



APEC Business Advisory Council

REIWG III 2024

**WTO state of play, E-Commerce JSI
and A New Services Agenda**

Presentation by Anna Curzon, ABAC New Zealand
Friday 2 August 2024

State of play in the WTO

- Post-MC13, a process of reflection on reform – but **no progress**
- Final General Council pre-Summer break:
 - Adoption of Investment Facilitation for Development deal **blocked** by India, South Africa, Türkiye
 - Finalisation of “Fish 2” agreement **blocked** by India
 - Fish 1 ratifications **lagging** (only 82 out of 110 needed)

“.... in the two years since MC12, the percentage of fish stocks at risk [of collapse] has increased from 35% to more than 37% today.... We will soon reach the point of no return.”

Fish Subsidies Agreement Negotiations Chair, 15 July 2024

- But one bright spot: **digital trade**

WTO JSI on E-Commerce

- “Joint Statement” in 2017, negotiations started 2019
- 91 participants, accounting for over 90% of world trade
- Open to all WTO Members to join
- Co-convenors are APEC economies: Australia, Japan, Singapore
- All APEC economies are participating, except PNG and VN
- **Aim:** A more coherent and interoperable set of global rules



Digital trade is growing - but so are regulations and trade barriers

Chart 19: Global exports of digitally delivered services, 2005-2023

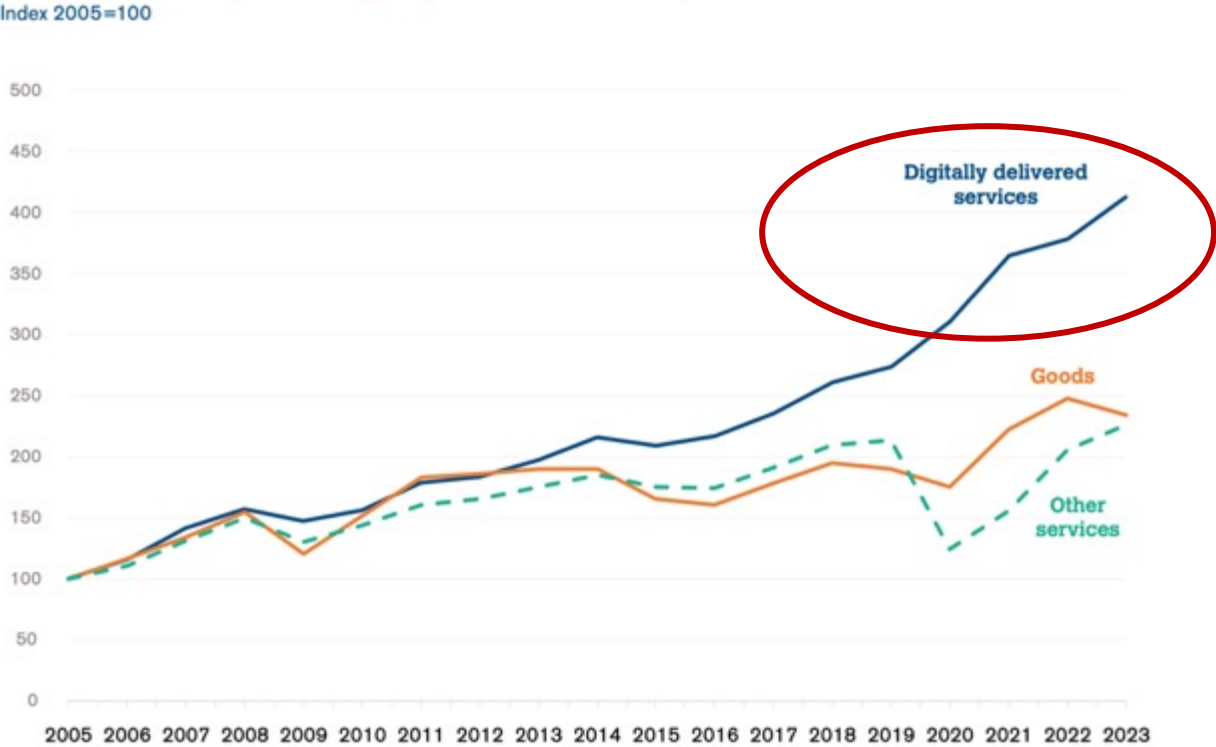
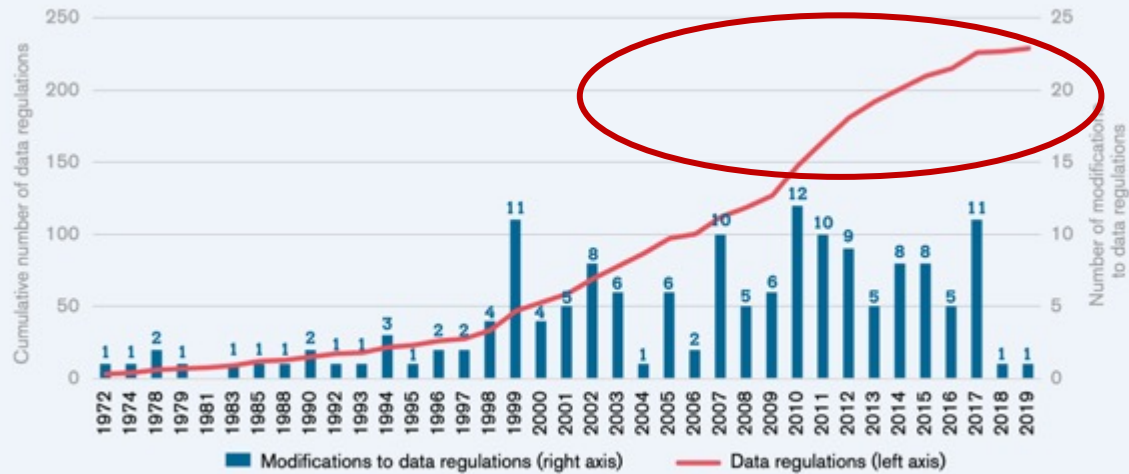


