

12 December 2023

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**General Council 1 November 2023** 

## **MINUTES OF THE MEETING**

# HELD IN THE CENTRE WILLIAM RAPPARD AND IN VIRTUAL FORMAT ON 1 NOVEMBER 2023

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

The Chairperson and the Director-General bade farewell to Ambassador Maimuna Tarishi, Permanent Representative of the United Republic of Tanzania, and thanked her for her active contributions and dedication to the Organization.

# Subjects discussed<sup>1</sup>:

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 $<sup>^{1}</sup>$  The proposed agenda was circulated in document  $\underline{\text{WT/GC/W/904}}$ .

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

- 1.1. Under the first item "Report by the Chairperson of the Trade Negotiations Committee and report by the Director-General", <u>the Chairperson</u> invited the Director-General as Chairperson of the TNC to provide her report since the last report to the General Council and, in particular, in light of the recent Senior Officials' meeting.
- 1.2. The <u>Director-General and Chairperson of the Trade Negotiations Committee</u> delivered the following report<sup>2</sup>:
- 1.3. Since the July General Council, I held various consultations with Members in September in various configurations to finalize preparations for the SOM which in effect substituted for the regular TNC that is, consultations on agenda and structure. Chairperson, you, and I then convened an Informal HODs on 10 October to finalize the agenda and structure after which we transmitted the SOM modalities including specific questions to be addressed as put forward by the Chairs as well as a State of Play report on follow-up to MC12 work to capitals on 11 October. Our statements from the informal HoDs, together with the reports of the Chairs were circulated as <a href="JOB/GC/360">JOB/GC/360</a> <a href="JOB/TNC/115">JOB/TNC/115</a>.
- 1.4. Following this, just last week, on 23 and 24 October, we successfully held the meeting of all WTO Senior Officials the fourth station of our MC13 roadmap but the first of such nature. As I said in my concluding remarks, while I was not sure how things would unfold when the meeting started, my overall impression of the SOM was a very positive one. Senior Officials had a good series of discussions and candid exchanges in the breakout groups, plenaries, bilaterals and meetings in a range of configurations, all in good spirit and with a positive atmosphere.
- 1.5. The feedback I have received from many Ambassadors and Senior Officials themselves was very encouraging. While most of you might still be tired from the SOM itself and the intense weeks leading up to it it was worth the effort. Let me therefore reiterate my sincere thanks to all Senior Officials and you, Ambassadors, Permanent Representatives, and delegates. It is your preparatory work before the SOM, including with your Senior Officials and capitals, and your constructive attitude and engagement that allowed us to receive the political guidance and support we sought to advance our work to ensure a successful MC13. I also want to add thanks to Secretariat staff for their strong support during this period.
- 1.6. I will not repeat what was said in the SOM given that you heard everything first-hand. As we promised, our Chairpersons' Summary was distributed to all Senior Officials and delegates during the closing plenary. Certain concerns were raised by some Members mainly from the Latin American region but also from India regarding aspects of the agriculture text. To take account of these, I invited those interested, to stay in the room and work on the relevant sections. We did the drafting right here at the podium. The Chairpersons' summary that was later circulated that evening reflected the adjustments made to one paragraph of the agriculture section.
- 1.7. To ensure full transparency and ease of reference for all delegations, I requested the Secretariat to annex all of the Facilitators reports to our Chairperson's summary, even though they had already been circulated as a JOB/GC-TNC document. A revision of the Chairpersons' summary was therefore issued on Saturday as <a href="https://www.www.www.mc.nc.">WT/GC/259/Rev.1 TN/C/22/Rev.1</a>. I hope this clarifies any questions anyone might have about why a revision was issued.
- 1.8. Excellencies, after the SOM, I went straight to the G7 Trade Ministers' meeting in Osaka. Some of the Ambassadors were there as well such as Ambassador Maria Pagan (United States) and Ambassador Brajendra Navnit (India). This was the first meeting of some Trade Ministers after the SOM. It was another fruitful meeting. I would like to congratulate the host Japan for organizing such a substantive and constructive meeting also with the participation of Trade Ministers from a number of developing countries who were invited.
- 1.9. I briefed the G7 plus Ministers about the results of the SOM. They were pleased and it was heartening to hear the Ministers strongly reiterate the calls we had just heard at the SOM for us to

<sup>&</sup>lt;sup>2</sup> The Director-General's statement was subsequently circulated in document <u>JOB/GC/366</u>.

work for concrete outcomes and a successful MC13. I want to share with you, and you can see from the Communiqué from the G7 Trade Ministers Meeting, that a lot of the attention including a separate session towards the end at which I sat with the Trade Ministers, was devoted to the issue of the WTO and MC13. It is heartening to see the kind of leadership exhibited by the G7 Trade Ministers. I thank Japan for being an excellent host. All of them seem desirous to have a successful MC13. While they acknowledge that differences remain in several areas and have to be resolved, they also acknowledged that the SOM has moved us towards a positive direction towards resolving these issues. I came away from this meeting with some hope but also with a bit of trepidation for the work ahead and for how we will resolve these existing differences in the various tracks.

- 1.10. So, excellencies our work is cut out for us. With about four months to MC13, every day must count to effectively utilize the political guidance and support we sought and got from Senior Officials and Ministers to substantially advance our work towards concrete results at MC13. We therefore must intensify efforts in negotiating groups and regular bodies and amongst yourselves. As TNC Chairperson and Director-General, I will also intensify efforts in reaching out to Members in bilateral, regional and other configurations in order for us to move the work in a positive direction.
- 1.11. Further to this, during the Closing Session, the GC Chairperson and I heard your call to use the time after this formal meeting to talk about the process ahead and how we can structure that. I look forward to hearing your ideas, including how we can make the instructions and directions from Senior Officials work successfully how we can spend time to resolve issues among each other instead of reading statements to achieve a successful MC13.
- 1.12. Excellencies, I will conclude my report by reiterating my message during the opening session of the SOM. In all that we do, we must keep the global outlook in mind. And that global outlook is not promising it is dire at the moment. During these kinds of global situations, what I said at the SOM is what I will say here now people are looking at multilateral organizations to act differently, to deliver differently and to show the world that there are still bastions where multilateral cooperation can deliver for people. I implore you to work in that spirit so that we end up with a positive MC13. Let us work here in Geneva to try and finish as much work as possible before MC13 so that our Ministers can spend less time trying to negotiate and more time to engage with each other and gavelling in what has already been decided. I hope we will justify the faith that they have in us. Thank you for your work. Thank you trying to build bridges. Let us work with the END in sight Engage, Negotiate, Deliver.
- 1.13. In light of the Informal TNC and the Informal HODs on 10 October and the recent Senior Officials' meeting, the Chairperson noted that she did not expect a discussion under this item.
- 1.14. The General Council <u>took note</u> of the report of the Director-General.

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

2.1. The <u>Chairperson</u> said that item 2 related to "Follow-up to Outcomes of Ministerial Conferences" – with sub-items 2.A. to 2.C. relating to the follow-up to MC12, while sub-item 2.D. referring to the follow-up of previous Ministerial Conferences.

### A. MC12 - WTO Reform

### (i) Statement by the Chairperson

- 2.2. The Chairperson delivered the following statement<sup>3</sup>:
- 2.3. Since my report to the General Council in July, work on WTO reform has continued. Delegations will recall that we had an Informal Meeting on WTO Reform focused on Trade and Industrial Policy on 25-26 September. My statement, those of the Director-General and the Facilitators' reports were circulated in <a href="JOB/GC/356">JOB/GC/356</a>. We also had deliberative sessions on this subject and on Trade and Environmental Sustainability at last week's Senior Officials' meeting (SOM).

<sup>&</sup>lt;sup>3</sup> The Chairperson's statement was subsequently circulated in document <u>JOB/GC/367</u>.

- 2.4. Reform-by-doing work has also continued to advance in WTO bodies. An updated report was circulated ahead of the SOM in <u>JOB/GC/359/Rev.1</u>. You may recall that at the Closing Plenary, Senior Officials were pleased to note that a significant and credible reform-by-doing package was emerging which should be acknowledged and blessed by Ministers at MC13.
- 2.5. Let me also recall the section on WTO reform in the State-of-Play report on follow-up work from MC12<sup>4</sup> circulated also prior to the SOM.
- 2.6. Colleagues, WTO reform evidently remains a top priority among the WTO membership a message reinforced by Senior Officials last week. This is reflected in ongoing work on many fronts from Dispute Settlement reform, development discussions, institutional reforms to reform by doing efforts in WTO bodies. Views were likewise expressed on the two deliberative topics at the SOM trade and industrial policy and trade and environmental sustainability.
- 2.7. We also heard from a number of Senior Officials growing interest on trade and inclusion.
- 2.8. We have also heard from Senior Officials and from Permanent Representatives a growing call to ensure that MC13 is a reform Ministerial. In this regard, suggestions were made on (i) structuring MC13 in a manner that enables Ministers to have productive interactions with each other, and to take decisions instead of negotiating; (ii) structuring an outcome document reflective of a reforming WTO in both form and substance; and (iii) laying a solid foundation in our work in Geneva that would allow this to happen in Abu Dhabi including through appointing facilitators, having forward-looking work plans and facilitating Members' effective participation in the entire process.
- 2.9. Colleagues, as we approach the final stations of our MC13 Roadmap, we need to be mindful of the numerous tasks ahead of us and the limited time we have to accomplish them.
- 2.10. I do not expect any discussion on these matters this morning but I hope to have interactive, focused discussions on the way ahead during this afternoon's Informal GC meeting with all of these considerations in mind. Your inputs will enable us to find the most effective way to collectively advance our reform work and have the reform Ministerial that many aspire to marked by meaningful delivery and productive Ministerial engagement.
- 2.11. Let me now take up sub-item 2.C. related to "Paragraph 8 of the Ministerial Decision on the TRIPS Agreement Duration of Extended Deadline." 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."
- 2.12. At the March General Council meeting, a common understanding had 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.
- 2.13. I understand that Members have continued their discussions on the substance of paragraph 8 of the TRIPS Decision in the TRIPS Council.
- 2.14. The Chairperson noted that she did not expect any discussion on these matters at that point but looked forward to interactive, focused discussions on the way ahead during this Informal GC meeting later that day. She further said that, therefore, any interventions on WTO reform should focus only on relevant updates since the discussions held at the Senior Officials' meeting.

<sup>&</sup>lt;sup>4</sup> <u>JOB/GC/357 - JOB/TNC/113</u>

- 2.15. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.16. The African Group perspective on WTO reform is contained in document <a href="https://www.wto.com/wto.co
- 2.17. The African Group agrees with some administrative proposals that have been made, such as document circulation, agenda formats, meeting records, early distribution of post-meeting reports, better coordination among WTO bodies, meeting scheduling, digital tools, and capacity building. However, there are suggestions that contradict our principles. WTO body agendas must include mandates and outcomes of Ministerial Conferences as standing items for monitoring and accountability. Agenda-setting should consider the interests of developing countries including LDCs, and WTO bodies must have clear and well-defined mandates to enhance their relevance and alignment with Member priorities. Negotiations, whether in the General Council, TNC, subsidiary bodies, or informal meetings, should be Member-driven, inclusive, and transparent. The use of informal engagement methods should avoid exclusionary practices. We propose a set of standards and principles to guide activities before and during Ministerial Conferences. Streamlining TNC and Heads of Delegations meetings is essential for efficiency, particularly in mandated negotiations.
- 2.18. We stress that the conduct of WTO body Chairpersons, the Secretariat, and interactions with external stakeholders must adhere to the Member-driven character outlined in existing rules and the Marrakesh Agreement. Regarding intergovernmental and international organizations and the private sector, current interaction modes like observer status, thematic sessions, and the WTO Public Forum are sufficient but should be improved for balanced views. These principles have become increasingly relevant given the trend toward informalization of WTO processes which poses great risks to less resourced delegations. Finally, we recommend establishing a working group reporting to the General Council to focus on institutional reforms, ensuring coherence and horizontal oversight, acting as a filter between subsidiary bodies and the General Council as needed.
- 2.19. On item 2.C., the African Group remains disappointed that WTO members missed the deadline of 17 December 2022 which was set by Ministers during MC12 to conclude negotiations on the extension of the MC12 TRIPS decision to cover the production and supply of diagnostics and therapeutics. This clearly indicates the lack of commitment of 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 African 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. The intention was never to allow a handful of delegations to delay delivering on the Ministerial mandate. At the General Council meeting in December 2023, we will have missed the deadline set by Ministers at MC12 by a full year. To salvage any credibility on this issue, we must take a decision by no later than the December General Council meeting.
- 2.20. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 2.21. We also align with the statements by the ACP and CARICOM Groups. Let me also congratulate you Ambassador Molokomme, the Director-General and the Secretariat for the successful staging of the Senior Officials Meeting last week. As per your guidance in the annotated agenda, we will comment on items 2.A and 2.C respectively. With respect to WTO reform, like several other Members, we agree that MC13 can be classified as the "Reform" Ministerial. However, to be able to deliver on meaningful reforms at MC13, there are a few things that we believe need to be done as soon as possible. First, we reiterate our position that the deliberative track can benefit from a dedicated corridor or facilitator-led process. We have seen how such an approach has delivered measurable progress on the e-commerce front. Ad-hoc informal workshops and restricted

discussions in the General Council will not allow for the issues to achieve a sufficient level of maturity for Ministers to deliberate on or take decisions in a substantive manner. Even in areas such as trade and environmental sustainability and trade and industrial policy, which are no doubt important to my delegation, it would be unfair to present options to Ministers which have not had the benefit of thorough engagement by Geneva Delegates.

- 2.22. Regarding "reform by doing", we take note of the very meaningful work which is taking place at the level of the WTO Bodies. The Council for Trade in Goods and its subsidiary bodies appear to be setting the standards by which we should measure the WTO's conduct and management of meetings and processes. We particularly want to thank the Secretariat for its very useful update in Document 359 and we register our support for this kind of update to be made available to Members ahead of every regular session of the General Council at least until MC13. Regarding the TRIPS Waiver for COVID-19 therapeutics and diagnostics, we renew our call for a constructive approach and for an outcome which is fair and balanced. While the virus is no longer at the pandemic stage, it is still impacting the public health and economies of many countries. Many developing Members are interested in a waiver for therapeutics and diagnostics, akin to the vaccine waiver. We align with these interests.
- 2.23. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.24. Thank you for your report on the update you have received on the reform of the functioning of the committees and councils. The LDC Group supports these improvements, particularly those stemming from its submission <a href="IOB/GC/223/Rev.1">IOB/GC/223/Rev.1</a>. These include the use of annotated agendas, expediting the drafting of reports, mechanisms to prevent important meetings from overlapping, summary notes on the day of meetings and translations provided for all informal meetings. To complement the work carried out, we suggest that consideration be given to some improvements to the reform process. For example, future proposals for adoption that are of a cross-cutting nature and have an impact on LDC participation should be sent to the General Council for discussion and decision. All LDCs and small delegations are present in the General Council. LDCs are best placed to assess the impact of reform by making proposals concerning their participation in the WTO.
- 2.25. As an additional step, some recent adoptions could be viewed as applying on a trial or pilot basis, as was the case for the e-agenda proposal, which is reflected in the report on the state of play. We can gauge the impact on the LDC Group and on LDCs in particular. We also believe that, while some steps have been taken, more efforts need to be made to prevent meetings from overlapping. There were a number of clashes over the past three months that posed serious challenges for LDCs. Lastly, while useful in some cases, the "written procedure" and the circulation of proposals for adoption during the summer break should be avoided. With regard to item 2.C., the LDC Group, as a co-sponsor of the initiative that led to the Ministerial Decision on the TRIPS Agreement, calls on Members to continue to engage constructively to find consensus by MC13 on the inclusion of therapeutics and diagnostics in the Decision.
- 2.26. The representative of Guyana, on behalf of CARICOM, delivered the following statement:
- 2.27. We associate ourselves with the statement delivered on behalf of the ACP Group. We would like to place on record our appreciation for the opportunity afforded to Senior Officials to engage with each other, as we work towards agreeing to a meaningful outcome before and at MC13. On WTO reform, we support reforms being premised on the principles of inclusivity, transparency and development, preserving the Member-driven nature of the WTO and taking into account the capacity constraints of developing countries, many of whom are unable to actively engage in the plethora of meetings and processes. It would be helpful if a central repository is created to allow states to track these developments. Decisions should be submitted to the General Council for approval prior to institution.
- 2.28. On the TRIPS Waiver Extension, the CARICOM Group calls for meaningful, constructive, and fair negotiations on Paragraph 8 of the MC12 Decision on the TRIPS Agreement. One of the biggest challenges faced by CARICOM during the pandemic was the limited traditional sources of supply of vaccines, therapeutics, diagnostics, personal protection equipment and other relevant goods. We support calls for evidence-based discussions and decision-making, and the evidence is there; the pandemic is far from over, and while we debate these issues, lives and livelihoods are still being lost and disrupted on account of the pandemic. Therefore, the CARICOM Group believes that favourable

consideration should be given for a waiver of certain aspects of the TRIPS agreement to cover the production and supply of COVID-19 diagnostics and therapeutics. In closing, we reiterate the importance of the principles of transparency and inclusivity throughout our work. Please be assured of CARICOM's continued commitment to this process, in collaborating with you and Members to achieve meaningful outcomes before and at MC13.

- 2.29. The representative of Samoa, on behalf of the ACP Group, delivered the following statement:
- 2.30. We commend the various bodies on the reform approaches to the functioning of the committee process. We wish to add to the record that while these reforms are well received, at the same time, the improvements should be considered in the General Council as we prepare to present the success of this dossier to Ministers at MC13. The General Council acts as a clearing house for proposals. In this regard, we would like to receive a comprehensive update from the Secretariat on reform measures to be presented at the General Council first for the consideration and endorsement of Members before Ministers. Proposals for adoption that may have an impact on small delegations and LDCs must be well debated on all angles of the proposal. Given the capacity constraints for our delegations to attend all of the subsidiary bodies and councils, those issues requiring adoption should be presented at the General Council where all delegations attend. The implications, if any, for those changes should be identified and addressed.
- 2.31. For example, we see in the update to <a href="JOB/GC/359/Rev.1">JOB/GC/359/Rev.1</a> in footnote 5, that among the adoptions, one proposal that was adopted changed the longstanding 10-day rule to 15 days before the meeting to put an item on the agenda. This issue has different sides to weigh. On the one hand, we will benefit from seeing the item on the agenda sooner. On the other hand, small delegations have less time to prepare and put an item on the agenda. We understand the idea came about for purposes of specific trade concerns but will apply generally. The state of play also indicated that the proposal on e-agenda will apply on a trial basis. The General Council should consider which issues that require adoption may need to be implemented on a trial basis to allow us to evaluate any impact on small delegations and group representatives. With regard to item 2.C., the ACP Group supports the extension of the paragraph 8-period. The ACP Group also supports expeditious resolution of the matter to include diagnostics and therapeutics to the MC12 TRIPS Waiver.
- 2.32. The representative of <u>Fiji</u>, <u>on behalf of the Pacific Group</u>, delivered the following statement:
- 2.33. The Pacific Group aligns itself with the ACP Group statement. We commend the work on WTO reform-by-doing exercise in the WTO bodies and reiterate the request that was made at the SOM whereby we would welcome a dedicated briefing by the Secretariat to update us on this issue. On the TRIPS waiver, we note further consultations on this matter and support the efforts to extend the decision to therapeutics and diagnostics by MC13.
- 2.34. In national capacity, WTO reform remains a priority for Fiji with the view of ensuring that WTO serves all Members irrespective of the size of their economies or their delegations in Geneva. We remain committed to fulfilling the mandate of our Ministers in reviewing both the operational and the substantive functions of the WTO through meaningful reforms. Our Senior Officials have also alluded to the significance of this issue clearly last week. The coordinated approach to better harmonize the 'reform by doing' in document <a href="JOB/GC/345">JOB/GC/345</a> is appreciated, it enhances transparency and is also an ideal reference document especially for small delegations to keep in pace with the state of play in the Councils and Committees. It is critical however that reform proposals are presented to the General Council for endorsement before the consideration of our Ministers.
- 2.35. In saying this, we are equally appreciative of the state-of-play documents prepared by the Secretariat such as in <u>JOB/GC/357</u> which is informative and forms a basis for horizontal understanding of the work ongoing in various committees of great assistance to small delegations. This should be updated on a quarterly basis and need not only be meant for special occasions.
- 2.36. In relation to item 2C, we remain concerned about countries that are well below the global average in their vaccination coverage including in the Pacific. The reason varies for each country, however, we are aware that WHO is working closely with regional and national health officials to extend vaccination coverage despite the easing Covid 19 situation. An extension of the TRIPS waiver period could go a long way as one of the solutions in ensuring the unreached are covered.

