



# WHAT DO WE LEARN FROM THE OECD DIGITAL TRADE INVENTORY

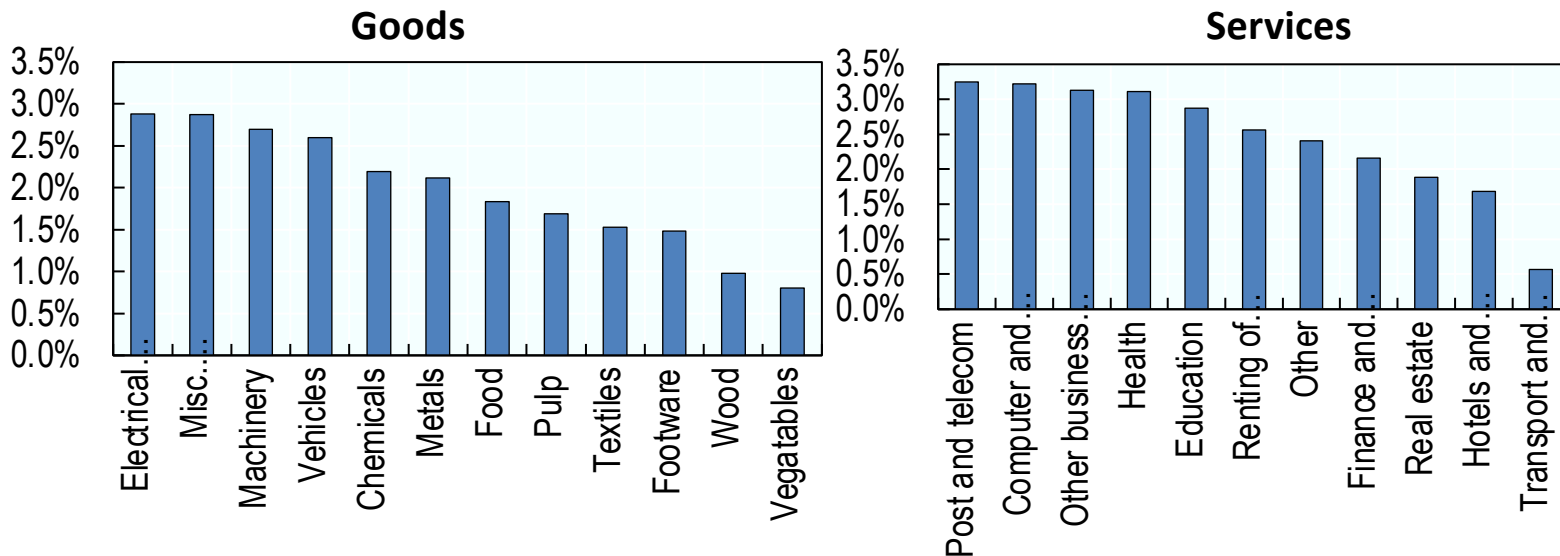
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## Digital trade is different

- Reductions in the cost of sharing information are leading to unprecedented changes in *what* and *how* we trade (although not why we trade).
- This means:
  - More traditional trade (lower trade costs).
  - More digitally ordered parcels crossing borders → helping SMEs and individuals be more directly connected to importing and exporting activities.
  - More digitally delivered trade → including new services (e.g. intermediation or cloud computing services) and smaller value services (Apps) often delivered through new tech (platforms).
  - More bundled or 'smart' products → combining the characteristics of goods and services and constantly connected (smart speakers, IoT).
- This implies that more and more data is supporting international trade and crossing international borders, raising a range of new issues.

