

GENERAL COUNCIL
13TH TO 14TH OCTOBER 2020
ACP GROUP STATEMENTS

**AGENDA ITEM 6: 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)**

Thank you, Chair,

The ACP Group joins in welcoming new Ambassadors and saying farewell to those leaving.

The ACP Group once again takes note of the submissions by the United States in W/757/REV.1 and W/764/REV.1 and thanks Ambassador Shea for his presentation this morning.

In our discussions on S&DT, it is important that WTO members put into context the fact that the development divide continues to persist at every level of the socio-economic dichotomy, of course with developing countries in a less advantageous position.

The Group is of the view that the development indicators put forward in the submission would not adequately reflect whether or the extent to which the development gap between developed and developing countries is narrowing.

Chair,

Developing country Members continue so face formidable obstacles. These obstacles have been magnified by the impact of the COVID-19 pandemic.

Developing countries remain more impacted by COVID-19 and do not have the financial means to finance programs aimed at supporting the economy in response to the crisis of COVID-19.

Due to COVID-19 induced lockdown policies and the disruption of global supply chains, developing countries have, *inter alia*, suffered a decrease in revenue earnings, strong downward pressure on the exchange rate of national currencies, and the worsening of the balance of payment situation of many of our Members.

Agriculture, manufacturing and tourism are among the worst hit sectors, making it difficult for MSMEs' operations.

The June 2020 Global Economic Prospects Report forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support.

The ILO predicts that 1.6 billion informal economy workers could suffer “massive damage” to their livelihoods. Developing countries are and will be disproportionately affected.

Chair,

The ACP Group wishes to remind the WTO's membership that developing countries are not in a position to provide support for businesses or grant massive fiscal support to address the impact of COVID-19.

Under these circumstances, it is clear that developing countries need to maintain flexibilities recognized in the WTO system, with the principle of self-selection remaining a central pillar of the S&DT framework. What COVID-19 teaches is that the development divide is widening and not narrowing

The G90 has submitted an updated paper in JOB/DEV/60; JOB/TNC/79 in which it was pointed out that S&DT should be assessed by the extent to which it has enabled social and economic transformation to occur in order to meet the Sustainable Development Goals (SDGs) and to ensure that no country is left behind.

Chairman,

Unfortunately, we are nowhere near achieving the SDG targets. In fact, all assessments points to the targets being missed due to the impact of COVID-19, thereby resulting in, *inter alia*, many millions falling back into poverty.

SDG Target 10.a specifically mandates governments to "Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization Agreements".

We are of the view that the CTD SS remains the only forum where this very important issue should be discussed. The ACP Group remains concerned regarding the low level of interaction on the 10 agreement specific proposals. We call on Members to proactively engage on these proposal which is further clarified and backed by new information and data.

Chairman,

On the Draft General Council Decision in WT/GC/W/764/REV1.), the ACP is not in a position to support a priori graduating criteria for developing country Members. S&DT is an integral part of the WTO rules provided to developing countries to adjust to trade rules at their pace and in accordance with their level of development.

If existing rights cannot be respected, the elimination of S&DT as a treaty right through this draft decision would fetter our ability to arrive at any new negotiated outcomes. The ACP Group has long maintained the view that S&DT is part of the flexibilities meant to enable developing countries to progressively take on more obligations based on their capacity to do so and subject to the necessary technical support and capacity building as needed.

The ACP Group is also of the view that this draft decision contradicts the ministerial mandates and invalidates paragraph 44 of the Doha Declaration. There is no question that LDCs deserve maximum flexibilities in the WTO system.

We are of the view that the right to development is a sovereign right of every Member. It is important that we respect this right in the WTO and support the achievement of the development goals of Members, in line with objectives of the Marrakesh Agreement and the 2015 SDG Goals.

I thank you, Chair

AGENDA ITEM 9: WORK PROGRAMME ON ELECTRONIC COMMERCE AND MORATORIUM ON IMPOSING CUSTOMS DUTIES ON ELECTRONIC TRANSMISSIONS – REQUEST FROM INDIA

Chair,

I am delivering this statement on behalf of the ACP Group. In so doing, we wish to thank the delegation of India for requesting this item be added to the agenda for today's meeting.

The workshops held under the auspices of the General Council on the moratorium on imposing customs duties on electronic transmissions, have been informative and highlighted the need for further analysis on the measurement of revenue loss from digitization.

It has also highlighted the need for experience sharing and meaningful technical assistance and capacity building as it relates to the imposition of taxes on products purchased electronically, beyond the question of tariffs as the moratorium does not cover imposition of internal taxes.

These are among the issues that the ACP Group would have indicated to be of core importance for discussions under the development component of the discussions of the E-commerce Work Programme.

While these issues remain of importance, recent developments elevated the need for urgent, serious and focused discussions on other aspects of the development aspects of the Work Programme.

Chair

What had initially emerged as a health crisis and resulted in the imposition of measures to curb the spread of a virus has now wreaked serious havoc on the economies of ACP countries. The literature shows however that despite the devastating impact that the crisis has had on a number of economic sectors, there has been at least one obvious highlight.

The information communication technology (ICT) sector, unlike other areas has realized exponential growth at the time when other sectors were declining. The increased demand for services relating to telecommuting such as web conferencing and electronic commerce is evidence of this.

At a more granular level, electronic commerce has allowed for telemedicine, online education and increased personal and professional communication. As a Group, these mechanisms have benefitted us through supporting our engagement and participation in the WTO and other processes.

We thank our technical assistance partners for that support. We look beyond the question of the moratorium to the other elements of the work programme that together with the issue of the moratorium, underpin the needs of our consumers and entrepreneurs to enjoy a liberal and leveler playing field to participate in the e-commerce platform.

Despite these positive advances, however, the crisis has exposed the gaping digital divide and in some instances has widened it. The impact has been particularly felt in developing and least developed countries, including those in the ACP Group. Access to the internet and basic electricity are some of the basic infrastructural challenges faced by a large section of the population in many ACP countries,

thereby stymieing the ability to provide online education, teleworking, and online access to provisions.

While the statistics may reveal a positive trend in online purchases in developing countries, what is not apparent is that access to online platforms, as sellers, by a vast majority of MSMEs in ACP countries, remain elusive. Further, the statistics on the unbanked in a number of our countries have been understated.

The crisis has also further warranted the need for effective and efficient legislation and regulations. This is pertinent if consumer protection, data privacy, cyber security and cybercrime are to ensure that governments, consumers and businesses in ACP developing countries are to be protected and guarantee an adequate level of safeguards for online activities.

Mr. Chairman.

The ACP Group was pleased to have witnessed the experience sharing by Members during the recent Council for Trade in Services, one of the bodies entrusted to advance and intensify the organization's work on electronic commerce.

We stress the urgency in discussions seeking to see how the WTO, and equally WTO Members, can assist developing and least developed ACP countries to bridge the digital divide, thereby allowing for greater participation and benefit sharing from the global trade in electronic commerce.

The ACP Group recognizes that if these issues are to be brought forward, the onus will be on us and countries like us. We therefore continue to engage amongst ourselves and with other Members with the aim of treating to the issues relating to the development component of the Work Programme, and we look forward to our

continued engagement in the General Council and other respective bodies charged with undertaking work on the Work Programme on Electronic Commerce.

I thank you, Chair