



June 17, 2022

Press Statement

Global Services Coalition Congratulates Trade Ministers and applauds extension of the Moratorium on Customs Duties on E-Transmissions at WTO MC12

The Global Services Coalition (GSC) speaks for the services sector in its members' respective economies on international trade and investment matters and represents these industries internationally. Services now account for half of global trade on a value-added basis and more than a quarter of global trade in volume; and are on a faster long run underlying growth path than merchandise trade.

In the lead up to the twelfth WTO Ministerial Conference (MC12) held in Geneva on 12-17 June 2022, the GSC issued many statements supporting WTO members in their efforts to modernize the WTO and preserve the multilateral trading system - including to ensure the organization's effectiveness as a forum for dispute settlement and for trade negotiations - and to deliver tangible results including on services.

The GSC welcomes the outcome from MC12, extending the WTO Moratorium on Customs Duties on E Transmissions. From a business perspective, the agreed package preserves the multilateral system from some very threatening divisions and offers the prospect of keeping the WTO on track as an important player in international trade. To put it bluntly, the package buys WTO Ministers a bit more time to get it right. The declarations that have been made can pave the way for further work on reforming the organization, and for adopting new global trade rules.

We welcome the decision to develop the E-Commerce Work Programme, including to conduct in-depth studies on the WTO Moratorium on Customs Duties on E-Transmissions. The Moratorium has been a core pillar of the global foundation of the digital economy and its regular continuation has been a shining example of how the multilateral system can promote policies that foster innovation and growth, particularly for small and medium sized enterprises. The GSC calls for making this Moratorium permanent. Today's agreement creates a basis for continuing to work together on this issue.

"If the Moratorium had lapsed, the WTO would have authorized members to impose immediate duties on digital services. It would have been a major setback for the growth of the digital economy and for global trade in general" said Christine Bliss of the US Coalition of Service Industries.

We welcome the declaration taking note of the importance of trade in services. "This now needs to be complemented by initiatives for possible new market access negotiations, in line with the WTO's core mission" said John Cooke from TheCityUK.

We applaud the three new members joining the Joint Initiative on Services Domestic Regulation. "This demonstrates that well-structured plurilateral commitments on an MFN basis create win-win outcomes for participating governments and both local and international investors in the services sectors and we hope that others will shortly also be in a position to sign on", said Jane Drake-Brockman from the Australian Services Roundtable.

The GSC welcomes the substantive statement by the three co-convenors of the Joint Statement Initiative on E-Commerce negotiations and supports the proposed roadmap for concluding these talks. We welcome the progress made so far and encourage further rapid achievements, including, inter alia, agreeing strong disciplines on data flows and data localization for all services sectors; adopting a permanent ban on customs duties on e-transmissions; prohibiting mandatory transfer of source code or algorithms; and committing to new market access commitments for e-commerce-related services. "Talks towards new commitments on market access need to start soon to give even greater credibility to the future global rules on digital trade" said Pascal Kerneis from the European Services Forum. END