and in keeping with routine practice every year. The CBFA endorsed the following recommendation and is submitting it to the General Council for approval:

"The Committee on Budget Finance and Administration (CBFA) recommends to the General Council to approve the 2023 scale of assessed contributions contained in Table 1 of the document WT/BFA/W/616."

6.11. Relating to the medium and longer-term financial needs of the Organization, the CBFA is continuing its work in several areas: (i) Long-term liabilities: This relates to pensions and after service health insurance (ASHI) – and more broadly to the financial health of the WTO going forward. The issue was on the agenda of the CBFA recently on 8 November and 1 December. As I have reported to you earlier, the long-term liabilities of the Organization are very significant. The Management Board of the WTO Pension Plan has recommended corrective action to address the actuarial gap in the pension plan. Details can be found in document WT/BFA/W/613. The CBFA will continue to discuss the matter and review different options for action. (ii) 2022-2023 Mid-term budget review: The Secretariat presented, in early October, a proposal for a revised 2023 budget, bearing in mind current inflationary pressures, energy prices, and the financial needs of the Organization. The proposal is contained in document WT/BFA/607. The proposal was discussed at the CBFA in October and November, and the Secretariat provided responses to questions raised by Members in document WT/BFA/INF/16. In addition, DDG Ellard and I held a series of informal consultations with delegations on the matter. At its meeting held on 1 December, the CBFA decided to set aside for now its discussion of the proposal. Instead, the discussion will continue in the context of the biennial budgeting process for 2024-2025. (iii) Secretariat transformation exercise: As I have reported to you previously, work has been carried out in several areas including: rewards (outside of promotion), procurement, risk management, promotions process, mobility, recruitment, and career pathways. Work has also been carried out on data, technology, and innovation. The Secretariat transformation exercise will continue to be on the agenda of the CBFA as it moves forward, ultimately with a focus on the strategic direction of the Secretariat. (iv) Establishment of a Voluntary Fisheries Funding Mechanism: You will also recall that Members agreed to establish a voluntary funding mechanism under Article 7 of the Agreement on Fisheries Subsidies to provide developing country and LDC Members with targeted technical assistance and capacity building to implement the Agreement. The Secretariat presented consecutive versions of a concept note for the Fund, taking into account Member comments and culminating with the submission to the CBFA of the plan and budget for the Fund. The Secretariat certified that the mechanism will be exclusively funded by voluntary contributions without additional financial obligations for the Organization. The Fund was notified to Members during the CBFA on 8 November 2022, and so the Fund is now established. This concludes my report.

6.12. The Chair thanked the CBFA Chair for her report, and asked Members if they were in a position to approve the recommendations of the CBFA.

6.13. The representative of India delivered the following statement:

6.14. India would like to thank the CBFA Chair for her report. While welcoming and congratulating the WTO membership on adopting the complete set of revised financial regulations of the WTO. India has an issue with the use of the surplus fund and therefore we would not like to take it up as approved in the General Council. There is a background to this and on 2 December, India tried to explain the apprehensions with the CBFA and the concerned DDG and there are four or five issues which India would like to further discuss before approving this.

6.15. The representative of Singapore delivered the following statement:

6.16. Let me begin by expressing my appreciation to the CBFA Chair, Ambassador Waldmann, DDG Angela Ellard and the Secretariat team for working hard to "keep the lights on" in the WTO. Allow me to make three points. First, it is deeply troubling that the CBFA's recommendation on the utilisation of the 2021 budget surplus for mandatory and unavoidable expenses, which had been approved by all Members in the CBFA, is in danger of unravelling. Procedurally, it sets an extremely bad precedence. If Members are allowed to unravel decisions that have been adopted by consensus, then there is little basis for mutual trust, which is so critical to sustain our work in the WTO. In this particular instance, the CBFA had robust and thorough discussion concerning the utilisation of the 2021 budget surplus and re-opening the issue at the General Council makes a mockery of the CBFA. Second, blocking the use of the 2021 budget surplus will jeopardize the effective operations of the WTO. It is undeniable that operational costs have spiked significantly. For example, the costs of electricity, gas and fuel are projected to increase by 236 per cent in Switzerland over the next two years. It is unacceptable for any Member to resort to such cynical tactics that will undermine the smooth and effective operations of the WTO. Third, and most importantly, this episode underlines the dire need for Members to seriously consider how we can encourage responsible consensus decision-making. As a small trade-dependent Member, Singapore attaches the greatest importance to the consensus decision-making process. However, as we have witnessed, the consensus model has been abused to block and veto even routine issues like the budget. Such irresponsible behaviour has undermined the WTO and it is high time for all Members to address this challenge seriously. I propose that the General Council adopts the CBFA report and records any reservations expressed. This will ensure that the operational effectiveness of the WTO, which is our primary objective, will not be compromised.

6.17. The representative of the European Union delivered the following statement:

6.18. The European Union thanks the CBFA Chair for her report. We too have serious concerns with the way that we have been operating in this Organization. Instead of focusing on the many substantive issues that we have ahead of us and that have been laid out by Ministers at MC12, we are constantly facing procedural stand-offs because of the way some Members apply and understand the notion of consensus. This has manifested itself on the question of chairmanships for the negotiating group on rules (fisheries) and the CoA SS – where one or two Members are able to block the nominations. We have been unable to take forward the second stage of the fisheries negotiations or to start a serious consideration of what to do on agriculture reform – which is much more important than being stuck on the question of Chairs. The issue arises again on this CBFA item on the use of the exceptional allocation of the 2021 surplus. We understand that many Members had questions on using the surplus. India reservations were put forward and discussed during the CBFA meetings. Other Members rallied around consensus, but again we see that one Member is not moving from its position and continues to insist on the points that were discussed and not supported in the discussions in the CBFA. The way consensus is interpreted is prejudicial to the larger interest of the membership or to the big challenges that the MTS is facing. Today, on this particular case, it is even more serious, it is not only the rule of consensus that is being jeopardized and misinterpreted. We are seeing today that the consensus that was reached at the level of the CBFA is being reopened in the next instance. This is completely unworkable. Our call to India is to please join the consensus on this like all other Members have done. I think it is time that we take a serious attitude and join the consensus. We cannot get everything; everyone had to concede and is ready to do so. We call on India to join the consensus on this matter.

6.19. The representative of Switzerland delivered the following statement:

6.20. For Switzerland, it is important that the WTO has the necessary resources to fulfil its mandate. The Organization's financial stability is important to us, not least as host state of this Organization. The proposed utilization of the 2021 budgetary surplus is in our view well motivated, transparent and reasonable. It allows the Secretariat to cope with the most pressing needs under the current circumstances of inflation and unforeseen rising costs. We had thorough discussions in the CBFA, many questions were asked, and many questions provided, and we reached consensus after a long process. We call on all Members to stick to this consensus. We fully echo the concerns voiced by Singapore and the European Union.

6.21. The representative of Japan delivered the following statement:



6.22. My delegation also joins the concerns which have been expressed by the EU, Singapore and Switzerland. The recommendation by the CBFA to allow utilization of the 2021 budget surplus of CHF 6 million was approved by consensus in the last CBFA meeting. In that meeting, Japan made clear our will to join the consensus and this position remains unchanged. We are surprised by the proposals which have just been made by India that they need to have further discussions on this budget plan including four or five issues that we were not aware of. We are already at the end of the year, and this is the final General Council meeting. In this way, we cannot manage in any international organizations in an appropriate manner, and we very much deplore the current situation.

6.23. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

6.24. I would like to follow the delegations that have just intervened. I believe I speak in both my national capacity and on behalf of the African Group, we support the proposal put forward by the CBFA Chair on the use of the budgetary surplus. It is a pertinent proposal we therefore support it.

6.25. The representative of the United Kingdom delivered the following statement:

6.26. Merely to echo the sentiments of many other colleagues around this room to pay tribute to Ambassador Waldman's work on this and to hope that we can all join consensus this afternoon to ensure that this Organization serves the interests of all Members and keeps functioning in the way that we would like it to do so.

6.27. The representative of the Republic of Korea delivered the following statement:

6.28. My delegation is confused, surprised and frustrated. Consensus was achieved on how to deal with the 2021 WTO budgetary surplus issue at the CBFA after long and arduous discussions, and the General Council should be a house of empowering consensus and affirming the decisions made, and not to be used as a means for unravelling the hard-earned consensus in the Committees and Councils. We hope the recommendation from the CBFA should stand and so be passed in the General Council.

6.29. The representative of Nigeria delivered the following statement:

6.30. Our delegation has actively participated in all of the meetings of the CBFA. We reasoned with the presentation made. As it has been alluded here, many questions were asked by Members and responses were forwarded. We are convinced that for this Organization to be as effective and efficient, as Members have been urging to be done in line with the WTO reform agenda, the WTO needs funds to use in order to support Members in achieving those objectives. In that regard, we associate ourselves fully with the statements made by others in terms of the consideration of the suggestions by the CBFA Chair. Therefore, we urge Members who have some concerns to reconsider, so that we can approve these suggestions in this General Council so that by next year, the WTO will effectively perform its functions as we have been calling for.

6.31. The representative of China delivered the following statement:

6.32. China would like to thank the CBFA Chair, DDG Ellard and the Secretariat for their hard work and consultations on the use of year 2021 surplus. We also want to thank all the Members for their cooperation and flexibility and having the recommendation to the General Council endorsed in the CBFA. With the current economic challenges such as inflation and rising energy costs, China supports to use 6 million surplus to address the urgent needs of the WTO arising out of contractual obligations and mandatory costs. We understand the use of 6 million is a one-off situation and cannot create a new baseline for the budget or be used by the Secretariat to engage in any long-term commitments. The Secretariat's proposal indicates that the surplus will be used on 6 items. We appreciate this transparency and encourage the Secretariat continue to do so. We also trust the Secretariat that they will use Members' money in a prudent way.

6.33. The representative of Türkiye delivered the following statement:

6.34. I thank the CBFA Chair Ambassador Waldmann for her report. During the last two and a half months, through discussions at the CBFA, Members have heard about the challenges and difficulties that the Secretariat is facing due to a zero nominal budget growth since 2012. During these discussions, we have learnt that the Organization will not be able to cover mandatory and unavoidable costs next year. Some of these costs are related to electricity, gas and fuel, contractual payments to service providers, interpreters, mandatory adjustment to salary scales and insurance. In this regard, we support the endorsement of the recommendation made by the CBFA on 5 December and hope that the General Council can make a decision.

6.35. The representative of Indonesia provided the following statement:

6.36. Indonesia would like to thank the Chair of CBFA Ambassador Waldman, DDG Angela Ellard, and the Secretariat for preparing the draft report. We also appreciate their efforts in actively engaging the Members to find ways in settling some budgetary issues under the purview of the CBFA. We hope that such constructive and communicative spirit could be maintained in future discussions. In this regard, Indonesia joins the consensus on the proposed decisions on the utilization of budget surplus and the scale of contribution.

6.37. The representative of South Africa provided the following statement:

6.38. We also thank the CBFA Chair for her tireless efforts in assisting Members to reach convergence on the most efficient, equitable and pragmatic ways to allocate the WTO's financial resources. The important role of the Secretariat in supporting the membership on issues mandated by our Ministers is acknowledged. However, there are areas of work proposed in WT/BFA/W/607 that require further clarification. In some instances, it is not clear whether the Secretariat cannot perform some of the functions with the existing staff compliment, secondly it is not clear where the mandate emanates for some of the functions that are envisaged. It is important for us that any budget and resources are geared towards priorities that have collectively been agreed to by Members. We already have some Members that are struggling within the Africa Group to meet their commitments, we need to also be mindful of the implications for those Members. As we are currently engaged in consultation with capital, the decision to defer the CBFA discussion of the proposal set out in connection with the WTO 2022-2023 Mid-term Budget Review is welcomed.

6.39. The representative of India delivered the following statement:

6.40. After listening to all my previous speakers and colleagues, let me take few minutes to explain India's position. First of all, the fact that some of the items, which have been reiterated as essential and mandatory and for those items, the understanding of India was that those items can be met from the surplus, and this has not been communicated to Members. It shows clear lack of transparency in the discussion because on 2 December when this issue was discussed, India clearly proposed that the utility bills which have gone because of the higher rate must be adhered to and can be met from the surplus. Now, let me take each, point by point, because some of the colleagues have also referred to six items, though it has been removed from the final decision, but those six items started the ask for 6 million CHF. Let me clarify again. First of all, that WTO has CHF 197 million budget to run for 2023 and that was approved in 2021. So, no catastrophe is going to fall if this 6 million are not decided today. Let us not, we hear from the same Members that not to dramatize and not to make it sensational. CHF 197 million – CHF 6 million is 3 per cent of the approved budget. So, are we saying that due to non-availability of 3 per cent on the first day of the financial year, it will shut down the negotiations, it will keep the lights off. It is too much dramatization. Now let us come to each point. I would request Secretariat and its staff to listen very carefully. The proposal was that, of the 6 million, about 2.5 million, roughly because I do not have that table before me, 2.5 million is for meeting the staff remuneration and meeting the premium of staff health insurance policies. My strong objection, as a finance budget person, was that the first charge - and please hear me carefully the Secretariat staff - that any budgeting, the first charge on the available budget will be on the salary, health, pension and insurance related activities.

6.41. The Chair said that the way the representative of India was addressing the Secretariat was not acceptable or appropriate and invited the representative to adapt his tone and to speak in a manner that was more respectful of those people that were working very hard.

6.42. The representative of India delivered the following statement<sup>19</sup>:

6.43. I am completely respectful, please do not insinuate this show of disrespect. My clarification is that in any budgeting principle, of the available budget, the first charge is on the salary, pension and committed liabilities of that Organization. So, it was for me a surprise that we are saying that if CHF6 million is not available, then the Secretariat will not be able to get the salary for the staff. It has alarmed me, and it is seconded by one of the reports we have now. We are hearing that there are unmatched pension liabilities. So, therefore my request in the 2 December discussion was that please do not use the surplus budget for the Secretariat staff remuneration and payment for the premium of the insurance. You first use CHF 197 for the use of salary and the premium payment on insurance and then after meeting those liabilities and commitment, if we have a problem on some discretionary expenditure, we can look at those discretionary expenditure but do not compromise on payment of salary and insurance premium to staff. Whereas what I am getting now is completely an opposite narrative that India is coming in the way of payment of salary and insurance premium. It is not that, please let me explain again, that India will only ask that on the CHF 197 million approved budget, the first charge should be on the Secretariat to staff salary and on the insurance premium payment. Then a major component of that expenditure was on the audio-visual system of rooms W and S. There my suggestion was that this requires multiyear liability and exactly for these kinds of renovation works, the WTO has a building renovation fund. That building renovation fund, I was told, has CHF 25 million available from our contribution from the past years. So, my request was that do not use this surplus for work which can be taken up under the building renovation fund because already CHF 25 million are there, and the only difference was that the CBFA Chair and DDG were saying that we will start using that money from next year but not this year. There my apprehension was why get into this breaking up of this expenditure, when we can have the entire renovation work undertaken through the WTO building renovation fund. The third important item was on the utility bill which I have already said that I had a very clear understanding - and I said that, please go ahead use the additional money for the additional tariffs which are coming because of the higher rates. So, these are the three broad things and the last one was on the interpretation, where we had asked certain details and the moment we get the details, we are willing to discuss and move ahead. So, please do not dramatize this. I have explained each item and I am willing to discuss it further.

6.44. The representative of Canada delivered the following statement:

6.45. Canada has listened carefully to India's statement. We are surprised to hear these arguments today as we had no warning. We thought this issue had already been addressed within the CBFA. We will be unable to prepare for any meeting if Members choose to raise their concerns in this manner. This debate on technical matters should have happened in its designated Committee. If it had taken extra time, it would have taken extra time, but we should not be having this discussion here.

6.46. The Chair noted that this discussion was indeed of a technical nature. The Chair acknowledged that every Member had the right to raise any issue at the General Council.

