

23 June 2023

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General Council 8-9 May 2023

## **MINUTES OF THE MEETING**

# HELD IN THE CENTRE WILLIAM RAPPARD AND IN VIRTUAL FORMAT ON 8 AND 9 MAY 2023

Chairperson: H.E. Dr. Athaliah Lesiba Molokomme (Botswana)

The Chair and the Director-General bade farewell to Permanent Representative Mr. Laurie Lo of Hong Kong, China, and thanked him for his active contributions and dedication to the Organization.

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<sup>&</sup>lt;sup>1</sup> The proposed agenda was circulated in document WT/GC/W/876.

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

- 1.1. The <u>Chairperson</u> Under the first item "Report by the Chair of the Trade Negotiations Committee and report by the Director-General", I would like to invite the Director-General as Chair of the TNC to provide her report since the last report to the General Council.
- 1.2. The <u>Director-General</u> delivered the following statement<sup>2</sup>:
- 1.3. Since my last report to the General Council in March, I convened a Formal TNC and Informal HODs on 19 April. My report, together with your report on your consultations on the way forward and the reports of the Chairpersons of the CoA SS, NGR, CTD SS and CTS SS were circulated to delegations in document JOB/TNC/108. Given the extensive discussion we had, which are formally recorded in the TNC minutes which will be circulated shortly, I do not expect a repetition of those discussions today.
- 1.4. Since the TNC meeting, work has continued in various areas with MC13 in mind. As you all know, we had a productive fisheries week at the end of April thanks to the NGR Chair, Ambassador Einar Gunnarsson (Iceland) for his hard work and to you, Members, for your vigorous and productive participation. I am also happy to report that deposit of instruments of acceptance of the Agreement and contributions to the Fish Fund have continued with the latest coming both from Canada. I again thank Ambassador Nadia Theodore, Minister Mary Ng, and the Government of Canada for their ratification and their contribution of CAD 1.4 million. I am particularly grateful to Ambassador Bettina Waldmann (Germany), Mr. Dirk Meyer, and the German Government for the first EUR 500,000 tranche of their very generous donation of EUR 2 million the largest to the Fish Fund and the very first to commit. I hope that other Members in a position to do so will also follow suit soon but I do want to thank all Members because I have not seen this level of enthusiasm to support the management of the Fish Fund as I am seeing now. I am really very excited about that.
- 1.5. As you know, access to the Fund for capacity support in fisheries management and implementing the Agreement is contingent upon ratification. I have also stressed that I will be relentless in pursuing our shared goal of having the Fisheries Subsidies Agreement enter into force by MC13. In this regard, I continued my outreach to capitals to drum up support and speed up relevant domestic processes this time in Africa.
- 1.6. I recently returned from Ghana, Côte d'Ivoire and Kenya where I reiterated this call. In Côte d'Ivoire, I was able to meet with 15 ECOWAS Trade Ministers. Let me take this opportunity to thank ECOWAS WTO Members including all their ambassadors here in Geneva for their hard work in making this happen. I also thank especially Honourable Souleymane Diarrassouba, Minister of Trade and Industry of Côte d'Ivoire and Mrs. Massandjé Toure-Litse, ECOWAS Commissioner for Economic Affairs and Agriculture, for helping organize this event. Getting 15 Trade Ministers together was helpful. They have all promised to work hard not only on ratification but also on MC13 preparation. My country visit and discussion with H.E. President Alassane Ouattara was also very productive.
- 1.7. My visits to Africa also took me to Ghana where I had productive meetings with H.E. President Nana Akufo-Addo and several government officials, including Trade Minister H.E. Kobina Tahir Hammond and the Ministry of Trade team. I also met with representatives from the MSMEs Group and participated in a well-attended fireside chat at the Institute of Economic Affairs.
- 1.8. Finally, I was in Kenya where I attended the biannual UN Secretary General's Chief Executives Board Meeting of UN and UN affiliated agencies. I also seized the opportunity to meet with Honourable Moses Kuria, Cabinet Secretary of the Ministry of Investments, Trade and Industry. I met with the Minister of Finance, the Governor of the Central Bank, Minister for the newly created Ministry of MSMEs and other government officials. It was all capped with an excellent meeting with H.E. President William Ruto.

<sup>&</sup>lt;sup>2</sup> The Director-General's statement was subsequently circulated in document JOB/GC/340.

- 1.9. During these meetings, apart from MC12 implementation and preparations for MC13, we also had the opportunity to discuss challenges and opportunities for Africa's development through trade and the role of WTO in this regard. It was interesting for me to observe the heightened concern on the issue of IUU fishing in Africa and overcapacity and overfishing. Practically every Head of State that I met raised this issue - that they are having problems with IUU fishing and that the artisanal fisher people are now unable to catch enough fish to sustain their livelihoods - having to go further out in order to catch any fish. This was raised in virtually every country I visited especially in Côte d'Ivoire and Ghana. They are seeing the Agreement on Fisheries Subsidies as something important and material to what they are experiencing now. They were asking me how we now monitor the IUU fishing once this agreement is ratified and in effect. We have some mechanisms for following them but we would like to improve those. I also pointed out to some governments that their own policies may be contributing to the problem so that they have to look internally as well as externally. There was a good discussion on that and heightened awareness. I am hoping that the heightened concern will also feed into the willingness to ratify quickly. They are also keen on the second phase of the fisheries subsidies negotiations to deal with S&DT and overcapacity and overfishing.
- 1.10. I was also very impressed by the MSMEs we met. The quality of products has considerably increased. Many of them said that they have been helped by the WTO either through the EIF or ITC working with them. This was gratifying. I noticed a quantum leap in the quality of products including their packaging. The biggest issue was how to scale up and how to access the international market. We stand a real change if we can help further on the supply side to have some of these numerous MSMEs who are making these quality products to create more jobs and make a difference in terms of Africa's development and diversification of their economies. I just wish we have more resources through the STDF, the EIF and the ITC to be able to help. I am meeting such demand. When I was in Latin America, there was a lot of pressure from Colombia, the Dominican Republic and so many other countries for more help on supply side issues. But we are very constrained by the resources we have in the EIF and the ITC. We are doing a good job. We need to do more. And I am counting on some of you who have been supporting these to help us to deliver.
- 1.11. We likewise had productive discussions on addressing challenges in Africa's industrialization and job creation in the face of multiple global crises as well as on debt, trade finance, digital and green trade, and AfCFTA developments.
- 1.12. Overall, I was very heartened by the support expressed by African Leaders, and the private sector to our work including in view of MC13. I am sharing that because my initial contact with African Leaders was not very auspicious for the WTO. I shared with you some of their comments. I was open about it when I asked for additional help for Ambassadors. They asked what the WTO is delivering. In noting that Geneva is a very expensive place, they asked why they should put more resources when nothing is coming out of the WTO. That was their initial reaction. After MC12 and seeing that we are producing some results, they are beginning to turn around and say that given the results achieved that are beneficial to their countries coming forward, they would think about support. This is part of changing the opinions of what we are doing here and what it means for their countries. They want us to prioritize supporting the AfCFTA, food security, industrialization of the continent, job creation and preparedness for the next pandemic. In particular, there is a request to make the WTO work for poor countries. They really need the WTO and they feel that the WTO is not delivering enough.
- 1.13. In this regard, there was another agriculture week last week which I hope has assisted Members in inching forward to determining the "collective what" to allow the work on figuring out the "collective how" to begin. If we want to deliver meaningful outcomes in agriculture at MC13 which is what I heard strongly echoed at the last TNC, I urge all Members to work together under the leadership of our CoA SS Chair, Ambassador Alparslan Acarsoy (Türkiye), to meaningfully advance these critical negotiations. I am under no illusion. I know that things are stuck and are not moving in the way they should be but let us keep pushing forward to see if we can get something meaningful even on food security out of these negotiations. We should not forget that it has been more than two decades that we have not been able to deliver on this area of work. This does not bode well for this Organization when large subsidies keep mounting, climate change is an issue and agriculture is more critical than ever in terms of how we are going to be able to feed the planet.
- 1.14. Delivering meaningful development outcomes was another key area of importance which I heard reiterated by many during my visits to Africa last week including by the UN Secretary General

during the meeting we had. There was a great deal of appreciation for what Members did at MC12. I talked about renewed momentum towards MC13. But make no mistake. There will be severe disappoint if the outcome at MC13 are some nice powwows among Ministers and a package of process reform. Not that these are not important – they are. But they will not be enough. One of the areas where we need renewed momentum is in development discussions both within the context of WTO Reform and in the work of the CTD and CTD SS – and I wish to let you know that the eyes of Africa are on us. Specifically on S&DT, as we heard from the Chairperson – Ambassador Kadra Hassan (Djibouti) at the last TNC, she will be convening a meeting as soon as the G90 tables its textual proposals on ASPs relating to the TBT and SPS Agreements. I therefore encourage all Members to speed up this work and constructively engage in this important work – in line with Paragraph 2 of the MC12 Outcome Document.

- 1.15. Capitals are also closely following our work on WTO Reform with Dispute Settlement Reform as a high priority. Much as many African WTO Members are not active users of the WTO dispute settlement system this issue was a high priority, including for systemic reasons. In this regard, the issue of access was emphasized. On these and other issues, I will continue to work closely with the General Council Chairperson and the Membership.
- 1.16. During my recent outreach, I also heard strong interest expressed on digital trade and its potential for African industrialization. When I met ECOWAS Ministers, I highlighted Members' work building on the MC12 Decision on the E-Commerce Work Programme and Moratorium in the Dedicated Discussions facilitated by Ambassador Usha Dwarka-Canabady (Mauritius). To complement these efforts, I noted the WTO's partnerships with international organizations including the World Bank to discuss how to address the issue of digital infrastructure on the continent, both soft infrastructure and hard. As Members know, DDG Gonzalez is leading Secretariat efforts in this area working with the Bank and others.
- 1.17. To facilitate our work and make it more official, I would like to mention something. I have been looking at some of the suggestions that Members have made during our retreats and at the General Council regarding the way that the TNC operates. First, I am trying to have TNCs only when it would make a difference. To that effect, I have decided not to have a TNC in June, as was programmed, to allow Chairs and Members more time to work. Second, to give our work a political and practical boost, one of the suggestions many of you made was to think of a Senior Officials meeting. In this regard, picking up on your suggestion, I would like to suggest that the July TNC meeting, just before the General Council meeting, be used for a two-day Senior Officials meeting. I would like to know your views on this. I would like to consult with all of you to see how to prepare this so it would be focused and productive. I have some ideas, but it would be good to hear from you. I am just merely making a suggestion and looking for your feedback.
- 1.18. Let me end by thanking all of you for your participation in two major events at this Organization last week. The first was the event on the Cotton-4 and FIFA where I also want to thank Ambassador George Mina (Australia) and Ambassador Clare Kelly (New Zealand) for the role that they played in this event. The next was the excellent lecture by H.E. President Mokgweetsi Masisi of Botswana. Both had fantastic attendance. I had quite positive feedback on both events, and I want to thank the Membership for supporting them.
- 1.19. The <u>Chairperson</u> recalled that the Formal TNC had taken place on 19 April, and she did not expect a discussion under this item today. A record of all statements would be made available in the minutes of the TNC meeting. $^3$
- 1.20. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 1.21. The LDC Group wishes its comments at the Informal meeting of Heads of Delegations to be included in the minutes of this meeting. <sup>4</sup> We would, however, like to add to our remarks about the CoA SS meetings last week. The LDC Group thanks the CoA SS Chairman and the Secretariat for organizing thematic seminars on market access and food export restrictions. As several studies have shown, export restrictions have a direct impact on the food supply of LDC Members. Indeed, most LDC Members are net food importers and therefore depend on imports for their food security. Given

<sup>&</sup>lt;sup>3</sup> TN/C/M/45.

<sup>&</sup>lt;sup>4</sup> The statement is contained in TN/C/M/45, para. 4.10.-4.12 and is incorporated by reference in the record of this meeting.

their limited resources, LDC Members are particularly vulnerable to price increases and volatility on the world market. In view of the above, LDC Members have proposed additional disciplines for net food exporting countries requiring them to exempt LDC Members and NFIDC Members when imposing export restrictions or prohibitions. A Ministerial decision to this effect at MC13 would be a major step towards addressing food insecurity. In addition, the objectives that LDC Members hope to achieve at MC13 include the reduction of domestic support, a permanent solution to the issue of public stocks for food security purposes and a simplified safeguard mechanism to curb massive imports of subsidized agricultural products.

- 1.22. The representative of the <u>United States</u> delivered the following statement:
- 1.23. Just a quick reaction to the Director-General's proposal of a Senior Officials' meeting in July. We are open to that. I am my own senior official, as I am the Deputy United States Trade Representative, so that would be me and I will be here. Our only suggestion would be that there be a specific agenda to make the meeting more useful.
- 1.24. The representative of India delivered the following statement:
- 1.25. I request the Secretariat to place on record of this GC meeting, India's statement delivered at the last TNC meeting held on  $19 \text{ April } 2023.^5$
- 1.26. The representative of Kenya, on behalf of the ACP Group, provided<sup>6</sup> the following statement:
- 1.27. As regards the TNC report, the ACP Group refers to its intervention made during the formal TNC meeting held on 19 April 2023.<sup>7</sup>
- 1.28. The representative of <u>Cambodia</u> provided<sup>8</sup> the following statement:
- 1.29. My delegation aligns itself with the statement of the LDC Group. The active engagement by all Members in the last 'fish week' again reemphasized the importance that Members have placed on the topics of overcapacity and overfishing in the Fisheries Subsidies Agreement. My delegation would like to reiterate that the LDCs are not the cause for overcapacity and overfishing and as such, special and differential treatments in the form of exemption from any disciplines in these pillars would only be fair and appropriate. We would like to point out that we support Article 6.1 and 6.2 in the W/20 document. In terms of participation and importance, the same could be said of the CoA SS meetings. It is our belief that for agriculture negotiations, if we do not move fast to try to bridge gaps in Members' positions soon, we risk leaving too much to do for the last minutes. At the same time, we should choose to prioritize a number of reachable topics. For us, our priorities remain with food security, trade-distorting domestic support, including cotton, the special safeguard mechanism, public stockholding for food security purposes and export restrictions.
- 1.30. The General Council <u>took note</u> of the report of the Director-General and of the statements made.

#### **2 FOLLOW-UP TO OUTCOMES OF MINISTERIAL CONFERENCES**

#### A. MC12

## (i) WTO Reform

- Report by the Chairperson

 $<sup>^{5}</sup>$  The statement is contained in TN/C/M/45, para. 4.77-4.81 and is incorporated by reference in the record of this meeting.

 $<sup>^{6}</sup>$  The statement was not delivered at the meeting but subsequently sent to the Secretariat for inclusion in the record.

<sup>&</sup>lt;sup>7</sup> The statement is contained in TN/C/M/45, para. 4.3-4.5 and is incorporated by reference in the record of this meeting.

 $<sup>^{8}</sup>$  The statement was not delivered at the meeting but subsequently sent to the Secretariat for inclusion in the record.

- Improving Inclusiveness by Reviewing and Evaluating External Engagement Communication from Colombia; Israel; the Philippines; the Separate Customs Territory of Taiwan, Penghu, Kinmen And Matsu; and the United States (WT/GC/W/871)
- Improving the Operations of WTO Bodies to Revitalise the WTO's Monitoring and Deliberative Function Request from Canada; Costa Rica; and the United Kingdom
- Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges Communication from the European Union (WT/GC/W/864)
- Committee on Trade and Development Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO – Communication from India (WT/GC/W/865)
- Maximising the Value of WTO Ministerial Conferences Communication from Australia (WT/GC/W/873)
- 30 for 30 Suggestions for Improving the Functioning in WTO Request from India
- 2.1. The <u>Chairperson</u> said that the item "Follow-up to Outcomes of Ministerial Conferences" covered several matters with two sub-items: (A). MC12 and, (B). Buenos Aires (MC11), Nairobi (MC10), and Bali (MC9). He proposed to take up the seven items under sub-item 2.A.(i) on WTO reform together and to open the floor only once.
- 2.2. The <u>Chairperson</u> delivered the following statement<sup>9</sup>:
- 2.3. Turning to my report, delegations will recall that I reported on my consultations on the work ahead including WTO reform, at the Formal TNC and Informal HODs on 19 April. That report was circulated as part of JOB/TNC/108.
- 2.4. I listened carefully to Members' views at the TNC/HODs and was encouraged by the high level of interest and engagement demonstrated on WTO reform. Evidently, this is a top priority for Members.
- 2.5. I heard Members' commitment to ensuring that the WTO is resilient, responsive, relevant, and with equitable rules. The commitment to work towards a credible package of reforms, including a good progress report to Ministers at MC13 was evident. I thank all Members for this and hope we can collectively achieve this goal.
- 2.6. I believe that we are already on the right path. Members are fuelling the reform discussions. Several ideas which had been put forward informally have now been translated into formal written proposals as is reflected in the current agenda. Other views are also being offered.
- 2.7. Work has continued amongst Members in various configurations with outreach efforts being made as we heard at the TNC/HODs meeting.
- 2.8. Work is also taking place in a number of WTO bodies, and I will return to this later in my report. So, let me sincerely thank all Members for beginning to walk the talk.
- 2.9. As was evident in my consultations and during the discussions at the TNC, high value continues to be attached by all Members to having a fully and well-functioning dispute settlement (DS) system accessible to all Members by 2024 in line with paragraph 4 of the MC12 Outcome Document. In this regard, I heard many Members refer to the ongoing informal discussions at the technical level, which are being convened by Mr. Marco Molina of Guatemala. This is considered a positive sign, given that many Members are engaged. I also heard the need to have a roadmap and to avoid getting bogged down by procedural matters focusing instead on substance in a results-oriented manner. In this regard, I heard many of you reiterate that the discussions should remain open to all, and be transparent, inclusive and Member-driven.

<sup>&</sup>lt;sup>9</sup> The Chairperson's statement was subsequently circulated in document JOB/GC/342.

- 2.10. With regard to the negotiating function, Members seem to favour focusing attention on ongoing work in Negotiating Groups as we prepare for MC13. I have also heard from Members that, at the appropriate moment, there will be need to confront certain sensitive issues surrounding our negotiating function. I also heard Members raise the need to make better use of the TNC and HODs meetings and, recently, ideas have been circulated in this regard in written format by Members whom I thank. I encourage all Members to take a look at the ideas that have been put forward and engage with each other in a constructive manner.
- 2.11. I will continue to work closely with the Director-General, as Chairperson of the TNC and with Members, including on timing and appropriateness of a dedicated discussion on the negotiating function.
- 2.12. Turning to development, several Members have reiterated that it should be at the centre of WTO reform. I will come back to this aspect and to the work being carried out by the CTD Chair in this respect. Let me also at this point note that the importance of delivering meaningful development outcomes at MC13 has been emphasized. As I reported at the TNC, I have taken good note that LDC graduation may be emerging as a concrete deliverable prior to MC13.
- 2.13. Stakeholder engagement to bolster the WTO's responsiveness, in addition to the Director-General's initiatives was another issue that was brought to my attention during my consultations, and we also heard views exchanged at the TNC. In this regard, I am pleased that a number of delegations have put their ideas in writing to the membership, which we will take up under this very agenda item.
- 2.14. Finally, the monitoring and deliberative function. I take note that several of the written submissions under this agenda item, in one way or another, relate to improving this function and we will take them up shortly.
- 2.15. During my consultations, what some referred to as "reform by doing" in WTO Councils and Committees has been commended. Delegations stressed the need to review progress in these discussions. I also took note of the concerns expressed by small delegations about the difficulties they encounter in following all these ongoing discussions.
- 2.16. In preparation for today's meeting, I met with Chairpersons of regular bodies. At that meeting, they provided updates on WTO reform work in their respective areas. To ensure transparency, let me now provide you with a consolidated update on ongoing reform work in the various WTO bodies.
- 2.17. The Council for Trade in Goods (CTG) has undertaken extensive discussions on improving the practical aspects of its functioning, as well as certain horizontal issues that impact the work of its 14 subsidiary bodies. A recent report by the former CTG Chairperson, circulated in document JOB/CTG/28, notes that the CTG has made significant progress in about half of the 30 issues that were put forward by Members. In these discussions, Members also expressed a preference for having a bottom-up process that takes account of the needs of each body, and this is why the CTG's 14 subsidiary bodies have launched similar processes to improve their own functioning.
- 2.18. I am heartened by the participation and constructive collaboration in these discussions. I understood from the CTG Chairperson that the Council is working towards preparing a comprehensive report to the General Council by the end of the year, containing all the practical reforms implemented in the goods area.
- 2.19. I look forward to this report and I encourage all Members to continue their proactive engagement with each other in these discussions. Let me stress that any substantive reform on the deliberative function of the WTO can only be possible in the context of Councils and Committees that work efficiently and are fit for purpose.
- 2.20. On services, the Chairperson of the Council for Trade in Services informed me that Members agreed that the Secretariat would map the practices of the Council and its most active subsidiary body in a similar way to what has been done in the CTG. I positively note that Members have also welcomed the improvements to the functioning of the Council for Trade in Services that had already been agreed and implemented such as the issuance of an annotated agenda and the back-to-back organization of services meetings.

- 2.21. On the developmental aspects of WTO reform, I learn that the Chairperson of the Committee on Trade and Development will be meeting bilaterally with Members to hear their thoughts on what should constitute the reform discussion on development, and what the Committee can be doing in that regard. The Chairperson also intends to use these consultations as an opportunity to explore possible improvements in the functioning of the CTD.
- 2.22. I also understand that the Committee on Regional Trade Agreements has been holding discussions on improving its functioning. The Chairperson of the Committee held informal consultations with Members last week to see how best to move these discussions forward. The suggestions from Members include both procedural improvements to the work of the Committee as well as discussions of a more systemic nature.
- 2.23. Also in the context of the current discussions on the functioning of WTO bodies, the Committee on Agriculture has received specific suggestions from Members. A tabular summary of these suggestions has been prepared, along with some practical suggestions on the matters raised<sup>10</sup>. I note positively that Members expressed their appreciation on how the Committee already conducts its business, its recourse to the digital platform and its documentation practices.
- 2.24. Let me use this opportunity to commend the membership and the respective Chairpersons of Councils and Committees for their efforts, which are aimed at improving the functioning of the respective WTO bodies. Please continue this crucially important work.
- 2.25. Likewise, I also note that the Secretariat is looking at ways of improving the day-to-day work of the General Council, including through the use of digital tools such as the eAgenda. Delegations will be updated on any new features and developments as progress is made.
- 2.26. Related to the topic of improving the functioning of WTO bodies, and as you had already heard from my predecessor, the Secretariat is undertaking efforts to improve the scheduling of meetings and Members' ability to plan, as requested by delegations. In particular, building on the evolving calendar of meetings for the year already circulated last December and revised in February, the Secretariat is designing an improved WTO calendar of meetings on its website. The new calendar will provide one common place to consult the WTO's meeting schedule, including tentative formal meetings.
- 2.27. We all need to bear in mind, of course, that tentative formal meetings may be subject to change, and are not formally confirmed until a convening notice is circulated. The new calendar will go live in due course, and Members will be informed appropriately.
- 2.28. To return to what I have heard in my consultations with Members, I also clearly heard the need to focus on substantive matters impacting global trade so as to ensure a credible WTO reform. We have already seen some Members' communications in this regard and will also discuss some under this item shortly.
- 2.29. Lastly, and related to institutional matters, I heard many Members note the importance of de-dramatizing the Ministerial Conference and improving the functioning of the General Council and the Trade Negotiations Committee to better harness their potential. A number of ideas have been put forward. I am pleased to note that as promised at the recent TNC meeting, Australia has circulated its ideas, which it will introduce shortly.
- 2.30. As announced at the TNC meeting, I intend to convene an Informal meeting on WTO reform focused on the deliberative function and institutional matters in due course. For this meeting, I propose that we follow the "safe space" retreat format that many of you have expressed support for. The modalities for this meeting will be shared with Members in the near future.
- 2.31. Let me once again emphasize that, in line with paragraph 3 of the MC12 Outcome Document, our WTO reform work will continue to be Member-driven, open, transparent, inclusive addressing the interests of all Members, including development issues. Guided by these principles, I will continue

<sup>10</sup> ICN/AG/2.

to work closely with the Director-General, Chairpersons of WTO Councils and Committees and Members.

- 2.32. The representative of the <u>United States</u> introduced the communication on "Improving Inclusiveness by Reviewing and Evaluating External Engagement" (WT/GC/W/871):
- 2.33. The United States, along with the delegations of Colombia, Guatemala, Israel, New Zealand, The Philippines, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, are pleased to provide a brief introduction today to our communication "Improving Inclusiveness by Reviewing and Evaluating External Engagement" circulated in WT/GC/W/871 and in the revisions issued last week to include new cosponsors. We welcome Peru as our most recent co-sponsor as of this morning. WTO Members are discussing ways to revitalize the organization's work, in order to be relevant and contribute to our efforts to find solutions to local and global challenges facing our economies. We are interested in reflecting on the adequacy of our current practices of engagement with external stakeholders and undertaking efforts to improve the inclusiveness of our work. Our communication is simply an invitation to Members to join our discussions so we can benefit from the widest possible range of perspectives. The co-sponsors are well aware that Members hold diverse views on how external engagement should take place within the WTO, and that considerable dialogue and discussion needs to take place before decisions are proposed or taken by the entire membership. The co-sponsors are signalling our willingness to start this conversation with any interested Members in an informal, bottom-up way to better understand the interests and objectives we may have in common for improving external engagement. We have set out three examples of issues where we believe it would be useful to start a discussion to review and evaluate current practices. First, to review how agencies within the UN system have incorporated multi-sector stakeholder dialogues in their efforts to advance the Sustainable Development Goals and compare with the WTO's practices. Second, to share experiences from the development assistance world, both bilateral and multilateral, to learn from them how they work across sectors to find comprehensive solutions to complex development challenges. Third, to review the existing mechanisms and practices already in place in the WTO to see if we can enhance or improve our exposure to outside views and perspectives to inject new energy and thinking into our agenda. If you are interested in engaging in these discussions, please reach out to any of the co-sponsors.
- 2.34. The representative of the <u>United Kingdom</u> introduced the next matter related to "Improving the Operations of WTO bodies to Revitalize the WTO's Monitoring and Deliberative Function":
- 2.35. I have the honour to introduce the communication entitled 'Improving the operation of WTO bodies to revitalise the WTO's monitoring and deliberative function' on behalf of the co-sponsors, contained in document WT/GC/W/877. The document was circulated to Members on 4 May. The day-to-day work at the WTO councils and committees is the lifeblood of this Organization. Improving the effectiveness and impact of this work, to enable the full participation of all Members, is at the heart of the WTO reform agenda. Activity to revitalise the Monitoring and Deliberative function is already happening throughout WTO bodies. It has filled this organisation with renewed energy, including the agenda of this General Council meeting, with papers from a wide range of the membership. We should not underestimate the importance of this work in building the trust the WTO desperately needs. The communications from the LDC Group; the African Group; from Argentina, Colombia, Ecuador, Paraguay and Uruguay presented to the CTG; in addition to some of the papers on the agenda today, are great examples of constructive contributions to this discussion. From all of these important contributions it is clear that there is broad agreement across the membership on so many elements of this important agenda.
- 2.36. So, the first aim with this paper is to bring together a number of the proposals we have seen across the different papers and committees into one place. This is in direct response to the plea from many smaller delegations to make sure there is transparency on what is happening on reform at the GC. Indeed, many of the ideas in this paper can have a real impact in boosting participation of Members, especially those with capacity constraints, in the work of the Organization. In this way the paper aims to be an "umbrella paper" covering the different issues being discussed on the procedural and deliberative elements of reform. Our intention is to complement and support the work already underway throughout WTO bodies. The paper recognizes the need to reinvigorate the monitoring and deliberative function at the WTO. It focuses on ideas to improve the operation of WTO bodies so that Members can fully participate in the daily work of the Organization. It recognizes the special challenges faced by developing country Members, especially those with significant capacity constraints. It also recognizes that the increasing challenges to engage substantively impact the

quality of the deliberation and policy dialogue, central to WTO effectiveness. This is not meant to be an exhaustive list of suggestions, rather an attempt to provide a list of options that WTO committees and councils can examine and consider when discussing their own operational reform efforts. Our hope with this paper is set out a clear set of steps we can take to make sure our reform effort delivers real practical steps and tangible results. As is the case for the many papers put forward by Members, we hope this helps spark further discussions so that we can work together to find practical ways to take them forward.

- 2.37. On the same matter, the representative of <u>Costa Rica</u> delivered the following statement:
- 2.38. Costa Rica is pleased to present this joint paper under the agenda item on WTO reform. Costa Rica believes that the proper functioning of the monitoring and deliberative function of the WTO has an impact on the fulfilment of the objectives of this Organization and on the proper functioning of the other pillars: the negotiating function and the dispute settlement function. I am now going to briefly provide some detail on this paper. The paper is divided into four substantive sections. Section 1 addresses the substance challenges for Members to fully and constructively participate in WTO meetings. This covers issues such as forward planning, scheduling of meetings and availability of documents. This section is complemented by the Annex, which provides specific ideas to improve working practices, including setting up web-based training systems, improvements to the e-Registration system, better sequencing and scheduling of meetings, and more timely distribution of relevant documentation for meetings. Section 2 aims to promote more substantive engagement in WTO meetings. This includes suggestions on the format of engagement, through the use of thematic or informal sessions to reduce duplication and allow for more free-flowing exchange of ideas. It also suggests leveraging the Secretariat's analytical capacity to better serve the membership and makes considerations regarding the role of the General Council and appointment of WTO officers. This section also touches on cooperation with intergovernmental organisations and on the way that other external stakeholders engage with the daily work of the WTO, as they are vital to ensure that WTO work is grounded in real world issues and more evidence-based, data-driven, and inclusive. Importantly, the paper recognizes that any decision-making must remain Member-driven. The third section refers to the balance between transparency and notifications. It is imperative that we get this balance right. The paper recognises that transparency is fundamental to the proper functioning of the multilateral trading system, while recognising the capacity, workload and human resource constraints related to notification requirements, especially for developing countries. Recognising these complexities, the paper offers a list of considerations for reform that include simplification of notification-related work, improvement to current notification assistance tools, exploring the use of analytical resources and focusing on transparency during global emergencies. Fourth and finally, the paper suggests improvements to the dialogue on trade concerns. Suggestions for adjustments to the operational arrangement for these discussions include changes in agenda sequencing, facilitating access to information through the use of annotated agendas, digital tools, reports on issues resolved and factual and neutral analysis of trends.
- 2.39. The representative of the <u>European Union</u> provided an update on its communication "Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges" (WT/GC/W/864):
- 2.40. The European Union would like to first thank Members for engaging with us since the last General Council meeting on our Communication on Reinforcing the deliberative function of the WTO. We will, of course, continue to engage further. In our exchanges, we heard overwhelming support for the WTO to re-establish itself as a forum for more meaningful policy deliberation. We have also received useful feedback on the three pillars of our communication. First, we are pleased to report a strong interest in looking deeper into the issue of state intervention in support of industrial sectors. The European Union believes that policy discussions are needed (i) to enhance transparency (going beyond subsidies); (ii) to consider the impact of such intervention as well as the role of industrial policy in promoting development; (iii) to examine whether the current WTO framework is fit for purpose, including identifying possible gaps. We have proposed the launch of a dedicated space for deliberation on state intervention and initiating a clear work programme incorporating these elements at MC13. This process could then deliver a report with possible recommendations at MC14. In our conversations, we heard a lot of concerns about a race to the bottom, the effects on third countries, including developing ones, as well as an interest in considering the role of state intervention in support of development and diversification, as illustrated in the African Group paper on policy space for industrial development. We are therefore encouraged by the interest in a deeper discussion on the interaction between trade and industrial policies and believe we should start

engaging now. We welcome your suggestion to convene a retreat in June to consider the institutional aspects of reform. In addition, we would like to suggest convening another retreat, which would allow Members to engage based in particular on the two proposals currently on the table (the EU and the African Group) related to the interface between trade and industrial policies. This retreat should take place before the General Council meeting in July.

- 2.41. Second, we are heartened by the strong support to reinforce deliberation on global environmental challenges in the Committee on Trade and Environment (CTE). The aim would be to enhance transparency, coordination and policy dialogue and hold discussions on the design of measures that maximise climate and environmental benefits while minimising trade impacts. We are pleased that engagement is already increasing in the CTE. There seems to be broad support for thematic sessions in the Committee. Already in advance of introducing those, the European Union will be continuing with the regular updates on the European Green Deal in the formal June CTE Committee. We will also be organizing side events during Environment Week on topics of particular interest to Members (such as CBAM and deforestation). Third, the trade and inclusiveness segment. We recognize that Members seek further clarifications and have expressed some concerns. But as the Director-General keeps recalling, this Organization is to serve people, and this is a pillar we just cannot ignore. In practice, we see value in improving the understanding and analysis of distributional impacts of trade and how to facilitate the integration of developing countries into global value chains. We have noted interest for addressing the gender dimension too. We also need to better inform our deliberations and find ways to better engage informally with external stakeholders and with other international organizations to bring in broader perspectives, while of course preserving the Memberdriven nature of this Organization. Against that background, we propose to organize a workshop or seminar bringing together the WTO, World Bank, UNCTAD and ILO for sharing working papers on the distributional impact of open trade policies. As part of this inclusiveness pillar, we also see the opportunity to address development across the three core functions of the WTO. I look forward to hearing Members' views on these suggestions.
- 2.42. The representative of <u>India</u> provided an update on its communication "CTD Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO" (WT/GC/W/865):
- 2.43. We are encouraged by the response in the last General Council meeting. Members echoed the centrality of development dimension to the WTO, the need for focused work on special and differential treatment, correcting imbalances in the existing rules from development perspective, acknowledging the broad dimension of development that includes policy space for industrialization, reducing trade barriers, bridging digital divide, enhanced integration of developing countries in the global trade, capacity building, technology transfer addressing debt burden issues and confronting crisis, etc. It was felt that development being such a wide and cross-cutting issue, but meeting all functions in the WTO, would require focused consideration and coordination and therefore CTD as focal point should be responsible for this. Allow me to elaborate on certain relevant points raised by members. First point was as to how this mandate of CTD would not be perceived as an oversight over other WTO bodies, and how this proposal would impact the work of other bodies. Another observation while broadly agreeing with the proposal was that it might have been too soon after the retreat to suggest concrete changes to the CTD. Members also sought more clarity on what exactly the proposal seeks. Let me respond to these points together. The proposal does not seek any new mandate for the CTD. It is supposed to function as focal point on development, as per its original terms of reference (WT/L/46 dated 23 February 1995). That was further reiterated by our Ministers during the Eighth Ministerial Conference. The proposal seeks to operationalize this mandate. One likely reason that this mandate remains unfulfilled could be differing interpretations of the terms of reference, including reading into it issues of oversight. The proposal essentially seeks that the General Council lays down as to how the CTD would formally engage with other WTO bodies, including the General Council in a structured way on the development dimension, keep an account of such work at one place, does regular reporting on this work, work on development issues to be further taken up by the relevant committees and reporting to GC its recommendations and seeking direction. This would ensure that the work on development dimension is well coordinated, reported and not lost sight of.
- 2.44. Let me give an example. During the successful development retreat in February, Deputy Director-General Xiangchen Zhang was summarizing around forty specific action points as a way forward, in line with the directions given by Ministers on development work. My request and plea is, again, that DDG Zhang's report may be circulated. This does not give any oversight to the CTD on any other body, but only helps the Organization to keep the development work coordinated,

benefiting all, including other WTO bodies. The other relevant issue raised was regarding the Monitoring Mechanism that was created as per the 2013 Ministerial Mandate for review of special and differential treatment provisions, but no Member has availed itself of this opportunity. It was suggested that Members figure out as to why it has not worked and how this could be improved. We fully agree. The Monitoring Mechanism was supposed to function for a limited period and reviewed thereafter. However, it never worked. It is good that the proposal has rekindled this debate on the Monitoring Mechanism. The General Council must separately deliberate on the Monitoring Mechanism and review as to why it has failed us and ask whether there were any concerns with its mandate. We should report back to Ministers in MC13 on it, but this should not hold the General Council from issuing the decision containing the guidelines for operationalizing fully the mandate of the CTD as focal point and I suggest that we may agree to the proposal in this meeting and direct further course of action.

- 2.45. The representative of <u>Australia</u> introduced its communication "Maximising the Value of WTO Ministerial Conferences" (WT/GC/W/873):
- 2.46. I am pleased to introduce Australia's Communication on 'Maximising the Value of WTO Ministerial Conferences' contained in WT/GC/W/873. We have an opportunity to make the next Ministerial Conference in Abu Dhabi our first genuine WTO reform conference. We are at a consequential moment for the global trading system, which is facing unprecedented challenges with climate change, the pandemic, unprecedented levels of state intervention in markets and a growing perception that trade is not inclusive. Against that background, we need to elevate our Ministers' engagement in Ministerial Conferences to focus on how the multilateral trading system can effectively address these global imperatives and provide regular political guidance for negotiations in Geneva. This approach would encourage collaboration and help deliver on Members' stated desire to de-dramatize Ministerial Conferences. We need to avoid the high-stakes, risky Ministerial Conferences, which are too dependent on rule-making outcomes to define their success. The idea that officials can rely on Ministers to close wide gaps in rule-making deals on complex issues within a matter of days is unrealistic and unsustainable. It is also generally not successful, with only two of the last twelve Conferences producing new multilateral treaties. As is clear from the fifth dot point in our paper, our approach is intended to maintain the focus of the Organization on rulemaking through identifying a more cooperative and productive approach to this element of the Organization's work. The ideas contained in our paper are consistent with the role of Ministerial Conferences as set out in the Marrakesh Agreement. We need to build on that formal understanding in that Agreement and shift the culture and expectations around Ministerial Conferences to generate a more collaborative, productive dynamic. The ideas in our paper are not intended to be exhaustive. We welcome your views on these and other potential ideas for maximizing the effectiveness of Ministerial Conferences. We want to promote an active discussion on this paper, including at the upcoming informal WTO reform retreat, and we are open to amendments and co-sponsors. We have a rare opportunity before us to ensure MC13 becomes our first genuine WTO reform ministerial. Let us seize this moment.
- 2.47. The representative of <u>India</u> introduced the item "30 for 30 Suggestions for Improving the Functions in WTO":
- 2.48. Our paper "30 for 30" contains suggestions for improving the functions in the WTO (WT/GC/W/874). We hope that the Members had a chance to review this paper. We seek a collective and constructive way forward on our proposal for reform-by-doing. This Organization will enter the 30th year of its existence by the end of 2023. To celebrate this occasion and to further cement the place of the WTO as the central pillar for global multilateral trading architecture, we believe that Members can collectively act between now and first of January 2025 to bring about at least 30 operational efficiency improvements. This paper was ready in January 2023. However, it took some time to table it formally. It is heartening to see that some of the items listed in the paper have since been undertaken for the efficient functioning of some Committees and Councils and are also echoed in some of the papers submitted by other Members. This paper has an indicative list of proposed improvements. We have also proposed indicative timeframes for implementing these suggestions that are incremental in nature, and doable within the suggested timeframe. We have had extensive consultations on this proposal with Members informally and have benefited immensely from the inputs and comments provided by other Members in preparing this paper. This list is not geared towards content reforms of the WTO but addresses pain points, which we all collectively endure in our day-to-day work and seeks to alleviate them. We wish to build consensus on a list that reflects suggestions from all Members related to the working of the Organization. We have proposed that

the Council and TNC Division of the WTO can compile Members' suggestions and group them by relevance. Informal discussions may be held to evolve consensus. Perhaps, we can take inspiration from the discussion format that has been already used by the Council for Trade in Goods and here, I must compliment the excellent work done by our colleague from France. We are also pleased to offer a specific intervention on the suggestion on building a productivity mobile app for the WTO. India is home to a large pool of technology talent specialists. We propose to build this app for the WTO, which should be ready by MC13, if Members agree that a mobile app will help us navigate the work of the WTO better in our day-to-day functioning. The proposed features of the app are listed in our paper. We will be happy to present a specific proposal and take this initiative forward with the WTO Secretariat.

