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EAST AFRICAN COMMUNITY

EAC TRADE MINISTERS STATEMENT ON WTO MC12

31 May 2022

The following communication, dated 10 June 2022, is being circulated at the request of the delegation of Kenya on behalf of the Partner States of the East African Community.

1. We, the EAC Ministers responsible for Trade warmly welcome Dr. Ngozi Okonjo-Iweala to the WTO. We are delighted to welcome the first ever woman, and African Director-General to the WTO. We are committed to ensuring that the WTO achieves concrete results during her tenure.
2. At this 12th Ministerial Conference (MC12) we are confident that the WTO will demonstrate its place as the rule based global trade body and provide guidance that will ensure that the interests of developing countries are placed at the core of the WTO programme.
3. The reform of the WTO is one of the agenda items that Ministers will discuss. For the EAC Partner States, our focus is to revitalize the global trade body that puts the trade interests of developing countries at the heart of its work programme. Specifically, the EAC Partner States are keen to engage to ensure critical development components are consolidated and enhanced.
4. In this regard, we expect the reforms to ensure that the following are maintained: consensus; self-designation; special and differential treatment; and the need to maintain the two layers of the dispute settlement system as enshrined in the Marrakesh Agreement. At this MC12, we call upon Members to agree on the scope of reforms at the WTO, while maintaining the GATT/WTO practices and principles.
5. On Special and Differential Treatment (S&DT), EAC Partner States note that development is one of the fundamental aspects of the multilateral trading system anchored in the Doha Development Agenda (DDA). The multilateral trading system should provide a clear and precise policy space for developing country Members to address their development concerns, including industrialization. Developing country Members continue to confront many challenges and capacity constraints, which underscore the continued relevance of S&DT in their favour. In our view, the Trade Facilitation Agreement provides a new ground-breaking approach to finding a solution to the longstanding issues on S&DT.
6. EAC Partner States would like to propose S&DT provisions that are precise, effective and operational and go beyond transitional period, technical assistance and capacity development. Moreover, it is important that transparency and notification obligations are not unduly burdensome or onerous.
7. While it may be advisable to reflect on the 21st-century issues, the EAC Partner States believe that Members should also prioritize the development aspect of the Doha Development Agenda (DDA) in order to integrate the economies of the Developing and Least Developing Countries

into the global economy. We are especially keen to see Members complete the unfinished business from the DDA.

8. As the EAC Partner States, we note with concern the limited access and distribution of COVID-19 vaccines which has resulted in the loss of lives and challenges faced in rebuilding our economies. As such, key outcomes of the conference should be a lasting solution to ensure reliable and affordable COVID-19 vaccines and other lifesaving medicines. Such a solution should be structured in a way that takes care of our communities against future pandemics.
9. The EAC Partner States are calling for WTO Members' commitments to establish/put in place a post COVID-19 recovery program with clear implementation action plans that will support developing countries to recover from COVID-19 pandemic effects.
10. We recall that, the work on E-commerce has been on-going since 1998. The EAC Partner States are of the view that now is the time to review the moratorium on imposition of customs duties on electronic transmission and assess how this moratorium has been helpful to developing countries, and whether the moratorium should continue.
11. We are supportive of the Least Developed Countries (LDCs) issues including the statement of the LDC group on LDC graduation and the accelerated accession of South Sudan to the WTO. It is in the interest of other EAC Partner States for South Sudan to become a Member of WTO. The flexibilities provided to LDCs should include longer transition periods based on their development needs.
12. On Agriculture, we call upon all Members to completely eliminate all forms of distortions including production/domestic subsidies. These distortions should be disciplined to create a fair playing ground and ensure fair competition for agricultural products. The practice of shifting actionable subsidies to non-actionable subsidies where countries continue providing same subsidies to farmers should be disciplined/stopped.

As EAC we propose that Article 6.2 of the Agreement on Agriculture (AoA) should be preserved for developing and LDCs to pursue their rural agricultural transformations objectives.
13. The EAC Partner States would like the MC12 to conclude on Public Stock Holding which would address the non-trade concerns such as food security. EAC Partner States propose the adoption of the peace clause as a permanent solution to Public Stockholding programmes for food security.
14. The EAC Partner States are concerned that trade disruptions, record prices and excessive volatility for food and agricultural products will potentially undermine food security. This is in particular for those in developing countries including net food importing countries and the least developed countries who by virtue of their physical and other capacity related challenges will be disproportionately affected by the crisis. This rising prices of fertilizers and associated trade restrictions could have lasting consequences for global food security in the coming years.
15. We note that the Special Safeguard Mechanism is an instrument that developing countries would wish to address issues in agriculture, besides addressing non-trade concerns. The EAC Partner States would wish to see a clear roadmap developed at the MC12 to finalize on this mechanism.
16. We note with concern that despite the MC10 decision to discipline export competition, Members have not implemented the decision to the letter. EAC Partner States call for the expeditious implementation of the Nairobi commitments on export competition.
17. On fisheries, EAC Partners are of the view that Members need to eliminate harmful fish subsidies that leads to illegal, unreported, and unregulated fishing. We would like Members to exclude artisanal/small-scale fishing from rules that would be negotiated. EAC Partner States reiterate their call for support and commitment in providing special and differential treatment to LDCs and developing countries to boost their fisheries sectors as contained in para 6 above.

18. On emerging plurilateral initiatives including services domestic regulations, e-commerce, Investment Facilitation; Micro, Small and Medium-sized Enterprises (MSMEs); Women in Trade, EAC Partner States note that plurilateral approach is not a clear function of the WTO, despite the fact that some Members have shown interest because the multilateral approach has not yielded the expected results. Nonetheless, EAC Partner States would urge Members to only consider a plurilateral approach to sort out multilateral issues, but this should not become the norm.