Additionally, it will be useful to be guided by science including the advice of WHO on any approach to withhold the extension period.

- 2.37. As we are only a few months away from MC13 we remain concerned about the inability to reach a resolution to extend the TRIPS Waiver to include diagnostics and therapeutics. Any extension to include these two items in our view directly contributes to equitable health coverage and global solidarity toward the right to heath. It is equally important to look beyond COVID-19 and prepare for future public health emergencies where the WTO can play an instrumental role and establish appropriate precedence. Fiji aligns its statement with that of the ACP and Pacific Groups.
- 2.38. The representative of Nigeria delivered the following statement:
- 2.39. Nigeria would like to congratulate the Director-General, the GC Chairperson, Members and the Secretariat for the good conduct of the Senior Officials' meeting, particularly the outcome of that meeting which signified a signal for a successful MC13. On item 2.A, we associate ourselves with the statement delivered by the African Group and reaffirm our commitment and position with regard to WTO reform, both the reform on the DSU as well as the institutional reform.
- 2.40. With regard to Item 2.C, we wish to associate ourselves with the statement by the African Group and the statement delivered on behalf of the 65 co-sponsors. The current TRIPS Waiver decision is of limited scope as it covers only vaccines. In line with paragraph 8 of the Ministerial Decision, we believe it is of critical importance that we work collectively towards extending the decision to cover the production and supply of COVID-19 therapeutics and diagnostics. Nigeria supports the extension of the paragraph 8-period. We call on Members to continue to engage constructively on this issue, so we can collectively deliver on the paragraph 8 mandate. This would foster the ramping up of production and ensure timely access to these lifesaving products for developing countries.
- 2.41. The representative of <u>Mauritius</u> delivered the following statement:
- 2.42. Mauritius would like to thank you for your statement on the reforms processes 'Reform by Doing' and we note that the reforms are generally well received. We continue to remain engaged and we foresee that we can present a good package on reforms to Ministers at MC13 for adoption. Mauritius believes that achieving significant progress for the WTO through a proper set of agreed reforms matched with the commitment of WTO Members in working towards re-establishing a fully functioning dispute settlement mechanism, will massively change the operations and deliverables of our organization, as this will undoubtedly help in renewing trust and predictability in the multilateral trading system.
- 2.43. A fair and independent dispute settlement mechanism is a critical pillar of any international agreement, especially one as significant as the WTO and we call for the reinsertion of the two tired WTO dispute settlement mechanism, with a renewed accessibility for African and smaller states. We also firmly believe that while we discuss reforms, the development aspects of the reforms be given priority as this will promote the participation of the small delegations in the multilateral trade system. We welcome the active participation of Members in the reform ongoing discussions towards achieving concrete and substantive outcomes at the MC13.
- 2.44. The representative of <u>Jamaica</u> delivered the following statement:
- 2.45. The reform agenda should, unfailingly, seek to (i) secure the WTO's relevance in a rapidly evolving global trading environment, (ii) support the development agendas of developing countries, and (iii) effectively consider the kaleidoscopic nature of the WTO's membership, especially those members with limitations based on capacity, geography, size and economic strength. With that said, Jamaica remains optimistic that MC13 could be the "Reform Ministerial". However, this necessitates an inclusive and transparent process, facilitating the views of all WTO Members. For us, WTO reform includes a comprehensive and holistic undertaking, including reform of the dispute settlement system as well as the institutional, deliberative and decision-making functions of the Organization. Notwithstanding the reference in the Chairperson's Report from the Senior Officials meeting (SOM) on the "overwhelmingly, strong support for the informal process", we reiterate calls for the formalization of the DS reform process at the earliest opportunity, taking into account the "sense of urgency" also mentioned in the Summary.

- 2.46. Noting comments that the SOM template could be useful for engagement for Senior Officials and Ministers, delegations had less than two minutes in most sessions of the SOM for interventions. This did not lend itself to the desired interactive dialogue that could promote real progress on some of the intractable issues. As with all areas of reform, each proposal should be considered on its merit for meaningful advancement on these discussions.
- 2.47. Regarding Agenda item 2.C., we recognize that fundamental divergences regarding the expansion of the decision to COVID-19 diagnostics and therapeutics remain, while remaining encouraged by the continued engagement of members within the TRIPS Council. Jamaica thanks the Chairperson of the Council and the Secretariat for organizing the Informal Thematic Session for External Stakeholder Input held on 28 September 2023 and for the report as contained in IP/C/W/706, which will be helpful to stakeholders in Capital. We further thank the Secretariat for facilitating a briefing on 19 October by the US International Trade Commission (USITC) on its recent investigation and report titled "COVID-19 Diagnostics and Therapeutics: Supply, Demand, and TRIPS Agreement Flexibilities". This report, along with the presentations during Thematic Session, provides factual evidence and experiences to guide our deliberations on this issue better.
- 2.48. The representative of <u>South Africa</u> delivered the following statement:
- 2.49. The TRIPS Waiver was intended as a time bound limited measure to assist resource constrained countries to facilitate timely access to much needed COVID-19 court-measures. When the measure was proposed in October 2020, it was with the hope that a multilateral solution could be reached within 6 months. In placing our faith in a multilateral solution, the co-sponsors have never entered into ideological debates about the role of IP. Through numerous submissions, we provided reams of evidence about specific examples where Members faced constraints that could be addressed through a waiver and thereby save numerous lives, especially in developing countries and emerging economies as noted by Prof Stiglitz in a December 2021 op-ed. We also repeatedly answered questions posed by non-proponents over three years of circular discussions.
- 2.50. More than three years later we are still deliberating on this matter while the world has been disabused of the notion that this institution could provide meaningful relief in a pandemic situation. As stated by leading IP scholar, Harvard Professor William Fisher at the thematic session of 28 September, extension of the MC12 Decision to therapeutics and diagnostics should not be characterized as a general "weakening" of IP protection. On the contrary, those who have blocked or indefinitely delayed consensus on extension have incentivized Members to eschew multilateral solutions in the event of future pandemics and seek unilateral approaches. Such an outcome is far more likely to fragment and thereby weaken the IP system. We urge these Members to reconsider this approach and call for a Decision by the December GC at the latest. A full year after the paragraph 8 deadline.
- 2.51. The representative of <u>Paraguay</u> delivered the following statement:
- 2.52. Paraguay is closely following the reform-by-doing discussions with respect to improvements to the functioning of the WTO's regular bodies and how they can facilitate the participation of all delegations, but especially small delegations with limited human resources. We believe that some Councils and their subsidiary bodies are doing an excellent job and that their good practices and examples should be shared and adopted by other bodies as appropriate. The General Council could also implement some of these good practices, for example with regard to the annual scheduling of its meetings, which, wherever possible, should not be changed because of the impact this has not only on delegations' preparation but also on the scheduling of meetings within other bodies. There are also cross-cutting issues, such as the budget needed for certain digital tools that are necessary to ensure the full implementation of the Reform by Doing within the regular WTO budget. We believe it is important to begin talks on the reform of the budget and how the budget is presented. We also believe that, in the future, the budget should have enhanced specificity and granularity, so as to improve expenditure transparency and accountability.
- 2.53. Regarding item 2.C., I would like to thank the Chairperson of the TRIPS Council for her report. Second, I would like to state that we are concerned by the systemic impact of non-compliance with the specific mandate we were given just six months ago. My delegation supports the extension of the decision to cover therapeutics and diagnostics. For countries that are net importers of medical goods and equipment with limited local production capacity such as Paraguay, what is most

important is: an adequate international supply chain for COVID-19 vaccines and for medicines, equipment, medical devices and diagnostics; markets that remain open and without unnecessary distortions; and greater transparency in terms of prices and conditions. We also support the strengthening of trade facilitation measures with a view to reducing restrictive measures imposed by producer Members, because the most affected countries are always the most vulnerable ones. This does not only have a trade aspect; it is directly linked to the health of our citizens. Therefore, Paraguay reiterates its commitment to the discussion on paragraph 8 of the Ministerial Decision on the TRIPS Agreement adopted at MC12. We urge Members to reach a consensus on this issue as soon as possible.

## 2.54. The representative of <u>Türkiye</u> delivered the following statement:

- 2.55. We appreciate the work done at technical level for improving the deliberative and institutional functioning of the WTO under the "reform by doing" agenda. Effective and efficiently working WTO bodies are essential to have informed discussions and meaningfully engage with each other, which in turn will enable us to achieve progress in substantive reform on the deliberative function of the WTO. We believe that we can make MC13 a genuine Reform Ministerial, as stated in the proposal "Maximizing the Value of MCs" which we co-sponsored and demonstrate that the WTO can address the challenges it is facing. In this regard, we believe that Senior Officials Meeting was timely and critical to make a stock taking and a genuine exchange between members on WTO reform. So, we would like to convey our appreciation to the Director-General; to you, GC Chairperson; and to the Secretariat for all the tireless efforts for the very effective and efficient conduct of the Senior Officials' meeting.
- 2.56. Our special thanks also go to those Senior Officials who played a facilitator role during the SOM. They did an excellent job on this very important task. As you all know, my Deputy Minister of Trade was among them, facilitating the sessions on Agriculture Including Food Security. He has prepared his report meticulously, with a view to capture and reflect all Members' positions in a comprehensive, fair and balanced manner. As a result, many Members, from a very diverse spectrum of the membership, told us that his report was highly commended for these features. So, we think that it is important to set the record straight here in the General Council and acknowledge this before the entire membership.

# 2.57. The representative of <u>Mozambique</u> delivered the following statement:

- 2.58. We note with satisfaction that some of the ten procedural measures presented at the General Council meeting on 24 and 25 July are being implemented by some WTO bodies. For example, the circulation of annotated agendas, including for today's General Council meeting. However, it remains a challenge for small delegations such as Mozambique's to follow all the committee meetings, and we continue to note that the agenda clash continues, at the moment the Workshop on Article 67 of the TRIPS Agreement is taking place. We need more work in this regard to avoid overlapping meetings. We also endorse the statements made by the African, the ACP and the LDC Groups on this item.
- 2.59. On item 2.C., my delegation takes the floor to reinforce our support to the Africa Group and LDC Group as we are part of the co-sponsors. We support that Members will come together and find a solution on paragraph 8 of the MC12 TRIPS Waiver, regarding the addition of therapeutics and diagnostics before MC13, in compliance with the Ministerial decision of 17 June 2022.

### 2.60. The representative of Nepal delivered the following statement:

2.61. My delegation supports the statement delivered by the LDC Group and would like to add few points. We have been emphasizing that the reform should be transparent, inclusive and Memberdriven. On the reform agenda, we support the ACP Group statement delivered this morning. We have made some progress in meeting management, agenda setting and use of digital tools however Nepal reiterates that the development dimension of reform should also be in the centre of discussion considering the different levels of development of the members. In this regard, we also support the statement by Mauritius. The reforms in the development aspects of the WTO for us are primarily the policy spaces to participate meaningfully and deliver results. In this regard, we insist that the SDT should be precise, effective and implementable and any policy tool should not create additional burden. While noting fully functioning of DSB, with the restoration of Appellate Body, is important

element of this Organization. We urge to bring the volunteer-led DS reform process under the formal mechanism of WTO, so that experts from the capital can also participate and provide some inputs. Furthermore, concerns of Members especially the LDCs, which joined the WTO through accession process with very high level of commitment and obligations beyond their capacity need to be addressed.

- 2.62. Regarding the TRIPS waiver on COVID-19 diagnostic and therapeutic, we thank the United States for organizing an information sharing session on the findings of the USTIC. It was useful. Today, we would like to refer our previous statement emphasizing the importance of the extension of TRIPS Waiver on diagnostic and therapeutic. Finally, my delegation appreciates the Director-General's idea of "engage, negotiate and deliver" to make MC13 truly a Reform Ministerial through addressing our concerns.
- 2.63. The representative of <u>Brazil</u> delivered the following statement:
- 2.64. On item 2.C., Brazil supports a decision on the extension of the MC12 TRIPS waiver to COVID-19 therapeutics and diagnostics. Although the pandemic has now subsided, a WTO response to the COVID-19 pandemic addressing therapeutics and diagnostics would send the world the message that the WTO was able to strike the balance between the protection of IPRs on one hand and the protection of public health on the other hand. The waiver extension should be crafted to increase the availability of and affordable access to relevant COVID-19 pandemic therapeutics and diagnostics where they are most needed, in particular in developing countries.
- 2.65. The representative of <u>Cambodia</u> delivered the following statement:
- 2.66. My delegation associates itself with the LDC Group statement. My delegation would like to express appreciation for your reports and efforts on WTO reform discussion. We welcome the initiatives and progress made under this agenda item. We also took note of proposals that have been submitted on WTO reform by different Members, especially those who accommodate the LDC Group's submission contained in the document <a href="https://local.org/journals.com/j
- 2.67. On reform by doing/institutional reform, the LDC Group's proposal calls on improvements functioning of WTO bodies including, annotated agendas, expediting the production of minutes, mechanisms to avoid overlapping of key meetings, summary notes on the same day of meetings, and translation provided for all informal meetings as well. We appreciate the work have done. For holistic or general reforms, it should be decided at the General Council since some LDCs and small delegations cannot follow all bodies. For example, the 15-day agenda, annotated agenda, and eagenda, should be applied to all bodies, and to save time and full participation, it should be adopted at the General Council (so-called "top-down decision"). We encourage each body to continue their work to improve their functioning in accordance with their nature of work. Lastly, my delegation would like to express our gratefulness on the efforts made by each WTO bodies on reforming their respective functions and practices that benefit to all.
- 2.68. On item 2.C., my delegation aligns with the statement made by the LDC Group. We once again urge all Members to find a common solution to undertake a decision to extend the coverage of the decision on the TRIPS Agreement to include therapeutics and diagnostics as decided at the MC12. At the Senior Officials' meeting, many Members expressed their suggestions to resolve this matter by December.
- 2.69. The representative of <u>Bangladesh</u> delivered the following statement:
- 2.70. On WTO reform, Bangladesh aligns itself with the statement by the LDC Group. We thank you for your report and for the state of play report on WTO reform contained in <a href="JOB/GC/359/Rev.1">JOB/GC/359/Rev.1</a> regarding the work improvement in WTO Councils and Committees. We thank the Director-General for her report under item 1. The core objective of WTO institutional reform is to improve its work and not to create new difficulties. Therefore, the current problems must be identified by Members and accordingly suggestions for addressing those difficulties must come from Members. Moreover, any reform must not lead to an alteration of the multilateral and Member-driven character of the WTO. All reform proposals and their finalization must be consolidated in the General Council.

- 2.71. In the SOM, Senior Officials from Bangladesh and majority of Members strongly expressed support for a two-tier DS system. The Senior Officials also reiterated the need to bring the so-called delegate-led informal discussions as soon as possible under a relevant WTO body. Many Members from developing countries could not fully involve due to capacity constraint or other challenges. We have heard that some developing countries were willing to contribute by virtual participation but could not do so because the process was not open to virtual participation of capital-based legal experts. Moreover, there is no valid mechanism to address the concerns of Members whose views are not reflected in the informal process. On the contrary, Members can legitimately provide suggestions or express concerns only through a relevant WTO body. Therefore, it's urgent to bring the DS reform discussion under a relevant WTO body, respecting the agreed and established procedures of decision making in WTO. Our delegation requests 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.
- 2.72. In conclusion, we urge Members to favourably consider the LDC Group's submission contained in <a href="JOB/GC/223/Rev.1">JOB/GC/223/Rev.1</a>. All WTO bodies should prioritize the development agenda. 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.
- 2.73. Regarding paragraph 8 of the Ministerial decision on TRIPS Waiver, Bangladesh aligns with the statement to be delivered by the delegation of South Africa on behalf of the co-sponsors of <a href="IP/C/W/669/Rev.1">IP/C/W/669/Rev.1</a> and the statement delivered by the LDC Group. We are disappointed that Members could not agree within the deadline to follow the good gesture of the Ministers. Future pandemic is a threat. We must learn from our failures and the same mistakes and procrastination should not be repeated. Bangladesh supports that the MC12 decision on TRIPS Waiver should be extended to cover therapeutics and diagnostic, as soon as possible.
- 2.74. The representative of <u>Eqvpt</u> delivered the following statement:
- 2.75. Egypt aligns itself with the African Group's perspective on WTO reform as outlined in document WT/GC/W/895, emphasizing the critical importance of preserving consensus decision-making, maintaining a member-driven approach, and ensuring special and differential treatment for developing countries as a treaty embedded right. We support proposals for better efficiency in conducting business in various bodies, we also underscore the necessity of considering the interests of developing countries in agenda-setting and negotiations.
- 2.76. WTO meeting agendas should consistently feature mandates and results from Ministerial Conferences as permanent items for monitoring and accountability. This setup should prioritize the concerns of developing countries, including LDCs. We strongly advocate for transparent and inclusive negotiations, underscoring the importance of adhering to member-driven processes and enhancing the roles of various WTO bodies for better alignment with member priorities. We support the establishment of a working group reporting to the General Council for institutional reforms to ensure coherence and oversight.
- 2.77. On item 2.C., Egypt, supports the African Group's position and we share the disappointment over the missed deadline for concluding negotiations on the extension of the TRIPS decision set during MC12 to cover therapeutics and diagnostics. We are concerned that our inability to extend the TRIPS decision would negatively impact the organization's capability to handle crucial issues within appropriate timeframes. Some Members promote the narrative that voluntary licensing and certain other import strategies are enough to address the situation developing countries could have during pandemics. While acknowledging their contribution, we are certain that relying solely on those mechanisms could pose significant challenges in the near to mid-term future. Such mechanisms may strain the finances of developing and least developed countries who already face difficult financial and economic situations. This strain might burden import budgets and impact potential collaborations with major pharmaceutical companies.
- 2.78. It should be also noted that relying solely on market-related criteria, such as the demand curve, might not accurately represent the situation properly and could hinder this organization's ability to adapt and prepare for future crises and pandemics, where those market dynamics become irrelevant or obsolete. We must acknowledge the uncertainty of the next crisis and understand that prioritizing commercial interests and profitability for pharmaceutical companies over public health,

might not be acceptable to people, even in high-income countries. We emphasize the urgency of reaching a decision by the December General Council meeting to restore credibility on this matter.

