



EVENTS

WTO Public Forum 2017: Trade behind the headlines

E-commerce is a prominent theme at the [WTO Public Forum 2017](#), with a number of sessions focusing on e-commerce and digital economy. ITC is launching a new e-commerce [report](#) based on a survey covering more than 2,200 respondents. The survey aims to identify the obstacles that enterprises especially MSMEs face when they engage in e-commerce and provide business perspective in the policy discussions on e-commerce.

ITC is invited to speak in a number of sessions at the WTO Public Forum including: "Building an Intelligent Tech and Trade Initiative - ITTI Augmented Intelligence and the future of global trade", "Automation, work and role of trade in services: understanding transformations, exploring opportunities – can trade policy help?", "Learning to trade globally: what should SMEs know?" and "Next generation of trade: theory and policy framework of international e-trade"

ITC actively works to bridge the digital divide by assisting partner countries in developing home grown e-Strategies which combine robust and insightful analytical expertise with our pragmatic, action-oriented trade strategy design methodology. [ITC e-Strategy](#) solutions aim to bring partner countries onto the e-highway and deliver impact by upgrading existing value chains, enhancing competitiveness and addressing developmental concerns in order to maximize each sectors contributions to broad-based socio-economic development.

REGULATORY AND TRADE NEWS

Discussions at the WTO in preparation for the upcoming MC 11

In preparation for the upcoming [11th WTO Ministerial meeting \(MC11\)](#) in December in Buenos Aires, Argentina, WTO members have intensified efforts on making progress in services negotiations. Several new proposals on domestic regulation in services were [discussed](#) including one focusing on Least Developed Countries (LDCs). Proposals called for enhanced transparency of regulatory measures affecting services trade including licensing and qualification-related measures and technical standards. Proposals also covered administration of processes for the authorization of services suppliers and LDC exemptions. Members also continued to review the draft Trade Facilitation for Services (TFS) text proposed by India. On the E-commerce Work Programme, new communications on e-commerce are being discussed. While some argued against any rule-making on e-commerce in the WTO, others are in favour of a deliverable at the upcoming MC 11.

India's Supreme Court ruled on privacy

In August 2017, India's Supreme Court [ruled](#) that citizens have a fundamental right to privacy in a landmark judgement. The judges ruled the right to privacy was "an intrinsic part of Article 21 that protects life and liberty". The ruling has implications for the rollout of government's [ID scheme](#), which obliges all citizens to enroll in an identification system in order to avail government services and benefits, access bank accounts and pay taxes. The verdict of the court overturns two preceding rulings which established that privacy was not a fundamental right guaranteed under the constitution. Proponents of this right raise concerns about the risk of misuse of personal data.

China launched a digital "cyber-court" to handle online cases

The Internet Court based in Hangzhou, China [opened](#) in August 2017 to tackle the increasing number of internet-related claims with a focus on civil cases, including online shopping disputes. "The internet court breaks geographic boundaries and greatly saves time in traditional hearings," said the court's vice-president. Defendants and plaintiffs may appear before the judge virtually via digital means rather than being physically present as in the case of traditional courtrooms.

European countries intend to raise tax for tech companies

Earlier this month, a group of ministers from several major EU countries including France, Germany, Italy and Spain [proposed](#) in a joint letter the taxation tech companies on revenues rather than profits only. "We should no longer accept that these companies do business in Europe while paying minimal amounts of tax to our treasuries," the ministers wrote. They urged the creation of "equalization tax" on turnover that would bring taxation to the level of corporate tax in the country where the revenue was generated. This proposal was mentioned in the state of the union [letter of intent](#) to establish rules on the taxation of the digital economy. The European Commission is [preparing](#) a paper to list the legal options on such taxation, to be published by the time the Digital Summit takes place.