6.47. The Director-General delivered the following statement<sup>20</sup>:

6.48. I do not really have a great deal to say. I am quite surprised at what is happening. And this is why I have been turning to the DDG and everyone to better understand what is going on. I thought there was a consensus that had been agreed at the CBFA. As the permanent representative of India said this is 3 per cent of the budget, CHF 6 million. We had asked for a budget increase, which we tabled, of 7.7 per cent (CHF 15 million), which the CBFA had said it was unable to act on. This would be considered at the time of 2024 budget, so we left that aside. We said ok, last year there was CHF 9 million surplus, we were asked to return it and we acted responsibly and returned it to Members. This year, the CHF 6 million surplus, it is 3 per cent, I think that the Secretariat is not irresponsible. We would not come asking to use this money if we did not really see the need for it.

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<sup>19</sup> At India's request, the communication on " Ensuring Transparency and Securing WTO Staff Interests in 2023 Budgeting Process" in JOB/GC/327-JOB/BFA/73 is included in the records of the meeting and can be found in Annex 1.

<sup>20</sup> At the Director-General's request, the "Elaboration of the Director-General's 19 December 2022 statement regarding the use of budget surplus " in JOB/GC/328 – JOB/BFA/74 is included in the records of the meeting and can be found in Annex 2.

I just find this whole debate astonishing. So let me tell you, as was said, it was a prerogative of any Member to block things and not allow them to go forward, even after we thought we had consensus. It is very unfortunate, but it is their right. But I have to tell you, I am not going into the details of all that was raised because I was not aware that this was going to go this way. I would be remiss if I do not tell you what would happen if we do not get the CHF 6 million. We were completely transparent, and I reject any notion that we have not acted transparently. We gave, from what I can see, the table and I am speaking to DDG Ellard - I was not at the CBFA meeting but I saw what went there and approved it – we were very transparent with Members. There are certain things that will not be done.

6.49. I will give you flavour: (i) We will have to turn down the heating in winter. We will be talking to the Swiss authorities. And the cooling next summer. When you come back from this holiday, bring your thermal underwear because we are going to have to do that; (ii) We will have to delay our plans to replace the failing audio-visual system in Rooms S and W, unless and until we can achieve consensus to use the Building Renovation Fund. Even if we do reach that consensus, the process will be lengthy and there will be a delay. In the meantime, the deterioration will continue, and meetings will be disrupted. You had a taste of that today when a couple of Members were on; (iii) We will have to cut back on support for virtual platforms like Interprefy, Webex and Zoom. We will of course not cancel any Member meetings, nor will this affect interpretation, but please do not expect the seamless support for those participating virtually from their offices in Geneva, capitals, or elsewhere. You may experience delays in getting support for problems to do with connectivity, testing and troubleshooting when you use these platforms. This cutback in support is going to affect all Member meetings, including the GC and the TNC, Committee meetings, Negotiating Groups, dispute settlement panels, technical assistance, regional group meetings, meetings called by any Member, and other events using a virtual platform; (iv) We are going to have to delay some of the improvements we were planning to our IT capabilities, including Documents Online. I could go on and on.

6.50. As this was going on, I was just reflecting of what this will mean for the Organization and staff. These are just a few examples of we are going to have to do. In addition, I think, we are going to have to increase what we are charging of some parts of our premises. We will have to ask for more fees. We will also be looking at other ways to raise money. I want to repeat we are not irresponsible. I spent 7 years of my career as a Minister of Finance, and I think I know when to ask for use of resources and when not to. What is being said here, is as if staff has acted irresponsibly and that is not the case. We take the part that there is no consensus, and all I can do is to tell you what the fallback of this will be.

6.51. The Chair thanked the Director-General for her statement and noted that in light of the discussion that had taken place, he understood that there was no consensus on one recommendation put forward by the CBFA Chair, i.e., the recommendation on the Budgetary Surplus and that further discussions were needed and would take place in the near future.

6.52. The General Council approved the other recommendations put forward by the CBFA Chair, namely:

- a. paragraphs 5.17 and 5.18 of the report contained in WT/BFA/206, recommending that the General Council approve the transfers between budgetary sections, as outlined in paragraph 2.33 of document WT/BFA/W/588, and that the General Council approve the WTO Audited Financial Statements for the year ended 31 December 2021;
- b. paragraph 3.3. of the report contained in WT/BFA/208, recommending that the General Council approve the Revised WTO Financial Regulations annexed to document WT/BFA/W/610;
- c. paragraph 5.8 of the report contained in WT/BFA/209, recommending that the General Council approve the 2023 scale of assessed contributions contained in Table 1 of the document WT/BFA/W/616.

6.53. The General Council took note of the statements of the CBFA Chair and of other statements made and adopted the reports contained in WT/BFA/206, WT/BFA/207, WT/BFA/208 and WT/BFA/209.

## **7 REJUVENATION OF WORK PROGRAMME ON ELECTRONIC COMMERCE AND MORATORIUM ON IMPOSING CUSTOMS DUTIES ON ELECTRONIC TRANSMISSIONS – REQUEST FROM INDIA AND SOUTH AFRICA**

### **A. Consumer Protection in E-Commerce – Communication from India (WT/GC/W/857)<sup>21</sup>**

7.1. The Chair noted that the item concerning the "Rejuvenation of Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Transmissions" had been put on the agenda at the request of the delegations of India and South Africa. The sub-item "Consumer Protection in E-Commerce" and the communication contained in WT/GC/W/857 had been put on the agenda at the request of the delegation of India.

7.2. The representative of South Africa delivered the following statement:

7.3. In the interest of time, this statement also covers our perspective on agenda item 2(a)(ii) We would also like to thank Ambassador Canabady for her efforts in facilitating dedicated discussions on the Work Programme on Electronic Commerce (WPEC). MC12 has given a clear mandate to reinvigorate the work under the Work Programme, especially its development dimension. This necessitates identification of the developmental aspects that are critical to an inclusive digital economy. The WPEC remains the basis of WTO work on e-commerce. It sets out an appropriate framework to structure our work and we remain committed to this multilaterally agreed instrument. The overarching issue that affects equitable benefits is the digital divide and the WTO should facilitate a focused discussion on effective mechanisms to promote technology transfer. The second critical aspect is to promote digital industrialization and in this regard our interest is to not only use e-commerce to promote efficiencies and the interests of consumers but also ensure that e-commerce creates new industrial capacity and promotes industrialization. This will ensure that Africa is not just a market of products produced elsewhere but actively participates in e-commerce in a meaningful way. Our interest is therefore to ensure that WTO rules do not hinder or constrain policy tools we need to achieve these objectives, hence our position on the e-commerce moratorium. We do not believe that non-discriminatory taxes are the right tools for this purpose as they do not assist to promote nascent digital industries but address other objectives associated with revenue leakage. The third critical aspect is effective participation in the data value-chain. Policy and fiscal space will be required by the developing world to rebuild their economies and revive their declining trade competitiveness and falling exports. The need to collect, store and process data and regulate its flows for development is well understood. Sharing of experience of how countries use data for their own development, as well as sharing of national data laws can be explored. Data defines competitiveness in the digital economy. It is important to assess the evolution of e-commerce on developing countries' competitiveness and take a long-term view. The core of the development mandate is also entailed in the work assigned to mandated bodies. It is expected that these bodies will identify ways to increase the participation of developing countries and access to technology – as well as assess the effects of electronic commerce on the trade and economic prospects of developing countries, notably of their small- and medium-sized enterprises and means of maximizing possible benefits accruing to them and implications for developing countries of the possible impact of electronic commerce on the traditional means of distribution of physical goods and financial implications of electronic commerce for developing countries. Together with India, we have revised the paper submitted to the CTD and will submit it shortly. We encourage Members to engage with these submissions in a constructive way. On the e-commerce moratorium, the key issues include the developmental aspects of the e-commerce moratorium; the scope and definition of the moratorium which will determine the future of the moratorium given its impact on digital industrialisation and removes the key policy tool to drive industrialization which cannot be compensated with non-discriminatory taxes; and the revenue implications of the moratorium on electronic transmissions are also an important consideration – we therefore welcome Indonesia's paper which is a timely contribution that will assist to enrich our discussions in this regard. In South Africa's capacity, we also welcome the paper by India with regard to the challenges associated with consumer protection in the context of e-commerce, including the work undertaken at the international level. We will be considering the paper by India and we look forward to further engagement.

<sup>21</sup> Some of the statements refer to both items 2(a)(ii) and 7.

7.4. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

7.5. The LDC Group thanks India for introducing communication WT/GC/W/857 on consumer protection in electronic commerce. The submission is useful and welcome. The submission elaborates in greater depth areas the LDC Group also identified in our submission in 2019 in document WT/GC/W/787. We plan to further elaborate and update our submission which will take into account the important points and questions raised in India's submission.

7.6. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

7.7. The ACP Group welcomes India's contribution contained in document WT/GC/W/857 concerning the question of consumer protection in e-commerce. The ACP Group has also highlighted this issue as one that is of importance to the Group in examining the development dimension. While all Members have concerns about consumer protection, it is clear that the problems faced by consumers from developing and LDC Members become a great hinderance to the use and predictability of the platforms, combined with spill-over problems in technologies available to them, including encryption systems that would help consumers, private and government users. More tools are needed for consumer protection in the e-commerce space. The work of different institutions on this matter, as highlighted in India's submission, will be useful to include in our discussions. The questions put forward in the paper can assist Members as well. We will continue to consider these observations as well as the role of the WTO e-commerce work programme.

7.8. The representative of Jamaica delivered the following statement:

7.9. Like many developing Members, Jamaica recognizes the opportunities that the rapid rise of e-commerce presents for business, trade, and economic development. If leveraged correctly, developing countries can gain a higher level of competitiveness on a global scale. It is for this reason that Jamaica attaches a high level of importance to the focus on the development dimension, particularly as it relates to narrowing the digital divide within and among the membership. On the moratorium, it remains a very complex issue. However, through the continued sharing of national experiences and technical engagements with other relevant stakeholders, we can achieve the outcome of better understanding the scope, definition, and impact of the moratorium on customs duties on electronic transmissions. Jamaica thanks India for its communication as contained in WT/GC/W/857. During the pandemic, we witnessed an increase in online activities which included the installation of online payment and other e-commerce facilities, cross-border e-commerce and trading and digital food ordering services. With this increase of activity online, there is a need to also examine consumer protection. According to the UNCTAD's tracker on Online Consumer Protection Legislation Worldwide, despite the importance of consumer confidence for business-to-consumer e-commerce, many developing, and transition economies still lack laws to protect consumers online. During the dedicated session held last month, the issue of consumer protection was raised by some delegations as an area on which we could start our discussion on the Work Programme. This submission from India therefore raises some important points for our consideration and will be further reviewed by capital. We have taken note of the many reports of fraudulent and other illicit activities in the submission. This is an essential issue that must be dealt with multilaterally. In this regard, in addition to the international processes identified in section 4 of the submission, it is important that our work in the WTO on consumer protection is closely aligned to other ongoing work in the UN, including negotiations under way in the UN system to Elaborate a Comprehensive International Convention on Countering the Use of ICTs for Criminal Purposes. Jamaica wishes to reiterate its commitment to this file and will continue to support the work of the Facilitator. Jamaica aligns itself with the statements by the ACP and CARICOM.

7.10. The representative of Bangladesh delivered the following statement:

7.11. Bangladesh aligns with the statement by the LDC Group. The delegation of Bangladesh thanks India and South Africa for bringing this item in the agenda. Bangladesh particularly thanks India for introducing a timely submission on Consumer Protection in e-commerce in WT/GC/W/857 dated 9 December 2022. The communication has elaborated some areas also identified by the LDC Group's submission in WT/GC/W/787 circulated in 2019 and some elements presented through JOB/GC/152/Rev.1 by Bangladesh in 2017. The communication from India contains three important guiding questions that Members must explore further. Our delegation is also thankful to Indonesia for their communication in WT/GC/W/859 regarding Indonesia's Perspective on Customs Duties on

Electronic Commerce circulated on 13 December 2022. The rationale explained in this paper demands thoughtful consideration by Members. Currently, our capital is examining both submissions and we look forward to engaging with delegations.

7.12. The representative of Indonesia delivered the following statement:

7.13. First, I welcome the paper on consumer protection in e-commerce in WT/GC/W/857. I would like also to echo what Ambassador Xolelwa Mlumbi-Peter has stated earlier about the importance of sharing domestic laws on electronic transmissions. As I have mentioned under agenda item 2 earlier, I will share under this agenda our perspective on Customs Duties on Electronic Transmissions in WT/GC/W/859. As all Members may be aware, our delegation has submitted a document regarding Indonesia's perspective on Customs Duties on Electronic Transmissions, which has been circulated by the Secretariat under the reference WT/GC/W/859. The purpose of this submission is to provide an overview to Members which includes: (i) to provide an understanding that the reasons behind the imposition of customs duties on digital goods are not solely about revenue but are broader than that – these include creating a level playing field, providing certainty, assessing digital risks, empowering MSMEs, and recording trade data, which are important for all economies; (ii) to describe the mechanism that Indonesia is currently developing with regard to the imposition of customs duties on electronic transmission, through simplified customs declarations, so as not to burden the parties involved; (iii) to emphasize the need for policy space to protect national interests, while still adhering to WTO provisions – which is also in line with the principles contained in the Declaration on the Rights to Development, in particular Articles 2, 3, and 4, which are the efforts of the Non-Aligned Movement to create a just and equitable New International Economic Order. To conclude, when we discuss the moratorium, we must not forget that developing and LDC Members need certainty that their economies are not hampered, not left behind, and are able to participate and compete with others. We look forward to making a presentation on the paper at the Dedicated Discussion on Moratorium next year. We are open to discuss this issue further and would like to hear other Members' opinions in addressing these concerns.

7.14. The representative of Sri Lanka delivered the following statement:

7.15. Sri Lanka would like to thank India for its submission on consumer protection in e-commerce product payment in WT/GC/W/857. My delegation notes that this proposal contains constructive proposals to rejuvenate the work programme on electronic commerce in the area of consumer protection in e-commerce. My capital is currently studying this document. My delegation would like to further engage on the document India sent. My delegation would also like to thank India and South Africa for including this item on the agenda.

7.16. The representative of Pakistan delivered the following statement:

7.17. Coming to agenda item 7, Pakistan wishes to thank the delegations of India and South Africa for this item. We appreciate the various documents including WT/GC/W/857, floated by them and by others and look forward to contributing to this discussion. In this connection, I wish to recall our previous statements on the matter and to reiterate that the General Council must reinvigorate the structured discussions on various aspects of electronic commerce as has long been mandated by WT/L/274. It is only pertinent that all the subsidiary bodies thus identified – all Councils and the Committee on Trade and Development – may maintain their mandated work on the agenda and continue to work in the direction reiterated by our Ministers earlier this year. While the significance of rejuvenating the work programme cannot be overstated, Pakistan believes that it is equally important that the moratorium and the work programme be accorded equal and independent focus by the membership. In this regard, Pakistan would refer to the un-numbered paragraphs 1 and 2 of the MC12 decision contained in document WT/MIN(22)/W/23 and stress the fact that the rejuvenation of the work programme and moratorium are recognized as mutually exclusive and thus need to be dealt with separately. With regard to the moratorium, Pakistan is thankful for the submission by Indonesia. Many social and economic needs of people in developing Members go unaddressed due to their state's tight fiscal position – as has also been evidenced by studies from several independent organizations. Additionally, Pakistan would like to sensitize the membership that now, the debate surrounding the moratorium needs to expand from it causing just fiscal limitations to also creating equal opportunities for digital industrialization of developing and LDC Members. To allow for digital growth in developing countries, we stress the need for an end to the moratorium. On agenda item 7a, I thank India for their communication WT/GC/W/857. The paper identifies several issues of concern to not just developing and LDC Members but to all Members in

general. Deliberations subsequent to this paper will definitely guide the membership and are expected to complement the efforts under the work programme on e-commerce.

7.18. The representative of Nigeria delivered the following statement:

7.19. We thank India for their paper which is currently being reviewed in our capital. We earlier shared our views on how to advance the discussions on the work programme on e-commerce and in the interest of time we would not repeat ourselves. Discussions related to consumer protection in e-commerce could be considered under the theme on digital industrialization we mentioned earlier. We could also discuss this issue under a standalone theme. Nigeria would continue to work closely with all Members to collectively deliver on development-related issues under the work programme.

