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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. The Council for Trade in Services (CTS) agreed on 4 December 2020 that I should report to the General Council, on my own responsibility, regarding the work carried out under the Work Programme on Electronic Commerce since the last report presented in December 2019.¹
2. The Council for Trade in Services discussed the Work Programme on Electronic Commerce at its formal meetings on 1 July, 2 October and 4 December 2020, in accordance with the December 2019 General Council Decision² to reinvigorate the work under the Work Programme, based on the existing mandate as set out in document WT/L/274.
3. In July, the Council addressed a communication by a group of Members proposing exploratory discussions on how to support digital capability of business and consumers.³ The document generated significant engagement, with around 40 delegations intervening. All Members welcomed the communication as a useful contribution to the Work Programme, and numerous delegations said that it testified to the co-sponsors' commitment to the Work Programme and the value of continuing exploratory discussions that could support the work under the Work Programme.
4. All Members underscored the crucial role that e-commerce plays in facilitating economic growth and development and noted that the COVID-19 pandemic had accentuated and accelerated this aspect. Many delegations shared their own experiences and initiatives in support of digital capabilities, and several indicated that they would be contributing further at future meetings.
5. Numerous delegations valued the communication's focus on the need to bridge the digital divide, although some argued that the development angle of the paper could have been broader. Several Members called for the CTS discussions to focus more on the numerous infrastructural constraints faced by developing countries and LDCs. One Member expressed its concerns with the parallel Joint Statement Initiative (JSI) on e-commerce and its rule-making objective. Another Member underscored the importance of keeping WTO discussions trade-focused and urged Members not to take measures that undermined their goal of participating effectively in digital markets.
6. The joint communication⁴ continued to generate substantive engagement at the October meeting of the CTS, with several delegations presenting detailed information and follow-up accounts of the initiatives they had undertaken to support digital capability of business and consumers. One Member also shared extensive information on its efforts to promote the development of the e-payment sector.
7. Members emphasised again that e-commerce was vital to fostering economic growth and development and stressed that the COVID-19 pandemic has highlighted this aspect. While acknowledging the benefits of e-commerce, a few Members affirmed that the Work Programme discussions had not sufficiently focused on the significant challenges it posed. These Members argued that extending the e-commerce Moratorium would be harmful to developing countries and reiterated their concerns with the parallel JSI process and its rule-making intent.

¹ Document S/C/58.

² Document WT/L/1079.

³ JOB/SERV/296/Rev.2, co-sponsored by Australia; Brazil; Canada; Colombia; Hong Kong, China; Japan; Mexico; New Zealand; Nigeria; Norway; Singapore and the United Kingdom.

⁴ The communication was revised on 29 September, in JOB/SERV/296/Rev.3, to add Ukraine as a co-sponsor.

8. Deliberations at the December meeting of the Council continued to be invigorated by the joint communication proposing exploratory discussions on supporting digital capabilities of business and consumers.⁵ Several delegations presented in-depth information about their programmes and initiatives in this area.

9. In the course of this year, Members, including various delegations that are not co-sponsors of the joint communication, have contributed meaningful and extensive information about their e-commerce-related activities and projects. The materials that have been shared by Members provide, in my view, useful inputs to facilitate Members' reflections on e-commerce, in terms of both the opportunities and the challenges that it presents. As a way to facilitate access to this material, and to enhance transparency on the various initiatives taken in the e-commerce sphere, I suggested that the information that are currently scattered in the records of meetings could be compiled into a structured stand-alone, living document. Many delegations welcomed and supported the proposal. A few sought clarifications, including about how the information would be compiled and presented, and one expressed reservations. To try and address the issues raised by delegations, I will be producing a concept note, to provide further detail about my proposal.

10. Various delegations called for the Work Programme to engage in focused and comprehensive discussions on the relationship between e-commerce and development. They highlighted the challenges faced by developing countries, particularly with regard to the digital divide, in terms of infrastructure, skills and technologies, and the data divide, especially relating to the capacity to store, process and leverage the commercial value of data. These delegations said that the gains from e-commerce were not automatic and required strategic intervention at all levels.

11. Two delegations reiterated their concern with the JSI process and its premature rule-making objective, and said that the extension of the Moratorium would be harmful to developing countries. A number of Members disagreed with these assertions and noted that the JSI is inclusive, transparent and open to participation by all Members, and that new rules on e-commerce were long overdue, and added that evidence pointed to the Moratorium having had far-reaching benefits for businesses and consumers.

12. A representative of UNCTAD briefed the Council about its recent work in electronic commerce, including studies on the impact of COVID-19 on e-commerce.

⁵ The communication was revised on 1 December, in JOB/SERV/296/Rev.4, to add the Republic of Korea as a co-sponsor.