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**General Council
16-18 December 2020**

MINUTES OF MEETING

HELD IN VIRTUAL FORMAT ON 16-18 DECEMBER 2020

Chairperson: H.E. Dr. David Walker (New Zealand)

On behalf of the General Council, the Chairman extended deep condolences to the delegation of Eswatini and through them to the Government and People of Eswatini for the demise of the Prime Minister of the Kingdom of Eswatini, His Excellency, the Right Honourable Prime Minister Ambrose Mandvulo Dlamini. The representative of Eswatini spoke.¹

The Chairman bade farewell to H.E. Mr. Mohammad Qurban Haqjo (Afghanistan), H.E. Dr. Zhang Xiangchen (China), H.E. Ms. Katrina Naut (Dominican Republic), H.E. Mr. Alaa Youssef (Egypt), H.E. Mr. Yusupha Alieu Kah (The Gambia), H.E. Mr. Penda Naanda (Namibia) and H.E. Mr. Dennis Shea (United States) and to H.E. Ms. Sunanta Kangvalkulkij (Thailand), the 25th Chair of the WTO General Council and expressed appreciation for their valuable contribution during their time as Permanent Representatives.

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² The proposed agenda was circulated in document WT/GC/W/813.

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1 REPORT ON INFORMAL TNC AND INFORMAL HODS MEETINGS

1.1. The Chairman recalled that, on 14 December, the Informal TNC and Informal Heads of Delegation meetings had been convened by the four Deputy Directors-General in coordination with him as General Council Chair. They continued in line with the understanding that had been reached at the July meeting of the General Council – that reflecting the existing and appropriate boundaries of governance, the Deputy Directors-General would undertake their responsibilities in close consultation with Members, where relevant, as represented by the General Council Chair.

1.2. Deputy Director-General Karl Brauner, representing all DDGs, had chaired the meeting and had provided a report on recent activities. The Chairs of 5 Negotiating Bodies had made reports on progress in their respective areas, and 60 delegations had taken the floor. As per past practice and as also indicated on 14 December, the report of the Deputy Director-General and the reports of the Chairs of negotiating bodies would be included in the minutes of the General Council meeting. Statements delivered by delegations would also be included in the minutes unless delegations indicated otherwise.

1.3. The representative of El Salvador, on behalf of Guatemala, Honduras, Panama, the Dominican Republic and El Salvador, said that 2020 had been a year full of challenges and had turned the world upside down. Work in the WTO was no exception. The pandemic had not only impacted the course of Members' discussions but had also postponed the achievement of their objectives – changing the way they did things perhaps even permanently. Despite the current circumstances, Members had learned to be resilient and had found creative ways of communicating and having discussions in order to continue WTO work.

1.4. They regretted that Members had not been able to conclude the fisheries subsidies negotiations. Nonetheless, they appreciated the leadership and tireless efforts of the NGR Chair and all Members which had made it possible to make some progress throughout the year. That progress was reflected in the consolidated text Members had on the table. They hoped that Members could pick up on those discussions in January and that they could be able to continue to participate actively in the meetings already planned for the first month of the new year.

1.5. While 2021 was not going to be free of challenges, it would offer opportunities to redouble Members' efforts to achieve objectives laid out prior to the pandemic. The stakes were high. Members' constructive dialogues and discussions in building bridges and finding solutions would be crucial in appointing the new Director-General, ensuring the success of the next Ministerial Conference, and finding a solution to the impasse on the Appellate Body. They were committed to making constructive contributions in all areas of discussion which included the ongoing negotiations, joint initiatives to which they were part of and the reform work. All of those would contribute to strengthening the multilateral trading system and would offer benefits for all Members and promote the development of their people.

1.6. Guatemala, Honduras, Panama, the Dominican Republic and El Salvador commended the Chair and the DDGs in leading the work in the organization despite the challenges. They also thanked the Troika for their efforts throughout the DG Selection Process and the Chairs of all WTO Bodies, the Secretariat and all delegations for their efforts and commitment to the multilateral trading system. They hoped that the new year would be full of success for everybody at a personal and professional level and that Members would be able to rise to all of the challenges on the horizon in order to reap the fruits of their work done throughout the years.

1.7. The representative of Oman noted that those were challenging times that required solidarity and cooperation from all Members. COVID-19 had affected all aspects of their lives. It had forced countries to reconsider their priorities and review their development plans for the next years making human life and human health top priorities together with employment, education and social welfare. Trade finance and resilience of national economies were policy objectives for economic revival. At present, the Government of Oman was handling two challenges at the same time: the low oil prices and the COVID-19 pandemic. Both had huge impacts on Oman's economy. Like everywhere else, all sectors had been greatly affected and many people had lost their jobs.

1.8. COVID-19 had added more challenges to the limited resources of developing countries. The pandemic showed the gap in their digital infrastructure when people had to work from home and

students had to do virtual schooling. Connectivity issues and lack of skills had been obvious. Many SMEs had lost their businesses. But despite all that, some SMEs had used the crisis as an opportunity to create or improve their websites, marketing tools and skills. The pandemic had increased the role of e-commerce and the need for people to benefit from the new mode of trade not only as users and consumers but also as producers. Members should benefit from the big amount of data that was generated in their countries and from its economic value. In order to do so, they should intensify their work on the Work Programme on Electronic Commerce next year to achieve the desired results.

1.9. On fisheries subsidies negotiations, despite technical difficulties associated with remote participation, Oman had tried to actively engage in the negotiations. Any outcome in those negotiations should stay true to the SDG 14.6 mandate and be in keeping with all established principles of the covered agreements. Ensuring SDG 14.6 should not be at the expense of attaining other SDGs. The cure should not be worse than the disease. Regular fisherfolks who relied on government support for their livelihoods and those of their families and communities should be given special consideration. The disciplines should not punish the individuals and communities who oftentimes operated under harsh circumstances. Too many of those communities not receiving support would mean no work and no money and would ultimately lead to more poverty. That would impede the attainment of SDG 1 which aimed at ending poverty in all its forms everywhere by 2030.

1.10. Members should do all they could so that they would not solve a problem by creating a new one. In the same vein, the development gap between countries could not be ignored and should be taken into account. Any outcome should preserve appropriate S&DT according to the mandate and Members' needs. As Members were nearing the end of the year, Oman hoped that when the Negotiating Group on Rules resumed its work next year, that Members would kick off the new year with a renewed sense of commitment, energy and cooperation. On agriculture, the pandemic showed the importance of food security. Countries should restrain from taking any measures that could have an international impact on the price of and access to food.

1.11. The representative of Cambodia associated with the statements made by the LDCs and ASEAN during the 14 December Informal TNC and Informal HODs meetings. Cambodia commended the Chair for his efforts and hard work especially for his contributions during that difficult period, and the DDGs and the Chairs of Negotiating Groups for their efforts to move the negotiations forward.

1.12. The General Council took note of the report³ of Deputy Director-General Brauner, representing all DDGs, on 14 December, and of the statements that day⁴ as well as those delivered at the 14 December Informal TNC and Informal HODs meetings.⁵

2 IMPLEMENTATION OF THE BALI, NAIROBI AND BUENOS AIRES OUTCOMES – STATEMENT BY THE CHAIRMAN

2.1. The Chairman recalled⁶ that the item remained on the agenda so that the General Council could continue to follow up, in a horizontal and transparent manner, on the Ministerial decisions adopted in Bali, Nairobi and Buenos Aires. As always, his statement that day was based on the information provided by the Chairs of the regular bodies on the implementation work taking place further to

³ Deputy Director-General Brauner's report, representing all Deputy Directors-General, (also circulated in document JOB/TNC/89) and the reports of the Chairs of Negotiating Bodies at the 14 December Informal TNC and Informal HODs Meetings are incorporated in the minutes of this meeting and are reproduced in Annex 2 of this document.

⁴ See Footnote 7 and Annex 4.

⁵ The statements at the 14 December Informal TNC and Informal HODs Meetings by the following delegations are incorporated in the minutes of this meeting and can be found in Annex 3 of this document: Morocco; Switzerland; Uruguay (Informal Working Group on MSMEs); Jamaica (ACP); Egypt; Tunisia; Nigeria; Chinese Taipei; Chile (Structured Discussions on Investment Facilitation for Development); Senegal; Singapore; Republic of Korea; Norway; Barbados; Iceland (Informal Working Group on Trade and Gender); Turkey; Australia (Joint Statement Initiative on Electronic Commerce); Chad (LDCs); Guyana (CARICOM); United States; Philippines; Brazil; Panama (Article XII); Russian Federation; Paraguay; European Union; Costa Rica (Joint Initiative on Services Domestic Regulation); Hong Kong, China; Afghanistan; India; Japan; Thailand; Nepal; Botswana (African Group); Viet Nam (ASEAN); Colombia; Mozambique; Canada (Ottawa Group); Mexico; Uganda; China; Montenegro; Malaysia; South Africa; Fiji; Pakistan; Tanzania; New Zealand; Peru; Vanuatu (Pacific Group); Kingdom of Saudi Arabia; Indonesia; Republic of Moldova; Argentina; Ecuador; Mauritius; Mongolia; Bangladesh; Bolivarian Republic of Venezuela and United Kingdom. The concluding remarks of Deputy Director-General Brauner is also included in Annex 3.

⁶ The Chairman's statement was circulated in document JOB/GC/249.

Ministerial mandates in their respective areas. He also pointed out that matters related to the Work Programme on Small Economies, and the Work Programme on Electronic Commerce would be taken up in the separate agenda items.

2.2. In the area of Agriculture, the Committee on Agriculture had continued its follow-up on the Bali TRQ Decision at its recent November meeting, in light of the recommendations of the review approved by the General Council last year. The Committee had also considered the proposed TRQ underfill Tracking Register. He understood that, given some concerns expressed on the existing scope of the underfill mechanism, the approval of the draft tracking register had been deferred to a future meeting of the Committee – when the mechanism was actually invoked.

2.3. As regards the Bali Decision on Public Stockholding for Food Security Purposes, the notification presented by a Member subsequent to its invocation of the Decision had continued to be reviewed by the Committee at its November meeting, based on Members' written questions.

2.4. Turning to the LDC Services Waiver, in October, the LDC Group had proposed that the Council for Trade in Services organized a webinar to bring together LDC service suppliers and consumers of LDC services in Members having granted preferences under the LDC Services Waiver. Just before the CTS meeting of 4 December, the LDC Group had circulated a suggested outline for the webinar. Members had generally found that it had provided greater clarity about the objective and scope of the webinar and had expressed broad support for an event that would enable an exchange of information and experiences. The Council had agreed that the Secretariat would prepare a draft programme for the webinar to be submitted to Members for consideration and further views.

2.5. On Preferential Rules of Origin for LDCs, at the November meeting of the Committee on Rules of Origin, several aspects of the Bali and Nairobi Ministerial Decisions had been discussed. Members had considered a Secretariat note on the utilization rates and two submissions by the LDC Group. The first had reiterated the LDC preference for rules of origin based on the value "of non-originating materials", as noted in the Nairobi Ministerial Decision. In the second submission, the LDC Group had called for an intensification of the examination work of the Committee on Rules of Origin, the identification of best practices and the preparation of a report to be submitted at MC12. In line with the Decision, Members had conducted an "annual review" of developments in the area and had adopted an annual report for the General Council to take note of – that was contained in document G/RO/91, to which he drew Members' attention.

2.6. Regarding Duty-Free Quota-Free market access for LDCs, at its November meeting, the CTD had undertaken its annual review of the steps taken to provide DFQF market access to LDCs – as mandated by the Bali Decision. It had once again not been possible for the Secretariat to prepare the mandated report, as divergent views persisted on its scope and coverage. Nevertheless, the annual review had provided the opportunity for some Members to share information on their DFQF schemes for LDCs.

2.7. Concerning the Monitoring Mechanism on Special and Differential Treatment, despite the meeting of the CTD's Dedicated Session which had been held in November, the situation persisted as no written submissions had been made and, as a result, the Mechanism was yet to be operationalized. Additionally, there was still no common understanding on how to proceed with the long overdue review of the Mechanism. The CTD Chair had urged Members to come to a common understanding on the way forward.

2.8. With respect to the Bali Decision on Trade and Transfer of Technology, at a recent meeting of the Working Group, the Chair, on the basis of the consultations he held, had noted that, while delegations had been willing to engage with a view to achieving an outcome on transfer of technology, advancing the mandate would require leadership on the side of the proponents. The African and the LDC Groups had stated their interest in exploring ways to revisit discussions and revive the Working Group's activities.

2.9. Regarding Aid for Trade, earlier in the month, an online briefing session had been organized to provide Members with further information on the Aid-for-Trade Stocktaking Event which would be held on 23-25 March 2021. The purpose of the Stocktaking Event was to collect, discuss and disseminate information concerning Members' Aid-for-Trade needs and responses to the trade-

related challenges triggered by the COVID-19 pandemic. Members had been invited to communicate, by 31 December, details on the sessions they would like to organize.

2.10. And lastly, a brief update concerning the Trade Facilitation Agreement, where the current rate of ratification stood at 93% of the Membership.

2.11. The representative of Chad, on behalf of the LDCs, said that the past decisions taken in favour of LDCs to facilitate and strengthen their integration into world trade were very important, as they recalled on each occasion. The challenge for the LDC Group after the adoption of those decisions was to implement them on the ground, by ensuring a more effective export of goods and services to the rest of developed and developing countries.

2.12. On the services waiver, in favour of LDC suppliers, the LDCs had made submissions and had engaged with the Secretariat and preference granting Members to promote the full operationalization of the preferences offered. A workshop on the matter would be held on March 2021.

2.13. On the decision on preferential rules of origin, significant progress had been made since Nairobi, in particular on transparency. Nevertheless, much remained to be done to implement the substantial part of the Nairobi Decision. The LDC Group had made a number of submissions in the Committee on Rules of Origin which identified the best practices and areas requiring reform to align with the Nairobi Decision. Preference granting Members were called upon to consider the implementation of best practices, as discussed in the Committee.

2.14. Members were called upon to review their duty-free and quota-free market access programmes, in order to take into account, inter alia, the elements stipulated in the Nairobi Decision, to facilitate the effective implementation of duty-free and quota-free market access opportunities.

2.15. In the area of e-commerce, the LDCs had submitted a communication since the last Decision in Buenos Aires to show the importance of their countries having adequate infrastructure so as to be able to benefit meaningfully from e-commerce.

2.16. The representative of Indonesia noted that there were a lot of work that needed to be done to ensure meaningful progress on the mandated issues. Agriculture and fisheries subsidies negotiations currently needed Members' utmost attention in the lead up to MC12. The WTO needed to achieve significant progress on agriculture negotiations to achieve a permanent solution on public stockholding for food security purposes and a comprehensive and balanced outcome on a special safeguard mechanism. Members should redouble their efforts to advance those mandated issues. In the context of agriculture reform, there should be balance and Members should promote food security to address the challenges faced during the current pandemic and its future impact.

2.17. On fisheries subsidies negotiations, Indonesia urged Members to remain in line with the Buenos Aires mandate in prohibiting certain forms of subsidies that contributed to overfishing and overcapacity. It was not the WTO's duty to encroach on other international organizations that had a mandate on fisheries management and sustainability issues. In fact, the overlap approach had contributed to prolonging the negotiations.

2.18. In addressing the impasse on the Appellate Body, Indonesia called on Members to renew their political will in resolving the issue in an expedited manner. The new Director-General that hopefully would be elected soon should place that agenda as an immediate priority in order to facilitate a new dialogue between Members to end the impasse.

2.19. The representative of Cambodia associated with the statement made by the LDCs and referred to the important elements contained in the Bali Ministerial Decisions in favour of LDCs concerning duty-free and quota-free market access, preferential rules of origin and services waiver. Cambodia called on all Members to fully implement the decision on DFQF market access and take into account the LDC Submissions on the services waiver and the preferential rules of origin which had also been mentioned in the LDC statement. The continued and full implementation of the Ministerial Decisions in favour of LDCs would assist LDCs to increase their export revenue and reap meaningful benefits from the multilateral trading system. Cambodia urged Members not to impose any measure that could create a trade barrier to exports from and the development of the LDCs. Cambodia thanked

the CTD for administering the annual review on the steps taken to provide DFQF market access for LDCs in accordance with the relevant Bali Decision circulated in document WT/L/919.

2.20. The representative of the European Union noted that India had invoked the Bali Ministerial Decision on public stockholding for the first time. The notification had been reviewed during the 93rd Committee on Agriculture meeting on 28 July. There were however still at least six questions which India had not answered in substance, despite two Committee meetings having been held since then and the issue having been raised in the October General Council meeting. The European Union called on India to fulfil its transparency obligations and upload substantive answers in the AGIMS system to allow other Members to assess conformity with the Bali decision.

2.21. The European Union was currently far from convinced that India had respected the decision. For example, point 3(c) of the decision required that information be submitted for each public stockholding programme. According to India's notification, India had public stockholding programmes for rice, wheat, coarse grains and pulses. While India had submitted data covering rice in annex to its notification, it had not provided so far the required information for the programmes for wheat, coarse grains and pulses.

2.22. The Nairobi Ministerial Decision on Export Competition had been adopted in December 2015. The Decision had required sixteen Members to submit schedule modifications. Two Members had not yet done so – including one who had co-sponsored the proposal which led to the decision. The European Union urged the Members concerned to submit the necessary schedule modifications as soon as possible.

2.23. The European Union continued to regret that it had not been possible to reach agreement on the application of the TRQ underfill mechanism in order to ensure that all Members took on equivalent commitments. In 2019, the General Council had rolled over the deadline for the review of that decision to 2021. Doing so again in 2021 would not be acceptable to the European Union. The European Union urged the Membership to engage on the issue and considered that it should be taken up by Ministers at MC12 if it was not possible to resolve it in the Committee on Agriculture.

2.24. The representative of India recalled the Ministerial mandates from Bali and Nairobi, as Members got themselves ready for action in 2021, regarding an effective, permanent outcome on public stockholding for food security purposes. That outcome was also imperative for the achievement of Sustainable Development Goals 1 and 2 and for telling the world that the WTO could deliver results especially in areas of immediate concern to the large majority of its Membership.

2.25. The COVID-19 crisis was posing significant challenges to the already strained food, nutrition and livelihood security of poor and vulnerable farmers, in several developing countries and LDCs. India emphasized the critical importance of engaging on the Ministerial mandate from Bali and Nairobi to have an effective and permanent outcome on the issue of public stockholding food security purposes by MC12. As a responsible Member, India had been consistently complying with its notification obligations at the WTO, including with the notification obligations prescribed in document G/AG/2. India's track-record with meeting its transparency obligations had been much better than that of several Members who were pressing for enhanced transparency at the WTO.

2.26. Pursuant to the Bali Ministerial Decision on Public Stockholding for Food Security Purposes and the General Council Decision of 2014 as contained in document WT/L/939, India had notified the Committee on Agriculture that it had, for the first time, exceeded the de minimis level of market price support for rice for the marketing year 2018-2019, by a very minor margin of 1.4%. Market price support for rice, a traditional staple food crop, was notified under Article 7.2(b) of the Agreement on Agriculture in pursuance of public stockholding programmes for food security purposes. India's public stockholding programmes for food security purposes covering rice and a number of other commodities had been consistently reported in its Table DS:1 notifications since 1995.

2.27. The programme was consistent with the criteria mentioned in Paragraph 3, Footnote 5, and Footnote 5&6 of Annex 2 to the Agreement on Agriculture. Further, the stocks under the programme were acquired and released in order to meet the domestic food security needs of India's poor and vulnerable population, and not to impede commercial trade or food security of others. For those reasons, the notified level of market price support for rice was covered by the peace clause set out

in the Bali Ministerial Decision on Public Stockholding for Food Security Purposes (WT/MIN(13)/38) and the General Council Decision (WT/L/939). India had been constructively engaging on the issue with other Members in the meetings of the Committee on Agriculture.

2.28. It was natural to expect that the track record of the main votaries of enhanced transparency such as the European Union would be nothing short of exemplary in complying with their existing notification obligations. But India found that the European Union had not yet submitted its DS:1 notification for the marketing year 2018-2019 – well past the deadline of 30 September 2019 by when the European Union should have notified that information according to the deadlines mandated in document G/AG/2 – amounting to a delay of more than a year. The European Union had also been late by a period of almost 19 months in notifying their DS:1 notification for the marketing year 2017-2018. It was also disappointing to note that specific trade concerns concerning the European Union's policy related to MRLs and endocrine disruptors had remained on the agenda of the SPS Committee for several years together.

2.29. It was not India's intention to point fingers at any Member. India however expected Members to practice what they preached. India encouraged the European Union and other Members to lead by example and ensure that they fulfilled their existing transparency obligations before proposing to add an ever-growing list of new obligations.

2.30. The representative of Morocco noted that it requested the floor to make a statement under Agenda Item 1 given the fact that the organization was experiencing very difficult circumstances. Morocco wished to make some comments on the matter and provide its views concerning the future of Members' common endeavour. In lieu of presenting its statement, Morocco requested that it be incorporated instead in the minutes of the meeting.⁷

2.31. The General Council took note of the Chairman's report and of the statements.

3 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIRMAN OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT

3.1. The Chairman recalled that in line with the agreement in the General Council in 2002, the Work Programme on Small Economies was a standing item on the agenda and the Committee on Trade and Development reported regularly to the Council on the progress of work in its Dedicated Sessions. In Buenos Aires, Ministers had adopted a Decision reaffirming their commitment to the Work Programme and instructing the CTD to continue its work in Dedicated Sessions under the overall responsibility of the General Council. He invited Ambassador Haqjo to report on the matter.

3.2. Ambassador Mohammad Qurban Haqjo (Afghanistan), Chairman of the Dedicated Session of the CTD, informed Members that a meeting of the CTD's Dedicated Session on Small Economies had been held on 2 November 2020. There had been two items on the agenda for that meeting. The Dedicated Session firstly had a discussion on the opportunities and challenges for small economies in attracting investments.

3.3. As part of that discussion, presentations had been made by experts from the ITC, UNCTAD and WTO. Presentations had also been made by El Salvador, Guatemala and Saint Lucia – members of the Group of Small, Vulnerable Economies – on their national experiences in attracting investments. The presentations, and the subsequent discussion, had pointed to the importance of investments for the growth and development of small economies.

3.4. A discussion had also been held on the impact of the COVID-19 outbreak on the trade of small economies. A number of members of the SVE Group had highlighted the negative impact of the pandemic on their economies. Some ideas had been shared on what could be done to allow small economies to be in a better position to deal with the negative effects of the crisis.

3.5. As he had reminded Members before closing the meeting, the Dedicated Session would have some work to do in preparation for MC12. In particular, going by past practice, the Dedicated Session would need to approve a report to the General Council, which would contain a summary of the work

⁷ At its request, the statement of the delegation of Morocco under Agenda Item 1 is incorporated in the Minutes of this General Council meeting and can be found in Annex 4 of this document.

undertaken since the last Ministerial Conference. The report would also need to contain the elements of an agreed text for a Ministerial Decision, including with regard to future work. The report to the General Council would therefore be one of the main issues for the Dedicated Session to focus on, once a date for MC12 had been determined.

3.6. On a personal note, he said that his term in Geneva had come to an end, and that day's report would therefore be his last in his capacity as CTD Chairman. He expressed his appreciation to all Members for continuing to support the work of the CTD which remained an extremely important body in the WTO.

3.7. The representative of Barbados associated with the statements to be made by the SVEs and CARICOM. Barbados concurred with the CTD Chair's assessment of the 2 November meeting of the CTD in its dedicated session on small economies. The meeting had highlighted the challenges faced by small economies in attracting investment where Members had heard interesting perspectives and experiences from small economies in that regard. Barbados had particularly been interested to hear about the impact of the COVID-19 pandemic on small economies and more specifically on their investment flows.

3.8. The Work Programme on Small Economies continued to be a critical aspect of the WTO's work. Barbados looked forward to its continued work aimed at achieving the framing policy responses to the trade-related issues identified for the full integration of small, vulnerable economies in the multilateral trading system. Barbados continued to stress the detrimental impact that natural disasters had on the trade of small economies and looked forward to engaging with Members on that issue in the CTD in its dedicated session on small economies. Barbados reaffirmed its commitment to the work of the CTD on small economies and was ready and willing to continue its active participation in that regard.

3.9. The representative of Fiji associated with the statements to be made by the SVEs and the Pacific Group. Discussions under the Work Programme on Small Economies highlighted the various unique challenges that small economies faced given their vulnerable and volatile nature. Most small economies such as Fiji were consistently susceptible to threats posed by climate change disasters. The COVID-19 pandemic further exacerbated its vulnerability when economies and borders were closed, affecting their service sector which was the key vein to its economic sustenance. Small economies would continue to be disproportionately affected by those challenges irrespective of any challenges that they could face in the future.

3.10. In the midst of Fiji's lockdown due to COVID-19 in April, a powerful category 5 tropical cyclone had caused widespread destruction in Fiji and in neighbouring Pacific Island countries with estimated damage of USD 123.5 million. Unfortunately, that was not the end of 2020 yet. At that moment, Fiji was bracing itself for yet another category 5 cyclone to make landfall in the next few hours. That was the reality in small economies. Disasters were a real concern with their frequency and their intensity heightened. Those extremes did not give a chance for economies to rebuild – whether it be key infrastructure or agriculture. Over the years, it had always been a matter of rebuilding for Fiji which continued to push back critical development priorities.

3.11. External support sources had also been affected. The COVID-19 pandemic had an immediate negative impact on foreign direct investment in 2020. The outlook remained dire with further deterioration projected in 2021. As a result, global FDI flows according to UNCTAD were forecasted to decrease by up to 40% in 2020 from their 2019 value of close to USD 1.6 trillion which affected extractive industries and tourism which were key for Fiji's small economy. The World Bank projected that remittances to low and middle income countries would decline by almost 20% due to the economic crisis induced by COVID-19 and the lockdown measures. In the past, remittances had been counter-cyclic where workers sent more money home in times of crisis and hardship back home. That time, however, the pandemic had affected all countries creating additional uncertainty.

3.12. Fiji underscored the importance of the Work Programme to the group and reminded Members of the objective of that work as mandated by Paragraph 35 of the Doha Ministerial Declaration to frame responses to the trade-related issues identified on the fuller integration of small, vulnerable economies into the multilateral trading system. The WTO should be reflective of its Membership and ensure that the issues and interests of its Members were reflected in various pillars of WTO work so that developing countries particularly SVEs and LDCs were fully integrated into the multilateral

trading system. Fiji looked forward to further discussions on the issue of disasters and trade in the upcoming work next year and, in addition, welcomed discussions and knowledge sharing that supported the recovery of the travel and tourism sectors.

3.13. The representative of Sri Lanka associated with the statement to be made by the SVEs. Considering the unique and unprecedented impact of the pandemic on economic and social structures across the globe, it was evident from many analysis and reports that those impacts on small and structurally vulnerable economies, including Sri Lanka's had been severe and acute and were threatening to rollback many of the developmental gains achieved over the past decades.

3.14. Sri Lanka was encouraged by the willingness of Members to continue to engage in discussions aimed at finding practical solutions to those trade-related challenges that had hindered their beneficial participation in global trade. It was in that spirit that Sri Lanka was joining other SVEs in seeking to identify existing and new priorities that deserved the attention of the Membership for future work under the Work Programme on Small Economies.

3.15. Time was ripe for Members to build on the findings of the Secretariat's good work on the link between natural disasters and trade by directing more focus and attention to that important topic, which was one of the pending issues for discussion. Sri Lanka was committed and stood ready to reengage as it viewed the advancement of that Work Programme as critical to facilitating the realization of solutions which would lead to a more meaningful participation in global trade.

3.16. The representative of Vanuatu, on behalf of the Pacific Group, associated with the statement to be made by the SVEs. The challenges faced by SVEs in the attracting investment were not only of a policy nature but were also structural and were attributed to the small size of their economies and their remoteness. The economic impact of COVID-19 had further exacerbated the vulnerabilities of small economies as the tourism industry collapsed and exports and remittances declined. Recent analysis indicated that no matter the crisis, be it economic, environmental shocks or health pandemics such as COVID-19, SVEs, particularly small island developing States, were always disproportionately affected.

3.17. The Pacific Group underlined the importance of the Work Programme which aimed to frame responses to the trade-related issues identified for the fuller integration of small vulnerable economies to the multilateral trading system. The Pacific Group remained committed to continuing that work and called on Members to engage constructively to facilitate meaningful responses for integrating SVEs into the multilateral trading system.

3.18. The representative of Jamaica associated with the statements to be made by the SVEs and CARICOM. The integration of small economies in the multilateral trading system was a priority for Jamaica. Having a small, open, trade-dependent and vulnerable economy, Jamaica was conscious of the plethora of issues facing small economies which hindered its development, aspirations and effective participation in the multilateral trading system. The COVID-19 pandemic had further exposed existing vulnerabilities of small economies. Due to those vulnerabilities, the SVEs had been disproportionately impacted by the fallout emanating from the pandemic. It also amplified the need to examine how best to assist those economies to navigate unforeseen challenges in their efforts to maximise the benefits to be derived from their successful integration into the global economy.

3.19. SVEs' efforts to build back better would likely experience setbacks due to *inter alia* dislocation of fiscal tariffs, disruptions in global supply chains, the significant contraction in key sectors of their economies such as tourism, fluctuations in exchange rates which created unpredictability for businesses and economic contractions which had resulted in reduced spending and job losses. That was in addition to the effects of climate change that continued to wreak havoc on their economies annually through damage to infrastructure, reduced crop yield and increased public expenditure to assist in recovery and adaptation efforts. For example, it had been assessed that coastal flooding alone costed Jamaica some USD 136 million annually.

3.20. Now more than ever, Members should enhance their discussions on innovative approaches that could assist small economies to navigate the challenges emanating from the pandemic and establish appropriate systems to better accommodate such losses in the future. The Work Programme on Small Economies should therefore be preserved. Jamaica welcomed the sessions on investment attraction as it viewed foreign investments as essential to the SVEs' efforts to improve

integration into the global economy and global value chains while improving the lives of all citizens. Jamaica looked forward to a constructive dialogue aimed at arriving at an agreement for future work under the Work Programme for consideration at the next Ministerial Conference.

3.21. The representative of Guatemala, on behalf of the SVEs, recalled that the CTD Chair had reported that Members had a very successful meeting of the dedicated session of small economies on 2 November. During the first part of the session, Members had had substantive discussions on the challenges and opportunities faced by SVEs in an effort to attract investment. During the session, the WTO Secretariat, ITC and UNCTAD had shared trends and experiences on the issue of investment attraction and had highlighted some of the challenges that SVEs faced. Representatives from SVE Members had made presentations on their efforts at the national level to promote and attract investments highlighting the positive experiences and pointing out some challenges of their future work. Other non-SVE members had participated and had contributed their ideas to the discussion.

3.22. As to the investment promotion efforts, regulatory frameworks and investment facilitation measures had been highlighted as necessary to ensure their macro stability and the reduction of risks of foreign investors. The role of investment promotion agencies had been an important driver for ensuring investment attraction. Services provided by those agencies in investment intelligence, promotion, investment facilitation, after care services and promotion of public policies had been mentioned as effective tools to attract investment. Opportunities had been identified for SVEs in sectors such as green and sustainable investment, services sector such as telecommunications, transportation, distribution or even financial services, banking and insurances.

3.23. An SVE representative had highlighted some of the challenges experienced by its country such as susceptibility to external shocks like the COVID-19 pandemic, climate events and problems associated with climate change that could impact the country's risk profile for futures investment. Opportunities such as location, main investment markets and usage of bilateral investment agreements with the key partners had been mentioned as tools to promote investment.

3.24. During the second part of the session, SVEs had discussed some of the challenges they experienced during the COVID-19 pandemic. SVEs had shared their experiences and national plans set in place to fight the negative effects caused by the unprecedented crisis brought about by the COVID-19 pandemic. Visible negative effects of the pandemic had been seen in all sectors of the SVEs' economies particularly the tourism sector which had been heavily struck by the effects of the pandemic and the health-related restrictions on travel and others. Other sectors such as financial services, manufacturing and textile and apparel had also been negatively affected.

3.25. The negative effects of the pandemic and MSMEs had also been highlighted as one of the main focuses of economic recovery plans at the national level. Those plans had focused as well on the development and implementation of health measures that would be necessary to reactivate the labour market and promote investment and local consumption. It had been evident from the presentations that the developmental setbacks and the economic repercussions caused by the pandemic would have a long and strong negative effect for SVEs and their economies.

3.26. The SVEs would continue discussing those issues and hopefully find ways in which trade could support the recovery from the pandemic for SVEs and other vulnerable economies. After closing a challenging year of work, the SVEs would be consulting with interested delegations of the future work of the Work Programme on Small Economies for 2021. One of the pending issues for discussion was natural disasters and its effects on the SVEs' economies. The SVEs hoped that through their consultations, that and other topics could be agreed to help move their work forward.

3.27. The representative of Guyana, on behalf of CARICOM, associated with the statement made by the SVEs. The CARICOM Group placed high priority on discussions within the WTO on appropriate responses to trade-related challenges of SVEs including with respect to climate change, trade and natural disasters and attracting sustainable investments aimed at mitigating the impact of exogenous shocks and trade vulnerability which had been heightened in the face of the disastrous COVID-19 pandemic. CARICOM saw the Dedicated Session on Small Economies held on 2 November which focused on the challenges and opportunities of small economies in attracting investments as an important constructive part of that discussion.

3.28. CARICOM thanked Members for their interest and engagement in those discussions which a member of its Group had made a presentation and had shared experiences of which other CARICOM members could easily identify. Notwithstanding its challenges, the CARICOM region had a positive contribution to make to the solution Members collectively sought. CARICOM would continue to present a very attractive investment climate buttressed by stable governments, trade openness, a common market regime and a firm commitment to the multilateral trading system.

3.29. The COVID-19 pandemic had imposed on Members the need to pursue and adopt new approaches to both private and public investment to accelerate recovery efforts particularly to boost sustainable investments, innovation and productivity as they sought to build back better from the economic fallout of the pandemic. External shocks such as the pandemic tended to negatively impact at most if not all economies. SVEs were always the hardest hit and also tended to take much longer to recover.

3.30. While some G20 policymakers were expecting a short sharp drop in economic activity followed swiftly by a rebound in growth, the reality for most SVEs was a long drop and slow rebound. Those realities further highlighted the need for Members to continue to have focused discussions and seek to find solutions to the specific challenges confronting SVEs. Members should be prepared and stay on track for the work ahead in 2021 especially given the global public health challenges added to the trade and natural disasters and climate change nexus. Members should continue their work on assisting SVEs to build resilience. The CARICOM Group would continue to participate actively and constructively in the work of the CTD and looked forward to a productive year ahead.

3.31. The General Council took note of the report of the Chairman of the CTD and of the statements.

4 THE DEVELOPMENT ASSISTANCE ASPECTS OF COTTON

4.1 Action Plan to Enhance Support for Cotton By-Product Development in LDCs – Draft General Council Declaration – Communication from Burkina Faso on Behalf of the C-4 and Côte d'Ivoire (WT/GC/W/808)

4.1. The Chairman referred to the communication from Burkina Faso on behalf of the C-4 and Côte d'Ivoire on a draft General Council Declaration entitled "Action Plan to Enhance Support for Cotton By-Product Development in LDCs" and invited DDG Wolff to make an introductory remark on the matter and the delegation of Burkina Faso to introduce the communication.

4.2. Deputy Director-General Alan Wolff, Chairman of the Director-General's Consultative Framework Mechanism on Cotton, noted that the draft General Council Declaration contained in document WT/GC/W/808 related to the interagency work undertaken in the context of the WTO-UNCTAD-ITC Initiative on Cotton By-Products as endorsed by WTO Members in November 2018 in document WT/CFMC/58. Its ultimate objective was to enhance support for the development of cotton by-products in cotton producing LDCs. In line with the November 2018 mandate, it constituted the main political output sought by the C-4 under the joint initiative on cotton by-products. The draft declaration was also closely connected to the Bali and Nairobi mandates on cotton development assistance as cited in the recitals of the draft in front of Members that day.

4.3. The first draft was submitted by the C-4 on behalf of cotton producing LDCs for discussion by Members at the Quad+ meeting on 3 September. The text had been subsequently amended in light of comments expressed by various Members. The consolidated draft had been shared with all Members ahead of the WTO Cotton Meetings on 12 November for further comments and consultations. The C-4 had presented the consolidated draft at the 12 November meeting of the Consultative Mechanism on Cotton Development Assistance and no objections had been raised by Members on the C-4's intention to submit the document for discussion at the General Council.

4.4. The document in front of Members contained a general declaration of support for the development of cotton and its by-products in developing countries especially the LDCs as well as eight action points on technical assistance – activities to be implemented as next steps. Members' engagement to achieve consensus on the document and its subsequent adoption would facilitate the preparation of concrete implementation actions by various international and national cooperation agencies according to the relevant competencies of such entities.

4.5. Activities undertaken to implement the items listed in the declaration would be possible only if the necessary resources, technologies and investments were made available by public and private actors. The eight action points listed by the C-4 in the draft were based on thorough needs assessments conducted by the three agencies of the joint initiative namely the WTO, UNCTAD and ITC, at the individual country level. With all those considerations in mind, he was pleased to restate his strong engagement to accompany the C-4 and the Membership including through further consultations as necessary towards a consensus that could be adopted.

4.6. The representative of Burkina Faso, on behalf of the C-4 and the 36 African Country Cotton and Cotton Product Producers and/or Exporters, acknowledged the Cotton Team in the Secretariat, particularly Deputy Director-General Alan Wolff, for their remarkable efforts during the process that allowed Members to have fruitful discussions on the draft General Council Declaration on the Action Plan to Enhance Support for Cotton By-Product Development in LDCs. The importance of cotton and its by-products for LDCs needed no further introduction. It created so much work for women and the youth. It helped combat environmental degradation and alleviate poverty.

4.7. The production of cotton was a source of income for more than four million farmers in Africa – about one million of which were in the C-4 countries. For the C-4, income from cotton was around 8% to 12% of GDP accounting for 40% of total export income. Members should however recognize that the COVID-19 pandemic had seriously affected the cotton sector which had led to enormous financial losses for the C-4 because of the slowdown of economic activity. It had led to a decrease in income and an increase in unemployment. Statistics showed that between March and April 2020, cotton fibre processing had fallen dramatically causing cotton prices to fall by 26% and cotton exports to fall by 6.8%.

4.8. The draft declaration proposed an action plan for strengthening support for cotton by-product development in LDCs. It was designed to increase income in the cotton sector particularly for farmers and those who produced cotton by-products, strengthen their resilience in face of market shocks such as the one experienced during the COVID-19 pandemic and increase their income security by strengthening technical assistance and capacity of stakeholders, increasing investment and technology transfer for cotton by-products in LDCs through stressing the eight priority activities in the draft.

4.9. The co-sponsors of the draft General Council Declaration hoped to create a favourable framework for the implementation of development projects on cotton by-products to increase the revenue of more than 20 million small entrepreneurs in particular women and youth. That would improve their health conditions and productive capacity and create jobs. The draft would help LDC cotton producers to create a cotton sector which was more competitive and resilient to changes and fluctuations in the international market. The C-4 called on all Members and development partners to support the adoption and effective implementation of the action plan to allow LDCs to rise to the challenges they were facing relating to their development.

4.10. The representative of Botswana, on behalf of the African Group, supported the joint submission by the C-4 and Côte d'Ivoire contained in document WT/GC/W/808 with a draft General Council Decision for a Joint Action Plan to enhance support for cotton by-product development in LDCs. Through such an Action Plan, the African Group trusted that resources could be mobilized to support the implementation of projects and programmes envisioned therein. The African Group called on the General Council to approve the draft decision and for Members and development partners to continue supporting LDC Cotton Producing Countries' efforts in their process to integrate into regional and into global value chains especially in the difficult context of the COVID-19 crisis.

4.11. The representative of Senegal supported the statement made by Burkina Faso on behalf of the co-sponsors and associated with the statements made by the African Group and to be made by the LDCs and the ACP. USD 90 billion could come flowing in if Members substantially increased the commercialization of cotton from Africa. That was why Members should support African cotton producing and textile related industries. The joint action plan proposed by the C-4 and Côte d'Ivoire supported the national and regional strategies within ECOWAS to develop the textile cotton sector, to create value addition and jobs and to improve production and exports more generally. Senegal called on Members to support the action plan and ensure its effective implementation.

4.12. The representative of South Africa said that cotton was a predominant cash crop for many African LDCs providing income to over 3.5 million farmers and their families and 17% of those lead farmers were women. Sub-Saharan African countries exported more than 90% of the raw cotton lint they produced. Many African agriculture producers were confined to producers and exporters of primary products due to trade distortions in agriculture. Trade distorting domestic support for cotton by Members distorted prices and disrupted international cotton markets, with severe consequences for the economy and social lives in African cotton producing countries, especially LDCs. In addition, it reduced the potential to maximally leverage the cotton sector for industrial and economic development.

4.13. Given that cotton production was one of the most important sources of livelihood of those smaller economies, a sustainable solution to the challenges faced by many cotton farmers was the urgent resolution of trade distorting domestic support and the implementation of the Cotton Nairobi Ministerial Decision. That would ensure a competitive market and enable cotton producers the opportunity to harness better returns from the cotton sector. South Africa supported initiatives that would advance the interests of cotton producing LDCs. Diversification into cotton by-products could generate sustainable parallel activities for income generation and employment in Africa. It could also provide additional income-earning opportunities for farmers if investments were inclusive.

4.14. The representative of Cameroon supported the statement made by Burkina Faso on behalf of the co-sponsors, associated with the statement made by the African Group and shared the views expressed by South Africa. Cameroon welcomed the comments made by Deputy Director-General Wolff. The COVID-19 pandemic had shown once again how cotton producing developing countries were vulnerable to external shocks despite the efforts that they made to modernise their productive capacity and support their farmers. That was why the discussions under the Consultative Framework were important on cotton development assistance. The aim of the programme was to exchange good practices and to support beneficiary countries to implement the necessary programmes to support the cotton sector.

4.15. Cameroon had one of the highest productivity rates with an annual average production of several hundred thousand tons with 1,900 permanent workers and 3,000 seasonal workers. Cameroon created value with the processing of cotton and produced other crops and invested in all of the key regions in its country. Because of the socio-economic impact of cotton production, Cameroon reiterated its willingness to participate constructively in discussions on cotton and invited all stakeholders to pay considerable attention to that important issue. Cameroon also welcomed the efforts of the Secretariat and Deputy Director-General Wolff who had ably steered the discussions.

4.16. The representative of Brazil supported the draft declaration proposed by the C-4 and Côte d'Ivoire. The draft declaration had been discussed by the Membership at the Director-General's Consultative Framework Mechanism on Cotton and at a Quad+ technical meeting. Cotton had a meaningful trade and development component. It was central to Brazil's international agricultural technical cooperation. The declaration renewed the organization's commitment to support technical assistance and capacity building activities related to cotton by-products in LDCs. Brazil invited all Members to equally extend the support for the adoption of the declaration.

4.17. The representative of Pakistan supported the action plan proposed by the C-4 and Côte d'Ivoire to enhance support for cotton by-products in LDCs. Pakistan recognized the specific development needs of LDCs and had always been supportive of the initiatives of the C-4. Pakistan had itself sponsored technical assistance and capacity building activities to C-4 government officials, academia, cotton researchers in cotton production and textile manufacturing.

4.18. The action plan would help encourage the provision of technical assistance and capacity building to developing countries and LDCs to achieve the objectives of enhancing revenue particularly for women farmers and increased participation of MSMEs in the economy through value addition in cotton and cotton related products. Cotton was an important sector for Pakistan. Production of cotton and cotton related products contributed hugely to its GDP and remained a major source of foreign exchange earnings. Pakistan hoped that the action plan would also allow for cooperation and more meaningful exchanges with cotton growing countries and create mutually beneficial environment for all.

4.19. The representative of the United States had participated in various discussions convened under the auspices of the Director-General's Consultative Framework Mechanism on Cotton and had been pleased to hear directly from the C-4 members and others on issues such as cotton production and trade trends, benefits that had resulted from cooperative technical assistance cooperation efforts, and domestic cotton sector reforms. The United States welcomed efforts of the C-4 and other cotton-producing members to further develop their domestic industries, including expanding opportunities for cotton by-products. Focusing efforts and energy on improving the domestic investment and regulatory environments would be the most productive way to encourage and foster innovations in that important agricultural industry.

4.20. The United States had undertaken a preliminary review of the proposal and had some initial questions it intended to share with the proponents. The United States would welcome direct engagement from the proponents in order to ensure that any potential outcome in that area reflected a shared view of the expected outcomes from that Action Plan and that any future engagement in the Consultative Framework be consistent with the goals and competencies of the organization. The United States hoped to be in a position to offer more concrete feedback on the proposal at a future meeting and stood ready to work constructively with the C-4 going forward.

4.21. The representative of Chad, on behalf of the LDCs, supported the C-4's position in the cotton negotiations. Cotton was an important economic and social issue for LDCs and played a key role in their development. The Group supported the decisions taken by the C-4 Ministers, in particular the need for their countries to implement programmes to modernise their production systems and increase productivity through the development of research and extension services, access to inputs and financing, and structural transformation of cotton.

4.22. Support for cotton by-product development in LDCs was indispensable. That support reflected the strategic vision of the C-4 and LDCs as a whole on that important development issue. Improving the yield of cotton production, developing value addition, promoting a favourable legal and institutional framework for investment and increasing the marketing of cotton and cotton by-products were primary objectives. The LDCs reaffirmed the need for a prompt resolution of the cotton issue in the WTO, emphasising the removal of the thorny issue of domestic support that created distortions in the international cotton market and the opening of non-quota markets without tariff barriers for cotton exports originating in LDCs.

4.23. The LDC Group supported diversification and increased resource mobilization to assist in the strengthening of cotton production and the development of the textile industries. The Group remained committed to multilateral negotiation to find fair, balanced, substantial and durable solutions to the cotton issue at the WTO and trusted in its ability to achieve greater integration of LDC economies into global value chains thus making trade a real lever for development, poverty reduction and inclusive growth.

4.24. The representative of India had been engaging meaningfully in providing assistance to strengthen both the agriculture and textile part of the cotton value chain in Africa. India had implemented a USD 2.85 million Cotton Technical Assistance Programme in six African countries, namely – Benin, Burkina Faso, Chad, Malawi, Nigeria and Uganda over a period of seven years from 2012 to 2018. The programme had included a training and capacity building component as well as a component related to the creation of infrastructure related to the cotton value chain.

4.25. At the Partners' Conference held on the first World Cotton Day on 7 October 2019, India had committed to the second phase of the Cotton Technical Assistance Programme based on the success of Cotton TAP-1. In its second phase, the programme should remain expanded in size and coverage – covering five additional countries, namely – Mali, Ghana, Togo, Zambia and Tanzania. The Cotton TAP programme would thus cover a total of eleven African countries including the C-4. In the spirit of South-South cooperation, India supported the draft General Council Declaration in document WT/GC/W/808 on the Action Plan to enhance support for cotton by-product development in LDCs.

4.26. The representative of Turkey valued the important role of the WTO in development assistance for cotton. That could also help build resilience against market shocks as witnessed during the current pandemic. The intensive exchange during the cotton days in 2019 and 2020 provided an opportunity to review developments in the cotton sector and ongoing cotton development projects. Turkey strongly supported the continuation of that useful process in the coming years. Members

should redouble their efforts to find innovative ways to further strengthen development assistance on cotton.

4.27. Turkey would continue to work closely with the C-4 to further the discussion on reducing trade distorting support in agriculture negotiations and allowing all Members to fully benefit from their competitive advantages in that important sector. Turkey was also willing to share its experiences to overcome the technical difficulties of cotton production and processing within the framework of capacity building activities and technical assistance programmes. Turkey welcomed the action plan proposed by Burkina Faso on behalf of the C-4 and Côte d'Ivoire.

4.28. The representative of Jamaica, on behalf of the ACP, said that cotton played an important role in development, the economy and the livelihood of the C-4. It was therefore important that Members supported the initiatives of those cotton producing countries including the draft General Council Declaration presented to the Membership that day by Burkina Faso on behalf of the C-4 and Côte d'Ivoire. As was the case with other commodities, it was important for Members to pledge their support for the co-sponsors and use all mechanisms necessary to ensure that the benefits of the production and trade in cotton could be maximized by those Members.

4.29. There were important issues highlighted in the declaration including technology transfer, enhancing value addition, supporting small stakeholders including women and assisting the group in managing market shocks. Those were all critical issues that if addressed could improve the ability of the co-sponsors to benefit from cotton. In that respect, the WTO had a critical role to play. In light of the importance of the issue at hand, the ACP Group supported the initiative and reiterated its support for the co-sponsors in their efforts to ensure that production and trade in cotton helped to further improve the welfare of their people.

4.30. The representative of the European Union thanked Burkina Faso and the other C-4 countries, and Côte d'Ivoire for presenting the draft declaration on an Action Plan to enhance support for cotton by-product development. Following the Nairobi Decision on cotton, the European Union had continued to actively support efforts and contributions to enhance the production, productivity and competitiveness of the cotton sector in developing country Members, especially the LDCs.

4.31. The European Union had been an engaged partner at the WTO level as well as at regional and national levels in partner countries where cotton had been identified as a priority sector. The European Union continued to support cotton projects through a number of its aid for trade interventions, including through its support to the EIF. The European Union had also recognized the importance of cotton by-products specifically in its programming. For example, the European Union's 2020-2023 programme in West Africa on competitiveness specifically included a focus on the cottonseed oil sector.

4.32. The European Union's objectives in supporting sustainable and inclusive cotton by-product value chains were to ensure an income to smallholder farmers but also a decent life and improved resilience for thousands of small producers in developing countries and especially in LDCs. The European Union looked forward to continuing the discussion on the text in the new year with a view to finalising a text on a subsequent occasion.

4.33. The representative of Nigeria noted that the development of cotton value chains would unlock the economic potential of cotton producing LDCs and developing countries. Presently, resource-poor LDC and developing country cotton producers were struggling to survive under the weight of heavy trade distorting subsidies by large economies that had eroded developing countries' competitiveness both in the international and in the domestic markets. The economic difficulties of those countries were further worsened by their inability to diversify their efforts due to capacity constraints.

4.34. The effects of those challenges on unemployment, poverty and livelihood security difficulties of developing countries could not be overemphasized. Countries with more diversified exports were more likely to produce a greater range of products that could be exchanged and become less vulnerable to export instability. The WTO as a key institution that underpinned the integration of the global economy could and should support the development value chain of resource poor LDCs and developing countries. Nigeria therefore supported the adoption of the General Council Declaration concerning an Action Plan to support cotton by-product development in LDCs.

4.35. The representative of Tunisia associated with the statement made by the African Group and supported the draft declaration proposed by the C-4 and Côte d'Ivoire contained in document WT/GC/W/808 concerning an Action Plan to support cotton by-product development in LDCs, and to guarantee additional resources to this sector within the difficult context of the COVID-19 crisis.

4.36. The representative of China supported the draft General Council Declaration in document WT/GC/W/808 concerning an Action Plan to enhance support for cotton by-product development in LDCs. China had been, as always, a strong supporter and reliable partner of the C-4 and LDCs for agricultural cooperation particularly on cotton development assistance. China also supported the statement made by Deputy Director-General Wolff calling for increased support for the C-4 Action Plan. China would continue to play a constructive role through working with the WTO and other international organizations and further exploring all possibilities to expand collaboration and work effectively with other Members on cotton-related assistance particularly by-product development in the C-4 and the LDCs.

4.37. The representative of Mozambique associated with the statements made by the African Group, the LDCs and the ACP and supported the previous interventions made by delegations. Mozambique commended the leadership of the C-4 and Côte d'Ivoire as well as others on cotton issues and supported their submission. As one of the beneficiaries of cotton development projects, Mozambique expressed gratitude for the efforts of the WTO and the donors, and to development partners and the EIF Secretariat, UNCTAD, ITC and UNIDO for their committed engagement in multiple forms on cotton matters. Those initiatives required a deployment strategy learning from international experience and technological transfer.

4.38. The ways forward should take a look at specific activities and engagement for all stakeholders related to the matter aiming at development and to contribute to the process of the African regional integration where industrialization and value addition as well as development of value chains were of outmost importance. Mozambique requested the development partners to maintain and consider the reinforcement of resources by enabling continued support for the next stage of the project implementation towards value-added activities and capacity building.

4.39. The importance of cotton by-products in LDCs was overwhelming due to its role on extracting cotton seed system, stability of farmers' revenue, increase of the cotton seeds' yields, reduction of environmental pollution, development of the local market, job creation, poverty reduction and product diversification. Cotton was of economic and social relevance. All challenges were still enormous. The continued support through various initiatives and actions were therefore of great relevance to strengthen cotton development and participation in markets. Mozambique reiterated its gratitude to all partners and urged them for more support, and commended the WTO and all those engaged in supporting initiatives on cotton and the development of cotton by-products.

4.40. The representative of Australia said that Members had just heard that day of the enormous role that the commodity of cotton played in the lives and livelihoods of cotton producing countries. Australia recognized the legitimate aspirations of the C-4 in their efforts on cotton including through the proposal that Members were discussing that day. Australia had made considerable contributions to cotton production technical assistance efforts and had done so also through the mechanisms of the organization. The WTO could and should make a particular contribution to the lives of those involved in cotton production.

4.41. The outlook and the opportunities for cotton producers were to a very large extent a matter of fairness in global trade. There was a significant opportunity which was long overdue to make progress on cotton domestic support – one of the surest ways Members could assist. Australia and the Cairns Group would continue to work closely with the proponents to ensure a more open and fairer market for cotton globally to respond to the legitimate aspirations of cotton producers worldwide and to ensure that MC12 advanced their work as much as possible towards that objective.

4.42. The representative of Haiti noted that it had been clearly demonstrated that cotton and cotton by-products were important for the economies of the C-4. That was why Haiti as an LDC fully supported the draft declaration which had been put forward by Burkina Faso on behalf of the C-4 and Côte d'Ivoire.

4.43. The Chairman welcomed the exchanges that day on the proposal for a General Council Declaration on Cotton By-Product Development in LDCs. That was a very important issue and he invited all Members to remain constructively engaged in the discussions so that positive action on the matter could be taken by the General Council in due course.

4.44. The General Council took note of the statements.

4.2 Statement by Deputy Director-General

4.45. The Chairman recalled that in 2004, the General Council had instructed the Secretariat to continue to work with the development community and to provide the Council with periodic reports on the development assistance aspects of the Cotton Initiative. The General Council had also instructed the Director-General to consult with the relevant international organizations, including the Bretton Woods Institutions, the FAO and the ITC, to direct effectively existing programmes and any additional resources towards development of the economies where cotton had vital importance. The Bali and Nairobi Decisions had reaffirmed the mandate and had invited the Director-General to continue to provide periodic reports.

4.46. Deputy Director-General Alan Wolff, Chairman of the Director-General's Consultative Framework Mechanism on Cotton, reported that the work of the Director-General's Consultative Framework Mechanism on Cotton had continued to make good progress during 2020. That was one of the least contentious areas of the WTO's work. The goodwill and active participation of all Members was remarkable and very much appreciated. The latest revision of the evolving table captured the development assistance projects and programmes reported by Members and other organizations under the Consultative Framework. The update had been circulated on 2 November in document WT/CFMC/6/Rev.29. 26 projects were listed in part one entitled "Cotton-Specific Development Assistance" for a total value of committed resources of USD 238 million.

4.47. For agriculture and infrastructure related development assistance where assistance related to cotton was provided under a more general agricultural infrastructure support programme, new projects had been notified bringing to 51 the total number of active projects which was up from 42 in 2019. Participants regarded the discussions in the Consultative Mechanism as being productive, dynamic and inclusive particularly under agenda item 6 entitled "Project Developments". In those discussions, beneficiaries had highlighted key elements in the new projects for feedback by potential partners and donors and had shared results and lessons learned from ongoing and concluded projects. Important presentations had been made by partner organizations, companies and other institutions in which they had shared their experiences and best practices including case studies on the implementation and impacts of cotton projects.

4.48. Following a specific request made by the C-4, it had been agreed that the evolving table on cotton-related development assistance would include a new annex listing project demands presented by beneficiary country Members. That development would enable the dissemination of demand-driven project requests while fostering multi-stakeholder coordination and international monitoring through the participants of the Consultative Mechanism and contributing towards tangible and positive progress on cotton development assistance.

4.49. He expressed his gratitude to the Members and multilateral agencies who had been active in cotton specific projects recorded in the evolving table. Those were Australia, Brazil, the European Union, France, Germany, India, Italy, The Netherlands, Sweden, Switzerland, the United States, EIF, FAO, ITC and UNCTAD. It was an amazing outpouring of assistance from those countries and devotion to the tasks at hand. Further, he commended Brazil, China, India and Pakistan for their significant contributions on the platform of South-South Cooperation for Cotton Development Assistance. He encouraged all Members especially those with a variety of smaller projects that were either in the pipeline or ongoing to notify them to the Secretariat for proper inclusion in the evolving table. That would greatly enhance transparency and further reinforce the role of the evolving table as a comprehensive monitoring tool of the updated project information focused on cotton.

4.50. Despite the health-related restrictions, the WTO had celebrated World Cotton Day 2020 which had also been commemorated by other partner founding organizations: FAO, UNCTAD, ITC, ICAC and UNIDO. Considering the current health and logistical restrictions, the WTO Secretariat had organized activities in a virtual format through a dedicated webpage and new item and publication

of cotton trade information posted on WTO social media channels. Ministers, Ambassadors and Heads of various organizations and companies had submitted quotes on the importance of cotton to them. Those had been shared on social media and published on the World Cotton Day dedicated webpage. The celebration had also been a way to recognise the work undertaken by all partners in cotton development assistance in the WTO Cotton Consultative Framework context. He thanked Members for their support and positive contribution in the Cotton Development Assistance Framework.

4.51. The General Council took note of the report of Deputy Director-General Wolff.

5 TWELFTH SESSION OF THE MINISTERIAL CONFERENCE – DATE AND VENUE

5.1. The Chairman recalled that at the October meeting of the General Council, he had noted that the "working hypothesis" continued to be that MC12 would take place from 21 to 24 June 2021 and that the General Council would take the formal decision at the appropriate time. Those dates had been suggested on the basis of the consultations he had then had with Members further to the renewed offer by Kazakhstan to host the Conference in 2021 – an offer for which the whole Membership remained very grateful. In fact, that was referenced in the July and October meetings.

5.2. During the October General Council meeting, a number of delegations had concurred with the June 2021 dates as a working hypothesis noting however that those dates should be evaluated regularly given the persistent uncertainties brought about by the COVID-19 pandemic. Other delegations referred to the need to prepare for contingency plans and called for flexibility on the date and venue of the Conference in view of the current conditions and other factors. Delegations generally highlighted the importance of MC12 as a landmark event and urged the Membership to work together to achieve substantive outcomes.

5.3. Since then, he had continued his consultations with delegations including with Group Coordinators. Based on those discussions, the sense he was hearing from Members was that, in light of the current situation, it was no longer realistic to envisage a June date for MC12, and that it would be necessary to consider alternative dates towards the end of 2021.

5.4. At the same time, and again on the basis of what he had heard from Members, in his view it was becoming increasingly important and urgent that a firm decision was taken so that Members in Geneva and in capitals had clarity on the matter. Members had unfortunately lost a lot of time that year – understandably given the ongoing ravages of the COVID-19 pandemic. There also continued to be uncertainty about the evolution of the pandemic as Members approached the first months of 2021 notwithstanding the encouraging news of emerging vaccines.

5.5. Therefore, following those discussions, he intended to continue to consult on the matter, in the context of the updated information he had provided that day so that the General Council could take a formal decision on the date and venue of MC12 early in 2021.

5.6. The representative of Thailand expressed appreciation to Kazakhstan for its offer to host MC12. As Members moved into 2021 and further intensified their work in preparation for MC12, a concrete decision on the date of the Conference remained crucial for the optimal planning of their work, especially in the prioritization and targeting of deliverables. Thailand therefore supported a decision on the date of MC12 as early as possible. Members would likewise need to redouble their efforts and keep up their pace. While Thailand remained flexible on the date and ready to join the consensus, if MC12 was to be further delayed due to external factors resulting from the pandemic, the date of the Conference should not be set too far from the current working hypothesis.

5.7. On a personal note, throughout her tenure in Geneva, she was grateful for the trust, friendship and collaborations by all colleagues, especially during her time serving as the Dispute Settlement Body and General Council Chair in 2018 and 2019. It had truly been a great privilege for her to have worked with highly esteemed and professional colleagues, leaving her with greatly enriching experience. While she was leaving Geneva with some burden of thoughts on her remaining work and challenges facing the multilateral trading system, she was doing so knowing that those matters were left in the capable hands of all of the delegates. She would be rooting for the WTO and looked forward to its great success from Bangkok. For her part, she would continue to be a firm supporter and a promoter of the multilateral trading system and the WTO wherever she would be.

5.8. The representative of Botswana, on behalf of the African Group, thanked the Chair for his leadership on the matter despite the uncertainties presented by COVID-19 that had had an implication on the Membership making a timely decision. The African Group shared the Chair's sentiment that the June 2021 date had become unrealistic to use as a working hypothesis. Over and above that, despite promises of a vaccine, it remained unclear whether the COVID-19 pandemic would be contained by that time.

5.9. In the event of such an eventuality, the African Group suggested that consideration be given to returning to the December Ministerial cycle and for MC12 to be held in Geneva. Members would also need to factor in delays in finalising the appointment of the next Director-General. The African Group recognized the instrumental role the Director-General played both on the substance and logistics for the Conference and called on Members' cooperation in finalising the selection process to pave the way for preparations for MC12. The African Group remained available to consult further on the issue.

5.10. The representative of Namibia associated with the statement made by the African Group and to be made by the ACP and expressed its sincere appreciation to the Government of Kazakhstan for its offer to host MC12. While welcoming the idea of holding MC12 in June as a tentative date subject to the continued observation of the evolution of the COVID-19 situation, Namibia also agreed to the sentiments expressed by the African Group to move it to December. As MC12 remained crucial, Namibia looked forward to a formal decision being taken by the General Council on the matter.

5.11. With regard to the Appointment of the next Director-General, Namibia appreciated the efforts of the Chair for having facilitated the process from its initial stage until the end of the consultations. The process had been conducted in an open and inclusive manner in line with the procedures for appointing the next Director-General as had been agreed by the General Council. Following the Chair's report on the outcome of the consultations, Dr. Ngozi Okonjo-Iweala had attracted more support from Members and therefore in preparation for MC12, it would be better for the process of appointing the new Director-General to be finalized soon.

5.12. On a personal note, he thanked the Chair and colleagues for the support during his tenure in Geneva as well as for the well wishes for his departure. He wished everyone all the best as they continued to advocate for the multilateral trading system.

5.13. The representative of Singapore supported an early decision on the date and venue of MC12. If possible, Members should have agreement on that by early 2021. That would provide certainty and predictability to the WTO's work in the midst of the COVID-19 pandemic and would send a signal to the world that Members were committed to moving the trade agenda forward. Singapore remained flexible concerning the date and venue of MC12 including its format. It would however naturally be preferable to have an in person meeting or at least a hybrid one. The timing of MC12 should also take into account the systemic interest of the WTO including the timing of the appointment of the new Director-General and the importance of ensuring that MC12 delivered concrete outcomes. Singapore registered its appreciation to Kazakhstan for its offer and flexibility to host MC12.

5.14. The representative of Barbados reiterated its appreciation to the delegation of Kazakhstan for its generous offer and continued commitment to host MC12. Barbados was acutely aware of the challenges associated with weighing health and security concerns and the need for certainty if Kazakhstan was to prepare for the hosting of a Conference of such a magnitude effectively and efficiently while dealing with the uncertainties surrounding the COVID-19 pandemic. Barbados was also cognizant of calls from some Members to delay the hosting of MC12 until later in 2021.

5.15. Like others, Barbados could go ahead with an emerging consensus of the date and time of MC12 but stressed the need for consultations among Members with a clear view of ensuring that MC12 would not conflict with other major meetings on the international agenda particularly UNCTAD 15 scheduled to take place on 3-8 October 2021 and would accommodate the participation of all Members. Barbados encouraged the WTO to pay attention to the process of the selection of the next Director-General which would be critical in the process. MC12 would come at a critical time for the organization, its Members and multilateralism. Barbados therefore reiterated its commitment to positively contribute to a successful and productive MC12.

5.16. The representative of Mongolia welcomed Kazakhstan's commitment to host MC12 despite its postponement due to the pandemic. The WTO should strive to deliver in a timely manner. The speed of COVID-19 had already pushed backwards what Members should have delivered that year. The good news was that some countries had already started vaccination. According to Article IV of the Marrakesh Agreement Establishing the WTO, the Ministerial Conference should meet at least once every two years. It had already been three years since Members had the previous Ministerial Conference. They had already lost one whole year. 2020 had driven the global economy into a recession prompting Members to facilitate and protect the normal flow of trade as soon as they could. It was a time to act – not to wait. Mongolia called on all Members to come to a decision at the earliest possible time and no later than the beginning of the new year to put an end to existing uncertainties. Mongolia expressed its support for the holding of MC12 in Kazakhstan – an Asian and a landlocked developing country.

5.17. The representative of Jamaica, on behalf of the ACP, noted the importance of convening MC12 in that it allowed Ministers to take important decisions and by extension provide mandates and guidance for future work in various areas. The ACP Group thanked the Government of Kazakhstan for its generous offer to host MC12 and took note that Members preferred to postpone the Conference until late 2021 perhaps returning to an end of year cycle. The ACP Group welcomed the decision and would go with the consensus. Any dates to be agreed should accommodate the concerns of all Members including the psychological comfort of delegates and the likely effect that the virus could have in their capitals.

5.18. The ACP Group urged for consultations on the new dates for the Conference to ensure that it would not overlap with other major international meetings such as UNCTAD-15 that required the undivided attention of Ministers many of whom were also in charge of WTO affairs. Notwithstanding the progress which was being made in some capitals in respect of the containment of the virus and discovery of vaccines and other medicines, uncertainties continued as regards the return to normalcy including in those capitals with less resources. Hence it could well be that certain international travel restrictions would continue into 2021. The ACP Group supported the Chair in his plans to begin those consultations as soon as possible.

5.19. The representative of Guyana, on behalf of CARICOM, thanked Kazakhstan for its continuing interest and commitment to host MC12. Mindful of how Members were ending the year with an unavoidable loss of valuable preparation time both in Geneva and in capitals, CARICOM shared the concerns expressed by other delegations about public health challenges which could overshadow and overburden preparations for MC12 well into 2021. CARICOM nevertheless was committed to the achievement of a successful and productive Conference and would support an approach that would place public health and the ability of all delegations to participate in the Conference at the heart of the decision-making process in the coming months.

5.20. The representative of Australia reiterated its appreciation to Kazakhstan for its ongoing flexibility in setting the date and venue for MC12. Australia agreed with the sentiment that June 2021 was no longer a realistic prospect. Ministers and the Membership needed time to effectively prepare for MC12. Australia would be ready to support a working hypothesis of late 2021 or December 2021. As to the venue, Australia was interested in sharing views on what could be most practical. Australia also saw value in recognising Kazakhstan's role in the Ministerial meeting wherever and whenever MC12 would take place. In any event, Members needed a decision on the matter as early as possible in the new year.

5.21. The representative of the United States joined others in noting its appreciation to the Government of Kazakhstan for its offer to host MC12. As Members reflected on the current state of the global pandemic and on possible scenarios for 2021, it would appear that June 2021 was no longer a realistic target. The organization would be better served by making the decision soon to begin planning for a date later in the year, most likely returning to the normal timeframe of December. The United States urged Members to seriously consider reaching a decision early next year to identify a date for the Ministerial Conference that took into account the evolution of the pandemic and the need to provide a predicable timeframe to help guide Members' work ahead.

5.22. The representative of Malaysia was cognisant of the COVID-19 pandemic and other unprecedented developments which had disrupted Members' plan to hold MC12 from 21-24 June 2021 in Nur-Sultan, Kazakhstan. On that note, Malaysia welcomed the Chair's consultations on the way forward on MC12 date and venue and stood ready to contribute towards

achieving a meaningful outcome. In any event, Malaysia thanked Kazakhstan for its offer to host MC12.

5.23. The representative of Colombia noted that, given the developments of the COVID-19 pandemic, Colombia shared the Chair's sentiment that there was a fair likelihood that June 2021 would not be a feasible date for MC12. The end of 2021 would be better. With Members' ongoing work, Colombia hoped that the decision on MC12 date and venue would be taken by the General Council as soon as possible and without the need of having to wait until the next regular meeting of the General Council. Colombia remained flexible and would join the consensus in that regard. Colombia likewise thanked Kazakhstan for its generous and ongoing offer to host MC12.

5.24. The representative of the Russian Federation said that it was important for the Membership to have in mind specific dates for MC12 as it would establish a certain benchmark for the ongoing negotiation processes and would help the Members and the host in their preparations. MC12 remained a crucial event for the WTO. Delivering meaningful outcomes at the Conference was essential given the current challenges that the global trading system was facing. It was however obvious from that day's discussion that the working hypothesis of June 2021 was no longer realistic. In that regard, Members should have a Plan B ready including an option of having MC12 at the end of 2021. Russia welcomed the continuous availability of the Government of Kazakhstan to host the Conference. Russia understood however that the Membership could not be in a position that day to adopt a formal decision on MC12 date and venue. Even so, Russia stressed the importance of reaching consensus on the issue as early as possible and hopefully at the beginning of next year.

5.25. The representative of the Republic of Korea noted that Members had started the year with high hopes on tackling key issues in the lead up to MC12 in June. It would have demonstrated that the WTO had still been relevant and could still produce positive outcomes as they had envisioned. Due to unprecedented challenges posed by COVID-19, the Ministerial Conference had however been postponed to next year and progress in negotiations and WTO reform had slowed considerably. In order to push forward negotiations and show political will on major issues, it would be crucial to hold the Ministerial Conference sometime next year. To delay the Ministerial Conference further would have grave setbacks on the progress made so far and further weaken the momentum. Korea was flexible as to the exact date and venue. The bottom line was that MC12 should be held in 2021.

5.26. The representative of India said that holding the much delayed MC12 remained a matter of urgent priority for Members. The certainty of the schedule for MC12 would allow Members to work collectively towards implementing a work plan with appropriate markers and ambition for outcomes by then. It would also help mute criticism that the WTO was unable to hold the Ministerial Conference during those critical times. The decision regarding hosting MC12 should however be best left to the host – Kazakhstan. India acknowledged Kazakhstan's continued commitment to host MC12 at Nur-Sultan despite the uncertainty associated with the global COVID-19 pandemic. Kazakhstan deserved to take the final call regarding its scheduling for there to be clarity on the MC12 schedule soon.

5.27. The representative of Hong Kong, China noted that an early decision on the date and format of MC12 would be necessary. It would not only facilitate work and logistical planning but would also help focus Members' attention and energy on the deliverables at MC12 and keep the momentum going. Hong Kong, China was grateful for Kazakhstan's continued commitment to hosting MC12. But noting the uncertainties brought about by the COVID-19 pandemic and the concerns expressed by delegations, Hong Kong, China was open-minded on possible alternative dates and format of MC12.

5.28. The representative of the United Kingdom agreed that June 2021 no longer looked like a realistic date for MC12. The United Kingdom was both flexible of dates and venue but joined others in thinking that perhaps December was the time to go for. On the venue, the United Kingdom was flexible and thanked Kazakhstan for its ongoing willingness to host the Conference. The priority should be to agree on MC12 date and venue as soon as possible in the new year so that Members could all plan towards that and aim the negotiating processes to deliver on that. It would be important to build milestones into the 2021 Work Programme that would allow MC12 to be a substantial Conference commensurate with the need for the global trading system to play its central part in building back better after COVID-19.

5.29. The representative of Turkey thanked Kazakhstan for its continued commitment and flexibility to host MC12 despite the serious challenges posed by the global health crisis. Although Members

had all adapted themselves to the new normal and that the development of vaccines had made considerable progress, there were still uncertainties due to the evolving situation of COVID-19. Turkey would like MC12 to be held at the earliest opportunity as long as the pandemic situation permitted. It however seemed that June 2021 would not be feasible considering the evolving and unpredictable situation. Turkey was therefore flexible on the date and venue and ready to join the consensus on the basis of the Chair's consultations.

5.30. The representative of South Africa shared the sentiment that June 2021 was no longer a realistic working hypothesis in view of the evolution of COVID-19 but also importantly as indicated by the African Group that Members had not yet concluded the selection process for the next Director-General. The role of the Director-General was critical in organising a Ministerial Conference. It would make sense to go back to the normal cycle of Ministerial Conferences as Members looked at a suitable date for MC12. South Africa hoped for the conclusion of the issue at the earliest opportunity, would work constructively with the Chair and other Members in that regard and thanked Kazakhstan for its availability to host MC12.

5.31. The representative of Tunisia shared the Chair's sentiment regarding the difficulty in holding the Conference in June 2021. The health situation remained worrying with the most optimistic scenarios projecting the end of 2021 as the earliest period for the pandemic to be contained. In addition, with the selection process for the Director-General yet to be concluded and the stagnation in most areas of negotiations due in particular to the disruptions caused by COVID-19, it would be advisable to postpone the holding of MC12.

5.32. The representative of Ecuador said that it was essential to fix a date in 2021 for MC12 and thanked Kazakhstan for the generosity it had shown to host MC12 and for its flexibility with regard to the organization of the event. Ecuador was flexible and would join the consensus on the matter. Taking a decision on MC12 date and venue would help Members focus their work and set the work programmes for 2021. It would also enable them to have substantive discussions in Geneva which would enable them along the way to ensure a successful Ministerial Conference. Ecuador trusted the commitment and work of the Chairs and Facilitators of the different negotiating groups and thanked the Coordinators of the JSIs. Members should redouble their efforts to effectively carry out WTO work in view of MC12.

5.33. The representative of the Philippines expressed appreciation to Kazakhstan for its continuing offer to host MC12 despite the difficult and multifarious challenges posed by the COVID-19 pandemic. While it shared the sentiments expressed by a number of Members that day and in past General Council meetings on the importance of coming to an agreement on the dates for MC12 without further delay, the Philippines was also fully cognizant of the risks and uncertainties brought about by the COVID-19 pandemic. The Philippines welcomed the progress achieved in the development of the vaccine but that alone would be insufficient to quell any disquiet about the lingering threat of the COVID-19 pandemic and the potential risks to the health and safety of delegates.

5.34. In Geneva alone, the recent spike in COVID-19 infections should give Members more food-for-thought not to reconsider the holding of MC12 but to improve the necessary administrative, organizational, and logistical systems, including the use of hybrid means, to protect delegates against the virus and prevent transmission during meetings. Successfully holding MC12 at the date to be agreed upon by the Membership, delivering much-needed substantive outcomes, and continuing on a path to reform, would send a strong signal that the WTO was ready to tackle the urgent problems of today and face the challenges of tomorrow.

5.35. The representative of Brazil noted that, as the year came to a close, Members still did not have a clear picture of what was ahead regarding the COVID-19 pandemic. Members should have a Plan B ready. They could not afford yet another year without the Ministerial Conference. Brazil was grateful to Kazakhstan's goodwill and commitment to host MC12. Should it prove impossible to hold MC12 in Kazakhstan, Brazil was flexible and Members should be open to consider other venues. It was important that MC12 took place still in 2021. Members needed to provide undivided attention to negotiate a credible and relevant package for MC12. It was time to move on and start preparing the package as soon as possible.

5.36. The representative of Chinese Taipei said that if MC12 was to be delayed, the new date should not be too far away from the original date of June 2021, ideally within the same year. Further delay

of MC12 could have a worse impact on the momentum that Members had built for the current negotiations and project a negative image on the WTO's ability to manage challenges. Considering the highly uncertain situation caused by the pandemic, Members should not rule out the possibility of having a hybrid MC12 or even a virtual meeting if necessary. Chinese Taipei supported an early decision on MC12 date and venue and thanked Kazakhstan for its offer to host MC12.

5.37. The representative of Japan extended its appreciation to Kazakhstan for its offer to host MC12 and noted that Members should continue their coordination on the timing of MC12 in 2021 in consultation with Kazakhstan. Given the current situation of the COVID-19 pandemic, Japan was open and flexible to suggestions on the dates and venue of MC12. Members however needed to make a decision by the next General Council at the latest to have enough time to prepare. As MC12 was a critical milestone for substantive WTO work, Japan pointed out three elements: first, MC12 should use a hybrid format in a flexible way; second, it could be instrumental to hold informal Ministerial meetings during the period in the run up to MC12 and third, it was important to appoint the new Director-General as soon as possible to facilitate the smooth preparations for MC12.

5.38. The representative of Nigeria associated with the statements made by the African Group and the ACP and thanked the Government of Kazakhstan for its continued offer to host MC12 despite the challenges faced due to COVID-19. An early decision on MC12 date and venue was essential since the Ministerial Conference was the highest decision-making body of the WTO. It was therefore important for Members to consider the need for Ministers to meet, take stock of negotiations and take appropriate decisions on various trade issues being negotiated. That would no doubt help the institution in moving forward. Nigeria shared the concerns expressed on the challenges likely to be faced if MC12 was to take place in June 2021 and the proposal to take the option of moving it to December 2021. The decision on specific dates in December 2021 should however be taken after due consultations with capitals to avoid any overlap with any other international events.

5.39. In addition, the conclusion of the WTO DG Selection Process early in 2021 would be significant as alluded by some delegations in their statements. It was true that some significant achievements in the conduct of the process had been remarkably completed in accordance with the guidelines of the DG Selection Process. Nigeria urged the concerned Members to let the remaining issues be addressed diplomatically for the mutual benefit of the WTO as an institution and the need for more progress in the multilateral trading system. Completing the process would no doubt assist in the early preparation for MC12 and in achieving expectations for fruitful outcomes.

5.40. The representative of Cambodia supported and thanked Kazakhstan for its offer to host MC12 tentatively scheduled on 21 to 24 June 2021. Due to the COVID-19 pandemic, Members should allow Kazakhstan to continue its assessment and consultation then make a proposal on the date and venue depending on the situation while ensuring that all Members could participate in the event. Cambodia remained flexible to join the consensus on MC12 date and venue and looked forward to working closely with all Members to achieve inclusive and meaningful outcomes.

5.41. The representative of Afghanistan noted the Chair's statement regarding the postponement of MC12 and shared the concerns raised by the Chair on the June 2021 date given the situation caused by the global health crisis. Afghanistan acknowledged and appreciated the Government of Kazakhstan for its constant readiness to host MC12 and flexibility with the new date. Afghanistan was likewise flexible in setting a new date for MC12. Members should in any case take a firm decision on it promptly possibly in the beginning of 2021.

5.42. The representative of Uruguay thanked Kazakhstan for its offer to host MC12. Since the current global health situation required ongoing assessment, Members would be well advised to postpone MC12 until the end of 2021. Those circumstances could provide Members with a firmer horizon and the possibility of being able to have the input and participation of the new Director-General in the preparations and conduct of MC12.

5.43. The representative of Mexico said that Members did not know when they could hold the Conference due to the measures put up by a lot of countries caused by the second wave of COVID-19. Although some countries had already started their vaccination campaigns, it was still uncertain when such would become universal and when the situation would normalise. Mexico thanked Kazakhstan for its ongoing commitment to the WTO in hosting MC12 and reaffirmed its commitment to constructively participate in the consultations and in the consensus on MC12 date and venue.

5.44. The representative of Chad thanked Kazakhstan for its ongoing offer to host MC12 and noted that Members seemed to be seeing consensus taking shape for December 2021 as the date for holding MC12. Chad could consider that as a working hypothesis insofar as Members still found themselves in a state of uncertainty and lack of clarity when it came to the further unfolding of the pandemic even though there was the prospect of vaccines for 2021.

5.45. The representative of the Kingdom of Saudi Arabia thanked Kazakhstan for its continuous generous offer to host MC12 and shared the Chair's view regarding the MC12 date given the increasing level of uncertainty due to the evolving COVID-19 pandemic. Saudi Arabia was open and flexible for any specific date in 2021 for the upcoming MC12.

5.46. The representative of Indonesia said that due to the challenges posed by the COVID-19 pandemic, it would be impossible to convene the meeting in June 2021. The determination of MC12 date and venue was of paramount importance for Members' work to keep the momentum and ensure that they had a fixed timeline to finish their tasks. Indonesia remained open to discuss a new date for MC12 including to revert to the previous cycle. At the same time, it thanked the Government of Kazakhstan for its continued commitment to host MC12 and was open to hearing its suggestion on the matter.

5.47. The representative of Haiti associated with the statement made by CARICOM and the LDCs and thanked Kazakhstan for its continued availability to host MC12. Given the uncertainty surrounding the situation caused by the COVID-19 pandemic, it did not seem to be feasible to hold MC12 in June 2021. The end of 2021 was a more realistic date. Haiti remained ready to join the consensus regarding the date for MC12.

5.48. The representative of the Republic of Moldova appreciated the Government of Kazakhstan's offer to host MC12. At the same time, Moldova echoed the sentiments as mentioned by several delegations and the Chair in supporting the idea that organising the next Ministerial Conference in June 2021 would bring too many uncertainties linked to the pandemic and to the start of the work of the next Director-General. Moldova remained flexible on the matter but believed that it was more realistic for MC12 to take place at the end of 2021. Despite the many unclear answers on how, if and when the immunization against COVID-19 would become effective, Moldova favoured an in person meeting. Moldova supported an early decision on MC12 which would provide more clarity as Members organized their work ahead.

