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**Trade Policy and Regulatory objectives in
Telecommunications and ICT Services**

SESSION # 3



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TRADE POLICY AND REGULATORY OBJECTIVES IN TELECOMMUNICATIONS AND ICT SERVICES

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Case/example

- [Flitto](#)





Trade and regulatory policy – adversaries or hand in hand?

- GATS:
 - Scheduled commitments
 - The references paper (often scheduled) pro-competitive regulation
- Example of RTAs – the TPP
 - Cross-border trade and investment chapters cover trade in telecommunications
 - Chapter 13 covers behind the border pro-competitive regulation:
 - Access and use
 - interconnection
 - resale of public telecommunications services
 - access to network elements on an unbundled basis
 - co-location and rights of way
 - access to landing stations of sub-sea cables
 - provision of leased circuit services.
 - cross-border data flows (also in the e-commerce chapter)
 - International mobile roaming
 - The regulator must identify suppliers with significant market power and impose necessary obligations on them to prevent abuse of market power
- In the past it was argued that opening to FDI in LDCs could see the establishment of a foreign dominant supplier which the local regulator (if any) did not have the capacity to regulate . The leapfrog into mobile may have shifted the balance?





OECD STRI: TRADE AND REGULATORY POLICIES GO HAND IN HAND



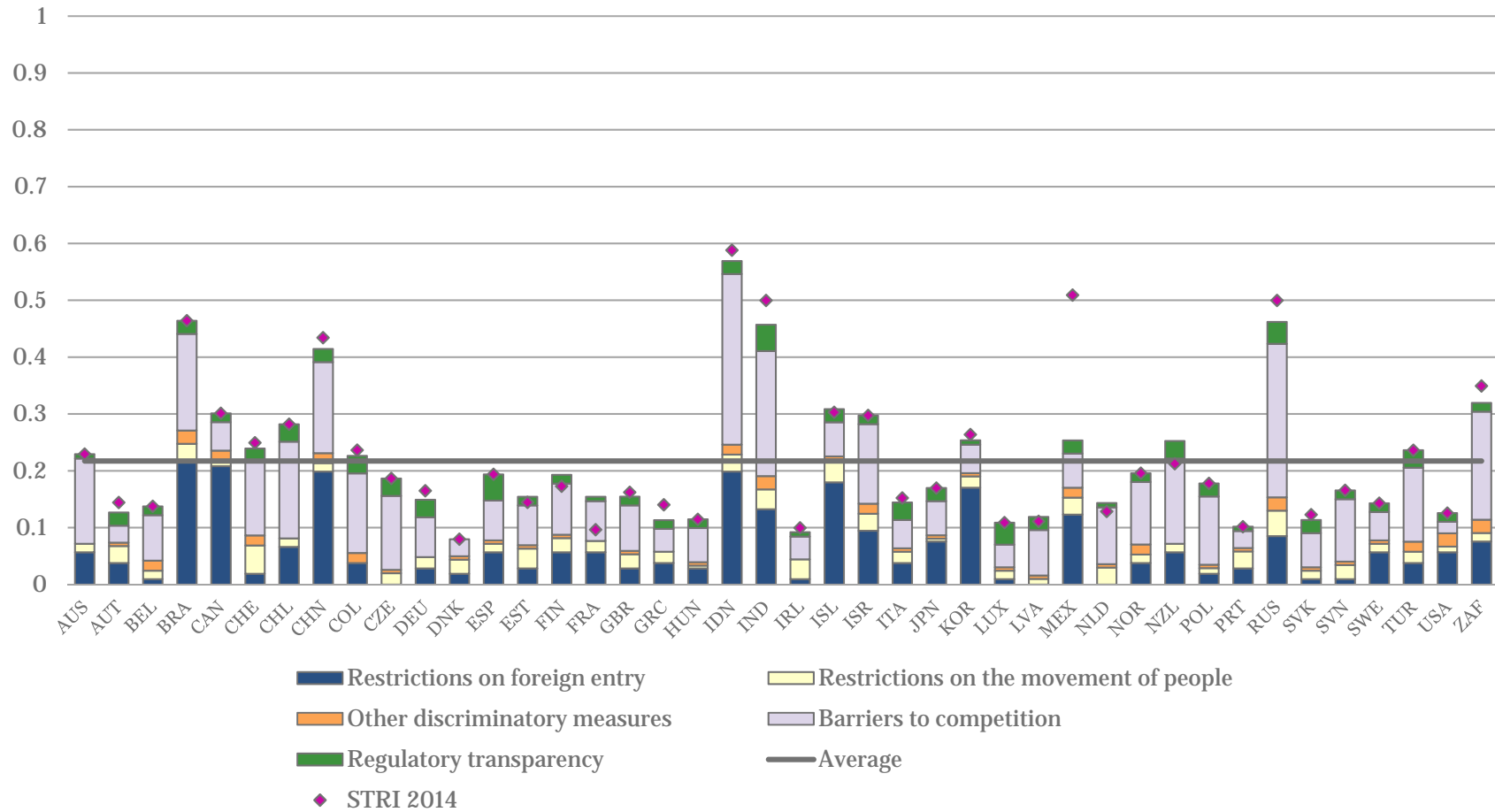
Coverage of the ICT sectors in the STRI

- Regulatory database and STRI indicators for telecommunications, computer services, broadcasting and other audio-visual services;
- Horizontal measures related to ICT
 - Regulations related to cross-border transfer of data;
 - Regulations related to localization of data
- ICT-related measures in “non-ICT” sectors
 - E-commerce in the distribution sector
 - Cross-border lending, borrowing and payment in financial services
 - Commercial presence requirement for providing on-line services
 - License requirement for cross-border trade in digitized professional services (design, images, processes)