- 2.79. The representative of <u>Colombia</u> delivered the following statement:
- 2.80. Colombia notes with optimism the summary of the Senior Officials' meeting prepared by the Secretariat and the considerations mentioned in the statement by the Director-General. In particular, the topic of agriculture was holistically established, recognizing the unfulfilled promise under Article 20 of the Agreement on Agriculture, and we believe that agricultural and industrial subsidies, which are increasing significantly in the developed world, should continue to be a topic of discussion for us.
- 2.81. Similarly, it is important to continue discussions on paragraph 8 and work on trigger-ready mechanisms to respond to pandemic crises. We recall that more than 50 per cent of Members referred to this topic at the Senior Officials' meeting. We are pleased to see that these matters were central in the discussions at the SOM and will serve as a basis for discussions on the way forward to MC13 and at the Ministerial itself. I draw your attention to the need for our discussions on vaccines, therapeutics and diagnostics to be in synergy with the discussions held at the WHO, no longer in the context of the COVID-19 pandemic only, but also, as Egypt has just pointed out, with our eyes set to the future, in the context of the Pandemic Treaty. We firmly believe that we will achieve a convergence-based solution, especially at a time when the world is eager for positive narratives. We must therefore be mindful to properly coordinate solutions in both fora.
- 2.82. The representative of <u>Zambia</u> delivered the following statement:
- 2.83. My delegation aligns itself with the statements made by the African, ACP and LDC Groups on items 2.A. and 2.C. I would also like to share a few reflections in our national capacity. Firstly, on item 2.A., there are a number of good things that are coming out of this ongoing process of reforming by doing that we welcome. For example, the practical improvements in the functioning and conduct of business in the various WTO Bodies through the continued facilitation of hybrid format meetings which allows for remote participation, the improvement in turnaround time for production of Minutes of Meetings as well as the efforts that have been made to avoid clashes in key meetings have allowed some of our experts in capital to follow what is happening in the WTO and provide timely guidance.
- 2.84. Similarly, and we want to believe this is part of the transparency mechanism to ensure we are all on the same page, the General Council process of reporting back to the full membership on all the ongoing reforms is welcome as it allows us to receive a consolidated update of what is happening everywhere and also gives us the platform to deliberate on key issues that need decisions to be taken. One area that we feel still need more attention, despite the improvements posted so far is on the participation of small delegations and LDCs in the deliberative process. There is need to consider the capacity limitations of our small delegations to make sure that we are not overly burdened with WTO work. It is therefore important to strengthen the reporting mechanisms to General Council so that all member states are fully informed on any reform proposals tabled in the WTO Bodies and decisions taken in an inclusive and transparent manner.
- 2.85. Finally, with regard to item 2.C., my delegation fully supports the call to extend the deadline as well as to include therapeutic and diagnostic products in the coverage of the TRIPS Waiver.
- 2.86. The representative of <u>Malaysia</u> delivered the following statement:
- 2.87. Let me congratulate you and the Director-General, as well as your dedicated team, for all the hard work in ensuring the success of the recently concluded Senior Officials' meeting (SOM). Malaysia considers the SOM as a meaningful and productive gathering, that would add momentum to our on-going work in Geneva. I would also like to take this opportunity to welcome the new Ambassadors to Geneva and would like to thank departing colleagues for all your support and cooperation. Today is an important date to me personally, as it marks my first anniversary as the Permanent Representative for Malaysia to the WTO. I attended my first General Council meeting on 19 December 2022. Based on my experience and engagement with other colleagues in the last 365 days, I am quite optimistic that we are on the right track towards a productive MC13, although not in all issues, but at least some of them.

- 2.88. With regard to item 2.A., Malaysia considers that it is timely to coin the upcoming MC13 in Abu Dhabi as the 'WTO's first genuine Reform Ministerial' to reflect the priority of this house at this moment, as well as to demonstrate the importance in addressing current challenges facing by the multilateral trading system. On this note, Malaysia would like to commend the work and contributions by GC Chairperson and the Secretariat in facilitating 'the reform by doing', as well as well in preparing the 'state of play' documents which are very useful to our discussions. I would like to conclude my intervention in this agenda by stressing two things. Firstly, the restoration of a fully functional two-tier dispute settlement system is a priority for Malaysia, as it reflects the credibility and integrity of this house. Secondly, as we are accelerating our efforts toward the WTO reform, we believe that all initiatives whether 'in front of the scene' or 'behind the scene' should be done inclusively. On this note, Malaysia is ready to engage constructively with all Members at any scene and platform in ensuring a productive and successful MC13.
- 2.89. The representative of <u>Indonesia</u> delivered the following statement:
- 2.90. I appreciate your update on the state-of-play of WTO reform, including measures to facilitate Members' participation in WTO bodies. We all want to see WTO that is fit for purpose, fit for its time, and caters to the needs and interests of all Members. Last week, our Senior Officials spoke loudly and clearly in support of the reform and provided political guidance for us to move forward. The reform must address imbalances in existing WTO Agreements. It should also ensure adequate policy space for developing countries and LDCs to implement them.
- 2.91. For Indonesia, the priority is clear particularly dispute settlement reform, particularly the restoration of an independent, impartial, and two-tier dispute settlement system with the refunctioning of the Appellate Body. Indonesia is one of a few members who participated in the ongoing informal discussions. We are thankful for the facilitator for doing its best to ensure transparency and inclusivity. But there is still a room for improvement. For example, we need to ensure developing Members and LDCs with small delegation can effectively and meaningfully participate in the discussion. Indonesia's proposal <a href="JOB/DSB/6">JOB/DSB/6</a> has detailed our small asks, as small delegation, aimed at ensuring all WTO Members could provide their meaningful contribution to the process. For us, a durable, long-lasting reform can only be achieved when all Members can provide contribution and share their interests in an equal manner. Let us now muster our political will and flexibility. Indonesia stands ready to further discuss this important issue in constructive manner.
- 2.92. On item 2.C., Indonesia would like to align ourselves with the statement of South Africa, India and all co-sponsors of the TRIPS waiver proposal <a href="IP/C/W/669">IP/C/W/669</a>. Today's meeting will mark the fourth General Council meeting with this agenda item, after we let the deadline lapse on 17 December 2022, under the reasoning that "more facts and evidence are needed" to accurately assess the urgency and importance of the extension of waiver to therapeutics and diagnostics. Now, almost one year has passed. Countless relevant discussions, including the external stakeholder meeting and the briefing on the long-awaited USITC report have also taken place. Thus, it is time for the WTO to decide, once and for all, whether WTO can contribute to solving the issue of access, availability and affordability of therapeutics and diagnostics products for COVID-19.
- 2.93. Concluding this issue will not only restore the credibility of WTO as an institution that cater to global cause and common goods, but also, to compliment and support the works done by WHO, especially related to pandemic preparedness. We should not, once again, postponing making a decision on this important matter and inadvertently trapping ourselves in endless discussions without any concrete progress or outcomes in sight. The longer we wait, the less hopes remain for the world to survive another unprecedented pandemic, especially for people residing in developing members and LDCs.
- 2.94. The representative of the <u>Russian Federation</u> delivered the following statement:
- 2.95. My delegation welcomes the "reform by doing" efforts, that are aimed at increasing the effectiveness of the WTO and strengthening its deliberative function. These efforts have already produced specific results that will surely be appreciated by our delegations in Geneva. However, we should be mindful of the overarching goals of the reform and resist the urge to focus exclusively on "low-hanging fruit" of solving largely procedural issues. While such an approach may be helpful in giving an impetus to the reform process, we will not be able to achieve meaningful results without paying due attention to the most urgent problems. Among those, the issue of restoring the effective

functioning of the two-tier DSS is of paramount importance for many Members, including Russia. That is especially significant, taking into account the growing number of violations of the WTO rules for political reasons and arbitrary disregard for commitments, which is completely unacceptable. Such behaviour of certain Members undermines the principles of this organization. And that became possible due to the non-functioning dispute settlement system that should be restored to full operation as soon as possible.

- 2.96. In this regard, it is indeed a pity that the SOM outcome report in the section on dispute settlement reform failed to mention the Appellate Body, despite the fact that multiple delegations emphasized the necessity to restore the two-tier system, as we also heard that from them today. The numerous concerns related to the ongoing informal DSU reform process and the calls for its formalization were not reflected accurately enough as well. The restoration of the DSB system in a way that corresponds to aspirations of all Members is one of the biggest challenges that should be tackled in order to make the WTO reform successful. We hope that we will have an opportunity to frankly discuss, although in informal mode, what we can practically do in this regard between now and MC13.
- 2.97. The representative of <u>India</u> delivered the following statement<sup>5</sup>:
- 2.98. I would like to thank the Director-General for her report under item 1. On item 2.A.(i), incremental improvements in day-to-day functioning of the WTO bodies to facilitate the participation of Members therein by way of reform-by-doing are well appreciated. We take cognizance of excellent work done in certain committees, and we do expect that these may be replicated in other WTO bodies as well as in the General Council. Particularly, I would like to mention the good work done in the Council for Trade in Goods and its subsidiary bodies. I would also like to thank the Secretariat and you Chairperson for the document <a href="JOB/GC/359/Rev.1">JOB/GC/359/Rev.1</a>. It gives a very good picture of the ongoing work, and it does capture some of the suggestions made by India's reform proposal on process, which is dubbed as 30 for 30. We do expect that some of the proposals, which were meant for the medium term and long term in the 30 for 30 proposal, would also be in the pipeline to be undertaken.
- 2.99. Reform must also work on improving the conduct of Ministerial meetings to make the process transparent, inclusive and conducive to extensive participation, particularly for developing country Members in the decision-making process. We have certain concerns, in the name of reform, it should not alter the rights and obligation of Members. It should not impinge or compromise in any way on the foundational principles and structure of the Organization, including its Member-driven multilateral character and consensus-based decision making, in the name of new adjectives being introduced before the consensus-based decision-making process. It should not attempt to changing the scope of external engagement. External engagements should remain in the confines of the informal fora like public fora, seminars, workshops, and other informal engagements. It should not overlook the long pending and mandated agenda items and prioritize any new agenda of interest for a few Members. On dispute settlement reform, we strongly favor the two-tier dispute settlement mechanism with restoration of a standing Appellate Body.
- 2.100. On item 2.C., India would like to align itself with the statement delivered by South Africa, on behalf of co-sponsors of <a href="IP/C/W/669/Rev.1">IP/C/W/669/Rev.1</a>. It is regrettable that we are unable to deliver on such a critical and mandated issue, despite extensive engagement and deliberation on the waiver proposal. We again request, as we did at the Senior Officials' meeting, that all Members should engage with a view to strive for an outcome by the last General Council meeting of this year, if not earlier.
- 2.101. The representative of Switzerland delivered the following statement:
- 2.102. Let me also thank you, Chairperson, as well as the Director-General, for the leadership shown in conduction the SOM so successfully last week in preparation of the Ministerial Conference to take place in February 2024 and thank the Secretariat for the support. I will make a single intervention under items 2.A and 2.C. Let me thank all the Members for their meaningful engagement in conducting the work on the WTO reform as mandated in the MC12 outcome document. On the

<sup>&</sup>lt;sup>5</sup> Following the meeting, the delegation of India submitted subsequently their oral and written statements to the Secretariat for inclusion in the record. India's written statements have been included in the Annex, as requested.

deliberative function, we welcome the reports from the various technical WTO bodies on good practices to improve the functioning of the committees. These are positive developments that follow a logic of "reform by doing". We also welcome the retreat on trade and industrial policy that took place in September. The deliberations made clear that there is a need to improve our understanding of divergences between members. This calls for a dedicated and evidence-based process on trade and industrial policy. MC13 provides a good opportunity to establish such a process.

- 2.103. Restoring a fully functional dispute settlement system by 2024 remains a top priority for Switzerland. MC13 is of course an important milestone in that regard. We are grateful to the facilitator, Marco Molina from Guatemala, for his engagement and his efforts in setting up an efficient, transparent and solution-oriented process. Continuing the informal discussions in their current format is the only way to progress and bring us closer to our shared goal before the deadline that we have set to ourselves. On the negotiation function, let me recall the importance of the JSIs and their integration in the WTO framework. These open initiatives complement our multilateral work. They contribute to strengthening the multilateral trading system and reaffirm the credibility of the WTO
- 2.104. Turning to agenda point 2.C, Switzerland would like to thank the TRIPS Council Chair for organizing the thematic session on §8 with external stakeholders. It was very useful to hear from the practitioners who actually have done groundwork during the pandemic. The data and information provided confirmed the international IP system worked as an enabler in the COVID-19 pandemic for the hundreds of research and development partnerships that resulted in new, effective vaccines and therapeutics and the fast scaling-up of their manufacturing for global needs. Switzerland remains therefore convinced that an extension of the MC12 TRIPS Decision to COVID-19 therapeutics and diagnostics is unnecessary and would even be counterproductive. This said, my delegation is ready to continue fact-based discussion in the TRIPS Council, should Members have new evidence at hand.
- 2.105. The representative of <u>Ecuador</u> delivered the following statement:
- 2.106. This meeting continues the Senior Officials' discussions that took place a few days ago. Now that we are only a few months away from the Thirteenth Ministerial Conference, we are confident that in future work and on the basis of our past understanding, we will work towards achieving concrete outcomes on fisheries, agriculture and DSU reform. We are confident that with the political will and a spirit of multilateral cooperation, we will be able to find common denominators that reflect the interests and ambition of all Members. In the spirit of multilateral engagement, Ecuador would like to, once again, emphasize the need to organize Ministerial Conferences with input from all Members, so as to strengthen transparency, inclusiveness and the effective participation of all. Holding transparent and inclusive constructive negotiations will bolster the trust that all Members should have in this Organization. Any effort to improve the organization of work that considers the realities of smaller delegations is therefore essential. Regarding the reform of the Dispute Settlement Understanding, Ecuador reiterates its interest in contributing to fulfilling the mandate in paragraph 4 of the MC12 Outcome Document. We recognize the progress made in recent months within the framework of discussions on the reform of the dispute settlement system coordinated by Mr. Marco Molina, the Deputy Representative of Guatemala, whom we thank.
- 2.107. Turning to the process of "reform by doing", Ecuador remains committed to the efforts to improve the functioning of the WTO. The implementation of several measures is helping to improve access to information in a timely manner for all and strengthen the deliberative function of the WTO. The Budget Committee's analysis of the potential budgetary impact of the development or implementation of digital tools is very positive. My delegation would like to highlight the practical and effective support in this effort provided by the WTO's IT Division and its director. For Ecuador, it is very important to pay attention to the priorities identified by Members in the area of digital tools when allocating resources once the 2024 budget has been approved. Reform has also been on the agenda of the Committee on Trade and Environment since 2022. The CTE has been engaged in consultations with all Members since 2022 on how to reinvigorate the Committee and discussions on trade and the environment. In that regard, several delegations have submitted papers, including the African Group, China, Colombia, the European Union, India, together with South Africa and the United Kingdom. This work is being carried out as a follow-up to paragraph 14 of the Ministerial document.
- 2.108. Examples of Members' suggestions range from holding joint sessions with other committees to facilitating greater participation of developing country Members. The Committee's first thematic

session, launching new work dynamics, will be held on 13 November and address trade and energy transition. Other steps have been taken in the spirit of "reform by doing" with a view to promoting inclusiveness and greater recognition in the Committee's discussions, as well as, amongst other things, the timely digital distribution of an annotated agenda.

- 2.109. The representative of the <u>United Kingdom</u> delivered the following statement:
- 2.110. You said we should not really get into the detail of reform, as we will cover that this afternoon, so I will try not to. One point to pick is the point about deconflicting meetings which I know is so important for so many smaller delegations. It is one that we have brought forward in our own proposals, and I think it is one that we need to keep on thinking about to ensure that we are a genuinely inclusive organization, not just in words but in deed. Let me just say a quick word about TRIPS. My Swiss colleague has set out in substance far more eloquently than I could and I endorse every word he has said. I want to acknowledge first of all the continued efforts of our TRIPS Council Chairperson and let me welcome her efforts and the Secretariat's to move our discussions forward. Let me also acknowledge the arrival of the report from the US ITC. Like others I am sure we are still analysing the information that is contained in that report but for us it reaffirms the importance of known issues, including on this issue including the role of voluntary licenses where the UK issued a paper, in increasing affordability and access to COVID-19 products and technologies globally. I hope everybody has seen our paper on this which looks at how we can build on that in future pandemic preparedness.
- 2.111. I just wanting to recognize that access issues go well beyond intellectual property and that considering broader factors in reactors should help us as we look at whether the decision that we took back at MC12 should indeed be extended to therapeutics and diagnostics. Let me also just encourage my fellow members, particularly those from developing countries and LDCs to come to us give us their thoughts on our paper share their national experiences and challenges that they have faced in voluntary licensing and technology transfer partnerships so that we can try and take forward our work in a structured and collaborative manner. Lastly, a number of colleagues this morning have said that not taking a decision will be a real issue for this Organization. I think that there is something worse than not taking a decision and that is taking the wrong decision for this Organization, for the intellectual property, which is the basis for our innovative economies, and taking the wrong decision for our future pandemic preparedness.
- 2.112. The representative of <u>Japan</u> delivered the following statement:
- 2.113. On the reform of MC, we think it is important to aim at maximizing the value of MC13, while ensuring transparency, predictability and inclusiveness. The deliverables of each negotiating agenda from our perspective should be sorted out at the Senior Officials' level, before Ministers as need be, to start to engage in negotiations. From the viewpoint of enabling us to advance our work with a good and realistic ambitions, Japan supports a suggestion made at the SOM last week to consider defining the duration of the MC, which I think will be discussed this afternoon. It makes sense to discuss key trade issues to be addressed by the WTO after the MC. So, we consider "industrial policy or state intervention" would be a good agenda to be discussed by ministers. 'Reform by doing' is a practical and important initiative to enhance the work efficiency of the WTO. We thank the Secretariat, Chairpersons of respective Bodies and also the initiatives by the GC Chair to keep moving this important agenda.
- 2.114. On item 2.C., we are of the view that Members are better informed over the past months, through the thematic session at the TRIPS Council as well as USITC reports. Based on these facts and evidence, the TRIPS Council would be able to constructively advance substantive discussions. Lastly, I thank the Director-General for her kind words to the G7 Trade Ministers Meeting extended in the previous agenda. I would like to report that Trade Ministers discussed WTO reform, efforts to tackle global challenges including climate change, food security and promotion of digital trade, sustainable development and improving inclusiveness, response to unnecessary trade restrictive measures, among other topics. We once again thank the Director-General and the participating Members other than G7 Members, of course G7 Members also, for their active contribution and the discussions at the meeting.