5.49. The representative of Kazakhstan emphasized the unprecedented challenges that Members were all facing throughout 2021 at the global level, back in their country, in their families and individually due to the COVID-19 pandemic that had affected all spheres of life. That was a dramatic stress test for global trade, national economies and public health systems. In that context and despite all difficulties, Kazakhstan reiterated the consistent and continued commitment and readiness of its government to host, chair and play an active role in the organization of the next Ministerial Conference. Kazakhstan's offer with the dates 21-24 June 2021 was still on the table and remained valid.

5.50. At the same time, Kazakhstan had listened carefully to delegations and had recognized all the challenges posed by public health concerns and consequently, restrictions on travel and public gatherings had been imposed by the Government of Kazakhstan since March 2020 until the present and with high probability of their extension throughout the first quarter or the first half of 2021 due to the COVID-19 pandemic. Kazakhstan had made realistic assessments of all those developments in relation to the date and organization of MC12.

5.51. Kazakhstan stood ready to engage in further consultations with the Membership under the able leadership of the General Council Chair, Ambassador David Walker, regarding the date, venue, format and other issues related to MC12 with the aim to enable all Members to make a firm and hopefully final decision early next year. Kazakhstan thanked everyone for their strong and unanimous support to its offer to host MC12 and to their efforts in consistently demonstrating trust and confidence in its government's commitment and capacity to host such an important event. Kazakhstan assured everyone that it remained committed to make MC12 a success.

5.52. The Chairman reiterated that he would continue to consult with the intention that the General Council could take a formal decision on the date and venue of MC12 early in the new year.

5.53. The General Council took note of the Chairman's report and of the statements.

6 WORK PROGRAMME ON ELECTRONIC COMMERCE

6.1 Reports by the Chairs of the Council for Trade in Goods and the Council for Trade in Services (G/C/67; S/C/61)

6.1. The Chairman drew attention to the reports submitted by the Chairs of the Council for Trade in Goods and of the Council for Trade in Services to the General Council, contained in documents G/C/67 and S/C/61, respectively. In that regard, he invited the Chairs of the Council for Trade in Goods and of the Council for Trade in Services to introduce those reports as well as the Chair of the Council for TRIPS to make a statement on the developments in that area.

6.2. Ambassador Mikael Anzén (Sweden), Chairman of the Council for Trade in Goods, noted that his factual report to the General Council under the agenda item was contained in document G/C/67. He recalled that since MC12 had been postponed on two occasions and in order to fulfil the mandate of the Goods Council, at its meetings of 10-11 June and 25-26 November, his predecessor and he – respectively – had invited delegations to continue to express their opinions and to make suggestions as to how to work on the preparation of the periodic review to be held in the General Council in preparation for MC12.

6.3. At the June meeting, the LDC Group, and at the November meeting, the African Group – respectively – had acknowledged the importance of e-commerce for their developmental, economic, and social aspects. The delegations had reiterated the importance of reinvigorating the Work Programme to discuss and address the difficulties faced by developing and LDC Members in order to allow them to benefit from e-commerce while enabling equitable participation and meaningful distribution of the economic and transformational benefits of e-commerce to all Members.

6.4. During the discussions, it had been mentioned that it had been important to understand first the multifaceted dimensions of e-commerce. On issues such as its effects on competition and market structures, transfer of technology, data storage and automation, as well as its impact on traditional jobs and gaps in regulatory frameworks in developing countries.

6.5. It had also been indicated that strengthening the multilateral work under the Work Programme would contribute to a better understanding of the implications of the moratorium on customs duties on electronic transmissions. In that regard, it had been mentioned that MC12 would give an opportunity for taking a decision on the moratorium. Concerning the examination of the e-commerce aspects relevant to the GATT 1994 and the Agreements in Annex 1A of the Marrakesh Agreement, the Council for Trade in Goods had specific functions.

6.6. At those meetings, various delegations had also indicated that the COVID-19 pandemic had demonstrated the increasing importance of e-commerce. They had also reminded Members to expedite their work in the area of e-commerce in a participatory and inclusive manner, considering the gap between developed, developing and LDC Members that needed to be addressed.

6.7. Ambassador Tan Hung Seng (Singapore), Chairman of the Council for Trade in Services, reported that, at the meeting of the Council for Trade in Services held on 4 December, Members had agreed that he would produce, under his own responsibility, a Chair's Report to the General Council providing a snapshot of the discussions under the Work Programme on Electronic Commerce that had taken place at the CTS since the last such report had been issued a year ago. The report was circulated in S/C/61. In that regard, he highlighted three points in the Report.

6.8. First, Members had engaged actively and they had substantive discussions under the Work Programme. They had exchanged useful and detailed information about each other's initiatives and experiences in the digital sphere as well as their national efforts to promote an enabling e-commerce environment.

6.9. Second, Members had recognized the crucial role that e-commerce played in facilitating economic growth and development, and many had noted that the COVID-19 pandemic had accentuated and accelerated that aspect. While acknowledging the benefits of e-commerce, various

delegations had called for the Work Programme discussions to focus on the challenges faced by developing countries in the area.

6.10. Third, Members had touched upon the moratorium on customs duties on electronic transmission and the JSI process in the course of the Council's discussions and it would come as no surprise that Members continued to hold different views on those issues.

6.11. Ambassador Xolelwa Mlumbi-Peter (South Africa), Chair of the Council for TRIPS, provided a brief report under her own responsibility on discussions in the TRIPS Council with respect to the Work Programme on Electronic Commerce during the year. Different from other WTO bodies, electronic commerce was not a standing item on the agenda of the TRIPS Council and the last time that the TRIPS Council had had a substantive discussion on the topic dated back to May 2016.

6.12. At the February meeting of the Council, her predecessor had encouraged Members to fulfil the Ministerial mandate under the Work Programme, and had indicated that the Chair would report on any such discussions to the General Council. Since then, the item of e-commerce had been on the TRIPS Council's agenda at two meetings.

6.13. In July, the delegation of South Africa had requested the inclusion of an item "IP and the 1998 Work Programme on Electronic Commerce" on the agenda of the Council's meeting. The submission in document IP/C/W/665, circulated in support of the item, had emphasized the link between IP and development, and the achievement of the UN Sustainable Development Goals, and had highlighted the importance of the transfer and dissemination of technology under the TRIPS Agreement.

6.14. In the subsequent discussion, some Members had emphasized that the pace of digitization, which had accelerated with the COVID-19 outbreak, had varied across economies, and that the requisite technology should be made available to developing and LDC economies in order to bridge the digital divide and make electronic commerce discussions meaningful. Others had reiterated the importance of a reliable and predictable system of IP protection and enforcement to voluntary transfers of technology and had recognized the importance of creating conditions that encouraged such mutually beneficial technology transfer on commercial terms.

6.15. Members had held different views about the relevance of anti-competitive practices in that context and about the interpretation of the TRIPS Council's mandate to discuss "new technologies and access to technology" under the Work Programme.

6.16. At the Council's October meeting, at her own request, the Council had discussed how to pursue its mandate under the 1998 Work Programme on Electronic Commerce more broadly, and in particular on whether to make that a standing item on the Council's agenda. While there had been broad support for engagement on the topic of e-commerce in the TRIPS Council in general, and individual delegations had suggested specific topics for discussion, a number of delegations had preferred however that such discussions would take place under ad hoc items proposed by delegations as that would ensure a more focused engagement in concrete discussions.

6.17. Future discussions in the TRIPS Council on the topic would therefore depend on the initiative of Members to request such items for inclusion at future meetings. As Chair of the TRIPS Council, she would continue to encourage Members to discuss e-commerce issues of interest to them as mandated by the Work Programme.

6.18. The Chairman extended his gratitude to the Chairs for the work carried out on e-commerce in their respective bodies and for their reports. He recalled that, at the October meeting, he had urged all delegations to deepen engagement on both the Work Programme and the Moratorium in line with the December 2019 General Council Decision.

6.19. Thereafter, on 16 November, he had sent a communication to all Members in which he had recalled that the 2019 General Council Decision had called for the reinvigoration of the Work Programme and the holding of structured discussions based on topics of interest brought forward by Members including on scope, definition and impact of the Moratorium – and that Members had also agreed to extend the Moratorium until MC12. In the same communication, he had invited Members to submit proposals for structured discussion ahead of the meeting. One communication had since been received which would be taken up shortly.

6.20. The General Council took note of the reports in G/C/67 and S/C/61 and of the Chairs' statements.

6.2 Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Transmissions – Request from India

6.21. The Chairman recalled that the delegation of India had requested that the item on "Work Programme on Electronic Commerce and Moratorium on Imposing Customs Duties on Electronic Transmissions" be included in the agenda of that day's meeting and invited India to take the floor.

6.22. The representative of India said that, as the digital revolution was still unfolding, India had on a number of occasions reiterated that it was important to first understand the complex and multi-faceted dimensions of issues related to e-commerce. Members were all yet to fully comprehend the implications of effects of e-commerce on competition and market structures, issues related to transfer of technology, data storage and automation and its impact on traditional jobs and the gaps in policy and regulating frameworks in developing countries. Keeping that in mind, India had been a proponent of strengthening the multilateral work under the non-negotiating and exploratory 1998 Work Programme on Electronic Commerce.

6.23. Under the 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 had introduced three submissions which explained their understanding on the scope and impact of the Moratorium. In December 2019 India had joined the consensus on the six months extension of the Moratorium with the understanding that the Work Programme on Electronic Commerce would 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 were covered under the Moratorium as well as its impact.

6.24. To further the discussions on the Work Programme on Electronic Commerce in the General Council and other concerned WTO bodies, India and South Africa had submitted a paper circulated in document WT/GC/W/812 which sought that the General Council should play a central role in the discussions on the Work Programme and keep it under continuous review through a standing item on its agenda, and take up any trade-related issue of a cross-cutting nature. They also sought that the General Council should direct that the Work Programme on Electronic Commerce be a standing item in the relevant WTO bodies as mandated and set out in WT/L/274. In line with that, India urged Members to engage sincerely on those issues under the multilateral Work Programme in the General Council and in the relevant WTO Bodies.

6.25. The General Council took note of the statement.

6.3 Reinvigorating the Work Under the 1998 Work Programme on Electronic Commerce – Communication from South Africa and India (WT/GC/W/812)

6.26. The Chairman recalled that the sub-item was included on the agenda by the delegations of South Africa and India together with a communication circulated in document WT/GC/W/812 and invited South Africa to introduce the communication.

6.27. The representative of South Africa recalled that on 10 December 2019, Members had agreed to reinvigorate the work under the Work Programme on Electronic Commerce based on the existing mandate as set out in WT/L/274. They had agreed that the work would include structured discussions in early 2020 based on all trade-related topics of interest brought forward by Members, including LDCs, including on scope, definition and impact of the Moratorium on Customs Duties on Electronic Transmissions. Members had also agreed to maintain the current practice of not imposing customs duties on electronic transmissions until the Twelfth Ministerial Conference. Furthermore, Members had agreed that the General Council should report to the Twelfth Session of the Ministerial Conference.

6.28. In going through the discussions on e-commerce that had taken place since the establishment of the Work Programme in 1998, both at a horizontal level in the General Council and in the relevant WTO bodies (CTD, CTS, CTG, TRIPS Council), Members would observe that discussions, even from

a trade policy perspective had not been adequately explored, and where further discussions had been held, those discussions barely scratched the surface.

6.29. There were also different approaches by the WTO bodies on the issue of critical importance to the Membership with some bodies having the Work Programme on electronic commerce as a standing item in the agenda, while in others it was an ad hoc item that was only put in the agenda at the request of Members even though there was a clear Ministerial mandate on issues to be addressed by each of the WTO bodies.

6.30. The digital economy had not been static and many Members were still coming to grips with what appeared would be very profound changes brought on by the digital transformation of which e-commerce was integral. Hence, the evolution of the sector made it necessary to continue the exploratory discussions under the Work Programme.

6.31. In addition, the COVID-19 pandemic highlighted the need to reinvigorate the work under the Work Programme in view of the deepening digital divide both within and between countries. Despite the rapid uptake of digital technologies, significant divides remained. Only 35% of the population in developing countries had internet access as compared to 87% in the developed world. As a result, countries which were hyperconnected had been able to continue many of their economic operations online during the ongoing pandemic but countries which were less connected had not even been able to provide basic information on combating COVID-19 where it had been most needed.

6.32. According to the UNCTAD eTrade Readiness Assessments, there were significant gaps and barriers in several policy areas ranging from ICT infrastructure, payment solutions, skills, legal frameworks, insufficient quality of broadband services that hampered the ability of many developing countries to leapfrog and leverage digital trade.

6.33. The WTO had a unique opportunity to make a contribution towards laying the foundation for a more just and inclusive economy by promoting an inclusive and development-oriented approach to electronic commerce. Multilateralism was vital in a world facing development challenges.

6.34. In view of the above, the General Council could direct that the E-commerce Work Programme be a standing item in the relevant WTO bodies given a mandate as set out in WT/L/274; play a central role in the discussions and keep the Work Programme under continuous review through a standing item on its agenda and take up consideration of any trade-related issue of a cross-cutting nature as entailed in the 1998 Work Programme; and, continue structured thematic discussions in the General Council through various platforms. Some of the topics could include: (i) developmental aspects of electronic commerce; (ii) scope, definition and impact of the moratorium on customs duties on electronic transmissions; and, (iii) examination of the challenges experienced by developing countries and LDCs in relation to electronic commerce and explore ways of enhancing the participation of developing countries in electronic commerce.

6.35. The representative of Uruguay noted that the reports by the Chairs of the General Council, the Council for Trade in Goods, the Council for Trade in Services and the TRIPS Council showed the commitment and interest of Members on the Work Programme. On the communication by South Africa and India, Uruguay agreed with the assessment regarding the importance and the profound impact of digital technology on trade. It was absolutely essential that Members complied with the mandate and the 2019 Decision of the General Council. It was crucial that Members continued looking in the different relevant bodies all the issues related to electronic commerce that impacted trade including aspects relating to the development of e-commerce and the challenges developing and LDC Members faced in that area.

6.36. The General Council had a role to play to help visualise the cross-cutting aspects of those issues. Afterall, the General Council played an important role as the highest decision-making body of a political nature for the adoption of decisions during the intervals of sessions of the Ministerial Conference. Concerning the regulatory challenges, the Work Programme should lead Members to possible consensus and multilateral decisions on all aspects related to electronic commerce that had an impact on trade.

6.37. Regarding the moratorium on imposing customs duties on electronic transmissions, Uruguay believed that it had had an important impact. For example, Uruguay had developed an ecosystem

of enterprises, a lot of which were MSMEs, and global service providers that used e-commerce tools – showing that the digital economy had important positive effects on other traditional economic sectors and on the sustainable development of the economy.

6.38. From the perspective of MSMEs, the imposition of customs duties would generate greater costs and greater uncertainty in international trade. That was why, without prejudging future discussions and bearing in mind the exchanges that Members had had in different configurations including those at the General Council and based on their experience with RTAs, Uruguay supported the renewal of the Moratorium at MC12.

6.39. The negotiations under the JSI on Electronic Commerce had maintained the observance of the principles of transparency and inclusiveness and would benefit from the participation of more developing and LDC Members. Uruguay thanked the co-convenors for their efforts and for circulating the latest consolidated text. The creation of trade rules and disciplines on that area, including the flexibilities considered essential, would benefit the smaller economies.

6.40. The differences or the fragmentation of the regulatory regimes on electronic commerce and the digital economy, not to mention the possible effects which would be extraterritorial, could become de facto if not de jure trade restrictions which would not be necessary or would grant a differential treatment which would be discriminatory with the imposition of additional costs – the compliance of which would be particularly onerous for MSMEs of developing and LDC Members.

6.41. On the contrary, the major protagonists of the JSI had the markets and the resources to adapt themselves and navigate through the different regulatory regimes. To attain sustainable development in a digital economy, Members would only find solutions to the issues they faced through greater cooperation and collaboration with rules and disciplines that would be established to enhance the operability and predictability of electronic commerce.

6.42. The representative of Peru underscored the importance that it attached to the moratorium on the imposition of customs duties on electronic transmissions not only to strengthen the development of e-commerce as being a key element for economic growth but also to facilitate the participation of its enterprises especially MSMEs. In that regard, regional and bilateral agreements already included a clause that enshrined that principle in a permanent way.

6.43. On the JSI on Electronic Commerce, Peru underscored its commitment and endorsed the work of the JSI. Peru hoped that the JSI would continue to work in an open and participatory way as had been the case so far be it in plenary meetings, thematic sessions, small group discussions, bilateral talks and intersessional meetings. The consolidated text testified to the interest of Peru and the JSI Participants in working towards a deep understanding of each of the aspects of electronic commerce when it came to arriving at an agreement.

6.44. Such an agreement could make it possible to draw the maximum benefit from the potential harnessed by e-commerce to Members in a move towards a digital economy and to leverage the input of enterprises in e-commerce with new products, new markets and new innovative goods and services. Peru thanked the co-convenors for stirring the work of the JSI and the delegations who had put forward proposals as well and those who had actively participated in meetings in various configurations.

6.45. The representative of the Republic of Korea reconfirmed its steadfast position that the moratorium on imposing customs duties on electronic transmissions should continue on a permanent basis. In 2020, COVID-19 had severely disrupted global trade in an unprecedented way. Such challenge had accelerated structural transition into a digital economy where remote contact list transactions had emerged as the most viable option in response to the crisis.

6.46. Any move to inhibit the growth of the digital flow would be deemed untenable against the backdrop of their collective efforts towards post pandemic recovery and would face headwinds from the business community when their support was most needed. Recent studies showed that the non-extension of the moratorium would bring potential setback to developing countries in particular. Korea looked forward to hearing from others on that agenda.

6.47. The representative of Barbados associated with the statements to be delivered by CARICOM and the ACP. Barbados viewed the contributions in the discussions under the Work Programme as a clear message that the current mandate of the Work Programme remained relevant and truly worthy of continued reinvigoration. Members should seek to enhance their structured discussions beyond the Moratorium particularly given the issues that had been indicated by the LDC Group in its submission as well as the ACP Group in its statements under that agenda item.

6.48. The development dimension was a clear aspect of Members' work that was worthy of further discussion particularly as it related to the COVID-19 pandemic. It had revealed that there was a widening of the digital divide between developed and developing countries. It had, among other things, highlighted soft and hard infrastructure gaps. While certain electronic commerce related services and telecommunication services had been bolstered because of certain measures imposed during the crisis, the uptick in those services had not been equal or translated into producers in developing countries and LDCs becoming sellers of goods and services through electronic platforms. The analysis of the reasons behind that phenomenon offered some useful ideas for future work under the ambit of the Work Programme.

6.49. Members should look at a way of systematically reinvigorating discussions on the Work Programme in that and other bodies mandated to take up the work on the Work Programme. Barbados was ever cognizant that the onus was on developing countries to also table proposals which highlighted their interest particularly given that they were the advocates of the development dimension of the Work Programme. Barbados looked forward to engaging with Members as well as sharing experiences and policy options which could help bridge the digital divide and take the work of the Work Programme forward particularly as Members looked to MC12 when the renewal of the Work Programme and the Moratorium would come up for discussion and consideration by all Members.

6.50. The representative of Turkey said that digitalization and its fundamental achievements meant everything for everyone. It was therefore Members' common responsibility to keep WTO rules up to date on the trade-related aspects of digitalization. Online trade was clearly on the rise and, as a result, the share of physical trade was affected. The pandemic had devastating results on many sectors but the Information and Communication Technology sector had demonstrated an exceptional growth during COVID-19.

6.51. As mentioned many times by different delegations, Members needed clarity on the scope of the Moratorium, the definition of electronic transmissions, identification of products covered under the Moratorium and its impacts on customs duties. On the other side, potential benefits of the Moratorium in promoting trade, creating new industries, boosting innovation and ramping up development should also be taken into account. Such an objective and data-based exploration would assist Members in finding a suitable landing zone and their next decision on the Moratorium could be based on it.

6.52. In their work, Members also needed to focus on preserving policy space to address the regulatory challenges of the current rapid technological advancements and on steps to bridge the digital divide. Members could have those discussions by reinvigorating the Work Programme. Turkey was ready to engage constructively in that regard. The current discussion under the JSI on Electronic Commerce would be complementary to the Work Programme. At that stage, the current practice of extending the Moratorium while Members further discussed those aspects would be an appropriate solution.

6.53. The representative of Uganda noted that, in 2019, UNCTAD had reported that the potential tariff revenue loss resulting from the moratorium on customs duties to LDCs using bound duties had stood at USD 1.5 billion and that the potential tariff revenue loss to Sub-Saharan African countries had been twice that of WTO high-income countries. The potential tariff revenue loss for countries like Uganda had also been higher than that of developed countries. In other words, using bound duties, the LDC Group could generate five times more tariff revenue than developed countries in the absence of the Moratorium.

6.54. The communications of India and South Africa on "The Need to Re-think the Moratorium on Customs Duties on Electronic Transmissions and the Implications of the Moratorium on Economies of Developing Countries" had presented arguments that could warrant reconsideration of the

Moratorium. Uganda continued to critically reflect on the issue to enable it to make the appropriate determination on the matter going forward.

6.55. Uganda also welcomed the communication by India and South Africa contained in document WT/GC/W/812 entitled "Reinvigorating the Work under the Work Programme on Electronic Commerce". It was extremely timely given the challenges of the digital divide that manifested itself in terms of connectivity, affordability and skills among others that were currently even more evident as a result of the COVID-19 pandemic that Uganda had experienced as a country. Those challenges had not shown that Members needed international e-commerce rules – not at all.

6.56. Uganda welcomed and fully supported the proposals in Section 3 of the communication by India and South Africa regarding structured discussions under the Work Programme. Uganda saw tremendous value in a critical analysis of the many challenges that it had faced and continued to face in trying to make the most of the e-commerce opportunities as explained by the LDC Group Coordinator – Chad. Uganda would immensely benefit from experience sharing, information exchange with Members in that regard towards increasing its participation in e-commerce.

6.57. The representative of Nigeria said that digital trade was growing rapidly and its performance had become an important determinant of the disproportional effects of trade and growth. The remarkable growth in digital trade notwithstanding, Members should acknowledge the fact that given the north-south digital divide and digital evolution existing within a respective economy, there existed disproportionate sharing of the benefit of the growth in e-commerce between countries and among domestic economic players. It was for those reasons that Nigeria had been steadfast in its call for the Membership to reinvigorate the Work Programme and explore ways of addressing the difficulties undermining the gains of developing countries from the global digital trade.

6.58. Nigeria's joint proposal with other co-sponsors on exploratory discussions on supporting digital capability of business and consumers in the CTS was gaining traction with more Members engaging in the discussion. Nigeria supported a more structured and targeted discussion on horizontal and vertical issues regarding the trade-related aspects of e-commerce under the Work Programme with a view to setting an inclusive and development-oriented agenda for consideration by Ministers at MC12.

6.59. Nigeria however did not agree with the assertion in document WT/GC/W/812 that discussions in the JSI on e-commerce narrowly focused on the development of legally binding rules and risked further marginalization of developing countries in global trade. The discussions under the JSI had been open, transparent and inclusive and Nigeria was hopeful that the final outcomes would effectively address its development needs.

6.60. On the moratorium on the imposition of customs duties on electronic transmissions, Nigeria supported the call for broad based discussions on scope and definition so Members could gain greater insight and deepen their understanding of those issues. Regarding the issue of the impact of the Moratorium, the discussions should be guided by the result of a general equilibrium analysis or other assessment that also took into account the dynamic effects of the Moratorium with clearly defined terms of reference. The discussion should not solely be guided by the result of static analysis that only focused on constructed revenue loss.

6.61. The representative of Chile thanked the proponents of the exploratory discussions under the Work Programme in the Council for Trade in Services on supporting digital capability of business and consumers for the important contribution that they had made in nurturing the discussions on the Work Programme and also in light of the impact caused by COVID-19 and regarding national programmes seeking to increase digital capacity.

6.62. On the moratorium on the imposition of customs duties on electronic transmissions, Chile had explained why it was in favour of the Moratorium. Chile had continually voiced its support to the renewal of the Moratorium. Studies had shown that the term of the Moratorium could have an impact on public revenue. At the same time, the Moratorium was important for consumers and the competitiveness of enterprises – demonstrating that its benefits offset the loss of public revenue.

6.63. The advantage of the Moratorium had been put forward by a number of business organizations in developing countries. When the time came to make a decision on the Moratorium, it was of

fundamental importance to hear from the business community including MSMEs in developing countries. When it came to the scope of the Moratorium, it was clear that it had to do with the content that was going to be transmitted electronically. Chile was convinced on the benefits for maintaining the Moratorium and would like to see it renewed either temporarily or permanently.

6.64. On the communication from South Africa and India, as Members had seen in the unfolding of the debates within the framework of the Work Programme throughout 2020, notwithstanding difficulties that had been generated by the pandemic, that when they had themes of common interest within the framework of the Work Programme, such discussions was always possible. Chile however did not see the need for the General Council to adopt the proposals in Section 3 of the document.

6.65. The representative of Botswana, on behalf of the African Group, had in previous submissions, including in JOB/GC/144 and JOB/GC/155, called for discussions in relevant bodies that addressed the right to regulate electronic commerce, assessment of measures to promote national digital industrial development, protection of data, mandatory disclosure of data, the disclosure of source codes and access to and the transfer of technology.

6.66. Paragraph 1.1 of the 1998 Work Programme directed Members to "examine all trade-related issues relating to global electronic commerce, taking into account the economic, financial and development needs of developing countries". Paragraph 1.3 further stated that "the work programme will also include consideration of issues relating to the development of the infrastructure for electronic commerce".

6.67. In that regard, the African Group recalled its communication contained in JOB/GC/133 of 21 July 2017 on digital industrialization policy and development. Therein the Group had pointed out the extremely high market concentration levels existing in the current global e-commerce space – evident both in terms of how e-commerce trade was distributed across the global economy, and in terms of the number of firms that dominated that space, notably in terms of market capitalization. The African Group had also highlighted that some countries had used policy tools such as data localization requirements, internet filtering, and technology transfer requirements (i.e. disclosure of source code) to promote domestic digital firms and allowed them to catch-up with the leading multinational firms.

6.68. The pandemic had highlighted the glaring need to bridge the digital divide. COVID-19 had led to more concentration in the digital marketplace. If left unchecked, that concentration would make the digital divide permanent. There was a need for new policies and regulations to ensure a fair distribution of gains from the digital economy, with a focus on technology transfer, capacity building and targeted aid for trade measures. Most of their members had big informal sectors that were likely not to be connected to digital platforms given the digital divide. The African Group would contribute to the discussion of the Work Programme by submitting a proposal that sought to capture the developmental aspects of the Work Programme.

6.69. The African Group was guided by "Agenda 2063: The Africa we want!" and would focus on issues such as building a data economy, building cloud computing infrastructure, strengthening broadband infrastructure, promoting e-commerce in the region, promoting regional digital payments, progressing on single digital markets in the region, sharing experiences on e-government promoting digital innovations and technologies, and building statistics for measuring digitization. The African Group would submit proposals to further clarify its expectations in respect of the 1998 Work Programme in the coming year to deepen discussions in all areas of the Work Programme.

6.70. The representative of the United States noted that, to the points raised by India and South Africa, issues under the Work Programme had regularly been discussed in General Council meetings, in meetings of the WTO sub-bodies, and in recent informal, open-ended General Council meetings. In order to ensure that there was sufficient Member interest to sustain a productive discussion, the United States preferred that those discussions continued to proceed on the same basis that they had to date. The United States did not see a need to establish any new standing agenda items for the General Council or in the sub-bodies.

6.71. The United States was, in general, open to further discussions on the Moratorium in advance of MC12 and thanked India and South Africa for helping Members better prepare for that day's meeting by submitting views in writing. If there were future steps taken on those issues, the United

States continued to ask that proponents submitted their proposals for such discussions in writing, and worked with interested Members to ensure a balanced agenda and panel of speakers.

6.72. Over more than 20 years, the moratorium on customs duties on electronic transmissions had supported the rapid growth of digital trade. Yet, some Members had continually highlighted the importance of the Work Programme while also signalling their potential opposition to the continued renewal of the Moratorium. The United States noted the relationship between the Work Programme and the Moratorium in Ministers' 1998 decision, and in subsequent Ministerial decisions. If the Moratorium had been to be discontinued, it was unclear that there would be a consensus to continue the Work Programme.

6.73. The representative of Chinese Taipei noted the fruitful discussions in the CTG and the CTS under the Work Programme. It was apparent that e-commerce played a vital role in facilitating trade and development and in bridging the digital divide. Members should continue sharing best practices and exchange experiences in that field. Chinese Taipei also welcomed further discussion on the scope, definition and implications of the moratorium on customs duties and would continue actively participating in relevant discussions with an aim to secure an extension of the Moratorium at MC12.

6.74. The Moratorium had been proven to assist MSMEs to integrate into the global trading system and the supply chain to increase export competitiveness and to provide stable and predictable trading environment. Chinese Taipei supported a permanent Moratorium which could provide a stable and predictable business environment and effectively safeguard the interest of business and consumers. Chinese Taipei likewise urged Members to join the discussions of the JSI on Electronic Commerce as it was not merely of interest to the Members with greater e-commerce capacity but also to the less developed Members whose business intended to engage in e-commerce.

6.75. The representative of Indonesia shared the view on the need for Members to make progress on the Work Programme. Indonesia underlined the importance of electronic commerce to serve as a tool to support the economic and social development of Members. Indonesia took note of the efforts taken in 2020 by holding the workshop and deliberation to clarify the scope of electronic transmissions. Indonesia also took note of the discussion that, among others, touched upon the issue of the impact of the Moratorium on fiscal revenue, competition and work creation. Indonesia reaffirmed its view that electronic transmissions should not apply to electronically transmitted goods and services. Consequently, the moratorium on imposing customs duties on electronic transmissions should be terminated. Indonesia looked forward to continue discussions on the issue.

6.76. The representative of Chad, on behalf of the LDCs, underscored that e-commerce was important for LDC service providers, for entrepreneurs, as well as for consumers. The LDCs drew attention to the communication that they had submitted in the General Council in December circulated in document WT/GC/W/787. The LDCs had specifically indicated the need for available mechanisms to support the establishment of enterprises in the e-commerce sector, and the existing limitations in terms of information and communication technology infrastructure.

6.77. The LDCs also faced cost issues including in terms of accessibility and trade transactions as well as deficiencies in online payment systems and trade finance for e-commerce enterprises from LDCs. Furthermore, there was the issue of limited skills among companies wishing to use e-commerce and ICT strategically for the purchase and sale of goods and services in the context of inter-enterprise trade, trade between enterprises and the final consumer, and trade between enterprises and the government.

6.78. Lastly, there was the issue of access to credit cards and the high number of non-banking consumers. With the emergence of the current pandemic, Members had seen restrictions of the movement of people and a slowdown in global activity and global demand. Countries that were technologically equipped were best prepared to deal with that situation. The COVID-19 pandemic had had a strong impact on LDCs' resources from trade and exports, further increasing their constraints, and jeopardising their development momentum and development projects.

6.79. The LDCs considered that their priority was to focus on bridging the digital divide while continuing to participate in the discussions. While recognising the role of e-commerce in providing means and opportunities to promote global trade, the LDCs did not wish to have binding obligations or regulatory provisions that further weakened them. The LDCs considered it essential to focus on

infrastructure development, human capital and ways to enable them to conduct e-commerce in good condition. The Group called for a reinvigoration of the Work Programme that took into account the aforementioned aspects including the relevant LDC communication.

6.80. The representative of Pakistan recalled its statements made under the agenda item on previous occasions. The moratorium on customs duties on electronic transmissions had been under discussion under that forum for some time now. As more Members discussed and explored, new dimensions of the Moratorium came to light. Rapidly evolving technologies in the digital age while becoming great enablers were also reminders of how far behind developing countries were in modern digital times. At the same time, such developing countries most often constrained financially and seeking to advance sustainable development through modern technologies could not ignore serious revenue and industrial implications for their economies.

6.81. Specifically, the scope and definition of electronic transmissions was increasingly becoming a complex area. At the domestic and social level, welfare for the consumers and producers within the national economy needed to be balanced by governments as well. Opportunities for digital industrial development in developing countries could only improve if the choice to maintain duties remained with sovereign governments to allow them to choose when, if and on what to impose duties. Any decision on the continuation of the Moratorium could not be straight forward and should consider all aspects of developing countries.

6.82. The Government of Pakistan had put digitization and digital development as one of its top priorities on its agenda. Members needed to find collective ways for developing countries to secure their place on the global digital map. Pakistan therefore understood that the multilateral mandate on the Work Programme needed to be fulfilled in a focused way to discuss and explore solutions for developing countries and welcomed the submission from South Africa and India.

6.83. Sustainable and inclusive development through digital industrialization was an inescapable necessity for developing countries. To understand its nuances and to overcome the digital divide, Members needed to understand the various aspects of the digital economy thoroughly and specifically and avoid hasty rulemaking on such issues which would preclude the chances of digital development for countries that were still far behind in the field. Pakistan therefore supported the call for reinvigorating the Work Programme with the specific elements highlighted in the document shared by the proponents.

6.84. The representative of Japan underscored that the Moratorium had been providing both businesses and consumers with certainty and predictability in international trade for more than 20 years. In addition, particularly under the current pandemic, it was important to support socio-economic activities by facilitating an enabling environment for electronic commerce. Members should therefore maintain the current multilateral practice of the Moratorium and make it permanent.

6.85. At the same time, Japan was open to finding solutions to address the challenges faced by developing Members in engaging in electronic commerce. In that connection, Japan was co-sponsoring the proposal in the Council for Trade in Services that encouraged Members to share information on how to increase digital capability and address the digital divide in developing Members. That approach would serve Members to overcome challenges in electronic commerce.

6.86. Japan recognized the importance of the Work Programme on Electronic Commerce. In particular, the Work Programme had formulated a solid foundation for its longstanding practice of the customs duties moratorium. In that regard, Japan was open to reinvigorating the work under the Work Programme as appropriate in the run up to MC12 based on Members' agreement in the General Council meeting in December 2019. Those discussions related to the Work Programme on Electronic Commerce could be covered under the General Council agenda item on "Implementation of the Bali, Nairobi and Buenos Aires Outcomes". The existing format could provide Members with sufficient foundation for their discussions on the Work Programme and the Moratorium.

6.87. The representative of Tunisia associated with the statement made by the African Group. Tunisia welcomed the constructive approach taken in the e-commerce discussions, placing greater emphasis on the infrastructure constraints faced by developing countries and LDCs, such as those covered by the 1998 Work Programme. Tunisia particularly appreciated the sharing of experiences

and best practices among Members to better understand the growth of that highly employable sector and to try to address the many job losses caused by the impact of the COVID-19 pandemic.

6.88. As such, the WTO should implement effective provisions to support the developing and LDC Members in the race for innovation and their integration to global value chains through the export of dynamic products and services at the global level – ensuring that the Industrial Revolution 4.0 would not, amid the automation of the production chain, lead to an increase in massive job losses but would rather lead to real opportunities to generate the employment particularly for the youth and women. Tunisia remained committed to working constructively with Members on areas with considerable potential and emerging niches such as the Smart Industry and green economy sectors.

6.89. The representative of Thailand supported to continue Members' work on e-commerce and remained committed to the General Council's decision in December 2019 to better prepare for MC12. In accordance with the decision, Thailand had joined the proposal of Switzerland together with other co-sponsors in document WT/GC/W/799/Rev.1 on broadening and deepening the discussions on the moratorium on imposing customs duties on electronic transmissions encouraging Members to delve into discussions on aspects of e-commerce including the Moratorium in a holistic and multidimensional manner. Thailand had actively engaged in the workshop webinar and the open-ended meeting held in July and had also engaged in Australia's initiative in the July CTS meeting by sharing experience on its domestic programmes, policies and practices regarding digital capability.

6.90. In taking the issue forward, active engagement of Members and their desire to progress on future work under the Work Programme remained the most crucial elements to ensure meaningful outcomes from the process. While it was undoubtedly useful for Members to consider how best to further enhance their existing working structure under the Work Programme, Members should also prevent the duplication of their efforts or the creation of overlapping mechanisms in deliberating work relating to e-commerce. Thailand stood ready to engage in any future constructive dialogues to deliberate on substantive concern with a view to reaching common understanding before MC12.

6.91. The representative of Guyana, on behalf of CARICOM, recognized the role of the Council for Trade in Goods and the Council for Trade in Services in facilitating helpful engagement by Members on the Work Programme in the last quarter of 2020. On the Moratorium, the CARICOM Group had joined other Members in December 2019 in agreeing to extend the Moratorium until MC12. While the Group acknowledged that much remained to be discussed in that regard, it would be recalled that the Group had expressed its reservations in October regarding a narrow focus on the Moratorium at the expense of other trade-related topics of interest to Members. On that occasion, the digital divide had been identified in its statement as a possible topic for discussion.

6.92. As Members acknowledged the importance of the exchanges and sharing of experiences in the Council for Trade in Goods and the Council for Trade in Services, CARICOM was aware of their limitations. There were real and practical impediments to the implementation of several of the measures being discussed. The COVID-19 pandemic had exposed the crucial role of e-commerce in facilitating growth, development and resilience while providing compelling evidence that several Members were not equipped to participate effectively in digital trade. MSMEs were the backbone of most of their economies but MSMEs in small economies had borne the brunt of the negative impact of the COVID-19 situation – with many of them having to close their doors. Unlike their counterparts in developed countries, many of CARICOM's MSMEs had not had the requisite support structures to leverage crucial digital solutions such as e-payments.

6.93. It had become clear from the discussions within the Council for Trade in Goods and the Council for Trade in Services that it was difficult to meaningfully advance work under the Work Programme without a focused examination of the development dimension. The proposals from South Africa and India were very helpful in terms of having a development focus with structured discussions under the Work Programme. CARICOM welcomed the Chair's stated availability to facilitate the structured discussions with respect to the Work Programme. CARICOM joined other Members in expressing its keen interest in the structured and focused discussions in the General Council on development and e-commerce in 2021.

6.94. The representative of Australia continued to support making the Moratorium permanent. It had become a critical part of the modern trading system providing business better access to markets and consumers with more choice. Conversely, letting it expire would encourage restrictions on digital

trade which would be detrimental to all their efforts to restore the global economy. On the proposal that the work be a standing item in the General Council agenda, Australia did not see a need for such a development and preferred that discussions on those issues continued in the manner that they had been occurring to date.

6.95. Australia had been pleased to engage in the constructive workshop and open-ended discussion on the Moratorium in July and was open to engaging in future discussions. The current submission had made comments on the focus of the JSI on Electronic Commerce and risks. Others had spoken eloquently on the importance of the JSI and risks of not proceeding with it. The global digital economy offered huge opportunities for developing and LDC Members which the JSI would help unlock.

6.96. The representative of Mexico reiterated its position in pursuing the Moratorium on the imposition of customs duties on electronic transmissions to become permanent. That was a commitment that Mexico had included in its FTAs because of the uncertainties brought about by imposing such duties and because it would contribute to the development of the sector. Mexico continued to be committed with the Work Programme and supported the pursuance of work in the different mandated bodies. Mexico likewise referred to its statement on the matter made at the General Council meeting in October.⁸

6.97. The representative of Singapore heard India and South Africa's call for greater attention to be paid to e-commerce. Singapore, like many other Members, remained committed to fully implementing the December 2019 General Council Decision to (i) reinvigorate the Work Programme and (ii) maintain the practice of not imposing customs duties on electronic transmissions. The WTO had an opportunity to respond collectively and make a meaningful contribution to post pandemic economic recovery.

6.98. The COVID-19 pandemic that had defined 2020 had caused another setback to the efforts to revitalising the WTO. It was however also an opportunity for Members to constructively chart next steps based on their common experiences. Businesses around the world were already embracing digital technologies either to modernise their operations or to navigate the economic challenges arising from the pandemic. It was timely and essential to focus their attention on ensuring that the WTO was able to contribute to establishing an enabling digital environment that benefited everyone.

6.99. There were always two sides to a story but that did not necessarily have to result in mutually exclusive outcomes. The communication had cited an UNCTAD report highlighting COVID-19's role in deepening the digital divide. But that presented only one aspect of digital trade – namely, the developmental dimension. At the same time, Members should recognise that e-commerce offered tremendous benefits and it would not be practical to reject digital advances. In short, the train had left the station.

6.100. Singapore also highlighted another recent report entitled "Improve productive capacities in the world's poorest countries for stronger recovery". In that report, UNCTAD had pointed out that developing Members should improve their productive capabilities. According to UNCTAD, the digital transformation had raised hopes that developing Members would do so but there had been a lag in implementing policies to reinforce and develop the technological capabilities of producers in all sectors. In other words, instead of debating the pros and cons of digital trade, Members should focus on (i) building a stable regulatory environment, and (ii) enhancing their understanding of the challenges faced by developing Members and mitigating them.

6.101. Members should continue to build on the ongoing activities and discussions involving the Work Programme. The communication claimed that discussions had barely touched the surface and trade implications had not been adequate. E-commerce was a wide-ranging and fast evolving issue. It was practically impossible to fully cover every aspect of e-commerce in the WTO. Instead of trying to exhaust all its analytical angles, it would be more fruitful to deepen their understanding on key issues as they had done during the structured discussions and also concentrate on identifying meaningful next steps.

⁸ The statement of the delegation of Mexico on this matter during the October General Council meeting can be found in Paragraphs 9.44 and 9.45, page 43 of document WT/GC/M/187.

6.102. Members did not need a new agenda item in the General Council as there was scope to expand ongoing work in the well-established WTO Committees. For example, in recent months, Members had seen constructive conversations in the Council for Trade in Services on exchange of information and experiences based on submissions by Members. In addition, Members had conducted structured discussions on the Moratorium in July. All those efforts were testimony to Members' consistent attention to the Work Programme and served as the basis for further work. It was not true to allege that the Work Programme had been neglected. It would be more productive that Members engaged constructively in charting a meaningful way forward.

6.103. The representative of Bangladesh associated with the statement made by the LDCs. Considering the high relevance of electronic commerce, the General Council in 1998 in its decision in document WT/L/274 had established the Work Programme on Electronic Commerce and had asked the four bodies, namely, the Council for Trade in Goods, the Council for Trade in Services, the TRIPS Council and Committee on Trade and Development to examine the issue of electronic commerce in relation to the work of the respective bodies and to report to the General Council accordingly. The other WTO bodies had also been asked to inform the General Council of their activities relevant to electronic commerce.

6.104. Bangladesh had submitted a draft Ministerial decision circulated in document JOB/GC/152/Rev.1 in 2017. The main objective, among others, had been to request the General Council to ask the four bodies to conclude the discussions on the Work Programme and report to the General Council. The submission remained valid and should be further discussed. Bangladesh requested that the item should be kept in the agenda for the future meetings of the General Council and stood ready to engage in constructive discussions with Members.

6.105. The representative of Hong Kong, China had always been supportive of the Work Programme and welcomed any concrete suggestions that would contribute to structured discussions under the Work Programme. But Hong Kong, China had doubts about the value addition of the proposal to make discussions on the Work Programme a standing item on the General Council's agenda. Members had already been discussing the Work Programme regularly in the General Council under the standing item on "Implementation of Bali, Nairobi and Buenos Aires Outcomes". Members had also carried out periodic reviews pursuant to the relevant Ministerial Decisions extending the Moratorium and the Work Programme in other WTO bodies and Members had just received reports from the Chairs of the Council for Trade in Goods and the Council for Trade in Services.

6.106. Hong Kong, China reiterated its long-standing position on making the Moratorium permanent to provide the much needed certainty and predictability to the global business community. The Moratorium was even more important amidst the COVID-19 pandemic and during the post-pandemic economic recovery because it would assure customers and businesses that they would have tariff-free access to digital products and services as well as digital productivity tools. Hong Kong, China remained committed to participating in further dialogues on all relevant aspects of the Work Programme with other Members and stakeholders.

6.107. The representative of Namibia, intervening under items 6 and 13, associated with the statements made by the Groups to which it belonged and recognized the importance of e-commerce in economic development. Namibia therefore called for the continuation of the Work Programme as indicated in document WT/L/274 and reaffirmed its position to find a permanent solution on the Moratorium.

6.108. Concerning agenda item 13, the Doha Declaration on the TRIPS Agreement and Public Health affirmed the right of developing countries to use to the fullest the provisions in the TRIPS Agreement regarding flexibilities to protect public health and in particular provide access to medicines for all. There were however known challenges for some of the Members especially developing and LDC Members to utilise flexibilities under the TRIPS Agreement. Namibia underscored the importance of implementing the waiver as proposed by India and South Africa in document IP/C/W/669. That flexibility would ensure the production of generic medicines to combat the COVID-19 pandemic and to ensure access to affordable medicines for all. Namibia therefore joined other Members in supporting the proposal by India and South Africa.

6.109. The representative of Egypt associated with the statement made by the African Group and welcomed the communication from South Africa and India with regard to reinvigorating the work

under the Work Programme. The COVID-19 crisis had revealed the huge digital divide between developed and developing countries. That emphasized the need to positively engage in the Work Programme in order to focus on the developmental dimension of e-commerce and the urgent need to build digital capacities of developing and LDC Members. It was important to continue the structured discussions that Members had agreed on in December 2019 and to understand the scope of the moratorium on the imposition of customs duties on electronic transmissions and its potential impact on the sustainability of domestic industry and job creation in developing countries in order to help Members make informed decisions at MC12.

6.110. The representative of Sri Lanka supported the proposal made by India and South Africa contained in document WT/GC/W/812. The COVID-19 pandemic had accelerated the shift to a digital economy and had once again brought out the existing digital divide between developed and developing countries. The latest data released by the WTO had indicated that computer services, the fastest growing services sector in the last decade, had been the only one to record an increase in exports, which had been up by 4% due to the rising demand for digitalization with a shift towards remote working.

6.111. E-commerce and digital trade were therefore important and needed to be pursued in an inclusive manner. If not, it would exacerbate the existing imbalances in global trade. Progress in implementing the Work Programme had been hindered by its indecisive nature, the complexity of the addressed issues and the deadlock of the Doha Round. The ultimate result had been the rather slow and scattered e-commerce discussions among the four designated bodies. Members could not continue to bear those setbacks if they were to continue with the existing Moratorium beyond MC12.

6.112. South Africa had flagged the concerns particularly on the e-readiness of many developing countries and LDCs. Based on the results obtained through the most recent study jointly conducted by the Commonwealth Secretariat and the Sri Lankan authorities in March 2020, it had been broadly concluded that e-commerce was already established in Sri Lanka but the degree of its penetration and adoption was still very limited. The study also revealed many gaps and challenges that stakeholders were required to address to accelerate the development of e-commerce in the country.

6.113. According to the study, consumer readiness or maturity had been estimated at a low level of 0.29 on a continuum of 0–1, indicating that consumers in Sri Lanka in adopting online buying of goods and services was still at a low level. The main challenges to faster and wider diffusion of e-commerce among consumers included low penetration of internet, low level of adoption of e-payment modalities arising from limited credit and debit card penetration, perceived risks and lack of trust in e-commerce.

6.114. In the same vein, the study had revealed that business maturity for e-commerce in Sri Lanka was estimated at 0.34 on a continuum of 0–1, indicating that businesses had just started using e-commerce tools but the current level of maturity remained basic. Though Sri Lanka had somewhat done well in basic IT infrastructure required for e-commerce including secure, reliable and fast internet and communication support services while internet penetration remained low at 30%.

6.115. That kind of empirical data revealed that the developmental gains to be derived from the Moratorium was much less compared to the revenue that had been forgone by Sri Lanka since 1998 after agreeing to the moratorium on imposing customs duties on electronic transmissions. As flagged by India, Sri Lanka was also having serious concerns since the current six-month period which Members had agreed on in December 2019 concerning the Moratorium was likely to be extended for two years – something which had not been envisaged at the time Sri Lanka had agreed to it.

6.116. It was therefore important to significantly update the 1998 Work Programme on Electronic Commerce and to understand the scope of the Moratorium, its potential impact on the sustainability of the domestic industry and job creation in developing Members and on revenue generation as matters of priority which would give Members the required level of comfort for continuing with the Moratorium. Members were therefore required to reinvigorate the work under the Work Programme enabling them to inform its decision-making at MC12. That necessitated relevant bodies taking up the discussion based on their mandate so as to make progress by MC12 including tackling the scope of the Moratorium.

6.117. Accordingly, having an updated Work Programme which could provide clarity on those issues would facilitate Members in reaching a decision on the Moratorium. Considering the significant importance of the continuation of the Work Programme in a meaningful and systematic manner, Sri Lanka supported the proposal made by India and South Africa contained in document WT/GC/W/812 to reinvigorate the work under the Work Programme particularly the directions being sought by the proponents under Section 3 from the General Council.

6.118. The representative of Vanuatu, on behalf of the Pacific Group, took note of the reports of the CTG and the CTS as well as the update from the TRIPS Council Chair on the Work Programme, and the proposals that had been put forward. The Pacific Group recognized the important role of e-commerce in enhancing trade, reducing trade costs, and helping to diversify economies. COVID-19 had prompted the shift towards online transactions and had sharply exposed the digital divide among Members. The key for the Pacific Group was to ensure accessibility and affordability of the internet.

6.119. While recognising that trade rules were important and were lagging behind the technological changes and the acceleration of e-commerce, the Pacific Group's current priority was to address gaps – both soft and hard infrastructure gaps. E-commerce was therefore one of the priorities of the Pacific Aid for Trade Strategy endorsed by their Foreign Trade Ministers in February. A Pacific Regional E-Commerce Strategy would shortly be developed based on national e-Trade readiness and electronic commerce assessments undertaken in ten Pacific Group members and a regional one.

6.120. The Pacific Group acknowledged the support from UNCTAD, the EIF, the European Union's TradeCom II Programme and the Government of Australia in supporting those activities. The Regional Strategy aimed at addressing gaps in national policies and regulatory issues, e-payment systems, trade facilitation and logistics, and trade finance. The Pacific Group stressed the importance of the Work Programme to complement the work that Members were undertaking at the national and regional levels to create a conducive environment for e-commerce.

6.121. The Pacific Group therefore welcomed the proposal to reinvigorate the work under the Work Programme. That work should focus on clarifying the scope and definition of the Moratorium and on addressing the digital divide as well as enhancing the capacity of developing countries to participate in e-commerce including exploring options for cushioning the revenue loss from the Moratorium. The Pacific Group associated with the statement made by the ACP.

6.122. The representative of the United Kingdom supported the moratorium on imposing customs duties on electronic transmissions. The Moratorium was the WTO's most significant contribution to digital trade and it should be made permanent. As they had heard that day, Members had continued to hold a wide range of views on the impact and desirability of the Moratorium and the Work Programme had a continuing important role to play in providing Members with a forum to air those differences as well as offering the opportunity to better understand the viewpoints of others.

6.123. It was already clear that e-commerce had played an essential role during the pandemic in keeping commerce flowing and in saving jobs. Digital trade, along with the capacities, policies and infrastructures that supported it, also offered one of the brightest opportunities to revive international trade and prosperity as Members sought to build back better after the global crisis. That was another reason why the United Kingdom believed that the success of the JSI on Electronic Commerce was important for developing and developed Members alike.

6.124. The representative of Switzerland recalled that, as had been explained in October, Switzerland did not see any added value putting the Work Programme as a permanent item on the agenda of the General Council. The Work Programme was always examined periodically by the General Council and other WTO bodies providing the possibility of having fundamental discussions. It would therefore be preferable to follow past practice. In any event, Switzerland was ready to pursue structured discussions as Members had agreed in the General Council Decision of December 2019. Those discussions should be done at an opportune time with sufficient preparations. Switzerland remained ready to pursue discussions on the various aspects of the Moratorium and considered it as an important condition for the digital economy and the development of e-commerce – and should therefore be made permanent.

6.125. The representative of Senegal associated with the statement made by the LDCs particularly in reinvigorating the Work Programme. As had already been pointed out, the evaluation of the

impacts of the Moratorium showed that the Moratorium did not increase the well-being of consumers. Members should take into account the strategies and the policies for digital transformation of each of them. A differentiated approach bearing in mind the level of development of each Member, the size of the market, the potential of growth for e-commerce and its impact was necessary. Senegal would continue to contribute in the deepening of discussions and exchange of views on those questions with the aim of reaching an appropriate multilateral decision at MC12.

6.126. The representative of the European Union appreciated the rich discussions that had taken place under the Work Programme during 2020. The European Union welcomed Members' interest in advancing work in the context of the Work Programme including on the moratorium on customs duties on electronic transmissions. The COVID-19 pandemic had highlighted the importance of electronic commerce. The European Union was pleased with the useful exchanges on the development dimension of e-commerce such as the one that took place in the Council for Trade in Services in the course of the year.

6.127. The European Union stressed that the moratorium on customs duties on electronic transmissions provided the predictability and security that consumers and businesses needed – both in developed and developing countries – when engaging or planning to engage in e-commerce activities. The European Union also recalled the recent economic studies that had provided scientifically solid new evidence on the positive economic implications of the Moratorium.

6.128. The European Union remained committed to continue engaging in structured discussions on the Moratorium in line with the General Council decision of December 2019, taking into account the new evidence that had been published over the last year on the multiple benefits of the Moratorium for businesses and citizens. While Members had agreed to extend the Moratorium until MC12, the European Union hoped that Ministers would be in a position to consider a longer term extension at the next Ministerial Conference.

6.129. The existing fora such as informal dedicated General Council meetings and structured discussions that the Members had agreed to hold following the General Council Decision of December 2019 provided sufficient foundation for their work on those important issues. The European Union was always ready to discuss issues at the request of a Member based on their submission and interest. Regarding the periodic review, such was already ensured once a year based on the reports of the Chairs of regular bodies to the General Council. The European Union considered that Members should continue with that practice.

6.130. The representative of Canada said that, as Members were considering ways to address the pandemic and support a more inclusive economic recovery, ensuring a permanent, tariff-free space for cross-border electronic transmissions including content was a meaningful way to provide long term predictable certainty and openness for businesses and consumers. While Canada strongly supported having the multilateral moratorium become a permanent prohibition, Canada also acknowledged that Members had extended the practice of not imposing customs duties on electronic transmissions until MC12.

6.131. Canada was aware of the concerns raised by a few Members in recent years with respect to the possible impact of the Moratorium at the WTO and had welcomed and had actively participated in informal open-ended meetings and structured discussions. Canada acknowledged the new communication submitted by India and South Africa and provided initial reactions on the three specific items included in the document for consideration by the General Council.

6.132. On the first proposal, Canada took note of the 1998 mandate of the Work Programme which had identified several relevant WTO Bodies to examine the trade-related aspects of e-commerce. In that context, it should be left to individual Councils or Committees to determine the manner in which discussions on those topics took place. An informal, open-ended setting was more appropriate for technical or in-depth discussions on the Moratorium. Interested Members could use existing mechanisms including the proposed structured discussions.

6.133. Canada did not see the value of establishing a permanent item on the agenda of the General Council. In noting that the document had asked to continue the structured discussions, Canada understood that that mechanism was already available to interested Members and did not see the

need for the General Council to further decide on the matter. Moreover, specific elements related to the Work Programme should be considered in the relevant Councils and Committees.

6.134. In line with the desire to reinvigorate the Work Programme, Canada was pleased to have co-sponsored the proposal to engage in exploratory discussion on supporting digital capacity of businesses and consumers. Past practices related to periodic review were appropriate. Canada did not support the proposal to have continuous reviews as both the Work Programme and the Moratorium were not permanent and were subject to periodic extension. Any periodic review needed to be considered in that context.

6.135. Canada did not agree with the mention in the document suggesting that the negotiations of the Joint Statement Initiative on Electronic Commerce negatively affected the organization or specific groups of Members. Establishing rules on e-commerce was more than overdue. The JSI negotiations were open, inclusive and transparent and Canada noted the increased number of developing Members participating.

6.136. The representative of Brazil acknowledged that the discussion on how to address the digital economy due to its increasing importance in global trade was long overdue. That was the reason why Brazil had constructively engaged in the JSI on Electronic Commerce which remained open to all Members. It was important to reinvigorate the exploratory discussions under the Work Programme both at the horizontal level under the General Council and under the relevant bodies of the WTO following the General Council decision of December 2019 which had established structured discussions on all trade-related topics of interest brought forward by Members.

6.137. Brazil was ready to engage in any discussion based on concrete proposals. In that regard, Brazil was pleased to co-sponsor the communication to the Council for Trade in Services on exploratory discussions on domestic and international experiences on supporting digital capabilities of business and consumers. Brazil encouraged Members to continue to explore that point of the CTS agenda which seemed to be in line with the proposal from South Africa and India to strengthen the Work Programme. On the particular issue of customs duties on electronic transmissions, Brazil favoured the continuation of the structured and well-informed discussions on the scope, definition and impact of the Moratorium as highlighted by the December 2019 decision of the General Council.

6.138. The representative of the Philippines reaffirmed its commitment to reinvigorating the work under the Work Programme as had been agreed in the General Council decision of December 2019 and welcomed continuous discussions on the scope, definition and impact of the Moratorium on customs duties on electronic transmissions. The Philippines stood ready to engage with Members on that issue for a possible Ministerial decision on the future of the Work Programme and the Moratorium at MC12. In his capacity as IGDC Coordinator, he was also pleased to share the IGDC's engagement with the OECD and the UN Tax Committee on the relevant issues of digital taxation.

6.139. The representative of Jamaica, on behalf of the ACP, noted that the Work Programme continued to be a critical feature of the WTO's regular work and an essential fixture on the General Council's agenda. The ACP Group took the Work Programme seriously and expressed appreciation to all Members which had contributed not only to the work in the General Council but also in the other bodies charged with examining the issue. Members should deepen their engagement and understanding not only of the question of the Moratorium but also a wider range of issues as they progressively moved towards MC12. The ACP Group was concerned that by MC12 Members would again face the expiry of the Work Programme along with the Moratorium.

6.140. The ACP Group had said in other bodies that significant strides had been made in advancing ICT Infrastructure and Services. The ACP had particularly seen the benefits in many respects during the still evolving COVID-19 crisis. The current situation had however also underscored much of what the ACP had been saying for some time now in the various bodies of the organization. It had highlighted and continued to highlight the obvious and pressing need to address the digital divide. The ACP Group therefore reiterated its support to the elements highlighted by the LDC Group in its submission to the General Council in December 2019 and welcomed the proposal by South Africa and India.

6.141. In conducting the diagnosis of the Moratorium, the ACP Group recognized that some of the other areas of interest to its countries included the costs to developing and LDC Members' consumers

and businesses, discrepancies between traditional goods or products and electronic equivalence and the application of internal taxes on electronic transmissions. As had been earlier indicated, structured discussions on the Work Programme should go beyond discussions on the Moratorium. Other pertinent matters included the extent of coverage of digital or internal taxes. The Group also took note that a number of issues raised in the Work Programme were being negotiated in the JSI.

6.142. It was important for the Work Programme to yield results. It would be important to take a pragmatic approach to discussing within the context of the existing Work Programme the issues of source code, localization and impact on data flows as well as consumer protection. Those issues should be prioritized as they would begin not only to match or exceed the perceived impact which the Moratorium could have but could also threaten Members' ability to make greater use of e-commerce to earn revenue, become producers of higher level technological advancements and improve the basic way of life for their people. Members needed to play their part in ensuring that the Work Programme continued to remain relevant and address issues of social and economic interest to all. The ACP Group stood ready to engage and to be forthcoming with ideas for discussion within the context of the existing mandate of the Work Programme.

6.143. The representative of Oman agreed with Members on the importance of reinvigorating the Work Programme to clarify the scope and definition of the moratorium on customs duties. As had been mentioned earlier, Oman had been experiencing the challenges and opportunities of e-commerce. Structured discussions based on the Work Programme would help in understanding the impact and benefits of the Moratorium. In those discussions, it would be important to involve other stakeholders in order to have a full understanding of the issues from all aspects.

6.144. The representative of Israel welcomed the decision to extend the Moratorium to MC12 – an important decision that had sent a positive message of certainty and predictability to the international business community. The benefits of the Moratorium outweighed the potential costs. Those benefits were made clearer on a daily basis during the ongoing COVID-19 pandemic which demonstrated the importance of cross-border trade by electronic means. Israel welcomed the continued work on that and other electronic commerce related rules.

6.145. The representative of South Africa thanked all delegations that had taken the floor under the relevant items. South Africa reiterated that the Moratorium when agreed in 1998 had been without clarity on how its scope, definition and implications would unfold with the digital revolution. Members had therefore agreed to disciplines on electronic transmissions without a clear indication of the fiscal and industrial developmental implications. The lack of clarity also made the continuation of the Moratorium difficult as it would amount to an unlimited market access in perpetuity for a few Members that had dominance in digital trade.

6.146. COVID-19 had triggered a mass migration from analogue to digital means. But not everyone had that benefit and the growing digital divide was real and it was set to become even deeper if Members did not take the necessary steps to address it. During the COVID-19 pandemic, the digital divide had threatened to become the face of new inequality exacerbating not only the income inequality but also the inequality of opportunity.

6.147. It was from that point of view that South Africa wanted to be clear. South Africa was not rejecting the immense potential of e-commerce to transform its economy. What South Africa was concerned about was how the rules were crafted. South Africa's main complaint was that it could not allow the lack of clarity in how existing or even future rules could impact Members' ability to develop their economies. The current Moratorium would not only negatively impact the efforts of many developing countries to industrialise digitally but would also undermine existing industries since physical exports were subject to duties while digitized products in which many developing countries were net importers were not subject to tariffs – thus creating an unlevel playing field.

6.148. The Work Programme was all the more important in the context of COVID-19. The WTO multilateral agenda was the single most important guarantor of an inclusive digital economy that benefited all Members and that responded to the developmental aspects of e-commerce. A common understanding on those issues was critical for an informed decision by Ministers at MC12. The concerns about the implications of the Moratorium necessitated that Members had an inclusive discussion in early 2021 to facilitate thorough discussion and clarification of its implications for their capitals.

6.149. The representative of India thanked Members for their engagement that day on the agenda item. The interest shown by Members highlighted the benefit of having a standing item on the issue in the agenda for meetings of the General Council. India urged the Membership to actively and constructively engage in discussions under the Work Programme in the General Council and in other relevant WTO Bodies.

6.150. Members should continue their discussions to determine whether the Moratorium was critical for growth of e-commerce or if it was due to the ecosystem which included digital infrastructure, logistics, supply chain and skilling payment system. Knowing its scope, impact and definition would facilitate Ministers in reaching an informed decision at MC12. Members would likewise need to decide whether they were willing to promote competition or destroy it since any rulemaking process protecting the existing players and obstructing the level playing field for new successful innovations would be disastrous for the digital market in the long run.

6.151. More stringent compliance rules proposed by a group of Members recently clearly showed that even developed countries felt a need for differential regulations for giant tech companies to protect their domestic industries. It was surprising that proponents of the continuation of the Moratorium on one hand questioned in the fisheries subsidies negotiations the rationale of S&DT for developing Members and on the other hand argued passionately for continuance of S&DT for digital trade vis-à-vis physical or conventional trade of goods. It would be helpful to know how long a fast growing efficient sector like digital trade would need crutches like the Moratorium.

6.152. In view of the above, the General Council could direct that the E-commerce Work Programme be a standing item in the relevant WTO bodies given a mandate as set out in WT/L/274; play a central role in the discussions and keep the Work Programme under continuous review through a standing item on its agenda and take up consideration of any trade-related issue of a cross-cutting nature as entailed in the 1998 Work Programme; and, continue structured thematic discussions in the General Council through various platforms. Those could include: (i) developmental aspects of electronic commerce; (ii) scope, definition and impact of the moratorium on customs duties on electronic transmissions; and, (iii) examination of the challenges experienced by developing countries and LDCs in relation to electronic commerce and explore ways of enhancing the participation of developing countries in electronic commerce.

6.153. The Chairman noted that Members had had an extensive exchange that day and thanked the delegations that had presented the Membership with a submission. Once again, he invited all Members to stay positively engaged in the discussions on the Work Programme and as Chair, he remained available to facilitate those discussions.

6.154. The General Council took note of the statements.

7 TRADE RELATED CHALLENGES OF THE LEAST DEVELOPED COUNTRIES AND WAY FORWARD: A DRAFT FOR MC DECISION – COMMUNICATIONS FROM CHAD ON BEHALF OF THE LDC GROUP (WT/GC/W/806, WT/GC/W/807)

7.1. The Chairman recalled that the item was included in the agenda at the request of Chad on behalf of the LDC Group which concerned the communications from the LDC Group on Trade Related Challenges of the Least Developed Countries and Way Forward circulated in documents WT/GC/W/806 and WT/GC/W/807. Those included a proposed Draft Ministerial Conference Decision and an LDC Graduation Fact Sheet. He invited Chad to introduce the communications.

7.2. The representative of Chad, on behalf of the LDCs, noted that, over the past 50 years since the LDC Category had been created, only six countries had graduated from LDC Status. The latest was Vanuatu which had left the category on 4 December 2020 despite the setbacks that the country had experienced as a result of numerous natural disasters and more recently following the COVID-19 pandemic.

7.3. While the number of countries graduating from LDC Status remained low, it was pleasing to see that several LDCs had made significant progress in recent years and, like Vanuatu, now meet the various criteria that would allow them to change their status very rapidly. Others did not yet meet those criteria but were making swift progress. More broadly, none of their countries had the

ambition of remaining an LDC indefinitely. All of them hoped to reach a level of sufficient development to enable them to change their status.

7.4. Graduating from LDC status represented a major achievement on which they should congratulate themselves. Yet, that was just a step. It was not an end in itself. Countries that changed their status continued to face enormous development challenges and were likely to fall back into the LDC Category if their progress was not sustained particularly during the global pandemic period which was already having a heavy impact on their economies. Leaving the LDC Category also meant giving up a multitude of international support measures – the same measures that had often contributed to their development.

7.5. In the area of international trade, those measures ranged from preferential duty free access for LDC exports, and technical assistance and capacity building measures such as those provided by the Enhanced Integrated Framework, through numerous S&DT flexibilities under the WTO Agreements and various decisions. To mitigate the negative effects associated with the removal of such support measures, the United Nations General Assembly had adopted the principle of "smooth transition" under which LDC specific support measures should be phased out in a gradual and predictable manner following the final exit of countries from the LDC list so as not to disrupt the development progress of the graduating country.

7.6. In the area of international trade, Paragraph 16 of General Assembly Resolution A/RES/67/221, adopted on 21 December 2012, invited all Members to "consider extending to graduated countries the existing special and differential treatment measures and exemptions available to least developed countries for a period appropriate to the development situation of the country". Paragraphs 17 and 18 also invited LDC trading partners to establish procedures for LDCs to continue benefitting, for a certain period, from duty free market access, which they enjoyed under the Generalized System of Preferences, and technical assistance specifically allocated to LDCs.

7.7. In practice, some trading partners of LDCs, including the European Union and Turkey, provided for a transition period for the granting of their tariff preferences. The EIF also allowed countries that had lost their LDC Status to continue to benefit from its funding for a limited period. At the WTO, on the other hand, there were no formal procedures for a smooth transition, neither for specific assistance to LDCs nor S&DT provisions. Members losing their LDC status would automatically lose access to all support measures in favour of LDCs under the multilateral trading system from one day to the next.

7.8. While it was possible to request a waiver of certain WTO obligations for a limited period, the request should be accepted on a case-by-case basis by other Members. Such a process was particularly burdensome for LDCs and clearly disadvantaged Members whose resources and negotiating capacities were limited. Aware of that shortcoming, LDC Trade Ministers who had met on the side lines of MC12 in Buenos Aires on 10 December 2017 had called for positive trade action in favour of graduating LDCs in line with the recommendations of the United Nations.

7.9. The proposal for a decision put forward by the LDCs, which Members were discussing that day, addressed those considerations and aimed to respond constructively to those concerns. It did not seek new measures in favour of LDCs but merely the guarantee that existing measures would continue to apply for a transitional period of twelve years from the date that a Member graduated from the LDC Category.

7.10. Such an approach would not only be in line with United Nations Resolutions but would also enhance predictability and confidence for those LDCs about to graduate. In practice, it would not be logical to extend only some of the existing measures and not others. That would be tantamount to establishing a hierarchy between provisions in favour of LDCs and to deciding ex ante and arbitrarily which should be extended or eliminated.

7.11. For that reason, an extension of specific support measures to LDCs should cover all S&DT provisions specific to LDCs in the WTO Agreements and all Ministerial and General Council decisions and other relevant WTO decisions. Beyond S&DT, an extension should cover all specific technical assistance and capacity building programmes for LDCs provided under the WTO system as well as any other relevant measures in favour of LDCs. If an LDC lost its status during a transition period under the WTO rules, such Members should have the right to use the remaining transition period in

the same way as any LDC. Once those transition periods had expired, Members having lost their LDC Status should automatically benefit from the most favourable S&DT granted to other developing country Members.

7.12. The proposed decision called on Members granting trade preferences to establish procedures to extend and phase out their preferential access for a specified period of time. The LDCs were not proposing to introduce new measures for them. They simply asked for the extension of the status quo for a limited period of time. In considering the potentially high cost of loss of support measures for LDCs at a time when the world was affected by a global pandemic, it was not surprising that several LDCs were reluctant to graduate. A decision at MC12 in favour of countries that were losing their LDC Status would send a strong positive signal to the LDCs from the multilateral trading system.

7.13. The representative of Bangladesh said that LDC Graduation implied exclusion from the LDC Category. The United Nations General Assembly's decision to exclude a country from the LDC Category was a recognition of that country's commitment to its socio-economic development. Such a recognition helped those countries move a step further to integrate themselves into the multilateral trading system and demonstrated that progress, though incremental, was possible. The 2016 UNCTAD LDC report appropriately suggested that graduation itself should not be the primary focus of LDCs and their development partners. It should rather be viewed as a milestone in LDCs' longer term sustainable development. LDC Graduation was a continuous process and gradually every LDC would undergo the process sooner or later.

7.14. One of the main objectives of the Istanbul Programme of Action was to cut the number of LDCs by half by 2020. Clearly, the target could not be achieved. Only four countries had graduated during the decade with Vanuatu being the most recent one to do so. During the last triennial review of the UN Committee for Development Policy in 2018, twelve countries including Vanuatu, had met the graduation criteria and they were on the path to graduate. In addition, thirteen countries had already met at least one criterion for graduation. Graduation from LDC Status had therefore taken a new momentum. LDCs therefore needed Members' special attention in relation to the future course of action after their graduation.

7.15. Chad, the LDC Group Coordinator, had referred to the UN General Assembly Resolutions 59/209 of 2004 and 67/221 of 2012 on "Smooth transition for countries graduating from the list of least developed countries" inviting Members and the LDCs' trading partners to extend LDC specific flexibilities to LDCs for a few more years after graduation. That was an honest expectation that the agreed calls at the UN General Assembly would be addressed by the WTO. Members knew that with the exception of the EIF, there were no formal WTO procedures to support the smooth transition for LDC Graduation. After leaving the category, LDCs would normally lose access to all trade-related support measures and flexibilities granted to them through the WTO provisions.

7.16. There were three criteria for exclusion from the LDC Category under the UN Procedure: Income Criterion based on a three-year average estimate of GNI per capita, Human Assets Index, and Economic Vulnerability Index. To reach eligibility for graduation, a country should reach threshold levels for graduation in two consecutive triennial reviews for at least two of the three criteria, or its GNI per capita should exceed at least twice the threshold level. Clearly, the attainment of the graduation criteria based on a few selective indicators obviously did not necessarily bring to an end the special treatment requirements for LDCs that Members had always recognized.

7.17. If not supported appropriately, the LDCs' transition would not be sustainable and the graduation would make no difference. An incomplete and fragile graduation, without specific support mechanism, could lead LDCs after graduation to more difficulties in addition to the existing constraints they faced at present. Moreover, the shock created by the COVID-19 pandemic on LDCs was severe and the impact was yet to be measured fully.

7.18. The recently published UNCTAD Least Developed Countries Report 2020 forecasted that the pandemic would push LDCs to their worst economic performance in thirty years in 2020 with falling income levels, widespread employment losses and widening fiscal deficits. The report further warned that the crisis would reverse years of painstaking progress by LDCs in social fields such as poverty reduction, nutrition and education. Members would agree that despite all the obstacles, the LDCs had never shown reluctance to follow the path of multilateralism. Even during uncertain times, LDCs

continued to follow the UN process towards graduation. The LDCs therefore needed unconditional and reinvigorated support from Members to thrive in this challenging journey.

7.19. Bangladesh echoed the LDC Group Coordinator's call that LDCs were not asking for new measures but simply requesting that the existing measures continued to apply for twelve years after the exclusion from the LDC Category. Bangladesh urged the General Council to approve the draft for the next Ministerial Conference. That would be a genuine response to the UN General Assembly Resolutions for introducing a comprehensive and effective smooth transition mechanism for graduating LDCs under the WTO system. That would also be an important contribution of the WTO for the better future of the LDCs. Bangladesh, along with all LDCs, expressed readiness to constructively engage with Members on the issue.

7.20. The Chairman recalled, after the introductions by Chad and Bangladesh, that Members were discussing that day a draft of a decision for MC12.

7.21. The representative of Angola said that the LDCs continued to face considerable trade-related challenges to grow in sustainable development due to their structural, economic and financial vulnerabilities and limitations which had been aggravated by the COVID-19 pandemic. Although COVID-19 had affected countries worldwide, it would be particularly difficult for graduating LDCs and those graduated countries to deal with the wide-ranging effects. Additional supportive measures including adequate aid from the international community and timely financial resources were therefore essential to ensure a smooth transition to help LDCs achieve trade balance and overall stability. LDC Graduation would not be an easy process for Angola as it faced many challenges not only due to the decrease or interruption of special support measures but also due to the intrinsic developmental challenges it faced including the lack of diversification of its economy.

7.22. While graduation marked an outstanding achievement, it also entailed challenges as the country could lose LDC specific benefits and favourable arrangements. It was therefore important to have a smooth transition strategy defined at the WTO as a vital tool in ensuring that graduating countries were taken on board at sustainable development pathways. Angola appealed to Members to deliberate and take a favourable decision in the proposal presented by the LDCs as contained in document WT/GC/W/807 which was aligned with the UN General Assembly resolutions 59/209 of 2004 and 67/221 of 2012 on "Smooth transition for countries graduating from the list of least developed countries" to consider extending existing S&DT measures and exemptions available to LDCs for a period appropriate to the development situation of the country.

7.23. The representative of Myanmar noted that the year 2020 had encountered enormous social and economic challenges due to the outbreak of COVID-19. It had been unprecedented and had been adversely affecting emerging markets and developing economies. Myanmar therefore fully supported the WTO initiative to facilitate coordinated response to COVID-19. Myanmar was grateful to the concerted efforts of the Chair, the Chairs of the Negotiating Groups and the Deputy Directors-General for their dedication in facilitating continued negotiations through virtual mode and was confident that Members could deliver meaningful outcomes before MC12 while taking into account the development needs of the LDCs and the challenges in graduating from the LDC Status.

7.24. Myanmar supported the LDC proposal regarding trade-related challenges of LDCs and support measures over a period of time for smooth transition. Graduating and Graduated LDCs still needed technical assistance, preferential treatment and trade-related support, among others, to avoid unwanted burden in the process. Myanmar appreciated the decision taken by the General Council in the past to facilitate the LDCs' integration into the global economy, increase their trade opportunities and enhance their participation in the global trading system. Myanmar reaffirmed its full support to the open, non-discriminatory and rules-based multilateral trading system as embodied by the WTO.

7.25. The representative of Jamaica, on behalf of the ACP, saw commendation on the LDCs' approach which had been taken to promulgate the interest of the LDCs within the WTO. Undoubtedly, LDCs still faced significant trade and development challenges. Now more than ever, there was an urgent need to ensure that the interests and potential of LDCs were accommodated in all their work at the WTO especially in light of the impact of the COVID-19 pandemic and other existential and emerging challenges. The COVID-19 pandemic had exacerbated those challenges even as they were still grappling to be fully integrated into the global trading system. The pandemic could also undo all the strides that would have been made over the last few years.

7.26. The statistical and empirical evidence spoke volumes of the impact of COVID-19 on LDCs. The pandemic had affected key economic sectors such as logistics and tourism which were sources of employment, GDP and foreign exchange earnings. According to WTO, UNCTAD and ITC estimates, the tourism sector of LDCs had been hit hard with the decline of up to 81% and the decline in the transport sector by 31%. That gloomy outlook should be considered when discussing the graduation process for LDCs and the provisions accessible to the group within the WTO post-graduation. It was also already acknowledged that lots of preferences, income and increase in borrowing would be key challenges for the LDCs.

7.27. The ACP Group had taken note of the proposal for a draft Ministerial Decision for the consideration of Members to respond to the UN General Assembly Resolutions 59/209 of 2004 and 67/221 of 2012 and to introduce a comprehensive, effective smooth transition mechanism for graduating LDCs under the WTO system. The ACP Group supported the LDCs' submissions in WT/GC/W/806 and WT/GC/W/807 and looked forward to a further productive engagement on the matter to support LDCs including Graduating LDCs in their development aspirations and their efforts to integrate into the multilateral trading system.

7.28. The representative of Mauritius, on behalf of the African Group, fully supported the submission by the LDC Group as contained in document WT/GC/W/807 including the draft Ministerial Conference Decision to allow LDCs twelve years after graduation to continue benefitting from LDC specific support measures, S&DT provisions and flexibilities in all WTO Agreements, Understandings, and any Ministerial, General Council or other relevant decisions. The African Group also appreciated the "Fact Sheet on LDC Graduation" provided by the LDC Group contained in document WT/GC/W/806. The African Group trusted that the informative document would help all Members understand the context better.

7.29. LDC Graduation helped elevate a least developed country a step further to integrate into the multilateral trading system. LDC Graduation was also a continuous process and, gradually, every LDC would be included in the process. Every LDC should therefore be prepared to face the future post-graduation challenges sooner rather than later. The 2016 UNCTAD LDC report suggested that graduation itself should not be the primary focus of LDCs and their development partners but should rather be viewed as one milestone in the LDCs' longer term sustainable development. Several SDG targets also clearly highlighted the future needs of the LDCs.

7.30. The UN General Assembly Resolutions 59/209 of 2004 and 67/221 of 2012 on "Smooth transition for countries graduating from the list of least developed countries" invited "all Members of the World Trade Organization to consider extending to graduated countries the existing special and differential treatment measures and exemptions available to least developed countries for a period appropriate to the development situation of the country". The resolutions also invited LDC trading partners to establish procedures for extending or phasing out preferential market access, and LDC-specific funds of the United Nations system to continue providing technical assistance to graduated countries over a certain period.

7.31. With the exception of the EIF, there were no formal WTO procedures to support smooth transition for LDC Graduation. After leaving the category, LDCs would normally lose access to all trade-related support measures and flexibilities granted to them. That would put LDCs in a difficult situation not least given their economic vulnerabilities and their limited negotiating capacity. If not supported appropriately, the LDCs' transition would not be sustainable and the graduation would make limited difference to the LDCs.

7.32. An incomplete and fragile graduation, without specific support mechanism, could lead LDCs after graduation to more difficulties in addition to the existing multipronged challenges they faced at present – not to mention the huge shock created by the COVID-19 pandemic on LDCs the impact of which was yet to be measured. The LDCs would need reinvigorated and comprehensive support from Members.

7.33. The African Group therefore found the LDC Group's submission logical. The draft Ministerial Conference Decision text would be a genuine response to the UN General Assembly Resolutions for introducing a comprehensive and effective smooth transition mechanism for graduating LDCs under the WTO system. The African Group would be happy to join the consensus and called on the General Council to approve the draft decision for the next Ministerial Conference.

7.34. The representative of Afghanistan fully supported the two communications from the LDC Group. As an LDC, Afghanistan understood the structural challenges facing the LDCs and joined the calls for supporting graduating countries with additional targeted measures after losing their LDC Status as an incentive to graduate and enable them to adjust to their new status. Afghanistan supported the draft Ministerial Decision to introduce a smooth transition mechanism for graduating LDCs under the WTO system and encouraged all Members to do the same.

7.35. The representative of South Africa associated with the statements made by the ACP and the African Group. South Africa saw value in ensuring that the development efforts of LDCs were not disrupted by graduation. There was a need to continue the provision of a comprehensive and coherent set of support measures that took into account the priorities, strategic challenges and vulnerabilities of graduating LDCs. That would give graduating countries which were likely to still be relatively poor additional time to consolidate their progress. Without that, a certain jump in tariffs could have a devastating socio-economic impact on the countries concerned. South Africa was supportive of the proposal and would constructively engage towards a meaningful outcome.

7.36. The representative of Nepal associated with the statement made by the LDCs. Sustainable and inclusive trade, particularly export trade, constituted a critical pillar for the overall socio-economic development for all Members. Reports however showed that the least developed countries had not been able to participate in and benefit from the global trading system in a just manner owing to numerous constraints including supply side constraints and non-tariff barriers.

7.37. The world leaders had set a target of achieving LDC Graduation and also SDGs by 2030. It was therefore incumbent upon Members to support LDCs in meeting those global targets in a timely manner through making relevant decisions at the WTO. Moreover, the pandemic had impacted the LDCs most severely. Recovery of LDC economies was almost impossible without specific additional and robust support measures from donors and, for that matter, achieving global targets of LDCs in that critical situation would remain unfulfilled.

7.38. Global programmes such as the Istanbul Programme of Action and 2030 Agenda had embraced the LDC Graduation goal. Some LDCs were on their path to graduation while others were in the process. The Istanbul Programme also targeted to double LDCs' share in global export. But its progress still remained way below the target. On top of that, COVID-19 had devastated LDCs' export performance. The goal of graduation was not an end in itself but just a threshold to move towards the next level on the sustainable development ladder. At the same time, graduation presented further challenges to LDCs in trade and development. Graduated countries posed a great risk of falling back into the LDC Category if their progress was not sustained.