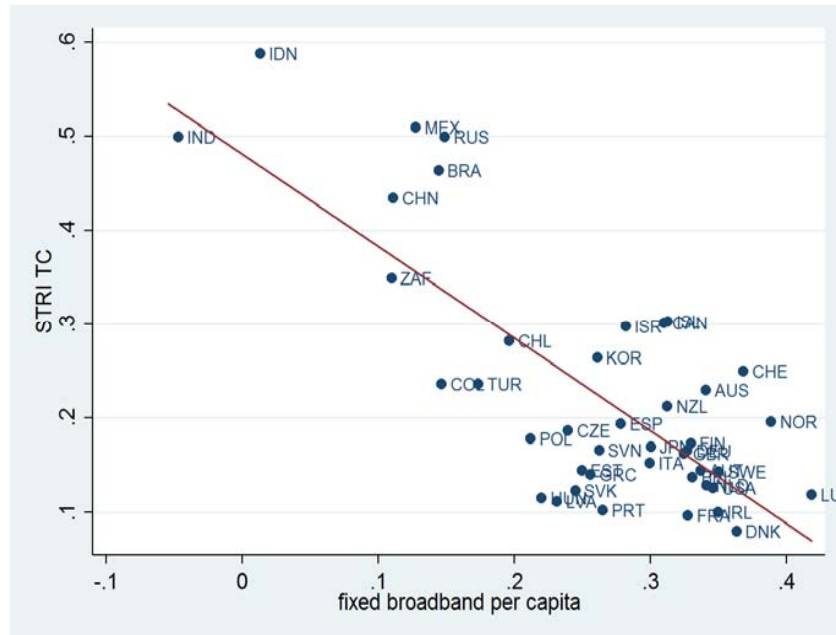
STRI for telecommunications results for 2014 and 2015



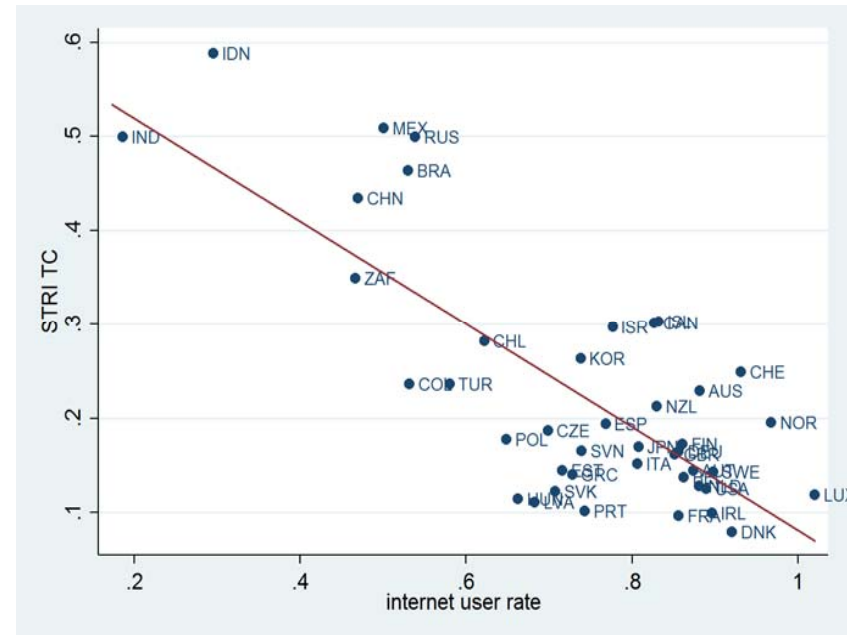


Regulation, connectivity and use

Fixed broadband



Internet users





Policy experiment relevant for Make in India

Reform

- Reform telecommunications: e.g. introduce pro-competitive regulation and apply the automatic route to FDI
- Would bring the STRI on telecommunications down to the OECD average

Direct impact

- Would raise fixed broad band penetration by more than 50% over the long run

Indirect impact

- Associated with about 15% higher export prices of manufactures through higher quality products
- Expansion of export volumes and export diversification





Concluding remarks

- Telecommunications are the backbone of the digital economy
- There is evidence that connectivity and use stimulates growth and innovation
- Trade and regulatory policies need to take into account not only the protection of the telecommunications sectors and consumers, but also the economy-wide impact





THANK YOU!

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