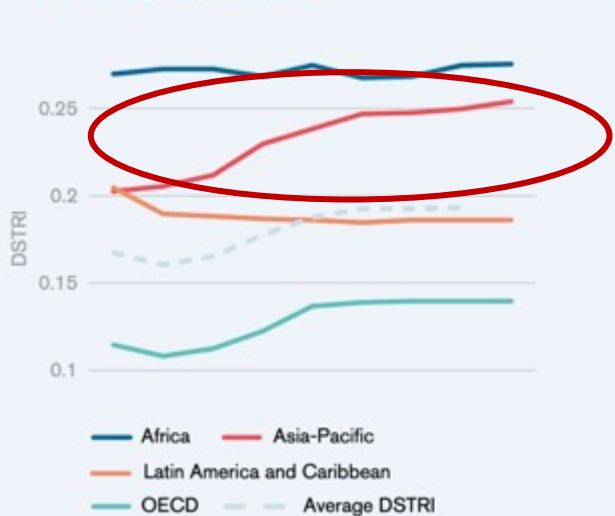
Figure C.8: Measures affecting cross-border data flows have increased significantly



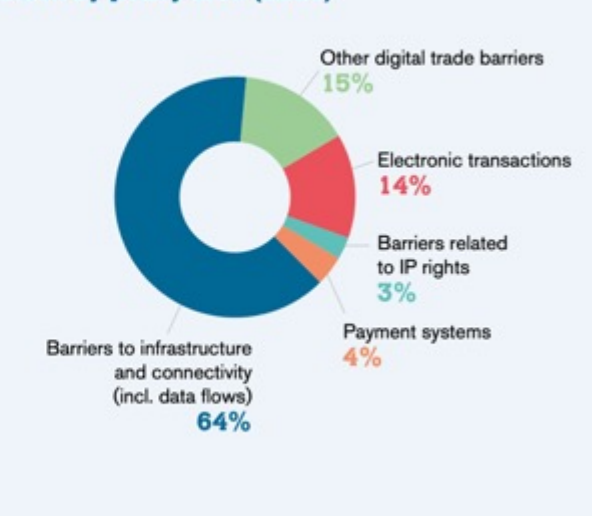
Source: Casalini and López González (2019).

