COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)

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Submissions from entities in the United Nations system, international organizations and other stakeholders on their efforts in 2023 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 27th 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 2023 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 workshops, technical assistance activities and events. Following the agreement at the 12th Ministerial Conference in 2022 to reinvigorate the work under the Work Programme and extend the Moratorium on customs duties on electronic transmissions until the 13th Ministerial Conference or March 2014, at the latest, Member have been sharing their experiences and discussing the role of the WTO on a number of issues in monthly Dedicated Discussions. These various streams of work are expected to continue in 2024, in recognition of the impact that ICT developments and new technologies have on global trade.

Part Two: Overview of trends and experiences

WTO activities relevant to ICT continued to take place on multiple fronts. The Work Programme on Electronic Commerce remains active, and interest is expected to endure in the lead-up to the 13th Ministerial Conference to be held in late February 2004. Diverse perspectives exist among WTO Members about 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. As concerns ICT equipment trade, and reducing tariffs to make it less costly, the Information Technology agreements continued work during the year, with the Democratic Republic of Timor-Leste, a Least-Developed Country in the process of joining the WTO, joined the ITA and the ITA Expansion agreements in October 2023. With regard to the often-noted gaps in data on digitally enabled trade, the WTO continued to contribute to efforts to define and measure digital trade, and the provision of technical assistance to developing economies . A plurilateral initiative on e-commerce continued rulemaking negotiations in 2023, with 89 WTO Member governments taking part as of October 2023. WTO Members and the Secretariat have continued to engage with various stakeholders.

Part Three: Description

Part 3(a) Policies, programmes and projects

Information Technology Agreement (ITA)

In October 2023, the ITA Schedules and ITA-Expansion Schedules of the Democratic Republic of Timor-Leste were approved by the ITA Committee and the 2015 ITA-Expansion Group respectively. In this connection, Timor-Leste became the third LDC to join the ITA and second LDC to join the ITA Expansion Agreement.

Aid for Trade

Digital connectivity features prominently in the 2023-24 Aid for Trade work programme, which WTO Members agreed on at a February 2023 meeting of the Committee on Trade and Development.

Measurement of digital trade

In 2023, the IMF, OECD, UNCTAD and WTO jointly published the second edition of the Handbook on Measuring Digital Trade.¹ The new version of the Handbook clarifies concepts and definitions, compilation guidance, and includes recent country cases.

In April 2023, the WTO published estimates on exports of digitally delivered services in its publication "Global Trade Outlook and Statistics" and provided data online for some 200 economies.²

Work on electronic commerce

Work on e-commerce at the WTO continues 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.

- E-commerce Work Programme

At the multilateral level, efforts continue to be made to reinvigorate the Work Programme on Electronic Commerce, both in the General Council and in the subsidiary 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).

¹ https://www.wto.org/english/res_e/booksp_e/digital_trade_2023_e.pdf

² In WTO Global Trade Outlook and Statistics,

At the 12th Ministerial Conference (MC12) held in June 2022, Members agreed to reinvigorate the work under the Work Programme, intensify discussions on the moratorium – including on its scope, definition, and impact – and extend the moratorium until the 13th Ministerial Conference (MC13) or March 2014, at the latest.

Since then, Members' efforts have been geared towards delivering on what was agreed. A facilitator was appointed by the Chair of the General Council in late 2022 to steer Members' discussion on the Work Programme and the moratorium. Under Dedicated Discussions, which have been held at a monthly rate, Members have had the opportunity to share their experiences and discuss the role of the WTO and that of other institutions on issues of interest as identified by Members. The topics discussed were consumer protection, legal and regulatory frameworks, digital trade facilitation and facilitation of electronic transactions, the digital divide, the moratorium, digital industrialization, and e-commerce related technology transfer.

This process has stimulated enhanced engagement by Members in 2023. Members have noted the WTO's role in bringing together the relevant intergovernmental organisations working on different e-commerce related topics. In that regard, in June 2023, an IGO Workshop was organized with the participation of ITC, ITU, OECD, UNCITRAL, UNCTAD, WCO, and World Bank, who shared their ongoing e-commerce work.

In the remaining months leading up to MC13, Members will focus on possible outcomes and recommendations.

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

The Council for Trade in Services discussed electronic commerce under an agenda item on the Work Programme at all its regular meetings of 2023.

In the Council, Members continued to share information about domestic developments and experiences related to electronic commerce. At the December 2022 meeting, following a proposal by some delegations, the Council agreed that the Secretariat would produce a compilation of the information contributed by delegations until then. The Secretariat Note³ was addressed by the Council at the March 2023 meeting, with delegations noting the variety of information that Members had contributed.

