

**JOINT FIFD / FED SEMINAR: Bridging the Digital Divide: Exploring How E-Commerce and Investment Facilitation Can be Harnessed for Inclusive Trade and Development,
WTO (Room S1), Monday, 24 July 2017**

Opening Remarks

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Nigerian Office for Trade Negotiations (NOTN)**

Director General Azevedo, thank you for your leadership and service to the rules-based Multilateral Trading System.

Excellencies, Friends and Colleagues, let me begin with a special acknowledgement of appreciation to the Friends of E-commerce for Development (FEDS) – in particular to Ambassador Shah and Ambassador Álvaro Cedeño for their leadership.

No less, a special acknowledgement for the “Friends of Investment Facilitation for Development” – and in particular to Ambassador Cima for his dogged and effective leadership. Marcelo is dogged! Why would he not! He has lived and worked in Nigeria.

Nigeria is an active Member of both groups. The idea of this Joint FIFD and FED Seminar - two WTO coalitions - is creative, original and commendable. This should be the way, going forward for the WTO, to retain both global and domestic relevance amongst its members, as the primary forum on international cooperation for trade.

This convergent crystallizing coalition between e-commerce and investment facilitation, here in the WTO, is a positive development, in a complex and uncertain moment in the global economy. Because we are in the age of the digital economy and, because trade and investment are the twin engines for growth and development, the FEDs and the FIFD are two groups that systemically we must work hard to consolidate and foster. Nigeria shall play its part, concretely, without rhetoric and without polemics. This is one of the reasons I am here with Ms. Yewande Sadiku, the CEO of the Nigerian Investment Promotion Commission (NIPC); and, one of Africa’s leading investment bankers.

This Joint Seminar establishes a positive agenda for the WTO. To be clear, it is an agenda squarely within the role of the WTO. I am happy to confirm that Nigeria shall be pro-active, engaged, dogged and determined in pushing forward this agenda, as a Member of the FEDs and FIFD and with other WTO Members who care to join.

The global economy is in accelerated and dynamic transformation. The WTO should be adapting, *in tandem*, navigating the challenges, and pointing towards a forward direction on the basis of a constantly updated agenda. The role of the WTO should *inter alia*, support domestic structural reforms, undertaken in-country, in the context of a rules-based system. It should do so, purposefully, practically and offer solutions.

A paradox of some of the current exchanges, here in the WTO, is that Members are unnecessarily divided on issues of common interest in the work underway on e-commerce and investment facilitation. This should not be the case. Common interests should not divide, but unify.

The seminal question at this timely joint seminar is how can WTO Members, including those that are developing and least-developed, scale up investment in "hard" and "soft" infrastructure to support their own efforts to leverage e-commerce and facilitate investment for inclusive trade and development

Nigeria believes that facilitating investment in digital infrastructure is critical, to enable developing countries participate, benefit from e-commerce, and accelerate development. Relatively, although there are strong advances, there is a continuing deficit in core digital platforms in Africa. The Continent lags behind other regions in its use of digital platforms such as the internet. Digital services like broadband are in short supply and high cost. The Continent must be bolder to expand these digital platforms, reduce the cost of digital services and facilitate investment in this area. Thanks to the World Bank, now we know that increased broadband access correlates with GDP growth.

Facilitating positive investment flows into African economies such as Nigeria is a core objective for Nigeria, including but not limited to support for digital infrastructure. It is a fact that this is an area of core need for Africa. There will be benefits for the development of e-commerce. And there should be strong gains and concrete yields in the synergies between e-commerce and investment facilitation discussions in the WTO.

There are synergies between investment facilitation and e-commerce. These synergies will promote trade connectivity and development with associated companion structural reforms.

The nexus between e-commerce and investment facilitation will contribute to bridging the digital divide. The corollary logic, however, is that it is deeper engagement and not lesser engagement that will increase the probability of bridging the divide.

The question is not whether e-commerce and investment facilitation can be harnessed for inclusive trade and development; that is not the question. The question is what we do (substantively), what instruments we use (how) and in what fora?

On the substance, we now have a fairly decent idea on how to proceed.

On Investment Facilitation, being driven by we, the Members of Friends of Investment Facilitation for Development, we should:

- Consolidate and extend the thematic focus established in the 3 WTO Informal Dialogues on Investment Facilitation, so far.
- Underscore the importance of positive investment flows, particularly investment facilitation in digital infrastructure.
- Sustain the exchange of experiences and practices on investment facilitation.
- Deepen the identification of investment facilitation elements, *inter alia*:
 - improving regulatory transparency and predictability;
 - (b) streamlining and speeding-up administrative procedures;
 - (c) Single Electronic Window;
 - (d) enhancing international cooperation and addressing the specific needs of individual Members. No one size will fit all.

On E-Commerce for Development, similarly, I believe we have cleared considerably at the underbrush and defined a way forward.

- At the Group's first Ministerial meeting in April 2017, at UNCTAD's e-Commerce Week, the group presented a Roadmap consisting of seven key areas, across which, if we produce results, progress will be achieved. These are: i) readiness and a strategy for e-commerce; ii) ICT infrastructure and services; iii) trade logistics; iv) payment solutions; v) legal and regulatory frameworks; vi) E-commerce skills development and technical assistance; and, vii) access to financing.

The E-dialogues that have been initiated will be useful in advancing this agenda and the associated work programme.

