



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Symposium on APEC Supporting the WTO Negotiations on Trade-related Aspects of E-commerce

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Table of Contents

Background	4
Summary Report on Virtual Preparatory Meeting for the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce	5
Introduction	5
Opening remarks	5
Power-point Presentations / Discussions	8
Session 1 - Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China	8
Speaker 1: Ms Lee Tuthill, Senior Counsellor, Trade in Services and Investment Division, WTO	8
Speaker 2: Mr Javier Lopez-Gonzalez, Senior Trade Policy Analyst, Trade and Agriculture Directorate, OECD	9
Speaker 3: Mr Andre Wirjo, Analyst, Policy Support Unit, APEC	10
Speaker 4: Mr Hari Prabowo, Director for Trade, Commodities and Intellectual Property, Ministry of Foreign Affairs, Indonesia	11
Speaker 5: Mr Toru Kajiwara, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan.....	12
Speaker 6: Mr Hadri Sopri, Senior Assistant Director, Multilateral Trade Policy, International Trade Cluster, Ministry of Trade & Industry, Singapore.....	13
Session 2 - Moderator: Ms Li Mosi, Research Professor, Shanghai University of International Business and Economics	13
Summary Report on the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce	15
Introduction	15
Opening remarks	17
Power-point Presentations / Discussions	23
Session 1 - Moderator: Ms Huang Meibo, Director, Institute of Business, Shanghai University of International of Business and Economics	23
Speaker 1: Martin Roy, Counsellor, Trade in Services and Investment Division, WTO.....	23
Speaker 2: Ms Gao Xiaoyu, Deputy Director, Information Policy Institute of the China Industrial Control Systems and Cyber Emergency Response Team	23
Speaker 3: Ms Shi Jingxia, Professor, School of Law, Renmin University of China (RUC)	24
Speaker 4: Mr Henry Gao, Associate professor of law, Singapore Management University ...	24
Speaker 5: Mr Manvinder Singh Bhullar, Assistant Director, Ministry of Trade and Industry, Singapore	25
Session 2 – Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China	26
Speaker 1: Dr Joshua P. Meltzer, Senior Fellow, the Brookings Institution	26
Speaker 2: Mr Jonathan Mchale, Deputy Assistant U.S. Trade Representative for ICT Services and Digital Trade, Office of the U.S. Trade Representative	26
Speaker 3: Dr Mira Burri, Senior Lecturer, University of Lucerne.....	27
Speaker 4: Mr Hamid Mamdouh, Former Director of Trade in Services and Investment Division, WTO	27
Speaker 5: Mr Scott J. Marcus, Senior Fellow, Bruegel	28

Speaker 6: Mr Lu Chuanying, Director, the Cyberspace International Governance.....	28
Research Center and Senior Research Fellow of Shanghai institutes for international studies ..	28
Session 3 – Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China.....	29
Speaker 1: Ms Paola Galvez, Head of Regulatory and Public Affairs, Niubox Legal Digital .	29
Speaker 2: Ms Karina Tejada, Trade in Services Coordinator, Directorate of Multilateral Affairs, Ministry of Foreign Trade, Peru.....	30
Speaker 3: Mr Toru Kajiwara, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan.....	30
Speaker 4: Ms Angela Marie M. De Gracia, State Counsel, Department of Justice, the Philippines	31
Speaker 5: Mr Thongchai Sangsiri, Expert of the Electronic Transactions Development Agency, Thailand	31
Speaker 6: Ms Pan Shi, Deputy Director, Finance and Trade Division, China (Shanghai) Pilot Free Trade Zone Lin-Gang Special Area Administration.....	32
Speaker 7: Mr Agustaviano Sofjan, Director for Trade, commodities, and Intellectual Property, Ministry of Foreign Affairs, Indonesia.....	32
Session 4 – Moderator: Mr Lu Xiankun, Managing Director of LEDECO Geneva.....	33
Speaker 1: Mr Andre Wirjo, Analyst, Policy Support Unit, APEC	33
Speaker 2: Ms Irina Subkhangulova, Special adviser, Department for trade negotiations, the Ministry of economic development, Russia.....	34
Speaker 3: Mr Song Hock Koon, Director, Ecommerce – Malaysia Digital Economy Corporation (MDEC), Malaysia	34
Speaker 4: Mr Zhang Hongsheng, Assistant Dean, China Academy of Digital Trade, Zhejiang University.....	35
Speaker 5: Mr Li Yongjian, Research fellow of Research Center of Service Economy and Internet Economy, National Academy of Economic Strategy, Chinese Academy of Social Sciences	35
Speaker 6: Ms Xu Meina, Associate professor, Institute of Business, Shanghai University of International of Business and Economics	36
Closing remarks	37
Participants Feedback.....	38
Participants (APEC Member Economies)	38
Survey Results	38
Table 1	38
Table 2	39
Way Forward	39

Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce

Background

E-commerce is growing at an unprecedented rate and it creates great opportunities for inclusive trade and development, which has been well captured in APEC Cross-border E-Commerce Facilitation Framework and APEC Internet and Digital Economy Roadmap (AIDER). Realizing that the existing global trade rules are not always well-suited to supporting the growth of e-commerce, working together to address the challenges of fragmented regulatory frameworks will help APEC to better harness the benefits of e-commerce. In this context, 84 WTO members are making efforts to discuss e-commerce rules and all WTO members are encouraged to participate in. Taking into account the unique opportunities and challenges faced by Members including developing economies and LDCs, as well as by micro, small and medium sized enterprises, in relation to e-commerce, increased understanding among the participants is still required to achieve high standard outcome. With growing public attention, confirming that related discussions will not prejudice each economy's position in the WTO negotiations on trade-related aspects of e-commerce, all APEC economies are encouraged to participate in the discussions and in order to further enhance the benefits from e-commerce for businesses, consumers and the global economy.

World trade is set to plunge as COVID-19 pandemic disrupts normal economic activity and life around the world, the APEC region is no exception. However, e-commerce may benefit from the crisis since demand for which has boomed as companies try to do business online. Additionally, the need to enable full access to the digital economy and facilitation of digital trade and e-commerce has become more apparent as companies look to innovate and deliver products and services that meet needs in a variety of areas. It is important to establish rules and regulations in order to facilitate e-commerce. WTO e-commerce negotiations offer opportunities for all stakeholders in APEC economies to engage in e-commerce discussions. Given the uncertainty of physical meeting caused by the pandemic, a video preparatory meeting is proposed for warm-up and preliminary communication.

This APEC symposium is set to support the WTO Negotiations on Trade Related Aspects of E-commerce. Without prejudging economies' positions in the negotiations, this symposium seeks to make exploratory and introductory efforts to deepen discussions and enhance mutual understanding on topics of interest, so as to a) contribute positively and actively to the WTO e-commerce negotiations and b) further expand discussions and identify trade-related e-commerce rules that could be considered by APEC economies. A reflection on a possible role played by WTO e-commerce negotiations facing at the unprecedented impact on global trade caused by COVID-19 will also be addressed.

Summary Report on Virtual Preparatory Meeting for the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce

Introduction

The half-day Virtual Preparatory Meeting (VPM) was held on 2 February over ZOOM Meeting. The VPM was hosted by Ministry of Commerce, China and organized by Shanghai University of International Business and Economics. About 70 participants from 16 APEC economies attended the VPM. The expert speakers from WTO, OECD, APEC PSU and APEC economies shared their observations and insights on the impact of COVID-19 pandemic on e-commerce and WTO e-commerce negotiations.

Session 1 discussed the impact of COVID-19 pandemic might have to the development of electronic commerce, and the process of WTO Negotiations on Trade related Aspects of E-Commerce. Session 1 was moderated by CHEN Jian, Director, Department of WTO Affairs, Ministry of Commerce, CHINA. The six (6) speakers for session 1 were:

1. Lee Tuthill, Senior Counsellor, Trade in Services and Investment Division, WTO (Speaker 1).
2. Javier Lopez-Gonzalez, Senior Trade Policy Analyst, Trade and Agriculture Directorate, OECD (Speaker 2)
3. Andre Wirjo, Senior Analyst, Policy Support Unit, APEC (Speaker 3).
4. Hari Prabowo, Director for Trade, Commodities and Intellectual Property, Ministry of Foreign Affairs, Indonesia (Speaker 4)
5. Toru KAJIWARA, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan (Speaker 5)
6. Hadri Sopri, Senior Assistant Director, Multilateral Trade Policy, International Trade Cluster, Ministry of Trade & Industry, Singapore (Speaker 6)

Session 2 focused on reporting the result of the questionnaire survey and making technical preparation for the upcoming symposium. Session 2 was moderated by Li Mosi, Research Professor, Shanghai University of International Business and Economics. Professor Li Mosi reported the questionnaire survey results.

Opening remarks

Chen Ning, Deputy Director General, Department of International Trade and Economic Affairs, Ministry of Commerce, CHINA made opening remarks to open the discussion. In his remarks, he mentioned the following:

- The COVID-19 pandemic caught us all by surprise. The world economy is going through a severe recession. Despite the trillions of dollars in relief packages worldwide, global economic recovery remains uncertain. APEC members, as pioneers in world economy, would step up to bring regional economy out of woods and make our contribution to the global economic recovery.

- APEC Leaders adopted the Putrajaya Vision last November and committed to continue to promote free and open trade and investment for the next 20 years. The Regional Comprehensive Economic Partnership Agreement (RCEP) has been signed last November, which will deliver a higher standard regional economic integration.
- APEC has a long history of supporting multilateral trading system with WTO at its core. For years, China has played an important role as a premier regional forum in driving WTO's significant undertakings, such as Information Technology Agreement, Environmental Goods Agreement and Trade Facilitation Agreement.
- The importance of the rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system has been further revealed in the context of COVID-19. The E-commerce has featured its advantages in promoting social stability and economic resilience. The rapid growth in digital economy calls for globe-recognized rules and regulations. WTO E-commerce Negotiations has been in the spotlight, as one of the most-involved WTO events.
- China proposed to hold the APEC symposium to provide an opportunity for members to enhance mutual understanding and deepen discussion on issues related, while without prejudging members' position in the negotiations.