7.20. The representative of Thailand delivered the following statement:

7.21. This intervention addresses items 2 and 7. I have taken a quick look at both papers, and the content of both is very useful and technical, so I need to consult the capital quite at length, especially the paper on the E-commerce Moratorium by Indonesia. At this stage, we emphasize that Thailand's deliberations on e-commerce focus on three areas that are of particular interest to us which are: (i) digital infrastructure and connectivity; (ii) digital trade rules and regulatory measures; and most importantly, (iii) digital literacy, capacities, and skills. We welcome the opportunity to further discuss them on the e-commerce agenda. On consumer protection under the paper from India and the overall concept, Thailand shares the same sentiment that consumer protection is an important undertaking, but we believe that the WTO is not the only Organization that takes up this issue. Many other international organizations are already working on it. The three questions that India asks Members to share are very timely, and we are happy to do that. However, consumer protection can be done not only through the regulatory framework, but also by consumer themselves. So, we would like to look at both sides of the coin on this issue. We look forward to these discussions in 2023.

7.22. The representative of Singapore delivered the following statement:

7.23. Let me thank India for its submission concerning consumer protection in e-commerce. Let me make three brief points. First, Singapore supports the thematic calendar that the Facilitator is developing to systemically address key issues such as digital payments and digital trade facilitation to developing and LDC Members. On this note, we welcome India's submission and look forward to in-depth technical discussions at the Dedicated Sessions on e-commerce. Hopefully, such efforts will help to reinvigorate the work programme on e-commerce and re-orientate its agenda from a negative to a positive one. Second, we should encourage as many Members as possible to share their digital transformation experiences. As a small, developing Member, Singapore is happy to share our experience, especially in developing a digital-ready workforce, re-training our workers through digital upskilling, and developing foundational digital infrastructure. In this context, I am happy to announce that Singapore will be hosting the Singapore-WTO Third Country Training Programme on e-commerce in March 2023, and we encourage other developing and LDC Members who have an interest to apply. Third, given the importance of the customs duties moratorium on electronic transmissions to Members across the development spectrum, Members must engage constructively in fact-based discussions sooner rather than later. As we have heard a handful of Members wilfully misinterpreting the MC12 decision as an "impending termination of the moratorium at MC13", it is important to gain a deeper understanding of the significant impact on businesses and consumers, if the moratorium were to lapse. Equally, Members should explore using non-discriminatory taxation as an alternative to generate revenue without incurring the collateral costs of imposing customs duties on electronic transmissions. We very much look forward to continuing these discussions.

7.24. The representative of China delivered the following statement:

7.25. China thanks India and Indonesia for their proposals, and we will carefully study them. China remains committed to making contributions to an in-depth discussion on consumer protection. We are also happy to share our national experiences in this regard.

7.26. The representative of Japan delivered the following statement:

7.27. Japan appreciates India's proposal, WT/GC/W/859, regarding consumer protection. As many Members pointed out in the last dedicated session, ensuring consumer trust, including consumer



protection, is an important issue. We could assume that there are issues such as fraudulent and deceptive transactions or unsolicited commercial messages in case of online merchandising, and it would be important to share Members' experiences of preventing such undesirable phenomena and ensuring consumer trust in digital space.

7.28. The representative of Chinese Taipei delivered the following statement:

7.29. We welcome Members to continue putting forth useful topics such as consumer protection in e-commerce in India's discussion paper in WT/GC/W/857 that promotes consumer trust. We support discussions on e-commerce moratorium to be held in parallel as soon as possible next year to explore relevant studies so far including practical evidence, best practices, and impact of customs duties on electronic transmissions with the hope that such sessions will lead to a consensus on the scope, definition and impact of the moratorium. Members need to consider a pragmatic approach to progress and prepare for MC13 as early as possible.

7.30. The representative of New Zealand delivered the following statement:

7.31. We thank India for the contribution on consumer protection. New Zealand also considers consumer protection to be a crucial component of an enabling environment for cross-border e-commerce trade. Robust e-commerce consumer protections are needed to prevent direct harm to individual consumers, promote a competitive online market for suppliers of goods and services through e-commerce, and enable confident participation in e-commerce trade by a wider range of individuals, including consumers and suppliers. We look forward to further engagement in various formats on this topic.

7.32. The representative of India delivered the following statement:

7.33. I thank all Members who have taken the floor under items 7 and 7a as well as 2(a)(ii) and had been part of the discussion yesterday and today. At the same time, I also thank Indonesia for their paper WT/GC/W/859 and look forward towards their presentation. One request is, which we are making repeatedly, is to make the work programme on e-commerce as a standing agenda in all bodies identified in document WT/L/274 of 1998. These bodies are the Council for Trade in Goods, the Council for Trade in Services, the Council for TRIPS and the Committee on Trade and Development. Additionally, in the small group consultations of the Facilitator Ambassador Dwarka-Canabady, some Members have expressed their interest in leveraging the Working Group on Trade and Technology Transfer for exploring technology transfer opportunities to bridge that digital divide and we fully support this ask. Another point I would request Ambassador Dwarka-Canabady is to also consider in the thematic items "Digital Public Infrastructure". Although it was not explicitly coming in her report yesterday, we discussed this at length during the small group meeting and I am sure that Members will have interest in further discussing it. On our paper under item 7a, I would not repeat what Members have said including on the three questions, but I look forward towards engagement on that.

7.34. The General Council took note of the statements.

## **8 TRADE RELATED CHALLENGES OF THE LEAST DEVELOPED COUNTRIES AND WAY FORWARD: PROPOSAL FOR WTO SMOOTH TRANSITION MEASURES IN FAVOUR OF COUNTRIES GRADUATED FROM THE LDC CATEGORY – COMMUNICATION FROM DJIBOUTI ON BEHALF OF THE LDC GROUP (WT/GC/W/807/REV.2)**

8.1. The Chair noted that this item concerning the "Trade Related Challenges of the Least-Developed Countries and Way Forward" and the communication contained in WT/GC/W/807/Rev.2 had been requested by Djibouti, on behalf of the LDC Group.

8.2. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

8.3. Our proposals on LDC graduation received broad support from a wide range of Members. The submission today in WT/GC/W/807/Rev.2 contains two main aspects. In Annex 1, the draft General Council Decision simply encourages Members to have procedures in place to extend or gradually phase out unilateral trade preferences for LDCs over a period of six years or a period determined by the preference providing Member to those having graduated from the LDC category. The rationale

for the proposed six-year period is to follow the two triennial reviews undertaken by the UNCDP to monitor the post-graduation phase. It corresponds to the period during which countries leaving the category are particularly vulnerable and require special attention to secure a smooth and sustainable transition. The text of the draft decision in Annex 1 largely reflects the language discussed informally during MC12, but which was not taken up for decision. The LDC Group has made particular efforts here to integrate concerns by other Members. Annex 2 contains a draft decision proposing to assign the work to LDC Sub-Committee to develop recommendations on extending LDC-specific special treatments such as technical assistance and other flexibilities to Members for a limited period of time after graduation from the LDC category and to report to the General Council no later than 30 June 2023. There is a list of LDC-specific special flexibilities in Appendix 1 of Annex 2 to that draft decision. The idea is not to create new flexibilities. These are already existing provisions. Our proposal is to allow the continuation of these existing flexibilities for a limited period of time after graduation from the LDC category. This draft also proposes a peace clause to provide legal coverage for the users and providers of the LDC-specific flexibility during the additional period – "X years" – after graduation. The value of "X" will be agreed by Members. The current approach is also a departure from the earlier LDC submission calling for extending all S&DT provisions. We expect two actions from the General Council: (i) the adoption of the Draft Decision in Annex 1, which is not legally binding, and which has accommodated the concerns of all Members; and (ii) as provided in Annex 2, the General Council to assign the work to develop recommendations for support measures to the LDC Sub-Committee which would report to the General Council no later than 30 June 2023. The General Council, upon receipt of the report from the Sub-Committee, may decide the next steps on this issue. LDCs comprise around 14 per cent of the world population but account for around 2 per cent of the world GDP and less than 1 per cent of world trade. Graduation overnight will not fix the inherited challenges of the LDCs. Our challenges are further aggravated by the COVID-19 pandemic and the current geopolitical situation. All LDCs will graduate, sooner or later. The main purpose of the submission is to establish a smooth transition mechanism in the WTO which provides predictability and certainty. Extending the existing LDC treatment for a few more years after graduation will have negligible impact on global trade. Having such a mechanism would instead send a strong signal in favour of LDCs from the entire multilateral trading system.

8.4. The representative of Bangladesh delivered the following statement:

8.5. Under this item, Bangladesh aligns with the statement by the LDC Group. The communication WT/GC/W/807/Rev.2 is built on our previous submissions. Paragraph 5 of the MC12 Outcome Document acknowledges the particular challenges that graduation presents including the loss of trade-related international support measures. Ministers also recognize that certain measures in WTO can play a significant role to facilitate the smooth and sustainable transition for the Members who leave the LDC category. LDC graduation will not fix their inherited challenges overnight and solve the vulnerabilities. The COVID-19 pandemic and the geopolitical crises illustrate their fragility and vulnerability to external shocks. LDCs need predictable and meaningful support to face such challenges and uncertainties in the early years of the post-graduation period. On the other hand, all LDCs will graduate eventually, and this is a target of the global community. Therefore, the LDC Graduation is not the priority of the LDCs only. A decision in the WTO to extend the LDC-specific flexibilities for a few more years after graduation from the LDC category will have negligible impact on global trade. The present submission accommodates ideas and suggestions from numerous informal exchanges with delegations before and after MC12. We are grateful to all delegations for their continuous support and positive engagement. The submission in two parts is quite flexible. In Annex 1, the draft proposes a best endeavour approach which is non-binding and an 'encouragement' to extend LDC-preferences to Members after graduation from the LDC category for six years or a period determined by the preference providing Members. Six years will correspond to the two triennial reviews by the UNCDP after graduation. The LDC list only follows the UN listing, and therefore the proposal is not an obligation for those who design their LDC preference programmes otherwise. Some countries and groups have already extended trade preferences that the remaining are being encouraged to follow. This decision will bring much needed predictability of support to the graduating LDCs. In Annex 2, the draft decision proposes to instruct the LDC Sub-Committee to develop recommendations for support measures to be applied to LDCs after graduation and report to the General Council no later than 30 June 2023. Such support measures would include a limited number of LDC-specific WTO special provisions listed in the Appendix to this draft and the LDC-specific technical assistance programmes. Provisions listed in the Appendix are left with X years to be agreed by Members to suggest the length of extension after graduation. We have pointed out that in the MC12 outcome, our Ministers recognize that certain measures in the WTO can help facilitate smooth and sustainable transition. The LDC Group thinks that these are the measures, as

proposed through this submission, that would help. We also highlight that the listed measures are already existing LDC-specific provisions, currently available for all LDCs equally. And we do not propose any new flexibility or any improvement of any of those existing provisions. Additionally, the proposed peace clause will provide legal coverage for implementation of these measures. Previously, and during our informal consultations, many delegations supported that the Sub-Committee on LDCs would work on the annexed special provisions and report back to the General Council within a targeted time if the General Council provides such a mandate. As a point of reference, in 2011 the LDC Sub-Committee was assigned in WT/L/846 to develop recommendations to further strengthen, streamline and operationalize the LDC Accession Guidelines. The same Sub-Committee can be assigned again to develop recommendations for the smooth transition for the LDCs. The delegation of Bangladesh hopes that the General Council can consider our submission and approve both draft decisions in an expeditious manner.

8.6. The representative of Zambia delivered the following statement:

8.7. My delegation endorses the statements by the African Group, the ACP and the LDC Group on the previous agenda items. Similarly, my delegation fully supports the communication issued by Djibouti on behalf of the LDC Group on this agenda item. My delegation wishes to thank the WTO and other development partners that have over the years rendered support to Least Developed Countries through various Aid for Trade initiatives and capacity building programmes in trade negotiations. The support has been very helpful in shaping progressive trade policies and legislative reforms in our economies such that we now see a number of LDCs including my country, Zambia, being earmarked for graduation. This is a positive signal even with the challenges that we face including those related to the COVID-19 pandemic which still negatively affects us in many different ways. It is very evident that in order to address the challenges as well as sustain the gains made so far, there is a lot of work that needs to be done individually in our national economies but also collectively through support from the WTO and other development partners. My delegation is therefore hopeful that the LDC proposal for a smooth transition receives favourable consideration of the WTO membership. We are available to engage with Members on this proposal and many other issues of interest to LDCs to ensure that the WTO uplifts the development status for all Members particularly us – the LDCs.

8.8. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

8.9. The African Group thanks the LDCs for their proposal and reiterates its support for their request. We have repeatedly stressed that it is difficult for us to understand the strong resistance to this LDC proposal that would in no way affect the economic competitiveness of the Members that oppose it. One cannot urge others to go beyond positions of principle to find consensus based practical solutions while systematically refusing to respond favourably to the request made by a certain category of developing Members for an appropriate transition. We would like to believe that this new proposal will finally receive a favourable response from the Members that have so far expressed reservations in this regard.

8.10. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

8.11. As with our previous interventions in the General Council, the ACP Group strongly supports the proposals of the LDC Group on smooth transition measures in favour of countries that have graduated from the LDC category, including the revisions presented today in WT/GC/W/807/Rev.2. We congratulate the LDC Group for the results of their intensive consultations since the last General Council meeting and the progress made to shape the proposal further. The ACP Group urges the General Council to adopt the Decision at the earliest, before MC13.

8.12. The representative of Tunisia delivered the following statement:

8.13. We thank Djibouti for its communication on behalf of the LDC Group and reiterates its support for the draft decision requesting a transition mechanism for LDCs within the WTO, which should be adopted. Committing to a reclassification process in the current context of multiple and recurrent crises is in itself a courageous decision by LDCs in transition which deserves to be commended and supported by an organization that calls for positive action on this issue and promotes sustainable development. It is regrettable that MC12, which recognized the post-graduation challenges of the

LDC category, failed to take a positive decision on the issue despite broad support among Members. We hope that the General Council would soon reach a decision along the lines of the flexible proposals of the LDC Group. There is no truth in the hypothesis that an LDC benefiting from these transition measures after six years of reclassification would lead to a disruption in the world trade balance. Therefore, a few Members continuing to defend positions of principle, which have almost no impact on world trade, can only undermine the solidarity that should prevail among Members. Instead, let us give a reassuring message in this process, in the hope that it would be relayed in our other discussions of genuine issues. We associate ourselves with the statement by the African Group.

8.14. The representative of Senegal delivered the following statement:

8.15. We are pleased by the decision taken by the General Council to organize MC13 and MC14 and the venues chosen. We likewise support the statements by the LDC Group, the African Group and the ACP. LDC Graduation is a top priority for my delegation. We should remember that LDCs account for less than 2 per cent of global trade. Having a transition which is longer will not have an impact on global trade and having that mechanism would send a strong signal in favour of LDCs from the multilateral trading system. I am sure you will agree that graduation is an acknowledgement of the effort made by countries, but graduation is not enough to resolve the problems that they have inherited. Countries that meet the graduation criteria often do so without having significantly developed their production capacities and without having made enough progress in transforming their economies. In view of the challenges posed by graduation, it is more urgent than ever to have a flexible and sustainable mechanism in accordance with what the UN General Assembly has said. We support the proposal, and we believe that the LDC Sub-Committee should make proposals for countries that are graduating. A report should be made to the General Council at the latest on 30 June 2023, and there should be a peace clause after graduation. We also suggest that the General Council approve both draft decisions in Annexes 1 and 2 of this LDC submission.

8.16. The representative of Lao PDR delivered the following statement:

8.17. Lao PDR aligns itself with the LDC Group statement. Lao PDR attaches great importance to smooth and sustainable graduation. We therefore fully endorse the two proposals by the LDC Group contained in Annexes 1 and 2 of the General Council draft decisions. As 2024 draws near, when the final re-evaluation to decide whether the green light on our graduation will be given or not, we the LDC Group, especially Lao PDR, is very concerned about the social and economic impact of COVID-19, climate change and geopolitical tensions on our economic recovery and development, value chain development, coping with high inflation and unemployment, and food and energy security, among others. We also emphasize the importance of synergy and complementarity between WTO efforts and other development cooperation frameworks such as UNCTAD and UN LDC5, among others, to ensure smooth and sustainable LDC graduation.

