

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

Agenda Item 7: WORK PROGRAMME ON ELECTRONIC COMMERCE AND MORATORIUM ON IMPOSING CUSTOMS DUTIES ON ELECTRONIC TRANSMISSIONS – REQUEST FROM INDIA

Thank you, for giving me the floor. Chair, I also thank you for engaging with Members on this subject, both through bilateral consultations and for organizing an informal open-ended General Council meeting on this subject on 29 May, 2021.

2. Chair, as stated by India earlier, the digital revolution is still unfolding. While digital infrastructure has played its role during the ongoing pandemic, it has also brought out clearly the existing, and widening digital divide among Members, a divide exposed further during the COVID-19 crisis. Moreover, many of us are yet to fully comprehend; the implications of e-commerce on competition and market structures; issues related to transfer of technology; data storage; automation and its impact on traditional jobs; and the gaps in e-commerce policy and regulating frameworks in developing countries. That is why, India has been a proponent of strengthening the multilateral work under the non-negotiating and exploratory 1998 Work Programme on e-commerce.

3. Under this multilateral Work Programme and with the intention of better understanding the implications of the moratorium on customs duties on electronic transmissions, India along with South Africa has introduced submissions, which explain our understanding of the scope and the impact of the moratorium.

4. In December 2019, we had joined the consensus for a six month extension of the moratorium, with an understanding that the Work Programme on Electronic Commerce will be reinvigorated, with an objective of achieving clarity on various issues, including the scope of the moratorium and its impact on Members' policy space and revenues. Since then, due to repeated postponement of the 12th Ministerial Conference, the moratorium has got extended by about two years, that is much beyond the six months agreed to in December, 2019. Chair, during these few months upto MC12, we need to constructively engage on various issues under the Work Programme. We also need to have a clear understanding about the scope of the moratorium, to enable us to make an informed decision on its extension or otherwise in the upcoming Ministerial Conference.

5. Multilateralism is vital in a world facing development challenges, and through constructive discussions under the multilaterally mandated Work Programme, the WTO has a unique opportunity to contribute towards an

General Council Meeting
05 - 06 May,2021

inclusive and development-oriented approach to electronic commerce. In this context, India along with South Africa has also circulated a paper WT/GC/W/812, seeking a key role of the General Council in discussions under the Work Programme.

6. Chair, para 1.2 of the Work Programme provides that this Council shall play a central role and keep the work programme under continuous review through a standing item on its agenda. We accordingly, urge you to ensure that the Work Programme is kept as a standing agenda item for the meetings of this Council, and also to ensure that this Council takes up consideration of various trade-related issues of cross-cutting nature, including the imposition of customs duties on electronic transmissions. We also need to ensure that, as mandated under paragraphs 2 to 5 of the Work Programme, the relevant WTO bodies do engage constructively and report to this Council on issues assigned to them under the Work Programme, including on the issue of challenges to and ways of enhancing the participation of developing countries in electronic commerce, in particular as exporters of electronically delivered products; role of improved access to infrastructure and transfer of technology, and of movement of natural persons; use of information technology in the integration of developing countries in the multilateral trading system; implications for developing countries of the possible impact of electronic commerce on the traditional means of distribution of physical goods; and financial implications of electronic commerce for developing countries.

7. Chair, we are working with likeminded Members to introduce submissions in all the relevant WTO bodies, to engage in constructive discussions on a non-negotiating basis. We also urge Members to constructively engage in discussions on the Work Programme, here in this Council and in other relevant WTO bodies.

I thank you Chair.

Statement at the End of Discussion on the agenda item:

Thank you, Chair for giving me the floor again.

2. India would also like to thank Members for the engagement today on this agenda item. The interest shown by Members highlights the benefits of having this issue as a standing item in the agenda for this Council meetings. Chair, at the cost of repetition, we would also like to take this opportunity to urge the Membership to actively and constructively engage in discussions on Work Programme on e-Commerce, here in this Council and in the other relevant WTO Bodies, including on the issue of the moratorium on imposition of customs duties on electronic transmissions, its scope and coverage; its implications in terms of revenue foregone and policy space and development. Without knowing the scope, impact and definition, how are we going to guide/advise our Ministers for a decision on this crucial issue in MC12?

3. Chair, It is also interesting to see that while the proponents of the continuation of the moratorium passionately seek continuance of special and differential treatment for digital trade viz-a-viz physical (conventional) trade of goods, they do not see similar merit in special and differential treatment for developing Members in the ongoing fisheries negotiations. It would be helpful to know for how long a fast growing and efficient sector like digital trade will need crutches like a moratorium on customs duty.

4. We often hear need based case by case approach while discussing special and differential treatment (S&DT) under fisheries negotiations or LDC graduation proposal or G90 proposal on S&DT. Similarly, we hear about evidence based discussion on the TRIPS waiver proposal. But the same principle of need based, evidence based and case by case approach are missing seeking extension of moratorium on customs duty on electronic transmissions. We need to revisit “Duty Free Quota Free access” in the name of Moratorium for developed countries. Certainly growth in digital trade is not reliant on moratorium but loss in revenue and impact on domestic digital industry is a fact.

5. In view of the above, we believe that the General Council needs to continue structured and thematic discussions under the mandated Work Programme; direct that the E-commerce Work Programme be a standing item on its agenda and the agenda for relevant WTO bodies mandate to do so under WT/L/274. The General Council should also play a central role in these discussions and keep the Work Programme under regular review and take up consideration of any trade-related issue of cross-cutting nature as entailed in the 1998 Work Programme. These may include; developmental aspects of electronic commerce; scope, definition and impact of the moratorium on customs duties on electronic transmissions; and examination of the challenges experienced by developing countries and LDCs in relation to electronic commerce and explore ways of enhancing their participation in electronic commerce.

General Council Meeting
05 - 06 May,2021