7.39. Graduated countries would lose access to a wide range of international support measures. That could create further gap if sufficient support was not strengthened to sustain the graduation. The globally accepted principle of "smooth transition" needed to be recognized and the continuation of support measures for a longer transition period was urgent. In that context, Nepal fully supported the LDCs' submission in that regard and urged all Members to positively consider and accept the submission.

7.40. Among the various support measures available to LDCs, the duty-free quota-free market access facility was extremely important to sustain their export in destination markets. Extending that support for twelve years as reflected in the submission would be instrumental in sustaining LDCs' export performance even after graduation. In that context, the decision taken by the WTO system was therefore crucial. Once the transition period of twelve years was extended and graduated LDCs continued benefiting from the same level of support for that period as enjoyed by the developing countries, the weaker economies such as LDCs would certainly be able to build their strong export base to advance towards the path of the developing countries in a sustainable manner.

7.41. The representative of the European Union congratulated Vanuatu on having recently graduated from its LDC Status. That was an important and positive milestone in the country's development path, one worthy of recognition and celebration. The European Union supported constructive initiatives to better integrate LDCs into the multilateral trading system and encouraged discussing any trade-related challenges of the LDCs on the basis of the analysis showing their specific difficulties. The European Union was mindful of the challenges that graduating LDCs faced. That was recognized and reflected in its existing trade and development policies.

7.42. In the EU General Scheme of Preferences, transition periods were already provided for the benefit of developing countries, particularly for recently graduated LDCs and other countries most in need. The European Union had also launched a series of trade agreements with developing countries including Economic Partnership Agreements in order to maintain certain preferences. The European Union also engaged bilaterally with LDCs with a view to graduation to be able to best support the countries during and after their graduation, taking account of their specific situation. At the same time, the European Union and its Member States continued to provide the largest share of Aid for Trade which also went to supporting LDC Graduation.

7.43. On the draft decision, the European Union recalled that procedures were already available to negotiate a waiver from any WTO obligation, to seek an extension of a transition period, or to adopt a specific decision by a WTO body to address specific difficulties. The European Union referred to the recent report on "Trade impacts of LDC Graduation" published jointly by the WTO and the EIF. The study concluded that the impact of graduation would be different for each graduating LDC, both in scope and in magnitude, be it in participation in the WTO, market access opportunities or in terms of development cooperation.

7.44. The report likewise noted that the disparity among graduating LDCs suggested that support should be tailored to the needs and development strategy of each country. Against the overall background, the European Union asked the LDC Group to clarifications regarding the reason that all support measures be extended for a period of 12 years and the reason that support measures be maintained to all Graduated LDCs. The European Union stood ready to engage further with the LDC Group on those communications.

7.45. The representative of Norway was sympathetic to the concept of transitional arrangements for Graduating LDCs and had already transitional arrangements for LDCs built into its national GSP system. Norway would study the proposal carefully and looked forward to engaging with the LDC Group in due course.

7.46. The representative of the United States shared some initial questions on the communications as the United States worked to increase its understanding of the proposal. The United States would like to better understand the mechanics of the twelve-year extension in Paragraph 1. The United States understood that the UN Committee for Development Policy reviewed the list of LDCs every three years and made recommendations on graduation from that category. In practice, the UN CDP could postpone graduation for up to nine years when all possible extensions were fully employed. The question was, "Would the twelve-year period in Paragraph 1 of the draft Decision overlap with the nine-year graduation process at the UN, or would the twelve-year extension begin after the nine-year graduation process?"

7.47. The United States would also like to better understand whether the LDC Group was pursuing changes to the graduation process that would address its goals including whether the LDC Group had considered seeking a longer graduation process in the United Nations, if a longer timeframe was warranted for a Graduating LDC. Under the proposal, a newly Graduated LDC could have similar or even higher development indicators than some non-LDC developing countries. The Graduating LDC would however receive more benefits at the WTO than similarly-situated non-LDC developing countries. The United States asked whether the LDC Group had considered that scenario. The United States appreciated the opportunity to have that discussion.

7.48. The representative of Switzerland said that increasing the number of countries graduating from the LDC Category was something that should be welcomed as it demonstrated real progress. Switzerland recognized that some Members could be in a position where they faced difficulties upon graduating from the LDC Category. Switzerland was ready to discuss ways of supporting LDCs who faced a changing political context because of their graduation and welcomed the report by the Secretariat referred to in the proposal being discussed. As the report from the Secretariat stated, the implications of graduation were specific to each country and each area. Switzerland therefore asked whether the LDC Group intended to adopt a differentiated approach in the context of the proposal. It could be easier for Members to examine specific problems and issues rather than adopting a very broad and horizontal approach.

7.49. The graduation process took place gradually over a number of years and there were transitional mechanisms involved. Switzerland asked how the proponents used that period to

prepare for post-graduation. The concept of a smooth transition in the UN General Assembly Resolution 67/221 of 2012 referred to gradual phasing out of preferences provided to LDCs. Switzerland asked whether the proponents could consider a phased out approach in that area. At the same time, as the Services Waiver for LDCs adopted in 2015 would end in 2030, Switzerland asked how the LDCs would reconcile that period with the twelve-year transitional period for preferences for Graduating LDCs. Switzerland reiterated its willingness to work constructively with the LDCs on the issue.

7.50. The representative of Turkey had always been supportive of programmes and projects to contribute to the development of LDCs and was committed to do its share in addressing the needs of LDCs so that they could develop through trade. Turkey acknowledged the progress some LDCs had achieved through the assistance of the current toolbox of the multilateral trading system – managing to further improve their development level. Turkey likewise recognized that LDCs even at that higher level were still exposed to several challenges as they formulated their trade and industrial policies. That required the Membership to continue to address the challenges and to respond to their needs. As a developing country, Turkey was better situated to understand the challenges faced by LDCs and knew that development was a lengthy and multifaceted process. Turkey also agreed that a smooth transition was needed for graduated LDCs. As Members' deliberation continued, Turkey remained ready to engage with the co-sponsors to further elaborate the issue.

7.51. The representative of India congratulated Vanuatu on its graduation. India had been a strong supporter of LDCs' integration into the multilateral trading system and was at the forefront of efforts to increase their share in global trade. India granted duty free access to about 96% of the tariff lines for goods originating from LDCs, with partial preference on another 114 tariff lines (i.e. about 2.15% of tariff lines). India was the fourth biggest export destination for LDCs after the European Union, China and the United States. India also had a dedicated Centre for WTO Studies that helped LDCs to better integrate into the multilateral trading system through various technical assistance and capacity building initiatives. As the submissions noted, LDCs suffered from various capacity constraints and economic vulnerabilities. India therefore supported that a reasonable period of time be granted as transition period for a comprehensive and effective smooth transition for Graduating LDCs under the WTO system. India requested Members to consider the proposal favourably.

7.52. The representative of China joined others in thanking the LDCs for their introduction of the proposal. Unlike college students graduating from school, countries graduating from the LDC Category followed a process based on artificial criteria. It was not a solid capacity test. The LDCs were still facing tremendous challenges and high vulnerability even after graduation, and their economic and social development could not be accomplished overnight.

7.53. China acknowledged the significant importance of the principle of smooth transition of graduated LDCs introduced by the UN General Assembly. The WTO had a central role to play in providing a sound policy environment and regulatory framework for the sustainable development of the vast number of developing countries, especially the least-developed ones. China supported that more care and greater attention should be given to developing countries suffering difficulties in fostering development and economic transformation, including exploring a way forward to realise smooth transition of the Graduated LDCs and further integrate into the multilateral trading system, as requested by the LDC Group in its communication.

7.54. The representative of Vanuatu, on behalf of the Pacific Group, associated with the statement made by the ACP and acknowledged the warm words of encouragement on Vanuatu's recent graduation on 4 December 2020 – the second Pacific Group member to graduate after Samoa in 2014. The Solomon Islands was also scheduled for graduation in 2024. The proposal was important for the Pacific Group. Apart from the loss of preferences and trade support, Pacific LDCs faced ongoing challenges from climate change as well as frequent and severe natural disasters that undermined their development efforts. One disaster for instance could wipe out a significant proportion of GDP including their productive and trade capacities. To illustrate, in 2015, Cyclone Pam had caused Vanuatu to incur a loss of over 60% of GDP.

7.55. The alternative trade regimes such as the GSP also came with significant conditionalities which LDCs could not have the capacity to fulfil. The draft decision was therefore important for the Pacific Group and would provide greater certainty and predictability for LDC Members through the continuation of market access and trade support. Those were necessary to facilitate their smooth and successful transition and to better integrate them into the multilateral trading system.

7.56. The Chairman congratulated Vanuatu for graduating from the LDC Category and echoed similar sentiments expressed by delegations. He also noted that Vanuatu had mentioned Cyclone Pam and recalled that Members had heard the previous day from Fiji about the approaching Cyclone Yasa. He extended his thoughts to the people of Fiji as they faced the cyclone that brought about 345 km/hr gusts of wind and 14-metre swells.

7.57. The representative of Indonesia recognized the systemic socio-economic challenges faced by LDCs. COVID-19 had also caused additional burden given that it had disproportionately affected the developing and LDC Members. While acknowledging and congratulating some LDCs who would soon graduate, Indonesia supported the call for smooth transition strategies for countries graduating from the LDC Category as stated in the UN General Assembly Resolution 59/209 of 2004 and the draft Ministerial Decision presented by the LDCs and circulated in document WT/GC/W/807.

7.58. The representative of Egypt associated with the statement made by the African Group. According to the latest report by UNCTAD on the impact of the pandemic on trade and development, among developing countries, the impact of the pandemic on poverty rates was expected to be severe especially in Africa and LDCs. Due to high vulnerability and the limited capacity to adjust and respond to shocks, LDCs over which many were in Africa accounted for about 14% of the global population and were expected to account for 53% of global extreme poverty in 2020. Egypt urged all Members to positively consider the proposed measures in the draft Ministerial Decision to enable LDCs to confront the repercussions and challenges of the current unprecedented global crisis.

7.59. The representative of Cambodia associated with the statement made by the LDCs and congratulated Vanuatu for its successful graduation on 4 December. Cambodia supported measures intended for Graduating LDCs to get an extension of all related support measures provided in the multilateral trading system. An extension of LDC specific support measures should cover technical assistance and all LDC specific S&DT provisions in the WTO Agreements. Cambodia urged Members to constructively engage with the two proposals submitted by the LDCs and wished to see the proposal adopted at MC12. Its adoption would help Graduating LDCs in their development and encourage other LDCs to graduate from LDC Status. Cambodia thanked Members for supporting the LDC Submissions given the challenges and difficulties faced by Graduating LDCs and for encouraging them to participate in global trade.

7.60. The representative of Nigeria associated with the statements made by the ACP and the African Group. Nigeria was fully aware of the challenges faced by the LDCs as all the neighbouring countries sharing the border with Nigeria were LDCs. Nigeria therefore supported the LDC Proposal.

7.61. The representative of the Kingdom of Saudi Arabia congratulated Vanuatu and understood the concerns of the LDCs in relation to the challenges that they would face after graduating from LDC Status due to various capacity constraints. The Kingdom of Saudi Arabia was a strong supporter of integrating LDCs into the multilateral trading system. That had been recognized through its significant financial contributions in the EIF. The Kingdom of Saudi Arabia remained ready to engage constructively in that regard with the aim of achieving a positive outcome by MC12.

7.62. The representative of Tunisia associated with the statement made by the African Group and supported the draft decision circulated in document WT/GC/W/807 allowing Graduated LDCs, for a reasonable period after its graduation, to continue to benefit from specific support measures for LDCs and S&DT provisions in the WTO Agreements. Such was essential to guarantee a sustainable transition for Graduated LDCs, particularly in the current socio-economic context, by adopting accompanying measures during their transition period. The draft decision would help address the difficulties faced by outgoing LDCs and would provide concrete support from the multilateral trading system for the implementation of the objectives and targets of the Istanbul Programme of Action.

7.63. The representative of Cameroon associated with the statement made by the African Group. The LDC proposal was relevant as it would help meet the WTO's goals. As many countries faced huge challenges in global trade, the draft decision deserved Members' close attention should they choose to live in a fairer and equal world.

7.64. The representative of Bangladesh appreciated Members' interventions and thanked those who had supported the LDC submission. The LDC Group also thanked those who had asked some questions and who had expressed their willingness to engage constructively and welcomed the

opportunity to provide further clarifications. The LDCs likewise acknowledged the support and inspiration they received from the development partners. The "Fact Sheet on LDC Graduation" contained in document WT/GC/W/806 could be further updated. That informative paper would help Members better understand the context. The LDC Group requested the General Council to keep that item in the agenda for its next meetings until the issue was resolved. In the meantime, the LDCs would engage bilaterally with Members concerned and requested the Chair of the General Council to kindly facilitate the informal consultations.

7.65. The representative of Chad, on behalf of the LDCs, thanked all Members who had supported or expressed their understanding on the LDCs' position. The LDCs had taken due note of the observations and questions which had been of great pertinence including those of the European Union, the United States and Switzerland. Upon reviewing the existing rules of the WTO, one would see that all of the procedures and the agreements that existed lacked a formal process for a smooth transition for Graduated LDCs be it through specific LDC measures or S&DT provisions. Members who were losing their LDC Status would automatically lose access to all of those measures apart from EIF which continued to provide financing and technical assistance support to Graduated LDCs.

7.66. The draft decision did not ask for anything new. The LDCs were just asking for a guarantee that existing WTO measures would continue to benefit Graduated LDCs throughout the proposed transition period bringing it into coherence with the UN System on the basis of data to be discussed with development partners. Further discussions with Members on those submissions would provide LDCs a chance to address concerns. The LDCs stood ready to work closely with all Members to find consensus on the issue. A decision in favour of Graduating LDCs would undeniably be a strong signal of the very solid and credible nature of the multilateral trading system and of the WTO. It was a sign of an open, inclusive trading system which contributed effectively to a better integration of all economies particularly the most vulnerable trading nations. The LDCs stood ready to engage in a wide range of different discussions to find consensus on the issue which was essential to all LDCs.

7.67. The Chairman noted that there had been, in the discussion, a bit of to and from between the proponents and delegations asking questions. He invited Members to remain engaged in the discussions.

7.68. The General Council took note of the statements.

8 COVID-19 AND BEYOND: TRADE AND HEALTH – STATEMENT BY CO-SPONSORS OF WT/GC/223

8.1. The Chairman recalled that the item was included in the agenda by the delegation of the European Union on behalf of the co-sponsors of document WT/GC/223 and invited the European Union to take the floor.

8.2. The representative of the European Union noted that the COVID-19 pandemic had had a devastating impact on people's health, well-being and economic prosperity. It had created unprecedented challenges for governments across the world. Most of them – and that included the European Union – had taken a range of trade-related actions with a view to ensuring that essential goods were available to their populations. It went without saying that safeguarding the lives and health of their people was at the core of every government's section.

8.3. But the crisis had also exposed the fragility or even a potential negative fallout of unilateral, uncoordinated trade-related actions. If every current exporter would ban shipments of essential goods, a large portion of the world population would be denied access to the necessary life-saving supplies. A global crisis required global cooperation. With that in mind, the European Union fully supported innovative cooperation developed under the Access to COVID Tools Accelerator and the COVAX Facility.

8.4. Although the response to the pandemic was primarily in the sphere of health policy, trade policy could also contribute to that fight. With the long-awaited discovery of vaccines, Members were beginning to see the light at the end of the tunnel, but the operational and logistical challenges ahead would still be enormous. To succeed in that fight, global cooperation was fundamental. The WTO had a valuable role to play in particular to ensure that supply chains of essential products

remained open, that goods could cross borders quickly and that the trade environment was stable and transparent.

8.5. The time for Members to take action was now. Through the communication on COVID-19 and beyond, thirteen Members, including the European Union, invited all Members to engage in a Trade and Health Initiative. At the heart of the Initiative was the belief that each Member should be free at the domestic level to take the trade policy actions needed to fight the pandemic in accordance with the WTO framework. In the interest of the common public good, such actions should be coordinated and transparent. Ultimately, the objective was to create conditions for a more stable and predictable trade environment which in turn would help to mitigate the impact of the pandemic.

8.6. The European Union and co-sponsors invited Members to proceed in two steps. In the first step, they called on Members to take immediate actions to address the current COVID-19 crisis. Those actions were detailed in the Annex to the Communication and would consist in particular in exercising restraint when applying export restrictions on essential goods, ensuring that measures were targeted, transparent, proportionate, temporary and consistent with WTO obligations; sharing experience and best practices in trade facilitating measures, including on services facilitating the frictionless movement of essential goods as well as in the area of technical regulations; considering removing or reducing tariffs on essential goods; promoting transparency, including by engaging fully in the trade monitoring exercises; and, encouraging the WTO Secretariat to cooperate with other international organisations in order to respond more effectively to the current and future pandemics.

8.7. They called on Members to capture those actions in a declaration that should be issued as early as possible and, ideally, by the time of the next General Council Meeting. The agreement on the declaration would be without prejudice to the commitments, if any, that Members could take in the second step. The second step was aimed at increasing Members' global preparedness for any future health emergencies. The European Union and co-sponsors proposed to explore possible future commitments on the basis of the actions taken as a first step. Ideally, Members should seek to achieve progress on that strand of work by the Twelfth Ministerial Conference. The European Union invited all Members to join in that endeavour and looked forward to successful cooperation.

8.8. The representative of Australia believed that the WTO had a valuable role to play in ensuring supply chains for critical medical supplies, that they remained and created conditions for a stable, predictable and transparent trade environment for those products. Members should learn from their experiences in dealing with the COVID-19 crisis and take proactive steps to ensure that the multilateral trading system was better equipped to deal with future health emergencies. Now was the time for the organization to act.

8.9. As a co-sponsor of the communication, Australia invited all Members to engage in the initiative and called for Members to take immediate steps to address the crisis by minimising disruptions to supply chains, sharing best practices on trade facilitation, promoting transparency and fostering greater collaboration with international organization. Australia invited all Members to join the co-sponsors in exploring possible future commitments as set out in the annex to the communication.

8.10. The representative of the Republic of Moldova shared the same vision and objectives that were reflected in the communication and found valuable potential elements included in the new trade and health initiative. Some of those had been voluntarily implemented throughout 2020 by the Republic of Moldova particularly with reference to the transparency principle. The determination to join efforts to fight the pandemic while ensuring that trade remained open with a transparent, predictable and non-discriminatory regulatory framework and viable value chains particularly in essential medical goods and vaccines and the multilateral trading system central and fully functional remained of vital importance.

8.11. Currently, the pandemic was still unfolding. The infection rate had increased dramatically post lockdown. At the same time, Members had started to face challenges related to the scarcity of essential medical goods. The pandemic had found the global economy in a vulnerable position with economic recession seemingly imminent. Fighting the health crisis and subsequently working on economic recovery would therefore remain important priorities for Moldova in the years to come. Responding effectively to the crisis would demand a holistic approach, collective action and close cooperation between governments and international organizations including the WTO. Moldova was open to undertake along with other Members actions set out in the annex to the communication as

well as to engage in the group discussions related to the work of new elements to be included in the WTO trade and health initiative.

8.12. The representative of the Russian Federation said that the initiative put forward by the European Union and co-sponsors related to the issue of overcoming the consequences of the COVID-19 pandemic which was currently the focus of WTO activities. Any proposal on the matter that came up for Members' consideration were seen as timely and relevant. Russia met the proposal with interest and looked forward to further discussions with co-sponsors and other interested Members.

8.13. The representative of Nigeria associated with the statement to be delivered by the African Group and the ACP. Though the document was under review in its capital, Nigeria provided preliminary remarks without prejudice to its final position on the issue. Trade policy was a useful tool that could help in containing the COVID-19 pandemic and contribute to economic recovery. It was for that reason that Nigeria had implemented unilateral, temporary tariff suspension and had streamlined customs procedures for medical supplies and products needed to combat COVID-19.

8.14. The WTO could and should play a vital role in enhancing effective global response to health crisis situations such as COVID-19. The WTO had however built-in mechanisms that it could activate to achieve that crucial goal without necessarily requiring the negotiations on new WTO commitments. Those mechanisms included granting of waiver that would ensure patent and other IP rights did not unfairly constitute barriers to upscaling of research, development, manufacturing and supply of medical products essential to combat COVID-19. That notwithstanding, Nigeria was open to further discussions with the proponents to generate insights on the scope and objectives of the proposal.

8.15. The representative of Senegal agreed with the proponents about the disruptions in the supply chain of exports of essential medical goods necessary for combatting COVID-19 and the lack of transparency in the measures taken by Members and the possible negative impact on the global efforts to combat the spread of COVID-19. Strengthening international cooperation in the WTO was necessary to facilitate trade in essential medical products including vaccines and ensuring that they were available to developing countries and LDCs particularly in the context of the COVAX initiative. Senegal would share its views on the proposed initiative once it had been considered by its capital.

8.16. The representative of Hong Kong, China appreciated the proponents' efforts on the initiative which highlighted the importance of having a coordinated global response to a global health crisis at present and in the future. Hong Kong, China supported the proponents' efforts which aimed to enhance the capacity of the international trading system to respond to public health emergencies and support improvements in the resilience of global supply chains. Hong Kong, China was pleased to note that the proponents intended to work on a joint statement by all Members for adoption in early 2021. Hong Kong, China was interested in the proposal and looked forward to engaging further with the proponents in that regard.

8.17. The representative of Côte d'Ivoire supported document WT/GC/223 which concerned the link between trade and health and was designed to address the difficulties faced in international trade within the context of the COVID-19 pandemic. The initiative's overall aim was to strengthen the capacity of the global trading system to deal with the type of health crisis of such magnitude and to improve the resilience and strength of supply chains. Côte d'Ivoire fully supported the objectives of the document which it had submitted to its capital for further consideration and hoped to take part in the discussion on the initiative in due course.

8.18. The representative of Chile supported document WT/GC/223 which was a substantive contribution in dealing with trade and health issues in the short, medium and long term and in helping improve transparency in areas such as trade facilitation and non-tariff barriers. In promoting the smooth flow of medical goods including vaccines, it was vital to avoid unnecessary barriers to trade and to enhance cooperation. Specific measures in the area were essential if Members were to rise to the challenges they faced and to quickly recover from the crisis. The inclusive and flexible approach adopted by the initiative would facilitate in adapting WTO's response to the needs of each Member. Chile invited all Members to be part of the initiative so that they could have a multilateral response to help all of them face the consequences of the pandemic.

8.19. The representative of Iceland fully supported document WT/GC/223. The COVID-19 pandemic had created unprecedented public health challenges for the global economy. Iceland shared the view

of the important role the international trading system had to play in the post-recovery efforts. International trade and distribution of essential medical equipment and medicines including vaccines should remain open. In moving forward, Iceland would be engaging in further discussion on that proposal and on the future.

8.20. The representative of Colombia welcomed the initiative and was prepared to contribute to the discussions. There were some aspects that were lacking in the initiative that could also be addressed in due course. A multilateral response to a global problem would necessitate all Members to make greater efforts in ensuring that their actions were responsive to the needs of the people.

8.21. The representative of Fiji said that the basis upon which the initiative was founded was important and needed to be studied closely and effectively. Fiji's response at that stage was preliminary as it looked forward to reviewing that further with the proponents and with its capital to better understand the proposal and its implications. COVID-19 had provided a bitter learning curve and it would be remiss if Members did not take a precautionary approach to address the challenges and to avoid repeating the same impediments in the future. Flexibilities should be provided in times of crisis and an established set of guiding principles by the WTO be put in place as quickly as possible. As a small island developing State, Fiji remained vulnerable even before the pandemic and was disproportionately affected in view of the size of its economy and the economic costs of such crisis. In light of the existing situation, the proposal should be viewed holistically with other proposals such as the one on TRIPS flexibilities which was timebound and specific.

8.22. The representative of Mexico noted that Members were in a very difficult period – an unprecedented crisis since the great depression. Trade had an important role to play in the international community. The statement by the European Union on behalf of the co-sponsors showed how Members needed to deal immediately and responsibly with the smooth flow of essential goods to help them combat the pandemic in a tangible way through eliminating unnecessary barriers to trade and sharing good practices for trade facilitation, technical regulations and standards, good endeavour measures to ensure the smooth flow of products and transparency about measures adopted in the context of the pandemic. The communication likewise talked about the effectiveness of such measures in dealing with future commitments for those who were in a position to adopt them. Mexico encouraged Members to give the initiative a favourable consideration.

8.23. The representative of Costa Rica said that the communication provided that international trade was a tool to combat the pandemic and looking for multilateral solutions would help combat COVID-19 and future pandemics and help in the recovery of the global economy. Measures that Members could take under the multilateral trading system to resolve the crisis included trade facilitating ones that would ensure the smooth flow of essential medical products which were particularly important as they commenced the approval and distribution of vaccines. Costa Rica supported the objectives of the proposal and indicated its willingness to discuss the elements that would help improve the capacity of the international trading system to address public health emergencies and support improvements and resilience of supply chains.

8.24. The representative of Norway noted that the pandemic represented a global challenge and could only be addressed effectively through international cooperation. The multilateral rules-based trading regime was part of the toolbox available to the global community and trade was part of the solution. The trade and health initiative addressed issues related to both managing the current pandemic recovering from the economic crisis caused by the pandemic and how Members could be better prepared for any future crisis. Norway was looking forward to engaging with Members in taking the initiative forward and making it more concrete and action oriented.

8.25. The representative of Canada said that if countries worldwide were experiencing increasing COVID-19 cases, Members should make efforts to minimise disruptions to trade flows especially in essential medical supplies. The objectives of the proposed trade and health initiative spoke directly to that to keep markets open, to avoid obstacles to the distribution of the much awaited vaccines and to help better prepare for any future crisis. It was clear from the information gathered by the Secretariat that many Members had done just that in response to the pandemic.

8.26. Over 70 Members had unilaterally reduced or eliminated tariffs on supplies necessary to address the pandemic. A number of Members had also taken steps to reduce friction at the border and facilitate the smooth transit of goods. Over 20 Members had notified the WTO of various forms

of export authorization or licensing requirements or outright bans. Many of those measures had however been carefully targeted and, in some cases, removed shortly after they had been put in place. More importantly, Members' transparency around those measures had been very prompt. That was something Members needed to build on to ensure they were better prepared to respond to public health emergencies now and in the future.

8.27. Members also needed to make efforts to be coordinated in the approaches they took to protect their citizens. As Members knew well, nothing in the global economy happened in isolation. Members needed to ensure that their actions were disciplined and transparent. That was why the trade and health initiative could build Members' confidence by working together to confront the shared challenges they faced to protect the citizens in the most vulnerable populations around the world. Canada looked forward to working with all Members to reflect their commitment to remove the barriers in the trading system in order to make the effort to address COVID-19 a worldwide success.

8.28. The representative of the Republic of Korea noted that, as the COVID-19 outbreak caused severe disruption in global value chains, Korea had been one of the key players to act proactively to ensure the steady flow of essential goods and critical medical supplies and to maintain the supply chains. One outcome had been the Ministerial Statement on Action Plans to Facilitate the Flow of Goods and Services as well as Essential Movement of People which had been circulated at the General Council in May. Korea had also joined with other Members in discussion to ensure the continued flow of vital medical supplies and to protect global supply chain in response to COVID-19.

8.29. The Secretariat had been supportive of its efforts as well in enhancing transparency and strengthening the monitoring exercise on health-related measures and Korea thanked them for their tireless work. Korea had joined the Trade and Health Initiative and asked for broader support from Members to continue discussions in a constructive way. Korea viewed the initiative as one of the top priorities in demonstrating WTO's relevance and responsiveness amid the COVID-19 situation and as a tool that would protect Members against future pandemics.

8.30. The representative of the United States took note of the communication in document WT/GC/223 and made some initial observations. Some context could be helpful. The most recent Trade Monitoring Report by the Secretariat, which had been discussed in the TPRB the previous week had included several assessments: (i) Members had generally expressed and followed a commitment to ensure that trade could flow freely during the pandemic; (ii) most of the COVID-19 related measures taken on goods since the outbreak of the pandemic had been trade-facilitating and (iii) in the services sectors heavily impacted by the pandemic, most of the 124 COVID-19 related measures adopted by Members had appeared to be trade facilitating.

8.31. Against this backdrop, it was not clear what problem the co-sponsors aimed to solve, nor how the proposed measures would solve that problem. Their communication seemed to rely on platitudes about needing a global response to a global pandemic, and needing to make supply chains more resilient. The United States would encourage deeper reflection. For example, supply chain resiliency did not seem to be about lowering tariffs, or increasing Secretariat monitoring, or encouraging vague cooperation between the WTO and other international organizations. It was about how to prevent disruption when production somewhere beyond the shores was shut down due to an unexpected shock, or when a supplier beyond the shores was suddenly unreliable.

8.32. A second observation also required some context. The world had been grappling with a global pandemic for nearly a year. The public health situation remained very difficult and had been worsening. To date, more than 1.6 million people had died around the world, including more than 300,000 in the United States. Against that backdrop, the United States questioned the prudence of asking Members to put new constraints on their rights under the WTO Agreement – not to mention on their duty to undertake measures to protect human health and life.

8.33. The idea that such measures could be granted a period of validity of three months seemed to misunderstand the moment. The United States took a different view. WTO rules could not have been drafted with a global pandemic at front of mind, but the United States' initial observation was that the WTO Agreement seemed fit for purpose. Its balance of rights and obligations, if adhered to by Members, would continue to provide stability and predictability as they navigated that very difficult period and finally recovered.

8.34. The representative of New Zealand said that the Trade and Health Initiative could play an essential role giving their stakeholders in business, frontline workers and the wider community some confidence that Members were doing what they could to ensure vital medical products such as PPEs and vaccines could move freely and were available when needed. That responded to important calls New Zealand had heard from across the Membership and beyond it. The commitment to support COVAX was particularly important. New Zealand remained convinced that not just unilateral action but rather collective action was needed in that area and encouraged all Members to assess whether they could participate or express support for the initiative.

8.35. The representative of Switzerland noted that a global crisis required a coordinated and global response. The current situation gave Members no choice. They needed to face the crisis together. Members should therefore ensure that international trade was an effective tool to help them contain the pandemic and contribute to economic recovery. That was what the initiative promoted. Ensuring that many Members were on board would strengthen the impact of the initiative. Switzerland therefore urged Members to give favourable consideration to the initiative.

8.36. The representative of Thailand said that while its capital was carefully studying the communication, Thailand recognized the benefits of the proposed initiative, in particular, its objective to curb the pandemic and promote economic recovery through trade. Health crisis such as the COVID-19 pandemic required coordinated response in a global level in order to minimise supply chain disruptions and ensure availability of essential medical goods for all. It was therefore important for Members to deliberate on how to prevent further disruptions in the supply chains of essential medical products while preserving sufficient flexibility for differing national circumstances. Thailand looked forward to continuing the constructive engagement on the matter with a view to better understand the elements of the initiative in detail.

8.37. The representative of Chinese Taipei noted that international cooperation was needed to jointly respond to the pandemic and help the already devastated global economy to recover swiftly. While it was still in the process of making its final decision on joining the proposal, Chinese Taipei was pleased to see more positive discussions among Members on that important issue. In previous WTO practices, when the concept of health was used, it generally referred to individual's health or human health. The COVID-19 pandemic was however a threat to the population as a whole. The COVID-19 pandemic involved not merely individual's health but also public health. Although individual health and public health or population health were related, the latter was broader in scope. That was perhaps the first time Members were addressing the linkage between trade and public health or population health. The Trade and Health Initiative would have a long term positive implication in addressing not only the current pandemic but also any future public health threat similar to the pandemic Members were currently encountering.

8.38. The representative of Guyana, on behalf of CARICOM, said that pandemics seemed to be an ever present threat and Members should never let their guard down. CARICOM took note of the draft elements of the Trade and Health Initiative and was consulting on the matter with the capital. COVID-19 had brought the trade and health nexus into sharp focus. The pandemic had exposed the fragility of global supply chains and had accelerated the search of new approaches to business and governance. As the communication had outlined in great detail, the link between trade had been clearly established. CARICOM looked forward to discussing those elements with proponents and other Members early in the new year.

8.39. The representative of Indonesia noted that, together with ASEAN members, Indonesia had met with some of the co-sponsors to get a better understanding of the initiative. Indonesia noted that the draft elements of the initiative were mostly falling within the scope of trade in goods. While temporary tariff removal or reduction could assist access to essential medical products including vaccines and medicines, that was not the substantial issue that needed to be addressed at the moment. It was natural for governments to lower or have temporary tariffs for essential medical products to save its population. The substantial problem that governments faced during those challenging times was the lack of global solidarity in ensuring equitable, affordable and timely access to those essential products. Indonesia looked forward to seeing how the draft elements could be improved to ensure that every WTO rule that had a potential impact on access to medicines and essential products during pandemics could be properly addressed.

8.40. The representative of Turkey said that in the relationship between trade and health, trade was only a tool for increasing the prosperity of the people. Public health policies of countries should

not be pursued based on commercial interests. The COVID-19 pandemic required international cooperation and coordinated response and the WTO should do its part. Turkey recognized the rationale behind the proposal and believed in the necessity of coordinated action in combatting COVID-19 and securing trade flow. Attention should be paid to avoid blurring the objective of the proposal. In any case, Members should not be deprived of policy space to address public health concerns. Multilateral measures should be inclusive and should not result in excluding Members from international trade. Turkey remained open to further discuss the initiative with the co-sponsors.

8.41. The representative of Bangladesh associated with the statement made by the LDCs. Public health became the world's top priority due to present circumstances. To fight COVID-19, Members should ensure easy and affordable access to essential medical and pharmaceuticals products globally. Because of their multiple vulnerabilities, developing countries particularly the LDCs suffered the most – and the current pandemic had multiplied their sufferings. Trade would bring no prosperity if Members failed to save humanity and human beings from that global disaster. It was encouraging that the proponents had recognized that idea which went beyond the existing pandemic. Such proposal, if not tied up with any conditionality, would be truly helpful. Bangladesh looked forward to engaging with Members constructively on the issue.

8.42. The representative of Chad, on behalf of the LDCs, noted that the initiative, prepared in the context of the pandemic, aimed at seeking short-term and long-term responses to better face health crises and enable trade in essential health products to continue. The LDC Group welcomed the communication positively given the LDCs' need to continue to have easy access to essential drugs and pharmaceuticals to combat COVID-19. The LDCs had the opportunity to interact with the proponents which had given rise to a constructive debate. To date, several of their capitals were still examining the proposal. The LDCs would continue their discussion with the co-sponsors in the new year taking into account the feedback from their respective capitals.

8.43. The representative of the United Kingdom strongly supported the initiative. Keeping trade moving particularly trade on critical health goods was one of the most important ways in which the global trading system and the WTO could meaningfully respond to the pandemic. On tariffs, the United Kingdom agreed that the removal of tariffs was an essential step to reduce cost and increase trade in the most essential goods for tackling the COVID-19 pandemic. The United Kingdom strongly supported the Ottawa Group's call within the proposal for such tariffs to be removed.

8.44. The United Kingdom's new MFN tariffs had entered into force on 1 January 2020 following their departure from the European Union's customs union. As one of the world's top five importers and exporters of medical goods, the United Kingdom had looked carefully at how it could use that moment to help lead the way in putting the proposal into practice. From 1 January 2021, almost all pharmaceuticals including vaccines and most medical devices including ventilators would enter the United Kingdom tariff-free which included gloves, protective equipment, thermometers and other COVID-19 critical products. The United Kingdom would also suspend all tariffs on all products on the WHO's list of COVID-19 critical goods and that those suspensions would be for an initial twelve-month duration and subject to ongoing reviews.

8.45. On export restrictions, the United Kingdom also strongly supported the disciplines on export restrictions in the communication. The United Kingdom had published a list of all of its export restrictions on its central government website and that made clear the approach it would be taking to limiting its restrictions and underlined that it would be applying all the measures in the proposal in a fully transparent way. The United Kingdom looked forward to working with all Members to implement the proposal and hoped that others would join the United Kingdom in cutting their tariffs. The role of trade could and should play in combatting the pandemic and in helping the world build back better would also be a central priority of the United Kingdom's G-7 Presidency in 2021.

8.46. The representative of Peru agreed that the pandemic required a coordinated international response which was key in controlling COVID-19 and returning to spurring economic growth. Multilateral principles within a predictable international framework would allow Members to be better prepared to stand up to that and other health crises that could occur in the future. The specific actions to be taken under the Annex of the communication were pertinent and could be a good starting point for the work that Members needed to carry out in the coming months to respond appropriately to the COVID-19 pandemic and to contribute to economic and trade recovery.

8.47. The UN General Assembly had adopted a resolution concerning a comprehensive and coordinated response to the COVID-19 pandemic. Peru had supported the initiative that looked at the pandemic and its impact and how it was felt across the world and how it needed a coordinated response based on the principles of cooperation and international solidarity – which should involve international trade particularly the WTO. Peru had consistently called for any vaccine against COVID-19 to be considered as a global public good in keeping with the call of the UN Secretary-General, the WHO Director-General and many global leaders.

8.48. The idea of having a vaccine available without discrimination between countries was not simply an altruistic aim since it would be the only response to the pandemic. The final stage in the battle against the pandemic would only happen when everyone in the world was on the same level. Members should therefore make that a reality. Peru was currently conducting internal consultations to give a concrete response on the Ottawa Group's proposal in the coming days. Peru would be in contact with them to follow up on their conversations with a view to evaluating the commitments that could be undertaken on a multilateral stage in response to the crisis.

8.49. The representative of Japan said that, in the midst of the COVID-19 crisis, Members had refrained from being overly inward-looking as part of their efforts to comply with various WTO disciplines. Members should ensure that they did not spare such efforts in the future. Furthermore, it was necessary to clarify the disciplines regarding trade restrictive measures such as export restrictions so that the relevant supply chains could be maintained and reinforced to ensure that no Member would lose access to essential medical goods.

8.50. Japan co-sponsored the communication since its contents were effective not only for responding to the current COVID-19 crisis but also for preparing for a new possible pandemic in the future. The proposal also served to highlight the WTO's role in response to those crises. Japan asked for support from Members for the initiative and hoped that a common declaration that contained the elements listed in the annex to the communication be adopted in the first quarter of 2021, possibly at the next General Council meeting.

8.51. The representative of Brazil noted that trade played a central role in the fight against the COVID-19 pandemic by contributing to the supply of resources needed by their population. The communication proposed appropriate actions in times of crisis reflecting some of the best practices adopted to facilitate trade during the current pandemic. It covered topics such as compliance with notification obligations, streamlining of customs procedures and cooperation in standards and technical requirements. At the same time, the document acknowledged that Members could have different views in certain areas such as commitments to permanent tariff reductions.

8.52. It also recognized that legitimate restrictive measures could be necessary in some circumstances. The actions proposed in the communication contributed to the transparency and predictability of the trading system which should be in the forefront of their concerns. In that regard, Brazil had notified more COVID-19 related measures than any other Member – with a total of 34 notifications and almost all of them addressed trade facilitating measures.

8.53. The representative of Vanuatu, on behalf of the Pacific Group, said that, as the communication was still being studied by the Pacific Group members, its comments were preliminary at that stage. COVID-19 was unprecedented and had inflicted a mounting human cost globally in addition to the economic cost. In response, many Members had imposed various trade measures to contain and combat the virus. As Members with no manufacturing capacity and dependent on imports, the Pacific Group had been expressing concerns in various WTO meetings at the threat posed by export restrictions on medicines, medical supplies and medical equipment and technology. Export restrictions could deny access to those essential products and could subject them to higher prices.

8.54. Fortunately for the Pacific region, infections remained low as the region had taken decisive action in the distribution of essential supplies through the Pacific Humanitarian Pathway in collaboration with regional and international partners. The Pacific Group could not however guarantee the same success in future health crisis and saw value in exploratory discussions particularly on some elements of the proposals relating to export restrictions and transparency. On export restrictions, clarification was needed on how those were implemented taking into account the needs of import dependent countries. In addition, prompt notification of trade measures were critical to ensure transparency. The Pacific Group hoped to remain engaged in the proposal.

8.55. The representative of Mauritius, on behalf of the African Group, appreciated all efforts aimed at containing the COVID-19 pandemic and preventing or limiting further disruptions to global economic activity, particularly disruptions of supply chains of essential medical goods critical to the health response. Specific actions were however proposed relating to, among others, export restrictions, technical regulations, tariffs, transparency and the possible adoption of commitments relating to trade in essential medical goods. The African Group had previously raised concerns about taking commitments on some of those issues particularly in the middle of a crisis – which could be potentially problematic. The African Group was therefore reflecting on the submission and consulting with capitals. The Group would be happy to engage with co-sponsors early in the new year to have a better appreciation and clarity on the scope and impact of the reforms envisioned in the initiative.

8.56. The representative of India noted that rules and agreements inked for a normal situation, not keeping in mind a disaster or pandemic situation, would not deliver the desired and effective outcomes. India conveyed its disappointment on most of the contents of the proposal – as they only tried to justify existing rules which had not been made to handle a pandemic and were not accommodative to take on board new measures. Members were indeed facing turbulent times. The second wave was like a tsunami. Total deaths and confirmed cases were already more than 50% higher than what had been mentioned in the present proposal.

8.57. With the emergence of successful vaccines, the real challenge of access and affordability for all had just begun. In the efforts towards an effective response to COVID-19, the ultimate goal was not only to produce a safe and effective vaccine but also to make it affordable and accessible. That could happen only after billions of doses were produced affordably and made available to everyone. To achieve that goal, Members should ensure that the intellectual property rights did not restrict rapid scaling up of manufacturing, which alone could deliver vaccines and treatments to 7.8 billion people in the world. That was what its proposal for a waiver from certain provisions from TRIPS Agreement sought to achieve. Nonetheless, India would have appreciated the co-sponsors' support on the Waiver Proposal which would have matched their words in letter and spirit to "deliver an effective global response to the crisis" through concrete action.

8.58. Preventing further disruptions in the supply chains of essential medical goods, highlighted in the submission, was one part of the solution. The submission missed out a very significant element in COVID-19 response. While it talked about facilitating movement of goods including medical products and food supplies, it was silent on facilitating movement of healthcare professionals and liberalising measures on that front. Negotiations on new WTO commitments in terms of movement of healthcare professionals including doctors, nurses, paramedics, radiologists, surgeons, dentists and physiotherapists by lowering the barriers, eliminating the restrictions in qualification requirements and procedures, cross-border recognition of professional qualifications, harmonization of entry requirements and easing the entry procedures should also be simultaneously explored, with the aim of concluding such negotiations by MC12.

8.59. Although the submission welcomed the COVAX Mechanism, in the same light, it should also have welcomed the WHO COVID-19 Technology Access Pool (C-TAP), an initiative that encouraged voluntary contribution of IP, technology and data to support global sharing and scale-up of manufacturing and supply of COVID- 19 medical and pharmaceutical products. India suggested that the co-sponsors took concrete steps in ensuring that the pharmaceutical companies pooled their IP and related know-how in the C-TAP pool. While India encouraged the use of TRIPS flexibilities and the voluntary licensing initiatives, Members should recognise that they fell short in meeting the massive demand of COVID-19 diagnostics, vaccines and treatments, let alone in ensuring that they were affordable as the submission suggested.

8.60. On eliminating export restriction, with the help of that tool, India had ensured equitable access to health care products by supplying them to more than 150 countries based on mutually assessed needs. In the absence of that tool, entire supply could have been cornered by the rich and privileged lot. Efforts should not stop at availability but should also sincerely work together on accessibility and affordability. Export restriction would therefore continue to play its role as a policy tool. On sharing of experiences and cooperation with other organizations, India welcomed the proposal and was willing to discuss it further with the proponents. Any binding measure on additional transparency would only come in the way of successful integration of trade and health, particularly during a pandemic. India was willing to engage with proponents on a comprehensive proposal including the suggestion given above.

8.61. The representative of Singapore said that the COVID-19 pandemic was a global health crisis that required a coordinated global response. The WTO, as the cornerstone of the multilateral trading system, was well positioned to launch the Trade and Health Initiative with the primary objective of helping governments mitigate COVID-19's tremendous impact. It would help catalyse thinking of how the WTO would prepare itself better for future global health crisis and would also demonstrate that the WTO remained relevant and able to address real world challenges. Singapore looked forward to working with all Members to get the initiative off the ground as quickly as possible.

8.62. The representative of Qatar noted that the COVID-19 pandemic had had unprecedented and devastating effects to the global economy. Many Members had taken trade-related measures in order to safeguard against the shocks that had been instigated by the crisis. Those measures primarily included the areas for the protection of public health and food security. While Qatar understood that some Members had to take necessary measures for the protection of their people, in order to surpass the crisis, Members should have a coordinated and multilateral response.

8.63. As part of the COVAX Facility, Qatar had supported that effort by its members and the WHO to ensure that the COVID-19 vaccines would be accessible to all countries and to all people. The communication would positively contribute to the efforts in resolving the crisis by having the WTO play a larger role in addressing the pandemic including further collaboration with other international organizations. As its capital carefully studied the initiative, Qatar welcomed the communication and would continue to constructively engage with the proponents until the next General Council meeting.

8.64. The representative of Cameroon shared the views expressed by the African Group and the LDCs. That was a very good proposal and was currently being considered in the capital. The proposal required a global approach. All Members should support its objectives and that it should be extended to other health crises threatening humanity. Members should trade to fight those pandemics and Cameroon was willing to fully support discussions designed to contribute to the proposal. That would bring more humanity to the discussions in the organization.

8.65. The representative of Israel said that the communication was still under review in the capital and the comments made that day were preliminary in nature. As a matter of principle, Israel believed in timely and coordinated response to global crisis and global emergencies. Israel also believed in the importance of maintaining transparency, certainty and predictability and smooth flow of trade in normal times and, particularly, in times global crisis. Israel looked forward to further engaging in the discussions with the proponents in order to learn more about the initiative's intent and content.

8.66. The representative of South Africa noted that the analysis by the WTO showed that Germany, the United States and Switzerland supplied 35% of medical products. China, Germany and the United States exported 40% of personal protective products. Breathing apparatus, including respirators and ventilators, were supplied by a small number of Members notably, Singapore which had 18% market share, followed by the United States with 16%, The Netherlands with 10% and China with 10%. Trade in the products to be liberalized was concentrated among a few players.

8.67. South Africa agreed with the proponents that a global health crisis required a coordinated global response for the common good. The actions advanced by the proponents would not however result in equitable outcomes in the long run. As stated in the African Group paper in document WT/GC/219, effective global cooperation that would promote common good was one that ensured that the treatment for COVID-19 was accessible and affordable to the world as a public good. The WTO could start by ensuring that IP was not a barrier to that objective. In addition, over dependence of Africa on imports of medicinal and pharmaceutical products subjected African healthcare systems to serious vulnerabilities, which was further exacerbated by overwhelming social and economic consequences of COVID-19.

8.68. It was evident from past experiences that while in the middle of a health crisis, the critical success factors were speed, sharing knowledge and know-how as well as supporting global solutions that were equitable, inclusive and timely. Discussions should rather focus on how the WTO could promote within its mandate, equitable access and sharing of vaccines, diagnostics, therapeutics and other technologies and medical products so as to ensure that no one was left behind. South Africa reiterated the need for urgent cooperation and coordination to ramp up production and promote local manufacturing of essential medical supplies, devices, or technologies, including diagnostics, medicines, and vaccines – on reasonable and affordable terms.

8.69. South Africa was concerned by a trade liberalization agenda in the midst of a crisis when many countries were grappling with the effects of the crisis that had exposed the strategic vulnerabilities of many developing countries. A one-size fits all approach was not suitable nor appropriate. Countries should decide what the best course of action should be based on their needs. In some cases, it could require temporary use of export restrictions in accordance with WTO prescripts. In some, it could necessitate reduction of tariffs while in others it could necessitate increasing tariffs in areas where countries were building productive capacity.

8.70. If the proponents were concerned with public health, they should support the proposal for the TRIPS Waiver currently discussed in the TRIPS Council. That was the most effective and practical mechanism to deal with COVID-19 expediently. The biggest constraint to combating COVID-19 was not trade but equitable and timely access to the vaccine and therapeutics to prevent, combat and treat COVID-19. Sharing of information, technologies and know-how was critical in ramping up production and ensure availability of medical products and vaccines to the 7.8 billion world population. For that to happen the WTO should ensure that IP would not be a barrier by suspending certain TRIPS Agreement provisions for the prevention, combating and treatment of COVID-19.

8.71. The representative of Pakistan did not grasp the fundamental thrust of the proposal on several counts and the proposed measures did not directly address the core problems particularly those faced by most developing countries. The proposal needed deeper reflection and perspective. Some elements proposed in the paper were already covered in the WTO Agreements and principles in various forms such as transparency and trade facilitation. Also covered in WTO Agreements were some relaxations for general obligations in times of crisis and emergencies such as the one Members found themselves in presently. To create, on top of all that, further obligations for reporting transparency, monitoring and review or taking away some available relaxations hardly did anything to fight the crisis at hand. Rather, it placed more burden on developing countries with poor capacity and infrastructure at such a difficult time.

8.72. Moreover, countries facing loss of lives due to domestic shortages of drugs, food, medicines and critical equipment needed to be able to take any measures necessary to ensure that their large domestic population gained access to those critical supplies be they in the form of restricting exports for domestic availability or facilitating import procedures or any other means – the choice of which should only be made by the national government. As opposed to rich countries that could afford to buy products in advance even before they were manufactured, for cash-strapped developing countries that did not have the finances to purchase expensive medical products from the international market, it was only natural to use export restrictions as a means to safeguard domestic availability. Although the argument cut both ways, it was often the only option for some countries.

8.73. Pakistan agreed with the co-sponsors when they said in Paragraph 4 of the paper that to meet the unprecedented challenges of ensuring availability of essential medical goods including vaccines in those turbulent times, Members should enhance their cooperation. It was ironic that it came at a time when a large number of those countries had pre-purchased before they had reached in the market up to multiple amounts of doses per person of the potential vaccines. Cooperation was definitely necessary. It was necessary on real issues and areas where it was most needed – that was in making sure that developing countries were able to manufacture and cater to the high demands of critical medical supplies. While its efforts were appreciable, the COVAX Facility remained inadequate. The problem was complicated by the monopolistic and profit-centric tendencies of large pharmaceutical companies and indications of vaccine hoarding.

8.74. That was why Pakistan had co-sponsored the proposal for a limited waiver from certain TRIPS obligations in order to deal with real issues faced by developing countries during the pandemic. That was probably not the best time to launch another tariff reduction or market liberalization negotiation. What Members needed in those times was to collect, collate and resolve their long pending issues and not embark on new ones. Pakistan was therefore not in a position to support the proposal that day. Pakistan however remained interested in real solutions that could address the general needs of developing countries during the pandemic.

8.75. The representative of the Kingdom of Saudi Arabia saw value of some elements in light of unifying efforts to respond to the COVID-19 pandemic and to combat its health, economic and social consequences around the world. Saudi Arabia was still reviewing the proposal in the capital and looked forward for further clarity during the discussions in that regard.

8.76. The representative of Mali supported the statement made by the LDC Group. The impacts of COVID-19 had been disastrous for a landlocked country such as Mali. Like most LDCs, it depended on exports and had been unable to export many of its products during the crisis. Many people, farmers in particular, had been plunged into extreme poverty. Many young people were forced into exile to try to survive during the crisis. Mali was a cotton producer and had not been able to export cotton during the crisis. Mali was extremely vulnerable as an economy. Even if a vaccine became available, Mali would be unable to vaccinate its people. The virus was a global challenge. It was going to cross borders. And Members' response should reflect such reality. Mali did not know how that would be done for vaccines but it was very important to ensure immunization coverage for Mali's people too whether it be through development assistance or South-South cooperation.

8.77. The representative of Cambodia associated with the statement made by the LDCs. The impact of COVID-19 was one of its concerns as the social and economic cost of the crisis had led to the slowdown of progress to achieve its development goals and the 2030 Agenda for Sustainable Development. Cambodia needed to build greater resilience and work together both at national and international levels. While recognising the right of every Member to introduce effective measures, Cambodia called on all Members to refrain from unilateral actions that could disrupt cross-border and other trade flows. Cambodia supported and encouraged Members not to impose unnecessary export restrictions especially on medical products. Cambodia had already sent the proposal to the capital and was waiting for further instruction.

8.78. The representative of Oman appreciated the meeting organized by the co-sponsors and the GCC countries. Unfortunately, Oman could not participate in that meeting as it had coincided with the TRIPS Council meeting that had been discussing the proposed TRIPS Waiver. As its capital was still reflecting on the proposal of the European Union and other co-sponsors, Oman hoped to engage with the European Union on the proposal early next year.

8.79. The representative of the European Union thanked all Members, on behalf of the co-sponsors, for their indications and interest to engage with them in advancing and discussing the proposal which would be done in the new year. The purpose of the initiative was to work together with the whole Membership in a multilateral, coordinated and transparent response to the global pandemic that they were all facing. Members needed a global response. The actions that they had done in the spring had only created confusion and had passed very different signals to economic operators.

8.80. The co-sponsors were proposing to proceed in two stages. The first one was a set of actions that Members would agree to do on a voluntary basis to deal with the COVID-19 pandemic. That was not a market access initiative. It was not driven by market access. Trade liberalization was not the agenda. Equally, it should not be the time to try to reopen past agreements particularly when those had not been indicating that there were problems with them in addressing the current pandemic. The actions that they were proposing for the first step would be a set of actions that Members would politically, not legally, commit to and that Members could all adopt in a coordinated and transparent manner during the pandemic.

8.81. The second stage would then be built on the experience of the first stage and Members would be seeking more long term permanent actions. The European Union thanked all Members that had reacted. The co-sponsors would be collectively engaging with all of them in the new year with a view to adopting very soon a decision to put them in a better state to face the current pandemic.

8.82. The General Council took note of the statements.

9 PROPOSAL ON AGRICULTURE EXPORT PROHIBITIONS OR RESTRICTIONS RELATING TO THE WORLD FOOD PROGRAMME

9.1 Draft General Council Decision – Communication from Albania; Angola; Australia; the Kingdom of Bahrain; Bangladesh; Brunei Darussalam; Canada; Chile; Colombia; Ecuador; the European Union; Grenada; Guyana; Iceland; Indonesia; Israel; Japan; the Republic of Korea; Liechtenstein; Malawi; Malaysia; Mali; Mexico; the Republic of Moldova; Mongolia; Montenegro; Myanmar; New Zealand; Norway; Paraguay; Peru; the Philippines; Qatar; Samoa; the Kingdom of Saudi Arabia; Singapore; the Solomon Islands; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Ukraine; the United Arab Emirates; the United Kingdom; the United States; Vanuatu and Viet Nam (WT/GC/W/810/Rev.2 – TN/AG/46/Rev.2)

9.2 Communication from Singapore (WT/GC/W/811 – TN/AG/47)

9.1. The Chairman recalled that the item was included in the agenda at the request of the delegation of Singapore and comprised a draft decision for the consideration of the General Council on Agriculture Export Prohibitions or Restrictions relating to the World Food Programme co-sponsored by a number of delegations listed in the agenda and could also be found in document WT/GC/W/810/Rev.2 – TN/AG/46/Rev.2, and a communication from Singapore circulated in WT/GC/W/811 – TN/AG/47 providing the background for that draft decision. He understood that since the start of the meeting, a further revision of the draft decision had been circulated that day in document WT/GC/W/810/Rev.3 – TN/AG/46/Rev.3 adding a number of new co-sponsors. He invited Singapore to introduce the item.

9.2. The representative of Singapore thanked the 58 co-sponsors of the draft General Council proposal as contained in document WT/GC/810/Rev.3 including Mauritius and The Gambia which had indicated their co-sponsorship after the document had been circulated. The 58 co-sponsors represented 84 Members and accounted for more than half of the WTO Membership. More importantly, they represented a good cross-section of Members including LDCs, NFIDCs, developing and developed Members and covering all regions. They had also tried very hard to bring on board the G-90 and had been very close to doing so. Singapore expressed its appreciation to the vast majority of G-90 members for their constructive engagement and was hopeful that the G-90, even though it could not co-sponsor as a group, would support the draft proposal.

9.3. Essentially, the objective of the proposal was to support and strengthen the lifesaving work of the World Food Programme. Most sterling contributions to help eradicate hunger globally had earned it the 2020 Nobel Peace Prize. The draft proposal was of great importance to the WFP. The co-sponsors had consulted and had worked closely with the WFP from the outset. The draft proposal enjoyed the support of the highest level of the WFP leadership. As had been shared at the October Informal TNC and Informal HODs meetings, the draft proposal would go a long way towards boosting the WFP's capability to feed the 690 million hungry people globally. If Members could agree not to impose export restrictions on food stuffs purchased on non-commercial humanitarian purposes by the WFP, it would make a huge difference and not be mere tokenism as some would allege.

9.4. That would also build on the agreement reached by G20 Agriculture Ministers in April. As the WFP had repeatedly emphasized to Members over the past ten years, its lifesaving work had been negatively impacted by export restrictions imposed by Members in different regions of the world. To provide the context of the draft proposal, Singapore had tabled a communication contained in WT/GC/W/811 – TN/AG/47 to explain the WFP's procurement policy and its principle to "do no harm". The objective was to give reassurance to Members that it was understood that the draft proposal would not affect their domestic food security.

9.5. The draft proposal was also important to the WTO. If Members could approve the proposal, it would be the WTO's first and only multilateral agreement in 2020 and would signal three things to the world: (i) the WTO remained relevant; (ii) it could deliver concrete actions to address COVID-19 related issues and (iii) it could support the most vulnerable to achieve SDG 2 on zero hunger. Looking ahead, it would boost Members' confidence that they could find agreement on more issues ahead of MC12. Hence, the co-sponsors hoped that the WTO would be able to end 2020 on a positive note by adopting the proposal which was intended to support the WFP's lifesaving work to alleviate hunger around the world. As one Member had so eloquently put it, that was an opportunity for

Members to choose the right side of history – keeping in mind that 9 million people died from hunger each year.

9.6. The representative of Chad, on behalf of the LDCs, commended the great work that the WFP did which had helped feed tens of millions of people around the world. Getting the Nobel Peace Prize was well deserved. The current health crisis sufficiently demonstrated the essential nature of the WFP's activities. The LDC Group considered the initiative commendable and fully supported it. The approach of the proposal was positive and served as a response to the problems of famine that could affect populations around the world. Over the past decades, the management of food aid for humanitarian purposes had improved considerably notably through the practice of cash donations channelled through multilateral institutions such as the World Food Programme. Such practices had enabled a faster and more secure supply of food aid while limiting transport costs.

9.7. By purchasing food for food aid in local or regional markets, the WFP promoted the creation of local supply chains and directly benefitted LDC farmers. The WFP had demonstrated its ability to manage food aid in an exemplary manner in particular by putting in place a set of procedures and guidelines ensuring that the purchase of food did not adversely affect food security. Regarding the communication itself, some Members of the LDC Group were already co-sponsors. Others were awaiting their return from their capitals to have a formal position on the proposed wording. The LDCs would get back to the partners as soon as possible, either nationally or as a Group, regarding the draft decision. Nationally, Chad was co-sponsoring the initiative because it was essentially humanitarian and welcomed the WFP's action in the fight against hunger in the world.

9.8. The representative of Chile supported the initiative spearheaded by Singapore and backed by a large range of Members and underscored the important work done by the WFP. Chile thanked Singapore for all the hard work that had gone into that humanitarian initiative and hoped that the Membership would reach a multilateral agreement on the issue.

9.9. The representative of Malaysia commended Singapore for its leadership in the initiative that called on Members not to impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the WFP. Malaysia recognized the importance of the initiative in the context of the current pandemic and had also implemented the programme in Kuala Lumpur. As a sign of support, Malaysia had registered itself as a co-sponsor to the initiative.

9.10. The representative of the Republic of Korea said that, as a key proponent for ensuring stable flow of essential goods in response to COVID-19, Korea had joined as a co-sponsor of the draft decision not to impose export restrictions on food purchases for non-commercial humanitarian purposes by the WFP. The WFP had recently been awarded the Nobel Peace Prize for its dedication for humanitarian assistance to achieve zero hunger. Export restrictions on food could however limit its capacity to provide adequate humanitarian support and undermine the credibility of the organization. Even FAO and the World Bank had raised concerns that export restrictions could lead to an increase in food procurement prices and undermine food security in NFIDCs particularly least-developed ones. It was pertinent to refrain from export restrictive measures on food especially on food purchases for humanitarian purposes when trade flows were constrained due to COVID-19. The proposal would demonstrate that the WTO remained relevant and responsive to the global crisis and Korea asked all Members to show utmost flexibility and adopt the draft decision as soon as possible.

9.11. The representative of Bangladesh associated with the statement made by the LDCs and commended Singapore for leading the important initiative. Bangladesh recognized the critical humanitarian support the WFP provided to people in need. The WFP's responses to famine around the world was commendable. Foodstuffs strictly purchased for non-commercial humanitarian purposes by the WFP should therefore be unrestricted. Such a decision at the WTO would not bear food security threats to any Member. From that ethical understanding, Bangladesh supported and co-sponsored the proposal and looked forward to constructively engage with Members on the issue.

9.12. The representative of Ukraine welcomed Singapore's presentation that day on the draft General Council Decision and thanked all the co-sponsors. Export restrictive measures, even those, that could be justified under WTO rules, disrupted regional and global supply chains, reduced incentives to produce agricultural commodities, triggered increases in prices, caused price volatility, led to food shortages, and threatened global food security. The impact of the current health and economic crisis brought about by the COVID-19 pandemic on global food security could not be

underestimated, and many implications remained to be identified. The biggest negative impact the crisis had was felt particularly by the most vulnerable populations.

9.13. Ukraine, as one of the significant exporters of some agricultural products contributing to global food security and the achievement of the SDGs, saw the huge importance of achieving SDG 2 on zero hunger. Ukraine appreciated the efforts of the UN WFP to overcome hunger and food shortages in the world and improve the quality of food supply and living standards of the most vulnerable part of the population in the most critical moments of their lives. Export restrictions however hindered its humanitarian aid efforts. Adopting the draft decision would therefore mean helping the WFP save time and money thus providing the possibility of helping more people and even saving more lives. Ukraine encouraged other Members to support and co-sponsor the proposal that could deliver concrete actions to address COVID-19-related issues and help overcome hunger.

9.14. The representative of Uruguay commended the WFP for its valuable humanitarian work on the food-related situation of millions of people throughout the world – resulting in being awarded a Nobel Peace Prize. Policies such as the application of prohibitions or restrictions on food products could play an important role in the WFP's work to provide food to those in need. Although the volume of food purchased by the WFP were small compared to those traded worldwide, they made a huge difference for those people who benefitted every year from the food aid the WFP provided. The food procurement policies of the WFP on markets where food was purchased and which were gathered by the principle of "do no harm" guaranteed that there would be no negative impact on Members' food security – and food aid contributed to helping millions of people who suffered from hunger.

9.15. The results of the agriculture negotiations at the WTO had been way below Uruguay's aspirations. Uruguay would not however give up on its objectives and would continue to insist on making progress on the topics of interest. In any case, the draft decision had nothing to do with it. Although Uruguay did not receive food aid from the WFP and that the proposal would not solve all the problems faced by the WFP nor those in relation to food insecurity at a global level, Uruguay had decided to co-sponsor the initiative because it was a tangible contribution to what the WTO could do in favour of the WFP and its humanitarian work for those in need. The proposed decision would assist not only the most vulnerable but would also reinforce the WTO's credibility which had suffered greatly over the years. Uruguay hoped that the 164 Members would reach an agreement on the matter without establishing links with those that went beyond that area or looking for any last minute deals.

9.16. The representative of Senegal noted that the Strategic Plan 2019-2023 of the WFP in Senegal was aimed, among others, at providing access to sufficient and nutritional food for the people in specific areas particularly the youth and women. The Plan was in line with Senegal's sustainable development objectives. Senegal was therefore in favour of lifting the obstacles including export restrictions that impeded the implementation of the objectives of the WFP. Senegal encouraged Members to adopt the draft decision which would facilitate the achievement of the WFP's objectives.

9.17. The representative of Paraguay supported the initiative because it was the right thing to do and thanked Singapore for its leadership and Canada, Mexico and Brazil for their help in the discussions including at the technical level. Paraguay acknowledged the flexibility shown by Members in achieving a compromise in favour of the WFP and its work. Paraguay would regret it if that opportunity was lost due to a lack of consensus. Paraguay would not impose any export restrictions or prohibitions that could negatively impact the highly important work of the WFP. Paraguay encouraged Members to continue discussions to achieve a multilateral agreement and show that the WTO was able to achieve results and contribute positively to the efforts to end global hunger.

9.18. The representative of Mongolia supported and co-sponsored the draft decision as it strongly believed in the aim and the cause of the WFP which strived to help the ones most in need. Mongolia thanked Singapore for its leadership on the matter and called on Members to positively consider the issue of vital importance to many especially in the current situation of the pandemic.

9.19. The representative of Albania said that Members had witnessed how the COVID-19 pandemic was aggravating existing vulnerabilities. For months, Members had been discussing how trade should form part of the response to the health crisis and recovery efforts. Months could seem insignificant considering the usual pace of WTO work but the urgency of action that day was plain to see. Over 687 million people were chronically hungry and 270 million facing acute food insecurity in 2020 alone. Members should therefore boost the WFP's capacity to carry out its lifesaving work without

jeopardising food security. They had before them a straightforward and timely proposal and a chance to show that the WTO could deliver to the people that the WFP served. Although embattled, the WTO remained relevant. As one of the co-sponsors, Albania invited all Members to adopt the proposal.

9.20. The representative of Panama noted that the COVID-19 pandemic had taken a heavy toll on human lives, social support networks, and economies around the world. The situation of millions of people who had already suffered from food insecurity, malnutrition and the effects of conflicts and other disasters had worsened. The WFP, a recipient of the Nobel Peace Prize, played an important role in the fight against hunger around the world. Each year, on average, the WFP had fed more than 90 million people in more than 70 countries. Panama recognized and supported the important efforts of various Members to maintain open and predictable access to agricultural and food products necessary for WFP programmes. The initiative would help minimise the impact of the pandemic and help the WFP reach those vulnerable. Panama supported proponents on their initiative.

9.21. The representative of the United States was committed to ensuring that fewer people were affected by hunger. The United States could not and would not ignore the pressing and immediate needs of people who were faced with severe food insecurity and malnutrition. As a leader in relief efforts, the United States continued to be the WFP's long-standing partner and largest single donor over the years. So far, in 2020, the United States had donated more than USD 3.5 billion, contributing almost half of the WFP's contributions for the year. The WFP had continued to demonstrate why it was a leader in emergency response by continuing to serve more than 138 million people worldwide, while empowering the humanitarian and health community to respond to a global emergency unprecedented in global scale. While it had been disappointed to see additional, unnecessary language added in the third revision, the United States remained unequivocally committed not to impose export restrictions on WFP purchases. The United States hoped that the decision supported by the vast majority of Members would alleviate an unnecessary burden on the WFP and allow it to feed millions of more people and prevent unnecessary conflicts and disasters.

9.22. The representative of Japan said that, as the global community currently grappled with the COVID-19 pandemic on top of ongoing hunger and conflicts, the highest number of people ever were suffering due to serious food insecurity. Under those circumstances, the WFP's role in humanitarian aid had increasingly become significant. When discussing the issue of the WFP and export restrictions, it was important to recall that the WFP, as a trusted international organization, implemented its food purchases in an appropriate manner to avoid negative effects on the food security of the supplying nations, under the principle of "do no harm". If Members could reach a consensus on the decision, not only would they contribute to facilitating the activities of the WFP but they would also deliver a strong message that the WTO was capable of responding appropriately and rapidly to the global food security problem. The WTO should adopt the decision as early as possible.

9.23. The representative of Norway noted that the WFP provided critical humanitarian support for which they were recognized by having been awarded the Nobel Peace Prize in 2020. The challenges facing vulnerable countries and people as a consequence of the COVID-19 pandemic made the contribution of the World Food Programme even more urgent. Norway was therefore delighted to support the proposal that Members should not impose export prohibitions or restrictions on food purchased for humanitarian purposes by the World Food Programme.

9.24. The representative of Costa Rica commended Singapore for its leadership on the matter. The proposal aimed at a concrete result which was humanitarian in nature and was therefore of systemic importance. Costa Rica attributed great importance to the work of the WFP in its fight against global hunger. That was particularly relevant at a time when millions of people had seen their livelihoods affected due to the COVID-19 pandemic. Costa Rica supported the initiative and encouraged all Members to do the same.

9.25. The representative of Turkey noted that conflicts and climate change had been the main drivers in the current global environment of a deepening global hunger crisis. The pandemic had made the situation even worse. Undoubtedly, the WFP had an important role in the fight against hunger as set out in SDG 2. The activities of the WFP were in line with Turkey's humanitarian foreign policy. Since 2017, Turkey was the largest donor in providing humanitarian aid worldwide. Turkey had provided 26% of all global humanitarian aid in 2019 amounting to USD 7.6 billion. In principle, Turkey agreed that humanitarian assistance operations of the WFP should not be impeded as highlighted in the proposal. With some changes in the text, Turkey would be pleased to support the draft decision. Turkey invited Members to constructively engage on the matter.

9.26. The representative of Afghanistan associated with the statement made by the LDCs and reaffirmed its co-sponsorship of the draft decision. According to the WFP, in Afghanistan, 12.5 million people were identified as severely food insecure. Since the beginning of 2019, the WFP had supported 3.5 million people in most parts of the country. The WFP provided unconditional fortified and nutritionally balanced food assistance to vulnerable groups including people displaced by conflict, those affected by disasters, refugees, returnees from neighbouring countries and people affected by food insecurity. Afghanistan congratulated the WFP for winning the Nobel Peace Prize and expressed its heartfelt appreciation to the WFP and its sponsors and its team for helping people in need and striving to fight hunger and for their support to Afghanistan in the context of the ongoing conflict and frequent natural disasters. Afghanistan called upon other Members to lend their support to adopt the draft decision and urged them not to impose export prohibitions and restrictions on foodstuffs purchased for non-commercial purposes especially by the WFP.

9.27. The representative of Argentina acknowledged the importance of the issue. The proposal would assist Members in achieving SDG 2 on zero hunger. Argentina's position on the actual scope of the disciplines with regard to the prohibitions and restrictions on agricultural exports was well known in the CoA SS. As an observation, Argentina referred to Article XI of the GATT 1994 concerning the "General Elimination of Quantitative Restrictions" and Article 12 of the Agreement on Agriculture concerning the "Disciplines on Export Prohibitions and Restrictions" and noted the non-reference of those two provisions as well as the adjective "quantitative" in the draft General Council decision. Argentina encouraged Members to work together to achieve a decision on the matter.

9.28. The representative of Chinese Taipei shared the high value of fighting against hunger and saving lives and was pleased that, together, Members could directly contribute to that endeavour through restraining export restrictions on foodstuffs purchased by the WFP for non-commercial humanitarian purposes. As a co-sponsor, Chinese Taipei urged all Members to support the proposal and wished for it to be adopted as soon as possible to save more people from hunger.

9.29. The representative of Ecuador supported previous speakers who had defended the draft decision on not imposing export restrictions on foodstuffs purchased by the WFP for non-commercial humanitarian purposes. 270 million people were currently affected globally by lack of foodstuffs. The COVID-19 pandemic had made the situation much worse. 100 million people depended on the WFP for foodstuffs and out of it, 17 million were children. Eradicating hunger remained one of the major challenges of the world and the WTO could make an important contribution to achieving that objective – and it should do so. Many Members had expressed their support for the work of the WFP through the draft proposal. Purchases of the WFP were just a tiny fraction of world trade in foodstuffs and support for the vulnerable did not affect Members' food security. In fact, it supported the right to food through ensuring food security for millions of people. Ecuador would continue to work with all Members to try to achieve a decision on the matter. Humanitarian aid and the rules of global trade did not contradict each other. The priority was clearly to support humanitarian work. Members should overcome political divisions and ensure the responsiveness of the rules of international trade.

9.30. The representative of Brazil regretted that a multilateral outcome had not been reached at that point on export restrictions related to the WFP. Brazil had wanted it to be for the benefit of all developing countries and food security worldwide especially in the midst of adverse effects of the COVID-19 pandemic. Brazil remained committed to fostering food security in line with SDG 2. Brazil did not apply export restrictions and had committed not to impose export restrictions on extraordinary taxes on food and agricultural products purchased for non-commercial humanitarian purposes by the WFP and other humanitarian agencies. In terms of Paragraph 7 of the Cairns Group's "COVID-19 Initiative: Protecting Global Food Security through Open Trade" presented to the General Council earlier in the year, the lack of multilateral agreement on export restrictions for food security highlighted the importance of exploring new formats of negotiating in agriculture including plurilateral negotiations at the WTO. The truth of the matter was that the negotiating function of the WTO was just too important to be held hostage by staunch defenders of the status quo. Brazil remained committed to the reform of the WTO which should be Members' priority in entering 2021.

9.31. The representative of Jamaica, on behalf of the ACP, congratulated the WFP for being awarded with the prestigious Nobel Peace Prize. The WFP was a key partner in the ACP's collective objectives to implement the SDGs including SDG 1 and SDG 2. As with the case of the LDCs, the ACP Group considered that the approach to the proposal was a positive one. Some ACP Group members were co-sponsoring the submission while others were still consulting their capitals.

9.32. On behalf of Jamaica, she noted that Jamaica valued its longstanding bilateral relationship with the WFP which had spanned the areas of food aid delivery, support of school feeding programmes and collaboration in the field of climate change and resilience. Jamaica's co-sponsorship of the submission was an extension of its bilateral partnership with the WFP, that time, to assist the organization in executing its mandate. The proposal sought to strike the careful balance between the need to assist the WFP in its procurement operations on the one hand and on the other accommodating the legitimate food security concerns of Members which was provided for in Article XI of the GATT 1994 and Article 12 of the Agreement on Agriculture. Additionally, the WFP's operations were designed to bestow benefits on developing countries either as sources of supplies or recipients. Jamaica was satisfied that the WFP was usually responsible in its procurement operations to prevent threats to national food security systems and its comprehensive set of "do not harm" guidelines for the procurement was at the centre of those operations. Jamaica acknowledged that the proposal came at a time when the impact of the COVID-19 pandemic, in addition to pre-existing challenges such as conflict, climate change and natural disasters, were expected to have a major effect on the WFP's already underfinanced operations. Jamaica therefore urged Members to join in supporting the draft decision.

9.33. The representative of Switzerland said that Members could improve food security at the global level and make an important contribution to achieving the SDGs. The proposal would safeguard the WFP's important humanitarian work from the negative impact of export prohibitions or restrictions. Switzerland had supported the initiative from the beginning and welcomed the overwhelming support indicated by Members that day. The draft decision was an important first step in the right direction and represented a tangible outcome which would positively impact the lives of the most vulnerable. Switzerland called on Members to support the proposal – sending a clear positive signal to the world.

9.34. The representative of Canada supported the adoption of the draft decision as a co-sponsor. The co-sponsors represented over half of the WTO Membership and almost all other Members had expressed support for the initiative. The importance of the WFP had increased as a result of the COVID-19 pandemic. The adoption of the decision would allow the WFP to undertake its important lifesaving work in a more efficient manner. Members and the WFP had highlighted the importance of the WFP's policy of "do no harm" when procuring food to ensure that the food security of a supplying Member was not put in peril. Adopting the decision in no way would put in jeopardy the food security of any Member. Despite the best efforts from all Members and the assurances provided by the WFP, some Members were not prepared to adopt the decision that day. That was regrettable. Members had worked hard to reach an acceptable compromise and address questions and concerns including intensively over the course of the week. An agreement had been within reach.

9.35. The representative of Colombia co-sponsored the draft decision and hoped that it would be adopted by the General Council as quickly as possible. The proposal was in line with the objective of zero hunger – seeking to eliminate malnutrition and hunger in the world by 2030 and consistent with the general objectives of the WFP. In 2019, Colombia had supported a significant number of migrants in host communities through humanitarian aid which the WFP had contributed to through its innovative projects reflecting the targets set by the relevant government authorities.

9.36. The representative of the Kingdom of Saudi Arabia noted that the proposal showed the importance of collective efforts within the WTO to tackle a very serious concern for many countries in light of the challenges imposed by COVID-19 and other crisis. The importance of the issue was not new. It had been previously addressed by the G20 Agriculture Ministers during the Virtual G-20 Extraordinary Meeting held on 21 April. In their statement, Ministers had reaffirmed their agreement not to impose export restrictions or extraordinary taxes on food and agricultural products purchased for non-commercial humanitarian purposes by the World Food Programme and other humanitarian agencies. As a main donor to the WFP, the Kingdom of Saudi Arabia believed that approving the draft decision by the entire Membership would contribute to eradicate hunger, achieve food security and change lives of millions of people for the better. The decision would make it faster and easier for the WFP to provide urgently needed assistance to countries and people in crisis.

9.37. The representative of Mexico said that the draft decision aimed to contribute to ensure that the WFP's work became easier. Although the draft decision would not immediately resolve the complex problem of global hunger, it would make an important contribution to the broader objective and would be a useful first step to help achieve the SDGs. The scope of the decision was clear and limited. It was designed to deal with the WFP's concerns in the purchasing of foodstuffs destined to go beyond national borders. Evidence showed that the WFP's policies including the "do no harm"

principle had been consistent and had met their objectives. Mexico had had discussions with Members over the past few days where concerns had been raised about food security being affected as a result of the purchasing of the WFP. Mexico thanked those who had participated constructively and in good faith in those discussions and had showed the relevant flexibility.

9.38. Mexico had opened up a forum that had allowed interested Members to participate in shaping the draft decision by addressing their concerns in the text. Mexico hoped that Members could reconcile their political and negotiating positions for the benefit of millions of people who found themselves in a precarious state – requiring the efficient use of the WFP's limited resources in the form of humanitarian assistance. It would be regrettable if the WTO could not act responsibly on the matter and take a first step however small it would be. Mexico called on Members to support the draft decision. On process, Mexico regretted the sharing of confidential information and working documents in the negotiations. That lack of responsibility had undermined trust in the negotiations by not respecting the confidential nature of the process and by not upholding impartiality.

9.39. The representative of South Africa supported the WFP and its programmes and was sympathetic to the proposal presented by the co-sponsors. South Africa supported the need for Members to constructively work with the WFP and, as a principle, for Members not to impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the WFP. The decision as currently drafted achieved the requisite balance of ensuring support to the WFP while also safeguarding national food security.

9.40. The representative of the European Union was ready to join consensus on the revised draft decision. The European Union had been supportive all along and was pleased to be among the co-sponsor. The European Union supported the decision simply because it was the right thing to do. The impressive list of co-sponsors highlighted the unique importance of the issue which united countries of various positions and situations. It was a pity that despite efforts by negotiators in the last days, the G-90 was still unable to co-sponsor the draft decision. The European Union hoped that Members could support the draft decision which ultimately was in the vital interest of their populations and asked all of them for their constructive engagement on that timely initiative aimed at fighting hunger. Members had a chance to positively contribute to the lifesaving humanitarian work of the WFP. There was no better time to act than now. Failure to adopt the decision would again result to the WTO's failure to deliver a tangible contribution to the lifesaving humanitarian work of the WFP. A positive outcome on the proposal would be an important contribution by the WTO in fighting hunger around the world and would signal that the WTO continued to be relevant.

9.41. The representative of Indonesia noted that the adoption of the proposal would prove that the WTO could come up with concrete action on an agriculture trade issue during the pandemic. More importantly, the proposal showed Members' concerted effort to address food security in times of crisis in line with their global commitment. As a co-sponsor, Indonesia had encouraged other Members to join in supporting that important initiative. At the same time, Indonesia reiterated the importance of transparency and accountability in the implementation of the projects and purchasing of foodstuffs under the WFP which should be targeted and should serve the main purpose of addressing hunger. Although the WFP was an important part of the solution, in the long run, countries should not rely on agricultural imports including from non-commercial humanitarian purposes. Excessive reliance on them should not become the only option to address the food security issue. By encouraging domestic food production capacity, countries would ensure their food security.

9.42. The representative of Cambodia took note of the work and activities of the WFP for their food assistance helping almost a hundred million people in more than 80 countries including Cambodia. During the COVID-19 pandemic, food assistance had increased in the countries where the WFP operated. As a beneficiary, Cambodia thanked the WFP for its work and projects that supported the Cambodian population in maintaining food security and nutrition and for its help in preparing Cambodia's Country Strategic Plan 2019-2023. Cambodia always supported the work and activities of the WFP and informed Members that it had consulted with Singapore and had supported an additional point on food security which was consistent with the WFP's "do no harm" principle to the supplying Members. If the additional points would be accepted, many Members including Cambodia could co-sponsor the proposal which could help the WFP boost its capacity to feed more hungry people globally. Cambodia supported the proposal and could confirm its co-sponsorship later.

9.43. The representative of India congratulated the WFP on getting its services recognized in the form of a Nobel Peace Prize. India thanked all the co-sponsors for the initiative and other Members

for their efforts during the week to arrive at a consensus text incorporating the food security aspect of supplying Members which unfortunately had not found acceptance from the main proponents. India's unwavering commitment to the cause of global food security was a clear testament to which side of history it was on when it came to championing the cause of food security – and the WFP acknowledged that. India did not need any certificate to show its commitment to the noble cause.

9.44. Speaking of being on the right side of history with respect to access to medicines and the TRIPS Waiver proposal, the closest example that India could think of on a similar scale for food security and eliminating hunger had been the Bali Interim Solution on Public Stockholding for Food Security Purposes. That had been a landmark and history-making milestone in the history of WTO negotiations with respect to food security. India hoped that the main co-sponsors of the current draft decision, with their avowed commitment to reaching SDG 2 and zero hunger, were as committed to delivering on the clear Ministerial mandate to make the Bali Interim Solution on PSH into an effective and permanent solution by MC12. That would be a defining test on how history would judge the WTO when it came to delivering on food security.

