



AFRICAN GROUP STATEMENT ON THE IMPLICATIONS OF COVID-19

The following statement, dated 24 June 2020, is being circulated at the request of the delegation of Botswana on behalf of the African Group.

1.1. COVID-19 is an unprecedented crisis of our time - the worst global health crisis in 100 years. It threatens to disproportionately affect developing and least developed countries, and Small Island Developing States not only as a health crisis in the short term but also as a devastating social and economic crisis in the foreseeable future.

1.2. Initial ECA estimates suggest Africa will face an immediate decline in GDP growth from 3.2% to 1.8% in 2020 as a result of COVID-19, but with a further adverse impact if COVID-19 is not contained in the short-term. The downward growth revision in 2020 reflects macroeconomic risks arising from the sharp decline in output growth among the region's key trading partners, the fall in commodity prices, reduced tourism activity in several countries, as well as the effects of measures to contain the COVID-19 global pandemic. A recent publication by the UN stipulated that initial estimates indicate that Africa may be in its first recession in the last 25 years, and the World Bank estimates suggest that the number of people who could be pushed into extreme poverty in 2020 may reach as high as about 49 million people, with around half of this increase occurring in Sub-Saharan African countries.

Public health

1.3. We underscore that the coronavirus is fundamentally a health crisis and has affected many countries globally. It demonstrates our shared fate as human beings and why inclusive growth and development needs should be at the heart of all multilateral organizations, none more so the WTO. Global cooperation is therefore critical to ensure that its treatment is accessible and affordable to the world as a public good. The TRIPS Agreement, including its flexibilities, can contribute to this objective.

1.4. Over dependence of Africa on imports of medicinal and pharmaceutical products subjects African healthcare systems to serious vulnerabilities, and overwhelming social and economic consequences of COVID-19. It is evident from past experiences that while in the middle of a health crisis, the critical success factors are speed, sharing initiatives and solutions being undertaken. Initiatives such as "Access to COVID-19 Tools (ACT) Accelerator" are, therefore, important to accelerate the development and availability of COVID-19 tools to ensure equitable global access to safe, quality, effective and affordable COVID-19 diagnostics, therapeutics and vaccines. An agreement on how these tools will be allocated equitably across countries through (new) intellectual property flexibilities is key to successfully addressing public health crises – now and in the future.

1.5. We emphasize the importance to take policy and legislative measures to ensure that patents and other intellectual property do not erect barriers to access to medicines, diagnostics, vaccines, and medical supplies and devices.

1.6. We reiterate the urgent cooperation and coordination needed to facilitate the local manufacturing as well as the importation of essential medical supplies, devices, or technologies, including diagnostics, medicines, and vaccines – at reasonable and affordable terms.

Multilateral Trading System

1.7. We underscore that the current environment is marked by great uncertainty. It remains unclear how the coronavirus will evolve in different countries and regions. Therefore, the work of the WTO must take these realities into account.

1.8. We emphasize the need for transparency, inclusivity and effective participation of all Members on issues that affect their interests, bearing in mind the capacity constraints our countries face in this respect.

1.9. We stress that given the structural vulnerability of African economies and resultant concerns about their overall capacity and resilience, there is need for policy options that respond to the specific challenges facing African countries, enhance preparedness for future crises and to pursue economic recovery, as well as realize structural transformation in Africa.

1.10. We emphasize the importance of international trade and the centrality of the WTO in facilitating trade in essential medical goods and agriculture products.

1.11. In this connection, the African Group supports the view that "emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary," and should be "consistent with WTO rules."

1.12. We reiterate that cooperation and coordination is critical to protect human life and to lay the foundations for a strong economic recovery and a sustainable, balanced, and inclusive growth with an emphasis of building a more resilient trading system. Therefore, we urgently need to engage constructively on the role the WTO can play to provide developing and least developed countries with the necessary policy space to rebuild their domestic industries.

1.13. We recommend that Aid for Trade and the EIF further support economic recovery (production, exports, imports and consumption) in developing and least-developed countries for the benefit of women, young people and micro, small and medium-sized enterprises, who are most affected by the economic and social difficulties aggravated by the COVID-19 pandemic.