8.18. The representative of the European Union delivered the following statement:

8.19. The European Union is engaging with the LDCs on the particular challenges that LDC graduation presents. We are ready to continue to engage, both on "preferences" in Annex 1 and on "measures" in Annex 2 of the proposal under consideration. The European Union continues to believe that there should be support and flexibilities for WTO Members, commensurate with their needs and capacity constraints, beyond the group of LDCs. But the challenges of LDC graduation merit a specific response from the membership, which we would be ready to work on with a view to outcomes by MC13. From this perspective, we take note and welcome the revised proposal. The specifications in Annex 2 will require further discussions in more detail, which could preferably take place in the beginning of next year. We especially encourage discussions based on analysis that shows where specific difficulties exist. In the area of trade specifically, the aim of the European Union is to focus on how to facilitate and enhance the capacity of countries to assume commitments that foster integration in the global economy. In our view, that is the best way that the WTO can effectively contribute to sustainable development

8.20. The representative of Nepal delivered the following statement:

8.21. I associate with the statement by the LDC Group and wish to add some points. This is an agenda item that remained inconclusive despite having received overwhelming support from the membership over the last three years. This agenda item needs to be concluded if we really intend

to ensure inclusive multilateral trading system. I thank Members that have supported this agenda item. The LDC Group has revised its proposal in view of the concerns raised by some Members. We are not seeking support for new areas but just seeking for a continuation of existing facilities and flexibility for a few more years after graduation. Therefore, it would not be appropriate to link this proposal with any other issue of the WTO system. My delegation expresses its readiness to constructively engage with Members for an early conclusion of this agenda item.

8.22. The representative of Cambodia delivered the following statement:

8.23. My delegation aligns itself with the statement by the LDC Group. I would like to add to what the delegation of Djibouti had already mentioned by providing some data for consideration as to why this decision is critical for development and strengthen resilience of graduated LDCs. The LDCs' share of world export of goods is currently at 1.01% and it will be around that rate for the foreseeable future, and this is despite LDCs receiving preferential market access. In relation to this, we have by far missed the target of SDG 17.11 that aimed to double LDCs' share of global export by 2020. Therefore, the proposed transition period would go a long way in sustaining and accelerating the level of development of graduating LDCs and to avoid falling into a situation that stagnate LDCs' development progress. It has been over two years since the proposal was first submitted by the LDC Group and, according to the UN website, we have 7 LDCs – Bhutan, Angola, São Tomé and Príncipe, Solomon Islands, Bangladesh, Lao People's Democratic Republic, and Nepal – who are in the pipeline for graduation with 4 LDCs, Bhutan, Angola, São Tomé and Príncipe, and Solomon Islands expected to graduate as early as 2024. Therefore, it is very important that decision on smooth transition for graduated LDCs is reached as timely as possible so that Members who will be graduating in a few years' time could benefit from such decision. The LDC Group has been listening to views of all Members. The LDC Group's submission has gone through many changes, and this reflects strong flexibility and full engagement on our part. We once again urge all Members to work constructively on this proposal the details for which have already been outlined by Djibouti on behalf of the LDC Group and by Bangladesh, the focal point on graduation. We are fully ready to engage with all partners to discuss this proposal towards reaching a positive outcome.

8.24. The representative of Tanzania delivered the following statement:

8.25. We align with the statement by the LDC Group. We recognize the central role that the WTO has been playing towards LDCs in their endeavour towards graduation. As alluded already in our personal interventions on this agenda, LDCs are granted numerous favourable treatments through WTO agreements such as the Preferential Market Access and the Generalized System of Preferences, Preferential Rules of Origin, Services Waiver, TRIPS Waiver, and other S&DT provisions. Certainly, all the favourable treatments are taken away once a country graduates from the LDC status. There are ten LDCs in the graduation list as of now – a commendable progress which we all cherish. It should however be acknowledged that graduating LDCs will encounter immediate hostile economic environment which may risk them to backslide should a smooth transition environment be ignored. One lesson we can draw from the COVID-19 pandemic is the devastation it has left in LDCs. You recall that, before the outbreak, a quarter of LDCs were on track to graduate from LDC status. But after the hit, only 10 are left with staggering hopes. That says it all about the vulnerabilities a country can be exposed to. The WTO should therefore not disregard its nurturing role that it has been playing to LDCs. The WTO should ensure that a proper smooth transition mechanism is legally established to protect graduating LDCs from being exposed to external shocks such as the sudden drop of preferential market access. We support the proposal that a graduated LDC Member should continue to enjoy available flexibilities for a few more years as a means of soft landing. In the same vein, my delegation endorses the proposal that the LDC Sub-Committee be assigned with this work and the report made to the General Council within a targeted time. I also appeal to the General Council to approve the draft decisions as submitted under the current item.

8.26. The representative of Nigeria delivered the following statement:

8.27. We thank Djibouti for the proposal on behalf of the LDCs. At the outset, we align ourselves with the statements by the African Group and the ACP supporting the proposal. The LDC proposal deserves consideration in view of their development challenges. It is equally important to consider the need for the graduating LDCs to continue to benefit from the support and other flexibilities for a certain period of time in order to have a smooth transition mechanism. We support the proposal and urge Members to support the proposal for the consideration or approval of the General Council.

8.28. The representative of South Africa delivered the following statement:

8.29. We thank Djibouti and the LDC Group for the proposal contained in document WT/GC/W/807/Rev 2. LDC Graduation is overall a development issue and needs to be prioritized. There is therefore a need for the WTO to develop a mechanism that will support the smooth transition of graduating LDCs. We see this as one of the critical aspects of the development mandate and is critical to deliver on the UN General Assembly Resolution 59/209 of 2004. This should not be limited to technical assistance and capacity building but also flexibilities in rules both in current and future agreements for a period to be agreed which should be sufficiently long enough to enable LDCs to adjust. South Africa has been a strong supporter of LDC integration into the multilateral trading system and supports all efforts to increase their share in global trade. We note that although graduation from the status of LDC marks an important milestone in the development path of each LDC, the phasing-out of support measures associated with LDC status could present challenges for graduating LDCs in their efforts to continue to integrate into the global economy. As the submission highlights, LDCs suffer from various capacity constraints and economic vulnerabilities. Strengthening capacity to trade therefore remains a priority for graduating LDCs and the design of any support provided to LDCs should be reflective of the trade priorities and challenges LDCs have identified. It is thus essential for LDCs and the international community to ensure greater cooperation to better support every LDC with a view to achieving a sustainable graduation. My delegation supports this submission. We urge all Members to engage constructively on this issue with the aim of providing a better chance for graduating LDCs to integrate into the multilateral trading system. Finally, we associate with the statements by the ACP and the Africa Group.

8.30. The representative of Mauritius delivered the following statement:

8.31. This request is not new, and the arguments have been made time and again so I will not repeat them. This is an important issue that requires early resolution. Overall, there is a lot of sympathy for countries which graduate from a system that provides them with additional benefits and makes a difference in their capacity to trade. In associating with the statement by the African Group, we would like to request Members who are still uncomfortable with the LDC request to please look at this sympathetically and walk the extra mile for these countries which are trying to get out of a challenging situation but are not there yet.

8.32. The representative of the United States delivered the following statement:

8.33. We have engaged with LDC Members on the previous proposal and will continue to engage on their new proposal. We continue to emphasize considerations of equity and fairness when it comes to categorizing Members in the WTO for the purposes of special and differential treatment. We should not be disadvantaging some low-income countries by increasing preferences for those that are more advanced. At the October meeting of the General Council, we said we are open to a reference that Members consider transitional periods in goods preference programmes of Members, as appropriate, and in a manner that does not create problems for how Members manage their unilateral programmes. Annex 1 of the revised proposal shows improvement in this direction. We continue to question the need for preambular language at all, and we believe the proposal would benefit from a streamlining of that section. Likewise, Annex 2 remains too prescriptive. We are concerned that the language on a package of support measures has only expanded from past iterations. We welcome deeper discussions on the new items. Extending access to LDC preference programmes and supporting derogations from WTO obligations for graduating LDCs are just some of the actions suggested as part of the UN smooth transition discussion. We would like to highlight that there are a number of other equally or more important elements that feature prominently in the UN graduation process that WTO Members could examine and support. The WTO can and should play a more substantial role in supporting improved labour and employment conditions as part of trade policy objectives of raising living standards and improving our citizens' welfare. We could also do more to support WTO Members to develop their national reports on preparation for and implementation of smooth transition strategies. We note that the most recent report from the UN Committee on Policy Development states that Bhutan is the only graduating LDC that has submitted a transition strategy. Sharing these strategies with WTO Members could enable us to better align specific work within relevant WTO committees with these transition strategies. We ask the proponents to reflect on how to include some of these important elements in future revisions of this proposal. Finally, we continue to believe that the best course of action is to bring this revision to the CTD SS for further discussion in line with paragraph 2 of the MC12 Outcome document.

8.34. The representative of Switzerland delivered the following statement:

8.35. We thank the LDC Group for their revised proposal. We take note of the fact that the proposal now provides for two separate decisions, one related to market access for goods, and the second for other privileges for graduating LDCs, to be discussed in the LDC Sub-Committee. While still analysing this new proposal, we consider this to be a positive step forward in the discussions.

8.36. The representative of Norway delivered the following statement:

8.37. Thank you to Djibouti on behalf of the LDC Group for presenting a revised proposal. We support the draft decision in Annex 1. We are ready to start analysis and even negotiations on the measures. We also support the proposal to start work on Annex 2 in the CTD SS.

8.38. The representative of Brazil delivered the following statement:

8.39. Brazil has consistently engaged in discussions aiming at strengthening the multilateral trading system and ensuring that it remains beneficial to all its Members. We believe that special and differential treatment to LDC Members plays an important role in achieving this goal. Therefore, we welcome discussions on the issue of graduation, which is a milestone in LDCs' path to development. In this sense, we take note of the proposal presented by the LDC Group which is currently under consideration in capital. We reiterate our willingness to work together with the LDC Group to advance on the issue.

8.40. The representative of the United Kingdom delivered the following statement:

8.41. Let me thank Djibouti for circulating this proposal on behalf of the LDC Group. We note that the draft has been revised to try and accommodate feedback that they have received from other Members of this Organization, and we appreciate the LDC Group's continued openness and flexibility and willingness to engage with us all. It is worth, perhaps, saying that our own Developing Country Trading Scheme which we launched this year, which we think is a more generous and simplified preference scheme that will come into force early next year, provides a transition period of at least three years for graduating LDCs, as well as a more gradual increase in tariffs, in order to accommodate the challenges that graduating LDCs face. We very much recognize the problem that this proposal seeks to address. It is really important that we now move the discussion of this latest proposal into a setting where we can have a more technical exchange on the substance of it and look at the evidence behind the proposals. It is really important that we maintain this momentum ahead of MC13 when we try really hard to land this proposal at that Ministerial or ahead of it.

8.42. The representative of Australia delivered the following statement:

8.43. Australia would like to thank Djibouti for introducing the LDC Group's revised proposal today. We welcome the LDC Group's efforts to progress a more detailed discussion on an appropriate set of measures. To be most effective, measures ought to be tailored to the diverse economic circumstances and development needs of each graduating country. Measures need to be inherently flexible to achieve this including those listed in Appendix 1 of Annex 2. Australia looks forward to engaging on the detail of the proposal.

8.44. The representative of Chad delivered the following statement:

8.45. It is true that the LDC Group has made a lot of effort to address the concerns made by a lot of Members as pointed out by our coordinator, Djibouti. The idea is not to create new flexibilities. What we are talking about here is a number of existing provisions – and the proposal would make it possible to maintain a certain number of existing flexibilities over a limited time period that we have defined after graduation. This will, on the part of the LDC Group, help us to move towards consensus. Furthermore, if this is adopted by the General Council, then the graduating LDCs would not backslide into the LDC category. The LDCs stand ready to continue dialogue with Members next year which could be on the basis of analysis and assessment. This is what we are doing and what we will continue to do. The delegations of the United States and the United Kingdom also mentioned some encouraging improvements. The main objective, as pointed out by Members and our coordinator, is to establish a transition mechanism within the WTO to smooth the way so as to provide more predictability and certainty. When LDCs graduate, they should not be abandoned and left in

uncertainty and doubt. Members that have expressed reservations should take into account the efforts made by LDCs so that this proposal can be accepted and approved on the basis of consensus by the General Council.

8.46. The representative of China delivered the following statement:

8.47. We thank the LDC Group for their newly revised proposal. This demonstrates again their flexibility to move the discussions forward. On this specific issue, Members should fully respect the mandate that Ministers made during MC12 and should take concrete actions under this mandate. We call on all Members to constructively and proactively engage in discussions to help graduating and graduated LDCs better integrate into and benefit from the multilateral trading system.

8.48. The representative of Japan delivered the following statement:

8.49. We thank Djibouti for introducing the proposal on behalf of the LDC Group. Japan recognizes the importance of providing special measures for developing and LDC Members to engage in the multilateral trading system in a smooth transition and has been providing special preferential treatment for LDCs and general preferential treatment for a wider range of developing countries. Although the proposal by the LDC Group is currently under analysis as it was submitted shortly before this General Council, Japan considers that preferential tariff systems and the period for which they are implemented should normally reflect the real situation of a providing Member and its beneficiaries. We should therefore discuss the issue by taking the viewpoints of both providing and benefitting Members into account. Japan is open about where in the House to discuss measures for Members following their graduation from LDC status. We will continue to participate constructively in discussing this proposal so that we can discuss each instrument and agreement substantively.

8.50. The representative of Samoa, on behalf of the Pacific Group, delivered the following statement:

8.51. We thank Djibouti for the revised proposal for the WTO smooth transition package for graduating LDCs. We commend the LDC Group, and the immense work undertaken already to further modify this proposal to garner more support among the membership. Given the multi-crisis situation faced by the world today, we are cognizant of the fact that these pressures could send graduating LDCs back to LDC status. As expressed in previous General Council meetings, we are in full support of this proposal. We strongly urge Members to favourably consider an outcome on this preferably in advance of MC13.

8.52. The representative of Jamaica delivered the following statement:

8.53. We thank Djibouti for introducing the LDCs submission circulated in the WT/GC/W/807/Rev.2. It is clear from our perspective that the LDC Group has shown flexibility in its genuine pursuit, especially in an increasingly complex trading environment. We do not think it is feasible for graduating LDCs to adjust to an abrupt removal of preferential treatment that has assisted their trade and development over the years. We therefore believe that the LDCs that have graduated, will require transition to assist with their integration into the global trading system. We call Members to show flexibility in their engagement on the proposal, so we can arrive at an agreement as soon as possible.

8.54. The representative of the Republic of Korea delivered the following statement:

8.55. My delegation welcomes the latest modifications that have been made to the proposal by the LDC Group. We have already noted that the earlier revisions contained in Annex 1 represent positive steps and that the Korean delegation stands ready to work constructively to make real progress on this issue before MC13. The latest change made to Annex 1 adds further flexibility, which we welcome. Getting a decision on DFQF extension for graduated countries across the finish line would represent a meaningful milestone in the WTO's ability to deliver tangible development-related outcomes. On Annex 2, we are of the view that the LDC Sub-Committee can be an appropriate place – albeit not the only venue – to undertake more substantive discussions on continued access to LDC-specific technical assistance and to LDC-specific provisions in WTO Agreements. At the same time, we would appreciate further clarity about whether the LDC Sub-Committee has the mandate to develop recommendations that would eventually become the basis of a GC decision. Moreover,



Annex 2 of the latest revision includes a new paragraph on exemptions from the dispute settlement mechanism. One wonders whether newly introducing a systemic element at this stage is actually conducive to reaching convergence. We look forward to further clarification about this paragraph.

8.56. The representative of Singapore delivered the following statement:

8.57. We thank Djibouti and the LDC Group for their revised proposal. Graduation is a milestone that marks an important transition for LDCs. In this connection, Singapore will continue our efforts to contribute towards a smooth transition by means of technical assistance and capacity building support through our longstanding partnership with the WTO to conduct Third Country Training Programmes for developing and LDC Members. Since 1996, we have collaborated closely with the Secretariat to conduct two programmes annually on a wide range of issues including sustainable trade, dispute settlement and notifications. All Members share the same objective of supporting LDC Members in their integration into the multilateral trading system. Hence, it is encouraging to see the healthy dialogue between LDCs and interested Members to finetune the proposal including the latest adjustment to revise the period of Duty-Free Quota-Free extension from twelve years to six years. Given the different needs of LDC Members, S&DT will best serve their purpose if they are tailored to the needs of each Member rather than taking the one-size-fits-all approach. Hence, it will benefit all sides to continue discussing how S&DT can best be applied to achieve optimal benefits to LDCs and identify an appropriate timeframe for their implementation.