- 2.49. The <u>Chairperson</u> thanked all delegations for their papers and ideas and noted that some of these would be taken up at the planned Informal meeting on WTO reform on the deliberative function and institutional matters scheduled in June.
- 2.50. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.51. The African Group thanks delegations that have submitted proposals on this important process of WTO reform as mandated by our Ministers at MC12. The number of proposals that we consider today, combined with those tabled at the last General Council are a testament to the importance that Members, including the African Group, attach to ensuring this Organization is agile and responsive to the challenges of the day. We extend our appreciation to Members that have given us an ear and those that reached out to us to exchange views and ideas on the path towards the reform of the WTO, both in its substantive form, as well as regards matters of process and procedure to enhance the effectiveness of our work in the various WTO bodies. In this regard, allow us to recall our substantive submission to the March General Council meeting, titled "Policy Space for Industrial Development A Case for Rebalancing Trade Rules to Promote Industrialization and to Address Emerging Challenges Such as Climate Change, Concentration of Production and Digital Industrialization" (WT/GC/W/868). This contribution is premised on the vision and approach of the African Group to WTO reform articulated in the following documents: (i) the African Ministers of Trade Declaration on WTO Issues (WT/MIN(22)/10) and (ii) the joint communication "Strengthening the WTO to Promote Development and Inclusivity" (WT/GC/W/778/Rev.5).
- 2.52. Our assessment of all proposals on WTO reform will thus be on the basis of whether they are consistent with the vision and objectives expressed in these documents which, among others, encompass: (i) promoting development and the achievement of inclusive development-oriented outcomes; (ii) strengthening the multilateral character of the WTO, including preservation of decision-making by consensus, and preserving its Member-driven character; (iii) addressing unilateral and protectionist actions; (iv) reaffirming the principle of S&DT, promoting inclusive growth and expanding policy space we need to advance our industrialization and development objectives; (v) delivering on longstanding development mandates; (vi) ensuring different economic models have space for consideration in our engagements, including the role of government policies to address market failures to achieve development objectives; (vii) restoring the dispute settlement function of the WTO; (viii) reaffirming existing transparency obligations, simplifying and streamlining them to reduce the burden on limited capacities of developing countries; and (ix) ensuring inclusivity in the operations and functioning of WTO committees and negotiations processes.
- 2.53. We note the proposals tabled today address matters of process as well as procedure relating to the conduct and functioning of the General Council, its subsidiary bodies as well as Ministerial Conferences. To the extent that the intention would be to improve efficiency, ensure inclusivity, and facilitate effective participation of developing countries in the activities of the WTO, the African Group will be positively inclined. The African Group stands ready to contribute to efforts that will strengthen the multilateral character of the WTO. In doing so, we will be mindful that in the process we do not dilute, but rather preserve the Member-driven nature of the WTO. In this regard, we refer, for instance, to proposals that suggest new models of interaction with external stakeholders, including changes to the rules of procedure of WTO bodies. Inclusivity, in our view, should permeate the operations and functioning of WTO committees in the conduct of their work, including processes leading up to, and during, Ministerial Conferences. Matters such as the scheduling of meetings, access to timely information and assistance to capacity-constrained delegations require our attention to ensure that all Members meaningfully and actively participate in shaping the rules of the game, and the reform we seek for the WTO. Ensuring the balance of different views in our interactions,

including in the manner the Organization disseminates information in its communications with the public and external stakeholders, its research and publication agenda is also key in this regard.

- 2.54. On the substantive elements of WTO reform, the African Group moves from the premise that government policies can play a positive role in addressing market failures to pursue development objectives. The submission referred to earlier, which we presented to the last General Council meeting and to the CTD in April, titled "Policy Space for Industrial Development" (WT/GC/W/868), calls for a rebalancing of trade rules in some WTO agreements that hinder our ability to structurally transform, industrialize and diversify our economies. This contribution towards the developmentdimension of WTO reform provides a practical and focused assessment of the WTO Agreement and rules that require rebalancing to support the structural transformation, industrialization and diversification of African economies, in particular, and developing countries in general, including LDCs, and defines the policy space required towards those ends. Our submission also addresses industrialization from the perspective of contemporary challenges and developments such as climate change and digitalization, calling for approaches to rules that will foster meaningful and qualitative integration of developing countries into global value chains as producers and exporters and not merely as consumers. We note in this regard that the EU submission on "Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges" (WT/GC/W/864) also addresses the role of the state in industrial policy, but from a different perspective, including the modalities and timelines of engagement. For our part, we envisage immediate technical engagements towards unpacking the issues entailed in our paper in respective committees (i.e., the TRIPS Council, TRIMS Committee, the Rules Committee on Subsidies and Countervailing Measures and the Working Group on Trade and Transfer of Technology).
- 2.55. As previously stated, we shall soon be tabling supplementary proposals to initiate technical discussions. The role of the CTD as a focal point on development issues is also pertinent in this regard, as we are reminded by the submission of India (WT/GC/W/865). The African Group is committed to ensuring that MC13 delivers a comprehensive development package, inclusive of these issues. Whilst we welcome the suggestion to reinvigorate multilateral deliberations in the Committee on Trade and Environment CTE on trade and global environmental challenges, we do trust that these will also address the proliferation of trade barriers through unilateral sustainability measures. These should also not obscure the work carried out in the specialized international organizations in this area, respect commitments and obligations under those forums and must fully integrate the principle of common but differentiated responsibility, and primary responsibility in the current environmental crisis. The African Group remains open and intends to work together with other Members to ensure that the WTO delivers on its mandate in line with the Preamble to the Marrakesh Agreement Establishing the WTO.
- 2.56. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.57. The LDC Group welcomes the proposals. We are studying them in our capitals. At this point, we want to make some preliminary remarks. The LDC Group welcomes the fact that some of these submissions contain elements from the LDC Group's submission on WTO reform, contained in JOB/GC/223/Rev.1. These elements relate to, for example, practical steps that can be taken now within the existing mandates of the Secretariat and Chairs of WTO bodies, such as, for example, annotated agenda for all meetings in all WTO bodies, the conduct of meetings, issues of overlapping meetings, which continues to escalate, maintaining the hybrid mechanism with Interprefy. We thank those delegations that have met with the LDC Group since MC12 to work on our submission and align ideas in their own submissions. We are inspired that other delegations have come forward in a similar direction. We wish to keep our proposal on the table in the General Council for further discussions and are open to any delegation wishing to discuss the elements contained in it. In addition, we have discussed a couple of additional comments on WTO Reform. LDCs will convey to the CTD Chair our views on the development aspect under reform. We look forward to any proposals on the role of the CTD, taking into account that we also have the LDC Sub-Committee and that LDCs also have key proposals in other bodies under negotiation for adoption in those bodies. Furthermore, regarding the WTO reform work on the functioning of the WTO dispute settlement pillar, we understand that some Members are meeting informally to address this matter and sending informal invitations. However, LDCs are having difficulties to keep up with the meetings taking place outside of the DSB or General Council process. We also note that in paragraph 4 of the MC12 Outcome Document, Ministers committed to conduct discussions on this matter with a view to achieving a fully functional dispute settlement system by next year. It is therefore logical for us to request the General Chair to lead this process on any reform initiative, as instructed by Ministers at MC12 in

paragraphs 3 and 4. The LDC Group would like to reiterate our request that the Secretariat prepare a matrix with all of the reform proposals still on the table, previous and new ones.

- 2.58. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:
- 2.59. We would like to recall the ACP Group's active role on this matter toward the decision taken in paragraph 3 of the MC12 Outcome Document (WT/MIN(22)/24). We further note the numerous submissions regarding the functioning of committees and other meetings, particularly on the aspects that can be taken up or implemented immediately in accordance with the existing mandates of the Secretariat and the relevant bodies. The submissions are under review within the ACP Group and at our respective capitals. Regarding the proposals that have been introduced today on this file, the ACP Group takes note of the presentations made by the proponents of the respective submissions and will take these into account in our review. We suggest that the General Council agree on a methodology within this body to take up these proposals. An organized and inclusive approach at the General Council level is key for small developing country Member delegations to be able to keep up with and participate in the work.
- 2.60. The representative of Barbados, on behalf of CARICOM, delivered the following statement:
- 2.61. The CARICOM Group recognizes the commitment of the co-sponsors in putting forward proposals and thanks them for their presentations this morning. The fact that the General Council has been asked to deliberate on at least six papers in a single sitting should not go unnoticed. This is evidence of the high importance that Members place on WTO reform and shows our shared commitment to building the WTO that we all want and deserve. We thank co-sponsors that reached out to CARICOM to share these papers and ideas in advance. The itemization of the various proposals in the agenda has been useful for our small, capacity-constrained Members to not only identify and to focus on the various elements that are being brought forward under WTO reform but has also given us a greater appreciation for how various Members are, at least at this stage, defining reform. Using the cataloguing of items under this agenda item as a guide, the CARICOM Group requests that the Secretariat compile and circulate a document listing all of the proposals that have been submitted by Members in the name of WTO reform.
- 2.62. There are a number of useful suggestions that have been put forward in the various proposals. Some are innovative, some are simple, some will require much further discussion, and some are already happening in other bodies. We must, however, ensure that effectiveness and efficiency guide us. We must avoid duplicating or over-complicating our work, while also seeking to ensure that all Members have equal opportunity to participate in the discussions on WTO reform. In planning such work and indeed all work of this Organization, due respect must be paid to the principles of consensus, transparency, inclusiveness and full participation of all WTO Members, including those that are small. For WTO reform to work it has to be anchored within a process that gives all Members a voice. Our work here has lasting and binding legal effect, which is subject to, what we expect would bring us back to a two-tiered dispute settlement system that we can all agree to. We agree that WTO reform cannot be done in a vacuum, we must seek to draw on experience of other international organisations. In so doing, we must also be cognizant of the types of reforms that our very Members, including CARICOM, are calling for in those organisations, including on issues of greater developing country participation in decision-making and financing and accessing development assistance. Here, we draw your attention to the 'Bridgetown Initiative' in particular and multilateral engagements related to financing for implementation of the SDGs. The CARICOM Group wishes to reiterate the high importance that we place on WTO reform. We look forward to receiving the compilation of proposals requested and to further engaging with Members in this and various formats.
- 2.63. Briefly from the perspective of Barbados. I wanted to pick up on two issues that the Director-General raised this morning on MSMEs and the importance of highlighting their wins and assisting them with their supply side constraints. I was pleased to take over the chairmanship of the Informal Working Group on MSMEs from Ambassador José Luís Cancela (Uruguay) and I thank him for his excellent stewardship. I would wish to utilize the Working Group on MSMES to give more of a voice to MSMEs from Africa economies and other developing countries and to highlight their priorities. As you know, the Working Group has both a structured discussion with business and an annual Trade4SMES network meeting with international organisations and development banks, which will take place on 28 June in the same week that we commemorate MSMES Day. I also wanted to link this to some of the WTO reform proposals that spoke about importance of stakeholder consultation.

On the Director-General's suggestion of a Senior Officials meeting in July, Barbados supports this with the caveat that if it is in person, some LDCs and SVE Members may need assistance in getting their officials here. We agree with the United States that the agenda and expected outcome should be focused and clear.

- 2.64. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 2.65. We are aligned with the statements made by CARICOM and the ACP Groups. We are grateful to all the Members, which have submitted proposals on WTO reform. It is very pleasing to see that the work on WTO Reform is gathering some momentum as we respond to the mandate in paragraph 3 of the MC12 Outcome Document. We are still studying the various proposals and we are having relevant consultations with our capitals. It is difficult to do justice to these proposals in the format of the regular General Council meeting. Therefore, we once again call for a dedicated structure under the aegis of the General Council to provide Members with an opportunity to more thoroughly discuss the relevant proposals. Such a structure or process can be led by the General Council Chair or a Facilitator. When proposals are ripe for a decision, they can then be brought to the General Council. Furthermore, it may also be useful to maintain on the WTO Members' restricted website, a central repository for all WTO reform-related documents and submissions. This would be particularly useful to smaller delegations with capacity constraints.
- 2.66. For now, we will reserve our substantive comments on the various proposals until a subsequent meeting. However, we commend the proponents and look forward to future engagements. We must also admit that the US, EU and India brought some very useful clarity to their respective proposals, and we thank them for the additional explanations. Specific to dispute settlement reform, the OECS supports the Informal discussions and we have been engaging actively and constructively. However, we must caution that we cannot separate process from substance, and we disagree with those who hold the view that the process should not be bogged down by process issues. It is essential for this work to remain open, transparent and inclusive. Every attempt must be made to ensure that meetings of the Informal process do not clash with other important WTO meetings. This is especially important to allow small delegations to participate adequately and substantively in the process. If we and other Members are absent from the room, then that too affects the substance of the end product. We look forward to this work maturing and to the full restoration of the dispute settlement system by MC13.
- 2.67. The representative of the European Union delivered the following statement:
- 2.68. In a rapidly changing economic and geopolitical landscape, modernization is a must for the WTO. The fact that we have today six papers on reform demonstrates that there is momentum building up on the reform process. The European Union supports practical improvements to the functioning of WTO bodies. We are pleased to announce that we will co-sponsor the communication on "Improving the Operations of WTO Bodies" already co-sponsored by 18 Members. The ideas included in the document come in support of the more substantive engagement we are calling for in our own communication. The European Union welcomes the fact that a number of these ideas are in fact already being discussed or implemented by individual Committees, where a lot of positive "bottom-up" work is taking place. The European Union encourages all WTO bodies to decide on practical improvements within their areas of competence ahead of MC13 in order to report positive steps to Ministers. We need to think about when these can be decided to have them agreed ahead of MC13 and report this to Ministers. We are also ready to look at how to make Ministerial Conferences more efficient, with the understanding that "de-dramatizing" them should not detract from their role of getting us to ambitious and substantial outcomes at MC13 and beyond.
- 2.69. We also welcome the calls today for stronger involvement of external stakeholders, as outlined in the paper on improving inclusiveness (WT/GC/W/871), an issue which we also addressed in our paper. While these operational improvements are important, we must also ensure that we devote the necessary focus to the work on substance, as outlined in my previous intervention. On development, the European Union welcomes the comment in the Indian submission that the mandate of CTD "is not to replace but to complement the work of other bodies on development [...] through coordination and consultation with these WTO bodies". This recognition tallies with the European Union's understanding of the CTD's mandate, but also with our views on a better functioning of WTO committees. We look forward to further consultations with Members, and to the retreat on the deliberating function announced for June. We call again for it to be complemented by a further

retreat on the interface between trade and industrial policies, which should help us map out work on this very important topic. I want to reiterate that the top priority for the European Union is the restoration of a fully functioning dispute settlement system by 2024. To react to the Director-General's suggestion for a TNC Senior Officials meeting in July, it is a good idea, provided we give careful consideration to the topics and organisation of the meeting.

#### 2.70. The representative of <u>Argentina</u> delivered the following statement:

- 2.71. As we said during the last General Council, Argentina welcomes different ideas and forums for discussions on reform, as was mandated at MC12. Argentina would like to thank the delegations that submitted the six documents for discussion at this meeting. We believe it is very important for us to take time to debate topics that would improve the functioning and organization. However, beyond the need to discuss organizational matters, we must acknowledge that the Organization receives significant criticism related to the absence of concluding multilateral agreements - resulting in progress in trade rules and the promotion of development. We understand that this deficiency is largely due to the non-compliance with the negotiating mandates agreed by Members, which were laboriously negotiated over years and include topics of vital importance to developing countries. Agriculture is an outstanding debt of the WTO, as evidenced by the lack of substantive progress at the last Ministerial Conference. We must work to achieve a realistic and balanced result at the upcoming MC13 that can contribute to achieving agricultural reform in accordance with the mandate in Article 20 of the Agreement on Agriculture, as aspired for more than 25 years. Reforming agricultural trade rules must be at the heart of the WTO's response to the food security problems faced by many countries, including the elimination of distorting subsidies. These do not only result in unfair competition for efficient producer countries but also cause major environmental damage, with polluting emissions and biodiversity loss. We must also continue working to fully re-establish the dispute settlement system.
- 2.72. With respect to proposals to formalize the participation of relevant stakeholders, as noted in WT/GC/W/871, the WTO already has mechanisms to incorporate perspectives from other stakeholders, which are valuable contributions to Members' analysis of different issues. Argentina is ready to engage in a conversation to improve these mechanisms and ensure that all voices are heard and included in Members' analyses. These improvements must lead to greater inclusivity and transparency, based on the direction and format agreed by Members. In our statement at the previous General Council meeting in March, we referred to document WT/GC/W/865, submitted by India, and communication WT/GC/W/864, submitted by the European Union. Our comments on these documents remain valid. In Argentina's view, the reform process must retain the development dimension as its primary focus, since we are still very far from achieving the development goals set many years ago. It must also ensure that the improvements to the functioning of the Organization are relevant to our citizens and meet the needs of our businesses, especially MSMEs, which are the driving force behind job creation in developed and developing countries alike. We thank the cosponsors of document WT/GC/W/877, which contains many suggestions on how to improve the everyday work of the Organization and is still under consideration by our capital. We take this opportunity to mention the proposal that we presented to the Council for Trade in Goods together with five other Latin American countries, which includes suggestions to improve the functioning of the CTG and its subsidiary bodies. We thank the sponsors of the document for including an explicit reference to our proposal.
- 2.73. We also see that this document, our proposal in the Goods Council and India's 30 for 30 proposal have many points in common. We also take this opportunity to thank India for this proposal. Discussions on improving the everyday operations of the Goods Council's subsidiary bodies have progressed remarkably in recent months. This progress must be acknowledged and encouraged, and not delayed. Results are within reach, and some are even already a reality, such as the implementation of the e-agenda in the Goods Council, which will soon be launched on a trial basis. Argentina, as a sponsor of document JOB/CTG/21, believes that the General Council should think about how to improve its own functioning and encourage the subsidiary councils to consider their own reforms under its stewardship. Analysing and undertaking these improvements should facilitate the work of the delegations particularly those with limited human resources and thus expedite progress on issues in what is a consensus-based Organization. Regarding the proposal in document WT/GC/W/877 on stakeholders' engagement, we would like to point out, as we have said before, that we believe that the existing channels, if they can be improved and strengthened, are suitable for facilitating engagement. Any change that might be considered must not involve creating new permanent bodies within the WTO. As regards the sequencing of trade concerns agenda items, we

do not think that this is the most appropriate method, since it would mean setting aside the debate on unresolved items, which remain on the agenda for lack of response by the concerned Member and are the very topics that might require greater attention to avoid further delays. We welcome the document from Australia (WT/GC/W/873) and we are ready to work on this matter. We support the premise that the value of Ministerial Conferences should be maximized to give our leaders the opportunity to exchange ideas through frank, inclusive and in-depth discussions that allow us to agree on solutions and achieve the concrete outcomes demanded by our societies, in view of the direct impact of the major challenges facing multilateralism and international trade on the citizens of WTO Members.

- 2.74. The representative of <u>Samoa</u>, <u>on behalf of the Pacific Group</u>, delivered the following statement:
- 2.75. We align ourselves with the statement made by the ACP Group. We thank you, Chair, for your report and we welcome the submissions made by several Members to advance the work we expect to achieve in this area. We thank those Members that have reached out to provide information on their submissions, particularly the European Union and Australia. We appreciate the statements made by all Members expounding on the submissions they have tabled at this GC meeting. The Pacific is reviewing these submissions and welcome the announcement of an informal retreat-like meeting that could be the necessary platform for furthering our discussions on reform specific to the institutional and deliberative function of the Organization. We look forward to receiving further details on this planned retreat. The Pacific Group continues to stress the importance of ensuring that WTO reform is an open, transparent and inclusive process. Considering the increase of submissions pertaining to reform, not only at the General Council but within various WTO bodies, we do agree with the OECS Group for the WTO Secretariat to create a dedicated central repository for all WTO reform-related documents on the WTO website. This would assist smaller delegations like ours to keep up with documents being tabled on this important work. The Pacific continues to view the restoration of the fully functioning of the two-tiered dispute settlement system as a priority for MC13. We stress that any reform to be agreed on this issue should ensure that the dispute settlement system is accessible and affordable to all, including small Members.
- 2.76. The representative of <u>Thailand</u> delivered the following statement:
- 2.77. Thank you, Director-General and Chair, for your reports, which I find very useful and detailed. We welcome the initiatives that both of you have proposed. It is clear that having many proposals on this topic shows that WTO reform has become very important for many Members. I take note that the proposals come from both developing and developed Members and I find this very encouraging. We also see how the interests have widened beyond the dispute settlement mechanism issue to cover many interesting ideas on the table. At the moment, we are still consulting with the capital, and we hope to provide some views at a later stage. But at this juncture, let me share few observations and our initial thoughts on the proposals. Many points in the papers seem to share the same ideas or improvement. So, we hope that there could be emerging commonalities soon. We also think that not all of them have to go to MC13. The detail does not need Ministerial approval, so we hope that some can be agreed upon before MC13. The proposals reflect some movement, which we call "inside out" and "outside in". "Inside out", it means that the WTO should think about what to do inside the Organization in order to work better. We want to emphasize that the issues that we consider as the most important are the review of current practices of WTO Secretariat, as well as leveraging the Secretariat research and analytical capabilities. Related to "outside in", I must emphasize that we support the increasing engagement of Members, but it does not have to be only with outside stakeholders. We have to also engage among ourselves (Members). We also want to see more engagement from international organizations, civil society, private sector, big and small, and from LDCs, developed and developing countries. I hope that all proposals will give priority to the development dimension, and it will not be a burden on any budget or personnel of the WTO. We look forward to the retreat that will be organized soon.
- 2.78. The representative of <u>Singapore</u> delivered the following statement:
- 2.79. The spread of proposals also reflects Members' deep interest in, and commitment to, pursue WTO reform seriously. Allow me to make three broad points. First, we should shift gears and move from the "discovery" phase to the "distillation" phase of our discussion on WTO reform. It is encouraging that Members have mooted close to 60 ideas in their various proposals. These ideas span the entire spectrum, from those dealing with the strategic implications of industrial subsidies,

to procedural ones to "de-dramatize" Ministerial Conferences, and even technical suggestions like enhancing the use of digital tools. Naturally, there are different objectives and motives behind the different proposals. But in order to make progress on WTO reform, it is imperative for Members to adopt an open and unbiased approach when examining each another's proposals, and avoid insisting on the superiority or primacy of their own proposals. The upcoming retreat on WTO reform will be an important opportunity for Members to (i) identify ideas that have gained broad traction; (ii) synthesize ideas that share commonalities to avoid duplication and (iii) distil these ideas into a single proposal for adoption at MC13. Given the large number of diverse ideas on the table, we can adopt a phased approach, given that WTO reform will, by necessity, be a multi-year process. In the immediate term, there are common-sensical ideas that the Secretariat can implement right away, such as, annotated agendas with hyperlinks to documents. Concurrently, we can place different ideas into different baskets, with short, medium and long-term timeframes. In terms of modality, Members should remain open to flexible configurations and formats that can help to bridge differences and make progress, in order to "deliver" on this important issue at MC13. WTO reform is such an important and critical issue that we must not allow the "practice of consensus", as set out in Article IX of the Marrakesh Agreement, to paralyze progress. In fact, a key focus of WTO reform must be to find ways to ensure that Members exercise "responsible consensus", so that it will strengthen rather than weaken the WTO, which must be the collective goal of every Member.

## 2.80. The representative of <u>Ecuador</u> delivered the following statement:

- 2.81. My delegation wishes to express its appreciation for the presentations made by Members that have taken the floor under this item. We believe that all the contributions are constructive, and we can identify common areas of interest across the various proposals and communications. This is very encouraging. As a contribution to the discussions under way on this topic in the Goods Council and its subsidiary bodies, Ecuador is co-sponsoring document JOB/CTG/21, together with Argentina, Brazil, Colombia, Paraguay and Uruguay. The document is intended to present several suggestions for improving the bodies' work and promoting an organized and structured exchange on the issue. My delegation therefore aligns itself with the statements that have been and will be made by the Members mentioned above. They will address issues including (i) the challenges faced by delegations with limited staff; (ii) the role of the General Council in these discussions; (iii) respect for the working methods of each Council and subsidiary body; (iv) the structure of the meetings calendar of the entire Organization; and (v) the "reform by doing" approach.
- 2.82. JOB/CTG/21 was formally submitted to the Goods Council and to five technical committees, namely, the Agriculture, Market Access, TBT, SPS and Trade Facilitation Committees. It was also presented orally to the Import Licensing, Safeguards, Subsidies and Anti-Dumping Committees. At numerous formal and informal meetings, the co-sponsors of the document and other Members were able to identify elements that concerned most, if not all, of the bodies. They thus exceeded the remit of any specific body. One of those elements was understanding the budgetary impact, if any, of expanding the use of digital tools (eAgenda and E-Registration). To move forward with this analysis, the General Council should request the Committee on Budget, Finance and Administration to consider the matter, which would go hand-in-hand with the work being carried out by the Information Technology Solutions Division in this area. If the necessary will is there, this Council could adopt such a decision at this very meeting. In Ecuador's view, this action fits in with the bottom-up and top-down approach. In the first instance, the Goods Council and its subsidiary bodies have identified elements that need to be managed by the General Council and, in this second instance, the General Council analyses those elements and makes suggestions or recommendations on the matter to the bodies within its remit. Ecuador is aware that this is a learning process, and it therefore remains committed to continuing its proactive contribution to this discussion. I would like to thank several Members for their interest in the proposal co-sponsored by Ecuador and invite interested delegations to support it.

#### 2.83. The representative of <u>China</u> delivered the following statement:

2.84. It is really encouraging to see that the momentum of reform is gaining, and Members are practicing the approach of "reform by doing", especially through two different channels. The first channel is obviously the dispute settlement reform, on which I have fully clarified China's position and I will not repeat it today. The second channel is to improve the WTO's functions. In this regard, we welcome the six proposals on the table and the one on General Council and TNC reform, which is circulated by the US yet not on today's agenda. We thank those proponents who introduced the proposals and discussed them with China in advance. In order to have our discussions in a well-

structured manner with a view to translating all the valuable ideas into concrete actions, China supports the Chair's initiative to have an informal meeting on all the relevant issues with a clear objective. To facilitate the discussion, we would also suggest that the Secretariat categorize all the issues raised in the relevant proposals and indicate the status of each suggestion, such as "done already", "could be done", "need further discussion", etc. For the "could be done" now, let us do it immediately. I would like to touch upon a couple of issues mentioned in the proposals. First, we believe those technical and less-controversial suggestions on improving the daily operation of WTO bodies, such as, for example, annotated agenda, earlier circulation of meeting documents and minutes should be harvested and implemented as soon as possible through General Council decisions. China welcomes the current progress in the CTG and CTS and the specific ideas in Members' proposals.

2.85. As there are many common practices among various committees, it is recommended that we develop standardized best practices and apply them across the board. We support having discussions on enhancing external stakeholders' engagement. In the meantime, we recognize that any decisionmaking process will remain Member-driven. While we see the importance of enhancing cooperation with other international organizations, especially to address global challenges, we should focus on the WTO's merit, to ensure synergy with others, rather than duplicate others' work. For external engagement, the WTO has its existing rules and guidelines. We ask the Secretariat to prepare some background documents to facilitate Members' discussions. On WTO Ministerial Conference, we could not agree more with Australia that we should maximize the value of MC. We support the proposed ideas, such as deeper policy engagement, focusing on WTO reform, intersessional Ministerial gathering, de-dramatizing the MC, etc. However, when we say de-dramatize, I do not think we want to turn future MCs to be a "talking shop". On the contrary, it means letting Ministers make decisions rather than negotiate. As development is the centre of WTO reform, we support India's proposal on enhancing the role of the CTD and look forward to further detailed discussion. Regarding the Director-General's suggestion, China is open to that, if it is necessary and helpful for the success of MC13.

## 2.86. The representative of <u>Brazil</u> delivered the following statement:

2.87. Brazil shares the views expressed by the Director-General that reform is not enough for MC13. How agriculture reform should contribute to food security, particularly on domestic support, must be an indispensable part of that package. With regard to the different proposals tabled under this item, Brazil thanks all the proponents for their communications, which are all under consideration in capital. Without prejudice to our position on these issues, I would like to make some brief reactions. Brazil welcomes the initiative of Canada, Costa Rica and the United Kingdom in putting together so many ideas to improve the operation of WTO bodies and will engage further with proponents and other Members to address this important issue. Brazil has the pleasure of being a co-sponsor of the JOB/CTG/21 proposal, together with Argentina, Colombia, Ecuador, Paraguay and Uruguay. We identify areas for improvement in the functioning of the General Council itself, including its calendar of meetings. That is, to have a global calendar of meetings for the entire Organization. The proponents of JOB/CTG/21 understand that a change in the dates of the General Council meetings affects the sequence of all other meetings of the subsidiary bodies. In this respect, the co-sponsors believe that a global calendar of meetings is an incremental proposal, but one with an important effect that will help us all enhance our activities within the WTO.

2.88. Similarly, Brazil thanks India for putting forward several suggestions to improve the functioning of the WTO, which will be duly analysed in light of the MC12 mandate. As a first reaction, Brazil suggests that issues already under discussion on dispute settlement reform or at the CBFA should remain in the relevant body until they are ripe for stronger political push. Regarding the European Union's communication on the deliberative function of the WTO, Brazil refers to its previous statement under this agenda item and reaffirms that the common goal of reinforcing the WTO's capacity to respond to global trade challenges must comprise a broader set of pressing issues. It is important, however, not to confuse essential matters of the reform process with substantive issues. Reform of the deliberative function aimed at fostering debate in committees and facilitating participation by all Members should not be confused with substantive issues for deliberation. In this regard, we recall that we already have a forum to deal with environmental and trade issues, the CTE, where some of the ideas espoused by the EU on its paper are already open for discussion. On state intervention, Brazil is happy to have a horizontal discussion on subsidies, which includes agriculture. We also thank the delegation of India for sharing perspectives on ways to fully operationalize the mandate of the CTD. Brazil remains committed to work on all fronts to

institutionalize and reinforce the development agenda on the WTO. Brazil welcomes the proposal presented by Australia on new approaches to Ministerial Conferences. We are of the view that, if our Ministers have the chance to deliberate on global challenges that intersect with trade policy at the WTO, the level of mutual understanding and the sense of common purpose will improve, strengthening the multilateral trading system in the long run. Since one of the main goals of the Australian proposal is to strengthen the WTO as a forum for deliberation on global challenges, with which we agree, Brazil reiterates its proposal to hold yearly Ministerial Conferences to better enable the membership to address pressing trade-related issues and long-term structural challenges. Considering the increasing number of communications and proposals being presented at the General Council, Brazil very much welcomes the initiative of the Chair to hold an informal meeting to discuss WTO reform on the deliberative function.

## 2.89. The representative of <u>Norway</u> delivered the following statement:

2.90. We welcome the idea of having a retreat under the General Council on reform and the idea to concentrate on the deliberative pillar. Why not start with the General Council itself, where we are now, the TNC and the Ministerials. We have seen a number of excellent contributions today and in the weeks before. That is very helpful, including one, where Norway is a co-sponsor, but I think that this time, the retreat might be a little different than the ones we have had before because of all the proposals. It is possible to have a much more concrete and structured meeting. We should look for convergence or perhaps even draft decisions for the next General Council meetings and before MC13. At the last TNC meeting, we presented some ideas of our own on how to reform the Ministerial Conference. I will not repeat it here since it is available but I would like to strongly support the Australian paper, which has exactly the same spirit that talks about shifting culture. We support that. On external engagement, the US presented paper, Norway has been supportive of this for a long time. It is refreshing to meet international organisations, businesses and others. We see two reasons for this. First, it makes the WTO relevant and second, it gives the WTO and the committees valuable input and perspective. Good examples of this, concrete examples where this has worked is e-commerce, trade facilitation or also environment and climate. On India's "30 for 30" paper, we welcome it, both the list and not least the format. There is overlap here with other proposals and it is good input for the retreat to come. We support the EU's call for an additional retreat on industrial policy and Singapore's notion that we should exercise responsible consensus. We certainly support that as well. We join others in condemning the Russian aggression in Ukrainian, a flagrant violation of international law. Norway will continue to condemn this and stand by Ukraine for as long as it takes.

#### 2.91. The representative of the Republic of Korea delivered the following statement:

2.92. Korea welcomes various activities on WTO reform and relevant proposals submitted to the General Council. My intervention will focus on the new proposals and our written views will be submitted after this meeting. The proposals for "Improving Inclusiveness by Reviewing and Evaluating External Engagement" and "Improving the Operations of WTO Bodies to Revitalize the WTO's Monitoring and Deliberative Functions", of which Korea is a co-sponsor, provide good suggestions to improve the operations of WTO bodies. These two proposals focus on, among others, enhancing engagement with various stakeholders, such as the private sector, civil society and NGOs, including other international organizations. This is in line with what we view as key to reform - that is, to make the WTO a more relevant organization. Relevant voices must be heard as the first step. This is also reflected in the EU proposal, which includes suggestion for "Inclusiveness of Trade Policy-Making Process". The new input from external engagement could also help us to resolve a long stalemate in this house. As for Australia's proposal, this paper is useful in sharing similar views and it demands our immediate attention considering the next Ministerial Conference is less than 10 months away. Korea is ready to work together with Members to explore specific ways to realize five new approaches introduced in the paper, including 'focusing on WTO Reform, and improving deliberation and rulemaking.'

2.93. On India's proposal, dubbed as "30 for 30", more time is required for a thorough review. We welcome the proposal as it is presented in a very action-friendly format. My delegation is also sympathetic with the ambition to reach 30 agreements as our reform agenda and many of the suggestions already seem to be in a comfortable zone. However, we would like to comment on just a few examples of the elements that require further discussion. On the theme of WTO external communication, there are some suggestions that seem to 'straitjacket' the Secretariat or micromanage its work. It might not be appropriate to limit the boundaries of its work more than

necessary or dampen its morale. While requesting that the Secretariat keep a firm neutrality, we would like to ask it to work proactively as well. Also, on the theme of WTO rules and procedures, we are concerned with the 'one step backwards to take two steps forward'-approach, as we should take a practical approach towards emerging and relevant issues. If this had been in place, we could not have achieved what we achieved in MC12, such new issues at that time as the TRIPS waiver on COVID-19 vaccine or food security issues. In addition to the papers that we have discussed today, we recognize that many relevant proposals are under discussion in the CTG and other bodies. Therefore, as next step to today's umbrella discussion, I hope all Members continue further discussions in various subsidiary bodies and in the proposed retreat by the Chair with a view to reaching more action-oriented outcomes before MC13.

2.94. On the proposal on "Reinforcing the Deliberative Function", as we previously mentioned, we strongly support the idea to revitalize the deliberative function and speed up our deliberation on important subjects such as climate change-related policies, state intervention and border adjustment regulation. In this vein, it would be helpful to learn more about, or work together to identify the scope and timeframe of each subject, along with what we wish to achieve through the deliberations. On a cautionary note, we observe that unilateral measures are increasing at an alarming rate, but our discussions are too slow and late. To reduce this gap, we need to start our discussions on the subjects of this proposal. On the CTD mandate, our deliberations should, wherever possible, be forward-looking endeavours that avoid revisiting or rebalancing existing provisions. The discussions will benefit from identifying the relationship and priorities among the various proposals on the table. At the same time, because development is an overarching issue, deliberations will benefit from information-sharing and better coordination among the various expert committees.

## 2.95. The representative of <u>Peru</u> delivered the following statement:

- 2.96. On the proposed Senior Officials' meeting in the coming months, we agree, provided that it is based on an appropriately focused agenda that would allow substantive progress. We thank the delegations of the United States, the European Union, India and Australia for their written contributions. Peru believes that the proposals contribute to the discussions on a substantial reform of the Organization and that their input is valuable and mutually reinforcing. We would like to emphasize that Peru is one of the co-sponsors of the document WT/GC/W/871/Rev.2, submitted by the United States, since it proposes to initiate an informal dialogue as a first step to solicit the interests and perspectives of other Members on multi-stakeholder engagement and to identify overlapping interests in search for common ground in order to strengthen our Organization's relevance. We also stress that Peru endorses the proposal submitted by the United Kingdom. It is comprehensive, well-structured and helps identify issues that require attention from Members and provides a starting point for incorporating specific suggestions set out in other documents.
- 2.97. Concerning the statements made by the United Kingdom and Costa Rica, I would like to mention that these proposals are without prejudice to Peru's position regarding the need for additional budget or more staff. We also wish to emphasize that the reference in the paper to a possible "WTO advisory council", which would include external actors, is merely an example of what could be explored. The key for us is to hold collective discussions to find better "alternative mechanisms for dialogue", which is the core concept for Peru, in order to engage with external actors. With regard to the proposal presented by India, for which we are also especially grateful, I draw attention to the suggestions contained in items 4 to 9, 11, 18, 19 and 23, given that they cover important aspects of the regular functioning of the WTO, the handling of information and the optimization of the use of digital tools. I also note that India's paper includes an expected timeframe for implementing the proposed recommendations. We are keen to learn more about India's proposal to develop a mobile app to facilitate our work and, in particular, provide access to information in real time during the Ministerial Conferences. Peru wishes to underscore that it would be important for the Secretariat to enlighten us as to the viability of the concrete proposals and the timeframes that would be required, so that all Members have a common understanding of the scope of these initiatives.

## 2.98. The representative of <u>Japan</u> delivered the following statement:

2.99. In order for the WTO to remain relevant, it needs to appropriately respond to the current global economic situation and, at times, look ahead to lead discussions. It is essential especially for the deliberative and rule-making functions that the discussions at the WTO live up to the needs of the times. In this regard, the selection of topics to be discussed is important and the three areas

raised by the EU proposal accurately capture the issues faced in the current global economic situation. We believe it meaningful to advance our discussions on these topics toward MC13 as well as MC14, and Japan places particular emphasis on the issue of trade and state intervention. Moving onto the CTD, the EU and India have submitted proposals. On development, we believe that evidence-based discussions are vital. In this context, while the revitalization of the CTD is important, specific discussions in other relevant committees should also be enhanced. The CTD is important as the principal forum to discuss development. However, we need to make it clear that the CTD is a committee that falls under the General Council like any other committee at the WTO, and the revitalization of the CTD is possible without a decision by the General Council.

2.100. With these points in mind, we are ready to engage in further discussions on the function of the focal point proposed by India. We believe it important that discussions at the WTO take into account views from outside of the Organization, and the communication from Colombia, Israel, the Philippines, Chinese Taipei and the United States draws attention to this. That said, the WTO should scope and define the issues to be discussed and external stakeholder engagement is sought for the purpose of deepening our discussions. In order to promote discussions within the WTO, the revitalization and improved efficiency of each council and committee is essential. The communication 'Improving the Operation of WTO Bodies to Revitalise the WTO's Monitoring and Deliberative Function' of which Japan is a co-proponent, will serve as a compilation of ideas to reinforce the functioning of WTO bodies. We look forward to working with other Members to accomplish improvements of the functioning of each body with the aim of reporting them to our Ministers at MC13 as outcomes of deliberative function reform. As the highest decision-making body, the Ministerial Conference is critically important for the functioning of the WTO. We echo Australia's point that we need to maximize the value of Ministerial Conferences. That said, it is important to remind ourselves that Ministerial Conferences are the opportunities where Ministers come together and make political decisions. Officials have to work hard to thoroughly prepare for such moments and from this perspective, we need to improve the functions of WTO bodies, discuss the themes corresponding to today's needs and work together in Geneva. I suggest that holding senior official meetings at the appropriate timing, including immediately before Ministerial Conferences, would be a practical way to reduce pressure on Ministerial Conferences.

