

ESF22-02

FOR THE ATTENTION OF THE Trade ministers of the 86 Participating Countries to the Joint Statement Initiative on E-Commerce -And Members of the WTO

Brussels, 25 April 2022

Subject: Call for a JSI Ministerial Declaration on E-Commerce negotiations at forthcoming MC12

Dear Ministers,

Dear Participants to the JSI in E-Commerce,

The European Services Forum (ESF) is the European private sector organisation that represents the interests of the European services industries in international trade and investment negotiations. It comprises major European service businesses and European service sector federations covering service sectors including (but not limited to) financial services, telecommunications and IT services, maritime transport, postal and express delivery services, business and professional services, construction, distribution, and audio-visual services. All these sectors are active in digital trade.

ESF is following closely from the start the negotiations launched by the Joint Statement Initiative (JSI) on E-Commerce, which currently include 86 WTO members. We have provided comments and supported the talks through various position papers of ESF, of the Global Services Coalition, and meetings with various negotiators in Geneva and capitals. And we will continue to feed the negotiators with our comments.

We took note that on 14th December 2021, the three co-convenors of the plurilateral on ecommerce, namely from Australia, Japan and Singapore, held a press-conference in Geneva to report on the "substantial progress" made in the recent months and to draft a road map for the future. The progress would have been announced at the 12th ministerial conference, which was initially slated to start on 30 November 2021, but which was postponed due to the emergence of the omicron variant. According to the ambassadors, the participants have reached convergence in eight areas of the talks: online consumer protection, electronic signatures and authentication, unsolicited commercial electronic messages, open government data, electronic contracts, transparency, paperless trading and open internet access.

We also take note that in a joint statement, the ministers from the three countries – Australian Trade Minister Dan Tehan, Japanese Foreign Affairs Minister Yoshimasa Hayashi, Japanese Economy Minister Koichi Hagiuda and Singaporean Trade Minister Gan Kim Yong – said there was "consolidated text" for issues like source code, customs duties on electronic transmissions, among others. They also committed that in light of the strong progress that has been achieved to date, the co-convenors will arrange the JSI work programme to secure convergence on the majority of issues by the end of 2022". They then encouraged the participation of as many WTO Members as possible in the negotiations. The European services sectors applaud the enthusiasm of the co-convenors and support the move to ensure further progress by the end of this year. ESF also welcomes the work made so far in the talks, and would like to thank you and your negotiators for allowing such progress.

However, we would like to **call for better political support for these plurilateral talks** which arguably are the most important plurilateral efforts in Geneva given the broad and growing importance of digital trade for all economies in the world. The Organization for Economic Cooperation and Development (OECD) <u>estimates</u> that rapidly growing cross-border data transfers already contribute \$2.8 trillion to the global economy. It is estimated that more than half of all global trade in services, which is the fastest-growing activity, now depends on cross-border data flows. In 2016 the McKinsey Global Institute <u>estimated</u> that cross-border data exchanges had grown 45 times larger over the prior decade and forecast exponential expansion. And that was already five years ago, and we know that the pandemic has significantly accelerated the digitalisation of the world economy.

DIGITALEUROPE's <u>Data Flows and the Digital Decade Report</u> demonstrates that the EU economy alone would be €2 trillion better off until 2030 if appropriate action to harness the power of international data transfers was taken. The report equally shows that all sectors and sizes of the economy are impacted on by data flow restrictions.

To expand this effectiveness of international data transfers, the globalisation of the digital economy needs urgently global rules, and we believe that these JSI negotiations on E-Commerce are that right venue to achieve such a goal. And to make this process moving forward and dealing with the more challenging issues like cross-border data flow, data localisation, cybersecurity, etc. there is a need for a political push.

We understand that, in the run up to the preparation of the 12th WTO Ministerial due in December 2021, the negotiators gave preference to concluding the drafting of Articles of the text of the draft agreement to show concrete progress, and therefore decided not to focus on a ministerial declaration to be issued by you, the trade ministers of the 86 proponents of the initiative.

Now that the Ministerial has been postponed, and hopefully will take place in June 2022 provided the Covid pandemic will effectively recede, we would like to call upon you, the 86 Trade Ministers, to focus on such a Ministerial Declaration. **Only such a Ministerial Declaration will give political weight to the initiative.** It would be the first since the beginning of the initiative in December 2017 at MC11 in Buenos-Aires. We noticed that in December 2021, ministerial declarations were ready for the various other plurilateral talks, like the services domestic regulation (which have now been concluded and that ESF warmly welcomed), the MSMEs, the Investment Facilitation for Development, the Trade and Health and Trade and Climate initiatives. It will be a concern for the services sectors should no political support be provided for the very important plurilateral negotiations on E-Commerce

Yours sincerely,

Annette Meijer ESF Chair



List of ESF members supporting the above position

- Amfori
- Apple
- Architects' Council of Europe –ACE
- British Telecom Plc
- BDO
- Bureau International des Producteurs et Intermédiaires d'Assurances – BIPAR
- BUSINESSEUROPE
- BUSINESSEUROPE WTO Working Group
- BSA The Software Alliance BSA
- Conseil des barreaux de la Communauté Européenne – CCBE
- Danish Shipping
- Deutsche Post DHL
- DI Confederation of Danish Industries
- Digital Europe
- EK Confederation of Finnish Industries
- EuroCommerce
- European Banking Federation EBF
- European Community Shipowners' Associations – ECSA
- European Express Association EEA
- European Federation of Engineering and Consultancy Associations – EFCA
- European Public Telecom Network ETNO
- Fédération de l'Industrie Européenne de la Construction FIEC

- FratiniVergano European Lawyers
- General Council of the Bar of England & Wales
- Google
- Huawei Europe
- IBM Europe, Middle East & Africa
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Insurance Europe
- Irish Business and Employers' Confederation - IBEC
- Law Society of England & Wales
- Le Groupe La Poste
- Microsoft Corporation Europe
- Mouvement des entreprises de France MEDEF
- Orange
- PostEurop
- Prudential Plc.
- Svenskt Näringsliv (Confederation of Swedish Enterprise)
- TechUK
- Telenor Group
- TheCityUK
- UPS
- Vodafone
- Zurich Insurance