Zhou Lan, Deputy Director General, Shanghai Municipal Commission of Commerce, CHINA also delivered her remarks. In her remarks, she mentioned the following:

- During the COVID-19 pandemic, a series of important documents including 2020 Kuala Lumpur Declaration were issued by APEC, pledging that the region will stand united against the pandemic and will forge ahead towards a strong, balanced, inclusive and safe economic growth. APEC Leaders adopted the Putrajaya Vision last November and committed to continue to promote free and open trade and investment for the next 20 years.
- Being the largest economic centre of China, Shanghai proactively responded to the Kuala Lumpur Declaration and is committed to building itself into a global economic, financial, trade, shipping, as well as science and technology centre. Shanghai is an ideal destination for foreign investment. In recent years, Shanghai has been shifting the focus towards institutional opening up with greater emphasis on digital transformation and new growth engines. The city is now fully on board with the trend of global e-commerce and digital trade.
- The insights of fellow experts and representatives at both sides of the screen will translate the growing potential of e-commerce and digital trade into tangible benefit to be shared by all parties, and it will also inspire Shanghai's effort to become the central node of domestic circulation and the strategic link between domestic and international circulations.

Yin Yao, Secretary, Shanghai University of International Business and Economics, China made his opening remarks. He mentioned the following:

- Founded in 1960, Shanghai University of International Trade and Economics is a university directly under the former Ministry of Foreign Trade and Economic Cooperation (now the Ministry of Commerce). It is one of the earliest financial universities in China to develop international economic and trade talents. Over the past 60 years, the university has been born as the trade empowering China and prospered by opening-up policy. It has always resonated with China's opening up, especially the development of foreign trade and economic cooperation. It has made positive contributions to China's integration into the world economic and trade system, and has become an important base for China's open economic theory research, decision-making consulting services and international talent training. In 2020, the Digital Trade Academy was established, in collaboration with Shanghai Municipal Commission of Commerce, to deepen the research in the field of digital trade.
- With the rapid development of information technology, the traditional trade system is transforming and upgrading to a new international trade system to which e-commerce

and digital trade is the centre. After the outbreak of COVID-19, e-commerce and digital trade have shown vigorous vitality to grow against the trend of the decline.

- The discussions at the preparatory meeting will help APEC economies to better understand the impact of COVID-19 on e-commerce development and WTO e-commerce negotiations, and to make positive contributions to APEC's efforts to support WTO e-commerce negotiations and multilateral trade system.

Alison Hamilton, New Zealand's Deputy Permanent Representative to the WTO made remarks to conclude the opening session. She mentioned the following:

- New Zealand is committed to supporting the APEC region in its pursuit of economic recovery, with a view to overcoming the challenges caused by the pandemic, and the pursuit of our sustainable development ambitions.
- One of New Zealand's priorities as host is to pursue a recovery on the basis of innovation and the expansion of the digital economy. A digitally-enabled economy with broad participation across society and businesses, will be better placed to recover and thrive. One way that we can support digitally enabled businesses and trade is by supporting the development of international rules that provide stability and certainty, which makes it easier for our businesses and enterprises to grow.
- New Zealand is committed to supporting constructive and productive negotiation in the WTO.
- The Joint Statement Initiative covers a wide variety of e-commerce issues. The COVID-19 pandemic has highlighted the importance of the issues being negotiated in this initiative. With rapid increase in scale and value of cross-border e-commerce trade, we need to focus on how we can effectively protect consumers online and build trust in these digital environments.
- There are also important discussions to be had around facilitating cross-border data flows. How can we promote the healthy development of the digital economy and data-driven innovation whilst ensuring consumer trust, business integrity, and preserving future regulatory space given the many "unknown unknowns" in this growing area of trade policy.

Power-point Presentations / Discussions

Session 1 - Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China

Session 1 focused on the impact of COVID-19 pandemic might have to the development of electronic commerce, and the process of WTO Negotiations on Trade related Aspects of E-Commerce.

Speaker 1: Ms Lee Tuthill, Senior Counsellor, Trade in Services and Investment Division, WTO

Ms Lee Tuthill spoke about E-commerce trade and technology trends especially in the context of COVID-19. Her presentation focused on B2C and B2B trends as well as technology and regulatory trends.

Lee mentioned that the Asia Pacific region has led the world in e-commerce sales to date with \$2,448.44 billion. These data do not determine the trade itself, but these data will show the trend of e-commerce development. We can do some additional operations to promote the international trend of the industry. Lee thinks the Asia-Pacific region leading the way in overall e-commerce is a very interesting trend, and a completely different trend from when we started talking about e-commerce many years ago.

B2C strongest e-commerce growth shows that nine economies including Philippines, Malaysia and Spain are projected to see more than 20% growth in retail e-commerce sales this year. When it comes to the retail E-commerce sales growth worldwide, Asia-Pacific had the highest volume of e-commerce sales, Central and Eastern Europe saw the fastest growth at 21.5%, followed by the Middle East and Africa (19.8%) and Latin America (19.4%). Asia Pacific saw the lowest growth at 15.5%.

Because of the COVID-19 pandemic, Books, Music & Video was by far the highest category in e-commerce sales, at 62.7%. The pandemic has been forcing people to stay at home more, so they are more likely to buy entertainment, online videos, music and books.

Another growing trend is cross border B2C E-commerce. Now there are 57% Online shoppers on average in the world who make purchases from overseas retailers, Europe 63.4%, Africa 55.5%, Asia-Pacific 57.9%, Latin America 54.6%. These figures show that e-commerce is no longer limited to the domestic market.

In terms of B2B services coping with the pandemic, Lee believed that the WTO negotiations would have an extremely important impact on B2B e-commerce goods, and many B2B companies have managed to stay in business, operate and recover. This requires moves toward digital transformation of both marketing and sales. Impact differs among sectors: Two-thirds of firms in tourism and hospitality category have seen substantial disturbance to their business. Other areas include personal services (60%), education (52%), wholesale (46%) and manufacturing (46%). The B2B sectors with minimal impact compared with others, were tech and telecom (21%), financial services (28%) and energy and utilities (29%).

Catching up with B2C, marketplace platforms are emerging in B2B e-commerce. The success of many B2B companies in sustaining and revitalizing their operations under COVID-19 has increased the need for a digital transformation of marketing and sales,

but we have to acknowledge that this transformation is difficult for small and medium enterprises, but that doesn't mean it's impossible.

The B2B market is more active because of the Internet boom, and emerging markets are showing more vitality. During the COVID-19 pandemic, consumers have been more likely to shop online, and companies tended to copy consumer behavior and seize the opportunity presented by the COVID-19 pandemic by expanding online more than in the past.

Trends in technology have also led to incredible developments in mobile and telecommunications, broadband, but we expect 5G technology to move beyond mobile phones to businesses and other facilities. Artificial Intelligence-software algorithms are also rapidly adopting. Blockchain and other transactional data networks are becoming more and more popular, as well as 3D printing becoming available. About Data centers & the cloud, spending on cloud infrastructure services has risen from little or nothing to \$100 billion annually.

Speaker 2: Mr Javier Lopez-Gonzalez, Senior Trade Policy Analyst, Trade and Agriculture Directorate, OECD

Mr Javier Lopez-Gonzalez talked about leveraging digital trade to fight the consequences of COVID-19. During lockdown, mobility for retail and recreation fell dramatically. Google mobility data illustrates the dramatic reduction in mobility to places of retail and recreation. At the same time, we also saw a very big change in working habits with workplace mobility falling. On average, across 72 economies, workplace mobility fell by about 50% a month after lockdown. For many, this has resulted in job losses, with wider economic and social consequences. However, others have been able to continue working remotely using digital tools.

Our ability to cope with this shock relates to our ability to shift activities online. This depends on a range of factors such as skills and education, access and cost of Internet, managerial knowhow and ability to leverage new digital technologies.

Trade can help to enable digitalization. By enabling cheaper access to digital networks or ensuring the flow of devices through which we access the internet. Digitalization can enable more trade in return, facilitating trade in digitally ordered parcels and digitally delivered services or facilitating more efficient movement of goods across borders.

During lockdown, Internet infrastructure faced unprecedented demand. Lower trade barriers on telecommunication services can foster competition reducing price of Internet access. Lower tariffs on network equipment can help keep maintenance costs down. There was also growing demand for goods through which we access digital networks. Digitalization also enables more trade: During confinement, online orders grew fast. Digitalization can help facilitate access to goods and services via trade. We are ordering more ICT goods, medical goods (pharmaceuticals); and leisure items such as books or games.

However, getting parcels to where they are needed has met difficulties during confinement, including challenges arising in logistics, supply side challenges, growing workloads at the border as a result of rapid increases in trade in parcels. Many governments have been making increased use of digital tools to streamline processes and document requirements at the border, such as online information portals, digital copies of SPS certificates, electronic pre-arrival processing.

There are many trade facilitation measures introduced. Such as establishing specific COVID-19 online information portals, acceptance of digital trade-related documents in place of physical copies (including sanitary and phytosanitary certificates), increasing in the number of procedures benefitting from electronic pre-arrival processing. These are complementary to the introduction of measures such as “green lanes” or “corridors” for fast clearance of certain products.

In addition to the increase in demand for digital goods, demand for digitally enabled services also increased. Firms increased demand for telecoms and computer and related services to access the digital solutions they need to maintain online economic activities, such as cloud computing, digital communication, business management solutions. Consumer demand for online entertainment services (video and music streaming) and online retail services (online marketplaces) has also risen. Digitally deliverable services such as mobile and contactless (electronic) payments and e-signatures can further enable domestic and international economic and social activity during confinement.

Online retail services are essential for acquiring protective equipment, foodstuffs, ICT equipment for teleworking, and other household essentials. Mobile and contactless payments also play a key role in enabling online transactions and can facilitate physical distancing. For instance, raising the limit on contactless payments helps consumers purchase more while reducing exposure to the virus. The ability of firms to offer many of these services will rely on the underlying regulatory environment and the degree of competition in the market.

Javier concluded that the crisis has highlighted the need to enable more trade in the digital era. There are many measures that governments can take.

- Ease restrictions on goods and services underpinning digital networks to address growing bandwidth demands and adjustments to virtual working conditions.
- Temporarily lower tariffs on ICT goods to facilitate access products that enable teleworking and communicating with others.
- Promote further logistics services liberalization and streamlining and digitizing processes and procedures at the border to ensure that trade, including digitally ordered parcels, gets to where it is needed.
- Reduce barriers to digitally enabled services to promote more digital trade in both goods and services.
- Promote policies that tackle the digital divide with a view to ensuring that more people can access the tools they need to adjust to changing circumstances and enable greater benefits from digital trade.

