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EXPLORATORY DISCUSSIONS ON SUPPORTING DIGITAL CAPABILITY OF BUSINESS AND CONSUMERS

Revision[1]

The following communication, dated 18 June 2020, is being circulated to the Members of the Council for Trade in Services at the request of the delegations of Australia; Brazil; Canada; Colombia; Hong Kong, China; Japan; Mexico; New Zealand; Nigeria; Norway; Singapore; Ukraine and the United Kingdom.

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1. Prior to COVID-19, trade in services was the fastest growing sector globally with commercial services exports increasing three times faster than goods exports, measured by value.[2] At the same time, the 2019 WTO World Trade report identified a move towards online services ('mode 1'; 30% of trade in services in 2017). The pandemic has affected sectors including tourism, transport and distribution services but the increase in delivery of online services is expected to continue.[3]

2. The trend towards online services, accelerated by the pandemic, presents both opportunities and challenges for business, consumers and governments.

3. Businesses have rapidly responded to the changing operating environment caused by COVID-19 and deployed digital solutions to support staff, serve customers, source alternate supply options, communicate with stakeholders and address operational and financial efficiency. In many countries, governments have sought to support these efforts or are taking steps to make it easier to buy and sell services and goods online. This also includes policies linked to the economic recovery from the pandemic.

4. The pandemic has also highlighted the importance of digital inclusion and the challenges all countries are facing to address the digital divide. This is particularly felt by small suppliers and in developing and least-developed countries.

5. To assist governments in considering how to address these issues, we propose that Members, through the CTS Work Programme on E-commerce, share information on current domestic programs seeking to increase digital capability and address the digital divide as they relate to e-commerce. In this way, we could learn from each other's experience and help capitals with information on best practice policy in this area.

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[1] This revision is to add Ukraine to the list of co-sponsors.

[2] WTO World Trade Report 2019 https://www.wto.org/english/res_e/reser_e/wtr_e.htm.

[3] WTO Information Note on E-commerce, Trade and the COVID-19 pandemic https://www.wto.org/english/tratop_e/covid19_e/ecommerce_report_e.pdf.

6. To assist in generating discussion, we propose the following questions as a first step:

- What are the challenges and opportunities for digital solutions and digital delivery of services?

- What are Members doing to address these challenges and harness these opportunities? For instance, what domestic programs, policies or practices have been or are being put in place to increase digital capability and address the digital divide as they relate to e-commerce, including any assistance to MSMEs?

- Are Members undertaking cooperation activities to support digital capability and address the digital divide as they relate to e-commerce?