

Members of the WTO Joint Statement Initiative on E-commerce agree to target substantial conclusion of negotiations by end 2023

20 January 2023

22 members of the WTO Joint Statement Initiative on Electronic Commerce (JSI) met on the sidelines of the World Economic Forum Annual Meeting in Davos, Switzerland, today to affirm their commitment to establish a set of baseline rules to govern the global digital economy.

The members commended the progress of the negotiations so far, including the streamlined consolidated negotiating text issued in December 2022. Members agreed to continue to exercise pragmatism and flexibility in order to accelerate the ongoing negotiations, and achieve substantial conclusion of the JSI agreement by end 2023.

In light of the rapid digital transformation of our economies and societies, members agreed that it is timely and important to establish a set of global rules governing digital trade, which is adopted by a broad range of WTO members. These global rules will provide greater legal predictability and consumer confidence, which will deliver tangible benefits to both businesses and consumers.

"The E-commerce JSI will create a strong foundation for a fast-growing and critically important area of trade," said Australia Assistant Minister for Trade, Senator Tim Ayres. "It will help all participants share in the opportunities and benefits of a rapidly growing digital economy. From the high level of engagement we've seen so far, it's clear that members place great value in this important project of forging the first global digital trade rules."

Japan Minister of Economy, Trade and Industry, Nishimura Yasutoshi, said "Digital trade is expected to bring prosperity to all people, including developing members. The global rules on digital trade will demonstrate the revival of the WTO's relevance, and the materialization of "Data Free Flow with Trust" (DFFT) to facilitate data flow and strengthen consumer and business trust. Co-convenors affirm our commitment and call on the participating members to work towards a substantial conclusion by the end of 2023."

"Japan recognizes the importance of inclusiveness in the E-commerce JSI while achieving the high ambition," said Japan State Minister for Foreign Affairs, Yamada Kenji. "Japan, as a co-convenor will continue to lead the initiative while ensuring the JSI principle of inclusiveness."

Singapore Minister for Communications and Information, Josephine Teo, said "The JSI on E-Commerce will have a significant impact on the growth and inclusiveness of the digital economy. It will be a timely update to the current set of international trade rules, provide greater certainty and stability, and enable businesses and consumers to better benefit from the digital economy. Members need to intensify efforts to achieve our collective objective of securing a high standard agreement with the widest participation possible in a timely manner in order to harness these opportunities. Singapore, together with our fellow co-convenors Australia and Japan, are fully committed to work with members to intensify discussions towards our collective target of substantial conclusion by December 2023."

WTO Director-General Ngozi-Okonjo-Iweala said: "The negotiations on E-commerce are important and has far reaching impact on the rest of the economy. I am proud of what JSI members have achieved in the negotiations so far, the outcomes already accomplished will bring benefits to businesses and consumers. Furthermore, the JSI has a strong ability to strengthen digital inclusion globally and narrow the digital divide. I strongly urge

members to further accelerate discussions to achieve substantial conclusion of the agreement by 2023.”

Cameroon Minister of Trade Mbarga Atangana Luc Magloire said “The digital economy and its corollary e-commerce are fundamental to the inclusion of African countries in the modern economy. Therefore, it would be important to work towards mutually beneficial global rules based on fairness, inclusiveness, balanced competition, solidarity and reasonable and accepted shared benefits. This will necessarily involve talks that respect the specificities of each party and efforts to ensure that all players enjoy certain gains and advantages that facilitate the industrialisation of developing countries, particularly in Africa, as well as access to technologies and services that are gradually structuring electronic commerce (finance, data collection and management, intercontinental delivery, robotics, microprocessors, etc.)”

Canada Minister of International Trade, Export Promotion, Small Business and Economic Development, the Honourable Mary Ng, said: “Canada strongly supports these negotiations on e-commerce. We believe that establishing common rules for digital trade will further enable its growth, as well as demonstrate the value of collaborative approaches at the WTO. I urge all participants to work towards an ambitious and commercially meaningful agreement before the end of the year.”

China International Trade Representative and Vice Minister of Commerce, Wang Shouwen, said “The technology breakthrough plus the pandemic has enabled e-commerce to become an important part of global trade today. Up till now, many regional trade agreements have incorporated e-commerce chapters. The business community would very much like to see the WTO establish global e-commerce rules as soon as possible. China supports the goal of speeding up the negotiation to the finishing line within this year.”