Speaker 3: Mr Andre Wirjo, Analyst, Policy Support Unit, APEC

Mr Wirjo pointed out that COVID-19 would cause functional crisis, and the resolution in economy will be particularly important. The online platform has been integrated into our work, study and life, meeting our daily changing needs and becoming the essential component of our daily life.

The direction of our digital solutions has become an option for people nowadays, as people try to replace losing the channel by staying in business or operating it. In order to make an effort to contribute to WTO negotiations on aspect of e-commerce as well as capacity building, PSU has conducted a study for the CTI last year, they focused on analyzing two complementary components. The first one is the database of relevant laws and regulations, the second one is case studies.

Negotiations have started in the early 2019. Database is for all 21 economies, mainly focusing on six areas, including electronic transactions framework, openness and cross-border related issues, consumer protection and privacy issues, cybersecurity, infrastructure-related aspects and market access.

These areas not only show the progress of each economy, but also reveal the shortcomings. In terms of electronic transactions framework, recognition of electronic authentication is obviously increasing, but not entirely sufficient for all forms of legal instruments. About openness and cross-border related issues, many economies have established conditions under which data exports of personal data can occur and/or are allowed, but most economies do not have specific policies for competition issues associated with online platforms. When it comes to consumer protection and privacy issues, only a few economies have made specific references to this area or have laws or regulations. About cybersecurity, we can see that different economies have cybercrime legal frameworks embedded in their criminal laws. However, not every economy has cybersecurity laws to deal with a larger set of issues. About infrastructure-related aspects, most economies have adopted full market entry liberalization for their GATS commitments on telecommunication services. All economies had adopted the Telecommunications Reference Paper, but some have adopted a modified/reduced version, while others have adopted additional commitments. In the sixth area, although most economies have joined the WTO Information Technology Agreement (ITA), a few economies have put in place regulations pertaining to encryption and other aspects such as those requiring licensing of electronic/IT products.

Overall, APEC should take actions to help economies on the capacity building on the following areas.

- The adoption of international standards, practices, guidelines and recommendations in economies' laws and regulations;
- Mutual recognition and interoperability among the laws, regulations and initiatives;
- International cooperation with regards to specific aspects of e-commerce;
- New approaches to regulations, including the use of technology to facilitate process;
- Ensuring that laws, regulations and initiatives are practical, reasonable and can be operationalized efficiently.

Speaker 4: Mr Hari Prabowo, Director for Trade, Commodities and Intellectual Property, Ministry of Foreign Affairs, Indonesia

Hari Prabowo first introduced the Indonesia's digital ecosystem profile. Digitization in Indonesia is already very extensive and is increasing every year. Indonesia's share of total ASEAN e-commerce transactions has reached 50% and Indonesia's rank on digital acceleration among G20 members in the past three years, is now in the third place.

The outbreak of Covid-19 will adversely affect the global economy. Despite high growth during pandemic, Indonesia still needs to improve its digital infrastructure.

Indonesia has participated in the JSI on e-commerce of WTO in November 2019. The objective is: "to achieve high standards outcome that builds on existing WTO agreements and frameworks with the participation of as many WTO members as possible." Since Indonesia joined the organization, it has been a supporter of various important issues such as capacity building and technical assistance, digital trade facilitation, customs duties on electronic transaction, electronic transaction frameworks.

Hari Prabowo talked about the current global challenges and opportunities about the development of e-commerce. The first challenge is the digital divide. Currently, there is a huge gap in digital infrastructure construction among and within economies around the world. Many developing and underdeveloped economies lack digital infrastructure. The distribution of related professionals is also very uneven. Limits in funding have also exacerbated this imbalance. The second challenge is the global trade issues. Logistics problems hindered the further development of trade. SMEs' competitiveness in production is decreasing in the global market. At the same time, the outbreak of the epidemic has caused some economies to distrust multilateralism.

The digital economy is important to improve the efficiency and access of global value chains. Future technology and the global youth population can also bring new development opportunities. We also need to predict the adverse effects of disruptive technologies. In addition, we need to upgrade existing labor skills to meet future needs.

In summary, there are four issues that must be paid attention to.

- First, the discussion of creating international rules on digital trade must incorporate the aspects of economy, security, and development equally.
- Second, digital economy plays an important role in building a resilient global economy towards the achievement of sustainable development goals.
- Third, we should recall the mandate of the declaration of global electronic commerce 1998 for the work programmed on e-commerce to take into account the economic, financial, and development needs of developing economies.
- At last, JSI on E-Commerce is a test-case for multilateralism, therefore the ambition of achieving high standards should be balanced with wider participation of other WTO members and should be able to bridge differences among them.

Speaker 5: Mr Toru Kajiwara, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan

Mr Toru Kajiwara focused on the issues of the WTO E-commerce negotiations in JSI. First, in terms of the openness, we need to regulate the restriction which hinders the cross-border data flow. And that is the key to high standard or commercially meaningful outcome. There is another important issue under the openness, which is customs duties on electronic transmissions. The question is how to add value to WTO-wide moratorium renewed over years.

Trust is also an important issue. It ranges broadly from personal information protection to cryptography. It is related to how we can ensure the business trust while doing digital trade. Privacy and how we can ensure online consumer that online commercial activity will be conducted safely will address the concern. Besides, regulating the request for disclosure of source code and algorithms would be vital to preserve the trust. We need to ensure to protect consumers and personal information. Meanwhile, we should also promote the participation into the digital economy should be encouraged.

Then Toru mentioned facilitation. The rising importance of e-translations, the invention of e-signatures and authentication means that we no longer rely on the paper signing or actual exchange of the stamped paper to engage the trade.

In terms of the market access, the issue is expanding the range of specific commitments on WTO agreement. How we can expand the coverage of market access on goods and service related to e-commerce could be expected to be substantively discussed this year.

These are broad themes that have been covered in JSI. However, so far we have achieved limited progress as some of the issues' particular nature, which could be

advanced through small group meetings. Issues like e-signatures and authentication or spams have already been brought to conclusion in last year. About other issues, such as data flow, we need to intensify the negotiations this year for M12.

Speaker 6: Mr Hadri Sopri, Senior Assistant Director, Multilateral Trade Policy, International Trade Cluster, Ministry of Trade & Industry, Singapore

Mr Sopri focused on process challenges on E-commerce especially for the JSI in the context of COVID-19 pandemic.

The first and most obvious point would be the travel restrictions, which have been brought up by the pandemic. It becomes quite difficult for us to negotiation face to face. Instead, we are using virtual meetings. But virtual meetings definitely will across time zones, which is less efficient due to limitation by time-zone differences. So we set up quite a few small groups to supplement the focus group discussion.

WTO secretary has helped to organize all kinds of events online. So the second challenge for us is that we may require ministerial guidance in dealing with difficult issues. Several key issues remain outstanding on the table. Things like data flow, localization, access source code, where perhaps high-level intervention could help address these problems. And related to that is the uncertainty on MC12 dates which has presented the tangible endpoint for the negotiation. So in the Osaka Leader's Declaration, economies have come to substantial progress by MC12 and that remains our goal. In terms of ensuring momentum for the year for MC12, we will communicate some sort of working plan this year. This is one sure momentum and also accountability in terms of what we want to achieve by several deadlines this year. And of course, we also looked at ways how we can elevate some issues beyond a technical level and include looking master level in Geneva to make some progress and to address challenging issues.

At the start of pandemic, the focus of negotiation might also be challenging as some of our ministry have started to focus on COVID work. Related officials have been stepping up efforts on transparency and outreach in Geneva and also between capitals to ensure awareness of progress meeting in the discussions and the negotiations on compromises achieve in negotiating tax. They also have conducted several ambassador level consultations in Geneva and they have also maintained an open door policy to all economies and businesses. They encourage interested economies and members to participate. They are committed to a high standard agreement with the participation of as many WTO members as possible. And they will continue to encourage developing member participants to share on their particular challenges in the negotiations and work together to find possible solutions in negotiating framework. They will also continue to organize sessions and seminar and private sector you may interested.

Hadri pointed out that APEC also needs to continue to play a key supporting role in outreaching effort, oncoming symposium, preparatory meeting and data base earlier mentioned by Andre, and provide really useful resource for negotiation. He thought despite the pandemic, the overall interest in JSI remains high. Broadly speaking, the pandemic has highlighted the importance of digital tree and digitalization.

Session 2 - Moderator: Ms Li Mosi, Research Professor, Shanghai University of International Business and Economics

Professor Li Mosi reported the questionnaire survey results. In her report, she mentioned the following:

As stipulated in the Project Proposal, in order to identify the topics of interest on which APEC economies would like to discuss at the symposium, a questionnaire survey in CTI was conducted in September & October 2020.

10 APEC economies participated the questionnaire survey, including Australia, Chile, Japan, Republic of Korea, the Philippines, Russia, Singapore, Chinese Taipei, Thailand and the United States.

Based on the results and suggestions in the questionnaire survey, the tentative agenda for the symposium was drafted, in which the topics that participating economies are not very interested in have been deleted, and additional topics that proposed by participating economies have been included. In order to facilitate discussion, the tentative agenda would be heuristic, concentrated and in a holistic manner.

The tentative agenda includes four sessions: (1) Crucial terms in discussions of trade-related aspects of e-commerce; (2) Establish a sound environment for e-commerce transaction; (3) Create a safe and trust-worthy market environment for e-commerce; (4) Promote pragmatic and inclusive development cooperation.

The questionnaire also addresses the impact of COVID-19 pandemic on e-commerce and WTO e-commerce negotiations. The participating economies agree that the COVID-19 has accelerated digitalization and underscored the importance of e-commerce/digital trade. However, the pandemic has highlighted some challenges related to e-commerce, such as digital divide, development of digital infrastructure. The COVID-19 has illustrated the importance of rule-making in the area of e-commerce/digital trade and thus reinforced the value of WTO e-commerce negotiations. Hence, the APEC economies should redouble efforts in ensuring substantive progress for the WTO e-commerce negotiations and formulate rules as soon as possible.

Regarding to the expectations of APEC to make concrete efforts to support WTO E-Commerce Negotiations, although APEC is not a negotiating forum, the participating economies believe that APEC can and should play many roles in supporting the WTO e-commerce negotiations, including: (1) To further encourage APEC economies to participate in rule-making in the WTO e-commerce negotiations; (2) To narrow the gap in understanding the WTO e-commerce negotiations; (3) To better understand each other's different domestic regulatory regimes on e-commerce; (4) To enable capacity building through experience sharing in addressing JSI participants capacity building needs

Summary Report on the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce

Introduction

The two-day hybrid Symposium was held on 24-25 March in Shanghai and over ZOOM Meeting. The Symposium was hosted by Ministry of Commerce, China and organized by Shanghai University of International Business and Economics. About 190 participants from 19 APEC economies attended the Symposium. The expert speakers from WTO, APEC PSU, think tanks, academia and APEC economies shared their observations and insights on crucial terms in discussions of trade-related aspects of e-commerce, creating a safe and trust-worthy market environment for e-commerce, establishing a sound environment for electronic commerce transaction and promotion of pragmatic and inclusive cooperation in the post COVID-19 pandemic period.