8.58. The representative of India delivered the following statement:

8.59. I would like to thank Djibouti and the LDC Group for this item and for revising the communication. India once again reiterates its support for the LDC proposal, and we hope that the revised document addresses some Members' concerns and can forge a consensus for an expeditious outcome on this important file, including providing a reasonable period for graduating Members – especially at a time when most of us are facing COVID-related shocks as well as many least-developed countries facing trade-induced balance of payment crisis. It would be more prudent to take expeditious action to avoid the problem of sliding back for these countries.

8.60. The representative of the Russian Federation, provided the following statement:

8.61. The Russian Federation is a traditional supporter of developing countries. We thank Djibouti and the LDC Group for the communication provided. We believe that this proposal will make a significant contribution to the implementation of the MC12 arrangements to support the LDCs. The Russian Federation expresses its readiness to continue work in this direction. We are ready to engage constructively with all interested parties on the future negotiations on this issue.

8.62. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

8.63. I would like first to thank all delegations for their comments and views expressed on the LDC submission. I would like to start by indicating that the LDC Group is ready to continue engaging on its proposal and we count on Members to have a constructive engagement on our proposal. As the LDC Group, we are very mindful of not creating any discrimination and the aim of our proposal is definitely not to do so. I just want to reassure delegations that said that our proposal would create discrimination within the membership that this is not the aim of our proposal. We stand ready to engage so that we can clarify why that is not going to create any discrimination. We carefully, as LDCs, looked at our proposal before presenting it to the membership and we are very grateful to delegations that are ready and appreciate the work that we have been doing with them, while taking onboard their concerns and their reactions to the initial proposal. We stand ready to continue doing so. We tend to agree to the idea of having a decision by the General Council on this proposal at the earliest possible date, not necessarily waiting for MC13. We believe that the General Council, in between Ministerial Conferences, could positively contribute to making decisions. As soon as it is ready, and the membership is onboard with our proposal, we favour having the General Council decide before MC13. I heard also some questions and clarifications. We stand ready to provide those clarifications. But I would just like at this juncture to caution against having the proposal of the LDCs becoming the place where discussions that are very complicated and controversial to happen and be perceived as part of our proposal. This is not the aim of the LDCs to be a vehicle for such controversial discussions. We would rather look at the membership and request all Members to constructively be part of our conversation to find a solution to our specific problems. Many LDCs

have expressed their challenges today. Non-LDCs can also understand that our ultimate aim is to make sure that LDCs, when they leave the LDC category, would not relapse into that category. We all know that the structural transformation of our economies as well as our productive capacities are not yet at the level that they should be. Even though we are eager for the 14 LDCs that have fulfilled one of the three criteria to graduate, and that LDCs are happy to graduate, we still want to make sure that it will be sustained. The aim of the proposal is to achieve that goal. All the comments have been taken note of. We invite delegations to engage with and approach us, and we will be clarifying as much as possible the questions. We count on the political will to find the solution with us.

8.64. The Director-General delivered the following statement:

8.65. I detect a lot of goodwill on both sides. This matter has been going on for some time and with the change in tone, I hope we can really try to come to some agreement on this LDC graduation matter that has been trailing for some time. I just wanted to remind Members that, in my earlier statement, I noted that the UN will have the LDC Conference in early March 2023. Some of these issues will arise. I hope we will be able to make some advances or progress by then.

8.66. The General council took note of the statements made.

## **9 IMPLEMENTATION OF THE MINISTERIAL DECLARATION ON THE WTO RESPONSE TO THE PANDEMIC AND PREPAREDNESS FOR FUTURE PANDEMICS – COMMUNICATION FROM THE AFRICAN GROUP (WT/GC/W/858)**

9.1. The Chair noted that the item and document entitled "Implementation of the Ministerial Declaration on the WTO Response to the Pandemic and Preparedness for Future Pandemics" in WT/GC/W/858 had been put on the agenda at the request of the African Group.

9.2. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

9.3. The African Group acknowledges the Chair's efforts to follow up on the MC12 outcomes. COVID-19 is the first pandemic since the establishment of the WTO and has been rich in lessons for the international community in all areas. It is vital that these lessons help ensure we are better prepared in the future. This can be made possible through experience sharing, the identification of measures to facilitate the WTO's contribution, and the introduction of pre-established processes that would quickly trigger a response from the WTO. This is the essence of our proposal that invites the General Council to report on the initiatives of the various bodies and provide an updated report on related activities. All WTO bodies are ipso facto called upon to continue and step up their work in this regard. The Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics in WT/MIN(22)/31 – WT/L/1142 adopted at MC12 provides an excellent road map to guide our work.

9.4. The representative of Nigeria delivered the following statement:

9.5. We wish to associate ourselves with the statement by the African Group on this issue. The challenges arising from the health, economic and social impacts of the COVID-19 pandemic effectively rolled back the economic gains achieved by most Members in the last decade. It is therefore of critical importance that we leverage on the lessons learnt and be prepared for any future pandemic. In addition to experience sharing, Members could discuss the appropriate policy instruments within the WTO toolbox that Members could trigger to mitigate the adverse effects of any future pandemic.

9.6. The representative of Tunisia delivered the following statement:

9.7. We associate with the statement by the African Group. COVID-19 has highlighted the limitations of past actions and the need for a more ambitious and consistent approach to pandemic preparedness. During MC12, Members strived to learn from the challenges faced during the pandemic and identified various areas where multilateral cooperation should be strengthened, and solutions sought to ensure better preparedness for future ones. We all welcomed the political commitments made in particular in paragraph 23 of the relevant MC12 Ministerial Declaration recognizing the importance of sharing data and experience as well as the need to develop effective

solutions to manage future pandemics. In this regard, the African Group's communication is timely, proposing a way forward which we support and consider appropriate for the effective implementation of our Ministers' recommendations in particular through the coordination of commitments between the relevant WTO bodies and the identification of issues within their respective mandates. A regular review of progress in the work of the relevant bodies by the General Council would ensure the adoption of a well-structured approach and lead to rapid progress in this process.

9.8. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

9.9. The ACP Group welcomes the initiative of the African Group in WT/GC/W/858, in particular, highlighting the mandate from Ministers in paragraphs 23 to 26 of the MC12 Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics. The MC12 Declaration represents a delicate balance on this issue which must be at the forefront of our work, especially in light of the preparedness needed for any future pandemics. We note that the MC12 Declaration provided that the General Council may be called upon to meet to facilitate dialogue and cooperation. We applaud the work of the Director-General as well in her continued cooperative efforts with other relevant organizations. While the relevant bodies of the WTO are expected to continue to initiate work based on the proposals of Members, the Ministerial Declaration requires a yearly stocktaking exercise by the General Council on the work of the bodies and until 2024.

9.10. The representative of Pakistan delivered the following statement:

9.11. Pakistan welcomes the document WT/GC/W/858 shared by the African Group. The membership has witnessed a situation that left much to be desired for many, especially when it came to consensus building in its fight against COVID-19. While I would like to believe the pandemic is behind us, it is hard to downplay the seriousness of COVID-19, knowing that the coronavirus has more than 4,800 sequences reported thus far – and is far from over. Pakistan has stressed in previous statements that the WTO needs to act with the understanding that emerging infectious diseases which have been on the rise cause numerous outbreaks and can reach pandemic proportions. In the past two decades alone, we have seen emergence of three coronaviruses causing highly consequential human outbreaks. In the past century, we have the virus pandemics in 1918, 1957, 1968, and 2009 to HIV in 1981 and now COVID-19. The pattern of continuing emergence highlights a recurrent lesson. Unfortunately, the world has largely failed to meet the challenge to be better prepared to prevent or respond to the next outbreak whatever the aetiology is. This is all the more reason for the WTO not to be complacent. Pakistan seconds the suggestion in WT/GC/W/858 and requests the General Council to urge subsidiary bodies to identify issues falling within their mandates and to update their agendas to reflect those mandates and develop work programmes to deliver on them.

9.12. The representative of South Africa delivered the following statement:

9.13. We associate ourselves with the statement by the African Group. The coronavirus will not be the last pandemic in our lifetime. Scientists have been warning that the threat posed by zoonotic diseases is on the rise. The risk of a new pandemic is higher now than ever before. As we continue to look for meaningful ways and deliver on a comprehensive solution that include therapeutics and diagnostics, we should not lose sight of the importance learning from experience of the COVID-19 pandemic to ensure that we are better prepared for future pandemics. The pandemic has exposed weaknesses of multilateralism, inequities and affordability of medical products and resource allocation to Africa, and broken promises for vaccine and treatments equity. This status quo is unacceptable. We need a multipronged approach that targets these threats collectively. We must learn from the way in which different countries responded to the COVID-19 pandemic and build on successful approaches to ensure equitable pandemic preparedness in the future. Tackling a pandemic requires a global response. Individual countries need to prepare, but success will be hindered if some are left without the capacity to respond to a new threat. It has also highlighted the importance of health security. Concentration of manufacturing is clearly what contributes to the continued vulnerability and continues to threaten the already fragile economic recovery. Failing to prepare means preparing to fail. Success in preparing for future pandemics will depend on proactive, regional and global collective responses. We should therefore not waste time. We must assign work to the relevant bodies of the WTO to develop mechanisms for preparedness and resilience building and report regularly to the General Council. We must develop effective solutions in case of future pandemics as captured in paragraph 23 of the relevant MC12 Ministerial Declaration, including on

balance of payments, development, export restrictions, food security, intellectual property, and technology transfer in an expeditious manner.

9.14. The representative of Djibouti, on behalf of the LDC Group, delivered the following statement:

9.15. The LDC Group thanks the African Group for its communication contained in WT/GC/W/858 on the implementation of the Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics. We welcome the submission in particular the need to carry out the work envisaged by Ministers in WT/MIN(22)/31 – WT/L/1142. We would also like to draw Members' attention to the relevant provisions on this issue in the LDC Ministers' Declaration of October 2021, our LDC Group submission contained in WT/GC/211, and our contributions in the MC12 WTO Response to the Pandemic process.

9.16. The representative of the European Union delivered the following statement:

9.17. The European Union thanks the African Group for this communication which rightly recognizes that the MC12 Declaration on the response to the pandemic identified a number of challenges facing Members during the pandemic, as well as the importance of a stable and predictable trading environment. The European Union once again welcomes this Declaration. We are encouraged by the fact that a number of WTO bodies across the Organization have considered how to best take the work forward on that basis. The EU has been actively engaged in these processes and will continue to do so in accordance with the MC12 Declaration. According to the Declaration, "relevant WTO bodies will, within their field of competence and on the basis of proposals by Members, continue or initiate work as soon as possible". The EU is ready to consider any proposals that Members may submit in the context of these WTO bodies to further the implementation of the MC12 Declaration.

9.18. The representative of China delivered the following statement:

9.19. China welcomes the communication submitted by the African Group regarding the Implementation of the Ministerial Declaration on the WTO Response to the Pandemic and Preparedness for Future Pandemics. Like the co-sponsors and many other Members, China believes Members should carry out experience sharing activities and develop effective solutions in an expeditious manner in those areas identified in the Ministerial Declaration to ensure better preparedness for future pandemics. We are glad to see that WTO bodies, such as the CTG and the CTS, have already started consultations on the possible work and format that they may embark upon concerning the Ministerial Declaration. We are also delighted at the great work undertaken by technical committees such as the Committee on Trade Facilitation, SPS and TBT Committees – and in particular the Committee on Market Access which has organized five experience-sharing sessions this year to discuss various topics relating to the pandemic. China has been supporting and actively participating in relevant dedicated sessions, sharing China's experiences and practices responding to the COVID-19 pandemic, including the experience of promoting import and export of COVID-19 goods and classification and monitoring of trade in COVID-19 goods. China will continue to make our contribution to the better preparedness for future pandemics. We look forward to engaging with the African Group to further understand the communication including the term of "structured approach". We hope Members can come up with tangible outcomes to support Members' better preparedness for future pandemics as soon as possible.

9.20. The representative of Switzerland delivered the following statement:

9.21. We thank the African Group for their communication. It is in our view important to draw lessons from the COVID-19 pandemic. The work has indeed already started in some committees with inter alia experience sharing sessions. Pursuant to paragraph 23 of the relevant MC12 Ministerial Declaration, our future work should aim at promoting a global, coordinated and informed response to a future pandemic. Bearing this objective in mind, we are interested in maintaining an open dialogue with the African Group and all WTO Members on how best to implement the mandate given by our Ministers at MC12.

9.22. The representative of Bangladesh delivered the following statement:

9.23. Bangladesh thanks the African Group for the communication in WT/GC/W/858 which has highlighted the necessity of implementing the MC12 Declaration on WTO Response to the Pandemic

and Preparedness for Future Pandemics. Our delegation appreciates that the communication has prioritized the need to better prepare for future pandemics, the need for multilateral response in the WTO, and in that regard, the need for developing work programmes in an expeditious manner. Paragraphs 23 to 26 of the Ministerial Declaration are quite clear to set the futuristic agenda on these issues. We must engage in productive dialogues to implement the good gestures of our Ministers. Our delegation looks forward to engaging with Members in this regard.

9.24. The representative of India delivered the following statement:

9.25. India would like to thank the African Group for their submission in WT/GC/W/858. India agrees with the broad contents and message contained in the submission including the forward-looking agenda that has been set out. One of the important areas that Members identified in the response to the pandemic declaration was the need to learn from the experience of the pandemic. It is important for Members to distil their experiences and understand the role that the WTO has played in helping them to respond to the crisis. We need to analyse the responses of the various countries within the legal framework of the WTO. On this basis, Members need to examine if the rules should be modified to enable a faster, more effective response. In this regard, I would like to highlight paragraph 23 of the Declaration. We also need to reflect on how the WTO can work with other international organizations to institutionalize a pandemic and natural disaster response system. This work is especially urgent now. For much of the world, the pandemic has not yet ended. Countries are still suffering from the pandemic's prolonged economic impact, and we hope that the General Council will take the initiative to drive this agenda forward towards our immediate contribution. We are working on a telemedicine paper in this regard based on our experience and we will be shortly coming with that.

9.26. The representative of Brazil delivered the following statement:

9.27. Brazil thanks the African Group for its communication in WT/GC/W/858. We welcome the call to follow up on the Ministerial Declaration and update the work of WTO bodies to contribute to the response to the pandemic and to resilience building. Brazil remains ready to engage in this important agenda. A key disposition of the Ministerial Declaration was based on a proposal made by Brazil and refers to the role of technology transfer to confront health issues that afflict developing and LDC Members such as HIV/AIDS, tuberculosis, malaria and neglected tropical diseases. Creating sound and resilience health sectors in the developing world is needed to address market failures that prevent the development of essential medical goods for extant endemics. In this sense, I would like to convey our appreciation for the work done this year by the Chair of the Working Group on Trade and Transfer of Technology, Ambassador Luis Chuquihuara Chil (Peru), who organized a discussion on how technology transfer can be employed in order to promote access and innovation in a pandemic context.

9.28. The representative of Indonesia delivered the following statement:

9.29. Learning from the HIV/AIDS outbreak in the 1980s, and now the COVID-19 pandemic that I am afraid will also last for years to come, historically, the WTO has only been reacting to the problem instead of responding to it. The Ministerial Declaration on the WTO Response to the Pandemic and Preparedness for Future Pandemics is our chance to create an automated response whenever such occurrences happen in the future, without spending our time and resources to negotiate in an ad-hoc basis, while people are dying during our watch. The document presented by the African Group has laid out a map for us in developing structured mechanisms to ensure better preparedness to deal with future pandemics.

9.30. The representative of Chinese Taipei delivered the following statement:

9.31. My delegation would like to thank the African Group for this communication on the implementation of the Ministerial Declaration on the WTO Response to the Pandemic. We support the idea of effectively carrying out the forward-looking agenda contained in the Ministerial Declaration. It would also be useful that the General Council calls on the relevant WTO bodies to develop work programmes and regularly reviews progress. We also like to emphasize that the entire declaration, including reaffirming the commitment to transparency with regard to trade-related measures applied in an emergency context, and exercising due restraint in the imposition of trade restrictive measures on essential goods and their inputs, continues to be relevant. It is of high

importance to promote and implement these principles embodied in the Declaration. We look forward to engaging further in those discussion early next year.

