

**KNOWLEDGE SHARING
TRAINING ACTIVITY ON THE 11TH
WORLD TRADE ORGANIZATION
MINISTERIAL CONFERENCE IN
BUENOS AIRES**

27 APRIL 2018

LOGISTICAL INFORMATION

- ▶ Venue: Hilton Hotel Buenos Aires
- ▶ Date: 10 - 13 December 2017
- ▶ Meeting Arrangements:
 - ▶ Facilitator Meeting on Agriculture
 - ▶ Facilitator Meeting on Services/NAMA
 - ▶ Facilitator Meeting on Development
 - ▶ Facilitator Meeting on E-Commerce
 - ▶ Facilitator Meeting on Fisheries
 - ▶ Facilitator Meeting on MSMEs
 - ▶ Facilitator Meeting on Investment Facilitationwhich were held back-to-back with other meetings

EXPECTED DELIVERABLES

- ▶ On Agriculture: Domestic Support, PSH, SSM, Market Access, Transparency on Export Restriction, SPS
- ▶ On Fisheries: Discipline on Fisheries Subsidies to Overcome Overfishing, Over Capacity and IUU
- ▶ On Trade in Services: Discipline on Domestic Regulation
- ▶ On Development: Revision on WTO Arrangement for Operationalizing Special and Differential Treatment Principles
- ▶ “New Issues”: E-commerce, Investment Facilitation, Micro-Medium and Small Enterprises (MSMEs)

OPENING SESSION

- ▶ Opening Session was attended by President of the Argentine Republic, President of Paraguay, President of Uruguay, and President of Brazil
- ▶ The conference opened with the signing of a Presidential Declaration in Support of the WTO and supported by the representatives of Colombia, Guyana, Mexico, Peru and Suriname.
- ▶ The Presidential Declaration consists of:
 - ▶ Reaffirmation that multilateralism is the best way to take advantage of the opportunities and to face the challenges of international trade
 - ▶ Reaffirmation the importance of preserving and strengthening the multilateral trading system, including its dispute settlement mechanism, to promote rules-based, open, transparent, inclusive, non-discriminatory and equitable trade
 - ▶ Reaffirmation of their commitment to obtaining positive and substantive outcomes capable of bringing tangible benefits to the peoples of the region and of contributing to ensuring that the WTO continues to be at the heart world trade governance
 - ▶ Reaffirmation to take actions in the WTO and to strengthen dialogues in order to achieve results in terms of regional integration and increased participation in world trade

TRADE IN SERVICES - DOMESTIC REGULATIONS

- ▶ Facilitator meeting on trade in services was led by Minister of Trade from Paraguay
- ▶ The facilitator meeting was discussing disciplines on domestic regulation
- ▶ 54 members, mostly from developed countries, were made a consolidated proposal related to disciplines on domestic regulation. The disciplines contains 7 elements i.e general provisions, administration of measures, independence, transparency, technical standards, development of measures, and development.
- ▶ Proponents and Co-Sponsors are of the view the urge to discipline licensing requirements and procedures, qualification requirements and procedures and technical standards because of these items are often become a barrier to trade even though Members have already committed to open the market access
- ▶ In contrast, most developing and least-developed countries objected the proposal. They are of the view that the proposal only reflecting developed countries' concerns as services exporting countries whereas the proposal is disadvantageous for developing and least-developed countries since it would decrease the right to regulate of the countries as net services importers.
- ▶ Proponents and Co-Sponsors were then adding technical assistance, capacity building and transition period for balancing the proposals
- ▶ At the 11th Ministerial Conference, 54 Members encouraged all Ministers to accept the proposal as the outcome of 11th Ministerial Conference or at least acknowledged the valuable work of the Proponents and Co-Sponsors

Joint Ministerial Statement: 62 countries including Indonesia acknowledged the current proposals and reaffirmed the commitment to advancing negotiations on the basis of recent proposals. Ministers agreed to continue to work together with all Members toward that end.

INDONESIA'S POSITION ON DISCIPLINES ON DOMESTIC REGULATION

- ▶ In the same spirit with other Members, Indonesia is recognizing the importance of good regulatory practice in facilitating trade in services
- ▶ However, Indonesia is still discussing on the Necessity Test. Indonesia is of the view that Necessity Test is not necessary as long as Members can comply to Paragraph 6.1 of the Text on Domestic Regulation

Paragraph 6.1 → Where a Member adopts or maintains measures relating to licensing requirements and procedures, qualification requirements and procedures, or where a Member adopts or maintains measures relating to technical standards as a condition for the supply of a service, the Member shall ensure that:

- a) such measures are based on objective and transparent criteria¹⁰ ;
- b) the procedures are impartial, and that the procedures are adequate for applicants to demonstrate whether they meet the requirements, where such requirements exist;
- c) the procedures [are reasonable and do not in themselves unduly prevent] fulfillment of requirements

ELECTRONIC COMMERCE

- ▶ Facilitator meeting on e-commerce was led by Minister of Trade from Senegal
- ▶ Ministerial Decision on e-commerce:
 - ▶ agree to continue the work under the work programme on electronic commerce , based on the existing mandate as set out in WT/L/274.
 - ▶ Agree to maintain the current practice of not imposing customs duties on electronic transmission until next session which we have decided to hold in 2019
- ▶ Looking at the stagnation of the discussion on e-commerce, some Members* made a Joint Statement on E-Commerce:
 - ▶ Reaffirm the importance of global electronic commerce and the opportunities it creates for inclusive trade and development
 - ▶ Recognize the particular opportunities and challenges faced by developing countries, especially LDS's in relation to e-commerce
 - ▶ Recognize the important role of the WTO in promoting open, transparent, non-discriminatory and predictable regulatory environments in facilitating e-commerce
 - ▶ Initiate exploratory work together toward future WTO negotiations on trade-related aspects of e-commerce and encourage all WTO Members to join and support the work

INDONESIA'S POSITION ON MORATORIUM OF CUSTOM DUTIES

- ▶ During the 11th Ministerial Conference, Indonesia understood that the moratorium only applies to electronic transmission, not to electronically transmitted products or contents. It is inline with the decision of Minister of Finance to impose customs duties for intangible goods that bought and delivered through electronic means
- ▶ Director General of WTO has stated that electronic transmission does not cover intangible goods. Moratorium is about not to impose customs duties for the electronic transmission
- ▶ Indonesia proposed the meeting to make a footnote in the draft of Ministerial decision to record Indonesia's proposal, that is, to reaffirm the scope of moratorium is not including intangible goods.

FOLLOW-UP ACTIONS

- ▶ Related Ministries i.e Ministry of Finance, Ministry of Information and Technology, Ministry of Trade and Ministry of Foreign Affairs shall conduct a close coordination to formulate Indonesia's position regarding on regulation, grand design and mechanism on how to impose customs on products or contents which are submitted electronically;
- ▶ Permanent Mission of The Republic of Indonesia in Geneva will disseminate those position to other WTO Members and WTO Secretariat in order to give response of all questions coming from the Members

THANK YOU

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