Session 1 examined the definition and scope of some crucial terms in discussions of trade-related electronic commerce, including trade-related aspects of electronic commerce and electronic transmission, etc. Session 1 was moderated by Huang Meibo, Director, Institute of Business, Shanghai University of International of Business and Economics. The five (5) speakers for session 1 were:

1. Martin Roy, Counsellor, Trade in Services and Investment Division, WTO (Speaker 1).
2. Gao Xiaoyu, Deputy Director, Information Policy Institute of the China Industrial Control Systems and Cyber Emergency Response Team (Speaker 2)
3. Shi Jingxia, Professor, Law School of Remin University of China (Speaker 3).
4. Henry Gao, Associate professor of law, Singapore Management University (Speaker 4)
5. Manvinder Singh Bhullar, Assistant Director, Ministry of Trade and Industry, Singapore (Speaker 5)

Session 2 focused on some highlighted issues which bring unprecedented security risks and regulatory challenges to member economies, including online consumer protection, personal information protection, cyber security, cross-border transfer of trade-related information, source code, etc. This session was moderated by Chen Jian, Director for Services, Department of WTO Affairs, Ministry of Commerce, China. The six (6) speakers for session 2 were:

1. Joshua P. Meltzer, Senior Fellow, the Brookings Institution (Speaker 1)
2. Jonathan Mchale, Deputy Assistant U.S. Trade Representative for ICT Services and Digital Trade, Office of the U.S. Trade Representative (Speaker 2)
3. Mira Burri, Senior Lecturer, University of Lucerne (Speaker 3)
4. Hamid Mamdouh, Former Director of Trade in Services and Investment Division, WTO (Speaker 4)
5. Scott J. Marcus, Senior Fellow, Bruegel (Speaker 5)

6. Lu Chuanying, Director, the Cyberspace International Governance Research Center and Senior Research Fellow of Shanghai institutes for international studies (Speaker 6)

Session 3 focused on how can APEC members establish a sound environment for electronic commerce transaction, including facilitating cross-border electronic commerce, electronic authentication and trust services, moratorium of customs duties on electronic transmissions, etc. Session 3 was moderated by Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China. The six (6) speakers for session 3 were:

1. Paola Galvez, Head of Regulatory and Public Affairs, Niubox Legal Digital (Speaker 1)
2. Karina Tejada, Trade in Services Coordinator, Directorate of Multilateral Affairs, Ministry of Foreign Trade, Peru (Speaker 2)
3. Toru Kajiwara, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan (Speaker 3)
4. Angela Marie M. De Gracia, State Counsel, Department of Justice, the Philippines (Speaker 4)
5. Thongchai Sangsiri, Expert of the Electronic Transactions Development Agency, Thailand (Speaker 5)
6. Pan Shi, Deputy Director, Finance and Trade Division, China (Shanghai) Pilot Free Trade Zone Lin-Gang Special Area Administration (Speaker 6)
7. Agustaviano Sofjan, Director for Trade, commodities, and Intellectual Property, Ministry of Foreign Affairs, Indonesia (Speaker 7)

Session 4 focused on development and cooperation issues, including bridge the digital divide, electronic commerce and global value chain, research and measurement, etc. This session discussed the impact of COVID-19 pandemic might have to the development of electronic commerce, and the process of WTO Negotiations on Trade related Aspects of E-Commerce. Session 4 was moderated by Lu Xiankun, Managing Director, LEDECO Centre Swiss. The six (6) speakers for session 4 were:

1. Andre Wirjo, Analyst, Policy Support Unit, APEC (Speaker 1)
2. Irina Subkhangulova, Special adviser, Department for trade negotiations, the Ministry of economic development, the Russian Federation (Speaker 2)
3. Song Hock Koon, Director, Ecommerce – Malaysia Digital Economy Corporation (MDEC), Malaysia (Speaker 3)
4. Zhang Hongsheng, Assistant Dean, China Academy of Digital Trade, Zhejiang University (Speaker 4)
5. Li Yongjian, Research fellow of Research Center of Service Economy and Internet Economy, National Academy of Economic Strategy, Chinese Academy of Social Sciences (Speaker 5)
6. Xu Meina, Associate professor, Institute of Business, Shanghai University of International of Business and Economics (Speaker 6)

Opening remarks

Yu Benlin, Director General, Department of International Trade and Economic Affairs, Ministry of Commerce, China, made opening remarks to open the discussion. In his remarks, he mentioned the following:

- Though the COVID-19 pandemic hit the global economy hard, it has also fast-tracked the digital transformation of the world economy. Since the outbreak, e-commerce and digital economy have achieved a counter-trend growth, and have become a new engine to economic and trade recovery through promoting cross-border flow of goods and services.
- The rapid development of e-commerce calls for more modernized and adaptive rules and regulations. However, a unified mechanism of rule-based governance in digital economy has yet to be forged under the current multilateral framework. As an important manifestation of WTO's rule-making function, e-commerce negotiations have attracted extensive attention from member governments and the business community.
- Last November, APEC Leaders reached the Putrajaya Vision, which will guide Asia-Pacific cooperation in the next 20 years. This new vision once again reaffirms the principles of APEC, which include supporting the multilateral trading system, promoting regional economic integration, and achieving inclusive growth. This year, APEC members will work together toward a comprehensive and feasible implementation plan of the vision. He shared China's views on future APEC economic and trade cooperation:
 - First, APEC should hold high the banner of multilateralism and carry forward its traditional values of supporting the multilateral trading system. As the most influential regional platform for economic and trade cooperation, APEC needs to steadfastly support the rules-based multilateral trading system and WTO's core functions of negotiations and dispute settlement. APEC could invigorate the WTO with APEC's deliverables, and assist the WTO to become more adaptive and strengthen its guiding role in international trade and investment. APEC should help to drive economic globalization toward an open, inclusive, preferential, balanced, and win-win direction.
 - Second, APEC should continue to play the role of "incubator" and "integrator" for rules and regulations, to promote the process of regional integration. The Asia-Pacific region is the pivot of the global FTA network. Currently, RCEP and CPTPP have both made substantial progress, paving the pathways for the realization of FTAAP. We should give full play to the leading role of RCEP and CPTPP in regional economic integration. We need to accelerate the effective implementation of RCEP, to facilitate deeper integration of the regional industrial and supply chain, and forge an integrated market. Meanwhile, CPTPP should become more inclusive, so that its high-standard rules could be recognized and implemented more widely.
 - Third, APEC should uphold the principles of balance and consensus-based, and contribute to the inclusive and sustainable growth in the region. The Asia-Pacific region brings together the world's major developed and emerging economies, with different economic levels and stages of development. With the spirit of community, APEC should assist the WTO in updating its rules, so as to better reflect the changes of the global economy, and better accommodate the interests of developing members, particularly their calls to address the "digital divide", and thus help developing

economies better integrate into the global value chains. This is the unique advantage of APEC as a regional economic cooperation platform, and is our "original aspiration" for establishing APEC.

Shen Weihua, Deputy Director General, Shanghai Municipal Commission of Commerce, made opening remarks to open the discussion. In his remarks, he mentioned the following:

- As China's largest municipal economic center, Shanghai will actively respond to the Kuala Lumpur Declaration and will accelerate the implementation of the city's five center initiative to build Shanghai into an international economic, trade, financial, shipping and innovation center. Shanghai, as the largest port city in the world, represents 3.2% of the total world trade. As one of the top investment destination of foreign businesses, Shanghai is home to 771 MNC's regional headquarters and 481 foreign-invested R&D centers. Digital Economy accounts for half of the city GDP and the volume of Shanghai's trade in service has been No.1 in China for many years. In recent years, as systematic opening-up continues, Shanghai is shifting its focus towards the development of digital economy, which includes digital transformation and new growth engines. In 2019, Shanghai formulated a three-year action plan for the development of digital trade. It proposed the goal of developing Shanghai into a global hub for digital trade, expediting the creation of new carriers such as Hongqiao Global Hub of Digital Trade, Lin-gang "information flying fish"— a global innovative island of digital economy; in 2020, new network, new facility, new platform and new end equipment as well as other new types of infrastructure were launched so that emerging technologies such as 5G, AI, industrial internet, IoT and digital twins can be integrated into the city's production and life at a faster speed.
- Shanghai aims to become an outstanding global city, a modern socialist metropolis, an enchanting place of innovation, culture and eco-friendliness. To that end, Shanghai will further promote digital transformation and incorporate the digital elements in our economy, everyday life and governance. Economic digitalization will create new supply, digitalization in everyday life will meet new demand, and governance digitalization will optimize the overall environment. The urban digital foundation will be enhanced on which all things are interconnected. Through digital transformation, city "cells" are vitalized.

Wang Rongming, President, Shanghai University of International Business and Economics, made opening remarks to open the discussion. In his remarks, he mentioned the following:

- There is few international rules to facilitate e-commerce and digital trade. The absence of such rules risk fragmented regulatory frameworks. The WTO Negotiations on Trade Related Aspects of E-commerce will offer a better path: working together to negotiate a set of widely applicable rules and create predictable and trustworthy environment for global e-commerce and digital trade.
- On Feb. 2nd, we have organized the Virtual Preparatory Meeting for the Symposium. At the meeting, we have discussed about the progress and challenges of the WTO e-commerce negotiations in Post-Covid-19 Era. Today, at the symposium, we have the privilege to have invited experts from WTO, international think tanks, and world-known universities, as well as representatives from APEC member economies. We'll continue to conduct in-depth discussions on the important issues of the WTO e-commerce negotiations and how APEC supports the WTO e-commerce negotiations. These discussions will promote exchanges and communications, enhance

understanding, and bridge differences among APEC economies. As such, this symposium will contribute to APEC's efforts to promote the achievements of the WTO e-commerce negotiations, support the multilateral trading system, and inspire and deepen the research in e-commerce and digital trade.

