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**Council for Trade in Services**

**WORK PROGRAMME ON ELECTRONIC COMMERCE**

**REPORT BY THE CHAIRMAN OF THE COUNCIL FOR TRADE IN SERVICES  
TO THE GENERAL COUNCIL**

1.1. Pursuant to the 2015 Ministerial Decision<sup>1</sup> instructing the General Council to review progress on the Work Programme on Electronic Commerce in its session of July 2017, the Council for Trade in Services agreed on 16 June 2017 that I should report to the General Council, on my own responsibility. This report follows the one issued in December, in document S/C/51.

1.2. The Council for Trade in Services discussed the Work Programme on Electronic Commerce at both of its formal meetings, on 16 March and 16 June 2017, in accordance with the Ministerial mandate to continue that work.

1.3. Over the course of the two meetings, Members considered a number of communications that were submitted to the Council as well as other relevant bodies entrusted with the Work Programme. Specifically, delegations addressed the communication from China and Pakistan, "Aiming at the 11th Ministerial Conference"<sup>2</sup>; the one from Argentina, Brazil and Paraguay on "Electronic signatures"<sup>3</sup>; the communication from the EU and co-sponsors on "Trade policy, the WTO, and the digital economy"<sup>4</sup>; the submission from Singapore and co-sponsors on "Electronic commerce and development"<sup>5</sup> and the submission by ASEAN, titled "ASEAN reflections on lunch panel on "Can e-commerce trade rules help MSMEs from developing countries?" held during the UNCTAD E-Commerce Week, 27 April 2017".<sup>6</sup>

1.4. The communications generated a very high level of engagement by Members, with over 30 delegations intervening at each meeting. Members' comments were principally of a general nature. Many delegations emphasized the transformative role of e-commerce, its positive impact on growth and development and its potential to reduce transaction costs especially for MSMEs.

1.5. A number of Members shared information about their own domestic regulatory frameworks relating to e-commerce, as well as their experience with negotiating e-commerce provisions in regional trade agreements. All delegations welcomed the exchange of information on national experiences with regard to e-commerce, with many underscoring the special relevance of hearing about the experiences of developing countries.

1.6. Numerous Members signalled their readiness to work towards an outcome for MC11. Various said that many of the submissions tabled offered useful information and a structured approach that could facilitate discussions. Recognising that Members' views on a Ministerial outcome on e-commerce differed, some argued for a gradual approach that would initially focus on less controversial issues. In particular, several delegations called for attention to be given to areas that would enhance consumer and business confidence with electronic transactions and, as such, facilitate e-commerce. The elements that were mentioned most frequently by these delegations, as possible areas where progress could be achieved, include electronic signatures and authentication, e-payments, transparency and extending the duration of the moratorium on electronic transmissions. A handful of delegations also mentioned that e-commerce would be further enhanced by pursuing market access liberalization in services, particularly with respect to mode 1, alongside a facilitation agenda.

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<sup>1</sup> Document WT/L/977.

<sup>2</sup> Document JOB/SERV/243/Rev.1.

<sup>3</sup> Document JOB/SERV/247.

<sup>4</sup> Document JOB/SERV/248/Rev.2.

<sup>5</sup> Document JOB/SERV/249.

<sup>6</sup> Document JOB/SERV/260.

1.7. Several Members, however, argued against any rule-making on e-commerce under the Work Programme or as part of any Ministerial outcome. These delegations stated that some of the communications tabled went beyond the purely exploratory mandate of the Work Programme, particularly with the mention of market access issues. They also opined that a number of the issues raised were being addressed in other competent multilateral organisations, which were the appropriate fora, and did not belong in the WTO. They called on the proponents to redraft their submissions, to make them more development-focused, specific to the body concerned and consistent with the scope of the Work Programme.

1.8. These delegations also underscored the need for the Work Programme to put the needs of developing countries and LDCs at the centre of the debate and to address, as a matter of priority, the development, industrialisation and employment implications of e-commerce. Amongst the specific issues mentioned were the digital divide, access to infrastructure, connectivity issues, technology transfer, workforce skills, regulatory capacity and, more generally, the challenges faced by developing countries in becoming "e-commerce ready". The Members in question also referred to a number of elements that should be clarified in the Council's discussions, including definitional and scope issues, measurement challenges, the distinction between modes 1 and 2 in a digital context, the classification of digital products and the question of "new services".

1.9. A couple of delegations called for the Secretariat to update the Background Note it had produced in 1998 to assist the Council with its deliberations of the treatment of electronic commerce in the GATS legal framework, as per the relevant mandate in the Work Programme.<sup>7</sup> One delegation, however, argued that the update was not warranted, given that the GATS legal framework had not undergone any changes.

1.10. A few delegations referred to the institutional arrangements for the Work Programme deliberations. While some welcomed that submissions had been tabled, and were being discussed, in the various subsidiary bodies entrusted with the Work Programme, including the Council, a few others called for a more consolidated approach to deliberations, to be held possibly in a joint meeting of all the relevant bodies.

1.11. For my part, I invited delegations to reflect on how the Council could best structure its future discussions and make the most productive use of its time. It was agreed that the question would be taken up at informal consultations, which I have convened on 20 July.

1.12. Under the Work Programme's exchange of information sub-item, China shared with the Council an informative presentation on the commercial evolution of e-payment services in its market and the applicable regulatory regime.

1.13. The Council continued consideration of a proposal to hold a thematic seminar on e-commerce, which had initially been put forward by Chinese Taipei.<sup>8</sup> At the March meeting, the Council agreed to hold the seminar and tasked the Secretariat with the preparation of a draft programme that would reflect all the concerns raised and comments made on Chinese Taipei's proposal. The draft programme was prepared and circulated to all Members for comment.<sup>9</sup> The Secretariat received suggestions from some delegations by the prescribed deadline; given the nature of the suggestions, it was decided that Members would revert to the Council for further discussion of the draft programme. At the June meeting, however, it was agreed that, in the interest of time, consideration of the draft Secretariat programme would be taken up in informal consultations.

1.14. The Council for Trade in Services will revert to the Work Programme at its next formal meeting in September.

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<sup>7</sup> Document S/C/W/68.

<sup>8</sup> Document RD/SERV/133/Rev.2.

<sup>9</sup> Document JOB/SERV/256.