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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 2021 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 25th 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 2021
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 and particularly e-business (C7), and international and regional cooperation (C11). Over the 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 the 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 online seminars. For example, during 2021, 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) and the Council for Trade in Goods (CTG).

These various streams of work are expected to continue in 2021, in recognition of the impact that ICT developments and new technologies have on global trade and the need to promote recovery and resilience in the wake of the COVID-19 pandemic.

Moreover, in preparation for the WTO's Ministerial Conference at the end of 2021, WTO Members must reach a decision on whether or not to extend the Moratorium on customs duties on electronic transmissions that has been in place since the Work Programme on Electronic Commerce began in 1998.

Part Two: Overview of trends and experiences

WTO activities relevant to ICT continued to take place on multiple fronts. As concerns ICT equipment trade, and reducing tariffs to make it less costly, the Information Technology agreements continued work during the year. With regard to the often-noted gaps in data on ICT-enabled trade, the WTO continued its efforts to improve statistical collection. The Work Programme on Electronic Commerce remains active, and interest may be expected to endure, despite differences about the direction the work should take. Diverse perspectives among WTO Members have emerged about the future of the Moratorium on customs duties on electronic transmissions, which has been in place as part of the Work Programme (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 part of the Work Programme discussions in the Council for Trade in Services. A plurilateral initiative on e-commerce continued rulemaking negotiations in 2021, with 86 WTO Member governments taking part as of October 2021. The WTO Members and Secretariat have continued to engage with various stakeholders by means of online seminars featuring panels on ICT/e-commerce and Internet governance related topics.

Part Three: Description

Part 3(a) Policies, programmes and projects

Information Technology Agreement (ITA)

In 2021, the focus of discussions amongst participants to the WTO 1996 Information Technology Agreement (ITA) was on implementation issues, product coverage, classification divergence, non-tariff measures. The 1996 ITA has 54 participants, representing 82 WTO members, and accounts for approximately 97% of world trade in information technology products.¹

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.

In June 2021, Lao People's Democratic Republic (Lao PDR) officially requested to join the ITA and the ITA Expansion Agreements and is expected to join soon.

A symposium on "*25 Years of the Information Technology Agreement*" was held in September and addressed five themes, namely: trade liberalization under the ITA and the evolution of global trade in ICT products; the role of ITA products, ICT and digital solutions in combatting the COVID-19 pandemic; latest advances in technologies and the ICT sector; the role of ICT as an economic development tool; and the future of the ITA.

Measurement of digital trade

Following the publication of the OECD-WTO-IMF Handbook on Measuring Digital Trade², the WTO's efforts in 2021 focused on raising awareness among statisticians about the conceptual framework. This was done through various regional webinars and virtual workshops. An updated version of the Handbook, which is a living document, will be available in mid-2022, providing further conceptual guidance and including country examples.

Work on electronic commerce

During 2021, discussions on electronic commerce in the WTO maintained momentum. WTO Members recognized the important role that e-commerce can play in supporting the economic recovery from the COVID-19 pandemic and the need to address development-related challenges and

¹ Global exports of goods covered under the ITA I have more than quadrupled in value over these 25 years, from 549 billion US dollars in 1996 to over two trillion US dollars in 2020

² [Handbook on Measuring Digital Trade, Version 1 - OECD](#)

opportunities.

Discussions continue under two parallel tracks: multilaterally, under the Work Programme on Electronic Commerce, and plurilaterally, under a joint statement initiative by a group of Members who launched negotiations on trade-related aspects of electronic commerce.

At the multilateral level, efforts have been made to reinvigorate the Work Programme on Electronic Commerce, both in the General Council and in the WTO bodies charged with its implementation, 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).

In the General Council, Members continued to discuss primarily the impact and scope of the decision not to impose customs duties on electronic transmissions (the Moratorium). The General Council Chairman held consultations with Members and convened a structured discussion in July that allowed Members to share their national experiences and delve deeper into some of the issues related to the Moratorium and to e-commerce more generally. These discussions will continue in preparation for the WTO's 12th Ministerial Conference (MC12) at the end of the year. On that occasion, the General Council is expected to report to Ministers, and Members will have to decide on the future of the Work Programme and the extension of the Moratorium on customs duties on electronic transmissions that has been in place since 1998.

Seminars and technical assistance related to e-commerce continued to be held virtually. Requests from Members for national and regional seminars continue to be received and the Secretariat has responded positively to such requests. These seminars/workshops, often conducted under the auspices of the WTO's technical assistance, aimed to enhance Members' understanding of the state of play in e-commerce discussions in the WTO.

In terms of international collaboration, Secretariat staff participated regularly in ICT and e-commerce related virtual meetings of other organizations. The WTO also continued to host a series of webinars that explored various aspects of data governance and trade under the auspices of WTO's Trade Dialogue Lectures.³ In addition, the WTO Secretariat continues to collaborate with various organisations and provide input to publications on e-commerce/digital trade issues.

In a 2021 edited publication "Trade in Knowledge"⁴, WTO Secretariat staff, together with academic researchers in the fields of economics and law, explored various facets of digitization's impact on trade and knowledge flows across borders. The volume addresses the conceptual framework of trade in knowledge, including its measurement, the impact of knowledge flows on trade and development, and the policy, regulatory and legislative frameworks governing, and reacting to, increased trade in digital products. In April, the Secretariat organized a webinar⁵ on the same topic, which explored the burgeoning trade in knowledge within the framework of TRIPS.

