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(CSTD)**

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**Submissions from entities in the United Nations system and elsewhere on
their efforts in 2018 to implement the outcome of the WSIS**

Submission by

World Trade Organization

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 22nd 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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WSIS Follow up Reporting 2018 WTO submission

Part One: Executive summary

The work of the WTO generally relates most directly to WSIS action lines on information and communications infrastructure (C2), the enabling environment (C6), ICT applications, particularly e-business (C7) and international and regional cooperation (C11). Over the past year, WTO Members have continued considering a wide variety of issues related to ICT and ICT-enabled trade across different bodies and agreements of the WTO. These included the E-commerce Work Programme, the WTO's Aid for Trade initiative, the Information Technology Agreement (ITA), and Trade-Related Aspects of Intellectual Property Rights (TRIPS). Meanwhile, the WTO Secretariat has continued to feature ICT and digital trends in its annual Public Forum and to work toward improving related data collection. Such activities are expected to continue in recognition of the impact that ICT developments and new technologies have on global trade.

For example, during 2018, the WTO Work Programme on Electronic Commerce remained active. Discussions continued in the various WTO bodies charged with conducting the Work Programme. At the Buenos Aires Ministerial Conference in December 2018, WTO Ministers adopted a Decision that called for the continuation of the E-commerce Work Programme and renewed the moratorium on customs duties on electronic transmissions. In addition, a group of Members endorsed a Joint Statement on Electronic Commerce, with the objective of exploring work towards future WTO negotiations on trade-related aspects of electronic commerce.

Part Two: analytical overview of trends and experiences

This year's WTO Public Forum entitled "Trade 2030" featured over 100 sessions covering three sub-themes including technology-enabled trade. The Forum also included the launch of the 2018 edition of the World Trade Report titled "The Future of World Trade: How Digital Technologies are Transforming Global Commerce" which shows that digital technologies are likely to further reduce trade costs and boost trade significantly.

The Work Programme on E-commerce remains active and interest is expected to continue to be high, despite differences about the direction the work should take. Information and experience sharing on the developments in e-commerce and regulatory efforts to create an enabling e-commerce environment is becoming a more integral feature of the Work Programme. Many WTO Members have recognized the transformative role of e-commerce, its positive impact on economic growth and its potential to reduce transaction costs particularly for micro, small and medium enterprises (MSMEs). Members have continuously engaged with various stakeholders, including the business community, NGOs and academics by means of seminars and panels organized throughout 2018. According to the recent Monitoring and Evaluation exercise conducted under the Aid for Trade initiative, the need to develop e-commerce, network infrastructure, and related services are of priority for developing countries.

As for the 1996 ITA and the 2015 ITA Expansion agreements, the recent evolution and implementation of the ITA, under which Members extend duty-free treatment to ICT equipment, is also a sign that WTO Members recognize the importance of lowering costs for businesses and consumers of ICT-enabled trade and of other online activities of their citizens.

To explore the way digital technologies are transforming the interplay between IP, trade, and knowledge, the WTO held a workshop on trade in knowledge products. The WTO will also release a book on trade in knowledge which serves as a conceptual and empirical

foundation for a renewed set of policy discussions, capacity building, and technical assistance for governments seeking to benefit from the knowledge economy.

To better account for trade flows and bridge the information gap, ongoing efforts are underway by various international organizations, including the WTO, to improve the quality of international trade statistics and advance the development of a conceptual framework to measure digitally enabled trade. In this vein, cooperation on measuring digital trade remains a priority of the inter-agency Task Force on Statistics of International Trade in Services.

Part Three: Description

Part 3(a) Policies, programmes and projects

Aid for Trade

The 2019 monitoring and evaluation (M&E) exercise, underpinning the WTO-led Aid for Trade Initiative, seeks to survey developing countries' trade priorities and the assistance they receive from bilateral and multilateral donors. This year's iteration of the exercise follows that of the 2018-2019 Aid-for-trade Work Programme and is articulated around three themes: 1. Aid-for-trade Priorities; 2. Supporting economic diversification; and, 3. Supporting economic empowerment.

Building on data gathered in the 2017 M&E exercise in which Member responses highlighted the need to develop e-commerce (a priority for 15% of partners), network infrastructure (25%) and services development including internet services (35%), forthcoming responses are also expected to rank these topics highly among developing country priorities. Indeed, these three priorities are also commonly viewed as critical for economic diversification and economic empowerment.