Ecuador Minister of Production, Foreign Trade, Investment, and Fisheries Julio Jose Prado shared that, “The digitalization of the economy must be a priority at the multilateral level. E-commerce is a crucial tool to boost our economy. We must continue our negotiations to contribute to closing our digital and e- infrastructure gaps with an inclusive and effective e-commerce framework. This task requires joint efforts, inclusive norms, cooperation mechanisms, capacity building, and technical assistance.”

European Commission Executive Vice-President Valdis Dombrovskis said “It is time to adapt the WTO rulebook to the needs of digital trade. Building on the significant progress made during the last three years with our partners at the World Trade Organization, we now must intensify our work towards an ambitious and widely supported agreement. The European Union stands ready to step up its efforts during this year to set out the rules for a stronger digital economy, to the benefit of all – people and business.”

The co-convenors of this JSI, Australia, Japan and Singapore, also released a joint statement in which they committed to ensure that the JSI remains balanced, inclusive and meaningful. The co-convenors will continue to work with members towards the timely conclusion of this agreement.

Jointly issued by the Department of Foreign Affairs and Trade, Australia; Ministry of Foreign Affairs, Japan; Ministry of Economy, Trade and Industry, Japan; and Ministry of Trade and Industry, Singapore

Annex A: Co-convenor joint ministerial statement
Annex B: Photo

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Annex A

WTO Joint Statement Initiative on E-commerce: Statement by Ministers of Australia, Japan and Singapore 20 January 2023

The rapid digitalisation of the economy has reinforced the importance of the Joint Statement Initiative on E-Commerce (JSI). According to the World Economic Forum, an estimated 70% of new value created in the economy over the next decade will be based on digitally enabled platform business models. The digital economy continues to grow strongly despite inflationary pressures, the highly challenging geopolitical environment, and the lingering effects of the COVID-19 pandemic. It is changing the way businesses and consumers engage with each other, as well as the nature and modality of trade. Hence, international trade rules must reflect these new business realities and provide opportunities for countries across the development spectrum to benefit from the global digital economy.

We the co-convenors of the JSI and its participants reaffirm our commitment to establish a set of high-standard rules to govern the global digital economy. This JSI will make a critical contribution to update the WTO rulebook and reinvigorate the WTO's negotiating function.

Momentum is continuing to build in the JSI negotiation. In December 2022, we issued a streamlined consolidated text with convergence on ten articles *viz.* paperless trading, electronic contracts, electronic authentication and electronic signatures, unsolicited commercial electronic messages, online consumer protection, open government data, open internet access, transparency, cybersecurity, and electronic transactions frameworks. Participants exercised flexibility and compromise to achieve convergence on these issues.

Participants of the JSI have committed to intensify negotiations moving forward. New small negotiating groups have been formed, including on privacy and ICT products that use cryptography, and made good progress. We have also initiated discussions on horizontal issues such as general provisions dealing with preambles, definitions and principles. In addition, we will continue to strive towards greater convergence on provisions that enable and promote the flow of data, such as cross-border data flows, data localisation, and source code, and hope to reach an agreement on a permanent ban on customs duties on electronic transmissions. All of these issues are key to high standard and commercially meaningful outcomes.

We are committed to ensuring that the JSI remains balanced, inclusive and meaningful to consumers and businesses alike. The JSI has grown in membership over time, from 71 participants when it was first launched in 2019, to 87 today which account for more than 90 per cent of global trade and represent all major geographical regions and levels of development. The broad adoption of the initiative's high-standard rules and its significant coverage of the global economy will create greater certainty and interoperability amidst an increasingly fragmented digital regulatory landscape. We continue to encourage more WTO Members to participate in the JSI in order to further expand its benefits.

While the digital economy can play an important role in generating economic growth, including through reducing costs, improving productivity, and enhancing access to overseas markets, we recognise that least developed countries (LDCs) and developing Members face challenges which could limit their access to the benefits offered by the digital economy. To support these Members, we are working with stakeholders to promote digital inclusion under the E-Commerce Capacity Building Framework.

We look forward to working with all participating Members as we work towards substantial conclusion by end of 2023.

The Hon Tim Ayers, Assistant Minister for Trade, Australia

H.E. Mr HAYASHI Yoshimasa, Minister for Foreign Affairs, Japan

H.E. Mr NISHIMURA Yasutoshi, Minister of Economy, Trade and Industry, Japan

H.E. Mr Gan Kim Yong, Minister for Trade and Industry, Singapore

Annex B