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

The Council for Trade in Services continued to discuss electronic commerce at all of its meetings in 2021, which include a Work Programme agenda item with a sub-item on Members sharing of information and experiences.

A joint communication tabled in 2020 on how Members are supporting digital capabilities of business and consumers continued to generate substantive engagement.⁶ Several Members shared information about their programmes as well as recent domestic e-commerce related developments. Members also expressed appreciation for the overview Note on the information shared by delegations produced by the 2020 CTS Chairman under his own responsibility.⁷

³ See https://www.wto.org/english/res_e/reser_e/tradedialogueslseries_e.htm

⁴ Antony Taubman and Jayashree Watal (eds.), Trade in Knowledge, Cambridge University Press, forthcoming 2021.

⁵ https://www.wto.org/english/tratop_e/trips_e/trips25_trade_in_knowledge_e.htm

⁶ JOB/SERV/296/Rev.4, co-sponsored by Australia; Brazil; Canada; Colombia; Hong Kong, China; Japan; the Republic of Korea, Mexico; New Zealand; Nigeria; Norway; Singapore; Ukraine and the United Kingdom.

⁷ JOB/SERV/CTS/4.

Throughout the year Members emphasised that e-commerce was vital to fostering economic growth and development and stressed that COVID-19 had considerably highlighted this role. Various Members stressed the need for the WTO to focus attention on the challenges that developing countries faced in reaping the opportunities provided by the digital economy and underscored the importance of strengthening multilateral discussions under the Work Programme.

A couple of Members stated that the plurilateral JSI e-commerce negotiations were detrimental to the multilateral trading system and said that, in their view, the extension of the Moratorium on customs duties on electronic transmissions would be harmful to developing countries. On the other hand, several Members noted the far-reaching benefits of the Moratorium for both businesses and consumers. These delegations underscored that the JSIs were inclusive, transparent and open to the participation of all Members.

- E-commerce Work Programme under the Council for Trade in Goods (CTG)

The Council for Trade in Goods continued to discuss electronic commerce at all its formal meetings in 2021, which include a Work Programme agenda item.

The LDC Group recalled the interest they had in the securing benefits of e-commerce for their companies, consumers, and their economy in general, but stressed that some difficulties would need to be addressed under the Work Programme, including how to help Micro, Small and Medium-Sized Enterprises (MSMEs) in LDCs. They also considered that the Work Programme should help LDCs with their efforts to use e-commerce for development and economic growth, including as regards infrastructure, promoting the necessary policy frameworks, and simplifying the collection of taxes.

One Member highlighted the importance for Members to comprehend the full implications of the effects of e-commerce and recalled that it had joined the consensus for a six-month extension of the Moratorium, with an understanding that the Work Programme would be reinvigorated with the specific objective of achieving clarity on issues related to the scope of the Moratorium. After recalling that the digital gap had increased with the COVID-19 pandemic, a couple Members noted that a comprehensive approach was necessary to ensure that weaker economies would benefit from e-commerce in a just manner.

Finally, one Member expressed its strong support for the Work Programme, including the Moratorium, and welcomed all discussions, both in the CTG and in other relevant fora, and the structured discussions in the General Council.

- E-commerce Work Programme under the Committee on Trade and Development (CTD)

The item concerning the Work Programme on E-Commerce has been regularly appearing on the CTD's agenda. Although there are currently no specific submissions for the CTD to consider in the context of the Work Programme, some Members have highlighted the importance of discussing the development-related aspects of e-commerce. The delegation of India indicated that it was working with other Members on a submission for the Committee.

- Joint Statement Initiative (JSI) on e-commerce

A group of 86 WTO Members participating in the Joint Statement Initiative on e-commerce continued to negotiate possible new rules on trade-related aspects of electronic commerce. Negotiations are organized under six broad themes: enabling e-commerce; openness and e-commerce; trust and e-commerce; cross-cutting issues, such as transparency, domestic regulation, and cooperation; telecommunications; and market access.

During 2021, meetings continued to be held in plenary and in small drafting groups to refine various texts proposals submitted by Members. Substantive progress has been made since the beginning of the year, with participants achieving clean text on unsolicited commercial electronic messages (spam), e-authentication and e-signatures, electronic contracts, online consumer protection and open government data. An article on transparency has been "parked", subject to the final scope and legal structure of the initiative's outcome.

In September 2021, the co-convenors (Australia, Japan and Singapore) circulated an updated consolidated negotiating text capturing progress made thus far. This will serve as the basis of further

discussions. A focused discussion on capacity building and technical assistance was held in September. On that occasion, participants discussed possible ways of addressing the needs and challenges faced by developing and least-developed countries, as well as proposals to help them implement the new rules on e-commerce and address the digital divide. The co-convenors aim to achieve substantive progress by MC12. As such, work is intensifying in order to streamline the text as much as possible.

Part3(b) Future actions or initiatives

The activities indicated above represent ongoing work of the WTO, most of which are likely 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 are also expected to 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 may also continue. Over the course of the year, many WTO Members have noted that the COVID-19 pandemic has underscored the importance of the ICT sector and highlighted how new technologies and business models and e-commerce, in particular, will be essential to the recovery and resilience of impacted economies. This is also evidenced by increased demand from Members for technical assistance. Finally, a number of issues relevant to WSIS actions lines, as identified above, will be touched upon at the upcoming WTO 12th Ministerial Conference.