### 2.115. The representative of <u>Zimbabwe</u> delivered the following statement:

2.116. I want to appreciate the good leadership given by the Director-General, yourself, Chairperson, and the Secretariat for a job well done during the just ended SOM. We hope that the positive spirit shown during the SOM will continue as we engage here in Geneva on the issues as given in your report. WTO reform work is still ongoing and we appreciate the steps so far taken by Secretariat in improving the work for Members especially the annotated agenda, production of minutes among others. Reforms in the Dispute Settlement are key for my delegation and we hope that the informal process will be completed by year end to allow the formalization of the discussions. Although the word formalization was a bit of a problem, we are not able to participate fully in the informal discussions due to the usual reasons due to our being a small Mission, hence the need to formalize the discussions. On the TRIPS waiver extension to therapeutics and diagnostics, we align ourselves with the statement by the African Group. We found the presentation by the USITC presentation interesting, and our capital is looking at the report.

## 2.117. The representative of <u>Qatar</u> delivered the following statement:

2.118. My delegation would like to express its appreciation to the positive outcome of the Senior Official meeting where our Senior Officials have engaged substantively, and we can say that now we have a better direction toward MC12 in Abu Dhabi next year. We share the view of the Members calling to focus on the coming period and the top priorities if we want to get a tangible outcome in MC13. For Qatar, the restoration of the Appellate Body and reforming the dispute settlement system is a top priority. We see also that MC13, will achieve meaningful and realistic outcomes on the food securities and send positive signal to the business sectors that we care about certainties in challenging times. On joint statements initiatives, we would like to congratulate the participants for their remarkable achievement with the conclusion of negotiation and investment facilitation for development. This was proof that the WTO remains a dynamic Organization that evolved according to the need of the changing world. Qatar was one of the first Members to adopt this idea. We worked diligently with other Members to ensure technical consistency of the draft agreement and presented our proposal and constructive contribution to bridge views and reach consensus. Therefore, we also encourage other Members to join this important agreement.

2.119. On the development aspects, Qatar is supporting the integration of the development perspectives into the whole work of the WTO. In this regard, we supported also the extension of the unilateral trade preference for graduated LDCs, and we stress again that development should stay a fundamental principle of the Organization. We support discussion as well on the special and differential treatment proposed by the G90 and the conclusion of the negotiations on special and differential treatment as soon as possible. We have also expressed our political willingness to conclude the second wave of the fisheries subsidies negotiations. Finally on accessions, we will welcome the advancement of the ongoing accession process, especially the least-developed countries joining in line with paragraph 6 of the MC12 outcome document. We congratulate their achievements in the accession process of Comoros and Timor-Leste to the Organization and we hope to see their conclusion at the forthcoming Ministerial Conference.

# 2.120. The representative of <u>Australia</u> delivered the following statement:

2.121. Australia welcomes the strong support from Senior Officials for MC13 to be a Reform Ministerial. It is clear that Abu Dhabi must deliver a substantive reform package to show the world we mean business. That package must include an outcome on dispute settlement reform that underscores our commitment to fixing the system in 2024, and recognizes the considerable progress made in the informal process. We must also ensure Ministers have an opportunity to deliberate and give guidance on modern global trade challenges, including trade and industrial policy, trade and environmental sustainability, and inclusivity. We were pleased to see Senior Officials discuss these issues last week and lay the groundwork for Ministers to engage substantively in February. Finally, Chairperson, we welcome your update on 'reform by doing', as endorsed by Senior Officials. We commend the work done by you, subsidiary body Chairpersons and the Secretariat, to support Member-led initiatives and bring transparency to this work, including here at the General Council. Following the Senior Officials' meeting last week, we are well placed for Ministers to endorse an outcome on reform by doing at MC13.

- 2.122. With regard to "Paragraph 8 of the Ministerial Decision on the TRIPS Agreement adopted on 17 June 2022 Duration of Extended Deadline", Australia supports a consensus outcome on whether to extend the TRIPS waiver to COVID-19 therapeutics and diagnostics and urges Members to seek a viable outcome. We acknowledge the importance of the TRIPS waiver outcome to developing countries, including in the Pacific. We thank the US for its recent contribution to discussions in the USITC's recently released report which is being reviewed in Canberra.
- 2.123. The <u>Director-General</u> delivered the following statement:
- 2.124. I just wanted to thank those who commended the improvements that they have seen in terms of trying to make processes work better. Nepal and Zambia mentioned this, and I appreciate that. We are working really hard to try to put digital and all tools to work, mindful that there are many small delegations who do not have the capacity. We will continue to try to do everything. I just want to reassure you, this is very much something we have in mind, but I am sure that at the end of the day there will be a limit to what we can do, sometimes we cannot. But particularly leading up to MC13 where there will be many streams of work going on in parallel, no matter what we try, we will have some conflicting discussions on negotiations going on. We will try to manage it as best as we can, but I do want your understanding. It is not for lack of trying or for not trying to be transparent either. Let us keep working together and we will keep doing the best we can. Thank you for that acknowledgement.
- 2.125. The General Council <u>took note</u> of my statement related to sub-items 2.A.(i) and 2.C. and of the statements made under these sub-items.
- 2.126. The General Council takes note of my statement related to sub-items 2.A.(i) and 2.C. and of the statements made under these sub-items.
- **B.** MC12 Work Programme on Electronic Commerce
- (i) Report by the Facilitator
- (ii) Reinvigoration of the Work Programme on E-Commerce Promoting Competition in E-Commerce (WT/GC/W/902/Rev.1) Communication from India and South Africa
- 2.127. The <u>Chairperson</u> proposed to take up both items under sub-item 2.B. on the Work Programme on Electronic Commerce and to then open the floor once.
- 2.128. Ambassador Usha Dwarka-Canabady (Mauritius), <u>Facilitator for the E-Commerce Work</u> Programme and Moratorium, delivered the following statement<sup>6</sup>:
- 2.129. I welcome this opportunity to provide an update on the Work Programme on E-commerce. Since my last report in July ( $\underline{\mathsf{JOB/GC/351}}$ ), Members have concluded discussions on the eight thematic sessions and have started focussing on preparations for MC13.
- 2.130. The last of the thematic sessions was held on 21 September and focused on e-commerce-related technology transfer. Delegations considered a submission by the African Group on *The Role of Transfer of Technology in Capacity Building* and shared their experiences and technical assistance programmes in this area. The meeting also heard presentations from Cambodia on its *E-commerce Readiness Development and Challenges*, and from South Africa on its recently concluded market inquiry into online platforms.
- 2.131. As MC13 approaches, the focus is now on identifying possible outcomes and/or recommendations. To start this reflection, I held group consultations on 12 October to hear Members views.
- 2.132. I asked delegations to reflect on the following questions: With regard to the specific issues discussed so far, I asked whether any of these issues could be the subject of recommendations for

<sup>&</sup>lt;sup>6</sup> The Facilitator's statement was subsequently circulated in document <u>JOB/GC/368</u>.

Ministers' consideration. I also asked how we could ensure that the Work Programme has a delivery impact.

- 2.133. With regard to the moratorium, I noted that Members' views remained divergent and there is no agreement with respect to definition, scope, or impact.
- 2.134. I reported on these consultations at the Dedicated Discussion on 18 October and encouraged those who were not able to attend to share their own views. Based on what I heard both in the consultations and at the Dedicated Discussion, I noted that Members were in agreement that more work was needed on the moratorium.
- 2.135. Given several calls for evidence-based discussions, I suggested to use the opportunity of the joint report by the WTO, IMF, OECD, UNCTAD and the World Bank on *Digital Trade for Development* to listen to the perspectives therein, particularly on the moratorium. In that regard, it has been agreed that the next Dedicated Discussion on 14 November will be focused on the moratorium and that we would invite the WTO Secretariat and other contributors to the joint report to share their findings. Members may then use this dedicated session to pursue further conversation on the issue of definition, scope and impact of the moratorium.
- 2.136. Turning to the thematic discussions held, and as reflected in the minutes of our meetings, I heard from Members that there was general agreement on the following six elements on the Work Programme that could be potentially captured in a draft Ministerial Decision.
  - a) First, the WTO remains a useful forum for structured discussions and exchanges.
  - b) Second, the WTO should continue to leverage its convening power to bring together perspectives of different IGOs to keep Members informed.
  - c) Third, it is important to acknowledge and support the role of the WTO in providing technical assistance and capacity building.
  - d) Fourth, interest has been expressed by Members to deepen discussion on thematic issues already addressed.
  - e) Fifth, the development dimension of the thematic discussions is acknowledged and should be consolidated.
  - f) And sixth, in view of the above, there is broad agreement that significant progress has been made towards reinvigorating the Work Programme.
- 2.137. As already indicated to delegations, I may hold informal consultations between dedicated sessions as and when necessary, on specific issues or proposals so as to advance our work. The purpose would be that by the December Dedicated Discussion, Members would be in a position to examine possible language of a draft decision on the work programme. I will therefore encourage Members to start reflecting on language that could form the basis of a draft decision.
- 2.138. I also note that during the SOM last week, several delegations identified e-commerce as one of the priority areas for MC13. Therefore, it is important that we maintain this momentum and find some common ground to move our work forward towards a meaningful outcome.
- 2.139. In that context, I want to share that it has been a matter of satisfaction to see the high level of engagement by delegations in the 8 thematic sessions. I count on delegations to maintain the same level of commitment in future discussions. As always, it is the Members who are in the driving seat and who will determine the shape and content of any Ministerial outcome.
- 2.140. The <u>Chairperson</u> invited the delegations of India and South Africa to introduce the sub-item on "Reinvigoration of the Work Programme on E-Commerce Promoting Competition in E-Commerce (WT/GC/W/902/Rev.1)".

- 2.141. The representative of <u>India</u> delivered the following statement<sup>7</sup>:
- 2.142. We welcome the intensified deliberations under the Work Programme on E-Commerce this year, which have been received very positively by the WTO membership. These discussions have highlighted the critical and complex nature of the digital economy. We commend the spirit and work of the Facilitator in convening the work programme dedicated sessions under the auspices of the General Council and we do expect this process to cover all mandated WTO bodies as per the original 1998 decision and continue in 2024 and beyond, so that Members can benefit from the richness of diverse national experiences.
- 2.143. Let me talk about our latest paper <a href="WT/GC/W/902/Rev.1">WT/GC/W/902/Rev.1</a> on promoting competition. We welcome South Africa as a co-sponsor to this paper. Since we have not discussed this paper in the dedicated session, let me touch upon some of the salient points of this paper. We will be willing to engage with other Members and we will wait for their feedback. We have highlighted the forms of market power in the digital markets characterized by some typical forms of market power. Let me list some of those. Platform power, the market power of a firm in a multisided market based on network effects, a central role for data, and linkages across products, generating significant economies of scale and scope. The second one is the intermediation power, which on account of the role of a platform as an intermediary or a broker in bringing together different groups of consumers, is significantly important in the context of platform monopoly, oligopoly and/or conglomerates, and information intermediaries with superior control over data. The third one is the bottleneck power, a monopolistic incumbent holds 'bottleneck' power, as a point of congestion, to funnel attention of and access to consumers, limiting the ability of rivals to compete.
- 2.144. The fourth one is the portfolio power, which is generally in the context of conglomerate mergers, where at least one of the firms has market power and the post-merger firm seeks to leverage that market power through bundling or tying products together. The fifth one is the gatekeepers, the ability of large digital forms to control access by a group of users to some goods or another group of consumers. And the sixth and the last one on the form of market power is the strategic market status, few firms controlling market access by virtue of their position as a gateway or bottleneck in digital markets leading to higher prices and barriers to entry and growth for entrepreneurs.
- 2.145. The implication of increased market concentration, if I may list some of those, can be seen in predatory pricing, access to data, search bias, self-referencing, tying, or bundling, margin squeezing for other service providers, stifling innovation through free riding, exclusive agreements, anti-steering and adverse impact on MSMEs. These challenges being faced by competition regulators are not the challenges only being faced in developing countries or LDCs. Some notable regulatory measures adopted or under consideration by different Members, we have highlighted in our paper. These challenges cover examples from the United States, European Union, Germany, Japan, the United Kingdom, the ASEAN and India. In conclusion, we say that e-commerce has the potential to drive future economic growth. However, the benefits of this growth are currently unevenly divided in favor of few large MNCs. In these circumstances, unless due care is taken, the benefits of e-commerce would be limited only to a few who are already in a position to take advantage of the growing e-commerce market. We have posed guiding questions, and we are interested in getting in deliberations and discussions in one of the dedicated sessions.
- 2.146. The representative of <u>South Africa</u> delivered the following statement:
- 2.147. South Africa is pleased to co-sponsor this paper on promoting competition in e-commerce. Competition policy is a critical instrument to help promote a level playing field so that the benefits of e-commerce can be broadly enjoyed. The paper sets out examples of how various jurisdictions have delt with this issue and encourages Members to share their experiences. Allow us to contribute to the discussion by setting out salient elements of the South African experience.
- 2.148. The CCSA published a Digital Strategy that outlines its plans to address aspects of digital markets. The strategy covers a range of issues including digital platforms in South Africa with a discussion on big data and fintech; competition law in digital markets, covering merger controls,

<sup>&</sup>lt;sup>7</sup> Following the meeting, the delegation of India submitted subsequently their oral and written statements to the Secretariat for inclusion in the record. India's written statements have been included in the Annex, as requested.

cartels and market conduct and abuse of dominance; regulatory issues in the digital economy, including promotion of access and connectivity, digitizing government services and the role for regional coordination; and the impact of COVID-19 on the digital economy. The CCSA intends to establish a cartel forensics lab to deal with new challenges in the detection and investigation of collusion and assist generally on digital market cases. This has been greatly aided by engagements with agencies globally to discuss their experience as to what has worked and what has not.

- 2.149. For instance, the CCSA has proactively sought engagement with jurisdictions such as the European Union (EU) to provide an opportunity for mutual learning. The CCSA in 2021 utilized the SA/EU dialogue facility to host a series of workshops in partnership with the Directorate-General of Competition in the European Commission (DG Comp). The three-day workshop held between 29-31 March 2021 covered three broad themes (i) Competition Policy Strategy in Digital Markets; (ii) Enforcement and Toolkits Needed for Digital Markets Cases; and (iii) Cooperation and Coordination between Competition Regulators on Digital Markets Cases. The collaboration will be ongoing to ensure that SA continues to draw from EU experience on digital competition issues.
- 2.150. CCSA has signed MOUs with some authorities on the continent, such as Kenya, Mauritius and Namibia. Through MOUs, countries may have a platform to engage on digital markets challenges faced by member countries; (ii) The region also has a number of co-operation blocs, such as, SADC, COMESA and ECOWAS. These regional bodies and their associated competition enforcement committees can be leveraged as a platform to collaborate in the digital platform space; and (iii) Other platforms that can also be used include the African Continental Free Trade Agreement and the African Competition Forum (currently chaired by South Africa). In February 2022, heads of the competition authorities of Egypt, Kenya, Mauritius, Nigeria and South Africa (the "Authorities") upon the conclusion of the digital markets workshop held in Johannesburg, South Africa, reflected the need to convene a digital markets dialogue to initiate the development of an African competition law enforcement and policy response to digital markets. The joint statement of the authorities proposed the research and scoping aspects of the African Digital Markets Initiative to be operationalized by each participating authority's technical teams. These technical teams will work collaboratively towards an agreed work programme.
- 2.151. The CCSA and Competition Commission of Singapore (CCS). South African competition legislation has a public interest element which enables the law to address the impact on SMEs, historically disadvantaged persons, employment and economic development. Recent Amendments to the Act strengthen these and provide a basis for addressing buyer power and price discrimination against SMEs and historically disadvantaged firms. This enables the CCSA to address the treatment of such firms by online platforms. The Market Inquiry provision has been strengthened to provide scope for the implementation of remedies through a court order and these inquires provide scope to address any factor hindering competition or affecting participation in markets.
- 2.152. The Online Intermediation Platforms Market Inquiry (OIPMI) Final Report sets out numerous proposed remedial actions for specific platforms to implement based on the findings. The Inquiry is also of the view that Commission Guidelines can complement the section 78 regulations through providing guidance on best practice by online intermediation platforms such that they remain compliant with the Act. Guidelines are useful in providing business certainty as to the enforcement approach of the Commission, and best practice guidance gives even greater certainty as it informs business that specific business practices will be considered to be in compliance with the Act. We hope that this contribution will foster deeper discussion on the crucial role of competition policy in e-commerce. We propose that a dedicated discussion on this topic be held I which the WTO can use its convening power to bring competition authorities from a broad range of Members to the table as well as relevant IGOs such as UNCTAD and ITU.
- 2.153. The <u>Chairperson</u> reminded everyone, as she did in May and July, that the Work Programme on e-Commerce was being discussed extensively in the Dedicated Discussions under the very able leadership of the Facilitator. She commended the Facilitator, for her tremendous efforts in ensuring open, transparent, inclusive and Member-driven discussions. With only 6 weeks left to the next and last station ahead of MC13, she asked Members to ensure a good use of the limited time on the journey to Abu Dhabi. She asked to try utmost to avoid duplication of discussions that are already taking place elsewhere in the ongoing Facilitator-led process. She urged delegations to only intervene today if there was anything new to add and to keep in mind the suggested time-limits for interventions.