9.45. India had always been proactive in extending food aid to the WFP and vulnerable countries in its immediate and extended neighbourhood in the last five decades. The WFP had acknowledged that in its latest letter dated 4 December 2020. In 2019 alone, the WFP had sourced approximately 11,000 metric tons of pulses, sorghum, wheat, and rice from India to assist vulnerable populations. India had always been at the forefront of offering non-commercial, humanitarian food assistance bilaterally to the vulnerable populations of its neighbouring countries with in-kind food donations. In 2019, India had sent almost two million tons of wheat as bilateral assistance to Afghanistan.

9.46. Over the last five decades, India's consistent actions underlined its commitment to the cause of food security and the work of the WFP. The proposal gave a feeling that Members were trying to manufacture a problem to show some solution by the WTO on the sensitive issue ignoring the overall aspect of food security for all. India could be wrong in its understanding and had a few questions for which it still had not received substantial replies. India had asked whether the WFP was currently facing shortages or impediments in its food procurement on account of export restrictions. India's deduction from various reports and the presentations made by the FAO and the WFP showed that the WFP had not faced any problems in the last ten years.

9.47. India asked proponents whether it had denied food aid to the WFP or whether they could provide details of the countries that had denied food aid to the WFP citing export restrictions as a reason. Although India had never denied food aid to the WFP, it was yet to get a response on the action of other Members, if any. A concrete response to those questions were essential for understanding the draft decision's objective and rationale. India acknowledged the immense effort put in by the proponents and others to stabilise the text. India was disappointed that the need for recognising exporting countries' food security responsibility towards its citizens had not found place in the proposal. In view of the above, India needed clarification and had sought the same from the proponents and was awaiting a response.

9.48. Since the objective was to make food aid available to the most vulnerable people in times of a crisis, India asked whether the decision also encompassed the provision of exports to the WFP from the PSH stocks of a supplying Member. That could happen in the scenario where the WFP was willing to tap the PSH stocks of a supplying Member or when the supplying Member could part with some of their PSH stocks for humanitarian procurement by the WFP without jeopardising their own domestic food security. After all, food security was the final objective and it should not matter which stock it was coming out of as long as the exports were for a non-commercial, humanitarian purpose.

9.49. Given the food security objective of the draft decision, India would like to understand whether the decision of not imposing export restriction included bilateral, non-commercial, humanitarian food assistance provided by a supplying country from its PSH stocks to needy countries or regions out of its PSH stocks. India posed those questions from a well-established position with its longstanding record in the international food aid and supplies to the UN agencies – which had been consistent, immaculate and far more in magnitude than some of the proponents of the draft decision.

9.50. India's strong view was that a meaningful and balanced outcome on food security as part of the draft decision should include the following two essential elements: (i) necessary safeguards that provided comfort to supplying Members that their own food security would not be jeopardized as a

result of the decision; and (ii) widening the scope of food aid in the decision to include bilateral food aid for humanitarian purposes from PSH stocks, along with food aid channelled through the WFP from PSH stocks of supplying Members. India looked forward to receiving clarifications and comments to its questions and suggestions from the co-sponsors and was committed to continue engaging constructively with all Members on that important matter.

9.51. The representative of the Republic of Moldova recalled what it had stated at the CoA SS meeting in voicing support for the decision which urged Members not to impose export restrictions on foodstuff purchases for non-commercial humanitarian purposes by the WFP. Members could and should make that contribution to help the WFP solve the difficulties hindering the achievement of zero hunger tackled by SDG 2. Members should stand up in solidarity for those who were helping and working towards the eradication of hunger and malnutrition which had unfortunately been on the rise. The large geographically diverse co-sponsorship of the initiative indicated that it deserved attention and support. Moldova called on all Members to further consider and support the decision sending a positive signal from the WTO in support of the noble cause of having a less starving world.

9.52. The representative of Guatemala had carried out the necessary consultations, supported the proposal and would like to be included in the list of co-sponsors. COVID-19 had shown how important food programmes were and how important it was to lift restrictions on foodstuff purchases for non-commercial humanitarian purposes by the WFP.

9.53. The representative of Tanzania recalled that, during the December Informal TNC and Informal HODs meetings, Tanzania had informed Members that it had still been consulting on the proposed textual language. Unfortunately, a consensual textual language that contained the safeguards which the Government of the United Republic of Tanzania had been seeking to achieve could still not be found. Tanzania therefore informed the General Council that the proposed decision was a work in progress that needed further consultations between the proponents and the concerned Members – which included Tanzania. Tanzania was aware of the long standing and good working relationship existing between its government and the WFP. Tanzania's decision not to join the consensus was basically due to the concerns it had on the shrinkage of the policy space for national food security and not in any way related to the WFP activities in the country. Tanzania thanked the proponents, co-sponsors and other colleagues who had tirelessly been consulting with her delegation with a view to finding out possible landing zones of which, at that point, could not be attained.

9.54. The representative of Pakistan appreciated the stated intentions behind the proposal. Food security was a topic close to its heart. Pakistan was a net-food importing developing country with a very large population – the fifth biggest in the world. At a very low level of per capita income, Pakistan experienced and felt the problems of under nourishment, poverty, lack of access to food and medicines perhaps more than any other country. Like some other Members, Pakistan was both a beneficiary and a supplier of foodstuff procured by the WFP. During the last five years, the WFP had procured almost around USD 14 million worth of foodstuff from Pakistan. The WFP had also stated that it had no problems in procuring food from Pakistan. In fact, it seemed that the WFP had not had problems in procuring food for humanitarian efforts during the last few years at all. Pakistan further noted that the proposal was not new. It had been brought in 2011 and then in 2017 with different titles such as transparency and now in light of the pandemic. That raised questions about the appropriateness of the proposal at that juncture.

9.55. Malnutrition, starvation and food security were issues that ran much deeper than merely food export restrictions. The issue of food security needed a longer and deeper conversation to isolate its real causes and identify meaningful solutions. At the same time, when it came to COVID-19, it could safely be assumed that more people had died due to the actual disease rather than due to starvation brought about by a lack of food supply possibly brought about in turn by COVID-19. Pakistan therefore felt that though hunger was an important endemic issue, addressing the scarcity of essential medicines, medical equipment and vaccines for COVID-19 was more pressing and urgent and presently the obvious way of saving lives globally.

9.56. Pakistan had engaged in earnest with the co-sponsors on the details of the proposal and had also asked several questions and had sought clarifications to better understand how the proposal would operate. Pakistan had asked detailed questions on the WFP to better understand how its operations had been and would be impacted. Pakistan was in constant liaison with its government and stakeholders at federal and sub-federal levels and was listening to all arguments and concerns raised by various Members and would report them back again to the capital. Pakistan wished to

continue the conversation and was ready to engage further. That conversation in no way reflected on the excellent work that the WFP had always been doing for the poor and hungry in the world.

9.57. The representative of Vanuatu, on behalf of the Pacific Group, welcomed the recent establishment of the WFP office in Suva, Fiji – a testament to its commitment to the Pacific. Article 12 of the Agreement on Agriculture allowed Members to impose export restrictions – which should take into account the needs of import dependent Members to protect their food security interest. The WFP was not however a WTO Member and export restrictions could prevent the WFP from access to food supplies and subject the WFP purchases to higher prices. That would adversely affect the ability of the WFP to buy required quantities of food and to provide timely supplies in times of crises. A draft decision which required Members not to impose export restrictions on WFP purchases for humanitarian assistance would therefore provide certainty for the WFP not only in responding to the current COVID-19 pandemic but also to future crisis. The Pacific region was regularly exposed to destructive natural disasters such as Cyclones Yasa and Zazu that had struck Fiji and Tonga respectively – the second cyclone to strike both countries in 2020. As beneficiaries of the WFP's assistance and given the important humanitarian work that the WFP provided the Pacific, the Pacific Group members were co-sponsoring the proposal.

9.58. The representative of the United Kingdom commended Singapore for coordinating on a decision to eliminate export restrictions for stocks purchased by the WFP to promote food security for those most in need. The United Kingdom referred to the co-sponsors' powerful arguments and believed that the elimination of export restrictions for the WFP was a necessary step as an immediate response for the COVID-19 crisis. It was also a necessary step to demonstrate the relevance and responsiveness of the WTO. The United Kingdom therefore supported the draft decision.

9.59. The representative of the Philippines was happy to be a co-sponsor. The WFP had a broad range of activities to save and change lives with the ultimate goal of a world with zero hunger and more than 80 WTO Members benefited from those programmes in one way or another. The Philippines experienced an average of 20 typhoons a year and it gave it comfort that the WFP was around to lend a hand. The compassion of the WFP was non-discriminatory. It also ensured that the food security of the supplying Member was assured through its "do no harm" procurement principle. The Philippines strongly encouraged Members to support the draft decision.

9.60. The representative of Israel saw a lot of value in the initiative and that was one of the main reasons why it was among the first to co-sponsor the draft decision. Israel acknowledged Singapore for the time and energy it had invested in promoting the initiative which could be an outcome highlighting the relevance of the WTO's work.

9.61. The representative of Fiji regarded the work of the WFP as critical in view of the vulnerable nature of small economies which were disproportionately affected not only by the COVID-19 pandemic but more so by the ongoing crisis such as disasters and climate change. The WFP was not new to Fiji nor the Pacific. It was one of the international organizations that established an office in Fiji's capital Suva as Fiji recognized the important role the WFP played in view of the unpredictable crisis and the vulnerability of the Pacific region. Fiji's co-sponsorship was also based on the knowledge that everyone could contribute in addressing hunger irrespective of economic size. The decision could also show the world that the WTO was active and had a role in addressing SDG 2. Fiji thanked Singapore for taking the lead on the proposal and Jamaica for steering the way forward which almost had the full support of the ACP Group. Fiji associated with the statement made by the Pacific Group and looked forward to the adoption of the proposal as a contribution to the WFP's humanitarian efforts. Fiji likewise acknowledged the sympathy expressed concerning the passing of Cyclone Yasa through its country affecting 95% of its population with a preliminary estimated cost of damages at around USD 775 million. Fiji acknowledged and thanked New Zealand who was part of the first responders in the Pacific.

9.62. The Chairman wished the people of Fiji very well in the recovery from that terrible storm and extended condolences for any injuries or loss of lives that there had been in that storm.

9.63. The representative of Peru commended Singapore for its leadership on the proposal and appreciated the work carried out by other delegations that had taken place during the negotiations. Peru co-sponsored the draft decision because of the important work carried out by the WFP in addressing the needs of a lot of people who unfortunately needed food. In supporting the draft

decision, Peru had taken on board the arguments put forward by the WFP and the difficulties posed by export prohibitions, restrictions and limitations on WFP purchases and recognized the WFP's principle of "do no harm" in carrying out the implementation of its programmes. Peru regretted the lack of consensus and called on all Members to adopt the draft decision to show that they could do something multilaterally and help solve global problems impacting the lives of people across the globe. Peru hoped that in the future the draft decision would be adopted and help increase the WFP's capacity to respond in a more efficient way to the needs of vulnerable populations in the world.

9.64. The representative of Botswana, on behalf of the African Group, thanked Singapore and the co-sponsors for their proposal and active engagement during the past couple of weeks in pursuit of an outcome that would positively contribute to the improvement of the status of food security. As had been indicated in previous engagements, the African Group was sympathetic to the overall objective being advanced by the proposal and appreciated the noble humanitarian work of the WFP – the significant amount of which benefited members of the African Group. Regarding the proposal itself, some members of the Group were already co-sponsors. Others were awaiting feedback from their capitals in order to formally position themselves on the proposed wording. It was important to acknowledge that Members had very limited time to deliberate on that very important subject and find a mutually acceptable way to assist the WFP in its procurement operations. The African Group looked forward to further engagements on that important matter and committed to engage constructively with the aim of reaching an outcome that would strike the needed balance between achieving the proposal's noble aim and the concerns and interests of some Members.

9.65. The representative of Singapore had listened very carefully to the statements that had been made. Regrettably, it seemed that the General Council would not be able to adopt the draft proposal contained in document WT/GC/W/810/Rev.3 despite best efforts and the broad support articulated by the vast majority of Members. It was a sad testament of the WTO's inability to come together even for a humanitarian proposal to boost the WFP's capacity to feed the 690 million hungry people every day. It had also shown that despite what some Members proclaimed about caring about humanity and questioning which side of history they wished to take, they just did not care enough. They could block the proposal but they could not stop Singapore from standing in solidarity with the 690 million hungry people who were not privileged to have a seat at the WTO table. Singapore would continue to support the eradication of hunger and tackle SDG 2 with concrete actions because empty words and questions could not prevent death by starvation. Singapore would continue to support the WFP's humanitarian work and stand by the belief that helping people was the right thing to do. Singapore looked forward to explore the possibility of issuing the proposal as a joint statement⁹ with the co-sponsors as a concrete demonstration of their commitment to the sufferings of the hungry and to supporting the WFP's lifesaving work.

9.66. The Chairman noted that, from their discussion that day, it was clear that many delegations attached great importance to the issue, even more so in those challenging times. Members had also heard that some of them still needed time to consider the matter further. He encouraged Members to remain engaged with each other in the search for positive action.

9.67. The General Council took note of the statements.¹⁰

10 IMPORTANCE OF MARKET-ORIENTED CONDITIONS TO THE WORLD TRADING SYSTEM – JOINT STATEMENT BY BRAZIL, JAPAN, AND THE UNITED STATES (WT/GC/W/803/REV.1)

10.1. The Chairman recalled that the item concerned the Joint Statement by Brazil, Japan and the United States on the Importance of Market-Oriented Conditions to the World Trading System circulated in document WT/GC/W/803/Rev.1 and invited the United States to take the floor.

10.2. The representative of the United States said that the agenda item had been requested by the United States, Brazil, and Japan to continue highlighting the importance of market-oriented conditions to the global trading system. As a result of their work together, Brazil, Japan, and the United States had released a joint statement circulated in document WT/GC/W/803/Rev.1. The joint

⁹ The Joint Statement on Agriculture Export Prohibitions or Restrictions relating to the World Food Programme is circulated in document WT/L/1109.

¹⁰ At their request, the statements of the delegations of El Salvador, Myanmar, Nigeria and Thailand are incorporated in the Minutes of this General Council meeting and can be found in Annex 5 of this document.

statement reflected their shared belief in one of the core principles of the WTO: that market-oriented conditions were fundamental to a free, fair and mutually advantageous world trading system. To that end, the Brazil-Japan-US joint statement affirmed that Members' enterprises should operate under market-oriented conditions and noted the elements that indicated and ensured those conditions for market participants. Those criteria reflected the market-oriented conditions and disciplines to which their own enterprises were subject.

10.3. At the last General Council meeting in October, the United States had encouraged Members to review those elements in detail to facilitate more robust engagement on that important issue. It was notable that both in the General Council and informal meetings, Members had considerable agreement that those criteria did promote fair trade and had not heard any Member assert that trade was fair if market-oriented conditions were denied by a Member. The United States had heard statements from one Member dismissing market-oriented conditions as academic, questioning whether those concepts could ever be defined, and asking why Members should bother to engage on the topic at the WTO. The United States would like to address those criticisms directly. Those concepts were not new. They were not academic and they had been recognized by others as critical to their efforts to ensure the proper functioning of international trade.

10.4. To give a prominent example, steel was an area where Members had focused significant attention on the problems caused by non-market policies and practices. The United States invited Members to consider what the G20 and interested OECD members had said in the Global Forum on Steel Excess Capacity in particular in their 2017 report approved under the German Presidency of the G20. In examining the conditions leading to excess capacity and recommending an effective response, those countries had considered that steel excess capacity "is a global issue which requires ... effective policy solutions to enhance the market function." They had considered that "the enhancement of market function is essential to ensure that exchanges at the national and international level are based on genuine competitive advantages."

10.5. They had considered that "[o]pen and competitive markets and a market-driven approach to resource allocation based on the competitive positions of steel enterprises should be the driving forces of the steel sector. New investment, production and trade flows should reflect market-based supply and demand conditions." Among their key recommendations, those countries had concluded that "Members should consider the extent to which their framework conditions and institutional settings ensure proper market functioning." They had emphasized that "[p]articular attention should be given to ensure that," inter alia, "competition law, trade and investment policies ... foster a level playing field for competition among companies irrespective of ownership, both domestically and internationally;" that "bankruptcy legislation is effective and procedures are expedited efficiently;" and that "the internal financial market is able to price risk and deal with non-performing loans."

10.6. Those countries had concluded, among their key recommendations, that "[a] level playing field should be ensured among steel enterprises of all types of ownership" and that "[a]ll enterprises acting in a country's steel market should follow the same rules and regulations with economic implications, including bankruptcy procedures." They had emphasized that "[i]n order to ensure fair competition and a level playing field in the steel industry, it is important that all steel enterprises follow the same rules and reporting requirements." Those conclusions and others agreed by numerous Members under the German G20 Presidency confirmed a wide recognition that market-oriented conditions were essential to solving the problems they faced. As the United States saw it, the WTO was an appropriate place for Members to work to address those problems of non-market conditions that undermined fair trade. To say that the WTO was not the place to discuss those concerns was really to assert that the WTO was and should be irrelevant – and the United States respectfully disagreed.

10.7. The elements and criteria identified in the joint statement with Brazil and Japan were essential to ensuring that market-oriented conditions existed across sectors – not just in steel – so that all market participants competed on a level playing field. The United States disagreed with those who would say that the importance of those conditions was only academic. The example of the conclusions reached by G20 and interested OECD members on the need for market-oriented conditions in the steel sector demonstrated vividly that the discussion was not academic but was rather at the heart of some of the most significant stresses in the international trading system. When a Member took the position that market-oriented conditions were not worth the time or concern of WTO Members, it sounded as if they did not want to provide a level playing field for other Members. If that was the case, then the discussion was even more important to have. A Member who would

dismiss those concerns should explain how they could have a level playing field if some Members offered market-oriented conditions but others did not.

10.8. If one examined the market-oriented conditions criteria, it was clear how each contributed to conditions of fair competition and trade. A review of those criteria also helped to illustrate how a failure to meet those criteria was unfair. Members should consider, for example, a business that could try selling into a market, only to find that its competitor was directed to sell at non-market or unprofitable prices, or a business that would like to expand and sought financing at a market rate, only to find that its state-backed competitor could obtain financing from another State Enterprise at a non-market rate. Members could also consider a firm that sought financing from the market at a rate to make its business case only to be denied because competitors had access to non-market financing that resulted in over-investing and excess capacity.

10.9. Likewise, it was well known that forced technology transfer remained a large and growing concern. Those policies and practices also reflected a failure to respect market-oriented conditions because a forced transfer – or an outright theft – was not voluntary. Forced technology transfer unfairly deprived one actor of its intellectual property, trade secrets, know-how, or other valuable knowledge, and gave them to another on non-market terms. The United States did not think any Member would try to defend cyber hacking or cyber theft to transfer technology to a domestic commercial actor as fair.

10.10. In each of those examples, the failure to ensure market-oriented conditions generated a result that was fundamentally unfair. The United States had not heard any Member argued for a different position and asked whether any Member really believed that fair trade could result when special advantages were given to domestic entities under those conditions. Ensuring that market-oriented conditions existed for market participants was critical to realising the benefits of the international trading system that came from Members' mutual commitment to those rules. That common foundation was necessary to ensure a level playing field for all Members.

10.11. As the United States saw it, the continued relevance of the WTO would depend on whether it could deliver on the promises of a world trading system based on open, market-oriented policies. The success of Members' reform efforts would depend on their ability to ensure the fundamental premise of free, fair and mutually advantageous trade remained intact. As it kept in mind the imperative to reform the WTO, the United States would continue to welcome engagement with Members who sought to strengthen their collective commitment to open, market-oriented policies, to move closer toward those market-oriented conditions and to ensure a level playing field that benefited them all.

10.12. The representative of Brazil noted that Brazil, Japan and the United States had been reaching out to Members to explain the objectives of the declaration. More Members would join them in reaffirming their commitment as that was the only way to ensure a level playing field. It was a reminder that the WTO had been established to promote Member-economies' participation in a world trading system based on market-oriented policies and practices. That allowed for the correct functioning of international trade. Non-market oriented policies and practices led to overcapacity, unfair competitive conditions and distortion of international trade relations. Members needed to reform the WTO based on a common set of goals and objectives. The WTO needed to reaffirm its foundational principles of market-oriented conditions. Members were there to foster international trade as a driving force of economic growth, prosperity and development. Brazil was willing to work together with all Members on the declaration.

10.13. Horizontal disciplines that levelled the playing field in the industrial and agricultural sectors were needed more than ever before. Brazil was committed to regulating government intervention that took the form of distorting subsidies both in the industrial and in the agricultural sectors. That was an effort that was engaged on government at its highest levels. One area deserved special attention – the aeronautical sector where the effects of government intervention were particularly harmful. New disciplines specific to the aeronautical sector could and should be negotiated among key players. It was high time for an agreement that included effective and realistic disciplines on commercial aircraft manufacturing subsidies. It would restore a level playing field in that sector by ensuring that competition was upheld through entrepreneurship and equality of products and not unduly distorted by government intervention.

10.14. The representative of Japan said that, as a co-sponsor, Japan held the view that the importance of market-oriented conditions was universal for the multilateral trading system. Japan emphasized that it was even more important for Members to reconfirm the importance of those fundamental principles in the midst of the COVID-19 crisis. The reconfirmation of those principles by Members was also expected to have the effect of further revitalising various WTO reform efforts. Japan continued to be ready to contribute to the discussion together with other Members.

10.15. The representative of Australia welcomed the joint statement on one of the founding principles of the WTO and the GATT before it. In joining the WTO, Members committed to an open trading environment underpinned by market-oriented policies as set out in the Preamble to the Marrakesh Declaration. Australia expected all Members to honour that commitment to market-oriented policies which included allowing enterprises to make their own purchasing decisions and trade to occur on the basis of market signals. Adherence to market economy policies provided the basis for healthy trade between economies which was a key contributor to economic growth. Australia looked forward to contributing to constructive discussions with all Members on the initiative and the principle of ensuring the WTO remained fit for purpose and further contributed to liberalizing global trade. Australia welcomed greater efforts to address those issues raised in the statement which could not be adequately covered by existing WTO rules. At the same time, Members should continue their work to find ways to further improve Member compliance with existing rules including those related to transparency.

10.16. The representative of Paraguay noted that the market-oriented conditions were fundamental for the correct functioning of the multilateral trading system. They should be applied to all sectors of trade including agriculture which continued to suffer the greatest distortion. More than two decades had passed since Article 20 of the Agreement on Agriculture had been agreed upon. USD 2 billion worth of distorting domestic support would continue to damage the sector if Members did not reduce those subsidies. Agriculture could not remain outside their discussions on the matter.

10.17. The representative of Colombia shared the principles mentioned in the proposal and had always based its participation in international trade on them. Colombia had participated in the setting up of the WTO and had signed all the WTO Agreements that ensured multilateral trade. On the indicative part of the document, Colombia saw that Members could extend it to other areas than those mentioned. All subsidies in all sectors posed a serious risk for small and medium-sized countries because those distorted their capacity to compete – to the benefit of large countries. Market principles and respective disciplines on subsidies were one of the fundamental reasons for which small and medium-sized countries were favoured by the WTO's existence. The constant quest to try and introduce a level playing field for subsidies – be they industrial or agricultural – was at the very heart of the WTO's DNA and its fundamental principles. The WTO was a forum that, beyond the problems that it was currently facing, did offer tools and solutions to Members in their daily participation in international trade. As there was a lot that united them in the organization, Members should work together in finding concrete and progressive measures that would benefit of all.

10.18. The representative of Mexico was ready to discuss in an effective and constructive manner the different elements contained in the proposal. It was important that the WTO contributed to the better functioning of international markets. Maintaining a level playing field was even more essential for economies with an export sector. As a fundamental principle of the WTO, Members should take on board those concerns if they wanted to maintain the free flow of goods and services.

10.19. The representative of the Russian Federation said that the initiative could help build a certain degree of common understanding on the basic issues currently faced by the multilateral trading system. Members' preliminary exchanges had showed that the document should be considered as a political statement rather than a negotiating proposal. With that in mind, Russia had taken note of the proponents' views. The Russian Federation supported the general idea that market-oriented policies were important for the multilateral trading system as a whole. Therefore, its reading of so-called market-oriented conditions went beyond the original understanding of the proponents. Russia was convinced that this concept should cover levelling the playing field in both the industrial and the agricultural sectors. It was reassuring that this understanding had been mentioned by Brazil. Moreover, looking exclusively at the internal dimension of economic policies was insufficient.

10.20. Protectionist trade policies such as the abuse of national security exemption and unjustified trade restrictions were equally important and should be reflected in the discussion especially given the WTO mandate. The proponents should demonstrate their commitment to the declared principles

in their domestic policymaking. Several trade policy measures enacted or planned by the United States such as the draft legislation authorising the establishment of State-directed funds and institutions to foster their national production of semi-conductors evidently deviated from market-oriented principles. None of the current WTO provisions had imposed clear benchmarks on Members regarding internal economic governance unless certain measures directly affected trade. The discussion on market-oriented conditions should maintain the pluralism of national systems of economic governance. Russia thanked the proponents for their readiness to launch a constructive dialogue and looked forward to taking part on it.

10.21. The representative of India recalled its earlier statements on the matter. India had strived to pursue pro-market, pro-competition and transparent policies. Sometimes, state interventions had been warranted to address market failures given the significant need to pursue pro-poor, pro-welfare, and pro-equity policies to bring millions of people out of poverty. While doing so, India had been mindful of the need to achieve a fair balance between the market and state interventions. India celebrated openness in people and in governance. Open minds made open markets. Open markets led to greater prosperity. India shared those principles with many of its partners including the proponents of the statement. During the last six years, the Government of India had made many efforts to make the Indian economy more open and reform-oriented. Those reforms had ensured increased competitiveness, enhanced transparency, expanded digitization and more policy stability.

10.22. As a founding Member of the WTO, India believed that the WTO's objective was promoting sustainable development "in a manner consistent with the needs and respective levels of economic development" of its Members. The focus of the WTO, in that regard, was to facilitate trade for the welfare and development which would benefit all Members. India appreciated the discussions so far on the proposal at the General Council. The joint statement was still being examined by its capital in consultation with all stakeholders. India would therefore offer its detailed comments on the proposal in due course.

10.23. The representative of South Africa recalled the statements it had made in previous discussions on the issue. While agreeing with the importance of promoting market-oriented policies as a principle, South Africa reiterated that most if not all Members had mixed economies and had intervened in the economy to achieve a developmental mandate. The statement recognized the right and ability of Members to regulate for public interest and in promoting their people's welfare. There was however no common understanding on what was meant by market-oriented conditions and by "no significant government interference". Clarification of those issues would be critical to further the common understanding of how the submission would impact current state practices including the massive financial stimulus packages announced and implemented by some of the co-sponsors. South Africa asked whether "no significant government interference" excluded stimulus packages.

10.24. Regulations were a major way in which a government influenced the functioning of a market economy to achieve public policy outcomes, ensure fair and mutually advantageous outcomes and level the playing field. The 2008 financial crisis and the ensuing economic downturn starkly illustrated the potential consequences of regulatory failures. Regulations were therefore indispensable to the proper functioning of economies and societies. While the role of the market was important, government policies were required not only to address market failures but to also achieve development objectives. That was clearly seen in the context of COVID-19 where many governments had stepped in to support businesses as well as give direction, incentives and subsidies regarding production decisions.

10.25. In some cases, governments had to step in and direct companies to produce much needed equipment such as ventilators. Some governments also had laws that gave them authority to control the allocation of supplies as well as order manufacturers to boost production. South Africa asked whether that would be seen as contradicting the clause entailed in the proposal that "decisions of enterprises on investment are freely determined and made in response to market signals". COVID-19 was not likely to be the only crisis. The question Members should ask themselves was whether the proposal would not foreclose the opportunity for governments to intervene appropriately in the future and whether that was not risking narrowly defining the role of the government in a manner that would constrain its ability to conduct strategic industrial and technological policymaking to promote inclusive growth and development.

10.26. There was a delicate balance for governments in determining how best to intervene in the economy. The circumstances differed from country to country and were based on the specific

dynamics of each economy. A one-size fits all approach was therefore not advisable. South Africa faced specific challenges which came as a result of its apartheid past which emphasized the need for a developmental State. Government's role was therefore critical to address not only market failure but also the legacy of apartheid which manifested itself in the lack of skills and education of their people, rising inequality, poverty and unemployment. The State had an essential role in harnessing national resources and directing incentives through a distinctive policymaking process. The developmental state was critical to ensure alignment between the State and the functioning of the market while preserving sufficient distance for the renegotiation of goals and policies when capital interests were inconsistent with national development.

10.27. The WTO consisted of diverse Members with different levels of development, national challenges and development priorities. Its contribution was important, distinct and clearly defined. It provided a legal framework for the conduct of international trade, a more effective and reliable dispute settlement mechanism and a forum for negotiations. The WTO had never been conceptualized as a forum that would define nor change economic models of Members. In view of the peculiar challenges facing each Member, the WTO should not attempt to define the economic model that they should follow. That was not its role nor an area it should venture into.

10.28. The representative of Chinese Taipei shared the view that the WTO was established to uphold the rules-based global trading system to provide fair and freer trading environment and to ensure a level playing which respected market forces as the key determinant for enterprise and business decisions. Undesirable market distorting trade practices could lead to disrupting market-oriented conditions and business operations and make the multilateral trading system vulnerable and irrelevant. Chinese Taipei welcomed Members working together to renew and modernise the existing disciplines in that regard and looked forward to learning from the proponents as to exactly how they intended to strengthen the disciplines. Chinese Taipei remained ready to engage constructively on the subject as the discussion moved forward.

10.29. The representative of the European Union noted that market-oriented conditions were central to allowing a level playing field. The European Union had repeatedly expressed its concerns with non-market oriented policies and practices that had resulted in distortions to the world trading system. The role of the WTO – and therefore the role of all Members – was to ensure that there were effective rules in place to eliminate those distortions and to ensure a level-playing field. There were clearly gaps in the WTO rulebook that did not enable them to do so. Those gaps should be addressed through the negotiation of new or updated rules to address the issues raised in the statement of the United States and co-sponsors. The European Union looked forward to discussing, in the coming months, how the rulebook could be supplemented and to work towards a negotiation of new rules to fill the gaps.

10.30. The representative of Indonesia, intervening under Items 10, 11 and 12, said that the proposal put forward reflected Members' desire to make the WTO more relevant in facing future challenges and strengthening the multilateral trading system. Indonesia did not reject the proposition that the nature of international trade should focus on market orientation. When discussing the strengthening of the multilateral trading system, Members would also directly deliberate on the effort to strengthen the market. Since Members had different levels of economic development, they should however consider many variables in addition to GDP such as property index, technological imbalance, socio-economic inequality, human development and other relevant dimensions. Those elements were of paramount importance to provide a balanced perspective on Members' conditions and challenges when discussing the objectives of international trade.

10.31. The Marrakesh Agreement recognized that trade itself was not the final objective of the WTO. It had acknowledged the development dimension as stated in its Preamble to reflect the noble balance between market interest and the development dimension. Indonesia acknowledged the contributions of the WTO to the economic development of its Members since its establishment. While development brought socio-economic changes and enabled Members to have a bigger share in global economic trade, there were still a divide among Members that the WTO still needed to address. COVID-19 had exacerbated that disparity. The pandemic had disproportionately affected developing and LDC Members who were unable to provide sufficient socio-economic safety net for their people.

10.32. With vaccine rollouts already taking place in major high income Members, the middle and low income developing countries were left behind – suffering indefinitely from lack of access to essential medicines including vaccines. It was unfortunate that while the normal objectives of the

WTO were, among others, expanding the production of and trade in goods and services, some Members believed that market-oriented policies which could block the scale of production of much needed vaccines was acceptable during the global health crisis. Those conditions showed that even though some developing Members had benefitted from trade since the establishment of the WTO and had become large economies, challenges and vulnerabilities to their economies still existed.

10.33. Members should ensure a balance between market mechanism and economic intervention. They could not leave the entire economic mechanism only to the market. Governments sometimes needed to regulate the market to prevent market unfairness and gaps as well as possible economic downfall particularly during a crisis. S&DT for developing and LDC Members was still very much relevant to be integrated to the future of WTO instruments. The development dimension reflected in S&DT balanced the market dimension in trade. What Members needed was a balanced picture of future WTO rules that reflected the interest of all. Indonesia looked forward to the future deliberations of those three agenda items.

10.34. The representative of Canada fully supported the principle that the multilateral trading system should be based on open and market-oriented policies and remained open to engaging with all Members in that regard including on discussions that could eventually lead to new or improved WTO disciplines.

10.35. The representative of Nigeria noted that, although the Nigerian economy was private sector driven with government as enabler, Nigeria was still grappling with the meaning of the term "market-oriented conditions", as well as the scope and objectives of the proposal. Nigeria was interested in knowing the likely effects of the proponents' preferred WTO decision on the issue on its economy. Nigeria had raised those questions at the previous General Council meeting and it would be helpful if the proponents would clarify and provide answers to them. Nigeria remained open for further constructive engagement.

10.36. The representative of China said that, as a Chinese saying went, "not even mountains can stop the river from flowing into the sea." In the relationship between market and government, market obviously had the decisive power. That was common sense. What Members needed to discuss was who in today's world was actually going against common sense, who was undermining the common rules of the international market such as the MFN principle, who was artificially altering and impeding the international flow of production factors and who was bringing the WTO back to the ages of "might is right". The United States had mentioned recommendations contained in the report of the Global Forum on Steel Excess Capacity. The question that immediately came to mind was who was taking measures in the name of national security to distort normal trade in the steel sector. If Members could not have a clear answer to those questions and if they could not take effective measures to undo the damages and prevent future disruptions to the system, empty talks about market orientation was nothing but a quixotic quest that would lead them nowhere.

10.37. The United States had noted in the July General Council meeting that what it was concerned with was ensuring fair competition and a level playing field, not interfering with the ability to govern. China had serious doubts about that statement. The market-oriented conditions in the US proposal was nothing new. It was an extension of the non-market economy standard in countervailing investigations under the US domestic law. Through those domestic standards, the United States had high-handedly judged the economies of other countries and the extensive application of that standard had led to the arbitrary decision on using the "surrogate countries" data. Those unilateral actions had made a lot of companies both from China and other developing Members suffer from unjust duties, affecting millions of jobs. Those standards were utterly incompatible with the non-discrimination principle of the multilateral trade system.

10.38. The same was in the countervailing investigations. For example, a small company in a remote village of Shanxi province produced cast iron sewage pipes. They had completely no idea why in July 2018, their company had been placed on the list of enterprises under countervailing investigation by the United States. The determined countervailing rate had amounted to 34.87%. China had a look at how the investigation had arrived at such an erroneous conclusion. First, it had been determined that since there were state-owned enterprises in China, there should be market distortion in production factors in China. Second, based on the first assumption, the countervailing rate had been calculated using the prices in the third country market, while completely ignoring the real market prices in China.

10.39. According to that reasoning, the company had received various kinds of subsidies, including on purchases of iron ore, scrap iron, coke, electricity and even on interest rates of loans – where in fact the company had received none of those so-called subsidies. The support it had received from the government, if any, was only 0.12%. There were many more examples of such distortions of using the United States' own standards to inflate the subsidies of other countries which could be found in the studies by Professor Simon Evenett from St. Gallen University. The term market-oriented conditions could sound completely harmless. However, not all that was wrapped in gold paper was chocolate. His chef liked to pick mushrooms on his weekend walks and had developed quite a bit of knowledge of mushrooms. He told him, "beware of the brightly coloured ones, they are most likely to be poisonous."

10.40. The representative of Pakistan noted that the item had yet again been brought to the General Council after several previous debates. Governments in developed and developing countries alike took decisions in the interest of the welfare of the people on a daily basis identifying welfare the way they saw fit in their national objectives. Those decisions were driven foremost by aims of protecting lives and health of citizens, safeguarding livelihoods and protecting food supplies, farms and farmers and preventing environmental degradation and taking green initiatives. Many countries took more decisions in order to fund and support critical research and development such as in the development of COVID-19 related medicines or to kick start and protect infant industries to bail out too big to fail companies to keep up the support for businesses in financial and other crises.

10.41. Those policies and decisions were necessary at various times because if left to the free market, the situation would only lead to chaos and generate crises. The market was a human construct – not a natural, divine or arbitrary occurrence. It was embedded in and bounded by the social, political, cultural and historical fabric of each society differently. It was also as fallible as any other human endeavour and should be regulated in order to meet stated objectives. Members could neither wish away government intervention nor could they wish for perfect markets. If they chose to deny the history of industrialization and economic development, the current pandemic confronting them was a stark reminder of that fact.

10.42. Perhaps never before in recent history had government debt as a percentage of GDP in most developed and so-called market-oriented countries been as high as it had been for the past few years. That provided some indication that government intervention continued to take lead in all advanced countries even now. Pakistan therefore maintained that the WTO should not engage itself in choosing any particular model for uprunning economies. Each Member had to make decisions based on one's own domestic realities, requirements, development trajectory and methods of policymaking and should be allowed to do so. Any inclusive approach embracing diversity would be more useful than imposing a one size fits all approach on Members. Like-mindedness and uniformity were attributes of robots – not humans.

10.43. The representative of Israel understood the importance of ensuring market-oriented conditions within the global trading system to maintain fair and honest opportunity for all the players that took part in international business and international trade. That was not however the only fundamental principle. Others went hand and hand with it such as non-discrimination, fairness and transparency. All of them formed the WTO's bedrock. Israel strongly supported those principles and its economy leaned heavily towards pro-market, pro-competition and non-discrimination approach with fair and transparent policies. Each Member had its own rules, systems and priorities and not all of them started from the same place. But respecting the WTO's core principles of the WTO was key to ensuring a level playing field. Israel also recognized that no economy in the world was completely free of state intervention, for example, state intervention due to public safety and health as it had been the case during the COVID-19 outbreak. There were more examples in which governments of Members in all stages of economic development intervened in the markets. In the cases where state intervention was necessary, it should however be done in accordance with the WTO rules and principles. Israel was ready and looked forward to engaging in further discussions on the matter.

10.44. The representative of the United Kingdom said that the WTO Agreements were based on the importance of market-oriented conditions to the world trading system. As had been previously underlined, unfair trading practices ran contrary to the commitments made by all Members. Those practices stifled technological advancement and allowed the proliferation of uncompetitive companies to the detriment of consumers globally. The United Kingdom supported the need for progress on issues such as industrial subsidies, state-owned enterprises and forced technology transfer. It was also in everyone's interest that they reduced WTO non-compliant protectionist

measures. The United Kingdom would continue to push for fair competition by ensuring all Members upheld their commitments as enshrined in the agreements. The United Kingdom thanked the United States, Japan and Brazil for bring the issue to the attention of the General Council.

10.45. The representative of the United States thanked everyone for their very interesting interventions. On another subject, the United States informed colleagues that it would be circulating a draft Ministerial Decision entitled "Advancing Sustainability Goals through Trade Rules to level the playing field".¹¹ The United States looked forward to submitting that proposal for consideration during the upcoming Structured Discussions on Trade and Sustainability. The draft Ministerial Conference Decision aimed to reinforce its view that failure to adopt, maintain, implement and effectively enforce laws and regulations that ensured environmental protection at or above a threshold of fundamental standards constituted an actionable subsidy under the Agreement on Subsidies and Countervailing Measures.

10.46. The General Council took note of the statements.

11 PROCEDURES TO STRENGTHEN THE NEGOTIATING FUNCTION OF THE WTO – STATEMENT BY THE UNITED STATES (WT/GC/W/757/REV.1 AND WT/GC/W/764/REV.1)

11.1. The Chairman recalled that the item was included in the agenda by the delegation of the United States with the document WT/GC/W/757/Rev.1 and the revised communication in document WT/GC/W/764/Rev.1 and invited the United States to take the floor.

11.2. The representative of the United States was pleased to continue the discussion of that important reform initiative. The pandemic had not permitted Members to have the kind of engagement among themselves in 2020 that was needed to advance that reform. The United States looked forward to better days ahead and to returning to substantive discussions on its proposal in 2021. The issue at the heart of that reform effort – the lack of differentiation among self-declared developing country Members – had undermined the negotiating arm of the WTO for years, and it would continue to do so until Members addressed a practice that was grossly unfair to the poorest, least-integrated Members of the institution.

11.3. The United States was encouraged by the progress of its S&DT reform initiative to date. Prior to the US analytic paper that had started the discussions in early 2019, an open discussion of that problem had been taboo in Geneva. It was true that Members from across the development spectrum thought that the lack of differentiation in the WTO had already been a problem many years ago. One relatively poor Member had cited the lack of differentiation as a major cause of the failure of the Doha Round. But no one had dared to speak about that problem or about how to solve it with the microphones on. That had changed. As a result of that change, Members were seeing the green shoots of reform.

11.4. The United States' analysis of the differentiation problem and its conviction that the WTO urgently needed to adapt to a changed reality had gained traction with a wide swath of the Membership. Members had started to take action on their own initiative stating they would not seek S&DT in current and future negotiations. To its ears, they had shared a common goal – to help improve the negotiating function of the WTO so that Members could undertake and conclude meaningful trade negotiations at the WTO. For its part, the United States was clear-eyed about the challenges to advancing that important reform and about the challenges of failing to reform.

11.5. At the start of the conversation on S&DT reform in February 2019, the United States had said that the WTO faced a choice – reform or irrelevance. That remained true. But irrelevance would not be an endpoint. The resulting vacuum would not go unfilled. Already, the United States saw other forces taking shape in the international system and was profoundly concerned – the foundations and scaffolding for a system based on privileges, not rights; power, not rules and predation, not reciprocity. The United States wished for a different future and would work hard with any Member, rich or poor, to achieve it.

¹¹ The communication containing the said draft Ministerial Decision was subsequently circulated in document WT/GC/W/814.

11.6. The representative of Botswana, on behalf of the African Group, continued not to accept the use of a pre-defined criterion for eligibility to access S&DT provisions in the WTO. Without recalling all the elements of its previous statement, the African Group reiterated that it was the prerogative of a Member to determine their development status in the WTO and as such any decision to opt out of S&DT flexibilities remained the voluntary decision of a Member who chose to do so. The African Group recalled the joint statement it had submitted together with some developing and LDC Members contained in document WT/GC/202/Rev.1.

11.7. The representative of China recalled that, after the debate on the US proposal at the last General Council meeting, a senior Secretariat officer had approached him and said half-jokingly and half with sympathy, "This kind of debate is really a test of diplomats' patience." According to his understanding, to put that in a less diplomatic way, it meant "Why do you guys keep fighting endlessly over something that is resultless? That's enough." He completely understood how he had felt and he had to confess that his patience normally went to ladies and children. However, it was not within his capacity to stop the United States from coming back to its proposal. He recalled that previously he had quoted the Rules of Procedure of the General Council that Members should refrain from repeatedly raising the same issue. Evidently, it had not worked. Since the proposal concerned China, he had no choice but to make another response and hoped for Members' indulgence.

11.8. To make sure that it did not get on the nerves of the senior Secretariat officer, he would not repeat what he had said in the past nor swarm Members with data and facts. He would simply share a story which pertained to what the United States had said in the previous meeting that the more economically advanced of those countries were clearly capable of negotiating the flexibilities they needed rather than availing themselves of blanket S&DT. The time was 7 June 2001. In the evening, by the Huangpu River in Shanghai, the APEC Trade Ministers were gathered at the Shanghai International Convention Centre for the APEC Trade Ministers Meeting.

11.9. It had soon been noticed that both the Chinese Trade Minister, Mr. Shi Guangsheng and the US Trade Representative Robert Zoellick had disappeared from the meeting. One could ask, "Where did they go?" The answer was in a small meeting room nearby. The two had been having a long debate over the last remaining issue in China's accession to the WTO – China's agricultural subsidies. The US side had insisted that China should make a commitment at the level of developed countries which was 5% of the total value of production. China, on the other hand, had insisted at 10% which was the level of developing countries. He had been in that room, assisting his Trade Minister.

11.10. Both sides had strong arguments and had refused to compromise. After a long debate, USTR Zoellick had proposed 7.5% saying that it was the mid-point between the levels of developed and developing countries which was 5% and 10% respectively and a mid-point should be an acceptable outcome in any negotiation. Minister Shi nevertheless had not accepted the mid-point approach noting that, "any deviation from 10%, however small, is a compromise on the part of China. And for the sake of reaching an agreement and as a response to the flexibility shown by the United States, China is prepared to accept 9%."

11.11. The reason why the United States had been willing to go up from 5% to 7.5% had largely been because of a joint communiqué issued on 13 March 1995 between then Chinese Minister of Foreign Trade Madame Wu Yi and US Trade Representative Mickey Kantor. In Paragraph 7, the communiqué read, "The United States and China will pursue China's WTO accession talks on a flexible, pragmatic basis and agree to address realistically the issue of China's developing country status on the basis of the Uruguay Round Agreement." The sentence had been a result of a long and difficult negotiation in which he had personally participated and the communiqué had formed the fundamental policy basis for China and the United States to reach the agreement on China's accession to the WTO.

11.12. Because of the communiqué, back in that meeting room by the Huangpu River, even though both sides had been locked in on their own numbers, none of them had brought up the issue of whether China was a developing country or if China should enjoy special and differential treatment. "Our recognition of China's developing country status was already a big step forward", USTR Zoellick said as he had insisted that 9% had been too high because, at that time, China only had limited subsidies in agriculture. "How much subsidies we give to farmers is a matter of our capacities. Whether or not we can do that is a matter of our right", Minister Shi replied determinedly.

11.13. That had been followed by silence from both sides. The meeting had been temporarily adjourned. Phone calls had been made from Shanghai to Washington while the drowsy-eyed delegates had had minutes of sleep on the couches outside of the meeting room. Soon, the meeting had been resumed. The United States had raised its offer from 7.5% to 8%. China had responded by going down from 9% to 8.5%. No side had been willing to move further so the meeting had been again adjourned then resumed then more phone calls and more debates had ensued. To cut the story short, by dawn of the next day, when the sky had been showing pale blue, and the boats had started shuffling on the Huangpu River, the two sides had agreed on 8.5% and the deal had been concluded.

11.14. Looking back at that night-to-dawn negotiation, people could ask what difference did 1% make to which he responded about USD 20 billion of additional subsidies to Chinese farmers. That could seem like a large number but spread over 200 million farmers in China, each farmer could receive only about USD 100 dollars over the course of a year. That was not a big win. But one thing was clear. Without that persistence in the final stage of negotiations, without the 1995 communiqué that had committed to address realistically the issue of China's developing country status and treatments, it would have been impossible for China to get that precious 1%, and perhaps even securing 7.5% would have been difficult. As seen from the deals of other developing countries that had joined the WTO after China's accession, without a warranty on their developing country status, they had to accept 5%.

11.15. The story should have ended there but it had not. As foreseen at the time of the negotiation, China's industrialization had accelerated after its accession to the WTO and the price of agricultural capital goods had increased rapidly. The policy space that China had gained in that night-to-dawn negotiation was becoming short of meeting the demand. What made things worse was that in February and April 2019, China had lost two cases on agriculture at the WTO. He personally disagreed with the decision of the panel on "Quantity of Eligible Production (QEP)" which used annual aggregate production instead of actual amount of procurement as the basis for calculating subsidies.

11.16. Apparently, the panel members had not had a thorough understanding of China's procurement system which had led them to the wrong conclusions. Nevertheless, China had accepted the ruling and had made adjustments within the prescribed timeframe because respecting the dispute settlement system was one of the obligations Members should undertake. That meant an inflated denominator for China's agricultural domestic support – further squeezing the space for the support that the government could provide to its farmers. Almost 100 million wheat and rice farmers would be affected by the relevant policy adjustments who were among those who most needed the government support for their livelihood.

11.17. History was never far from them. Even today, he could still recall the neon light reflections on that night along Huangpu River from the Convention Centre. What he had learned from the story was that for many developing countries, the so-called "blanket special and differential treatment" was nothing but a beautiful promise. To win real and meaningful S&DT in the negotiations, they needed to rely on the institutional rights endowed to them by the Uruguay Round agreement and their WTO accession agreements. Those institutional rights were irreplaceable and they could not hope that articulate negotiations or sympathetic counterparts could provide the same level of flexibilities.

11.18. The representative of India referred to the submission in document WT/GC/W/765 by India and co-sponsors where they had dealt with most of the issues raised by the United States in its paper and had underlined that S&DT was a treaty-embedded right at the WTO, an entitlement which developing countries had paid for and that it could not be taken away from them based on certain arbitrary assumptions – certainly not through creative interpretations of the basis of G20 membership. Continuing with such a narrative on differentiation would only widen the trust deficit among Members. The basis of S&DT was to give Members flexibility to integrate into the rules-based system. Members with huge differences in economic and social development could not be put in the same category. For instance, to put a country in the same development category with another country with about 25 times higher per capita GDP would be blatantly unfair. Moreover, recent studies highlighted that the gap that had existed between developed and developing countries in the 1990s had actually widened and new gaps in the form of digital divide had emerged.

11.19. The COVID-19 pandemic had disproportionately impacted developing countries and LDCs with large populations. Many of them were experiencing their worst economic setback since the

1930s. In view of the uneven impact of the ongoing pandemic, S&DT became all the more relevant now than ever before. India was therefore firm in its conviction that S&DT needed to be part of any current and future negotiations in the WTO. India could not also agree to a case-by-case approach for the same reason. It was high time for the developed country Members to consider foregoing flexibilities available to them under various existing WTO Agreements and Decisions including AMS and green-box subsidies, Special Safeguard Mechanism and flexibilities under the Nairobi Decision on Export Competition providing them with substantial reverse S&DT.

11.20. Those subsidies were generally not available to developing countries and in fact badly hurt developing country exports. Members could consider the case-by-case approach for review of such reverse S&DT unjustifiably enjoyed by developed countries en masse for so long. The only mandate that existed on S&DT was to review S&DT provisions in the existing WTO disciplines with a view to making them more precise, effective and operational, as entailed in Paragraph 44 of the Doha Ministerial Declaration. India strongly supported the G90's Agreement Specific Proposals as contained in document JOB/TNC/79 – JOB/DEV/60. India hoped that Members would constructively engage in discussions on the G90 Proposal and work towards a meaningful outcome by MC12.

11.21. The representative of the European Union noted that the current distinction between developed and developing countries no longer reflected the reality of the rapid economic growth in some developing countries. Members should therefore continue to work on S&DT with a view to ensuring that flexibilities were made available to Members who actually needed them to enable them to fully benefit from their WTO membership. If the WTO was to prosper, S&DT should become much more granular in function of an individual Member's demonstrated needs and capacities. Future differentiation should be designed in terms of specific individual country needs at the sectoral or activity level rather than calling for a block exemption of a large category of Members. The European Union considered that each developing country's need for S&DT should be assessed on a case-by-case basis and be evidence-based. The notable exception should be the LDCs who deserved particular treatment. The European Union was open to looking into S&DT provisions in future agreements, such as in the ongoing negotiations. It was only where S&DT responded to a specific need that it could be truly effective.

11.22. The representative of Chad, on behalf of the LDCs, reiterated the importance of the S&DT principle for developing and LDC Members. S&DT was an integral part of the Marrakesh Agreement and the WTO Agreements making it an element of a legally binding pact. Members' commitment was therefore essential in providing those who experienced structural capacity constraints the means to catch up with their economic backwardness, to help alleviate majority of their population from poverty and to enable a more just, equitable and inclusive multilateral trading system. The S&DT principle was an integral part of the WTO and its Agreements. S&DT should remain a development tool for Members especially to those who needed them the most.

11.23. The representative of Japan said that modernising S&DT was an important component of WTO Reform. Japan welcomed the decision by some Members to forgo S&DT in current and future negotiations. The increasing number of Members who made such a decision would contribute to WTO Reform reflecting 21st century realities and to further enhance free and fair trade. Japan would like to see more Members taking the decision thus lending positive momentum to WTO Reform.

11.24. The representative of Pakistan recalled its statement under the same agenda item in previous General Council meetings. The opening sentences of the Marrakesh Declaration had recognized that economic relations should be driven with the view to raising standards of living, ensuring full employment and expanding production of and trade in goods and services in a manner consistent with the needs and concerns of countries at different levels of development. S&DT was a treaty-embedded right. While some countries had developed faster than others, fundamental differences between developed and developing countries persisted. Developing countries needed their policy space and flexibilities in every current and future agreement. Involuntary relinquishment of such rights by some should not preclude others from exercising them. Opening renegotiation on fundamental concepts such as S&DT ran the risk of reopening all other treaty-embedded rights and obligations of the WTO. In consonance with all its previous statements on the item, Pakistan saw no change in the proposal and its position remained likewise unchanged. As the saying went, "when elephants fight, it is the grass that gets trampled." Pakistan hoped they could avoid it in that forum.

11.25. The representative of Jamaica, on behalf of the ACP, reiterated its previous statements on the item. Unfortunately, despite 25 years of the WTO's existence, Members were yet to succeed in

citing the scourge of poverty and underdevelopment while others were hindered by structural constraints and vulnerabilities flowing from, among other things, global economic shocks, climate change and natural disasters. Economic data and indices would not reflect the realities on the ground. Members therefore could not use the document as a good basis to advance their discussions on the future of S&DT in the WTO. The ACP Group reemphasized its inability to accept that some developing countries were not entitled to S&DT and that they should be excluded upfront from claiming that facility even before negotiations began. The ACP Group called for a constructive and inclusive approach to that important issue whereby the concerns of all Members could be addressed.

11.26. The representative of Guyana, on behalf of CARICOM, said that the question of differentiation was an issue of systemic importance. The starting point of any discussion on the subject in the WTO should be on the basis of WTO principles. For that, CARICOM turned to the relevant provisions of the Marrakesh Agreement which invited Members to conduct their trade and economic endeavours with a view to raising standards of living, ensuring full employment, among others, in accordance with the objective of sustainable development in a manner consistent with their respective needs and concerns at different levels of economic development. Those principles were still relevant today.

11.27. CARICOM underscored the importance of preserving the S&DT principle for developing countries in the WTO. Members should respect the time-honoured tradition of allowing developing countries to self-declare and benefit from S&DT. CARICOM reaffirmed the existing Doha mandate to make S&DT provisions more precise and effective and the use of GNI per capita as a determinant of eligibility for S&DT did not accurately reflect the vulnerabilities faced by many developing countries. Preserving and strengthening access to S&DT was one of the avenues through which they could address their vulnerabilities. Members needed to be pragmatic in their approach while honouring the core principles of development which they had all agreed on over the years.

11.28. The representative of Barbados associated with the statements made by CARICOM and the ACP and recalled its previous statements delivered under that item in past General Council meetings. Development was an indispensable principle of the WTO and S&DT provisions were integral elements essential to any proposed discipline which required multilateral consensus in the WTO. The WTO's ability to reach consensus was contingent upon the inclusion of S&DT for developing and LDC Members to assist with implementation of disciplines and provide lasting technical assistance and capacity building. Despite certain classifications, small island developing economies continued to be challenged by small production capacities, vulnerability to economic shocks, susceptibility to climate change and other natural hazards, remoteness from main markets, limited natural resources, burgeoning levels of debt and significant capacity and infrastructural constraints.

11.29. In recent discussions in the WTO, Barbados had also had reason to state its inability to accept any proposal which suggested the use of per capita income as the criterion for accessing S&DT in the WTO. That was not only applicable to its discourse under that General Council item but also in the fisheries subsidies negotiations and any other area in the WTO where such criteria was proposed. Barbados had been a champion for urging the international community to give due regard to economic and environmental vulnerability in defining access to development finance, concessional finance and technical assistance and capacity building. Barbados took note that some self-declared developing Members had on their own volition taken the decision not to avail themselves of S&DT in the WTO. Barbados took note of and commended the voluntary nature of those pronouncements. Any developing country Member while maintaining their self-declaration as a developing country could at any time join them. Such pronouncement however remained voluntary.

11.30. The representative of Brazil noted that S&DT was a means to an end – not an end in itself. It had been designed to be a flexible, varied and ever-evolving tool to accommodate the changing needs of developing countries. As a tool, it could not and did not guarantee development by itself. The use of S&DT should be precise. It had to address specific sensibilities and needs of developing countries especially the LDCs who needed them the most. It was clear that there were different needs among developing countries. Some needed S&DT more than others but what all countries needed and the WTO had set to provide it was more international trade as an agent to development and prosperity. Development was the good cause that united Members. Brazil would always support S&DT that fostered development and oppose S&DT that was used as a disguised form of protection thereby delegitimising an important tool of international trade. Brazil had decided to forego the use of S&DT in current and future WTO negotiations. As a matter of fairness, Brazil urged Members to look at their true needs recalling that policy space also implied the need to have fiscal space to evaluate if they could follow Brazil's example.

11.31. The representative of South Africa recalled the submission that it had co-sponsored with China, India and the Bolivarian Republic of Venezuela in document WT/GC/W/765 and it continued to be its response on the issue. S&DT, comprised of legal provisions that accorded special treatment to developing countries in international trade rules, had been a cornerstone of the multilateral trading system since the GATT. S&DT was intended to embody fairness in the form of both equity and equitable opportunity. It ensured that the multilateral trading system created a level-playing field where developing countries especially the least developed among them undertook liberalization commitments commensurate with their different capacities and levels of development. The development gap between developed and developing countries continued to be very wide.

11.32. The economic statistics on the impact of the pandemic were devastating with global contraction of five per cent, five countries having defaulted on debt requirements, twenty facing severe food insecurity, 300 million jobs lost and 100 million people pushed back into extreme poverty. Without a doubt, COVID-19 had a disproportionate impact on developing countries and the development divide, which had also manifested itself in the response measures, was expected to widen further. The WTO response could not be the removal of access to S&DT to 34 developing countries and limiting its scope to transitional periods and capacity building. COVID-19 presented a clear case for the preservation and strengthening of the S&DT provisions in both current and future WTO agreements with priority to LDCs.

11.33. The pursuit of S&DT did not mean that developing countries were seeking unlimited carve-outs from the multilateral trading system. Developing countries had consistently made a contribution to international trade commensurate with their level of development. That contribution was recognized and had been acknowledged as far back as the Marrakesh Declaration of 15 April 1994. The negotiation of S&DT provisions in the WTO agreements had always and should continue to have as appropriate: provisions aimed at increasing the trade opportunities of developing country Members; provisions under which Members should safeguard the interests of developing country Members; flexibility of commitments, of action and of use of policy instruments; transitional time periods; technical assistance and provisions relating to LDC Members.

11.34. Provisions relating to transition periods had been found to be arbitrary in design and not connected to any coherent development policy criteria and unable to create sound differentiation between developing countries on account of their different levels of economic development, level of supporting institutions and legal and regulatory frameworks. Furthermore, the implementation of technical assistance provisions tended to be overly donor-driven and tied to specific conditions which could undermine national priorities and institutions and they were often used to extract concessions when bargaining. Such provisions in the end did not always improve participation of developing countries in trade or contribute to true capacity-building that reflected local priorities.

11.35. The S&DT mandate was in accordance with Paragraph 44 of the Doha Ministerial Declaration and it was to strengthen S&DT provisions to make them precise, effective and operational. The role of the CTD SS was therefore all the more important and its work should be prioritized for a meaningful outcome at MC12 on the basis of the G-90 proposals. There was no mandate to limit access to S&D for some on the basis of an arbitrary criteria. Removing or limiting access to S&DT without delivering on the DDA and addressing the existing asymmetries would result in the most unjust outcomes and entrench the imbalances. Trade rules were key in bridging the development gap, and if those could be made fair, then that could be a positive step towards bridging the gap.

11.36. The representative of the United States thanked all Members who had intervened under the agenda item for their contribution including some of the history lessons he had heard. The United States fully expected that the issue of the need for greater differentiation among developing countries as well as the need to reaffirm the importance of market-oriented conditions to the international trading system would continue to be key priorities of the United States in 2021 to help reform and steer the WTO in the right direction and reflect the realities of 2021.

11.37. The General Council took note of the statements.

12 STRENGTHENING THE WTO TO PROMOTE DEVELOPMENT AND INCLUSIVITY – COMMUNICATION FROM THE AFRICAN GROUP, CUBA, AND INDIA (WT/GC/W/778/REV.3)

12.1. The Chairman recalled that the item was included in the agenda at the request of South Africa, with the communication from the African Group, Cuba and India in document WT/GC/W/778/Rev.3 and invited South Africa to take the floor.

12.2. The representative of South Africa said that the Uruguay Round had been concluded with many imbalances in the rules for developing countries. Over the course of time, those imbalances had become even more problematic for developing countries many of whom had already been facing financial crisis before the onset of COVID-19. Unlike the previous financial crises, the COVID-19 pandemic had exerted a much more radical and abrupt effect on both supply and demand, putting the real economy to a halt. Developing Members had called for certain reforms in the WTO since 1996 in an effort to address asymmetries and bring balance to the WTO rules as well as create more policy space for themselves to pursue development and to use the same policy tools as developed countries to industrialise.

12.3. In the last two years, some Members had suggested a broad range of reforms at the WTO including a slate of new rules even though existing mandates from the DDA remained unaddressed. WTO reform did not mean accepting either inherited inequities or new proposals that would worsen imbalances. Reforms should be premised on the principles of inclusivity and development and respond to the underlying causes of the current backlash against trade and the difficulties that developing Members continued to face vis-à-vis their industrialization challenges. WTO reform should fundamentally address those imbalances and should also preserve the core principles of the WTO as entailed in the Marrakesh Agreement. Key among those were consensus-decision making, S&DT and the central role of development.

12.4. Importantly, the multilateral trading system should give policy space for developing Members to fulfil their development goals including industrialization. The long-awaited outstanding development issues from the Doha Round continued to be paramount and included the reform of agriculture, the implementation issues, flexibilities under the TRIMS Agreement and technology transfer which were critical to economic recovery in the context of COVID-19. South Africa therefore called for a WTO Reform to strengthen the WTO for inclusivity and development.

12.5. That implied strengthening the multilateral character of the WTO. Critically, that should include the preservation of consensus decision-making and respecting Article X of the Marrakesh Agreement on Amendments with regard to new rules; addressing the unilateral and protectionist actions taken by some Members; preserving policy tools to promote economic recovery, providing policy flexibility with a view to rebalance global rules and national economic development imperatives and ensuring that trade rules supported production-led growth, jobs and structural transformation and reaffirming the principle of special and differential treatment, which was a treaty-embedded, non-negotiable right for all developing countries in the WTO; and promoting inclusive growth, widening spaces for States to pursue national development strategies in the broad framework and principles of a rules-based system.

12.6. Members should also keep development at the core of the WTO through delivering on the long-promised development concerns, including reinvigorating the discussions in the 1998 Work Programme on Electronic Commerce, assessing the implications of the Moratorium and addressing the issues of digital divide. More importantly, the WTO should allow for different economic models rather than push for one form or another. A functioning, independent and effective dispute settlement system was indispensable for preserving the rights and obligations of all Members and for ensuring that the rules were enforced in a fair and even-handed manner. Hence, a sine qua non for strengthening the WTO system was the restoration of the Appellate Body. That was an urgent priority since without such a system the rationale for negotiating new rules or to undertake reforms remained questionable.

12.7. The representative of Botswana, on behalf of the African Group, noted that the submission updated the previous paper by incorporating not only the impact of COVID-19 on reform perspectives but also outlining them in a more granular fashion focusing on the preservation of core negotiating principles which ensured that Members' common interest in a robust multilateral trade system was

preserved. The Uruguay Round had been concluded with many imbalances in the rules for developing countries which had become even more problematic in the context of COVID-19. The pandemic was exposing the fundamental weaknesses in the global system. The profound social and economic fragilities across developing countries, already very present pre-COVID, were currently exposed and further exacerbated by the crisis – disproportionately affecting developing countries.

12.8. WTO Reform should preserve the existing principles of the WTO including S&DT which remained an important part of the multilateral consensus reached previously. S&DT was a treaty-embedded and non-negotiable right for all developing Members. Available data indicated that the gap in the standards of living between developing and developed countries had not narrowed since the establishment of the WTO. The pursuit of S&DT did not mean that developing countries were seeking unlimited carve-outs from the multilateral trading system. Their aim was to contribute to international trade commensurate with their level of development. The multilateral trading system should provide policy space for developing Members to fulfil their development goals including industrialization and address the long-awaited outstanding development issues from the Doha Round, including implementation issues, cotton, public stockholding, special safeguard mechanism and agriculture domestic support.

12.9. Development should underpin all WTO negotiations including fisheries subsidies negotiations and the e-commerce discussions under the 1998 Work Programme. Importantly, any reform process should ensure that communities and indigenous people benefitted from the traditional knowledge that was held, preserved and developed by them. The rules of the multilateral trading system should also support developing countries in building their technological capacities, and their access to affordable medicines and medical technologies. A functioning, independent and effective dispute settlement system was indispensable for preserving the rights and obligations of all Members and for ensuring that the rules were enforced in a fair and even-handed manner. The resumption of the appointment process of Appellate Body members should be high on the reform agenda and precede other reforms. That entailed preserving an independent, two-tiered dispute settlement system.

12.10. Developing Members' concerns about affordability and equitable access to the use of the dispute settlement system was important. WTO Reform should likewise not upset the delicate balance in negotiated outcomes and transparency should permeate the entire functioning of the WTO. Taking note of the resource constraints of small delegations, negotiations should always be open, inclusive and transparent and take seriously the resource constraints of developing countries. The African Group emphasized that there was a need to reflect on the role of the multilateral trading system in promoting economic recovery and in addressing the current and future health crises. Multilateral cooperation was needed now more than ever to enable Members to effectively respond to the current crisis based on their needs. One size fits all approaches were not helpful.

12.11. The African Group also reaffirmed the need for promoting inclusive growth and widening spaces for States to pursue national development strategies in the broad framework and principles of a rules-based system. To address COVID-19, developing countries should not be asked to relinquish their required trade policy space such as through the permanent liberalisation of tariffs or agreement to end the use of export restrictions. Flexibilities on intellectual property disciplines should be maintained only temporarily for the duration of the COVID-19 crisis to ensure equitable and timely access to the vaccines and therapeutics. The dispute settlement system should not be used to challenge legitimate measures essential and necessary to respond to the pandemic.

12.12. The representative of Cuba said that no Member had cast doubt on the need to reform the way which the WTO worked in order to achieve its objectives. Cuba was not casting doubt on the fact that the WTO needed to be strengthened in terms of development and inclusivity. But Members needed to ensure that all of them could participate on an equal footing in decision-making to ensure benefits for all. Inequality and imbalances anchored in some of the existing rules unfortunately gave an intrinsic advantage to developed Members. Efforts of developing countries in achieving their objectives of development and industrialization were often hindered by imbalanced standards.

12.13. Requests to redress the asymmetry and to adapt the standard of the organization had been reiterated over the years by developing countries. The reform programmes needed to go hand in hand and that had been the case with the Doha agenda. There had also been efforts to strengthen S&DT with regard to implementation and efforts to correct asymmetry in WTO Agreements particularly on agriculture. It was likewise important to achieve the SDGs. However, the WTO was moving further away from the principles enshrined in the Marrakesh Agreement and in other

agreements which specified that Members needed to address the needs and interests of developing countries. That should be in their work programme.

12.14. Recently, some Members had put forward a number of WTO Reform proposals which included a series of new standards in addition to current mandates which had not yet been finalized from the Doha agenda. The WTO could not move forward on such an unequal basis. Reforms should be based on the principles of development and inclusivity. Members needed to look at the causes of those imbalances and address the difficulties faced by developing countries in industrialising their economies. Cuba was a co-sponsor of the document because it was convinced that it was very relevant. Cuba was seeking to identify issues that would help strengthen the WTO in a balanced manner. Otherwise, it would be very difficult to meet the needs of those who were most in need.

12.15. The representative of Chad, on behalf of the LDCs, noted that the revised submission and the conclusions drawn from it largely reflected the LDC Group's position on WTO Reform as reflected in document JOB/GC/223 submitted to the General Council in December 2019. The submission addressed three priorities for development and inclusion: the negotiating function, the dispute settlement function, and the monitoring function of regular bodies. On issues concerning the negotiating function, the LDCs supported the multilaterally preferable consensus-based approach. The LDC Group recognized that S&DT was an integral part of the WTO and should remain a tool for development, available to all Members in need. On specific negotiations, the LDC Group recognized the importance of preserving development interests through the correction of imbalances. Those included measures impacting the price of cotton and subsidies granted by the main players.

12.16. There was also a need to ensure transparency with regard to the obligations under Article 66.2 of TRIPS. Developed Members should provide incentives to their enterprises to encourage them to transfer technology to LDCs. Work should also continue on fisheries subsidies and electronic commerce – both the Work Programme and the Moratorium, which were important subjects for LDCs. On dispute settlement and the crisis affecting the Appellate Body, the LDC Group supported the principles set out in the submission. As described in document JOB/GC/223, the Group supported an appellate review that was efficient and fair. A way out should be found for the appointment of Appellate Body members without delay. Moreover, with reference to new rules or procedures of the Appellate Body, it was essential not to impose onerous measures that would harm LDCs.

12.17. Regarding the oversight function in regular bodies, the submission reflected several views shared by LDCs. Overall, the report recognized that transparency and notification obligations were important. However, every Member, including developed countries, needed to improve the implementation of those obligations. The LDC Group did not support any new or additional notification or transparency obligations for LDCs as long as those did not take into account their capacity constraints. The LDCs did not support punitive measures to the extent that incentives would be more appropriate. Within Councils and Committees, the LDC Group supported the existence of better procedures in the organization of meetings as long as those did not penalise LDCs given their human resource constraints both in the capitals and in Geneva. Special procedures related to specific trade concerns should be well-defined and succinct in order to be effective. The submission raised the need to maintain flexibilities for trade-related measures in favour of developing countries in order to address the impact of COVID-19 and the LDC Group supported that request.

12.18. The representative of Oman, intervening under Items 11 and 12, said that Oman was a staunch supporter of the multilateral trading system and had contributed to the preservation and improvement of the system in many different ways including by supporting accessions of a number of acceding countries. Oman had been promoting the multilateral trading system by active participation in WTO activities including the Public Forum, WTO Accessions activities as well as in the Global Review on Aid for Trade. Oman was also an active member in WTO negotiations especially on fisheries subsidies. As an Article XII member, Oman had made extensive commitments believing that other Members, especially developed ones, would reach Oman's level of commitments during the Doha Round negotiations. Now more than any other time, it seemed that the playing field would not be levelled soon. Making extensive commitments had not immunized Oman from being targeted by some Members who had raised tariffs against some Omani products.

12.19. It was essential for Oman to keep whatever flexibilities that remained because uncertainty and unpredictability was increasing and it affected its local industries and development needs. As a country that was reliant on single commodity and was in the process of diversifying its economy, Oman would need policy space to reach its development goals. Oman acknowledged the importance

of WTO Reform which was needed to enable the WTO to keep up with changing times. Reform should reflect the realities and specificities of Members including the vulnerabilities of narrowly-based economies heavily dependent on the exports of a few commodities. Ignoring those realities could deprive developing Members of their right to develop. In that regard, S&DT was an integral component of the multilateral trading system and inextricably linked to developing country status.

12.20. The balance between Members' rights and obligations was the result of negotiations. Like many developing Members of the WTO, Oman had made significant economic progress over the past decades but still believed that there remained a gap between developing and developed Members. Oman continued to face significant challenges especially related to human and institutional capacity and overreliance on the energy sector. Income per capita alone was not dispositive in characterising a country's level of development. The gap that existed between developed and developing countries was exacerbated by the digital divide. As there remained many areas of development that still fell far below its level of ambition, Oman reiterated its position as a developing country and its entitlement to special and differential treatment.

12.21. The representative of Jamaica, on behalf of the ACP, noted that the communication was a good first step and an important effort to capture the relevant issues at stake that required reflection by all. If Members were serious about having discussion on WTO Reform and the future of S&DT, the agenda could not be pre-determined by a small group of Members when the implications of reform and the rationale for reform was the business of all Members. Hence, the ACP Group continued to request an open, transparent and inclusive discussion on the rationale, parameters, scope and elements of reform. Members already had a number of papers on the table giving various perspectives on WTO Reform and S&DT and more was being prepared. In fact, the ACP Group was working on a paper on WTO Reform.

12.22. There were important questions to reflect on as Members moved forward. Those included, inter alia, how Members would address divergences on the issue of reform and S&DT in the WTO – whether those issues would be left to be handled as they currently were, that was, in exclusive groups that lacked representativity and if so what implications that would have for the future of the WTO and the principles it was known to espouse. The ACP Group asked whether they were guided by the unique circumstance of Members of the WTO and in that connection whether the agenda being pursued was wide enough – and how to ensure that previous Ministerial Decisions were streamlined into the discussions on reform.

12.23. The ACP Group further asked how Members could ensure that reform accommodated unforeseen shocks to the trade and development of developing countries and LDCs especially in light of the impact of the COVID-19 pandemic and that their Ministers were placed in the position to provide clear guidance on how to move forward with those issues at MC12. The WTO could only be sustainable if the needs of all its Members were taken into account. Members had to pursue a respect of WTO rules. They needed to integrate developing countries and LDCs into global trade, inclusivity in rulemaking, transparency and importantly, a willingness of Members to be flexible in the midst of various circumstances. The ACP Group stood ready to play a constructive and productive role in the discussions on reform and urged other Members to do so.

12.24. The representative of the European Union appreciated Members' engagement in exploring how to reform the WTO and thanked the delegates for their revised communication. The European Union agreed that Members should pursue their efforts in finding multilateral solutions and called on all of them to engage constructively to reform the WTO on matters related to the three areas: the negotiating function, the dispute settlement function and the monitoring function of regular bodies. Without departing from the objective of advancing multilateral rulemaking, the European Union was supportive of an open plurilateral track of negotiations with a view to preparing multilateral outcomes and welcomed Members' active participation, both developed and developing, in the e-commerce, domestic regulation in services and investment facilitation negotiations.

12.25. Integration of developing countries in the multilateral trading system was one of the central objectives of the SDGs. Developing countries should be allowed assistance and flexibilities when justified. To grant open-ended block exemptions to 2/3 of the Membership was however no longer a viable model. The revised version of the communication also addressed COVID-19. To respond to the pandemic, Members should continue to strive for reforms. The pandemic was impacting citizens across all parts of the world and all sectors of the economy. The WTO should be an essential tool in

addressing the fall-out of the crisis. In the enormous effort that would be needed to ensure global recovery and build resilience, Members needed global rules to maintain stability and predictability.

12.26. The representative of the United States noted that the proponents had submitted an updated paper. Compared to the previous version, the paper appeared to have a few new paragraphs and fewer co-sponsors. The United States continued to disagree with the vast majority of the paper. It was backward-looking and unhelpful, completely disconnected from where the organization and the international business community were at present. The United States had provided detailed comments on the paper at previous General Council meetings and saw no benefit to providing a long restatement of its views. The heart of the paper continued to directly call into question whether Members shared a common understanding that WTO rules, and the implementation of those rules, were helpful to development and economic growth. In Paragraphs 1.3 and 1.4, the remaining co-sponsors reiterated that the framework of WTO rules was onerous, unfair and anti-development.

12.27. Further, the co-sponsors conceived of S&DT as a means for self-declared developing countries to disconnect from various WTO rules, including in the TRIPS Agreement, TRIMS Agreement and the SCM Agreement. For Members who held that view, the common rules of the WTO were rules for others – not themselves. They wanted the opportunities that WTO membership offered but no longer wanted to contribute to creating those opportunities through the full implementation of existing WTO rules. The United States encouraged the proponents to return to the premise of believing in the rules and in their full implementation. Without that common understanding, it was hard to understand how reform efforts could succeed.

12.28. The representative of China appreciated and supported the proposal on WTO Reform submitted by the African Group and other developing Members. Like the co-sponsors, China believed that WTO Reform was needed. A key objective of such reform was to allow developing Members, comprising the majority of the multilateral trading system, to benefit from their participation rather than satisfying a few Members discontented for losing some cases at the WTO. Objectively speaking, over the past decades, despite efforts to overcome tremendous challenges, developing Members had not benefitted sufficiently from their participation in the multilateral trading system. The international rules remained imbalanced and the goals set by the DDA remained unaccomplished. The DDA now could already sound like a phrase from the distant past for some Members but the development objective of the trade negotiations could not and should not change.

12.29. WTO Reform should strengthen the multilateral trading system and improve the existing rules and not completely revamp and start all over again. The bedrocks of the WTO, such as MFN, S&DT, consensus-based decision-making, independent, impartial and two-tiered dispute settlement mechanism, should remain at the foundation of the organization. Without those, the system would easily topple to the ground. The 164 Members of the WTO were of diverse historical and cultural backgrounds, having their own unique economic models and development paths. Reform of the WTO could only succeed with full and mutual respect of those differences while seeking convergences.

12.30. Members should proceed with incremental steps and be realistic of what was achievable. Overstepping or imposing one's own views onto others simply would not work. Reform meant change and innovation. Members needed the brave explorers to chart out the paths ahead and venture down the roads. The goal should not however be to find new paths for themselves so that they could navigate new landscape shaped by new technologies and new business models. Rather, the objective should be to explore a common path for all 164 Members for them to move forward together towards sustainable development and leave no one behind. China looked forward to advancing together with all Members on the right path for WTO Reform in the right direction and with the right approach.

12.31. The representative of Pakistan welcomed the proposal which highlighted some key issues which should form the core of any discussions on WTO Reform or any attempts to prepare the WTO for its present challenges. Pakistan had always maintained that reform should be inclusive and be endorsed and not compromise the WTO's fundamental pillars such as non-discrimination, recognized rights to S&DT in all current and future negotiations, consensus-based decision-making and a properly functioning two-tiered dispute settlement mechanism. Pakistan was a key sponsor of addressing the pending agenda of development and correcting the imbalances in existing WTO agreements that perpetuated the wide deficit between developed and developing countries.

12.32. If Members truly wished to be responsive to the needs of the majority of them, they needed to focus on the ways and means to support the efforts of economic transformation in poor countries. Overall, the WTO needed a re-think but not in the way that would entrench the existing imbalances and create additional burdensome obligations for developing countries. That would only amount to prolonging instead of mitigating the problems. Instead, some of the critical elements that should be addressed to make the organization more inclusive and development-friendly had been discussed in the co-sponsors' paper. Pakistan therefore thanked the co-sponsors for the useful contribution and remained happy to positively engage in taking that forward.

12.33. The representative of Bangladesh welcomed the revised version of the communication and associated with the statement made by the LDCs. Development was a multifaceted concept and inclusive development was one of the pre-conditions of sustainability. While Members did not have the same level of technical or management capacity, all of them should enjoy respect and recognition from each other. Challenges faced by many developing countries, particularly the LDCs and the graduating LDCs, were unique and diverse and those Members still needed S&DT which was also at the core of the WTO's inherent and inseparable principles. Creating a level playing field through affirmative action could help improve Members' collective journey in shaping and sharing their common future.

12.34. Bangladesh welcomed the idea of inclusivity in the overarching development goals. That also meaningfully aligned with the fundamental principle of the SDGs that no one should be left behind. Inclusive development demanded participatory discussion and decision-making in the WTO. That was what it understood – collective responsibility. Bangladesh fully supported the values of partnership, shared development and inclusivity as reflected in the communication and looked forward to working constructively with Members on the matter.

12.35. The representative of Sri Lanka recalled that the proponents and other developing countries including Sri Lanka had already noted that the WTO was moving away from the principles entailed in the Marrakesh Agreement and the negotiating mandate contained in the Doha Development Agenda. Those sentiments had been shared by stakeholders in the capital in view of the very far-reaching developments taking place within the WTO. Those developments attempted to rewrite the WTO rules and side-line consensus decision-making in Article X of the Marrakesh Agreement on amendments. Attempts were also being made to enhance procedures in regular bodies to address specific trade concerns that were more favourable to developed countries while objecting to similar types of concerns being expressed at various Committees by developing countries.

12.36. Suggestions were also made to put in place additional transparency and notification requirements disregarding the existing institutional and capacity constraints of many developing countries and the lack of political will for addressing the developmental concerns of developing countries in the ongoing negotiations particularly in fisheries subsidies and in agriculture. Many successive negotiations including the Uruguay Round had given due recognition to the meaningful implementation of trade and development's unbreakable relationship through effective S&DT provisions. WTO Reform should not mean taking drastic actions to throw developing countries from the sand to the fire. It should rather help them come out of their current level of development. Sri Lanka therefore supported the proposals contained in document WT/GC/W/778/Rev.3.

12.37. The representative of India said that the joint communiqué sought to bring balance to the ongoing discussions on WTO Reform by reaffirming the importance of development to the work of the organization. The development aspect had become more significant in the context of the ongoing COVID-19 pandemic which had imposed disproportionate burden on the developing and LDC Members. The reform paper had factored in those new challenges as Members were facing the same storm but were certainly not sailing in the same boat. The paper's broad essence was that any dialogue on WTO Reform should be balanced, include issues of importance to developing countries and not erode the core principles of consensus-based decision-making, non-discrimination and S&DT. Proposals that artificially differentiated between developing Members without any regard to the developmental needs, imposed punitive strictures for non-compliance with notification obligations and diluted S&DT provisions in ongoing negotiations illustrated the lack of such balance.

12.38. The paper reminded Members that the Marrakesh Agreement recognized that international trade was not an end in itself but a means of contributing to certain objectives including ensuring that developing countries and LDCs secured a share in international trade commensurate with the needs of their economic development. The core value and basic principles of the multilateral trading

system should be preserved and strengthened, particularly with a view to building trust among Members. Those included disciplining laws and regulations of Members that were inconsistent with WTO rules, preservation of decision-making by consensus and respecting of Articles II, III, IX and X of the Marrakesh Agreement, ensuring that JSIs did not change the fundamental architecture of the WTO and correcting the imbalances in existing WTO agreements.