#### 2.101. The representative of Paraguay delivered the following statement:

- 2.102. My delegation thanks the proponents for presenting these documents. We have taken note of the proposed actions, and we can clearly see a high level of interest in improving and maximizing the functioning of the WTO in the context of reform and, at the same time, an emerging consensus on some issues, as evidenced by the fact that they have been addressed in multiple proposals. Paraguay reaffirms its commitment to the reform process and calls for further work based on the proposals that have been presented, by advancing the "reform by doing" approach. We are grateful for the acknowledgement of the work that we have been undertaking in the Goods Council and its subsidiary bodies alongside Argentina, Brazil, Colombia, Ecuador and Uruguay, as co-sponsors of document JOB/CTG/21, which was referenced in document WT/GC/W/877. This paper, like those presented to the General Council, are intended to facilitate the work of delegations, thus accelerating progress on issues in our consensus-based Organization. We call on Members to seek convergence and consensus and take pragmatic action as soon as possible.
- 2.103. We all agree that we want a strengthened WTO that is adapted to current challenges and that will become a tool for sustainable economic development. We also agree that this Council, as the highest authority, should facilitate this process between Ministerial Conferences without hindering those improvements that do not require this level of decision-making. One of the priorities of Paraguay's newly elected government will be economic recovery, and the multilateral trading system the WTO plays a fundamental role within that framework. Paraguay will continue to support the rules-based, transparent, open and inclusive system. In the future, we would like to see a balance that reflects the interests of developing country Members, particularly those of the Latin American region. We support the proposal to have a Senior Officials' meeting before the summer break, as long as we have a specific agenda. We will continue to work towards the full restoration of the dispute settlement system. You can count on my delegation to continue working constructively on WTO reform from the perspective of a landlocked developing country Member. We are ready to seek joint solutions for the sustainable socio-economic development of our peoples.

## 2.104. The representative of <u>Indonesia</u> delivered the following statement:

- 2.105. Our view on WTO reform has been clear. Indonesia's main priority is to resolve the current impasse of the Appellate Body, as well as restore a fully functional and accessible dispute settlement system by 2024. While welcoming the ongoing discussions, we need to ensure that the process remains inclusive and thus should also take into account capacity constraint of some Members and that caters to the needs and interests of developing and LDCs Members, which constitute three quarters of the WTO membership. This includes addressing and correcting continuing imbalances and asymmetries by putting development at the heart of all WTO works. We also need to implement effective and operational special and differential treatment and provide appropriate policy space to address the ongoing global challenges and crises. The WTO should continue to be guided by the principles of the multilateral trading system, namely, rules-based, non-discriminatory, open, fair, inclusive, equitable and transparent, as well as consensus-based decision-making. With regard to Members' submissions, Indonesia takes notes and appreciates Members' efforts in contributing to the reform dialogue. Since we do not have enough time, I will try to provide our brief preliminary assessment on the papers.
- 2.106. On the engagement with relevant stakeholders to support and contribute to the WTO works, while we agree in principle, this spirit of soliciting perspective and advice through external stakeholders can also be extended in WTO formal and informal meetings, for example, inviting the WHO for discussion relating to the response to serious health threats affecting trade. While we value deliberation of trade issues and policies, we should be cognizant not to turn into a "talk shop" and rather focus on strengthening our core values in rulemaking and negotiations. Such activities at the Ministerial level could be done on an ad-hoc basis, rather than becoming a fixture in the Ministerial Conference. We should not be satisfied with merely having a "talk shop" meeting where WTO will further lose its role and credibility from its three main functions, which are negotiating rules, monitoring and settling disputes. As many have repeatedly mentioned, we should remain ambitious and continue to strengthen the WTO, rather than weaken it. The "30 for 30" proposal seems to be in line with the spirit of "reform by doing". A lot of the ideas are feasible to be conducted within two years' time while others may need further discussion. Tackling the easiest tasks and moving on to the hardest reform can be one way. Small steps are better than only debating without taking any concrete action. This proposal can also be read together with the proposal contained in WT/GC/W/877. Indonesia is open to further discuss Members' submissions. Focused discussions would be needed to explore how these proposals could be workable and integrated into the WTO work and mechanisms.

## 2.107. The representative of <u>Brunei Darussalam</u> delivered the following statement:

- 2.108. I join others in thanking you for your progress report on the WTO Reform work and the way forward. We also thank the proponents who have submitted a number of proposals that are practical, creative and rich, in moving forward the WTO reform agenda. We appreciate the introduction made by the United Kingdom and Costa Rica in document WT/GC/W/877, which Brunei Darussalam is pleased to co-sponsor. We can see that there are a number of converging elements presented in the various proposals with the broad themes of improving the deliberative function and operation of WTO bodies and Ministerial Conferences, as well as inclusiveness of WTO engagement. As a small delegation that faces capacity constraints, we believe some procedural improvements can already be achieved as outlined in the paper. We also concur with the recommendations for circulating annotated agenda and instituting time management to make meeting preparations more predictable, focused and efficient, and at the same time, maintain interactivity. On the format of the GC agenda, we welcome the current structure, according to topics. In moving forward, we welcome your proposal to hold an Informal Meeting on WTO reform focused on the deliberative function and institutional matters to further consider these proposals in depth and to find convergence, and ultimately, come up with concrete recommendations for MC13. To further facilitate the discussions at the Informal meeting, we would like to suggest that the Secretariat could compile the proposals into one list and categorize them according to common themes or topics. This has also been alluded to previously by Barbados on behalf of the CARICOM.
- 2.109. The representative of <u>South Africa</u> delivered the following statement:
- 2.110. We thank you, Chair, for your report and for your suggestion on convening the Informal meeting focused on institutional reform. We also thank the Members that have put forward submissions and we will submit a longer statement on each. We associate ourselves with the statement by the African Group. Our views on WTO reform are entailed in the WTO reform paper "Strengthening the WTO to Promote Development and Inclusivity" (WT/GC/W/778/Rev.5). We share

the views that our engagements should aim to achieve the goals of the Marrakesh Agreement and that WTO reform should promote development and inclusivity and uphold the principles underpinning the WTO. We move from the premise that the WTO is a Member-driven institution and as a priority we need to improve inclusivity from within. Inclusivity would require, at a minimum, preserving consensus decision making in the WTO. We welcome practical suggestions to improve the functioning of the WTO, ensure a Member-driven process and enhance accountability, including by India in "30 for 30" suggestions. We look forward to further engagements with Members. Importantly, in the organisation of work of the various institutions, we need to take note of the resource constraints of small delegations and the need to rationalize meetings to avoid overlaps. The meetings should always be open, inclusive and transparent and take seriously the resource constraints of developing country Members. On Ministerial Conferences, our view is that the processes preceding them in Geneva should be open to all Members, especially in relation to decision-making processes. We do share the need to seriously consider, how best to utilize the Ministerial Conferences in a constructive way and the need to avoid using the Ministerial Conferences for horse-trading often on issues that are not ripe for an outcome.

- 2.111. We also believe that there is a need to engage on the substance of WTO reform beyond aspects related to improving the functioning of WTO institutions. In this regard, we believe that the African Group paper submitted in the March General Council meeting on policy space for industrialisation in WT/GC/W/868 provides a good basis for engaging. The rational for the submission is to recognize the importance of a multilateral framework to address the challenges that Members are facing and avoid the resort to unilateralism. The proposal aims to strengthen the multilateral trading system by ensuring that rules are recalibrated as necessary to provide the policy space Members need to achieve legitimate goals. It identifies policy tools that Members have used in their process of industrialization or are currently finding useful that should be availed to developing countries to achieve their industrialization and structural transformation objectives. It has also been submitted to the CTD, which we all agree is the focal point for development as per India's communication in WT/GC/W/865. We therefore thank the European Union for its paper on the deliberative function, we see overlaps with the African Group paper albeit approached from different perspectives. We welcome the EU's suggestion that another retreat, dedicated to trade and industrial policy in June, be organized to complement the retreat on institutional matters. Importantly, we must work with speed to define concrete outcomes on reform for MC13. The litmus test will be the ability to deliver on the development aspects, as well as the reform of the dispute settlement system. We support the suggestion by Barbados on the need for a compilation of all WTO reform proposals.
- 2.112. On "Improving Inclusiveness by Reviewing and Evaluating External Engagement" (WT/GC/W/871), we must acknowledge as a starting point that the WTO, and indeed the WTO Secretariat, is by deliberate design distinct in its character to other international organizations, including those that would seemingly be tasked with matters that overlap with trade. At its core, the WTO mandate and scope is confined to the negotiation of binding rules/contracts between sovereign states, monitoring their implementation, and resolving of disputes as they arise in the implementation of these rules. It is on this note that we affirm the principle underlined in the statement delivered by the African Group, that the Member-driven character of the WTO must not be diluted. It must go without saying that the positions of the sovereign States would be informed by the views and mandates of a multiplicity of national stakeholders. Granted, different Members would have different models of engagement with stakeholders, efforts would rather be invested in sharing experiences between each other on the most effective ways of coordinating such national policy formulation processes. Currently, various committees do engage with external stakeholders under various formats, including formally as observers. The organization and structure of the Public Forum should rather be improved in order to enhance equitable participation and balance in its activities. Broadening voices of civil society representatives in the forum to ensure a diversity of views and exploring virtual participation to enhance inclusiveness of these engagements should be our focus. The voices of stakeholders from developing countries in particular tend to be restrained due to financial reasons, including geographical proximity to Public Forum events.
- 2.113. On "Improving the Operation of WTO Bodies to Revitalise the WTO's Monitoring and Deliberative Function" (WT/GC/W/877), we note that this submission contains a number of issues and elements that are covered in the submission titled "Strengthening the WTO to Promote Development and Inclusivity" (WT/GC/W/778/Rev.5), which South Africa is a co-sponsor of as part of the African Group. South Africa welcome efforts towards improving efficiency of the work of WTO committees and are particularly supportive of initiatives that would ensure the effective participation of developing country Members. We would be open to engagement on a number of proposals

contained in proposal WT/GC/W/877, such as the rationalization of meetings, timely sharing of information, including ensuring it is user-friendly in its packaging. The ideas captured in the Annex speaking to the planning and preparation of meetings, as well as support and follow-up work stemming for meetings is indeed welcome. These practical steps would indeed improve the effectiveness and productivity of meetings and officials. A discussion on simplification and streamlining of transparency obligations is one that we would also be willing to engage on, especially where it would relieve the burden on constrained capacities of developing country Members. We note that most of the ideas proposed effectively call for enhancing and improving on what already exists or is practice. While not against thematic sessions as a means of complimenting regular committee work in an informal setting, we would be cautious that these do not become the norm, as their proliferation at the expense of regular committee engagements might present capacity challenges for some Members. Lest they become exclusive venues for delegations with the manpower and resources, where discussions and understanding are built by a minority of Members around issues with far and wide-reaching impact on rest of membership.

- 2.114. On the role of intergovernmental organisations, our view is that consideration should be given to improving on existing models before engaging in wholesale changes. As is our view with proposals that call for direct access and participation of external stakeholder at a multilateral level in discussion at the WTO, our view is this is unnecessary given there exists mechanisms and platforms such as the Public Forum, through observer status, and through other formats such as informal thematic sessions. For reasons articulated with regards the proposals contained in WT/GC/W/871, we are not in favour of the concept of an advisory council. The engagements between Members in the WTO are informed by actors in our respective sovereigns through diverse national processes of engagements through, which national positions are synthesized. We reiterate in this regard that the Member-driven character of the WTO should be preserved. On the proposal "Committee on Trade and Development Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO" (WT/GC/W/865) and on the role of the CTD, we support that the CTD takes forward the discussions on cross-cutting issues from the retreat. This should be complemented by safe spaces that can facilitate honest and solution-oriented discussions, including in other relevant bodies of the WTO. We also thank India for its submission in highlighting the role of the CTD as a focal point for consideration and coordination of work on development. We agree with India that since development is a cross-cutting issue, the CTD complements the work in other WTO bodies on development issues and does not replace them. It is also vital to develop measures to assist developing countries, including LDCs to facilitate meaningful integration into the multilateral trading system. The measures should include recalibration of the rules to provide policy space for industrial development and diversification and to facilitate effective responses to global challenges.
- 2.115. On the EU's paper on the deliberative function, we thank the EU for its submission as entailed in WT/GC/W/864. We note that there are elements contained in the EU submission that do seem to overlap with the submission by the African Group, which this meeting will consider under item 9, albeit the issues are addressed and approached from different perspectives. Among these are broadly, the interaction between trade policy and industrial policy (what the EU terms "state intervention"), the reinvigoration of the role of the CTD as focal point on development and the centrality of development in WTO reform. We would also appreciate a further discussion with the EU to understand the scope of support measures for industrial sectors and state intervention envisaged to be part of the discussion given that state intervention encompasses a wide variety of issues that depend on differences in Members specific circumstances and challenges. It is important to also recognize the long-standing asymmetries in relation to agriculture subsidies that are urgent in the context of food security and are key to development. A multilateral discussion on environment is welcomed and we agree that the CTE should be the platform to have such discussions. However, we also recognize the complexity of the issues and some fall outside the scope of the WTO and the necessary caution will need to be exercised in this regard. We would also like to understand what is envisaged in the discussion on technical methodologies and the implications for work done by other IOs in this regard. Our interests in the discussion on the nexus between trade and environment is to ensure that measures implemented by Members in the context of climate change are not trade restrictive, arbitrary, are not used as nor protectionist measures and also adhere to the CBDR principle. On inclusiveness, our suggestion is to consider UNCTAD as an institution that can work with the WTO on analysis of the impact of trade on development given its development mandate and its analytical capability on such matters contained in the paper. We would also appreciate further clarity on the "standing WTO consultative committee" in the context of a Member-driven nature of the WTO. We also note the advisory councils proposed by the Director-General and there will be a need to understand the roles of these various bodies that are proposed. We look forward to receiving

the note from the Director-General. As we approach discussions on these complex issues it would be prudent to remind ourselves that Members are not homogenous, and that a one-size fits all approach may not provide the right pathway to take us forward. In conclusion, we will provide more substantive feedback to the proposal by the EU once our capital has fully studied the communication. We do look forward in the interim to have further discussions with the EU to further understand their proposal.

- 2.116. The Indian delegation has proposed "30 for 30" (WT/GC/W/874), an initiative to introduce 34 operational improvements to the WTO by 1 January 2025, before the 30th anniversary of the signing of the Marrakesh Agreement. The focus of the initiative is on bringing incremental changes to improve the operational efficiency of the various WTO bodies. The suggested changes include a yearly meeting calendar, standard annotated agenda formats, minutes of WTO Committee meetings within two to four weeks of completion, two overview sessions on WTO Digital Tools annually, a standardized set of information on the WTO website, a Specific Trade Concern dashboard and a productivity application (app). The Indian delegation has also suggested developing a system that helps users search for Members' positions in a particular Council/Committee based on year and agenda items. In addition to these suggestions, the Indian delegation has proposed that the Council and TNC Division of the Secretariat compile and communicate a list of changes implemented on a periodic basis to Members and external stakeholders. The Indian delegation emphasizes that these changes are incremental, and they should not interfere with ongoing deliberations on the larger WTO reform agenda. The broader WTO reform is an area that my delegation has greatly emphasized. It is critical to ensure that developing countries, and in particular, in Africa are more effectively integrated into the global trading system. Improved operational efficiency of the WTO through incremental changes such as those proposed by India would contribute to broader reform. South Africa supports initiatives seeking to improve the effectiveness of the WTO. My delegation will work constructively with the Indian delegation and the broader Membership to this end.
- 2.117. Australia's communication "Maximising the Value of WTO Ministerial Conferences" (WT/GC/W/873) rightly emphasizes that WTO Ministerial Conferences should focus on WTO reform. In our view, reform must be development oriented. It must be centred on ensuring that the WTO is better placed to deliver on the objectives as set out in the preamble of the Marrakesh Agreement. The African Group together with Cuba, India and Pakistan have set out a vision for a development-oriented WTO reform in the communication WT/GC/W/778/Rev.5. It is critical that Ministerial Conferences focus on delivering on existing mandates. That would go a long way to addressing the prevailing trust deficit and boost the credibility of the WTO.

#### 2.118. The representative of the United States delivered the following statement:

- 2.119. The United States is pleased to see the energy and enthusiasm that Members are bringing to the various reform conversations going on, demonstrated by the many proposals and ideas being floated. We thank the GC Chair for her efforts to encourage this enthusiasm and to the outgoing CTG Chair, for his considerable efforts to mobilize work across the bodies that fall under his Council. We are excited to see the meaningful improvements in working procedures already agreed at the CTG level. We welcome the new ideas that are being brought forward today. There is considerable overlap in ideas, which is great. We want to say at the outset that we stand ready to work with any of the proponents. As firm believers in reform by doing, we are ready to move forward quickly with the ideas that make sense and seem to have general backing. For those ideas raised that could benefit from additional technical discussions, we would support a process that allows for those discussions to progress at a pace faster than the regular General Council calendar might allow. We view WTO reform as an ever-greening process, we should be establishing good habits of continually reflecting on what we do and looking for ways to continually improve. We would like to promote an experimental or 'try it and see' culture part of reform has to be learning to be more flexible and more adaptive in real time.
- 2.120. For most of the procedural suggestions, there is no reason why we cannot try it and then evaluate the benefits based on actual experience. We would be comfortable with some general instructions to Chairs and Secretariat staff to use their discretion to try these out and test what works. Members can step in when something does not work, but we do not need to micro-manage at the beginning. We run the risk, if we overly formalize this process, of having a set of hard decisions that we are stuck with that might turn out not to work. We also want to add that while we are focused on procedural aspects, we are interested in substantive improvements as well, but believe we can move forward on some of these procedural reforms quickly.

- 2.121. The representative of <u>New Zealand</u> delivered the following statement:
- 2.122. We appreciate this wide-ranging and detailed discussion on WTO reform. There is a wealth of ideas to discuss, many of which overlap. New Zealand is a co-sponsor of two of the papers presented today, WT/GC/W/871 and WT/GC/W/877. We see many other sensible ideas in other papers under discussion. I particularly want to thank, and support, Australia's efforts to drive discussion on how we maximize the value of WTO Ministerial Conferences. Ministers are amongst our most important stakeholders, and we consider that we need to be very deliberate about identifying and clarifying the specific requests we will make of them at MC13, and how we expect Ministers to engage on those ideas, well in advance of the MC13 "crunch". There are many commonalities between the papers for discussion today. If we focus specifically on the deliberative function and institutional matters.
- 2.123. One common issue raised today is the functioning of the General Council and TNC. We appreciate the steps already taken to improve the efficiency of this body, which should spur us to keep working on the ideas in play for improving our substantive engagement. A second common theme is Ministerial engagement. As I have already mentioned, we would welcome a discussion on how we expect Ministers to engage at their next Conference. Third, is the issue of our stakeholders. We welcome the Director-General's efforts to enhance the Secretariat's connection with business and civil society. We think it is time for the membership to do likewise and pursue a closer connection with business stakeholders, including in Geneva and as a collective. A fourth common issue is the operation of WTO subsidiary bodies. We invite all bodies to examine these General Council discussions to inform their existing work. A final common issue is on the substance of our work under the deliberative function. There is overlap between the EU and the African Group papers with respect to industrial policy, particularly associated subsidies, pointing to a concentration of interest in this subject. As you will be aware, many delegations, including New Zealand, have long-standing interests in subsidy policies which remain outstanding - in agriculture, fisheries and fossil fuel consumption and production. We assume that having a dicussion on industrial policy will energize and inform conversations on the subsidization of other sectors.
- 2.124. The many papers and ideas before us today clearly demonstrate there will be a strong interest in the General Council Chair's forthcoming informal discussion on reforming the WTO's deliberative function. We look forward to participating in that and hope that these five common themes could provide us a structure and format to take the work forward. Also, we thank you, Director-General, for your suggestion of a senior officials TNC meeting in late July. We support this idea. We join other delegations once again, to condemn Russia's illegal and unjustified invasion of Ukraine, and to call on Russia to end its aggression and withdraw from Ukraine immediately.
- 2.125. The representative of Chile delivered the following statement:
- 2.126. We welcome your announcement to organize, before the summer, an informal meeting on WTO reform focusing on the deliberative and monitoring function. A meeting of this kind would allow smoother discussion of aspects such as the operation and efficiency of WTO bodies, including Ministerial Conferences, the General Council and the Trade Negotiations Committee; the strengthening of these functions in other committees and subsidiary bodies associated with an aspect of reform; and other proposals on how to deal with substantive aspects that require further consideration by this Organization, principally as part of the deliberative function. In relation to the communications submitted, which we will discuss in greater depth in the informal meeting, my delegation would like to offer the following preliminary reactions. We welcome the agreement on the need to improve the effectiveness of the Organization's operations. This convergence, reflected in several of the documents on the agenda, offers a good starting point and a potentially sound basis for engaging in concrete discussions to reinvigorate the Organization and respond, with outcomes, in the near future. In particular, we believe that the document entitled "Improving the Operation of WTO Bodies to Revitalise the WTO's Monitoring and Deliberative Function" covers topics of particular relevance to these discussions through a pragmatic approach, focusing on specific adjustments that, as well as offering options for consideration by the various subsidiary bodies, allows those bodies to engage in the discussions, taking into account their specific characteristics. We agree that it is important to bring to the table practical ideas for more dynamic and free flowing discussions in this forum. Chile believes that the way in which work is carried out at the WTO needs to be modernized, considering the particularities of the Organization's various bodies and the different views among Members. We are therefore pleased to co-sponsor this text.

- 2.127. We thank Australia for submitting its communication on Ministerial Conferences, which offers a good opportunity to reflect on how we can make the most of the presence of our high-level authorities at these meetings. Our preliminary view is that it is beneficial to explore ways of strengthening the work carried out at Ministerial Conferences. We are also grateful for the communications on this Organization's engagement with external stakeholders, such as the one submitted by the United States, Colombia and others (WT/GC/W/871). We agree on the importance of strengthening this dimension, which is essential for addressing complex new challenges and keeping the WTO relevant with respect to multilateral economic issues. We consider it crucial for the diversity of existing stakeholders to be taken into account in the WTO's engagement, in terms of the different areas in which they operate (private sector, academia, civil society or international governance) and their regional representativeness, levels of development and trade policy options. We reiterate the importance that Chile attaches to "having a fully and well-functioning dispute settlement system accessible to all Members by 2024", as stated in the MC12 Outcome Document.
- 2.128. The representative of <u>Canada</u> delivered the following statement:
- 2.129. Good to see so many other Members' involvement. Very happy to recognize some overlap between our proposals. There is much here that we support and certainly we support further indepth discussion of these ideas, whether through informal sessions of the General Council, retreat-like meetings, or in the committees and councils. I take away from these diverse proposals that we all agree on the value of the WTO. We all agree that it should be more accessible, inclusive, and effective. We agree that reforms can be incremental and should be aimed at improving Members' ability to effectively participate in the work of the Organization. This is exactly what we need, an organization that works for everybody. Simpler, clearer processes. More effective Ministerial Conferences. Better access to the resources we need for substantive engagement. Harnessing the expertise of other international institutions and external stakeholders to bring in fresh ideas. Creating the conditions for us to respond strategically to emerging global trends. This is the way to a future where trade is a driver of sustainable development and a solution to the challenges we face. We look forward to further engagement.
- 2.130. The representative of Colombia delivered the following statement:
- 2.131. This agenda item on reform contains a combination of many topics of varying levels of depth and complexity. My statement will therefore be divided into two parts. I will start by commenting on the various documents submitted and their positive points, and then offer some general thoughts on the WTO reform process. We agree with the document prepared by the United States, which seeks to begin discussions on ways to open dialogue, start addressing the apparent lack of transparency and open this Organization to new ideas. We need consensual mechanisms to allow information to flow out and new ideas to come in. We need an active and vigorous civil society, and we need to reach out to the citizens of our countries. The proposal is modest, but it might help us talk about serious global production and trade issues. The examples and models of how this is done by other bodies, or even by internal initiatives, such as the Trade and Environmental Sustainability Structured Discussions (TESSD), are highly valuable. Furthermore, we would like to thank India for the "30 for 30" document; Costa Rica, Canada, the United Kingdom and various others for the document on improving the deliberative function; and the European Union for its document, especially the third part on procedural improvements, which are highly valuable contributions. There are notable similarities and general convergence between them and the Goods Council proposal (JOB/CTG/21) by Argentina, Colombia, Ecuador, Paraguay and Uruguay, which seeks to improve the WTO's operation and procedures in that Council and its subsidiary bodies and to address the challenges facing the functioning of the WTO given the large volume of information to be processed, hindering the work of delegations and hampering progress on issues within the Organization.
- 2.132. They are all good ideas and there is a great deal of convergence on these aspects to improve the efficiency of procedures and deliberations within the Organization. General improvements are proposed in terms of planning of meetings, assistance for delegates, formal and informal meetings, thematic sessions and the use of digital tools such as E-Registration, eAgenda, the online notifications system and the Trade Concerns Database. We see considerable harmony throughout this agenda item. We acknowledge the Secretariat's work on internal transformation and many of its new proposals, such as how to enrich the debate and promote new approaches, and the announced study on global carbon pricing, which we eagerly await. We are therefore seeing positive developments at the internal level, with promises of progress and good alternatives. However, we would like in this second part to revisit some of the discussions held before in this Council that go

beyond improving the functioning of the Secretariat and relate to the significant challenges on the global agenda. In our view, WTO reform should consider the major current challenges related to climate change, food security, the economic crisis, the post pandemic era and the necessary search for peace. As is widely known, before the 12<sup>th</sup> Ministerial Conference, Members and the Secretariat itself recognized the need to be involved in key global decisions and stand up for the needs of future generations. While it is true that improving the functioning of the WTO is of great importance, it is not enough for what is happening at the global level. Aside from the first and second parts of the European Union's proposal, which indirectly refers to substantive topics that it believes will be important over the next 10 or 20 years, the discussions concerned the improvement of internal procedures rather than the WTO's active participation in the work on the global agenda.

- 2.133. Since 1995, this Organization has established a series of rules on world trade and production (because it deals with production as well as trade), so we should be talking strategically about the new global production and trade situation and attempting to see the wood and not just the trees. In this context, we should be talking about the proliferation of industrial and agricultural subsidies; the possible creation of production and trade blocs; food security and resilience in a world that is increasingly populated and vulnerable to disruption; how to reinvigorate traditional trade remedies in view of the proliferation of new unorthodox and unilateral remedies; and the importance that many placed on accepting a promise on agriculture and an intellectual property agreement in exchange for a rules based dispute settlement mechanism that is not currently operational, especially at a time when preparing ourselves to face new pandemics necessarily means ensuring access to vaccines and strategic medicines. We should be discussing the new paradigms in trade and climate change with a fresh perspective. We do not in any way seek to belittle the proposals under discussion, which make sense and are well intentioned. However, in our view, the General Council must use other means of addressing the points that truly lie at the heart of the discussion and the international reality. This is not about particular negotiations in specific committees. The situation is much more complicated, and we must recognize this. We should be talking frankly about the Organization's need for substantive reform so that, once again, each Member, with its particular characteristics, has adequate space and multilateralism is strengthened in a substantially different world from that of 1995. We believe that we are moving inevitably towards a new "grand bargain" and we must be able to do so in an ordered, collective and frank manner.
- 2.134. The reform may become a resizing of the WTO's role in the world rather than a mere process of self-reference. We must urgently and strategically revisit the reality of current global dynamics and its role in these changes. Whether we want to or not, we are approaching a defining moment. We must discuss it openly while looking for new ways forward. We might be approaching the height of a crisis, but if we have enough audacity and foresight, it could become a real opportunity in which we all play a part, rather than there being one or a few winners. At the Olympic Museum, I saw the quote "We want to put a strong focus on solidarity. That's what the word 'together' means. We can only go faster, we can only aim higher, and we can only become stronger if we stand together in solidarity. Faster, higher, stronger together." That should also be the WTO's message.
- 2.135. The representative of <u>Ukraine</u> delivered the following statement:
- 2.136. Ukraine as many other WTO Members is interested in result-oriented approach with regards to strengthening, improving and developing the WTO system. In view of that we are carefully studying Members' communications and proposals included in the agenda, I would like to make some preliminary comments. Ukraine shares the view of reinforcing the deliberative function of the WTO to respond to global trade policy challenges and in this way ensuring and improving smooth and relevant functioning of the Organization. We also consider that external engagement could provide value added to this process and enhance Members' understanding on specific issues as well as assist in making informed decisions for the benefit of the Membership. In terms of concrete actions, we find it very useful to continue intersessional work with a more active involvement of capital-based officials in the format of retreats or dedicated events. In our view while navigating the WTO reform process we should prioritize transparency, development, and inclusiveness, promote trust and also have policy space. Despite of the war unleashed by Russia, that is taking place for more than 1 year, we would like to underline that Ukraine remains strongly committed to a predictable, rules-based multilateral trading system and we do our best for the development of the Organization. Meanwhile Russia continues to demonstrate a flagrant disregard for international law and order, as well as rules-based multilateral trading system, and does not stop in its acts of military aggression against Ukraine and Ukrainians. In conclusion, Ukraine is ready to engage constructively on the WTO reform

process while moving towards realistic and meaningful outcomes in view of approaching MC13 and realizing full potential of the WTO.

## 2.137. The representative of <u>Uganda</u> delivered the following statement:

2.138. My delegation aligns itself with the statements delivered by the African, ACP and LDC Groups. We commend the delegations that have submitted proposals on the WTO reform process, which we have shared with capital for feedback. These papers are timely, and we too agree that the WTO must rise to the manifold challenges of our times by fostering better functioning of institutions across all pillars and creating a level-playing field that will unlock development opportunities for all and address the systemic nature of the issues marginalising developing countries and LDCs' participation in global trade. We wish to reiterate though the importance of development forming the axis of the WTO's reform agenda if we are to remedy the problems associated with implementation of special and differential treatment and provide for the requisite policy space that developing and least developed countries so badly need for the transformation of their economies and peoples. The current framework of policy tools available to developing countries and LDCs has not helped them much in their quest for industrial development and structural transformation. We hope our proposals a calibrated to foster a reform process towards a truly pro-developmental multilateral trading system that can allow developing countries to use more proactively those policy measures that will help the development of productive capabilities. We hope priority is given to addressing the challenges to the dispute settlement system multilaterally, under the auspices of the General Council Chair. We welcome proposals with practical suggestions on the improvement in the scheduling of meetings, so that overlaps are avoided to enable more equitable participation by all delegations. We support calls for the General Council to agree on a harmonized approach to further the proposals to enable smaller delegations' participation.

#### 2.139. The representative of <u>Chinese Taipei</u> delivered the following statement:

- 2.140. It is a positive sign that many Members recognize the importance of WTO reform and have actively submitted well-organized proposals. We appreciate their contributions. As overall comments, I have the following points. (i) From our perspective, the essences of these reform proposals are enhancing effectiveness and quality of deliberations and making the WTO more able to cope with the challenges that Members are facing together. When we engage in the discussion, it might be useful for us to bear this in mind. (ii) As mentioned by some other Members, there are similar elements in these proposals. In line with some Members' suggestions, we hope the elements can be integrated to the extent possible, so that we have a clearer picture about the extent and coverage of reforms we are engaging, and we will be able to know what we are lacking. (iii) We agree that the dedicated sessions for focused discussions should be useful. In order to ensure the usefulness of the dedicated sessions, a good preparation about the categorized issues to be addressed is of high importance. We look forward to a series of retreats on various aspects of WTO reform. (iv) There are many reform aspects of technical nature. Many elements in the proposals do not need any action taken by the General Council. We can identify these elements for earlier implementation. (v) Among these proposals, a very fundamental change of mindset is the proposal to maximize the value of Ministerial Conferences. Having listened the discussions, I trust that momentum for reform is gradually being built up. Members might want to call MC13 a "WTO Reform Ministerial Conference" to show our determination to make positive changes and ensure the Organization is more relevant to the real world. (vi) One important aspect, which is not covered by the proposals is the dispute settlement reform. We thank the informal discussions facilitated by Guatemala. We are pleased to see the constructive approaches demonstrated by participants throughout the discussions. We look forward to productive outcomes after this round of discussions.
- 2.141. On the communication "Improving inclusiveness by reviewing and evaluating external engagement" (WT/GC/871/Rev.1), which my delegation co-sponsors, we firmly believe that multilateral policy decisions could benefit from more active and systematic engagements by a diverse range of stakeholders. This includes those from the private, non-profit organizations and public sectors, to ensure a holistic assessment of the consequences of our actions in the WTO. While we recognize the value of existing WTO practices involving external stakeholders, such as the Public Forum, Aid for Trade, and *ad-hoc* thematic sessions, we also recognize that there is still room for improvement. We support the idea of drawing on the external engagement practices of other international organizations to inform possible options that Members could consider at WTO. We believe this kind of reflection is meaningful in the context of the WTO reform exercise. We look forward to discussions about how to allow systematic participation of stakeholders. On the proposal

"Improving the operation of WTO bodies to revitalize the WTO's monitoring and deliberative function" (WT/GC/W/877), which we also co-sponsor, this proposal presents a broad range of practical suggestions aimed at improving the daily operational work of WTO bodies, ensuring high-quality participation from Members, and enhancing transparency work. We believe that all of these aspects are crucial to the WTO's monitoring and deliberative function. Some relevant discussions have already taken place within various WTO bodies, and some of the suggestions have been adopted or quickly implemented within their respective mandates. We welcome this progress. We believe the reform of such kind is of technical nature and less sensitive, particularly in the areas of planning and preparing meetings. We urge Members to consider enhancing the quality of WTO bodies' discussions.

2.142. On the European Union's proposal of "Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges" (WT/GC/W/864), we recognize the value of this proposal in trying to identify global trade policy challenges and in suggesting a soft law approach to address the challenges. We agree to have a series of retreats to start discussing global trade challenges. If Members can have common ground on the global challenges that we are facing, it would be easier to explore the appropriate and effective approaches. On Australia's proposal "Maximizing the Value of the WTO Ministerial Conferences" (WT/GC/W/873), we have seen the improvement of the overall atmosphere in the WTO to allow Members to consider new ideas, especially WTO reform. It is an appropriate time for Members to consider reforming Ministerial Conferences. The five new approaches suggested by Australia to help Members better use Ministerial Conferences are worth exploring. Among the five new approaches, the view about the next few Ministerial Conferences being seen as Reform Ministerial Conferences is innovative and is of particular interest. On India's proposal "30 for 30", we thank India for reminding us of the importance of WTO's achievements at MC13 in the context of its  $30^{th}$  anniversary. We appreciate the 30 operational suggestions put forward by India, many of which we share. With only nine months to MC13, addressing 30 operational suggestions within a relatively short period of time is challenging. We must work hard. We believe that maintaining a focused, pragmatic and realistic approach is essential for preparing for MC13.

## 2.143. The representative of <u>Israel</u> delivered the following statement:

- 2.144. We want to thank the proponents of the various proposals on this agenda item. Due to the time limitations, we will refer to the two papers Israel is co-sponsoring. Concerning the paper on "Improving Inclusiveness by Reviewing and Evaluating External Engagement" (WT/GC/W/871), we thank the United States, Chinese Taipei, the Philippines, Colombia, Peru and New Zealand for this communication. Israel supports holding an informal dialogue amongst interested Members and exploring ways to advance engagement with external stakeholders. Accordingly, Israel co-sponsored this proposal to share and receive Members' input about possible avenues we can implement to better harness this engagement. We recognize that the WTO has a range of mechanisms to this effect. However, the current mechanisms can benefit from a more coordinated and systemic approach, in order to reach their full potential. Re-evaluating our approach to engagement with external stakeholders, as we progress in a gradual manner and while finding common ground, would be worthwhile. However, Israel recognizes that this is only one element within a broader effort to improve the overall functioning of the WTO. In that sense, this proposal could help us refocus our attention on achieving outcomes through more informed decision-making.
- 2.145. Concerning the paper on Improving the operation of WTO bodies to revitalise the WTO's monitoring and deliberative function, Israel would like to thank the co-sponsors of this initiative for bringing this matter to the attention of the General Council and raising some very valuable ideas and good practices the WTO can implement. We strongly support ideas that aim to make our work at the WTO more efficient, effective and inclusive. Small delegations, such as Israel, often cover discussions across various bodies in parallel. Therefore, we welcome ideas like those shared in this non-exhaustive list, as many of them aim to allow us to be better prepared and contribute meaningfully to the discussions. We will not go over all the ideas listed in the paper. We would like to highlight that we see great value in having better coordination between committees, sharing documents well in advance to allow review and be better prepared to the discussions, guidance on notifications, reminders of deadlines and enabling hybrid participation in informal meetings for the benefit of our colleagues in Capital and those of smaller delegations who cannot attend all meetings in-person. Also, we see great value in having introductory sessions led by the Secretariat for newly arrived delegates to facilitate onboarding. These ideas, and others that are included in this paper, could greatly benefit the way we work at the WTO and should merit further discussion. Israel stands ready to discuss these two proposals further with interested Members. I would like to kindly ask the

General Council Chair to update us on the exact dates for the reform retreat. As for the Director-General's suggestion to hold a TNC Senior-Officials meeting in July, we would appreciate allowing for hybrid participation.

- 2.146. The representative of <u>Jamaica</u> delivered the following statement:
- 2.147. We look forward to participating in the dedicated meeting to be held in June. We have no challenges with the Director-General's idea of a Senior Officials' meeting in July, but we invite a discussion on the format so that we can achieve inclusivity and focus. We align ourselves with the statements from the ACP Group and the CARICOM Group. We are encouraged by the number of proposals on the topic. We are surprised to see that they did not cover the Appellate Body issue. That said, we thank the proponents for their submissions. They are undergoing consultations in capital, but we will present our preliminary views at this point. On "Improving Inclusiveness by Reviewing and Evaluating External Engagement" (WT/GC/W/871), Jamaica understands that the proponents are seeking to initiate a dialogue and there are benefits to be derived from continuing and widening collaboration with stakeholders in light of the emerging issues that intersect with international trade policies. We do believe that there is need for clarity from co-sponsors on paragraph 5 of the proposal, despite many models in the UN system, Jamaica is yet to see the model that works for the WTO's Member-driven context. In addition to invitation of chairs, the WTO's engagements with external stakeholders are largely carried out through the Secretariat. Additionally, there are external stakeholders that are observers in various WTO bodies and there is also the WTO Public Forum. These mechanisms, we believe, are adequate. We are, however, open to engaging on how they can be improved. At the same time, the WTO is a Member-driven Organization and it is important to keep that intact. It should be Members who determine how to take on positions and legally binding commitments. It is governments we believe who have to manage the impact of international trade policies on their domestic development priorities.
- 2.148. On "Improving the Operations of WTO bodies to Revitalize the WTO's Monitoring and Deliberative Function" (WT/GC/W/877), we appreciate the attempt to bring the ideas together, especially for small delegations, as the UK delegation said this morning. It can become a Frankenstein document, but we see it as a useful attempt we nonetheless fully appreciate. On "Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges" (WT/GC/W/864) and "Committee on Trade and Development Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO" (WT/GC/W/865), we asked that our statements at the last General Council be recorded as our preliminary views on these submissions.<sup>11</sup> On "Maximising the Value of WTO Ministerial Conferences" (WT/GC/W/873), we can agree with Australia that we need to organize Ministerial Conferences in a manner that makes them more efficient, productive and focused. Hence, we want to ensure that the Director-General and the GC Chair have sufficient flexibility to structure the Conference in consultation with Members to ensure that our arrangements are adaptable to the circumstances of today. If Ministers are to engage on thematic areas for which there is no document to engage on while simultaneously negotiating on draft text put before them for the delivery of national statement in addition, it may pack the agenda. MC12 has shown us that over packing the agenda can have significant challenges. In closing, Jamaica believes, however, that we have to be flexible on how the ministerial conferences are organized and to ensure that it has its maximum impact.
- 2.149. The representative of <u>Switzerland</u> delivered the following statement:
- 2.150. Let me thank Members for the substantive communications that have been submitted to the General Council. Our work should look at both "how" WTO bodies function and "what" they discuss. We appreciate that both aspects, the how and the what, are addressed in the communications considered today. We note some degree of convergence, in particular between the communication introduced by India on "30 for 30 suggestions" and the one introduced by the UK that Switzerland is co-sponsoring. We are still reviewing India's proposals. They contain some pragmatic ideas which, in our view, contribute to reaching our common WTO reform objectives. Other suggestions require further clarification. We read with interest the communication on external engagement introduced by the US. According to our experience, engaging with external non-governmental stakeholders

 $<sup>^{11}</sup>$  The statement is contained in WT/GC/M/203, para. 2.93-2.96 and is incorporated by reference in the record of this meeting.

always proved useful in better understanding current challenges and clarifying the impact of our work on the ground.