- 2.154. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.155. The LDC Group thanks the Facilitator for her report on the consultations she held in the dedicated sessions on the Work Programme on Electronic Commerce. The Group participated in the discussions on your consultations, which we fully support. We hope that the report for MC13 reflects the strong reinvigoration of the Work Programme, especially its development dimension, as instructed by Ministers.
- 2.156. We reiterate that we are working on a communication to update the 2019 submission in document  $\frac{\text{WT/GC/W/787}}{\text{MT/87}}$ . This new submission highlights some positive developments and remaining gaps for LDCs. Alongside the individual contributions of LDCs, we hope that our Group's communication will be reflected in the Work Programme and in the reports submitted to Ministers at MC13. The aim is to promote constructive engagement in the WTO Work Programme and collaboration with other organizations.
- 2.157. Before concluding, the LDC Group wishes to thank India and South Africa for the revised version of their joint communication  $\underline{\text{WT/GC/W/902/Rev.1}}$ , entitled "Reinvigoration of the Work Programme on e-Commerce Promoting Competition in e-Commerce". The Group is currently studying it internally.
- 2.158. The representative of <u>Cameroon</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.159. The African Group places great importance on the developmental aspects of the WPEC. One area that is extremely relevant is competition policy. e-commerce, with its transformative impact on commerce and trade, holds great promise for Africa. It has the potential to drive economic growth, create jobs, and improve access to goods and services for a rapidly growing population. However, this potential can only be fully realized with robust competition policies in place.
- 2.160. First and foremost, competition policy in e-commerce should focus on promoting a level playing field. This means preventing anti-competitive practices such as monopolistic behavior, price-fixing, and collusion. African countries must establish and enforce antitrust regulations to ensure that no single entity can dominate the e-commerce market to the detriment of competition and consumers. Consumer protection is another critical aspect of competition policy in e-commerce. It is essential to safeguard the rights of online consumers, ensuring that they are provided with accurate information, secure payment options, and fair dispute resolution mechanisms. Governments should work to establish clear guidelines for e-commerce companies, promoting trust and confidence among consumers.
- 2.161. Collaboration among African nations is vital to address cross-border competition issues. E-commerce knows no borders, and to effectively regulate it, countries must work together. AfCFTA Protocols on competition policy and digital trade can play a crucial role in this regard. We thank India and South Africa for their submission that sets out some of the challenges in promoting a level playing field and describes measures that a broad array of Members have taken in this regard. In our view, competition policy in the context of e-commerce is an area where many Members share common challenges, and we hope to discuss it in detail during a dedicated session led by our esteemed facilitator Ambassador Usha Canabady.
- 2.162. The representative of Fiji, on behalf of the Pacific Group, delivered the following statement:
- 2.163. Fiji wishes to thank the facilitator for her report and her able leadership in advancing the discussions in the e-commerce work programme and the moratorium. We also thank and commend India and South Africa for their revised proposal highlighting both the benefits and the uneven distribution of e-commerce gains in favor of few large MNCs and we hope to be engaged in further discussions on the proposal on e-commerce competition. We also look forward to remain engaged in the e-commerce facilitator led process in the upcoming sessions, as well as engaged on the outcome of the SOM with the view to enhancing the developmental dimension discussion and to bridge digital divide including for small islands as we see e-commerce as a vital tool to strengthen our trade competitiveness. With this we align our intervention with the statement delivered by Samoa on behalf of the ACP Group and likewise the Pacific statement as just delivered.

- 2.164. The representative of Samoa on behalf of the ACP Group delivered the following statement:
- 2.165. The ACP Group thanks the facilitator for her report and excellent steering of the discussions to reinvigorate the e-commerce Work Programme. The dedicated discussion themes have been balanced and informative. The coverage in the discussions highlighted exchanges of views and perspectives on a number of issues including the development dimension and on the role of the WTO. The ACP Group has actively contributed to the dedicated discussions. Our Group's submission for the Work Programme will soon be circulated.
- 2.166. The representative of <u>Guyana</u>, <u>on behalf of CARICOM</u>, delivered the following statement:
- 2.167. The CARICOM Group thanks India and South Africa for their communications. We also join others in thanking the Facilitator, Ambassador Dwarka-Canabady, not only for her report today, but also for her astute stewardship in the context of our efforts to reinvigorate the Work Programme on Electronic Commerce. We have had just short of a year of robust dialogue, anchored in large measure by a focus on the development dimension. Our thematic discussions to date have underscored, among other elements, the value of the convening power of the WTO, possibilities for technical assistance and capacity building and the importance of experience-sharing among Members. It would be important for Ministers at MC13 to recognize this positive engagement and give further direction and focus to our post-MC13 work. We discern that there is appetite to deepen our engagement on some key topics addressed to date and perhaps this could inform the crafting of the recommendations to be put to Ministers at MC13.
- 2.168. The CARICOM Group assigns great importance to the Work Programme as a multilateral platform for discussions and a possible conduit to multilateral negotiations on the trade-related aspects of e- commerce. The Work Programme has served as a mechanism through which issues of concern to CARICOM and many developing countries, especially those pertaining to the development dimension, could be ventilated constructively. The discontinuation of the Work Programme would create a vacuum in digital trade multilateralism. Thus, the Group strongly supports and advocates for the continuation of the Work Programme and the extension of the moratorium and as important MC13 outcomes.
- 2.169. On the moratorium in particular, we have had extensive discussions on this subject, both in the last year and over many years. We also had some Senior Officials weigh in on this question last week. In addition, the Group acknowledges the recent update from the Director-General regarding the imminent availability of a study on the subject co-authored by the OECD, UNCTAD, IMF, World Bank and the WTO. We welcome signals from Delegations regarding openness to discuss and settle the question of renewal of the moratorium well in advance of the Ministerial. We think this is a prudent and preferred approach and stand ready to continue engaging pragmatically and constructively in this regard. Finally, the CARICOM Group aligns with the ACP Group statement on this item.
- 2.170. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 2.171. We align with the statements by the ACP and CARICOM Groups. Let me place on record our gratitude to Ambassador Canabady of Mauritius for her incredible work, ably supported by the Secretariat, in facilitating the reinvigoration of the e-Commerce Work Programme, including deliberations on the Moratorium. At MC13, we should report to Ministers on the work that has been done to reinvigorate the Work Programme in line with the MC12 mandate. We think that there is scope to narrow the issues going forward, with a heavy emphasis on bridging the digital divide for developing and LDC Members; strengthening the legal and regulatory frameworks; sharing of experiences and collaboration with other international organizations.
- 2.172. On the Moratorium, it is our understanding that some work has been done or is being done by the WTO and other international organizations. We trust that this will be made available to Members soon. We remain open, ahead of MC13, to further discussions with Members that have expressed concerns or reservations about continuing the Moratorium. In the OECS, anxiety is building, as several of our stakeholders, such as players in the orange economy inclusive of musicians and creatives that rely on digital platforms, that collapsing the Moratorium can have grave

consequences. We ask that the interests and concerns of all Members be taken into account so as to arrive at a balanced and reasonable outcome.

- 2.173. Finally, we thank India and South Africa for their communication in <a href="https://www.nc.nc/wy.nc.nc/wy.nc.nc."><u>WT/GC/W/902/Rev.1.</u></a>. Broadly speaking, we share the concerns in this paper regarding market concentration in ecommerce. The implications of market concentration are damning across the board, yet many small economies lack the regulatory sophistication or capacity to pursue anti-trust action to rein in anti-competitive behavior. This underscores the need for more structured discussions under the Work Programme on legal and regulatory frameworks which we hope can have the benefit of relevant external expertise.
- 2.174. The representative of the <u>European Union</u> delivered the following statement:
- 2.175. The European Union welcomes the interest among Members to implement the MC12 decision on e-commerce and, in particular, the intensified engagement we have seen on development- and digital trade-related issues. We are glad to see the Work Programme truly reinvigorated, particularly its development dimension. The meetings have been constructive and have allowed Members to share their valuable 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 and developing countries alike.
- 2.176. The discussion on the moratorium has been particularly insightful. The European Union notes the clear support for the extension of the moratorium expressed at the dedicated sessions of the Work Programme. We have heard numerous members, both developed and developing members alike, support the maintenance of the moratorium due to its key importance to the development of the digital economy and trade. The European Union fully shares this view. In terms of the way forward for the Work Programme, we believe that we should continue with regular meetings and delve deeper into more specific elements of the topics discussed so far, particularly following questions raised by the members.
- 2.177. We take note of the communication from India and South Africa on promoting competition in e-commerce. The EU is ready to engage in his discussion, which should first take place under the Work Programme, before bringing it to the General Council. If broadly supported, this issue may also be a suitable subject for discussion in the context of a renewed Work Programme after MC13. Finally, I want to thank the Ambassador of Mauritius for her efforts in facilitating our Work Programme discussions. We look forward to further engagement based on facts and getting into specific discussions as soon as possible to identify a way forward on both the Work Programme and the multilateral e-commerce moratorium well ahead of MC13.
- 2.178. The representative of the <u>United States</u> delivered the following statement:
- 2.179. First, let me thank Ambassador Usha Dwarka-Canabady for facilitating important work. We welcomed the opportunity to contribute to the discussions this year on a variety of important topics, including on the scope and impact of the moratorium. The most concrete step WTO Members can 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 countries.
- 2.180. On the communication from India and South Africa, the paper raises complex issues that involve agencies and relevant authorities that typically discuss these and related issues in other forums, not in the WTO. That said, if it were appropriate to discuss some facets of the paper, the appropriate place would be the E-Commerce Work Programme, not the General Council. The Work Programme has a full agenda that garnered broad support from Members. We will discuss the substance of this paper if the Chairperson calls for a meeting on this.
- 2.181. As part of WTO reform, we would encourage Members to not add agenda items to the General Council for Ambassadors to discuss before the relevant experts have had a chance to engage. We did not have adequate time to discuss this paper with our relevant agencies. It will not only help us to shorten our already bloated agenda, but will also lead to more productive discussions when issues are brought to us here.

- 2.182. The representative of Nigeria delivered the following statement:
- 2.183. Nigeria wishes to thank India and South Africa for placing this issue on the agenda. We thank the Facilitator for her report. Digital trade is growing rapidly, and its performance has become an important determinant of the distributional effects of trade, and growth. However, as aptly captured in the paper, developing countries are only capturing an insignificant fraction of the growth in global digital trade due to digital divide and digital exclusion. It is for this reason that Nigeria consistently maintains that discussions under the Work Programme should be geared towards the delivery of outcomes that would foster the development of the e-commerce ecosystem in developing countries. In this regard, we welcome the ongoing constructive engagements by Members on the development dimension of the Work Programme on Electronic Commerce. We support the work programme and look forward to the adoption of an inclusive and development-oriented agenda at MC13.
- 2.184. The paper shed light on some competition-related difficulties in developing countries that need to be addressed to ensure equitable distribution of the benefits of digitalization. As highlighted in the paper, we are also of the opinion that focused discussions on this matter, including sharing of Member experiences, would be useful, particularly for developing country and LDC Members. We welcome the guiding questions which, in our view, would foster constructive discussions on this issue. We would share our response to these questions in subsequent meeting of the General Council. We will also continue to engage constructively with Members on this issue, so we can collectively flesh out the role that can be played by the WTO in promoting competition in e-commerce.
- 2.185. The representative of <u>Jamaica</u> delivered the following statement:
- 2.186. Jamaica joins other delegations in thanking Ambassador Canabady for her detailed report and commendable facilitation of the Work Programme on Electronic Commerce. We acknowledge the membership's collective efforts to fulfill the mandate of our Ministers delivered at MC12. As a small, developing country keen on transitioning to a digital economy, our efforts within the context of the WTO on e-commerce are timely and critical. For this reason, at the national level and through CARICOM, we have actively participated in dedicated discussions that explored topics of interest, including the digital divide, consumer protection, legal regulatory framework, and the moratorium.
- 2.187. One of the common themes that emerged through our discussions was the convening role of the WTO, and we were pleased with the efforts of the Facilitator and the Secretariat in organizing the Session with the international organizations in June. Jamaica supports a further deep dive into topics such as the digital divide and the legal and regulatory framework to better define the role of the WTO and how, with the support of international organizations and development banks, we can streamline holistic support for developing countries. Further to the point on the complex and multidimensional nature of e-commerce, we thank South Africa and India for their communication, which presents another critical issue of our consideration, that of competition promotion in e-commerce. In keeping with your directive, Chair, we will present our reactions to that proposal in the dedicated process.
- 2.188. On the moratorium on customs duties on e-commerce, Jamaica that more work needs to be done to concretely bridge the gap. It may be prudent to consider the renewal of the moratorium until the next Ministerial Conference, in keeping with past practice to allow for further work. In this connection, my delegation looks forward to the next dedicated discussion, where the WTO Secretariat will present the findings of a collaborative study conducted with the IMF, OECD, UNCTAD, and World Bank. Rest assured of Jamaica's continued contribution to this process.
- 2.189. The representative of <u>Singapore</u> delivered the following statement:
- 2.190. Allow me to thank India and South Africa for their submission <a href="https://www.nc.nc/w/902/Rev.1">wt/GC/W/902/Rev.1</a> on competition in e-Commerce and look forward to deeper discussions at the dedicated session. Singapore would like to first commend Ambassador Usha Dwarka-Canabady for her leadership in advancing discussions on the Work Programme on e-Commerce. Singapore welcomes the rigorous consultations and discussions at past WPEC Dedicated Sessions. Like other Members, Singapore actively participated, for example by sharing our experiences on (i) our new overseas vendor registration system and (ii) Digital Economy Agreements (DEAs). We believe that Members'

diverse contributions underscore the successful reinvigoration of the Work Programme on Electronic Commerce, in line with Ministers' instructions.

- 2.191. Singapore also agrees with many Members from around the room on the importance of kickstarting efforts early to tie down a Ministerial Decision on the Moratorium on Customs Duties on e-Commerce, and not leave it until the eleventh hour at the 13<sup>th</sup> Ministerial Conference (MC13). Singapore strongly supports a permanent removal of customs duties, which will underpin a stable and predictable environment for the digital economy to grow. As we approach MC13, we urge more developing Members to come on board to minimally support an extension of the Moratorium. In closing, Singapore encourages Members to continue engaging in evidence-based discussions at the WPEC Dedicated Sessions. As discussions mature, we suggest that Members identify key traderelated topics to conduct deeper examination. We further welcome bringing external stakeholders, such as international organisations and private sector players, to complement the discussions and share practical perspectives.
- 2.192. The representative of <u>Indonesia</u> delivered the following statement:
- 2.193. I extend our appreciation to the Facilitator of Dedicated Discussion on E- Commerce. Her dedication in driving the discussions within the Work Program on e-Commerce, and bridging the divergent views among Members, are crucial in this process. Indonesia firmly advocates for continued dialogue on e-commerce within the framework of the Work Programme. This Forum stands as a pivotal platform for Members to exchange insights and experiences and bolster the involvement and capabilities of developing countries and LDCs in digital trade and e-commerce. We support the ongoing conversations regarding the moratorium on customs duties on electronic transmissions. We must engage proactively with open mind, seeking evidence-based insights into the scope, definition, and impact of the moratorium. We must also preserve the policy space for developing countries and LDCs.
- 2.194. We reiterate our support for the paper on "Promoting Competition in E- Commerce" submitted by India and South Africa, which highlights the critical challenges faced by developing countries and LDCs in the evolving E- commerce landscape. Substantial disparities in digital infrastructure, access to capital, and technological capabilities between developed and developing countries, remains as our huge concerns. Such gaps granted first-mover advantages to firms in developed countries, leading to a concentration of market power within a few multinational corporations. Moving forward, the WTO must foster stronger discussions and facilitate the exchange of knowledge on competition-related matters in e-commerce. This will be instrumental in ensuring the equitable distribution of the benefits of digitalization, particularly for developing countries and LDCs. We are committed to working collaboratively towards an inclusive and equitable digital trade landscape.
- 2.195. The representative of <u>Bangladesh</u> delivered the following statement:
- 2.196. Under the sub-item on Work Programme on E-Commerce, the delegation of Bangladesh aligns with the statement delivered by Djibouti on behalf of the LDCs. Our delegation thanks the Facilitator for e-Commerce Work Programme for the commendable work and her report. Our delegation supports that any discussion on the E-Commerce Work Programme must include development as the central element with a view to ensuring that the developing countries and LDCs accrue benefit from e-Commerce. The delegation of Bangladesh also looks forward to participating the informal discussion in the next thematic session on e-commerce moratorium.
- 2.197. On the reinvigoration of the E-Commerce Work programme, our delegation thanks India and South Africa for providing updates on some of the e-commerce issues and challenges and for the communication on Competition in E-Commerce in document <a href="https://www.wtf.gc/w/902/Rev.1">wtf/gc/w/902/Rev.1</a>. Bangladesh supports exploratory discussions on the basis of the guided questions in the communication. Our delegation earlier proposed, and today we reiterate the call, that the review of the e-Commerce Work Programme should be maintained as a standing agenda item in the GC and the other relevant WTO bodies. Bangladesh looks forward to engaging constructively with Members on this issue.

- 2.198. The representative of <u>Barbados</u> delivered the following statement:
- 2.199. Barbados thanks the Facilitator for the excellent work that she has done thus far in guiding us in reinvigorating the Work Programme. When I compare the discussions today versus a year ago it is clear engagement has improved. Our focus on development has further exposed the digital divide between developed and developing WTO Members but it has also importantly highlighted some opportunities to narrow the gap. Further work is necessary on both the development dimension of the Work Programme and the scope, definition and impact of the moratorium on customs duties on electronic transactions. In the wider scheme of things, the renewal of the Work Programme and the continuation of the temporary moratorium are low hanging fruit that we must harvest in advance of MC13.
- 2.200. We welcome the communication from South Africa and India and thank them for their presentation especially the focus given to the need to ensure e-commerce works for MSMEs. We agree that drawing on the experience of other agencies like UNCTAD and ITU would be wise. E-commerce is one of the elements that must be harnessed in driving development in the twenty-first century. Given the nature, diminutive share and position in the ecommerce ecosystem, competition policy is an area of natural interest to Barbados. We are of the view that we can benefit from a more thorough discussion on this issue in the dedicated discussions. Barbados aligns with the statements by the CARICOM and ACP Groups and remains committed to working with all Members on the E-Commerce Work Programme, including on ensuring a positive report to the Ministers of progress made.
- 2.201. The representative of <u>Paraguay</u> delivered the following statement:
- 2.202. Paraguay would like to thank the Facilitator for her leadership in conducting the dedicated sessions. We believe that the discussions have been positively reinvigorated in accordance with the mandate of MC12. In this regard, we wish to reiterate our support for the extension of the Work Programme and the moratorium until the next Ministerial Conference. We would also like to point out that for our country it is important that the moratorium be extended without prejudice to the power to apply internal taxes or other charges to digital services.
- 2.203. Paraguay agrees that we should continue the debate on the moratorium's definition, scope and economic impact, and we therefore look forward to the next dedicated session that will be held in November, as well as the launch of the joint report by the OECD, the WTO, UNCTAD, the World Bank and the International Monetary Fund. Lastly, we would like to thank the delegations of India and South Africa for circulating their communication, <a href="https://www.wtf.cc/w/902/Rev.1">wtf/GC/w/902/Rev.1</a>, on the importance of promoting competition in e-commerce. We believe that competition in the digital sphere is a topic that should continue to be discussed from the standpoint of development, in particular, because of the need for Members to share experiences relating to regulatory progress and mechanisms to strengthen digital competition.
- 2.204. We also wish to deepen discussions related to other aspects of the digital divide. As a landlocked developing country, Paraguay faces many challenges: weak digital infrastructure and connectivity, competitive costs for internet connection services, regulatory challenges and the need to train the population in digital skills. We therefore encourage Members to continue discussions from the standpoint of development, with a view to obtaining a proposal setting out the terms of the extension as soon as possible.
- 2.205. The representative of Hong Kong, China delivered the following statement:
- 2.206. On the Work Programme on E-Commerce, I would like to start by registering Hong Kong, China's appreciation of the able leadership of Ambassador Canabady. She has been instrumental to the reinvigoration of the work under the Work Programme, following our MC12 mandate. Intensified discussions on various topics with active engagement by the WTO membership at large inspire confidence that the Work Programme is on solid footing to deliver outcome at MC13. The next MC is less than four months away; it is indeed high time for us to prioritize evidence-based discussions on issues that have a direct impact on trade flow. The extension of the moratorium on e-commerce stands out in this respect. The moratorium provides the business community with the much needed predictability for the revival of trade in the post-pandemic era. The world expects WTO to make progress and do our utmost to close divergence. Hong Kong, China looks forward to seeing the joint

report of the WTO, UNCTAD, the IMF, the OECD and the World Back on the impact of the moratorium, as it will inform a constructive discussion based on facts and evidence.