# Digitalisation matters for trade across all sectors of the economy



Source: Lopez-Gonzalez and Ferencz (2018)

- A 10% increase in bilateral digital connectivity is associated with a 4% increase in parcel trade (Lopez-Gonzalez and Sorescu, 2021)

## » However, benefits not automatic, and digitalisation has made trade policy more complex

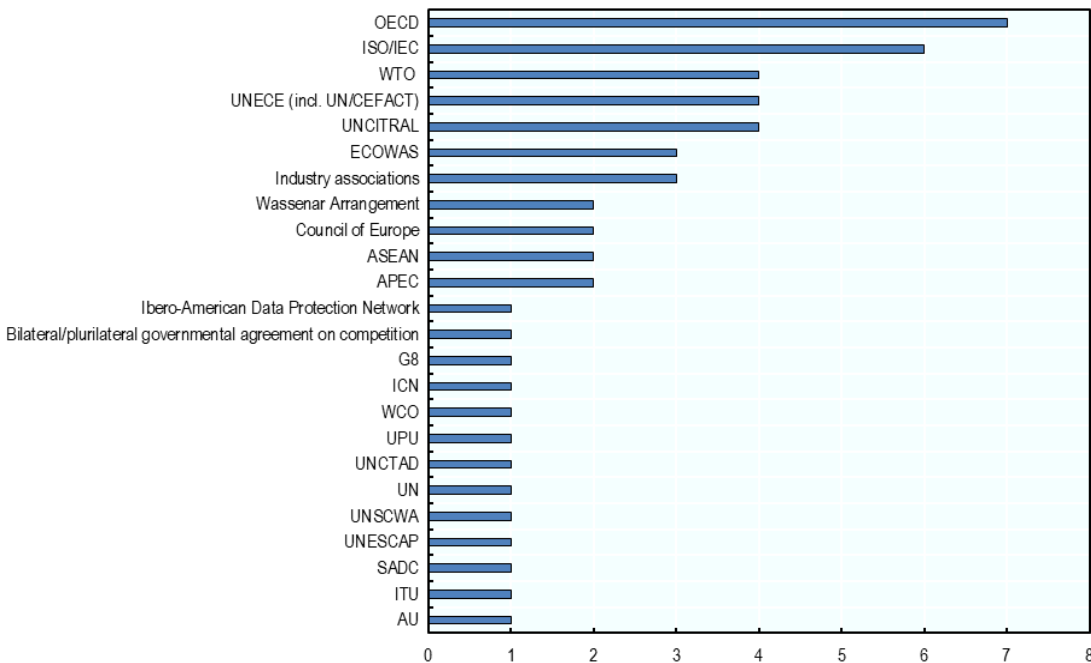
- **Trade rules continue to apply** (GATT, GATS, TFA, ITA, TRIPS). And discussions on e-commerce are ongoing (JSI + FTAs + new Digital Economy Agreements).
- Increasingly trade policy needs to balance “trade and ...” (privacy, consumer protection, national security) objectives.
- However, rules, standards and principles that are of importance to digital trade have also been developed in a range of other fora: UN agencies, OECD, APEC, G20...
- The complexity of the issues and the diversity of the fora underscores the **need for greater transparency**
- The DTI aims to **provide an account of existing rules** that are of importance for digital trade with a view to supporting ongoing international discussions at the WTO or other international fora, or in developing relevant domestic policies.

## What does the inventory cover

Broad Area	Specific area
Facilitating electronic transactions	Electronic transaction frameworks
	E-authentication and e-signatures
	Electronic contracts
	Electronic invoicing
Non-discrimination and liability	Facilitation of e-payments
	Non-discriminatory treatment of digital products
	Interactive computer services (limiting non-IP liability for suppliers and users and infringement of persons' rights)
Consumer protection	Online consumer protection
	Unsolicited commercial electronic messages/spam
Privacy	Protection of personal information/privacy
Digital trade facilitation and logistics	Paperless trading
	Electronic transferrable records
	Customs procedures
	De minimis
Flow of Information	Cross-border transfer of information by electronic means
	Location of computing facilities
	Location of financial computing facilities
Cybersecurity	Cybersecurity
Telecoms	Updating the telecommunications reference paper
Customs duties	Customs duties on electronic transmissions
Access to internet and data	Open government data
	Access to the internet
	Access to online platforms/competition
Business trust	Source code
	ICT products that use cryptography
Market Access	Services market access
	Goods market access

