



Business and Industry Advisory Committee to the OECD

Comité Consultatif Economique et Industriel Auprès de l'OCDE

Ottawa, 8 October 1998

## **BUSINESS STATEMENT ON THE IMPACT OF TELECOMMUNICATIONS LIBERALISATION ON ELECTRONIC COMMERCE**

*Made on the occasion of the OECD Ministerial Conference «A Borderless World:  
Realising the Potential of Global Electronic Commerce»*

### **WHEREAS THE BUSINESS COMMUNITY**

As represented by the Business and Industry Advisory Committee to the OECD (BIAC), the Global Information Infrastructure Commission (GIIC), the International Chamber of Commerce (ICC), the International Telecommunications Users Group (INTUG) and the World Information Technology and Services Alliance (WITSA), in co-operation with the Internet Law and Policy Forum (ILPF).

### **RECOGNISES**

That past OECD work carried out under the auspices of the Committee on Information, Computer and Communications Policies, and in particular, the Working Party on Telecommunications and Information Services has significantly contributed to knowledge and understanding of the economics of telecommunications markets, thereby facilitating the successful conclusion of the WTO Agreement;

That past OECD work, including the background documentation of this Conference, supports a positive correlation between the degree of telecommunications liberalisation and the use of electronic commerce;

That electronic commerce is projected to grow substantially in the near future and to account for an increasing percentage of world economic activity;

That in order to flourish, electronic commerce requires a set of internationally compatible policies and conventions as well as an underlying competitively provided, state of the art communications infrastructure which is reliable, efficient, accessible and affordable;

That a competitive telecommunications marketplace is the most effective means of ensuring a sustained, long-term trend towards lower costs, increased quality and thus expanded access to the telecommunications infrastructure;

That substantial commitments were made to open markets in basic telecommunications services in the World Trade Organisation Agreement on Basic Telecommunications concluded in February, 1997, including adoption of a set of pro-competitive regulatory principles contained in the WTO Reference Paper, which have yet to be fully and effectively implemented; and

That many WTO Member countries have not made commitments for full liberalisation of telecommunications markets and many other countries remain outside of the WTO community;

## REAFFIRMS

The importance of a liberalised telecommunications infrastructure to electronic commerce; and

Their commitment to strive for fully liberalised telecommunications infrastructures throughout the world;

## ENCOURAGES

All signatories to the WTO Agreement on Basic Telecommunications to move quickly to fully and effectively implement their commitments;

All WTO members who have not yet done so to schedule meaningful telecommunications commitments: to specify a date certain for full liberalisation, progressively to remove foreign ownership restrictions, and to adopt the WTO Reference Paper in its entirety; and

Non-WTO countries to liberalise their telecommunications markets in order to ensure for themselves the benefits resulting from such liberalisation in both the provision of basic telecommunications services and access to electronic commerce;

## ADVOCATES

Policies that enable convergence of the telecommunications, information technology and multimedia industries in a competitive environment;

The principle of open competition among all service providers in the area of convergence (wireline and wireless telecommunications, cable, terrestrial and satellite broadcasting, information technology, etc) in order to promote innovation, reduced costs, increased business investment in new infrastructures and services, and the resulting benefits of faster growth of electronic commerce; and

The full digitisation of the provision of government services via communications infrastructures, services and multimedia; and therefore

## DECLARES THAT THE OECD SHOULD

Include issues pertaining to telecommunications infrastructure liberalisation and communications infrastructure competition as an integral part of all electronic commerce deliberations;

Address the remaining obstacles to full liberalisation of telecommunications infrastructure and services in view of a growing borderless world for electronic commerce; and

Address the economic impact of the liberalisation of telecommunications infrastructures on the continued growth of electronic commerce.