

**Informal Open-ended Meeting of the General Council
On the Work Programme on Electronic Commerce
Monday 10 February 2020**

Thank you Chair for organising this meeting and for the meeting held earlier in January under the Work Programme on Electronic Commerce.

2. In December 2019, India joined the consensus on the six-month extension of the ecommerce moratorium with the understanding that the Work Programme on Electronic Commerce will be reinvigorated with the specific objective of achieving clarity on issues related to the scope of the moratorium, the definition of electronic transmissions, identification of products which are covered under the moratorium as well as its impact. You may also recall that these were the main issues highlighted in our two joint submissions with South Africa on the moratorium.

3. Based on the identification of a small number of digitizable products in five areas, namely, printed matter, music downloads, video downloads, software and video games, the UNCTAD estimated an annual loss in tariff revenue of more than \$10 billion globally because of the moratorium. Of this loss, 95 per cent is borne by developing countries! These estimates were confirmed by the UNCTAD Trade and Development Report of 2019. It is also important to keep in mind that the estimate of \$10 billion as the potential tariff revenue loss per annum is only the tip of the iceberg, as this estimate is based on only a small number of 49 HS-6-digit products.

4. As more products are getting digitized with the advent of industry 4.0 and the advance of 3D printing technologies, in the near future, this estimate of fiscal revenue foregone would snowball. The moratorium will also erode the existing GATT bound rates, which are typically higher in developing countries, and bring them to zero for digitized products, thereby removing an important tool which developing countries have to protect their industries. This could have a catastrophic effect on the ability of developing countries to protect their nascent domestic digital industries resulting in loss of jobs and consequent destitution of large numbers.

5. Coming to the issue on how to structure our discussions in the run up to MC12, we have an open mind. We understand there is broad agreement that the meetings of the General Council should be supplemented by workshops. These workshops should provide an opportunity to all the leading researchers from the UNCTAD, ECIPE the OECD and even the WTO Sectt to make presentations and participate in deliberations on the critical issues related to scope of the moratorium, the definition of ET and identification of products which are covered under the moratorium together with its impact. In terms of the number of such events and their timings, we should aim to have at least 2 informal open-ended dedicated meetings of the GC, one in the end of March or thereabouts and the other in the end of April. The proposed workshop could be a 2-day event scheduled between

the 2 open-ended GCs, say in early or mid-April. Time permitting, we could also do another workshop after the meeting of the GC scheduled in May 2020. In addition, in the coming weeks, we also look forward to new submissions from Members, from researchers and from other international organisations that can contribute to our understanding of the issues associated with the ecommerce moratorium.