Agriculture

1.14. We stress that the COVID-19 crisis is contributing to increased food insecurity and malnutrition as currencies are weakening, more vulnerable segments including small farmers and seasonal workers are experiencing income shocks and prices of staple foods are rising in many parts of Africa. The World Food Programme estimates suggest that deteriorating employment conditions and other factors may have pushed almost 12 million people in Sub Saharan Africa into acute food insecurity since February 2020.

1.15. This is compounded by other existing crises in many African countries. As per the UN June 2020 policy brief "The Impact of COVID-19 on Food Security and Nutrition", in some parts of Africa the March to May rainfall period was one of the wettest the region has seen since 1981, resulting in localized flooding and river overflows, population displacement, as well as infrastructure and crop damage. Further, Abundant rains have also promoted the breeding and development of Desert Locusts and protracted the outbreak across the region. Combining the COVID-19, flooding and the spread of these locusts, many African countries find themselves combatting a triple menace.

1.16. We reiterate the need for reform in the Agreement on Agriculture with priority given to providing our countries – especially NFIDCs and LDCs – with the policy space they need to support low income and resource poor farmers who are extremely vulnerable to the effects of COVID-19. Priority should also be given to delivering on issues directly related to food security and on which Ministerial mandates exist, including cotton, SSM and PSH. Addressing long outstanding trade distorting domestic support is critical to promoting resilience in agriculture trade.

Industrialization

1.17. We underscore the importance of the AfCFTA and the development integration agenda that aims to promote industrialization and diversification. We call for a Multilateral Trading System (MTS) that supports Africa's structural transformation agenda which is key to building resilient economies that can respond efficiently to crises of this nature. The effects of COVID-19 have highlighted the imperatives to deal with strategic vulnerabilities and support efforts to diversify supply chains.

Digitalization

1.18. COVID-19 has highlighted the importance of e-commerce and digital transformation. However, the digital divide both within and between countries still remains, especially in Africa. This has a limiting effect to the equitable and meaningful distribution of the economic and transformational benefit of e-commerce and digital trade.

1.19. We call on all WTO Members to commit to the implementation of the 1998 Work Programme on E-commerce. Global rules without addressing the developmental aspects on e-commerce will only serve to exacerbate the existing disparities.

Trade, debt and finance interlinkage

1.20. We emphasize the interrelationship between trade, debt and finance in order to lend international support to the financing needs of developing countries to deal with the immediate and long-term consequences of the crisis;

1.21. It is important to highlight that pre COVID-19 Africa was already faced with a debt crisis. Consequently, Africa needs support with debt relief especially in light of the sharp declines in commodity prices, trade, and tourism as a direct result of COVID-19 pandemic are causing government revenues to dry up and negatively affecting efforts to adequately respond to the containment of the virus. Debt relief will, therefore, help African countries channel scarce resources towards the emergency response to COVID-19. We call upon the WTO membership to further consider the discussions conducted with respect to debt restructuring and debt relief in other international forums.

1.22. There is a need to consider effectively within the WTO context any immediate balance of payments needs and support the most affected sectors and vulnerable groups of people and other urgent pandemic related needs.

S&D

1.23. We stress that trade is an important part of the economic recovery process. Immediate and longer-term measures should be designed to build resilience and ensure an inclusive multilateral trading system that is responsive to the needs of developing countries, especially LDCs. A clear articulation of special and differential treatment across various WTO agreements has to remain an integral part of all trade agreements and negotiations. Development considerations must underpin WTO Members' trade and investment responses and recovery plans given the impact of COVID-19 on developing countries and LDCs, notably those in Africa.

1.24. WTO Members should, therefore, be aware that it is in everyone's benefit to avoid to the extent possible that the inequality gap widens. Special and differential treatment is therefore necessary to help address the challenges posed by future global crises, such as the COVID-19 pandemic.

1.25. We re-iterate the urgent need for strengthening S&D provisions which are critical to promoting public health, accelerate industrialization, upgrade and modernize manufacturing, promote technology transfer and close the digital divide. As well as implement governmental assistance measures to economic development available under GATT Article XVIII.

Conclusion

1.26. The African Group reiterates its commitment to the Multilateral Trading System (MTS) and to work with all WTO Members for a MTS that contributes to decent employment, sustainable development, improved living standards, and inclusive growth recognized in the Marrakesh Agreement and reaffirmed in the Doha Development Agenda.