Tan Hung Seng, Ambassador of Singapore to the WTO, made opening remarks to open the discussion. In his remarks, he mentioned the following:

- First, why is e-commerce important for APEC economies. The COVID-19 pandemic has upended the world, and has transformed our lives in unprecedented ways. But one of the significant trends we have witnessed, is the accelerated pace of digital adoption in many economies. Since the pandemic struck more than a year ago, we have adjusted and become more accustomed to conducting many of our daily activities online, from working at home to shopping online, from tele-medicine to online concerts. We can expect some of these adjustments to stay with us in the post-pandemic world. For example, e-commerce is growing at an unprecedented rate, especially in the Asia-Pacific region. China and the US, which are the world's top two e-commerce markets, are set to see double digital growth in 2021 in terms of e-commerce revenue. The RCEP which was signed in November 2020 has extensive e-commerce commitments. It also gives us further impetus for e-commerce to grow in our region. In other words, e-commerce has become a reality. It's important that APEC members embrace e-commerce and support the development of international rules at the WTO. More importantly, APEC must intensify the cooperation on the basis of e-commerce, and identify opportunities for collaboration between APEC and the WTO. APEC economies can accelerate implementation of the APEC digital economy roadmap in order to deepen cooperation among economies. The roadmap has established common and fundamental objectives for economies to focus on, such as the development of digital infrastructure, and enhancing trust and security in the use of ICT, and facilitating free flow of data. These issues are not just important at APEC, but also at the WTO, and other fora. Our discussions today should build on each other, as we collectively enrich our understanding on digital economy. There're also specific APEC initiatives that can help enhance understanding on digital rules and build support for them. For instance, the APEC Pathfinder Initiative on Permanent Customs Duties Moratorium on Electronic Transmissions which was introduced led by the US in 2016 is a good example of how APEC can play an important role in setting global standards in the digital world as 13 APEC members have agreed not to impose customs on electronic transmissions.
- Second, what is the state of play in the JSI. The JSI members are engaged in negotiations on the consolidated text and we are making commendable progress in several articles. There's a solid pipeline of articles that are forging ahead towards clean text. We can also expect more urgency and strong resolve from members to achieve progress. Also, the operating environment for negotiations continues to be challenging due to the pandemic. But we'll continue to adapt and innovate our processes. In the past year, we have used digital tools such as online meeting to supplement our discussions. In doing so, we have involved capital and technical experts in the negotiations. The contents of the JSI are complex, and as we steadily resolve less contentious provisions, we are naturally confronted with more challenging issues on the table. But more broadly, it's timely to recall the Davos statement that launched the e-commerce JSI in 2019 aimed to achieve both broad participation and high ambition. We can consistently seek to find solutions that allow us to achieve both these objectives.
- Third, what are the key issues in the JSI. First, to underline our firm conviction that the JSIs are fully legitimate in the WTO. Plurilateral processes are not new under the WTO framework. We must use open plurilaterals, such as the JSIs, as building blocks

towards multilateral outcomes. They're conducted in an inclusive and transparent manner. At the time when the WTO faced great stress, the JSI has made progress to attract the interest of businesses and address modern business realities. Apart from technical and regulatory contributions, JSIs are also well-placed to update WTO rulebook. Second, with today's rapid development of technology, it's inevitable that data has become a central theme to JSI. Data has regularly transformed the landscape of global trade. It has become an increasingly essential component of economic activities. But more importantly, digitalisation has allow MSMEs to expand their business operations and be plugged into the global economy. Hence, it's important that the WTO must address these data issues head-on. If the WTO is unable to respond in a meaningful way, it will become marginalized. Finally, I wish to focus on theme of development. The processes of the JSI is open, transparent and inclusive. There is certainly room to explore how we can help to narrow the digital divide, and we welcome ideas from economies. Currently, 19 APEC members are part of the WTO negotiations on e-commerce JSI. Therefore, sessions like these are useful in deepening our understanding of how the JSI can drive economic growth for all economies. Together, we can explore ways to ride the wave of technological advances to leapfrog and gradually narrow the digital divide.

- Singapore is mindful that we must accelerate the momentum to deliver the substantial progress. Achieving substantial progress will be an important stepping stone towards the eventual conclusion of the JSI. For many APEC members who participate in JSI, we look forward to working closely with you, and harnessing the enormous potential of e-commerce to deliver economic benefits to improve the lives of our people.

Rebecca Fatima Sta Maria, Executive Director, APEC Secretariat, made opening remarks to open the discussion. In her remarks, she mentioned the following:

- One is the development of APEC, specifically is incubator initiatives to the studies of capacity building initiative to assist APEC member economies including our private sector engagement, three APEC values added to the work of the WTO. APEC was well ahead of the PEC when in 1998, to the endorsement of the APEC blueprint for action on electronic commerce. APEC has established the e-commerce group in 1998 to put into action the blueprint. Appreciating the development in this area the impact, the rich and cross-cutting nature of ecommerce, today APEC has stayed a holistic fuel and made ecommerce a key part of APEC internet and digital economy roadmap to be moderated by the high-level digital economies group established in 2017. Ecommerce is not just about business transactions but must involve regulatory reform and deeper policy conversations on data flows, payments infrastructure, consumer protection, competition, IP protection, capacity building and investment facilitation. It involves engaging the business community, governments, and policymakers and requires regional and international cooperation.
- The second point is on the important aspects of APEC's contribution to the work of ecommerce, specifically for policymakers. This is the formal capacity building programs, workshops, and symposium like we are having today to share other matters including digital US mention part of the initiatives, two upcoming capacity building programs, and the workshop on protection of intellectual property rights in digital ecommerce. If we look at challenges this is IP protection for the digital trade. And capacity building workshop on Ecommerce elements in RTAs and FTAs. This will be done later this year. Apart from the programs, members choose to participate the pilot initiatives to ensure that new ideas are tested and experience shared in the all members will be able to join it. In this regard, APEC has a number of finders related to the digital and ecommerce. This format enables members to be contained for new trade negotiations and work collaboratively and pragmatic regulatory and policy approaches to common challenges. In addition, policy supporters also conduct studies relevant to this area and private sector engagement, private sector involvement is important. They are key partners for APEC policymakers. APEC state council, through

the years produces a number of work papers, in their annual report to the APEC leaders, the business community has consistently called members to achieve substantial outcomes in the WTO negotiations, especially on e-commerce to agree to the permanent moratorium customer duties on electronic transmissions. More recently, APEC's digital innovation working group organized the trading digital symposium, and the trade ministers engaged in a chat on the innovative solutions that could enable member economies to reopen more fully in the midst of global pandemic. Officials are now attempting to translate these demands from the private sector to practical initiatives.

- Thirdly, the APEC value add to the work of WTO. In the work that APEC does, because of the development in the larger community, the trade community specifically, and work in the WTO, it should be noted that the three core convenors of the JSI are APEC members. And almost all APEC economies are participants in this initiative. APEC is an incubator of many such ideas to the WTO. Such as the WTO Trade Facilitation Agreement in 2014, which was originated in APEC's early work. APEC members also share the 2018 APEC Non-binding Principles for Domestic Regulations on the service sector with the WTO members. In addition, the remarkable access for IT and e-commerce, APEC was instrumentally initiating the Information and Technology Agreement, which has ultimately let to law crisis to humans and for IT products. APEC has done a lot to contribute to the WTO and we'll continue to do so. In course of two days' symposium, we will see us building up capacities, so that we can contribute to the work to going on in the field of e-commerce negotiations of the WTO.
- In conclusion, APEC is committed to furthering and supporting the WTO initiatives, and the success of the WTO is the success of all of us. We have a role to ensure a success in the future activities. The work we put in to this symposium would make sure the benefits of all of us.

Yi Xiaozhun, Deputy Director-General, WTO, made opening remarks to open the discussion. In his remarks, he mentioned the following:

- E-commerce in its broad sense as defined by the WTO extends to all trade in goods and services conducted online or enable by online means and measures. It is in so-called digital trade and a term which WTO would generally use interchangeably with E-commerce. It is also clear that E-commerce in all its forms has become the present and will determine the future of our economies. By the same token, progress at the WTO on E-commerce will determine the future relevance and future success of the multilateral trading system. WTO is pursuing work on several front will help mitigate the impact of COVID-19 on as well as to curb effects of trade policy on the crisis. The WTO's work on E-commerce is one of these. Digital technologies and internet has become central working doing business and of course international trade. In APEC; we must leave no one behind. Our future is a shared future.
- It is even fair to say that E-commerce talks have gained new urgency as a result of the pandemic. As you know, your governance and those other members are engaged in talks on enabling free talks. I believe that this discussion and WTO has also held governance better understand what is at the stake of the digital economy and the crucial law of the movements of the information around the world.
- All E-commerce have had the greatest feasibility yet aspirations for facilitating effective and efficient flow of data. Also take importance of complementary policy objectives, such as privacy, which can enhance trust in online business. The E-commerce trends that became apparent during the pandemic, not only demonstrated the importance of economic and recovery measures. But they also cast a hasher light on the challenges.

- The challenge is to find an innovative way to conduct the work of the WTO. We need the means of a lot of negotiations to move forward and to integrate their results into a system of fair and balanced manner. Some governments do not choose to participate. Political solutions will require flexibility and adaptability and our open mind and working manners and negotiating WTO. Second, in the economic front, the pandemic has made even more clear that developing economies need to be better equipped to participate in E-commerce. There is a glaring need for more and better connectivity but also need for legal frameworks both domestic and international to support and reinforce developing economies' efforts. WTO is one pillar of these efforts. But solutions will also require much closer collaboration among many international and regional institutions and stakeholders.

- The aim is to contribute to the consumption growth of all economies, both large and small. Updating the trade rules would be beneficial for them to better serve the digital economy. In this symposium, an excellent group of very knowledgeable experts and experienced policy officials would share the thoughts which is not only be useful but also inspiring.

Power-point Presentations / Discussions

Session 1 - Moderator: Ms Huang Meibo, Director, Institute of Business, Shanghai University of International of Business and Economics

Session 1 examined the definition and scope of some crucial terms in discussions of trade-related electronic commerce, including trade-related aspects of electronic commerce and electronic transmission, etc.

Speaker 1: Martin Roy, Counsellor, Trade in Services and Investment Division, WTO

Martin Roy focused on the Impact of COVID-19 on Digital Services Trade & E-Commerce in the WTO.

Service sectors and services trade have been heavily affected by the pandemic. But the impact varies across different services sectors and different modes of supply. Services sectors and modes that rely on physical proximity between suppliers and consumers have been most affected by mobility restrictions (domestic and international) and social distancing measures. Decline in merchandise trade due to economic slowdown also contributed to decline in related services trade, such as transport services. But, early on, limits on the movement of transport workers also impacted goods trade.

