

## **Co-Convenors of the WTO Joint Statement Initiative on E-Commerce announce substantial conclusion of negotiations on a number of global digital trade rules**

**20 December 2023**

Following the final negotiating round of 2023, at the WTO in Geneva, Switzerland, Members of the WTO Joint Statement Initiative on Electronic Commerce (JSI) have reached substantial conclusion of a number of global digital trade rules, covering three broad areas of (a) digital trade facilitation; (b) open digital environment; and (c) business and consumer trust. This marks a significant milestone in the JSI, which commenced negotiations in January 2019.

In 2020, digital trade represented 25% of total global trade<sup>1</sup>, or just under USD 5 trillion, and continues to grow at a rapid pace. These rules will facilitate the ability of JSI participants to ride the rapid growth of digital trade and deliver tangible benefits to governments, businesses and consumers.

JSI participants will continue to strive for convergence on outstanding issues, including Customs duties on electronic transmissions, Development, Electronic payments, ICT products that use cryptography, and Telecommunications services. Looking ahead in 2024, JSI participants will focus on resolving these issues, as well as those related to horizontal provisions and legal architecture.

We aim to conclude negotiations in a timely manner in 2024.

Singapore Minister for Trade and Industry, Gan Kim Yong, said: “Singapore welcomes the substantial conclusion of a set of meaningful rules in the JSI on E-Commerce. This is a significant milestone after five years of negotiations. These rules will bring important commercial value and impact for governments, businesses and consumers by helping participants integrate into the global digital economy, reap the benefits of digital trade, and foster interoperability and predictability. Importantly, for Singapore, as a strong supporter of the rules-based multilateral trading system, this milestone also sends a strong positive signal on the WTO’s continued credibility and ability to forge meaningful rules.”

Australian Minister for Trade and Tourism, Don Farrell, said: “We have an opportunity to set a strong baseline of digital trade rules with this historic deal.”

Japan’s Minister for Foreign Affairs, Kamikawa Yoko, said, “Japan, as one of the co-convenors along with Australia and Singapore, welcomes the substantial conclusion made on the 13 articles to date. These rules will contribute to facilitating digital trade further and represent the outcome of intense negotiations conducted by the participants over the last five years. Japan is committed to working with the participants to achieve an early conclusion of this negotiation.

Japan’s Minister of Economy, Trade and Industry, Saito Ken, said, “I welcome this significant step, crystallizing our joint efforts for as long as five years to shape the inaugural global rulebook for digital trade. These substantially concluded rules herald the promising outcome that deliver enhanced predictability and increased opportunities for consumers and businesses, including SMEs, to thrive in the growing digital economy. Japan is committed to reaching

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<sup>1</sup> Organisation for Economic Co-operation and Development, *Making Digital Trade Work for All*, October 2023

milestone achievements to promote Data Free Flow with Trust (DFFT) in that it helps create an integrated digital economy of the participating members.”

WTO Director-General, Dr Ngozi Okonjo-Iweala, said: “The JSI on E-Commerce offers a unique opportunity for participants to design shared global rules that will enhance stability and predictability and lower costs for businesses in this fast-growing area of cross-border trade. Participants are demonstrating how they can deliver practical, everyday benefits for businesses and consumers whilst building a digital economy that aims to benefit people everywhere.”

China Minister of Commerce, Wang Wentao, said: “Promoting the digital and green development of trade has become an international consensus. Digital trade is a new engine of global trade growth in the 21<sup>st</sup> century. The WTO JSI on E-Commerce is the core platform for global digital trade rule-making. China hopes that this initiative can reach high-standard, balanced and inclusive digital trade rules at an early date, so as to assist developing Members seize and benefit from relevant development opportunities.”

Costa Rica Minister for Foreign Trade, Manuel Tovar, said: “The achievements accomplished on the JSI this year are extremely valuable. The rules we are negotiating under this initiative will improve the conditions under which businesses and consumers take advantage of e-commerce and the digital economy, a sector of increasing importance for Costa Rica.”

European Commission Executive Vice-President, EU Trade Commissioner Valdis Dombrovskis, said: “The European Union welcomes the development of these important global digital trade rules. Agreement on a broad range of digital trade rules at the WTO will facilitate digital trade for consumers and businesses, particularly MSMEs, and promote digital transformation. The European Union looks forward to reaching a positive outcome on the outstanding issues by early 2024, including on the non-imposition of customs duties on electronic transmissions and on ensuring an inclusive process by addressing implementation challenges faced by developing countries.”

The Gambia Minister of Communications and Digital Economy, Ousman A. Bah, said: “The JSI on E-Commerce represents a pivotal opportunity amidst existing unequal digital structures, especially in the Global South and Africa. The Gambia applauds the significant progress made in the JSI negotiations in 2023, recognizing its potential to foster a secure, inclusive, and human-centric digital future. This initiative is crucial for digital inclusivity and economic growth in Africa, where e-commerce is a key driver for sustainable development as well as for AfCFTA facilitation towards regional integration.”