In addition, the M&E exercise will seek to evaluate whether, and to what extent inadequate network infrastructure, limited e-trade readiness, poor ICT/digital connectivity impedes developing countries' capacity to trade, to diversify their economies and to economically empower marginalized groups within their populations.

Information Technology Agreement (ITA)

In 2018, the participants in the WTO 1996 Information Technology Agreement (ITA) met to discuss implementation issues related to the ITA and to report on the related work on non-tariff measures. The 1996 ITA currently has 53 participants representing 82 WTO members, and accounts for approximately 96% of world trade in information technology products. Under the 1996 ITA, its annual trade is estimated around US\$ 1.6 trillion, accounting 15% of world merchandise exports.

The 2015 ITA Expansion Agreement (ITA II) had 26 participants, representing 55 WTO Members and accounting for approximately 90% of world trade in these products. The ITA Expansion covers new generation of IT products, including multi-component integrated circuits (MCOs), touch screens, GPS navigation equipment, portable interactive electronic education devices, video game consoles, and medical equipment, such as magnetic resonance imaging products and ultra-sonic scanning equipment. Under the 2015 ITA Expansion agreement, import duties will be eliminated on 201 high-tech products whose annual trade is estimated at US\$ 1.3 trillion, accounting for approximately 10% of world merchandise exports.

Trade-Related Aspects of Intellectual Property Rights (TRIPS)

WTO Members recognized the essential role that Intellectual Property plays for enabling e-commerce and digital trade, by governing the electronic flow of data and information necessary for the e-commerce to function, and often defining the terms under which digital products are traded. With regards to trust and digital trade/e-commerce, one of the Member's submissions emphasised on the need for appropriate online IP protection, but also the importance of exceptions and transparency.

The WTO held a Seminar on Intellectual Property and Knowledge Flows in a Digital Era which systematically reviewed the legal and policy landscape for trade in knowledge in the digitally transformed economy. The way digital technologies have transformed the interplay between IP, trade, and knowledge has created a compelling need to update developing countries' understanding of the context for TRIPS rules and the intellectual property system within the framework of trade and development policy. The aim of the seminar was to fundamentally update both the theoretical understanding, and the empirical, factual base on these cutting-edge issues. Contributions are charting the legal, economic and policy dimensions of such flows and are expected to be published in book form in 2019.

Measurement of digital trade

Despite the growing importance of digital trade, little empirical and internationally comparable information exists, reflecting the challenges faced by measurement. The limited availability of data on digital trade creates an impediment to conducting evidence-based policy analysis. Aligned with Action line C11, international organizations including the WTO are cooperating and working together to address the measurement and statistical challenges related to digital trade.

To fill this gap, in 2017, the Inter-Agency Task Force on International Trade Statistics (TFITS) was tasked by the G20 to work with national and international statistical authorities as well as the business community to develop reporting systems for digital trade. Under the auspices of the TFITS, an Expert Group of developed and developing countries, building on two OECD-IMF inventories of measurement practices among more than 70 countries, is currently developing a Handbook on Measuring Digital Trade. A meeting was held in October 2018 to advance the draft. The book is expected to be available on the task force's website during the first half of 2019.

The WTO is also working on building a dataset of international trade in services broken down by GATS mode of supply, a project funded by the European Union. The methodology for establishing it is being reviewed by an Expert Group composed of other agencies such as Eurostat, OECD, selected national data compilers, and academics. This analytical data set may also be useful in developing statistics on digitally-enabled services. A final version of the dataset is expected during the first quarter of 2019.

WTO Public Forum

In 2018, WTO Public Forum was organized under the theme "Trade 2030" covering three sub-themes including technology-enabled trade. The Forum was attended by more than 2,500 participants including heads of states, parliamentarians, leading global business people, students, academics, and non-governmental organizations. It provided a forum for various stakeholders to discuss a wide range of issues, including digitalization, trade and e-commerce. Some of the high-level sessions highlighted the potential of e-commerce as a driver for growth and inclusion and explored ways new technological developments impact international trade. The forum highlighted that the year 2030 would see a substantial increase in the amount of business conducted online, greater involvement of small businesses in e-commerce, and more consumer-to-business transactions. One conclusion that emerged from the sessions is the need to address various challenges in

the digital economy in a collective manner to pave the way towards a more inclusive e-commerce landscape by 2030.