12.39. The empirical data clearly indicated that the gap in the standards of living between developing and developed countries had not narrowed since the establishment of the WTO. In fact, the GDP per capita between developed and developing countries had widened considerably and more than 60% of the world's poor also lived in non-LDCs. India therefore reaffirmed the centrality of S&DT as a non-negotiable, treaty-embedded right for developing Members and LDCs. It was essential to preserve S&DT in current and future agreements for allowing developing Members the necessary policy space. India was not seeking for unlimited carve-outs. Any proposal that deprived developing Members of their treaty-embedded rights would be inconsistent with Members' obligations. Developing countries should be allowed to make their own assessments regarding their own developing country status.

12.40. The paper also highlighted the important issues in the unfinished agenda of the WTO on development which needed to be implemented and addressed on priority. Those included rebalancing the asymmetric rules of the Uruguay Round, strengthening of S&DT provisions, addressing issues related to agriculture, especially cotton, domestic support, SSM and a permanent solution for PSH. A functioning, independent and effective dispute settlement system was indispensable for preserving Members' rights and obligations. Without such a system there would be little incentive to negotiate new rules. Members had a treaty obligation to ensure the maintenance of a standing Appellate Body comprising of seven members as per Articles 17.1 and 17.2 of the DSU. Reform of the dispute settlement mechanism should preserve its essential features namely, an independent, two-tiered dispute settlement system, automaticity in the launch of proceedings and decision-making by negative consensus.

12.41. The discussions on transparency and notifications at the WTO should factor developing Members' capacity constraints and developing Members should not be expected to take on additional notification obligations. India did not agree to the punitive approaches as a means to enforce transparency obligations. Developed Members should lead by example in submitting timely and accurate notifications especially regarding their AMS commitments, Mode 4 market access commitments, Article 66.2 of the TRIPS Agreement commitment and their commitment on disclosure of origin of biological resources and associated traditional knowledge in patent applications. Certainly, developed countries could not complain about capacity constraints.

12.42. Developing countries were disproportionately affected by the COVID-19 pandemic which had also exposed the fundamental weaknesses in the global system. The profound social and economic fragilities that had already been present before COVID-19 had been further exacerbated by the crisis. The trade regime should not penalise developing countries for acting to support their citizens during such extraordinarily difficult times. India therefore demanded a moratorium for developing countries and LDCs on trade measures implemented in response to the pandemic. Such a moratorium should have clearly defined scope and duration. India looked forward to discussing those reform proposals with other Members when they reconvened in 2021.

12.43. The General Council took note of the statements.

13 TRIPS COUNCIL MATTERS

13.1 Annual Review of the Special Compulsory Licensing System – Paragraph 7 of the Annex to the Amended TRIPS Agreement and Paragraph 8 of the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (WT/L/540 and WT/L/540/Corr.1) – Report of the Council for TRIPS (IP/C/86)

13.1. The Chairman recalled that the General Council had adopted in 2003 a Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. In addition, in December 2005, the General Council had adopted a Protocol amending the TRIPS Agreement which had been submitted to Members for acceptance. In accordance with Article 10:3

of the WTO Agreement, the Protocol had entered into force on 23 January 2017, upon acceptance by two-thirds of the WTO Members. Both the amended TRIPS Agreement and the 2003 Decision provided that the TRIPS Council should review annually the functioning of the system and should also report on its operation to the General Council. He invited Ambassador Mlumbi-Peter, Chair of the TRIPS Council, to introduce the report in document IP/C/86.

13.2. Ambassador Xolelwa Mlumbi-Peter (South Africa), Chair of the Council for TRIPS, recalled that the Amendment to the TRIPS Agreement had entered into force in January 2017. The amendment provided a mechanism for the grant of trade-related compulsory licences for export. It added a permanent and secure legal pathway to access affordable medicines to the TRIPS Agreement for the benefit of Members who relied on imports of medical technologies because of insufficient or no domestic pharmaceutical manufacturing capacities. The amendment applied to Members who had accepted it, while the remaining Members continued to operate under the 2003 Waiver Decision.

13.3. At its meeting of 15-16 October, the TRIPS Council had completed its annual review of the functioning of the System, pursuant to Paragraph 7 of the amended TRIPS Agreement and Paragraph 8 of the Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

13.4. The TRIPS Council's report on the review to the General Council had been circulated in document IP/C/86. It included information about the implementation and use of the System, on the status of acceptances of the Protocol Amending the TRIPS Agreement, as well as on action undertaken to make the System work effectively. The record of the discussion that had taken place during the Council's review of the System was also attached to the report. She informed Members that, since the adoption of the report by the TRIPS Council in October, The Gambia had also accepted the Protocol Amending the TRIPS Agreement. To date, 132 Members were thus bound by the amended TRIPS Agreement.

13.5. Pursuant to the General Council's decision in 2019, the Protocol was open for acceptance by the remaining Members until 31 December 2021 or such later date as could be decided by the Ministerial Conference (WT/L/1081). She called upon the 32 Members who were yet to accept the Protocol to expedite action. A practical guide on how to do so had been attached to the letter she had sent to the Members concerned in September, and was also available on the WTO's webpage on TRIPS and public health. The WTO Secretariat remained available for any assistance or guidance that could be needed in that regard.

13.6. The General Council took note of the report of the TRIPS Council in IP/C/86 and IP/C/86/Corr.1 and of the statement of the TRIPS Council Chair.

13.2 Status Report on the Consideration by the TRIPS Council of the "Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" (IP/C/W/669) – Statement by the Chair of the Council For TRIPS

13.7. The Chairman noted that the sub-item concerned the Status Report of the Chair of the Council for TRIPS on the "Proposal for a Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" circulated in document IP/C/W/669. He understood that the Council for TRIPS considered that request at its meetings in October and on 10 December 2020. He therefore invited Ambassador Mlumbi-Peter to provide a status report on the Council's consideration of the matter.

13.8. Ambassador Xolelwa Mlumbi-Peter (South Africa), Chair of the TRIPS Council, reported that, at the meeting of the TRIPS Council on 15-16 October 2020, India and South Africa had introduced document IP/C/W/669, requesting a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19, which had been circulated on 2 October 2020 and had since been co-sponsored by the delegations of Kenya, Eswatini, Pakistan, Mozambique and the Plurinational State of Bolivia. The TRIPS Council had continued its discussions under that agenda item at its resumed meeting on 10 December 2020.

13.9. At those meetings, and at informal meetings on 20 November and 3 December, delegations had highlighted the common goal of providing access to high-quality, safe, efficacious and affordable

vaccines and medicines for all. Delegations had exchanged views, had sought clarifications and had provided information on the waiver request but could not reach consensus. Delegations had indicated a need for further discussions on the waiver request and views exchanged by delegations.

13.10. That meant that the TRIPS Council had not yet completed its consideration of the waiver request and would not be able to do so within the 90 days stipulated in Article IX:3 of the Marrakesh Agreement. Therefore, the TRIPS Council would continue its consideration of the waiver request and report back to the General Council as stipulated in Article IX:3 of the Marrakesh Agreement.

13.11. The Chairman thanked the TRIPS Council Chair for her report on the discussions in the TRIPS Council. As Members had just heard, the TRIPS Council would continue to work on the matter.

13.12. The representative of Botswana, on behalf of the African Group, said that COVID-19 had generated unprecedented socio-economic consequences with the reversal of hard-won development achievements. Africa was particularly challenged in its efforts to cope with the disease burdens. The global death toll was currently close to 1.7 million deaths due to COVID-19. The pandemic had affected everyone in very direct and immediate ways – closing economies and taking away loved ones. The Doha Declaration on the TRIPS Agreement and Public Health reaffirmed the right of WTO Members to protect public health and stated, "We agree that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitment to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health."

13.13. The African Group acknowledged the value of the TRIPS Flexibilities. Many developing countries could however face legal, technical and institutional challenges in using TRIPS flexibilities. National patent laws could not even have the necessary provisions to issue compulsory licenses for public interest or government use licenses or where such a possibility existed. Sometimes, provisions on compulsory licensing in national legislation were subject to specific processes and, as such, the issuance of compulsory license could involve lengthy processes that were time-consuming. A particular concern for countries with insufficient or no manufacturing capacity were the requirements of Article 31bis of the TRIPS Agreement and consequently the cumbersome and lengthy process for the import and export of pharmaceutical products.

13.14. The flexibilities embedded in Article 31bis had not been designed to deal with global issues presented by COVID-19. A few vaccines had been approved for use in developed countries and were currently being rolled out. The initial baseline was to vaccinate 20% of the population in Africa by the end of 2021. The WHO had confirmed that more than USD 5 billion would be required to roll out a COVID-19 vaccine in Africa to priority populations alone in the initial phase. Even though some of those costs could be borne through global initiatives such as COVAX, that was not nearly enough to address the needs of entire populations in low and middle income developing countries which did not cover other developing countries who would have to self-finance. The waiver proposal in IP/C/W/669 required collective action to ensure that IP did not constitute a barrier to access to medicines, equipment and protective material needed to fight COVID-19.

13.15. The African Group supported the call of the co-proponents for global solidarity and the unhindered global sharing of technology and know-how in order that rapid responses for the handling of COVID-19 could be put in place in real time. The African Group supported the TRIPS Waiver's objectives and called on all Members and the TRIPS Council to urgently complete their work in line with the TRIPS Council Chair's report and to recommend to the General Council the adoption of the waiver. Developing countries should not be left behind. A new global assessment of purchasing agreements for COVID-19 vaccines revealed that high-income countries had already purchased nearly 3.8 billion doses with options for another five billion. The African Group called for a swift adoption of the TRIPS COVID-19 waiver to ensure timely and equitable access to treatment as a public good. The longer African countries had to wait for access, the longer the lockdown and economic recovery – causing a more severe socio-economic impact.

13.16. The representative of Chile viewed it positively that Members had arrived at a consensus on the next steps on that very important instrument. The only way to arrive at a common understanding was through an honest, open and constructive dialogue. The issue should therefore be resolved on the basis of consensus and that solutions be based on evidence and concrete proof. As pointed out

in the past, IP was a tool that stimulated innovation and the spreading of technology to the reciprocal benefit of all. That was integral for the socio-economic welfare of society. Chile would like to see that the TRIPS Agreement and the Doha Declaration gave rise to flexibilities making it possible for countries to design public policy to facilitate access to medicines.

13.17. Chile recognized that in the discussions on the TRIPS Waiver, both informal and formal meetings, a multiplicity of technical questions had been raised on the scope, implementation and duration of the proposal. Chile needed to know the concrete and specific IP-related issues that Members were facing when it came to dealing with COVID-19 and other related technologies as well. There was an urgent need to understand the ins and outs of the proposal to avoid incorrect expectations on the part of Members and the society in general. Now more than ever, Members should be careful in making promises to their people because it could be difficult to keep them. Chile therefore appealed to Members to have a pragmatic approach and fruitful discussions in that area.

13.18. The representative of the Republic of Korea had seen constructive engagement by Members on the proposal. Korea fully shared the concerns on the unprecedented global health crisis resulting from the COVID-19 pandemic, in particular, the adverse impact on developing and LDC Members. International cooperation was therefore essential to ensure universal and equitable access to safe and effective diagnostics, treatment and vaccines for all countries regardless of their income level.

13.19. The existing multilateral framework on trade and intellectual property rights embedded in the TRIPS Agreement struck the right balance between the protection of IP rights and the promotion of public health. The TRIPS Agreement provided sufficient flexibilities such as Article 31 and Article 31bis. Such flexibilities would enable Members to cope with the current challenges collectively. Members had already witnessed the efficacy of global cooperation and the IP system in developing vaccines and treatments against COVID-19. Without such unprecedented collaboration among governments, researchers and innovators, and above all, a well-functioning IP system, they would not be where they currently stood. Korea looked forward to constructive and facts-based discussions on the proposal by South Africa and co-sponsors at the TRIPS Council in 2021.

13.20. The representative of Jamaica, on behalf of the ACP, was sympathetic with the general objective of the proposal which was to ensure that the people had access to medicines, vaccines and other items required to treat the virus and contain the outbreak. The ACP Group therefore took note of the discussions on the proposal which was being submitted at a time when Members were faced with the most devastating health crisis in their lifetime. The COVID-19 pandemic was unprecedented and had caused major disruptions socially and economically. While all Members had been significantly impacted by the pandemic, the impact was disproportionately faced by developing and LDC Members due to, inter alia, the limited capacity of their healthcare systems to cope with crisis of that magnitude.

13.21. Members had a collective responsibility to utilise mechanisms within the multilateral institutions like the WTO to contribute to the global initiatives to preserve public health and save the lives of millions of people across the globe. The ACP Group was encouraged by the robust discussions and exchanges which had taken place since the proposal had first been launched in October. The ACP Group was consulting on the proposal internally with a view to constructively engaging in those discussions. The Group thanked the co-sponsors for all the work that had been done thus far and invited other Members to engage constructively with a view to finding a landing zone. The health and lives of their people should always be their priority and the ACP Group was confident that Members were capable of delivering on behalf of their people in those difficult times.

13.22. The representative of Hong Kong, China thanked the proponents for raising that important issue particularly as the global pandemic was posing tremendous threats to people's health and safety all over the world. Hong Kong, China understood the pressing concerns about the inadequate supply of medical products as expressed by the proponents and considered that Members should put in concerted efforts to scale up research, development and manufacturing activities to provide access to high-quality, safe and affordable vaccines and medicines for all. As pointed out by some Members, a robust and balanced IP system was essential to providing incentives to research and innovation for the development of effective medicines and vaccines for the fight against the COVID-19 pandemic. The TRIPS Agreement was playing a key role in preserving such an IP system.

13.23. The TRIPS Agreement provided flexibilities, including compulsory licensing of patents under Articles 31 and 31bis, to allow access to patented pharmaceutical products to address national emergencies and extreme urgency. Various global collaboration programmes initiated by the WHO, such as the Access to COVID-19 Tools Accelerator and the COVID-19 Technology Access Pool, would also facilitate innovative and equitable access to COVID-19 medications. Further collaboration and support in that regard at the international level would be useful. Hong Kong, China thanked the Chair of the TRIPS Council for steering the discussions and delivering the oral status report on the waiver request and welcomed further deliberations on the subject among Members to explore feasible options within and outside the current TRIPS regime.

13.24. The representative of Cuba associated with the statement made by the ACP. The statement of the TRIPS Council Chair exactly reflected the process of the discussions under way on the proposal initially put forward by India and South Africa and currently co-sponsored by a number of other Members. The health situation worldwide required far reaching political solutions including access to technology and medicine for the prevention, containment and treatment of COVID-19. The COVID-19 pandemic had underscored the need of having universal access to healthcare. When COVID-19 had broken out, there had been a consensus that in order to slow down its spread, international cooperation was needed to accelerate the development of essential products, scale up their production, increase medical technologies and ensure protection for everyone everywhere.

13.25. The document containing the proposed Waiver stated that IP rights "do not create barriers to the timely access to affordable medical products including vaccines and medicines or to scaling-up of research, development, manufacturing and supply of medical products essential to combat COVID-19." The WTO had arrived at an understanding under the Doha Declaration on TRIPS and Public Health to make it possible for people to have access to medicines. There was no doubt that the debates on the matter would continue. Cuba called on Members to work together and guarantee that intellectual property rights such as patents, industrial designs, copyrights and protection of undisclosed information would not stand in the way of access to medical products including COVID-19 vaccines. Apart from intellectual property rights, the lack of financing for acquisition, abuse in pricing and lack of sufficient manufacturing capabilities could also be barriers to access to medicines. The global pandemic in which they were all affected therefore required a global solution.

13.26. The representative of Australia saw well-functioning and well-understood international IP rules and flexibilities as a necessary tool in supporting predictability and supply chain certainty. Appropriately balanced IP rules would support rather than hinder timely and widespread access. Afterall, existing multilateral initiatives like the COVAX Facility were underpinned by international IP rules. Amid the global pandemic, the TRIPS flexibilities in the Doha Declaration was probably utilized and supported – providing an important backstop to ensure Members struck the right balance. As a way to progress talks at the TRIPS Council, on 27 November, Australia had co-sponsored communication IP/C/W/671 together with Canada, Mexico and Chile which made clear their commitment to a comprehensive global approach to supporting widespread access to vaccines, therapeutics and diagnostics. The communication also asked for specific examples of how TRIPS Agreement rules had manifested as systemic barriers during COVID-19. So far, efforts to explain how IP was manifesting as a barrier had focused on more abstract scenarios rather than clear and persistent real world examples.

13.27. Australia remained open to discussions on how to further leverage international IP rules and flexibilities to support vaccine access as necessary. There were many legitimate factors that could impact access to COVID-19 vaccines, treatments and diagnostics such as adequate financing for research and development, regulatory approvals, trade barriers, procurement and logistics and perhaps most critically for highly technical vaccines and treatments – sufficient manufacturing capacity. Australia was working to ensure those factors across all stages of the supply chain did not stand in the way of timely and affordable access. For example, Australia was supporting its regional development partners to access vaccine doses and implement effective vaccination programmes. Australia's 500 million regional vaccines access and health security initiative would enable the timely purchase or pre-purchase of vaccines by its neighbours in Southeast Asia and the Pacific and offer expertise across a range of technical areas. And its 800 million dollar commitment to the COVAX Facility's advanced market commitment would support vaccine access in 92 developing countries around the world. Australia would continue to engage constructively in the TRIPS Council on that proposal and looked forward to further evidence-based discussions.

13.28. The representative of South Africa noted that it was timely to assess the functioning of the Special Compulsory Licensing System established under Article 31bis of the amended TRIPS Agreement and the 2003 Decision. South Africa recalled its observations on the contents of the Secretariat presentation of the report in IP/C/86 and noted that the Paragraph 6 system had only been used once since its inception. It was recognized that the use of the System was overly cumbersome with too many conditionalities and procedural prescripts to be useful to Members with insufficient or no manufacturing capacity in the pharmaceutical sector. The Paragraph 6 System was too time-consuming and overly burdensome irrespective of the level of development of a country which had been highlighted by COVID-19. At the TRIPS Council meeting of 15-16 October, South Africa had pointed out the procedural and legal difficulties that continued to exist under the System. TRIPS flexibilities had never been designed to deal with pandemics of the scale and magnitude of the nature of COVID-19. Members needed to recraft rules to fully reflect those shortcomings in the current system to build a more robust legal framework that took account of those realities.

13.29. With that in mind, South Africa, the Plurinational State of Bolivia, Eswatini, Kenya, India, Mongolia, Pakistan and the Bolivarian Republic of Venezuela had introduced the TRIPS Waiver proposal to ensure that Members could better address COVID-19 through the suspension of certain TRIPS Agreement provisions. An effective response to the COVID-19 pandemic required rapid access to affordable medical products including diagnostic kits, medical masks, other personal protective equipment and ventilators as well as vaccines and medicines for the prevention and treatment of patients in dire need. The joint proposal requested a waiver to be granted to all Members so that they did not have to implement, apply or enforce certain obligations related to COVID-19 products and technologies under Section 1 on copyrights and related rights, Section 4 on industrial design, Section 5 on patents and Section 7 on protection of undisclosed information of Part II of the TRIPS Agreement. The proposed waiver was of limited scope, temporary, applicable only to COVID-19 and did not suspend application of the TRIPS provisions beyond what was necessary to fight COVID-19.

13.30. In various meetings of the TRIPS Council, South Africa had explained the rationale for the proposal and believed that it demonstrated the existence of exceptional circumstances that justified the request for a waiver decision and clear terms and conditions governing the application of the waiver. COVID-19 was far from over. Even in light of the approval of vaccine candidates, there was no certainty as to when effective vaccines would be available in sufficient quantities to ensure equitable access to everyone. In that respect, the waiver should continue to be in place until widespread vaccination was in place globally and the majority of the world's population had developed immunity. No one was safe until everyone was safe.

13.31. In requesting the Waiver, South Africa was not questioning the role of IP in promoting R&D and innovation. The greatest achievement would be to ensure all countries enjoyed the benefits of science equitably especially in a pandemic such as COVID-19. The Waiver would ensure vaccines could be secured, that lives could be saved and that a truly global economic recovery was accelerated. South Africa called on all Members to support the proposal for the General Council to consider and pass the waiver request as soon as possible given the urgency of the situation. In order to facilitate the outcome, the proponents would aim to conclude the discussions in the TRIPS Council and return to the General Council for a decision on an urgent basis. The WTO could not afford to be unresponsive at a time of an unprecedented global crisis when clearly IP had proven to be a barrier to timely, affordable and equitable access as demonstrated in their submission. The co-sponsors would therefore request that an extraordinary General Council meeting be called to address the waiver request given the unprecedented importance of dealing with COVID-19.

13.32. A decision passing the Waiver would send a positive message to the world and indicate that the WTO was committed not only to keep channels of trade open, but also to take decisive actions to save human lives. The sooner Members addressed COVID-19, the sooner they could get back to the core business of the organization. Recent studies showed that equitable access to all tools available for the prevention, containment and treatment of COVID-19, including vaccines, would go a long way in reversing the current loss of global output assessed to be at 3.4 trillion annually. Defeating the pandemic everywhere, at the same time, would yield an unmitigated global dividend to all of humanity. Yet self-interest was never far away. Developed and high-income countries had already bought 90 percent of likely vaccine candidates, enough to immunise their populations several times over. During the deliberations, some delegations had opined that voluntary multilateral initiatives were enough to address the pandemic. Voluntary multilateral approaches were welcome but fell short of providing universal access needed to address COVID-19. Funding issues had currently emerged putting at risk even the modest coverage that such initiatives could deliver.

Subject to funding availability, funded countries would receive doses to vaccinate only up to 20% of their population in the longer term. The goal was to deliver two billion doses by the end of 2021. That was not enough to ensure immunity of the world population.

13.33. In relation to C-TAP, in which pharmaceutical companies could voluntarily contribute their IP, trade secrets, and know-how, so far only 40 countries had pledged support and none of the pharmaceutical companies developing the vaccines had joined. The Waiver did not undermine but complemented the voluntary mechanisms given the limitations of the TRIPS flexibilities. Companies had also entered into bilateral agreements for the production of vaccine candidates yet details of such deals did not clarify if and when countries most at risk would be able to access such vaccines on reasonable and expedited terms. Many of those vaccines had benefited from state funding. States should attach strings to how companies could deal with IP rights attached to such products. Any vaccines developed through or benefitting from state funding should be considered public goods.

13.34. As a result, developing countries were last in the queue while IP remained the most significant barrier to access if only a few producers were allowed to produce. To date, close to 1.7 million people had lost their lives while infection rates had increased exponentially. Many more producers were needed to scale up production of products needed during that time of global emergency in order to ensure timely and equitable access to medical products needed to fight the pandemic. New emerging strains of the disease was likely to affect that dynamic even more and put more strain on Members' resources many of whom were truly into a second phase of the COVID-19 infections with others closely following.

13.35. Members should act now and make timely and equitable access to medical products essential to combat COVID-19 their priority. In the context of the current pandemic, which was costing the global economy USD 375 billion every month, passing the Waiver would not only be a shot in the arm of every patient but would also be a shot in the arm of the world economy so that all of them could resume normalcy in the shortest possible time by reopening the world economy. However, the new normal in a post-COVID-19 dispensation required even greater levels of multilateral cooperation and coordination. There was an urgent need to clarify the rules that applied not only to IP but also in many other areas. It could not be that in the gravest health crisis in modern history, Members could still not find alternative ways of dealing with IP when people's lives were at risk. South Africa stood ready to have constructive discussions to ensure that the emerging global order was one based on fair, inclusive, development friendly and multilateral mandates. But first, South Africa called on Members to adopt the Waiver and save human lives.

13.36. The representative of Malaysia underscored the importance of timely access to affordable diagnostics, therapeutics, vaccines and other medical products to enable the world to effectively contain the spread of COVID-19. Malaysia had heard many delegations expressed their interest in global cooperation to expand supply options so that global needs could be met and Members needed to act expeditiously on those expressions. Within that context, Malaysia welcomed discussions and engagements on the waiver proposal thus far and thanked the co-sponsors for initiating the conversation of significant value during that critical juncture. As many Members began to gradually reopen their economic activities and strive to strike a balance between the lives and livelihoods of their people, the need for that discussion became even more pronounced.

13.37. Malaysia recognized the role of TRIPS flexibilities in promoting access to medicines. Malaysia had, in the past, utilized the existing flexibilities to promote access to medicines in particular, the issuance of compulsory licences to address the HIV and Hepatitis C outbreak in the country. However, in exercising such flexibilities under the TRIPS Agreement, Malaysia had faced some practical challenges associated with the issuance of compulsory licences. Similar difficulties had also been experienced by others as pointed out by the co-sponsors. In view of the pressing global need to prevent, contain and treat COVID-19, Malaysia stressed the importance of undertaking all measures necessary to expand and diversify the supply of essential medicines and supplies – enhancing the accessibility and affordability of such medicines, and looked forward to advancing meaningful discussions in that space.

13.38. The representative of Afghanistan said that the COVID-19 pandemic was presenting and affecting economies and was the biggest global health crisis of the time. The effects of the pandemic on the health sector especially in LDCs were horrific and governments could not provide affordable equipment and treatment for their citizens. Afghanistan joined other Members in recalling the importance of solidarity and working together to ensure that intellectual property rights such as

patents, copyrights and industrial designs did not create barriers to the development, manufacturing and supply of affordable and timely medical products essential to overcome the challenges posed by COVID-19. Given their exceptional circumstances, Afghanistan and the LDCs in general were in dire need to access basic products such as medical masks, sanitizers, ventilators, vaccines and other medication to combat COVID-19. Hence, Afghanistan supported the proposal and encouraged other Members to use the TRIPS Agreement flexibilities for enhancing the rapid access of Members to the products essential to combat the pandemic. Afghanistan associated with the statement made by the LDCs during the formal meeting of the Council for TRIPS.

13.39. The representative of Pakistan noted that, as one of the co-sponsors, Pakistan believed that it was definitely one of the most important discussions to have at present. If Members had to take one thing that would deliver a tangible and meaningful solution to fight a pandemic and at the same time receive appreciation across the globe from all quarters, it was the acceptance of that waiver proposal. COVID-19 was global and had spared neither world leaders in the most advanced countries nor poor workers in developing countries. Nothing was more important than the question of saving human lives. The results of the Waiver could only be beneficial at a wider human level for everyone across the globe who were suffering at the hands of the pandemic. The scale and urgency of the unprecedented global emergency required Members to go beyond narrow profiteering interest.

13.40. The proposal had already garnered immense vote from international organizations, civil society, leading academics, world leaders and dignitaries from public and private sectors alike. Extensive international coverage across developed and developing countries alike was testimony to the importance and validity of the proposed waiver. For those reasons, Pakistan joined the call to the entire Membership in granting the Waiver in the interest of fighting the collective challenge together. Pakistan looked forward to continuing the discussion with Members and hoped for an early and positive conclusion. Members had to put their heads together that day as custodians of the world trading order. None of them would like to be known for saving face but not human lives.

13.41. The representative of Colombia recalled that, as had been previously reiterated, the COVID-19 pandemic was a topic that had the highest importance attached to it by its country during those very difficult times. Colombia had taken note of the report circulated by the TRIPS Council Chair and its content and held a continued interest in continuing that discussion during the new year. Colombia thanked all Members who had raised questions and those who had circulated a document on the potential Waiver. As part of Members' discussions, Colombia called on the proponents to make the most of the extra time they had to compile all of the comments that they had heard from Members.

13.42. The representative of Turkey recognized the crucial role of IP rights in research and development, innovation and investment in many sectors. That role also contributed to the development of vaccines and pharmaceuticals. Those were unprecedented times. It was Members' collective responsibility to find creative solutions for equitable, affordable and timely access to relevant products for everyone in the fight against COVID-19 especially for developing and LDC Members. In those challenging times, the welfare of every human being should be the utmost priority. Turkey had underlined the importance of solidarity since the start of the outbreak and had provided medical supplies to 156 countries and 9 international organizations. In that regard, Turkey supported the continuation of constructive discussions in 2021 in the TRIPS Council.

13.43. The representative of Mongolia said that the WTO had a positive role to play in promoting trade in medical goods and ensuring the balance between trade, intellectual property rights and public health. The TRIPS Agreement had to be part of the wider national and international reaction to address the public health issue. Mongolia was content to co-sponsor the timely proposal requesting for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19 and called on Members to support the proposal.

13.44. The representative of Tunisia reiterated its support for the proposal which would contribute to international efforts to address the COVID-19 pandemic. The second wave of the pandemic had confirmed the critical need for an appropriate, effective and shared international response. Uncertainties persisted particularly in relation to access to COVID-19 treatments and vaccines as well as their availability as soon as possible, in sufficient quantity and at affordable prices. By rightly prioritising public health and compliance with sanitary recommendations, low-income countries had been forced to divert their already limited resources to the fight against the pandemic. They were currently bearing the full brunt of the damage caused by an unprecedented economic and social crisis which was weakening their health systems due to severe shortages of medical products,

putting patients suffering from other diseases at risk. Tunisia recalled the foundations of the Doha Declaration on TRIPS and Public Health prioritising the protection of global health and the promotion of access to medicines as well as the proposed waiver's targeted time-bound framework. Tunisia would therefore welcome a consensus among Members that would highlight the solidarity required in that exceptional situation.

13.45. The representative of Japan recognized the need to have unhindered and timely access to medical products and Members should focus on the international multilateral cooperation framework to combat COVID-19 in particular the COVAX Advance Market Commitment and the ACT Accelerator. Japan actively contributed to such multilateral initiatives and stressed the importance of IP's central role in providing incentives for developing medicines and vaccines, and relevant medical technologies. Since the proposed waiver would lead to significant uncertainty for IP protection, it would not only undermine incentives for development of medicines and vaccines effective for treating COVID-19, but also impose a negative impact on increasing manufacturing capacities for quality and safe medicines and vaccines. Potential adverse effects caused by the Waiver on medical innovation for combating future pandemics should also be considered. While the proposal had been discussed in the TRIPS Council, proponents had not fully explained the necessity for waiving certain sections of the TRIPS Agreement, having not yet indicated sufficient grounds that the existing framework was not working well. Japan would continue to engage constructively on the matter.

13.46. The representative of El Salvador considered that public health was a priority in the context of the pandemic. As had been mentioned in detail at the TRIPS Council, El Salvador had carried out a detailed analysis of the proposal from the point of view of the health and wellbeing of the population and in its commitments both at the national and international level. In choosing to maintain the delicate balance that existed in the TRIPS Agreement, El Salvador looked forward to continuing to take part in those discussions.

13.47. The representative of the European Union thanked the Chair of the Council for TRIPS for the work that had been done and was pleased that the TRIPS Council had been able to agree on the status report. The European Union looked forward to continuing discussions on that important topic in 2021. The exchanges so far had shown that Members agreed on the extraordinary challenges that they faced as a result of COVID-19, both to protect public health and to limit damage to the real economy. They were united in their commitment to address them, and in their wish to provide universal, equitable and rapid access to vaccines and treatments. The European Union had been leading the Coronavirus Global Response for universal access to affordable treatments and vaccination, and was the main contributor to the COVAX Facility – the international initiative to ensure global access to vaccines for COVID-19. COVAX was indeed an excellent tool for wealthier countries to provide vaccines for deployment in countries with fewer financial means. The European Union strongly encouraged other Members to help address the remaining financing needs, as underlined in the recent G20 Riyadh Leaders Declaration.

13.48. But there was reason for optimism. Over the last days there had been announcements of production and regulatory approvals of new vaccines – and starting deployment. The challenges ahead were still enormous, bearing in mind that the technology behind the vaccines was often new, production had never been attempted on that scale before, and the logistics of storing and distributing medicines at very low temperatures – in one case minus 70 degrees Celsius – were daunting. But Members should recognise that there was now a shred of light at the end of the tunnel. The multilateral trading system had played an enabling role in the global response to the crisis, and that it could do more. That was the spirit in which the European Union and like-minded WTO partners had submitted the proposal for a "Trade and Health Initiative" through which Members could agree on a number of actions in response to the current and future crises. Trade policy could help to keep markets open, avoid damaging export restrictions, and adopt facilitation measures. The TRIPS Agreement and the principles of the Doha Declaration should also play a role, as they reflected a careful balance between protecting intellectual property on one hand, which was a crucial incentive to innovation, and promoting widespread access to medicines and health care on the other hand.

13.49. The concerns raised in the TRIPS Council discussions could be addressed through the TRIPS Agreement and the flexibilities it offered. There was the possibility in TRIPS to grant compulsory licences – done by governments without the consent of a patent owner. It also included the possibility of granting fast-track licences where no negotiations with a patent holder were required including for export to countries with no or insufficient manufacturing capacity. Those were absolutely legitimate tools for Members in need and as they were in the midst of the pandemic, the

European Union wanted to be clear about that. The European Union had noted carefully the difficulties conveyed by some on the implementation of those flexibilities, and was ready to discuss ways of overcoming them. Administrative burdens should not stand in the way of manufacturing and delivering vaccines to where they were needed. But Members also had to recognise that the TRIPS approach was delivering results. There had been an unprecedented collaboration over the last months between governments, pharmaceutical innovators, foundations and researchers.

13.50. Vaccines were being approved within twelve months of the first signs of the virus. Normally, such a process would have taken ten years. Only last May, reputable scientists had been estimating that a lead time of eighteen months had been the most optimistic scenario for a vaccine to be developed and approved – yet it was just six months since then. It had been estimated that over 1,000 potential treatments and vaccines were in development. Much of that response, like for example the vaccines based on mRNA technology, built on knowledge and research capacity that had been developed over many years with the support of IP incentives. What was most needed now, beyond developing vaccines, was the ramping up of manufacturing capacity, and a seamless flow in the transport and distribution sectors. The best way of achieving that was by disseminating the technology and know-how of those who had developed the vaccines, through collaboration with other companies that could contribute to the developers' manufacturing capacity. IP was a key factor in providing a framework that enabled that collaboration. The needed increase of production capacity was already happening as developers of vaccines were entering into manufacturing agreements with producers and were expanding global production by transferring their technology to licensees.

13.51. No doubt more needed to be done in the weeks and months ahead but most private sector companies had either accepted to produce at cost for citizens in developing countries or had licenced production to producers in the developing countries including notably to producers in the countries that were proposing to waive certain provisions of the TRIPS Agreement, or had indicated publicly that they did not intend to enforce their IP rights. The important and complex issues brought up in the context of the ongoing discussions merited further reflection as Members tried to build agreement on the best responses to the pandemic. In that spirit, the European Union remained committed to continuing that in an open and comprehensive manner as Members sought to leverage all instruments to provide for a robust, rapid and universal response. The European Union was ready to address those challenges together in a spirit of solidarity and cooperation.

13.52. The representative of Mozambique noted that the urgency of the current situation deserved from Members and the global community solidarity, cooperation and coordination of multiple actions to increase and speed up the creation and provision of necessary conditions for the prevention, containment, treatment and eradication of COVID-19. The worsening effect of the COVID-19 pandemic had continued to drastically affect the world in the worst way. Mozambique had decided to co-sponsor the submission because COVID-19 could only be contained if collectively and globally addressed. Mozambique continued to see the waiver as a way to rapidly go through and collectively address the urgent needs including diagnostics, therapeutics and vaccines and other related matters necessary to ensure a rapid and effective response to face COVID-19 – ensuring the necessary measures to save lives throughout the world. Mozambique noted that the Waiver would be effective for a limited duration only and encouraged other Members to positively support the submission.

13.53. The representative of Egypt referred to a recent study that suggested that at least a fifth of the world's population would not have access to COVID-19 vaccines until 2022 with wealthier nations reserving more than half of next year's potential doses. Due to the severity and gravity of the current crisis and the fact that the world did not know too much about the virus until now, a country-by-country and product-by-product approach using the TRIPS flexibilities remained limited in addressing IP challenges amid the pandemic. Egypt reiterated its support for the proposal and urged Members to engage in constructive discussions in the Council for TRIPS to move forward with it. The Waiver should be an integral part of any proposed initiative to ensure a coordinated global response.

13.54. The representative of Bangladesh associated with the statement made by the LDCs. Bangladesh had earlier stated that a threat to public health in one society had put humanity at risk everywhere. The COVID-19 pandemic had severely impacted everyone – irrespective of development status. Nevertheless, the spread of the virus had worsened the health situation in developing countries, particularly the LDCs, in addition to the multiplying socio-economic challenges they regularly faced. Unconditional, affordable, equitable and timely access to effective vaccines and other curative measures against the virus was a priority of the time. TRIPS or any other regulatory framework should not be brought as a hindrance to the most urgent needs of humanity today.

Members should act collectively to address their shared challenges in facing the global disaster. Bangladesh once again requested a favourable consideration of the proposal.

13.55. The representative of the Dominican Republic acknowledged the public health issues faced by most of the world and most of humanity especially developing and LDC Members as a result of COVID-19. It was urgent to show solidarity and cooperation on IP issues under the WTO to face the pandemic by granting access to vaccines for the greatest number of people the fastest possible. The Dominican Republic supported the initiative aimed at using TRIPS Agreement provisions that provided flexibilities in responding to public health issues for the benefit of all. COVID-19 was a global public health crisis that humanity was facing. Members therefore had to take the necessary measures to combat COVID-19. In line with that, the Dominican Republic supported the decision regarding the TRIPS Agreement provisions particularly as they related to the prevention and treatment of COVID-19 and hoped that the discussions on the topic would continue to take into account the needs of developing countries to have universal access to relevant treatments.

13.56. On a personal note, she said goodbye and thanked the Members including the different groups that the Dominican Republic were part of such as GRULAC, ACP, G-33, IGDC, among others, which had contributed to the strengthening of the position of her country in the different WTO Bodies taking into account each Member's differences. Similarly, she acknowledged the leadership of the General Council Chair in various meetings held at the WTO and the complexities that the pandemic had brought about. She congratulated the DDGs and the Secretariat for the work that they had carried out including the holding of the DG Selection Process – which she found to be an inclusive and transparent process carried out with a very high level of professionalism. She thanked Members for having elected her as Chair of the Committee on Trade Facilitation where Members continued to face a number of challenges. She hoped that they would overcome those and other obstacles including the Appellate Body impasse. She looked forward to the work on WTO Reform and on the appointment of the next Director-General which were important for MSMEs and export sectors. Members had the responsibility to show the world that the WTO was relevant and made sense, that it was there to alleviate poverty, improve living conditions and apply rules that were fair for all.

13.57. The representative of Canada was pleased that Members were able to reach consensus on the status report and the next steps in that important discussion. Canada was confident that Members would resolve any concrete IP challenges identified by them in an evidence-based and consensual manner. Canada once again highlighted its communication co-sponsored by Australia, Chile and Mexico in document IP/C/W/671 which sought to better understand the nature and scope of any concrete IP challenges experienced by Members related to or arising from the TRIPS Agreement which would constitute as impediments to the fight against COVID-19. Canada looked forward to an evidence-based and fruitful discussion of those important issues in the TRIPS Council. Canada was working closely with international partners including GAVI, the COVAX Facility and vaccine manufacturers to ensure that all possible options were explored in developing mechanisms to ensure doses got to people around the world who needed them.

13.58. Canada had contributed CAD 865 million to date to partners of the ACT Accelerator – a coalition of international organizations and countries overseeing the development, production and equitable distribution of affordable COVID-19 vaccines, therapeutics and diagnostics. Canada remained actively committed to a robust, multifaceted and global effort to address the pandemic – one that drew upon all the necessary resources and tools available in the international rule-based trading system as well as new mechanisms for global cooperation and procurement of treatments for COVID-19. As equitable, timely and affordable access to testing, treatments and effective vaccines would be critical for controlling and ending the pandemic, Canada looked forward to continued engagement with all Members of the international community including at the WTO in finding solutions to those global challenges.

13.59. The representative of Singapore said that, given the global impact of the COVID-19 pandemic, there was more to bind rather than divide Members. They were all in it together and had the same goals – to protect public health and mitigate effects of the pandemic through ensuring access to diagnostic, vaccines and treatment. That was best achieved in accordance with the agreed rules in the multilateral trading system. Singapore was heartened that Members had demonstrated an admirable willingness to dive deeper into an evidence-based discussion to develop a better understanding of the issue and identify effective and constructive solutions. Members should take a long-term perspective when considering the nexus between IP rights and public health. The COVID-19 pandemic was not the first nor would it be the last that the world would face. Any pandemic

would push to the forefront the question of how to achieve the optimal balance between providing incentives for innovation in developing new medical products and ensuring adequate supply and access of those medical products.

13.60. An effective and balanced IP regime provided an important incentive for medical innovation and the basis for sharing their innovation. It provided the private and public sectors with the necessary confidence to invest and collaborate. As a result, private-public partnerships had sprung up in the face of COVID-19 to develop vaccines in record time. The fact that at least one vaccine had received emergency approval less than a year from the outbreak of the COVID-19 pandemic was evidence that the existing rules-based system had worked. The long term sustainability of the multilateral trading system should be safeguarded by upholding rather than suspending rules during a crisis. Tackling the COVID-19 pandemic was a complex and multifaceted task. Singapore was a firm supporter of vaccine multilateralism and participated actively in multi-stakeholder initiatives like GAVI and the Coalition for Epidemic Preparedness Innovations.

13.61. Those initiatives had established new and innovative forms of cooperation including the access to COVID-19 Tools Accelerator and the COVID-19 Global Vaccines Access Facility or COVAX. Singapore was a member of the ACT Accelerator Facilitation Council where it represented the forum of small States and where it was committed to ensuring that the views of small States were reflected in the Council's deliberations. Those voluntary collaborations and the existing flexibilities under the TRIPS Agreement could ably accommodate Members' specific needs in securing access to diagnostics, vaccines and treatments. For example, the Serum Institute of India, which was the world's largest vaccine manufacturer by volume, had concluded the licensing agreement with AstraZeneca to supply one billion doses of vaccines for low and middle income countries. Similarly, South Africa's Aspen Pharmacare had also reached an agreement with Johnson and Johnson to manufacture its candidate vaccine.

13.62. The representative of Sri Lanka noted that, although success stories of three or four vaccines had emerged, there were no meaningful global policy solutions to ensure access to them except the COVAX initiative which had the capacity to cater to only 10% of the affected population in lower-middle income developing countries and the LDCs. Given the current global emergency with the virus continuously mutating in different countries with much vigour challenging the efficacy of the vaccines and posing severe strain on health workers and infrastructure facilities, it was important for Members to work together to ensure that IP rights such as patents, industrial designs, copyrights and protection of undisclosed information did not create barriers to the timely access to affordable medical products including vaccines and medicines and to scaling-up of research, development, manufacturing and supply of medical products essential to combat COVID-19.

13.63. An effective response to the COVID-19 pandemic required rapid access to affordable medical products including diagnostic kits, medical masks, other personal protective equipment and ventilators, as well as vaccines and medicines for the prevention and treatment of patients in dire need. Shortages of those products had put the lives of healthcare and other essential workers at risk and had led to many avoidable deaths. It was also threatening to prolong the COVID-19 pandemic. The longer the current global crisis persisted, the greater the socio-economic fallout, making it imperative and urgent to collaborate internationally to rapidly contain the outbreak.

13.64. Like other countries, Sri Lanka desperately wanted to bring its small economy back to normalcy to arrest the current setbacks in all economic spheres as it could not any longer keep its viable and dynamic economic sectors such as tourism closed to the outside world. That had contributed to nearly 20% to 30% of its services exports and was able to help promote economic stability in the country by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. The proponents and others such as Sri Lanka had shared different case studies where IP rights were likely to hinder and obstruct the expeditious and affordable access to many COVID-19 related products and items. There were also reports about IP rights hindering or potentially hindering timely provisioning of affordable medical products to the patients.

13.65. Sri Lanka was concerned and dismayed when some Members still required it to demonstrate actual situations and instances where such hindrance and obstruction would likely to occur. Sri Lanka doubted whether those requests were being made with genuine intentions or rather deploying delaying tactics to prevent the WTO taking certain measures to ease the challenges faced by many resource poor countries. Now was the time for the WTO to rise up to the collective call to defeat the

pandemic. The WTO would not succeed in its efforts in rebuilding the COVID-19 affected economies unless it acted now by first saving the lives of those who would rebuild those economies. It was time for Members to take collective responsibility and put people's lives before anything else.

13.66. Sri Lanka hoped that Members would engage constructively on the proposals contained in the relevant documents in 2021 with the understanding that vaccines and treatments became truly global public goods that could be accessed by humankind in the current century to collectively defeat the unprecedented challenge. While commending the proponents for their courageous initiative which Sri Lanka fully supported, Sri Lanka appreciated immensely the Chair of the TRIPS Council for bringing Members that far over the past few months on the file and wished that her future efforts would yield the desired results with the indulgence of the entire Membership.

13.67. The representative of Switzerland said that the discussions in the TRIPS Council had so far shown that Members shared a similar understanding of the very extraordinary circumstances in which the international community was facing with the COVID-19 pandemic. Members were united in their goal of bringing fair and equal access as soon as possible to products which would help tackle COVID-19. There was divergence on the fact that suspending a large part of the TRIPS Agreement throughout the pandemic would help meet that goal. Many thought that it could be an action which would do more harm than good. Switzerland also found it to be counterproductive and that it would lead to a significant legal uncertainty bringing into question a number of different international partnerships and other programmes aimed to ensure rapid and fair access to essential medical goods that were useful in tackling COVID-19.

13.68. Switzerland had put forward that the TRIPS Council continued its discussions and moved to an evidence-based, concrete discourse on the matter. As set out in the report of the TRIPS Council Chair, it was necessary for Members to continue the review of the proposed waiver and that Members were prepared to continue that in the TRIPS Council. Switzerland understood that until the review under the TRIPS Council was finished, there would not be another report to the General Council concerning the progress of those discussions.

13.69. The representative of Senegal noted that in line with the Doha Declaration on TRIPS and Public Health, the TRIPS Agreement should not prevent Members from taking measures to protect public health. The current socio-economic and health crisis impacted the entire world particularly developing countries and LDCs. It presented an opportunity to strengthen international solidarity and cooperation with a view to ensuring universal access to medical goods, medicines and vaccines to fight COVID-19. Senegal welcomed the constructive discussions held in the TRIPS Council and called on Members to continue working in that spirit as they built consensus on the matter.

13.70. The representative of the United Kingdom said that the existing IP framework had turbocharged research and development into a host of new medicines and technologies to fight COVID-19. In just 300 days, the world had gone from publishing the genetic sequence for SARS-CoV-2 to the approval of a clinically tested and effective vaccine with more to come. It was important to recognise that the IP framework had been integral to that success. Without it, the world would not have seen the massive surge of R&D and unprecedented scaling up of production. They would not be talking about access to a vaccine because there would not be one. Now that they had the vaccines and other innovative COVID-19 medicines and equipment, the question was rightly how to ensure rapid and equitable access for all those who needed it particularly lower income countries.

13.71. That day, Members had just heard the breaking news that Geneva's COVAX Facility had secured two billion doses of vaccines for distribution to 190 countries starting in Quarter 1 of 2021. Until there was global vaccination, the world would not recover. That was in all of their interest. The fastest way to get COVID-19 vaccines, treatments and tests to all who needed them irrespective of the ability to pay was to fully fund the ACT Accelerator of which the COVAX Facility was part of. The United Kingdom had put in USD 1 billion of the global total of USD 5 billion raised so far but the global vaccination initiative needed another USD 4.5 billion and the United Kingdom was asking a lot of major economies to join in and step up.

13.72. Voluntary licensing mechanisms and existing flexibilities in the existing IP framework had also allowed the transfer of access to technology and knowhow. Under those arrangements, AstraZeneca had reached a licensing and technology transfer agreement with the Serum Institute of India to supply one billion doses for lower and middle income countries. Another initiative brought

together British and Senegalese partners to share technology to produce ten million COVID-19 antibody tests by March 2021 to be used across West Africa. They all shared a common goal of achieving rapid access to effective and affordable COVID-19 vaccines and medicines for all who needed them. It was clear that they all agreed that more needed to be done to ensure that that happened. The United Kingdom would continue to play an active part in the discussions on the topic in the TRIPS Council and on the role that the WTO could play in that regard.

13.73. The representative of India noted that more than half of the Membership had expressed support on the Waiver and acknowledged the tremendous support from various organizations and multilateral agencies. Rarely had an issue being dealt within WTO united so many divergent groups of society across developed, developing and least-developed countries in delivering a clear message. While discovering vaccines had been a test of science, making them accessible and affordable was going to be a test of humanity. Now that they could see the silver lining in terms of emerging successful vaccines, it was in every Member's interest, economic or otherwise, that the pandemic was brought under control as early as possible by providing an equitable, affordable and timely access to vaccines for all. Even for economic argument, 1% of improvement in world GDP from the baseline scenario would add more than USD 800 billion in global output.

13.74. During the initial stages of the pandemic, nations pursued their health security goals. Everyone had witnessed the shortages of essential COVID-19 items like PPE kits, gloves and sanitizers at the start of the pandemic. But the world had been able to upscale the manufacturing of those items by pooling resources and production capacities. At present, Members needed the same pooling of IP rights and know-how for scaling up the manufacturing of vaccines and treatments, which unfortunately had not been forthcoming, necessitating the need for a waiver. India emphasized that it was not a proposal only for India but for the global community at large. India could be having the required manufacturing capacity and the national legislations to cater to its needs. But in a global pandemic, where every country was affected, Members needed a global solution. The global community should not be looking inward at that juncture. Though Members had repeatedly heard that no one was safe until everyone was safe, even the most optimistic scenarios that day could not assure access to vaccines and therapeutics for all even by the end of 2021.

13.75. The WTO had the responsibility to ensure that any of its agreements including on TRIPS did not become a barrier to accessing vaccines, treatments or technologies in the global response to COVID-19. The Waiver was a targeted and proportionate response to COVID-19 as it sought waiver for a limited period from four specific sections of the TRIPS Agreement. It would ensure that the intellectual property rights did not restrict rapid scaling up of manufacturing of COVID-19 products. All Members had agreed that the real challenge now was to ramp up manufacturing capacity.

13.76. India welcomed the global cooperation initiatives including COVAX and ACT-accelerator. Those initiatives were however inadequate to meet the massive global needs of the 7.8 billion people of the world. None of the pharmaceutical companies developing the vaccines had joined the WHO's C-TAP initiative which encouraged voluntary contribution of IP, technology and data to support global sharing and scale-up of manufacturing and supply of COVID-19 medical products. Compulsory licenses were issued on a country-by-country, case-by-case and product-by-product basis, where every jurisdiction with IPs would have to issue separate compulsory licenses, practically making collaboration among countries extremely onerous. While the proponents encouraged the use of TRIPS flexibilities, the same were time-consuming and cumbersome to implement. Hence, their use in the context of the COVID-19 pandemic did not present a viable option.

13.77. Over the course of four formal and informal meetings of the Council for TRIPS, the proponents had provided substantive answers including evidence-based answers to the questions raised by some Members with the spirit of constructive engagement. The proponents would be interested in knowing that further evidences were sought. It was important to keep in mind that how the Membership chose to respond to the pandemic that day would be remembered for years to come. Members needed to take time-bound action now and prove to the world that the WTO could deliver in times of crisis. History was being written that day. It was up to the Members to choose which side of history they would like to be. India hoped that all Members would rise to the collective call of action and could achieve consensus for the Waiver that was crucial for saving people's lives.

13.78. The representative of Nepal said that the matter had been rigorously discussed in the meetings of the TRIPS Council held in October, November and December. Sufficient justification had been well presented by the proponents and other supporters including Nepal. Therefore, without

adding further justification, Nepal fully supported the proposal and requested all Members to positively consider it and take a meaningful decision at the General Council. It would help shape the lives of millions of people across the world during the COVID-19 pandemic.

13.79. The representative of Chad, on behalf of the LDCs, noted that the proposal had a very noble goal of ensuring that intellectual property rights such as patents, industrial designs, copyrights and the protection of undisclosed information did not create obstacles to the timely access to affordable medical goods including vaccines and medicines. According to the recent UNCTAD report, since the beginning of the pandemic, every inhabitant of a high income country had on average seen the benefits of an extra USD 10 per month with regard to the import of COVID-19 products. That amount was much lower in the LDCs. Given the exceptional circumstances, it was important to remove potential barriers related to intellectual property. It was likewise important to take all of the necessary measures to ensure that everyone had access to affordable vaccines and medicines. The LDC Group urged all Members to constructively engage and be on the good side of the issue.

13.80. The representative of Indonesia said that the TRIPS Agreement was a critical agreement in the discussion of access to health. The importance of the agreement had been highlighted not only by the WTO but also in the field of human rights concerning access to medicines for the right of everyone to the enjoyment of the highest attainable standard of physical and mental health. Special compulsory licensing was an achievement in itself. However, the fact that there had only been a single case of implementation had highlighted the ineffectiveness of the system due to its complexity and impractical application – not to mention that those who had tried to implement the system would be scrutinized by their trading partners. While calling on Members who were yet to ratify the Special Compulsory Licensing System to do so at the earliest, Indonesia also supported the effort by the TRIPS Council to simplify the procedures to ensure the effectiveness of the system.

13.81. On the proposed waiver, the pandemic had highlighted the shortfalls of the TRIPS Agreement in addressing a global health crisis. The Waiver was Members' response to ensure that IP rights would not become barriers for scaling up production of much needed medicines, vaccines, diagnostics and other essential medical products to combat COVID-19. Ramping up production was the key to unblock the affordable, equitable and rapid access of those much needed products. Indonesia had shared its experiences in the TRIPS Council on questions posed by some Members on how IP rights could become a serious hindrance to the rapid access in critical situations. Given the extraordinary circumstances, Members should have a clear timeline to ensure that the discussion on that very important issue would conclude in light of the spread of the pandemic. Indonesia looked forward to continue the discussions on the proposal to advance global solidarity and scale up production to fulfil the need for access to the vaccines, medicines and health equipment to combat COVID-19 for the benefit of all.

13.82. The representative of Nigeria noted that, given the threat to humanity posed by COVID-19, the WTO should and could play a role in ensuring that patents and other intellectual property rights did not constitute barriers to upscaling of research, development, manufacturing and supply medical products essential to combat COVID-19. To date, COVID-19 was the most widely spread pandemic affecting the global community. By implication, there was an urgent need for everyone to have access to the vaccines. The TRIPS Agreement had provided flexibilities but the administrative procedures were too cumbersome. In view of the urgent need to have access to vaccines by developing countries and LDCs in order to combat COVID-19, the proposal for a waiver, if approved by the General Council, would go a long way in assisting Members with low capacity to have access to the vaccines. Nigeria therefore supported the joint proposal in document IP/C/W/669.

13.83. The Chairman said that the discussion that day had well highlighted the importance that Members had attached to the issue and he encouraged all delegations to remain positively engaged in the further discussions in the TRIPS Council. He also thanked the TRIPS Council Chair for her leadership. As had been heard earlier, the TRIPS Council would report back to the General Council in line with Article IX:3 of the Marrakesh Agreement.

13.84. The General Council took note of the TRIPS Council Chair's report and of the statements.¹²

¹² At its request, the statement of the delegation of Oman is incorporated in the Minutes of this General Council meeting and can be found in Annex 6 of this document.

14 WAIVERS UNDER ARTICLE IX OF THE WTO AGREEMENT

14.1 Introduction Of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/782)

14.2 Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/783)

14.3 Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/784)

14.4 Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions – Draft Decision (G/C/W/785)

14.1. The Chairman recalled that the draft waiver decisions in sub-items 14(a) to 14(d) had been taken up for consideration by the Council for Trade in Goods at its November meeting. For those items, the Chairman of the Council for Trade in Goods was required to report to the General Council. He therefore invited Ambassador Anzén, Chairman of the Council for Trade in Goods, to report on the Council's consideration of those matters in a single intervention.

14.2. Ambassador Mikael Anzén (Sweden), Chairman of the Council for Trade in Goods, reported that the Council for Trade in Goods, at its meeting of 25 and 26 November 2020, had considered and had approved four collective waiver requests relating to the introduction of Harmonized System changes into WTO Schedules of Concessions. Those four collective waiver requests had been discussed at the Market Access Committee meeting of 12 and 16 November 2020 and had been forwarded to the Council for Trade in Goods for its consideration.

14.3. He reported that, after the CTG meeting, Ecuador had requested the Committee on Market Access to be included in the Annex to the waivers concerning the HS2012 and HS2017, as from 1 January 2013, and as from 1 September 2017, respectively.

14.4. The four collective waiver requests were extensions to the current waivers on the introduction of Harmonized System 2002, 2007, 2012, and 2017 changes into WTO Schedules of Concessions, and were contained in the documents listed in the Airgram of that day's meeting (G/C/W/782, G/C/W/783, G/C/W/785 and G/C/W/785). The CTG had recommended that the draft waiver decisions contained in those waiver requests be forwarded to the Council for adoption.

14.5. The Chairman said that unless delegations wished to comment on the draft decisions, he proposed that, in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93), the General Council adopted those four draft Decisions referred to by Ambassador Anzén in his report, and which related to the Introduction of Harmonized System 2002, 2007, 2012 and 2017 changes into WTO Schedules of Tariff Concessions, including with respect to the request by Ecuador to be added in the Annex to the waivers in G/C/W/784 and G/C/W/785.

14.6. The General Council so agreed.¹³

14.5 Review of Waivers Pursuant to Article IX:4 of the WTO Agreement

14.5.1 Preferential Treatment in favour of Services and Service Suppliers of Least-Developed Countries, granted on 17 December 2011 until 31 December 2030 (WT/L/847, WT/L/982)

14.5.2 Preferential tariff treatment for least-developed countries, granted on 16 October 2019 until 30 June 2029 (WT/L/1069)

¹³ The decisions were subsequently circulated in documents WT/L/1104, WT/L/1105, WT/L/1106 and WT/L/1107.

14.5.3 Cuba – Article XV:6 – Extension of waiver, granted on 7 December 2016 until 31 December 2021 (WT/L/1003, WT/L/1102)

14.5.4 European Union – Application of Autonomous Preferential Treatment to the Western Balkans, granted on 7 December 2016 until 31 December 2021 (WT/L/1002, WT/L/1103)

14.5.5 United States – African Growth and Opportunity Act, granted on 30 November 2015 until 30 September 2025 (WT/L/970, WT/L/1097)

14.5.6 United States – Caribbean Basin Economic Recovery Act, granted on 16 October 2019 until 30 September 2025 (WT/L/1070, WT/L/1096)

14.5.7 United States – Former Trust Territory of the Pacific Islands, granted on 7 December 2016 until 31 December 2026 (WT/L/1000, WT/L/1098 and WT/L/1098/Corr.1)

14.5.8 United States – Trade Preferences granted to Nepal, granted on 7 December 2016 until 31 December 2025 (WT/L/1001, WT/L/1099)

14.7. The Chairman recalled that, in accordance with Paragraph 4 of Article IX of the WTO Agreement, "any waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates." There were eight waivers before the General Council for review and they were listed in the proposed Agenda. He stressed that those waivers had already been agreed by the General Council and that they were in force. The General Council was not expected to take any new decision on their renewal or otherwise at that meeting.

14.8. Five of the waivers under review provided that an annual report should be submitted by the Member concerned regarding the operation or implementation of those waivers with a view to facilitating their annual review by the General Council. The three reports from the United States and the reports from Cuba and the European Union had been circulated in documents WT/L/1096, WT/L/1097 and WT/L/1098 including the corrigenda, and WT/L/1102 and WT/L/1103, respectively.

14.9. The representative of Saint Lucia, on behalf of CARICOM, said that the United States remained a key trading partner of CARICOM and represented its single largest export market. CARICOM had deep economic ties and placed a very high priority with its relationship with the United States. That relationship had become concrete and had been cemented through the United States' longstanding trade, development and recovery support to the Caribbean Community countries through the CBERA. While taking note of the declining export performance from the Caribbean Region to the United States, the CBERA continued to provide vital market access to the small vulnerable economies of the Caribbean and had assisted firms including many small ones to beneficially integrate into value chains. It provided secure access to critical supply chains and a vast market for a range of products across diverse economic sectors.

14.10. That trade development support had become even more relevant in light of the increase susceptibility of the region to natural disasters such as hurricanes, earthquakes and severe coastal flooding. The Caribbean was a zone of peace and security. Key to preserving that state of being was the maintenance of crucial economic and trade ties. Given CARICOM's unique circumstances and vulnerabilities, the CBERA waiver was a key policy tool that supported the economic resilience and social stability of the region. CARICOM underscored the economic recovery nature and objectives of the CBERA and thanked the United States for its valued partnership with the region through the CBERA and other mechanisms of support. CARICOM thanked the United States for its submission and its continued partnership.

14.11. The representative of Jamaica associated with the statement made by CARICOM. The CBERA was a vital element in the Jamaica-US trade and economic relations which had served to facilitate increased integration between the economies of the two countries. It had contributed positively to Jamaica's economic development through private sector initiatives, expanded foreign and domestic investment in not only traditional but in particular non-traditional sectors and had served to diversify Jamaica's export product profile. It was also an important source of income and employment. The

United States had been Jamaica's main trading partner since the 1960s accounting for just over 40% of Jamaica's total merchandise trade. Trade was therefore a critical part of its strategic partnership with the United States.

14.12. The extension of the CBERA which expanded the Caribbean Basin Trade Partnership Act to September 2030 was welcomed by Jamaica. That development was of fundamental importance for Jamaican exporters to the US market under the CBERA. Jamaica greatly valued the market access opportunities provided under those programmes for both its traditional and non-traditional products. It would prove instrumental that time when sustained economic growth and job creation had gained even greater prominence for the country as it continued to grapple with the devastating effects of the COVID-19 pandemic. Jamaica thanked the United States for its submission.

14.13. The General Council took note of the reports in documents WT/L/1096, WT/L/1096/Corr.1, WT/L/1097, WT/L/1097/Corr.1, WT/L/1098, WT/L/1098/Corr.1¹⁴, WT/L/1098/Corr.2, WT/L/1099, WT/L/1102 and WT/L/1103 and of the statements.¹⁵

15 REVIEW OF WTO ACTIVITIES

15.1 General Council (WT/GC/W/809), Dispute Settlement Body (WT/DSB/81) and Trade Policy Review Body (WT/TPR/452)

15.2 Sectoral Councils (G/L/1381, S/C/60, and IP/C/87) and Committee on Agriculture (G/L/1380)

15.3 Committees on Trade and Development (WT/COMTD/100), Trade and Environment (WT/CTE/27), Balance-of-Payments Restrictions (WT/BOP/R/118), Budget, Finance and Administration (WT/BFA/192), and Regional Trade Agreements (WT/REG/31)

15.4 Working Group on Trade and Transfer of Technology (WT/WGTTT/22)

15.5 Committees under the Plurilateral Trade Agreements (GPA/AR/3, WT/L/1100 – TCA/16)

15.1. The Chairman referred to the reports listed under item 15 of the agenda which had been prepared in line with the Decision concerning Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO (WT/L/105). He noted that the Committee on Agriculture had met after the meeting of the Council for Trade in Goods. For that reason, its Annual Report had been forwarded directly to the General Council. He also noted that the Working Group on Trade, Debt and Finance would report at a later stage.

15.2. He proposed that, in accordance with past practice, the General took action on those reports. He invited the General Council to adopt the report of the Committee on Trade and Development in document WT/COMTD/100, and to take note of the reports of the other WTO bodies, including the reports of the Committees under the Plurilateral Trade Agreements, listed in the Proposed Agenda.

15.3. The General Council so agreed.

15.4. The Chairman proposed that the General Council adopted the draft Report of the General Council contained in document WT/GC/W/809, on the understanding that the Secretariat would make the necessary adjustments to that Report to include matters that had been considered at the current meeting.

15.5. The General Council so agreed.¹⁶

¹⁴ Issued in English only.

¹⁵ At its request, the statement of the delegation of Chad, on behalf of the LDCs, is incorporated in the Minutes of this General Council meeting and can be found in Annex 7 of this document.

¹⁶ The 2020 Annual Report of the General Council was subsequently circulated in WT/GC/227.

16 APPOINTMENT OF OFFICERS TO WTO BODIES – ANNOUNCEMENT BY THE CHAIR PURSUANT TO PARAGRAPH 7.1(A) OF THE GUIDELINES (WT/L/510)

16.1. The Chairman recalled that the relevant Guidelines provided that the outgoing General Council Chair conducted consultations on the appointment of Chairpersons to the WTO bodies in Groups 1, 2, 4 and 5 of its Annex. The Guidelines also stipulated that the selection process should start with the Chair's announcement at the last regular General Council meeting of the year. In accordance with the Guidelines, he would be assisted in the selection process by the serving DSB Chair – Ambassador Dacio Castillo.¹⁷

16.2. A list of past Chairs of major bodies was available to delegations at that meeting. He stressed that in accordance with the Guidelines, representatives of Members in financial arrears for over one full year could not be considered for appointment. Consultations would begin early in January. He therefore encouraged the four group coordinators – (i) Africa, (ii) Asia and the Pacific; (iii) Latin America and the Caribbean, and (iv) developed countries – to already begin their process of internal consultations now so that they could be in a position to present names in early January.

16.3. The process would begin with a collective meeting of group coordinators, and a specified time-period would subsequently be indicated in which he and his colleagues would be available to hear the views of all interested delegations. He urged all delegations to work with group coordinators with a constructive spirit. As the Guidelines clearly stipulated, the process of appointment of Chairs was a routine annual "housekeeping" function whose purpose was to ensure that the organization continued to be able to handle its business in a smooth and seamless way and which should be approached in a way conducive to the smooth conduct of ongoing business. He counted on everyone's cooperation and positive engagement.

16.4. The General Council took note of the Chairman's statement.

17 COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION – REPORTS ON MEETINGS OF OCTOBER AND NOVEMBER 2020 (WT/BFA/189, WT/BFA/190, WT/BFA/191)

17.1. The Chairman drew attention to the reports in document WT/BFA/189, WT/BFA/190 and WT/BFA/191 and invited Ambassador Teehankee, Chairman of the Committee on Budget, Finance and Administration, to introduce them. The General Council would then take action on the recommendations from the Budget Committee. Subsequently, Ambassador Teehankee would provide an update on Administrative Measures for Members and Observers in arrears.

17.2. Ambassador Manuel Teehankee (Philippines), Chairman of the Committee on Budget, Finance and Administration, reported that, since his last report to the General Council, the CBFA had met on several occasions. He presented to Members the reports of the CBFA for meetings that had taken place in October and November. His remarks that day would focus on the meeting of the CBFA held on 19 November 2020, and the items recommended for approval by the General Council. The report of the 19 November meeting was circulated in document WT/BFA/191.

17.3. With respect to the ITC 2021 Budget Proposal in document JOB/BFA/44, the CBFA had discussed the proposal during its meeting of 23 June 2020. He had also held consultations with delegations and ITC management to gather further information. The consultations had been constructive and had helped clarify procedures and issues. He was pleased to inform Members that, following those discussions, the CBFA had endorsed the ITC 2021 Budget proposal. The Committee was therefore submitting the following recommendation to the General Council for approval:

"The Committee recommends to the General Council that the budget for 2021 of the International Trade Centre UNCTAD/WTO be approved in the amount of CHF 36,686,250. With miscellaneous income being estimated at CHF 200,000, the amount to be provided by the WTO to the International Trade Centre UNCTAD/WTO budget for 2021 shall be CHF 18,243,125."

¹⁷ In line with the Guidelines, the former General Council Chair, Ambassador Sunanta Kangvalkulkij, is also assisting in the selection process.

17.4. Concerning the WTO 2021 Budget Proposal in document WT/BFA/W/523/Rev.1, delegations would recall the protracted deliberations on the 2020-2021 WTO budget proposal that had taken place in 2019. In the final analysis, the CBFA had made a recommendation to the General Council to approve the 2020 budget and further, in light of exceptional circumstances in 2019, to take note of the proposed 2021 WTO budget which would be subject to finalization on 2020.

17.5. The WTO 2021 budget proposal had been formally presented to the CBFA on 23 June, and it had been discussed by Members during meetings held on 7 July, 17 September and 5 October. Following that meeting, the Secretariat had circulated, on 6 October 2020, a non-paper setting out changes that had been suggested to clarify some of the paragraphs in the 2021 WTO Budget Proposal. The clarifications identified in that non-paper had been reflected in document WT/BFA/W/523/Rev.1 dated and released on 9 November 2020. He had also held informal consultations with delegations which had been very helpful.

17.6. He was very pleased to inform delegations that following those discussions, the Committee had endorsed the WTO 2021 Budget Proposal at its meeting held on 19 November 2020, and was herewith submitting the following recommendation to the General Council for approval:

"The General Council,

HAVING CONSIDERED

The 2021 WTO Budget, which amounts to CHF 197,203,900, as set forth in Tables 1, 2, and 3 and the scale of contributions in Table 5 of document WT/BFA/W/523/Rev.1

RESOLVES THAT

The 2021 WTO Budget, be financed as follows:

- a. Contributions from Members in the amount of CHF 195,500,000; and
- b. Miscellaneous income of CHF 1,703,900.

APPROVES the WTO Budget for 2021 as presented in document WT/BFA/W/523/Rev.1 amounting to CHF 197,203,900."

17.7. The General Council approved the Budget Committee's specific recommendation in paragraph 4.15 of WT/BFA/191 concerning the ITC 2021 Budget Proposal; approved the specific recommendation in paragraph 5.23 of WT/BFA/191 concerning the WTO 2021 Budget Proposal; took note of the CBFA Chairman's statement and adopted the reports in WT/BFA/189, WT/BFA/190 and WT/BFA/191.

17.8. The Chairman recalled that the General Council Procedures for Members and Observers subject to Administrative Measures in WT/BFA/132 required that, at the end of each meeting of the General Council, the Chair of the Committee on Budget, Finance and Administration would provide information with regard to which Members and Observers were under Administrative Measures.

17.9. Ambassador Manuel Teehankee (Philippines), Chairman of the Committee on Budget, Finance and Administration, recalled that the administrative measures applicable to Members and Observers with arrears in contribution had been in place since 1 March 2013. In accordance with the decision of the General Council, he should state all Members and Observers under all categories of administrative measures.

17.10. As of 18 December 2020, there were currently a total of 13 Members and 5 Observers under Administrative Measures. He would begin by reading out the list of Members and Observers subject to Measures of Category III. Currently 6 Members were subject to measures of Category III. Those Members were: Antigua and Barbuda; Burundi; Central African Republic; Guinea-Bissau; Sierra Leone and Bolivarian Republic of Venezuela. In addition, the following 3 Observers were subject to measures of Category III: Libya; Sao Tomé and Principe and Somalia.

17.11. The following 4 Members were subject to measures of Category II: Congo; Democratic Republic of Congo; Senegal and Yemen. Further to Annex B to the Financial Regulations (WT/L/156/Rev.3, 27 February 2015), the Members and Observers that he had listed as being subject to measures of Category III were also subject to measures of Category II.

17.12. The following 3 Members were currently subject to measures of Category I only: Cuba; Ghana and Guinea. In addition, the following 2 Observers were currently subject to measures of Category I only: Iran and Syrian Arab Republic. Further to Annex B to the WTO Financial Regulations, the Members and Observers that he had listed earlier as being subject to measures of Categories III and II, were also subject to measures of Category I.

17.13. With regard to that matter, the Committee on Budget, Finance and Administration made the following recommendation to the General Council: "The Committee invites the General Council to urge Members and Observers under Administrative Measures to liquidate their arrears." He extended appreciation to delegations who, prior to the General Council meeting, had also remitted their contributions.

17.14. The Chairman recalled that, as required by the General Council Procedures, at each General Council meeting, he invited the Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears could be expected.

17.15. The representative of Cuba noted that it was a Member subject to administrative measures due to its late payment of the contribution to the organization's budget. Between 2009 and 2020, particularly at the end of that period during the COVID-19 pandemic, Cuba continued to face economic and financial embargo from the United States which had been aggravated by the hostility of the Trump Administration – particularly impacting the financial services sector. Among the measures included fines to foreign banks for having conducted transactions with Cuba; the adding of Cuban companies to unilateral lists and the application of US legislations and other measures against foreign companies and vessels that transported goods to Cuba.

17.16. Multi-million dollar fines on foreign banks continued to be imposed for transacting with Cuba which had led to Cuban transactions being conducted through more difficult and burdensome processes which would otherwise be the case. Those related in particular to the fines applied to companies from the banking and financial sectors (i.e. banks in Germany, Austria, Italy and the United Kingdom). The embargo continued to have a financial impact and created risks in the country resulting in huge difficulties for Cuban companies to access banking loans under favourable conditions including the payment of interest rates that were higher than usual.

17.17. There was also the issue of late internal payments including those subject to negotiation. Cuba had to consequently use resources that would have otherwise been used to build its productive capacity or to help its people through social priority programmes. However, due to those measures, Cuban banks instead had to face those great difficulties on a daily basis to allow them to conduct their day to day business pushing Cuba to seek new alternatives to be able to ensure financial flows continued in the country. Between April 2019 and March 2020, for several reasons, the number of foreign banks transacting with Cuban banks had gone up to 136.

17.18. In addition, it was almost impossible for Cuba to use the US dollar in its financial and other transactions. As a result, Cuba had had banking operations and other contracts cancelled – impacting foreign banks since they could not make any transfers to or from Cuba as well as transactions within the country. Despite those challenges, Cuba reiterated its firm determination to meet its financial obligations on the international setting including in its commitment in relation to the WTO budget.

17.19. The General Council took note of the statements.

18 OTHER BUSINESS

18.1 G20 Leaders' Declaration – Riyadh Summit – Statement by the Kingdom of Saudi Arabia

18.1. The representative of the Kingdom of Saudi Arabia, speaking under "Other Business", said that it had been honoured to host the G20 Leaders' Summit virtually during the period of 21-22

November. It had been the second meeting for the G20 Leaders under the Saudi Arabian Presidency in that exceptional year. The first meeting of the G20 Leaders had been held virtually on 26 March to support a coordinated global response to the COVID-19 pandemic. The Saudi Arabian Presidency had set one goal – realising opportunities of the 21st century for all – which addressed three things: empowering people, safeguarding the planet, and shaping new frontiers. Those themes were relevant now more than ever for overcoming the global crisis – building an inclusive, resilient and sustainable recovery and shaping a better world for all.

18.2. The G20 had adopted the priority to be implemented on top of which was addressing the healthcare, economic and social impact of the COVID-19 pandemic. They had also agreed to take all necessary measures to protect lives and livelihoods and support the most vulnerable groups. To achieve that, the G20 had taken several actions in 2020. First, the G20 countries had pledged after the outbreak more than USD 21 billion to support the immediate funding needs notably for the development of diagnostic tools, vaccines and effective therapeutics. Second, as a part of 2020's G20 Action Plan, the G20 had injected over USD 11 trillion into the global economy to support businesses and protect individuals' livelihoods. Third, the G20 had provided support to the vulnerable, emerging and low income countries to help overcome the pandemic in the form of debt relief worth more than USD 14 billion.

18.3. At the end of the Summit, the G20 Leaders had endorsed the Riyadh Leaders' Declaration circulated in document WT/L/1101. In the declaration, the G20 Leaders had expressed their strong commitment to coordinated global action, solidarity, and multilateral cooperation. They had committed to working together to overcome the COVID-19 pandemic, restore growth and jobs and build a more inclusive, sustainable and resilient future. The G20 Leaders had agreed to spare no efforts to creating the conditions of affordable and equitable access to COVID-19 vaccines, therapeutics and diagnostic tools. The G20 Leaders had committed to continue supporting the multilateral trading system and realise the goal of fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment in keeping markets open.

18.4. Leaders had also endorsed the G20 Action to support world trade and investment in response to COVID-19 and recognise the contribution that the Riyadh Initiative on the Future of the World Trade Organization had made by providing an additional opportunity to discuss and reaffirm the objectives and foundational principles of the multilateral trading system as well as to demonstrate their ongoing political support for the necessary reform of the WTO including in the lead up to MC12. Saudi Arabia thanked all G20 members, guest countries and international organizations, the business community and the civil society for their participation and contribution throughout the entire year of the Saudi G20 Presidency. Saudi Arabia looked forward to the next meeting of the G20 in Italy in 2021 and wished all the best for Italy in its upcoming presidency.

18.5. The representative of Japan took the floor as Japan was one of the troikas of the G20 in 2020. At the Riyadh Summit, the G20 leaders had successfully sent a clear message on what they envisaged for the post-pandemic world, including international cooperation to secure sufficient access to vaccines and medicines, recovery of the global economy, resumption of international travel, promotion of digitalization and actions to tackle climate change.

18.6. On trade, the G20 leaders had agreed to "strive to realise the goal of a free, fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment." Furthermore, the G20 had showed the political will to promote WTO Reform through the Riyadh Initiative. Japan looked forward to follow up those achievements and overcome global challenges in cooperation with the relevant Members and stakeholders under the new leadership provided by Italy. Japan appreciated Saudi Arabia's leadership as the G20 Chair which had brought a substantive outcome during that unprecedented and challenging time due to the COVID-19 pandemic.

18.7. The General Council took note of the statement.

18.2 Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns – Statement by the European Union

18.8. The representative of the European Union, speaking under "Other Business", took the floor on behalf of all co-sponsors of the proposal for "Procedural Guidelines for WTO Councils and Committees Addressing Trade Concerns". The European Union informed Members that the co-

sponsors were continuing outreach on the proposal. They had been receiving useful feedback and would like to bring forward a number of conversations before reverting to the General Council. The co-sponsors would therefore continue engaging with Members on their questions and comments and intended to resume their conversation in that forum at the next opportunity.

18.9. The General Council took note of the statement.

18.3 International Year of the Creative Economy for Sustainable Development 2021 – Statement by Oman

18.10. The representative of Oman, speaking under "Other Business", referred to the UN General Assembly in its decision in A/C.2/74/L.16/Rev.1 dated 8 November 2019 which stated:

"Stressing that the creative economy can contribute to the three dimensions of sustainable development and the achievement of the 2030 Agenda, including by fostering economic growth and innovation, eradicating poverty, creating full and productive employment and decent work for all, improving the quality of life and empowerment of women and young people, and reduce inequality within and among countries,

Stressing the importance of regular, reliable and comparable data on the contribution of the creative economy to the achievement of the Sustainable Development Goals,

1. Decides to declare 2021 the International Year of Creative Economy for Sustainable Development;
2. Encourages all Member States, organizations of the United Nations system and other international and regional organizations, as well as civil society, private sector, non-governmental organizations, academics and individuals, to observe the International Year in an appropriate manner and in accordance with national priorities, in order to raise awareness, promote cooperation and networking, encourage sharing best practices and experiences, enhance human resource capacity, promote an enabling environment at all levels as well as tackle the challenges of creative economy;
3. Invites the United Nations system and all relevant stakeholders to contribute to and support the International Year;"

18.11. Oman was a country that was rich with history, culture, heritage, crafts, designs, arts, music, fashion and gastronomy, with diverse traditions and cultural expressions. The famous Omani dagger, like the one behind her, the Omani international perfume called Amouage with its distinguished Omani dagger design which could be found at Globus and Bongénie, the very well-known Omani Halwa, the Omani singing called Al-Azi, the Omani famous organic frankincense and the Omani beautiful fashions that some delegations had seen Omanis wear during their national days were just some examples of the wealth and richness of Omani culture and heritage.

18.12. Oman therefore took the opportunity to bring to Members' attention the importance of the creative industries and their contribution to the economic development and employment in many countries particularly in developing countries and LDCs. It was important to mention that many countries were experiencing the negative impact of COVID-19 on the Creative Economy and on those who worked in that sector. Consequently, the negative effects of the pandemic on creative industries would affect the economic growth of countries post COVID-19.

18.13. Before the pandemic had hit, UNCTAD had published the Creative Economy Outlook report 2018 which, according to UNCTAD, had shown growth and dynamism in international trade of creative goods and services. Between 2002 and 2015, the global market for creative goods – dominated by design, fashion and film – had more than doubled in size from USD 208 billion to USD 509 billion. Contribution of the sector to the global GDP was at 3%.

18.14. WTO agreements played an important role in creative industries through the TRIPS Agreement, the Agreement on Trade Facilitation, the GATT, the GATS, the TBT Agreement, and the Work Programme on Electronic Commerce. For example, creative industries were covered under the schedule of specific commitments on audio-visual and tourism related services which were important

sectors in creative industries. The link between tourism and the demand for creative goods and services was well known.

18.15. MSMEs constituted the majority of those who worked in the creative industries. Some characteristics of the sector were its vulnerability, nature of activity, seasonality of activity, job intensiveness, nature of service offered was not essential, size of company was MSMEs, absence of social protection, lack of IP protection, digital illiteracy and difficulty in finding funding.

18.16. In many developing countries, creative industries were the engine for economic growth. The failure rate in small businesses and creative industries was however increasing as the COVID-19 pandemic was still negatively affecting the world economy. The Creative Economy's survival depended on its resilience, creativity, innovation and adaptation. In that regard, digitalization had reduced some barriers and had allowed many creative industries to access different markets.

18.17. As vulnerable as the creative industries were, they were a vital sector in the revival and recovery of developing country and LDC economies post COVID-19 pandemic. As the world was preparing to celebrate the International Year of Creative Economy for Sustainable Development in 2021, public-private cooperation was crucial to ensure business-led recovery with sufficient support to be provided to creative industries to safeguard inclusive recovery.

18.18. Because 2021 was the International Year of the Creative Economy, Oman encouraged the interagency cooperation of the WTO, UNCTAD and ITC to devote its work to analysing the evolution of trade policies and market access from the specific perspective of the goods and services classified as relevant for the Creative Economy. Oman hoped that the WTO together with UNCTAD, ITC, UNESCO, and other international organizations would work together in 2021, in the International Year of Creative Economy for Sustainable Development, to support the revival of the creative industries through initiatives such as Aid for Trade and any other cooperation programmes.