Note: The figure captures measures conditioning the movement of data across international borders or mandating that data be stored domestically.

a. Evolution of Digital Services Trade Restrictiveness Index



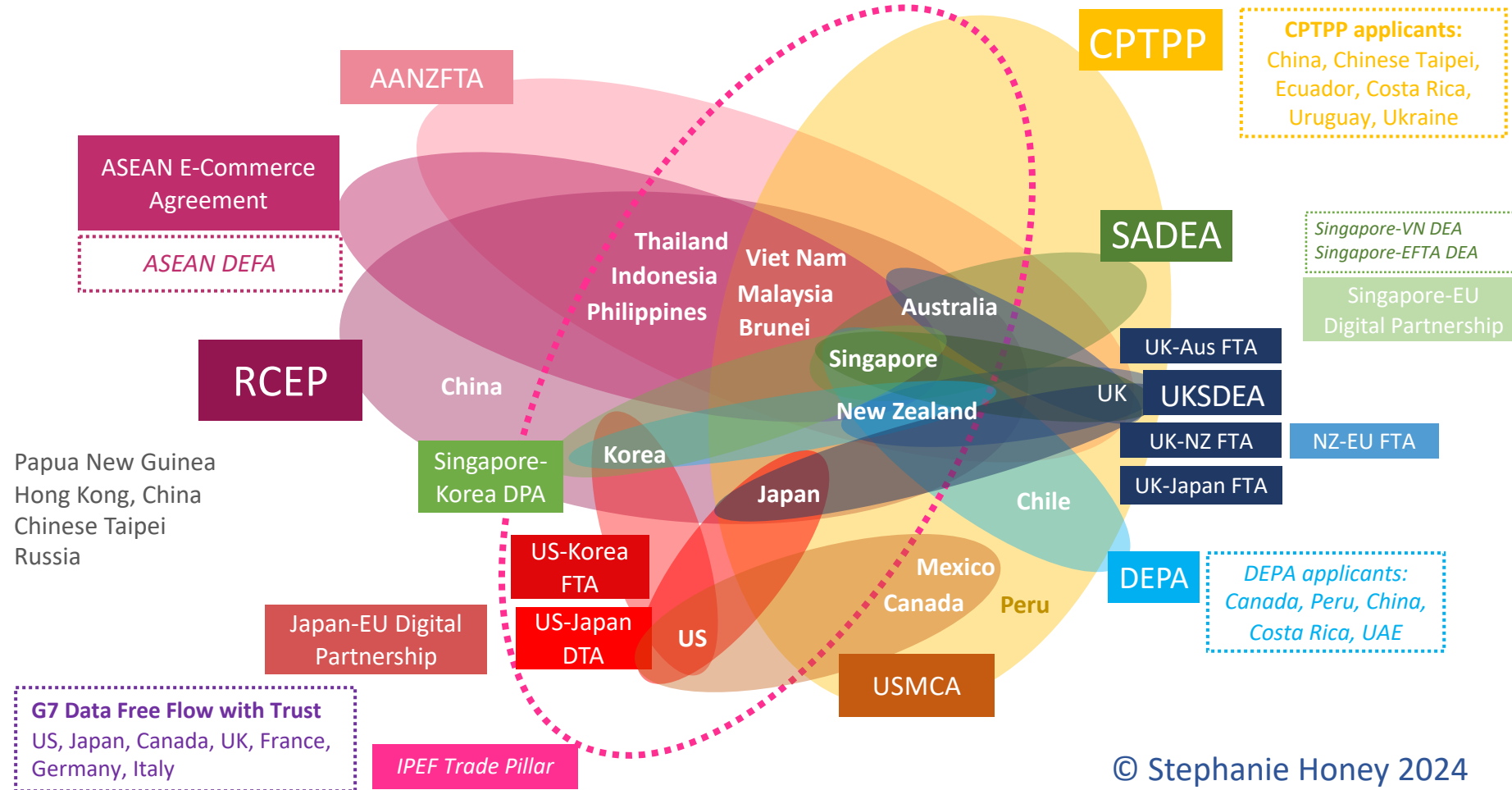
b. Digital Services Trade Restrictiveness Index by policy area (2021)