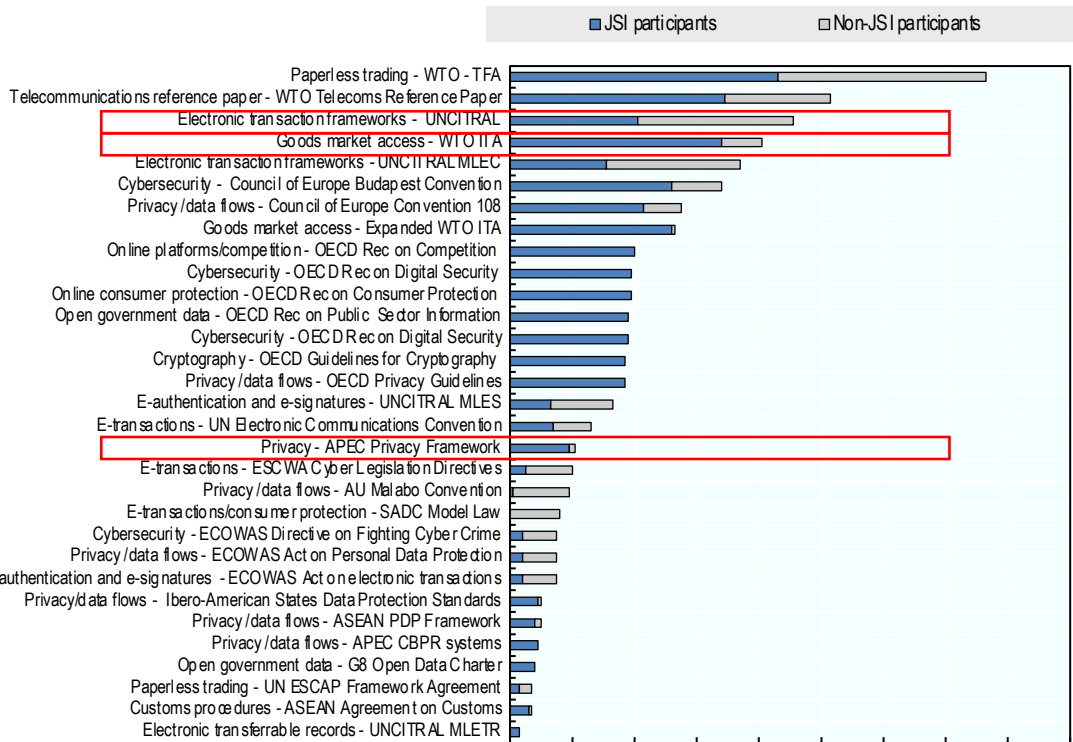
- Rules that have been developed across 12 broad areas – based on JSI discussions).
- Different international fora. WTO, OECD, UNCITRAL, UNCTAD...
- RTAs
- Three elements:
  - A summary report (paper)
  - An Annex with the Inventory
  - An online tool to access the information

## What do we learn from the Inventory: regulatory environment is complex



- 52 instruments that are directly relevant to digital trade in 24 different fora.
- Besides the WTO, the OECD, ISO/IEC, UNECE/UNCEFACT and UNCITRAL are key actors in this area, each providing at least 4 relevant instruments.

# What do we learn from the Inventory: adherence varies widely



- Strongest consensus exists in relation to trade facilitation, telecommunications, and goods market access for ICT products (reflecting progress at the WTO).