9.32. The representative of the Russian Federation delivered the following statement:

9.33. Russia remains committed to enhancing responses to pandemics and crises in general. The illustrative compilation of areas where the WTO can contribute to this objective contained in the MC12 Declaration on the COVID-response was a good start. However, to move forward, those areas need to be further discussed by experts in the relevant working bodies. We thank the African Group for the efforts to streamline the activity to implement the MC12 Declaration on the pandemic response. From Russia's point of view, the proposed way of organizing the discussions can be helpful and deserves further attention.

9.34. The representative of the United Kingdom delivered the following statement:

9.35. COVID-19 created unprecedented trade impacts. Never before has a wave of measures been applied to the same products at the same time right across the world. In fact, the evidence shows that more than two thirds of us simultaneously imposed measures to restrict exports or liberalize imports of medical goods. According to the World Bank, the resulting disruptions boosted average trade costs by as much as 60 per cent in critical products. At the sharp end, we have our LDC partners who were often disproportionately impacted by price spikes as was emphasised in their Ministerial Declaration in 2020. The UK has always considered that the WTO and the weight of its collective expertise has a central role to play in the response to COVID-19. It was on that basis that the UK supported an ambitious outcome to the declaration on the pandemic at MC12. Therefore, we thank the African Group for this paper and agree with the thrust of the remarks by Cameroon that without learning from the lessons of the past, we cannot unlock the potential to prepare for future pandemics. On that basis, let me welcome the technical work across Committees where our experts are already working together to identify best practices. To be most effective, these discussions must factor in the experiences from Members from across the globe from developed nations to LDC partners so we can hope for maximum engagement. The UK thanks the Secretariat for their support to Members in this process thus far as well as for their first class reporting throughout the pandemic which concretely informed our own trade response back in London.

9.36. The representative of Singapore delivered the following statement:

9.37. I join others for thanking the African Group for its paper. Singapore looks forward to engaging the proponents and other interested Members to better understand the substance of the paper. We must learn the right lessons from the global experience in combatting the COVID-19 pandemic. Two key lessons spring to mind. One, at the onset of the pandemic, many Members panicked and introduced export restrictions that caused severe disruptions to supply chains. As highlighted in the DG's annual report on the "Overview of Developments in the International Trading Environment", while most of the COVID-19-related trade restrictions were phased out, 41 restrictions still remain in place, and affecting over USD130 billion worth of trade. Two, we saw how the international intellectual property regime, which had supported R&D, enabled pharmaceutical companies to respond expeditiously with COVID-19 vaccines. Hence, Members must ensure that the WTO can continue to play the important role of ensuring a stable and predictable trading environment, so that we are better prepared for future pandemics. We encourage Members to table proposals at the relevant WTO bodies. The MC12 "Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics" instructed relevant WTO bodies to continue or initiate work as soon as possible on the basis of Members' proposals, and for the General Council to undertake a stocktaking exercise of the work by the relevant WTO bodies yearly until the end of 2024. Singapore commends the ongoing pandemic-related work in WTO bodies. For example, the Chair of the Council for Trade in Goods is conducting a review of pandemic-related work in its subsidiary bodies. As highlighted by China, the Committee on Market Access has also set a good example by conducting a series of COVID-19 experience-sharing sessions in collaboration with the World Customs Organization and other non-governmental stakeholders. We look forward to continuing working with interested Members on these fronts to identify and develop concrete outcomes in building resilience towards future pandemics.

9.38. The representative of Jamaica provided the following statement:

9.39. Jamaica wishes to thank the African Group for their submission in WT/GC/W/858. The impact of the pandemic continues to disrupt trade and economic activities. While we have made significant progress in recovery, Jamaica has not yet fully recovered in the area of trade. Recovery has not been equitable, and the Declaration provides the framework within which the WTO can assist in bringing equity to recovery and to the process of building resilience. Jamaica fully supports the submission by the African Group as it highlights important issues and rightfully call for the WTO Bodies to begin work on the implementation of the Ministerial Declaration. We have been calling for this in our statements. As a services-oriented economy, Jamaica would want the WTO to undertake extensive work in services during the implementation of the Declaration, as this sector, especially tourism, was the most severely hit by the pandemic. Food security, logistics, export restriction issues and technology transfer are also important matters in respect of which the WTO can play an effective role in ensuring that developing countries' recovery is unhindered. Of crucial importance is the need for the WTO to ensure that it agrees on how to respond to future emergencies that affect the livelihood, trade and economies of its Members. We welcome the initiative of the African Group and look forward to participating in the deliberations.

9.40. The representative of Cameroon, on behalf of the African Group, delivered the following statement:

9.41. I would like to thank, first and foremost, all the delegations that intervened for the interest they have shown in this matter. Quite a few questions were raised in the process, and we stand ready to focus on the questions, the motivations and the concerns raised. We will, for this reason, continue discussions and exchanges of views in the upcoming meetings of the General Council.

9.42. The General Council took note of the statements.

## **10 DERESTRICTION OF THE URUGUAY ROUND NEGOTIATING MATERIALS – DRAFT DECISION (G/C/W/822)**

10.1. The Chair drew Members' attention to the Draft Decision on the Derestriiction of the Uruguay Round Negotiating Materials contained in document G/C/W/822. The Council for Trade in Goods, at its meeting in November, agreed to forward this draft decision to the General Council for adoption. The Chair noted that unless any delegation wished to comment, he proposed that the General Council adopted the aforementioned draft decision.

10.2. The General Council so agreed.<sup>22</sup>

## **11 WAIVERS UNDER ARTICLE IX OF THE WTO AGREEMENT**

### **A. Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/815)**

### **B. Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/816)**

### **C. Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/817)**

### **D. Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/818)**

### **E. Introduction of Harmonized System 2022 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/820)**

11.1. The Chair said that there were a number of sub-items under this agenda item. In this regard, he noted that the draft waiver decisions for the matters listed in sub-items 11(a) to 11(e) had been taken up for consideration by the Council for Trade in Goods at its meeting on 24 November. For these items, the Chair of the Goods Council was required to report to the General Council.

<sup>22</sup> The decision was subsequently circulated in WT/L/1159.

11.2. Mr. Etienne Oudot de Dainville (France), Chair of the Council for Trade in Goods, delivered the following report on the CTG's consideration of these matters in a single intervention:

11.3. I would like to report that, at its meeting of 24 and 25 November 2022, the Council for Trade in Goods considered five waiver requests. The first four are collective waiver requests of extensions to the introduction of Harmonized System changes for 2002, 2007, 2012 and 2017 into WTO Schedules of Concessions, which are based on similar waivers currently in force that will expire on 31 December 2022. The fifth is a first-time collective draft waiver decision on the introduction of Harmonized System 2022 changes to Schedules of Concessions. The Council approved the draft decisions contained in documents G/C/W/815, G/C/W/816, G/C/W/817, G/C/W/818 and G/C/W/820; and recommended that it be forwarded to the General Council for adoption. The five draft decisions that are being put forward today for consideration by the General Council have followed the procedures provided for in Article IX (b) of the Marrakesh Agreement and are contained in the documents listed in the Airgram of today's meeting. Finally, I would like to note that, at its November meeting, the CTG recommended that the five draft waiver decisions contained in these waiver requests be forwarded to the General Council for adoption.

11.4. The Chair proposed that, in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93), the General Council adopt these five draft Decisions referred to by the Goods Council Chair in his report.

11.5. The General Council so agreed<sup>23</sup>.

#### **F. Review of Waivers Pursuant to Article IX:4 of the WTO Agreement**

11.6. The Chair recalled that, in accordance with paragraph 4 of Article 9 of the WTO Agreement, "any waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates." There were seven waivers before the General Council for review, as listed under sub-item (f) in the proposed agenda. He stressed that these waivers had already been agreed by the General Council and that they were in force. The General Council was not expected to take any new decision on their renewal or otherwise at this meeting. Five of the waivers under review provided that an annual report should be submitted by the Members concerned. The reports from these Members had been circulated in documents WT/L/1157 from Cuba, and WT/L/1153, WT/L/1154, WT/L/1155 and WT/L/1156 from the United States.

11.7. The representative of Cuba delivered the following statement:

11.8. My delegation is complying with the provisions of the decision of 23 November 2021 (WT/L/1128) and is submitting its first annual report in accordance with the extension granted in the above-mentioned decision. Although the Republic of Cuba's full report was circulated as document WT/L/1157, I would like at this juncture to refer to certain parts of the report. The circumstances that justified the waiver extension granted in 2021 not only remain virtually unchanged, but have also worsened. This applies, in particular, to the economic, trade and financial blockade measures that the Government of the United States of America is continuing to impose on Cuba, which have been aggravated by the impact of the COVID-19 pandemic and the global economic and financial crisis caused by this disease. The new Democrat administration that entered the White House in January 2021 has continued to apply the 243 measures imposed by the previous administration. In May 2022, a series of actions were announced, which, while welcomed as positive, are of very limited benefit to the Cuban people. The rigid and hostile blockade policy against Cuba continues to be the main impediment to the country's economic development, by hampering the performance of all sectors of its domestic economy, by substantially increasing financial costs and impeding access to external financial flows, and by obstructing essential imports, mainly food, medicines and fuel. Consequently, the country's efforts to integrate into the world trading system are being made under particularly difficult conditions, as a result of a policy that contradicts the principle of free trade. The blockade legislation also prohibits loans to Cuba by multilateral and regional financial organizations, thereby denying the country access to sources of long-term financing under favourable conditions and forcing it to resort to short-term loans with high interest rates and supplier financing on a much less flexible basis than credit from financial institutions and

<sup>23</sup> The decisions were subsequently circulated in WT/L/1160, WT/L/1161, WT/L/1162, WT/L/1163, WT/L/1164 and WT/L/1164/Add.1, respectively.



official sources. The blockade is a blatant violation of international law and the principles of free trade and navigation enshrined in numerous international legal instruments, including the rules of the WTO. It runs counter to the purposes and principles of the United Nations Charter, while constituting an infringement of a sovereign State's right to peace, development and security. This body of legislation, applied over six decades, has caused the Cuban nation severe economic damage estimated at USD 153,197 million at current prices, and amounting to USD 1,391,111,000 by the end of February 2022, taking into account the depreciation of the dollar against the value of gold on the international market. Moreover, the economic, commercial and financial siege that has been kept in place unchanged by all the US administrations since 1961 imposes extraterritorial restrictions on Cuba that also affect other WTO Members. For Cuba, 2021 was a very difficult and complex year characterized by severe economic and financial tensions stemming from the US blockade, monetary instability, price volatility on the international market, and the effects of the global financial crisis. The SARS CoV-2 (COVID-19) pandemic generated and continues to generate additional costs for the country because of the need to maintain disease control levels. The policy of economic and financial persecution has continued to intensify against third-country banks and firms, thus generating greater obstacles for the Cuban bank in its international operations. The central aspects of this situation are the considerable fines imposed on major European Banks, the implementation of Title III of the Helms-Burton Act and Cuba's inclusion, once again, on the State Sponsors of Terrorism list. This last measure, as well as being illegal and unjustified, has been widely criticized and rejected by the international community, as reflected in the UN General Assembly's overwhelming vote against the blockade policy last November. The host of difficulties mentioned above prevent the signing of a special exchange agreement with WTO Members. All the above factors show that the particular circumstances that gave rise to the extension approved on 23 November 2021 of the waiver extension granted to Cuba under the Decision of 7 December 2016 continue to exist. Cuba confirms its willingness to comply with the principles laid down in the General Agreement.

11.9. The representative of Jamaica delivered the following statement:

11.10. I take the floor for item 11(f)(v). Jamaica values the longstanding and mutually beneficial trade relationship it has had with the United States. Since then, the US has remained Jamaica's main trading partner, accounting for just over 40 per cent of Jamaica's total merchandise trade. The Caribbean Economic Recovery Act (CBERA) is critical in this regard. Jamaica exports a range of traditional and non-traditional products duty-free to the US market primarily under this unilateral preferential arrangement. Approximately 90 per cent of exports from Jamaica enter the US market under CBERA preferences. The renewal of the WTO waiver for the CBERA represents an important affirmation of the commitment of the US to economic development and facilitating the stabilization and economic resilience of the economies in the Caribbean region, particularly in the wake of the devastating impact of the COVID-19 pandemic, which had an adverse impact on external demand for Jamaica's goods and services as reflected in a reduction of merchandise exports from Jamaica to the US market. The continuation of the CBERA / Caribbean Basin Trade Partnership Act (CBTPA) preferences forms a key part of Jamaica's post-COVID-19 economic recovery strategy. Jamaica's relationship with the US is a vital part of the country's overall trade as the US is our top export market and main source of imports. Over the 2015-2019 period, exports to the US grew by 36 per cent. In 2019, exports increased by 6.9 per cent over the value of exports for 2018. Due to the pandemic, Jamaica's exports to the United States decreased by 10.09 per cent in 2020. Jamaica has made use of the CBERA to diversify its exports to the US and has managed to develop an export niche in the US market. Jamaica's increasing exports of non-traditional products to the US is an example of this. Jamaica accounted for over 74.4 per cent of overall US imports of yams, sauces and food preparations in 2018. Jamaica's exports of non-traditional products to the US, including alcoholic beverages (excluding rum), sauces and food preparations, spices, yams, mineral fuels (excluding ethanol) and baked products, accounted for approximately 67 per cent of total exports to that market in 2019 and 2020. Jamaica has sought to increase its level of utilization under the CBERA and has been engaging the local private sector to increase sensitization of the trade preferences available under the programme and exports to the US market. To this end, local authorities worked with the United States Trade Representative (USTR) to hold two virtual events in 2020 to increase awareness of the programme and explain its benefits. These efforts have seen results as previously 86 per cent of rum exports from Jamaica entered the US market without claiming a preference under the CBERA. However, in 2020 all eligible rum from Jamaica entered the US market under the CBERA. While the CBERA continues to generate important benefits for Jamaica, particularly in terms of exports to the US, it is important to note that the US has unrestricted access to the Jamaican market. Jamaica is among the few countries in the world with which the US has a

positive trade balance. Given the importance of CBERA to the Caribbean, we do call on WTO Members to view this initiative positively and assist efforts in ensuring that it continues to assist the development of beneficiary countries in the Caribbean region.

11.11. The representative of Antigua and Barbuda, on behalf of the OECS and CARICOM, delivered the following statement:

11.12. The OECS thanks the United States for its oral contribution on this item, as well as its report in document WT/L/1154. The preferential access granted by the US to OECS countries under the Caribbean Basin Economic Recovery Act continues to be very beneficial to many of our exporters. However, we note that for the majority of our members, exports to the US are generally down compared to a decade ago. It is noteworthy that during this time, our member States have been impacted by the fallout from the global economic crisis which lingered long after many other economies around the world had recovered. We also had to contend with the devastating impact of natural disasters, such as several category five hurricanes and a volcanic eruption. We look forward to further engagement with the US to strengthen our efforts to diversify our exports and build economic resilience so that we can be even better positioned to access the full benefits of CBERA.

11.13. I deliver this statement on behalf of CARICOM. We are grateful to the United States for its annual report and the unilateral preferences provided under the Caribbean Basin Economic Recovery Act. As highlighted in our group's intervention last week, during the US Trade Policy Review, the US and CARICOM are neighbours with a long history of generally good relations. The US has been one of our region's most important trading partner. CARICOM, as a region, consists of small economies with limited markets and resources. The trade preferences under CBERA are a critical component of our region's trade relationship with the United States, as we seek economic expansion to support economic development. The US imports under CBERA from Haiti increased to USD 1 billion in 2021 from 768 million in 2020. The US imports from Trinidad and Tobago under CBERA increased to 754 million in 2021 from 579 million in 2020. Although the US imports from Guyana, under CBERA decreased to 188 million from 265 million in 2020, largely due to the decline of exports of petroleum, the data outlined in the report gives a clear indication of the efforts taken by the beneficiaries of CBERA to diversify their exports and fiscal growth. As such, we, the beneficiaries reiterate our sincerest gratitude to the Government of the United States for extending the waiver of CBERA.