18.19. The representative of Colombia noted that the Government of Colombia had an intensive programme in its country for promoting creative industries – the orange economy. That was why Colombia firmly supported the UN Resolution declaring 2021 as the International Year of the Creative Economy. The WTO could make a significant contribution to the inter-agency work on that which would begin in January. Colombia invited interested Members to participate in the discussion and in the learning and collective creation process. Colombia had already submitted ideas to the WTO on that in the 2019 Public Forum underscoring the importance and the opportunities of the orange economy as part of the multilateral work in the organization.

18.20. The General Council took note of the statements.

18.4 WTO Virtual Meetings – Statement by Oman

18.21. The representative of Oman, speaking under "Other Business", brought to Members' attention the challenges and difficulties that were faced by some Members in dealing with COVID-19 WTO virtual meetings to start a conversation on the issue. After almost ten months of working virtually, delegations could share experiences, learn from each other's virtual work best practices and exchange information on the benefits, challenges and difficulties they had faced in the past couple of months.

18.22. As the COVID-19 pandemic waves moved from one country to another at different times, lockdowns were happening in different regions of the world at different levels and periods. Families locked in small places with children attending virtual schools, partners attending virtual work and WTO officials attending their WTO meetings. Members were aware that working under such circumstances was not easy. Nevertheless, one of the benefits of virtual working was that more officials from the capital could attend meetings otherwise attended by one or two capital-based officials.

18.23. The challenges though outweighed the benefits. Oman had decided to share its experience with Members and to hear and learn from others. In Oman, its government working hours were from 7:30 a.m. to 2:30 p.m. When a meeting started at 10:00 a.m. Geneva time, it was already 1:00 p.m. in Oman. The time difference made it difficult for the government officials who were working full day in the office to continue their work until late hours of the evening at home. When a meeting started

at 3:00 p.m. in Geneva, it was 6:00 p.m. in Oman. When the meeting finished at 6:00 p.m. Geneva time, it was already 9:00 p.m. Muscat time. The official who attended WTO meetings would still have to attend to his or her office work the next day and attend WTO meetings afterwards. Whereas when officials travelled to Geneva to attend meetings, they functioned according to Geneva working hours and Geneva meetings. They had no other obligations.

18.24. Internet connection was another challenge. During so many times in the fisheries negotiations, Oman could not clearly hear other Members' statements or it had lost connection completely in Geneva or in the capital. The most asked question in 2020 was probably, "Can you hear me?" For important negotiations like fisheries, having half sentences or unclear messages did not create the right environment conducive to reaching the desired results. As with physical meetings, the virtual meetings had not improved the situation for small missions because meetings were still held in parallel and small missions still had to choose between the meetings that they would log in to.

18.25. The situation during the COVID-19 pandemic was not business as usual. While some organizations like WIPO had to adapt to the current circumstances by reducing meeting time to take into consideration time differences around the world, they had also postponed negotiations and decision-making on substantive issues that were not urgent. Meanwhile, the WTO had been operating in a business as usual manner which had increased the level of stress and anxiety among small delegations. In one way, they had felt that they had to stay relevant and continue taking the workload.

18.26. At the same time, they had to deal with difficulties of getting instructions due to lockdowns in the capital or infected colleagues in the mission or in the capitals. That was in addition to connection issues. During a pandemic like COVID-19, Members' main objective should be the wellbeing of everyone including all delegates including their negotiators. While the WTO still needed to operate and contribute to the resilience and recovery of the world economy, the delegates' health should be a priority. In times like these, Members should find a proper balance between work, family and health.

18.27. The main purpose of the statement was for the Members and the Secretariat to start a conversation on the challenges and benefits of virtual meetings and the WTO's priorities in order to improve work conditions for virtual meetings for everyone where needed. Oman likewise sought to discuss the readiness and preparedness of the Secretariat and the Members to deal with future crises, to benefit from lessons learned and to find the best way forward to continue WTO work until delegates could go back to attend their meetings in the WTO building again.

18.28. The General Council took note of the statement.

18.5 Process of Appointment of the Next Director-General – Statement by the Chairman

18.29. The Chairman recalled that his reports on the outcomes of the three rounds of consultations that he, together with the Facilitators, had undertaken in the context of the Process of Appointment of the next Director-General were contained in JOB/GC/244, JOB/GC/245 and JOB/GC/247. In a further communication that he had circulated on 6 November 2020 in JOB/GC/248, he had indicated that it had come to his attention that, for reasons including the health situation and current events, delegations had not been in a position to take a formal decision on 9 November. He had postponed the Special General Council meeting that had been convened for 9 November until further notice during which period he would continue to undertake consultations with delegations. The situation had not changed since then. He noted that he intended to continue consultations with a view to a formal decision being taken in accordance with the agreed rules and procedures as soon as possible early in the new year.

18.30. The General Council took note of the Chairman's statement.

ANNEX 1

**STATEMENT BY THE KINGDOM OF ESWATINI ON THE DEMISE OF HIS EXCELLENCY,
THE RIGHT HONOURABLE PRIME MINISTER AMBROSE MANDVULO DLAMINI**

On behalf of His Majesty King Mswati III, Her Majesty the Queen Mother, the Dlamini family and the entire Eswatini nation, I express our heartfelt gratitude to all the delegations that have expressed condolences, comfort and support to the country for the loss of our Prime Minister, His Excellency, The Right Honourable Prime Minister Ambrose Mandvulo Dlamini.

Indeed, the country has lost one of its youngest leaders to date, at 52 years old. We have been deprived of the chance to be led by an experienced and visionary leader whose credentials included working in the private sector where he held Chief Executive Office positions within the country as well as internationally.

The year 2020 has been extraordinarily difficult for all our countries. The issues that we are currently discussing and take up in this forum therefore call on all of us to work together to find collective solutions to global challenges – for us to succeed in making the world a better place for ourselves and the next generations.

In closing, I shall echo the request made by the delegation of South Africa, "Let's have the waiver and by so doing shall save lives."

ANNEX 2**STATEMENTS BY THE GENERAL COUNCIL CHAIRMAN AND BY DEPUTY DIRECTOR-GENERAL KARL BRAUNER – CHAIRING THE MEETING AND REPRESENTING ALL DEPUTY DIRECTORS-GENERAL AND REPORTS BY THE CHAIRS OF THE NEGOTIATING GROUPS AT THE INFORMAL TNC AND INFORMAL HODS MEETINGS HELD ON 14 DECEMBER 2020¹****Statement by the General Council Chairman**

1. A convening notice for today's meetings was sent out to all TNC Participants by the four Deputy Directors-General, in coordination with me as General Council Chair.
2. As I mentioned at our meeting in October, during this on-going interim period, we will continue to follow a "no-surprises" approach. This includes providing the important opportunity for transparency and inclusiveness for all delegations, through the TNC/HoDs mechanism, ahead of General Council meetings. As you all know, the next General Council is scheduled for 16 December, continuing on the 17 December if necessary – that is, on Wednesday and Thursday.
3. As was indicated in the convening notice, today's meetings will this time, be chaired by DDG Brauner, representing all DDGs, in coordination with myself as General Council Chair – this again, acting in line with the understanding reached at the General Council in July.
4. With these brief introductory remarks, I will hand the floor to DDG Brauner to preside over these meetings.

Statement by Deputy Director-General Karl Brauner – Chairing the Meeting and Representing all Deputy Directors-General

1. Welcome to these informal TNC and informal HoDs meetings – the second such gathering under this interim arrangement after the resignation of the Director-General.
2. Our last meetings in October were held in a hybrid format, with some delegations physically present at the WTO and others connecting electronically. In line with local public health guidance, today's meetings are fully virtual.
3. Today is an opportunity to update each other on activities since October. It is also an opportunity – ahead of Wednesday's General Council – to discuss ways forward in our work. And as we approach the end of a year that none of us could have imagined, it would be appropriate to consider the broader issues and challenges that are on our minds.
4. We now turn to the Negotiating Group Chairs for their reports. After that I will provide a report on behalf of the DDGs, before opening the floor.
5. To prepare for today's meetings, and acting in coordination with the Chair of the General Council, I had convened a virtual meeting of Negotiating Group Chairs on Monday (7 December).
6. The Chairs informed us of the work they had undertaken with delegations in various configurations. We heard that in some areas, such as fisheries subsidies, agriculture and services, new proposals and ideas had been put forward. The fisheries subsidies group in particular has been in continuous negotiating mode. I will now give the Chairs whose groups have seen developments the opportunity to report to you.
7. Before I turn to my own report, let me start by placing on the record our thanks to the Chairs for their detailed reports, and for their efforts to assist Members in advancing negotiations under complicated circumstances. We note in particular the intensive work on fisheries subsidies. As we have just heard from Ambassador Wills, the WTO – that is, you the Members – will not deliver an

¹ Also issued as JOB/TNC/89.

agreement on fisheries this year. I can only agree with Ambassador's assessment. I am disappointed but I am not discouraged.

8. While we are still short of the finishing line, the negotiations have made considerable concrete progress toward finding a solution that all Members can accept. Renewed engagement, with greater political will and pressure from civil society, can get us there.

9. As Ambassador Wills said, meeting our mandate to reach an outcome will require compromise by everyone, on all issues. Activity must pick up quickly in the New Year and continue until we deliver. As the Chair said, we will be making a late delivery, and every additional delay will increase the debt that must be paid. I plea to you, nothing that can be done now has to wait for MC12 or anyother deadline.

10. In the agriculture negotiations, we just heard from the Chair that technical work is continuing under her facilitators. There have also been discussions on a possible Decision that would exempt the World Food Programme's purchases for humanitarian purposes from export restrictions. This topic will be on the General Council agenda.

11. Some of you have argued that longstanding issues on our agenda such as public stockholding in agriculture, as well as aspects of services or development, have taken an added importance in the light of the pandemic. To take concrete steps forward in these areas it will not be enough to re-state long-held views and sensitivities. We need new ideas, new proposals, and real compromises.

12. The Chairs' reports make clear that there is potential for movement. It is for you, the Members, to muster the political will. We urge you to continue to pursue convergence. As ever, the Chairs and the DDGs with the Secretariat remain at your disposal.

13. I would now like to report on our activities as DDGs and the Secretariat.

14. Our first challenge was to keep the physical operations in time of the pandemic. We were very happy, when after the summer break the corona figures were such that we could again allow for more physical meetings and even open the cafeteria. Our joy was only of short duration as the number of infected people rose again in Geneva. With great regret we had to go back to a semi-confinement. It was, however quite reassuring to experience the desire of staff to work at the WTO.

15. When the host country authorities asked us to urge people to work from home we had to make quite an effort to convince colleagues not to come to the premises in big numbers. This demonstrates that staff is engaged and want to deliver their services to the Members at their best capabilities.

16. It also reflects well on the health task force. It has earned enough respect to make people feel comfortable coming to the WTO premises. This trust is well-deserved. In contrast to high figures for cases in Geneva, I can report to you that today we have no staff member tested positive. We have only three colleagues in quarantine and they have been infected outside the WTO.

17. We continue to make every effort to ensure that the WTO is one of the safest places in Geneva. And we very much hope to welcome you again in person here on site soon, but, will proceed in a way that does not compromise the health of Members and staff.

18. We have been able to maintain a high level of activities with the help of electronic means. We have improved horizontal coordination in the Secretariat by introducing a weekly senior management meeting which is attended by all directors. We are well into the digital age. It may not be perfect, we miss the direct contact with you and the colleagues, but the bottom line is that the WTO is able to function.

19. We maintain our services to you by giving support to your meetings. WTO bodies held 346 meetings since the last TNC. In addition there were more than 500 consultations among Members using WebEx, Zoom and Teams. I only counted meetings registered by Members through our conference service. This of course does not include consultations of the chair in the course of the DG selection process.

20. In addition to the internal meetings a large number of outreach activities took place. We organized the WTO's 25th anniversary as an online event. We were delighted to welcome the host country's incoming federal president and other high-ranking participants.

21. Our outreach activities span the globe more efficiently than ever. My DDG colleagues were very active. No event, no opportunity was missed due to the absence of a serving DG.

22. In the interest of time, I will only mention some of the outreach activities since October:

- The G20 Riyadh Summit
- The APEC Trade Ministerial meeting.
- A virtual informal meeting of trade ministers organized by Australia on the sidelines of the OECD's annual meeting
- A ministerial meeting of the Ottawa Group
- The regular "1+6"² Round Table chaired by Chinese Premier Li Keqiang with the heads of other international organizations
- The autumn meeting of the UN Chief Executives Board
- ITC's Joint Advisory Group
- A High-Level WTO-UNEP Trade and Environment event.

23. The Secretariat was very active as organiser of WTO webinars. IERD alone registered 23 webinars. We had webinars organized by the accessions division, by the trade and environment division and a host of events managed by the economic research and statistics division. We had webinars on food security and intellectual property.

24. Some may have attracted only a modest number of participants from the public, but they joined colleagues with other international institutions, and fostered our learning and that of all participants.

25. Others had a broader reach, enjoying the interest of hundred, even thousands of listeners. We were able to secure high-level participation such as governments ministers and the heads of other international organisations.

26. We were also very productive in writing reports, working papers and other publications. If you measure the relevance of this work by the number of downloads then I can report to you the following figures. Our COVID-19 reports have been downloaded more than 270,000 times. Working papers are obviously for a more specialized audience. They were downloaded 26,000 times. Our publications were downloaded more than 800,000 times. This includes our new world trade report, a number of World Tariff Profiles and the World Trade Statistical Review. Worthwhile to mention that the topics dealing with gender issues attracted almost 15,000 downloads. This demonstrates the WTO provides a global public good. There is demand for it.

27. Before I open the floor, I want to mention two activities initiated by Members to which we were invited in the context of the recent Trade and Environment week. These are the Structured Discussions on Trade and Environmental Sustainability and the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade. These initiatives seek to promote collective action on sustainable trade. In our view, developments like this are important both in substantive terms and for the political signal they send: namely, that members are acting under the WTO umbrella to address critical issues that respond to our founding objectives. As with other initiatives involving groups of WTO members, we understand that these new efforts will be guided by the principles of inclusiveness and transparency, with discussions open to all Members who wish to participate.

² The "1+6" roundtable is an annual gathering of leaders of six major international institutions (WTO, World Bank, International Monetary Fund, International Labour Organisation, Organisation for Economic Cooperation and Development, and the Financial Stability Board) hosted by China to share views on the world economy and global economic governance.

28. I hope that with these facts, figures and reflections I could send to you the positive message - the WTO is alive. The Members are active. The Secretariat is providing its services and reaching out. There is demand for the global common good WTO.

Reports by the Negotiating Group Chairs:

1. Negotiating Group on Rules

1. Good morning colleagues. I hope all are staying well and healthy in these difficult times.
2. As we are coming to the end of the year, I wanted to provide a status report on, and to share a few thoughts and reflections about, the fisheries subsidies negotiations. Before going further, I would also like to ask for your understanding if I take a bit longer than usual for this statement but, in the circumstances, I expect you can understand the reasons for this. I will be circulating this report in writing after the meeting.³
3. By way of introduction, I can only say that what I anticipated for 2020 when I became Chair of the Negotiating Group on Rules a year ago, and the 2020 we have just lived through, have almost nothing in common! In short, I had planned for a very intensive schedule of technical and HOD meetings, and a possible senior officials meeting or two, with substantial involvement of the DG along the way, all culminating in adoption by Ministers of a set of new fisheries subsidies disciplines, in June, in Nur-Sultan. And I was confident that with the planned work programme, which would build on the very solid work of my predecessor and of the facilitators, a successful outcome in June was well within reach.
4. While an unfortunate confluence of events made that impossible, we nevertheless did our best to keep up a strong pace of work and indeed we made a tremendous amount of progress in spite of all of the challenges. And for this the credit goes to all the Members for maintaining, in very difficult circumstances, a high level of commitment and determination to bring the negotiations to a successful outcome this year. While unfortunately it is now clear that we simply cannot make up the time we lost to the pandemic and reach that goal, we are closer than ever and now need to capture the progress we have made, and focus with even greater attention on finding bridging, compromise solutions on the issues where divisions remain.
5. Here, I want to convey to all delegations how much I appreciate the constructive spirit in which you have been engaging, including in particular since the COVID-19 pandemic disrupted our lives. I admit that the intensive pace that we have maintained since June has been tiring, but the opposite would have been much worse, and all of you rose to the challenge.
6. This consistent positive engagement by delegations is what has allowed the real, substantive progress that we have made under these unprecedented circumstances. I am confident that this will continue and will lead to the technical and political decisions necessary to bring this negotiation to a successful conclusion in line with our mandate.
7. Now, let me give a brief summary of where we are and how we got here since I assumed the Chair of the Negotiating Group.
8. You may remember that when I took this role in November last year, the negotiations had been inactive for several months. When the previous Chair left Geneva, the foundations had been laid for a productive second semester of work, with the issuance of facilitators' reports capturing state of play of the negotiations, and a solid process in place.
9. Unexpectedly, it was only in November that Members agreed on a new Chair, and thus several months were lost that could have been spent in actual negotiations. During the interval, the

³ The report can be found in document TN/RL/33.

facilitators and some Members convened and took part in a range of activities, and all of this was useful work, although necessarily limited in scope and potential to generate concrete progress.

10. Therefore, one of the first things I did upon assuming my new role in November was to ask the facilitators to update their June reports to reflect progress in their work since then. I also developed an intensive work programme from January to June 2020 with clusters of meetings and the promise of intersessional work, with the view of concluding the work for final decision by Ministers at MC12 in Nur-Sultan.

11. With that objective in mind, work in 2020 resumed in January. A number of proposals were submitted by different delegations in the first few months that concentrated on overcapacity and overfishing, and on special and differential treatment. Based on suggestions from a number of meetings with Heads of Delegation, including a meeting that the Director-General and I held on 6 March, I began work on a single consolidated document to serve as a basis for further work. To start this process, I prepared and distributed on 9 March a suggested text on the prohibition element of the disciplines on overfishing and overcapacity.

12. However, just as the Director-General and I were ready to start an intensive series of HOD-level meetings for the final stretch before MC12, the measures needed to address the COVID-19 pandemic intervened. The restrictions on travel and public gatherings meant that meetings that were supposed to take place starting on 11 March had to be cancelled, and on 12 March it was announced that holding MC12 in June was no longer feasible. An attempt to hold a virtual meeting of the NGR on 20 March also was cancelled as there simply was not the time to sort out the logistical and technical issues involved.

13. Nevertheless, despite these problems, work continued, on the basis of a written procedure to discuss new proposals, which at the time was the only means available for our work. While we did make progress, the procedures were both slow and cumbersome.

14. Furthermore, at that time many of us had problems using the wide range of virtual platforms that began to be used to host remote meetings. While we are now all veterans, at the time this felt completely alien, and the adaptation process was an additional element limiting our ability to meet, particularly in plenary meetings.

15. In addition, addressing the various crises provoked by the pandemic was by far the top priority of all governments, such that the possibility for engagement and consultations with capitals was just not there. Therefore, after a written exchange of views on two proposals I reluctantly suggested on 7 May that we take a short pause while waiting for restrictions to ease and for technical solutions to improve remote participation.

16. However, that same month, on 14 May, the Director-General announced that he would be leaving at the end of August, which meant that we could no longer count on his availability for our process once the restrictions eased up.

17. In the meantime, I conducted extensive consultations with individual delegations and groups, using a variety of virtual platforms, and continued work on a first draft of a consolidated draft document. In June, the restrictions on movement and meetings were relaxed and meetings restarted again in the WTO, and we then resumed our negotiations in hybrid meetings with physical and remote presence and participation.

18. On 25 June I introduced a first draft consolidated document, in RD/TN/RL/126, at an NGR HODs meeting. I need to stress that nothing in this draft was new as it was entirely based on the work by the facilitators, and on Members' proposals. On 21 July, at another NGR HODs meeting, when Members gave their preliminary comments on the first draft, they indicated that it should be the starting point for the Group's further work starting in September and aiming for agreement by the end of this year.

19. The NGR reconvened after the summer break and we continued our discussions on the basis of the draft consolidated document. By that point, we were making extensive use of virtual platforms for meetings and discussions, and hybrid meetings quickly became the norm. So did working in a truly continuous negotiating mode. While we held week-long clusters of meetings each month during

the fall, there was no pause between clusters. In the intersessional periods, many topic-specific meetings in different configurations were held. In addition, I was very fortunate to find a good friend, Ambassador Chambovey of Switzerland, to assist me on moving forward on special and differential treatment which we all know is integral to the negotiations.

20. At the end of the October cluster, a number of Heads of Delegations suggested that it was time for a revision of the draft consolidated document. Based on this request and on the work post-July, I introduced such a revision on 2 November, in RD/TN/RL/126/Rev.1, at the start of a meeting cluster. As before, the revisions were entirely based on earlier work by facilitators, proposals from Members and the meetings I had held. I also circulated a detailed explanation on the rationale behind the revision in an addendum to 126/Rev.1.

21. This revised version of the draft consolidated document was an important step forward. Many of the changes were to fill in text in several important areas that were represented by placeholders in the first version. These areas included dispute settlement, notifications, and how a panel – and the WTO – would not address issues relating to overlapping claims of maritime jurisdiction.

22. Unfortunately, also on 2 November, COVID-19 intervened once again with renewed restrictions on meetings and movement imposed by the authorities in Switzerland and Geneva. The difficulties that this created for many Members for coordination between colleagues in Geneva and back home in capitals made it evident that the year-end deadline was going to be very difficult to meet. Nevertheless, I am very grateful to all delegations for maintaining their engagement as our meetings went fully virtual.

23. The most recent cluster of meetings this year was held in week of 30 November. The cluster was at the level of Heads of Delegation, with a particular focus on some key issues that need to be unlocked in the IUU and overcapacity and overfishing pillars.

24. During these meetings, I noted a high level of engagement, both from Geneva and from senior capital-based officials. The delegations put forward many interesting ideas and, in some areas, there was a willingness to compromise, while in other areas the discussion clarified the main concerns of delegations.

25. Unfortunately, despite all our efforts our work is still not complete. As you all are well aware, the challenges we faced in the past year are real and have not yet disappeared. The platforms for virtual meetings have worked well and they have allowed capital-based officials to participate but they have many disadvantages as well. The absence of a Director-General also has left us without that important instance on which we were hoping to draw to help us cross the finish line.

26. As a result, we will not be able to deliver an agreement on disciplines to fisheries subsidies by the end of this year. This is a serious setback for the Negotiating Group, for the WTO, for the SDGs set by our Heads of Government, and for sustainable fishing. But let's not forget that our mandate remains unchanged – even if we are going to make a late delivery.

27. Although we should not underestimate this serious setback, the truth is we did make lot of progress this year. Major differences remain but, in some areas where we have spent many hours working on specific texts, delegations are not that far apart. This is less true for some other topics but with the right will and proper engagement I am convinced we can finish this in the near future. And indeed, it is normal that as differences narrow down and come into sharp focus, the final steps to bridge the gaps become more difficult.

28. And the NGR has made some progress since the first revision of the draft consolidated text until today, particularly on the topics on which we focused in our recent discussions. In the interest of time, I will include in the written version of this report that I will be circulating a summary of the key issues that have been addressed in our most recent discussions.

29. Let me also share with you that to mark the current state of progress, I intend to issue a second revision of the draft consolidated text by the end of this week. The changes relative to the current version will be modest and will aim to reflect where I think we are at this stage. As before, the revision will be accompanied by an addendum outlining the background for and intention of each

change. As always, this document will be without prejudice to Members' positions and the entire text will remain in brackets.

30. I should note here that although we have had rich discussions in recent weeks, with a range of important new ideas put forward by Members, these ideas will not necessarily be reflected in the revised text. This in no way is intended as a judgement on the substance of those ideas, and to the contrary I welcome all constructive suggestions that might help us find a way forward. Rather this simply reflects the need for more thorough discussion to mature those ideas, including in regard to their placement and relation to other elements, before they can be included in the text.

31. A number of delegations have said that we need to reach an agreement as soon as possible. Others have said that we should not sacrifice quality for a rushed agreement, particularly given the problems that many are still having in their coordination between Geneva and capitals.

32. I believe that I speak for all of us in saying that our negotiations have a particular urgency, not only because of the SDG 14.6 and MC11 mandates but because while we talk, fish stocks continue to decline due to overfishing, and the research by international organizations such as the FAO and OECD detailing the nature of the links between harmful subsidies and unsustainable fishing has been growing steadily. To continue without multilateral disciplines on harmful subsidies essentially means that governments can continue to spend in unsustainable fishing, with no immediate consequences – except that eventually there will be no fish left to find.

33. New disciplines on harmful fisheries subsidies are like a debt that we owe to the global community. We were supposed to pay this debt at the end of the year. The fact that we are not managing to pay on time does not mean the debt has gone away. To the contrary, the debt increases with each day that goes by – so the urgency, far from disappearing or diminishing, is growing.

34. Although it is evident that the COVID-19 pandemic is a major cause for not meeting the deadline, it is not the only one. Members' positions remain divided on some very important issues and it is clear that we need more flexibility and compromise from Members in order to successfully conclude the negotiations. If we have learned something from the past two decades of negotiating it is that, pandemic or not, we will get nowhere without a willingness to find solutions we can all live with rather than remaining in positions others cannot agree to.

35. Given that there is thus no time to waste, and given that we are still bound by the mandates agreed by Heads of Government in SDG 14.6 and trade ministers in MC11 to deliver effective disciplines on fisheries subsidies, I intend to schedule the first cluster of meetings after the Christmas break in the week of 18 January, and to be available for consultations with delegations scheduled the week prior. Details of issues for discussion and the structure for the work in the cluster will be sent to you as soon as possible.

36. I plan to hold the second cluster in the week beginning 15 February. I cannot give you more details about the work programme because it depends on other developments, including the measures taken here in Switzerland and back home in capitals to deal with the ongoing COVID-19 pandemic, and how this pandemic evolves. But I can tell you that the intensity will not diminish until we conclude our negotiations and deliver on our mandate, and that work will be continuous with intersessional meetings in various formats. We must also keep in mind convening opportunities for Ministers in 2021, as well as scheduled meetings of our leaders to review our work in light of the SDG mandate. It will be intense.

37. Believe me, Didier and I are not doing this because there is nothing else to do. We believe in the importance of these negotiations for our Oceans' sustainability and for the WTO; we are doing this to help Members deliver a meaningful outcome as soon as possible.

38. In closing, let me say that although we should not underestimate the setback of missing this deadline, we should not be discouraged. To the contrary, we should be encouraged by the progress made, by the momentum that has been built, and by the real and unique opportunity we have to conclude this process in the near future, fulfilling the responsibility that has been tasked upon us.

39. Dear colleagues, it's time to step up. I wish you an excellent, safe and restful holiday period.

2. Committee on Agriculture in Special Session and Sub-Committee on Cotton

1. I would like to report today on the recent developments on process and on substance.
2. Further to my announcement in October, I have initiated a topic by topic facilitators' led process to complement the work being carried out in the CoA SS.
3. Its main objective is to contribute to making progress on the various topics by assisting the Chair with technical work in order to improve understanding of different issues and concerns, narrow gaps and identify potential options.
4. All facilitators have already held numerous consultations and reported to the CoA SS meeting on 10 November and 7 December. Let thank again the facilitators for their remarkable work and dedication.
5. I also took note of the fact that time is required to undertake this technical work, notably for small delegations and Capitals to take stock of the discussions, prepare inputs and pursue their post COVID-19 assessment.
6. Some Members also mentioned the possible linkages between topics that cannot be addressed in this format and the need to prioritise the topics to avoid dispersing the efforts. While I agree, it also seems to me that more technical work is needed to mature the issues before we can get to that stage. This process will be evaluated and adapted as needed in early 2021 and its timetable will depend on the date of MC12.
7. Turning to substance, as you know, Singapore and many co-sponsors, submitted a draft General Council Decision suggesting exempting from export restrictions food purchases for humanitarian purposes by the World Food Programme. This submission is accompanied by a communication also from Singapore, and is, of course, on the agenda of the General Council this week.
8. A lot of work has been done on this issue, including an open-ended meeting organized by the facilitator on 26 November. I also invited, at the suggestion of Mali, the FAO and the WFP to provide updated information on the impact of COVID-19 and related measures on food insecurity at the November CoA SS meeting. The humanitarian consequences of the COVID-19 crisis as well as the fact that WFP was granted Nobel Peace Prize has clearly re-energized the discussions in this domain.
9. Following the CoA Special Session meeting on 7 December and subsequent exchanges between Members, I held a consultation on 11 December with a group of proponents and Members and group coordinators to help Members better understanding each other's position and to facilitate convergence building. Following this consultation, the facilitator circulated this morning at my request to the whole Membership an informal working document attempting to reflect various drafting suggestions made thus far by some Members to the original text.
10. The other issues covered under Export Restrictions relate to transparency and clarification elements with a view to enhancing their monitoring. On these issues, which have also attracted strong renewed interest, further written contributions are expected.
11. Regarding other issues, Domestic Support remains the key priority for virtually all Members who all want an outcome on this issue at MC12. However, divisions remain. Many Members support the Framework proposal by Cairns group, while many other Members would like to address the imbalances in the Agreement on Agriculture first, notably by gradually eliminating AMS above de minimis. There are also suggestions to use some of the pre-MC11 proposals as a basis for an outcome. In short, the topic will still require more technical work and notably more political will. It is therefore very timely that Canada presented an update of its analytical tool that includes valuable data and can be used by Members for technical work.
12. PSH remains a crucial topic, the COVID-19 crisis having brought again more attention to this issue. There have been renewed calls to find a Permanent Solution by MC12. The Facilitator will be focusing notably on the scope, transparency, safeguards and monitoring. He also proposed a list of questions for Members to reflect on during the year-end break.

13. On SSM, the proponents have renewed their demand for an outcome in the wake of the COVID-19 pandemic based on broader food security objectives. While acknowledging the fundamental issue of linkage between market access and SSM, the facilitator has initiated work with a view to developing a common understanding on the numerous technical parameters that a safeguard mechanism would entail.

14. Members continue to attach importance to pursue reforms in the market access pillar. However, in view of a lesser attention and priority accorded currently to deepen core market access commitments as well as for reasons of an overall balance, recent discussions have focused mainly on a transparency outcome -- such as goods en route - considered by many as important for "trust-building".

15. On Export Competition, the facilitator noted that some Members had continued to stress that additional transparency requirements would be difficult due to resource constraints. She therefore decided to explore ways to address such concerns which would enlist the support of the Secretariat, noting the possible complementarity with work under the regular Committee on Agriculture.

16. On Cotton, the main development was the announcement that the C-4 had prepared a draft text on transparency that once available will serve as a starting point to initiate technical discussions in the Quad Plus context.

17. Finally, the importance of enhancing transparency as a cross-cutting issue in the agriculture negotiations was reiterated by some Members, including with the prospect of a new submission.

18. To conclude, I would say that after the sudden halt in the negotiation process this spring, work has now resumed and the intensity of work is very encouraging.

19. Members continue to emphasise the importance of an agricultural outcome at MC12 for the reform program and to preserve the credibility and relevance of the organization. Our challenge in 2021, will therefore be to build consensus for an ambitious and balanced agriculture outcome for MC12. This will require your support and engagement.

20. The next meeting CoA SS meeting is scheduled on 5 February 2021.

3. Committee on Trade and Development in Special Session

1. In my last report to this body, I outlined the discussion that had taken place among Members at the formal CTD SS meeting held on 23 September 2020. The discussion at the meeting had focused on the ten G-90 proposals on special and differential treatment which were circulated earlier this year.

2. Subsequent to this meeting, and after due consideration, I made the assessment that there will be more scope to make progress if further discussions on the G-90 proposals were to take place in an informal setting.

3. In preparation for a series of informal consultations that I will be organising in the early part of next year, I held an informal meeting with a number of delegations last week – on 8 December. The purpose of this informal meeting was to give an opportunity to delegations to share their views about the order in which the ten G-90 proposals should be taken up in the informal consultations that I will be organising.

4. It was important to hold this meeting on 8 December so as to maintain the Member-driven nature of the process and I believe it allowed a useful exchange to take place.

5. The G-90 once again explained the rationale behind their proposals. Suggestions were made by some delegations on the order in which to take up the ten proposals, while others indicated their flexibility as to the order. There were some expressions of support for the G-90 proposals, and for the initiative to have an in-depth discussion on them.

6. It must also be said, however, that a number of Members once again expressed disappointment that essentially the same ten proposals that had been discussed on several previous

occasions, have been circulated by the G-90 again. The view of these Members continues to be that there will be little scope to move forward in the CTD SS on the basis of these proposals.

7. In closing the meeting, I recognized the disappointment and frustration on both sides, as I have before. I took note of the calls that were made by some delegations for new ideas and new approaches in order to be able to make progress in the CTD SS but pointed out that any new ideas must come out of the discussions between Members. My role as Chair is to facilitate these discussions, and to help Members find a way forward. I remain committed to this.

8. I intend to hold a total of five informal consultations, starting in early 2021, in order to explore how to move forward on the G-90 proposals. In each consultation, I will invite participants to focus on two proposals. Over the course of the five consultations, participants will have been able to have an in-depth discussion on all ten proposals.

9. I will be in touch with Members in early 2021 on this matter. This concludes my intervention.

4. Council for Trade in Services in Special Session

1. Since the last meeting of the TNC, the Special Session of the Council for Trade in Services held two informal meetings, on 21 October and last week, on 9 December. The meetings were convened to discuss four new communications from Members, which were all submitted in the context of exploratory discussions on market access. These discussions initiated last year, aim to foster an exchange of views among Members about their current areas of interest, without prejudice to negotiating positions.

2. The papers put forward by individual Members and groups of Members focused on the following sectors: environmental services; agriculture-related services; logistics services; and financial services.

3. The discussion on environmental services underscored various linkages between services trade and environmental protection and provided an exchange views on the different services subsectors that can be relevant from an environmental perspective, beyond the activities identified in the GATS classification as environmental services. The contribution of trade in these services and improved GATS commitments were also discussed.

4. On agricultural-related services, the meetings yielded exchanges on the role of certain services sectors in the agricultural value chain, as well as their impact on agricultural production and exports. Delegations debated the specific services subsectors most relevant for agriculture and the impact of commitments in these areas.

5. On logistics services, a number of delegations emphasized how reduced barriers and better performance of logistics services could help to facilitate goods trade, integrate within supply chains, and support e-commerce. The sector's role in helping ensure resilience during the pandemic was also emphasized. Different views were expressed as regards the scope of the services most relevant for logistics.

6. With respect to financial services, discussions underscored the sector's contribution to economic activities and trade across all sectors, including its role in facilitating e-commerce transactions. Discussions also highlighted the importance of regulatory frameworks and supervision and the sector's role in facilitating greater financial inclusion. Different interests were expressed for specific modes of supply, and developments in relation to fintech were also underscored by some delegations.

7. I think that, overall, the discussions of the papers contributed to better understanding the interests of various Members as well as the economic and trade contributions of these sectors, including in the context of efforts to improve economic resilience and support recovery from the pandemic. Importantly, interventions from various delegations also brought out a number of key development considerations in each of the sectors, and also permitted to hear the concerns of those delegations that have reservations about negotiations or further liberalization of market access commitments in services.

8. I encouraged Members to reflect on the views and questions put forward in the meetings and to continue engaging with each other in view of further discussions in the new year.

9. This concludes the report. Thank you for your attention.

5. Council for TRIPS in Special Session

1. As usual I am making this report on my own responsibility and of course without prejudice to the positions of delegations or the outcome of the negotiations. From 12 to 16 October I held informal consultations with ten interested delegations to share their thoughts and suggestions on how the Special Session might move forward in fulfilling its mandate. The ten delegations were mainly either from the W52 Group or the Joint Proposal Group.

2. In these consultations I invited delegations to share their views on two specific questions – (i) Are there any changes in their delegations' positions and if not, what steps they would propose to take in fulfilling the negotiating mandate? (ii) How do recent developments in multilateral, bilateral and regional agreements and in domestic GI protection system bear on the work of the Special Session?

3. In response to the first question all delegations indicated that their positions remained unchanged. The delegations from the W52 Group continued to emphasise the importance that they attached to the GI register and the linkage and parallelism among the GI register issue, GI extension and the relationship between TRIPS and the CBD. The Joint Proposal Group reiterated that the Special Sessions' mandate should be strictly limited to the GI register for wines and spirits. The delegations generally indicated their readiness and willingness to reflect on new approaches to reinvigorate the work of the Special Session and to fulfil its mandate. However, most of the delegations made no concrete proposals on next steps and none suggested new approaches. In fact, most was incumbent on the other side to move first. This is relevant for what I have in mind in terms of next steps.

4. Responding to the second question, the delegations concurred that there were many new developments outside the WTO regarding GI protection. There were suggestions that the Special Session schedule meetings to share the information and experiences; that the WTO Secretariat conduct a study on the relationship between the TRIPS agreement and the Geneva Act of the Lisbon System; and that the WIPO Secretariat be invited to brief on the state of play in WIPO regarding their international registration system. Some delegations were not convinced that the information sharing exercise would be an appropriate or a useful step. Others thought that developments outside the WTO did not necessarily have a bearing on the work of the Special Session. Concerns were also raised on whether the Special Session was an appropriate forum for such information sharing, given the nature of the Special Session as a negotiating body.

5. After these consultations on the 22 October, I held an informal open-ended meeting to report to the whole membership on my consultations. I also shared with delegations my sense of the current situation that, while there was a common desire to fulfil the existing mandate, the positions and creativity of delegations in these negotiations had not changed. No comments were made at the meeting.

6. Regarding next steps, I plan to hold consultations with individual interested Members in early 2021 and will invite delegations to share their views on the three suggestions that I mentioned before, and let me just enumerate them here once more - (i) that the Special Session schedule meetings to share information and experiences on the diverse ways in which GI's have been protected through bilateral and/or regional agreements; (ii) that the WTO Secretariat conduct a study on the relationship between the TRIPS Agreement and the Geneva Act of the Lisbon System and (iii) that the WIPO Secretariat be invited to brief on the state of play with the WIPO international registration system.

7. To promote substantive work on the GI Register, I plan to invite delegations also to reflect on how, when or where the other sides' concerns might be addressed without necessarily conceding or agreeing to them and to reflect on new approaches to achieve their own objectives. A written version of this report will, of course, be circulated to Members.⁴

⁴ The report was subsequently circulated in document TN/IP/28.

ANNEX 3

STATEMENTS BY MEMBERS AT THE INFORMAL TNC AND INFORMAL HODS MEETINGS HELD ON 14 DECEMBER 2020

Following the General Council Chairman's statement under Item 1 of the agenda of this meeting – "Report on Informal TNC and Informal HODs Meetings", the statements made by: Morocco; Switzerland; Uruguay (Informal Working Group on MSMEs); Jamaica (ACP); Egypt; Tunisia; Nigeria; Chinese Taipei; Chile (Structured Discussions on Investment Facilitation for Development); Senegal; Singapore; Republic of Korea; Norway; Barbados; Iceland (Informal Working Group on Trade and Gender); Turkey; Australia (Joint Statement Initiative on Electronic Commerce); Chad (LDCs); Guyana (CARICOM); United States; Philippines; Brazil; Panama (Article XII); Russian Federation; Paraguay; European Union; Costa Rica (Joint Initiative on Services Domestic Regulation); Hong Kong, China; Afghanistan; India; Japan; Thailand; Nepal; Botswana (African Group); Viet Nam (ASEAN); Colombia; Mozambique; Canada (Ottawa Group); Mexico; Uganda; China; Montenegro; Malaysia; South Africa; Fiji; Pakistan; Tanzania; New Zealand; Peru; Vanuatu (Pacific Group); Kingdom of Saudi Arabia; Indonesia; Republic of Moldova; Argentina; Ecuador; Mauritius; Mongolia; Bangladesh; Bolivarian Republic of Venezuela and United Kingdom are included below as part of the Minutes of the General Council meeting. The concluding remarks of Deputy Director-General Brauner is also included at the end of this annex.

1. Morocco

On this occasion, I would like to emphasise the following:

Fisheries Subsidies

Morocco is convinced that sustainability has to be at the heart of Members' concerns. In this respect, we remain committed to continue the ongoing negotiations on fisheries subsidies based on the NGR Chairman's revised draft text. Moreover, Morocco's commitment is confirmed by its textual submissions and its notification of its fisheries subsidies, with a few number of Members.

In addition, regarding the short time remaining until MC12, we should send a clear signal to the world that the WTO continues to play a crucial role in the multilateral trading system. Members should therefore engage in a pragmatic and constructive way. Moreover, we support and thank Ambassador Wills and his team for the work made until now, and we urge him to establish a realistic and clear new agenda for the next phase of negotiations beyond the December deadline.

These negotiations should result in a meaningful outcome that reduces the most damaging subsidies, destined primarily to large-scale industrial fishing vessels, and prohibits any kind of subsidies to IUU fishing. Morocco underscores the need to focus disciplines on fisheries subsidies, mainly on large-scale industrial fishing and avoid extreme positions such as the called "case-by-case S&DT" or any differentiation based on an irrelevant criterion.

Agriculture

Morocco thanks the Chair of CoA SS for her work on guiding the negotiations. Moreover, we would like to underline the paramount priority of domestic support for the sizeable majority of the Membership. Therefore, addressing trade distorting domestic support should be our key objective.

Having said that, any approach regarding this pillar should first focus on correcting the existing imbalances in the Agreement on Agriculture so that all Members are provided with more balanced and equal competitive conditions.

We remain of the view that Net Food-Importing Developing Countries and LDCs should benefit from specific measures and flexibilities within agriculture negotiations in order to tackle their food security concerns.

On Export Restrictions and Prohibitions, Morocco supports the humanitarian action of the World Food Programme and appreciates the proposal made by Singapore and co-sponsors, but we believe that this proposal should take into account the specific concerns of NFIDCs and LDCs and provide them policy space.

Investment Facilitation for Development

Morocco had taken another step in this direction by submitting its textual contribution to the draft text after joining the "Investment Facilitation for Development Initiative". We remain ready to engage constructively in the ongoing negotiations and look forward for a meaningful outcome for MC12 on this subject.

Environment

The Moroccan delegation is committed to continue its active role in the discussions on plastic pollution and international trade. We believe that this issue is of prime importance in view of its economic and environmental implications, and that it is in the interest of all Members to move forward significantly on this issue.

2. Switzerland

There is no doubt that the pandemic had a very serious impact on the health of the population and the economy of all countries. Mitigating the effects of the crisis and reviving the economy are enormous challenges. We cannot meet these challenges without strengthening international cooperation, including within the WTO.

This requires first and foremost the preservation of the rules-based WTO acquis that ensures open and predictable markets. In this regard, the restoration of a fully functional dispute resolution system is paramount. Furthermore, the work undertaken to strengthen and reform the organization should continue. The swift appointment of a new Director-General remains a pressing objective as she will have an important role to play in supporting this reform effort.

As the year draws to a close, it is useful to take stock of the latest achievements. Unfortunately, progress in WTO work has fallen short of expectations. It is true that the pandemic has complicated our work. It is as well true that, in spite of the adverse circumstances, headways have been made in some areas and that new initiatives have been launched. However, many of the hardest issues remain unsolved. And these are precisely the issues which are important for achieving breakthroughs and reaching positive conclusions.

There is certainly no magic potion for success. But there are three ingredients that can contribute to successful outcomes.

We should first restore confidence – the confidence that we should place in the multilateral system to find sustainable and mutually beneficial solutions at the global level.

Secondly, we should respond to the needs of the beneficiaries of the system, be they businesses or citizens. This means modernising the rules to take account of contemporary challenges in terms of technology, health, the environment and competitive conditions.

And thirdly, we should get to the heart of the matter: set out and explain problems clearly and objectively; engage in dialogue with all partners, not just those who share our views and finally, seek pragmatic solutions that are consistent with the objectives of the negotiations.

This may be a tall order. But we believe that these are three ingredients that will help Members reach tangible outcomes.

In this perspective, the negotiations on fisheries subsidies must remain the top priority. Switzerland deeply regrets that we were not able to conclude this process in accordance with our mandate. Failure is not an option. So, we must redouble our efforts and demonstrate the necessary political will to reach an agreement as quickly as possible.

In addition, we cannot afford to miss the opportunity to improve the lot of the most deprived people on our planet through a firm commitment, taken before the end of the year, to not impose export prohibitions or restrictions on foodstuffs purchased by the World Food Programme. Given the evident humanitarian stakes of this measure, the WTO can make a big difference.

The three ingredients I have mentioned should also lead to concrete results in crucial issues such as trade and health as well as trade and environmental sustainability. They should also bring about further progress on Joint Statement Initiatives and other issues where balanced solutions have to be worked out.

You can count on my delegation to continue engaging fully in these different streams in the coming year, which we hope will involve a renewed and increased commitment from all Members in the WTO.

3. Uruguay (Informal Working Group on MSMEs)

I make this statement as Coordinator of the Informal Working Group on MSMEs.

I am pleased to announce that on Friday, 11 December, the MSME Group officially endorsed a package of six recommendations and declarations to support MSMEs' participation in international trade for economies at every level of development.

The package contains:

- a recommendation on MSME-related trade information in WTO Trade Policy Reviews calling on Members to voluntarily provide information on MSME policies and statistics during their reviews to enhance transparency and serve as a source of good practices on MSME policies;
- a declaration of support for the ITC-UNCTAD-WTO Global Trade Helpdesk. This is an online platform meant to simplify market research for companies, especially MSMEs, by integrating trade and business information into a single online portal.
- a recommendation to support the full implementation of the TFA and share best practices related to MSMEs;
- a recommendation on promoting MSME inclusion in regulatory development through analysis and MSME consultation;
- a recommendation supporting the implementation of the 2019 Decision on the WTO Integrated Database to ensure access to up-to-date tariff and trade information; and,
- a declaration on addressing the trade-related aspects of MSMEs' access to finance and cross-border payments.

These texts are non-binding recommendations and declarations. This is the spirit in which we work: a spirit of soft law. Although these texts refer to MSMEs, they do not define MSMEs. This is intentional. As there is no universal definition of MSMEs and the Group leaves it to each Member to define who their MSMEs are. We do not want to be prescriptive. We want to be useful and pragmatic. Our goal is to pursue more inclusive trade and to help MSMEs, whoever they are.

The endorsement of this package is important for MSMEs and for the WTO. It is important for MSMEs because it shows that the WTO cares about them – that we, trade diplomats, care about them. This is particularly important in these times of pandemic which have had a devastating impact on this business demography. MSMEs are at the heart of the global economy. And now, they are at the heart of the current crisis. They need our help, now more than ever. Through this package we hope to make their work easier. Helping MSMEs to trade also supports economic development. Our approach is a developmental one.

It is important for the WTO, because it shows that the WTO can deliver in a flexible, pragmatic, and timely manner. The past few months have highlighted the need for a global coordinated approach to help MSMEs. Our goal continues to be to become multilateral.

I therefore invite all interested Members to join us in our endeavour to support small businesses. In this respect, I am pleased to announce that Ukraine joined the Group on Friday and that Ukraine, Mali, Mauritius and Togo expressed their official support to the package. The final texts endorsed on Friday will soon be circulated as an official WTO document. We intend to issue a revised version with additional sponsors in early February. I invite you all to consider sponsoring these texts. If you're interested in supporting the MSME cause, please reach out to me or to Mauro Bruno of my mission by 29 January so that you can be added to the list of sponsors.

This package is an important step, but it is only a first step. We now have to work on the implementation of these recommendations and declarations. We aim to do this through existing WTO bodies, where relevant. Some members of the Group are also working on the development of concrete tools, such as the Trade4MSMEs web platform which should be launched in the first half of 2021. This platform will be a resource of verified trade information for MSMEs and policymakers, linking to online tools and reports.

Last but not least, the Group will now start looking into new issues that MSMEs are facing. We are committed to continuing our work to benefit MSMEs and to explore other issues that are relevant to them. We invite all Members who want to shape a better future for their small businesses to share their thoughts with us, join our activities, and help us outline our future work. By working together we will make our MSMEs stronger.

4. Uruguay

MSMEs

We take note with sadness of the decision made by Panama to withdraw from the Group.

We just can say that the Group acted in the spirit of inclusiveness, transparency and flexibility at all times and I would like to thank proponents and Members for their continuous engagement and dedication.

The package presented today is the result of the work of the members of the Group and has the ambition they have chosen, no more, no less. The sponsors of the various texts have worked very hard over the past few years to accommodate all comments, including those from Panama.

We know they care about MSMEs so we count on them to achieve a meaningful outcome. I want them to know that our door will always be open as we continue to strive for a multilateral outcome of our Joint Initiative.

Agriculture

Uruguay wishes to thank Ambassador Gloria Abraham Peralta for her work and her report on the status of the negotiations.

Despite the high degree of uncertainty that characterises the current situation, the Facilitators process has served to resume discussions at the technical level, which we hope will lead to concrete results for the next Ministerial Conference.

In particular, Uruguay hopes that we can advance the discussions with a view to agreeing on a global goal of limiting and reducing distortionary aid, based on the principle of proportionality and taking into account the individual development needs of the Members.

In the coming months we aspire to enter into deeper technical discussions on how to move this forward.

Likewise, we will continue to actively participate in the discussions of the different aspects that can be part of a market access result, including a general framework that will guide future negotiations on this pillar in the WTO.

I would like to take this opportunity to announce that Uruguay has joined as a co-sponsor of the initiative to exempt purchases of the World Food Programme from the imposition of export

prohibitions or restrictions. In this regard, we call on the rest of the Membership to show flexibility and to join the initiative that will be discussed in the General Council this week.

Fisheries Subsidies

Uruguay would like to reiterate its support for Ambassador Santiago Wills' conduct of the negotiation, especially his efforts to close the gaps in the consolidated text.

Now is the time for all Members to do even more to find acceptable and substantive compromises that allow us to reach a conclusion. We have a unique opportunity not to be missed to exercise our collective responsibility, for our fisheries resources, for the good of the ocean and for the fishermen who depend on it.

We commit to continue to work constructively to further refine the text to ensure convergence, and to reach an agreement that changes the status quo and serves as the WTO's contribution to the long-term health and sustainability of the oceans.

5. Jamaica (ACP)

The ACP Group thanks Deputy Director-General Brauner for his report and the respective Chairs for their comprehensive reports.

Fisheries Subsidies

The ACP Group reaffirms its commitment to the implementation of SDG 14.6 and our mandate from Ministers at MC11. The fisheries sector is of critical importance to the economies and livelihood of ACP Group members. We also prioritise our objective to responsibly maximise the benefits to be derived from the blue economy. Hence, any outcome on fisheries subsidies should respect the mandate of appropriate effective S&DT for developing countries and LDCs.

Transition periods alone with technical assistance and capacity building is not acceptable to the ACP Group. Additionally, we do not view as constructive suggestions that Article 5.2 as presented in the draft consolidate text can fulfil the S&DT mandate for Ministers. Likewise, the pursuit of sustainability in an outcome should not create disguised exemption for large subsidizers. Further, data reveals that our vessel and fishing capacity falls within mainly artisanal and small scale fishing within our own waters.

On IUU fishing, coastal state determination considered relevant by then should always be the trigger to remove and prohibit subsidies for vessels or operators violating laws in maritime jurisdiction of that coastal state. We cannot accept an outcome that provides the WTO with the ability to scrutinise our national determination processes under the guise of due process. This will create a chilling effect on making any determinations. Similarly, we cannot accept language that penalises a vessel by virtue of its flag when our focus should be on the vessel's activities and who is subsidizing the vessel or operator.

We see many opportunities in the Chair's text and ideas put forward by Members. While we welcome engagement at the level of HODs, we urge that our involvement be considered as and when we have sufficiently built bridges at a technical level and have only to take decisions clearly elaborated. We look forward to a process that will allow us to conclude our negotiations.

Agriculture

This sector is a cornerstone of the economies of members of the ACP Group. COVID-19 may present certain implications for the negotiations including our capacity to take on long term obligations in an environment of uncertainty. Nevertheless, the WTO cannot afford to have yet another Ministerial Conference without an outcome on such an important file. Domestic support including for cotton, SSM and PSH are priorities for the Group. We will comment on export restrictions under Agenda Item 9 of the General Council meeting.

We take note of the Chair's intention to continue the Facilitators-led process. Going forward, we should accommodate the capacity constraints of small delegations. Doing so includes avoiding unnecessary meetings, preventing the scheduling of meetings that clash with other major meetings,

providing adequate time to respond to questions, keeping the topic for discussions manageable and importantly, ensuring that interpretation is provided for Facilitator-led meetings.

Services

The COVID-19 pandemic has had a detrimental impact on ACP Group members particularly those that are services oriented economies. The impact is more evident on those that are heavily reliant on tourism, travel and hospitality services for income, employment and multiplicity of other direct and indirect services which fuels their economies. The ACP Group will be making a submission aimed at highlighting some of the areas of interest to the Group in light of the impact of the pandemic.

The ACP Group has engaged constructively in the exploratory discussions in the CTS SS. On a general note, we urge Members promoting exploratory discussions in the CTS SS to respect the WTO bodies and their mandates. The GATS itself and the negotiating guidelines and procedures include flexibilities for individual developing countries in making commitments if they choose to do so. The ACP Group invites outcomes in any discussion that reflects sectors and modes of supply of interest to our members.

WTO Reform

The ACP Group reiterates its position that the process and substance should uphold the development dimension of international trade, accelerate the attainment of the Sustainable Development Goals and be advanced in a fair, transparent and equitable manner. Indeed, the ACP Group has long advocated for reform in critical, economic and trade-related sectors and, by extension, reforms leading to a WTO Work Programme focused on pro-poor and pro-development policies. We reiterate the need for us to begin with a comprehensive dialogue on the structure, scope and objectives of WTO Reform.

We must collectively find a resolution to the Appellate Body impasse to ensure that we have a two-tiered, transparent and independent dispute settlement system as envisaged by the DSU. We cannot surrender the multilateral two-tiered dispute settlement system to external remedies notwithstanding how well intentioned they may be. Reforms should not be seen as academic or heterodox but reinforcing relevant principles framed in the Marrakesh Agreement.

I close by reiterating that the ACP Group stands ready to engage constructively on these and other issues as we reaffirm our commitment to a transparent, open, inclusive and rules-based multilateral system with the WTO as its core institution.

6. Egypt

I would like to endorse the statement to be delivered by Botswana on behalf of the African Group.

The impact of the current crisis on the global economy, especially on developing and least developed economies, underscores that the utmost priority is revitalising the role of this organization to counter the COVID-19 pandemic and mitigate its effects on the world economy.

The starting point is to decide on steps that would help end this pandemic. In this regard, we urge Members to constructively engage on how we can move forward with the waiver proposal in the TRIPS Council in order to achieve our collective target of ensuring equitable and timely access and fair allocation of COVID-19 vaccines. We need to consider taking emergency measures to save lives and shield the global economy from suffering the devastating impact of this pandemic for a longer time.

We commend the four Deputy Directors-General for their commitment and diligent efforts to steer the WTO during this transitional period. That said, we believe that another pressing priority is concluding the selection process of the next Director-General as soon as possible.

Having said that, I would like to briefly address a few issues:

Agriculture

We thank Ambassador Gloria Abraham Peralta and the appointed facilitators for their efforts to move discussions forward on this important subject. We appreciate the commitment shown by Members, despite the challenges posed by the COVID-19 pandemic.

Egypt reiterates the priorities referred to in the statement of the African Group, and asserts that trade in agricultural products cannot be viewed solely from a commercial perspective. We call upon all Members to prioritise food security, respond to the needs of developing and least developed countries, and provide necessary policy space to build their agricultural production capacities.

Fisheries Subsidies

We commend the valuable work of the NGR Chair, Ambassador Santiago Wills in pushing forward the negotiations and bringing convergence on pending issues. We are of course disappointed that we will not be able to meet the December deadline. However, we look forward to resume negotiations in January.

Egypt remains committed to a balanced outcome that leads to effective disciplines targeting harmful subsidies provided for large-scale industrial fishing, while excluding artisanal fishing from the scope of the agreement to help ensure food security and maintain the livelihoods of fishing communities. As mandated, appropriate and effective special and differential treatment should be an integral part of any agreement on fisheries subsidies in order to provide developing countries and LDCs with sufficient policy space to develop their fisheries sector in a sustainable manner. We count on the diligent efforts of Ambassador Didier Chambovey in leading discussions on this important issue to a landing zone.

G-90 proposal on Special & Differential Treatment

UNCTAD's latest report regarding the impact of COVID-19 on trade and development highlights that the most vulnerable were hit the hardest by this pandemic. In this context, we urge Members to work towards a meaningful outcome on the G90 proposal in the CTD SS. We reiterate that special and differential treatment is necessary to address the challenges facing developing and LDC Members and more so due to the unprecedented challenges posed by the current global crisis.

Since this is my last TNC meeting before I relinquish my duties as Permanent Representative of Egypt, I sincerely thank you all for the valuable discussions and fruitful exchanges that we had, and I genuinely hope that Members make the right choices during the upcoming year, to overcome the challenges of the current global crisis, and restore the credibility of the WTO and confidence in the multilateral trading system.

7. Tunisia

Allow me, first of all, to join those who took the floor before me in thanking the Chair of the General Council and the four DDGs for leading us through this interim period. It is our hope that this period will soon end with the finalization of the selection process for the new Director-General. This will enable us to better coordinate WTO actions and tackle the unprecedented challenges posed by the COVID-19 pandemic.

I would also like to thank the Chairs of the negotiating groups, as well as the Facilitators, for their commendable efforts to ensure the continuity of our work, despite the multiple challenges associated with the health crisis that has imposed restrictions on in-person meetings.

These constraints, compounded by the steady pace of overlapping meetings and the inability to ensure effective coordination with the capitals in the run up to MC12 with high stakes, have greatly affected the efficiency and effective participation of Members especially those with small delegations.

I hope that the WTO will ensure that these conditions are taken into consideration when scheduling next year's meetings.

I would also like to endorse the statement made by the Ambassador of Botswana on behalf of the African Group.

Fisheries Subsidies

I would like to pay tribute to the efforts made by the Chair of the NGR, Ambassador Wills, and Ambassador Chambovey, in his capacity as Facilitator, for conducting these negotiations within the set mandate.

It must be noted, however, in light of the divergent to very divergent positions expressed for some disciplines, that questions of principle have to be addressed again, in particular, on how to address sustainable fisheries in this context of socioeconomic challenges, overfished fisheries and overfishing practices.

Indeed, most studies and statistics concur on addressing the impact of industrial and large scale fisheries on the ecosystem, and this at the expense of small scale fishing, de facto sustainable due to the lack of equipment and resources, which is struggling to ensure the livelihoods of its fisherfolk in several countries.

In this regard, we remain in favour of developing disciplines focusing mainly on subsidies for large scale commercial or industrial fishing, and on appropriate and effective special and differential treatment, which should be an integral part of the proposed disciplines in accordance with the negotiating mandate. From this perspective, any disproportionate inconsistency in the consolidated text should be avoided, at the risk of creating discrimination and detrimental inequality vis à vis developing countries and harming the sustainable development of coastal communities and food security in several member countries.

Agriculture

I would like to welcome the new process launched by the Chair, Ambassador Gloria Abraham Peralta, and the efforts of the Facilitators, while underscoring the importance we attach to transparent and inclusive negotiations, respecting the provisions of Article 20 of the Agreement on Agriculture, and in conformity with the Doha mandate. This is with a view to achieving effective solutions to distortions in domestic support and taking into account the flexibilities required for LDCs and developing countries to achieve food security objectives.

We support the considerable efforts of the World Food Programme in combating famine in the world, and its actions to address the worsening situation in many regions resulting from the pandemic. We particularly appreciate Singapore's initiative to exempt the WFP from export restrictions on food purchased for non-commercial humanitarian purposes, and express the wish that Members reach consensus on the text of the proposed decision, mindful of the concerns and expectations expressed.

TRIPS and Public Health

Tunisia reiterates its support for the proposal made by India, South Africa and the co-sponsors to provide fair and affordable access to medical products needed for the prevention and treatment of COVID-19. We believe that this initiative would contribute to international efforts to address the COVID-19 pandemic.

Electronic Commerce

We welcome the constructive approach of Members on this subject, as part of the CTS discussions, with a greater focus on the infrastructure constraints faced by developing countries and LDCs. The final consolidated text should reflect Members' commitment to better understand the growth of this sector with a strong employability capacity and try to compensate for the many job losses caused by the impact of the COVID-19 pandemic.

Tunisia remains committed to working constructively with Members with a view to achieving balanced and suitable disciplines for all across all negotiating areas.

8. Nigeria

At the outset, we wish to associate ourselves with the statements delivered on behalf of the African Group and the ACP.

With the remarkable breakthrough being recorded regarding the development of COVID-19 vaccines, it is evident that the end of the pandemic is in sight. In our view, it is imperative that the WTO delivers balanced and equitable outcomes in the ongoing negotiations that seek to address the livelihood difficulties exacerbated by COVID-19 as well as support post COVID-19 economic recovery efforts.

Agriculture

Under the Agriculture file, we wish to thank the Chair of the CoA SS and the facilitators for the efforts in rejuvenating the negotiations. However, on process, we note that the topic-by-topic facilitators-led process with increasing number of meetings pose difficulties for developing countries with a small delegation who are struggling to cope with increasing number of overlapping meetings they need to cover. We therefore wish to re-emphasise the need for the negotiations to remain open, transparent and inclusive. In our view, we may need to consider 'sequencing' of issues which has always been part of the agriculture negotiations. On substance, our view is that priority should be given to mandated issues such as domestic support with emphasis on addressing the existing inequities.

Other mandated issues that should be prioritized for possible MC12 outcomes include:

- SSM where we look forward to SSG like outcomes;
- PSH where our expectations include expanded product coverage and transparency arrangement that does not pose burdensome requirements on countries undertaking these programmes in a manner that makes it de facto impossible to apply; and,
- Cotton.

On Export Restrictions and Prohibitions, we note the ongoing constructive consultations among the African Group, ACP and the co-sponsors of the Proposal on Agriculture Export Prohibitions or Restrictions relating to the World Food Programme. We are hopeful that the consultations will yield mutually agreeable outcomes so we can all adopt the decision and demonstrate our support and appreciation for the remarkable humanitarian work of the WFP.

Electronic Commerce

Regarding E-Commerce, we wish to underscore the need for us to reinvigorate the 1998 Work Programme and explore ways of addressing the difficulties undermining the gains of developing countries from global digital trade. We are pleased to note that our joint proposal on exploratory discussions on supporting digital capability of business and consumers in the CTS is gaining traction with more Members engaging in the discussions. We wish to call on Members to engage constructively in e-commerce discussions under the 1998 Work Programme in the respective WTO bodies and refrain from confusing discussions with negotiations so we can make progress on this issue.

Nigeria is pleased with the achievements thus far under the Joint Statement Initiative on Electronic Commerce. Parties have been able to put together a consolidated text that will facilitate negotiations in the coming year. Discussions under the JSI have been open, transparent and inclusive. We are hopeful that the final outcomes will effectively address our development needs. We therefore call on all Members especially developing countries to join this initiative so we can collectively shape the discussions and deliver desired outcomes.

TRIPS and Public Health

We believe given the threat to humanity posed by COVID-19, the WTO should play a role in ensuring that patents and other intellectual property rights do not unfairly constitute barriers to up-scaling of research, development, manufacturing and supply of medical products essential to combat COVID-

19. We support the joint proposal contained in document IP/C/W/669, and we are looking forward to co-sponsor the proposal after consultation from capital.

Fisheries Subsidies

Regarding fisheries subsidies negotiations, we like to join others in commending the NGR Chair, Ambassador Santiago Wills on his tireless efforts in the ongoing negotiations, particularly the amount of work he has put into reflecting many Members' positions in the revised Draft Consolidated Text.

However, we are concerned that a horizontal carve out on small scale and artisanal fishing has not been incorporated in the revised texts despite all statements and textual suggestions made that demonstrate that small scale and artisanal fishing does not contribute to the global overfishing and overcapacity problems as large scale and distant water fishing does. We reiterate that small scale and artisanal fishing should not be tagged S&DT for developing countries as this is a flexibility that will benefit all Members.

Regarding the management approach that has enjoyed support by some Members which is being presented as one that seeks to preserve the sustainability element in the negotiations, we would like to remind Members that this approach has not worked in the past as overcapacity and overfishing problems continue to exist. We therefore encourage all Members to support the approach of a simple prohibition so as to ensure that the mandate is adhered to.

Finally, in line with the mandate, we look forward to an adequate and effective S&DT that shall provide more vulnerable Members the required policy space in every pillar of these negotiations to develop their fishing capacity in a sustainable manner.

9. Chinese Taipei

As we are stocktaking our work, we should be pleased and optimistic for the progress that we have made, up to this stage, despite the challenging time we have been experiencing. All these positive aspects are because of the great efforts of the Chairs, the Coordinators, the Facilitators and the participating Members.

Fisheries Subsidies

Although the progress is not dramatic and notwithstanding that we have missed the 2020 deadline, but the progress is definitely recognizable, thanks to Ambassador Wills. From our observation, many differences arise from the misunderstandings of each other's views. We believe the recent intensive discussions had helped remove some avoidable misunderstandings. During the discussions, we have shown our flexibilities on certain key issues and submitted some discussion papers to facilitate the process. We urge Members to also show flexibilities to narrow the divergence. We look forward to receiving a new consolidated text later this week, as just suggested by Ambassador Wills, to further converge Members' opinions to help remove harmful fisheries subsidies at an earlier time.

Agriculture

The introduction of the new approach of a topic-by-topic facilitators-led process since last October was encouraging. There is also an exciting proposal on agriculture export restrictions relating to the World Food Programme. Together, Members definitely can help in the fight against hunger through committing to the smooth export of foodstuffs purchased by WFP for non-commercial humanitarian purposes.

Electronic Commerce

We are especially pleased to see the apparent progress of the negotiations this year. The most remarkable aspect is the intensive use of "small groups discussions" to support the "plenary" discussions. The approach has been proven an effective one. The tireless efforts of the co-convenors and facilitators had ensured the great momentum for the negotiations. We expect a streamlined consolidated text to be submitted next year to lead to a successful conclusion of a new set of disciplines for digital trade.

Investment Facilitation for Development

Apparently, many participating Members are very optimistic on producing an agreement prior to MC12. This is encouraging. We hope that the sense of success on the negotiations of investment facilitation for development can have a positive spill-over effect on other negotiations.

MSMEs

We commend the endorsement of the package of six recommendations and declarations aiming at facilitating the participation of MSMEs in international trade. We certainly can expect that its implementation will support the needs of the businesses, particularly during these difficult times.

Services Domestic Regulation

We believe the Reference Paper being developed under this initiative can improve Members' commitments under the GATS. We encourage more Members to consider joining the initiative and submitting their respective Indicative Draft Schedule of Specific Commitments.

Finally, we reiterate our firm commitment to continue working with Members to make meaningful WTO reforms. We also look forward to the conclusion of the DG Selection Process so that the WTO will gain a brand-new momentum leading to a fruitful MC12 and meaningful reforms.

10. Chile (Structured Discussions on Investment Facilitation for Development)

I am pleased to update Members on the latest developments on the initiative on Investment Facilitation for Development, on behalf of its Coordinator Mr. Mathias Francke, Ambassador-designate of Chile.

Despite the challenging circumstances, participants have made important progress over the last months. With Chinese Taipei joining the process, there are currently 106 participants, with several other Members attending the meetings.

Four meetings, including two intersessional ones, have been held since the last report to the HODs in October. In line with the open, inclusive and transparent nature of the initiative, all Members were invited to those meetings and all documents were circulated to all Members as well.

Participating Members continued the negotiations based on the 'informal consolidated text', which contains all text proposals submitted to date, including revised proposals, as well as written proposals put forward by participants during the meetings. So far, 16 participating Members have submitted text proposals on the different provisions under consideration¹, while three more have submitted communications providing their views on key issues.²

Attendance and participation in the negotiations has been remarkable. This has allowed the Coordinator to prepare and circulate to all Members "revised draft texts" based on Members' proposals and detailed views expressed on sections and provisions of the informal consolidated text – where discussions are more advanced. These are Section II on "transparency of investment measures", Section III on "administrative procedures" and Section IV on "domestic regulatory coherence and cross-border cooperation".

Revised draft texts were discussed at the intersessional meetings held on 29 October and on 27 November.

At those intersessional meetings, Members also discussed on a conceptual manner how to insulate the future agreement on investment facilitation for development from international investment agreements, with a view to avoiding unintended spill-over effects between them.

At the most recent negotiating meeting held on 7-8 December, participants wrapped up the first cycle of negotiations, covering all seven sections of the 'informal consolidated text'. They also

¹ Argentina; Brazil; Canada; China; Colombia; Costa Rica; the European Union; Indonesia; Japan; Republic of Korea; Mauritius; Mexico; Morocco (to be circulated soon); the Russian Federation; Chinese Taipei and Turkey.

² Submissions by Dominica and Grenada, as well as Qatar, respectively.

focused on a number of key cross-cutting issues such as the scope of the future agreement and the implementation of future obligations, including special and differential treatment for developing countries and LDCs.

As we move forward, the aim is to continue advancing on the drafting of provisions of the future agreement, ensuring consistency throughout the text. Based on the level of maturity of the discussions on the different issues, and reflecting the comments made by Members, the Coordinator may make suggestions, including drafting suggestions, to further advance convergence between Members.

The Coordinator's intention is to hold consultations around mid-January with interested delegations to seek their views on the best way forward in the next phase of the negotiations starting in 2021. The process will continue to be Member-driven and result-oriented. We encourage participating Members to continue tabling proposals, especially revised and joint ones. We also encourage the proponents to continue their consultations, focusing on key issues.

While ensuring that the future agreement is developed "bottom up", we remain mindful that not all Members are on board. Hence the need to intensify outreach efforts to all Members, particularly the developing and least developed ones.

The final goal – as stated in the November 2019 Ministerial Statement – is to achieve a concrete outcome by MC12.

Investment facilitation can play an important role in supporting economic recovery at this challenging time. We thank participating Members for their level of engagement, constructive spirit and the confidence they have placed in the Coordinator, as well as to the Secretariat for its support. The Coordinator will continue helping participants to make as much progress as possible and achieve their shared objectives.

11. Chile

This has been a very special year for everyone. The pandemic has had a strong impact on us, but we have managed to keep our organization in operation thanks to the help of technology. This, without a doubt, is a positive aspect that is worth highlighting.

Fisheries Subsidies

In terms of negotiations, I would like to point out, first of all, that Chile remains committed to negotiating fishing subsidies and supports the work carried out by Ambassador Wills on this matter. We regret not having achieved concrete and ambitious results during this year consistent with the negotiating mandate and the SDGs. In this sense, we are concerned about the lack of commitment on the part of some large subsidiary companies who prefer the status quo and avoid disciplines aimed at reducing subsidies that contribute to overcapacity and overfishing. Despite this, we recognise that Members have managed to adapt to the new negotiating format, which has facilitated the technical work.

Given the urgency of eliminating harmful subsidies for fishing, as well as being able to count on concrete results for 2021, we request that work be intensified over the next year in order to achieve results as soon as possible. Likewise, we call on the Membership to adopt a pragmatic approach and close the existing gaps in the negotiating text.

Agriculture

Along with reiterating our traditional position on this matter, we also reiterate our support for the proposal coordinated by Singapore regarding the prohibition of applying export restrictions to agricultural products when they address the United Nations World Food Programme. We hope that it can be agreed by consensus during the General Council meeting.

Joint Statement Initiatives

Chile remains strongly committed to all of them and we are pleased that 2020 has been a year of significant progress, despite the difficulties generated by the pandemic.

In this sense, we call on participants to make their best efforts in the face of MC12 to achieve a final result on Domestic Regulation in Services, achieve a concrete result in Investment Facilitation for Development, and achieve important advances in Electronic Commerce, where we value the recent presentation of the consolidated text which constitutes a milestone and important advance in this negotiation.

We also highlight the agreement reached in the JSI on MSMEs and salute the substantive work plan established by the JSI on Trade and Gender where Chile hopes to contribute in order to promote a more inclusive trade agenda.

Moratoria on Electronic Commerce and on TRIPS Non-Violation and Situation Complaints

Likewise, we reiterate the significant value that we assign to the moratoria in force on intellectual property and electronic commerce, and we invite the entire Membership to work with the objective of achieving the renewal of both at MC12.

Appellate Body

Although little progress has been made to unblock the appointment of its members, it is relevant to reiterate the call to establish a dialogue to overcome this paralysis and re-establish the second instance of the dispute settlement mechanism of the WTO.

Finally, I wish to reaffirm Chile's commitment to a free, transparent, predictable and non-discriminatory multilateral trading system. Likewise, we make a call to establish a structured work agenda oriented towards WTO Reform since this is an unavoidable condition for its validity and relevance.

12. Senegal

Senegal supports the statements made on behalf of the ACP Group, the African Group and the LDC Group.

The last meeting of the Trade Negotiations Committee in 2020 is an opportunity to take stock of the progress made in the WTO trade negotiations agenda, and to look at prospects for 2021, during which the organization will hold, hopefully, its Twelfth Ministerial Conference.

The highlight of this year is undoubtedly the unprecedented health and economic crisis due to COVID-19. Its impact on our economies and societies will be felt for years to come. The WTO has and will have an important role to play in overcoming this crisis and reviving economies through open, predictable, fair, non-discriminatory and development-oriented global trade.

Fisheries Subsidies

Despite the constraints due to the crisis, WTO negotiations have evolved at different paces. Senegal thanks Ambassador Wills for his progress reports, which have been a source of inspiration for us and, hopefully, for all delegations. We welcome his efforts to advance the fisheries subsidies negotiations. However, much remains to be done to achieve effective disciplines, with measurable implementation indicators. Senegal will work towards an outcome that responds to its economic and social concerns, but also one that offers the WTO an opportunity to contribute to the Sustainable Development Goals. That is why we believe that the prohibition of subsidies contributing to global fisheries overcapacity must be an important component of fisheries management systems and plans. Fisheries management cannot be used to justify the use of subsidies that increase the fishing capacity and effort of industrial vessels.

Agriculture

Progress will also have to be made in Agriculture. The COVID-19 pandemic and restrictive trade practices have heightened the need for some countries to ensure food security and reduce external dependence. Global economic stimulus measures will also distort international agricultural markets. It is therefore essential to achieve results on public stockholding for food security purposes and a special safeguard mechanism for developing countries. An outcome in these areas will provide

developing countries and LDCs with mechanisms to address the adverse effects of agricultural subsidies that distort international markets and plunge millions of farmers into our countries into unemployment and poverty. From this perspective, the issue of domestic support for cotton will need to be addressed specifically for an outcome at MC12.

Development and Special and Differential Treatment

On overall development and special and differential treatment in particular, my delegation calls for flexibility and pragmatism in the current and future negotiations, as a guarantee of balanced results that take into account the different needs, constraints and levels of development of Members.

Joint Statement Initiatives

My delegation welcomes the progress made in the Joint Initiatives on e-commerce, investment facilitation and micro, small and medium sized enterprises. Senegal is continuing its internal consultations on these initiatives and reiterates its call for flexible rules in these areas that can incorporate the differences in Members' legal and institutional frameworks, their levels of development and the policy space of developing and LDC Members.

WTO Reform

Flexibility will also be an essential ingredient for a successful reform of the WTO and the relevance and credibility of the multilateral trading system. Indeed, the resolution of the Appellate Body crisis, better functioning of the Councils and Committees, as well as improving the transparency of Members' trade policies and practices, are all topics on which Members' concerns, regardless of size, must be considered. An inclusive, balanced and transparent reform process is a sine qua non for an organization that is more responsive to the development objectives of Members and more relevant in a changing world.

Environment

My delegation welcomes recent initiatives related to trade and environmental sustainability and plastic pollution and looks forward to constructive discussions on these topics next year.

13. Singapore

2020 has been a difficult year for all of us. The ongoing COVID-19 pandemic has upended the world. In such challenging times, it is timely for the Membership to reflect on what we want the WTO to be. Do we want the WTO to be a useful and relevant platform that can contribute to the world and post COVID-19 recovery, or are we satisfied with the status quo, where multilateral outcomes have become virtually impossible?

Allow me to share three areas where I believe the WTO can make a difference.

One, in the area of eradicating hunger. Singapore, along with 49 co-sponsors, representing 75 individual Members, have tabled a General Council proposal to boost the World Food Programme's capacity to feed the hungry. The WFP informed Members that over the past ten years, the WFP's lifesaving work has been negatively impacted by export restrictions imposed by Members in different regions of the world. These restrictions have invariably led to higher operational costs and delays in delivery. In one case, the WFP had to pay an additional USD 1.2 million in transport costs. This translated to at least 3.9 million meals lost. With 7 million people having died from hunger this year, 3.9 million meals lost can have devastating consequences, and that is just one incident. Hence, we urge Members to adopt this decision at the upcoming GC so that the WTO can be a place where the hungry does not get left behind.

Two, in the area of health. One and a half million people have died from COVID-19. Unfortunately, there is no pause on the death counter and according to one estimate, the death toll could potentially hit three million by April next year. Therefore, it is evident that we must do more to enhance access to medical supplies, equipment and vaccines. To this end, Singapore has co-sponsored the EU-led Communication on trade and health, which will be discussed at the upcoming General Council. We hope to work with all interested Members to get this initiative off the ground to deliver concrete outcomes swiftly to tackle the pandemic. At the same time, we welcome the ongoing dialogue on

how IP can be part of the solution, rather than a barrier, to address the impact of COVID-19. We thank the various proponents who have tabled informative material which enriches the debate. We look forward to working with Members to ensure that the WTO can be a place where the sick does not get left behind.

Three, in the area of digital transformation. The pandemic has clearly accelerated the digital transformation, with more daily activities being moved online this year. It is thus heartening that the JSI on E-Commerce has been making steady progress in 2020. First, it demonstrates that WTO Members are determined to respond to the new realities of the pandemic. Second, it has enabled the JSI to produce the consolidated text that will serve as a good basis to advance work next year. This is probably the largest digital trade negotiation in the world, with currently 86 Members, and unsurprisingly, it can be challenging to converge on intent and positions. However, the consolidated text represents a good baseline to work with. As a co-convener of the JSI on E-Commerce, along with Australia and Japan, Singapore will continue to work hard with Members so that the WTO can be a place where people are not left behind due to the digital transformation.

However, for the WTO to be a place where people come together to find solutions to ensure that no one gets left behind, Members must get out of our comfort zones and engage sincerely. Unfortunately, what we have seen are some Members saying yes, I support this idea that ensures no one gets left behind, but carve me out of any obligations. Others should do it, just not me. Hence, what Members must do is to demonstrate that we care enough to be willing to do something concrete and constructive about it. Hence, as we approach the end of 2020, let it be a time of reflection for all of us, to consider how we can collectively enable the WTO to become an organization where its Members really care enough to ensure that no one gets left behind.

To conclude, the COVID-19 pandemic has shown us that we need to renew our efforts to ensure the WTO is fit for purpose and is ready to tackle global challenges. To do this, we have to rebuild trust in the organization and among its Members. We need a Director-General to steer this ship through difficult waters. Hence, we look forward to the Director-General being appointed soon so that 2021 will be a better year for the WTO and all its Members.

14. Republic of Korea

Despite unprecedented challenges caused by the pandemic, the WTO has proven to be relevant in times of crisis and is expected to play a pivotal role for the expeditious recovery of the world economy. Although ongoing negotiations were disrupted by COVID-19, we have yet achieved meaningful progress which is very crucial for the positive outcome at MC12 next year. With strengthened efforts, we should maintain and accelerate the current momentum in the coming year.

I would like to highlight several areas of negotiations where we should join heads for further progress.

Fisheries Subsidies

Members have constructively engaged to move forward the negotiations through various configurations including HODs meetings. We commend the tireless efforts of the Chair and welcome the second revised text. Korea will continue to actively engage in negotiations to reach an agreement as soon as possible in 2021. In this vein, I would like to encourage the Chair and Members to start preparing the work programme for 2021.

Agriculture

The CoA SS should keep the current practical and balanced approach for further technical discussions. Korea also welcomes Singapore's proposal not to impose export restrictions on food purchases made by WFP for non-commercial humanitarian purposes. Export-restrictive measures can lower food availability on international markets, which contribute to higher price and undermine food security in NFIDCs including LDCs. Developing or developed, or exporters or importers, should all work together to achieve our common goal, UN SDG 2, zero hunger. This will demonstrate that despite different circumstances and interests, Members can still come together and build confidence in this multilateral regime.

Electronic Commerce

COVID-19 has facilitated the growth of remote and contactless e-commerce, in place of person-to-person and physical manners of trade and transaction. The significance of establishing global disciplines to keep Members on par with this trend of rapid digitalization has never been so emphasized. Against this backdrop, eighty-six Members have vigorously engaged in negotiations this year through various combinations of small group meetings. Through their arduous work, Members were able to deliver a much more streamlined consolidated text as we had planned in the beginning of this year. It is imperative that this momentum should continue as digital trade will be an irrevocable norm in the post-pandemic era. I call for Members' continued efforts to reach a high standard outcome. Korea also remains committed to making greater contribution as we move forward.

Investment Facilitation for Development

Last, but not least, it is fair to say that this year has been a very productive one for Structured Discussions on Investment Facilitation. We note the progress that has been made since negotiations kicked off in September and look forward to continuing our active engagement in the coming year.

I am confident that with reinvigorated spirits in the new year, we can come together to agree on new trade rules by MC12 and prove once again that the WTO can deliver meaningful outcomes.

15. Norway

The darkest days of 2020 are soon behind us. Winter solstice is just a few days away. Coming from a country where the amount of daylight at this time of the year is quite limited, the moment when "the sun turns around", as Norwegians say, is a moment of relief and filled with hope that brighter days are awaiting us.

We would like to thank the Negotiating Group Chairs, as well as the Coordinators and Co-Conveners of the various joint statement initiatives for their status reports. While there is no lack of challenges identified, the reports also provide proof of the positive energy present in the Membership.

