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(CSTD)**

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**Submissions from entities in the United Nations system, international
organizations and other stakeholders on their efforts in 2019 to
implement the outcomes 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 23rd 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 2019

WTO submission

Part One: Executive summary

The work of the WTO 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. This included work conducted under the auspices of the Information Technology Agreement (ITA), continued participation in efforts on measurement of digital trade, discussions under the WTO's e-commerce Work Programme and within a plurilateral initiative on e-commerce pursuant to a Joint Statement by Members, as well as the WTO's annual Public Forum, which again featured numerous relevant panels and workshops. Such activities are expected to continue in recognition of the impact that ICT developments and new technologies have on global trade.

For example, during 2019, the WTO Work Programme on Electronic Commerce remained active. Discussions continued in WTO bodies charged with the Work Programme, particularly in the Council for Trade in Services (CTS). By the end of this year, a decision on whether or not to renew the moratorium on customs duties on electronic transmissions is expected to be taken by WTO Members, a decision which could also include a short term renewal until the next WTO Ministerial Meeting in mid-2020, to allow ministers to make the determination.

Part Two: analytical overview of trends and experiences

WTO activities relevant to ICT continued to take place on multiple fronts. As regarding ICT equipment trade, and reducing tariffs to make it less costly, the Information Technology agreements continued its work. As regarding often noted gaps in data on ICT-enabled trade, the WTO continued its collaboration on improving statistical collection via an inter-agency task force. The WTO's annual Public Forum, this year dedicated to the future of trade in services, again featured scored of panel and workshop sessions dedicated to the impact of new technologies, what kind of rules may be useful to the digital economy, and the possibility of ICTs to facilitate participation of women and MSMEs in the global economy and to enhance trade in agriculture by developing countries.

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. Recently, different perspectives among WTO Members have come to light about the future of the Moratorium on customs duties on electronic transmissions, which has been in place as part of the Work Program (via periodic renewals) since 1998. Meanwhile, information and experience sharing on developments in e-commerce and regulatory efforts to create an enabling environment have continued to be a salient feature of the Services Council's work. A plurilateral initiative on e-commerce/digital trade initiated rulemaking negotiations in 2019 that have actively engaged at least 80 WTO Members. The WTO Members and Secretariat have continued to engage with various stakeholders, including the business community, NGOs and academics by means of seminars and panels organized throughout the year.

Part Three: Description

Part 3(a) Policies, programmes and projects

Information Technology Agreement (ITA)

In 2019, 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. During these meetings, three ITA implementation issues, concerning India, China and Indonesia, were raised. The 1996 ITA 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) has 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 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.

Measurement of digital trade

The WTO continued its participation during 2019 in the Inter-Agency Task Force on International Trade Statistics (TFITS). 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. 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. WTO continued to collaborate under the auspices of the TFITS, on the development of a Handbook on Measuring Digital Trade. In addition, the WTO completed work to launch a dataset of international trade in services broken down by GATS mode of supply, a project funded by the European Union. This analytical data set may prove to be useful in developing statistics on trade in digitally-enabled services. The final version of the dataset was released in 2019.¹

WTO Public Forum

At the 2019 WTO Public Forum, many discussions focused on how to adapt to a new trading environment marked by the growing importance of services, a great many of which today are ICTs themselves, or greatly ICT-enabled. The event (8 to 11 October) highlighted the important role services and associated technologies play in increasing productivity, creating jobs, improving living standards, and helping to meet the United Nations Sustainable Development Goals. This was highlighted in the 2019 World Trade Report launched on 8 October.² Various sessions at the Forum stressed that regulations are needed, notably in the areas of digitalization and artificial intelligence, while at the same time the impact of regulations on jobs and working conditions needs to be monitored. Participants stressed the contribution of services to global value chains as services are often inputs into final products and can help increase the efficiency of global value chains. There is also the potential for many countries that depend on offshoring services in manufacturing processes to provide the service themselves. Services were also cited as offering new opportunities for developing countries. New technological opportunities such as online platforms were mentioned as potential areas where developing countries could tap into greater economic growth. The growing participation of women in the health and education sectors was also stressed as an opportunity for more inclusive international trade.

Work on Electronic Commerce

During the year 2019, discussions on electronic commerce in the WTO maintained momentum and engagement remained high. The General Council continued to oversee the Work Programme and held periodic reviews based on the reports submitted by the

¹ See <https://data.wto.org/>

² See https://www.wto.org/english/news_e/news19_e/wtr_09oct19_e.htm.

WTO bodies charged with the Work Programme, namely, 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). Discussions continue under two parallel tracks – multilaterally as well as plurilaterally under the initiative launched by a Joint Statement on Electronic Commerce.