- 2.151. The communication on the mandate of the Committee on Trade and Development has already been discussed at the last General Council meeting. We simply refer to the statement we made on that occasion. We took interest in Australia's communication on maximizing the value of WTO Ministerial Conferences. It is worth discussing this matter, both in terms of content and conduct. The ideas put forward by Australia deserve careful consideration. We support in particular the objective of finding new ways of ensuring steady and constructive negotiations inter-sessionally.
- 2.152. Let me finally offer specific comments on the communication by the European Union. We are in general supportive of their proposals. We would welcome an enhanced dialogue between Members on the objectives underlying government support policies, including industrial and environmental policies, to better understand the rationale behind each and every one respective policy. It is a necessary step to ease trade tensions that have been on the rise since several years. We therefore support the launch of specific deliberations on the interaction between trade and state intervention in the economy. On trade and global environmental challenges, Switzerland supports the idea of reinvigorating the CTE and the multilateral discussions on trade and environment as well as having thematic discussions. In addition, we see merit in discussing inclusiveness and capacity building related to environment and trade issues. Stakeholders' participation will also be key. These are preliminary comments from our sides. We are looking forward to continuing this discussion in the context of the retreat and the working session that the EU has proposed as well as the retreat that you will convene in June.
- 2.153. The representative of <u>India</u> delivered the following statement:
- 2.154. I also wish to share our views on the other submissions under this agenda and will begin by thanking proponents for their submissions and statements. Let me go in order of sequence as it appears in the agenda and begin with WT/GC/W/871. While we are still examining the proposal, we wish to make some preliminary comments. External engagement is an issue that deserves extensive deliberation before taking an informed decision by the membership. We must be mindful that WTO is a Member-driven body. Members as sovereigns represent all stakeholders in their respective constituencies and do engage in extensive domestic consultations with these stakeholders before coming to the negotiating table. Therefore, the understanding that debates in WTO lack inclusiveness is not correct. In fact, I would like to remind this house that we all are designated here as Permanent Representatives. And in my understanding Permanent Representatives represent the sovereign country which includes stakeholders in those countries. And it is through this stakeholder engagement undertaken by the sovereign that those stakeholders' views or points are being brought up either in negotiation or monitoring or in dispute resolutions. So, I fail to understand from where this disconnect has emerged that we are not interacting with the stakeholders and while at the same time, we are bringing a lot of STCs as part of monitoring function as well as we are bringing disputes as part of the dispute settlement function of the WTO on behalf of stakeholders.
- 2.155. Further, international organizations differ in terms of scope and nature of work and their constitution and sensitivities too vary. What may be a useful practice for some UN organization may not necessarily be as useful or relevant for WTO and may in fact be counterproductive in WTO's context. Therefore, we should not be overlooking past discussions, debates and decisions in WTO, wherein conscious boundaries were prescribed for external engagements, keeping in view the sensitivities involved in trade rule negotiations, monitoring and dispute settlement where formal mode has been confined strictly for Members only. As stated in the communication, WTO already provides ample forums for external engagements through public forums and informal sessions like the one that we had on the FIFA event, or informal sessions by respective Committees and under Aid-for-Trade Initiative. We would like to understand from the proponents why these engagements are not sufficient as the proposal does not elaborate on this assertion.
- 2.156. As regards trade and inclusiveness, we reiterate that issues of labour, wages, worker, domestic distributional impacts etc. do not belong to WTO and does not merit deliberation here. Also, the Member-driven character of the organization be respected. It is expected that Members would factor in stakeholder inputs at their level instead of pushing for direct engagement of private sector and civil societies here. Finally, the Australian delegation has made an innovative submission WT/GC/W/873 containing thought provoking five new approaches for better use of Ministerial Conference. We would like to understand in more detail as to how these approaches vary from the

present approaches. Usually, Ministerial Conferences throws spotlight global challenges in the context of trade. For example, the 12<sup>th</sup> MC focused on global challenges to trade in the post-pandemic scenario, including response to pandemic. We need to optimise our approach as widening the remit of Ministerial discussions may come in the way of delivering tangible outcomes on specific issues concerning trade.

- 2.157. On the EU submission WT/GC/W/864, as India mentioned earlier, the proponent should come up with separate submissions on the issues contained in paras. 2.1, 2,2 and 2.3 for a meaningful discussion. Members have highlighted the serious challenges like food insecurity, debt, finance, inflation, supply chain disruptions, infrastructure, and unemployment. Further, Members have also highlighted in various proposals the imbalances in the existing rules and the need to correct them. While we are willing to deliberate on issues namely "Trade Policy and State Intervention" and "Trade and Global Environmental challenges" there should be more keenness to discuss other pressing challenges that are crucial for resilient, responsible, and responsive trade, and for development needs of members. As regards the topic of trade policy and state intervention we feel that WTO already have existing forums to discuss this issue and there may not be a need of new forum as has been proposed in the submission. On trade and environmental challenges, we are willing to engage and we to be assured by the proponent that unilateral measures would not be implemented while deliberations are ongoing. Further, the proponent should be willing to engage on the issues of transfer of environmentally sound technologies, climate finance, and CBDR-RC.
- 2.158. On WTO reform, as stated in our submission WT/GC/W/874, what we need now are "quick wins" through incremental reforms. As regards deliberative and rulemaking work, we have been already deliberating these aspects under submission made by EU and our views are well known. As regards guidance by the Ministers on ongoing negotiations, it would be a good idea to take stock of all pending Ministerial decisions for early action and report back to Minister's in MC13. And lastly, on the UK's proposal, as some members have felt that it aligns with the 873 proposal, we would like to work with like-minded co-sponsors on that.
- 2.159. The representative of <u>Uruguay</u> delivered the following statement:
- 2.160. First, ahead of MC13, we are pleased to note Members' keen interest in matters related to WTO reform. In these discussions, Uruguay reaffirms its view that safeguarding the dispute settlement mechanism and strengthening the negotiating function of the Organization are of utmost importance and urgency. In a challenging international geopolitical and economic context, Uruguay will continue to defend the integrity of, and ensure compliance with and respect for, the rules of the multilateral trading system within this Organization.
- 2.161. With regard to improving the functioning of WTO bodies, we would like to thank Canada, Costa Rica, the United Kingdom and other delegations for including their communication on improving the operations of WTO bodies, and India for its communication entitled "30 for 30 Suggestions for Improving the Functioning in WTO". At the same time, we appreciate the statements made by the delegations of the co-sponsors (Argentina, Brazil, Colombia, Ecuador, Paraguay and Uruguay) of communication JOB/CTG/21, on improving the functioning of the Council for Trade in Goods (CTG) and its subsidiary bodies, which is also part of the MC12 follow-up work and could be included in the outcomes presented at MC13.
- 2.162. Improving the functioning of WTO bodies is part of the reform process and we are pleased to find significant overlap between our communication and the proposals included for this General Council. In this connection, we would like to emphasize the progress made by Members in improving functioning within the framework of the discussions in the CTG and its subsidiary bodies. Based on these discussions and this work, the co-sponsors have taken note of some lessons that my colleagues have already shared (and will share) at this General Council meeting. We would like to add to those comments by acknowledging that these discussions must respect the nature and dynamics of the work to be carried out in the General Council and each subsidiary body. By the nature of the tasks mandated under the WTO Agreements, the General Council and its subsidiary bodies have common yet differing objectives, dynamics and topics under discussion. Therefore, there is a priori no single solution or format, not all bodies are in the same situation and a case-by-case analysis is required to identify areas for improvement. As Argentina pointed out, this does not preclude the fact that there should be dialogue within the Organization that would allow an exchange of information to strengthen its institutional functioning and avoid widening gaps in its operations. Lastly, we recognize that the ultimate goal of improving the functioning of WTO bodies lies in its impact on the

quality of the discussions and the outcomes that can be expected from the meetings, in an organization that requires consensus to achieve results.

- 2.163. The representative of <u>Egypt</u> delivered the following statement:
- 2.164. Developing countries face several challenges in pursuit of their economic development. The challenges we are facing worsened the situation. The pandemic and the food security challenges highlighted the need to enhance the multilateral trading system's resilience to external shocks and support developing countries' economic recovery. MC13 shall put us on the path towards resolving those challenges, especially on food security, given the WTO mandate. Egypt fully supports the African Group's vision and approach to WTO reform, we associate ourselves with the statement made by the African Group. We share the commitment to achieving inclusive development-oriented outcomes, while strengthening the multilateral, inclusive and member driven nature of the WTO. We also recognize the importance of restoring the dispute settlement function. We reaffirm the centrality of the S&DT principle as integral to the reform process.
- 2.165. On the substantive elements of the WTO reform, we agree that government policies can play a positive role in addressing market failures to pursue development objectives. We fully support the African Group's submission titled "Policy Space for Industrial Development," which calls for a rebalancing of trade rules in some WTO agreements that hinder their ability to structurally transform, industrialize, and diversify their economies. We encourage immediate technical engagements towards unpacking the issues entailed in this document in respective committees. Egypt is committed to working with all WTO members to ensure that MC13 delivers a comprehensive development package, inclusive of these critical issues. We welcome the idea of holding an Informal Meeting on WTO Reform focused on the deliberative function and institutional matters in a way that would guide our work.
- 2.166. We thank the United States for presenting document WT/GC/W/871, which we are currently analysing in Capital, together with the other submissions under this agenda item: Improving the operations of WTO Bodies to revitalise the WTO's Monitoring and Deliberative Function request from a group of Members. We thank the United Kingdom and the co-sponsors for the submission contained in WT/GC/W/877. We see merits in many of the ideas contained therein including on setting up a dedicated webpage for training, avoiding overlapping meetings, and providing avenues for delegates to be informed of meeting outcomes and any follow-up. We thank India for their Submission (30 for 30) in document WT/GC/W/874. The communication also presents a preliminary list of ideas grouped by themes and timeframes in which each suggestion appears achievable. We echo India's call for Members to adopt the proposal to operationalize the CTD as a focal point.
- 2.167. We thank Australia for their submission which we sent over to Cairo to be studied. As for the EU submission, we have expressed our interest in this subject by sharing rambling thoughts and raising some questions on this document in the last GC meeting. We aim to focus on areas of convergence between this document and the document submitted by the African Group on policy space for industrialization. In this regard, we have to agree on a specific list of topics to address as we go about reforming the deliberative functions, set some definitions and develop the narrative for our work to lay the foundation for a productive discussion on issues of interest to our countries. We see merits in the idea of developing a compilation or a depository for relevant documents and submission to make it easier for us to categorize those ideas and track progress. We are ready to engage in future discussions on all relevant ideas and submissions under this agenda item. We also welcome holding an informal meeting on WTO reform and working sessions focusing on the deliberative function and based on Members' submissions.
- 2.168. The representative of Nicaragua delivered the following statement:
- 2.169. We welcome the contributions of the Members that have presented communications for the discussion today on WTO reform, which are being considered by my capital. We wish to highlight the importance of WTO reform for Nicaragua as a developing Member, one with a small vulnerable economy and a small delegation to this Organization. We call for the implementation of a process to improve the operations of the WTO in a manner consistent with the development principles and objectives contained in the Preamble to the Marrakesh Agreement. The reform must respond to the needs of developing country Members and must guarantee them special and differential treatment that takes account of the asymmetries between Members and the technical and financial constraints

that least-developed countries and small vulnerable economies face in implementing the Agreements.

- 2.170. The development dimension is cross-cutting in all WTO negotiation topics and calls for political will on the part of all Members to achieve results that reflect current realities, such as the environmental crisis and food insecurity. The reform should also help take fuller advantage of technical assistance to allow small vulnerable economies to integrate better and more effectively into world trade, in line with their economic development needs. The reform will only be a success if all Members uphold the commitments to be undertaken. We should remind ourselves that WTO Members acquire rights, but we also assume responsibilities, which is why we attach special importance to reactivating the two-tier dispute settlement system by resolving the impasse affecting the Appellate Body. We note the work under way as part of the informal process to reform the dispute settlement system, which we hope will yield a positive outcome. We welcome the initial outcomes achieved in the Council for Trade in Goods relating to the provisions adopted to enhance efficiency in that Council and its subsidiary bodies, which will serve to facilitate the work of small missions such as ours. To conclude, we reiterate that the WTO reform process should be transparent, inclusive and Member-driven.
- 2.171. The representative of <u>Mauritius</u> delivered the following statement:
- 2.172. We thank the delegations for their proposals that cover various aspects of the WTO reform from fundamental principles to functioning of committees. My delegation associates itself with the statements made by the African Group and the ACP Group. After almost 30 years since its establishment, the organization does indeed need to bring changes that will make it relevant in the fast-changing trading environment, make it efficient given competing demands for resources, deliver on issues it is mandated to address, and most importantly address the development needs of its members, especially small developing economies.
- 2.173. This is the perspective from which we see reform of this organisation that need to take place in transparent and inclusive process. Very often, decision-making is influenced by the voice of the majority that may leave aside the genuine and legitimate demands smaller groups. For instance, small island developing states, may not represent a large population even if put together. Our global share of trade is minimal, and the trade distortive potential of measures taken by us are equally minimal. We are faced with certain challenges and realities that are specific to us. Our voices also need to be heard and acted upon. We are still studying the various proposals, some of which were only recently circulated and look forward to more detailed and focused discussions on each aspect of reform. The African Group has made its own proposals relating to industrial development and on transparency and inclusivity. We look forward to discussions on these proposals too.
- 2.174. The representative of <u>Bangladesh</u> delivered the following statement:
- 2.175. Bangladesh aligns with the statement delivered by the LDC Group. The delegation of Bangladesh has always reiterated that the work under WTO reform must be organized on the basis of identified list of the 'necessary reform items' and ensure that any reform must not alter the Multilateral character of the WTO. The WTO shall remain a Member-driven organisation and the established rules must guide the role and responsibility of the WTO Secretariat. We urge Members to consider the LDC Group's submission JOB/GC/223/Rev.1 in April 2022.
- 2.176. The delegation of Bangladesh has taken good notes of all the six submissions presented under this agenda item contained in documents WT/GC/W/871/Rev.2, WT/GC/W/864, WT/GC/W/877, WT/GC/W/865, WT/GC/W/873, WT/GC/W/874. These documents bring variety of reform aspects including institutional and procedural issues and we need more time to examine those papers. However, Bangladesh wishes to highlight two general points today: First, all WTO bodies should prioritise Development Agenda. Development is not solely about technical assistance and capacity building. The provisions for special and differential treatment are an integral part of the WTO Agreements and to be treated as such. This is also important, as guaranteed in Article XI.2 of the Marrakesh Agreement, that the LDCs must not be asked to undertake commitments and concessions that go beyond their administrative and institutional capabilities.
- 2.177. Second, Ministers in MC12 outcome document paragraph 4 instructed to conduct discussions to have a fully and well-functioning dispute settlement system accessible to all Members by 2024.

Without the Appellate Body, the DS system is not fully functional. If we are truly respectful to the commitment of our Ministers, we must engage in discussions for the AB appointment as a top priority. Suggestions and inputs from Member should be the basis of such discussions. Currently we do not see any clear process initiated by the GC or the DSB on this important issue that has a specific timeline till 2024. On the other hand, if SD reform discussions happen outside the GC or DSB, only a limited number of delegations controls the schedules and selection of themes of those meetings. Such practices are very difficult for the LDCs and many small delegations to follow, considering the speed and pace of the discussions. We urge the GC Chair, as the GC is mandated by the MC12 to lead any reform in the WTO, to guide the process including for the DS reform. Bangladesh looks forward to engaging constructively with Members.

- 2.178. The representative of <u>Cambodia</u> delivered the following statement:
- 2.179. My delegation aligns with the statement made by the LDC Group. We welcome the proposals that have been submitted on WTO reform by different Members. This shows the keen interests of all Members, be it LDCs, developing or developed countries, in having a strong, well-functioning and relevant WTO. We thank all the proponents who have reached out to us to explain their submissions in detailed and to identify where there could be common positions. We are scrutinizing all the proposals carefully to find any reconcilable elements in comparison to the LDC Group's submission in document number JOB/GC/223/Rev.1 and we will reflect on them as appropriate.
- 2.180. The representative of the Republic of Moldova delivered the following statement:
- 2.181. I am referring to the WTO reform and to the several proposed documents by different Members. First, we would like to express appreciation for their commitment and for the tabled proposals. Currently our capital-based team is assessing the papers. However, we would be pleased to present preliminary feedback related to several of these proposals as follows. First, on the European Union proposal in document number WT/GC/W/864, we find many valuable suggestions which we believe will guide the Secretariat and Members on the right path in the context of the WTO reform. On DSB, similar to many Members, we consider the unblocking of the selection of the Appellate Body the most important priority. Having a fully functioning dispute settlement mechanism by the end of the established deadline is very important, and we remind that this deadline is the upcoming Ministerial, so the clock is ticking quite fast. A viable Dispute Settlement System represents the guarantor of strong and enforced multilateral trading system established under the WTO. Therefore, we call upon all Members to contribute to the unblockage of the current situation in DSB in a priority manner, including by participating with an open-minded approach within the ongoing discussions on DS reform. Also, Moldova continues to fully support a reinforced deliberative function of the WTO, and here, besides the European Union's suggestions within the mentioned paper on reinforced deliberations, we should mention the negotiations within the JSIs, which we believe should have a multilateral outcome and should be embodied under the WTO umbrella upon their conclusion.
- 2.182. Finally, referring to the suggested enhanced cooperation and engagement with other stakeholders with this Organization, Moldova believes that we should stick to the current limited involvement of other stakeholders in the work of this Organization, keeping it in the format of informal experience-sharing sessions. However, we welcome the suggestion by the European Union on undertaking a joint analysis with World Bank and ILO on the distributional impacts of trade which might benefit other countries, like with developing economies like Moldova. Last but not least, we would like to recall the statements of other Members who have spoken before us and who have condemned the war of Russia initiated against Ukraine. We call upon Russia to stop this war and aggression immediately and unconditionally.
- 2.183. The representative of the **Philippines** delivered the following statement:
- 2.184. We are pleased to see that in the months since MC12, we have been able to sustain a positive spirit and momentum in our engagement on WTO reform. Progress has been manifested in our open approaches through retreats, committee-led innovations through "reform by doing", and the series of complementary communications from a wide breadth of delegations. The Philippines associates itself with the statement of the United States on behalf of the W/871 co-sponsors on Improving Inclusiveness and the statements of the United Kingdom and Costa Rica on behalf of the W/877 co-sponsors on Improving the Operation of WTO Bodies. We also thank the co-sponsors of all the other

WTO reform papers presented under this agenda item and they indeed offer to Members very useful recommendations in improving the WTO's operational efficiency, substantive engagement, and external outreach. We also see some common threads in the communications that can be implemented in the near term, particularly on ways to help smaller delegations better contribute to the WTO's work by rationalizing the calendar, preparations for and reporting of meeting outcomes, enhanced use of digital tools, streamlined notifications, and improved monitoring of specific trade concerns. Beyond this, we note that there is openness to the need to make our meetings more substantive, and the Philippines believes that the use of thematic sessions and informal meetings provide us with valuable opportunities to build trust and increase shared understandings. We see a basket overflowing with ideas to how we modify our work, which can proceed post-haste, but also concur with others including India that have called for improved coherence across the organization and would therefore support the collation and regular updating of these changes by the WTO Secretariat.

2.185. There is also another basket that is starting to fill with recommendations that could transform the orientation and conduct of the organization and would require the GC's definitive guidance. The Philippines supports improved multistakeholder engagement to help us better frame our agenda and priorities and looks forward to working with other delegations in drawing out best practices and experiences of multilateral and regional organizations. There were many constructive ideas shared during the last TNC on the Ministerial Conference and many of these key messages are encapsulated in Australia's W/873 communication. The Philippines looks forward to the June retreat, which should provide us with an opportunity to converge on a set of key changes to the frequency, duration, format and conduct of the Ministerial Conferences. The Philippines is supportive of making the MCs a yearly exercise, extending the duration of the conference, allowing for more negotiating space and improved transparency, and organizing more interactive and thematic sessions for the Ministers. We should be ambitious and aim to have the General Council make a clear decision on the parameters for MC13 and beyond, possibly at the July Council meeting, given its immediate implications on our work agenda in the coming months.

### 2.186. The representative of Nigeria delivered the following statement:

2.187. We welcome and support the Director-General's initiative on a Senior Official's meeting in July. This will greatly reduce the pressure during MC13. We associate ourselves with the statement by the African Group and the statement by the ACP. Nigeria wishes to thank the United States and other co-sponsors of the proposal contained in Document WT/GC/W/871. This proposal is currently being reviewed in our capital. However, we wish to share the following preliminary comments. We believe the existing WTO channels of engagement with businesses and civil society such as annual Public Forum, attendance of civil society at Ministerial Conferences, briefings by the Secretariat, has enabled non state actors to positively shape discussions and negotiations in the WTO. Nonetheless, we agree with the United States and other co-sponsors that multi-stakeholder engagement at the WTO and within WTO Committees appear to lag global best practice. We are of the view that that there is room to modernise and further develop the modalities for consulting business and civil society with a view to revitalising the involvement of these stakeholders in trade debate. However, we must make sure that the outcome of this process is not tailored towards empowering Non-State Actors to unduly exert pressures on Members in the course of Trade Negotiations or discussions. Nigeria would engage constructively in the discussions on this issue.

2.188. We also wish to thank Canada and other co-sponsors of the proposal contained in document WT/GC/W/877. Though this proposal is currently being reviewed in our capital, we wish to share the following preliminary views. Nigeria agrees with the proponents that the regular WTO councils and committees plays an essential role in safeguarding the rules-based multilateral trading system and we welcome efforts towards revitalizing the WTO Monitoring and deliberative functions particularly in the areas of transparency. While we will support efforts at streamlining notifications to improve transparency, we believe the expansion of transparency obligations will most certainly be burdensome for developing country Members that are already struggling with fulfilling existing notification commitments due to resource and capacity constraint. We are of the view that the Membership should address the issue of transparency broadly. Initiatives on improving Transparency should, also include framework on transparent WTO processes – which means that there should not be clashing of meetings that makes it impossible for developing country with small delegations to follow all the meetings. Transparency must also be seen in terms of the inclusion of all Members in the decision-making process. The proposal by the African Group, Cuba and India on an inclusive approach to transparency and notification requirements in the WTO contains useful elements on how

we can foster cooperation to enhance transparency and notification. Nigeria would continue to engage constructively on this issue.

- 2.189. Regarding the EU proposal on Reinforcing the Deliberative Function of the WTO to Respond to Global Trade Policy Challenges, we wish to associate ourselves with the statements delivered by the African Group on this issue. The paper is currently being reviewed in our capital and we will revert with substantive comments on this issue in subsequent meetings of the General Council. We thank India for its paper on Committee on Trade and Development Mandate: Focal Point for Consideration and Coordination of Work on Development in the WTO contained in document WT/GC/W/865. In our view, the prayers of paragraph 7 of the paper contains some noteworthy ideas on how we can effectively coordinate and advance development issues in the WTO. We look forward to engaging with India and other Members to discuss the paper and explore possible way forward on the issues contained therein.
- 2.190. We are still reviewing the proposal by Australia contained in document WT/GC/W/873. We have also taken note of the presentation by India on 30 For 30 Suggestions for Improving the Functioning in WTO and we will revert on these issues in the next meeting of the Council. In conclusion, we believe it is of critical importance that discussions on reform remain open, transparent, and inclusive. It should be geared towards the delivery of outcomes that would help Developing Countries overcome their development challenges and better use global trade to drive growth.
- 2.191. The representative of Malaysia delivered the following statement:
- 2.192. Malaysia would like to thank the proponents for the constructive proposals put forward to facilitate our reform discussions; and we wish to advance our preliminary views as follows: (i) As we are 10 months away from MC13, it is crucial for us to set realistic reform targets which could be achieved in Abu Dhabi. On this note, we believe that the evident-based discussions should be continued and intensified in the coming months; (ii) Malaysia supports the idea on maximising the value of WTO Ministerial Conferences as proposed by Australia. We are of the view that WTO reform should be the "centre piece" for the next Ministerial Conference. With this in mind, restoring the two-tier dispute settlement system should be the main agenda of MC13. We also concur with some other elements of the proposal especially of having intersessional ministerial gatherings, where necessary, to create momentum to converge on this agenda; (iii) Malaysia welcomes the well-thought proposal on improving the operations of WTO bodies to revitalise the WTO's monitoring and deliberative function. There are potential ideas to be alleviated to the next level.
- 2.193. Malaysia would also like to further engage with the proponents of other proposals, as we believe all the papers on the table deserve further deliberation. In summary, Malaysia believes the WTO reform is a continuous process; hence, we urge members to prioritise and focus on the mandated issues. As a strong supporter to the multilateral trading system, Malaysia is looking forward to engaging constructively with other members towards achieving meaningful outcomes for MC13.
- 2.194. The representative of the <u>Russian Federation</u> delivered the following statement:
- 2.195. We share the view that the organization needs to be reformed. The WTO should become more effective, relevant and inclusive. The violations of the rules of the organization for political reasons and arbitrary disregard for commitments are unacceptable. Such behaviour of certain Members erodes trust in the WTO, undermining the principles of this organization. This is the biggest challenge that should be dealt with in order to move forward. We thank all the sponsors of the communications on the WTO reform for their efforts. We believe that they deserve further study. For the moment, we note numerous procedural proposals, institutional enhancements, ideas on substantive issues, calls to improve day-to-day work, as well as mixed proposals. We believe that it will be useful to categorize them into different themes, for ex. transparency, inclusiveness, Secretariat duties and so on. This will facilitate the analysis and negotiating process in the future.
- 2.196. No doubt, the renewal of deliberative and rulemaking work is one of the most ambitious parts of the reform. For Russia, it is at the core of the process. Having said that, we take note of the proposed items for deliberation that need to be addressed to strengthen the relevance of the WTO. We would find it useful in this context to have on the list of topics for deliberations the following:

- (1) how to improve the WTO's effectiveness in tackling modern-day forms of protectionism and trade distortions; (2) how to ensure that the WTO exceptions are not abused, as well as (3) how to make the WTO more effective in curbing excessive and competition-distorting state interventions which have an adverse negative impact on international trade (take massive green subsidies for example). Regarding general elements of the reform, we are open to discuss in different formats proposals made by Members, especially ones concerning the engagement of external stakeholders, the modification of agenda of the General Council and the inclusiveness of the trade-policy making process.
- 2.197. The representative of <u>Costa Rica</u> delivered the following statement:
- 2.198. Costa Rica appreciates the communications presented under this item and would like to refer in particular to those presented by the United States and Australia. Costa Rica supports the ideas presented by the United States and the co-sponsors of communication 871. The participation of external stakeholders is useful for the work we are doing at the WTO and is beneficial for the quality of our discussions. Costa Rica has recognized the value of stakeholders' participation in various initiatives and opportunities; they have brought data and know how that help us hold fact based informed discussions and maintain a link to the real world.
- 2.199. Costa Rica believes it is time to discuss how to give an institutional framework to the exchanges with stakeholders, drawing inspiration from the mechanisms that already exist in other international organizations, including the idea of a consultative board. This should neither change nor affect the intergovernmental nature of the WTO or the fact of decision making continuing to be in the hands of the Members. Costa Rica would also like to thank Australia for its communication. Costa Rica supports its ideas, aimed at maximizing the value of ministerial conferences and our Ministers, involving them in the work we are doing and creating opportunities for them to give us guidance so we can move ahead with our work. These ideas supplement Brazil's proposal contained in document WT/MIN(22)/W/6, which we also support, on holding ministerial conferences annually.
- 2.200. The representative of <u>Viet Nam</u> delivered the following statement:
- 2.201. We share the view that it is critical to focus on deliverables in a practical and pragmatic manner. We support Madam Chair's leadership in the outlined steps towards the MC13. We emphasize the importance of upholding the multilateral trading system, full respect of fundamental principles and rules of the WTO for the benefit of development of its members. Among the key issues of the WTO reform for enhancement of the functioning of the WTO to meet its objectives, we emphasize that our utmost priority is restoration of the fully functioning Dispute Settlement Mechanism, in particular the Appellate Body, to provide security and predictability to the multilateral trading system.
- 2.202. On "Improving Inclusiveness by Reviewing and Evaluating External Engagement", we appreciate the proponents' idea of enhancing the practice of garnering external useful inputs. It would be appropriate that this idea is taken from bottom-up at the working levels where technical and science-based inputs are most needed. On "Improving the Operations of WTO Bodies to Revitalise the WTO's Monitoring and Deliberative Function", we see that improving WTO Bodies' operations to enhance their capacity to handle emerging and existing issues is a pragmatic and constructive approach. Members' participation, especially for Developing and Least-Developed ones, could also be enhanced. We think of the WTO Reform as a progressive process as such.
- 2.203. On "Reinforcing the Deliberative Function of the WTO to Respond to Global Trade", we generally support the idea of optimizing the usefulness of regular WTO functioning bodies. Expanding the deliberative function at the WTO bodies would be contributing to that end. On the thematic topics as proposed, we however see the need to explore further which could be appropriate. On "Maximising the Value of WTO Ministerial Conferences", we agree with the idea of optimizing the opportunity that Ministers gather together in-person at the MCs, without prejudice to the issues to be discussed, which we think should be best decided on the consensus basis. However, having in-person intersessional gatherings would perhaps be difficult given resource constraints while there is the availability of much-developed online meeting facilities. Ad-hoc online Ministerial gatherings could be very useful when certain negotiations reach maturity. The design of thematic sessions and advance questions for those events if is properly made could be contributing to breakthroughs. On

- "Suggestions for Improving the Functioning in WTO", Viet Nam thanks India for the contribution with concrete ideas. In this regard, we are willing to join the collective WTO review.
- 2.204. The representative of <u>Tanzania</u> delivered the following statement:
- 2.205. My delegation welcomes your report on reform. We have taken note of the tabled proposals by the proponents, of which are still under review. However, at this juncture we would like to express our general preliminary views as follows: Reform is a continuous process and therefore should not overburden the MC13 agenda and processes. Reform discussions about improving the functioning of certain Committees or Council should take place in their respective bodies while on cross-cutting issues, the General Council should agree on the appropriate structure and methodology.
- 2.206. Reform regarding the functioning of WTO Secretariat should remain under the ambit of the Director-General and must be guided by Art. VI of the Marrakesh Agreement. Any discussions patterning to reform should be conducted in a transparent and in an inclusive manner, taking into account the constraining factors for small delegations' participation. Reform geared to incorporate into WTO emerging and contemporary issues and trends such as climate change should be carefully considered in order not to become distortion in international trade through disguised protectionism. Short of that will escalate retaliatory measures between members and hence further widen the exiting trade imbalance between developed and the developing members, a self-defeating purpose for WTO. Development should remain central in the reform process by ensuring the vulnerable, i.e. the LDCs and developing countries are not left behind.
- 2.207. The representative of <u>Türkive</u> delivered the following statement:
- 2.208. I think by now we are all cognizant of the work that lies ahead of us. The WTO reform is a multifaceted effort, relating both to substance and procedures. While we believe structuring this work is very important, we know it is a difficult one too. Therefore, Madam Chairperson, your proposal to hold a retreat on the deliberative function of the WTO will be a significant step on that front. Let me also thank all those Members who have come up with proposals today and made possible this lively discussion on the WTO reform. We appreciate every effort spent to make the WTO more relevant and efficient, adding meaning and value to the work we all do here.
- 2.209. While emphasizing that all these documents are still under scrutiny in Ankara, we would like to state here some of the ideas that we think could be similarly useful. The number of proposals that are already on the agenda of this meeting gives us the idea that these may be compiled under one document so that none goes unseen. We have also realized that some of these documents share suggestions or ideas on the same topics which might be placed under a matrix that could be further developed over time as more documents are circulated.
- 2.210. Secondly on the proposed issues, we definitely believe that the hybrid meetings should continue given the opportunity they provide for increased participation of capitals to the meetings. Clusters of meetings on similar subject matters is another good idea for capital colleagues to be able to come for once and participate to all relevant meetings at a given time. A reminder for meetings summarizing key developments is also significant to keep members up to-date with the WTO work even if they did not find the chance to follow certain meetings. Similarly, we support proposals on agenda sequencing, annotated agendas or leveraging existing or new digital tools to improve the dialogue on trade concerns. Again, simplified notification formats and tailored trainings for notifications is something we have been calling for to ensure more transparency from a developing country Member perspective. We also believe it could contribute to transparency if TPRB is to be recognized as a platform for exchanges of information during global emergencies. Doing that, though, we should make sure that the already busy working schedule of the TPRB does not get more strained.
- 2.211. We are also open to considering dedicated or thematic sessions on certain issues that, members believe, require more specific time to delve deeper. Similarly, we believe joint sessions of Committees on cross-cutting issues could prove really helpful to understand from what other standpoints other WTO bodies are viewing certain issues. While environment is a definite candidate in that regard, being the focus of discussions in many Committees and Council at the WTO, development could also be considered as a subject matter of joint sessions. We also believe there is merit in deliberating further on the proposal for "maximizing the value of WTO Ministerial"

Conferences". Especially to relieve the usual high pressure off these Conferences and avoid credibility discussions on outcomes, we are ready to engage more on the suggestions within the proposal.

- 2.212. The final point we would like to touch upon is the issue of external engagement. We have seen increasing number of proposals that foresee enhanced cooperation with outside stakeholders. On that issue our primary concern is the representation issue; the voices should be heard equally from the developed and the developing world if we are to benefit from their input in our work here. It is equally significant to utilize the valuable information and data they can provide at the technical level, leaving the member-driven nature of the WTO intact. Secondly, we do not have clear procedures for such kinds of engagements. Even in the rather more streamlined area of "granting observer status to International Governmental Organizations at the Committees", we experience that the WTO rules lack the precision in terms of the procedures for handling these requests, which stall these processes at the end of the day. There are many IGO's which have been waiting to be granted observer status at certain Committees where there is no indication of when their requests will be taken up again, if ever.
- 2.213. Last but not the least with this opportunity we would like to appraise the work undertaken thus far in the CTG. We have already taken 4 decisions which will at the end of the day help to inform the debates and render them more qualified. We hope to see such work undertaken in all subsidiary bodies so that we can continue with the bottom-up approach and better see which horizontal measures need to be taken up in the GC. To conclude, I would like to indicate that Türkiye is ready as always to engage in a constructive dialogue with all the members to continue the process of the WTO reform.
- 2.214. The representative of Nepal delivered the following statement:
- 2.215. I associate with Djibouti on behalf of LDC Group and would like to add few points. About the submissions from Members on WTO reform, my delegation welcomes the proposals and stands ready for the constructive discussion. MC13 needs to be able to address the trade related global challenges with the view of harnessing inclusive trade under the multilateral framework. This can be achieved through the substantive and procedural WTO reform. We have been able to achieve some progress in terms of improving the functioning of the councils and committees of the WTO, but they are more focused on meeting management, reporting, and use of the IT tools.
- 2.216. Regarding the issues of reform focused on development, it is necessary to take steps realizing the different needs of the WTO Members. Reform should focus to enhance the LDCs and LLDCs trade and should have the opportunity to participate in all the meetings considering the constraints of small delegation. I reiterate that concerns of Members especially the LDC Members which joined the WTO through accession process with very high level of commitment and obligations beyond their capacity should be addressed through amendment of different WTO Agreements.
- 2.217. The representative of <u>Pakistan</u> delivered the following statement:
- 2.218. With regard to this submission by Colombia, the Philippines and other members titled WT/GC/W/871, I would like to say that while it is true that WTO needs to address the multifaceted nature of polycrises around the world and that the engagement of international organizations can bear fruits; nevertheless, Pakistan believes that such stakeholder engagements shall be limited to bodies of United Nations and to organizations having an international character. I say this, for only these organizations carry irrefutable non-contentious image and thus will befit the member-driven nature of this organization.
- 2.219. It is interesting to let stakeholders in. However, one can safely assume that all national stakeholders of member states have access to their governments and their concerns would be adequately reflected at this member driven forum. For those who are not empowered enough for their governments to sit up and listen to them, I very much doubt will get access to this forum for example most poor people around the world. On the other hand, the organized, the relatively powerful and vocal, who already have access to national governments will get added access to this forum and will be heard twice over and twice as loud resulting in unequal access to this forum, at least of the primary stakeholders.

- 2.220. On "Reinforcing the Deliberative Function of WTO to Respond to Global Trade Policy Challenges" (WT/GC/W/864), "Maximizing the Value of MCs" (WT/GC/W/873) and "30 for 30 Suggestions for Improving the Functioning in WTO", Pakistan welcomes the submissions under this important and growing agenda in the lead-up to MC13. It might take a rolling process to thrash these out by the membership over different time periods, as pointed out by Singapore. There are overlaps but clubbing them may run the risk of proponents talking past each other. We are in consultation with capital over these.
- 2.221. On stakeholder consultation, while it is true that WTO needs to address the polycrises and stakeholder consultations can be enlightening, these need to be focused and balanced. One can safely assume that all national stakeholders of member states have access to their governments and their concerns would be adequately reflected at this member driven forum. For those who are not empowered enough for their governments to sit up and listen to them, I very much doubt will get access to this forum. On the other hand, the organised, the relatively powerful and vocal who already have access to national governments will get added access to this forum and will be heard twice over and twice as loud.
- 2.222. On the EU's submission W/864, we understand that newer and graver problems call for newer and more effective solutions and hence the global polycrises begs for more effort from this membership. Considering that, Pakistan looks forward to engaging with members in this regard and agrees that CTE needs to be utilized as a forum where all members exercise transparency, policydialogue and coordination in trade related environmental measures. On Australia's submission W/873, Pakistan believes that mostly it is not the number of MC's we hold that determine outcomes but the quality and focus of engagement among members in various configurations during and prior to each MC. Australia's paper correctly points out that high pressure conferences result in unpredictable outcomes with questionable credibility, but it is only reflective of how we engage prior to it. On India's submission, we understand that the preliminary list of suggestions India has made for operational efficacy of this organization, is a collection of doables that may bring substantially better results in the future. Further interaction among Members in this line can help identify further measures that can be taken to improve the efficiency and output-oriented performance of WTO.
- 2.223. I would like to add that the issue of WTO reform has gathered significant ideas and submissions from a lot of members. Here, I would make special mention of W/778/Rev.5 submitted by African Group, Pakistan and other co-sponsors last year, and state that it is essential that we pay heed to developing Members' calls for these reforms to address asymmetries, bring balance to the WTO rules and focus on the development dimension to respond to the polycrises the world is grappling with and to make WTO an organization which supports development of all its members equally. With this core necessity in mind, Pakistan plans to bring forth a paper on emergencies and trade, hopefully sooner than later.
- 2.224. The representative of <u>The Gambia</u> delivered the following statement:
- 2.225. Firstly, the centrality of sustainable development, whereby we place people at the centre, or uplifting the people's quality of life, must be our collective result. Secondly, the centrality of digitalization at the heart of the reform, both in the secretariat and the entire mechanism of the WTO and embracing that the future of trade is digital and that this must be central in the multifaceted WTO reform. Thirdly, on dispute settlement mechanism, return to a fully functioning Appellate Body anchored on multilateral principles. The deadlock in the Appellate Body must be addressed by this reform. The imposed conditions must be resolved; resolve the systemic issues embedded in the geographical rivalry among major G20 members for a better WTO. Finally, we must update the WTO rule book. Access to food security, pragmatism on climate change, and actions during crises and emergencies are critical. We must uphold consensus building, anchored in truth, anchored in responsibility, anchored in integrity, anchored in balance, and anchored in inclusivity. We must also ensure that the rules are revised to govern the current trading environment. Transparency and monitoring will be very important for the future sustainability of the WTO.
- 2.226. The <u>Chairperson</u> thanked Members for a constructive discussion on WTO reform. She commended Members for their efforts in putting forward ideas and suggestions. It was through Members' inputs and active engagement that there could be progress in the reform work. In terms of Next Steps, she encouraged proponents to reach out to other Members and for all Members to continue this dialogue. She indicated that she would be convening an Informal meeting on WTO reform. The modalities would be circulated in due course. As always, her door would remain open.