Therefore, the crisis had led to a greater focus on online supply in various services sectors, including retail, health, education, and business services. Suppliers have accelerated efforts to expand online operations, and consumers have adopted new habits that can contribute to a profound and long term shift towards online services. Governments have adopted various measures affecting trade in services, including digital services, in response to COVID-19. Most measures are of a facilitating nature, though some appear trade restrictive. Notwithstanding some liberalizing measures taken in 2020, restrictions to trade in digitally enabled services and in related enabling service sectors remain significant. What's more, services trade policies have a fundamental role in the development of digital infrastructure services, and in fostering the uptake and use of digitally-enabled services across the economy.

In conclusion, we should reduce high services trade costs, step up the openness and predictability for digitally enabling services, and make the services sectors and services trade could benefit from policy environment.

Speaker 2: Ms Gao Xiaoyu, Deputy Director, Information Policy Institute of the China Industrial Control Systems and Cyber Emergency Response Team

Ms Gao proposed that the digital economy refers to a broad range of economic activities that include using digitized information and knowledge as the key factor of production, modern information networks as an important activity space, and the effective use of ICT as an important driver of productivity growth and economic structural optimization. A range of economic activities that use the internet as activity space, data as the key factor and digital technology as tools, composed of the digital industry and digitalization.

She also pointed out that digital transaction economy means economic activities that is digitally ordered and/or digitally delivered. She put forward that the definition of digital trade is the delivery of products and services over the Internet by firms in any industry sector. Its scope is intangible services and information, excluding goods ordered online and physical goods with digital counterparts. She focused on the influence of COVID-19 pandemic on related industries, including the pressed "fast-forward button" for the construction of digital infrastructure, the significantly increasing growth rate of the Internet industry, and the accelerating pace of industrial transformation with digital techniques.

She put forward that it is expected a cloudy steady increase in the future. She proposed that issues including the construction of an electronic invoice mutual operating system and the construction of international standards for electronic payments are covered in digital economic partnership agreement.

Speaker 3: Ms Shi Jingxia, Professor, School of Law, Renmin University of China (RUC)

Shi Jingxia proposed that the negotiation attempts to set up a new rulebook for digital trade. She also emphasized the negotiation demonstrates that WTO is of relevance to reshape the future of international trade and exhibits an underlying resilience in the multilateral system and its Members.

The scope and definitions of digital trade vary across economies and organizations. Digital trade involve physical goods as well as intangible (digital) products and services that can be delivered digitally. According to WTO, the term "electronic commerce" has generally been employed rather than "digital trade" in the past. But in the context of plurilateral negotiation, these two terms are accepted and used interchangeably. The term "electronic commerce" is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means.

China is not in a position to act as a wrecker due to the significance of this negotiation itself and China's role to revive the WTO system given its long-term support to multilateralism. Besides, despite of the emphasis of "development opportunities", it is also likely that China will attempt to accommodate the ambitious negotiating goals, even on some sensitive issues, such as the removal of restrictions on data flows, elimination of the localization of computing facilities, and web services and cloud-computing, etc., based on such new developments as the conclusion of RCEP and CAI in which both address some aspects of E-Commerce. The domestic updates on Hainan Free Trade Port also allows the trial of cross-border data flow subject to data security.

Speaker 4: Mr Henry Gao, Associate professor of law, Singapore Management University

Mr Henry Gao focused on two aspects: data sovereignty and trade agreements.

There are several definitions of "sovereignty" in different origins:

Bodin: highest unified power; Vattel: incorporated independent authority; Externalisation: "exclusivity of authority without"; Schmitt: exception. Lessig: control.

From the definitions of "sovereignty", we can find that, actually, "data" and "sovereignty", are contradictory. Because "data" is normally transcends border, while "sovereignty" is normally confined to within borders. Therefore, our task today is "trying to nail jello to

the wall”, which means we should make measures to combine the two contradictory definitions.

The data sovereignty in the context of Trade Agreements means the highest independent power over data trade, that can define rules and exceptions.

Compared the three aspects: free flow of data, whether to restrict data localization, and the data sovereignty regime, taking the United States, China, and the European Union as examples, he analyzed the reasons for the three parties to take corresponding measures. From the aspect of “free flow of data”, the US has the free flow of data, prohibition on data localization, and its data sovereignty regime is firm sovereignty. For China, it has not free flow of data, and no prohibition on data localization, and its data sovereignty regime is state sovereignty. In the EU, its key issue is the privacy. Privacy is both a consumer right and human right.

Finally, the speaker analyzed why the measures taken by the three parties are different. On the one hand, the three parties have different interests. For the US firms, they own digitized products, for China, they are good at producing physical goods. While currently, the EU firms have no major fields to focus on. On the other hand, the three parties have different regulatory philosophy. The US is self-regulated, China has heavy government intervention, and the EU has strong human rights traditions. These two aspects contribute to their different data sovereignty. At the same time, with the increasing trend of globalization, the impact of different measures and ideas are colliding and intermingling with each other, which will trigger to some problems and conflicts.

Speaker 5: Mr Manvinder Singh Bhullar, Assistant Director, Ministry of Trade and Industry, Singapore

Manvinder Singh Bhullar briefed on crucial Terms in Discussions of Trade-Related Aspects of Ecommerce. Trade by electronic means covers trade in services provided online and may not cover trade in traditional goods. He emphasized that Electronic transmissions includes content transmitted electronically. Imposition of customs duties on electronic transmissions may actually be more harmful to the development and growth of SMEs in developing economies.

Studies have shown that the potential revenue loss from non-imposition of customs duties is outweighed by the welfare gains from consumer welfare and export competitiveness. Trade administration documents, means forms issued or controlled by a Party that must be completed by or for an importer or exporter in connection with the import or export of goods. He said that we commit Members to publish trade administration documents in electronic form and accept electronic versions of trade administration documents as legal equivalent of paper documents.

There is exception for disciplines pertaining to cross border data flows and data localization. That is, neither party shall prohibit or restrict the cross-border transfer of information by electronic means, including personal information, if this activity is for the conduct of business of a covered person.

Session 2 – Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China

Session 2 discussed some highlighted issues which bring unprecedented security risks and regulatory challenges to member economies, including online consumer protection, personal information protection, cyber security, cross-border transfer of trade-related information, source code, etc.

Speaker 1: Dr Joshua P. Meltzer, Senior Fellow, the Brookings Institution

Dr Joshua Meltzer's presentation explored why data trade is a topic of growing interest and, more importantly, the underlying reasons for the ever-increasing restrictions on data flows in APEC today. The speaker called on economies to build mutual trust, and APEC's efforts in this area and the development of related rules will contribute more to the WTO e-commerce trade negotiations. At the same time, the speaker analyzed the various reasons for the restrictions on data flows. Among them, privacy issues have been the main reason for the past 20 years, and APEC has been enacting privacy regulations to restrict data flows.

Regarding the future development of APEC in data flow, the speaker made the following recommendations: APEC should support cross-border data flow under general conditions. We should build mutual trust, minimize regulatory differences among APEC economies, and promote good regulatory practices. Expand international data regulatory cooperation and update existing frameworks and mechanisms, and raise regulators' awareness on data flows.

Speaker 2: Mr Jonathan Mchale, Deputy Assistant U.S. Trade Representative for ICT Services and Digital Trade, Office of the U.S. Trade Representative

Jonathan Mchale briefed us on treatment of cross-border data flows: the role of trade agreements. The global flows of trade and finance are flattening, while data flows are soaring. Each member shall accord to services and service suppliers of any other member, in respect of all measures affecting the supply of services, treatment no less favorable than that it accords to its own like services and service suppliers. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between economies where like conditions prevail, or a disguised restriction on trade in services, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any Member of measures.

Neither Party shall prohibit or restrict the cross-border transfer of information, including personal information, by electronic means, if this activity is for the conduct of the business of a covered person. Addressing trust issues is to strengthen consumer protection and privacy.

Each Party shall adopt or maintain consumer protection laws to proscribe fraudulent and deceptive commercial activities that cause harm or potential harm to consumers engaged in online commercial activities. Each Party shall adopt or maintain a legal framework that provides for the protection of the personal information of the users of digital trade. Furthermore, each Party shall endeavor to employ, and encourage enterprises within its jurisdiction to use, risk-based approaches that rely on consensus-based standards and risk management best practices to identify and protect against cybersecurity risks and to detect, respond to, and recover from cybersecurity events.

Speaker 3: Dr Mira Burri, Senior Lecturer, University of Lucerne

The speaker explored the growing contests between privacy protection and free trade in the era of big data, while explaining to the audience how trade venues and trade agreements have become important ways and means to mitigate this contests in recent years, trace positioning of the US and EU on the privacy/trade interface, and the role and impact RCEP has played in both. Like other factors of production, such as natural resources and human capital, data is a very important factor in modern economic activity, innovation and growth, data is increasingly the case that much of modern economic activity. Innovation and growth cannot occur without data. The transformative potential is great and refers not only to new 'digital native' areas, such as search or social networking but also to 'brick-and-mortar' businesses. For a data-driven economy to thrive, data must flow across borders. However, digital protectionism and data sovereignty issues are also on the rise, such as localization measures, data privacy and protection measures, intellectual property related measures, censorship and cybersecurity. In the era of big data, privacy issues have also become a major concern. Big Data puts into question the very distinction between personal and non-personal data, as citizens become transparent. Data minimization is challenged, as firms are 'hungry' to get hold of more data, and the sources of data from smart devices, sensors and social networks' interactions multiply.

The speaker introduced the different approaches to privacy protection in different jurisdictions and the relevant agreements on next-generation privacy and digital trade. Privacy protection has become an important trade negotiation topic. the RCEP's e-commerce chapter is built upon the CPTPP framework; yet, the RCEP adds and removes language in order to give its members leeway to adopt restrictive measures to digital trade and data flows, should they wish to do so. And also, in the WTO, if the JSI negotiations lead to an agreement, it is likely to resemble RCEP's chapter 12: an agreement that is rather thin and does not do enough to promote cross-border data flows effectively; nor is future-oriented enough for the dynamic data-driven economy. We need to enhance international cooperation on this aspect."We must insist on data protection without data protectionism. A better, more secure Internet for everyone." Also, we need to forge ahead greater international cooperation.

