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TRADE AND DEVELOPMENT BOARD
Commission on Enterprise, Business
Facilitation and Development
Expert Meeting on Telecommunications, Business
Facilitation and Trade Efficiency
Geneva, 8- 10 September
Agenda item 3

TELECOMMUNICATIONS, BUSINESS FACILITATION AND TRADE EFFICIENCY

Final recommendations

Background

1. The experts stressed the importance of electronic commerce as a vehicle for the integration of smaller players (especially developing countries, economies in transition and small and medium-sized enterprises) in international trade.
2. The meeting recognized the importance for all countries, especially developing countries, of benefiting from practical possibilities to assess the potential benefits of electronic commerce for their own enterprises, in particular small and medium-sized ones.
3. In this context, the experts underlined the importance of UNCTAD's work in the area of trade efficiency and the need to pursue the work undertaken by UNCTAD and its partners to promote the implementation of the Columbus Ministerial Declaration on Trade Efficiency and its recommendations (TD/SYMP.TE/6). They considered that such work is of particular relevance in helping developing countries, in particular governments and SMEs, to better understand and participate in processes under way in other intergovernmental organizations dealing with telecommunications and their trade applications, in particular the International Telecommunications Union (ITU) and the World Trade Organization (WTO).

Recommendations

I. Follow-up to UNISTE

4. The meeting considered that the recommendations made by the United Nations International Symposium on Trade Efficiency (UNISTE, Columbus, Ohio, October 1994) in the sector of telecommunications remain a valid basis for the continuation of intergovernmental activities in the area of 'telecommunications, business facilitation and trade efficiency'.

5. The experts underlined that UNCTAD should pursue its work in this area by complementing the UNISTE recommendations through the consideration of a number of recent trends and events, which have been and will continue to be of critical importance for the competitiveness of enterprises (especially small and medium-sized enterprises) in the years to come. Such trends and events include in particular:

- (a) The continuation of the liberalization and privatization processes pursued by a growing number of countries in the sector of telecommunications services and equipment; these processes have been reinforced by the recent WTO Agreements on Information Technology (Singapore, December 1996) and on Basic Telecommunications Services (Geneva, February 1997);
- (b) The continuation of the trend towards lower prices for international telecommunications services;
- (c) The accelerated advent of new infrastructures such as low earth orbiting satellite systems (LEOS);
- (d) The rapid expansion of the Internet, which will have far-reaching consequences on the ways in which individuals and enterprises access and provide information, in particular for the purpose of business transactions.

II. Other priority areas for further work by UNCTAD and its partners

6. In addition to pursuing its work on the implementation of the Columbus recommendations on telecommunications, UNCTAD's work on trade efficiency should encompass the following priority areas:

- (a) Electronic commerce : In considering electronic commerce, participants recognised that while basic business concepts such as the customer, goods and payment validation would not change,

business and government practices were likely to change rapidly in such a fast-moving situation. Some of these changes would require intergovernmental action to ensure that there is a common understanding and, where appropriate, that clear guidelines are available to all traders and consumers.

- (b) Participants also recognised that the impact of electronic commerce would be different at the different stages of the trade process, for example business information on one hand and transaction documents on the other; in both areas, however, the importance of using open systems and internationally accepted data standards was recognised.
- (c) UNCTAD should carry out the necessary analytical and practical work to allow members to better understand the development implications of some of the proposals made for setting up a 'global framework' for electronic commerce, including the possible revenue impact of 'tax-free internet-based commerce. In this context, UNCTAD should provide interested members with analytical and practical support in the context of upcoming intergovernmental discussions on "trade facilitation" and trade in financial services, among other things. Special attention should also be given to the following three areas: (1) electronic payments, (2) identification of obstacles and solutions to global electronic trading systems, and (3) legal dimensions of electronic commerce.
- (d) Access to telecommunications-based services: UNCTAD, in close collaboration with ITU, should carry out the necessary analytical and practical work to allow interested members to better assess the various possibilities they may have to access trade-supporting telecommunications-based services at better prices and on more favourable conditions; the particular situation of smaller firms and under-equipped areas (especially in LDCs) should be given priority attention.
- (e) Human resources development: UNCTAD is encouraged to pursue and develop its activities in enhancing the know-how of decision-makers and trade practitioners of developing countries and economies in transition in the areas of electronic commerce and the use of information technologies for the purpose of business facilitation and trade efficiency, in particular the Internet.

7. The meeting therefore recommends that the Commission on Enterprise, Business Facilitation and Development should convene as early as possible expert meetings on: (1) banking and insurance aspects of trade efficiency (including

electronic payments); (2) identification of the obstacles to a global system for electronic trade transactions covering both export and import processes and the bodies which need to take action; and, at a later stage, (3) the legal dimensions of electronic commerce and other relevant legal aspects of business practices and trade efficiency; and (4) human resources development in the area of trade efficiency (with special focus on electronic commerce).

III. Recommendations for technical assistance activities

8. The meeting requested UNCTAD, within available resources, to expand its assistance to interested countries in the six services sectors identified at UNISTE. North-South and South-South cooperation should be strongly promoted in this connection.

9. The meeting also underscored the importance of UNCTAD's Trade Point Programme to enhance the capacity of small and medium-sized enterprises to identify the opportunities of modern ways of trading based on telecommunications and to master the basic elements of electronic commerce. Participants stressed the value of increased co-operation between Trade Points at the bilateral, regional and international levels. Further consideration should be given to establishing closer institutional links among Trade Points.

10. Special attention should be given to cooperation with the ITU, particularly with the Development Sector and the relevant programmes of its Buenos Aires Action Plan, in particular Program 9 (annex 2), to ensure that electronic commerce is an integral part of its project to construct pilot community telecenters in rural and remote locations in developing countries.

11. Participants considered that further cooperation between the Trade Point Programme and the TRAINFORTRADE Programme would provide significant opportunities to train trainers, decision-makers and trade practitioners in the new techniques of international trade. They stressed the potential use to be made of distance learning tools in this context.

IV. Inter-institutional cooperation

12. Participants expressed their appreciation for the cooperation existing between UNCTAD and other UN organizations in the area of trade efficiency, in particular the International Trade Centre (ITC), the United Nations Economic Commission for Europe (UNECE) and the United Nations Development Programme (UNDP). Experts also stressed the potential for further cooperation between UNCTAD and other UN economic commissions (in particular the Economic Commission for Africa (ECA)), as well as with World Trade Organization (WTO) and the United Nations Commission on International Trade Law (UNCITRAL).

13. Participants paid tribute to the remarkable level of cooperation displayed by UNCTAD and the ITU in organizing jointly the Expert Meeting and Telecom Inter@ctive 97, and commended both organizations in this respect. They expressed their wish that the example of this particular meeting could be used as a reference in future inter-institutional efforts of a similar nature.