Sources: WTO, *Global Trade Outlook and Statistics*, April 2024; *Digital Trade for Development 2023*

Rules are far from coherent and interoperable

Regional agreements including digital chapters/provisions



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“Agreement on Electronic Commerce”



WTO, 'E-Commerce negotiators finalize “technical discussions” and outline next steps, 25 April 2024

- “Stabilised Text” announced 26 July 2024
- 82 participants associated with Stabilised Text
- 9 participants have “ongoing domestic consultations and considerations” – including [Indonesia](#), [Chinese Taipei](#) and [the US](#)
- Legal status and integration into the WTO rulebook still to be resolved
- Co-Convenors signal possible future negotiation on outstanding issues

The Agreement: what's in

General	Enablement	Openness	Trust	Other
Scope Definitions Broad Exceptions (including for security, prudential, Indigenous, data protection) Dispute settlement E-Commerce Cttee Institutional details	E-Transactions Fwks E-authentication E-signatures Electronic contracts E-invoicing Paperless trading Single Windows E-payments	Customs duties Open Govt Data Access to internet	Spam Consumer protection Privacy Cybersecurity	Telecommunications Transparency Cooperation Development

Permanently
preventing tariffs
on digital services

The Agreement: what's in

Topics mapped against ABAC work

General	Enablement	Openness	Trust	Other
Scope Definitions Broad Exceptions <u>Dispute settlement</u> E-Commerce Cttee Institutional details	<u> E-Transactions Fwks E-authentication E-signatures Electronic contracts E-invoicing Paperless trading Single Windows E-payments </u>	<u> Customs duties Open Govt Data Access to internet </u>	Spam <u> Consumer protection Privacy Cybersecurity </u>	Telecommunications <u> Transparency Cooperation Development </u>