The vast majority of Members are constructively engaged in ensuring that this organization delivers and improves. The amount of energy displayed in the various multilateral and plurilateral processes do not only light up the current darkness, but also provides an excellent basis for moving forward.

A package of recommendations related to micro, small and medium-sized enterprises has been completed. An informal working group on trade and gender and structured discussions on trade and environmental sustainability have been established.

We have seen substantial progress in the Joint Statement Initiatives on e-commerce, investment facilitation for development and domestic regulation in relation to trade in services. We hope to see concrete results from this work next year, with e-commerce of particular importance in updating our rules to the digital age.

We should also acknowledge the significant progress made in the most important multilateral process going on – fisheries subsidies. Let me thank Ambassador Wills for his report and tireless efforts, as well as the efforts of the Friend of the Chair, Ambassador Chambovey.

We agree with the Chair's assessment of the state of play and we share the disappointment that we have not been able to deliver an agreement by the deadline in SDG 14.6. But we have not given up.

We have overcome many of the obstacles to negotiations that the pandemic has put in our way. The Chair presented a revised draft text this fall which continues to be the basis for negotiations. There have been frank discussions on key issues, such as overcapacity and overfishing and IUU, but also on special and differential treatment, dispute settlement and territoriality, and Heads of Delegations have become engaged.

We welcome the intention of Ambassador Wills to issue a second revision of the consolidated text by the end of this week, and see this as an important means to keep the negotiating train moving forward.

In this context let us not forget who has the main responsibility for the situation we are in. The responsibility rest with us – the Members. A viable solution can only be found if Members move away from fundamental positions and accept the need to find compromises.

A fundamental challenge remains on how to balance the insistence of many Members, both developed and developing, to retain national policy space on the one hand, with sustainability and fairness on the other hand. We need to remind ourselves that the core purpose of these negotiations is to restrict policy space. Introducing prohibitions, as we are mandated, will necessarily have to restrict our policy space – for the benefit of the sustainability of our common marine resources. This is urgently needed for the benefit of all, including those who rely on fisheries for employment and income.

So where do we go from here? The most important thing is to keep up the momentum and continue negotiations in full force, and we support the ambitions of Ambassador Wills in this regard. The fact that we have not been able to meet the deadline set by our Heads of Government should inspire us to step up our efforts to the maximum in order to conclude the negotiations as soon as possible. This is what we have been instructed to do.

16. Barbados

Barbados aligns itself with the statement to be delivered by Saint Lucia on behalf of the CARICOM Group and the statement delivered by Jamaica on behalf of the ACP Group.

As we close out on a year marred with uncertainty and adversity, we do believe that there is a need for reflection on the meaning of multilateralism and what it means for the WTO; and reflection on the WTO and what it means for its Members. Although the crises that have emerged from the pandemic has revealed the vulnerability of all countries, they have highlighted the disproportionate impact that these have had on developing countries, particularly those that were already regarded as vulnerable. The necessity to close borders meant that for Barbados, its main source of foreign exchange and tourism ceased instantaneously and highlighted the importance of trade, particularly in light of our dependence on imports for food security and access to critical personal protective equipment as well as medical equipment and supplies.

It also accentuated our inherent vulnerability to exogenous shocks, be they environmental or economic, and for us, the need to ensure that the criteria for concessional loans and financing go beyond per capita income measures to include multidimensional vulnerability indices. Our recent discussions have also given rise to us to state our inability to accept any proposal which suggests the use of per capita income as a criterion for accessing special and differential treatment in the WTO. This is not only applicable for the negotiations on fisheries subsidies but also for other areas in the WTO, including in the discourse on differentiation in the General Council.

Sustainability underpins our development and indeed in light of the challenge posed by climate change – our continued way of life and ultimately our existence. These are among the motivations that have driven Barbados' advocacy on climate change and sustainable development at the international level and our engagement in the WTO on issues related to the environment, including in the fisheries subsidies negotiations. Barbados continues to be of the view that we must remain faithful to the mandate underpinning the fisheries subsidies discussions, which speaks to addressing the problem of prohibiting harmful subsidies.

If we are to truly treat to this mandate we must take care that we do not wittingly or unwittingly create ambiguity in the rules which would allow for major subsidisers to circumvent the prohibitions under the guise of sustainability. We must also ensure that we do not effectively punish those countries that are not responsible for the problem of overcapacity and overfishing. Special and differential treatment for developing countries and LDCs continues to be an integral aspect of the discussions. As a resource-poor and small island fishing nation experiencing under-capacity of its fishing sector, we must be afforded the opportunity to develop our fisheries sector, albeit in a sustainable way.

A significant aspect of our response and recovery will depend on the ability of our services sectors and related productive sectors to rebound from the economic crisis. Through the ACP Group, Barbados has injected its perspectives and have outlined our systemic challenges, including those

that have arisen owing to COVID-19 in the "exploratory discussions" in the Council for Trade in Services in Special Session. These for the most part have been based on the submissions of others. As a member of the Group, we are exploring the contours of a submission based on our interests, and is based on the built-in mandate and GATS flexibilities for developing countries and LDCs. Barbados joins with the ACP Group in inviting outcomes on any discussions on market access to reflect sectors and modes of supply of interest to our countries.

Barbados is disquieted about the attempts to bring issues on the subject of unilateral imposition under a rules-based system and therefore under the remit of the WTO's dispute settlement system, for example, the issue of anti-money laundering and counter terrorism financing in the context of the investment facilitation discussions. This issue for instance is one which has no multilateral intergovernmental framework or governance structure and, in some instances, do not allow for bilateral consultation ahead of sanction on these issues. Barbados will continue to actively participate in these discussions with an aim to ensure that due regard is given to its position.

17. Iceland (Informal Working Group on Trade and Gender)

I would like to use this opportunity to inform you and the Membership on new developments in the Informal Working Group on Trade and Gender.

The Informal Working Group on Trade and Gender held its first meeting on 11 December at the WTO. The establishment of the Informal Working Group was the result of consultations with Members who expressed support for following-up on the commitments of the Buenos Aires Declaration on Trade and Women's Economic Empowerment.

The Working Group thus represents the next phase of the implementation of the Buenos Aires Declaration. The Group will be collaborative, informal, inclusive, open and transparent as requested by Members.

At the meeting, we had a presentation on a report on "Delivering the Buenos Aires Declaration on Trade and Women's Economic Empowerment". It was presented by the Trade Impact Group, the group that initiated the Buenos Aires Declaration. The publication is available for all Members.

During the meeting, Members agreed on how to schedule the work next year and until MC12. Meetings will be held every second month with some flexibility for more frequent meetings when needed, for instance when we will be preparing for a Ministerial meeting.

We will have four fixed items on the agenda of the Informal Working Group:

- Share best practices among Members on increasing women's participation in trade,
- Considering a concept and scope for a gender lens in the context of international trade and review how a gender lens could be applied to the work of the WTO.
- Review and discuss gender-related analytical work.
- Contributing to the Aid-for-Trade Work Programme.

18. Iceland

The negotiations on fisheries subsidies have been high on the WTO agenda this year. Indeed, 2020 was the deadline set by world leaders. This task is of no little importance. The harmful impact of certain forms of fisheries subsidies on the environment and the health of fish stocks is well-documented and has been a subject of discussion at the WTO for almost 20 years.

The target was not met, and that is regretful. However, that does not mean that all is lost. Our work must continue until an agreement is reached. As Nelson Mandela once said, "It always seems impossible until it's done". This can be done. The outcome will establish a clear commitment from Members not to grant fisheries subsidies unless they have assessed the impact of such subsidies on the sustainability of the fisheries.

I would like to thank Ambassador Wills for his commitment and hard work since his appointment as Chair of these negotiations. His work has brought us forward, and discussions on the draft texts have been constructive. There has been progress and some convergence. However, difficult discussions remain. I would like to thank Ambassador Chambovey for taking on the position of Friend of the Chair to lead the complex and important discussions on S&DT.

We look forward to receiving the new revision of the draft text and to the continuation and the successful conclusion of our important negotiations in the new year. We fully support how Ambassador Wills foresees the continuation of our work in the new year, in these challenging times, and I thank him again for his commitment.

19. Turkey

Due to the COVID-19 pandemic, we have urgent priorities. Now, the world is struck by a second wave of the pandemic.

The masks which we have to wear every day remind us of the very serious threat we face. They remind us of the challenges we need to overcome. And more importantly they remind us that we are in this together and highly interdependent to each other.

We need joint actions which require effective multilateral institutions. We should prevent the loss of reputation of international organizations which are very dear to us all. And no doubt the WTO is one of them.

Social distancing will not help at the international level. With the pandemic, the contraction in global trade, which already sharpened after 2018 due to growing unilateral trade measures and protectionist policies, is intensified. It is a clear signal for us. Rather than engaging in a zero-sum game, we should focus on win-win conditions which can benefit the entire Membership.

The pandemic has brought to the fore once again the relevance of the WTO rules on trade and underlined the need to make the WTO more relevant, functional and up to date. Trade is now more essential than ever to save lives and international cooperation is needed to keep the trade flowing.

We have to concentrate on additional steps to make sure that no one is left behind in our response to the pandemic. For this reason, the WTO should do its part in configuring global solutions to ensure affordable, secure and uninterrupted access to food and key medical supplies, including vaccines and pharmaceuticals.

Overall, our actions and negotiations under this roof are much more critical. Against this backdrop, at the end of the year, we still see there are a broad range of issues remaining unresolved and several discussions end up without satisfying outcomes.

Among these, a dysfunctional dispute settlement mechanism due to the paralysis in the Appellate Body persists to be a major issue. Our utmost priority should be focusing on steps to restore this mechanism and we should invest our energy on crafting multilateral ways to maintain its two-tiered character.

With regard to agriculture, the progress in the negotiations continues to be a top priority for Turkey. However, during the recent CoA SS meetings, we observe that the significant divergences remain and concerns on inequalities and imbalances of the current system could not be addressed.

This organization is tasked to contribute to global wealth as well as sustainable development. We clearly see the sustainability aspect in our mandate on fisheries. We recognise the considerable progress on the discussions conducted on a consolidated text. However, as implied by the NGR Chair, we were not able to build an understanding towards an agreement and bridge the significant divergences on substantive issues. A timely agreement on fisheries subsidies will also help to mitigate the challenges of this organization through demonstrating its capability to deliver comprehensive, meaningful and concrete outcomes. Turkey appreciates the tireless efforts of Ambassador Wills in this regard and once again expresses its readiness to contribute to negotiations.

We clearly see that there is a rooted trust deficit among Members and it poisons ongoing negotiations. This is the most significant issue we should work on in 2021. Therefore, we need to

adopt a sincere constructive approach and a work environment based on mutual understanding. We are hopeful that the new year will bring opportunities in that regard. If we can overcome this trust deficit, our divergences on various matters will be resolved much faster.

The adverse effects of the pandemic on services are devastating. We can explore new ways in the multilateral forum to equip the services sector with necessary tools to cope better with current difficulties. We think that temporary movement of natural persons, healthcare and logistics deserve special attention.

We are pleased with the good and concrete progress in plurilateral initiatives especially on MSMEs and Services Domestic Regulation. We hope that the momentum on the Joint Statement Initiatives on E-Commerce and Investment Facilitation for Development can be maintained in 2021.

In this new and more challenging international environment, now we all bear additional responsibilities to shoulder. For handling all issues timely and responsibly, appointing the new Director-General at the earliest convenience can be the first step ahead. We are confident that the successful conclusion of this process in line with the rules and procedures of the organization and on the basis of Ambassador Walker's report will further contribute to multilateralism and the rules-based trading system.

I wish a merry Christmas to colleagues who celebrate it and a very happy and healthy new year to everyone.

20. Australia (Joint Statement Initiative on Electronic Commerce)

I will first provide a report on work under the Joint Statement Initiative on Electronic Commerce on behalf of the Co-Convenors: Australia, Japan and Singapore.

The Co-Convenors were pleased to circulate a consolidated negotiating text on 7 December.

The text reflects recent good progress made in small groups on issues such as e-signatures and authentication, paperless trading, customs duties on electronic transmissions, open government data, open internet access, consumer protection, spam and source code. There has been considerable convergence efforts in recent weeks in particular to ensure the consolidated text was as streamlined as possible.

The Co-Convenors are also today releasing a public update on the JSI, including the consolidated text.

The JSI has met in plenary five times since our last report – and these meetings have included updates from small groups to ensure transparency and facilitator-led exchanges on specific provisions.

We have been pleased to welcome Ecuador as the 86th participant in the initiative.

Japan and Singapore hosted an information session on data flows and localization rules in November and we have also advanced our work on goods and services market access issues.

Looking ahead, we will hold monthly plenary meetings in the next few months, and small groups will remain an important tool for driving progress. We have discussed establishing three milestone dates for 2021 by which we will aim to clean certain numbers of provisions.

The electronic commerce JSI remains open, transparent and inclusive: meetings are open to all WTO Members and papers are available on the WTO portal.

The COVID-19 pandemic has accelerated the digital transformation, and this trend only underscores the importance of our work in the JSI. We will need to make big strides forward in 2021 if we are to deliver meaningful outcomes under the initiative quickly as demanded by stakeholders. We look forward to responding to this challenge with all participants.

21. Australia

Turning to Australia's statement, we have faced great challenges in 2020 and it is important that we, the Membership, take stock of what we have achieved. Where has the WTO stood up and played its part in responding to the COVID-19 pandemic and where have we fallen short? What does our 2020 report card look like?

The transparency and monitoring function has been particularly highly valued, given the many measures introduced in response to COVID-19, and the growing uncertainty in world trade more generally. Members have relied on this function heavily this year. It has been crucial for our businesses to have a sense of what measures they face. But there is clearly much more to do to improve accountability in the Membership.

The report-card on rulemaking has been mixed. The two major multilateral negotiations were both frustratingly slow.

Australia has invested much in the fisheries subsidies negotiations and we have joined Ambassador Wills' tireless efforts to successfully conclude an agreement in line with the deadline set by our Leaders. We support the Chair's push to conclude as soon as feasible in the new year, although we would caution that, to achieve this goal, we will need a commitment from all – developed and developing Members alike – to commit to real change in spending on harmful subsidies.

Agriculture has been moving far too slowly. The area of world trade that is most distorted is, ironically, securing least traction here in Geneva. The Cairns Group continues to urge all Members to show leadership on domestic support – MC12 will not be viable without a strong clear forward path on domestic support. This year, spending on trade distorting domestic support rose again, again harming poor and unsubsidized farmers at the same time as many of them have become most vulnerable. Several Members have called for work on a level playing field in industrial subsidies. We are ready to play our part. But it is vital that we see the next few months deliver more engagement from those same Members on a level playing field in agriculture, the sector of world trade that matters so much to most Members in this organization.

We are pleased to co-sponsor the draft General Council decision to prohibit export restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme, an initiative supported by the Cairns Group since July this year. We must be able to make progress in this modest initiative and we thank Singapore for its leadership. As the WFP has itself recently highlighted, this would further enhance their ability to assist the poorest and most food insecure populations.

Rulemaking in plurilateral format is clearly faring better and we are determined to make progress where it is possible.

As I said earlier, we were pleased to join our fellow co-convenors Japan and Singapore to release the E-Commerce JSI consolidated text, meeting the deadline we set ourselves. I want to thank all participants for their active and constructive engagement.

Encouragingly, all of the other JSIs are also tracking well – and we see services domestic regulation, in particular, as ripe for conclusion ideally in the first half of 2021.

Finally, the report card on the dispute settlement system shows we have more much more work to do. Securing a healthy and functioning dispute settlement system – with a functioning appeals mechanism – is a crucial part of the WTO Reform task. We are ready to take the necessary reform decisions to ensure it is working effectively and is supported by all Members.

We also need to appoint a new Director-General as soon as possible in line with the agreed process we all followed.

Let me conclude by wishing our departing Ambassadors well. They have all made big contributions here – and while some of these contributions have been unsettling ones – they have made them in a collegiate and professional way. I thank them all for their contribution and friendship.

22. Chad (LDCs)

I take the floor on behalf of the LDC Group.

In this end of year, the 2020 outcome is grim due to the outstanding and unexpected crisis which has befallen us collectively, struck our populations' health and has profoundly impacted our trade and levels of growth.

However, in this extremely difficult context, we have also been able to develop a level of solidarity, in trying to face the amplified fractured forms that this type of event can generate.

Thus, within the WTO framework, many delegations, including LDCs, called for keeping a facilitated trade of essential food and pharmaceuticals products to combat the adverse effects of the pandemic. These calls are bearing fruit and we reiterate our call on Members to refrain from implementing restrictive measures on exports of essential medical and agricultural products much needed by LDCs.

In addition, as of today, we finally see hope for getting rid of the COVID-19, following the announcement of the discovery of vaccines. This is also proof that collective efforts aimed at the same goal can bear fruit, sometimes more quickly than anticipated. So, we can reasonably expect that this good news for humanity will also have a significant positive impact on the recovery of world trade and growth in 2021. We hope so because our budgetary situations are very difficult.

Despite the significant logistical constraints that the pandemic has engendered, we have been able to find the means to pursue our negotiation work, even if the current format based exclusively on a virtual mode is not ideal. We greatly thank the Secretariat for the very useful tool put in place, but we hope above all that we will be able to return soon to a normal situation of face-to-face interactions which are more efficient.

As for the negotiations themselves, the LDC Group has shown its engagement in various trade-related issues and in negotiations, despite our limited human and financial resources. It is a real challenge for our small delegations to lead head-on, at a high level of technicality, discussions and negotiations as part of the WTO work. Thus, we would like to highly commend the LDC Group Members for their engagement with partners, in view of achieving a more fair, equitable and inclusive multilateral trading system. The work carried out at the WTO will have a big impact on our development aspirations.

Fisheries Subsidies

We are aware that there is still work to be done in order to reach an Agreement. The COVID-19 pandemic has not made our task easier, and the way of working it imposed might last longer in the new year. However, we have made progress and identified the issues on which we need to reach consensus. The issues are not only about special and differential treatment. First and foremost, Members must resolve the nature of the discipline itself which will shape how far we must arrive on special and differential treatment commensurate with our levels of development.

The LDC Group will remain constructively engaged in order to reach an outcome by MC12 which takes account of our concerns regarding IUU fishing, the protection of artisanal and small-scale fishing as well as special and differential treatment for LDCs to harness our fishery resources in a sustainable manner.

Agriculture

Negotiations, especially on domestic support, remain a priority. We keep defending a drastic reduction of the type of domestic support which distorts markets and competition, to the detriment of LDCs producers. On cotton trade, our group continues to defend a complete elimination of domestic support to cotton production as this activity represents a vital source for our economies and serves as a real instrument to combat poverty in our countries.

Electronic Commerce and TRIPS

Over the past few months, our Group has also underlined how important it is for LDCs to be better equipped in terms of technology in order to promote a real structural transformation that fosters

sustainable development and industrialization and to better benefit from electronic trade. In this regard, we have submitted a draft decision to the TRIPS Council requesting an extension of the transition period from some provisions, as long as we remain LDCs. We hope that Members will accept our duly motivated request. Likewise, we have submitted a communication calling for the revitalization of the Work Programme on Electronic Commerce and the need to respond to LDCs' infrastructure constraints to engage in e-commerce.

Special and Differential Treatment

Our Group defends the introduction of specific provisions for LDCs in order to facilitate our integration momentum to world trade and to lighten the administrative procedures' burden that can slow us down. S&DT is a WTO principle which underscores that LDC Members are not at the same level of development and that the most fragile among them need assistance to integrate and consolidate in view of being able to comply at an equal level with the multilateral trade standards.

LDC Graduation

Our Group also advocates for maintaining LDC flexibilities to Graduated LDCs so as to ensure a smooth and seamless transition to developing country status for LDCs that have just graduated. In this regard, we have submitted two proposals, one relating to the TRIPS Agreement and the other relating to the other WTO Agreements. We hope that the proposed transition period will be accepted by the Membership.

WTO Reform

The LDC Group is evidently in favour of a more efficient functioning of the organization for delivering results. However, the reform cannot come at the cost of an increased burden for LDCs. This must be taken into account. We have submitted a communication in this regard in December 2019. Also, we call for the appointment of new members of the Appellate Body as soon as possible, in order to restore the full effectiveness of the WTO for the benefit of its Members and for strengthening the multilateral trading system. Likewise, it is necessary for the smooth progress of the negotiations that the next Director-General, who will also serve as Chairperson of the Trade Negotiations Committee, be appointed as soon as possible.

The LDC Group reiterates its full commitment to the ongoing negotiations and other WTO work, to the extent possible, given the means at our disposal. We are in favour of a strong, fair and inclusive multilateral trading system. We will continue to show a constructive spirit towards successful outcomes in the run up to the Twelfth Ministerial Conference.

23. Guyana (CARICOM)

I make this statement on behalf of the Caribbean Community (CARICOM) Group in Geneva.

The CARICOM Group also associates itself with the statement delivered by Jamaica on behalf of the ACP Group. We appreciate the reports from the Chairs of the various WTO Bodies and thank them for their good work during a particularly difficult year.

Fisheries Subsidies

The CARICOM Group is committed to seeing a good and meaningful agreement reached soonest and will continue to play an active and constructive role towards this end. In this respect, we wish to reiterate the following points of critical interest:

- First, the importance of the fisheries subsidies negotiations to the economic, social and environmental sustainability of our fisheries sector and the preservation of livelihoods. As discussions progress under the different pillars, CARICOM wishes to emphasise that along with the majority of developing countries, we have had minimal impact in contributing to the degradation of fisheries resources, as we have neither the capacity nor the financial resources to provide these types of subsidies. We are mostly small producers. We have low levels of subsidization and we should not be penalized or made to bear the burden of the large scale producers who are the major subsidizers.

- Second, our economies face structural constraints that limit the growth prospects. We need the policy space and support to grow the fisheries sector in a sustainable manner. Eligibility for special and differential treatment should not be based on income criteria such as GNI per capita and GDP, as such metrics do not provide an accurate picture of the vulnerabilities faced by our region.

As the negotiations advance during this critical stage, we must ensure that work on the draft consolidated text proceeds in an unambiguous, inclusive and transparent manner.

Electronic Commerce

We recall our observations in October concerning the need to regroup, given the impact of the pandemic on plans for a reinvigorated Work Programme, including structured discussions, in 2020. The CARICOM Group has paid close attention in this last quarter to the various narratives on electronic commerce in the Council for Trade in Services, in particular, and in the General Council, even as we keep an eye on the parallel JSI process.

There is an evident chasm between Members who are keen to negotiate disciplines on electronic commerce and those who are not convinced that new rules constitute the solution that will allow us to participate effectively in digital trade and share in the benefits. Moreover, the pandemic has, in a real way and in real time, exposed – and perhaps even widened – the gap between those already positioned to harness these benefits and those who are not. In those circumstances, we would support focused discussions on e-commerce and development, early in 2021. Such discussions, we believe, could be productively elevated at the level of the General Council and Heads of Delegations.

Services

We take note of the work over the past year in the various Committees and Subsidiary Bodies in the context of the Committee on Trade in Services. However, the most significant momentum has, perhaps, been in the parallel Joint Statement track with respect to Services Domestic Regulation. The issue of domestic regulation in services is important to us and we hope that Members will find a way to bring these discussions into the multilateral fold so that we can have an outcome that is consistent with our multilateral obligations as set out in GATS Article VI:4.

Investment Facilitation for Development

We note that Members have entered formal negotiating mode. Four CARICOM Member States are part of this process and the wider region has a systemic interest in the investment facilitation and sustainable development nexus. We note the developments in the JSI process and encourage participants to keep development at the centre of their negotiations.

WTO Reform

While, regrettably, we have not been able to advance during this year – and the pandemic certainly has not helped – we are hopeful that 2021 will prove to be different and we can, inter alia, restore the proper functioning of the dispute settlement system and advance the conversation on how the WTO can best support the development objectives of its Membership, particularly the SVEs.

24. United States

This is my last HODs meeting. I never expected that someday I would represent my country at the World Trade Organization. It has been a great privilege and I will always be grateful to President Trump and US Trade Representative Robert Lighthizer for this opportunity.

I want to thank my WTO colleagues for their warmth and openness. From day one, you have welcomed me and extended the hand of friendship. You have helped make my experience a deeply enriching one.

My thanks also go to former Director-General Roberto Azevedo, the four Deputy Directors-General, and the entire Secretariat team for the professionalism they consistently display. I have benefited from the Secretariat's expertise which they have generously shared.

In particular, I want to thank DDG Wolff for his passion and commitment and frequent words of wisdom and thank you, DDG Brauner, for your steady hand in keeping the WTO running during the pandemic while protecting the health of us all. You have done an outstanding job.

I wish to acknowledge the members of the US delegation, who each day – by their words and actions – contribute immensely to the work of this institution.

Finally, I want to thank the Government of Switzerland for allowing the Shea family to enjoy the delights of this beautiful country.

As I reflect on my nearly three years at the WTO, one of the roles I think I have played is to expose problems that pre-existed my arrival in Geneva, but were largely ignored despite requiring more forthright attention.

So, in that spirit, please allow me now to offer some final thoughts and observations.

I have been hearing recently that what ails the WTO is a "lack of trust" among its Members. I respectfully disagree with this diagnosis.

Colleagues, when each of you takes the floor here at the WTO, I trust that you are faithfully representing the views of your governments. And I believe you trust that I, too, have been conveying the views of the Government of the United States, hopefully with some clarity and persuasiveness.

As I see it, the core problem at the WTO is not a lack of trust but a lack of like-mindedness. We simply disagree on some fundamental issues. These divides make progress here at the WTO exceedingly difficult and threaten the institution itself.

Let me point out three areas where I believe the lack of like-mindedness is most pronounced and problematic.

First, the WTO is designed to support free and fair trade based on market competition. As one of the main architects of the multilateral trading system, the United States has always believed that adherence to market-based policies among trading parties was essential if this system is to work effectively and fairly. We held this belief when we joined the GATT, agreeing to rules dedicated to openness, transparency, and fair, market-oriented competition grounded in the rule of law. We held this belief when we signed the Marrakesh Declaration with its commitment to "open, market-based policies". And we held this belief when we have insisted in literally dozens of WTO accessions that the acceding party undertake domestic reforms to reduce the role of the state in the economy and increase market orientation.

Unfortunately, some Members apparently do not believe that market orientation is part of the WTO's DNA. In their view, the WTO is agnostic between market and non-market economies – both belong here on an equal footing. This is not just a philosophical difference; it also has a practical impact.

In 2001, when China acceded to the WTO, there was much hope that its economy would further open up, liberalise and embrace market principles. Regrettably, this future has not fully materialized. In fact, we have witnessed significant retrenchment, a process that has been ongoing for well over a decade.

Today, we see an economic system in China in which State-owned and State-influenced "national champions" are lavishly funded by State-owned banks, charged with meeting State-determined industrial policy goals, assisted in this effort by State-sanctioned intellectual property theft and cyber espionage, and supported by a panoply of policies that discriminate against foreign competition. Add to this mix the absence of an independent judiciary where business disputes can be decided fairly, highly restrictive information controls, increasing Party involvement in state-owned and private enterprises alike, and an overall lack of transparency, and the playing field becomes even more unlevel.

Such a State-led, non-market economic system is incompatible with the WTO and its norms. To believe the WTO can manage this system's trade-disruptive impact under current rules and through the dispute settlement process is fantasy.

Second, the United States has long believed that greater integration into the international trading system through compliance with WTO rules is good – a net positive – for a nation's economic development. While the United States has always supported special and differential treatment for LDCs and less developed nations, we believe the ultimate goal of everyone should be full compliance with the rules as laid out in the various WTO agreements.

Unfortunately, it seems today that the overriding preoccupation of far too many Members is to be exempt from the rules. This situation is made worse when some of the world's largest trading nations and advanced economies claim entitlement to S&DT as of right. So the question becomes: If you don't want to abide by the rules of this organization, why be a Member?

I'll answer that question: Clearly, participation in the global trading system results in benefits. That's why WTO membership is valuable. But the system cannot be sustained if Members continue to extract benefits without making commensurate contributions.

The third area where the lack of like-mindedness is pronounced is, of course, dispute settlement. As expressed in the Dispute Settlement Understanding, the WTO Membership never charged the Appellate Body with creating a corpus of international trade jurisprudence – its role was to promptly make recommendations that would assist the DSB in resolving individual disputes. The role of issuing authoritative interpretations of the WTO agreements that are binding on all Members has always been reserved to the Members themselves, acting in the Ministerial Conference or the General Council.

The intended mandate of the Appellate Body was therefore always a limited one – to correct legal errors by panels and to do so expeditiously.

The debate over the past three years demonstrates that some WTO Members have a fundamentally different vision for appellate review than the limited role set out in the DSU. They see the appellate reviewer as an independent international court charged with establishing binding precedent, enforcing "coherence," filling gaps in the agreements, and creating a global common law of trade.

This clash of visions simply cannot be papered over with a few word tweaks here or there. It requires a much deeper conversation, one that the United States has repeatedly sought. And let me add that concerns about Appellate Body overreach and rule-breaking are longstanding and shared across the political spectrum in the United States.

With these wide divergences among the Membership, it is no wonder that the WTO has underperformed over the past 25 years – just one multilateral agreement, the Trade Facilitation Agreement, and no multilateral outcome that reduces tariffs and improves market access.

On fish, it is true we have made some progress thanks to the efforts of Ambassador Santiago Wills with help from Ambassador Didier Chambovey and despite this year's unique challenges. But let us be serious: this negotiation has been ongoing for nearly twenty years, and by that measure, progress is very modest. This is certainly not the timeline of an organization aspiring to be effective and relevant.

Where the WTO goes from here, I do not know. But, in my view, building greater like-mindedness and a sense of shared purpose around a common set of values will be essential if the system is to survive and live up to its significant potential. To those who wish to engage in this enterprise, I will be rooting for you.

I hope my candour has made some contribution to the WTO Reform effort. Most of all, I hope that you and your families stay safe and well, and I wish each of you much happiness in the years ahead.

25. Philippines

Allow me, on behalf of the Philippine delegation, to express our appreciation to all the four DDGs – DDG Yonov Frederick Agah, DDG Karl Brauner, DDG Alan Wolff and DDG Yi Xiaozhun – for their steady leadership in holding the fort for the next Director-General and in guiding the WTO during this very challenging year for the Membership and for all the delegates here in Geneva.

The Philippines associates itself with the ASEAN statement to be delivered by Viet Nam as this year's ASEAN Chair. We echo our ASEAN colleagues in extending our delegation's deep appreciation to all the Chairs of the Negotiating Bodies for their leadership and tireless work in helping move our negotiations forward despite the unique difficulties posed by the COVID-19 pandemic.

Fisheries Subsidies

On the rules negotiations on fisheries subsidies, the Philippines wishes to thank Ambassador Santiago Wills for delivering as promised a single consolidated negotiating text in document RD/TN/RL/126/Rev.1 dated 2 November 2020. The revised document represents a lot of hard work from the Chair and tremendous amount of engagement and participation from all the delegations. We therefore commend the work to date, while not delivering as scheduled this December 2020, allows for a basis to move forward the negotiations and we express support for the Chair's call for all delegations to exercise constructive and reasonable flexibility so that the WTO may achieve and deliver on the Leaders' instructions to effectively discipline fisheries subsidies.

Agriculture

On the agriculture negotiations, the Philippines takes this opportunity to express appreciation to Ambassador Gloria Abraham Peralta for her leadership of the CoA SS that builds on the hard work of her predecessor. We support her providing new impetus for delegations to engage positively through facilitator-led discussions, and welcome the participation of the expert facilitators and express our appreciation as well to the Members that have provided the CoA SS Chair with the extra assistance through their volunteer experts.

Joint Initiatives

The Philippines commends the progress in the various MC11 Joint Statement Initiatives, and the hard work of the Coordinators and participating delegations to achieve by our year end substantial progress on consolidating textual provisions and giving shape and structure to the desired and proposed outcomes whether in time for MC12, or even earlier.

- MSMEs: We are particularly pleased to endorse the Informal Working Group on MSMEs' package of recommendations and declarations to facilitate MSMEs participation in international trade that the working group adopted on 11 December 2020. Since the inception of the MSME discussions in the WTO in 2015, when the Philippines submitted a proposal to the General Council to facilitate horizontal discussions on MSMEs, we are glad to see the significant advancement of work on this initiative to foster MSMEs participation in global trade.
- E-Commerce: Further, we recognise the progress in the negotiations of the trade-related aspects of electronic commerce as it delivers a consolidated text in document INF/ECOM/62 circulated on 7 December, which will provide a common basis to advance the negotiations next year.
- Investment Facilitation for Development: We commend the progress in the ongoing round of negotiations on the informal consolidated text on Investment Facilitation for Development which saw a high level of participation and engagement from Members. We look forward to continuing the negotiations in January 2021 with a view to achieving a concrete outcome at MC12.
- Women Empowerment: We welcome the progress towards the implementation of the Buenos Aires Joint Declaration on Trade and Women's Economic Empowerment and look forward to working collaboratively with Members in the informal, open and transparent working group launched on 23 September and which held its first meeting on 10 December to further advance the objectives of the Joint Declaration.
- Domestic Regulation: We also take note of the progress made under the Joint Initiative on Services Domestic Regulation this year. Even though the Philippines is not a signatory to this Joint Initiative, we appreciate the open-ended engagement and we are keeping capital fully informed of developments, including the fact that participating Members have committed to a significant outcome at MC12, and to this end, that

participants are preparing their indicative draft schedules and hoping to deliver on a clean Reference Paper.

26. Brazil

Thank you, Deputy Director-General Brauner.

We end 2020 with the WTO in a situation of both crisis and transition. We accumulated over this year a series of problems: the paralysis of the Appellate Body, the inability to deliver negotiating outcomes specifically in fisheries, the slow pace of the reform agenda, the impossibility of holding MC12 due to the pandemic, the inability to choose a new Director-General and the rise in agricultural subsidies disbursements all over the world. We need to address these problems if the WTO is to remain relevant as we all want.

As highlighted by President Bolsonaro in the last G20 Summit, Brazil believes WTO Reform is a key element for the world economic recovery from COVID-19 and we advocate for advances in the three pillars: negotiations, dispute settlement and transparency.

We have challenges in the next twelve months which simply cannot wait. First, we need to choose a new Director-General in accordance with the rules and procedures we have all agreed upon. The WTO needs political leadership at the highest level to navigate the most serious crisis of this organization.

Second, we need to make sure that disproportionate and protectionist measures placed during the pandemic are rolled back while preserving Members' sovereign right to protect their populations in periods of public health crisis. While affording disguised and opportunistic protectionism, we need to address structural elements that the pandemic brought to the forefront including trade and public health as well as trade in food and agriculture.

Third, we need to prepare for MC12 in 2021 which must include clear deliverables in agriculture particularly in domestic support and SPS. The pandemic highlighted the need to cap and reduce all forms of trade and production distorting support entitlements. On the conclusion of the fisheries negotiations, it is regrettable that we did not manage to conclude the negotiations this year. Let us hope that the delay gives us the opportunity to have a more robust outcome – one that truly delivers on sustainability and trade.

WTO Reform must also include the multilateral rebuilding of the Appellate Body. Brazil will be ready to engage in discussions to re-establish a two-tiered dispute settlement mechanism for the WTO. WTO Reform must equally include important horizontal elements such as the principle of market economy, development and S&DT. Brazil wants above all a reformed WTO, one that works and delivers. We are ready to engage with others in strengthening the multilateral trading system in 2021.

27. Panama (Article XII)

I am delivering this statement on behalf of the Group of Article XII Members.

As we have already said in the previous statements, our Group expects that current negotiations should result in levelling the imbalances that have accumulated in Members' commitments with each new accession negotiation.

We also believe that to reach a level playing field, all those Members that currently enjoy higher levels of entitlements, that maintain significantly lower levels of commitments than those they asked of acceding Members, will have to make more significant contributions within the ongoing reforms process.

The Group wants to recognise the efforts made by the Chair of the CoA SS in setting up multiple rounds of conversations with the Membership through a facilitator-led process, and those of Members contributing to constructive discussions. In this regard, we reiterate the importance of promoting dialogue, inclusiveness and the sharing of information.

Our Group reminds Members that the built-in agenda and existing imbalances are not limited to agriculture. They exist also in Services where Article XII Members have undertaken more commitments in every sector and subsector in comparison to the original Members. They exist also in NAMA and horizontal commitments.

We would also like to express our Group's continued support of the ongoing discussions on the WTO reform in transparency and inclusion.

Lastly, we want to express that we expect all ongoing negotiations lead to closing these gaps and we are looking forward to seeing significant progress by MC12. We also reiterate our support to the ongoing accessions and hope that we can see new Members join the WTO.

28. Panama

I would like to thank all the Negotiating Group Chairs for their reports. We have to continue the work in all the pillars of negotiations – both in agriculture, but also as I said in my statement on behalf of the Article XII Members, in the Built-In Agenda and in other areas.

Panama is satisfied with the level of participation of Members in the current discussions, exploratory discussions on market access in services for instance. However, we are worried about statements whereby negotiations in services should await results in agriculture. We are at the WTO and we are no longer in the GATT period. Negotiations have to take place in parallel and with the same priority and without any arbitrary sequencing.

In fisheries, one of the many deadlines will come to an end for the conclusion of the negotiations in this area. There are a great deal of discrepancies and it is quite clear that there is no sufficient flexibility and pragmatism either. And there is no insistence either in certain cases and systems on strategies, and proposals are being pushed forward that will not meet consensus. My delegation will continue to be committed and we will continue to work intensively so as to be able to conclude these negotiations as soon as possible and with an ambitious result.

We would also like to thank Ambassador Cancela for the report he presented today as Coordinator of the Informal Working Group on MSMEs. MSMEs represent 97% of enterprises in Panama and generate 33% of our employment. Panama, for that reason, subscribed to the Joint Ministerial Declaration in Buenos Aires. Panama is one of the most active Members in this Group and also successfully encouraged other Members to join. Our participation was always enthusiastic, constructive and transparent and we fully followed the commitments expressed in the declaration on inclusiveness and consensus at each stage of our work. Panama aired several substantive concerns on the focus of the package of documents that was announced today by Uruguay. My country could not support some of the proposals and, of course, even less, promote them.

We hoped that they were presented in a voluntary fashion on a voluntary basis as was discussed with the proponents. We had many discussions and we often suggested different wordings to the proponents. Despite these efforts, only two documents reflected the concerns expressed by my country. It was quite clear that the decision of some of the proponents was to take on board other concerns. Panama considered that both a formal working group and an informal working group especially those who benefit from important support from the WTO Secretariat such as this Group should respect the principles of this organization and we would like to highlight one of these rules is consensus. However, we saw how the methods of the Working Group parted from this principle and departed from what was decided in Buenos Aires.

Some participants said that they were ready to abandon the results based on consensus. It is therefore quite clear that Panama no longer shares the objectives and methods and the changing methods of the Working Group and that is why on 3 November, my country formally communicated to the Coordinator that Panama decided to withdraw from this Working Group. Panama remains interested and committed to the commitments, the vision and scope and objectives announced in the Joint Ministerial Initiative in Buenos Aires and it is, of course, ready to continue to seek consensus solutions the benefits of which would not negatively affect Members.

I refer my colleagues to previous statements of my delegation on issues that we did not mention today but which we do not abandon and continue to be interested in.

29. Russian Federation

The scale of the problems, faced by mankind in 2020, is indeed unprecedented. The coronavirus pandemic, global lockdown and economic activity freeze have triggered a systemic economic crisis that the world has probably not witnessed since the Great Depression.

The growth of national economies and the world trade have been seriously undermined. The pandemic has already claimed hundreds of thousands of lives, and millions of people have lost their jobs and incomes.

We have to address the critical issues that have accumulated in international trade. In particular, it is necessary to increase our efforts aimed at containing protectionism, ceasing the practice of unjustified unilateral measures and maintaining supply chains. These are the tasks assigned to us recently by the Leaders of G20 and APEC.

We should continue to seek common approaches to reforming the WTO in line with the current challenges. This task cannot be solved without a stable and effective multilateral trading system based on universal norms and principles. There is no alternative to the WTO today. In this regard, I would like to stress the urgency of concluding the selection process of the Director-General in accordance with agreed principles and procedures. Having a Director-General that is able to offer her political leadership, at the highest level, to navigate the most serious crisis of this organization would help us a lot to move further.

Beyond the issue of the DG selection, we should keep focusing on the substantive matters of the WTO to ensure progress at the negotiations. In 2020, despite severe difficulties, fisheries subsidies negotiators, under the energetic chairmanship of Ambassador Wills, went through two revisions of the consolidated text and in December reached the apex of debates exposing the main divergences. To conclude these negotiations, we have to review the approach to IUU subsidies prohibition and to exercise much more flexibility in overcapacity and overfishing pillar. Having resolved substantial issues, we should look at appropriate special and differential treatment provisions for countries, which do not have enough capacity to implement new rules immediately.

The Informal Working Group on MSMEs has done a great job and delivered concrete outcomes in the circumstances when the mere existence of the multilateral trading system was questioned by some of the major players. By elaborating a set of recommendations fostering MSMEs' participation in international trade, we proved that the WTO is capable of responding to contemporary challenges and fulfilling its negotiating function.

I would like to thank the Co-Conveners of the Joint Initiative on Electronic Commerce and the Small Groups Coordinators for the great work they have done this fall. On several topics, we have made significant progress and reached a common understanding of outcomes. This is a good basis for the future and proof that participating Members can listen and understand each other. Let me stress that, as in other sensitive areas, any outcome in Electronic Commerce must be a balance between market opening and government regulation. We look forward to establishing a transparent and comprehensive timetable for negotiations in all remaining areas next year.

The agricultural sector remains an important area for Russia. Unfortunately, the consequences of the COVID-19 pandemic have already had a strong negative impact on this sector, and the long-term consequences are difficult to predict now. However, we are convinced that Members should continue to negotiate even under such difficult conditions. Russia welcomes the work of the facilitators in this area and hopes that it will bear fruit.

To conclude, our priority should be to work collectively in order to put in place outcomes that address the immediate priorities confronting the global trading system. Russia stands ready to work constructively with other Members. Finally, I would like to commend Deputy Director-General Karl Brauner, his fellow DDGs and all the colleagues at the WTO Secretariat for their efforts to make our work possible in these turbulent times.

30. Paraguay

Agriculture

We would like to thank Ambassador Gloria Abraham Peralta for her report and for her leadership on these issues that are extremely important to my delegation. In the spirit of collaborating in this process, and despite being a small delegation, Paraguay has offered to facilitate one of the working groups, with a view to obtaining a comprehensive result at the next Ministerial Conference. Paraguay will soon be presenting an initiative for a framework document to guide the negotiations on market access, which is a priority within the agricultural dossier for us.

The agricultural negotiations have not advanced significantly in years and we believe that it is necessary to revitalise them and show that this organization can still obtain sufficient consensus to yield positive results. We have the opportunity to prove it this week when we meet at the General Council. The World Food Programme initiative on export restrictions, led by Singapore and co-sponsored by Paraguay, along with 70 other Members, has the potential to provide a concrete solution to a real problem facing this UN Agency on food purchases for humanitarian purposes.

We can contribute positively to the fight against hunger in the world, regardless of our interests or negotiating priorities on trade. The approval of this initiative cannot continue to wait. We urge all Members to join the consensus and approve this initiative at the upcoming General Council meeting.

Fisheries Subsidies

Similarly, we encourage Members to redouble their efforts to conclude negotiations on fisheries subsidies. Paraguay, together with other landlocked developing countries, has presented a text proposal that reflects the interests of this group of countries so that they are not prejudiced by the disciplines that are developed in a future agreement and that have the potential to limit their participation in the fishing industry to the detriment of its development.

Joint Initiatives

Paraguay firmly supports the package of recommendations and statements approved last week in the Joint Initiative of MSMEs, and in that line, we believe that the group should continue to work constructively looking at MC12. MSMEs must be part of the WTO agenda in a structured way, with a formal work programme that allows continuous mutual learning, especially in terms of economic recovery policies for the sectors most affected as a result of the pandemic.

At the JSI on Electronic Commerce, we would like to highlight the progress achieved and we appreciate the preparation of the consolidated negotiating text that reflects the hard work of the participants in the small working groups. Paraguay considers electronic commerce as a tool for economic development and trade facilitation, and we are interested in advancing in disciplines that generate a favourable environment for the development of the digital economy such as consumer protection, spam, electronic signature and authentication, and commerce without paper.

However, we wish to highlight the need for a more serious conversation about the development dimension and the digital divide. A future agreement should incorporate flexibilities for developing countries that allow a gradual implementation of the commitments, perhaps with a methodology similar to that of the agreement on trade facilitation.

Finally, Paraguay welcomes the work on the initiative on domestic regulation in services and facilitation of investments for development, and we reiterate our commitment to conclude pending issues as soon as possible.

31. European Union

I thank the Chair and his DDG colleagues as well as the staff of the WTO for the work done in 2020 under the very difficult conditions due to the COVID-19 pandemic. I also thank the Chairs of the various Negotiating Groups for their reports.

Fisheries Subsidies

I would like to thank the Chair, Ambassador Wills for his report and his efforts to guide us in the negotiating process. Under his stewardship, we have made significant progress: his text provides a basis for a deal and we have clarified a number of technical issues.

It is nonetheless deeply regrettable that we will not meet our mandated deadline. There are reasons for this. The pandemic is a very real, physical constraint on the process, particularly for developing country delegations. In addition, the WTO lacks a Director-General, who normally would have played an instrumental role in brokering compromise. But we should not hide the fact that Members have also not moved enough from their positions and the level of engagement is not yet sufficient.

The pressure to deliver does remain. In fact, we now need to work even harder to reach agreement to prohibit harmful subsidies as soon as possible, in line with the UN Sustainable Development Goals.

That means putting sustainability at the centre of the new instrument. The prohibitions should reflect the fact that Members have committed to the full range of goals under SDG 14, including improving their fisheries management. Sustainability is not a luxury; it is not a nice-to have. It is a must-have for every country who wants to fish not just tomorrow but also the day after tomorrow.

Turning to special and differential treatment, I would like to thank Ambassador Chambovey for his efforts as Friend of the Chair. Nobody disputes that special and differential treatment is a part of our mandate. But appropriate and effective S&DT cannot be carve-outs and exclusions from the disciplines we're negotiating. Any S&DT needs to be seen in the context of our common objective and commitment of safeguarding a shared global resource.

That is why the European Union proposes a needs-based approach with transition periods to give policy space where it's needed but acknowledge developing countries also have to contribute and have responsibility for combating overfishing and overcapacity and fighting IUU fishing, and even more so when several developing countries are also major fishing nations.

On next steps, the European Union remains optimistic that we can reach an agreement soon, but we also need to have a frank look at the way we proceed. In order to identify possible landing zones we need more in-depth discussions. In some cases, these difficult discussions are better to have in smaller, but representative groups. There is a deal to be made. We collectively should aim to conclude this agreement as soon as possible and, in any case, do so before the next Ministerial Conference.

The European Union's other ongoing priorities include:

- First, it is high time and of the utmost importance to unblock the appointment of the new Director-General in accordance with the agreed procedures of 2001.
- Second, taking forward the initiative on trade and health based on the communication the European Union has circulated with a number of co-sponsors, which calls on Members to take actions to contribute to the fight against the current crisis. Our aim is to have a declaration on immediate actions adopted by the General Council by the end of the first quarter of next year. We hope that the call for multilateral cooperation on this important initiative will be taken up by a large majority of Members.
- Third, pursuing work on sustainability in the WTO. We have put forward a non-paper outlining our broad ideas on a trade and climate initiative on which we want to work together with other Members including in the context of the Structured Discussions on Trade and Environmental Sustainability.
- Finally, delivering outcomes on the ongoing negotiations in the Joint Statement Initiatives on e-commerce, services domestic regulation and investment facilitation. On e-commerce, we need to intensify our efforts next year and start addressing more difficult and complex issues to be able to deliver substantial progress in our negotiations by MC12. We have also made substantial progress in 2020 in services domestic regulation and we should continue the hard work to bring this JSI to a successful

conclusion in 2021. We welcome the adoption of the MSME package, which we hope will also provide momentum for our work.

32. Costa Rica (Joint Initiative on Services Domestic Regulation)

I welcome the opportunity to provide an update on the open-ended negotiations in the context of the Joint Initiative on Services Domestic Regulation.

Notwithstanding the exceptional and challenging circumstances, the Initiative has made significant progress in 2020.

This year, three additional Members announced their decision to join the Initiative – Ukraine, Mauritius, and Thailand, bringing the total number of participants to 63. These participants cover more than 73% of world services trade.

57 among the participating Members have already circulated their indicative draft schedules, confirming their commitment to a legally binding GATS-plus outcome to be applied on an MFN basis.

Over the past 12 months, many participating Members, as well as myself in my capacity as Chair, have been highly involved in outreach efforts towards Members across all regions of the world, as well as the international business community. The positive feedback the group steadily receives from these actions confirms that delivering a concrete outcome on services domestic regulation would be critical to boost the potential of services trade – and would be especially important in the post-COVID-19 economic recovery.

Last week, the Initiative held a successful last open-ended meeting of the year. Thanks to the hard work and pragmatic attitude of all delegations, the group managed to resolve the outstanding drafting issues in the negotiating text.

Very importantly, a drafting proposal has been welcomed by the group at the last meeting, to explicitly reflect in the Reference Paper the shared understanding and desire that the disciplines represent improvements over participating Members' current commitments and do not diminish any obligations under the GATS.

A revised version of the draft Reference Paper – which will reflect all changes agreed upon this year – will be circulated on Friday this week.

Looking ahead, participating Members are committed to keep up the momentum and to continue working constructively towards finalising the negotiations in 2021. Services domestic regulation constitutes, as many delegations repeatedly emphasized, one of the most probable and viable deliverables for the next Ministerial Conference.

In the run up to MC12, besides further stabilising the text of the Reference Paper and advancing the exchange of draft schedules, the Initiative is planning work on next procedural steps finalising the negotiations, and in particular determining the time and modalities for a fruitful Ministerial engagement.

The Initiative is committed to keep the process open, inclusive and transparent especially under the current circumstances. Its objective is to deliver an outcome consistent with WTO law and procedures, which will contribute to further facilitating services trade and promoting economic growth and development.

To conclude, I invite all Members not already part of this process to engage actively in this Joint Initiative.

33. Costa Rica

We are coming to the end of a year that has been particularly difficult for everyone. The pandemic caused by COVID-19 has tested our capabilities at all levels. We deeply regret the human losses and the consequences for all economies and, in particular, for the most vulnerable population and the poorest. The challenges have been enormous for everyone, including the WTO. Trade, however, has proven to be a fundamental tool in solving the crisis and has done so when it was necessary to

ensure the supply of medical products and essential material to attend to the health emergency, it will also be vital to ensure the distribution of vaccines under safe and predictable conditions.

Under these circumstances, the multilateral trading system of the WTO is more necessary today than ever. That is why we support the monitoring that this organization has given to the trade measures introduced by Members related to COVID-19. Furthermore, we are pleased that despite difficulties, we have found pragmatic solutions, with the help of technology, to advance our work.

Costa Rica is pleased to be part of the group of Members who launched the Structured Discussions on Trade and Environmental Sustainability in November. This is an effort that now brings together 52 Members, who, like Costa Rica, consider it essential to strengthen the discussion on Sustainability on the WTO agenda, not only as part of its reform process, but also as a vehicle that allows progress towards greener economies and as an alternative for post-COVID-19 economic recovery. We extend the invitation to all Members to join these discussions as co-sponsors which will formally start at the beginning of next year.

In relation to the negotiations on fisheries subsidies, we regret that we did not complete our work within the deadlines indicated by our Heads of State in the United Nations Sustainable Development Goal 14.6. However, we acknowledge the substantive progress made in recent months on the negotiating text. We are particularly grateful to Ambassador Wills for his leadership, and we urge everyone to continue working hard with a view to reaching an Agreement as soon as possible.

Similarly, we are satisfied with the progress made in the joint initiatives that have led us to concrete results at the end of this year in the areas of national regulation, electronic commerce, investment facilitation, as well as in micro, small and medium-sized enterprises.

34. Hong Kong, China

First of all, I would like to thank you and the Negotiating Group Chairs for the reports, and the Secretariat for its continued efforts in facilitating Members' work notwithstanding the challenges posed by the pandemic.

Fisheries Subsidies

I would like to thank in particular the Chair of the Negotiating Group on Rules, Ambassador Wills, for his enormous efforts in keeping the text-based negotiations going with a hectic schedule of meetings. Our thanks also go to Ambassador Chambovey, as Friend of the Chair, for his leading role in facilitating the discussions on special and differential treatment and his efforts in trying to identify landing zones.

The core disciplines in the fisheries subsidies negotiations, including IUU fishing, overcapacity and overfishing, and overfished stocks, are indeed complex. Hong Kong, China sees merits in having more intensive discussions, especially at technical level, to untangle the legal and technical complexities of the issues.

While the deadline is going to expire and much remains to be done, all the work that has been done will not be wasted. We encourage Members to continue working in good faith to resolve the deadlocks and obstacles in front of us. Hong Kong, China remains committed to concluding the negotiations early with a meaningful outcome.

MSMEs

On the work of the Joint Statement Initiative on MSMEs, I would like to express my heartfelt congratulations on the official endorsement of the package of recommendations at the meeting of the Informal Working Group on MSMEs last Friday, 11 December, under the leadership and coordination of Ambassador Cancela.

The endorsement of the package is a major milestone of the work on MSMEs. As the Coordinator pointed out, this is the first concrete outcome among all the joint statement initiatives. I would like to thank Ambassador Cancela for his hard work and relentless efforts in liaising with Members and other stakeholders during the past three years.

Hong Kong, China is pleased to have taken part in the process and contributed to this initiative dedicated to MSMEs, which, as we all know, are vulnerable and hardest hit by the COVID-19 pandemic. The endorsement of the package is but the first step. Hong Kong, China will continue to support the implementation of the package in 2021 and beyond under the Coordinator's continued leadership.

Way Forward

The year 2020 is a difficult one both inside and outside the WTO. As the year is drawing to a close, it is high time that Members consider what would stand us in good stead in the coming year so that we can make up for the lost time to achieve progress and positive changes.

In this connection, it is important that Members reach early consensus on two issues. First, consensus on the arrangement for MC12. Making an early decision on the timing and arrangements of MC12 would help focus our attention and energies on the deliverables, and keep the momentum going. Second, we also need an early consensus on the way forward of the appointment of the new Director-General so that she could provide enhanced support to Members in tackling the substantive and systematic issues at hand.

35. Afghanistan

My delegation wishes to extend its appreciation to the four DDGs and all WTO Secretariat team for their tireless efforts and hard work to run this organization in such difficult times as the COVID-19 pandemic.

With MC12 on the horizon, we hold the view that we must overcome the organizational challenges of the WTO especially the finalization of the appointment process of the new Director-General based on the relevant rules and procedures; and we must spare no efforts to deliver substantive work to achieve concrete outcomes for all Members based on fair, inclusive, sustainable and rules-based multilateral trading system.

Negotiating Groups

My delegation supports the current negotiations and subscribes to the call upon Membership to engage constructively to achieve possible convergence on the key and important issues such as development, agriculture – with emphasis on fisheries subsidies, and cotton, based on solution-targeted and result-oriented approaches and determinations.

To this end, Afghanistan is committed to contributing to these efforts and we are of the view that the current pace of the negotiations needs to be accelerated by prioritising them based on their mandate and urgency to balance and sustain the benefit of the global trade for all Members, especially for the fragile and the most vulnerable economies and LDCs.

On development, we encourage Members to engage in a constructive manner with the G-90 on the substance of the 10 ASPs. Acknowledging the fact that there is still room for further improvement, we should focus on a text-based discussion of the proposals.

In line with the position of the G-90 and LDC Group, my delegation supports a political declaration of the Ministers reaffirming the centrality of development in the WTO as an outcome for S&DT at MC12, with the hope that the negotiations on the G-90's 10 ASPs conclude before MC13.

Joint Initiatives

On the joint initiatives, Afghanistan supports the work of investment facilitation, MSMEs, and women empowerment. Afghanistan subscribes to the work of the informal groups on the build-up of the respective frameworks and their inputs towards a multilateral work programme under the WTO.

Particularly, regarding investment facilitation, we appreciate the ongoing discussions and thank Members for their efforts in developing a streamlined text. We also acknowledge and appreciate proponents for their proposals and for introducing more essential elements.

Regarding MSMEs, let me start by congratulating Ambassador Cancela, the Coordinator of the Group, and all participating Members for the formal endorsement of the MSMEs package of six declarations and recommendations. We thank the Coordinator and all participating Members for their hard work over the last few months finalising the technical work on the package.

Micro, Small and Medium Enterprises are widely recognized for their significant contribution to sustainable development in terms of contribution to economic growth, creation of decent jobs, provision of public goods and services as well as poverty alleviation and reduction of inequality. Like other countries, especially LDCs, MSMEs are the backbone of the socio-economic development of Afghanistan. Unfortunately, despite the importance and fundamental role of these enterprises in the economic development of Members, they are still highly vulnerable due to their various limitations and often struggle to benefit from the opportunities opened by global trade.

As this package aims to enhance MSMEs access to market and regulatory information, skills development opportunities and access to finance, as well as promote the inclusion of MSMEs-related dimensions in domestic rulemaking, we strongly support this package and encourage all Members to join this initiative and support it.

Before closing, I would like to mention that my term in Geneva has come to an end, and the coming General Council meeting will be my last to attend as the Permanent Representative of Afghanistan to the WTO. I take this opportunity to express my heartfelt thanks and appreciation to all Members and to the WTO Secretariat in particular former DG Azevedo, all four DDGs, Directors, and staff of different divisions for their invaluable assistance and support offered to me during my tenure.

36. India

Let me place on record our appreciation to all the DDGs and the GC Chair in ensuring the smooth working of the WTO during the transition period amidst a pandemic. Unfortunately, both the transition period and the pandemic have turned out to be longer than expected. We also thank DDG Brauner for his report and the Chairs of the Negotiating Groups on Rules, Agriculture, Development, Services and the TRIPS Council for their respective reports.

State of Play

This being the last Informal TNC and Informal HODs meetings of 2020, let me begin with year-end self-appraisal. Due to the COVID-19 pandemic, we were not able to organise MC12. We were unable to agree on the next Director General despite a clear and decisive mandate indicated in the report of the troika. The Appellate Body continued to be defunct. And thus far, we, as Members, have been unable to formulate a package of meaningful measures to address the immediate challenges posed by the pandemic.

The WTO has added responsibility to facilitate recovery of global economy including global trade. For that we need to do better in 2021. What we have not been able to achieve during the last 10 to 15 years, we should not try to push such items during a pandemic to show our performance. It would be better if we concentrate on the immediate challenges posed due to the pandemic. Saving human lives, livelihood and arresting the losses in the world output and trade should be our topmost priority.

TRIPS Waiver

Therefore, proposal for temporary waiver from the provisions of the TRIPS Agreement is first on our priority list. An outcome on this will not only help in saving valuable human lives but a comforting signal on affordability and accessibility of medical products will also boost the confidence in economy and will accelerate the recovery of world trade and world GDP. One percent improvement in global GDP from the baseline scenario will give USD 850 billion worth of global output.

Movement of Healthcare Professionals

The pandemic has highlighted the need for ensuring easier cross-border movement of not only goods but also that of natural persons particularly health care professionals. Members who could have been able to mobilise a greater number of such professionals, were not able to meet increased demand

due to restrictive trade practices in the Services sector. We must start working on having a multilateral initiative in this respect for an outcome in MC12.

Selection of DG WTO

Formal appointment of the Director-General of the WTO, on the basis of the recommendation of the Troika, which was made following an agreed selection process by all Members is the next item on our priority list. Our inability to conclude this process quickly will jeopardise our work in 2021 including the preparations for MC12.

Appellate Body

Resolution of the crisis in the Appellate Body is another priority. We must immediately re-engage to restore the two-tiered dispute resolution system.

Reform Agenda including Special and Differential Treatment

We draw Members' attention to the document WT/GC/W/778/Rev.3 that India along with other co-sponsors have tabled before the upcoming General Council. The proposal encompasses the priorities of developing countries including LDCs regarding an inclusive and balanced reform agenda for the WTO. It also emphasises how S&DT is central to the founding principles of the WTO.

Agriculture

The food and livelihood security of millions of people across the globe has been affected. Effective mitigation of the food security challenges must include a package that address the structural problems leading to food insecurity, and not some tokenism which will have no significant impact on eliminating hunger and providing food security. A simple, efficient and permanent solution on extending PSH for food security purposes to new programmes and new products should be a key deliverable.

Fisheries Negotiations

Common but differentiated responsibility and Polluter Pays principle should be applicable in any agreement relating to sustainability. Those who have provided huge subsidies leading to overfishing and over capacity should take higher cuts in subsidy and capacity. I am thankful to the NGR Chair for bringing in the concept of debt repayment which has become overdue. It is an established principle that debt is repaid by respective debtors in proportion to the debt taken. Debt repayment cannot be assigned to all in uniform manner. S&DT in the final outcome must be effective and appropriate having regard to the development needs, livelihood and food security concerns of millions of small fishers of developing countries including LDCs. Any discipline should factor in their capacity to put in place effective mechanism to deal with unregulated and unreported fishing and appropriate conservation and management measures.

Electronic Commerce

On digital economy, the pandemic has shown to us that the need of the hour is to build capacity in areas such as digital skills and digital infrastructure, rather than negotiating binding rules on e-commerce. It is also important to bring clarity on the scope of the moratorium on custom duty on electronic transmission, its potential impact on the sustainability of the domestic industry and negative impact on job creation and revenue generation. We must move forward by reinvigorating the mandated work under the 1998 Work Programme on Electronic Commerce in various Councils.

To conclude, in 2021 India will work cohesively to put in place an outcome that addresses the immediate priorities confronting the WTO and the world. India stands ready to work constructively with other Members to realise these objectives.

37. Japan

The year 2020 is coming to an end in a manner that none of us could have expected a year ago. The COVID-19 pandemic has disrupted global trade, made virtual meetings the new normal, and

postponed MC12 to next year. At this juncture, let me take a look at what we have achieved in our view and lay out the priorities for the coming year.

First is on our mandated negotiation on fisheries subsidies. As we are all aware, concluding the negotiation is a priority from the perspective of achieving the SDGs and fulfilling the WTO's multilateral negotiation function. Japan appreciates efforts by the Chair and the Ambassador of Switzerland. While Members have engaged in a focused text-based discussion since September, wide gaps remain. We will continue our discussion, but let me stress the importance of finding a solution based on our mandate and the existing international fisheries regime.

It is critical that the WTO responds robustly to the challenges posed by COVID-19. Japan is a co-sponsor of the communication by Ottawa Group members on trade and health. We believe it is high time for the WTO to consider and take specific actions relating to, among others, export restrictions, trade facilitation, and transparency. We hope to have an active discussion and attract support on the communication at the General Council.

Japan also supports, as a co-sponsor, the proposal on agriculture export prohibitions or restrictions relating to the World Food Programme. We call on all Members to agree on the proposed decision at the General Council. Building on such effort, as a next step, Japan would like to achieve further improvements in transparency and clarification of disciplines on food export restrictions by MC12.

Ensuring a level playing field remains essential and requires collaborative efforts by Members. Japan expects further discussion on this issue at the WTO, including strengthened international rules on industrial subsidies. Further, Japan continues to emphasise the importance of market-oriented conditions to the world trading system. Such conditions are fundamental to the WTO system.

We have seen good progress on the Joint Statement Initiatives this year. Particularly, e-commerce is an area that we are placing high importance on under the pandemic. After the intensive discussions to date, we have developed the consolidated negotiating text, which will form the basis for the next stage of negotiations. Japan, as one of the co-conveners, will encourage Members to intensify negotiations in 2021 on key issues such as cross-border data flow.

We are pleased to see substantial progress made on other JSIs as well. We successfully developed the MSMEs package. On investment facilitation, we have achieved good progress on the informal consolidated text. The draft reference paper on services domestic regulation is close to finalising. Such progress on the JSIs demonstrates that the WTO is responding to new challenges of the world economy in a flexible, pragmatic, and timely manner.

Japan is deeply concerned by the impasse of the Appellate Body. Members should restart to engage in substantive discussions to find ways and means to restore the proper functioning of the WTO dispute settlement system.

Last but not least, it is disappointing that the position of Director-General of the WTO still remains vacant. It is critical to have a new Director-General, the TNC Chair, in place in order to advance WTO Reform, including the above-mentioned important issues and the preparation for MC12. Therefore, I would like to conclude my statements by stressing the critical importance of appointing the new Director-General as soon as possible based on Members' agreed rules and procedures.

38. Thailand

First of all, allow me to take this opportunity to join others in thanking DDG Brauner and other DDGs, including the Secretariat for all the efforts behind the scenes that make it possible for us to continue our work amidst the COVID-19 Pandemic. Thailand would also like to thank DDG Brauner as well as the Chairs of Negotiating Groups for their reports. At the outset, Thailand associates itself with the statement to be delivered by Viet Nam on behalf of ASEAN.

As we are approaching the end of a difficult year – 2020 – many challenges still lie ahead, especially in terms of economic recoveries. And this is the time for Members to step up our work to build back better. To preserve the credibility and to ensure the smooth operation, priority issues at the forefront of the WTO such as the appointment of the Director-General and the certainty of the date for MC12 should be agreed upon at the earliest possible. Further, Thailand reiterates the urgent need of

addressing the Appellate Body Impasse to recover the full functioning of the two-stage dispute settlement system.

On WTO Reform, Members must work together for inclusive strengthening and update of the WTO to achieve optimal efficiency and effectiveness, in preparation for the post-pandemic era and MC12.

On the negotiations front, delivering meaningful and relevant outcomes on important negotiations will be crucial.

Outcomes on fisheries subsidies negotiations is needed as soon as possible. It is crucial to keep the positive momentum and remain focused on ensuring a meaningful outcome in an expedited manner under the Chair's guidance.

On agriculture, we reiterate the importance of meaningful domestic support outcome as a part of the MC12 Agriculture package, as reflected by priority placed on the domestic support negotiations by an overwhelming number of Members.

Additionally, Thailand remains committed to the Joint Statement Initiatives on E-Commerce and Services Domestic Regulations, which we recently joined in November. We welcome the significant progress achieved so far and will continue to engage constructively with interested participants to move the negotiations towards the successful targeted outcomes at MC12.

Thailand also takes note of thoughtful initiatives to combat the pandemic, promoting global economic recovery, as well as trade sustainability put forward by a range of Members, which we will continue to engage with the proponents. On this note, Thailand also joins others in welcoming the proposal initiated by Singapore with regard to non-imposition of export restrictions for food purchases by the WFP, and look forward to a consensus on the decision at the General Council meeting.

As we look towards 2021, we will need to redouble our efforts to make the WTO more relevant to the current economic landscape and ensure that international trade play a vital role in expediting economic recoveries and promoting resilient and sustainable growth.

39. Nepal

I wish to align with the statement delivered by Chad on behalf of the LDC Group.

In the context of the upcoming MC12, my delegation would like to highlight seven issues for achieving its concrete deliverables:

- First, progress in the appointment of Appellate Body members should be made without further delay if we care about preserving the dispute settlement mechanism, a key pillar of WTO, and hence the credibility in the work of the organization. In the selection of the new Director-General of the WTO, we have completed a long process. It needs to be concluded soon.
- Second, for fair, inclusive and rules-based multilateral trading system and safeguarding multilateralism, Nepal underlines the urgent need for taking necessary WTO reforms. The reform agenda requires thorough deliberations. Substance of the reform should be comprehensive, be able to address global challenges including increased inequality, properly incorporate emerging issues and opportunities of global trade and support weaker economies in order to ensure their meaningful integration in the global trading system. Lessons from the pandemic should duly be taken into account.
- Third, development dimension remains key concern of all developing countries, particularly LDCs. It must top our core negotiating agenda. A clear road map on mainstreaming development dimension in the multilateral trading system and S&DT is critical to meet global targets of LDC graduation and SDGs. The roadmap should incorporate additional support measures for speedy recovery of these economies and also should ensure a level playing field for weaker economies through an in-built mechanism. In this context, let me recall the submissions of the LDC Group, especially for the extension of the transition period of the TRIPS Agreement and the extension of

the transition period of Graduating LDCs and others. I urge all Members to positively consider these submissions.

- Fourth, various negotiations are gaining a momentum with a view to making them conclusive before MC12. We underline that such negotiations should ensure equitable share of benefits to all Members, particularly LDCs and within them, the landlocked LDCs. I call upon Members to give positive consideration to the submissions of LDCs and LLDCs on fisheries subsidies negotiation.
- Fifth, with regard to the submission by LLDC Members on fisheries subsidies, I wish to associate with the statement to be delivered by Mongolia and further underscore the necessity of ensuring that LLDC Members are on board for the legitimacy of the negotiating outcomes.
- Sixth, landlocked LDCs are facing difficulties, especially within their territory, to develop and maintain trade infrastructure including digital infrastructure, without which reforms at border administration may only facilitate import rather than promote export and productive capacity. Therefore, bridging the huge digital divide should remain high on the agenda. In this regard, significant additional support from our development partners in terms of enhanced resource, technological, institutional, and human capacities is needed with a view to strengthening and reconnecting our domestic supply chain through the development and utilization of ICT and e-commerce and then integrating the local business community of the LDCs with regional and global value chains.
- And finally, all LDC-focused support measures including Aid for Trade, DFQF, technological support and flexibilities in implementation, among others, remain extremely important not only for enabling LDC graduation per se but also for ensuring graduation to be more inclusive and sustainable in terms of meeting SDGs by 2030 and fulfilling our development agenda beyond. Therefore, strengthening such support measures by effectively translating the global commitments at local levels are absolutely essential. In this context, I would like to commend our development partners for their continued generous support and urge them for enhanced cooperation during the pandemic and for post-pandemic recovery of LDC economies.

40. Botswana (African Group)

I deliver this statement on behalf of the African Group.

At the outset, we would like to thank Deputy Director-General Brauner for his report and we thank the Chairs of the Negotiating Groups for their updates. The African Group expresses its appreciation to the General Council Chair, Ambassador David Walker, and the four Deputy Directors-General for the manner you have managed the transitory period that we are in. We would like to urge all Members to finalise the DG Selection Process earnestly. This will go a long way in instilling a sense of stability in these trying times. This is critical as we prepare for MC12.

While we continue to face serious challenges due to COVID-19 and the resulting urgency with which to enhance the work of this House to aid the response to the pandemic and contribute to the global economic recovery, similarly, this should be approached with a sense of realism particularly in view of the disproportionate impact of the COVID-19 crisis on our small and less resourced countries in Africa particularly the LDCs.

We need to recognise that COVID-19 has affected our effective coordination with our capitals. Despite this continuous concern being raised in the TNC and the Negotiating Groups, negotiating processes continue to be conducted in a manner that has implications on the ability of our small delegations to effectively participate. We trust that when we set targets for ourselves for the coming year heading to MC12, we will do so guided by the principles of realism and practicality, and importantly, ensuring that the process is transparent, inclusive and participatory.

We would like to reiterate our view that the WTO has an instrumental role to play in fostering multilateral cooperation that will promote equitable and affordable access to key products necessary for the prevention, containment and treatment of COVID-19. In this connection, we would like to remind Members that the Doha Declaration on the TRIPS Agreement and Public Health affirm that,

"The TRIPS Agreement does not and should not prevent Members from taking measures to protect public health." What better time than now to operationalise this when humanity is arguably facing an existential challenge against an invisible enemy. International cooperation among Members is very important at this critical time. In this connection, the African Group welcomes the joint submission contained in IP/C/W/669. Our members continue to consult capitals on it with a view to co-sponsor as a group.

Fisheries Subsidies

On fisheries subsidies negotiations, we thank the Chair of the Negotiating Group on Rules for his efforts to move the negotiations forward. His vigour, passion and commitment to the cause are appreciated. However, despite the best efforts of our Chair, Members' positions remain far apart. The African Group is deeply concerned by the narrative developed around the sustainability test. We wish to reiterate that disciplining fisheries management or overfishing is not under the competence of the WTO. They were neither plausible nor are they effective and will only preserve the status quo. In this connection, the African Group reiterates the need for focused negotiations based on the SDG 14.6 mandate that will arrive at simple, implementable and effective disciplines that will contribute to reducing the already excessive fishing capacity around the world.

All Members agree that global overcapacity in fisheries is the main driver of overfishing and overfished stocks. Therefore, the African Group calls on Members that have contributed to build this fishing capacity to change their remedy by prohibiting the capacity enhancing subsidies and fuel subsidies while providing policy space to developing countries that lack fishing capacity. The African Group will continue to make its contribution to our collective obligation to find a balanced outcome that gives Members policy space while prohibiting the most harmful subsidies.

Agriculture

The African Group expresses its appreciation to the CoA SS Chair and the facilitators for their efforts. We would however like to reiterate our position on the important need for the process to be inclusive, transparent and allow sufficient time to consult with capitals and not to overlap with other important meetings. On substance, the African Group members have consistently highlighted their needs and priorities in our negotiations. Some of our priority issues which include domestic support, PSH, SSM and cotton are now receiving the proper level of engagement. We renew our call to Members to respond to the needs of developing and least developed countries as identified and prioritized by them as possible outcomes for MC12.

We appreciate the initiative taken by a number of Members including Singapore to exempt the non-commercial humanitarian purchases of the World Food Programme from the application of export restrictions. We are engaging actively with the co-sponsors in this respect. On cotton, the African Group supports progressive work on the cotton issue including the C-4 submission of a draft General Council Decision for a joint action plan to enhance support for cotton by-product development in LDCs. We trust that through such an action plan, resources can be mobilized to support the implementation of projects and programmes envisioned therein.

Development

We would at the outset express our appreciation to the CTD SS Chair for her efforts to bring Members together with a view to make progress on this important file. The African Group maintains that the Doha Paragraph 44 mandate remains a critical enabler to development and that effective and operationalized S&DT provisions are more than just a negotiating tool but they support our development aspirations. We are therefore disappointed that some Members remain reluctant to engage in constructive discussions on S&DT and this is despite our efforts to show linkages between S&DT and the achievement of the SDGs and our structural vulnerabilities exposed by COVID-19 that need to be addressed intently. The African Group remains optimistic and supportive of a work programme that will review the ten agreement-specific proposal as contained in the G-90 proposal. Effective S&DT remains a fundamental pillar on any package that may be achieved at MC12.

Electronic Commerce

The African Group advocates for reinvigorating the 1998 Work Programme with a view to comprehensively address the development aspects of e-commerce facing African countries. We need

to address the digital divide within and among countries which have been further exposed by the COVID-19 crisis. This would be essential for our MSMEs to effectively respond and recover from COVID-19. The African Group therefore calls for a collective and constructive engagement to discuss the Work Programme with an emphasis on development and inclusion and with a view to provide our Ministers with enough information to make an informed decision at MC12.

Appellate Body

It remains disappointing that the DSB continues to fail on its treaty-embedded responsibility to fill the vacancies in the Appellate Body. As we have said before, this situation will likely have knock-on effects on the negotiating function of the WTO since rules are only as good as you can enforce them. Therefore, our immediate priority remains the filling of vacancies and the restoration of a fully functional Appellate Body.

WTO Reform

The African Group continues to advocate for reform that addresses existing imbalances in WTO agreements, responds to the long term outstanding development issues and promote inclusivity and development.

In conclusion, the African Group looks forward to progressing focused negotiations in the year and in a manner that is also realistic to the evolution and impact of the COVID-19 pandemic on our economies.

41. Viet Nam (ASEAN)

Viet Nam delivers this statement on behalf of ASEAN. ASEAN Member States reaffirm our full support for the open, non-discriminatory and rules-based multilateral trading system as embodied in the WTO. ASEAN appreciates the efforts of the General Council Chair as well as the Chairs of Negotiating Bodies and Chairs of Regular Bodies that helped the WTO function this year taking into account the new reality of our world including the severity of the COVID-19 pandemic and ongoing trade tensions.

We welcome the reports of the progress of the WTO negotiations especially on fisheries subsidies and agriculture. It is unfortunate that we will miss the deadline to conclude the negotiations in 2020 although we understand that this was a challenging task due to the constraints faced by delegations during the pandemic as well as the critical differences in negotiating positions. However, we welcome the progress that has been achieved so far under the leadership of the Chair of the Negotiating Group on Rules. Understanding of one another's positions has improved. We should build on the momentum to achieve further progress. ASEAN would therefore like to thank the Chairs and the Facilitators and encourage all Members to work in solidarity to reach the necessary landing zones as soon as possible. We commit to make substantial contributions to this common goal.

Concerning the Twelfth Ministerial Conference, ASEAN again thanks Kazakhstan for the kind offer to host MC12 in Nur-Sultan tentatively from 21 to 24 June 2021. ASEAN consistently supports a decision on the date and venue of MC12 which is now urgently required.

On the new proposal in document WT/GC/W/806 and WT/GC/W/807 that highlights trade-related challenges of Members once they have graduated from the LDC Category, ASEAN takes note of the proposed gradual phasing out of LDC specific trade-related support measures over a period of time. As the ASEAN Group includes three LDC Members, we understand the difficulties faced by LDCs. We will therefore constructively engage with the proponents of this proposal ahead of MC12.

With regard to trade and health, ASEAN always supports the WTO's efforts to coordinate a comprehensive response to the pandemic. In this connection, we take note of the proposal "COVID-19 and Beyond: Trade and Health" contained in document WT/GC/223 and "Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" contained in document IP/C/W/669. We look forward to further discussions on these important initiatives.

As to the proposal on "Agriculture Export Prohibitions or Restrictions relating to the World Food Programme" in document WT/GC/W/810, ASEAN considers it a timely and practical measure that

helps to ensure stable food aid supplied by the WFP especially in the context of the pandemic. We look forward to flexibilities from all Members with a view to achieving consensus at the upcoming General Council on this important objective.

Last but not least, ASEAN gladly recognises that the Committee on Budget, Finance and Administration reached an agreement thanks to the facilitating role of its Chair, Ambassador Manuel Teehankee, and the willingness of all Members to support the WTO. ASEAN is ready to endorse the Committee's report in the upcoming General Council meeting.

42. Colombia

I will be very brief to refer to the ongoing negotiations, but not without first highlighting, and highlighting throughout the speech, the important role of various Latin Americans in the efforts to constructively evolve the body of rules of this organization.

Agriculture

First of all, allow me to congratulate and support Ambassador Abraham of Costa Rica for being able to reactivate the discussions in the midst of the pandemic with the active participation of the Members. The process led by herself and her facilitators, in a few months, has yielded positive results that should help us pave the way for the next Ministerial. We have full confidence in the Ambassador and all the political will to achieve a substantive result.

Fisheries Subsidies

Let me invite the Members to stay engaged and actively participate in the discussions. Advances at a technical level and approaches in positions have been positive even in a complex context such as the one we have experienced in recent months. So we must not lower our guard and, on the contrary, remain committed to text-based negotiations in order to comply as soon as possible with the Ministerial mandate and that of our Heads of State.

Joint Initiatives

I want to express Colombia's support for the work that has been carried out in the different Joint Statement Initiatives. During the last months we have seen how the discussions on investment facilitation for development facilitated by Chile, on services domestic regulation facilitated by Costa Rica and in electronic commerce facilitated by Australia, Singapore and Japan have intensified. Thanks to the hard work of the Coordinators, the Co-Conveners, the Facilitators, and also of all the participants, at the end of the year, we have revised versions of negotiating texts in all Initiatives. We believe that this is progress that deserves to be highlighted and that we hope it will serve as the basis for achieving concrete results in all Initiatives. The same occurs with the joint initiative for the participation of MSMEs in world trade. We highlight and thank Ambassador Cancela of Uruguay, another Latin American for his efforts during this year, and we congratulate the positive results of the working group. Also worth mentioning is the push that the conversations on environment and sustainability have taken, to which Colombia joins with pleasure, as well as the efforts that Ambassador Suescum of Panama is making to unblock the negotiations on intellectual property.

WTO Reform

Colombia wishes to continue participating actively in initiatives related to WTO Reform. Levelling the playing field in terms of subsidies in all productive sectors of goods as well as in the dispute settlement system that underpins the other pillars of the organization are two fundamental aspects for Colombia. We invite all Members to constructively engage in and support those discussions.

43. Mozambique

At the outset allow me to thank the Secretariat and, through the Chair, commend all Deputy Directors-General, for the positive work collectively being carried out thus maintaining the WTO activities on-going while the issue on the appointment of the new Director-General is still to be concluded.

Our intervention is aligned with the statements delivered by Jamaica, Botswana, and Chad on behalf of the African Group, the ACP Group of States, and the Least Developed Countries.

We thank the Chair for his very informative presentation on the activities carried out since the last General Council meeting. We also thank all the Chairs of the Negotiating Groups for the updates on the activities. We commend them for their commitment and efforts even if the results do not yet show the ones that would be the desirable ones due different concerns worsened by the challenging COVID-19 that disproportionately continue to affect everyone's lives, activities and social and economic activities.

As already referred to by previous speakers, we share the same view that substantial effort and work was devoted to the work, and that progress in some of the areas, was registered. Unfortunately, despite all efforts made, it was not sufficient to successfully conclude some of the issues meaning that more engagement is sought, and flexibility is needed, thus, the policy space for LDCs and developing countries.

The concerns on agriculture including cotton, development matters, food security and fisheries subsidies still prevailing deserve to be positively tackled if progress is to be registered. Above all, the needed confidence deems necessary to allow exercising flexibilities for a rapid response to envisaged objectives.

In view to collectively exercise the necessary actions towards mitigation, treatment and eradication of the COVID-19 pandemic including prevention of future ones, urgent action, flexibilities, solidarity as well as collective action and cooperation are needed. We encourage Members to support and or co-sponsor the submission by India and South Africa for a waiver, on a temporary basis, on certain provisions of the TRIPS Agreement. As an LDC, we call also upon Members to positively consider the LDC draft Decision submitted to the TRIPS Council.