- 2.227. The representative of the <u>United States</u> delivered the following statement:
- 2.228. Thank you for those who made specific comments on our paper. I just want to reiterate that all that we are trying to do is to start a conversation. We recognise that there are a variety of opinions, so we want to explore not just with those who express support, but also with those who have concerns. I do want to stress that, by no means, is this intended to cede our decision-making authority, that is absolutely not where we want to head with this. This is about making sure that we have more engagement with stakeholders that are out there, and again business and NGO's, big ones, little ones, particularly the smaller ones. Something that was mentioned just a while ago, not about trying to amplify the voices of those who already have a voice. Actually, it is about amplifying the voices of those that we do not hear often enough here.
- 2.229. The representative of the <u>United Kingdom</u> delivered the following statement:
- 2.230. Thanks to everybody who has commented on our paper. Thanks to those who have supported it. Thanks to those who have made other comments on it. If you have supported it, come aboard, be a co-sponsor. I was really reassured by the amount of convergence around this room this afternoon and I think that there is a question for us as to how we distil some of these ideas and make the coalesce a bit more over the next few weeks and months. Obviously, the retreat is one step, but I think we all ought to think about what else do we need to do to get from here to where we want to be ahead of MC13.
- 2.231. The representative of the <u>European Union</u> delivered the following statement:
- 2.232. First, I would like to thank all delegations for their reactions they have given on the EU submission that was presented here today. I retain that there is substantive interest to engage in a discussion on state intervention and I also noticed that there is support for organising a second retreat in July on this topic together with the paper presented by the African Group. Thank you to all colleagues and we will continue to engage. Secondly and final point on the different proposals and work that is underway, very useful, done by different committees on ways to improve the daily operations of the committees. This should continue, but we need to have a timeline at some point to take decisions on those that we are ready to take and then continue the discussions on others. We need to make a report to the Ministerial, but I hope that we do not need to go to Ministers to ask if agendas should be structured in one way or another.
- 2.233. The representative of <u>India</u> delivered the following statement:
- 2.234. I would like to thank all delegations who have participated in this discussion today as well as during the last 3 months while we were working on this proposal, and we will continue to work with them to reach common ground and some of the things that are already in process we do hope that without waiting for Ministerial we will be able to put it in place in different Committees, Councils for efficient use of resources in WTO.
- 2.235. The representative of Australia delivered the following statement:
- 2.236. First, we thank Members for their feedback on Australia's proposal today and are encouraged by the positive responses. This proposal is not about precluding Ministerial engagement with our rule-making work, or diminishing the possibility of outcomes or lowering ambition, but instead taking a more productive, cooperative and steady approach, where Ministers deliver the appropriate political guidance, rather than displacing the work that should properly be done here. We agree with the comments by South Africa on the need for appropriate and inclusive preparatory processes here in Geneva. Second, in response to India's good question, i.e., what is new, we would say simply that Ministers need more and deeper opportunities to help shape the system to address global imperatives. The term "deliberation" sounds very bureaucratic - but is a critical part of this organisation's agenda - it is about giving Members and their Ministers an opportunity to help shape the system, on issues from trade and environment challenges to the growing risk of a war on subsidies, to driving greater inclusion in this system so it fairly delivers for all. Third, the reform retreat in June is an opportunity to consider ideas for improving how we work - as we have proven today that is an important first step. Some of the ideas on the table are for Members to drive, while others are for the Secretariat to consider and implement as appropriate. Finally, Director-General, we agree with your idea for a Senior Officials meeting in July, to close ranks on a few issues, and

make a first contribution to the WTO reform harvest. We should also use that July meeting to decide on which topics Ministers should deliberate in depth at MC13. Chair, well done on managing an excellent debate today. If we continue in the purposeful way we have today, we have an opportunity to make Abu Dhabi our first genuine reform Ministerial. Let us make it count.

- 2.237. The <u>Director-General</u> delivered the following statement<sup>12</sup>:
- 2.238. We had a constructive day. I am happy to see Members so engaged with many suggestions. The fact that many of them overlap also means that people are thinking alike. I also want to thank Ambassador Maria Pagan (United States) for her statement that the fact that we are focusing on a lot of process matters now does not mean that substance is forgotten. A lot of things we have been talking about here today are process and they are very important. But there are also a few substantive suggestions that have also come up. So, we have to bear in mind the two that even as we focus on process and try to make use of it, let us not forget substance because that is what people outside of this building are waiting for us to deliver for them. And I want to thank you for all these great ideas that have been put on the table.
- 2.239. There are some suggestions, as many of you have noted, that are already underway to being implemented and I think we should build on them. We have the Committees that have annotated agendas. We will look at best practices and try to help Members to adopt them. We also have the WTO website's search functions which we are already improving on. We will continue to do that. We have tried some of the ideas in a preliminary way such as the intersessional Ministerial gathering. We did try one and it worked. That is something we could look at. We also have tried at MC12 what Australia is suggesting which I think is a good thing. Ministers should have a bit of time to talk to each other more. It worked. The issue is how to organize it. We do not want that to be the only thing within the Ministerial Conference. We also want to have a negotiating session. But it is a very good idea. I do not think Ministers have enough time to bounce around what is happening out in the world with each other.
- 2.240. On the calendar, we have circulated an evolving calendar for formal meetings of WTO Bodies for 2023 in December 2022 in document WT/INF/231 and a revision in February 2023. We will continue to work on it to see what we can do and which parts we can improve. I do not think it should be something stuck in one place. As we get ideas, we will try to adopt them.
- 2.241. Now, many of you have asked for categorization of all the proposals. There have been proposals that were already tabled before and we must not forget them. We have to take them all into account. I heard China and several others mention this and I agree with them. As we are looking at categorizing proposals, it is obvious that some proposals require Members' decision in order for them to work. There are those requiring Members' decision for the Secretariat to implement. And there are clearly those proposals falling exclusively within the purview of the Secretariat. In addition, some proposals such as making Committee meeting minutes within a certain period of time will require Members' collaboration as the issuance of these minutes depends on Members' timely contribution of their written statements. A lot of these are in Members' hands and we will work with you to do that.
- 2.242. As for proposals involving matters that form part of the functions of the Secretariat as one mentioned under Article VI:4 of the Marrakesh Agreement, we welcome the suggestions that have been made. But we want to note that some of these are already in place. Guidelines and rules already exist on matters such as WTO news items and social media, to name a few. There are several others where there are actually existing guidelines in place on how this is done and they are being followed appropriately. With respect to our ongoing transformation process, as several of you alluded to, we have been providing transparency reports in several fora like the CBFA, the TNC/HODs and the General Council. I want to thank Members for their continued support and to take note of the suggestion that a separate agenda item be created for administrative and organization issues as part of the WTO Reform discussions. This is a good idea, and I am happy to say we have instituted that at the last TNC meeting. We will continue to indicate what possible topics I am going to touch on so that you have time to prepare and respond to that. There are a few opportunities here that we can take advantage of. We, in the Secretariat, are willing to support you. On the things under our purview that we clearly need to deal with we will also try to sort them out.

<sup>&</sup>lt;sup>12</sup> The Director-General's statement was subsequently circulated in document JOB/GC/342

2.243. The General Council took note of the Chairperson's report and of all the statements made.

#### (ii) Work Programme on Electronic Commerce

- Report by the Facilitator
- Reinvigoration of Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Transmissions – Request from India and South Africa
- A Development Approach to the Work Programme on E-Commerce (WPEC) Request from South Africa
- 2.244. The <u>Chairperson</u> proposed to take up all matters under this sub-item together, i.e., the statement by the Facilitator and the sub-items as requested by Members, and open the floor once at the end.
- 2.245. Ambassador Usha Dwarka-Canabady (Mauritius), <u>Facilitator for the E-Commerce Work Programme and Moratorium</u>, delivered the following statement<sup>13</sup>:
- 2.246. I welcome this opportunity to provide an update on the Work Programme on E-commerce since my last report to the General Council in March 2023 (JOB/GC/338). My report today is structured in two parts (i) I will give a brief summary of the two Dedicated Discussions held since my last report; (ii) I will report on the way forward as discussed with Members.
- 2.247. Since my last report to the General Council, we have held two Dedicated Discussions on Legal and Regulatory Frameworks and the Moratorium on 22 March and 20 April respectively. As was the case with the first two Dedicated Discussions on consumer protection and the digital divide, the March and April Dedicated Discussions equally registered a high degree of participation from Members, and groups of Members, across the geographical and developmental spectrum. Some delegations presented written submissions and Members actively engaged in exchanging views and experiences on each topic.
- 2.248. On legal and regulatory frameworks, one submission was received from Singapore in RD/GC/21 as an input to the discussion and a second submission was subsequently received from the United Kingdom in WT/GC/W/870. Members agreed on the importance of engaging further on this issue and noted that the WTO could contribute by acting as a forum for discussions, experience sharing, and provision of technical assistance and capacity building. Some delegations noted the WTO's role in rulemaking. Many delegations reiterated the importance of the WTO's convening power to bring together relevant organizations working in this area and I will later refer to a workshop organised in that regard.
- 2.249. With regards to the April discussions which focused on the moratorium, three written submissions were circulated as inputs namely by Indonesia (WT/GC/W/859); Singapore (RD/GC/22) and the Organization of Eastern Caribbean States, the OECS (RD/GC/23). Overall, delegations repeated well-known positions about the moratorium. However, Members showed a strong interest in the facilitation of additional structured discussions, analysis and technical work including further studies on the matter. Several delegations also stressed the need to hear the perspectives of the private sector/business. Allow me to say a special word of thanks to the delegation of Indonesia whose technical team stayed connected till very late in the night from Jakarta despite the Eid holidays, to respond to questions on their paper.
- 2.250. Let me recall that we have now held four dedicated meetings since January 2023 in the context of re-invigorating the Work Programme on Electronic Commerce and intensifying the discussions on the Moratorium. Going forward on the work plan that will be pursued between now and MC13, I invited Members on 13 April to small group consultations in order to identify the steps and converge on a further list of issues for future discussions. Almost 30 delegations responded, including group coordinators.

<sup>&</sup>lt;sup>13</sup> The Facilitator's statement was subsequently circulated in document JOB/GC/341.

- 2.251. Several delegations expressed strong interest in discussing the remaining topics that I had referred to in my report to the GC in December 2022 including digital trade facilitation and facilitation of electronic transactions, digital industrialisation, e-commerce-related technology transfer, and inclusion of geographically remote Members and marginalised groups which, in their view, fell under the development dimension of the Work Programme. Some delegations were of the view that the additional topics could be addressed as part of a deeper dive into the four thematic topics already discussed. There was also broad agreement that the issue of geographically remote Members and marginalised groups could be raised as a cross-cutting issue.
- 2.252. On Thursday last week (4 May 2023) I convened a short informal open-ended meeting to report on the consultations and to agree on our future work including a thematic calendar of meetings. During the April consultations as well as at last week's informal open-ended, Members generally appreciated the format and the constructive nature of the discussions held to date. In moving forward, I have been urging Members to start reflecting on possible recommendations and concrete outcomes for MC13.
- 2.253. In that regard, at the informal open-ended, I suggested that, in May, we could have a session on digital trade facilitation and facilitation of electronic transactions, followed by a dedicated discussion on digital industrialisation in June, a discussion on e-commerce related technology transfer in July and a further discussion on the moratorium in September. I suggested that in the later months of the year from October until MC13 next year, Members would then focus on potential outcomes and recommendations and seek to find convergence. I must thank Members for their flexible and constructive approach during our consultations which allowed a broad accord to proceed on my suggested schedule and topics to discuss in the coming months.
- 2.254. Some delegations did express caution with respect to technology transfer and were concerned that the discussions might dent the positive spirit that has prevailed in our discussions so far, given the sensitivity of the issue. The dedicated discussion would be on e-commerce related technology transfer. I have urged, during consultations, that delegations maintain the constructive approach that we have had to date even when discussing sensitive issues. I recall that the purpose of our discussions is also to know what it is that the WTO can do on these particular issues.
- 2.255. With respect to convening relevant intergovernmental organizations working on e-commerce-related issues, I am pleased to report that all Members welcomed holding the workshop on 1 and 2 June. A draft programme will be issued shortly. The workshop will hear from IGOs' work on the four themes discussed to date, followed by an interactive session with delegations. Several delegations reiterated the importance of hearing the views of other stakeholders such as business/private sector and academia even in an informal setting. We may consider holding a second workshop after completion of the Dedicated Discussions in September.
- 2.256. Looking ahead, we have an intense schedule between now and MC13. As I mentioned in my consultations, these discussions will remain Member-driven my role is to facilitate, and it is up to the membership to define the topics, substance and pace of the work including any possible recommendations or outcomes. In closing, I take this opportunity to thank all delegations for their continued active engagement and for their readiness to advance our discussions. I remain ready, as Facilitator, to consult further with any delegation or groups of Members and look forward to building on the collective priorities identified as we chart a path to MC13.
- 2.257. The <u>Chairperson</u> recalled that at their recent meeting with Chairs of regular bodies she had been informed that discussions on the Work Programme were also taking place in the respective bodies although at different levels of engagement. The CTD had continued to discuss a communication on Global Electronic Commerce for Inclusive Development. She suggested that, despite different views, there was a general recognition among Members of the need to address the digital divide, including in the CTD. She then turned to the delegations of India and South Africa to introduce the sub-item on "Reinvigoration of the Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Submissions".
- 2.258. The representative of  $\underline{\text{India}}$  delivered the following statement:
- 2.259. Let me touch upon this reinvigoration part. We welcome the work done by the Facilitator, Ambassador Usha Dwarka-Canabady in organizing the dedicated discussion on the Work

Programme. The four meetings so far have been engaging and rich with details on the priorities and challenges of different Members in this area. We request that the statements made under the thematic sessions or the presentations made are also placed on the record of the General Council.14 We have also learned from these meetings that a detailed and very divergent policy toolkit has been applied by different Members in addressing our common problems. These findings also strengthen the points made by South Africa and India in our various submissions, including the last one by India on Digital Public Infrastructure. It reinforces that the moratorium on customs duties on electronic transmissions is neither necessary, nor sufficient in helping WTO membership attain their digital policy goals or digital industrialization goals. We have also observed through these meetings, especially the fourth dedicated discussion, that the understanding of the provenance of the moratorium on customs duties on electronic transmission is itself not common. Hence, we again reiterate that the proponents present their view on the scope and definition first, rather than talking about perceived or real benefits of the moratorium. This is a critical part of evidence-based decisionmaking process for our Ministers. Without this information from the proponents, it is not clear how discussions on this topic can be furthered before the Ministerial Conference, a desire expressed by many Members in the last TNC and Informal HoDs meeting. We again reiterate that this item should be a standing agenda not just in the General Council, but also in the Council for Trade in Goods, Council for Trade in Services, Council for TRIPS and Committee on Trade and Development. We welcome South Africa's proposal (WT/GC/W/875) to keep the considerations of development central to the Work Programme on E-Commerce and broadly support the inferences drawn.

2.260. The representative of <u>South Africa</u> introduced the sub-item on "A development approach on the Work Programme on E-Commerce":

2.261. We welcome the thematic sessions, which the Facilitator has organized and the contribution of Members in these discussions. We also welcome the outline of the action plan going forward. Our submission captured in WT/GC/W/875 recalls that at MC12, Ministers once more emphasized the need to reinvigorate the work under the Work Programme on Electronic Commerce, based on the existing mandate as set out in WT/L/274, and particularly in line with its development dimension. The submission we are putting forward further emphasizes the importance of the development mandate. It recognizes that the gains from growth in global e-commerce will not be automatic for developing country Members, hence, a critical element of the work before Members must be to identify strategic interventions at all levels to boost growth and well-being, support digital industrialization, address the digital divide and promote domestic digital sectors and small digital firms in developing countries to ensure equitable outcomes. All of this requires enhancing the development dimension of the Work Programme to boost productive capabilities and trade competitiveness of developing country Members. A truly developmental and inclusive approach must enhance the participation of developing country Members in e-commerce not only as consumers but also as producers.

2.262. The paper lists some of the elements that are critical to the development agenda include: (i) outcomes that support digital industrialization as this will ensure that we respond to the mandate of increasing the participation of developing country Members; (ii) addressing the digital divide; (iii) policy space to develop enabling legal and regulatory frameworks based on the needs and priorities of developing country Members. The importance of this is well-recognized by most countries, and necessary frameworks are either already in place or being developed; (iv) a supportive environment to promote domestic digital sectors which recognises their peculiarities and unique needs, as well as the need to be protect them from unfair terms of, at times, monopolistic digital platforms/ecosystem; (v) building national and regional digital platforms in order to provide competitive and fair market access to SMEs engaging in e-commerce in developing country Members; (vi) public management of digital/data infrastructures to provide support to domestic digital industries. India, in its paper submitted in the March GC, emphasised this point; (vii) preserving critical policy tools that governments can utilize to protect the interests of all economic actors in the economy, including strategic deployment of tariffs to promote digital industrialization; (viii) technology transfer and equitable and affordable access to new technologies; (ix) sharing of good practices in terms of digitally transforming economies and building the requisite digital infrastructure; (x) In addition, the lack of common understanding on the scope and definition of electronic transmissions can result in legal and regulatory uncertainties for firms participating in cross-border e-commerce; and, the

 $<sup>^{14}</sup>$  The record of the Dedicated Discussions on Electronic Commerce were issued in: WT/GC/WPEC/M/1 (26 January); WT/GC/WPEC/M/2 (21 February); WT/GC/WPEC/M/3 (22 March); WT/GC/WPEC/M/4 and Corr. 1 (20 April) – and are incorporated by reference in the record of this meeting.

clarity on the scope and definition of e-commerce is also critical to understanding the implications of the e-commerce moratorium on digital industrialisation. We, therefore, call on the proponents of the moratorium to put forward their proposals in this regard. The communication recognizes the importance of e-commerce in an increasingly digitalizing world and emphasizes that the evolution of the sector makes it necessary to continue work under the Work Programme with a view to ensuring inclusivity and broadening the benefits of e-commerce, especially to developing country Members.

- 2.263. To facilitate this work, my delegation makes the following recommendations: (i) The Work Programme should be a standing item under the General Council, with the Facilitator reporting through this item on her activities and progress made. (ii) Similarly, the E-Commerce Work Programme should be a standing item in the relevant WTO bodies given a mandate as set out in WT/L/274. (iii) The General Council should undertake a review of the discussions in the mandated bodies to examine progress made in the relevant bodies on the development dimension of the Work Programme.
- 2.264. The <u>Chairperson</u> reminded everyone that the Work Programme on E-Commerce was being discussed extensively in the Dedicated Discussions under the able leadership of the Facilitator. She commended the Facilitator for ensuring that these ongoing discussions were open to all, transparent, inclusive and Member-driven. She called on delegations not to repeat these ongoing discussions at the GC meeting.
- 2.265. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.266. LDC Members took part in the last consultations organized by the Facilitator. The Group recalls that Members must report to MC13 on the development dimension, in particular on LDC Members. For the workshops, we urge that the focus is on the mandate from MC12, especially prioritizing the development aspects. We emphasize that LDC Member issues shared in the Dedicated Discussions must also be prioritized. We would like our intervention made at the Facilitator 's meeting held on 4 May to be included on the record under this agenda item.<sup>15</sup>
- 2.267. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.268. At the 12<sup>th</sup> Ministerial Conference held last June, it was emphasized that the work under the Work Programme on Electronic Commerce should be reinvigorated in line with its development dimension. Developing country Members need strategic interventions to boost growth, support digital industrialization, address the digital divide, and promote domestic digital sectors and small digital firms. This requires enhancing the development dimension of the Work Programme to boost productive capabilities and trade competitiveness of developing country Members. The paper identifies several factors upon which the development agenda needs to be based, including supporting digital industrialization, addressing the digital divide, providing policy space to develop legal and regulatory frameworks, promoting domestic digital sectors and small digital firms, building national and regional digital platforms, public management of digital/data infrastructures, preserving critical policy tools, promoting technology transfer and equitable access to new technologies, and sharing good practices in digitally transforming economies and building digital infrastructure. A truly developmental and inclusive approach must enhance the participation of developing country Members in e-commerce not only as consumers but also as producers. The gains from growth in global e-commerce will not be automatic for developing country Members, hence the need for a critical focus on the development dimension of the Work Programme to boost productive capabilities and trade competitiveness. The African Group thanks South Africa for this paper which raises a number of valid issues. We look forward to unpacking these issues which can play a vital role in fulfilling the mandate set by Ministers in 1998. We would also like to thank the Facilitator, Ambassador Usha Dwarka-Canabady, for her leadership of the Dedicated Discussions. The engagement on the four thematic areas, which concluded in April was very constructive. We also thank Ambassador Canabady for setting out her plans for the remainder of the Dedicated Discussions leading until the end of the year which we support.

<sup>&</sup>lt;sup>15</sup> The statement of Djibouti, on behalf of the LDC Group, delivered at the 4 May Informal open-ended meeting of the Work Programme on Electronic Commerce can be found in the Annex of this document.

- 2.269. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:
- 2.270. The Dedicated Discussions held so far have been instrumental in assisting us to take a deeper dive on thematic issues in the Work Programme on Electronic Commerce, particularly around the development dimension. The ACP Group has actively participated in all the Dedicated Discussions and appreciates the information and experience sharing by the membership. We hope that the Secretariat can begin to circulate the information requested during the dedicated discussions. The ACP Group also welcomed the consultations and the proposals for further dedicated discussions on a workshop that would allow other relevant international organizations to share their experiences on the four issues discussed so far with the membership. The ACP Group supports the work plan put forward by the Facilitator for the months ahead and on how we might begin to identify convergence and make progress for the mandated report to MC13. We hope to see the draft work plan in writing, as well as the draft programme for the first workshop scheduled for 1 to 2 June 2023. Regarding the proposals that have been discussed today by South Africa and India, the ACP Group takes note of the presentations and looks forward to discussing these issues in detail.
- 2.271. The representative of <u>Trinidad and Tobago</u>, <u>on behalf of CARICOM</u>, delivered the following statement:
- 2.272. The Group thanks the Facilitator for her report, as well as for the informal open-ended meeting held last week to reflect on her consultations and outline a proposed approach to our work under the Work Programme for the months ahead. We hold the view that the proposed topics and approach for our work in the months leading up to and following the summer break reflect a considered attempt by the Facilitator to take into account the various issues that Members have suggested for engagement under the Work Programme. We commend the revisiting of the list of issues proposed by Members in late 2022, as well as the effort to provide opportunities to address some such issues in the months ahead. We also believe that the scheduling of monthly Dedicated Discussions positions us to sustain the momentum created to date. In our estimation, there are evident points of consonance between the topics identified for discussion in the coming months and those we have addressed to date. As such, we do have before us an opportunity to deepen our discussion on topics addressed earlier this year, such as the digital divide and legal and regulatory frameworks, for example. We also concur with the proposal of the Facilitator regarding addressing the issue of inclusion of geographically remote Members and marginalised, under-represented groups in a crosscutting manner. We are also keen to see the development dimension remain at the heart of our work as we go forward. The CARICOM Group has advocated consistently for engagement with pertinent international organizations, and we are pleased that representatives from these organizations are to be convened for interactions with Members in early June.
- 2.273. It is our intent to participate robustly and, as such, we look forward to receiving further details on arrangements for the two-day workshop to guide our preparations. The Group also sees value in continuing our discussion on the moratorium, and we think that perhaps targeted guiding questions from the Facilitator could help us deepen and build upon the discussion we had on this subject in April. We do not have a particular preference regarding the timing of this Dedicated Discussion, but we note that some have expressed a preference for addressing it before the summer break. On the post-summer break period, we agree with the Facilitator that that period would be best utilised by focusing on finding convergence and beginning to outline the contours of recommendations to be placed before our Ministers for consideration in February. The CARICOM Group also wishes to address the recent submission from South Africa, We thank South Africa for introducing the submission, on which we continue to reflect. In providing a few preliminary reactions, we reiterate that the development dimension of the Work Programme is of prime importance to us and, in that sense, the intent of the submission to place the spotlight on a development approach to reinvigoration of the Work Programme is welcomed. A number of the considerations identified in the paper warrant further reflection and dialogue, including the observations on e-commerce as it relates to environmental policy, as well as the observations relating to the aspirations of developing country Members to move beyond being mere consumers in the context of global e-commerce. The Group finds resonance in the observations in the submission relating to logistics, payment mechanisms and financial inclusion as they relate to e-commerce.
- 2.274. The representative of Panama delivered the following statement:
- 2.275. Panama thanks the Facilitator for the report and stresses the importance of setting up a work schedule to achieve concrete outcomes. The Facilitator has chosen very important topics for

the Dedicated Discussions calendar. We would like to point out that our discussions must lead to concrete outcomes. It is time for us to move on to proposals and decisions, not just discussions. For many years, numerous delegations have insisted on the need to exhaust discussions on e-commerce in general before moving on to decision making. Redoubling efforts in this regard does not equate to reinvigorating the Work Programme. We will not be able to completely exhaust discussions on specific topics; the topics move quicker than we do. We will achieve less on general topics. The positions and arguments reiterated numerous times over the past 25 years is not going to convince those who are not already convinced to adopt them. Revisiting time and again discussions on facts and data, which can always be interpreted differently, will not change the interpretation of those who have already established their own views.

2.276. It is time to realize that we cannot allow our differences to prevent us from reaching substantive decisions on e-commerce. Our work, as always, is to reach agreements that take into account our differences. We do not have to achieve a global outcome in e-commerce or a single undertaking in e commerce. We can reach decisions on important topics while we continue to move forward in discussions on a range of issues, and then come to decisions on further topics, or even make additional decisions on matters on which we have already agreed. My delegation hopes that the Facilitator's able stewardship will allow us to set and achieve concrete objectives on matters such as the moratorium, which we are in favour of making permanent. This is a topic where views regarding the benefits and consequences of, or indifference towards, the moratorium remain controversial, and I cannot see a single conclusion being reached on the diverse data and studies presented. It is a perfect example where to reach agreements we would have to take account of our differences.

# 2.277. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:

2.278. We associate with the statements by the CARICOM and the ACP Groups. We commend you and the Secretariat team for your excellent work on this file. Last week, the OECS held its Trade Policy Review and one of our Ministers who was here - Minister Peters from St. Vincent and the Grenadines who also facilitated the e-commerce discussions at the 12th Ministerial Conference (MC12), expressed how pleased she was to see the tremendous progress being made on the reinvigoration of the E-Commerce Work Programme. The OECS has submitted two Room Documents since the start of the year - one on sharing opportunities and challenges with respect to e-commerce development, and another sharing perspectives on the Moratorium. We continue to perceive value in expanding our discussions to include external stakeholders, including relevant international organizations, academia and the private sector. In this regard, we look forward to the upcoming workshop in June. On the moratorium, it remains our belief that this can benefit from further analysis on its impact with respect to government revenue, consumers and the private sector. While we do not see maintaining the moratorium as the panacea for all things e-commerce, we strongly believe that it plays an important role in supporting the broader e-commerce and digital trade ecosystem. We thank India and South Africa for their joint submission. We also thank South Africa for its standalone submission. Both Members continue to play an active role in our discussions, and we look forward to ongoing constructive engagement with them on this very important topic.

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

2.280. On the Work Programme on Electronic Commerce, the Pacific Group thanks the Facilitator for her report on the Dedicated Discussions and the consultations held so far. We are also appreciative of the papers that have been submitted by Members and we thank those that have helped us in the discussions in better understanding the pertinent issues on this topic, such as the digital divide faced by developing country Members and LDC Members, including the legal and regulatory frameworks as well as the moratorium of customs duties on e-transmissions. Recent studies have shown that the Pacific SIDS continue to linger behind developing economies and SIDS on most indicators of ICT. This is attributed to the significant gaps relating to access to reliable, affordable, and high-capacity internet. In fact, we have noted that the average for the Pacific SIDS is similar to the average for LDC Members. The Pacific Group, therefore, acknowledges the value of advancing discussions in this area and looks forward to the work ahead, including the upcoming workshops and thematic sessions, as well as discussions on how we can factor in the recommendations made at the previous Dedicated Discussions when considering the set of recommendations to be made at the upcoming Ministerial Conference. On the submissions by India and South Africa, we thank them for sharing those insights for our review, which should help shape

a holistic consideration in relation to the moratorium of customs duties on electronic transmissions. And as we prepare for MC13, building on the  $12^{th}$  Ministerial Conference decision on the moratorium, it is important that a balanced decision is taken.

- 2.281. The representative of the <u>European Union</u> delivered the following statement:
- 2.282. The European Union welcomes the interest of Members to implement the MC12 decision on e-commerce and in particular intensifying engagement on the development- and digital trade-related issues. We are glad to see the Work Programme truly reinvigorated, particularly in line with its development dimension. We would also like to express our thanks to those Members who have tabled written communications helping to shape our discussions. This includes the communication put forward by South Africa, discussed at this meeting, which presents interesting ideas for our future work under the Work Programme. The meetings so far have been constructive and allowed Members to share their views on topics put forward by the Facilitator. In our view, these discussions on the challenges and opportunities of e-commerce are extremely important for developed country Members and developing country Members alike. The discussion on the moratorium has been particularly insightful. The European Union notes the overwhelming support for the extension of the moratorium expressed at the Dedicated Discussion under the Work Programme. We have heard numerous Members, both developed and developing, arguing that the moratorium must be maintained due to its key importance to development of the digital economy and trade. The European Union fully shares this view.
- 2.283. In terms of the way forward for the Work Programme, we believe that we should continue with monthly meetings and delve deeper into the more specific elements of topics discussed so far, following numerous suggestions and questions raised by Members. After having deepened the discussion on these first topics selected by the Facilitator, we are open to look into other topics that were suggested. We also believe that we should bring together relevant stakeholders into our discussions. In this regard, we welcome the first event that is due to take place at the beginning of June with the participation of intergovernmental organizations. In addition, we believe that involvement of business and academia will prove useful as well. I want to use this opportunity to thank Ambassador Dwarka-Canabady (Mauritius) for her efforts in facilitating our Work Programme discussions. While we are having this discussion in the General Council, let us not forget that Russia's aggressive war is causing immeasurable human suffering and is spreading instability in the region and across the world. The WTO cannot ignore the devastating impact of the invasion. The European Union continues to unequivocally condemn the war and our support to Ukraine remains unwavering.
- 2.284. The representative of <u>Switzerland</u> delivered the following statement:
- 2.285. The first thematic sessions were very informative, and Switzerland appreciates the quality of the discussions that took place. In terms of process, we support the way forward proposed by the Facilitator. We place particular emphasis on dialogue with private sector actors, especially small-and medium-sized enterprises (SMEs). Given that digital trade is still a relatively new subject for the WTO in any case understanding stakeholders' perspectives is particularly important. Switzerland welcomes the various substantive contributions made thus far, including that of South Africa, which was circulated recently. We believe nevertheless that the Dedicated Discussions are a more appropriate forum for discussing substantive issues than the regular meetings of the General Council. Furthermore, we see no added value in creating a standing item on the agenda of the General Council or other bodies. Switzerland condemns Russia's military aggression against Ukraine in the strongest possible terms and calls on Russia to de-escalate the situation immediately, cease all hostilities and withdraw its troops from Ukrainian territory without delay. This military aggression is a serious violation of international law. Russia's actions violate the prohibition of the use of force and the territorial integrity and sovereignty of Ukraine as enshrined in international law.
- 2.286. The representative of <u>Indonesia</u> delivered the following statement:
- 2.287. We welcome the discussions that have taken place on the topics that have been discussed at a series of meetings under the Dedicated Discussion framework. We believe that our discussions will be very helpful and enriching for policy makers in determining policies related to digital trade. Indonesia also appreciates the Members who have provided views at the meeting on the moratorium, for the paper and presentation we have done on Indonesia's perspective on import duties for electronic transmissions. Taking into account the importance of using this positive momentum, we

fully support the proposed topics and activities for our future meetings mentioned by the Facilitator. We believe this effort will be useful to collect and identify crucial points that can be presented to Ministers at MC13. In addition, we are also of the view that the topics mentioned are critical for developing country Members and LDC Members, so that they can enhance their capabilities and compete in an inclusive global digital trade. In this regard, we also welcome the submissions by South Africa and India. We think the ideas enrich our deliberations and understanding regarding the Work Programme, including the maritime issue.

2.288. I will briefly touch upon item 1. It is clear from the report that plenty of works under the mandate of the TNC have yet to be resolved. In this regard, we need to continue our efforts to find common grounds as we continue to race against time in addressing the never-ending global crises. Thus, it is important to continue strengthening the works of the General Council and the TNC, which should continue to shape and guide our works in the WTO, so that we can continue to strengthen the WTO. Indonesia also wishes to refer to its statement in the TNC meeting to be put on record on this meeting. <sup>16</sup> We should strive to strengthen the multilateral trading system  $vis-\dot{a}-vis$  the works of WTO. This will include ensuring support and enabling developing country Members and LDC Members to have access and enable them to realize their rights to development. As such, we need to extend beyond just providing special and differential treatment and technical assistance. Indeed, it is important to ensure that rules, or new disciplines being considered in the WTO will provide concrete support for the developing Members and LDC Members to achieve their development goals. Crucial to this endeavour, we need more concrete progress in our work, as mandated by the Doha Development Agenda. Undoubtedly, the relevance of the WTO hinges on our ability to deliver impactful outcomes, or even offer breakthrough solution to our long-standing debate, especially during the upcoming MC13, in particular with regard to the agriculture issue. In addition, Indonesia also appreciates the ongoing efforts to ensure transparency and inclusiveness in on-going consultation processes, such as the one led by the Chair of the Negotiating Group on Rules in the small group meetings. We are hopeful that such best practice could be replicated for other negotiated issues.

## 2.289. The representative of <u>China</u> delivered the following statement:

2.290. The four Dedicated Discussions held this year have been very productive and useful for Members to better understand each other's positions and concerns, including the meeting on the moratorium in April. China will continue to fully engage with a view to delivering a positive outcome at MC13. To fulfil our mandate, it is essential for all Members to work in a constructive and pragmatic manner and focus on what the WTO can do on promoting the development of e-commerce. We believe the information meetings in June with experts from other international organizations will provide more insights in this regard. We thank South Africa for its concrete proposal. China attaches great importance to addressing the digital divide, building national and regional digital platforms for e-commerce, sharing good practices in digital transformation, etc. In general, China supports more intensive discussions on the development dimension with a view to helping all Members, especially developing country Members, to better benefit from e-commerce.

#### 2.291. The representative of <u>Peru</u> delivered the following statement:

2.292. We thank South Africa for presenting its paper and we agree on the need to incorporate a development approach into the discussions on e-commerce and into all matters discussed at the WTO generally, in a cross-cutting manner. We also agree that we are facing an accelerated digital transformation, which brings both opportunities and challenges, and that the challenges are greater for developing country Members, including LDC Members, which prevents us from being able to enjoy all the advantages associated with this transformation. We still have to bridge significant gaps, such as inadequate infrastructure, logistics and regulation. We have been addressing and will continue to address these issues within the framework of the Dedicated Discussions led by the Facilitator. Although we are still reviewing the items on the development agenda under point two of the paper, we appreciate the inclusion of the need to promote a supportive environment for the development of MSMEs, which account for 98.7 per cent of our businesses and are, therefore, the backbone of our economy. From our standpoint, the moratorium on customs duties on electronic transmissions, for example, has contributed to our development by providing businesses with opportunities to grow and enter new markets at no additional cost, and has even increased their

 $<sup>^{16}</sup>$  The statement is contained in TN/C/M/45, para. 4.23-4.24 and is incorporated by reference in the record of this meeting.

level of competitiveness and innovation. The proposals included in point three of the paper are still being examined by our capital. However, we believe that, for efficiency reasons, the matter should be included in the agenda of the General Council when there is a need to address it and take appropriate action. That said, we support a review of the discussions in the various bodies, with special emphasis on development.

- 2.293. The representative of <u>Paraguay</u> delivered the following statement:
- 2.294. Paraguay wishes to reiterate its support of extending the moratorium on imposing customs duties on electronic transmissions and of reinvigorating the 1998 Work Programme on electronic commerce. We hope to succeed in renewing and extending it at MC13, given its importance for predictability in the world economy, especially for micro-, small- and medium-sized enterprises (MSMEs). Paraguay will follow with interest the Dedicated Discussions and workshops to be held in the context of the 1998 Work Programme, particularly with regard to the analysis of the scope and impact of the moratorium on developing countries' economies. We express our support for the ideas to reinvigorate the Work Programme, proposed in communication WT/GC/W/855/Rev.1, which evolve around deepening the understanding of the impacts of the moratorium and pitfalls for MSMEs and exchanging best practices in establishing and implementing internal non-discriminatory, WTO-consistent taxes on electronic transmissions.
- 2.295. The representative of the <u>United States</u> delivered the following statement:
- 2.296. Let me thank Ambassador Usha Dwarka-Canabady for facilitating this important work. We welcomed the opportunity to provide our contribution to the discussions this year, including on the importance of the moratorium. The most concrete step that WTO Members could take to foster a robust digital economy is to extend the moratorium. This would provide predictability to traders, cost-savings to consumers, and facilitate the exchange of content and technology, particularly for businesses in developing country Members. We welcome further discussions under the Work Programme and welcomed the suggestions from the OECS on how to deepen our collective understanding of the moratorium. With respect to the South Africa paper, we would like to better understand what the actual proposal is and how it differs from what we are already doing. Sometimes it is unclear when items are being put up for a decision and when they are just for discussion. We need to be clear on this and this needs to be part of reform.
- 2.297. The representative of <u>Japan</u> delivered the following statement:
- 2.298. Japan would like to express its appreciation for the leadership by the Facilitator in the discussions of the Work Programme and recognizes that a variety of Members, including developed, developing, and LDC Members, have raised relevant issues and shared their own experiences related to the topics of the meetings. We believe that we are having constructive discussions. At MC12, our Ministers instructed us to reinvigorate the Work Programme, and we are expected to come up with some achievements by MC13. Japan believes that the Dedicated Discussion would be the appropriate place for Members to focus on the discussions of the relevant issues in the limited time before MC13. Looking ahead to MC13, we see the necessity to demonstrate how the WTO can play a substantive role in electronic commerce. In our view, the core competence of the WTO is its convening power in collaboration with other organizations, as well as its function of creating and maintaining international trade rules.
- 2.299. As for the configuration of future discussions, we believe that we should invite various competent intergovernmental organizations, academia and business sectors with the relevant expertise or resources to discuss a variety of issues related to electronic commerce, so that we can conduct more useful information and experience sharing meetings, as suggested by the Facilitator. Regarding future discussions, even though it could be meaningful to discuss a wide range of issues, we should provide ourselves with ample opportunities to deepen our discussions on the four topics on which we already engaged. We need to forge a common understanding, including on the moratorium on customs duties. Japan believes it is necessary to make the moratorium permanent eventually. On the development aspect of electronic commerce under the Work Programme, Japan is always ready to contribute to the discussion. I would like to join other Members in condemning Russia's aggression against Ukraine. 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.