11.14. The representative of Mauritius delivered the following statement:

11.15. Mauritius would like to thank the United States for the benefits provided under the Africa Growth and Opportunity Act and welcomes the discussions at the US-Africa Leaders' Summit in Washington re-affirming the commitment of the United States in expanding trade and investment with the African continent. We note Ambassador Tai's emphasis on the need to build on the accomplishments of AGOA, to modernize AGOA further and to translate opportunities into concrete benefits. Mauritius looks forward to engaging along with other African States on AGOA and to continue to benefit from the opportunities provided.

11.16. The General Council took note of the reports contained in the documents mentioned and of the statements.

## **12 ANNUAL REVIEW OF THE SPECIAL COMPULSORY LICENSING SYSTEM - PARAGRAPH 7 OF THE ANNEX TO THE AMENDED TRIPS AGREEMENT AND PARAGRAPH 8 OF THE DECISION ON THE IMPLEMENTATION OF PARAGRAPH 6 OF THE DOHA DECLARATION ON THE TRIPS AGREEMENT AND PUBLIC HEALTH (WT/L/540 AND WT/L/540/CORR.1) – REPORT OF THE COUNCIL FOR TRIPS (IP/C/94)**

12.1. The Chair noted that this item related to the Annual Review of the Special Compulsory Licensing System in line with paragraph 7 of the Annex to the amended TRIPS Agreement, and paragraph 8 of the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. In this respect, he recalled that the General Council had adopted in 2003 a Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. In addition, in December 2005, the General Council had adopted a Protocol amending the TRIPS Agreement, which had been submitted to Members for acceptance. It had entered into force on 23 January 2017. Both the amended TRIPS Agreement and the 2003

Decision provided that the TRIPS Council should review annually the functioning of the system and report on its operation to the General Council.

12.2. Ambassador Lansana Gberie (Sierra Leone), Chair of the TRIPS Council, delivered the following statement, introducing the report in document IP/C/94:

12.3. As you will recall, the Amendment to the TRIPS Agreement entered into force in January 2017. The amendment provides a special compulsory licensing system for the benefit of countries which rely on imports of medical technologies because of insufficient or no domestic pharmaceutical manufacturing capacities. It makes permanent the related rules already contained in the earlier waiver decision. At its meeting of 12-13 October, the TRIPS Council completed its annual review of the functioning of the System, pursuant to paragraph 7 of the amended TRIPS Agreement and paragraph 8 of the Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. The TRIPS Council's report on this review to the General Council has been circulated in document IP/C/94. It includes information about the implementation and use of the System, the status of acceptances of the Protocol Amending the TRIPS Agreement, as well as activities undertaken to make the System work effectively. Pursuant to the General Council's decision taken in 2021, the Protocol is open for acceptance by the remaining Members until 31 December 2023 or such later date as may be decided by the Ministerial Conference (WT/L/1122). Despite indications that a number of Members are making domestic efforts in this regard, there are still 28 WTO Members that are yet to accept the Protocol. I would therefore like to call upon those Members who have yet to accept the Protocol to expedite action. A practical guide on how to do so is available on the WTO's webpage on TRIPS and public health. The Secretariat team will, as always, be happy to provide further assistance in this regard if necessary.

12.4. The representative of South Africa provided the following statement:

12.5. At the 2001 Doha Ministerial Conference, WTO Members collectively acknowledged the problem of LDCs and countries with insufficient manufacturing capacity in utilising compulsory licensing. For this reason, Ministers mandated that we expeditiously develop a solution to this problem. In almost 20 years of existence, the system set out in Article 31*bis* has only been used successfully on one occasion. This indicates that existing TRIPS flexibilities are inadequate to deal with extremely urgent situations such as the COVID-19 pandemic. The TRIPS waiver is the only viable avenue at the disposal of this forum to facilitate timely and equitable access to critical technologies.

12.6. The General Council took note of the report of the TRIPS Council in document IP/C/94, the statement of the TRIPS Council Chair and of the other statement.

### **13 INTERNATIONAL TRADE CENTRE UNCTAD/WTO - REPORT OF THE JOINT ADVISORY GROUP ON ITS 56TH SESSION (ITC/AG(LVI)/288)**

13.1. The Chair noted that the Chair of the CTD had been reporting to the General Council on the CTD's consideration of reports of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO.

13.2. Ambassador Usha Dwarka-Canabady (Mauritius), Chair of the Committee on Trade and Development, delivered the following report:

13.3. The ITC's Joint Advisory Group held its 56th Session on 13 September 2022. I served as Chair of the Joint Advisory Group for that meeting. The report on the meeting is contained in document ITC/AG(LVI)/288. It was presented to the CTD at its 119th Session on 17 November by a representative of the ITC, on behalf of the Chair of the Joint Advisory Group. During the Joint Advisory Group meeting, delegates reviewed ITC's performance through the Annual Report for 2021, which demonstrated ITC's ability to surpass many of its targets. Five things stood out during the meeting: First, ITC's role in fostering "Trust in Trade" by being on the practical side of trade and supporting small businesses on the ground. Some examples taken from the Annual Report show that ITC had nearly 10 million visits to TradeMap and more than 12 thousand monthly visits to Export Potential Map. More than 25,000 MSMEs improved their competitiveness, and 3 million women were connected to international markets through the SheTrades initiative. Second, the importance of cooperation across agencies and ITC's ability to collaborate with like-minded partners. Indeed, the

three spokes of the Geneva Trade Hub – ITC, UNCTAD and WTO – collaborated on important initiatives like the Global Trade Helpdesk, the World Tariff Profiles and Trade Facilitation portals. Delegates also commended ITC's "Partnerships 4 Purpose Strategy" for scaling up impact towards the SDGs with a range of partners including private sector companies, foundations, and international organizations. Third, ITC's role in leaving no one behind. ITC's Executive Director underlined that the crisis of the four C's - COVID-19, Climate, Conflict and Cost-of-living – had stalled global progress on the SDGs and called for multilateral agencies to create a more connected and inclusive future. 88 per cent of country-specific assistance was allocated towards priority countries – namely, LDCs, landlocked developing countries, small island developing States, conflict-affected countries and sub-Saharan Africa. Delegates appreciated this focus and invited ITC to continue supporting LDCs and the most vulnerable members of communities like women and youth through initiatives such as SheTrades and ITC's Youth and Trade programme. Fourth, ITC's work on regional integration, especially in Africa. Delegates encouraged ITC to continue building on its work in Africa, especially on the involvement of the private sector in the African Continental Free Trade Area (AfCFTA). Programming countries called for more support towards African economic integration and gave examples of how initiatives such as ITC's One Trade Africa programme had brought the voices of private sector organizations into the context of the AfCFTA. And fifth, the fact that ITC's work is enabled by a solid structure that continues to push the boundaries on organizational issues. Delegates appreciated that ITC takes the diversification of its resource mobilization seriously, continues to be accountable to its stakeholders, and was committed to improving its programmes and processes. ITC was praised by delegations for being transparent on governance and its commitments to the SDGs with 46% of ITC's financial delivery going towards SDG 8 – "decent work and economic growth" and SDG 1 – "no poverty". In addition, the 2022 ITC Annual Evaluation Synthesis Report, which was presented during the meeting, found inter alia that ITC's portfolio is already well aligned with most parts of the new Strategic Plan that has been put in place for the 2022-2025 period. The 2022 Joint Advisory Group meeting highlighted the importance of ITC's work in meeting the ongoing and rapidly changing needs of small businesses. ITC was seen as a vital agency that leverages the power of partnerships to deliver on-the-ground impact. Funders and beneficiaries both agreed that ITC must keep the momentum of its good work going to further improve livelihoods in the face of global challenges. As is the practice, the CTD took note of the report of the 56<sup>th</sup> Session of the Joint Advisory Group and agreed to forward it to the General Council for adoption.

13.4. The General Council adopted the report of the of the Joint Advisory Group in document ITC/AG(LVI)/288 and took note of the CTD Chair's statement.

13.5. The representative of the United Kingdom delivered the following statement:

13.6. We are incredibly proud to partner with the ITC on a range of programmes due to its record on delivering impacts and its ability to collaborate with other partners including UNCTAD, and its reach across the world and its strategic priorities – their moonshots – such as on gender, green trade, youth and digital connectivity which very much align with our own. We are particularly proud of our work to support women entrepreneurs through SheTrades and the SheTrades Commonwealth programmes which help 3,500 women entrepreneurs in Bangladesh, Ghana, Kenya and Nigeria by providing training and coaching in international trade to allow those entrepreneurs and those businesses to exploit the opportunities that open and free trade provides. In this regard, we welcome the World Trade Congress on Gender that was held a couple of weeks ago and salute the efforts of the Director-General and the WTO Secretariat to bring that Congress to fruition on an important issue which we flagged in paragraph 13 in our MC12 Outcome Document. It is good to see us taking concrete action on these issues around women's economic empowerment and business.

13.7. The representative of Barbados delivered the following statement:

13.8. I worked at the International Trade Centre (ITC) for 9 years, so I may not be 100% objective. But it does mean that I know intimately the excellent work of the organization and the dedication and skill of the ITC staff. I also know that there is even more that the ITC can do to support the discussions in the WTO and to showcase how trade has worked for developing countries and where development support could do even more. At this General Council under the e-commerce items, we have discussed the need to utilize the important work and evidence of agencies like the ITC to show where the opportunities and challenges are in implementing certain forms of trade policies like e-commerce. The same is true of the work on investment facilitation, accessions, trade and climate, gender and food security. Hence, there may be scope for the ITC to even better align some of its

trade policy-related interventions and support to the needs of WTO developing Members, in the WTO context especially SVES and LDCs, and through the One Trade Africa approach for African WTO Members. I call on funders to continue to support the good work of the ITC and I call on the ITC to continue to showcase its good work and results amongst WTO Members and to continue the good work on partnerships for purpose.

13.9. The representative of the European Union delivered the following statement:

13.10. The European Union welcomes the report by the Chair of the Committee on Trade and Development. The European Union and EU member States are the biggest donors and partners of the International Trade Centre. I would like to thank the ITC and all its partners for their support to MSMEs worldwide. This includes least-developed and conflict-affected countries, and vulnerable groups as well as women.

13.11. The representative of the United States delivered the following statement:

13.12. The ITC's trade capacity building is demonstrating in practice how to make trade work for developing country exporters. Our work in Committees would greatly benefit from closer and more direct interaction with the private sector beneficiaries of the ITC programmes. ITC's practical programmes help developing country companies understand global trade rules and help them compete in wider markets. We join others in thanking the ITC for their work and look forward to continuing to partner with the ITC on technical assistance and economic cooperation.

13.13. The representative of Antigua and Barbuda, on behalf of the OECS, delivered the following statement:

13.14. We align with the statement by the ACP and CARICOM. The OECS continues to assign significant value to the work of the ITC and we commend the Executive Director and her team for all of their stellar efforts. The OECS has benefitted tremendously from the work of the ITC not only in the past year but also for many years before. During the period under review, we have benefitted from the ITC in the following areas, among others: women's economic empowerment, tourism strategies, investment facilitation reforms, trade facilitation, export development, development of protocols for facilitating and regulating trade and export in the OECS, strengthening of cross-sectoral linkages, for example, the commercialization and expansion of coconut production, including through value addition, strengthening of trade and investment support institutions, sharing of best practices and experiences, market intelligence, and applied research. In the year ahead, we look forward to further collaborations with the ITC, including through the signing of a new Memorandum of Understanding between the OECS and the ITC.

13.15. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:

13.16. The ACP Group welcomes the report of the ITC Joint Advisory Group. The ITC has made invaluable contributions to international trade and development, particularly in the context of the work of the WTO and UNCTAD in their efforts to create an inclusive and sustainable multilateral trading system. Indeed, the ITC has been instrumental in supporting MSMEs in ACP members to integrate in global value chains. It has also supported women's economic empowerment, trade facilitation, digital trade, and regional economic integration. As MSMEs in our member countries struggle to recover from the adverse effects of COVID-19, as well as climate change and attendant natural calamities, ITC has been at hand to support them in building resilience. The ACP Group therefore appreciates the role of ITC in trade policy, particularly the integration of MSMEs, youth and women in trade, the efforts towards environmental sustainability in relation to trade. We call for more support to ITC to enable it to further advance its programmes and make more enterprises internationally competitive.

13.17. The representative of Jamaica delivered the following statement:

13.18. Jamaica aligns itself with the statement delivered by Kenya, on behalf of the ACP Group. Jamaica joins others in welcoming the report of the ITC Joint Advisory Group on its 56<sup>th</sup> Session. The ITC continues to serve as a key pillar of the Geneva Trade Hub (ITC- WTO -UNCTAD) and play a vital role in the multilateral trading system. The continued collaboration is becoming even more important as we seek to ensure that the multilateral trading system is oriented towards sustainable

development especially for developing countries. Notwithstanding the challenges brought on by the pandemic, the ITC continued to deliver to members states through its suite of online tools and capacity building projects. During the 56<sup>th</sup> Session of the JAG, all members states spoke highly of the ITC under the leadership of Ms. Pamela Coke Hamilton for its invaluable contribution especially in boosting the capacity of MSMEs to be better integrated in the global value chains. Jamaica continues to value the support received from the ITC namely through the Coconut and Cocoa projects, women economic empowerment and more recently in the area of agriculture with a focus on climate smart farming. Jamaica notes with interest that the areas of focus for the ongoing period which includes gender, green recovery, youth and digital connectivity. These are all issues which are of importance for developing countries like Jamaica. Jamaica appreciates the work of the ITC, and the organization can be assured of Jamaica's full support as it continues to actively pursue its mandate and serve the needs of its members and clients.

13.19. The representative of the ITC, speaking as an Observer, delivered the following statement:

13.20. We thank the WTO membership for your words of appreciation and the guidance that you have provided us in the context of this conversation and of the last session that we had of the Joint Advisory Group. During that session, many of the delegates from the developing countries used the opportunity to illustrate in very concrete ways the impact of ITC's work on the ground and expressed their appreciation of the generous contributions made by donor countries. The funders, on the other hand, also reaffirmed their commitment to continue supporting and collaborating with beneficiary countries and the ITC. We recognize, from the all the submissions that were made during that discussion, while appreciating the good work, there is scope for us to do more. We are very encouraged that we would still have all those that have been working by our side to continue collaborating with us in that respect. Special thanks to the UNCTAD Secretary-General Rebeca Grynspan and the WTO Deputy Director-General Xiangchen Zhang who were present with us at that session. Both of them gave us a very clear message which emphasized the critical role of trade and ITC's and others' support in this particular context taking into account the need to ensure that trade is inclusive and sustainable. This is a must have in terms of re-shaping our future. We appreciate the concreteness of the examples that they shared of the ongoing initiatives and close cooperation between the ITC, UNCTAD and WTO. We continue to build on this – as we will work closely with all the other partners that we have been working with. The bottom line is that MSMEs across the developing world are struggling to keep their businesses running. The situation is urgent. We need to deliver trade that works for them – trade that is sustainable, inclusive, and transformative. A key part from our side as part of our forward-looking strategy will be addressing the structural problems through big pushes – the moonshots – that Ambassador Dwarka-Canabady referred to in submitting the report. It is on gender, green, youth and digital connectivity. We will continue reporting on these initiatives and activities to the General Council, the CTD and any other fora that will request that we do so. We thank the partners and the beneficiaries for their continued trust in the ITC.

13.21. The General Council took note of the statements.

## **14 REVIEW OF ACTIVITIES**

14.1. The Chair took up the reports listed under item 14 of the agenda which had been prepared in line with the Decision concerning Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO (WT/L/105). He noted that the Committee on Trade Facilitation had met after the Council for Trade in Goods. For this reason, the Annual Report of this Committee had been forwarded directly to the General Council. Delegations had already had a substantive discussion on these reports in the respective bodies where they had been adopted, and he therefore suggested that Members did not repeat those discussions in the General Council. He proposed that, in accordance with our practice, Members took action on these reports. He then invited the General Council to adopt the report of the Committee on Trade and Development in document WT/COMTD/102, and to take note of the reports of the other WTO bodies, including the reports of the Committees under the Plurilateral Trade Agreements, listed in the proposed agenda. He also invited the General Council to adopt the draft Report of the General Council contained in document WT/GC/W/856, on the understanding that the Secretariat would make the necessary adjustments to that Report to include matters that had been considered at this meeting.

