

Regional Workshop

Promoting Connectivity

E-commerce

March 27-28, 2017
Incheon, Korea



WORLD TRADE
ORGANIZATION

Overview

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 - ❑ History of E-commerce in the WTO
 - ❑ Recent Developments
- ❑ Part II: Aid for Trade and the Digital Divide
 - ❑ Bridging the Digital Divide



Part I: E-commerce and the WTO



History of e-commerce in the WTO : 1998 Decision

Ministerial Declaration on Global Electronic Commerce- 1998 Decision
WT/MIN(98)/DEC/2

Two parts to the declaration:

- **First it gave the mandate for a work-programme on e-commerce in the WTO.**

“The General Council shall...establish a comprehensive work programme to examine all trade-related issues relating to global electronic commerce, including those issues identified by Members.”

- **Second it agreed to a moratorium on custom duties on electronic transmissions.**

“Without prejudice to the outcome of the work programme or the rights and obligations of Members under the WTO Agreements...Members will continue their current practice of not imposing customs duties on electronic transmissions”



History of e-commerce in the WTO: Work-programme (WT/L/274)

General Council Dedicated Discussion on E-commerce				
Body	Council for Trade In Services	Council for Trade in Goods	Council for Trade Related Intellectual Property	Committee for Trade and Development
Issues	<p>Scope(modes of supply) MFN; Transparency; Increasing the participation of developing countries; Domestic regulation, standards and recognition; Competition; national treatment, prevention of fraud; classification issues, etc.</p>	<p>Market access for products related to e-commerce; valuation issues; rules of origin issues; custom duties and other duties and charges; standards in relation to e-commerce, etc.</p>	<p>Protection and enforcement of copyright and related rights; protection and enforcement of trademarks; and new technologies and access to technology.</p>	<p>Use of IT in the integration of developing countries in the multilateral trading system; financial implications of e-commerce for developing countries, effects of e-commerce, etc.</p>



History of e-commerce in the WTO:

Moratorium on e-transmission

❑ *Extended periodically by Ministers since 1998*

“That Members will maintain the current practice of not imposing customs duties on electronic transmissions until our next session which we have decided to hold in 2017.” (WT/L/977)

❑ Some Members would like to make the moratorium permanent, so far there is no agreement to do so.



History of e-commerce in the WTO: Other Relevant Agreements

- ❑ General Agreement on Trade in Goods- liberalization of Information Technology
 - ❑ GATT 1995 and Information Technology Agreement 1998 and 2015.
- ❑ General Agreement on Trade in Services- Schedule of commitments
 - ❑ Telecoms reference paper and Telecommunication Annex
- ❑ TRIPS Agreement- IP rights and standards for protection are essentially technology-neutral and extend to products traded online and online commercial activity more generally.
- ❑ Trade Facilitation Agreement -single window, SPS/TBT, digital certificates etc.



E-commerce in the WTO: E-commerce and development related issues

- Participation of developing countries in e-commerce;
- Access to infrastructure and technology;
- Transfer of technology;
- Capacity-building;
- Technical assistance;
- Access to developed and developing countries' markets for developing countries'
- Producers and suppliers;
- Promoting the use of information technology;
- How to ensure that e-commerce benefits developed and developing countries;
- Movement of natural persons.
- ...non-exhaustive list



E-commerce- Recent developments

- ❑ The Secretariat issued a note in 1998 to assist Members in their deliberations on trade-related issues pertaining to global electronic commerce pursuant to the Ministerial Declaration on Global Electronic Commerce.
- ❑ 12 Dedicated Discussions on e-commerce from 2001-2016
- ❑ Nairobi Ministerial Decision instructed the General Council to hold periodic reviews
- ❑ Renewed interest by some members
- ❑ Eleven submissions from members on e-commerce
- ❑ Discussion on submissions and e-commerce, ongoing in all relevant WTO bodies- CTG, CTS, TRIPS and CTD.



E-commerce- Recent developments

Some of the issues raised by members...

- Non-discrimination
- Electronic signatures
- Enhanced regulatory transparency
- Trade facilitating measures
- On services- commitments in relevant sectors and issues related to classification
- Tariff elimination on IT goods
- Prohibition of custom duties on electronic transmissions
- Disciplines ensuring cross-border data flows
- E-commerce and copyright
- Access to payment solutions
- Online security
- Infrastructure gaps to enable e-commerce

Non-exhaustive list...