Speaker 4: Mr Hamid Mamdouh, Former Director of Trade in Services and Investment Division, WTO

Hamid Mamdouh briefed us on balancing openness with sound regulation. He focused on Essentials of a trade friendly e-commerce ecosystem and concentrated on competitive open market conditions, stability and predictability in trading conditions, rule-based frameworks. The interface between trade liberalization and regulation aims at ensuring that trade liberalization does not intrude on regulatory sovereignty and trade rules ensure the "least trade restrictiveness" of regulatory measures. Besides, the concept is not new. Challenging in the case of digital trade because intangible products traded and absence of internationally agreed standards to establish a "rebuttable presumption" of least trade restrictiveness.

The WTO and other trade agreements are not standard setting instruments for the attainment of regulatory objectives (privacy, consumer protection, cybersecurity, etc.). Instead, they define obligations to refrain from introducing or maintaining restrictions on trade (goods and services), define obligations to facilitate trade, provide for trade rules is to ensure least trade restrictiveness while not intruding on regulatory sovereignty, provide for disciplines for non-discriminatory regulatory cooperation, provide for clear exceptions to protect policy objectives, and provide a forum for trade negotiation and settlement of disputes, as well as expect the right to regulate to pursue domestic policy objectives.

The main challenges include diversity of policy objectives and concerns within the same jurisdiction, diversity of regulatory approaches to some concerns across jurisdictions, the limited role of trade agreements on non-trade issues, the multi-disciplinary nature of “digital trade” across goods and services trade, using regulatory cooperation for trade facilitation, and capacity building. International cooperation is needed on different tracks such as trade negotiations addressing the “regulatory interface” focusing on trade restrictiveness of regulation and refining instruments of regulatory cooperation to avoid discriminatory outcomes (e.g. mutual recognition, adequacy, etc.).

Speaker 5: Mr Scott J. Marcus, Senior Fellow, Bruegel

Personal Information: Protection and Data Flows. The WTO process on trade related aspects of e-commerce represents a unique opportunity to achieve some clarity at global level on a set of topics that are: increasingly important and yet increasingly challenging. The use of personal data has always been important, but it has become an even more central theme due to: The growth in power and influence of online platforms; The importance of data as training corpora for artificial intelligence (AI) and machine learning (ML); The growing criticality of e-commerce as a result of the COVID-19 pandemic. Also, there’s an inherent tension between permitting as much exchange of data as possible in the interest of promoting economic gains and protecting the legitimate rights of the individual. APEC economies deal with this in one way or another, but they use different instruments and strike different balances.

Currently, personal data is broadly used by private firms for commercial purposes, governments for public purposes and governments for purposes of surveillance. These pose different risks for the protection of personal data. What’s more, cross-border flows of personal data is also a difficult challenge.

Here are some realistic goals. All of this seems to suggest that an agreement that includes the three most important economies might be possible as regards cross-border use of data for commercial purposes, but probably not for government surveillance. the RCEP includes a brief section on cross-border use of data demonstrates that it is possible for very different economies to reach some basic (but limited) agreements. The negotiators of the WTO process on trade related aspects of e-commerce would do well to practice the art of the possible. Making headway in this very difficult area is likely to require, such as pragmatism, flexibility, creativity, good will and lots of hard work.

Speaker 6: Mr Lu Chuanying, Director, the Cyberspace International Governance

Research Center and Senior Research Fellow of Shanghai institutes for international studies

Mr Lu Chuanying briefed us on cybersecurity challenges and implications on global digital cooperation. The global network security environment is particularly complex, mainly in cyber-attacks, personal information violations, data leaks, information and communication security supply chain, ideology, and intellectual property protection. As a result, cyber security design is concerned about the professional, legal and political fields.

At the same time, there is still competition in network security. Major economies protect their own interests by establishing international laws and regulations. In addition, network security also involves security. He expounds the insecure dilemma of network security, including conflicts, Emotionalization, mutual distrust, misperception, and the uneasiness of human beings. He emphasized the main differences of international cyber security from the aspects of security, cyber military, ideology, industry and commerce. Then, he proposed that all economies should strengthen international cooperation and establish network security rules, including making efforts in cross-border data circulation, network crime cooperation, and critical infrastructure protection and information and communication security supply chain integration.

Session 3 – Moderator: Mr Chen Jian, Director, Department of WTO Affairs, Ministry of Commerce, China

Session 3 focused on how can member economies establish a sound environment for electronic commerce transaction, including facilitating cross-border electronic commerce, electronic authentication and trust services, moratorium of customs duties on electronic transmissions, etc.

Speaker 1: Ms Paola Galvez, Head of Regulatory and Public Affairs, Niubox Legal Digital

Ms Paola Galvez gave suggestions on how to establish a sound environment for electronic commerce transaction. An open, transparent, non-discriminatory and predictable regulatory environment is crucial for the development of e-commerce transaction. The regulations shall improve the ability of businesses of all sizes to benefit from digital technologies. There are several key enabling conditions for making a regulatory framework empower businesses to sell their own products and services internationally using online platforms, payments, communications tools and other e-commerce channels.

First, privacy and data protection. We should promote strong, technology-neutral laws, compliance, and effective enforcement. These laws should focus on desired privacy outcomes, rather than specifying particular technological means to direct privacy practices. And also encourage data minimization practices. Insist on selective data collection of the necessary data only for as long as it is needed. What's more, for privacy and data protection, we all need to encourage openly developed, globally interoperable privacy standards (both technical and regulatory) that facilitate transborder data flows while protecting privacy. Various frameworks have emerged to facilitate transborder data flows within a region or between regions such as APEC Cross Border Privacy Rules (CBPR) system.

Second, intermediary liability. For this factor, we need to ensure the adoption of intermediary liability protections, so that online service providers do not have to restrict their activities under threat of liability for third-party content that they do not control, such as user reviews and feedback, which are necessary for building trust in sellers on the internet.

Third, transparency and trust. What we need to do is secure transparency, offer accessible help and firmly protect our consumers. We need to publish the laws and regulations related to e-commerce in online sites as well as proposed regulations for comments, make sure stakeholders have the information they need to sell online and

develop programs to help small businesses engage in global e-commerce, and define how to balance rights and obligations among stakeholders (governments, industry, and consumers) and how to integrate e-commerce considerations into conventional consumer protection regimes, if necessary. Forth, regulatory framework.

E-commerce provides new opportunities for SMEs to engage in global trade. These new opportunities will increasingly drive economic growth, entrepreneurship, innovation and job creation.

Speaker 2: Ms Karina Tejada, Trade in Services Coordinator, Directorate of Multilateral Affairs, Ministry of Foreign Trade, Peru

Ms Karina Tejada briefed us on how to establish a sound environment for electronic commerce transaction with the aim to facilitate cross-border electronic commerce. It is necessary to avoid creating unnecessary barriers, encourage regulators to develop effective and pro-growth ecommerce regulations as well as seek a balance between service qualities and allow the market to be free on the Internet. It is very important to growth of ecommerce. She discussed about the local presence requirements, data flow and data protection (CBPR – Peru), localization of computing facilities, and customs duties (FTAs and WTO).

The quality of the service and real access to the market should be improved in order to constitute an environment for electronic commerce. Electronic authentication and trust services can be used in order to improve consumer protection. It is of great significance to improve access to digital services and products, creating an environment that promotes the exchange of goods, products and services and new sources of growth and productivity. She also provided further information on Ad hoc E-commerce Group in Colombia, Ecuador, Bolivia and Peru.

Speaker 3: Mr Toru Kajiwara, Director, Services Trade Division, Economic Affairs and Bureau, Ministry of Foreign Affairs, Japan

Japan's views on WTO E-Commerce JSI - Importance of Data Free Flow with Trust & Creating a safe, trust-worthy environment for digital trade. The speaker's presentation was divided into several parts: 1. "Data Free Flow with Trust" - Japan's "Osaka Track" initiative since 2019. 2. Business cases reflected in WTO E-Commerce JSI. 3. Business Activities & Digital Trade. 4. Creating a safe, trustworthy environment for digital trade, with Japan as a case.

Firstly, Osaka Declaration on Digital Economy. It's a process which demonstrates Japan's commitment to promote international policy discussions, inter alia, international rule-making on trade-related aspects of electronic commerce at the WTO. The Osaka Track is A process to promote policy discussions on digital economy, with the purpose of enriching existing endeavors by approaching digital economy from the 3 viewpoints: fostering common understanding among the negotiating members conducive to the negotiations, making best use of the expertise on data flow and digital economy from other international fora, promoting holistic policy discussions on digital economy not limited to the negotiations.

The second part has two main points: 1. Outline of Issues discussed in WTO E-Commerce JSI. 2. Concrete examples and business cases for: Custom Duties Moratorium on Electronic Transmission and Protection of Source Code & Algorithm.

The outline of issues of the WTO e-commerce JSI are: openness, trust, facilitation, market access, and horizontal issues. These factors also have impacts on business. Customs duties moratorium in the WTO has provided businesses and consumers with predictability and certainty for over 20 years. It is imperative for our digitally connected world to maintain the longstanding practice of customs duties moratorium to further promote a digital economy and foster innovation. In accordance with the WTO Moratorium on Customs Duties on Electronic Transmissions, electronic transmissions should continue to be free of customs duties. In WTO E-Commerce JSI, we should work towards the permanent abolition of such duties. Third, business activities & digital trade. In this part, the speaker offered two examples.

And finally, as part of Japan's efforts to create a safe, trustworthy environment, Japanese government has launched the process of forming a "Data Strategy" since Dec 2020. One example is to promote E-signature/E-authentication through domestic legislation (e.g. Act on Electronic Signatures and Certification Business in Japan (Since 2001)). The aim of the Strategy is to realize a society that balances efficiency and trust through the following principles: controlling your data yourself, connecting, using anytime and anywhere, safe, and creating together.

Speaker 4: Ms Angela Marie M. De Gracia, State Counsel, Department of Justice, Philippines

Ms Angela Marie M. De Gracia briefed us on creating a Safe and Trust-Worthy Market Environment for E-Commerce in this symposium. She introduced the advantages and disadvantages of e-commerce. The laws and regulations formulated by the Philippine government include the e-commerce law in 2000, Cybercrime Prevention Act of 2012 and Data Privacy Act of 2012. In addition, cooperation should be fostered to champion responsible state behavior in Cyberspace in the context of digital economy and make sure that international agreements are consistent with PH laws, rules, and regulations. Secondly, it is essential to cooperate with the private sector to establish good working relationship with the private sector as holders of consumer data in e-commerce. It is necessary to raise public awareness by advancing the culture of cybersecurity and responsible digital citizenship and provide with issuance of public advisories and enhance the capacity of the criminal justice system through trainings, seminars, lectures for criminal justice actors. The Philippine government incessantly develops policies and strategies aimed at creating a safe and trust-worthy market environment for e-commerce.