On the how and the instruments, there is a range of options, multilateral, plurilateral, regional and in-country.

We have a large playing field. Multilaterally, and/or plurilaterally, there is a central role for the WTO. Embedded in our rules from the GATT '47 to the GATT '94 and the WTO Agreement is an almost total coverage of many of the issues before the rules-based trading system today. I am certain that Hamid Mamdouh, Director of the Trade in Services and Investment Division will make this clear in his presentation on, Investment facilitation, e-trade and development

To be clear, Nigeria believes in negotiated rules and contracts that originate from work programmes. This is why the Federal Government of Nigeria (FGN) has just established a new Office, the "Nigerian Office for Trade Negotiations", headed by a Director-General and Chief Negotiator for the country. The simple fact is that, if we do not negotiate rules and contracts, default rules and contracts shall emerge or those negotiated and agreed by others shall be imposed. This should not be the case. *No one should be afraid of negotiators or negotiations.* In Nigeria's view, the WTO remains an indispensable institution, an unsubstitutable public good and the primary forum on international cooperation for trade. The WTO has a role to play in various ways by providing a platform for coherence in trade and investment policies that will obviously contribute to increasing digital connectivity in developing countries. The WTO will add value, systemically, to Members' National Investment Facilitation policies.

As Director-General Azevedo observed in 2015, accessions have been a success story of the WTO. It has kept the WTO updated, modernized and adapting.

As a former Director of WTO Accessions, I would argue that Members like Nigeria should continue to use the WTO accession process to constantly update the WTO through the Q and A process and the design of specific obligations, as appropriate for the development circumstance of an acceding government. We should push further with Acceding Governments. Why? Because we care about the future of the WTO as an indispensable public good. And because we care about the health of individual economies and the global economy.

The biggest mistake would be to standstill, engage in polemics, and be ideological. It is commendable that the WTO has taken a practical and positive turn in these two areas of e-commerce and investment facilitation for development.

But, we also know that as necessary as our multilateral and plurilateral efforts, they will never be sufficient. Accompanying domestic structural reforms and coherence between fiscal, monetary and the structural reform policies, in-country shall also be required. It will never be either or. Based in Abuja, the capital of Africa's largest economy, I know this is a juggling and complex act, where policy-makers and operators have to pump on all pistons and run the scales. There is a strong agenda for change, through a range of structural reforms, at the top of which is President Buhari's Enabling Environment for Business. Fixing the enabling environment for business is priority. Recently, Professor Yemi Osinbajo, Acting President of the Federal Republic of Nigeria signed an Executive Order to implement this core agenda for structural reforms.

Regionally, in Africa, we are negotiating a Continental Free Trade Area. A range of Members are pushing hard for liberalization in the areas of e-commerce (and the digital economy), as part of the agreed modalities for trade in services.

There are challenges. Most are domestic. Training and capacity building; structural reforms (enabling business environment, hardware, software, better, sounder and cleaner governance; and, policy coherence. *There is no magic bullet; every bullet counts.*

We must face-up to the challenges of the digital economy, accept its opportunities and avoid 19th Century-type luddite reactions.

If we reform, modernize, innovate, trade and invest, and if we are ambitious, we shall grow, robustly and sustainably.

Digital connectivity and platforms are making it possible for millions of developing-country SMEs – or “micro-multinational” – to become global traders.

As we proceed, we must think outside the box, embrace new and cooperative approaches to facilitating investment which can contribute to development, through expanded export capacity, advancing trade facilitation, participating in Global Value Chains, connecting to the digital economy, and achieving the 2030 Sustainable Development Goal.

Last year, Mark Zuckerberg was in Nigeria. Just last week, Jack Ma was in Kenya and Rwanda. These are giants and champions for prosperity in an integrated digital economy. They offer opportunities and demonstrate how e-commerce and facilitating investment can bridge the digital divide and foster inclusive trade and development. Nigeria embraces this. We all should.

In April, I was invited to speak on E-Commerce in Africa at UNCTAD’s E-Commerce Week. The title of my presentation was *“Trumping Timidity: The Importance of Audacity in the Digital Economy”*.

In Abuja, we are working hard to integrate digital economy strategies and action plans into domestic structural reforms for diversification, modernization and growth of our economy. We have titled this the Smart Nigeria Digital Economy Project. The Chairman of the Economic Management Team Vice President Osinbajo and Minister for Industry, Trade and Investment Okey Enelamah are working very hard on this. This is not a task for the meek or uncommitted. We shall not fail. We need to press ahead with the confidence that we can compete; that we will benefit from competition and open borders; and that we will succeed in facilitating investment and in developing e-commerce.

As I conclude, let me make underscore one point and an announcement. No policy reform and no agenda of change can be sustainable in the absence of sound, clean and accountable governments and the rule of law, accompanied

by the protection of intellectual property rights. So, as we proceed, we should also work to strengthen these areas of public policy.

Finally, I am pleased to announce that Nigeria would Co-Host with FIFD Members - a high-level, two-day workshop on "Facilitating Investment in Africa" from 11 to 12 October 2017, in Abuja. More information will follow through the Coordinator. (This HL Workshop has been scheduled back-to-back with the Direct Investment Summit – DIS – being organized by the Nigerian Government, from 9 to 10 October).

We very much look forward to seeing you all in Abuja in October.

Thank you.