E-commerce- Recent developments

Cross-cutting themes discussed...

- The importance of addressing the development implications of e-commerce.
- Need to address the existing structural and infrastructural challenges- “Bridging the digital divide”.
- Topic for discussion in G20- German Presidency.
- Members considering next steps.



Part II: Aid for Trade and the Digital Divide



Aid for trade and bridging the digital divide

- 2016/2017 Aid for Trade Monitoring and Evaluation exercise included a focus on digital connectivity.
- Exercise highlights the importance of affordability, availability and accessibility of digital connectivity.
- Historically efforts have focused on the supply-side (e.g. broadband availability) with the shift to address demand-side constraints just now taking place. (i.e. regulatory environment, skill enhancement and awareness)



Aid for trade and bridging the digital divide- Supply side targets

2030 Agenda for Sustainable Development	Broadband Commission for Sustainable Development
<ul style="list-style-type: none"> SDG 9(c) target: "Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020". SDG 9 (c) Indicator: Proportion of population covered by a mobile network. 	<p>Goal 2: Inclusiveness - Bridge the digital divide and provide broadband for all.</p> <p>Target 2.2.</p> <ul style="list-style-type: none"> a. A: In the developing world, 50% of individuals should be using the Internet by 2020. b. B: In the least developed countries (LDCs), 20% of individuals should be using the Internet by 2020. <p>Target 2.3.</p> <ul style="list-style-type: none"> a. A: The affordability gap between developed and developing countries should be reduced by 40% by 2020. b. B: Broadband services should cost no more than 5% of average monthly income in developing countries by 2020.

^[1] United Nations Department for Economic and Social Affairs, Sustainable Knowledge Platform. Available at: <https://sustainabledevelopment.un.org/sdgs>
^[2] Broadband Commission for Sustainable Development, <http://www.broadbandcommission.org/publications/Pages/default.aspx>



Aid for trade and bridging the digital divide



In Developed Countries,
the top Internet Adoption
Barrier is Affordability

Internet Adoption Barriers



Infrastructure



Capability



Relevance



Affordability



In Developing Countries,
the top Internet
Adoption Barrier is
Relevance

Key Regional Internet Adoption Barriers

Africa



Arab States



Asia-Pacific



CIS



Europe



The Americas



Source: Imme Philbeck, Connecting the Unconnected, ITU (2017)



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Aid for trade and bridging the digital divide- Winning formulas

The combination of a handful of regulatory measures is closely associated with a catalytic effect on market take-up. (ITU recommendations)



- ✓ Broadband Plan
- ✓ Open competition in wireline broadband technologies,
- ✓ Advanced licensing framework (featuring either unified licenses or a general authorization regime)
- ✓ Infrastructure sharing policy
Provisions for fixed number portability.



- ✓ Broadband plan,
- ✓ Competition in both the mobile sector and international gateways,
- ✓ Infrastructure sharing,
- ✓ Mobile number portability
- ✓ Band migration



Aid for Trade promoting connectivity in the Pacific: Case Story

Tonga's high speed revolution



"Undersea #FiberOpticCable brings new opportunities to #Tonga.

<http://www.adb.org/results/tonga-s-high-speed-revolution> via @ADB_HQ"

TONGA
TONGA-FIJI SUBMARINE CABLE PROJECT

Approved: August 2011
Closing Date: June 2016 (expected)
Cost: \$32.8 million

PROJECT BENEFITS

- INTERNATIONAL CONNECTIVITY COSTS** fell by 60%
- HEALTH CARE QUALITY HAS IMPROVED** with faster and more frequent communication with specialists overseas
- BETTER EDUCATION RESOURCES** keep students from dropping out
- INCREASING INTERREGIONAL TRADE** improved tourism and business process outsourcing
- COMMUNICATING WITH FAMILY AND FRIENDS** abroad became cheaper and more frequent
- SENDING REMITTANCES AND PAYING BILLS** became easier

"Faster internet speed and higher bandwidth at cheaper and more affordable prices is a real opportunity for Tonga."
Lord Tu'ivakano



Aid for Trade: the way ahead...

- ❑ 2017 Aid for Trade Global Review, 11-13 July 2017 in Geneva, Switzerland.
- ❑ 11th Ministerial Conference, 11 to 14 December 2017 in Buenos Aires, Argentina





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