- 2.300. The representative of <u>Australia</u> delivered the following statement:
- 2.301. We wish to join others in condemning the Russian invasion of Ukraine and call for cessation of hostilities, which would represent the most important thing we can be doing here at the WTO for peace and security. On the South African proposal, we believe that we do not need a standing item, given the impact on resources and time here. We do not need to duplicate items across meetings. Australia welcomes the discussions that have been held under the Work Programme so far this year, and thanks the Facilitator for her able leadership of that process. It is evident that we are indeed meeting the goal we set for ourselves at MC12 to reinvigorate discussions in the E-Commerce Work Programme. We note the important issues raised at the Dedicated Discussion on 20 April and reiterate our view that the moratorium on imposing customs duties on electronic transmissions is central to the purpose and value of the Work Programme. As we said in that meeting, the impact of the moratorium is clear it is the *status quo*, which is able to support unleashing the development potential, which has underpinned global e-commerce for a quarter of a century.
- 2.302. The representative of <u>Argentina</u> delivered the following statement:
- 2.303. We would like to reiterate our satisfaction with the renewal of discussions on the Work Programme on Electronic Commerce and thank the Facilitator for the remarkable work she is doing to coordinate these discussions. The topics covered in the four meetings that have been held are key to moving forward on this issue and are relevant to all WTO Members. The discussions were substantive, and Members' commitment was demonstrated by the active participation. We believe that the deliberations are incomplete and there is still room for further discussion on these four topics. For Argentina, it is important to continue discussions on the digital divide, including the digital gender divide, consumer protection and privacy and personal data protection. These are very important and highly topical issues and are linked to confidence- and security-building, as well as competitiveness. We also believe that these points are related to the development dimension, which, as many delegations have pointed out, is central to the work under the Work Programme. In Argentina's view, a sound regulatory framework focused on instilling confidence in consumers is essential for promoting online trade operations. We agree with the Facilitator that a work plan is needed for the remaining months before the Ministerial Conference. That is why, we support the next steps proposed by the Facilitator so that, as well as continuing the thematic discussions, we can start discussing the type of recommendations that we would like to present to Ministers at MC13.
- 2.304. The representative of <u>Bangladesh</u> delivered the following statement:
- 2.305. Bangladesh aligns itself with the statement by the LDC Group. Our delegation thanks the Facilitator for her detailed report. Bangladesh welcomes the thematic sessions, including the latest one focusing on e-commerce moratorium. This is crucial to understand the impacts of this moratorium, including on the revenue loss or revenue gain in developing country Members. We also thank the Secretariat for compiling the submissions by Members on the E-Commerce Work Programme (RD/GC/24). Bangladesh reiterates the idea that the Secretariat could prepare an information note on the development dimension of the works in the relevant WTO bodies since the establishment of the E-Commerce Work Programme. Bangladesh also welcomes the Facilitator's proposal for a dedicated workshop. We support the idea that the WTO can coordinate with relevant intergovernmental organizations to better integrate developing country Members and LDC Members into the e-commerce ecosystem. Bangladesh thanks South Africa and welcomes the proposal that the review of the E-Commerce Work Programme should be maintained as a standing item in the General Council and other relevant WTO bodies. Our delegation looks forward to engaging constructively with Members on this issue.
- 2.306. The representative of <u>Singapore</u> delivered the following statement:
- 2.307. I would like to thank the Facilitator for her useful updates and exemplary stewardship of the Dedicated Discussions on e-commerce. I also thank India and South Africa for their submissions. Let me make three points. (i) Singapore welcomes the efforts to reinvigorate the Work Programme on E-Commerce. Members have been able to learn from each other's experiences, and better understand each other's position. We also welcome the Facilitator 's initiative to organize a workshop in June, involving relevant international organizations, which will help Members acquire a more holistic view of the four thematic sessions. (ii) Members need to ride on the strong interests in the Dedicated Discussions to deliver concrete outcomes on e-commerce in the WTO, including the

extension of the moratorium on custom duties on electronic transmissions. At the last Dedicated Discussion, the robust exchange of views on the broader cost-benefit analysis of the moratorium has led to a growing realization that its lapse would significantly impact businesses and consumers, particularly in small, open developing country Members and LDC Members. Let me share an anecdote. At a recent JSI on e-commerce information meeting, a Kenyan female MSME owner was "horrified" to learn that governments have the "power" to impose customs duties on electronic transmissions. We need to remind ourselves that digital tools have allowed small-holder farmers like this Kenyan entrepreneur to access markets overseas, and imposing customs duties would severely impact their export business. (iii) Singapore remains keen to contribute to evidence-based discussions on these issues. However, we must be mindful not to rehash entrenched positions. Moving forward, it will be useful to (i) distil key elements from earlier meetings; (ii) structure evidence-based discussion and (iii) engage stakeholders such as MSMEs and women entrepreneurs to enhance our understanding on these issues. As digital transformation is highly complex, it would be simplistic to regard customs duties as a panacea for revenue generation or digital industrialization. In this connection, Singapore shared our experiences concerning (i) digital economy agreements; (ii) foundational digital infrastructure and (iii) using Goods and Services Tax to mitigate concerns over revenue generation.

#### 2.308. The representative of Nigeria delivered the following statement:

2.309. We align ourselves with the statements by the African and the ACP Groups. As you said, work on the reinvigoration of the Work Programme on E-Commerce has commenced, and we commend the progress being made in the discussions under the Facilitator. Our position on e-commerce is well known by Members. We only need to reiterate the need for the ongoing discussions to be more considerate to the development issues, which include digitization, industrialization, digital divide, transfer of technology and other related development issues that would be of importance and beneficial to the developing country Members. We support the need for definition and scope to have a focused and constructive approach when it comes to implementation. We have been in support of the temporary extension of the moratorium. We believe that its advantages have outweighed its losses. We also support that the scope of the moratorium be spelt out and it should be followed by a study, to be undertaken by the WTO, as suggested by Members so that the membership can take a final decision on the permanent moratorium.

#### 2.310. The representative of <u>Canada</u> delivered the following statement:

2.311. With the Facilitator's leadership, we have fully reinvigorated the Work Programme. We are pleased with the level of participation by Members, including through the submissions of papers. We are looking forward to the June Workshop. We agree with other Members, including the OECS, that hearing from the private sector, in a similar informal setting would be most valuable. In terms of next steps, we support further deepening our understanding of the opportunities and challenges related to e-commerce, particularly for developing Members and LDC Members, and in accordance with the Work Programme's mandate. As we embark on the second phase of our roadmap, we also believe it would be important to have a subsequent Members' Dedicated Discussion on the moratorium before the Fall, and prior to a stock-take exercise. This is motivated by the broad interest and support expressed during the April Dedicated Discussion. Canada stands side by side with others to unequivocally condemn Russia's illegal, unprovoked and unjustifiable invasion of Ukraine, which is a flagrant violation of the rules based international system, that includes callous attacks on civilian critical infrastructure in Ukraine. Ukraine's commitment to the multilateral trading system and upholding the rule of law while under attack is an example to us all. Canada's support for Ukraine and its people is unwavering. We will work to find ways to use trade to support Ukraine and rebuild its economy. We once again call for Russia to immediately cease all hostile actions against Ukraine.

#### 2.312. The representative of the United Kingdom delivered the following statement:

2.313. I would like to thank those who presented on this issue. I am delighted to hear the Facilitator's plans for bringing in again voices of other international organizations and the private sector who are so interested in and worried by the potential effects of our work here. I would really like to pay tribute to everything the Facilitator is doing. We have tried to pay our very modest part in this by producing a paper to which the Facilitator referred which looks at trade digitalization and the benefits it can bring both to MSMEs, but also to women-led business across the world, and in the same way that our colleague from Singapore has just reminded us. Let me just say briefly on the substance, because we are going round and round this buoy. I may be misquoting him slightly,

but if so it is in a good cause. I think our colleague from Antigua and Barbuda, on behalf of the OECS, put it better than I could, about the moratorium not being a panacea, but it is a key part of the role of this Organization in enabling the development of a more digital global economy. One which is in the interest of Members, both developed and developing.

- 2.314. The representative of the Republic of Korea delivered the following statement:
- 2.315. Korea welcomes the two-day workshop in June, as my delegation believes relevant international organizations can provide balanced macro-economic effects of e-commerce, including the developing dimension. Also, we should be attentive to diverse voices from the micro-to-macro level to reflect the reality of e-commerce. Private sectors, including small and medium businesses and women entrepreneurs, could present their hands-on experiences and needs for global e-commerce policy and rules. We need to accumulate such objective evidence to build confidence in discussions between Members. We would like to continue this cooperative spirit on the moratorium issue. During the last Dedicated Discussion on the moratorium, Members, including developing country Members, acknowledged that the value of the moratorium lies in the predictability and certainty in the global digital trade. The moratorium has brought social and economic benefits to participants of global e-commerce for the last 25 years. Korea sees no point in terminating the moratorium at this point when the global economy should be making every effort to get back on track to economic prosperity.
- 2.316. With regard to the proposal of having a standing item under the General Council and other WTO bodies, while we agree the importance of this matter, in a broader context of WTO reform and efficient operation of WTO bodies, we would like to be more cautious in having a standing item to prevent rigidity on the agenda where we should be more flexible to discuss issues that demand our immediate attention or to make the discussions in the General Council more effective. Joining others, Korea condemns the unlawful Russian aggression and reaffirms its consistent position that the sovereignty, territorial integrity and independence of Ukraine should be respected. Korea, as a responsible Member of the international community, supports various diplomatic and economic efforts of international community to contribute to the end of the war and the restoration of peace.
- 2.317. The representative of <u>Pakistan</u> delivered the following statement:
- 2.318. I join other Members in appreciating Ambassador Dwarka-Canabady for her role in these discussions. I also thank India and South Africa for their submissions in this debate, and support keeping this very important item on the GC agenda. While we are open to further discussions and evidence on the issue, we need to weigh and compare the costs that some developing and LDC Members have had to face under the moratorium. As a researcher on taxes, let me assure you that no one in the private sector is going to agree to be taxed. For every comparison, we need a benchmark, for this we can refer to the GATT and the GATS. In our understanding, in both Agreements, Members are encouraged to open up their economies, proportionate to and gradually with their scale of development, which means conditional 'market access'. However, consequent to the moratorium, 'market access' for e-commerce has never been expected to stand the limitations, which has always been a fundamental feature of the GATT and the GATS. Similarly, we see promises of S&DT, transfer of technology and transition periods in even the latest WTO agreements like the Agreement on Trade Facilitation and the Agreement on Fisheries Subsidies - but the same level of room for development has never been afforded to developing and LDC Members in the case of e-commerce. This will contribute to the widening of the digital divide. The fiscal muscle required to overcome domestic challenges and industrial needs will be continually and increasingly eroded by the moratorium. One stark consequence of this has been the inability or slow pace of developing Members to establish digital infrastructure, which is essential to thrive at parity with the contemporary and future competition from more advanced markets.
- 2.319. Let me also add that while suggestions to compliment the fiscal deficits by raising domestic taxes is understandable, it needs to be understood that local taxes will not serve to provide the developing Members with the time required to develop digital competence of their own. Thus, to allow for the digital growth in developing country Members, particularly in absence of substantial transfer of technology and other enabling factors, Pakistan is of the view that the moratorium needs to be considered for termination, as indicated in the MC12 Decision. In line with South Africa's submission, I would like to add few points, which Pakistan believes are important: (i) developed Members may share information on enabling legislation and public funding and finances employed to generate robust IT and e-commerce sectors. (ii) as data is raw material for this entire industry,

it is important to deliberate on certain guidelines for data protection or localization, so as to not lay foundations of an imbalanced digital industry of the future and in response to data privacy concerns. (iii) increase in Aid for Trade support for developing country Members in the digital economy may be considered.

#### 2.320. The representative of <u>Chinese Taipei</u> delivered the following statement:

2.321. We thank the Facilitator for her report and for her efficient works in facilitating the Dedicated Discussion and preparing next steps for the Work Programme, which we welcome. We also thank India and South Africa for their submissions. We recognize many points raised in their papers, especially those on the digital divide. The previous meetings have been very constructive. We look forward to the upcoming discussions arranged before MC13, including the Dedicated Discussions and a workshop in June. Experience-sharing and in-depth and focused discussions, with inputs from other organizations and stakeholders, are always useful. These discussions will help explore the role of the WTO in addressing the development dimension. The moratorium is one of the core pillars and has been well elaborated. The moratorium lays a solid foundation to develop global digital economy and e-commerce over the past 25 years. Its continuous implementation has shown the WTO's strong commitment to maintaining global policies that boost digital economy for all Members. We look forward to the WTO being able to provide a stable and predictable trade environment for businesses and to save consumers' spending by at least extending the Moratorium and even by making the moratorium permanent to ensure long-term legal certainty and predictability.

### 2.322. The representative of the <u>Philippines</u> delivered the following statement:

2.323. We appreciate how the meetings have been conducted as well as the high level of engagement from Members. The Philippines found the most recent meetings on the legal and regulatory frameworks, and crucially, on the moratorium on customs duties on electronic transmissions, as providing new insights on how we can approach our work on e-commerce. Based on the recent thematic sessions, the Philippines believes it would be useful to drill down on these critical topics and appreciate the Facilitator's initiative to organize a workshop in June that would include key external experts and representatives from a broad base of stakeholders, including MSMEs, from the developing world. As we had previously recommended, we would see value in a focused discussion on the implications of digital taxation, including the question of customs duties, where we could learn more from Members and stakeholders on their experience in applying VAT or Goods and Services Taxes to e-commerce activities, including issues related to scope, registration procedures and collection regimes. Further discussion is warranted on the scope and definition of electronic transmissions and the fundamental question of whether customs duties can be realistically and efficiently imposed. We also thank South Africa for its recent communication on further enhancing the development dimension of digital trade and are supportive of the paper's recommendations to include a standing item on proposals towards this end in the relevant WTO Committees.

#### 2.324. The representative of <u>Egypt</u> delivered the following statement:

2.325. We express our gratitude to the Facilitator for her report and commend her for her efforts in facilitating our discussions and on convening the Dedicated Discussions, which we see very useful. We support her draft work plan, and we will engage constructively, with the aim to having a tangible outcome in MC13, with critical focus on the development dimension, which needs to be defined on the basis of an assessment of the state of the digital divide and the regulatory gap between developed and developing country Members, in so far as e-commerce is concerned. We associate ourselves with the statement by the African Group. We appreciate the proposals from India and South Africa to revive the Work Programme on Electronic Commerce and the new submission by South Africa, which highlights the challenges faced by developing countries to engage in e-commerce. The reinvigorated Work Programme on E-Commerce should prioritize development and serve as a means for developing country Members and LDC Members to benefit from e-commerce economically and in terms of development. To achieve this, these Members should have adequate policy space and time to develop dedicated national strategies and policies for e-commerce development, tailored to their resources and situation. The contribution of the relevant international organizations, throughout the process, should be highly encouraged. We also extend our gratitude to Members who submitted proposals on the moratorium at the last discussion, namely Indonesia, the OECS and Singapore. We are analysing these proposals thoroughly. In addition, we emphasize the importance of conducting a cost-benefit analysis of the moratorium under all scenarios, including termination, extension, or retention. This analysis should evaluate the potential implications on developing country Members, such as government revenue loss and digital industrialization, in each scenario. This will enable us to make a thoughtful decision based on reliable and concrete evidence and data.

- 2.326. The representative of <u>Chile</u> delivered the following statement:
- 2.327. Our delegation is satisfied with the outcomes of the Dedicated Discussions held between January and April. We agree with the ambitious work plan and have some comments in that respect. Our delegation prefers to have a discussion on the moratorium before and, if necessary, after the summer break. In our view, it would be beneficial to involve, albeit informally, the private sector in the discussions, including small- and medium-sized enterprises (SMEs) since they will be affected by the decisions taken. We believe that the workshop at the beginning of June would be a good opportunity for this. If it is not feasible at that time, a dedicated meeting should be held to allow the private sector, especially SMEs from developing country and LDC Members, to express their views on several of the topics discussed under the Work Programme. Although we support the proposed topics for discussion, we believe that the discussion should be focused on topics that have a genuine prospect of providing deliverables for the next Ministerial Conference.
- 2.328. The representative of <u>Jamaica</u> delivered the following statement:
- 2.329. We also call for our statement at the TNC to be recorded in the minutes for this General Council meeting.<sup>17</sup> Jamaica thanks the Facilitator for her report and the evident display of commitment to the process. Since last year, Members have engaged very constructively during the Dedicated Discussions, including sharing of national experiences. We heard some practical ideas and suggestions on the role of the WTO. Jamaica was one of the delegations that constantly called for the inclusion of international organizations to share their insights and experiences. We are therefore pleased that this suggestion has been taken onboard and welcome the workshop to be held in June. This workshop should also provide some insight on the issue of the moratorium, which remains divisive. The Facilitator's report presents a very pragmatic schedule of work during the lead-up to MC13. Jamaica supports the proposed schedule and sees utility in using the remaining months to narrow divergences and build consensus. This should offer Members enough time to work judiciously to arrive at complete recommendations for the consideration of Ministers in Abu Dhabi. We thank India and South Africa for their presentations, which reiterate the need for a development approach to the Work Programme. Throughout the Dedicated Discussions, many Members have highlighted major challenges, including connectivity limited digital literacy skills and the need for stronger digital infrastructure such as e-payment systems. Therefore, the development dimension remains a key pillar in our discussions. The Facilitator can be assured of Jamaica's commitment to the process. Jamaica aligns itself with the statements delivered by the CARICOM and the ACP Groups.
- 2.330. The representative of <u>Myanmar</u> delivered the following statement:
- 2.331. Digital transformation has been accelerated and has become increasingly dynamic and complex. The e-commerce landscape has become a new opportunity and a new business model. LDC Members require strategic interventions at all levels, including the national and international level. Our productive capacity and competitiveness need to be developed and policy space should be adopted for development. The importance of e-commerce is increasingly in digitalization and in developing the necessary infrastructure for internet access. We are facing the challenges with regard to the digital divide. The LDCs Group has already submitted the common position on issues concerning the digital divide in document WT/GC/W/787. This document shows some challenges that we face and that are still relevant and important to us. The WTO plays a key role in working with relevant institutions and in building capacity for the better integration of LDC Members into the e-commerce ecosystem. My delegation would like to encourage the General Council to play a central role in the process and to promote a development and all-inclusive approach to e-commerce. We will continue to participate in the E-Commerce Work Programme.
- 2.332. The representative of <u>Tanzania</u> delivered the following statement:

 $<sup>^{17}</sup>$  The statement is contained in TN/C/M/45, para. 4.65-4.66 and is incorporated by reference in the record of this meeting.

- 2.333. My delegation associates itself with the statements by the African and the LDC Groups. We thank the Facilitator for her report and for leading the consultations on the Work Programme on Electronic Commerce. We were instructed to report to MC13 the development dimension particularly for LDC Members. Therefore, we should remain focused on the MC12 mandate in the remaining time to MC13. The LDC submission (WT/GC/W/787) enumerates various digital divide challenges, which are also reckoned by UNCTAD, the ITU and the ITC. Regarding the moratorium, we welcome the submission from India and South Africa. We urge Members to thoroughly discuss the submission with a particular attention to the potential fiscal implication of the moratorium to LDC and developing country Members.
- 2.334. The representative of <u>Uganda</u> delivered the following statement:
- 2.335. My delegation thanks the Facilitator for her report on the Work Programme on E-Commerce. We align ourselves with the statements by the ACP, Africa and LDC Groups. We welcome the submissions by South Africa and India, which we believe will help focus the discussion on the development dimension. We support the work plan put forward by the Facilitator for the months ahead and on how we might begin to identify convergence and make progress for the mandated report to MC13. We hope that this process will lead to practicable ways to address the digital divide and promote technology transfer and benefit from the data-driven digital economy, with LDC Members facing the greatest challenges in building their capacities to digitalize and add value to their data. We are looking forward to a draft work plan in writing as well as draft ideas for the first workshop planned for June.
- 2.336. The representative of Nepal delivered the following statement:
- 2.337. Nepal associates itself with the statement made by the LDC Group and would like to add few points. I would like to thank you, Facilitator, for your report. I appreciate your efforts and support the idea of organizing the workshop in June. The challenges faced by LDC Members have been clearly identified during the Dedicated Discussion on consumer protection, digital public infrastructure and legal and regulatory framework. In addition to that, Members have divergent views on the moratorium in terms of the scope and objective. In this regard, reinvigoration of the E-Commerce Work Programme should focus on the development dimension, especially on mobilizing resources in strengthening the digital infrastructure, enhancing technical assistance, and lowering the internet cost, among others to enhance the digital trade of LDC Members. I thank India and South Africa for the important submissions and stand ready for further discussions.
- 2.338. The representative of <u>Costa Rica</u> delivered the following statement:
- 2.339. I would like to thank the Facilitator for her report and her efforts. We also thank the proponents of the two papers. We are keen to contribute to the discussions on these issues and their relationship with development. As a developing country Member with a small market, digital economy is key for us to strengthen and open new opportunities to link our exportations with the international economy. Costa Rica has been successful in the attraction of information and telecom technologies, which made the manufactured goods sector the most important export sector. It has been only surpassed by a highly technical medical devices products sector. Exports of these two clusters have surpassed by far the exports of traditional export products, such as bananas, coffee, and meat all together and have made our exports part of high-tech GVCs. On the services sector, information technology and telecommunications services, together with corporate services (back-office services) have surpassed the traditional and very important tourism services sector.
- 2.340. Developing country Members and even small ones can make it. These developments have brought growth, and transfer of technology, as foreign industries establish close links with national industries, the academia and national professionals. Those working for foreign industries often move to national companies or start their own enterprises and frequently become providers to multinationals. This has been possible for Costa Rica, a small developing country Member, through education policy, trade liberalization for goods, including ITA 1 and 2 policies, liberalization for services policies and foreign direct investment friendly policies. Consequently, we believe that freer e-commerce and the decision to make the moratorium permanent would contribute to developing countries, such as mine, to continue being competitive in the digital economy, reducing the digital gap, take profit of the transfer of technology and be part of high value added GVCs. I stress that the moratorium refers only to customs duties, not to other regulations. In the absence of global rules

on regulating the digital economy, developing country Members have already considerable regulatory autonomy. That autonomy will not expand if the moratorium lapses.

- 2.341. The representative of <u>Ecuador</u> delivered the following statement:
- 2.342. I would like to begin by thanking the Facilitator for her great work in facilitating the Work Programme on Electronic Commerce and the moratorium. My thanks also go to India and South Africa for presenting their communications, which provide insight into this issue from a developing world's perspective. For Ecuador and other Members that have taken the floor, digital trade contributes and can contribute further still to the SDGs. For this reason, the international community must not forget that the digital divide continues to be a real obstacle and one that is difficult to overcome, and it deprives us of opportunities to promote sustainable development. The digital divide prevents many Members, and millions of people, from benefiting from the opportunities offered by the digital world. Digital transformation, connectivity and the financial inclusion it facilitates, and digital support for the empowerment of women and small- and medium-sized enterprises are vital for the comprehensive and inclusive development of trade and economic activity in Ecuador and other developing country Members. In our view, the moratorium on customs duties serves the interests of developing country Members by boosting trade, which benefits these Members, their societies and the international trading system in general. Ecuador has already expressed this position on other occasions, with arguments that I am not going to repeat since they are well-known. For my country, the moratorium has shown itself to be an appropriate tool to help incentivize innovation and promote digitalization in general, and to exploit and increase economic opportunities through predictable e-commerce.
- 2.343. The representative of the <u>Russian Federation</u> delivered the following statement:
- 2.344. We regret that the productive work of our forum is accompanied by a confrontational rhetoric of certain Members. There are other relevant fora that are mandated to discuss these political issues. We continue to urge all Members to refrain from politicizing the work of the WTO. And now we will come back to the item of the agenda that is being discussed. The delegation of the Russian Federation has always supported the dialogue on the Work Programme on Electronic Commerce. We welcome the very informative and engaging dialogue in the Dedicated Discussions held in March and April. In our view, the existing moratorium provides a predictable environment for e-commerce at the multilateral level. At the same time, we have to note, that the evolving nature of e-commerce makes modern discussions on the moratorium more controversial than in previous years. This fact highlights the complexity of this issue and the need for a comprehensive approach focused on the development aspect of e-commerce. We are convinced that in preparation for MC13, Members should find a solution to preserve the policy space for governments, support development goals and guarantee a continuation of a predictable and smooth flow of e-commerce. The Russian Federation is ready to engage constructively with Members in any discussions on this important issue.
- 2.345. The representative of <u>Senegal</u> delivered the following statement:
- 2.346. My delegation aligns itself with the statement by the LDC Group. My delegation thanks the Facilitator for the inclusive and transparent manner in which she conducts the proceedings with a view to giving new impetus to the Work Programme on Electronic Commerce. We thank India and South Africa for their communication. Customs duties are an important trade policy instrument for States. Customs revenue represents a significant portion of the budget of developing country Members. This is why, although we are in favour of the moratorium, my delegation considers that after being in place for 25 years and faced with the continued increase of e-commerce, an assessment is needed. This assessment should not only address the impact of the moratorium on customs revenue, but also on the very feasibility of taxation of electronic transmissions. In order to tax a good, at least three elements are required nature, origin and value. While some Members like Indonesia have been able to create tariff lines for certain digitizable goods, we are not yet aware of examples of rules of origin or transaction value for electronic transmissions. Collaboration with the WCO could be envisaged to better address this issue. We believe that a clear and precise definition of the scope of the moratorium would help dispel the concerns of certain Members.
- 2.347. The representative of the Kingdom of Saudi Arabia delivered the following statement:

- 2.348. The Kingdom of Saudi Arabia welcomes the exchange of experiences among Members as a positive contribution to the broader discussion on e-commerce and specifically to the reinvigoration of the Work Programme as per the MC12 Decision. We would like to thank the proponents of the proposals on the Work Programme on E-Commerce and the moratorium. These proposals will be assessed in capital. We also welcome the participation of international organizations in the discussions. We need to take into account development dimension issues in our discussions and welcome continuing the discussions on the four topics that we are already discussing. We are also open to discuss new issues such as digital trade facilitation and transfer of technology. We stand ready to work constructively with Members to move these very important discussions forward.
- 2.349. The representative of <u>The Gambia</u> delivered the following statement:
- 2.350. The Gambia congratulates the Facilitator for her leadership and pragmatic approach to carrying us all to reinvigorate e-commerce as mandated to us. The Gambia also thanks India for the statement on the moratorium and South Africa for the relentless effort in their submission (WT/GC/W/875). The Gambia associates itself with the statements made by the LDC Group, the African Group and the ACP Group. The Gambia also welcomes the roadmap set forward by the Facilitator to include much broader voices, including academia, the private sector, civil society organizations and the public sector, as a way forward. Therefore, as part of the inputs to the discussion to improve the E-Commerce Work Programme and the moratorium for the benefit of developing country Members, The Gambia would like to add the following points. (i) One of the major challenges that developing country Members face is the digital divide. To address this, the WTO could work with international organizations to provide technical assistance, capacity building and financing to help these countries develop their e-commerce infrastructure. (ii) Access to technology is a prerequisite for e-commerce. The WTO could work with technology companies to provide affordable access to technology and promote the development of open-source technology. (iii) Developing country Members need to have a workforce equipped with the necessary digital skills to participate in the e-commerce economy. The WTO could work with international organizations to provide training programs and technical support that focus on digital literacy.
- 2.351. (iv) Developing country Members may be more vulnerable to cyber threats, and there could be concerns about the safety of online transactions. The WTO could work with international organizations to develop global standards for data privacy and security to ensure the safety of online transactions. (v) The WTO could ensure that the E-Commerce Work Programme is designed to reflect the interests of developing country Members. This could include addressing issues related to intellectual property, e-commerce taxation, and digital trade regulations. (vi) The WTO could work with international organizations to address the challenges of cross-border e-commerce, such as customs procedures, trade facilitation and logistics. (v) The WTO could work with international organizations to ensure that e-commerce is inclusive and benefits all stakeholders, including small and medium-sized enterprises, women entrepreneurs, and marginalized groups. Overall, improving the WTO E-Commerce Work Programme and the moratorium on e-commerce will require a collaborative effort between the WTO, international organizations, governments and the private sector to ensure that the interests of developing countries are taken into account. The Gambia looks forward to a very viable work programme in the future that we can all embrace.
- 2.352. The representative of <u>Cambodia</u> provided the following statement<sup>18</sup>:
- 2.353. We welcome the last Dedicated Discussion on the e-commerce work programme, which discussed the moratorium. Members' information sharing on this topic was highly informative and relevant. For the LDCs, e-commerce and digital economy remains the next frontier. Challenges, such as the hard and soft infrastructure, legal and regulatory frameworks, payment systems, digital literacy and many others would need to be addressed before LDCs can leverage the opportunities of e-commerce for development.
- 2.354. Ambassador Usha Dwarka-Canabady (Mauritius), <u>Facilitator for the E-Commerce Work Programme and Moratorium</u>, delivered the following statement:
- 2.355. I simply would like to thank all those who had some very kind words today. I just want to give reassurance about a couple of things. First and going forward with the work plan and on issues

 $<sup>^{18}</sup>$  The statement was not delivered at the meeting but subsequently sent to the Secretariat for inclusion in the record.

that Members have expressed a wish to discuss, it does not mean to say that we will not be deepening discussions on other issues as well, but we may not have necessarily Dedicated Discussions for that. The second thing is that there have been proposals about debriefing after IGO meetings. I mean there are a lot of other issues at the back that we are not mentioning in a report to the Committee, but these are not forgotten. I just wanted to give that assurance to everybody. Thank you all for remaining engaged and for so many interventions as well. I really appreciate it.

- 2.356. The <u>Chairperson</u> thanked all delegations that have intervened and encouraged delegations to continue the discussions under the leadership of the Facilitator.
- 2.357. The General Council took note of the report of the Facilitator and of the other statements.

# (iii) Paragraph 8 of the Ministerial Decision on the TRIPS Agreement – Duration of Extended Deadline

- 2.358. The Chairperson delivered the following statement<sup>19</sup>:
- 2.359. As you will recall, at MC12, Ministers decided that "No later than six months from the date of this Decision, Members will decide on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics." At the General Council meeting in March, a common understanding emerged, namely: (i) the issue of the duration of the deadline will remain on the General Council agenda; (ii) that Members will provide an update on where they stand on their internal processes; and (iii) that substantive discussions will continue in the TRIPS Council. I understand that, at the recent meeting of the TRIPS Council, Members continued discussions on the substance of paragraph 8 of the TRIPS Decision, with most delegations reiterating known positions. The TRIPS Council Chairperson has since held consultations with individual delegations and group coordinators to get a better picture of Members' expectation on this and other issues on the Council's agenda. The Chairperson is continuing her outreach and will communicate her suggestions for next steps to Members soon.
- 2.360. The representative of the <u>United States</u> delivered the following statement:
- 2.361. This is to provide a quick update on where we are with respect to the investigation that we requested of the US International Trade Commission. Some background for completeness: on 16 December 2022, we asked the US International Trade Commission to launch an investigation into COVID-19 diagnostics and therapeutics and to provide information on market dynamics to help inform the discussion around supply and demand, price points, and the relationship between testing and treating, and production and access. The International Trade Commission issued a notice in our Federal Register on 6 February, which contains all of the relevant dates and deadlines for hearings and submissions. All of the deadlines for public input have now passed, but the ITC is still gathering input as they deem necessary. Here is some information on the process so far: The ITC held a public hearing on 29 and 30 March. We saw testimony from 61 witnesses, 28 of which were remote. We expect that a transcript of the hearing will be made public soon, but that depends on the ITC. My team tells me that 77 briefs, statements, and written testimonies that were filed before the hearing are publicly available on the USITC website. 5 May was the deadline to submit post-hearing briefs, and it looks like 141 were filed as of this morning. These are also publicly available on the USITC website. The ITC's report is due to USTR on 17 October 2023. The report will be public.
- 2.362. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.363. The LDC Group, being one of the co-sponsors of the proposal for the Ministerial Decision on the TRIPS Agreement, urges Members to find a solution as soon as possible. We understand that some delegations are waiting for instructions from their capitals. However, we must bear in mind that we are obliged to report to Ministers at MC13.
- 2.364. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:

<sup>&</sup>lt;sup>19</sup> The Chairperson's statement was subsequently circulated in document JOB/GC/342.

- 2.365. Our Group remains disappointed that Members missed the deadline of 17 December 2022, which was set by Ministers at MC12 to conclude negotiations on the extension of the TRIPS Decision to cover the production and supply of diagnostics and therapeutics. This clearly indicates a lack of commitment of the WTO to adhere to the promises and directives of Ministers. The failure of this Organization to timely address critical issues such as this, transcends negative energy to other areas of WTO work. The protracted discussion on response to COVID-19 pandemic diminishes the value of the contribution of WTO to the global efforts to address the pandemic holistically. The longer it takes to deliver on the extension of the decision to cover production and supply of diagnostics and therapeutics, the more the WTO loses credibility. A solution on vaccines only can never be a holistic solution to addressing concentration of production on key medical tools for the pandemic. The Group showed great flexibility in agreeing to the extension of six months to continue negotiations. This was done in good faith to accommodate the appeal from some members who asked for domestic consultations. We urge Members who requested for the extension to finalize their domestic consultations, to swiftly agree on the extension of the MC12 TRIPS Decision to cover therapeutics and diagnostics. In our view, the extension of the MC12 decision is unfinished business from MC12 and it should not be linked with other issues nor MC13 processes. We call for discussions in the TRIPS Council to commence and the proposed text by co-sponsors of the request must form the basis of our discussions going forward. We urge Members to resort to establishing a TRIPS triggerready mechanism to avoid going through such protracted discussions during future pandemics.
- 2.366. The representative of <u>Kenya</u>, <u>on behalf of the ACP Group</u>, delivered the following statement:
- 2.367. The ACP Group lends its voice to stress the need to fulfil the agreed mandates and instruction of Ministers at MC12 in the TRIPS Waiver Decision, paragraph 8. This matter, just as all matters with Ministerial instructions for reporting by MC13, must be prioritized in the work of the General Council.
- 2.368. The representative of <u>South Africa</u> delivered the following statement:
- 2.369. As the World Health Organization (WHO) declares an end to the public health emergency of international concern related to COVID-19, it is important to recognize that the pandemic is not over as a global health threat. In making the recommendation, the International Health Regulations Emergency Committee acknowledged that there remain uncertainties posted by potential evolution of SARS-CoV-2, they advised that it is time to transition to long-term management of the COVID-19 pandemic. In this context, it is crucial to continue addressing intellectual property (IP) barriers related to COVID-19 diagnostics and therapeutics to address concentration and promote diversification of production of these key medical tools. The World Intellectual Property Organization (WIPO) Patent Landscape Report of April 2023 highlights the significant IP barriers that still exist, which could hinder access to life-saving diagnostics and treatments, particularly in low- and middleincome countries (LMICs). The report notes that although there has been a significant increase in the number of patent applications related to COVID-19 diagnostics and therapeutics, a majority of these applications come from a handful of high-income countries, with only a small proportion originating from LMICs. It also points to concentration of IP ownership that can limit access to these crucial tools where they are needed most. Furthermore, the report highlights the potential for patent thickets, where a large number of patents cover different aspects of a single technology, which can lead to high licensing fees and limiting competition. This could result in higher prices for COVID-19 diagnostics and treatments, making them unaffordable for many people. As argued by the Peoples Vaccine Alliance and Nobel Laureate Prof Joseph Stiglitz when supporting a temporary waiver of IP rights related to COVID-19 health products - IP protection for COVID-19 products has been a hinderance to global efforts to end the pandemic.
- 2.370. It is clear that addressing these IP barriers is critical to ensuring that COVID-19 diagnostics and treatments are accessible to all. Without continued efforts to address these barriers, we risk perpetuating the inequalities that COVID-19 has exposed and exacerbating the devastating social and economic consequences of the pandemic. While the declaration of an end to the public health emergency of international concern related to COVID-19 is a positive step, and despite the increasing population immunity from vaccination and infection, the DG of the WHO reminded us "Last week, COVID-19 claimed a life every three minutes and that's just the deaths we know about". Therefore, the virus is still killing and changing, and there is a risk of new variants emerging that could cause new surges in cases and deaths. The need for continued efforts to address IP barriers related to COVID-19 products is crucial in ensuring equitable access to life-saving tools. While the GC is considering the duration of the deadline, the TRIPS Council must therefore continue to engage on the substance of the extension of the MC12 decision. The way to dedramatize Ministerial Conferences

is to deliver on our mandates. We therefore expect conclusion of this issue before MC13. This issue was put on a fast-track with a clear deadline and the commitment was to decide within 6 months. We want to emphasise that lack of delivery on this has an impact on future compromises that can be made. In conclusion, COVID-19 has brought into sharp focus the limitations of past efforts and the need for a more ambitious and sustained approach to preparedness. Of concern is that the world tends to move on quickly and when a new crisis takes centre stage, it results in the now familiar cycle of "panic and neglect", especially of the developing countries and the most vulnerable. The timing and nature of the next pandemic is unknown, but it is certain to happen. Hence, a trigger-ready mechanism is even more urgent.

- 2.371. The representative of Nigeria delivered the following statement:
- 2.372. We align ourselves with the statements of the African Group and the ACP Group. The current TRIPS waiver Decision of June 2022 is of limited scope as it covers only vaccines. We recall that Paragraph 8 of the Ministerial Decision on the TRIPS Agreement provides that no later than six months from the date of the Decision, Members will decide on its extension to cover the production and supply of COVID-19 therapeutics and diagnostics. We are disappointed that substantive work has not commenced despite the consensus achieved during the extension of the deadline for a decision to be made by Members. 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 life-saving products by developing countries.
- 2.373. The representative of <u>Argentina</u> delivered the following statement:
- 2.374. The pandemic revealed inequalities in access to vaccines and medical goods for the diagnosis and treatment of COVID-19. The production of diagnostic tests, treatments and vaccines continues to be concentrated in a few countries. In that regard, we maintain our position, which has already been presented at previous General Council meetings. We wish to reiterate how important it is for our delegation, in particular, and developing countries in general, to extend the Decision of the TRIPS Agreement of June this year to diagnostics and therapeutics, in accordance with the paragraph 8 mandate.
- 2.375. The representative of <u>Bangladesh</u> delivered the following statement:
- 2.376. 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 Cosponsors of 669/Rev.1 and the statement by the LDC Group. We are disappointed that Members could not agree within the deadline to follow the good gesture of the Ministers on extending the TRIPS Waiver decision to cover the COVID-19 diagnostics and therapeutics. In the General Council in December 2022, the TRIPS Council recommended that the GC would extend the deadline that ended on 17 December 2022. My delegation earlier pointed out that the extended deadline must not change the MC12 decision and its scope. We cannot ignore the threat of the future pandemics and the necessity of affordable and timely access to diagnostics and therapeutics. Therefore, the MC12 decision on TRIPS Waiver should be extended to cover therapeutics and diagnostic, as soon as possible.
- 2.377. The representative of <u>Switzerland</u> delivered the following statement:
- 2.378. Switzerland remains convinced that an extension of the MC12 TRIPS Decision to COVID-19 therapeutics and diagnostics is unnecessary and would be counterproductive. Last November, together with Mexico, Switzerland submitted facts and figures in communication IP/C/W/693 which demonstrate that COVID-19 therapeutics and diagnostics are sufficiently available, and that access is not blocked by IP. These trends have since been confirmed, there is a surplus both in products and manufacturing capacity. As agreed in the last GC meeting, we can go along with further evidence-based discussions on this matter in the TRIPS Council.
- 2.379. The representative of <u>Brazil</u> delivered the following statement:
- 2.380. Brazil remains fully engaged in the debate on paragraph 8 of the Ministerial Decision on the TRIPS Agreement. We urge Members to achieve consensus on this issue as soon as possible. We

must work constructively on a positive and balanced outcome that provides for enhanced and timely access to COVID-19 essential medical goods at affordable prices.

