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TRADE AND DEVELOPMENT BOARD  
Commission on Enterprise, Business  
Facilitation and Development  
Third session,  
Geneva, 23 November 1998  
Agenda item 4

**THE IMPACT AND RELEVANCE OF ELECTRONIC COMMERCE ON  
TRADE GROWTH AND DEVELOPMENT**

Agreed conclusions \*

1. In the years to come, the development of electronic commerce will affect fundamentally the functioning of international trade. The participation of developing countries - in particular the least developed countries, and certain developing countries with structurally weak and vulnerable economies - and countries with economies in transition, and in particular of their enterprise sectors, in electronic commerce will be an essential ingredient for growth and wealth creation at the global level.

2. However, present inequalities in access to underlying infrastructures (such as telecommunications) and networks (such as the Internet) need to be addressed if the potential benefits of electronic commerce are to be realized in a truly global fashion. Equally important in this respect will be the ability of these countries to access relevant information about the technical, legal, economic and policy issues raised by the rapid development of electronic commerce.

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\* As agreed at its closing plenary meeting on Monday 14 December 1998.

3. In this context, the "Partners for Development" meeting (held in Lyon, France, from 9 to 12 November 1998) constitutes a positive contribution towards a common understanding of the development dimension of electronic commerce. The Commission considers that the pursuance of this positive approach could contribute to the work towards an international framework for electronic commerce.

4. The Commission expresses its appreciation to the secretariat for the quality of the analytical documentation produced for its third session, and stresses the importance of analytical documentation in raising awareness among member States of the potential benefits and obstacles specific to the development dimension of electronic commerce and in deepening understanding of policy implications. It considers that UNCTAD can make a significant and positive contribution to the current debate on electronic commerce by pursuing such work, while focusing on issues related to trade and development. This should be done in cooperation with international organizations which have a specific interest in the field of electronic commerce.

5. The Commission takes note of the recommendations of the expert meeting on "Capacity-building in the area of electronic commerce: human resource development", contained in document TD/B/COM.3/13.

**A. Addressed to Governments**

6. Governments are invited to provide the proper legal and regulatory environment for the rapid development of electronic commerce and its dissemination among enterprises, especially small and medium-sized enterprises with a view towards, *inter alia*, facilitating interoperability. In particular, policy measures likely to encourage investment in local telecommunications infrastructures and Internet connectivity should be considered as a precondition for the enhancement of the participation of all countries in electronic commerce.

7. Both the private sector and the public sector have important contributions to make to the design of the national and international rules and guidelines which will allow a fair and truly global dissemination of the benefits of electronic commerce. Governments are invited to pay appropriate attention to the experience and expertise of their own enterprises in the area of electronic commerce.

8. Governments are invited to pursue their efforts to give appropriate consideration to the development impact of the possible rules and regulations they could adopt nationally, regionally and internationally in the field of electronic commerce.

**B. Addressed to the international community**

9. The international community is invited to strengthen assistance to these countries in the following priority areas:

- (a) Raising the awareness of government officials, trade practitioners and entrepreneurs about the various legal, technical and economic dimensions of electronic commerce, and their potential impact on the ability of these countries to participate more actively in international trade;
- (b) Offering practical learning and information tools to enhance the ability of such countries and their enterprises to use the techniques of electronic commerce effectively ;
- (c) Strengthening developing countries' ability to enhance their trade efficiency through the use of electronic means;
- (d) Providing necessary assistance to these countries in capacity-building and in setting up the necessary legal and regulatory framework to benefit from electronic commerce;
- (e) Facilitating broader participation of these countries in the work towards an international framework for electronic commerce.

**C. Addressed to UNCTAD**

10. The Commission takes note of the existing cooperation between UNCTAD and other relevant international and regional organizations which have relevance in the field of electronic commerce and stresses the importance of further enhancing such cooperation.

11. The Commission requests that UNCTAD gather information relevant to development-related dimensions of electronic commerce and that this be posted on UNCTAD's website. Such information could include development-related programmes of international organizations as well as basic statistics on Internet access and connectivity.

12. The UNCTAD secretariat is encouraged to pursue its analytical and research work on the links between electronic commerce and development, with special focus on measures and policies likely to enhance the ability of these countries to participate more fully in global electronic commerce. The secretariat is encouraged to approach other relevant organizations to produce joint studies in areas of particular interest to these countries. Specific importance should continue to be attached to the links between electronic commerce and trade facilitation. Such work should be made available to other relevant organizations, in particular the World Trade Organization.

13. The Commission requests UNCTAD to organize regional electronic commerce workshops; emphasis should be put in such workshops on stimulating exchanges of experiences among enterprises having a practical knowledge of electronic commerce.

14. The Commission takes note of the secretariat's revised proposals for the Trade Efficiency Assessment Methodology (TEAM) and encourages the secretariat to approach possible donors to expand, if necessary, to other countries the valuable exercise carried out in Cambodia.

15. The Commission takes into account and supports UNCTAD's work in the area of electronic commerce. Concerning the Trade Point Programme, the Commission reserves its conclusions for its next session in the light of the ongoing discussion on the in-depth review of that programme in the Working Party on the Medium-term Plan and the Programme Budget.

16. The Commission agreed to convene the following expert meeting under agenda item 4:

Capacity-building in the area of electronic commerce: legal and regulatory dimensions:

- (a) Potential impact on developing countries of the legal and regulatory proposals currently being discussed in international forums;
- (b) Capacities and policies to be considered by developing countries and the international community to stimulate the participation of smaller players (including small and medium-sized enterprises and least developed countries) in global electronic commerce.

It decided to mandate its extended Bureau to consider the topic for the second expert meeting under this agenda item.