14.2. The General Council so agreed.<sup>24</sup>

## **15 APPOINTMENT OF OFFICERS TO WTO BODIES - ANNOUNCEMENT BY THE CHAIR PURSUANT TO PARAGRAPH 7.1(A) OF THE GUIDELINES (WT/L/510)**

15.1. The Chair referred Members to his communication of 2 December related to the Appointment of Officers to WTO bodies, announcing the start of the selection process. In this regard, he drew Members' attention to the Guidelines for the Appointment of Officers to WTO bodies in document WT/L/510. He informed Members that, as Chair of the General Council, he would conduct consultations on the appointment of chairpersons to the WTO bodies in Groups 1, 2, 4 and 5 of the Annex to the Guidelines – i.e., the so-called "Tier One". He would be assisted by the serving Chair of the Dispute Settlement Body, Ambassador Molokomme (Botswana) and former Chair of the General Council, Ambassador Castillo (Honduras). A list of past Chairs of major bodies was available to provide structure on discussions on the possible distribution of Chairs. In keeping with the Guidelines, representatives of Members in financial arrears for over one full year could not be considered for appointment. He recalled that the practical steps to improve the implementation of the Guidelines in document JOB/GC/22, provided that groups, namely the developed countries, Latin America and the Caribbean, Asia and the Pacific and Africa, had a role in putting forward names of candidates for the slots available to them. He noted that Ambassador Molokomme, Ambassador Castillo and him had met with group coordinators on 12 December, and that some expressions of interest for the following bodies had been received so far: two for TPRB (African Group and Asian Group); one for CTG (Asian Group) and one for CTE (Asian Group). Consultations in the groups were still ongoing, and he urged group coordinators and their constituencies to finalize these consultations as expeditiously as possible. He also noted that they remained available for individual delegations that wished to consult on this matter and that they would meet group coordinators again in early January, hoping that consultations within the groups would have been finalized by then. He encouraged all Members to build on the positive and swift process undertaken in the 2022 exercise, so as to arrive at an agreed slate of Chairs well in advance of the first meeting of the General Council in 2023. He counted on delegations' positive engagement. The Chair also touched on a separate matter, concerning the chairmanships of a number of accession Working Parties for which the respective Chairs had left Geneva. In line with practice, he informed Members that he would ask Deputy Director-General Zhang to undertake the relevant consultations.

15.2. The General Council took note of the Chair's statement.

## **16 OTHER BUSINESS**

### **16.1 Statement by the Chair in connection with Administrative Measures for Members in Arrears**

16.1. The Chair, speaking under Other Business, recalled that the General Council Procedures for Members and Observers subject to Administrative Measures in WT/BFA/132 required that, at the end of each meeting of the General Council, the Chair of the Committee on Budget, Finance and Administration provided information with regard to which Members and Observers were under Administrative Measures.

16.2. Ambassador Bettina Waldmann (Germany), Chair of the Committee on Budget, Finance and Administration, delivered the following statement<sup>25</sup>:

16.3. The Administrative Measures applicable to Members and Observers in arrears have been in place since 1 March 2013. In accordance with a decision previously taken by the General Council, I shall state all Members and Observers under all categories of administrative measures. Before doing so, I would like to acknowledge a payment received Cabo Verde since my last report to you on 6 October. As a result of this payment, Cabo Verde is no longer subject to administrative measures. I would like to express my thanks to Cabo Verde for this payment received.

16.4. That said, as of today, 20 December 2022, there are a total of 18 Members and 10 Observers subject to Administrative Measures. The following 7 Members are currently in Category I:

<sup>24</sup> The 2022 Annual Report of the General Council was subsequently circulated in WT/GC/256.

<sup>25</sup> The statement by the CBFA Chair was subsequently circulated in JOB/GC/331.

Plurinational State of Bolivia; Cuba; Dominica; El Salvador; Rwanda; Uganda and Zambia. The following 5 Members are in Category II: Antigua and Barbuda; Djibouti; Mauritania; Papua New Guinea and Yemen. The following 6 Members are in Category III: Burundi; Central African Republic; Chad; Guinea; Guinea-Bissau and Bolivarian Republic of Venezuela. Burundi; Central African Republic; Chad and Guinea-Bissau are not compliant with payment plan terms. The following 4 Observers are in Category I: Comoros; Ethiopia; Lebanese Republic and South Sudan. The following 2 Observers are in Category II: Iran and Iraq. There are also 4 Observers in Category III: Libya; Sao Tomé and Príncipe; Somalia and Syria. This concludes my report.

16.5. The Chair thanked the CBFA Chair and noted that, as also required by the General Council Procedures, he requested Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears could be expected.

16.6. The General Council took note of the statement.

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**ANNEX 1<sup>1</sup>****ENSURING TRANSPARENCY AND SECURING WTO STAFF INTERESTS IN 2023  
BUDGETING PROCESS - COMMUNICATION FROM INDIA**

1. This communication refers to the discussion in the General Council held on 19 December 2022 on Agenda Item 6. The agenda for this meeting was circulated in the document WT/GC/W/861 dated 16 December 2022 and contained the following agenda item:

*6. COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON MEETINGS OF 22 SEPTEMBER, 5 OCTOBER, 8 NOVEMBER, 1 AND 5 DECEMBER 2022 (WT/BFA/206, WT/BFA/207, WT/BFA/208, WT/BFA/209)*

2. India thanks Ambassador Bettina Waldmann for her detailed work as the chair of the Committee on Budget, Finance and Administration. Ambassador Waldmann's report on the working of the committee, contained in the document WT/BFA/209, referred to the document "Proposed Utilization of the 2021 Budgetary Surplus" contained in WT/BFA/W/614.

3. During the General Council meeting on 19 December 2022, the delegation of India put forth its reservations on how this surplus was proposed to be utilized for the year 2023. India's reservations were driven by the express need to safeguard the legitimate interests of WTO staff and to ensure that the salaries and applicable staff insurance payments were being fully provided for by the WTO from its regular budget.

4. The Table 1 – Mandatory and Unavoidable Expenses for 2023 in the document WT/BFA/W/614 (see Annex) contains the WTO proposal for utilization of CHF 6 million of 2021 budgetary surplus to meet the CHF 6.95 million of mandatory and unavoidable expenses for 2023.

5. Through this paper, India is further detailing the specific objections raised in the General Council meeting on the WTO proposal.

6. First and foremost, the 2023 WTO budget of CHF 197,203,900 has already been cleared in the previous biennial budgeting process. This budget is available as of 1 January 2023 for the WTO to use. Hence any insinuation that India is trying to block the WTO budget and hence its normal functioning is a gross misrepresentation of the facts as well as an ill-intended attempt to malign India as the member holding WTO hostage. India categorically rejects these insinuations.

7. In fact, Indian position is that when the 2023 WTO budget of CHF 197,203,900 is available immediately, why should a 2021 surplus be used to pay the WTO staff and to cover their insurance? The WTO staff is a group of highly motivated and qualified professionals, whose salaries and insurance should represent the first charge on the original WTO budget of CHF 197,203,900. The WTO cannot suggest that it will pay CHF 2.1 million (Table 1 – document WT/BFA/W/614, line items 1 and 2) to the staff only if the budgetary surplus of 2021 was available.

8. When India tried to explain this in the General Council meeting, the Chair of the General Council unfortunately asked the Indian Ambassador to not raise his voice for the rightful due of the WTO staff. This situation is extremely regrettable.

9. As regards the proposal made in the Table 1 – document WT/BFA/W/614, India is supportive of the following line items being covered through the 2021 budgetary surplus:

- Contractual Services & Maintenance/ IT – Line item 4 – CHF 0.8 million
- Contractual Services & Maintenance/ Security – Line item 5 – CHF 0.1 million
- Energy and Supplies/Electricity, Gas and Fuel – Line item 6 – CHF 1.15 million
- Total – CHF 2.05 million

10. India did not question these proposals at any stage. Hence, it was surprising to hear that due to the Indian position, WTO will have to curtail building heating and cooling. India expresses its deep

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<sup>1</sup> The communication was also circulated in document JOB/GC/327 – JOB/BFA/73.

reservation as well as regret on the remarks made during the discussion, which sought to sacrifice evidence-based decision-making at the altar of an expedient narrative.

11. Finally, India is of the view that the CHF 1.3 million stated in line items 7 and 8 in the Table 1 – document WT/BFA/W/614 should be charged to the existing Building Renovation Fund, which has a corpus of nearly CHF 25 million available.

12. The paragraph 4 of WTO's own document WT/BFA/W/614 says that the surplus will only be drawn in the second half of the year 2023. Since that is the case, there is enough time to build a member-consensus on the use of Building Renovation Fund towards the proposed expenses on Procurement of Fixed Assets/Conference Services and Procurement of Fixed Assets/IT.

13. In any case, since the 2023 WTO budget of CHF 197,203,900 is available immediately, the shortfall if any, may not occur until the second half of the year as described in the paragraph 4 of the document WT/BFA/W/614.

14. In light of this, the rhetorical remarks made during the discussion insinuating that India's position was detrimental to WTO's IT infrastructure and renovation plans were factually incorrect and contrary to good budgeting practices.

15. As regards the line item 3 - Temporary Assistance/Interpreters in the Table 1 – document WT/BFA/W/614, which forecasts an additional expense of CHF 1.5 million, India has asked a straightforward question – how is the interpreters time being split for regular WTO work vs. other events and plurilateral initiatives? Is WTO not willing to give this information because the plurilateral and external events are taking more time and resources than the WTO regular work? Why is WTO, a Member-driven Organization, not interested in financial transparency with its Members?

16. In the General Council, some Members suggested that the General Council cannot be a forum for detailed domain-oriented discussions. India differs from this view as we do not advocate making ignorance and lack of domain knowledge a virtue in the complex operating environment of a reputed multilateral organization like the WTO. If the Members did not read the documents listed in the General Council agenda WT/GC/W/861, Agenda Item 6, it is not an excuse for compromising the quality of the discussions in the General Council. India reserves its right to be better-prepared than other Members.

17. In summary, India's stance on the 2023 WTO budget is driven by three objectives –

- the WTO staff expenses cannot be subjected to uncertainties of budgetary surpluses.
- the budget expenses need to be transparent to the WTO membership.
- the utilization of available resources in relevant fund for the purpose it was created.

Some Members remarked in the General Council that India was holding off a consensus. India is not against consensus, but simply seeks transparency in the budgeting process.

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## ANNEX

TABLE 1 MANDATORY AND UNAVOIDABLE EXPENSES FOR 2023

Type of Expenditure	Description	Amount (CHF Million)
Staff Remuneration	Forecast 1.8% mandatory inflationary adjustment to salary scales as per the grade weighted average difference between the WTO and the comparator organizations i.e., 70% UNOG and 30% Coordinated Organizations.	1.6
Death and Invalidity Insurance	Increase due to an unavoidable increase in the premium under a recent new contract.	0.5
Temporary Assistance/Interpreters	Increase due to doubling of the cost for Freelance Interpreters with the introduction of virtual meetings, the increase in the number of meetings with interpretation, and the limitation in number of hours work imposed by the International Association of Conference Interpreters for meetings with a virtual component.	1.5
Contractual Services & Maintenance/IT	Outsourced services to UN International Computing Centre (UNICC), the inter-agency facility providing Information and Communication Technology Services on a cost recovery basis, are evolving significantly from simply providing managed hosting services to incorporating virtual meeting platforms, Teams telephony, and new security services, as well as serving as the provider of Internet, remote access, mail gateway, anti-spam, and firewall services to the WTO.	0.8
Contractual Services & Maintenance/Security	Security company adjustments due to salary increases in the Geneva security sector.	0.1
Energy and Supplies/Electricity, Gas and Fuel	Projected increase per kilowatt hour of electricity between 2022 and 2023 of 236%; substantial increase in the price of gas and fuel forecast in the Swiss market.	1.15
Procurement of Fixed Assets/Conference Services	Necessary and urgent upgrade of the audio discussion and interpretation system, which was installed in 2013 and has become obsolete and is no longer serviced by the vendor or manufacturer. The required amount is CHF 3 million, to be spread out over 3 years.	1.0
Procurement of Fixed Assets/IT	Necessary increase to fund the enhancement of various IT services including the Document Management and Documents Online systems, and software for virtual platforms.	0.30
<b>Total</b>		<b>6.95</b>

**ANNEX 2<sup>1</sup>****ELABORATION OF THE DIRECTOR-GENERAL'S 19 DECEMBER 2022 STATEMENT TO THE GENERAL COUNCIL REGARDING THE USE OF THE BUDGET SURPLUS**

1. The CBFA approved by consensus, on 5 December 2022, the use of the 2021 CHF 6 million surplus already paid by Members nearly two years ago exclusively for the purpose of paying for mandatory and unavoidable expenses.
2. However, during the General Council meeting on 19 December 2022, India raised formal concerns with the CBFA consensus. It later circulated document JOB/GC/327 - JOB/BFA/73 to explain its position.
3. That document appears to be based on certain misunderstandings as to the need for the surplus. Accordingly, on behalf of the Secretariat, we would like to make certain clarifications.
4. The Secretariat has had a zero nominal growth budget of CHF 197.2 million from 2012. But during the eleven years since that budget was set, the nature of trade and the demands on the Secretariat have changed, as well as certain increased mandatory costs. Accordingly, the Secretariat asked for a 7.7 percent budget increase for 2023 as part of the mid-term budget review. After much discussion, Members asked the Secretariat to put that request on hold until the 2024-2025 budget cycle. However, in the meantime, the CBFA agreed to provide to the Secretariat the CHF 6 million surplus from 2021 on a one-time basis to address mandatory and unanticipated costs for 2023. Indeed, with a zero nominal growth budget for so long, the Secretariat simply does not have excess budget to soak up those costs. The use of the surplus would alleviate some of that pressure for 2023.
5. The Secretariat has been a good steward of Members' contributions. The years 2020 and 2021 were unusual because there were surpluses due primarily to COVID. The Secretariat did not spend the surpluses. Instead, at members' request, the Secretariat Director-General proposed that over CHF 9 million of the over CHF 11 million surplus in 2020 be returned to Members.
6. The situation is different in 2023. There will be no surplus in 2022, and it is highly unlikely in 2023. Instead, the Secretariat is facing certain unanticipated costs beyond its control.
7. These expenses relate to costs resulting from factors such as inflation in contractor and security costs, rising energy costs, the doubled cost of interpretation in hybrid mode, the mandatory and contractual staff salary increase that we expect due to inflation, and Member requests and expectations that we upgrade services such as DOL and UNICC services.
8. It is not accurate to say that the Secretariat is asserting that it would not pay its contractual obligations to staff. Of course, the Secretariat would make such payments, including the mandatory cost-of-living increase expected in 2023 due to inflationary pressures. The Secretariat has never said that it would not do so. But it would have to make that mandatory payment at the expense of other items in the regular budget. By including this staff salary increase in the chart, the Secretariat is merely listing for Members, in the interest of full transparency, the mandatory and unanticipated costs it is facing. To assert that WTO staff expenses cannot be subjected to the uncertainties of the budgetary surpluses misses the point – the use of the surplus is to prevent such uncertainties.
9. Nor is it correct to say that the Building Renovation Fund can be used for IT services. The rules simply do not permit the use of the Fund for such purposes – the rules would have to be changed by Member consensus, resulting in delay and uncertainty, and possibly no resolution at all.
10. As to the use of interpreters, including in virtual platforms, the Secretariat does not make decisions about which Members should use its facilities and interpretation. Indeed, such services are used for the meetings of the GC and TNC, Committee meetings, Negotiating Groups, dispute settlement panels, technical assistance, Regional Group meetings, meetings called by any Member, and all other events using a virtual platform.

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<sup>1</sup> The communication was also circulated in document JOB/GC/328 – JOB/BFA/74.

11. The assertion that there is no need for the surplus until the second half of the year is also erroneous and is based on a misunderstanding about the planning of the budgetary cycle. The Secretariat must know at the beginning of the year what its budget pool would be. The Secretariat simply cannot take the chance of incurring expenses at the beginning of the year and ending up with a shortfall – a budget deficit – at the end. Otherwise, it would engage in irresponsible and imprudent decision-making.

12. Throughout this process, the Secretariat has been fully transparent with Members about its mandatory and unanticipated needs and its accounting methods. In fact, many Members congratulated the Secretariat for providing such an unprecedented level of detail.

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