We welcome and support the submission by Singapore aiming at not imposing restrictions on purchases under exports directed to humanitarian purpose by the World Food Programme.

As a G-90 Member, we continue deploring the lack of flexibility concerning development provisions put forward by the G-90 under the CTD SS which deserve due consideration to enable the S&DT flexibilities in favour of developing and LDC Members to be part of the outcomes in WTO negotiations. Delivering meaningful and substantive outcomes will be of great contribution to the post COVID-19 phase for economic recovery and the continuation of delivering on the SDGs.

As one of the beneficiaries of the WTO technical assistance and capacity programmes, we would like to use this opportunity to commend all the work undertaken in various areas to assist LDCs. We express gratitude to the WTO Secretariat, the ITTC, the EIF Secretariat, the Agriculture and other Divisions for the commendable work being carried out in favour of LDCs including on cotton sub-products under joint implementation.

44. Canada (Ottawa Group)

Ottawa Group Ministers met virtually on 23 November, to discuss next steps in terms of efforts by the group, especially on the trade and health initiative and on agriculture.

Since Ministers last met in June, Ottawa Group members have spent a lot of time discussing how trade measures have supported efforts by Members to address the health crisis as well as what more can be done. Given the increasing number of COVID-19 cases worldwide, we worry that this may lead to new potential disruptions to supply chains for essential healthcare goods, and restrictions on exports. In response, Ottawa Group Ministers issued a communication which lays out the rationale for cooperative work at the WTO in the trade and health area.

It calls for:

- short-term confidence-building measures as well as longer term work to facilitate trade in essential medical goods;
- enhancing the capacity of the multilateral trading system to respond to the future global health emergencies; and,

- support of improvements in the resilience of supply chains.

We will have more to say on this in the coming General Council meetings.

On agriculture, Ottawa Group Ministers encouraged all Members to adopt the Singapore-led proposal that would prohibit the use of export restrictions on purchases for humanitarian purposes by the World Food Programme. In addition, Ottawa Group members committed to continue to advance work and develop ideas on agriculture transparency and export restrictions.

With respect to other follow up items on the June 15 joint statement, the communication on transparency of trade-related COVID-19 measures was further discussed in an informal meeting of the TPRB in November. Members of the group will continue to discuss next steps on this important work.

Regarding trade facilitation, we look forward to sharing more experiences in support of identifying ways to take full advantage of the opportunities for trade facilitation.

With respect to fisheries subsidies negotiations, the Group has continued to meet regularly between clusters to share perspectives on how to reach a successful conclusion to these negotiations, and treat the group as a "sounding board" for new ideas.

On the e-commerce JSI, Ottawa Group members are pleased with progress made to date, including on the consolidated text. The Ottawa Group will continue to contribute to advancing the negotiations in 2021.

The Ottawa Group intends to continue its work on WTO Reform efforts going forward, and hopes to reconvene for a Ministerial meeting in early 2021.

45. Canada

TRIPS Waiver Proposal

Canada is committed to a global response to the pandemic that leverages the entire multilateral trading system in supporting the research, development, manufacturing, and distribution of safe and effective treatments for COVID-19. Canada has reviewed the TRIPS waiver proposal from the Plurinational State of Bolivia, Eswatini, India, Kenya, Mozambique, Pakistan and South Africa, and has actively participated in the TRIPS Council discussions on these important issues. Canada is confident that Members will be able to resolve any concrete obstacles identified by Members in a consensual manner and looks forward to further constructive discussions in the TRIPS Council in this regard.

Agriculture

Canada continues to place a priority on the agriculture negotiations, and we are encouraged by the level of engagement in facilitator-led small groups. We appreciate the interest from Members on Canada's paper with Brazil and Australia on tariff transparency and shipments en route. We also hope we can deepen engagement on domestic support aided by the database on what we circulated. Finally, we call on all Members to adopt the proposal that would prohibit the use of export restrictions on humanitarian food purchases by the World Food Programme. Doing so would help those most in need and would not pose a risk of disrupting domestic supply given policies applied by the World Food Programme.

Fisheries Subsidies

We are disappointed that we have not been able to conclude an agreement in 2020, but we recognise the challenges that the pandemic has presented. That said, we believe that it is critical to conclude an agreement as soon as possible. The Chair's text has generated constructive dialogue and we look forward to considering the next version later this week. To advance further, we need to explore Members' concerns on IUU and on overfishing and overcapacity in greater detail before turning to other elements of the text.

Electronic Commerce

Participating Members delivered a consolidated text, which will serve as a basis for continuing our negotiations next year. We encourage JSI participants to consider making publicly available a non-attributed version of our consolidated text.

Services Domestic Regulation

Proponents now have a way forward to address all remaining drafting issues and we trust these solutions will be incorporated in the revised reference paper. Canada is pleased with the broad support on the women economic empowerment provision of the text.

Investment Facilitation

Canada acknowledges the progress to date and thanks the Coordinator for his invaluable work in advancing the discussions.

MSMEs

We also highlight the achievement this past Friday of the adoption of a package of recommendations and declaration by the Informal Working Group on MSMEs. We encourage all Members to examine them and invite you all to consider incorporating these recommendations into your regular activities.

Environment

Canada is pleased to be part of the group of Members that launched the Trade and Environmental Sustainability Structured Discussions on 17 November. The first meeting will take place in early 2021 and we are looking forward to exploring how the WTO and trade can best contribute to realising global sustainability objectives.

Appellate Body

Finally, we continue to be very concerned about the Appellate Body's inability to hear appeals. We remain willing to engage in constructive discussions towards resolving the impasse. In the meantime, Canada maintains that the MPIA is the best means to preserve Members' rights under the DSU and invite all Members that have not joined to consider doing so.

46. Mexico

I would like to thank the Negotiating Group Chairs and Coordinators of the Joint Initiatives for their reports and applaud their commitment and resolve since, despite the current circumstances, they have striven to move forward with their respective discussions. It has been an extremely difficult year globally. The COVID-19 pandemic has inflicted almost 1.6 million sad losses of human life, exceeding all predictions, and has significantly affected our economies.

It has had an impact on everyone's lives, and on the pace of work of our Negotiating Groups, including fisheries which, despite having a specific mandate, has been no exception. We reaffirm our support for Ambassador Wills, whose consolidated text has served as an important basis for substantive discussions. This negotiation is of particular importance to this organization and affects the world, which was awaiting an outcome in December and will continue making demands in respect of this environmental and sustainability issue.

However, well known adverse circumstances have prevented the fulfilment of the mandate from our Ministers. This regrettable delay and the significance of the matter under negotiation must act as a spur to step up efforts without delay. To this end, technical work and political commitment are indispensable ingredients. We are ready to support the work programme that Ambassador Wills considers will enable us to continue ongoing negotiations next year and achieve an outcome as soon as possible.

As regards agriculture, we commend the work by Ambassador Abraham and the facilitators in the specific groups. It is also important to note that the proposal to remove export restrictions on products for the World Food Programme has gained a great deal of traction and interest among

Members. Let us hope that the Members are sympathetic to and aware of the legitimate aim of this proposal, which seeks to increase the efficiency of the WFP's work so as to contribute, from our side, to the work of alleviating hunger in the world.

Regarding Joint Initiatives on electronic commerce, investment facilitation, domestic regulation in services and MSMEs, we would like to thank the Coordinators and the Secretariat for their work, and the participating Members.

Despite the health emergency, the work has continued, and has intensified in recent months, with significant progress made this year. Through small groups and open-ended meetings, the e-commerce negotiating text was further consolidated, although we recognise that there remains a significant amount work. We support the road map that Australia, Japan and Singapore have proposed to achieve concrete objectives and clean texts in the first half of the year. We must also start discussing sensitive matters – the elephant is in the room – and we cannot fail to begin working to find points of convergence on data transfer, personal data privacy and server location.

With regard to investment facilitation, we appreciate the discussions led by Chile. We hope that next year, the countries with proposals and interested parties will be able to submit more consolidated texts to the coordinator and that they will be ready for the next Ministerial Conference. Lastly, we appreciate Costa Rica's coordination work on domestic regulation: the discussions have been highly constructive and a final text is within reach.

With regard to MSMEs, we commend and appreciate the efforts of Ambassador Cancela in ensuring that we finally have a package of recommendations that will undoubtedly contribute to improving these enterprises' integration into international markets.

Finally, we would like to congratulate all Coordinators and Members, since the negotiating processes have been inclusive, transparent and open. We invite Members not participating in these Joint Initiatives to undertake the necessary internal work to join the negotiations.

While in many respects 2020 has been a year to forget, it has also been a year to remember. Despite adversities, the WTO has played an important role in safeguarding international trade, by making valuable contributions to maintain trade in goods and services that are vital to tackling the health emergency and contributing to the ongoing economic recovery, as documented in the report recently discussed by the Trade Policy Review Body. While these have been important hallmarks of the organization, there remains much work and many debts to the international community in a number of areas, which require our effort, commitment and empathy. Mexico reiterates its willingness to contribute to upholding the importance of the multilateral trading system, in particular of the WTO.

47. Uganda

Uganda thanks Deputy Director-General Brauner and the Chairs of the various Negotiating Groups for their respective reports. At the outset, my delegation aligns itself with the statements delivered by Botswana on behalf of the African Group, Chad on behalf of the LDC Group and Jamaica on behalf of the ACP Group.

2020 has been a challenging year for all of us. It has brought to the fore the realities of the uncertainty that our work in this organization seeks to overcome through our continued engagement in the various bodies of the WTO. The current status of the Appellate Body that is untenable was quickly reinforced by the challenges presented by the impact of the COVID-19 pandemic. These have been further compounded by the inconclusive process of Appointment of the Director-General of this organization. We urge all Members to work together to quickly resolve these issues to preserve the progress that this organization has made towards global welfare.

The WTO is a rulemaking organization. For us, this means that the rules apply to all Members having agreed to them on becoming a part of the organization. Therefore, we must all strive to respect the rules to ensure the integrity of this organization. The consensus principle of decision-making must be justly regarded by all of us because it has served us well in the past. The notion that rules could be discarded to suit certain circumstances should be rejected. This greatly undermines trust among the Membership which is critical for moving the work of this organization forward.

My delegation welcomes progress towards achieving SDG 14.6 on fisheries but we remain disappointed at the lack of progress in concluding the Doha Development Agenda as SDG 17.10 called us to do. We urge Members not to disregard clear Ministerial mandates.

Similarly on development and special and differential treatment, we continue to urge Members to meaningfully engage on the G-90 proposals pursuant to Paragraph 44 of the Doha Ministerial Declaration towards strengthening the S&DT provision on WTO Agreements and making them more precise, concise and operational.

On services, my delegation specifically thanks Members for their continued engagement under the LDC Services Waiver towards increasing our participation in services trade. We welcome the progress made in the Council for Trade in Services towards review of the operation of the notified preferences. We continue to urge Members that have not notified preferences and are in the position to do so to notify preferences of commercial value and promote economic benefits for LDCs.

On agriculture, my delegation attaches great importance to the discussions in the Committee on Agriculture in Special Session and urges Members to urgently address the issue of trade distorting domestic support. We also urge Members to give favourable consideration to the African Group's proposal on public stockholding for food security purposes contained in document JOB/AG/173.

Turning to e-commerce, the COVID-19 pandemic has currently demonstrated the glaring digital divide through the many challenges that our citizens and business have experienced due to lockdowns as well as business and border closures. ICT infrastructure gaps, inadequate data on e-commerce and access to credit cards and high incidence of unbanked consumers with no experience in online transactions are some of the challenges that will hinder our economic recovery from the adverse impacts of this pandemic. We therefore continue to welcome constructive discussions under the 1998 Work Programme on Electronic Commerce and welcome the proposals for reconsideration of the Moratorium on Customs Duties on Electronic Transmissions by some Members.

Finally, on reform, my delegation is of the view that reforms targeted at undermining unfulfilled negotiated outcomes will not be beneficial. The same applies to reforms that will make it more difficult for us to meaningfully participate in the work of the organization through burdensome obligations. We stand ready to engage on reform proposals that will deliver on overdue longstanding mandates and urge all Members to give them due consideration in any reform proposal.

48. China

Please allow me to thank DDG Brauner and the three other DDGs for their diligent work in the absence of a Director-General as well as all Negotiating Group Chairs for their briefings on negotiation development.

It is approaching the end of the year, yet the WTO cannot be rewarded with the long-awaited Christmas gift. As we heard the report of the Chair of the Negotiating Group on Rules in the morning, it is such a pity that Members are not able to secure an agreement on fisheries subsidies within this year as mandated. By saying so, China continues to fully support the Chair's efforts with the sense of urgency to advance negotiations by formulating a new revised text at the earliest stage in order to find a landing zone as soon as possible.

Also, beginning from this month, there was no single Appellate Body member at all, which makes the other major limb of the organization only on paper.

What is more worrisome is Members' inability to make a decision on selecting the next Director-General, when a leader is badly needed for this organization. In commending the Troika's tireless, professional and transparent work, China is of the view that, in the difficult and critical times, respecting current procedures and good customary practices agreed upon by the entire Membership would be the best way forward. We look forward to a final decision to be made soon based on Troika's recommendation as of late October.

What gives us a little light relief is the new development of JSIs on e-commerce, investment facilitation for development, services domestic regulation and MSMEs. We welcome the rapid progress in a short period of time for these initiatives.

Particularly, the last round of negotiations on investment facilitation was concluded on a high note last week, which was an encouraging ending of a productive year. Participants are now one step closer to agreeing on a clean text. We look forward to the resumption of the work in January under the capable coordination of Mr. Mathias Francke, Ambassador-designate of Chile, and call upon more Members to join this initiative.

It is likely that we still have to live with COVID-19 pandemic at least in the foreseeable several months. While we thank the Secretariat of their monitoring and analysing work and encourage them to continue, we, the Members, should do our part. The latest Global Trade Alert report in November showed that, by 31 October 2020, a total of 2,031 policy interventions affecting international commerce were imposed by governments around the world. We call upon all Members to keep their pandemic-related restrictive measures in genuinely emergency-responding nature, i.e. temporary, as instructed by G20 Trade Ministers.

Lastly on MC12, China wishes to thank Kazakhstan for keeping the possibility amid various challenges and difficulties. As a Chinese saying goes, icing on the cake is good enough, but firewood in cold weather is better than good. At the same time, in order for the host to have enough time to prepare, Members should watch over the situation closely and make a final decision at the proper time so that a clear direction could emerge among the waves of uncertainties.

49. Montenegro

It is customary at the end of the year to take stock of the key developments and deliberations that have marked the functioning of our organization and the international trading system over the past year. And 2020 is leaving us with multifaceted challenges as we continue to struggle with the devastating health, economic and social consequences of the COVID-19 pandemic that the world has not experienced in decades.

To successfully overcome the crisis and restore the foundations for sustainable economic recovery and growth, several preconditions will be crucial. These are primarily: keeping international trade and investment flows open; increased cooperation and coordination between WTO Members; joint commitment to transparency. In a nutshell, strengthening an open, transparent, predictable and well-functioning rules-based multilateral trading system will be required. This further implies WTO institutional reform as the organization should be a successful forum for negotiations, a house of agreements to be developed and observed, and a place for effective dispute settlement. To navigate the organization in this direction, it also needs strong political leadership and responsible stewardship, so the appointment of a new Director-General would be a positive move in this regard.

Looking back over the last twelve months, negotiations in several domains have seen a quite productive year despite the challenges posed by the COVID-19 crisis. Let me mention just a few.

We welcome the progress made in the continuous negotiations on fisheries subsidies on the basis of the second revised version of the single consolidated draft document. We commend Ambassador Wills for his leadership in steering discussion on many of the key issues, including dispute settlement, subsidy disciplines in the areas of illegal, unreported and unregulated fishing as well as overfished stocks, overfishing and overcapacity. We are also thankful to Ambassador Chambovey for his engagement on special and differential treatment. Montenegro reiterates its support for reaching an agreement that promotes a sustainable balance between supporting fisheries production and conservation.

Montenegro also welcomes further progress on discussions in the Joint Initiatives on E-commerce, Services Domestic Regulations and MSMEs. We are pleased to note a high level of participation and engagement in the Investment Facilitation for Development negotiations with a view to achieving a concrete outcome by the Twelfth Ministerial Conference next year.

When it comes to pandemic-related challenges in international trade, we are supportive of the recently launched Trade and Health Initiative that aims to enhance the capacity of the trading system to respond to the public health emergencies and to contribute to improving the resilience of supply chains.

In conclusion, Montenegro reiterates its continued support for WTO Reform as well as the ongoing negotiating agenda and looks forward to significant progress towards MC12.

50. Malaysia

At the outset, Malaysia associates itself with the ASEAN Statement that was delivered by Viet Nam.

We have arrived at the end of the year with both progress and challenges. Malaysia appreciates Members' efforts in continuing to preserve the multilateral trading system and work to ensure the WTO institution remains relevant.

We recognise that the prolonged trade tensions and COVID-19 pandemic have impacted the economies, regions, and the entire global economy. We remained optimistic that the WTO, although with these challenges, has been effective in ensuring that global trade governance remains open, predictable and transparent, benefitting all Members.

Malaysia wishes to highlight the following:

DG Selection Process

Let me once again record our sincere appreciation to the General Council Chair, Ambassador Walker and the Co-Facilitators – Ambassador Castillo and Ambassador Aspelund for their hard work in ensuring selection rounds were conducted in an efficient manner. Let us hope the matter could be resolved as soon as we resume our work early next year.

Fisheries Subsidies

We took note of the report by Ambassador Wills and thank him for his leadership in this important area. We welcome the progress made thus far, although we have missed the mandated end of December deadline. Much work remains to be done and we must resume our substantive work as soon as possible next year. Malaysia believes that if we were to deliver an outcome in the fisheries subsidies negotiations in MC12, we need to have real engagement.

Dispute Settlement

It is very unfortunate that we are now working in an institution that is partially collapsed – without a well-functioning dispute settlement system. We truly hope that this issue could be resolved expeditiously.

Joint Initiatives

We welcome the progress on various on-going discussions on the Joint Statement Initiatives on MSMEs, Investment Facilitation, and Electronic Commerce. We believe that there is still work that remains to be done in order to achieve meaningful outcomes in MC12.

Development

Development is an integral part of the WTO institution. We acknowledge that international trade has been an important enabler for Members' economic growth, and therefore, we must recognise the development component in the negotiations. Greater political will and flexibility are crucial if we want to see this through, bearing in mind the unprecedented challenges that we are all facing now.

Malaysia, as the Chair of APEC 2020, would like to share that, APEC Leaders in their Declaration, have re-affirmed their support for agreed upon rules of the WTO in delivering a well-functioning multilateral trading system and promoting the stability and predictability of international trade flows. We need to join hands to ensure that the credibility of the multilateral trading system is not undermined.

51. South Africa

We align ourselves with the statements by the ACP and the African Group.

The COVID-19 pandemic has delivered perhaps the greatest shocks to international trade since the Great Depression. It is likely to restructure the global trade landscape as companies shift their focus from fighting the pandemic to winning the post-COVID-19 future. Governments are also forced to

review their trade and economic policies to adapt to the new normal while stabilising the current economy and at the same time promoting economic recovery. However, for many developing countries, such is neither automatic nor easy since COVID-19 exacerbates an already precarious situation.

Given the intense pressure that the crisis has put on the multilateral trading system, improved flexibility is required. The COVID-19 crisis has shed light on the need for public policies and trade disciplines to be primarily guided by and be consistent with vital public policy objectives such as health, food security and sustainable development, with health being the most urgent under the circumstances. In this regard, we welcome the discussion on the TRIPS Waiver in the TRIPS Council. The need for public support programmes in response to the coronavirus crisis are not going to vanish overnight. A coordinated and pragmatic approach on key trade policy tools to put the global economy on a sustainable recovery path is required. State involvement and support will be essential part of this process.

International trade can be one of the important drivers of economic recovery. We cannot afford business as usual approaches. We need a more economic recovery agenda rather than a liberalization agenda in the context of an unprecedented crisis. We therefore need to be realistic lest we set up MC12 for another failure by creating unrealistic expectations. We must ensure that trade contributes to inclusive growth and development. This requires that we listen to each other's concerns and craft an agenda that will ensure that trade rules work for all. It is not going to be an easy task. Incremental progress on mandated issues under the TNC/DDA agenda can go a long way towards this objective.

Agriculture

In relation to agriculture, substantial reform of trade distorting domestic support which is resulting in further distortions in international trade even in the context of COVID-19 pandemic. A food security agenda is going to be critical. This can start with contribution to the WFP, a permanent solution for PSH and preserving support to resource poor farmers through Art 6.2 who are vulnerable due to COVID-19. Food production is important for food security. A meaningful outcome in agriculture negotiations should address historical imbalances, concentration and must also deliver on cotton and SSM. We reiterate that the process must be inclusive and transparent process and allow participation of all on issues of interest.

Fisheries Subsidies

We thank the Chair and the Friend of the Chair for their efforts. We must focus on delivering on all mandates, including on SDG 14.6, this however does not mean that management aspects should be brought into the WTO. The aim of the negotiations is sustainability, therefore the concept of common but differentiated responsibility is key, which requires that those Members with massive capacity must reduce their capacity substantially if we are to achieve sustainability. A list-based approach is the most pragmatic in order to make progress. Disciplines must target large scale industrial fishing and safeguard food security and livelihoods of small-scale fisheries. The outcome must deliver on all the pillars of the mandate, including S&DT. In this regard, S&DT should be meaningful and cannot be limited to transitional periods. Text-based negotiations must be inclusive and Member-driven. South Africa will continue to seek balanced outcomes that deliver on all the aspects of the mandate.

Special and Differential Treatment

We thank the CTD SS Chair for her attempts to facilitate substantive discussions among Members and we support the process to discuss two ASPs per session to enable focused discussion among Members. COVID-19 has exposed the strategic vulnerabilities of developing countries. S&DT in the WTO must serve to provide developing countries and least-developed countries with better tools to overcome any crisis and enable them to build resilience. It should not be regarded as a compromise but as a necessity to address the challenges posed by the current pandemic and to put our economies on a sustainable growth trajectory. We call on Members to engage in the G-90 proposals in good faith. It is the lack of engagement that inhibits progress.

WTO Reform

We are concerned with any reform agenda that worsens the existing imbalances and inequities. Reforms must be premised on the principles of inclusivity and development.

Electronic Commerce

We have tabled with India a paper on reinvigorating the Work Programme. We stress that progress on the developmental aspects of e-commerce will be essential to inform decision-making on the e-commerce moratorium at MC12.

Services

We are concerned with the lack of a developmental agenda on the exploratory discussion on the services sectors discussed in the CTS SS and whether these will result in equitable outcomes. Africa's share in world exports of commercial services lags behind all other regions, at about 2% over the past decade. Therefore, unless the structural constraints faced by many African countries are addressed, this discussion is not going to result in equitable benefits. South Africa does not see how the exploratory discussions will unlock the African services sector.

Appellate Body

The remaining AB member's term expired on 30 November 2020. We are also witnessing a rise in the number of disputes that are appealed into the void. The dysfunctionality of the Appellate Body is a systemic issue that undermines the enforcement function of the WTO, renders the negotiations pointless and must be resolved as a matter of urgency.

DG Selection Process

The WTO is in crisis. We cannot afford to stall the DG Selection process. We call on all Members to ensure finalization of the process in accordance with agreed rules. This will augur well for a rules based multilateral trading system. The WTO needs to have a Director-General at the helm.

52. Fiji

We join other delegations in commending DDG Brauner and his fellow DDGs for showing leadership in the absence of a Director-General. We also convey our sincere thanks to the Chairs of the Negotiating Groups for their reports and stewardship under the various key areas currently under negotiations. At the outset we aligned our intervention with the ACP Group statement as delivered by Jamaica and the Pacific statement to be delivered by Vanuatu.

Fisheries Subsidies

First, we wish to commend the Chair for his report and his continuous dedication and stewardship of this important agreement. We remain committed to the Chair's leadership and we recognise the role played by the Friend of the Chair and thank both of them for their hard work.

In saying this, we have noted that the pace of negotiations has progressed and the Chair's draft consolidated text plays a critical role. I wish to therefore underscore that the modality of this negotiation must remain inclusive and transparent in view of smaller delegations who have keen interests on the subject such as the small island developing economies.

Second, we do appreciate the Chair's guiding questions to be communicated in advance to delegations as opposed to during the negotiation proper. This in our view is essential to stimulate discussions and offer sufficient time for delegations to carry out consultations where relevant with capital-based technicians. The vast geographical time differences during these virtual consultations has been an issue which would require some flexibility.

Third, while we recognise the efforts of the HODs in the last cluster, we realized that much still remains to be sorted first at technical level. The HODs role in our view would be more efficient to be endorsing progress and provide guidance on difficult discussions rather than to be renegotiating areas that could be best addressed through technical discussions.

On substance, we wish to underscore that overfishing and overcapacity requires additional dedicated efforts. First, the Agreement needs to take into account proportionality and must not deviate from its intended target and that is to discipline the large subsidizers and their large industrial fishing fleets. Second, it should ensure that the focus of the agreement is to address the subsidies and not the fisheries management initiatives which would be a major loophole. Further, this agreement should build on existing international norms such as UNCLOS and should not be establishing new standards on fisheries management which are beyond the remit of the WTO.

The understanding by some Members on transition period, technical assistance and capacity building in our view cannot be accepted. Small island economies surrounded by large EEZ and ocean space with limited fishing capacity now should not be constrained by this Agreement. Instead, this Agreement should be a conduit for development for small economies with limited fishing capacities. Small island economies are highly vulnerable, reliant on only few economic sectors and during this COVID-19 pandemic has been worst hit and remains disproportionately affected. This Agreement must therefore offer breathing space for the small island developing economies.

Agriculture

We also echo previous sentiments in thanking the CoA SS Chair and the facilitators in advancing negotiations in this area which is key to our economy. We welcome the discussions on reductions of domestic support and an amicable way forward to PSH and SSM. Further, we are supportive of initiatives that support the work of the WFP led by Singapore that is pivotal in view of the varying degree of risks associated with food security posed by the COVID-19 pandemic, climate change and natural disasters that exacerbates the vulnerability of our small island economies.

Development

Fiji being the hub of the Pacific and a major tourist destination remains severely decimated by the effects of the COVID-19 pandemic. COVID-19 posed important learning curves to keep our options open and not be comfortable on only few thriving sectors such as tourism. Fisheries has been a significant contributor to our GDP and remain a promising sector to be further developed in view of our large and healthy ocean space.

In the last TNC this year, it would be a remiss of me not to say that this is a world of learning and we must not be derailed by our circumstance. We have our fair share of troubles in the centre of the Pacific Ocean from natural extremes, climate change, pandemic, which change the course of our economies. Something we have learned over the years is our ability to remain resilient and united. All we would need are listening ears and caring hearts within the WTO Membership and outside.

We do urge Members to engage constructively in one way or the other and help out. One of which is the longstanding G-90 proposals that could spearhead developments and is supportive of important economic paradigm that could change the course of certain economies. As I have stated, there is no other way to bridge our divide by merely watching and defending. We need to fight together and work together not with selfish ambition or vain conceit.

53. Pakistan

We thank the Chairs of the Negotiating Groups for their reports and all Deputy Directors-General and Ambassador Walker for keeping the shop running in the absence of even an Acting Director-General.

As we meet for the last time in the TNC this year, it is important to reflect on this last year. The challenges brought by the COVID-19 pandemic are now well and truly established. A weakened global economy, thousands of lost jobs and intensified threats to multilateralism continue to add on to the overwhelming loss of lives with the effects much more profound and devastating in developing countries with weaker production capacities, infrastructure, and resources. We must be ready to deal with trade negotiations based on the new global challenges and domestic realities.

Agriculture

Agriculture remains an area of foremost concern in ongoing negotiations. More progress is needed on some fundamental issues. Unless there is an acceptance of the need to correct existing anomalies in the Agreement, with very large subsidizers agreeing to cut domestic support first, movement will be difficult. Livelihood and food security concerns in developing countries continue to mount in the wake of the pandemic and, therefore, the need for levelling the playing field in agriculture trade remains paramount. Specific entitlements for developing countries and interests of NFIDCs must not be swept away with the same broad stroke. As always, we continue to support an ambitious, expeditious, and specific outcome on cotton. We believe that the C-4 has put forth a meaningful and useful proposal which can contribute in a big way to the lives of cotton farmers.

We note the specific proposal concerning the World Food Programme that originated under the agriculture pillar on export restrictions. We appreciate the intention behind the proposal, of fighting hunger and starvation. Even though it is submitted in relation to COVID-19, it is not a new suggestion, and has been tabled earlier, in 2011 and 2017. The realities of food security in poor countries with very large populations are even more demanding today. The proposal for a blanket ban on export restrictions therefore needs in-depth deliberation and we are consulting and engaging on its specific elements.

Fisheries Subsidies

We recognise the efforts by the Chair of the Negotiating Group to bring convergence. However, this did not quite come to a close, not only because of the time lost due to the ongoing situation, but also because realities in developing countries have to be taken into account afresh, due to the devastating effects of the pandemic on sustainable livelihoods and the necessity of government efforts to address new challenges. The urgency to conclude must neither brush aside genuine procedural and logistic constraints of developing Members to engage at greater pace in virtual formats nor should it ignore the fundamental concerns regarding development and the sustainability of small-scale and artisanal fishermen.

We have noted some good discussions on special and differential treatment in recent meetings. In our view, this embedded right is the most crucial aspect and any attempts to dilute this right through a case-by-case or needs-based approach could derail meaningful movement. We are also concerned with provisions that could create de facto or reverse S&DT for developed countries. This will be a re-enactment of the anomalies in other agreements we are still trying to correct.

TRIPS and Public Health

While on the subjects of ending starvation and saving fish, one cannot ignore the most pressing matter of all which is saving human lives for humans need to be able to eat and fish. Rapid access to affordable medicines, vaccines, diagnostic kits, medical masks, ventilators and other equipment for the prevention and treatment of COVID-19 is the need of the hour. Some headway has been made in vaccine development. But concerns are mounting on the availability and access to vaccines and other essential medicines. While rich countries have pre-purchased almost all of the potentially available vaccines for a fraction of the global population, large and poorer populations would be deprived of their access for years. The flexibilities allowed under the TRIPS Agreement for such situations are arguably selective, inadequate, limited in scope and application and impossible to implement.

The situation demands collective action to tackle IP barriers to allow developing countries, for a limited time, to manufacture essential COVID-19 related medicines and equipment in order to make them available to everyone across the planet quickly and at affordable rates. It is high time that the WTO stands up and makes itself counted in the global fight against the pandemic where it matters the most.

Way Forward

We cannot continue to ignore the demands for sustainable development and improved standards of living for large segments of the world's population – be it the improvement in production capacities to fight the pandemic and its effects or the policy space required to work towards economic transformation in our countries. We must lead the WTO into 2021, hopefully with a new Director-

General and a functional Appellate Body in place, with a more developmental approach that secures equitable sharing of global resources and gains, and focuses more on the content and not the number of deals we sign as an organization.

54. Tanzania

At the outset, I would like to align my statement to the statement of the African Group as delivered by the delegation of Botswana.

TRIPS matters

We are currently facing a serious challenge of COVID-19 and are not sure of when the world will get back to normalcy. Members have continued to take different measures to contain the spread of COVID-19 and treat those currently infected. The WHO has called for a global solidarity to curb the COVID-19 pandemic, insisting close collaboration of member states, institutions, and individuals to develop, scale-up production of affordable diagnostics, therapeutics, medicines, and vaccines. We have numerously expressed in the TRIPS Council that the TRIPS Agreement should not in any way hinder Members' efforts to research, develop and scale up production of medical products and vaccines for COVID-19 which will be affordable and accessible to all. We are convinced that the tabled joint proposal by South Africa and India as contained in document IP/C/W/669 can provide us the assurance.

Regarding the extension of LDC TRIPS Waiver enshrined in Article 66.1 of the TRIPS Agreement, we are of the view that it should be granted. Due to the COVID-19 pandemic, LDCs' economic and financial needs have tremendously increased as are fragile and vulnerable to external shocks. LDCs are being forced by the current situation to divert most of their financial resources to procure medicines and essential products for treatment and prevention of the spread of COVID-19, to save lives of their people. We urge Members to grant LDCs an extension that will be sufficient to address their challenges as described in the TRIPS Agreement. LDCs have continued to lack the needed industrial base and manufacturing capacity to produce affordable generic medicines and products despite the fact that they are the most vulnerable and susceptible to the outbreaks of diseases. It is a fact that the granted short transitional periods do not motivate private sector to invest in LDCs. That said, we would like to call upon Members to support the LDCs' request for an extension of the Waiver as contained in document IP/C/W/668.

Fisheries Subsidies

On fisheries subsidies negotiations, I would like to commend the Chair of the Negotiating Group on Rules, Ambassador Santiago Wills, for his efforts and commitment to drive the negotiations forward on this subject. Much as we are not the demandeurs of fisheries subsidies negotiations, we share the concern of fast depleting marine resources and would like to see SDG 14.6 implemented. However, Tanzania like many developing Members has not exploited its marine resources and the fisheries sector is underdeveloped despite the resting huge potential. The current administration has started to take some steps towards developing the sector. Therefore, we would like to see the outcome from fisheries negotiations consider our development needs.

Agriculture

My delegation commends the efforts of the CoA SS Chair and the facilitators. Agriculture is one of the priority areas which we want to see its negotiations progress particularly to address the unfinished business of domestic support, PSH, simple and transparent SSM and cotton. Any envisaged outcome package for MC12 should include these issues.

My delegation also is appreciative of the proposal put forward by the delegation of Singapore asking Members not to put export restrictions on non-commercial humanitarian purchases of food produces procured by the World Food Programme. Much as my Government is supportive to the legitimate objective of the proposal, we want to ensure the proposed language does not constrain our policy space to take measures that warrants the country's food security. My delegation is still consulting on the textual language while continuing with constructive dialogue.

Finally, I would like to assure the Membership of our commitment to continue working together as we head towards MC12.

55. New Zealand

2020 has undoubtedly been one of the most challenging years in the lifetime of the WTO. The pandemic, which continues to grip us has had a devastating impact on human health and on the global economy, and has had a disproportionate impact on developing and LDC Members.

For many of us, including New Zealand, international trade is an important factor in the recovery. The WTO can help us, by working to address issues that have arisen through the crisis, and by continuing our work to fulfil the political mandates and expectations of our Ministers and Leaders.

It is with bitter disappointment that we will be unable to conclude fisheries subsidies negotiations this month, thus missing the deadline imposed by SDG 14.6. It is particularly bitter, as our oceans continue to suffer from persistent overfishing and IUU. Members' inability to meet this deadline also does no favours for the credibility of this organization.

The work however must continue, and we must conclude these negotiations as soon as possible. As soon as possible does not mean setting a new milestone – it means working overtime in the new year to deliver on an overdue promise as soon as we are able.

In doing so, we must not lose sight of the central problem of these talks: ensuring that subsidies do not contribute to unsustainable or illegal fishing. To solve this problem we must concentrate on how the disciplines as a whole meet the sustainability objective even as we try to accommodate all of the different circumstances Members are facing.

Meanwhile, we have a responsibility to do something to address the trade disruptions which have hindered our response to COVID-19. The Trade and Health Initiative that will be presented to the General Council this week is an important and concrete step forward. We encourage all Members to engage on this initiative which can help essential medical products, including vaccines, personal protective equipment, and other essential goods reach the people who need them. As a part of this initiative, we should also be looking at the services that enable the movement of essential medical products and facilitate their distribution to those who need them. These actions are crucial to responding to calls we have heard from across the WTO to move quickly and decisively in this space.

We have a further opportunity this week to demonstrate that the WTO is not only relevant but can also help people in need. New Zealand calls on all Members to support the decision not to impose export restrictions against food purchased by the World Food Programme. This a simple, straightforward idea to help a Nobel Prize winning humanitarian organization provide support to the communities most affected by hunger and malnutrition.

With respect to other negotiating issues, we are also pleased to see progress being made on joint statement initiatives including e-commerce and services domestic regulation. We must also begin to see progress on other negotiating issues in the new year including on agriculture.

New Zealand will also continue to engage with Members to advance trade and climate issues at the WTO including a Ministerial Statement on Fossil Fuel Subsidy Reform for MC12.

While 2020 has proved to be the most challenging year facing the globe and the WTO, we must ensure that 2021 is our year of resilience, recovery and growth.

56. Peru

We are certainly coming to the end of a very strange year. To sum up briefly, in addition to the routine work came the fight against the pandemic, teleworking, the selection process of the next Director-General, all against the backdrop of an acute global economic crisis. However, the year is not yet over and this Wednesday and Thursday, in the General Council, we have the opportunity to close it with a positive gesture, by taking a decision not to apply export restrictions or prohibitions on World Food Programme purchases in support of the organization's humanitarian work.

As a beneficiary of the World Food Programme, Peru is aware of its important work in eradicating hunger and malnutrition in the world. Peru believes that the adoption of the proposal will strengthen and expand the programme's capacity to provide humanitarian assistance and address the pressing challenges posed by the COVID-19 pandemic and other crises that require an urgent response from

the international community. Peru also trusts that the proposal will contribute to the achievement of Sustainable Development Goal 2 on zero hunger by 2030.

With regard to future work, I believe that we should focus on four priority tasks: continue promoting and agreeing on measures to resume economic growth and to effectively combat COVID-19, promptly conclude the selection process for the Director-General, overcome the Appellate Body crisis and deliver results as part of the negotiating processes on fisheries subsidies and agriculture, and in the various Joint Initiatives, while addressing the matter of the organization's reform.

In the area of negotiations and Joint Initiatives, I would like to refer to fisheries subsidies in particular, starting by highlighting the remarkable effort that Ambassador Wills and the Secretariat have made to maintain the pace of negotiations in such adverse circumstances as those of today. We are aware of the need to continue working hard to bridge the gap between Members' different perspectives and we believe that a further revision of the consolidated text could greatly enhance the framework of our discussions. Peru reiterates its commitment to the joint effort to reach an agreement as soon as possible.

Finally, to close on a positive note, Peru is pleased that the Informal Working Group on Trade and Women's Economic Empowerment met for the first time last week, having submitted a report on good practice, and has started planning its work for next year, with a view to the next Ministerial Conference. Peru will continue to work actively in the informal group and encourages all Members to participate in it even if they have not yet endorsed the Buenos Aires Joint Declaration so that they take advantage of the exchange of information and good practices for the benefit of women.

57. Vanuatu (Pacific Group)

I make this statement on behalf of the Pacific Group and we align our views with the statements of the ACP and the LDCs.

Fisheries Subsidies

Our Group commends the Chair of the Negotiating Group on Rules for his hard work. The circulation of the Chair's revised Draft Consolidated Text on 2 November was an important step in progressing discussions. However, much work remains to agree on approaches in overcapacity and overfishing and to resolve the many technical issues as well as the cross-cutting issues which have been less advanced. Discussions in different formats including small groups need to remain transparent and inclusive of all Members, especially small Members like our Group which have a significant interest in fisheries.

For the Pacific Group, this Agreement must deliver the SDG 14.6 mandate as well as contribute to the Pacific Islands Forum Leaders' objectives to:

- strengthen management and conservation measures for our fisheries and
- maximise economic returns to our fisheries.

The Pacific Group remains committed to this negotiation to reduce harmful fisheries subsidies to ensure sustainability of stocks. These disciplines must be proportional and target large subsidisers and large industrial fleets. In addition, this Agreement should target subsidies and not fisheries management. This Agreement should not undermine the rights of coastal states under other international agreements such as UNCLOS.

Our Group also commends the appointment and work of the Friend of the Chair on S&DT. This has enabled discussions on both the disciplines and S&DT to be pursued in parallel. Special and differential treatment should not be limited to transition periods and technical assistance and capacity building. But policy space must be given to developing Members, especially small vulnerable economies and small island developing States that have limited or no fishing capacity at present to enable them to develop their fisheries sector in the future.

The Pacific Group remains committed to working with Members to deliver a meaningful Agreement on Fisheries Subsidies.

Agriculture

The Group commends the work of the CoA SS Chair and facilitators in assisting Members identify elements for negotiations. We continue to support discussions on reduction of trade distorting domestic support and finding solutions to PSH and SSM. COVID-19 has exposed the vulnerability of import-dependent countries like our Group to the trade and export restrictions imposed by our trading partners. As beneficiaries of the WFP, our Group welcomes the initiative led by Singapore on the World Food Programme which some Members of our Group are co-sponsoring.

Development

The economic impact of COVID-19 in our region has been far-reaching with trade significantly reduced and key sectors affected. These impacts have reinforced the need to reduce our dependence on one sector like tourism and to accelerate the diversification of our economies. Given our smallness the opportunity for diversification is limited. The fisheries sector is one of the few sectors that provide potential for development.

The Pacific Group therefore urges Members to engage constructively in discussions on the G-90 proposals particularly those proposals that support economic diversification of our economies.

58. Kingdom of Saudi Arabia

I would like to thank Deputy Director-General Brauner for his report and to express my sincere appreciation to the four Deputy Directors-General for their hard work in handling the function of the Director-General and in steering the work of this organization at this critical time. I would also like to thank the Chairs of Negotiating Groups who spoke to take stock of the progress made in their respective fields.

The economic and social disruption caused by the COVID-19 pandemic is devastating. It has a significant effect not only on health but also on the global economy and in international trade. At this difficult and challenging time, we need now more than ever to unify our efforts to restore the confidence and the credibility of the WTO and the multilateral trading system. The WTO has an important role to play in managing recovery from the impact of the pandemic and to lead to a post-pandemic global trading environment. We also call upon the entire Membership to enhance the accessibility of essential medical goods and to make sure that all people have affordable and equitable access to safe and effective COVID-19 diagnostic therapeutics and vaccines.

Having said that, let me present our views in certain issues of our work.

Active engagement, strong political will and full understanding of the scope and elements of the proposed reforms are required to advance WTO Reform. In this regard, I would like to refer to the Riyadh Initiative on the Future of the WTO which was launched by the Saudi Arabian G20 Presidency and annexed to the G20 Trade and Investment Ministers Communiqué that was circulated in document WT/GC/221 and gain the recognition of the G20 Leaders at the Riyadh Summit as indicated in their declaration that was circulated in document WT/L/1101. In light of this, we believe that the Riyadh Initiative could form a good basis for further discussion among the entire Membership towards the necessary reform of the WTO.

Saudi Arabia also underscores the importance of a well-functioning Dispute Settlement Body. We therefore encourage all Members to double their efforts to find ways to restore the proper functioning of the dispute settlement system.

On agriculture, we welcome the initiative of the CoA SS for the facilitator-led small groups and the work undertaken under this process. We encourage all Members to engage constructively in the technical discussions in order to achieve a successful outcome for the benefit of all Members in this critical issue.

On fisheries subsidies, we would like to thank the Chair of the Negotiating Group on Rules, Ambassador Wills, for his leadership. Discussions on the draft consolidated text have been constructive and are making progress. We support the NGR Chair's efforts to intensify the negotiations and encourage Members to formulate a complete text before MC12.

Saudi Arabia also welcomes further progress on the discussions in joint initiatives including on e-commerce, domestic regulation, investment facilitation for development and MSMEs. We hope to achieve concrete outcomes by MC12.

In conclusion, the Kingdom of Saudi Arabia reiterates its commitment to the multilateral trading system and remain ready to engage constructively in the work ahead.

59. Indonesia

2020 is a challenging year for the world. The COVID-19 pandemic has impacted every aspect of our lives. COVID-19 has not only halted our negotiation progress but also carries additional responsibility to ensure that our work would help in economic recovery efforts. I commend the Secretariat for their responsiveness, particularly in assisting Members with information and measures taken by Members related to trade and COVID-19. These efforts have served as a platform to enhance transparency and bolster cooperation.

My delegation welcomes the progress made in some of the negotiations under our mandates.

Fisheries Subsidies

In fisheries subsidies, we appreciate the effort of the Chair, Ambassador Santiago Wills. While we note significant gaps on positions among Members, we observe that the discussion helps to understand better each other's position and assist Members to find common ground. As we said many times, this is not an easy discipline. Consequently, my delegation is convinced that we need to focus on the mandate to "prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing". We have to stick to this. Current developments seemingly tried to create additional "sustainability" approaches that are undertaken by other international organizations. It is not our task to define the sustainability issue in this discipline as the FAO is working on that. While the WTO and FAO work to achieve the same objectives concerning fisheries sustainability, our approach should not overlap.

Agriculture

In agriculture negotiations, we commend the constructive discussions in the facilitator process led by the CoA SS Chair. Indonesia will continue to actively engage and urge Members to constructively participate in the process. We need to be focused in order to deliver outcomes for MC12 and not diverting our attention to the non-mandated issues. To this end, we need to continue to pursue the objective of Bali Ministerial Decisions to establish a permanent solution on PSH and a comprehensive and balanced outcome on SSM. The G-33 statement delivered in the last TNC Meeting reflected in JOB/TNC/88 addressed that outstanding task. Moreover, the COVID-19 pandemic alerted us on the importance of food security. Concluding the PSH and SSM negotiations are paramount to ensure this objective. Food reserves is imperative in food security by addressing price volatility and facilitating emergency distribution in time of crisis.

Electronic Commerce

Indonesia reaffirms its commitment to advance the development of the Work Programme on Electronic Commerce. We underline the importance of e-commerce as a tool to support economic and social development. We share the view on the need to clarify the scope of electronic transmission which in our view shall not apply to electronically transmitted goods and services. This long-mandated issue should not be left behind and no effort should shift Members' commitment to conclude this work.

Dispute Settlement

Ensuring the two-tiered dispute settlement mechanism is also of paramount importance for our delegation. The deteriorating situation of the Appellate Body issue clearly shows the lack of credibility in the WTO. We are also concerned by the adverse impact ensuing from this situation that may mount into backlog of cases and force Members to appeal into the void. Indonesia once again urges all Members to renew their political will, and to provide willingness and commitment to resolve the issue concerning the appointment of Appellate Body members in order to ensure the effectiveness of the dispute settlement mechanism.

TRIPS Waiver Proposal

Lastly, my delegation is heartened to observe the ongoing discussion on the proposal for a waiver from certain provision of TRIPS Agreement for the prevention, containment and treatment of COVID-19. We thank the co-sponsors for opening candid discussions on how we can work to ensure equal, affordable and timely access to medicine, vaccines and other COVID-19 related products that are greatly needed in this time. My delegation is looking forward to contributing further and hope this proposal could reach its successful conclusion.

60. Republic of Moldova

At the outset I would like to thank DDG Brauner for his report as well as all the Chairs, Coordinators and Facilitators for their valuable work and efforts. I would also like to extend our gratitude to the Secretariat for their dedicated and professional work during the current year.

At the end of this challenging year, this meeting seems an important opportunity to take stock of the developments registered in many areas of the WTO negotiations, Joint Initiatives and group discussions. We are very pleased to note the impressive progress registered in several of them and as a general comment, I would like to express our appreciation to all Members whom, despite the difficult circumstances we all had to deal with, were actively engaged within different groups of negotiations, and contributed in a constructive way to move discussions forward, which resulted in the achievement of important milestones by the end of this year.

Joint Initiatives

The Republic of Moldova continues to fully support and commends the high level of engagement and significant progress made – based on consolidated texts – in the negotiations on Electronic Commerce and Investment Facilitation for Development. We also commend the advanced progress achieved in the negotiations on Services Domestic Regulation where we are looking forward to additional submissions by Members of their indicative draft schedules and the finalization of the draft Reference Paper during the upcoming year.

Referring to the activity of the Informal Working Group on MSMEs, would also like to commend the Members that were engaged on the great amount of work related to the MSMEs package of decisions and recommendations which was recently adopted within the Informal Working Group on MSMEs. We extend our congratulations on this impressive and very timely progress which indeed sends a positive signal of support to our small businesses and we thank the Group Coordinator, Ambassador José Luís Cancela, for the continued leadership and dedicated work that led the group to reach this important milestone. In this context, Moldova would be pleased to join the co-sponsors that endorsed this package and reconfirm our commitment to this initiative. We also invite other interested Members to co-sponsor the package and look forward to its implementation.

On Trade and Women's Economic Empowerment, Moldova welcomes the establishment and the recently held first meeting of the Informal Working Group on Trade and Women's Economic Empowerment which provides a good platform for the discussions and work on trade and gender perspectives. We also welcome the released report/publication by the International Gender Champions Trade Impact Group to which Moldova was pleased to add its contribution along with other Members' best practices in trade and gender policy.

As many other Members, we see Joint Initiatives as potential deliverables by the next Ministerial Conference and beyond. These would enable the multilateral trading system to catch up with the new realities of the global trade as well as contribute to a faster recovery of our economies. Moldova remains committed to support and making greater contributions as we move forward including in some new Initiatives as Trade and Health and Trade and Environmental Sustainability.

Agriculture

As an Article XII Member, the Republic of Moldova maintains its position and considers it a priority to address the existing imbalances between the commitments of Members that acceded to the organization under Article XII and those of the original Members – targeting meaningful outcomes in all three pillars. Additionally, Moldova reiterates its support for the proposal promoted by

Singapore on restrictions on foodstuffs purchased for non-commercial humanitarian purpose by the World Food Programme which could be agreed by consensus during the upcoming General Council.

Services

On the services dimension, we are pleased to see several tabled proposals and higher engagement in the Committee on Trade in Services and its subsidiary bodies during the current year. Moldova is interested to engage during next year and support proposals/activities aiming at enhancing clarity in Members' schedules of specific commitments as well as those targeting a higher liberalization of trade in services.

Electronic Commerce

The Republic of Moldova continues to support the extension of the moratorium on electronic transmissions.

Appellate Body

Along with other Members, Moldova remains concerned on the paralysis of the Appellate Body. The properly functioning, two-tiered dispute settlement system is essential to safeguard the rights and obligations of all Members, whether they are frequent users of the system or not. Therefore, we will continue to support the call for the resolution of the problem affecting the Dispute Settlement Body.

DG Selection Process

We reiterate our appreciation to Ambassador Walker and to the Facilitators who led the selection process and we are looking forward to start working with the first female Director-General as soon as possible.

Way Forward

We do hope that despite current circumstances and numerous challenges faced by the multilateral trading system, the considerable work and activities carried out in the WTO will progressively continue and will allow us to deliver tangible results next year. The Republic of Moldova remains committed to the core principles of the WTO and supports the intention to strengthen and consolidate its functionality and capacity to deliver.

I would like to wish everyone a joyful holiday season with your loved ones, and of course, good health and a better year ahead.

61. Argentina

The end of the year is typically devoted to balance sheets, weighing up efforts compared with the results, stepping back and reflecting on the past to chart new future goals, retracing our steps to reconfirm or reconsider our path, to evaluating, ultimately, whether we are able to achieve a positive balance.

Among the noteworthy matters, allow me to begin by highlighting the professionalism displayed once again by the Secretariat both at the technical level (through the move to virtual meetings and the early release of key information) and the human level (mainly reflected in the creation of a small task force), the Secretariat amply proved its ability to handle the situation.

Another matter that we do not wish to overlook is that of the selection process for our next Director-General. The qualifications and backgrounds of the candidates posed a difficult decision for our capital when it came to identifying preferences in each of the consultation rounds. The process evolved naturally and identified, for the first time, Africa and a woman with the greatest probability of reaching consensus in order to arrive at the highest post in this organization.

As to the very centre of the negotiations, we would like to express our sincere appreciation to the Chairs, facilitators and, above all, the delegations who, regardless of their many limitations, engaged in a constructive and exemplary fashion. If we think of fisheries subsidies as a flagship case, the intensity of the discussions has been such that few could, at this point, further accelerate the pace.

The same is true for Joint Initiatives, whose plenary sessions have been complemented by exchanges in different formats and configurations, ranging from outreach to small group discussions through a number of informal consultations. The path taken at the Buenos Aires Ministerial Conference has made it possible to move forward with matters of great importance to today's global trade.

It is worth noting that the Joint Initiative on MSMEs has recently approved a set of proposals which will make it possible to address central issues linked to access to trade and market information, trade facilitation and financing, among others. We would like to thank Ambassador Cancela, Coordinator of the Joint Initiative, for the efforts made to ensure that a significant number of Members (90) supported the proposals. We urge the entire Membership to support the initiatives, which will allow for better integration of MSMEs in international trade. In difficult times posed by COVID-19, it is important for the WTO to give a strong signal of support to MSMEs which have particularly suffered the impact of the pandemic.

Similarly, new proposals have been made and exchanges have continued on various ideas on the reform and strengthening of the WTO.

In addition, we are also pleased that the fall in trade has not been as sharp as early estimates had anticipated.

This is not to say that there remains much to be done to improve and reconstruct. For a developing Member like Argentina, the situation concerning the Appellate Body is of extreme systemic concern. The same concern gave rise to the abrupt interruption of the selection process of the Director-General especially since there was strict adherence to the existing rules and agreed modalities.

In our view, we are all aiming for shared objectives, but we are somewhat lacking in a common understanding and a dose of empathy. Commercially significant results and a high level of ambition should not be incompatible with formulas allowing for flexibility. Offensive interests in various areas should facilitate the trade-off rather than impede agreements. Preconditions should foster negotiations rather than deter them.

Finally, for those of us who are practising Catholics, the end of the year is also the time of Advent, a time of expectation – expectations that fortunately will not be disappointed. We foresee a prosperous 2021 and trust that, at the Twelfth Ministerial Conference, we will have better deliverables than we could offer today.

62. Ecuador

Ecuador thanks DDG Brauner for his report, and for the detailed reports presented today by the various Chairs and Coordinators. Briefly, I would like to highlight some areas that my country considers essential to the negotiations.

Ecuador deems the immediate conclusion of the fisheries subsidies negotiations to be a priority. We thank and congratulate the Ambassadors of Colombia and Switzerland for their work in this complex area. We welcome the second revision of the consolidated text. We trust that it contains the elements that Ecuador has put forward on artisanal fisheries, due to the activity's impact, both socioeconomic and on food security, and the need to protect it, as reiterated by most Members. We reiterate the importance of the Agreement containing strong and offensive provisions in the areas of illegal, unreported and unregulated fishing and on the high seas. My country will continue to support this process, taking the constructive approach that has characterized it throughout these negotiations.

We also welcome the process chaired by the Ambassador of Costa Rica with regard to Agriculture. Ecuador is committed to the agriculture negotiations. Our priorities include the pillars of market access, domestic support and special safeguards. We have confidence in the work carried out by Ambassador Abraham to provide fresh impetus to negotiations in this area.

Eradicating hunger is one of the major challenges of our time. Ecuador believes that the WTO can contribute to the achievement of this goal. At present, 51 co-sponsors constituting 77 Members have expressed support for the work of the World Food Programme through the proposed decision, submitted by Singapore to the General Council and which we hope will be adopted to exempt WFP purchases from export restrictions or prohibitions.

On emerging issues, Ecuador advocates for reform of the organization to bring it up to date with the current context and to make it a positive factor in the recovery of international trade in the post pandemic era. In this vein, we recognise the importance of the debate on trade and sustainable development, as well as the discussions on plastics. The proposed dialogue with multiple stakeholders will provide us with a holistic view.

Regarding Joint Statement Initiatives, we welcome the significant progress made on e-commerce, MSMEs and investment facilitation.

In October this year, Ecuador joined the Joint Initiative on E-Commerce. We recognise the importance of this open, transparent and inclusive process and welcome the Co-Convenors' leadership.

We also support the work on gender and trade as an excellent platform for discussing the importance of gender in various areas of trade.

Finally, Ecuador considers essential the selection of the WTO's future Director-General whose proactive role will be crucial to revitalising the WTO thereby facilitating the functioning of the multilateral trading system.

63. Mauritius

I thank DDG Brauner and all Chairs who have done their reports today for all their efforts in trying to find consensual approaches. I also take this opportunity to commend all the DDGs for ensuring the smooth functioning of the Secretariat despite the challenges due to the COVID-19 situation. Mauritius associates itself with the statements by the African Group and the ACP.

We indeed look forward to an early finalization of the DG appointment process.

TRIPS Waiver Proposal

We have already expressed strong support for the proposal by South Africa and India as providing the necessary flexibility under the TRIPS Agreement to protect public health. We believe it is important to balance out IP considerations and to foster innovation but also believe that we must find ways to ensure that rules can be used for public health benefits.

Fisheries Subsidies

We appreciate the intensive efforts by the NGR Chair and have heard his plea for moving towards consensus and look forward to the second revised version of this consolidated text. We realise that this is not an easy task however much all of us wish to eliminate subsidies that impact severely to sustainable fishing. We will nonetheless engage with a view to finalising a balanced outcome – an outcome that meet the mandate of eliminating harmful fisheries but also provide for S&DT. For a small country like Mauritius with an EEZ of 2.3 million km² but a global share of catch of hardly 0.02% and only 1.5% of national GDP, policy space would be needed to further develop our fisheries sector. In any case, however much we develop, we will never attain a level that would affect sustainability.

WFP Proposal

We also look forward to finding consensus around the Singapore proposal aimed at providing sourcing assurances to the World Food Programme. It will be necessary to look at the reality on the ground and its impact on Members and ensure that their food security is not put at risk.

Special and Differential Treatment

We associate ourselves with the statement by the ACP Group and Barbados on this matter believing S&DT to be an integral part of all our discussions.

Electronic Commerce

The pandemic, if anything, has brought to the fore the need to accelerate the process of electronic commerce particularly in Africa. This is also strongly linked to the capacity of our MSMEs to participate actively in global business. Also, integral to this is the issue of Trade and Gender.

64. Mongolia

Mongolia wishes to congratulate all four DDGs, the Secretariat and the Members on the 25th anniversary of the organization and the achievements accomplished despite various challenges that were present in the history of the WTO.

We would also like to commend the Director-General and the Deputy Directors-General for their excellent work in protecting the staff and the Members from the spread of the pandemic, at the same time, managing and running the business of the organization smoothly in recent months.

As a landlocked developing Member with a small and vulnerable economy, Mongolia has been and is supportive of the WTO and the multilateral trading system. Mongolia believes that improving and reforming our organization should be in the interest of all Members, large and small, developed and developing. At the same time, Mongolia is of the view that the benefits of international trade should be reaped by all, including landlocked countries.

The participation of landlocked developing countries or LLDCs in global trade is below 1%. One-third of the population of landlocked developing countries is still living in extreme poverty. On average, LLDCs continue to pay more than double in transport costs compared to their transit neighbours. Thus, the meaningful integration of these countries into multilateral trading system is essential.

In this regard, Mongolia is trying to promote the transit rights of LLDCs in every possible way. We are proposing to the TFA Committee to study the possibility of establishing a sub-committee on transit freedom and trade facilitation. The proposed subsidiary body is instrumental in identifying achievements and obstacles in the process of implementation of the TFA and providing recommendations to improve transit for both landlocked and transit countries.

On fisheries, Mongolia would like to thank Ambassador Wills, the NGR Chair for his work and comprehensive report on the current state of play in the negotiations. Afghanistan, Mongolia, Nepal and Paraguay have co-sponsored a proposal to the draft consolidated text on fisheries subsidies circulated in document RD/TN/RL/130 on 30 October. Mongolia would like to thank the Members for their interest and constructive comments on our proposal. The countries submitting the proposal are landlocked developing countries.

The proponents consider the interests of the countries with special needs must be reflected in the draft texts on fisheries subsidies which will ultimately lead to a multilateral agreement and have an impact on all Members. With the proposal, we aim at safeguarding the interests and the rights of landlocked developing countries in the future multilateral instrument on fisheries subsidies including the right of access to the sea, freedom of navigation, freedom of fishing and freedom of scientific research. These rights may eventually be affected by the decisions of coastal states.

Mongolia believes that international trade can play a major role in the promotion of economic development through improving the involvement in international trade and diminishing trade distortive measures including subsidies that contribute to overfishing, overcapacity and IUU. These subsidies have a negative impact on Members' rights including the landlocked developing countries' rights and possibilities of fishing in the high seas and exclusive economic zones of coastal states as well as their right to exploit the living resources in these areas.

Mongolia also believes that enhanced partnerships between the LLDCs and the coastal states, in cooperation with international and regional organizations such as the Regional Fisheries Management Organizations would improve the involvement of landlocked developing countries in fishing practices and help them exercise their rights to utilise fish stocks and other living resources in the exclusive economic zones of coastal states in an equitable manner. I would like to stress that no landlocked country, even a developed one, is a member of any RFMO. This is the organization of coastal states and every effort to obtain quota for fishing is unsuccessful.

Mongolia counts on Members' support and cooperation and is ready to work with Members further on the proposal with a view to refining it to fit the interests of all concerned.

On export prohibitions relating to the World Food Programme, Mongolia strongly believes that helping the ones in need and striving to fight hunger is the cause for all of us to tackle SDG 2. We support the draft General Council Decision and we thank Singapore for its leadership on the matter.

65. Bangladesh

We agree with the other colleagues that we need to make progress in the ongoing negotiations in order to establish a rules-based international trading system.

Many delegations mentioned about the unprecedented challenges of COVID-19 pandemic and the role of WTO in managing the crisis. We know that nobody is safe until everybody is safe. No country is safe if all other countries are not. So, as we handle the crisis for ourselves, we need to help others on the basis of compassion, solidarity and burden sharing. All countries have been impacted by this health outbreak but the countries in the developing south particularly the LDCs are bearing the brunt of the scourge disproportionately. We therefore urge all Members to refrain from implementing restrictive measures on exports of essential medical, food and other agricultural products which are very much needed by developing countries particularly the LDCs. In this connection, we support a proposal put forward by Singapore.

We reiterate that unconditional, affordable, equitable and timely access to effective vaccine and other curative measures against the virus must be a priority. Production and distribution of vaccine and other medical equipment for prevention, containment and treatment of COVID-19 should be open to all irrespective of their development status. The TRIPS or any other regulatory framework should not be a hindrance to access the most urgent public health needs of humanity today.

There is high expectation from the fisheries negotiations. It is true. We could not achieve the desired outcome within the stipulated time. Surely, we have to redouble our efforts if we are to complete our negotiation before the next Ministerial Conference. It is possible but we would need a little bit of flexibility and compromise. In this connection, my delegation stresses on the primacy of coastal states, the principle of S&DT and the exemption of artisanal and small-scale fishing from the discipline, among others.

We echo what others have said that marine fisheries can only be protected by prohibiting harmful subsidies. Subsidizers have to take responsibility to correct the situation and contribute to the protection of this important nutritional source. We hope that all these concerns reiterated by many delegations before me would be taken into consideration in preparing the revised consolidated text.

The LDC Group has two submissions under consideration by relevant bodies of the WTO. The first one is the LDC Submission on the TRIPS extension under Article 66.1. The LDC Group is proposing TRIPS extension as long as a country remains in the LDC Category plus 12 years after graduation. This has been done in view of the capacity constraints of LDCs to engage in the negotiation on the same subject after every few years.

The LDC Group has also submitted a specific proposal to the General Council in the form of a draft Ministerial Conference Decision proposing the extension of LDC-specific S&DT and other support measures for 12 years after graduation. Sudden loss of the international support mechanisms and special treatment compounded with the COVID-19 crisis may put these countries under severe hardship. The LDCs are requesting for this provision so that LDCs after graduation may navigate through their transition smoothly. We would request Members to support both submissions.

Finally, we look forward to working closely with all concerned and engaging constructively in all the pending negotiations in the coming days for an early conclusion.

66. Bolivarian Republic of Venezuela

Since this is the first time that I am addressing this forum, after submitting my credentials on 2 December, I would like to take this opportunity to reaffirm our commitment to a fair, transparent, rules-based multilateral system that serves as a development tool for all.

The Bolivarian Republic of Venezuela welcomes the convening of this meeting and the presentation of the various reports. In addition, we would like to acknowledge the coordinated work by all the Deputy Directors-General during the current transition period.

We also recognize and value the efforts made by the Chairs of the Negotiating Groups on rules, agriculture and trade and development. At the same time, we reiterate our commitment to engage actively and constructively, but also realistically, by focusing our efforts to ensure that all these negotiations adequately recognise the necessary provisions on appropriate and effective special and differential treatment, which take into account developing countries' realities and priorities.

In the fisheries subsidies negotiations, we have now arrived at the December meeting without the concrete outcomes we had envisaged, despite the efforts made and stated goals. Nevertheless, we remain committed to fulfilling the agreed negotiating mandates, including Sustainable Development Goal 14.6 and defending the policy space for small-scale fishing.

This year has been particularly difficult for the organization and for all in general. It is therefore important for us not to get side-tracked and to concentrate primarily on the following three areas:

- Reinvigorating the organization's institutional framework, including the reactivation of the Appellate Body and completing the selection process of the new WTO Director-General.
- Maintaining the pace of negotiations on fisheries subsidies, agriculture and special and differential treatment, while ensuring that the ongoing processes are transparent and inclusive and take into account the realities of the current pandemic and that schedules do not clash, making it impossible for delegations with few officials to follow up processes simultaneously.
- Moving forward on initiatives to enable the WTO to respond to the challenges of the COVID-19 pandemic.

On the latter point and given that COVID-19 has totally upended our lives, habits and, above all, our priorities due to its economic and social consequences, our authorities have decided to co-sponsor the initiative put forward by South Africa and India in the document entitled, "Waiver from certain provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19", taking into consideration its strengths to respond to the current global health situation that requires global political solutions, which can only be achieved through international collaboration, so as to ensure access for all, without any restrictions, to medicines and technologies for the prevention, containment and treatment of COVID-19. The Bolivarian Republic of Venezuela will support any effort to eradicate the COVID-19 pandemic in a spirit of cooperation and solidarity.

Please count on my willingness to work together with all Members of the organization to safeguard the principles agreed upon on a multilateral basis.

67. United Kingdom

This discussion comes at the end of an exceptionally challenging year.

We still have a long way to go to defeat COVID-19 and there remain other threats to our collective prosperity and wellbeing.

The WTO has a crucial role to play and we must re-commit ourselves to delivering real progress. We need to cement the WTO's role as a forward-looking organization able to deliver for 21st century enterprises and citizens, and able to deliver collective solutions to global problems – from the impact of the pandemic, to the enduring challenge of climate change.

Last month, the United Kingdom was pleased to co-sponsor the call for establishing an enhanced dialogue on trade and environment at the WTO. As host of COP-26, the United Kingdom is proud to take a leading role in tackling climate change. Working together, we can find ways to mitigate climate change, to protect our forests and oceans, and conserve biodiversity while promoting trade and economic development.

We are therefore exceedingly disappointed that, as we reach the end of 2020, we have not reached an agreement on disciplining harmful fisheries subsidies. As others have said, we have missed the deadline set by leaders under the SDGs.

The United Kingdom remains committed to the mandate and it will be essential that we return to our work next January with a sense of urgency, and with a willingness to find compromises to reach an outcome that is both meaningful and fair. We remain optimistic that by maintaining our ambitious schedule of monthly clusters and with the dedicated leadership of Ambassador Wills, we can reach an outcome that will support a sustainable future for our oceans and for fishing communities around the world.

On a more positive note, the United Kingdom warmly welcomes the adoption of the MSMEs package as a major milestone towards better integrating small businesses into global trade. We would like to put on record our thanks to Ambassador Cancela of Uruguay for his effective coordination of the group, culminating in the successful outcome last week. This is an important file. 99.9% of all British businesses are MSMEs. We look forward to remaining an active participant in the work of the group going forward, including through our TAF2 project.

Making progress on the Joint Initiative on E-Commerce remains a priority for the United Kingdom. We have seen an acceleration of the use of technology this year, and services, digital and data trade continues to grow. The United Kingdom submitted its own written text proposals in November, including on cross-border transfer of information, location of computing facilities and source code. The new consolidated negotiating text marks an important milestone in achieving our shared aim of delivering an outcome that benefits developed, developing and least-developed Members.

We also welcome progress being made by the Joint Initiatives on Investment Facilitation for Development and Services Domestic Regulation. Trade, and the investment it brings, delivers jobs, better living standards, and higher wages at home. We have been working closely with other Members of the Initiative on Services Domestic Regulation with the aim of finalising the draft Reference Paper by the end of the year.

To close, I wanted to reiterate the importance of restoring a fully functioning dispute settlement system. Therefore, we look forward to continuing work with all Members as well as the next Director-General to ensure that we do not become accustomed to the current impasse.

Concluding Remarks of Deputy Director-General Karl Brauner

First of all, I want to say that it gives me great pleasure and I think it is a great privilege to Chair a meeting with the full Membership. Of course, I was strongly handicapped in my role by the "no surprises" approach. I thank you very much for the friendly words that you addressed towards the Secretariat and the Deputy Directors-General. I listened to impressive reports, comprehensive statements, clear analysis and also well-known positions. You touched on items that are in fact on the agenda of the General Council. My understanding is that the Informal TNC and Informal HODs meetings were moved from the Green Room to the Council Room to guarantee inclusiveness. I think on this aspect it has worked very well. We had a participation of 220 this morning and we are still 145 this evening. 60 delegations took the floor so inclusiveness has clearly been established. I think one of the ideas of the Green Room is the intensive exchange. If I look at the character that the meeting has developed into now when it takes place in the Council Room, I find that there is not such a clear distinction in its elements of intervention from the General Council. So I think you will have the task to find a satisfactory modus with the new Director-General for both meetings so that they are distinct in their functions. And with this, I would like to remind you that all your statements are recorded as part of the General Council minutes – for the preparation of your General Council on Wednesday. With this I conclude and thank the interpreters for having stayed as long as we needed them. Thank you very much. This closes the meeting.

ANNEX 4**STATEMENT BY MOROCCO ON THE REPORT ON THE INFORMAL TNC AND INFORMAL HODS MEETINGS (AGENDA ITEM 1)**

At its request, the statement of the delegation of Morocco is included below as part of the Minutes of the General Council meeting.

It is worthy to mention that global economy and trade are still experiencing difficult times due not only to current pandemic crisis, but also to protectionist measures and other several factors such as lack of financial resources for recovering, which could have serious effects particularly for the developing countries with limited capacities and most vulnerable economies.

In this context, the challenges that the WTO is facing are very important, but its role as trade regulator and booster is more than ever needed to enhance the economic recovery. In order for our organization to tackle these challenges, it is propitious to build a climate of trust and appeasement, which requires urgent, concerted and solidarity-based action. Hence, it is therefore in our common interest to engage fully and constructively in order to finalise the suspended issues especially the appointment of the new Director-General with full attachment to the principle of consensus, and look forward for your comment on this issue later on.

Furthermore, an urgent and consensual solution for revitalising the Appellate Body by launching the selection process of the Appellate Body Members is required and remains a priority. We think that we could have ahead an opportunity to overcome this essential issue for the well-functioning of our Organization.

Moreover, setting a final date for MC12 would also be essential for further mobilization towards achieving our common goals.

Our success in implementing these issues will send a clear signal to the world that the WTO continues to play a crucial role in the trading system, as the main multilateral institution in charge of it.

WTO has a crucial role to play in ensuring a swift recovery. In this respect, Members' discussions should provide an opportunity to work towards reforming the system to make it fairer, more equitable, more inclusive, more open and more transparent and sustainable.

Therefore, the negotiating processes, particularly on agriculture and fisheries subsidies, should continue even beyond the deadline established on its mandate. Because feasible and balanced outcomes worth more than precipitation to respect the deadlines.

As a remarkable boom in e-commerce has accompanied the current pandemic globally, the digital divide has continued to widen and penalise the most vulnerable among us. In addition, today it is even more urgent to revitalise our work within the framework of the work program on electronic commerce of 1998, by emphasising inclusiveness and development, with the objective of bringing together common responses to the challenges and the opportunities in this field.

As the only global organization that deals with the rules governing international trade, the WTO has a key role to play in stemming the current pandemic by working for equitable access to treatment, diagnostic tools and future vaccines against COVID-19 but also to avoid any disruption of supply chains for medical products.

Finally, the flexibilities of the TRIPS Agreement and the Doha Declaration on Public Health, as well as any other relevant initiative, must be implemented and supported for humanitarian and solidarity purposes, because the commercial and mercantile prism does not worth in such a context.

ANNEX 5**STATEMENTS BY EL SALVADOR, MYANMAR, NIGERIA AND THAILAND ON THE PROPOSAL ON AGRICULTURE EXPORT PROHIBITIONS OR RESTRICTIONS RELATING TO THE WORLD FOOD PROGRAMME (AGENDA ITEM 9)**

At their request, the statements of the delegations of El Salvador; Myanmar; Nigeria and Thailand are included below as part of the Minutes of the General Council meeting.

1. El Salvador

We are pleased to inform Members that we have been instructed to join as a co-sponsor of this declaration, which seeks, among other things, to facilitate the humanitarian work of the World Food Programme.

As a net food-importing country, El Salvador is one of the many countries that benefits from the work of the WFP. The Programme's efforts contribute to our national food security, particularly in the aftermath of the natural disasters that often hit El Salvador and, this year, in response to the effects of the COVID-19 pandemic.

The large number of Members joining this initiative sends encouraging signals that, through specific initiatives, this organization is able to deliver outcomes that benefit developing countries and contribute to food security.

We applaud Singapore's initiative and call on those Members that have not yet done so to join the declaration. We hope that we shall soon be able to adopt this Decision, which will have a positive impact on the lives of millions of people. We remain open and committed to continuing the constructive dialogue with all interested Members to achieve this goal.

2. Myanmar

Myanmar delegation supports the proposal by Singapore as one of its co-sponsors.

We commend the World Food Programme which renders humanitarian assistance to much needed communities through provision of food, nutritious meals and building resilience among the affected people.

The COVID-19 pandemic has been adversely threatening the socio-economic fabrics and food security of the vulnerable people around the world, especially in the developing economies.

It is also disrupting food supply chains and leading to unprecedented challenges in sustaining affordable food to all people affected by the pandemic.

It is therefore imperative that we should render our support to the WFP in its smooth functioning of activities, including distribution of food and nutritious commodities, and procurement of agricultural products for non-commercial humanitarian purposes.

We thank Singapore for taking a lead in this most-timely initiative, which will help much-needed people in meeting their essential humanitarian needs and considerably reducing emerging threats of food security and livelihood due to the pandemic.

On a personal note, Myanmar is one of the recipient countries of the WFP's humanitarian assistance and emergency food and nutritious support, which have been rendered to the vulnerable communities amid the COVID-19 pandemic crisis.

We believe that Member States will render their support to this proposal, which will undoubtedly enable the WFP to continue delivering humanitarian assistance and safeguarding the lives of the vulnerable and pandemic-stricken communities.

3. Nigeria

We wish to thank the delegation of Singapore and the original co-sponsors of the Proposal on Agriculture Export Prohibitions or Restrictions relating to the World Food Programme, for their constructive engagements and discussions with the Membership on the draft decision. The purpose of our engagement with proponents prior to this meeting is to explore appropriate language in the draft decision that takes into account the food security concerns of some NFIDCs as well as effectively address the WFP challenge adduced by the proponents, however, unfortunately we were unable to agree on a suitable text. While we appreciate the lifesaving food delivery efforts of WFP during emergencies, it is pertinent to note that our assessment of WFP challenges seems to indicate that funding remains the greatest challenge of the WFP and not Export Restrictions by WTO Members. This notwithstanding, we believe with requisite flexibility and pragmatism, we could achieve an outcome on this issue by MC12. We are therefore open to further consultation with proponents to enable us to achieve mutually beneficial outcome.

4. Thailand

Thailand has joined as a co-sponsor and fully supports the proposed draft General Council Decision on agriculture export restrictions relating to the World Food Programme.

We urge Members to come to a consensus on this critical decision, which will send out positive signal that the WTO can agree on important and relevant issues and will play a vital role in supporting WFP's admirable humanitarian efforts to protect the most vulnerable from hunger.

ANNEX 6

**STATEMENT BY OMAN ON THE STATUS REPORT ON THE CONSIDERATION BY THE TRIPS
COUNCIL OF THE "PROPOSAL FOR A WAIVER FROM CERTAIN PROVISIONS OF THE TRIPS
AGREEMENT FOR THE PREVENTION, CONTAINMENT AND TREATMENT OF COVID-19"
(AGENDA ITEM 13)**

At its request, the statement of the delegation of Oman is included below as part of the Minutes of the General Council meeting.

Given the toll of COVID-19 deaths and shortages of vaccination in a timely manner, there is a great need to providing affordable, equitable and timely access to COVID-19 vaccines and medicines as a priority.

ANNEX 7**STATEMENT BY CHAD (LDCS) ON THE REVIEW OF WAIVERS PURSUANT TO ARTICLE IX:4 OF THE WTO AGREEMENT (AGENDA ITEM 14)**

At its request, the statement of the delegation of Chad, on behalf of the LDCs, is included below as part of the Minutes of the General Council meeting.

Preferential Treatment in favour of Services and Service Suppliers of Least Developed Countries, granted on 17 December 2011 until 31 December 2030 (WT/L/847, WT/L/982)

The LDC group welcomes the agenda item. The LDCs services waiver decision contained in document WT/L/982 on the implementation of Preferential Treatment in Favour of Services and Services Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade is one of the greatest achievements in favour of LDCs in this Organization.

The High Level Meeting in 2015 that yielded for the first time notifications of services preferences in favour of LDCs from the now 24 Members marked the start of an exciting journey of great promise towards increasing the participation of LDCs in services trade. We very much commend the 24 Members that have notified preferences both for their interest and their commitment. We continue to call on Members that have not notified preferences in favour of LDCs and are in a position to do so to notify preferences of commercial value to LDCs.

As you will recall, in Nairobi, it was also agreed to restart the clock on the 2011 Waiver Decision, which had already lost four of the 15 years, which takes us to 2030.

In 2019, the WTO Secretariat reported that exports of commercial services for LDCs reached USD 39.8 billion, their highest level on record, expanding by 16%, the most rapid growth since 2012 and that unlike in recent years, services exports grew faster in LDCs than in developed economies (7%) and in other developing economies (9%). As a result, the LDCs' share in global services exports increased to 0.69%.

Unfortunately, the COVID-19 pandemic has greatly undone much of this progress. In October this year, the WTO Secretariat reported that LDCs' services exports declined by around 13-15% in the first quarter and by 60-65% in the second quarter, resulting in a year-on-year drop of around 38-40% in the first half of 2020. The sharp decline in overall services exports was driven by a slump in LDCs' travel exports, which dropped by 28-30% in the first quarter and by 90-92% in the second quarter, resulting in a 58-60% year-on-year drop in the first half of 2020.

Travel restrictions implemented globally to fight the spread of COVID-19 significantly affected the ability of LDCs to export services. While international travel is vulnerable to local shocks such as natural disasters, political unrest, and health-related concerns, the COVID-19 pandemic is different from other health-related crises that hit LDCs in the past because of its impact on outbound tourism.

According to the UN World Tourism Organization (UNWTO), global international tourist arrivals decreased by 25% year-on-year in the first quarter of 2020 and dropped 95% in the second quarter following the suspension of international flights and worldwide lockdown measures and many of our Members who depend heavily on this sector have been gravely impacted.

We are delighted at the great work undertaken by the WTO statistics and services divisions in compiling this data. We continue to stress however that data gathering and analysis generally on LDC services and specifically regarding the LDC services waiver remains weak and is a major obstacle in our assessment of the operation of the notified preferences under the services waiver. While capacity building in LDCs and assistance in this regard is pertinent, the acute level of impediments behind the border in many economies especially where LDC services are sought causes a great impact on our data. We continue to look for ways to improve data collection and call upon Members to share their views on best approaches that we may benefit from in this regard.

Mr Chairman,

On 2 December, the LDC Group, assisted by the Secretariat Services Division, and supported internally by our partners in TAF2/DFID, held a webinar on COVID-19, trade measures and LDC services trade: state of play, challenges, solutions, and opportunities. The panellists at the webinar from different spheres including the WTO, LDC Group representatives from Uganda's logistics sector and Bangladesh's software industry, representatives from academia; representatives and the UNWTO gave us very useful insights into the state of play, the challenges, solutions and opportunities that the COVID-19 pandemic presents. The Special Representative to the United Nations in Geneva and New York made excellent and highly informative presentations on a number of important topics.

There were many valuable takeaways for us from the webinar but one thing was and remains very clear, LDCs are not doing well at all and that the road to recovery will require digital solutions. Yet as explained earlier, even here, we still have numerous challenges that we have shared earlier.

In 2019, the CTS initiated the process for the review of the operation of notified preferences, in pursuance of the mandate contained in the aforementioned Nairobi Ministerial Decision. It is our hope to take this process forward through continued information exchange and experience sharing. We are greatly encouraged by the positive response that our proposals for a webinar on LDC services trade in April 2021 contained in JOB/SERV/CTS/1 and JOB/SERV/CTS 2 have received from Members in the Council for Trade in Services.

It is our hope that this session next year will take us a step closer to better understanding LDC services trade. We especially look forward to the exchange between LDC services exporters and businesses that import LDC services. It will be an opportunity for awareness raising as well, which is value addition for us. Ultimately, it is our hope that, together, we develop solutions to challenges that arise in the use of notified preferences as we work towards increasing the effective participation of LDCs in services trade.

Preferential tariff treatment for least-developed countries, granted on 16 October 2019 until 30 June 2029 (WT/L/1069)

The LDC Group sincerely thanks WTO Members for accepting to extend until July 2029 the waiver for preferential tariff treatment for LDCs.

This decision allows us to support our efforts to integrate into world trade and catch up economically. It is true that as LDCs, the constraints that we have faced in the past still exist. Thus, the proposed waiver seemed sensible to us.

We would particularly like to thank the developing country delegations with which we engaged in discussions on this issue and which greatly assisted us to reach this decision. We thus thank China, India, Chile, Brazil, Thailand, Turkey and the Republic of Korea.

We also thank the developed country Members, particularly the European Union and the United States, which joined the informal consultations that we held and supported the draft Decision.
