

Expert Meeting on Data Protection and Privacy: Implications for Trade and Development

High-Level Round Table on Protecting Data and Fostering Trade

Room XXIII, Palais des Nations, Geneva
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Opening Remarks by the Deputy Secretary-General of UNCTAD

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Thank you, Director General Lee,

Good morning,

Thank you all for coming this morning. I am very pleased to welcome such a distinguished gathering of experts to the Palais des Nations – the home of UNCTAD.

Today's gathering is a follow-up to the meeting we held on cyberlaws in 2015, during the first edition of the e-Commerce week. Given the participation of over 250 stakeholders from more than 70 countries last year, we intend to make e-Commerce week an annual event. The high level of engagement suggests that the policies under discussion are increasingly important.

Before I begin, let me take this opportunity to thank all of our partners who hosted sessions yesterday. I'm encouraged to see e-Commerce week evolving into a platform that brings together leading stakeholders from academia, government, civil society, and businesses from different communities.

Let me also express my appreciation to Mr. Lee for having accepted to chair this meeting. UNCTAD attaches great value to the long-standing support offered by your government to our work in the area of ICT for development.

This morning, I'd like to divide my remarks into three parts.

First, I want to talk about the growing importance of data in the digital economy.

Second, I want to talk about what this digital revolution, or digitization of our economies, means for trade.

And third, I want to stress data protection as a means of maximizing the benefits of the digital revolution for trade.

First, the digital revolution is increasingly important, and it's just getting started.

Internet is the engine of the digital economy, and data is the fuel that powers it. The sheer volume of data now exchanged online is staggering. Let's break it down by the minute. Every minute on the Internet:

- Wikipedia gets 439,000 page views
- Google records 4.1 million searches
- 139,000 hours of YouTube videos are watched
- Amazon makes about \$133,000 in sales
- 10 million WeChat messages are sent
- 100,000 tweets are posted
- 204 million emails are sent

And these numbers will only rise in the years to come. Mobile growth is on track to grow 13 times between 2012 and 2017. Also by 2017, there will be 3 times more connected devices than people on the planet.

These numbers suggest a tectonic shift is underway, as the chair also underlined. And we can only imagine the transformation that cloud computing, 3-D printing, and the Internet of Things will unleash. And, yet, this tectonic is still limited to far too countries and people.

Second, the digital revolution is changing how and what we produce, and therefore how and what we trade. A central feature of the digital economy is that the production and trade in goods and services relies on data. According to McKinsey estimates, the international flows of data represented \$2.8 trillion of global flows of goods, service, and finance. In a world of global value chains, the exchange of data allows businesses to participate in supply chains by providing discrete tasks or services. And large Multi-National Corporations can manage their production schedules by monitoring inventory data from locations around the world. Therefore, it makes no sense to see the digital economy as separate from the rest of the economy. It is part and parcel of it, indeed it is increasingly inseparable from it.

What's very interesting to us, at UNCTAD, is that the digital economy is creating new economic opportunities for players that have traditionally been on the margins of trade. In the pre-digital age, only massive corporations had the economies of scale to operate on a global level. Today, any entrepreneur with a laptop and a big idea can access global markets. Digitalization does not only reduce entry costs, it can also reduce information asymmetries and be exploited to bridge the urban-rural divide in many countries.

However, to ensure that the digital economy and the data revolution maximize benefits for all, we need to address key policy challenges.

This leads me to my final set of remarks: the digital revolution will only boost trade if it is accompanied by data protection.

As more and more of our lives and economies are digitized, data protection and privacy is becoming increasingly important.

In this context, the figures released yesterday by Ipsos and the Centre for International Governance Innovation, showing declining trust online, are cause for concern.

Trust is the basic currency of the internet. The absence of physical proximity and a handshake means that trust is a more needed commodity in the digital world. As such, we need to promote data protection and privacy measures to tap the potential of the digital economy.

An additional problem is especially acute in developing countries – many of whom still lack basic legal frameworks to secure the protection of data and privacy. UNCTAD's *Global Cyberlaw Tracker* found that as of 2015, only slightly more than half of all countries even had such legislation in the first place. And if they have it, it's often poorly implemented.

The problem from the perspective of global trade is that regulatory approaches across countries are uneven. As data travels through borderless networks, consumers and businesses cannot be sure that data protection and privacy rights are consistently secured. If firms in countries with weak data protection regimes cannot export to countries with strict data protection regimes, this represents a missed opportunity for trade.

Data protection is a pillar of the digital economy. Without it, we will fail to boost trade and development. At the same time, we need to ensure that *data protection* does not slide into *data protectionism*. *And we need to ensure compatibility in approaches across jurisdictions.*

Against this backdrop, the following discussions among various stakeholders are absolutely essential. It is my hope that all of your contributions at this expert meeting will help to identify best practices and compatibility of the relevant legal frameworks.

With your support, we can accelerate digital transformation and maximize its benefits for all.

Thank you for your attention.