## is a high degree of complementarity between different international instruments

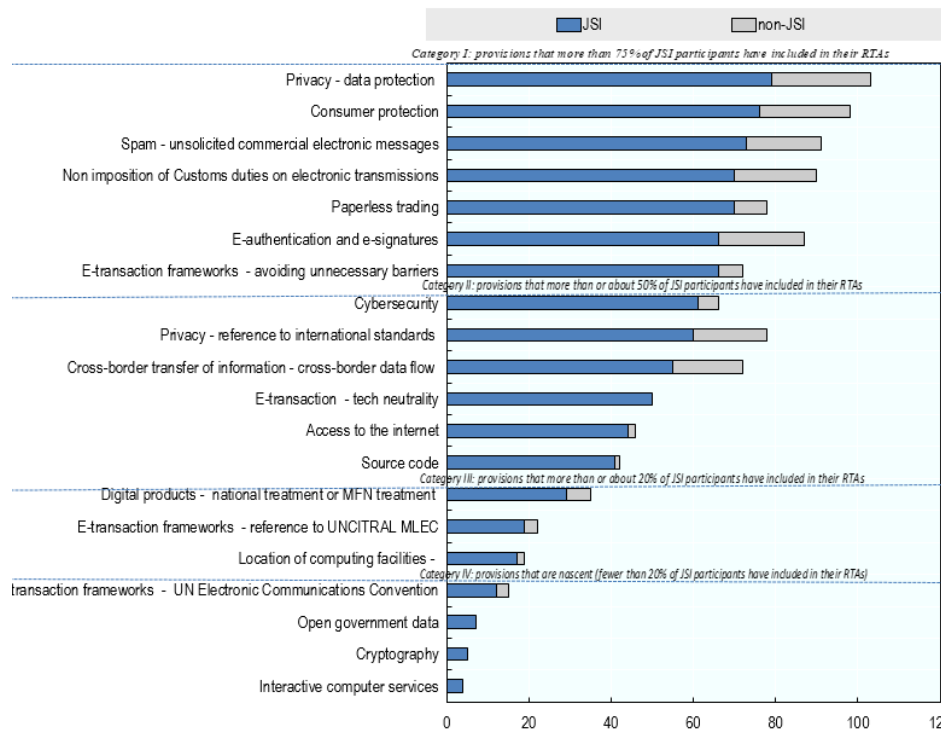
Broad areas	Specific areas	Examples of references
Facilitating electronic transactions	Electronic transaction frameworks	RTAs such as the CPTPP and DEPA references the UN Electronic Communication Convention or the UNCITRAL Model Law on Electronic Commerce
Consumer protection	Online consumer protection	UN Guidelines for Consumer Protection references OECD Recommendation of the Council on Consumer Protection in E-commerce.
Digital facilitation and logistics	Electronic transferrable records	SADEA and DEPA reference UNCITRAL Model Law on Electronic Transferable Records
	Customs procedures	EU-Japan EPA references the WCO SAFE Framework
Privacy	Privacy: Protection of personal information/privacy	RTAs such as the USMCA and the SADEA references the APEC Privacy Framework/APEC CBPR System and the OECD Privacy Guidelines
Facilitating electronic transactions	Electronic invoicing	DEPA requires that measures related to e-invoicing are based on international standards
Facilitating electronic transactions	Facilitation of e-payments	Parties of DEPA agree to take into account internationally accepted payment standards

- There is a **high degree of complementarity** between different international instruments which often cross-reference each other
  - E.g. UN guidelines for Consumer Protection in E-commerce cite the OECD Recommendations on Consumer Protection