- 2.207. With the benefit of evidence-based discussions and the very wide support already there from Members at different stages of development, Hong Kong, China is optimistic that a General Council decision for an extension of the moratorium beyond MC13 should be the second concrete outcome after the one on LDC graduation. New disciplines in the area of consumer protection are also crucial to healthy trade growth and the relevancy of the WTO in responding to changes in the world economy. Hong Kong, China will continue to accord our highest priority to working constructively with Members in robust discussions on these important issues in the run-up to MC13.
- 2.208. The representative of <u>Switzerland</u> delivered the following statement:
- 2.209. Switzerland welcomes Ambassador Dwarka-Canabady's report and thanks her for her excellent facilitation work. The thematic sessions were highly instructive, and Switzerland appreciates the quality of the exchanges that took place. They helped to achieve the objective of reinvigorating the Work Programme, and enabled preliminary exchanges on several themes. They also contributed to a better understanding of the implications of the moratorium and its scope.
- 2.210. We also note the recent publication of new studies and policy notes by the OECD and the IMF that will contribute to evidence-based exchanges. Let me here draw Member's attention on the OECD Trade Policy Paper of October 2023 that take a full picture of the impact of the Moratorium by looking beyond the fiscal implications and identifying the potential benefits of the Moratorium or the costs associated with its lapse. Switzerland will continue its constructive involvement in the preparatory work for MC13, with a view to enabling Ministers to decide on the continuation of the ecommerce moratorium and Work Programme. Regarding the latter, work after MC13 should in our view focus on trade-related issues that enjoy broad interest across the membership.
- 2.211. The representative of <u>China</u> delivered the following statement:
- 2.212. China would like to thank Ambassador Canabady for her tireless efforts on guiding the dedicated discussions. We welcome the good progress achieved thus far. We also thank India and South Africa for their proposal on promoting competition in e-commerce and look forward to having discussion on the 4 important and meaningful questions in the proposal. Taking into consideration the complexity of these questions, we believe the dedicated discussions chaired by Ambassador Canabady is a good place to discuss this proposal. As MC13 is fast approaching, China suggests intensifying our work to harvest the e-commerce. To this end, we should start relevant discussions as soon as possible to identify possible elements in the draft Ministerial Decision. For us, the elements should include: (i) recognition of the importance of the Work Programme, especially its development dimension, as well as the work done so far; (ii) extending the moratorium to MC14; (iii) guidance on post-MC13 discussions.
- 2.213. The representative of <u>Cambodia</u> delivered the following statement:
- 2.214. My delegation aligns with the statement by the LDC Group. At the dedicated session held on 21 September 2023, my delegation highlighted the useful tools of e-commerce that contributed to economic growth but the share of digital activities in the LDCs remains a small percentage. In this context, I reiterate that LDCs, including Cambodia, face similar challenges such as weak digital infrastructural development, legal and regulatory frameworks, and payment systems not working efficiently. To strengthen the capability and leverage the opportunities of e-commerce for development for least developed countries, an urgent need to be addressed in all difficult aspects of electronic commerce that are listed in the 2019 LCD Group proposal <a href="https://www.wtf.cc/w/787"><u>WT/GC/W/787</u></a>. To this end, our delegation of the view that a report resulting from the dedicated/ sharing sessions related to the development of the LDCs should be reported to MC13.
- 2.215. The representative of <u>Egypt</u> delivered the following statement:
- 2.216. We thank Ambassador Usha Dwarka-Canabady for her leadership in facilitating the discussion in the dedicated discussions and for her insightful report. We should also thank India and South Africa for their valuable presentations and for the submission of their document. We welcome the document's emphasis on the need for equitable distribution of benefits in e-commerce, urging

closer collaboration between regulators and highlighting the WTO's role in addressing competition issues. It also poses guiding questions for members to share experiences and suggestions on promoting competition in digital markets and e-commerce.

- 2.217. Promoting Competition in Digital Markets requires open access to data among businesses, reducing barriers to entry for new players. It requires Implementing antitrust laws to prevent monopolistic behavior and encourage fair competition it further requires ensuring consumer data privacy, transparency, and fair treatment, to foster trust and encourage market participation. Challenges faced by Developing Countries in E-commerce, which hinder market participation, include Insufficient digital infrastructure and internet access, concentration of market powers, limited technical expertise and resources for businesses and regulatory bodies, challenges in tailoring policies to balance economic growth while protecting local businesses from unfair competition internationally and domestically, and certainly challenges pertaining to their limited access to capital and financial resources for startups and small businesses.
- 2.218. The WTO, through the dedicated session, has a role in fostering competition in e-commerce by, (i) Developing a standardized policy framework to ensure fair competition globally. (ii) Addressing and providing proper solutions to challenges faced by developing countries including LDCs. (iii) Assisting developing countries and LDCs in acquiring the requisite public infrastructure as well as in building their capacities and in understanding regulatory measures, including on competition policy and regime, support their participation in e-commerce globally including with respect to bridging the digital divide among and within countries. (iv) Ensuring that the benefits and opportunities of e-commerce are distributed more equitably among all Members. We advocate for measures to prevent anti-competitive practices and stresses the importance of robust consumer protection regulations. Collaboration among African countries is essential to address cross-border competition issues, emphasizing the importance of AfCFTA in this endeavor. The issue of the moratorium should be subjected to further analysis and should be assessed against facts and evidence to support or otherwise declined the development aspect therein and eventually inform our final decision in that regard.
- 2.219. The representative of <u>Pakistan</u> delivered the following statement:
- 2.220. I would like to extend appreciation to Ambassador Usha Chandnee Dwarka-Canabady for her dedication in bridging the divide among members through structuring the discussion. We welcome the paper submitted by India and South Africa, which underscores the need for cooperation in developing regulatory framework that promotes competition both locally and globally. We support the position expressed by Indonesia not to extend the e-commerce moratorium for necessary policy space for the developing countries. Nevertheless, we eagerly look forward to data-driven evidence on the benefits or otherwise of the moratorium that focuses on development dimension. We are looking forward to next thematic session discussion on 14 November.
- 2.221. The representative of <u>India</u> delivered the following statement:
- 2.222. Just to thank everyone who had participated and responded to this paper. To those who pointed out that it is not the right forum, we were compelled to bring it and discuss it here because the next dedicated session on 14 November will be on the moratorium. Before any decision on the moratorium is taken, competition is a very important topic for discussion. We would have preferred that this topic could also be discussed in the dedicated sessions. Because we have listed the recent activities in various countries including developed countries, where they are taking countercompetition measures in respective areas. We also highlight that how India is dealing with this and particularly on the open network for digital commerce which is the true democratization of digital commerce or e-commerce for the people as well as the sellers.
- 2.223. The General Council took note of the report of the Facilitator and of the other statements.

# C. MC12 - Paragraph 8 of the Ministerial Decision on the TRIPS Agreement – Duration of Extended Deadline $^{8,\,9}$

# D. Buenos Aires (MC11), Nairobi (MC10) and Bali (MC9)

- 2.224. The Chairperson delivered the following statement<sup>10</sup>:
- 2.225. I will only focus on areas where there are new developments to report since the previous meeting of the General Council and that have not been covered in any way under the previous subitems. In doing so, I am mindful that some of the matters that we discuss under this item intersect with MC12 outcomes and have already been covered under the previous sub-item and in document <a href="Mologicology.com/JOB/GC/357">JOB/GC/357</a> on "Follow-up Work from the Twelfth Ministerial Conference", which contains the state of play on a number of areas which are also relevant to this sub-item.
- 2.226. For any areas that I do not mention today and have not been covered in document JOB/GC/357, the report that I delivered in July stands (contained in JOB/GC/353). Starting with the LDCs services waiver, the LDC Group updated the Council for Trade in Services in October on its intended written communication on how to implement the MC12 mandate related to the waiver indicating that it had set up an online questionnaire to obtain additional insights from LDC service suppliers for the preparation of its communication.
- 2.227. As per Members' request, on 5 October the Secretariat organized a workshop on improving LDC services trade data. The event brought together statisticians from LDCs, developed, and developing Members, and from International Organizations, to discuss the experiences, challenges and possible solutions related to collecting and compiling services trade data in LDCs.
- 2.228. On preferential rules of origin for LDCs, Members are currently holding consultations on a report from the Committee on Rules of Origin to the General Council on the implementation of the Bali and Nairobi Ministerial Decisions. The report is a result of the 2022 Committee Decision and of paragraph 8 of the MC12 Outcome Document. The intention is to finalize a draft and have it adopted for the last General Council meeting of the year.
- 2.229. On trade facilitation, the current rate of implementation commitments stands at just under 77% for the entire WTO membership and almost 70% for developing country and LDC Members together. The rate of implementation commitments for LDCs is now approaching 44%. The Committee on Trade Facilitation continues its work to address the lag in implementation through the provision of technical assistance and capacity-building support.
- 2.230. On Aid for Trade, Ambassador Sánchez-Fung, Chairperson of the Committee on Trade and Development informs me that on 9 October the CTD Aid for Trade agreed a new monitoring and evaluation exercise. This exercise will help us understand the trade and development priorities of developing economies and LDCs, donors, South-South partners, and regional economic communities. Members and observer organizations have until the end of this month to submit their replies to the self-assessment questionnaires. I encourage everyone to participate in this exercise.
- 2.231. The <u>Director-General</u> delivered the following statement:
- 2.232. I understand that there has been a very good level of engagement by Members in the preparation of this year's Aid for Trade monitoring exercise. It is heartening to see the Initiative generating continued interest and commitment, both in Geneva and elsewhere.
- 2.233. I applaud the Indian G20 Presidency for identifying Aid for Trade as an action area. In the G20 New Delhi Leaders' Declaration, they recognized "the importance of WTO's "Aid-For-Trade Initiative" to enable developing countries, notably LDCs, to effectively participate in global trade, including through enhanced local value creation". And also "welcomed all efforts to mobilize necessary resources in this regard".

<sup>&</sup>lt;sup>8</sup> WT/L/1141.

<sup>&</sup>lt;sup>9</sup> Item 2.C. was taken up together with Item 2.A.(i).

<sup>&</sup>lt;sup>10</sup> The Chairperson's statement was subsequently circulated in document <u>JOB/GC/369</u>.

- 2.234. Past monitoring and evaluation exercises have also enjoyed widespread participation. More than 200 Members, Observers and observer organizations have participated in the exercise since it was first launched in 2007. To support you in this task, the Aid for Trade Unit in the Development Division is organizing a series of online regional outreach events on 9 and 10 November. Keep an eye out for the communication on those events.
- 2.235. If we can receive a wide range of responses from Members at all levels of development that will give us a representative sample from which we can draw conclusions and gain insights about the trade and development priorities of developing countries, regional economic communities, and the policies of bilateral, regional, and multilateral donors, including South-South partners.
- 2.236. It will give us a better understanding of how trade is being "mainstreamed" into development strategies and the ways that Members see trade as serving their economic development objectives. And also, the pressures that the poly-crisis are placing on mobilizing development finance to improve trade capacity.
- 2.237. I am confident that these insights will contribute to our collective efforts to enhance the effectiveness of Aid-for-Trade interventions and craft a way forward for the Initiative beyond June's Global Review. It is also going to be useful information in the context of our on-going discussions on trade and development more generally, and investment and development as well.
- 2.238. I plan to give Members further details on the organization of the Global Review at the next General Council meeting in December. What I can say at this stage is that we are targeting the week of 24 June 2024 to hold this event. For now, let me echo the Chairperson's request to please reply to the self-assessment questionnaires by the end of the month.
- 2.239. The representative of India delivered the following statement<sup>11</sup>:
- 2.240. Sorry to come in under this item today, though it is not forming part of your report. This relates to the Ministerial Decision in Bali, then in Nairobi, and then in Buenos Aires, which is the Permanent Solution to Public Stockholding for food security purposes. We have seen during the Senior Officials' meeting on 23 and 24 October, very clearly highlighting the concerns and the importance given by large number of Members, especially the developing country Members to past Ministerial Decisions, especially to the mandate provided to the Permanent Solution to the Public Stockholding and SSM. We did our analysis of interventions because we had the privilege of listening-in attendance. So, during the three breakout sessions on agriculture, 88 Members made interventions and nearly 60 Members out of those 88 Members, called for a Permanent Solution to the Public Stockholding for food security purposes at MC13.
- 2.241. In the past, we have noted that the credibility of the Organization will be at risk if it does not deliver on the mandated issues. We have also requested that the compilation of all outstanding Ministerial Decisions be brought before the General Council by the Secretariat, so that we are able to track those decisions and take necessary actions. We would like to mention a few points on PSH. One, what is the clear message what Senior Officials have given during the SOM. We hope Members who object to achieving the Permanent Solution to PSH as per the mandate, realize that they are primarily responsible for not achieving any meaningful reforms in agriculture. For India, there cannot be a decision on food security without a Permanent Solution to the PSH. Hence, we have suggested starting with <a href="JOB/AG/229">JOB/AG/229</a> on a Permanent Solution for Public Stockholding that this negotiation will reach conclusion, which is not only the ask of India, but more than 80 Members. One of the reasons why we are asking is because it is being portrayed as we are giving heavy subsidies.
- 2.242. We hear that this Organization should be fit-for-purpose and  $21^{\rm st}$  century Organization. But when it comes to Public Stockholding, we refer to 1986-1988 price and anything given by Indian government to Indian farmers above USD3 for  $100 \, \rm kg$  of rice and USD4 for  $100 \, \rm kg$  of wheat is calculated as subsidy in the WTO. So, this way, it is not just to blame Members for subsidizing. And this way, it is not just to come in the way of a successful tool, which has served the purpose of food

 $<sup>^{11}</sup>$  Following the meeting, the delegation of India submitted subsequently their oral and written statements to the Secretariat for inclusion in the record. India's written statements have been included in the Annex, as requested.

security, not only for 1.4 billion people, but also through production and to other needy and friendly countries in their hours of need.

- 2.243. The representative of <u>Nigeria</u>, <u>on behalf of the African Group</u>, delivered the following statement:
- 2.244. 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.
- 2.245. The representative of <u>Brazil</u> delivered the following statement:
- 2.246. With respect to the mandates from previous Ministerial Conferences related to agriculture reform, Brazil thanks the SOM final report produced by the Director-General and the GC Chairperson, which now fully reflects different views expressed during the meeting on the mandates we have in agriculture and the necessity of making progress holistically in the agriculture negotiations on the basis of Article 20 of the Agreement on Agriculture and obtaining credible results on all issues of interest to Members, including the Hong Kong 2005 mandate to address cotton ambitiously, expeditiously and specifically. MC13 has been portrayed as a Reform Ministerial, but as far as my delegation is concerned reform begins with agriculture, and that is what will determine its success.
- 2.247. The representative of <u>Paraguay</u> delivered the following statement:
- 2.248. We did not plan to take the floor but in light of the statements we have heard, I would like to point out that my delegation was among those that mentioned the need to deliver an outcome on public stockholding at the Senior Officials' meeting, bearing in mind that such an outcome should be balanced and take into account the mandate under Article 20 of the Agreement on Agriculture, a holistic agricultural reform that covers domestic support, market access and all negotiating topics. Paraguay is of the view that there is no food security without agricultural reform.
- 2.249. The representative of Indonesia delivered the following statement:
- 2.250. The urgency of addressing global food security challenges remains of paramount importance, including for WTO. Indeed, the WTO needs to continue playing its pivotal role, within its mandate, in ensuring food security for all. In this regard, it will be difficult to deliberate on achieving food security without due consideration to ever-growing challenges, including unprecedented and most recent crises. On this note, Indonesia would like to condemn in the strongest terms the senseless and violent attacks carried out by the occupying power, especially those targeting innocent civilians and important infrastructure in Gaza strip. We call for immediate end to irresponsible actions and atrocities, that disregard international humanitarian law and constitute as blatant violation of human right principles.
- 2.251. Leading to MC13, we must not be complacent and forget the crucial outstanding tasks from Bali and Nairobi. True global food security requires nations to ensure their own domestic food security. In this regard, one outstanding issue that remains a priority for Indonesia is agriculture, with a focus on achieving a lasting solution to the Public Stockholding issue. Failing to progress on the issue of PSH would undermine our response to current and future food crises. As we commit to reforming agriculture, we must address the historical imbalances. We urge bridging differing views and exploring innovative PSH solutions. Indonesia is calling for a text-based negotiations, with joint proposal JOB/AG/229 as its basis, towards an equitable PSH resolution.

- 2.252. The representative of <u>Cambodia</u> delivered the following statement:
- 2.253. My delegation aligns with the statement made by the LDC Group. Our delegation just recalled and urged for the effective and productive implementation of those decisions that are necessary for LDCs to address challenges; among them such as Services waivers, Duty-Free and Quota-Free market access, and Rules of Origin. In this connection, we urge Members to have constructive engagement and provide positive flexibility on LDCs' proposals, especially to respond to the challenges in differentiating utilization rates of preferential arrangements that my delegation presented at the Committee on Rules of Origin held on 12 October 2023.
- 2.254. The representative of <u>Djibouti</u>, <u>on behalf of the LDC Group</u>, delivered the following statement:
- 2.255. For several years, LDCs have been waiting for the operationalization of the decisions adopted in their favor in Buenos Aires (MC11), Nairobi (MC10) and Bali (MC9). We reiterate our call for the operational implementation of these decisions, in accordance with paragraph 8 of the MC12 Outcome Document. In the context of the services waiver and DFQF market access, Ministers instructed the General Council to report to the Thirteenth Ministerial Conference on progress. They also instructed the Committee on Rules of Origin to report on its work to the General Council prior to MC13. The LDC Group believes that the implementation of these decisions would send a positive signal to their people by showing that the WTO is capable of delivering results for all its Members and on all issues. The effective implementation of these decisions still promises to have a positive impact on promoting the development of LDCs.
- 2.256. The representative of <u>Egypt</u> delivered the following statement:
- 2.257. We emphasize the importance of maintaining the agenda item relating to WTO's fulfillment of Ministerial mandates, underscoring the organization's obligation to implement agreed decisions. This should include and prioritize the issue of reaching a permanent solution for public stockholding for food security. We also advocate reforming the agreement on agriculture. Nonetheless the challenges we are facing today require us to adopt a flexible approach to agree on the matters that are much needed now to address those challenges. Food security is one of those challenges that necessitates immediate action. Action which should be decoupled from the ag reform in its totality. We should also stress the urgency of addressing related to trade-distorting domestic support, and disciplines on cotton and Special Safeguard Mechanism in the context of Article 20 reform. This reform should not be about leveling the playing field among all Members and operators.
- 2.258. The General Council <u>took note</u> of my report under sub-item 2.D., the statement of the Director-General and of all the statements made.

