

General Council Meeting

March 4, 2021

Statement by India – Delivered by Ambassador & PR to the WTO

Agenda Item 14: REVIEW OF WTO ACTIVITIES – REPORT OF THE WORKING GROUP ON TRADE, DEBT AND FINANCE (WT/WGTDF/19)

Thank you, Chair.

2. We wish to thank Ambassador Rashidi Said of Malaysia for his Report to the General Council on the deliberations of the Working Group on Trade, Debt and Finance during the year 2020, as contained in the document WT/WGTDF/19.

2. The deliberations of the Working Group and its Report have clearly established the significant impact of COVID-19 on the availability of trade finance and its disproportionate impact on the Micro, Small and Medium Enterprises (MSMEs), particularly in developing countries and LDC's.

3. These are unusual times and they warrant unconventional and innovative mechanisms from the policy makers to tide over this crisis being faced in the area of trade finance.

4. The growing gap between demand and supply of trade finance has particularly affected micro, small and medium-sized enterprises (MSMEs) and businesses in developing countries, with adverse implications for jobs and incomes.

5. It may seriously impede the ability of trade to support post COVID-19 economic recovery. The WTO, which bears responsibility to contribute to the efforts to revive global economy through global trade needs to play an active role, together with other international organizations for the revival of the complex links and networks involved in the trade finance market in order to keep finance flowing for trade.

6. In this regard, we noted with interest the joint statement issued by the heads of the WTO and six multilateral development banks in July 2020, promising to address shortages in trade finance, so that financial market stresses arising from the COVID-19 crisis do not prevent otherwise-viable trade transactions, including for essential goods such as food, drugs and medical equipment. We are keen to learn how the joint statement has contributed to WTO's work on this important issue.

7. We were also pleased to note the call made by DDG Alan Wolf, at the G-20 Summit last year on the need for the G-20 to make efforts to secure

trillions of dollars in trade finance for developing countries to ensure the global economy recovers from the COVID-19 pandemic. Similarly, we are encouraged by the interest shown by the incoming DG Dr. Ngozi to focus on this issue. Given her background in development economics and experience in multilateral financial institutions, she can make a difference on this matter.

8. Chair, before I conclude I wish to reiterate that WTO needs to focus on this issue more than ever and we look forward to more engagements and efforts at the WTO in the coming months.

I thank you, Chair.
