

**UNITED NATIONS COMMISSION ON SCIENCE AND TECHNOLOGY  
FOR DEVELOPMENT (CSTD)**

**Contribution to the CSTD ten-year review of the implementation of WSIS  
outcomes**

Submitted by

**WORLD TRADE ORGANIZATION**

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**Submission by the WTO**  
**to the CSTD's 10 year review of WSIS implementation**

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 to make all this possible, it has contributed over the past decade to the implementation of WSIS outcomes and principles.

Changes experienced in the trade sector of goods and services, in the last 10 years since WSIS, are also reflected in the process of adjustment of frameworks to challenges brought about by new technologies and commercial models. Trade initiatives related to WSIS principles have also 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.

The actions taken by WTO members took into account the changes brought by the internet and technological development in new ways of trade. Given this new scenario, members have had active initiatives in order to adapt their framework and policies to the new defies that arise; the Work Program on Electronic Commerce and the Information Technology Agreement are the principal ones.

**Work Program on Electronic Commerce**

Since 1998 when the Work Program on Electronic Commerce (WT/L /274) was adopted during the Second Ministerial Conference in Geneva, governments have consistently stressed the growing importance of electronic commerce in global trade. During this period the WTO has examined the evolution of trade-related issues relating to online commerce. As part of this commitment, the different bodies of the WTO have been involved on a program which has explored cross-cutting trade issues and it's the relation to economic, financial and development needs, especially for developing countries.

During recent Ministerial Conferences and, in particular, the one that took place in Bali in 2013 (WT/MIN(13)/32), 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 heir commitment by WTO Members to reinvigorate the work on subjects like 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.

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

Lastly, during the sessions of the Council for Trade in Services that took place in May 2014, members agreed to continue working on the Work Programme but they also showed

common concerns about privacy protection, cross-border information flows, data localisation requirements and cloud computing. 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 abused as means to restrict trade or to arbitrarily discriminate. This is just one example of the challenges posed by the rapid development and expansion of electronic commerce and hence the transfer of information, which should be overcome taking into account both WTO and WSIS principles.

### **Information Technology Agreement**

Since 1996 members have chosen 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.

Since its signature, with only 14 members, the ITA has notably evolved. By June 2014, the ITA had 51 Participants (covering 79 Members and States or separate customs territories in the process of acceding to the WTO) representing approximately 96% of world trade in information technology products (G/IT/1/Rev.50)

During the process of implementation, the ITA Committee has been in charge of overseeing the putting into practice of the agreement and answering on consultation about Non-Tariff Barriers (NTB's) and classification issues.

According to the publication issued for the 15 years of the ITA, exports of IT products reached an estimated US\$ 1.4 trillion in 2010, almost triple the 1996 value, and accounted for approximately 9.5 per cent of global merchandise exports. The acceleration of the demand on information technology products is one of the reasons of this result but also the liberalization of the market reached by reducing the maximum rates and the tariffs, applied on a most favoured-nation basis.

By keeping the costs of international IT products transactions as low as possible, it has been possible for the ITA to extend economic benefits to many economies, but especially to developing countries. Many of them are now able to participate in the global production networks by producing components for many manufactured goods around the world.

During recent years (G/IT/M/59), participants of the agreement have reiterated their intention to continue the ITA product expansion negotiations. This 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.

Finally, the results of these initiatives are evident in many sectors. Ways of conducting business have changed dramatically, especially for SMEs, by providing greater access to global markets, breaking down barriers of time and distance, lowering costs and providing greater access to consumers. Non-discrimination, predictability and transparency have been and will continue to be the mainstay of the development of the digital economy through online platforms. WTO initiatives that help to implement WSIS principles and outcomes take on even greater importance today in an era of heightened concern for cybersecurity issues. Fostering an atmosphere of trust and addressing the concerns in an equitable will ultimately have a positive impact on the consumers and citizens who are the backbone of Information society.