



Council for Trade in Goods

WORK PROGRAMME ON ELECTRONIC COMMERCE

**REPORT BY THE CHAIRPERSON OF THE COUNCIL FOR TRADE IN GOODS
TO THE GENERAL COUNCIL**

I hereby make, under my own responsibility as Chairperson of the Council for Trade in Goods, the following factual report to the General Council.

Pursuant to the 2017 Ministerial Decision¹ instructing the General Council, *inter alia*, to hold periodic reviews of the Work Programme on Electronic Commerce (WPEC or WP) in its sessions of July and December 2018 and July 2019, based on the reports submitted by the WTO bodies entrusted with the implementation of the Work Programme, the Council for Trade in Goods (CTG or the Goods Council) placed the issue of the Work Programme on Electronic Commerce (Work Programme or WPEC) on the agenda of its meetings held in 2018 and 2019.

Since MC12 has been postponed on two occasions, and in order to fulfil the mandate of this Council, at its meeting of 10-11 June and 25-26 November 2020, my predecessor and I, respectively, invited delegations to continue to express their opinions and to make suggestions as to how to work on the preparation of the periodic review to be held in the General Council in preparation for MC12. At the November meeting I also indicated that, in order to fulfil this mandate, and as my predecessors have done in the past, it was my intention to submit to the General Council at its meeting in December 2020, a factual report under my own responsibility.²

At the CTG meeting of 10 and 11 June 2020, the LDC Group acknowledged the importance of E-Commerce for their developmental, economic, and social aspects, and reiterated the importance of reinvigorating the Work Programme to solve the difficulties faced by the LDCs and allow them to benefit from E-Commerce. One delegation indicated that E-Commerce had widely developed in the global trade regime in different dimensions and models; therefore, meaningful, result-focused initiatives had emerged in the WTO. The COVID-19 pandemic had reminded Members to expedite the work in this area in a participatory and inclusive manner, particularly as there was a gap between developed, developing, and LDC Members that needed to be addressed. In this context, the revitalization of the Work Programme was important to ensure digitalization of the global economy without digital divide. Another delegation referred to the loss of tariff revenues due to the rapid increase of product digitalization; this had led to the need to rethink the further extension of the moratorium and examine its implications under the Work Programme. In this regard, MC12 would give an opportunity for making a decision on the moratorium. COVID-19 had highlighted not only the increasing importance of E-Commerce but also of developmental aspects, including the digital divide and the issue of tariffs for developing countries under the Work Programme. The CTG had specific functions regarding the examination of the E-Commerce aspects relevant to the GATT 1994 and the Agreements in Annex 1A of the Marrakesh Agreement.

At the CTG meeting of 25 and 26 November 2020, one delegation referred to the unfolding digital revolution and the importance to understand first the multifaceted dimensions of E-Commerce, on issues such as its effects on competition and market structures, transfer of technology, data storage and automation, as well as its impact on traditional jobs and gaps in regulatory frameworks in developing countries. It indicated that strengthening the multilateral work under the Work Programme would contribute to a better understanding of the implications of the moratorium on

¹ Document WT/L/1032.

² The reports concerning the meetings of the Goods Council of July and November 2018, and July and November 2019, are contained in documents G/C/60, G/C/64, G/C/65, and G/C/66, respectively.

customs duties on electronic transmissions. On this issue, together with another delegation, it had circulated three submissions explaining their understanding of the scope of the moratorium. In December 2019, it had joined the six-month extension of the moratorium with the understanding that the Work Programme would be reinvigorated and that the Goods Council would examine and report on aspects of E-Commerce relevant to the GATT 1994, and to the Agreements in Annex 1A of the Marrakesh Agreement.

At the same meeting, the African Group referred to the direct link between the moratorium and tariff revenue loss and indicated that the CTG could oversee such discussions with a special focus on the moratorium and its implications for developing countries, given the economic and policy implications related to the increased trade in electronic transmissions. In order to help Ministers make an informed decision at MC12, the CTG could encourage discussions on the scope and definition of electronic transmissions, and on the impact of the moratorium on revenue and digital policy, particularly in the context of the African industrialization agenda. The COVID-19 pandemic had highlighted the importance of digital connectivity and E-Commerce, as well as the implications of the digital divide both within and between countries; therefore, the African Group called for discussions to reinvigorate the Work Programme with a view to addressing the developmental aspects of E-Commerce in a comprehensive manner, while enabling equitable participation and meaningful distribution of the economic and transformational benefits to all Members.
