

REPORT

from WTO Public Forum 2016
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Geneva Internet Platform
DigitalWatch

Final report prepared by the Geneva Internet Platform with support from DiploFoundation

The 2016 World Trade Organization (WTO) Public Forum dominated last month's discussions on e-commerce and trade. The forum linked the theme of inclusive trade with realising the sustainable development goals (SDGs), narrowing the digital divide, overcoming barriers to development, and resolving other issues related to digital trade.

A call for inclusiveness: placing businesses on an equal footing

Inclusiveness in the context of the global digital trade was a recurrent theme. E-commerce and the digital trade (which were used interchangeably during the forum) should place companies, small and medium-sized enterprises (SMEs), and micro businesses from both developed and developing countries on an equal footing, or at least, as equal a footing as possible. For this to happen, a number of barriers need to be overcome: businesses need to have access to infrastructure, technologies, and distribution channels; they also need to operate in a clear and appropriate regulatory environment.

The development of an enabling environment was described as essential. It should include clearer, more predictable, and, to some extent, more liberal regulatory frameworks (in areas such as consumer protection, privacy and data protection, intellectual property rights, and taxation), as well as policies aimed at supporting the engagement of SMEs in e-commerce activities.

A call was made for countries to avoid protectionism and regulations focused exclusively on national perspectives, as these could lead to a fragmentation of the global digital economy. Concerns were expressed regarding impediments to the free flow of data across borders, and the negative consequences that data localisation policies could have for the global digital trade.

Promoting e-commerce and digital trade

International regulations need to be more coherent and facilitate an open and competitive environment, given that national borders are

fading in the digital economy. The WTO could have a role to play, by more strongly incorporating e-commerce and the overall digital economy in its agenda. Suggestions were made for the WTO to consider working on a comprehensive package of measures that would enhance competitiveness and capacity for e-commerce, facilitate digital trade, and enhance trust and confidence among suppliers and consumers.

Trade policies are an important element for developing digital trade. They should be multi-layered, reflecting the specificities of national and global levels. More effective trade policy-making will require additional evidence, information, and capacity building.

Digital trade and sustainable development: bridging the gap between opportunity and reality

Many developing countries face a dichotomy between the opportunities of digital revolution and the realities of numerous challenges and barriers for digital growth.

Such challenges include poor infrastructure and logistics, lack of or unreliable online payment mechanisms, cumbersome customs procedures, issues related to trade licensing and other regulatory aspects, and lack of digital skills.

Digital trade relates to a large number of SDGs, and while many efforts are being made towards their attainment, it was argued that governments should take responsibility for their implementation. Cooperation among stakeholders and policy coherence were also mentioned as prerequisites for achieving the SDGs. Other suggestions to overcome these challenges included encouraging public-private partnerships to invest in ICTs, developing the trade capacity of least



development countries (LDCs), and promoting enabling platforms. In this context, several speakers also lauded UNCTAD's efforts and the eTrade for All initiative, launched in July, which promises to unlock the potential of e-commerce for developing countries.

Some SDGs were highlighted in further detail. For example, one session addressed the need to further support and encourage the inclusion of women in the fields of science, innovation, and technology across public institutions, private companies, and technical bodies. The inclusion of women can be best stimulated by focusing on outreach, sharing best practices, and working on the idea of having quotas.



Privacy and information in the age of digital trade

The connections between digital trade, privacy, and the free flow of information were emphasised in many sessions. One way to contribute to a more inclusive digital economy is to ensure that individuals can fully enjoy the benefits of a free flow of information, with appropriate provisions for privacy rights.

The success of e-commerce is very much dependent on the trust and confidence that consumers have in online transactions. Ensuring that consumers' personal data are adequately protected when purchasing online is a key aspect.

However, the need to comply with often inconsistent legislative approaches towards data protection represents a challenge for companies. One way to address it could be the adoption of a global framework for the protection of privacy and data protection.

The need to integrate human rights-related provisions in trade agreements was also addressed. While the value of such provisions was generally recognised, it was also emphasised that trade agreements alone cannot tackle the issue of human rights protection, as this is still very much dependent on national policies and regulations.

The Geneva Internet Platform provided reports from the sessions related to digital policy; visit the dedicated page.

Definitions and interpretations

E-commerce, digital trade, and Internet economy were used interchangeably during the 2016 WTO Public Forum. The WTO definition is broad enough to cover any digital transaction: 'E-commerce is understood to mean the production, distribution, marketing, sale, or delivery of goods and services by electronic means.' This definition will require more interpretations and precision to reflect the variety of economic models on the Internet, ranging from the selling of goods to emerging shared economy models. The more e-commerce policies become concrete and operational, the more definitions matter. *Consult: Different prefixes, same meaning: cyber, digital, net, online, virtual, e-.*

Read the following articles:



E-commerce in the WTO: the next arena of Internet policy discussions?

Recent developments in e-commerce have renewed interest in the topic which has been part of the agendas of the WTO and OECD for decades. The article summarises the evolution of e-commerce in the WTO, the current stage of discussions, and the recent inclusion of a broad range of Internet policy topics in the documents produced by member states.



The rise of e-commerce initiatives: from expanding access to taxation

E-commerce has been remarkably present in intergovernmental forums, and many new initiatives have flourished. This was paralleled by developments at national level, where the taxation of electronic commerce gained renewed impetus. The article summarises the main initiatives.



E-commerce in Europe: consultations, court rulings, and other updates in September

Several developments – including consultations and inquiry findings, judgments by the Court of Justice of the European Union, and updates on the main regulations and legislation – took place in September. The article summarises the developments at European Union level.



Prospects of decentralised solution in a finance world. The case of blockchain

In the past few decades, banks and financial institutions have embraced the emergence of electronic solutions and implemented strong cryptography in order to secure their business and solidify the trust of their customers. Today, the sector is exploiting the emergence of a new technology called 'blockchain'.

Explore the issues on the *GIP Digital Watch* observatory:



E-commerce



Other economic issues



Digital Divide



Access



Privacy



Cybersecurity