Two rounds down the road for the renegotiation of NAFTA

Canada, Mexico and United States engaged in the first two rounds for the renegotiation of the North American Free Trade Agreement (NAFTA). The three countries reaffirmed the need to update the rules governing the world's largest free trade area and committed "to an ambitious outcome" in a common [statement](#) issued after the first round in August. [USTR](#) included a deficit reduction as a specific objective for the renegotiation of the trade agreement. The US trade balance with Mexico has gone from US\$ 1.3 billion surplus in 1994 to US\$64 billion deficit last year. It is expected that renegotiations will result in adding a digital economy chapter and incorporating labour and environment obligations that are currently covered in other trade agreements, as indicated by [USTR](#).

The nineteenth round of negotiations for the RCEP took place

The nineteenth round of negotiations for the Regional Comprehensive Economic Partnership (RCEP) took place in Hyderabad, India, from 18-28 July. [Negotiations](#) between ASEAN and its six partners, namely People's Republic of China (ACFTA), Republic of Korea (AKFTA), Japan (AJCEP), India (AIFTA) as well as Australia and New Zealand (AANZFTA) started in early 2013 and cover trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement, e-commerce, and SMEs, among other issues..

BUSINESS NEWS

The European Commission sanctioned Google for breaching antitrust law

The European Commission [sanctioned](#) Google with a fine of €2.42 billion for breaching EU antitrust rules. The Commission found Google to be abusing dominance as search engine by giving advantage to its own comparison shopping service, gaining "in traffic at the expense of its rivals and to the detriment of European consumers", says the press release. Since 2008, Google comparison shopping markets were systematically displayed at or near the top of the search results. Meanwhile, rivals were demoted. Even

highly ranked rivals were displayed on average on page four of Google's search results, while evidence shows that the ten highest-ranked search results on page 1 tend to receive 95% of all clicks. Findings show that Google's abusing practices resulted in a 45-fold traffic increase in the United Kingdom, a 35-fold in Germany, 19-fold in France, 29-fold in the Netherlands, 17-fold in Spain and 14-fold in Italy. At the same time, traffic in some rivals' comparison shopping services dropped by 85% in the United Kingdom, 92% in Germany and 80% in France.

Publications

New Pathways to E-commerce: A Global MSME Competitiveness Survey

On 25 September 2017, ITC launched an e-commerce survey [report](#). This first ITC e-commerce survey provides valuable insights that will allow countries to shape policies and practices that address the real business needs on the ground.

To ensure that micro, small and medium-sized enterprises (MSMEs) can benefit from e-commerce, they need better access to e-platforms, payment and delivery services; streamlined customs procedures; and targeted skill building. These are the key findings from this ITC survey of 2,200 MSMEs in 111 countries. In addition, the survey reveals that the share of logistics costs over final price is nearly double in developing countries than in developed countries and that product return is a significant cost factor for enterprises from least developed countries.

BRICS countries: emerging players in global services trade

On 28 July 2017, ITC launched a [publication](#) on BRICS services trade. BRICS countries – Brazil, the Russian Federation, India, China, and South Africa – have emerged as important players in global services trade in the past decade. BRICS services exports are growing faster than the developed countries; their share in global services markets is also expanding rapidly. Yet they still lag behind traditional major players and much work remains to tap into their potential. This report provides data on sector and modes of supply for each BRICS country, and analyses intra-BRICS trade, including a section on digital trade. The analysis suggests that BRICS can better integrate into the global services economy by improving services regulations and reducing trade costs.

Status, Opportunities and Challenges of BRICS e-commerce

On 22 August 2017, ITC launched a joint [publication](#) with UNIDO to examine business-to-clients e-commerce markets in each BRICS country in the context of global e-commerce trends, analysing their growth trajectories, business ecosystems and regulatory frameworks. It identifies key bottlenecks for BRICS to further tap into their e-commerce potential and provides policy recommendations, including streamlining customs procedures, adapting taxation systems, improving infrastructure, strengthening the knowledge and skills of small businesses, and enhancing the cooperation both among the BRICS and internationally.



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