At the Forum, WTO launched its flagship publication, the World Trade Report, which, in line with action line C7, focuses on the transformative impact of digital technologies including the Internet of Things, artificial intelligence, 3D printing and blockchain data networks on trade. At the launch of the publication, panellists debated what the future of trade might look like in the face of upheavals brought on by digital technologies. The report argues that new technologies are likely to change the established ways the world trades, with comparative advantages across economies predicted to shift in some ways. The report also, relevant to action line C11, identifies certain areas which may warrant international cooperation including key initiatives in facilitating a favourable legal and regulatory framework, competition-related issues, IP rules, supporting MSMEs, promoting digital inclusion, and addressing challenges related to trade facilitation and infrastructure for information and communication technologies. It concludes that, overall, the expansion of digital trade holds the potential to generate considerable benefits, if it evolves under conditions that adequately address important public policy challenges.

Work Programme on Electronic Commerce

During the year 2018, the General Council continued to oversee the Work Programme and hold periodic reviews based on the reports submitted by relevant WTO bodies. Discussions on electronic commerce in the WTO regained momentum in 2016 and engagement continued to be very high in 2018. Members tabled a number of new papers, many of which were aimed at sharing policy perspectives and outlining priority issues and obstacles related to e-commerce. Submissions typically outlined what Members considered topics they considered important to enabling e-commerce. Of relevance to the E-business segment of Action Line C7, many WTO Members emphasized the transformative role of e-commerce, its positive impact it has on economic growth and development, and its potential to reduce costs of doing businesses, especially for MSMEs. Interventions also addressed capacity-building efforts aimed at assisting developing countries and LDCs to participate in and benefit from the digital economy. Discussions took place in all of the WTO bodies charged with the Work Programme including the General Council, the Councils for Trade in Goods (CTG), Trade in Services (CTS), Trade Related Intellectual Property Rights (TRIPS) and the Committee on Trade and Development (CTD). This approach permitted each body to consider those aspects of each proposal relevant to its respective areas of work.

At the 11th Ministerial Conference in Buenos Aires, Ministers agreed to continue the Work Programme and extended the moratorium on customs duties on electronic transmissions through 2019.¹ The decision maintains the Work Programme in its current form with the existing mandate, authorizing both discussions on the trade-related aspects of e-commerce and of the moratorium. In addition, on the margins of MC11, a diverse group of more than 70 Members endorsed a Joint Statement on Electronic Commerce². The objective of the group is to explore work towards future WTO negotiations on trade-related aspects of electronic commerce.

As a result, since MC11, the electronic commerce discussions in the WTO are continuing under two parallel tracks – multilaterally under the General Council and its relevant subsidiary bodies, as well as plurilaterally under the Joint Statement on e-commerce initiative. At the multilateral level, efforts are ongoing to reinvigorate the 1998 Work Programme on Electronic Commerce as agreed by Ministers in Buenos Aires. Two Members submitted a document on issues related to the moratorium on customs duties on electronic

¹ WT/MIN(17)/W/6.

² WT/MIN(17)/60.

transmissions. Under the Joint Statement initiative on e-commerce, exploratory discussions among the group of Members (yet open to attendance by all Members) were launched to discuss possible future negotiations on trade-related aspects of electronic commerce. The discussions, which will continue into 2019, are grouped into four themes: enabling digital trade/e-commerce, openness and digital trade/e-commerce, trust and digital trade/e-commerce, and cross-cutting issues (including development, transparency and cooperation).

In 2018, WTO Members organized a variety of workshops and seminars on electronic commerce topics of interests. At the request of Members, WTO Secretariat staff also conducted a number of national seminars on e-commerce, requested by governments under WTO's technical assistance programme, and attended other relevant meetings of inter-governmental organizations and NGOs. National e-commerce seminars were aimed at enhancing governments' capacity to participate more fully in discussions on e-commerce at the WTO, and to take stock of inter-agency initiatives and stakeholder concerns. In terms of international collaboration, Secretariat staff participated in ICT and e-commerce related meetings of, inter alia, UNCTAD, WEF, ITU, OECD, WSIS, WCO, Commonwealth Secretariat, the G20 meetings under the Argentinian presidency and the West African Economic and Monetary Union (WAEMU/UEMOA).

Part3(b) Future actions or initiatives

The activities indicated above represent ongoing work of the WTO which is expected to continue into the foreseeable future. Questions of obstacles such as low connectivity in developing countries, lack of capacity of MSMEs, and inadequate regulatory frameworks, along with information sharing on policies and experiences will remain on the agendas of the WTO bodies. Given the wide range of issues under discussion, a trend toward seeking views of various stakeholders by such means as seminars and panels is also likely to continue.