

COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)

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Submissions from entities in the United Nations system and elsewhere on their efforts in 2014 to implement the outcome of the WSIS

Submission by

The World Trade Organization (WTO)

This submission was prepared as an input to the report of the UN Secretary-General on "Progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels" (to the 18th session of the CSTD), in response to the request by the Economic and Social Council, in its resolution 2006/46, to the UN Secretary-General to inform the Commission on Science and Technology for Development on the implementation of the outcomes of the WSIS as part of his annual reporting to the Commission.

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SUBMISSION BY THE WTO
FLOW OF INFORMATION FOR THE FOLLOW-UP ON THE IMPLEMENTATION OF OUTCOMES OF
THE WORLD SUMMIT ON THE INFORMATION SOCIETY (WSIS)

1 EXECUTIVE SUMMARY

The World Trade Organization has an important role on fostering access and helping to reduce the digital divide. Through its work on Regional Cooperation, Information and Communication Infrastructure, ICT's for development, e-commerce applications and encouraging the adoption of an enabling environment, it has contributed to the implementation of WSIS outcomes and principles.

Trade initiatives based on the WSIS principles have helped to support the spread of access, use and sharing of information and knowledge amongst people and countries, in ways that promote sustainable development and improve quality of life.

2 BRIEF OVERVIEW OF TRENDS AND EXPERIENCES

Activities of WTO members have taken into account the changes brought about by the internet and technological development in new ways of trade. Given this new scenario, members continue each year with their active initiatives in order to adapt their framework and policies to the new defies that arise; the Work Program on Electronic Commerce, the Information Technology Agreement, the Working Group on Trade Transfer of Technology and the Trade Facilitation Agreement are the principal ones.

2.1 Work Program on Electronic Commerce

Since 1998, when the Work Program on Electronic Commerce (WT/L /274) was adopted at the Ministerial Conference in Geneva, governments have stressed the growing importance of electronic commerce in global trade. Various WTO bodies continue to examine the evolution of trade-related issues linked to online commerce and are also exploring cross-cutting trade issues and their relation to economic, financial and development needs, especially for developing countries.

During recent Ministerial Conference, in Bali in 2013, members have reiterated the importance of creating and maintaining an environment which is favourable to the future development of the information economy and electronic commerce. They have secured a commitment by WTO Ministers to reinvigorate the work on subjects such as connectivity, access to information and telecommunications technologies and public internet sites, growth of mobile telephony, electronically delivered software, cloud computing, the protection of confidential data, privacy and consumer protection. (WT/MIN(13)/32)

Ministers instructed the General Council to hold periodic reviews in its subsequent sessions in December 2014 and July 2015. The reviews will be based on the reports on implementation of the Work Program submitted by the WTO bodies. The General Council is expected to evaluate the progress and consider any recommendations on possible measures related to electronic commerce in the subsequent Ministerial session. In addition, Members committed to continue maintaining the practice, first agreed in 1998, of not imposing custom duties on electronic transmissions.

In addition, during the sessions of the Council for Trade in Services the current year, members have agreed to continue the Work Programme and have also raised issues for discussion such as privacy protection, cross-border information flows, data localisation requirements, cloud computing and classification issues. It is important to note that many countries have changed their domestic regulations to provide a more rigorous legal framework intended to safeguard the privacy of their citizens. As a result, some Members have suggested that WTO legal flexibilities regarding measures to protect the privacy of individuals should not be used as means to restrict trade or to arbitrarily discriminate.

Additionally, some contributions related to electronic authentication and trust services are expected for next sessions.

Furthermore, this year, during the session of the Council for Trade in Goods, it was reminded to members the compromise submitted to continue the reinvigoration of the Working Program, as with the initiative taken in relation to commercial issues, development, evolving technologies and the exploration of proper mechanisms to address the relationship between electronic commerce and development.

Lastly, for the upcoming year, Members intend to continue discussion of these topics as well as to participate in different events like the one that will be organized in Paraguay to discuss about e-commerce concerns.

2.2 Information Technology Agreement

In 1996, 14 signatory Members agreed to eliminate customs duties and other import fees on trade in information technology (IT) equipment, which has contributed to reduce costs for business and consumers on products as computers, semiconductors, semiconductor manufacturing equipment, telecommunication apparatus, instruments and apparatus, data-storage media and software, and parts and accessories. As of October 2014, the ITA had 52 Participants (covering 80 governments or separate customs territories) representing approximately 96% of world trade in information technology products (G/IT/1/Rev.52)

During the year 2014, the Committee of Participants on the Expansion of Trade in Information Technology Products, continued its deliberations on the Non-Tariff Measures Work Program 2014 and on classification issues, aimed to reduce the remaining divergences on this subject. In the same line, members have reiterated their intention to continue the ITA product expansion negotiations, which has been the main point in most of the meetings. Achieving a consensus about the expansion would prove to be a significant success for the WTO.

2.3 Working Group on Trade Transfer of Technology

Since 2001, when the Fourth Ministerial Conference took place in Doha, Ministers agreed to an examination of the relationship between trade and transfer of technology coming up with the establishment of a working group to focus on these topics. Since then it provides annual reports to the General Council on their work to enable the increase of flows of technology to developing countries.

According to the Report 2014 (WT/WGTTT/16) the work done during the last year has focused on information sharing and recommendations about how to improve transfer of technology to developing countries as well as understanding the importance of technology transfer as a basis to improve labor productivity, economic growth and development. It has been also emphasized the importance of services and trade facilitation measures to the strengthening of the global value chain-oriented investment and consequently, technology transfer as well as the importance of role of Research and Development institutions for fostering technology and innovation.

2.4 Trade Facilitation Agreement

During the WTO Bali Ministerial, some nine years of negotiation reached consensus on the so-called Trade Facilitation Agreement (TFA).¹ The agreement contains provisions for expediting the movement, release and clearance of goods. It also sets out measures for effective cooperation between customs and other national authorities as well as cross-border cooperation by border authorities. It contains provisions for technical assistance and capacity building and special and differential treatment (SDT) provisions that allow developing and least-developed countries (LDCs) to determine when they will implement specific aspects of the Agreement. It allows them to identify provisions that they will only be

¹ For the agreed text, see http://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm.

able to implement upon the receipt of technical assistance and support for capacity building. Technical assistance for trade facilitation is provided by the WTO, WTO members and other intergovernmental organizations, including the World Bank, the World Customs Organization and UNCTAD. The implementation of the TFA will encourage countries to cut red tape and make customs procedures more efficient, thereby enabling them to integrate into global value chains, including by leveraging e-commerce.