## Regional Trade Agreements (RTAs) have played an important role in developing rules for digital trade.

Number of jurisdictions and coverage of issues in RTAs

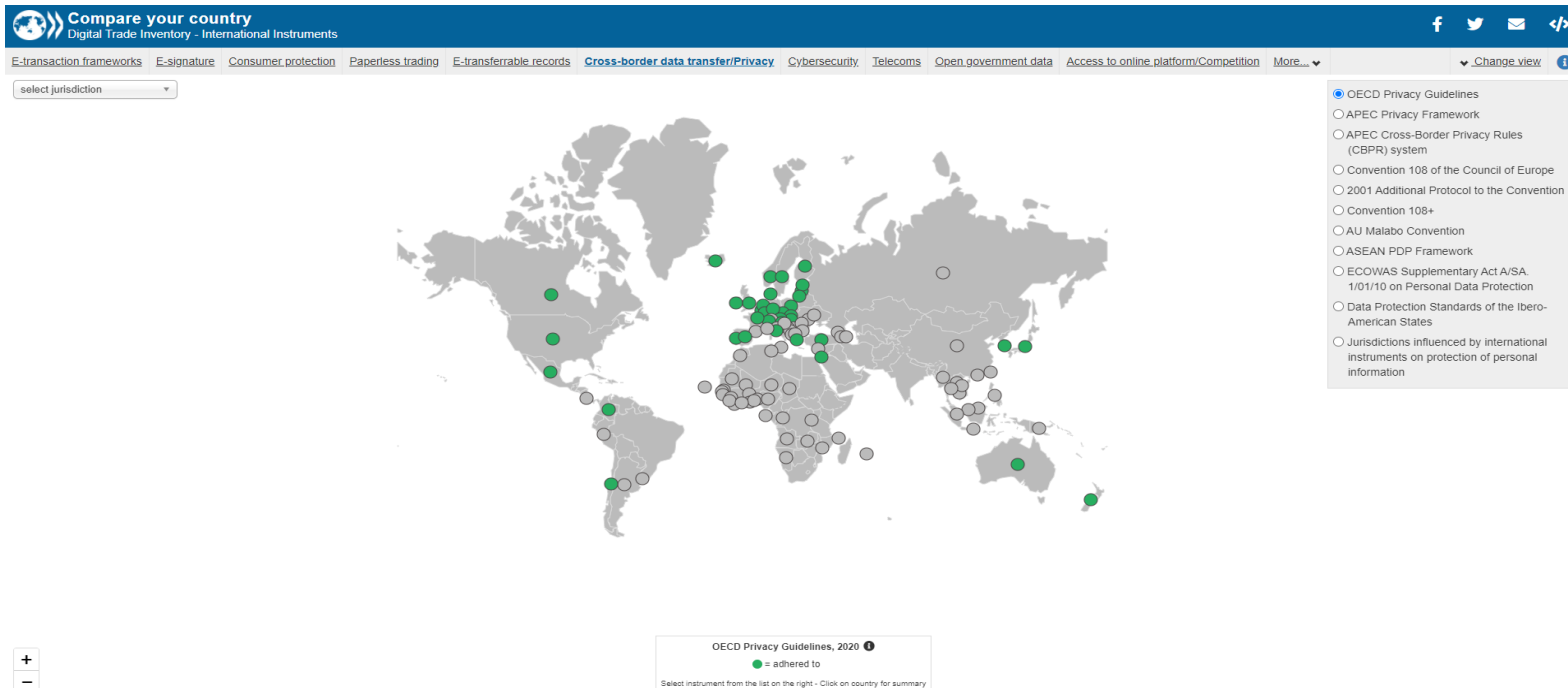


- **RTAs** have played an important role in developing rules for digital trade:
  - Privacy
  - Consumer protection
  - Spam
  - Customs duties on electronic transmissions
  - Paperless trading

