



Global Business Dialogue on Electronic Commerce

## **GBDE STATEMENT ON THE 5TH WTO MINISTERIAL CONFERENCE**

The Global Business Dialogue on Electronic Commerce (GBDe) eagerly awaits the WTO General Council report on e-commerce at the Fifth Session of the Ministerial Conference in Cancún, Mexico.

The Second (Geneva) Ministerial Conference in 1998 urged the General Council to establish a comprehensive work programme to examine all trade-related issues arising from global electronic commerce. The Doha Declaration marked significant progress in this regard, by instructing the General Council to consider the most appropriate institutional arrangements for handling this work programme.

As a worldwide CEO and board member driven organisation, the GBDe has, since its establishment in 1999, given considerable thought to trade-related aspects of e-commerce. Although we understand there are a number of crucial issues to be addressed by the WTO, the potential of e-commerce as a major driver of global economic growth should be given serious consideration.

Although there are now an estimated 650 million Internet users worldwide, we are mindful, as Mr Adama Samassékou of the WSIS recently informed us, that 91 per cent of all Internet users live in the developed countries of the North even though these countries account for only 19 per cent of the world's population. The WTO has an important opportunity to help address this imbalance and create an international environment where e-commerce can continue to flourish in a manner which contributes to the well-being of citizens of all nations. Unless significant resources are devoted to this task, the WTO risks missing an opportunity to establish broad consensus agreement on e-commerce issues.

The GBDe firmly believes that the new round of trade negotiations should create additional opportunities for e-commerce through the elimination of barriers to growth in digital and knowledge trade. With this thought in mind, the WTO members are again urged to focus on the following priorities for trade liberalisation:

- Governments should permanently extend the moratorium of not imposing import tariff duties on digitally delivered contents and services.
- Governments should recognise that existing World Trade Organization (WTO) agreements - namely the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) - apply to e-commerce.
- Governments should ensure that electronically delivered products, at a minimum, receive trade treatment no less favorable than like products delivered in physical form.

- When legitimate policy objectives require domestic regulations that affect e-commerce, governments should ensure that such regulations are least trade restrictive, nondiscriminatory, and transparent and promote an open market environment.
- Governments should refrain from creating new or discriminatory trade barriers to e-commerce.
- With respect to existing barriers to electronic commerce, governments should
  - lower tariffs on the high tech goods which are critical to building the networks over which e-commerce is conducted and lower the cost of the devices to access these networks.
  - liberalise the e-commerce value chain for trade in services by improving market access and national treatment commitments in the group of service sectors that are necessary to initiate, ensure the security of, and complete an e-commerce transaction, in order to expand digital trade opportunities, and;
  - advance Intellectual Property Protection for digital trade including strong enforcement of the WTO TRIPS Agreement and the WIPO Treaties.
- Governments should seek to promote a competitive marketplace to meet public policy goals including ensuring open and non-discriminatory access to basic telecommunications services.
- Governments should adopt policies that see the Internet as medium for promoting cultural diversity and encouraging individual expression.
- Governments should pursue ways to assist developing countries in establishing an appropriate policy and regulatory environment to enable e-commerce. Specific attention should be given to providing assistance to developing countries that includes providing technical training, and assisting in the development of the appropriate legal and regulatory framework for e-commerce.

The GBDe continues to urge the WTO and its members to extend their dialogue to the business community and civil society in the spirit of policy cooperation. In this way, we can ensure that together, the best practical solutions can be developed for the peoples of the world.

Sincerely,