At its October 2023 meeting, the Council considered a communication by the African Group relating to technology transfer and resilience building under the e-commerce Work Programme.⁴

- <u>E-commerce Work Programme under the Committee on Trade and Development (CTD)</u>

The item concerning the Work Programme on Electronic Commerce has been regularly appearing on the CTD's agenda. Since November 2021, the Committee had been considering a communication from India and South Africa titled 'Global Electronic Commerce for Inclusive Development'. A revised version of the communication was circulated in March 2023. The communication states, *inter alia*, that there is a serious need to examine the development needs of developing countries to bridge the digital divide and ensure inclusive global economic development, and that the existing Moratorium on customs duties on electronic transmissions limits the ability of developing countries to impose tariffs on the growing imports of electronic transmissions.

- E-commerce Work Programme under the Council for TRIPS

The Council for TRIPS has had the Work Programme on E-commerce on its agenda at the request of individual Members at a number of meetings. Most recently, Members considered a submission by South Africa entitled "Intellectual Property and the 1998 Work Programme on Electronic Commerce". This submission proposes to intensify the examination of IP issues arising in connection with electronic commerce, in particular as regards the protection and enforcement of copyright and

³ Document S/C/W/425.

⁴ Document S/C/W/450.

⁵ Document WT/COMTD/W/264/Rev.1.

⁶ Document IP/C/W/698.

related rights; protection and enforcement of trademarks; and new technologies and access to technology.

Joint Statement Initiative on E-commerce

In 2023, JSI participants welcomed two new participants (the Kyrgyz Republic and Oman) bringing the total number of participants to 89 WTO Members (as of October 2023). Over the course of the year, JSI participants continued negotiations on trade-related aspects of electronic commerce. During a development workshop in March 2023, updates were received on the JSI Capacity-Building Framework that was launched in 2022 to strengthen digital inclusion and to help developing and least developed countries harness the opportunities of digital trade. A revised consolidated text was issued in August 2023. To date, they have achieved convergence on 12 articles, namely: open government data, consumer protection, spam, e-signatures and e-authentication, e-contracts, transparency, cybersecurity, open internet access, paperless trading, electronic transactions frameworks, e-invoicing and single windows. Work is ongoing in several areas including telecommunications, development, ICT products that use cryptography, source code, data flows and localisation, and privacy. The co-convenors hope to achieve substantial progress by the end of the year.

WTO Secretariat

Seminars and technical assistance related to e-commerce have been held both online and in person. 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, aim to enhance Members' understanding of the state of play in e-commerce discussions in the WTO, as well as developments with the measurement of digital trade.⁷

In terms of international collaboration, Secretariat staff participated in ICT and e-commerce related meetings of other organizations, such as the ITU Workshop on Combating Counterfeiting and Stolen ICT Devices. The WTO continued to host a series of events of relevance to e-commerce and connectivity. For instance, in March 2023 the Secretariat organized a workshop on ITA and Digital Transformation for representatives of 30 developing countries. An information session was also held during which government officials of ITA Participants continued their dialogue with IT industry representatives on new development of industrial technologies and trade policy implications regarding global value chains of the ICT sector. In June 2023, the Secretariat and the International Chamber of Commerce organized a webinar with private sector representatives from various regions. The webinar took stock of how trade in goods had evolved in the digital era, shed light on what had changed since the COVID-19 pandemic and discussed experiences and the way forward.8 The WTO Public Forum held in September also featured many sessions focused on the digital economy.

In addition, the WTO Secretariat continues to collaborate with various organisations and provide input to publications on e-commerce/digital trade issues. The IMF, the OECD, UNCTAD, the World Bank and the WTO have joined forces to prepare a report on digital trade and development, which is set to be published in the second half of 2023. In addition, the WTO, in partnership with the World Bank, launched the Digital Trade for Africa initiative in June. The initiative aims to assist interested African countries close gaps in connectivity and regulatory infrastructure.

Part3(b) Future actions or initiatives

⁷ The IMF, OECD, UNCTAD and WTO Handbook on Measuring Digital Trade provides the foundation for a joint active programme of technical assistance and statistical capacity-building to support statistical compilers in developing economies. A regional workshop on measuring digital trade for Arab countries represents the launch of this programme.

⁸ It was stressed that the digital era required a collaborative journey, especially when it came to market access. Working hand in hand with government partners would ensure the exchange of information on what is happening on the ground and the adoption of trusted technologies, interoperable systems and common digital standards and practices. It was also highlighted that more effective border processes translated into more environment-friendly trade and economic gains through lower trade costs. For more information, please visit <a href="https://www.wto.org/english/tratop_e/markacc_e/mark_0106202310_e/mark_01062023

The activities indicated above represent ongoing work of the WTO, most of which will 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 may also be 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. The Secretariat is also experiencing 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 13th Ministerial Conference, which will be held at the end of February 2024.