## What did we learn?

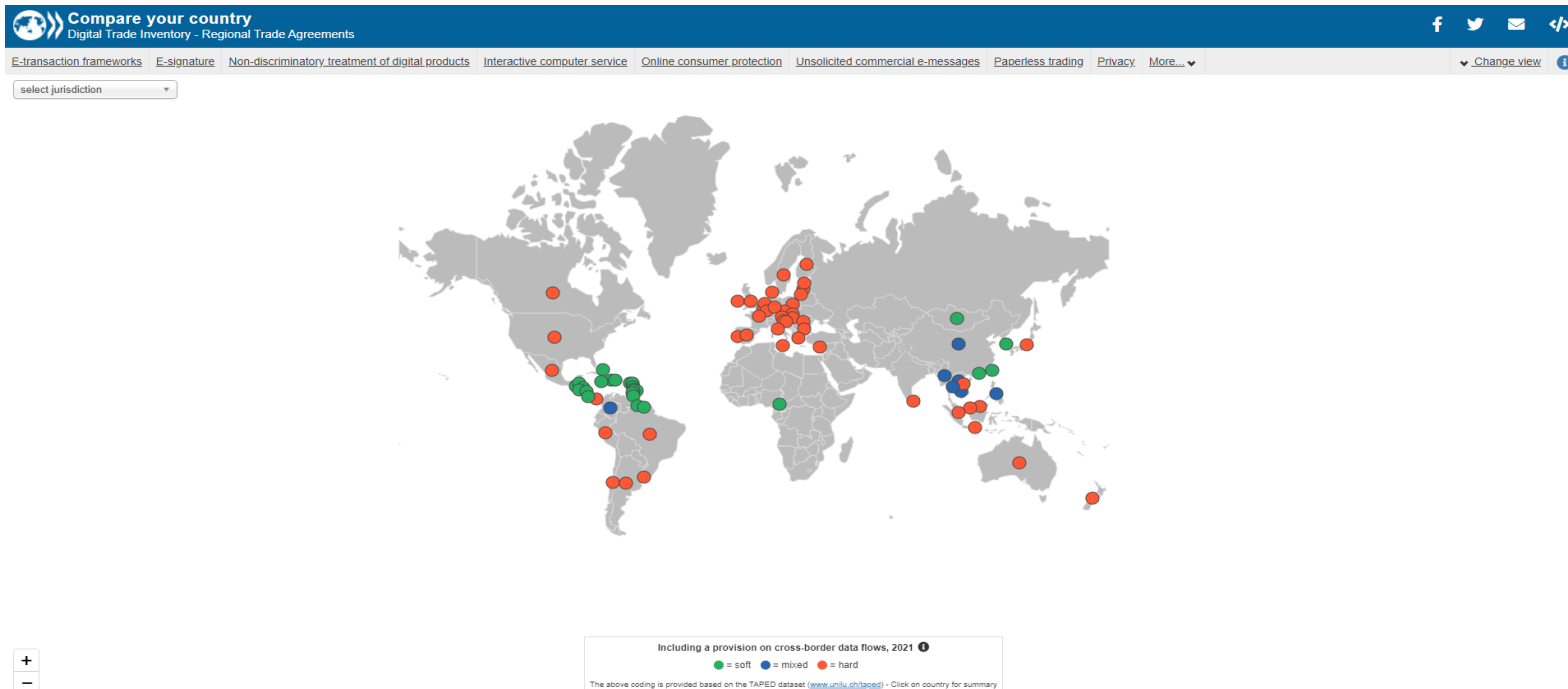
- Overall, there is already **substantial uptake of issues** related to digital trade **among JSI participants** but also across **non-JSI participants**
- Highlights that many jurisdictions have **already made commitments on issues that matter for digital trade discussions, including in their RTAs.**, including across many countries that are not in the JSI discussions.
- There is a solid basis of international instruments across a broad number of fora, upon which WTO e-commerce discussions can build.
- Digital Trade Inventory can usefully act as a point of reference for continued discussions and for tracking progress on these.

# Compare your country: International Rules



<https://www.compareyourcountry.org/digital-trade-inventory-international-instruments>

# Compare your country: RTAs



<https://www.compareyourcountry.org/digital-trade-inventory-regional-trade-agreements>



## Contact us

We look forward to hearing from you!



Access all of the information from the Trade & Agriculture Directorate at:

[www.oecd.org/tad](http://www.oecd.org/tad)



You can reach us via e-mail by sending your message to the following address:

[tad.contact@oecd.org](mailto:tad.contact@oecd.org)



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