- 2.381. The representative of <u>Indonesia</u> delivered the following statement:
- 2.382. As always, Indonesia would like to associate itself with the statement made by South Africa, on behalf of the 65 WTO Members co-sponsoring the 669 proposal. We have lived with the COVID-19 pandemic for more than 3 years. Last week, the WHO has announced that the pandemic is over. However, at the same time, we should not ignore the fact that the number Covid-19 cases continues to grow, including in Southeast Asia. The number of COVID-19 cases in Indonesia is showing an increasing trend, up to 2,647 daily cases, the highest since December 2022. COVID-19 deaths are also increasing by 184.6 per cent. In this regard, returning to "normal" should not mean forgetting the hard lessons learned over the last three years. Indeed, stark inequities in access to life-saving countermeasures unfortunately still persist. While we are discussing about the extension of waiver to therapeutics and diagnostics, we also have to be mindful of "when" we will face another serious public health threat, not "if". This is why Indonesia strongly believes that having a trigger ready mechanism for future pandemic will be valuable to have in the WTO. We cannot afford to go back to square one in which we need to build and negotiate another proper response while people are dying.
- 2.383. The representative of <u>Tanzania</u> delivered the following statement:
- 2.384. My delegation aligns with the statement of the African Group. We join other co-sponsors to urge Members to finalise this matter as it was instructed by Ministers during MC12. We have repeatedly expressed our position in previous General Council meetings and registered our disappointment with the failure to timely conclude such an important agenda. However, we are cognizant of the extension requested by few members for their domestic consultation and hence we urge those Members to finalize the process and a decision be reached ahead of MC13.
- 2.385. The representative of <u>Samoa</u>, <u>on behalf of the Pacific Group</u>, delivered the following statement:
- 2.386. The Pacific Group aligns with the ACP statement. On the TRIPS Waiver, we refer to our previous statement made at the General Council on this item; the setback of not being able to conclude on the mandated deadline is disappointing. As mentioned by others, the WHO declared an end to the COVID-19 global health emergency last Friday, and yet we have not addressed the need to extend the waiver to therapeutics and diagnostics. Evidently, the issue goes beyond the COVID-19 pandemic and its variants, we also would need to prepare for the future. The Pacific Group urges Members to persist in their commitment to work together earnestly to reach a decision on this. We hope that a new deadline will be set for a decision to be made this year, before reporting to Ministers at MC13.
- 2.387. The representative of the <u>United Kingdom</u> delivered the following statement:
- 2.388. Right now, it is clear that consensus does not exist and further discussion, particularly in the TRIPS Council, is required. We welcome the update provided by the United States today. We are also looking forward to having more substantive engagement with proponents on the other submissions that have been put forward in the discussion. There are a number of unresolved questions and issues, particularly on the scope of the products covered by a potential extension. So, we would welcome a clarification from the proponents, on the questions and issues that have been raised. We want to make sure we work towards a decision that is underpinned by evidence policy making. On that basis, the recent submission by Chinese Taipei could be a starting point for discussions.
- 2.389. The representative of the European Union delivered the following statement:
- 2.390. The European Union will continue constructively engaging 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. A number of open questions remain, including as regards the adequacy of supply of

COVID-19 therapeutics and diagnostics. The European Union will remain constructively engaged in the discussions on this issue.

- 2.391. The representative of <u>Jamaica</u> delivered the following statement:
- 2.392. The COVID-19 virus continues to grow and a high-level of communicable diseases has made millions of people vulnerable to the worst forms of COVID. Paragraph 8 of the Ministerial Decision on the TRIPS Agreement has highlighted the very important role that the WTO can play in saving lives. It also shows that the WTO can make an important contribution to the intellectual property regime in responding to global pandemics. At MC12, we were able to achieve an outcome after intense negotiations. As we deliberate the expansion of the waiver to cover therapeutics and diagnostics, we continue to encourage Members to work constructively to find an amicable solution. This we believe instils confidence in the WTO's negotiations and in WTO outcomes.
- 2.393. The representative of Paraguay delivered the following statement:
- 2.394. Paraguay is following the discussions with interest and regrets the lack of consensus on extending the scope of the Decision. We hope to reach a satisfactory solution as soon as possible. Paraguay is in favour of extending the scope of the Decision to cover therapeutics and diagnostics. For Members like us that are net importers of medical goods with limited local production capacity, it is important, in the event of another pandemic, to have an adequate international supply of COVID-19 vaccines, medicines and diagnostics; markets that remain open and without unnecessary distortions; transparency in terms of prices, market conditions and contracts; and effective trade facilitation measures to expedite the production and distribution of such goods, and thus avoid loss of human life, as we have regrettably seen in recent years. Paraguay will monitor the discussions in the TRIPS Council closely and will work constructively with Members to reach a negotiated solution, bearing in mind the overriding interests of public health and the general well-being of our peoples.
- 2.395. The representative of <u>Japan</u> delivered the following statement:
- 2.396. Japan's position is flexible on the duration of the extension, with a view to working toward a consensus decision by Members. In considering whether or not the extension of the Ministerial Decision should be extended to diagnostics and therapeutics, we need to consider the multifaceted impact of intellectual property rights and the TRIPS Agreement on their manufacture and supply. Therefore, we believe the discussion should be based on facts and evidence. In this regard, we appreciate the communication from Mexico and Switzerland and the discussion paper from Chinese Taipei, that were submitted to encourage such discussions. Japan will continue to be constructively involved in future discussions on this matter.
- 2.397. The representative of <u>Chinese Taipei</u> delivered the following statement:
- 2.398. Procedurally, since there are certain Members not yet able to engage in substantive discussion due to domestic procedure, we agree on the extension of deadline to allow further discussions. Substantively, we hope that the current discussion on the possible extension of the MC12 Ministerial Decision on the TRIPS Agreement under paragraph 8 to "diagnostics" and "therapeutics" could be more focused based on fact and evidence, instead of repetition of positions. We believe striking a balance shall be sought between the protection of lives and health on the one hand and the protection of intellectual property rights on the other hand. The WHO Director-General has declared on 5 May 2023 that the spread of COVID-19 no longer constitutes a public health emergency of international concern (PHEIC). Although there are still COVID-19 cases, there is a good reason for Members to consider whether the requirement of "exceptional circumstances" in the MC12 Ministerial Decision, which justifies the need of exempting certain requirements for compulsory licensing for COVID-19 vaccines, can still be met under this new circumstance. At this stage, maybe Members should change our focus and start considering long-term public health strategies, instead of continuing discussion on the possible expansion of MC12 TRIPS Decision, which specifically and solely addressed COVID-19 related situations.
- 2.399. The representative of <u>India</u> delivered the following statement:
- 2.400. India would like to associate with the statement by South Africa on behalf of the co-sponsors of 669/Rev.1 and would also like to acknowledge the update given by the United States on this topic.

As we hear that WHO has declared that COVID-19 is no longer a public health emergency of international concern, but the fact remains that during the last two weeks while we speak here, about 1 million cases across the globe have been detected through testing and in that 1 million if I count the number of cases in India in the last two weeks, there have been around 50 to 60,000 cases. So, it is not that locally in different regions or different jurisdictions, this virus has gone. What is needed is to ramp up testing, which is through diagnostics and treat vulnerable patients adequately and timely. So, therefore this proposal remains relevant, and I do hope that we should have some decision as an outcome way before MC13, once the internal discussion is over. In the meanwhile, we are willing as co-sponsor of 669/Rev.1 to engage with Members, as we suggested in our discussions with the TRIPS Council Chair, to call us in formal or informal set up for technical discussions. As co-sponsors, we are able to convince those who are not yet convinced.

- 2.401. The <u>Director-General</u> delivered the following statement:
- 2.402. I just wanted to say that, from the vantage point of having been a co-chair of the high-level panel convened by the G20 on how to finance pandemic preparedness, what the DG WHO said about the world not being prepared is true. We have not learned the lessons of what has happened during this pandemic and the world has not built a new resilience to the next pandemic. That is the fact. So, it is just something for us to reflect on. The behaviour that we saw during the pandemic of export restrictions on inputs and outputs so that certain countries did not have access, we have not done anything to really correct that except for vaccines. So, I would like the Members in the TRIPS Council to come together and discuss the best way to handle this situation so that this Organisation is not seen as again being behind the curve in terms of trying to solve one of the world's biggest potential problems.
- 2.403. The General Council took note of my statement and of the statements made.
- 2.404. The Chairperson delivered the following statement<sup>20</sup>:
- 2.405. Before we bring this sub-item to a close, let me now say a few words on other follow-up issues from MC12, apart from WTO reform. On the MC12 Ministerial Declaration on the WTO Response to the Pandemic and Preparedness to Future Pandemics, I learned that at the April meeting of the Committee on Trade and Development, several delegations shared ideas on possible work that could be undertaken by the Committee. I also understand that the Council for Trade in Services agreed to organize a series of informal information-sharing sessions on the trade impact of COVID-19 and the trade-facilitative measures introduced by Members to respond to the pandemic. The sessions will address transport and logistics services; health services; tourism services; and ICT and digitally delivered services.
- 2.406. Pursuant to the MC12 Declaration on the Emergency Response to Food Insecurity, the Committee on Agriculture established a work programme and a related working group to consider food security concerns of least-developed and net food-importing developing countries. I understand that the Working Group has organized dedicated discussions on several elements of the work programme, as well as two thematic workshops on (i) agricultural financing and (ii) productivity and resilience. Members are also reviewing their responses to a Questionnaire on food security needs and challenges of LDCs and NFIDCs.
- 2.407. Regarding the MC12 Decision on Non-Violation and Situation Complaints under the TRIPS Agreement, Members have discussed the issue of scope and modalities for such complaints at the recent meeting of the Council for TRIPS without any movement in Members' positions. In the TRIPS Council Chairperson's subsequent consultations on the matter, she explored how the Council could return to a substantive discussion of the issue.

<sup>&</sup>lt;sup>20</sup> The Chairperson's statement was subsequently circulated in document JOB/GC/342.

#### B. BUENOS AIRES (MC11), NAIROBI (MC10), AND BALI (MC9)

- 2.408. The Chairperson delivered the following statement<sup>21</sup>:
- 2.409. This sub-item relates to the follow-up to outcomes of Ministerial Conferences "Buenos Aires (MC11), Nairobi (MC10) and Bali (MC9)". In this regard, I will only focus on areas where there are new developments to report since the previous meeting of the General Council.
- 2.410. On the implementation of the Bali Ministerial Decision on Public Stockholding for Food Security purposes, the Committee on Agriculture continued its examination of the information notified by a developing Member that has invoked the Decision upon exceeding the *de minimis* level for rice for three consecutive years starting in 2018/19. A further domestic support notification for 2021/22 was received from the same Member invoking the Bali peace clause which will be reviewed at the next CoA meeting.
- 2.411. Regarding the LDCs Services Waiver, a Secretariat-prepared methodological Note on how LDC services trade statistics could be improved was discussed by the Council for Trade in Services in March. The Council agreed that the Secretariat would organize a one-day workshop to explore the contours of a data improvement project. The Chair also informed me that Members are keen to pursue the MC12-mandated work to operationalize the LDC waiver and look forward to the LDC Group submission.
- 2.412. Moving on to Aid for Trade, work is underway to implement the new work programme entitled "Partnerships for food security, digital connectivity and main-streaming trade". In April, the CTD met in informal session to review the monitoring and evaluation mechanism for the Aid for Trade Initiative. A workshop on "Aid for Trade in support of boosting agricultural production and agribusiness, food security, livelihoods and trade" will be held this Thursday. Preparations are also being made to organize an event on south-south cooperation.
- 2.413. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.414. We believe that it is crucial that we maintain this agenda item, as it allows for the membership to reflect on whether the WTO is fulfilling Ministerial mandates. Unfortunately, the WTO's inability to implement agreed decisions and mandates remains a significant concern, contributing to the inequity we observe in benefits from the multilateral trading system. The ongoing COVID-19 pandemic and the resulting food crisis have further exacerbated this issue, underscoring the need to deliver on the mandate outlined in Article 20 of the Agreement on Agriculture. This includes concluding the outstanding work on disciplines related to trade-distorting domestic support, a permanent solution on Public Stockholding (PSH), and disciplines on cotton and Special Safeguard Mechanism (SSM). We emphasize that the delivery on the outstanding Doha Development Agenda (DDA) issues is critical if the WTO is to fulfil its development mandate. Therefore, we urge Members to prioritize the fulfilment of outstanding Ministerial mandates.
- 2.415. The delegation of <u>Cambodia</u> delivered the following statement<sup>22</sup>:
- 2.416. My delegation aligns itself with the statement by the LDC Group. My delegation would like to comment on implementing specific LDC issues from past Ministerial Conferences, including MC12. We recognize the progress in the discussion on the operationalization of the LDCs services waiver, such as the initiative to improve LDC services export data. This is a step in the right direction for the LDCs to benefit from the full integration into the global services trade and for promoting 'servicification' of the economy in the LDCs. We took note that discussion also took place on how to improve the simplification of the preferential rules of origin to allow better market access by LDCs. However, some LDC issues are yet to be resolved as follow ups to the MC12, which include the annual review of DFQF market access and the smooth transition of members graduating from LDC.

<sup>&</sup>lt;sup>21</sup> The Chairperson's statement was subsequently circulated in document JOB/GC/342.

 $<sup>^{22}</sup>$  The statement was not delivered at the meeting but subsequently sent to the Secretariat for inclusion in the record.

- 2.417. The representative of <u>South Africa</u> delivered the following statement:
- 2.418. The rising food insecurity emphasizes the need deliver on food security and livelihoods aspects of the outstanding Ministerial mandates including PSH, SSM, cotton and disciplines on agriculture subsidies. The outstanding DDA issues remains critical if the WTO is to deliver on the development mandate. We therefore urge the Members to prioritize the fulfilment of outstanding Ministerial mandates, including the G90 ASPs. We welcome the work programme on NFIDCs and we hope we will deliver tangible outcomes for NFIDCs. We request the Secretariat to prepare a report on all the outstanding Ministerial mandates by July 2023.
- 2.419. The representative of <u>India</u> delivered the following statement:
- 2.420. Let me repeat what we said earlier that the credibility of the organization is judged not only on taking decision, but also delivering on past decisions. So therefore, we had requested earlier and we request again today that the compilation of all outstanding decisions of our Ministers should be brought before the General Council by the Secretariat, so that we are able to track those decisions and take necessary actions. We also repeat that ignoring past decisions does not add to the credibility of the organization. We understand that all incumbents have this zeal to show progress during their time period. But the credibility of the organization also depends on how we have behaved on the predecessors' decisions. It is said in the WTO that the gestation period for any decision is pretty long, but ten years even by WTO standards, is way too long and it has been ten years since the Ministers provided the Bali decision on the Permanent Solution to PSH. And it is also ironic that in times such as now, where every meeting room in the WTO and the other IO's are beaming with the discussion on food security, how to achieve it, and the issues involved in it when we really need to deliver, we are falling short in achieving the permanent solution to the PSH that includes new programs and new products. The food security of communities, societies and nations was never more critical than now, mainly due to recent developments. In such a situation, any new approach that does not consider the centrality of a Permanent Solution to PSH in the agriculture negotiations will be futile. Hence, we have suggested starting with JOB/AG/229 on a permanent solution for public stockholding, a joint proposal of three large groups accounting for more than 80 Members.
- 2.421. Some Members have said that PSH is one of the solutions to ensure food security and is not the only solution. We agree. We never said it was the only solution. In the same breath, we are saying Free Trade is not the only solution for food security; free trade is one of the solutions, along with domestic production. However, if one were to push this argument further, we would like to say there is enough evidence of how PSH programmes have avoided starvation and provided food security to the needy and the vulnerable during crises. In fact, during the past two year's crisis, PSH had successfully provided food to the entire Indian population. The major agriculture exporters had a huge task to rise to the occasion and meet food security challenges in the current crisis; their performance was certainly not perfect, even with their best endeavours. The design and implementation of PSH in India have helped India maintain food security for 1.4 bn Indian people during a crisis period of the last two years, particularly. Therefore, rather than indulging in a theoretical debate, we may acknowledge a successful model and help countries implement their respective successful models without creating unnecessary barriers and pushing them into lengthy debates for years. I only want to remind this house that we often hear that we need to be fit for purpose and we need to have an institution for 21st century. But at the same time keep on implementing External Reference Price of 1986-88 vintage for calculation of subsidy and bringing out false narrative. this is ironical that for public stockholding food security purposes, the ask from non-proponents or opponents is that that the farmers of my country sell 100 kg of rice at USD 3 and 100 kg of wheat at USD 4. By pushing this kind of argument, I think we are making more fun of ourselves and we are making ourselves completely irresponsible.
- 2.422. From now on, we should first address the mandated issues on priority before the other elements of Agriculture are taken up. In fact, we should find the solution to the Ministerial mandated issues of PSH and SSM and adopt them at the GC level, as we did in 2014, instead of waiting for the next Ministerial Conference. This would be in line with the sentiment expressed in the room about dedramatizing the Ministerial Conferences. Let me repeat that our priority remains Agriculture, which is the previous mandate of our Ministers. We had mentioned it in the last three CoA SS meetings and the two TNC meetings to start the text-based negotiations, particularly on the PSH. While we wait for that process to begin, we immensely thank the Chair for his initiative in conducting the thematic sessions in the Food Security and Domestic Support on 29 and 30 of March 2023 and on Market Access and Export Restrictions on 2 May 2023. These Thematic sessions are very productive

and have dispelled many of the myths that have been deliberately woven around the legitimate issues of concerns and demands of the developing countries through false narrative creation. We also thank the Chair for respecting the Ministerial Mandate of Nairobi and conducting the Dedicated Sessions of PSH and SSM on 30 March 2023 and 3 May 2023.

- 2.423. The representative of <u>Pakistan</u> delivered the following statement:
- 2.424. Pakistan would like to express urgency and disappointment as implementation of mandates from these Ministerials is still lacking. As we have raised several times in our previous statements under this agenda item, developmental issues can no longer be ignored as the modern post-pandemic and conflict-ridden world is pushing several developing country Members and LDC Members to a brink where the goals of Marrakesh Agreement i.e., livelihoods, standard of living and developmental prospects of people in developing country Members are not just left unaddressed but are diminishing. Delay in addressing such important mandates will inadvertently breed mistrust *visàvis* the multilateral system. Pakistan will reiterate, as we stated in the last General Council meeting as well that: (i) unfulfilled mandates and unimplemented decisions of all Ministerial Conferences may be compiled and (ii) it be highlighted as to what extent have those mandates been addressed or remain unaddressed to date. (iii) This is important to be done for development mandates, transfer of technology mandates, etc. (iv) These mandates must be reflected in the agendas of respective committees and work in this direction may be made priority.
- 2.425. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.426. The LDC Group commends those Members who have made efforts to implement the Buenos Aires, Nairobi and Bali decisions in favour of LDCs. We are preparing our own interventions toward the expectations for MC13.
- 2.427. The representative of <u>Paraguay</u> delivered the following statement:
- 2.428. Allow me to recall some of the points we already raised in the Trade Negotiations Committee regarding implementation of some of the mandates of the Bali and Nairobi Ministerial Conferences related to agriculture negotiations. A negotiation that serves the interests of only one side and does not take into account the red lines of the other is not viable, from our perspective. The basis of such negotiations cannot be a text that is completely unbalanced and which, in its revised versions, instead of finding a middle way, adopted a radical stance. A negotiation that detracts from its objectives rather than advancing them is not conducive to results. Our compass must be the fundamental objective of the Agreement on Agriculture, enshrined in Article 20, which stipulates reform. While we are not opposed to an outcome that contains a permanent solution to public stockholding for food security purposes, an outcome that only offers solutions to this issue without addressing the priorities of other Members is not a balanced outcome that is conducive to reaching a consensus. This is not an opinion. It is a fact. We saw this already at MC11 and MC12. My delegation is ready to negotiate a package that takes into account all the interests of the Members, including but not exclusively those of PSH applicants, and thus achieve the consensus needed for its approval. A review of the fixed external reference price is not merely a technical matter, and that its possible review if delinked from substantial progressive reductions of protection and support is by definition a step backwards, since it would give Members more leeway to use the most trade-distorting kind of domestic support, namely price support, which is also one of the most environmentally damaging. Any discussion on updating it should only be possible in a broad context of reform, where the reduction commitments that we collectively made under Article 20 of the Agreement on Agriculture are implemented.
- 2.429. The representative of <u>Indonesia</u> delivered the following statement:
- 2.430. As we are working towards MC13 next year, and while we continue on the implementation of MC12, we should not forget about our remaining homework from Bali and Nairobi Ministerial Decisions. We should not allow the same situation to repeat again and again. We should not miss another deadline. If we want to streamline this agenda and to be efficient in our work, we have to focus on our priority and remain committed to complete our existing homework in implementing the outcomes from Bali and Nairobi. We must adhere to mandates that we have agreed on by consensus. We also have to work towards achieving outcomes and solution, where agriculture continue to

remain Indonesia's priority agenda, where we have repeatedly the missed the deadline. In this regard, resolving our homework on achieving a permanent solution on PSH and SSM should continue to be in our agenda for the next Ministerial Conference. Therefore, we continue reiterate our commitment to work on the joint proposal on PSH JOB/AG/229 to be the basis of our negotiation on PSH. We should not excuse ourselves for not having enough time, while at the same time continue to resist a proposal that have been carefully drafted by three large Groups. Indonesia is cognizant of new challenges and is open to new ideas but starting from scratch and ignore existing mandates and proposal is not an option. If we want agriculture reform, we should fix the historical imbalances. The Agreement on Agriculture itself is not perfect and may not be relevant with the current development and challenges.

- 2.431. On the issues of fisheries subsidies, while we listen to delegates during the small group meetings at the second fish week, Indonesia is mindful that the views and positions are as divergent as prior to MC12. However, Indonesia remains positive with the efforts of some members to think outside the box and provide alternative solutions. Indonesia will review such proposals. As the biggest archipelagic country in the world, Indonesia fully understands the importance of the ocean as a source of livelihood and life for coastal communities as well as its role as environmental buffer. With that in mind, we are of the view that any efforts to support sustainability should not be conducted on the expense of developing countries and LDCs that provide subsidies to support their small, artisanal fisher, fishing along the national territory, or those who do not have enough resources and capacity to ensure sustainability of their fish stocks. On the other hand, those who have historically contributed to the overcapacity and overfishing must bear the biggest responsibility in disciplining their harmful subsidy.
- 2.432. The representative of <u>Brazil</u> delivered the following statement:
- 2.433. Moving the WTO forward implies the need to address not only new issues, but also those long standing and pressing questions in the international trade agenda. And as we discuss how to make the WTO fit for purpose to face global crises, agriculture reform remains a missing link in the overall balance of the WTO framework. We have a mandate that precedes our mandate, the legally binding Article 20 of the Agreement on Agriculture for eliminating market and production distorting agricultural subsidies. Delivering on this mandate is one of the most effective ways to properly address global food security in the long term.
- 2.434. The representative of <u>China</u> delivered the following statement:
- 2.435. China takes the floor to express our concern on the implementation of long-standing mandated issues of the previous Ministerial Decisions, including the permanent solution on PSH, SSM and cotton, as they are directly related to the food security and livelihood of small-scale farmers in developing country Members and LDC Members. It was a regret that WTO Members failed to make any substantive progress at the MC12 on the mandated issues, while the world, especially developing members are facing growing food security challenges. We are encouraged by most of the WTO Members stressing the importance and necessity of the MC13 food security package in various configuration of WTO meetings. We therefore call on all Members to work closely to find reasonable solutions on existing mandates, following the example of TRQ outcome last March. We also urge Members to show sympathy on human life by working constructively on the Paragraph 8 of the MC12 food security Ministerial Declaration to reach a practical work programme by MC13 based on the real need of LDCs and NFIDCs.
- 2.436. The General Council took note of the Chairperson's report and of all the statements made.

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

3.1. The <u>Chairperson</u> 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. She invited Ambassador José Sánchez-Fung of the Dominican Republic, Chairperson of the CTD, to provide an update of the ongoing work in the Committee.

- 3.2. Ambassador José Sánchez-Fung (Dominican Republic), <u>Chair of the Committee on Trade and Development</u>, delivered the following statement:
- 3.3. I would like to recall the Decision taken by Ministers at MC12 on the Work Programme on Small Economies, which is found in document WT/MIN(22)/25 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. It was reported at the last General Council meeting that a Secretariat background document on this topic was circulated on 14 February. The background document which is based on an outline that was proposed last year by the SVE Group and agreed in the Dedicated Session is substantive and statistical in nature. Using the members of the SVE Group as the basis for the statistical analysis, the paper looks at small economies' trends in merchandise and services trade, the effects of the COVID-19 pandemic on small economies' trade, and the challenges and opportunities in the post COVID-19 recovery phase. An annex contains data on small economies' economic and trade profiles. I am pleased to further report that a meeting of the Dedicated Session was convened on 30 March to allow Members to begin discussions on the mandated topic, on the basis of the background document by the Secretariat. I believe that this was a useful meeting, with many substantive contributions by delegations. Members of the SVE Group highlighted the challenges their economies have faced since the crisis caused by the COVID-19 pandemic as well as subsequent crises which have exacerbated many longstanding difficulties and vulnerabilities. Other Members also participated actively in the discussion, making comments and suggestions of their own based on the Secretariat paper.
- 3.5. Ideas were additionally shared by delegations about what the next steps could be to take the work forward in the Dedicated Session. For example, it was suggested that thematic discussions could be organized based on the different sections of the Secretariat paper. Experience-sharing by members of the SVE Group was another idea put forward. Several delegations also wished to hear from other international organizations working on relevant issues. Overall, there was broad agreement among Members to continue deepening the discussions on the mandated topic. The willingness demonstrated by Members to continue to engage under the Work Programme on Small Economies is indeed very encouraging. I am currently considering how best to take forward the discussions in the Dedicated Session and will be maintaining contact with Members on this matter. I take this opportunity to encourage all Members to participate actively in the discussions that will take place in the Dedicated Session. I also 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.
- 3.6. The representative of <u>Guatemala</u>, <u>on behalf of the SVEs</u>, delivered the following statement:
- 3.7. The SVE Group would like to thank the Chair of the CTD for his report on the progress of the work of the Dedicated Session, as well as the Secretariat for producing the background document contained in WT/COMTD/SE/W/45. We had a first round of discussions based on this document on 30 March and Members recognized its value, as it outlines the specific challenges and opportunities that SVEs face in the current global context, as well as the particularly strong effects of the COVID-19 pandemic on their economies. The document also identifies potential opportunities, including taking advantage of the acceleration of digitalization, the importance of maintaining competitiveness and the diversification of tourism; to counter the high dependency on commodities, the limited export products, and markets, among others. As mentioned during the meeting, it is in the interest of the Group to deepen the discussions on this paper, including through thematic sessions, and that Members share their experiences, so that we could also identify ways in which WTO can contribute to overcoming the challenges identified. We hope that proponents, as well as other WTO Members and International Organizations, such as UNCTAD, ITC and others, participate actively in these thematic sessions and bring their perspectives and studies into our discussions, with a view to finding

ways to help SVEs integrate more fully today's new international trade challenges and in the future SVEs will face. Indeed, the SVE Group looks forward to continuing its discussions to understand how to manage the integration of SVEs after the COVID-19 pandemic, and to look towards on the challenges and the opportunities to future international trade trends.

- 3.8. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 3.9. We acknowledge the report, and we applaud the Chair's unwavering dedication that resulted in progress in this area during MC12. It is our belief that the WTO multilateral trading system and regulatory role should factor in the distinctive requirements and conditions of all Members, particularly small economies in Africa. In light of this, we appreciate the Work Programme on Small Economies and pledge our continued participation in the CTD to promote productive dialogue on this crucial subject, incorporating relevant economic data.
- 3.10. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 3.11. We associate with the statements on behalf of the CARICOM and the SVE Groups. At the last General Council meeting, we offered some preliminary observations on the Secretariat's background note. It is rich with useful data and analysis and paints an accurate picture of the extant challenges facing small vulnerable economies. We would like to see some concrete action to take this work to another level. In this regard, we support the call of the SVEs Group to convene thematic sessions, inclusive of Members' sharing of experiences. We support the involvement of relevant international organisations in such sessions, including regional organisations such as the Caribbean Development Bank and the Inter-American Development Bank which are active in our part of the world. Similar organizations in Africa, Asia and elsewhere should also be considered. Our stakeholders have expressed a particular interest in further discussing, in a detailed way, the challenges and opportunities identified in Chapter five of the background note. Here, we see scope to further elaborate on how to achieve some of the recommendations made, including the role that the WTO and WTO rules can play in this regard. For example, the background note eloquently states that "SVEs could fast track the adoption of frontier technologies, both on the business and consumer side, with the goal of making digital access as inclusive as possible." Further thematic sessions, including relevant external entities, could help in deepening the discussion on these types of suggestions with a view to ensuring that the Background Note becomes something actionable. We also suggest that the Background Note be updated periodically and that some kind of metric be developed to track the performance of SVEs. We will continue to engage constructively on this subject.
- 3.12. The representative of <u>Trinidad and Tobago</u> delivered the following statement:
- 3.13. We align with the CARICOM and SVE Group statements on this item. We thank the Secretariat once again for the preparation of the background note entitled "Integrating Small Economies into the Post COVID-19 Economy: Effects of the Pandemic, Challenges and Opportunities" and for the presentation of that document during the Forty-fourth Dedicated Session on Small Economies held on 30 March. For us, the discussion in March was an encouraging start to our dialogue on this document, which we believe provides useful data and insights on the impacts of the pandemic and today's multidimensional crises on our small economies. We look forward to deepening our discussion through additional Dedicated Sessions in the period ahead, including in concert with relevant international organizations. We continue to review the document in detail, and we invite the wider membership to do so as well. The background note concretises in statistical detail the ways in which the well-known challenges relating to effective integration of SVEs into the multilateral trading system were further compounded in the context of the pandemic. Despite some measure of recovery in our services and good exports, this recovery is by and large uneven and fragile given our turbulent global context and continuing susceptibility to exogenous shocks. Vulnerabilities persist relating to narrow production bases, limited success of diversification and structural transformation efforts, high dependence on food imports and susceptibility to the deleterious impacts of climate change and natural disasters. In view of this, and because the background note provides useful facts, figures and observations to inform our deliberations, we consider it important for pertinent elements from the note to be brought to bear in our deliberations and negotiations in this house, both in the lead up to MC13 and beyond.

### 3.14. The representative of <u>Maldives</u> delivered the following statement:

3.15. Maldives thanks the Chair of Committee on Trade and Development for the update provided to the General Council on the progress of the work of the Dedicated Session on Small and Vulnerable Economies. We would also like to extend our support to the statement delivered by Guatemala for the details provided as the Chair of the SVEs to advance the discussion on the diversification of trade in Small and Vulnerable Economies. Maldives as a small and vulnerable economy welcomes the development of the background document WT/COMTD/SE/W/45 which outlines the specific challenges and opportunities that SVEs face in the current global context, including the negative impacts of the COVID-19 pandemic on our economies. Maldives like other SVEs are vulnerable to climate change and sea level rise. We have highly open economies which affects global trade, financial volatility and economic downturns. We are extremely vulnerable to exogenous shocks, therefore, understanding the effects of COVID-19 on small economies particularly related to international trade and market access is paramount for preserving socio-economic well-being and stability of Small Island Developing States. We look forward to further discussions on digitalization of small economies to maintain international competitiveness, diversification of tourism industries and expansion of markets for exports. The Maldives is committed to contribute to these discussions to promote sustainable trade opportunities for SVEs.

## 3.16. The representative of $\underline{\text{Mauritius}}$ delivered the following statement:

3.17. Mauritius aligns itself with the statements by Cameroon and Guatemala. The pandemic and other global challenges including geopolitical instability have highlighted the difficulties faced by SVEs and how their situations are further aggravated. Already, the have so many inherent constraints whether geographical isolation, small domestic markets, lack of comparative advantages, exposure to external economic shocks and limited resource endowments. Their participation in global exports which, prior to the pandemic, was already low at 0.2 per cent for merchandize trade and 1.4 per cent for services, has dwindled even further. What is even more worrying, is that while many countries are on a recovery path, the business climate in 2022 has not been favourable for FDI flows to reboot the growth of SVEs. In addition, most SVEs are also net importing developing countries and net importers of raw materials. They are, therefore, impacted by export restrictions on any products and commodities. We reiterate our call not to apply export restrictions on SVEs and look forward to an early conclusion to negotiations on paragraph 8 on emergency responses to food security. In the discussion on small economies, we would welcome the participation of agencies like UNCTAD, the ITC, ITU and WIPO but also other agencies like the Commonwealth Secretariat which has a long history in dealing with issues related to small economies and small island developing states. We believe it is important to have their presence. The discussion held in March was a significant step towards streamlining the challenges facing SVEs, as well as opportunities available, and for the multilateral trading system to pay more attention to these countries.

#### 3.18. The representative of <u>Ecuador</u> delivered the following statement:

3.19. I would like to express my appreciation for the report by the Chair of the Committee on Trade and Development. Ecuador associates itself with the statement made by Guatemala. I would also like to join others in acknowledging and welcoming the comprehensive report prepared by the Secretariat. As the focal point for agricultural issues in the Small, Vulnerable Economies Group, my delegation would like to draw Members' attention to the need to take into account, in our Organization's work, the particular vulnerabilities faced by these countries in their agricultural sectors due to the size of their economies, the size and characteristics of their territory and/or the extent of their participation in international trade. Natural disasters and climate change undermine agricultural production and destroy the infrastructure that enables trade. These extreme events often have serious social and political repercussions, as they lead to forced displacement from the countryside to urban areas, leaving thousands of people homeless and without any source of livelihood. While the risk is even greater for countries with economies that rely on agriculture as their main productive activity, sectors such as services, agricultural goods production, food security and public health are also affected. This year, one issue is of particular concern to us. Scientific reports suggest that it is highly likely that the El Niño phenomenon, which will begin to manifest itself in just a few months' time, will be more severe in 2023 and affect dozens of countries, several of which are part of our Group. We trust that the SVE perspective as regards trade and production will continue to be considered in the relevant work of our Organization. We agree that special thematic sessions should be organized and that there should be coordination with other multilateral

bodies so as to ensure a comprehensive overview of the situations affecting small, vulnerable economies.

- 3.20. The representative of the European Union delivered the following statement:
- 3.21. The European Union would like to thank the Chair of the Committee on Trade and Development for his report. We would also like to thank again the WTO Secretariat for providing a very substantive background note. I would also congratulate the outgoing Chair of the Committee on Trade and Development for piloting the first discussion on this study that took place at the Dedicated Session on Small Economies on 30 March. The discussion revealed that the variety of impacts in different countries and sectors reflects the diversity of the group of small, vulnerable economies. The background note suggests that small economies have certain opportunities. The note also indicates challenges, both structural ones, and strong environmental and inflationary pressures, including the impacts of the Russian war of aggression against Ukraine. Given the important impact of COVID overall, we would welcome further work and discussions at the dedicated session. This would include contributions from small-economy Members having different socioeconomic profiles, but also other WTO Members facing similar challenges, other international organisations, outside experts and private-sector representatives, as appropriate.
- 3.22. The representative of <u>Barbados</u>, <u>on behalf of CARICOM</u>, delivered the following statement:
- 3.23. We support the statement from Guatemala. We thank the CTD Chair for his report and commend the hard work of the Secretariat in producing this important background note, which presents excellent statistical analysis of the contribution of trade to the economies of the 32 SVEs countries. More importantly, this report is invaluable in providing important context regarding challenges and disparities relating to the contribution of SVEs to global trade. In 2023, there is more of a reason than ever before to have a SVEs Dedicated Session, and a standing agenda item on small economies at the General Council. If there were any doubts remaining, I would highly suggest taking a look at this excellent Secretariat study. This document goes a long way in answering the request that we need to be more precise in setting out our needs and on the intersection of our vulnerabilities. The very nature of structural constraints is that they are endemic, pervasive and persistent. The Secretariat paper reaffirms this. We encourage the membership to engage with the background note and to allow it to inform our deliberations and negotiations in the various areas of WTO work in the lead-up to MC13 and beyond.
- 3.24. The Secretariat's report highlights that, despite comprising 16.5 per cent of all UN recognized nations and 18.9 per cent of the WTO membership, SVEs are still limited in our ability to contribute to global trade in a substantial way due to various constraints. In 2021, SVEs were estimated to have contributed: 0.71 per cent of global merchandise exports; and 0.97 per cent of global commercial service exports. SVEs experienced, on average, 7.2 per cent annual inflation in 2021, up from an average of 2.0 per cent pre-pandemic in 2019. FDI inflows contracted to 1.2 per cent of global totals in 2021 from 1.4 per cent in 2019. This data suggests much work lies ahead to ensure our effective integration into the multilateral trading system. We have asked that the secretariat undertake a simple updating of this paper annually so that we have at hand the latest data. We are reflecting on the suggestions outlined by the Secretariat and highlight here two of these suggestions: on the recommendation relating to diversification of our tourism product into niche areas such as eco-tourism and wildlife tourism. We are acutely aware of the impact that COVID-19 and climate change has had and continues to have on our tourism sector. We therefore recognize the need to diversify our economies to high value-added sectors, more resilient to these types of shocks. It is also important to highlight the challenge of building resilience in our tourism sectors in the face of climate-related disasters which are increasing in strength. Digital trade and ecommerce present real opportunities for SVEs, particularly those in CARICOM to expand their contribution to global value chains and digital trade ecosystem.
- 3.25. For this to happen however, we must bridge the digital divide gaps in the CARICOM Region, including through the provision of technical cooperation to complete e-readiness assessments and ecommerce strategies which can serve as the backbone to our diversification efforts. We look forward to unpacking the elements of this paper in future sessions and ramping up, not just information and experience sharing but looking for solutions that are scalable and doing this in partnership with the WTO sister Organisations- many of whom like UNCTAD and ITC are developing specific SIDS strategies and platforms which can support the WTO SVES work programme. Going forward our discussions should examine key elements, such as increased trade related to the blue and green

economy, and the lowering of barriers to our meaningful participation in global digital trade. In closing, we hope that this instance of sensitisation of the membership brings focus and impetus to our work on better integration of SVEs into the multilateral trading system, particularly in a post COVID-19 global economy.

- 3.26. The representative of <u>Jamaica</u> delivered the following statement:
- 3.27. We align ourselves with the statement delivered by CARICOM and the SVE Group. This topic is one of Jamaica's priorities in the WTO. We continue to follow the Secretariat's background note which we find extremely useful. We urge Chairs of Negotiating Groups to familiarize themselves with this document. We also invite Members to study the document and reflect on its content during engagements and in preparation of WTO submissions across WTO bodies. We call on the WTO to collaborate with other international organizations, including international financial institutions, on the implementation of the work programme. For the current work programme, we hope that we can have detailed and structured discussions on the various elements of the background document. We hope that these discussions will touch in detail on a number of critical issues which we are preoccupied with back in Capital. These issues include: (i) understanding the extent of the impact of the pandemic on the trade performance of small economies, particularly in sectors such as tourism and education services which we all know were disproportionately affected by the pandemic; (ii) looking at good practices for building resilient systems and trade policies to respond to impacts such as those emanating from the pandemic as well as shocks such as natural disasters and impact of climate change; (iii) access to finance including climate finance to improve the trade performance of small economies; (iv) exchange of ideas on good practices on improving value chain development; and (v) improving digital readiness of small economies to successfully compete in digital trade. Jamaica reaffirms its commitment to the implementation of the work programme and looks forward to engaging actively to this end.
- 3.28. The representative of the <u>United Kingdom</u> delivered the following statement:
- 3.29. Let me start off with thanks to the Secretariat for the paper and to our distinguished colleagues from Mauritius and the Dominican Republic as past and present Chairs. We very much welcome the way they are taking forward the work on this. We welcome the very good, productive conversation that took place in the CTD dedicated session on small economies. It is clearly important, as so many others have said in this room, that we understand, recognize and act upon the unique vulnerabilities that are faced by specific Members of this organisation, especially the SIDS. We are delighted to be engaging with Members of the SVE Group on the next steps that they would like to see taken on the back of this secretariat report and we very much support the idea of thematic discussions and experience sharing, including how we, bring into those discussions, the insights of external organizations as the OECS proposed a little while ago. We very much look forward to continuing these discussions and to the fruits of those discussions in due course.
- 3.30. The representative of <u>Vanuatu</u>, <u>on behalf of the Pacific Group</u> delivered the following statement:
- 3.31. We align with the statement made by Guatemala on behalf of the SVEs. The Pacific continues to highlight the importance of the work contributing to the work programme on small economies, in framing responses to facilitate the fuller integration of SVEs into the global trading system. We would welcome for the work ahead to incorporate the ideas and recommendations of Members made at the last Dedicated Session on 13 March. As recommended, thematic discussions based on the different sections of the Secretariat paper could be considered in the work plan ahead. We also believe it would be useful to hear from other relevant international organisations who can contribute to our work of considering opportunities in the post COVID-19 context, while also taking into account other impacts such as climate change and natural disasters. We look forward to engaging in the upcoming discussions on developing SIDS strategies and platforms.
- 3.32. The <u>Director-General</u> delivered the following statement:
- 3.33. This has been a very good discussion. I am glad Members, especially the SVEs, find the document useful and bearing the SVEs particularly in mind, the advice to try to see what can be done to help with the issue of bridging the digital divide in collaboration with other organizations is being taken seriously from our part. So, I think it is a very rich report and I hope there will be

opportunity to, as you all have indicated, delve into parts of it in more detail in the aim of advancing the development of SVEs.

