

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Electronic Commerce

Communication from Canada

The following communication, dated 23 September 1999, has been received from the Permanent Mission of Canada.

1. The following proposal is presented by Canada for consideration in the preparatory process for the Seattle Ministerial meeting. The non-paper distributed by Canada at the Council for Trade in Services on 19 July 1999, entitled "Global Electronic Commerce: A Canadian Perspective", provides background material to this proposal.

Proposal

2. That, as part of the recommendations on electronic commerce to the Seattle Ministerial:
- Members agree to extend their current practice of not imposing customs duties on electronic transmissions; this commitment will be reviewed at the next Ministerial meeting, taking into account the progress of negotiating groups and/or WTO bodies.
 - Members agree that the electronic delivery of services falls within the scope of the GATS, since the Agreement applies to all services regardless of the means by which they are delivered. Measures affecting services supplied by electronic means are measures affecting trade in services and would therefore be covered by GATS obligations.
 - Members agree that the supply of services by electronic means is permitted by specific commitments unless a Member's schedule states otherwise.
 - Members agree that all GATS provisions, whether relating to general obligations or specific commitments, are applicable to the supply of services through electronic means.
 - Members agree that the provisions of the TRIPS Agreement apply to electronic commerce, and that the effective implementation of this Agreement will facilitate electronic commerce.

- Members agree that the following issues should be included in the work conducted in WTO bodies and negotiating groups in relation to electronic commerce:
 - indefinite extension of the current practice of not imposing customs duties on electronic transmissions;
 - clarification of the distinction between the GATS modes of supply in situations where a service is being supplied by electronic means;
 - classification and scheduling of new services related to electronic commerce which are not already included in the Central Product Classification (CPC);
 - classification of electronic transmissions with a physical equivalent;
 - the adequate protection of intellectual property works in the digital world;
 - benefits of electronic commerce for developing countries and ways of enhancing their participation;
 - the application of the provisions of the Annex on Telecommunications regarding access to and use of public telecommunications transport networks and services to the supply of all services included in a Member's schedule;
 - the application of the provisions of the GATS Reference Paper on Basic Telecommunications to basic telecoms services relevant to e-commerce;
 - identification of specific issues arising from domestic regulation affecting electronic commerce.
- Members agree to establish an Experts Committee on Electronic Commerce, a horizontal non-negotiating group to advise and inform the work conducted in WTO bodies and negotiating groups in relation to electronic commerce.

Background

3. Electronic commerce is increasingly global and can reinforce the trend towards trade liberalization. It requires an open, predictable, and transparent trading environment which operates across territorial borders and jurisdictions. International cooperation is essential to creating such a trading environment and to optimizing the social and economic potential of electronic commerce, both by creating the enabling conditions for electronic business to take place on a transnational basis and by removing barriers or impediments to electronic commerce.

4. The Work Programme on Electronic Commerce executed over the past year has been successful in bringing to the forefront the trade-related aspects of electronic commerce, and highlighting the issues which must be considered within each WTO body as part of ongoing work. For example, Members have noted that while information technology in general, and e-commerce in particular, could be instrumental in the multilateral trading system, steps should be taken to ensure that e-commerce does not remain beyond the reach of many developing countries. Narrowing the gap between developing and developed countries is both important and urgent and will be beneficial to all Members.

5. The Work Programme has resulted in consensus on some issues, as described above; it is evident however that further dialogue is necessary to develop a fuller understanding of what is needed

to both enable global electronic commerce and reduce impediments to trade. Given the varying stages of adoption of electronic commerce, its underlying technologies, and the development of national approaches among Members, the creation of a forum for the discussion of trade-related aspects of electronic commerce in a non-negotiating context will contribute to the development of truly global electronic commerce.

6. Given the nature of electronic commerce, including the rapidly evolving technology associated with electronic commerce, a WTO Experts Committee on Electronic Commerce, consisting of representatives from all interested WTO Member governments, should consider ways in which it can draw upon expertise from outside government using processes similar to those of other WTO bodies.