At the multilateral level, efforts are ongoing under the auspices of the General Council and the relevant bodies to reinvigorate the 1998 Work Programme on Electronic Commerce as agreed by Ministers at the 11th Ministerial Conference. Members are also discussing the impact and scope of the decision not to impose customs duties on electronic transmissions (the moratorium). Since MC11, three proposals on the moratorium have been submitted and discussed. In October 2019, the General Council Chair began consultations with Members on the way forward on the Work Programme and the moratorium, with a view to having a decision for the General Council's consideration prior to the expiration of the moratorium in December 2019.

Following the exploratory work in 2018, 76 WTO Members issued a Joint Statement in January 2019 launching WTO negotiations on trade-related aspects of electronic commerce. Since then, four additional Members have joined the initiative bringing the total number of participants to 80. To date, five substantive meetings focusing on textual proposals have been held. An additional substantive meeting is scheduled for November and an organisational meeting will be held in December. The co-conveners of the discussions encourage all WTO Members to participate in order to further enhance the benefits of e-commerce for businesses, consumers and the global economy. Other Members have expressed opposition to these negotiations on the grounds that they are not part of the current negotiating mandate. Many WTO Members emphasized the transformative role of e-commerce, its positive impact on economic growth and development, and its potential to reduce costs of doing businesses, especially for MSMEs.

Given the increased interest to discuss the moratorium and its scope, in April 2019, the WTO Secretariat organized a workshop that brought together a number of intergovernmental organisations, academics and Members. Requests from Members for national and regional seminars continue to increase and the Secretariat has responded positively to such requests. These seminars/workshops, conducted under WTO's technical assistance programme, aim to enhance Members' understanding of the e-commerce discussions in the WTO.

In terms of international collaboration, Secretariat staff participated regularly in ICT and e-commerce related meetings of, inter alia, UNCTAD, WEF, and WCO. The WTO also hosted two events under the Trade Dialogues series – one with the International Chamber of Commerce (ICC) and a second one with Consumer International. The WTO Secretariat continues to collaborate with various organisations and provides input to publications on e-commerce/digital trade issues.

E-commerce Work Program under the Council for Trade in Services (CTS)

The Council for Trade in Services continued to discuss electronic commerce at all of its formal meetings in 2019, which includes a Work Program agenda item on sharing of information and experiences.

At the March meeting, China presented information on the provisions on consumer protection and the liability of e-commerce platforms in its new Electronic Commerce Law, which entered into force at the start of 2019. The United States provided information about a year-long initiative between the governments of the United States and of Lao PDR and their respective private sectors on digital economy issues, highlighting the cooperation activities undertaken and the lessons learnt. Lao PDR indicated that the US initiative had been appreciated, and that it had been helpful and timely in light of the e-commerce work ongoing in the WTO. Australia shared information about its "Tech Future" digital economy

strategy of December 2018, which illustrated its experience in addressing the opportunities and challenges of e-commerce.

At the June meeting, the United States introduced a submission on "The Economic Benefits of Cross-Border Data Flows".³ Several Members said that the communication usefully illustrated the importance of data flows for digital trade and for commercial activities in nearly all economic sectors. A couple of delegations noted that, by enabling the digital economy, data flows contributed to improving the economic participation of under-represented or disadvantaged groups such as MSMEs, women or youths. A number of Members underscored the point made in the submission about the importance of finding a balance between the free cross-border flow of data and the pursuit of other public policy objectives such as the protection of privacy, national security and development. Certain delegations felt the paper did not fully discuss risks associated with data flows.

Also in June, several delegations shared experiences and information. China presented two case studies that demonstrated how e-commerce could help promote industrial development and trade, contributing to inclusive and sustainable growth. Canada shared information about activities of its Trade Facilitation Office. Egypt gave an overview of its new Consumer Protection Law and presented information about the key priorities identified in its e-commerce strategy. New Zealand provided examples of the role of digital technologies and data flows in the agritech and gaming and apps sectors.

Throughout the year, many WTO Members demonstrated full engagement and active participation in CTS discussions under the Work Programme. A couple of Members also expressed concern with regard to the plurilateral initiative on e-commerce being pursued in parallel to the multilateral track. Many Members called for the Work Programme to continue and be intensified, stressing the importance of examining the particular challenges that developing countries and LDCs face.

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. Over the past year, increasing observations by WTO Members on the need for cross-border regulatory cooperation to address policy issues that arise in relation to new ICT technologies and online trade have surfaced. It remains to be seen what kind of initiatives or activities may be suggested at the WTO in this respect. Finally, a number of issues relevant to WSIS actions lines, as discussed above, should be touched upon at the upcoming WTO Ministerial Meeting in Nur-Sultan, Kazakhstan, 8-11 June 2020.

³ Document S/C/W/382.