Kazakhstan Vice-Minister of Trade and Integration, Zhanel Kushukova, said: “In the dynamic digital era, Kazakhstan acknowledges substantial progress in WTO e-commerce negotiations, reflecting a collaborative spirit. Notably, in 2022, Kazakhstan experienced a surge in e-commerce, with nearly 50 million online purchases constituting 8.2% of retail trade turnover. Taking into account the growing presence of women entrepreneurs, who now constitute 45 percent of total SME owners in Kazakhstan, it is vital to recognize the important role women play in shaping the landscape of e-commerce. This growth underscores the increasing significance of online commerce in our region, driven by commendable digitalization efforts. The JSI aligns with Kazakhstan’s commitment to building a regulatory framework conducive to innovation, inclusivity, and fair competition, while also contributing to providing additional support and opportunities for women entrepreneurs.”

Mauritius Minister for Foreign Affairs and Trade, Maneesh Gobin, said, “Cultivating the digital landscape isn’t just about access; it is also about empowering small economies and particularly SMEs to thrive. E-commerce isn’t merely a tool; it could be a gateway to equitable growth. If properly harnessed, e-commerce can take our SMEs and small economies to their true potential thus ensuring the shared prosperity of one and all in the digital era.”

United Arab Emirates Minister of State for Foreign Trade, H.E. Dr. Thani bin Ahmed Al Zeyouidi said: “The United Arab Emirates welcomes the substantial conclusion of the Joint Statement Initiative (JSI) negotiations on e-commerce as a significant contribution to the progressive development of global trade rules. We commend the collaborative spirit demonstrated by all participants in crafting this framework, which lays the groundwork for enhanced facilitation, predictability, and transparency for digital trading environment.”

United Kingdom Minister of State for Trade Policy, Greg Hands, said: “The E-Commerce JSI is a historic opportunity to deliver the first-ever set of baseline global digital trade rules in the WTO. The United Kingdom is pleased with the important progress made in the JSI in 2023 and commends the co-convenors for their leadership of this negotiation. We wish to see an agreement that is ambitious, inclusive, and commercially meaningful and that delivers on the priorities of our consumers and businesses.”

The United States Trade Representative, Ambassador Katherine Tai, said: “Digital trade and e-commerce represent important growth opportunities for traders around the world, while at the same time posing regulatory challenges to governments who want to ensure that the marketplace is fair and consumers are protected. The United States welcomes the progress made to date on the WTO E-Commerce JSI and commends the hard work of the three co-convenors, as well as the 90 Members who have contributed to the meaningful disciplines developed over the past couple of years. The United States will continue to work in 2024 to help achieve further progress with a view to a final package of articles that brings meaningful benefits to workers, businesses, governments, and the public, particularly MSMEs and women-owned businesses.”

The JSI on E-Commerce co-convenors, namely, Australia, Japan and Singapore, have also released a joint statement to accompany this announcement. The JSI has 90 participants today, accounting for over 90% of global trade and representing all major geographical regions and levels of development. The co-convenors remain committed to ensuring that the JSI remains inclusive and commercially meaningful, and will continue to work with participants to achieve the timely conclusion of negotiations on this agreement.

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Annex A: Co-Convenor Joint Statement

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## Annex A: Co-Convenor Joint Statement

### **WTO Joint Statement Initiative on E-commerce: Co-Convenor Statement by Australia, Japan and Singapore 20 December 2023**

We, the Co-convenors, together with participants, are pleased to announce the substantial conclusion of negotiations on a number of global digital trade rules that will facilitate electronic transactions, promote digital trade facilitation, and foster an open and trusted digital economy.

Following the strong political endorsement and support on the sidelines of the World Economic Forum Annual Meeting in Davos, Switzerland, in January 2023, the JSI Membership intensified negotiations this year and made excellent progress. This was the result of great flexibility and compromise demonstrated by the Membership, and the adroit shepherding of negotiations by the respective Small Group Facilitators.

As of 20 December 2023, participants have substantially concluded negotiations on 13 articles, *viz.* E-authentication and E-signatures; E-contracts; Paperless trading; Open government data; Online consumer protection; Unsolicited commercial electronic messages; Transparency; Electronic transactions framework; Cybersecurity; Open Internet access; E-Invoicing; Single Windows; Personal data protection. Members continue to strive for convergence on provisions of ICT products that use cryptography, Telecommunication services and E-Payments. These commitments will help to enhance consumer welfare, support businesses especially micro, small and medium enterprises to cut costs, and support governments' digital transformation and greater integration into the global digital economy.

Most participants have also advocated the importance of an ambitious commitment on customs duties on electronic transmissions, and we encourage other participants to join the emerging consensus on this issue. This will add to the commercial impact of the agreement.

The JSI has also strongly prioritized and made good progress in the development provision, including with a view to ensure that the JSI remains open and inclusive for all WTO Members, especially least developed countries (LDCs). Since the launch of negotiations in January 2019, the JSI has grown in membership from 71 to 90 participants today, accounting for over 90% of global trade across all major geographical regions and levels of development. All participants support the development provision as a critical component of the eventual JSI outcome.

A number of challenging proposals, including data flows and localisation, and source code, represent important issues for many participants, but they will require substantially more time for discussions as divergent approaches and sensitivities remained.

As Co-Convenors, we will work in coming weeks to prepare a Chairs' text that reflects our best assessment of a viable and commercially meaningful package.

Looking ahead in 2024, the JSI Membership will focus on resolving outstanding issues, including those related to horizontal provisions (e.g. preamble and exceptions) and legal architecture, in relation to the integration of the JSI outcome in the WTO framework. The JSI Membership will strive to conclude negotiations in a timely manner in 2024.