

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

**Twenty-fourth session
Geneva, 17 to 21 May 2021**

**Submissions from entities in the United Nations system, international
organizations and other stakeholders on their efforts in 2020 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 24th 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 2020 **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 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 online seminars sponsored by Members, stakeholders and the Secretariat. Such activities are expected to continue in recognition of the impact that ICT developments and new technologies have on global trade and the need to promote resilience in the wake of the COVID-19 pandemic.

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) and the Council for Trade in Goods (CTG). These various streams of work by WTO bodies are expected to continue in 2021. Moreover, in preparation for the WTO's Ministerial Session in 2021, 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 E-commerce Work Programme began in 1998.

Part Two: 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 work during the year. 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 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. Different 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 Services Council's Work Programme agenda. A plurilateral initiative on e-commerce/digital trade continued rulemaking negotiations in 2020, with 87 WTO Member governments taking part by year end. The WTO Members and Secretariat have continued to engage with various stakeholders, including the business community, NGOs and academics by means of a significant number 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 2020, the participants to the WTO 1996 Information Technology Agreement (ITA) met to discuss implementation issues related to the ITA. Three ITA implementation issues, concerning India, China and Indonesia, were raised and discussed. The 1996 ITA has 53 participants representing 82 WTO members, and accounts for approximately 97% of world trade in information technology products.

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 2018, world exports of the 1996 ITA and the 2015 ITA Expansion products reached a share of around 20% in world total manufactures exports.

Measurement of digital trade

In 2020, the WTO published jointly with the OECD and the IMF the first Handbook on Measuring Digital Trade (Version 1). The Handbook is the output of efforts within an Expert Group created under the aegis of the Inter-Agency Task Force on International Trade Statistics. The handbook provides a conceptual framework to define digital trade, and a mechanism to bring together and share existing national and international efforts on measuring digital trade and/or dimensions of it, that could be used to identify and develop best practice. The Handbook is designed to be updated on a continuous basis as work in various areas is still at an infancy stage.

Work on Electronic Commerce

During 2020, 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 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, under the Work Programme and plurilaterally, under an initiative launched by a group of Members who have issued a Joint Statements on Electronic Commerce.

At the multilateral level, efforts are ongoing under the auspices of the General Council and the relevant bodies to reinvigorate the Work Programme. Members continue to discuss the impact and scope of the decision not to impose customs duties on electronic transmissions (the moratorium). During 2020, the General Council Chair continued consultations with Members on the way forward on the Work Programme and the moratorium, with a view to reporting to Ministers regarding possible continued extension of the moratorium for the WTO's 12th Ministerial Session to be held in 2021 in view of its pandemic-related cancellation in 2020.

Seminars and technical assistance related to e-commerce continued, but on a virtual basis due to the pandemic. Given the increased interest in exploring the intended scope of the moratorium, the WTO Secretariat organized a second workshop in 2020 (following one in 2019) that brought together a number of intergovernmental organisations, academics and Members. 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 WTO's technical assistance, aim 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 throughout the year, including UNCTAD, IGF and ECOWAS, to name a few. The WTO also hosted a series of four webinars over the course of the autumn that explored various aspects of data governance and trade under the auspices of WTO's Trade Dialogue Lectures.¹ Also, in May 2020, the Secretariat prepared a note on the impact of the COVID-19 pandemic on e-commerce.² Other relevant notes on the pandemic included those prepared covering trade in services and MSMEs.³ In addition, the WTO Secretariat continues to collaborate with various organisations and provide input to publications on e-commerce/digital trade issues.

¹ See https://www.wto.org/english/res_e/reser_e/tradedialogueslseries_e.htm

² See https://www.wto.org/english/tratop_e/covid19_e/ecommerce_report_e.pdf

³ For other notes, see https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm#reports

- 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 formal meetings in 2020, which includes a Work Programme agenda item on sharing of information and experiences.

In July, the Council for Trade in Services addressed a communication by a group of Members proposing exploratory discussions on how to support digital capability of business and consumers.⁴ The document generated significant engagement by Members who welcomed the communication as a useful contribution that it testified to the value of continuing exploratory discussions under the Work Programme.

In the CTS meetings, Members underscored the crucial role of e-commerce to economic growth and development and noted that the COVID-19 pandemic had brought this aspect further to the fore. Many delegations shared their own experiences and initiatives in support of digital capabilities, and said they continue to contribute at future meetings.

Numerous delegations focussed on the need to bridge the digital divide and the development angle of e-commerce. Several Members called for the CTS discussions to focus on the numerous infrastructural constraints faced by developing countries and LDCs. The communication⁵ continued to generate substantive engagement at the October meeting of the CTS, with several delegations presenting detailed information and follow-up accounts of the initiatives they had undertaken.

Throughout the year Members continued to emphasise that e-commerce was vital to fostering economic growth and development and stressed that COVID-19 had considerably highlighted this role. While acknowledging the benefits of e-commerce, a few Members affirmed that the Work Programme had not sufficiently focused on the significant challenges posed to developing countries.

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

At the meetings during 2020, the CTG Chairperson recalled that Ministers had agreed to continue and reinvigorate their work on electronic commerce. To fulfil the renewed mandate, the e-commerce Work Programme had been included as an agenda item of the CTG meetings.

During mid-year meetings, the LDC group urged the Goods Council to engage in a meaningful discussion to reinvigorate the Work Programme on E-Commerce, particularly in light of its increasing importance during the COVID-19 pandemic. At year-end meetings in November, the African Group, and India called for continued reinvigoration of multilateral work under the Work Programme and constructive engagement in the CTG on discussions on E-Commerce.

- Joint Statement Initiative (JSI) on e-commerce

WTO Members participating in the work of the Joint Statement Initiative on E-commerce continued to negotiate on possible new rules on trade-related aspects of electronic commerce. As of December 2020, the total number of WTO Members participating reached 87.

During 2020, meetings were held in plenary and in small drafting groups to refine various texts proposed by participants. At the year-end meeting reporting on the state of play, the co-conveners (Australia, Japan and Singapore) reported that a new draft text on progress made thus far had been compiled, but there remained significant work ahead. Facilitators of the various small group discussions reported on the work done to find common ground on proposals in the areas of spam, source code, open government data, trade facilitation in goods, market access, electronic signatures and authentication, online consumer protection, open internet access, and customs duties. The co-conveners expressed confidence that the latest texts provided a common basis to advance their work into 2021.

Meanwhile, some Members continue to express opposition to these negotiations on the grounds that they are not part of the WTO's current negotiating mandate. Nevertheless, other WTO Members

⁴ JOB/SERV/296/Rev.2, co-sponsored by Australia; Brazil; Canada; Colombia; Hong Kong, China; Japan; Mexico; New Zealand; Nigeria; Norway; Singapore and the United Kingdom.

⁵ The communication was revised in September, in JOB/SERV/296/Rev.3, to add Ukraine as a co-sponsor.

emphasize the transformative role of e-commerce, the need for clear and predictable legal framework, its positive impact on economic growth, development, and recovery from the COVID pandemic, as well as its potential to reduce costs of doing businesses, especially for MSMEs.

Part3(b) Future actions or initiatives

The activities indicated above represent ongoing work of the WTO which are 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 course of the year, increasing observations were made by WTO Members on how the COVID-19 pandemic has underscored the importance of the ICT sector, in particular, new technologies and business models and e-commerce, in particular, will be essential to the resilience and recovery of impacted economies. Finally, a number of issues relevant to WSIS actions lines, as identified above, should be touched upon at the WTO Ministerial Meeting 2021.