

No consensus yet on e-comm moratorium at WTO MC13

MIXED VIEWS. US says moratorium essential; India, other nations not for an extension

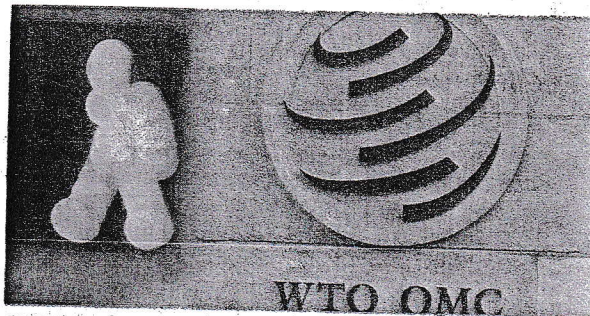
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Hectic efforts are on at the WTO to reach a resolution on extension of the moratorium on e-commerce that restricts countries from applying for customs duties on electronic transmissions, before it runs out at the Ministerial Conference in February 2024. However, prominent developed and developing nations remain divided on the issue.

At a recent virtual 'mini-ministerial' meet of senior officials at the WTO, the US put its weight behind extending the moratorium stating that it was important to take ahead the WTO work programme on e-commerce.

RELEVANT ISSUES

"Digital economy and trade issues are highly relevant and evolving at the moment. We believe it is vitally important to continue the e-commerce work programme



SEEKING CLARITY. The WTO's 13th Ministerial Conference (MC13) will be held in February 2024 REUTERS

and maintain the moratorium for now in order to provide space for robust exploration within the work programme," said Maria L. Pagan, Deputy United States Trade Representative and Chief of Mission for the Permanent Mission of the US to the WTO.

But India and many other developing nations, such as Indonesia, Sri Lanka and South Africa, favour bringing the moratorium to an end as they believe that it affects them. "India and many others want the moratorium

to end to preserve policy space for their digital advancement, regulate imports, and generate revenue through customs duties," sources said.

These countries had opposed extension of the moratorium at the WTO MC 12 last year, but later agreed to extend it till MC13 after several members, including the US, the UK and the EU, put forward several arguments in its favour, including the move helping in post-Covid recovery.

Introduced in 1998, the

moratorium restricts countries from applying customs duties on electronic transmissions and it gets extended periodically at the WTO's ministerial conferences.

Several developing countries have recently started opposing the moratorium as they believe that it disproportionately favours the developed world as digital trade is dominated by industry based in rich nations.

LOSS OF REVENUE

According to an UNCTAD study, the e-commerce moratorium led to a loss of customs revenue to the tune of \$55 billion in 2020.

WTO Director General Ngozi Okonjo-Iweala pointed out that members have said that they want clarity on the issue of the moratorium on customs duties on electronic transmissions, and it will be key in the run-up to MC13.

"Everybody agrees that this is a vital issue to try to get to agreement," she said.