

**General Council Meeting
(07-08 October 2021)**

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

Agenda Item 6. Work programme on Electronic Commerce and moratorium on imposing customs duties on electronic transmissions – request from India and South Africa

1. India thanks the Chair for keeping this Work Programme discussion on the agenda and also engaging bilaterally for consultation on September 20. We will like to reiterate that the world is still fully grasping the impact of digital technologies becoming widespread. India has been a proponent of strengthening our multilateral work under the non-negotiating and the exploratory 1998 Work Programme on e-commerce.

2. Under this multilateral Work Programme and with the intention of understanding the implications of the moratorium on customs duties on electronic transmissions, India along with South Africa has been introducing submissions in various WTO forums, which explain our understanding of the scope and impact of the moratorium. We have been seeking clarity on the scope of the moratorium without which it is difficult for us to advise our political leadership on the issue.

3. The moratorium has substantial impact both in terms of revenue and policy space and the ability to support industrialization, where bulk of the brunt is borne by the developing countries, while the benefit largely goes to a few Members. largely a few developed countries. There have been suggestions to substitute tariffs by non-discriminatory internal taxes. But these suggestions do not address the associated concerns, as the two are not exact substitutes of each other. The latter option also does not address the issue of erosion of policy space and ability to support domestic industrialization. Evidence of last 1-2 years show that growth in this sector is not independent on moratorium.

4. It is incumbent upon the proponents of moratorium extension to establish a clear and direct link providing evidence that the moratorium on customs duties on electronic transmissions has had a substantive positive impact on the development of E-Commerce around the world. We advocate an evidence based, data backed decision on this subject. This will also help us understand how the growth of this sector depends on the extension of the moratorium and how will it be affected if the moratorium is not renewed.

5. Let us recollect that in December 2019, we had joined the consensus for six months extension of the moratorium, with an understanding that the Work Programme on Electronic Commerce will be reinvigorated. The intent was to clearly understand the scope of the moratorium and for the Work Programme to underscore the impact of the moratorium on Members' policy space and revenues. However due to the ongoing pandemic situation, the moratorium has lasted up until the Ministerial Conference - 12 but unfortunately despite the availability of time, we have not seen much of the progress in discussions on

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Work Programme on Electronic Commerce. This is an unfortunate delay, one that the world can no longer afford given how the digital world is rapidly evolving. We reiterate our ask made in the previous General Council meeting that we need a clear understanding on the scope of the moratorium and an informed, data-led, evidence-backed decision on the extension or otherwise on the moratorium in the upcoming ministerial conference.

6. We firmly and categorically emphasize the importance of Multilateralism in a world that faces volatility, uncertainty, complexity and ambiguity. The WTO has a unique opportunity to make a contribution towards an inclusive and development-oriented approach to electronic commerce rather than letting a few Members drive outcomes which may be prejudicial to the global interests. In this context, India along with South Africa has also circulated a paper WT/GC/W/812, which seeks this Council to play a central role in discussions on the Work Programme; keep this item under regular review; take up any trade-related issue of a cross-cutting nature; continue structured thematic discussions in the General Council through various platforms.

7. Para 1.2 of the Work Programme mandates that this Council shall play a central role in the whole process 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 items for the meetings of this Council. We also need to ensure that, as mandate under paragraphs 2 to 5 of the Work Programme, 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.

8. India remains open and eager to work on the rejuvenation of the Work Programme on E-Commerce and work with all likeminded members to drive a constructive outcome in a space which will fundamentally influence how the world operates in the times to come. We urge all Members to support this Work Programme and come together for joint global good.
