



In Committee

**Statement by the Business and Industry Advisory Committee
to the OECD (BIAC) on**

**GENERAL INDUSTRY OBJECTIVES FOR TRADE NEGOTIATIONS
RELATING TO TELECOMMUNICATIONS AND ELECTRONIC
COMMERCE**

July 2002

Industry proposes four core principles for trade negotiations:

- Promote the development of the domestic and global infrastructure that is necessary to conduct e-commerce while avoiding barriers that would hinder such development;
- Promote full implementation of existing commitments and seek increased liberalisation for all basic telecommunications, value-added and computer and related services;
- Promote the development of trade in goods and services via e-commerce; and
- Promote effective protection for intellectual property made available over digital networks.

1. To promote the development of the domestic and global infrastructure that is necessary to conduct e-commerce, industry seeks:

- elimination of duties on all ICT products broadly defined, including commitments at the broadest possible level for categories 84, 85 and 90. These commitments will be important to ensure that all countries have access to the hardware and software necessary to deploy and access the e-commerce infrastructure;
- full market access and national treatment commitments for the sectors that are associated with the infrastructure needed for business-to-business and business-to-consumer e-commerce; and
- an open, competitive market for electronic commerce, including commitments not to impose new barriers to the development of the e-commerce infrastructure.

2 To promote full implementation of existing commitments and seek increased liberalisation for all basic telecommunications, value-added and computer and related services, industry seeks:

- market access and national treatment commitments in all modes of supply for all service sectors without limitation;
- earlier implementation dates;
- monitoring and enforcement of commitments;
- reductions or elimination of measures such as foreign ownership restrictions and discriminatory licensing procedures that serve to restrict access by foreign competitors;
- adoption of and adherence to the "Reference Paper" for basic telecommunications; and
- full implementation of measures consistent with obligations contained in the General Agreement on Trade in Services (GATS) Annex on Telecommunications for access to and use of public telecommunications networks for the provision of services, including computer and related services and value added services, for which countries have made commitments.

3 To promote the development of trade in goods and services via e-commerce, industry seeks:

- recognition that current commitments under the General Agreement on Tariffs and Trade (GATT), the GATS and the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) apply to e-commerce. This is essential given the fact that electronic commerce is not a new form of trade but rather a new medium for conducting trade in goods and services and delivery of intellectual property.
- trade treatment and classification of an electronic deliverable that is no less favourable than the treatment applied to the underlying good, service, or intellectual property;
- Scheduling of commitments at the highest level possible, including, the adoption of an approach in which parties make full market access and national treatment commitments such that all sub-sectors are covered for appropriate service sectors;
- an agreement that the interpretation of classifications under existing international classification schemes such as the GATS, is sufficiently flexible to capture technological progress and evolution in the delivery of services.
- an agreement that valuation of digitisable products delivered on a physical medium, including software pursuant to GATT Decision 4.1 on Valuation of Carrier Media Bearing

Software for Data Processing Equipment, for customs purposes, be based on the value of the carrier medium only; and

- the continuation of the practice of not applying or imposing customs duties and/or border measures on electronic transmissions.

4 To promote effective protection of intellectual property made available over digital networks, industry seeks:

- Effective and timely implementation and enforcement of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). With the rapid development of digital technologies and electronic services, the need for effective protection and enforcement of intellectual property rights is imperative. The TRIPs Agreement plays a very important role insofar as it provides minimum standards for such protection and enforcement; and
- Timely ratification and implementation of the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty in a manner which balances the rights and obligations of network operators, service providers, content providers, and users.