

**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**

Chair, we thank you for your efforts and your report. Chair, the digital revolution is still unfolding. While digital infrastructure has played a critical role during the ongoing pandemic, it has also brought out clearly the existing, and widening digital divide among Members, a divide exposed further during COVID-19 crisis. Moreover, many of us are yet to fully comprehend; 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 gaps in e-commerce policy and regulating frameworks in developing countries including LDCs. That is why, India has been a proponent of strengthening our multilateral work under the non-negotiating and 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 introduced submissions, which explain our understanding of scope and impact of the moratorium.

3. Chair, we believe it is important for Members to review the 1998 decision to have a moratorium on Customs duties on electronic transmissions. We are all aware that this decision was taken with no consensus on the scope of the moratorium and no notion on how the digital revolution would unfold. 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, to achieve clarity on various issues, including the scope of the moratorium and its impact on Members' policy space and revenues. Since, then due to repeated postponements of 12<sup>th</sup> Ministerial Conference, the moratorium has got extended by about two years, that is much beyond six months initially agreed to in December, 2019. However, we have not seen much progress in the discussions on Work Programme on Electronic Commerce. Chair, during the coming few months before MC 12, we need to engage constructively on various issues under the Work Programme. We also need to have a clear understanding on the scope of moratorium, to enable us make an informed decision on extension or otherwise of the moratorium in the upcoming Ministerial Conference.

4. As we have been repeatedly highlighting, a re-consideration of the moratorium is critical for developing countries, inter alia, to preserve policy space to regulate imports, generate revenue through a simple and direct instrument such as customs duties and achieve digital industrialization. Some Members have opined that the moratorium has brought about significant benefits in terms of

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increasing digitalisation and development of the digital economy. We request the proponents of the moratorium to provide specific evidence that the development of this sector depends on the moratorium and that its withdrawal will disrupt it. In our view, the cost of the moratorium is mainly borne by the developing countries for extending duty free quota free market access, largely for the developed countries. We, therefore, need further discussions on this issue.

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

6. 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.

7. Chair, we are working with likeminded Members to introduce submissions in all relevant WTO bodies, to engage in constructive discussions on 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.

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