# 3 WORK PROGRAMME ON SMALL ECONOMIES - REPORT BY THE CHAIRPERSON 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 is 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 reaffirmed their commitment to the Work Programme and instructed the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council.
- 3.2. Ambassador José Sánchez-Fung (Dominican Republic), <u>Chairperson 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 documents  $\frac{\text{WT/MIN}(22)/25}{\text{MVT/L}/1136}$ .
- 3.4. The Decision contained, *inter alia*, a reaffirmation of Ministers' commitment to the Work Programme on Small Economies. Note was taken of all the work conducted to date, and the CTD was instructed to continue its work in the Dedicated Session on Small Economies under the overall responsibility of the General Council. The Dedicated Session was 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.

- 3.5. In terms of future work, instructions were given for the Dedicated Session to work on the topic of "integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities."
- 3.7. On the basis of my subsequent consultations with Members, a second meeting of the Dedicated Session was held on 19 October to focus more specifically on the "challenges and opportunities for small economies in the post COVID-19 recovery phase". For this meeting, presentations were made by the Commonwealth Secretariat, the South Centre, UNCTAD and the World Bank. Experience-sharing presentations were also made by three members of the SVE Group Ecuador, El Salvador and Sri Lanka.
- 3.8. Useful discussions on the mandated topic took place at both meetings, with many substantive contributions by delegations. The 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 but also pointed to a number of opportunities that may be available to small economies going forward. Other delegations also participated actively in the discussions. I would be happy to arrange any further discussions that Members may wish to have on this topic.
- 3.9. Another meeting of the Dedicated Session will be held on 16 November. At this meeting, the Dedicated Session will notably consider a proposal for a Ministerial Decision at MC13 on the Work Programme on Small Economies, which will be circulated shortly by Guatemala, on behalf of the SVE Group.
- 3.10. It is my hope that Members will be able to agree to this text at the meeting on 16 November. Once approved, and in line with the practice in the run-up to a Ministerial Conference, the intention would be for the Dedicated Session to submit a report to the General Council on its work.
- 3.11. The representative of Guatemala, on behalf of the SVEs, delivered the following statement:
- 3.12. On behalf of the SVE Group, let me start by extending a warm welcome to the new Permanent Representatives joining us today, we look forward to work together in the various activities of this Organization. To the Ambassadors who are leaving us, we wish them all the best and success in their new endeavours. The Small Economies Group would like to thank the Chairman of the Committee on Trade and Development, for his report on the progress of the work of our Dedicated Sessions. As a follow-up to our report at the last General Council, it was reported that a thematic session would be organized, for both Members and International Organizations, to share their experiences and recommendations of the challenges and opportunities for small economies in the context of the Covid-19 pandemic.
- 3.13. We want to report that it was a very productive session of which I would like to highlight the following results. Small economies depend on international trade for their growth and development, despite a small participation in the world trade, in order to increase our participation, can help build resilience and reduce the structural vulnerabilities we normally face. It is important to examine the WTO Agreements to identify measures that can support small economies in the implementation of various Agreements and also help in the negotiating processes.
- 3.14. The small economies work program provides an opportunity for small economies to generate proposals on issues of interest. Specifically, identifying policies that support overcoming the vulnerabilities of our countries. The main areas mentioned for a post-COVID recovery are digital economy, digitalization, diversification of production for exports, and prioritizing policies to address the short- and long-term consequences of the crisis. Members also recognized the necessity for development policies within the WTO structure that recognize the needs of small economies. Members also mentioned the need to improve the competitiveness of logistics costs and incorporate technological solutions in supply chains, as well as to boost trade in services.

- 3.15. We thank the international organizations that have supported SVEs in providing information, research, and financing mechanisms, in addition to strengthening the capacity of governments. We would also like, to highlight the space for discussion provided at the meeting of Senior Officials, which recognized the Work Programme on Small Economies and the work carried out in this regard. Finally, we wish to inform that we are currently drafting the proposed text for the next Ministerial Conference, which we hope will be approved at the next meeting of the Small Economies session on 16 November.
- 3.16. The representative of <u>Antigua and Barbuda</u>, <u>on behalf of the OECS</u>, delivered the following statement:
- 3.17. We associate with the statements by the CARICOM, the ACP and the SVE Groups. Many thanks to the CTD Chairperson for his report. We continue to recognize the incredible work of the Secretariat as contained in the Background Note on Integrating Small Economies into the Post-COVID-19 Economy. We are also grateful for the convening of the Dedicated Session on Small Economies on 19 October. We remain hopeful that a Draft Ministerial Decision on the Work Programme on Small Economies can be one of the early harvests to be delivered ahead of MC13.
- 3.18. The representative of <u>Barbados</u> delivered the following statement:
- 3.19. Barbados commends the Secretariat for the study which provided many of the answers to Member's requests for evidence as to why SVEs need flexibilities. We should empower Secretariat to do more of this analysis on demand. The CTD serves as a laboratory for SVEs to develop proposals and positions in other negotiating fronts.
- 3.20. The representative of <u>Trinidad and Tobago</u> delivered the following statement:
- 3.21. We thank the CTD Chairperson for his report and for his able stewardship with respect to our engagement within the context of the Work Programme on Small Economies. We also take this opportunity to recognize the leadership of Guatemala in the context of the SVE Group and the ongoing efforts to prepare a draft Ministerial Decision for the consideration of the wider membership. What is clear from our ongoing engagement within the SVE Group is that we continue to attach great importance to this Work Programme and that there is great appetite for robust and meaningful engagement within the context of the Work Programme between MC13 and MC14. To this end, we hope to have the support of the wider Membership for the elements outlined in the draft for future work, bearing in mind that these elements reflect key priorities for the Group as we continue to pursue effective integration into the multilateral trading system.
- 3.22. The representative of Maldives delivered the following statement:
- 3.23. The Maldives would like to thank the CTD Chairperson for the update provided to the General Council on the progress of the work of the dedicated session on SVEs. Small Island Developing States, such as the Maldives, are extremely susceptible to exogenous shocks related to climate change and disruptions in international trade. The Covid-19 pandemic has shown how volatile our economies are, especially when coupled with the effects of rising commodity prices, inflation, and supply chain disruptions. The current challenges concerning food security, energy security, and debt distress, experienced by many small island developing states have exacerbated the challenges of sustainable development of SVEs.
- 3.24. Contemporary measures to strengthen SVEs are therefore, imperative in order to realize their aspirations for peace and prosperity. Inclusive digital development and enhancing investment flows for the development of our digital infrastructure is key to meeting current challenges and achieve growth, equity and sustainability. Hence, a dedicated focus on expanding our economies into the digital sphere is essential to combat economic volatility and vulnerability. We must also consider that these are unchartered waters. Hence, there is a need to strengthen digital governance and legislative measures to enhance digital and cyber security policies as we navigate through the myriad of challenges confronting small and vulnerable economies including the lack of infrastructure and technical capacity constraints. We look forward to working together in the multilateral context and to share best practices to achieve our collective vision for a sustainable future leaving no one behind.

- 3.25. The representative of Fiji, on behalf of the Pacific Group, delivered the following statement:
- 3.26. We wish to align with the ACP and the Pacific Groups statements, and we thank the Facilitator for his report. The working group remains critical for small economies in addressing challenges as well as in identifying opportunities for small economies in line with the Ministerial mandate to successfully integrate into global economy. We look forward to working with the Facilitator and Members in finalizing a meaningful outcome for the SVEs to be considered by our Ministers at MC13 in the upcoming dedicated session on 16 November.
- 3.27. Let me now make a statement in my national capacity. Fiji wishes to align with the ACP and the Pacific Groups statements, and we thank the Facilitator for his report. The working group remains critical for small economies in addressing challenges, as well as in identifying opportunities for small economies in line with the Ministerial mandate to successfully integrate into global economy. We look forward to working with the Facilitator and Members in finalizing a meaningful outcome for the SVEs to be considered by our Ministers at MC13 in the upcoming dedicated session on 16 November.
- 3.28. The representative of <u>Jamaica</u> delivered the following statement:
- 3.29. Jamaica thanks Ambassador Fung for his report and his leadership. We welcomed the 45<sup>th</sup> dedicated session held 19 October on challenges and opportunities for small economies in the post-Covid recovery phase. The presentations from UNCTAD, South Centre, the Commonwealth Secretariat, and World Bank created fertile soil for a rich discussion. It was also very useful to hear the experiences of fellow small vulnerable economies in this regard. This topic is one of Jamaica's priorities in the WTO. We thank the Chairperson, supported by the Secretariat, for taking onboard the proposal for appropriate fora to tackle critical issues for the development of small economies.
- 3.30. On Monday, Jamaica experienced a 5.4 magnitude earthquake. We are grateful that there was no significant damage on this occasion. However, it presents the real reminder of the motivation behind many of our interventions for resilience-building. In this regard, we reiterate our earlier thematic proposals on building capacity within small economies to measure the trade impacts of disruptions to development, such as public health crises and natural hazards, on the economy; exchange of ideas and good practices among Members and with international organizations on measures successfully applied in various circumstances in respect of building resilient economic systems and trade policies to respond to impacts of these development disruptors, including climate change; and discussing the possibilities for designing financial vehicles to improve small economies' access to finance, which includes climate finance, for improved adaptation to the trade performance of small economies in a dynamic and evolving global trade environment. Jamaica reaffirms its commitment to the implementation of the Work Programme and stands ready to engage actively in this regard.
- 3.31. The representative of <u>Mauritius</u> delivered the following statement:
- 3.33. We cannot obliviate that the majority of the SVEs are in fact NFIDCs and their precariousness in terms of food security will have to be addressed on an urgent basis. To integrate SVEs in the multilateral trading system and new international trade challenges arising we need to urgently: (i) Assess the effectiveness of the responses framed so far to integrate the Small Economies in the Multilateral Trading System; (ii) Develop the framework of flexibilities and support that must be put in place to assist them; (iii) Address the critical and excruciating challenges like supply chain and food insecurity amongst others. (iv) Foster their involvement in new areas like ecommerce and the

digital technologies. We call for an enlarged, reinforced and reinvigorated participation and involvement towards reaching concrete outcomes for MC13 that will address support needed by the SVEs to address the challenges facing them to integrate the international trading system.

- 3.34. The representative of Samoa, on behalf of the ACP Group, delivered the following statement:
- 3.35. The ACP Group commends the Facilitator for the ongoing efforts in the Work Programme for Small Economies and looks forward to engaging further in the Committee for an outcome towards MC13 that should work towards meaningfully integrating small economies post-COVID-19 in line with the mandate. For small economies to be integrated successfully, a number of factors should be considered, a basis of which was reviewed earlier in March this year in document WT/COMTD/SE/W/45. This document should be reviewed and updated as a basis for further discussion in the Committee including exploring opportunities as possible headways within the WTO and its relevant partners.
- 3.36. The representative of the <u>United Kingdom</u> delivered the following statement:
- 3.37. We wanted to come in quickly to recognize the importance of this issue. We really wanted to welcome the excellent Small Economies evidence sharing session and to thank the Chairperson, the Secretariat and everybody that inputted to the session. We are also looking forward to the opportunity to review the draft Ministerial Decision on this issue at the upcoming session.
- 3.38. The General Council <u>took note</u> of the report of the Chairperson of the CTD and of the statements made.

# 4 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON MEETINGS OF JUNE, JULY AND SEPTEMBER 2023 (WT/BFA/213, WT/BFA/214, WT/BFA/215)

- 4.1. The <u>Chairperson</u> drew Members attention to the reports of the Committee on Budget, Finance and Administration, in documents <u>WT/BFA/213</u>, <u>WT/BFA/214</u> and <u>WT/BFA/215</u>, and invited Ambassador Bettina WALDMANN (Germany), Chairperson of the CBFA, to introduce them.
- 4.2. Ambassador Bettina Waldmann (Germany), <u>Chairperson of the Committee on Budget, Finance and Administration</u>, delivered the following statement:
- 4.3. Since my last report to the General Council, the Committee has meet on several occasions. In my remarks today, I will provide some highlights of the formal meetings of the Committee that took place on 27 June, 18 July, and 21 September 2023. The reports of those meetings are contained in documents  $\underline{\text{WT/BFA/213}}$ ,  $\underline{\text{WT/BFA/214}}$ , and  $\underline{\text{WT/BFA/215}}$ . I will also provide some highlights of the carry-over of discussions of other meetings that have taken place since then.

### A. WTO 2024-2025 Budget Proposal

- 4.4. As you know, a key priority for the remaining weeks of the year is to ensure a smooth and timely passage of the 2024-2025 WTO and ITC budgets. Indeed, the WTO and ITC budget proposals were formally presented to the CBFA on 18 July 2023, before the summer break. The Director-General joined us to explain the budget request. The proposals were also discussed at the CBFA meetings held on 21 September and 17 October.
- 4.5. Moreover, with regard to the WTO 2024-2025 budget proposal (WT/BFA/W/643), the Secretariat has organized six informal technical sessions to provide background information and respond to questions raised by Members. In total, this has meant more than 10 hours of informal technical sessions. For example, questions regarding HR and staffing considerations were addressed at a technical session held on 11 September. Non-HR Technical Budget Elements were discussed on 18 September. In addition, the Secretariat addressed budget-related questions at informal technical sessions held last month on 2 October and 12 October.
- 4.6. I would like to express appreciation to Deputy Director-General Ellard and to the Secretariat for holding these informal briefings to address questions raised by Members. In addition, the Secretariat has been available to meet bilaterally with Members to address specific questions.

- 4.7. I would also like to thank WTO Members for the openness and commitment they have demonstrated working together on budgetary matters, in support of this Organization and the Secretariat.
- 4.8. The goal now is to continue to work hard, and to make a recommendation for approval by the General Council before the end of the year. An email was sent out to Members the other day, on 30 October, to outline next steps.
- B. 2022 WTO Financial Performance Report ( $\underline{WT/BFA/W/632}$ ) and the Report of the Independent External Auditor ( $\underline{WT/BFA/W/639}$ )
- 4.9. Turning to other matters, I am pleased to report that the Independent External Auditor has issued an unqualified audit opinion on the WTO's Financial Statements. I am also pleased to report that the CBFA endorsed, at its meeting held on 27 June, the WTO Audited Financial Statements for the year ending 31 December 2022. In addition, the Committee endorsed the transfers between budgetary sections outlined in paragraph 2.30 of document WT/BFA/W/632.
- 4.10. With respect to these items, the CBFA is therefore submitting the following recommendations to the General Council for approval:
- 4.11. "The Committee recommends that the General Council approve the transfers between budgetary sections as outlined in paragraph 2.30 of document <a href="https://www.wt/BFA/W/632"><u>WT/BFA/W/632</u></a>. The Committee further recommends that the General Council approve the WTO Audited Financial Statements for the year ended 31 December 2022."

#### C. WTO Pension Reform

- 4.12. Following comprehensive discussions and debate, the WTO Pension Plan Management Board submitted a revised proposal to the CBFA, which recommends taking action to address the Pension Plan's funding gap. The proposal is contained in document <a href="https://www.wtf.edu.ni.nlm.
- 4.13. Regarding the question of pension reform, I should also mention that the WTO Pension Plan received an unqualified opinion for the year ended 31 December 2022 from the External Auditor. The report of the External Auditor is contained in document <a href="https://www.wt.enant.com/wt/bfa/w/637"><u>WT/BFA/W/637</u></a>. In line with the Management Board's observations, the External Auditor also drew attention to the need to address the Pension Plan's actuarial imbalance.

## D. WTO Secretariat Transformation Exercise

- 4.14. I would like to express my gratitude to Deputy Director-General Ellard for the helpful written and oral updates she has provided at each CBFA meeting regarding the Secretariat Transformation Process, most recently at the meeting of the CBFA held on 17 October (see also JOB/BFA/92). Since the end of May, the focus has been on digital tools and technology. For example, the Secretariat will roll out a new e.delegates platform in the near future, and a new Import Licensing online notification and portal in early 2024 all of these resources have been requested by Members. In addition, the development of the Secretariat's Strategy through 2030 is well underway. Work is currently focused on elaborating in more detail the content of the five strategic pillars and two enablers that will form the core of the Secretariat's 2030 strategy.
- E. Update of Audio-Visual Equipment in WTO Conference Rooms (WT/BFA/W/650)
- 4.15. I am also pleased to report that the CBFA approved the utilization of an amount of CHF 6,717,040 from the Building Renovation Fund to finance the upgrade of audio-visual equipment located in Rooms A, B, C, D, E, F, S1, S2, S3, and W. As reported by the Secretariat, the audio-visual equipment in these rooms was installed in 2011-2012 and is no longer serviced. Because this equipment is experiencing significant problems, it is in urgent need of replacement.

- F. 2022 Annual Report on Diversity in the WTO Secretariat (WT/BFA/W/648)
- 4.16. Finally, I should also mention that the Secretariat presented key elements of the 2022 Annual Report on Diversity at the meeting of the CBFA held on 21 September. The report provides detailed data on the composition of the WTO workforce by membership and gender, as well as the evolution of staff diversity by Member and regions since 1995. It also contains statistics on staff recruitment and gender balance. Issues of diversity, inclusion, and gender are being actively addressed through workshops and campaigns at the WTO.
- 4.17. The <u>Chairperson</u> proposed to take action on the reports and recommendation as referred to by the Chairperson of the Budget Committee.
- 4.18. The General Council (i) <u>approved</u> the Budget Committee's specific recommendations in paragraph 4.16 of the report contained in <u>WT/BFA/213</u>; (ii) <u>took note</u> of Ambassador Waldmann's statement; and (iii) <u>adopted</u> the reports contained in <u>WT/BFA/213</u>, <u>WT/BFA/214</u> and <u>WT/BFA/215</u>.

## **5 OTHER BUSINESS**

- 5.1 European Deforestation Regulation EUDR Request by Honduras, on behalf of Argentina; Bolivia; Brazil; Colombia, Dominican Republic, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru
- 5.1. The <u>Chairperson</u> recalled that the delegation of Honduras requested to make a statement under "Other Business", on behalf of a group of Latin American Members with regard to a paper on deforestation that they were currently working on ahead of the December General Council meeting.
- 5.2. The representative of <u>Honduras</u>, on behalf of the delegations of <u>Argentina</u>, <u>Bolivia</u>, <u>Brazil</u>, <u>Colombia</u>, the <u>Dominican Republic</u>, <u>Guatemala</u>, <u>Honduras</u>, <u>Mexico</u>, <u>Panama</u>, <u>Paraguay and Peru</u>, delivered the following statement:
- 5.3. Our countries reaffirm their commitments to environmental objectives and principles. In particular, we emphasize very strongly our commitment to combating deforestation and forest degradation. However, we are concerned about how the European standard addresses these issues. We find it regrettable that it does not take into account local specificities and capacities or domestic laws.
- 5.4. Let me report that we will circulate a communication and request the inclusion of a specific item on this topic at the next meeting of the General Council. In this regard, we extend a warm invitation to Members interested in this topic to join in incorporating their concerns. At the same time, we urge the European Union to work with its trading partners to find mutually satisfactory solutions to these concerns.
- 5.5. The representative of <u>Argentina</u> delivered the following statement:
- 5.6. We are convinced that the European legislation can be improved to adequately reflect local circumstances, national legislation, and certification mechanisms in developing countries. We strongly believe that a fair and collaborative approach is always more constructive when implementing "one-size-fits-all" solutions. Indeed, we advocate a collaborative approach to addressing global challenges such as climate change, loss of biodiversity and pollution, while recognizing the specificities of our country and developing countries. Argentina reiterates its commitment to the 2030 Agenda for Sustainable Development, its goals and multilateral environmental goals. In this context, we believe that our efforts and achievements as regards the sustainability of national agri-food systems deserve fair recognition.
- 5.7. Given our role as partners of the European Union in multilateral environmental forums and the WTO, we hope that the directives for the implementation of the legislation and risk assessment are developed by the European Commission through cooperation and consultation. In particular, we believe that in this process, the European Commission has the opportunity to consider the challenges that a unilateral regulation like the Regulation on Deforestation-free products (EUDR) poses to developing countries, especially to their small producers, which is an issue that was not taken into account in the drafting of the Regulation.