The Agreement: what's out

Data localisation, data flows

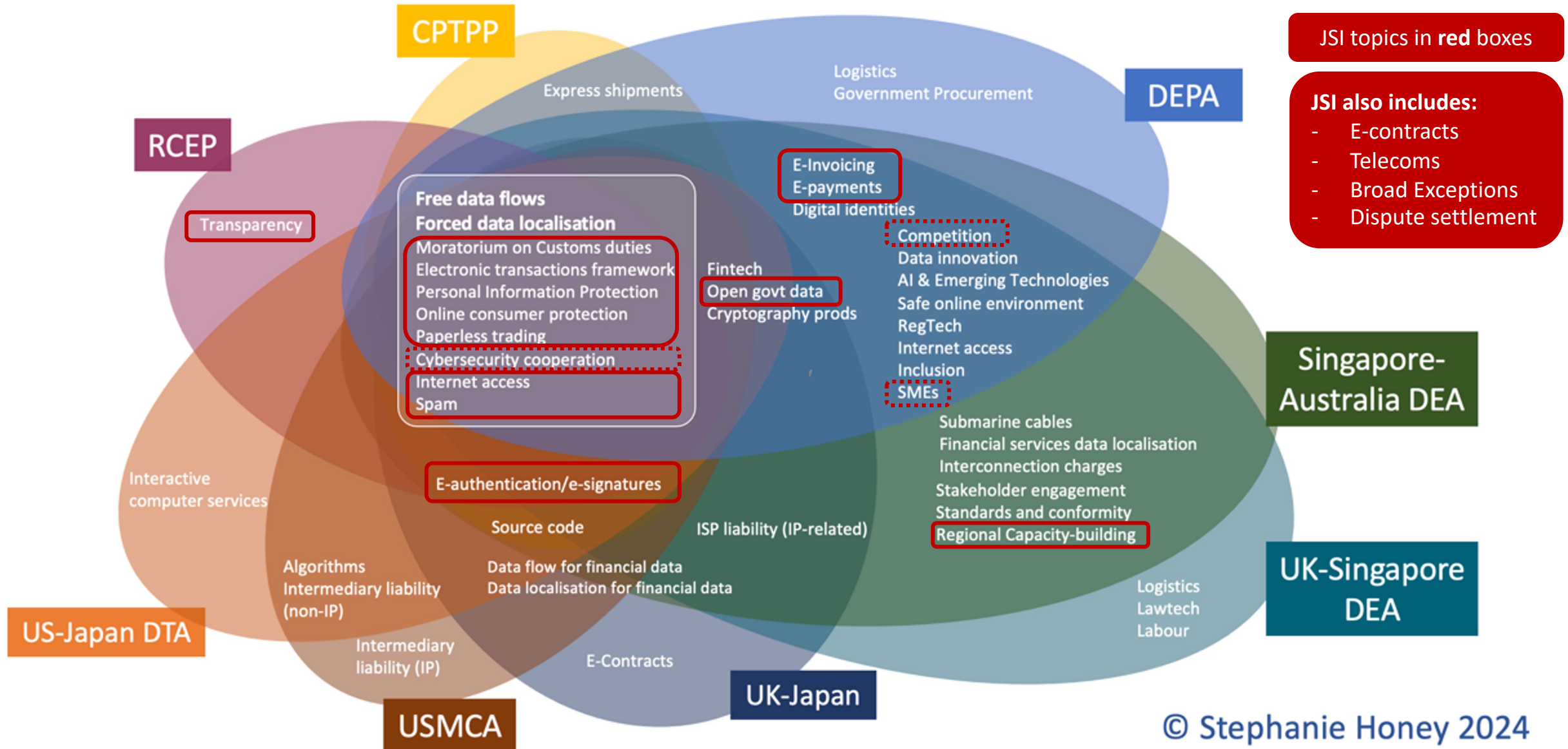
Source code, IP

Market access (digital services)

Standards

AI, digital ID, innovation

A digital trade rules universe: WTO JSI and the rest



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Initial Assessment



A very important “global” outcome, commercially and symbolically (but unfortunate that 5 APEC economies are currently outside)



An important win on the E-Commerce Moratorium (but note 5-year review)



Commercially-valuable, MFN digital trade facilitation rules



Modest progress on digital trust – although plenty still to do



Lacks detailed binding commitments in many areas, and key data issues are absent (although potential to keep negotiating)

Link to the New Services Agenda”

- *ABAC has proposed a “New Services Agenda” for digitally-deliverable services*
- *Liberalise & facilitate trade, build capacity esp. for women, MSMEs, Indigenous*
- ✓ Potential overlaps with WTO JSI on E-Commerce:
 - “Trust” and “facilitation” elements
 - e-signatures, e-contracts, e-invoicing, e-payments, online consumer protection, spam, personal data protection, cybersecurity
 - Customs duties on electronic transmissions
 - Modest innovation provisions: Open Government Data, cooperation etc.
 - Capacity-building (development context)
- ✗ Foundational DDS elements that are **not** in the WTO JSI on E-Commerce:
 - Data flows, data localisation
 - Market access for digital services
 - The innovation agenda e.g. AI, digital identities, data sharing, emerging tech

Recommendations

- ABAC to warmly welcome the Agreement on E-Commerce, especially the tariff moratorium; and to urge its ratification, expansion and integration into the WTO rulebook (including in the Letter and Report to Leaders)
- Members to continue to work to develop ideas for the “New Services Agenda” for digitally-deliverable services, and to advocate for this with APEC