- 3.34. The General Council <u>took note</u> of the report of the Chairperson of the CTD and of the statements made.
- 4 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)
- 4.1. The <u>Chairperson</u> invited Djibouti, the LDC Coordinator, to provide an update on their communication.
- 4.2. The representative of Zambia, on behalf of the LDC Group, delivered the following statement:
- 4.3. I will first make a few remarks in my national capacity since I did not take the floor on the earlier agenda items. The first is on WTO reforms, we appreciate the work that has been undertaken so far on this. We have noted some of the concrete proposals that have been put on the table, which can now be shared with our experts in capital to study and guide us on how we should engage going forward given the little time we have between now and MC13. On the proposal by the WTO Director-General to hold a Senior Officials' meeting sometime this year to look at some of the burning issues to see if we can get consensus on them, we support this proposal and look forward to the participation of our capital-based experts once the dates are confirmed.
- 4.4. I will now read the LDC Group statement. We have had excellent consultations since the last General Council meeting. Recently, we have received some ideas in bilaterals. We are reviewing those ideas within the LDC Group and our capitals. As soon as we have our responses, we will share them with the Members. At the next meeting, consistent with the LDC Group proposal, we call on the General Council to adopt Annex 1 and agree to forward Annex 2 of the LDC submission to the Sub-Committee on LDCs for examination to discuss a transition period and to report back to the General Council on Annex 2 at the latest in October 2023.
- 4.5. The representative of <u>Bangladesh</u> delivered the following statement:
- 4.6. Bangladesh aligns with the statement by the LDC Group. Members have been discussing this proposal in the General Council since 2020 and it has received broad support. We are grateful to Members who supported this. We are also grateful for those Members who raised questions and engaged constructively. In paragraph 5 of the MC12 Outcome Document, Ministers clearly acknowledge the challenges, including the loss of trade-related international support measures after graduation, and recognize the importance of WTO measures to address those challenges. A few days ago, we have received informally specific textual suggestions and ideas from some delegations on Annex 1 of the LDC proposal. After completing the internal consultations, the LDC Group will engage with those delegations to find convergence and inform the General Council at its next meeting. We have reasons to believe that there are wide convergences on the imperative to have a decision early and divergences on a few areas could be abridged, given the willingness exhibited. Annex 2, however, will require an examination at the technical level. In order to utilize time and make progress, the General Council may instruct the Sub-Committee on LDCs to examine Annex 2 of the LDC proposal and develop recommendations and report to the General Council by the first week of October 2023. We seek support from Members for a favourable decision.
- 4.7. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 4.8. The African Group thanks the LDC Group for its revised submission. The paper proposes measures that the WTO can take to help countries that have graduated from the LDC category, and which are at risk of falling back into it. A number of very pertinent arguments are made, for instance, that the removal of International Support Measures (ISM) that LDCs are entitled to, including traderelated measures, can have a negative impact on these countries. The paper cites the COVID-19 pandemic, as well as the energy and food crisis, as having reversed much of the development progress achieved by LDCs. In recognition of this, the UN has adopted the principle of a "smooth

transition". It is crucial that the WTO supports this principle by assisting LDCs to integrate into the global trading system. As noted by President Masisi at the second iteration of the Presidential Lecture series, the LDCs face significant trade and development challenges after graduation, which can result in negative impacts on their economies. Moreover, these countries often meet graduation criteria without significantly developing their productive capacities or making sufficient progress in the structural transformation of their economies. Without effective support post-graduation, there is a risk of these countries falling back into the LDC category, which would be a setback to the progress made. The WTO must, therefore, ensure a smooth transition for LDCs after graduation by phasing out support measures gradually and extending other support measures, as suggested in the paper. The WTO should recognize that such measures are essential to help LDCs maintain the progress they have made and continue to integrate into the global trading system. It is only through such support that these countries can build their productive capacities and achieve sustainable economic growth, which will benefit them and the global community. The WTO has a crucial role to play in ensuring that LDCs are not left behind and can enjoy the benefits of trade, as promised under the SDGs. The African Group commends the LDC Group for its revised paper, which we unequivocally support.

- 4.9. The representative of Kenya, on behalf of the ACP Group, delivered the following statement:
- 4.10. The ACP Group supports the request by the LDC Group to adopt the actions provided in their submission. We look forward to positive results and solutions from the consultations with the LDC Group's proposal, so that we may adopt it by the next General Council meeting in July.
- 4.11. The representative of <u>Angola</u> delivered the following statement:
- 4.12. Angola reaffirms its statement made during the last General Council of 6 March. However, as a graduating LDC, Angola would like to take this opportunity to join the LDC coordinator and the LDC Group on the following issues. (i) It is pertinent to highlight that most of the WTO effective agreement flexibilities do not differentiate among LDCs. The graduation from the category should follow the same pattern. (ii) At the same time, the proposal presented in document WT/GC/W/807/Rev.2, does not interfere with ongoing bilateral or regional trade agreements with individual LDCs. It is a straightforward proposal based on countless consultations that arrived at this lowest common denominator. Therefore, Angola supports the LDC coordinator's proposal for the General Council to adopt Annex 1 and forward Annex 2 of the said submission to the Sub-Committee on LDCs for further examination, with a view to be considered again by the General Council before October this year.
- 4.13. The representative of Cabo Verde delivered the following statement:
- 4.14. We align ourselves with the statement by the African Group and the statement by the ACP Group. My delegation lends its support to the statement by the LDC Group concerning this item. LDCs have been discussing this proposal since MC11 in 2017 and in the General Council since 2020. The proposal has received broad support from most Members. Cabo Verde graduated from the LDC status as we completed our accession to the WTO. During our accession process, we tried to secure some additional flexibilities for smooth transition, including transition periods. We might have achieved a few results. Cabo Verde might have also benefitted from several proposals to date to address challenges we faced after graduation. Paragraph 5 of the MC12 Outcome Document clearly acknowledged the challenges of graduation, including the loss of trade-related international support measures after graduation and recognized the importance of WTO measures to address those challenges. We support the adoption of the LDC submission at the next General Council meeting. We also agree that the General Council refers Annex 2 for examination to the Sub-Committee on LDCs, for a transition period after graduation.
- 4.15. The representative of <u>Tanzania</u> delivered the following statement:
- 4.16. My delegation aligns itself with the statements by the LDC Group and the African Group. We would like to reiterate our longstanding call, expressed numerously, in previous General Council meetings. The LDC proposal has been receiving broad support from the membership, as a result of the LDC Group's tireless consultations efforts. During MC12, Ministers clearly acknowledged the challenges, which include the loss of trade-related international support measures after graduation and recognized the need for WTO measures to address those challenges, of which the LDC

graduation proposal is an effort in that direction. It is eminent that graduating LDCs will immediately lose all favourable treatments under the WTO, a situation that will disrupt the economic momentum gained through international trade. To avoid such a disruption, a smooth transition arrangement is crucial to guarantee smooth landing, which we urge Members to positively consider. Extending the existing LDC treatment to a graduating LDC for a few more years, will obviously not harm the remaining LDCs, neither will it have noticeable effect in global trade. Such a favourable act is in line with the ongoing WTO efforts to uplift LDCs economically through integrating them into the multilateral trading system.

- 4.17. The representative of <u>Mauritius</u> delivered the following statement:
- 4.18. We associate ourselves with the statement made by the African Group. LDCs represent a sizable part of our membership. It is therefore important for the Organization to pay particular attention to the challenges faced by these countries that have agreed to comply by the WTO rules. By joining the WTO and agreeing to comply to WTO rules, they have taken obligations may present challenges to their local industries. The transition from LDC to developing status has been a matter of debate as it poses a number of difficulties that require significant amendments to their trade regime, especially with regards to institutional capacity and WTO obligations. It is in light of these challenges and difficulties that we support the proposal for smooth transition measures in favour of graduating LDCs. These Members need the WTO's support to smoothly and effectively integrate into the global trading system, and maintain the progress made.
- 4.19. The representative of Lao People's Democratic Republic delivered the following statement:
- 4.20. Lao PDR attaches great importance to the smooth and sustainable graduation, we, therefore, fully support the proposal proposed by the LDC Group, which have been contained in Annexes 1 and 2 for General Council decision. We emphasize the importance of synergy and complementarity between WTO efforts and other development cooperation frameworks such as UNCTAD, ILO, UN LDC5 Programme of Action 2022-2031, among others, to ensure the smooth and sustainable graduation.
- 4.21. The representative of <u>Cambodia</u> delivered the following statement:
- 4.22. My delegation aligns itself with the statement by the LDC Group. My delegation reiterates again that having a smooth transition after graduating from the LDC categories is very important for the LDCs. Graduation for LDCs is not the end of the road. There is still a long way to go after graduation and the road is as rough, if not rougher, than before graduation. Therefore, the proposed transition periods would make this journey smoother and to provide for the graduated LDCs a way to sustaining and accelerating their level of development and to avoid any slipping back in their development. I hope that the General Council can decide on Annex 1 as soon as possible and forward Annex 2 to the Sub-Committee on LDCs for further deliberation.
- 4.23. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of OECS</u>, delivered the following statement:
- 4.24. We are aligned with the statement of the ACP Group. We are grateful to Zambia for its intervention on behalf of the LDC Group. We are supportive of the LDC Group's request and call on Members to engage in a constructive manner to allow us to have a decision as soon as possible.
- 4.25. The representative of  $\underline{\text{Nepal}}$  delivered the following statement:
- 4.26. I associate with the statement by the LDC Group and wish to add some points. My delegation realizes that there has been some progress in the bilateral consultations, which indicates that Members are really interested to expediate this proposal. We want a favourable resolution on the LDC Group's submission, which we believe contributes to a smooth and sustainable transition. We thank the delegations who provided textual suggestions and ideas on Annex 1, and we expect an outcome on Annex 1 from the next meeting of the General Council. Furthermore, we expect from the General Council that it can assign the Sub-Committee on LDCs to develop recommendations on Annex 2 and report to the General Council before October 2023. Again, I thank Members for their willingness to expediate this proposal and expresses my readiness to constructively engage with Members for an early conclusion of this agenda item.

- 4.27. The representative of <u>Argentina</u> delivered the following statement:
- 4.28. Argentina welcomes all kinds of debate and discussion aimed at ensuring that the multilateral trading system benefits LDCs and contributes to their development. Discussions on a smooth transition are of great importance and we reiterate our readiness to move them forward.
- 4.29. The representative of <u>Australia</u> delivered the following statement:
- 4.30. We have said before that graduation from the LDC category represents a significant achievement. It is evident that there is some support growing for creation of appropriate arrangements to smooth that transition. I would like to reiterate Australia's support for the creation of appropriate transition arrangements. We now need to work out how to convert this evident momentum pragmatically into convergence on this long-standing issue. We are pleased that conversations on the proposal's Annex 1 are now progressing in various bilateral formats, and we will of course continue to play a constructive role in those discussions. But we also need to begin detailed discussions on Annex 2 in a separate subsidiary body, which the Zambia and others have suggested could be undertaken in the Sub-Committee on LDCs. These are detailed suggestions and will take some time to conclude. So, we should not delay any further. We encourage the General Council not to be too prescriptive when directing this work to a particular subsidiary body, and we urge the chosen body to be given scope to consider all possible approaches to develop appropriate transition arrangements.
- 4.31. The representative of Uganda delivered the following statement:
- 4.32. My delegation aligns itself with the LDC Group. We note that this proposal has been under discussion since 2020 and we are grateful for the broad support it has received from the wider membership, even if it was not possible to achieve a favourable outcome at MC12. Paragraph 5 of the MC12 Outcome Document does however acknowledge the challenges of graduating LDCs, including the loss of trade-related international support measures and the need to address these challenges. The current proposal on LDC graduation is an effort in that direction and we made all our efforts to integrate concerns by other Members in a pragmatic way. Annex 1 of the submission is an appeal to provide LDCs unilateral trade preferences for some additional period after graduation from the LDC category. Annex 2 proposes discussion at the Sub-Committee on LDCs on extending LDC-specific special treatments for a limited period of time after graduation. We are not asking to create new flexibilities. These are already existing provisions for LDCs. We welcome the positive response from a number of delegations and look forward to finalizing an outcome on Annex 1 before the next meeting of the General Council. We support the idea of the General Council assigning the Sub-Committee on LDCs with a clear mandate to examine Annex 2 of the LDC proposal and develop recommendation and report to the GC before October 2023.
- 4.33. The representative of <u>Lesotho</u> delivered the following statement:
- 4.34. We align ourselves with the statement by the LDC, the African and the ACP Groups. We have been discussing this proposal for smooth transition measures in favour of countries graduated from the LCD category since 2020 and it has, as repeatedly said, received broad support from Members in general. The LDC Group worked tirelessly and expected a favourable decision at MC12 but to no avail. Our current proposal on LDC graduation is an effort in that direction and we are engaging constructively with the delegates who provided textual suggestions and ideas on Annex 1. We recommend that the General Council assigns the Sub-Committee on LDCs to develop recommendations on Annex 2 and report to the General Council before a targeted deadline. We request a favourable resolution on the LDC Group submission ahead of MC13.
- 4.35. The representative of the European Union delivered the following statement:
- 4.36. The European Union is engaging with LDCs on the particular challenges that LDC graduation presents. We are ready to continue to engage, both on "preferences" in Annex 1 and on the "specific measures" in Annex 2 of the proposal under consideration. The European Union continues to believe that there should be support and flexibilities for 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 before MC13. The European Union is ready to support reaching decisions on "preferences" in Annex 1 as

soon as possible, with some adjustments. We understand that informal discussions on such adjustments are already ongoing. The European Union is not against stipulating an indicative time period during which preferences would be maintained. However, since such a period would come on top of the period already provided by the United Nations process, the extra period should be reasonable. The European Union considers that analytical work on Annex 2 of the proposal could preferably start as soon as possible in the Sub-Committee on LDCs, as requested by the LDC Group. The Sub-Committee should analyse but not negotiate the measures, and coordinate with other relevant WTO bodies and stakeholders. Several Members find that each of the "specific measures" in Annex 2 of the LDC proposal will require a separate discussion in more detail and this will inevitably take some time.

- 4.37. 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. We listened last week to the Presidential lecture by the President of Botswana. He indicated how, as Botswana graduated, this was challenging, but it was possible and, as we look at Botswana today, we are encouraged by their experience. With your indulgence, I revert to my request of yesterday, supported by other Members, to organize a retreat on "state intervention in support of the industrial sectors". This issue affects a whole range of Members, including LDC Members. If for logistical reasons holding this retreat is not possible in July, then it could be just after the summer.
- 4.38. The representative of <u>Jamaica</u> delivered the following statement:
- 4.39. We thank Zambia for their presentation on behalf of the LDC Group. Jamaica fully supports the LDCs' request. With LDCs accounting for about 1 per cent of global trade there is no graduating LDC whose size, influence and reach in global trade can put the global trading system at risk to justify a rejection of the transition modalities requested by the proposal. As a small developing economy whose economic development process is being assisted by trade preferences, Jamaica fully understands the substantial dislocation that a policy change can present to the national economic and social development goals in the absence of a mechanism to facilitate smooth economic landing into a more competitive field of global trade. Against this background, Jamaica calls on Members to approve the proposal of the LDC Group. Let us assist LDCs in their efforts to bring value and benefits of the WTO, as well as to enhance the perception thereof, to the people and stakeholders in their society. Jamaica aligns itself with the statement delivered by the ACP Group.
- 4.40. The representative of <u>Samoa</u>, <u>on behalf of the Pacific Group</u>, delivered the following statement:
- 4.41. The Pacific Group aligns itself with the statement delivered by the ACP Group. In line with our previous statements made on this item, the Pacific Group continues to commend the LDC Group for its continuous efforts to bridge the views of the membership on their proposal. We also continue to acknowledge the needs of graduating LCDs for smooth transition measures and believe that this outcome can be delivered well in advance of MC13. As conveyed by the LDC Group, there is a possibility of delivering on this completely by October. We are in full support of these efforts.
- 4.42. The representative of South Africa delivered the following statement:
- 4.43. We associate ourselves with the African Group statement. We do believe that this is one of the issues that can be delivered by the General Council before MC13. We welcome the renewed engagement by Members to find a solution. We are optimistic that if Members engage in the next weeks and months, a solution can be found before MC13. We hope that the roadmap proposed by the LDCs is acceptable to all Members. We therefore urge all Members to engage in good faith with a view to find a common ground. Even before the COVID-19 pandemic, UNCTAD warned about the challenges facing LDCs and these have been exacerbated by the polycrisis. This includes the climbing debt, which undermines their ability to provide basic services. LDCs also remain marginalized in global trade. Their share of global merchandise exports has hovered around just 1 per cent since 2010 and their main exports leave them highly vulnerable to global crises and shocks. There are multiple crises facing LDCs, existing prior to, and beyond, the pandemic, including the alarming and accelerating increase in global warming, natural disasters, armed conflict and related crises of hunger and food security. While the polycrisis impacts all countries negatively, the detriment is

exponential for LDCs with their manifold and specific vulnerabilities. These risks graduating LDCs sliding back. If we are to ensure sustainable and irreversible graduation, it is important that the WTO develops a mechanism that will support the smooth transition of graduating LDCs.

- 4.44. South Africa, therefore, supports the proposal by the LDC Group. LDC graduation is overall a development issue and needs to be prioritized. We urge that the General Council finds consensus on this issue way before MC13. 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 to enable LDCs to adjust. The LDC Group worked tirelessly in the build-up to MC12, taking into account concerns that some delegations had raised. It is regrettable that the WTO membership could not agree on a favourable outcome. Having said this, through paragraph 5 of the MC12 Outcome Document, Ministers clearly acknowledge the challenges faced by LDCs, including the loss of trade-related international support measures after graduation and recognize the importance of WTO measures to address those challenges. The current proposal on LDC graduation is a tangible effort in that direction that should enjoy the support of all Members and we believe the General Council is well placed to conclude on this matter well before MC13.
- 4.45. The representative of the <u>United Kingdom</u> delivered the following statement:
- 4.46. As Australia said, graduating is, as ever, a matter for celebration but it is also understandable that people want a scheme here that smooths the path and we would have been delighted if we could have agreed that back at MC12, and like others we think it would be great if we can agree it at, or indeed before, MC13. It is an important issue and we have heard what LDCs and others have said. I would like to thank Zambia for presenting this morning but also for all the work that Djibouti, Kenya, Bangladesh and others have done on this file. We welcome the fact that there are bilateral discussions going on, on Annex 1, and we do recognize the need to move to technical discussions on Annex 2. We would be delighted to participate, and we very much hear that the preference from LDCs would be through the Sub-Committee on LDCs. We would very much support and welcome that.
- 4.47. The representative of the <u>United States</u> delivered the following statement:
- 4.48. As we continue this process, we look forward to continuing to engage with Members. We thank the LDC Group for the continued engagement on this proposal. We are engaging with the LDC Group on Annex 1. We have provided proposals on Annex 1. We think we can land this as soon as possible, if there is willingness to be pragmatic. We were ready to land this for MC12, but people were not pragmatic. Annex 2 will be more difficult. We stand ready to engage in meaningful discussions on the LDC graduation proposal in the Sub-Committee on LDCs.
- 4.49. The representative of <u>Barbados</u> delivered the following statement:
- 4.50. We fully support this proposal and look forward to a positive decision on this as soon as possible. It is the smart thing to do and frankly it is the right thing to do.
- 4.51. The representative of Nigeria delivered the following statement:
- 4.52. We align ourselves with the statements by the African and the ACP Groups. This proposal has been on the table for quite some time. Members raised some questions, and it is commendable that the LDC Group responded to the questions. Nigeria is fully in support of the LDC proposal, and we urge Members to do same. Supporting LDC Members in their request would no doubt assist them in addressing some of their challenges with a view to having a smooth transition measure especially to those graduating from the LDC category.
- 4.53. The representative of <u>Brazil</u> delivered the following statement:
- 4.54. 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 LDCs Members plays an important role in achieving this goal. We welcome

discussions on the issue of graduation. In this regard, we reiterate our willingness to work together with the LDC Group to further advance on this issue.

- 4.55. The representative of <u>Japan</u> delivered the following statement:
- 4.56. Japan recognizes the importance of providing special measures for developing country and LDC Members to engage in the multilateral trading system in a smooth transition. Japan has been providing special preferential treatment for LDCs and general preferential treatment for a wider range of developing country Members. As for Annex 1 of the proposal, Japan considers that an extension of special preferential tariff systems and the duration should reflect the situation of the providing Member and the beneficiaries. We should therefore carefully consider the issue of establishing, in advance, criteria for a specific extension period. We should discuss this issue, taking into account the viewpoints of both providing Members and beneficiaries. Concerning Annex 2, Japan is open about where this proposal should be discussed in the WTO. Japan is ready to participate in evidence-based discussions on this proposal, so that we can discuss each and specific items proposed in a substantive manner.
- 4.57. The representative China delivered the following statement:
- 4.58. China always attaches great importance to ensuring a smooth transition for graduated LDCs. We are looking forward to the endorsement on Annex 1 in the July General Council meeting and engaging in the discussion on Annex 2 with a view to having a solution soon.
- 4.59. The representative of Niger delivered the following statement:
- 4.60. My delegation aligns itself with the statement by the LDC Group and refers to its own statement given under the same item at the previous General Council meetings on 6 and 7 March 2023. The issue of LDC graduation assistance within the WTO is longstanding, and it has received strong support from Members despite the fact that the LDC Group waited in vain for a favourable decision at MC12. Nevertheless, in paragraph 5 of the MC12 Outcome Document, Ministers acknowledged the challenges, including the loss of trade-related international support measures after graduation, and the importance of measures in the WTO in addressing these challenges. Our current proposal on LDC graduation seeks to address this and the LDC Group has spared no effort in integrating the concerns raised by other Members. Annex 1 of this communication is a call to grant LDCs unilateral trade preferences for an extended period after leaving the LDC category. Annex 2 proposes a discussion within the Sub-Committee on LDCs on extending the LDC-specific special treatment measures for a limited time after graduation. We do not seek to create new flexibilities. These are already existing provisions for LDCs. Only a few days ago, the LDC Group received textual suggestions and ideas from delegations on Annex 1. We welcome this positive gesture, and we look forward to engaging constructively with these delegations. In the meantime, the General Council can give the Sub-Committee on LDCs a clear mandate to review Annex 2 of the LDCs' proposal, prepare recommendations and report to the General Council within a set timeframe. The main purpose of the communication is to establish at the WTO a smooth transition mechanism that would provide predictability and certainty. Extending the existing LDC treatment for a few more years after graduation will have a negligible impact on global trade. Having such a mechanism would also send a strong positive signal to LDCs from the entire multilateral trading system and the international community, and the most recent UN Conference on LDCs held in March in Doha reiterated the need for this mechanism.
- 4.61. The representative of <u>Senegal</u> delivered the following statement:
- 4.62. After having met the criteria set for graduation from the LDC category in 2021, Senegal is aware of the challenges that are yet to be addressed by 2024. The first is to maintain our socio-economic performance and to continue to meet the graduation thresholds at the time of the 2024 Triennial Review, despite the impact of COVID-19 on our economy. Indeed, some of the countries that have met the graduation criteria for the first time may see their performance deteriorate over the next three years, as a result of the pandemic's negative impact on their economies. To contain the effects of the COVID-19 pandemic, the Government of Senegal introduced an Economic and Social Resilience Plan with a fund called "Force COVID-19" amounting to CFAF 1,000 billion, with a view to supporting the most affected households and enterprises. The Senegalese Government also introduced a two-year Adjusted and Accelerated Priority Action Plan

(2021-2023). This Plan's main objective is to stimulate private investment, diversify growth engines, and strengthen economic resilience in order to achieve an average growth rate of 8.7 per cent over the 2021-2023 period. These economic measures, together with the exploitation, from 2023 onwards, of recently discovered oil and gas resources in Senegal, should enable Senegal to, if not to improve, then at least maintain its economic performance. However, the challenge that Senegal will face after its graduation from the LDC category is tied to the brutal loss of the benefits of certain specific international support measures, such as reinforced technical assistance, preferential market access and the special and differential treatment that it receives as an LDC. So as not to compromise the socio-economic progress made by newly graduated countries in an economic context that is not always favourable, a transition period is necessary. For this reason, Senegal supports the proposal submitted to the General Council to extend existing trade-related support measures for an appropriate period. This proposal is in line with the recommendations made by the United Nations to ensure a smooth transition for LDCs that have graduated.

- 4.63. The representative of the <u>Russian Federation</u> delivered the following statement:
- 4.64. We would like to thank Djibouti and the LDC Group again for the revised communication and reiterate our dedication to work towards a common solution that would benefit LDCs. We thank the representatives of this Group for providing us with clarifications and for their willingness to take into account our comments and suggestions in a spirit of a constructive and mutually beneficial interaction. We fully agree that the deprivation of LDCs of benefits and preferences is a serious challenge for them. Recognizing this, the UN has endorsed the "smooth transition" principle, under which support measures for LDCs should be phased out gradually. We believe that the decision on this issue will make a significant contribution to the preparation for MC13.
- 4.65. The representative of Indonesia delivered the following statement:
- 4.66. Indonesia would like to again call on all Members to consider positively the proposals of the LDCs Group and work collectively to achieve an acceptable outcome. We recognize the challenges that LDCs face during this transition and the need for targeted measures to ensure their continued development and integration into the global trading system. As enshrined in the Marrakesh Agreement, this very Organization is established with a view to raise the standard of living, ensuring employment and income growth. While the LDC Group continues to make efforts to apply, as the crisis continues to unfold, the real situation on the ground further exacerbates their challenges in coping with the economic impact. Given the different levels of economic development and particularly the difficult challenges faced by LDCs, the WTO must take its role in creating rules that can enable Members to integrate fairly in global trade and benefit from the multilateral trading system. The next Ministerial Conference should give more focus and attention to LDCs and how we can agree collectively on the LDCs proposal on LDC graduation. We urge Members to support this proposal and to work together to ensure that graduated LDCs are given the support they need to succeed and prosper in the global trading system.
- 4.67. The representative of <u>India</u> delivered the following statement:
- 4.68. India would like to thank Zambia for the proposal, which they have presented on behalf of the LDC Group. India would reiterate its support for a reasonable period for the LDC graduation and we hope that the revised document provides a basis for a common ground and consensus on this crucial issue and leads to an outcome before MC13.
- 4.69. The representative of <u>Singapore</u> delivered the following statement:
- 4.70. My delegation wishes to reiterate Singapore's support for efforts to ensure a smooth transition for graduated LDCs. I believe that with flexibility and creativity, it is possible for Members to reach an agreement, so that we can collectively achieve our objective of facilitating LDC Members' integration into the multilateral trading system.
- 4.71. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 4.72. I would like to thank delegations who have expressed support for our proposal. This is an extremely encouraging development. We take note of the positive observations and goodwill. We would like to thank the United States for the textual contribution and suggestions, and we will

continue to work with them closely as we move forward. We will also continue to work in close cooperation with all Members in order to reach a satisfactory solution as soon as possible.

- 4.73. <u>The Director-General</u> delivered the following statement:
- 4.74. I just wanted to say that when I first arrived in this Organization, LDC graduation was one of the first issues that was put in front of me. I am happy to see that since then, we have made considerable progress. I just wanted to thank all parties. As you know, I will always say it is too slow, that we should have been able to do this faster, but I am still grateful for the flexibility, the progress and the hard work on all sides. I do agree that we can work on this and maybe wrap it up before MC13. Perhaps, if we do end up having the kind of meeting I suggested in July, this is one of the things that can be finalized or worked on, or at least considerably advanced, at that meeting as a very specific item. I am encouraged and I think we are getting close. Let us keep working.
- 4.75. The General Council took note of the statements.

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

# A. CANADA – EXTENSION OF THE WAIVER FOR THE CARIBBEAN INITIATIVE: CARIBCAN – DRAFT DECISION (G/C/W/826)

- 5.1. The <u>Chairperson</u> said that there was one sub-item titled "Canada Extension of the Waiver for the Caribbean Initiative: CARIBCAN Draft Decision " and drew attention to the draft decision contained in document G/C/W/826. For this sub-item, the Chairperson of the Council for Trade in Goods was required to report to the General Council.
- 5.2. Ambassador Adamu Mohammed Abdulhamid (Nigeria), <u>Chairperson of the Council for Trade in Goods</u>, delivered the following report on the Council's consideration of this matter.
- 5.3. I would like to report that, at its meeting of 3 and 4 April 2023, the Council for Trade in Goods considered a request by Canada to extend the waiver it currently enjoys from its obligations under paragraph 1 of Article I of the GATT of 1994 with respect to the establishment of duty free treatment to imports of eligible products into Canada from beneficiary Commonwealth Caribbean countries, as provided in Section 41 of its Customs Tariff and in accordance with the CARIBCAN initiative. The request by Canada was circulated in document G/C/W/826 of 21 March 2023. The original waiver was initially granted to Canada under the GATT 1947 for the period 15 June 1986 until 15 June 1998. Under the WTO, the General Council has extended this waiver in four occasions, the last of which was granted on 28 July 2015, as contained in document WT/L/958, and will expire on 31 December 2023. The draft decision to extend the waiver that is being put forward today for consideration by the General Council has followed the procedures provided for in Article IX:3(b) of the Marrakesh Agreement and is contained in document G/C/W/826. At its April meeting, the Council for Trade in Goods considered the request by Canada and recommended that it be forwarded to the General Council for adoption.
- 5.4. The <u>Chairperson</u> 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 the draft Decision referred to by the CTG Chair in his report.
- 5.5. The General Council so agreed.<sup>23</sup>
- 5.6. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 5.7. We also associate with the statement by the CARICOM Group. The OECS is grateful to Canada for its submission and presentation. We also thank Members for their support in renewing the extension of the waiver for the Caribbean Initiative. Canada has been a friend of the OECS going back several decades. Canada is an important trading partner, an important source market for foreign direct investment (FDI) and a major source market for tourism. Canada has also been a long-standing supporter of the region's development. The CARIBCAN initiative is important to the

<sup>&</sup>lt;sup>23</sup> The decision was subsequently circulated in WT/L/1166.

continued development of trade relations between OECS countries and Canada, and it also makes a positive impact on industry and employment in our Member States. We look forward to working with Canada bilaterally to deepen our trading relationship, including the diversification and expansion of OECS exports to Canada.

- 5.8. The representative of Guyana, on behalf of CARICOM, delivered the following statement:
- 5.9. The Group thanks Canada for its submission and presentation on the agenda item. CARICOM and Canada have a longstanding partnership spanning trade, diplomacy and investment. Canada is also a major tourism market for our region. The CARIBCAN plays a very important role in the trading relationship between CARICOM and Canada. It also supports jobs, sectoral development and economic activities in our region. In the past decade, exports from CARICOM to Canada have been on a downward trajectory. This further intensified in 2020 on account of the pandemic, when exports dropped by roughly 14 per cent. Overall, CARICOM's exports to Canada now are half what they used to be a decade ago. This is an illustration of some of the economic and developmental challenges facing our region. Some of CARICOM's main exports to Canada include precious and semi-precious stones; chemicals; fertilisers; beverages and spirits; clothing; mineral fuels; sea food and vegetables. Several of these sectors are important to rural communities and are also vital in supporting the economic empowerment of women. Under item 3, CARICOM highlighted a some of the data presented in the report prepared by the Secretariat related to the trade related challenges of SVEs. Agreements such as the CARIBCAN agreement being discussed in this session are very important in providing a path for SVEs such as the CARICOM countries to play a meaningful role in global trade. We again thank Canada, and we take this opportunity to also renew our commitment to the bonds of friendship between our region and Canada.
- 5.10. The representative of <u>Trinidad and Tobago</u> delivered the following statement:
- 5.11. We align with the CARICOM Group statement on this item. We thank the CTG Chair for his report and Canada for its leadership on this item. For Trinidad and Tobago, trade with Canada is a fundamental element of our strong bilateral relationship, and we both attach great importance to strengthening the multilateral rules-based trading system with the WTO at its core. The CARIBCAN arrangement supports our export growth and diversification efforts and provides a boost with respect to other development goals, such as economic transformation and poverty and unemployment reduction. According to data at our disposal, Trinidad and Tobago was the largest exporter to Canada among CARIBCAN beneficiaries, with exports valued at USD 116 million in 2021. We note that, despite the disruption caused by the pandemic, the value of our exports to Canada seems to be on the increase, up by more than USD 52 million from USD 60 million in 2016. Thanks to the waiver, 98 per cent of our exports to Canada during the period in question enjoyed duty-free access to the Canadian market. As we seek to build resilience in our small and vulnerable economy and reduce longstanding reliance on energy exports and export revenue, our leaders have identified key sectors for growth and diversification of the domestic economy. These include the manufacturing sector, with a particular focus on developing export capacity as relates to food and beverages. A significant quantity of these manufactures is exported to Canada under the CARIBCAN arrangement. It follows, therefore, that a notable policy goal for Trinidad and Tobago is to achieve greater utilisation of existing market access offered under CARIBCAN. In supporting the CARICOM Group statement, we note that CARIBCAN preferences are not only a critical development tool for Trinidad and Tobago, but for all CARICOM member states. Our small and vulnerable economies in the region continue to pursue diversification of our productive bases as a means of economic recovery and stabilization post COVID-19 pandemic and as we grapple with a turbulent and challenging global context. Trinidad and Tobago reaffirms strong support for the continuation of the CARIBCAN arrangement and as such, we thank Members for their support for the extension of the CARIBCAN waiver until 31 December 2033.
- 5.12. The representative of Canada delivered the following statement:
- 5.13. Canada's Commonwealth Caribbean Countries Tariff or CARIBCAN preference program has provided economic and trade development assistance to eighteen Commonwealth Caribbean countries and territories in the Caribbean region since 1986. As The Bahamas, on behalf of CARICOM Members, indicated at the July 2022 General Council meeting, "Preferential access to the Canadian market ... is crucial for our region as it contributes directly and indirectly to micro and medium sized businesses, foreign exchange earnings and our further integration into the global economy." This program is established in Canada's Customs Tariff, and Canada has sought periodic renewals of this

waiver since its inception in 1986. As a condition of the current and past waivers, Canada provides an annual report of trade data to the WTO General Council and remains open for consultations with any interested Member regarding any difficulty or matter that may arise because of the tariff preferences of the CARIBCAN program. As proposed in this document, Canada will continue to do this. We ask that this waiver request be adopted.

- 5.14. The representative of <u>Jamaica</u> delivered the following statement:
- 5.15. We align ourselves with the statement delivered by Guyana on behalf of the CARICOM group. We thank Canada for being a long-standing partner of the Caribbean and of Jamaica. Jamaica benefits significantly from the CARIBCAN regime. Under the regime Jamaica's trade with Canada has experienced growth and diversification of exports and the benefit from this bilateral trade touches the lives of a wide cross section of the Jamaican society. Not only has the CARIBCAN regime improved business relationship between Jamaica and Canada but it also fosters people to people and business to business exchanges. This is particularly important for MSMEs. We thank the General Council for the adoption of the waiver.
- 5.16. The representative of Barbados delivered the following statement:
- 5.17. We wish to thank the General Council for adopting the waiver. We would also wish to thank Canada for its continued commitment to Barbados and other Commonwealth Caribbean countries. Over the years the programme has been a positive contributor to our trade and export earnings and improved our economic development prospects and led to new investment opportunities for Barbados. We therefore look forward to our continued relationship with Canada as well as our engagement within the context of the WTO on this matter.
- 5.18. The General Council took note of the statements.

#### **6 OTHER BUSINESS**

### 6.1 Chairpersonships of the accession Working Parties of Bhutan and Iraq

- 6.1. The Chairperson, speaking under Other Business, delivered the following statement:
- 6.2. As announced at the start of the meeting, I would like to take this opportunity to provide the membership with an update on the Chairpersonships on the Working Parties on the Accessions of Bhutan and Iraq. In line with practice, I had asked Deputy Director-General Zhang to undertake the relevant consultations, on my behalf. Following these consultations and in keeping with usual WTO practice, I understand that there is consensus on the appointment of H.E. Dr. Desirée SCHWEITZER, Ambassador, Permanent Representative of Austria to the WTO as Chairperson of the Working Party on the Accession of Bhutan. The consultations on the Chairpersonship for the Working Party on the Accession of Iraq are still ongoing. I would like to take this opportunity to place on record my sincere gratitude to Deputy Director-General Zhang for undertaking these consultations on my behalf. On behalf of the General Council, I also wish to thank H.E. Dr. SCHWEITZER for her readiness and commitment in taking on this additional role as accession Working Party Chairperson.
- 6.3. The General Council <u>took note</u> of the statement.

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

6.4. The <u>Chairperson</u>, <u>speaking under Other Business</u>, 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.

- 6.5. Ambassador Bettina Waldmann (Germany), <u>Chair of the Committee on Budget, Finance and</u> Administration, delivered the following statement<sup>24</sup>:
- 6.6. The Administrative Measures applicable to Members and Observers in arrears have been in place since 1 March 2013.
- 6.7. In accordance with a decision previously taken by the General Council, I shall state all Members and Observers under all categories of administrative measures.
- 6.8. Before doing so, I would like to acknowledge payments have been received from five Members and one Observer since my last report to you on 7 March. As a result of these payments, Liberia, Malawi, Niger, Senegal, and Sri Lanka are no longer subject to administrative measures. I would like to express my thanks to these Members for the payments received. I would also like to thank Iraq for the payment received. In addition, I would like to remind Members under Category III that there is a possibility of initiating consultations towards the establishment of a payment plan if that is helpful to them in meeting their obligations.
- 6.9. That said, as of today, 9 May 2023, there are a total of 17 Members and 9 Observers subject to Administrative Measures.
- 6.10. The following 4 Members are currently in Category I: Afghanistan; Congo; Ghana; and Suriname.
- 6.11. The following 5 Members are in Category II: Plurinational State of Bolivia; Cuba; Dominica; El Salvador and Uganda.
- 6.12. The following 8 Members are in Category III: Antigua and Barbuda; Central African Republic; Chad; Guinea; Guinea-Bissau; Papua New Guinea; Bolivarian Republic of Venezuela and Yemen. Central African Republic and Chad are not compliant with payment plan terms.
- 6.13. There are no Observers in Category I.
- 6.14. The following 5 Observers are in Category II: Comoros; Ethiopia; Iraq; Lebanese Republic and South Sudan.
- 6.15. There are also 4 Observers in Category III: Iran; Sao Tomé and Principe; Somalia and Syria.
- 6.16. The <u>Chairperson</u> noted that, as also required by the General Council Procedures, she 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.
- 6.17. The General Council took note of the statement.

<sup>24</sup> The statement by the CBFA Chair was subsequently circulated in JOB/GC/343.

#### **ANNEX**

STATEMENT BY DJIBOUTI, ON BEHALF OF THE LDC GROUP, AT THE INFORMAL OPEN-ENDED MEETING OF THE WORK PROGRAMME ON ELECTRONIC COMMERCE HELD ON 4 MAY 2023

### - Djibouti (LDC Group)

Our plans to take work forward for the LDCs are welcome in light of the deadline found in the MC12 E-Commerce Decision. The Dedicated Discussions and expected output from the Secretariat tend to be useful for us as we consult with our capitals. The LDC Group has requested that the reinvigoration of the Work Programme, particularly in line with its development dimension, prioritizes the LDCs.

The Group's submission in November 2019 summarizes key highlights of challenges for e-commerce, which continue to be relevant. Some elements require WTO partnerships with other institutions with mandates grounded in supply side assistance to LDCs. These are the ITU, UNCTAD, the ITC, the WCO and others.

We also provided suggestions on the work forward, most of which have been incorporated in summaries of the meetings and planning. The LDC Group supports your plan to begin the workshops, which should be based on the themes covered by the Dedicated Discussions with the aim to provide us with information that will help fill knowledge gaps. However, the development aspect must be at the core of the themes. We hope that the workshop will be devoted to the issues and information sharing, as raised by the LDCs. For us, by virtue of our status and challenges, all issues under the Work Programme are development related. Practical information on what is happening on the ground in LDCs should be provided, so that we can begin to find practical solutions and identify the right partnerships in the WTO domain. It would be important to have the right balance in terms of the presenters and panellists that we will be hearing, so that we can have perspective and expertise from the LDCs.