- 5.8. Argentina strongly believes in the sustainability of its bovine, soybean and timber production. We value dialogue as a means of ensuring recognition of the environmental achievements of our agri-food system, which is supported by national regulations and certification systems that merit adequate consideration. Therefore, with a view to promoting forums for dialogue that allow us to listen to one another and find solutions to our differences, we support the inclusion of the proposed item in the agenda of the General Council meeting on 14-15 December 2023. We believe it is essential to address this issue comprehensively and collaboratively in a competent forum involving all interested parties.
- 5.9. The representative of <u>Ecuador</u> delivered the following statement:
- 5.10. Ecuador is one of the 20 countries that signed the letter sent to the European Union in Brussels last August expressing deep concern over the deforestation regulation that will enter into force in December 2024. We echo the statement delivered by Honduras and reiterate the concerns about the trade and socio-economic flaws in the European regulation. We hope, as indicated in the statement, that a collaborative dialogue will enable us to resolve the issues raised, cover the sustainable development agenda and adequately address the considerations and concerns of developing countries. Ecuador, in coordination with fellow Latin American countries and countries from other regions that signed the August 2023 communication, will continue to follow-up on this issue and on the relevant steps taken at the WTO and in other forua.
- 5.11. The representative of Brazil delivered the following statement:
- 5.12. We thank the delegation of Honduras for introducing this item and for its intervention on behalf of a number of Latin American countries. Our concerns on this matter are well-known and have been repeatedly voiced both in bilateral and multilateral settings. Foremost among them is the possibility that the EU Regulation will hinder rather than contribute to our efforts against deforestation. Deforestation is an issue that requires a multidimensional approach. Law enforcement against illegal deforestation is necessary, but equally important is to make alternative means of livelihood available to the millions of people that live near forests.
- 5.13. This involves creating enabling conditions and the necessary revenue streams for them to prosper and, at the same time, adopting sustainable use of the forest's resources. The European Regulation focuses solely on trade restrictions. Its benchmarking system will discriminate between producers based on criteria unilaterally set by the EU. This unilateral, top-down approach will disrupt supply chains and transfer costs upstream. If the EU genuinely aims for cooperation with producing countries, these concerns must be addressed meaningfully. We reiterate our call for the EU to abide by the multilateral trade rules of the WTO.
- 5.14. The representative of <u>Thailand</u> delivered the following statement:
- 5.15. Chairperson, I will follow your guidelines that we should not comment extensively on the substance, so I would like to thank you, the distinguished representative from Honduras who introduced the issue on behalf of the Latin American Members. Thailand is one of the 17 that signed a joint letter in response to the European Union's Regulation on Deforestation-free products (EUDR) in Brussels. We have already brought to attention of Members this issue at the Committee on Agriculture meeting. Thailand does not doubt that the EU regulation is actually well-intended, but it has nevertheless caused concerns in many developing countries, including Thailand, and we would like to emphasize that we strongly support efforts to reduce deforestation and protect the natural environment.
- 5.16. But we believe that the one-size-fits-all approach is unlikely to deliver best results and violates the principles of common but differentiated responsibilities. From our point of view, the EUDR is projected to have heavy impact on variety of type agricultural products, particularly rubber, some food industries as well as furniture which are all high value export to the EU. I would just end by thanking Honduras, as well as other colleagues who have spoken before me, and we support to discuss this issue in the future deliberation of the General Council.

- 5.17. The representative of <u>Malaysia</u> delivered the following statement:
- 5.18. As one of the popular actors in the deforestation drama, Malaysia is excited to engage with the proponents and the relevant parties and look forward to contributing our views in this important issue. I believe it is appropriate to bring this issue to the General Council, as we recognize the importance of sustainability and green initiative, most importantly its implementation issues, which were intensively discussed during this year's WTO Public Forum. Furthermore, we also endorse this topic as one of our priorities by allocating a dedicated session during the recently concluded SOM. We look forward to receiving the communication.
- 5.19. The representative of <u>Indonesia</u> delivered the following statement:
- 5.20. Indonesia would like to thank Honduras and other likeminded Members for bringing attention to this important agenda item. Indonesia has been closely monitoring the unfolding development of the EU's Deforestation and Forest Degradation policy. We continue to hold the view that this regulation, which imposes a set of rules for a wide range of commodities *presumably* associated with deforestation and forest degradation remains potentially trade discriminatory in nature. Indeed, with the implementation of such regulation, selective commodities such as cattle, cocoa, palm oil and its derivatives, soy, wood, leather, chocolate, furniture, rubber, charcoal, and printed products will be subject to a special mandatory due diligence mechanism. Not only that, we also view that the ever-stringent sustainability criteria imposed by this regulation tends to be discriminatory and punitive in nature. It will eventually curtail our market access to Europe. It might also cause serious disruption to the global supply chain of the said commodities.
- 5.21. At the same time, we are not yet convinced that such measure will create a long-lasting and meaningful impact to the on-going global efforts of saving more forests of the world. Instead, what is clearer at present are the obstacles for small scale producers and developing Members in both meeting such criteria and enabling their products to enter the European market. Taking into account these unaddressed growing concerns, and in line with the joint letter dated 7 September 2023 from producing countries addressed to the high officials of the European Union, we urge the EU to continue their open dialogue and outreach activities, especially those involving producing countries on this issue. More importantly, the EU needs to show that these valid concerns from developing members are being fully taken into consideration. We need more concrete measures and policies to cushion the impacts from such sustainability demand, especially in terms of providing more support and resources for small-scale producers to achieve sustainability goals. Going forward, Indonesia stands ready to engage constructively on this issue on various related committees in WTO, including but not limited to Committee of Agriculture and Committee of Trade and Environment.
- 5.22. The representative of <u>Australia</u> delivered the following statement:
- 5.23. The concerns raised by the Latin Group here today raise an important issue. We want to take this opportunity to draw to Members' attention another effort to outline a positive vision for the relationship between trade and sustainability. In September the Cairns Group submitted a paper to the Committee on Agriculture called "The Contribution of the Multilateral Trading System to Sustainable and Resilient Agriculture and Food Systems" (G/AG/GEN/222/Rev.1).
- 5.24. The statement made a few key points. First, agricultural import measures put in place in the name of environmental sustainability purposes should not be unnecessarily trade restrictive. Second, there is no 'one size fits all' approach when it comes to achieving environmentally sustainable food security. Third, unilateral approaches risk an undermining of the rules-based multilateral trading system. Sustainability-related trade measures need to be science- and evidence-based and focused on achieving environmental outcomes. We take this opportunity to extend an invitation to all interested WTO Members to work with us on the statement, which we look forward to submitting to the December General Council meeting.
- 5.25. The representative of Nigeria delivered the following statement:
- 5.26. We want to thank Honduras and others for introducing this issue. We engaged the European Union through the African Group on discussion on the deforestation, as well as CBAM, where we raised major concerns on the implications and the impact of some of those policies in our economy.

Therefore, with this introduction, we are supporting of putting it in the next agenda, so that we can holistically discuss the issues and find solutions.

- 5.27. The representative of <u>Canada</u> delivered the following statement:
- 5.28. We believe that the EU deforestation measure is an important issue, and we share many of the concerns raised. We believe this issue is worth substantive discussion. We look forward to discussing, including in the upcoming TBT Committee. Canada will contribute.
- 5.29. The General Council took note of the statements.

## 5.2 Statement by the Chairperson in connection with Administrative Measures for Members in Arrears

- 5.30. The <u>Chairperson</u> recalled that the General Council Procedures for Members and Observers subject to Administrative Measures in <u>WT/BFA/132</u> 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.
- 5.31. Ambassador Bettina Waldmann (Germany), <u>Chairperson of the Committee on Budget, Finance and Administration</u>, delivered the following statement<sup>12</sup>:
- 5.32. The Administrative Measures applicable to Members and Observers in arrears have been in place since 1 March 2013.
- 5.33. In accordance with a decision previously taken by the General Council, I shall state all Members and Observers under all categories of administrative measures.
- 5.34. However, before doing so, I would like to acknowledge a payment received from one Member since my last report to you on 24 July. As a result of this payment, Guinea, which was previously in Category III, is still subject to Administrative Measures but now in Category II. I would also like to take this opportunity to encourage other Members under Category III to make use of the possibility of initiating consultations towards the establishment of a payment plan, if that is helpful to them in meeting their obligations.
- 5.35. Having said that, as of today, 1 November 2023, there are a total of 15 Members and 6 Observers subject to Administrative Measures.
- 5.36. The following four Members are currently in Category I: Afghanistan; Congo; Ghana; and Suriname.
- 5.37. The following four Members are in Category II: Cuba; Dominica; El Salvador; and Guinea.
- 5.38. The following seven Members are in Category III: Antigua and Barbuda; Central African Republic; Chad; Guinea-Bissau; Papua New Guinea; Bolivarian Republic of Venezuela and Yemen. Central African Republic and Chad are not compliant with payment plan terms.
- 5.39. There is one Observer in Category I: Comoros.
- 5.40. The following two Observers are in Category II: Lebanese Republic and South Sudan.
- 5.41. There are three Observers in Category III: Sao Tomé and Principe; Somalia and Syria.

<sup>&</sup>lt;sup>12</sup> The statement by the CBFA Chairperson was subsequently circulated in <u>JOB/GC/370</u>.

- 5.42. 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.
- 5.43. The General Council <u>took note</u> of the statement.

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#### **ANNEX**

## WRITTEN STATEMENTS BY THE DELEGATION OF INDIA – SUBSEQUENTLY SUBMITTED FOR INCLUSION IN THE RECORDS IN ADDITION TO THE ORAL STATEMENTS

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

## A. MC12 - WTO Reform

- (i) Statement by the Chairperson
- Incremental improvements in the day-to-day functioning of the WTO bodies to facilitate the participation of Members therein, by way of reform by doing, are well appreciated. These are well captured in document <a href="https://linear.com/JOB/GC/359">JOB/GC/359</a>. India has also made several suggestions, including as contained in its recent proposal dubbed as 30 for 30.
- WTO Reform must also work on improving conduct of Ministerial Meetings to make the process transparent, inclusive, and conducive to extensive participation developing countries participation and decision-making process.
- We have certain concerns too. Any measures in the name of WTO reform should not:
  - i. alter the rights and obligations of members.
  - ii. impinge or compromise, in any way, on the foundational principles and structure of organisation, including its member driven multilateral character and consensus-based decision making are not comprised.
  - iii. attempt changing the scope of external engagement. External engagements should remain in the confines of the informal forums like Public Forums, seminars, and other informal engagements.
  - iv. further burden the developing countries and LDC in any function/pillar of the WTO, remaining cognizant of their capacity constraints.
  - v. overlook the long pending and mandated agenda to prioritise any new agenda of interest to a few.
- On dispute settlement reform, India strongly favours two-tier dispute settlement mechanism with restoration of appellate body.

## **B. MC12 - Work Programme on Electronic Commerce**

## (i) Report by the Facilitator

# (ii) Reinvigoration of the Work Programme on E-Commerce - Promoting Competition in E-Commerce (WT/GC/W/902/Rev.1) - Communication from India and South Africa

- First, on the Facilitators report we welcome the intensified deliberations under the Work Programme on E-Commerce this year, which have been received very positively by the WTO membership. These discussions have highlighted the critical and yet the complex nature of the digital economy and underscore the need for adopting a "festina lente" or "make haste, slowly" approach.
- We commend the spirited work of the Facilitator Amb. Usha Canabady in convening the work programme dedicated sessions under the auspices of the General Council. We expect this process to cover all mandated WTO bodies as per the original 1998 decision and continue in 2024 and beyond, so that members can benefit from the richness of diverse national experiences.

- Second, let me talk about our latest paper <u>WT/GC/W/902/Rev.1</u> Promoting Competition in E-Commerce. We welcome South Africa as a co-sponsor to this paper. The developed countries' lead in digital infrastructure, easier and cheaper access to capital and skills in data collection, storage and processing has provided a first-mover advantage to their firms in e-commerce. Unlike conventional businesses, e-commerce companies are able to exercise a much wider and deeper span of control over business operations across geographies and business verticals cutting across functions, commodities and services verticals through digital platforms.
- On the other side of the spectrum, the ability of developing countries to export goods and services through e-commerce platforms, or even serve the domestic market through homegrown players, is limited on account of critical limitations such as access to capital and higher cost of capital, maturity and quality of digital infrastructure, level of technological development and logistics maturity.
- Thus, in case of many of these countries, e-commerce businesses are largely run by a few major multinational companies mostly from the developed world. In this new configuration, developing countries and LDCs, in particular may find their data and its associated value capture being concentrated in a few global digital corporations and other multinational enterprises that control the data.
- Digital markets are characterised by platform, intermediation and bottleneck power among other features. The market concentration in this domain often leads to predatory pricing, search bias, self-preferencing, margin squeezing for participants, exclusive arrangements and adverse impact on MSMEs.
- These issues are not specific to the developing countries. Recent regulatory actions in several developed economies like Australia, Canada, the EU, Japan, the UK and the USA show that these concerns are widespread, real and substantive. The recent acknowledgement by the USTR on the need for policy space in digital economy is a welcome endorsement of the position India and other developing countries have taken during the deliberations on E-Commerce since the Buenos Aires ministerial.
- Our paper seeks to understand Members' experiences in promoting competition in digital markets. We ask how Members can enhance cooperation between their regulatory authorities so as to promote competition in E-commerce.
- We welcome deliberations on this paper, which we hope will feed into and inform the decisionmaking process in WTO agenda items related to E-Commerce.

## C. MC12 - Paragraph 8 of the Ministerial Decision on the TRIPS Agreement – Duration of Extended Deadline

- Chair, it is regrettable that we are unable to deliver on such a critical and mandated issue, despite extensive engagement and deliberations on the waiver proposal in the TRIPS Council as well as in GC, for over three years, and after exhausting nearly a year for extended discussions on therapeutics and diagnostics a decision for extension of TRIPS MC 12 eludes us.
- Chair, we must avoid entering protracted and circular discussions, once again on this issue, Members have had sufficient time for completion of their internal processes and consultations and thus, we urge all members to engage with a view to strive for an outcome by the last General Council of this year, if not earlier.

## D. Buenos Aires (MC11), Nairobi (MC10) and Bali (MC9)

• The Agriculture and Food Security session during the Senior Officials Meeting held on 22 and 23 October 2023 clearly highlighted the concern and the importance given by the large number of members, especially the developing country members, to the past Ministerial Decisions, especially to the mandated provided to the Permanent Solution to the PSH and SSM.

- During the three breakout sessions on Agriculture, 88 members made interventions, and nearly 60 members called for a PS to the PSH at the MC 13.
- Food Security is not a non-trade concern; this is clearly borne out in the Agriculture on Agreement. Further, as per the Ministerial Mandates of Bali and Nairobi, the permanent solution to the PSH was to be achieved on a fast-track basis in the dedicated sessions. Unfortunately, even after ten years, his mandate is not honoured by the WTO.
- In the past, we noted that the credibility of the organization will be at risk if it does not deliver on the mandated issues. We had also requested that the compilation of all outstanding decisions of our Ministers be brought before the General Council by the Secretariat so that we are able to track those decisions and take necessary actions.
- But it seems the credibility of the organization, which is on the edge, is not a concern for many who continue to stonewall permanent solutions to the PSH.

In this regard, we wish to mention few points:

- a. One is the clear message our Senior Official delivered in the SOM. We hope the members who object to achieving the Permanent Solution to PSH as per the mandate realize that they are primarily responsible for not achieving any meaningful reforms in Agriculture. The harder they resist the PS to PSH, the longer it will take to initiate the rest of the agriculture reforms.
- b. Two, we see a lot of excitement in the discussions by some members who seem to believe that in order to show progress in our work, we need to produce some declaration or decision at the MC13. Ironically, they want to have more ministerial decisions while at the same time not willing to honour the past ministerial decisions.
- c. WTO is not a phone company to produce a new model each year without any substantial change from the previous model. If past decisions are not honoured, then there is no point in creating new ones.
- d. We also heard a number of delegates speak on the Food Security decision or package-We want to make it very clear we had two decisions on food in MC12. So far, they have not added an additional morsel of grain to the needs of the vulnerable populations and countries. Here we are yet again talking about yet another declaration on Food Security uninhibited.
- e. For India, there cannot be a decision on Food Security without a permanent solution to the PSH. Hence, we have suggested starting with <a href="JOB/AG/229">JOB/AG/229</a> on a permanent solution for public stockholding, a joint proposal of three large groups accounting for more than 80 members.
- f. Some members have said that PSH is one of the solutions to ensure food security and is not the only solution. We agree. In this regard, we have two points to mention.
  - i. One, we never said it was the only solution. We have also acknowledged some other views that state free trade can also play some role in rendering food security, though its impact is minimal. The FAO reports have clearly shown that only 17% of the world's food is traded across borders. Further, during the pandemic time, free trade in agriculture or the so-called agriculture-producing countries failed to rise to the occasion when required. So, according to us, the argument that free trade ensures food security fell flat and square on its face during the past COVID-19 pandemic. On the other hand, the PSH programme of India remained resilient and provided for 800 million people for more than 18 months.
  - ii. Second, Food Security is a non-trade issue, and WTO, with its limited reach of 17%, cannot provide a solution to the global food security needs. Hence, it is only prudent that members recognize this reality and let the PS to PSH be delivered at the MC13;

that is the only way to make progress in the otherwise stalemated Agriculture negotiations in the WTO.

- We always hear in this forum that we should remain fit for purpose, this organization should remain relevant for 21<sup>st</sup> century. But when it comes to agriculture, ERP or SSM we have decided to remain in the 80s and at the 1986 to 88 prices and therefore, anything given above the 1986-88 prices is considered as subsidy.
- And for that reason, if Indian farmers get more than \$3 per 100 kg of rice, and more than \$4 per 100 kg of wheat that becomes subsidy and that subsidy has to be reported to WTO, if we want to invoke peace clause. It is in this context that India is reporting for last four years, and members should not take this as a joke, because none of us will be able to get even 10 kg of rice in \$3, forget 100 kg of rice and even 10 kg of wheat in \$4 even in Geneva.
- The design and implementation of PSH have helped India maintain food security not only for 1.4 billion of our own people, but the overall production has enabled us in helping the needy countries.