Speaker 5: Mr Thongchai Sangsiri, Expert of the Electronic Transactions Development Agency, Thailand

Mr Thongchai Sangsiri focused on Thailand's information technology reform, as well as legislative provisions and related measures in the digital age. Thailand began its IT policy reform more than 20 years ago and has helped facilitate the development of businesses in international transactions. Thailand is well positioned to meet the challenges of the 21st century digital economy. Thailand's electronic transactions law is based on UN international trade law. It mainly includes the Thai Model Law on Electronic Commerce, the Model Law on Electronic Signatures and The United Nations Convention on the Use of e-Communications in International Contracts to support domestic and cross-border electronic transactions. In the future, Thailand will continue

to develop the Model Law on Electronic Transactions and further address legal issues related to identity management and trust services.

Speaker 6: Ms Pan Shi, Deputy Director, Finance and Trade Division, China (Shanghai) Pilot Free Trade Zone Lin-Gang Special Area Administration

Ms Pan Shi briefed on to Build World-leading Industry Chain for Digital Economy in Lin-gang Special Area. President Xi Jinping announced the expansion of the China (Shanghai) Pilot Free Trade Zone in 2018 at the first China International Import Expo and Lingang Special Area of China (Shanghai) Pilot Free Trade Zone was officially unveiled in 2019. Lin-gang covers a total area of 873 km² and inhabited by 0.83 million permanent residents. Lin-gang is an important base for innovation and collaboration by global talents, an important hub to coordinate onshore and offshore business, an important springboard for companies to go global, an important channel to better use two resources in two markets, and an important test field to participate in global economic governance.

The mission of Lin-gang, that is liberalization and facilitation of investment and trade, free flow of capital, goods, labor, transportation and easy access to information. The major tasks of Lin-gang are to formulate competitive opening-up policies and institutional system, cultivate a modern service industry centered on finance, develop a cutting-edge industry of R&D, design and manufacturing, build China's only special comprehensive bonded zone as well as attract global talents for innovation. The development modes in digital economy in Lingang include creating "global data port" and establishing demonstration zone for digital economy such as SenseTime, Cloudwalk, Cambricon, Horizon Robotics, Tusimple In the next 3 years, Lin-gang aims to put into presence 100 digital innovative enterprises and 10+ digital brands. Besides, Ling-gang enjoys accelerating information infrastructure development and developing world-leading digital economy chain. In the next 3 years, Lin-gang will establish 30+ standards laboratories for industrial internet, 15 high-quality industrial datasets and algorithms libraries, 30+ innovative scenarios for industrial intelligence and Demonstration zones & enterprises & projects. Lin-gang is promoting integration of new infrastructure and modern manufacturing sector such as industrial software, cloud computing, big data, and offshore information service, and strengthening information technology innovation and providing value-added data service.

Lin-gang is further liberalizing software and information service industry. Lin-gang also ease the access restriction of foreign investment and pilot the system of notification and commitment as well as pilot cases in industrial internet, finance, information consumption. Finally, she hopes that what she introduces helps the attendees to learn more about Lingang which is a perfect place to prosper.

Speaker 7: Mr Agustaviano Sofjan, Director for Trade, commodities, and Intellectual Property, Ministry of Foreign Affairs, Indonesia

Mr Agustaviano Sofjan focused on the security and development needs of Indonesia's e-commerce environment, which Indonesia is advocating in the JSI E-Commerce negotiation. The speaker introduced the rationales for Indonesia's participation in the JSI-WTO process: to achieve a more balanced global deliberation process; to participate in a global ground breaking effort to formulate a future trade rule; to ensure built-in development and security-related provisions in the outcome; and to enrich domestic internal discussions on e-commerce governance. He also explained these

security and development dimensions within the five proposals Indonesia have tabled in the plurilateral process, namely on articles related to: E-signature and E-signatory; Facilitation of e-Payment; De minimis threshold; Technical assistance and capacity building; and Customs duties.

The speaker ended his deliberation by highlighting what a plurilateral forum, compared to RTAs, can potentially offer to the negotiated outcome: a basis for a more inclusive engagement towards a more effective regulatory cooperation and a more effective future global trade rules; and more joint resources to assist economies in closing the digital gaps.

Session 4 – Moderator: Mr Lu Xiankun, Managing Director of LEDECO Geneva

Session 3 focused on development and cooperation issues, including bridging the digital divide, electronic commerce and global value chain, research and measurement, etc. This session also discussed the impact of COVID-19 pandemic might have to the development of electronic commerce, and the process of WTO Negotiations on Trade related Aspects of E-Commerce.

Speaker 1: Mr Andre Wirjo, Analyst, Policy Support Unit, APEC

Supporting MSMEs' Digitalization Amid COVID-19. COVID-19 is a great threat to the world's health and economy. Facing the outbreak of the pandemic, MSMEs are generally more vulnerable to economic shocks than their larger counterparts. Their significant contribution across various metrics added to the challenges (e.g., employ over 60 percent of all workers in the region). Critical pain points include: 1) labor shortages; 2) lack of raw materials; 3) weak consumer demand; and 4) significant stress on balance sheets and cash flow. Lack of support could lead to insolvency and subsequent, lasting spikes in unemployment and societal stress. Also, persistent containment measures and non-synchronous lifting compound the challenges. Therefore, it's important for us to support MSMEs to Weather the Pandemic. Targeting MSMEs for relief is a critical component of policy interventions by APEC economies. Many of APEC economies supported adoption of digital solutions by MSMEs, such as China's B2C e-commerce solutions, Malaysia's Support business operations digitalization via the government's Digital Economy Corporation, and Singapore's Food delivery booster package. Also, digitalization plays an important role in managing transactions at a distance, delivering goods efficiently, maintaining cash flow, engaging with new and existing customers. However, today, our digitalization also faces challenges, such as cyberattacks and data privacy concerns, exposure to digital fraud, online misinformation, market power and dominance, persistent digital divide and infrastructure-related issues, cross-border issues. Therefore, here are some policy recommendations:

- Focus on overcoming digital divide and onboarding.
- Promote lower data costs.
- Promote digital literacy.
- Support access to mobile money and fintech.
- Enhance trust in digital solutions.
- Address competition issues.
- Promote regional cooperation and public-private partnerships.

Speaker 2: Ms Irina Subkhangulova, Special adviser, Department for trade negotiations, the Ministry of economic development, Russia

Irina Subkhangulova briefed on covid-19 as a key factor in the digital transformation of Russian economy and the new reality of the WTO negotiation process. In Russia, the digital transformation of the economy is becoming one of the main strategic directions of its development. For its realization, in 2018, the program "Digital Economy of the Russian Federation" was approved. Today this program is the main document, which stipulated benchmarks of digital transformation of the Russian economy in whole.

The main goals of the program "Digital economy of the Russian Federation" are a three-fold increase in domestic spending on the development of the digital economy from all sources (by share in GDP) compared to 2017, creating a sustainable and secure information and telecommunications infrastructure for high-speed transmission, processing and storage of large amounts of data that is accessible to all organizations and households and the use of predominantly domestic software by government agencies and local governments.

The program "Digital Economy of the Russian Federation" includes six federal projects with a period of implementation from October 2018 to 2024. There are normative regulation of the digital environment, information infrastructure, human resources for the digital economy, information security, digital technologies and digital public administration. Presentation focused on several aspects of digitalization of the Russian economy, such as the law on "digital sandbox", tax privileges for IT-companies, the law on remote work, the Law on digital financial assets, the Law on remote trade in medicines.. In addition, she demonstrated the impact of COVID-19 on the regional digital divide.

The COVID-19 pandemic has been an additional incentive to accelerate global cooperation in the field of electronic commerce, including with the aim of simplifying the cross-border movement of goods and services, maintaining and developing trust environment for all participants of e-commerce, narrowing the digital divide and leveling out the conditions for small businesses. COVID-19 highlighted the necessity of cooperation in the following spheres: information security, consumer trust, digitalization of trade procedures and business contracts, access to information, privacy, including in the framework of the WTO negotiations.

In addition, the epidemic has accelerated the digitalization of all economies and expanded their cooperation opportunities, including the construction of the WTO negotiation process framework.

Speaker 3: Mr Song Hock Koon, Director, Ecommerce – Malaysia Digital Economy Corporation (MDEC), Malaysia

Mr Song Hock Koon shared some practices of bridging the digital divide for MSMEs. MDEC plays a leading role in promoting Malaysia's digital economy. MDEC has driven significant digital transformation and adoption across the public and private sectors in Malaysia since our establishment in 1996. As the world moves rapidly into IR4.0, MDEC will lead Malaysia's digital economy forward for the economy by boosting: digitally-skilled Malaysians, digitally-powered businesses, and digital investment. Nowadays, Malaysia is the heart of digital ASEAN. The application of e-commerce by MSMEs and the ecosystem of e-commerce development are the main concerns of MDEC. MDEC has established relevant training and support platforms to help local young people learn relevant technologies and then return to their locations to promote the development of

local e-commerce after training, forming a virtuous circle. It not only solves the employment problem, but also promotes the development of local e-commerce. At the same time, MDEC has established a one-stop e-commerce resource platform to help small, medium and micro enterprises conduct transactions through the Internet. In rural areas, MDEC has also set up e-commerce centers to help individual households start their own businesses and help local enterprises, promoting e-commerce and economic development in rural areas. It also improves the living standard and quality of life of people in rural areas. As the saying goes, "teaching people to fish is better than teaching them to fish". In the future, MDEC will accelerate the application of e-commerce to enable local enterprises to have better development prospects; vigorously promote e-commerce exports with a focus on the Chinese market; and support data-driven innovation, planning and execution of scaled-up industry drives to improve the e-commerce ecosystem.

Speaker 4: Mr Zhang Hongsheng, Assistant Dean, China Academy of Digital Trade, Zhejiang University

Zhang Hongsheng briefed us on the policy analysis and development evaluation of world digital trade. Policy analysis mainly focuses on the following aspects: promoting the integration of trade and digital technology, improving trade rules and trade standards, strengthening the protection of consumer privacy and enterprise property rights, and strengthening cooperation between economies. Digital trade development in these economies was better or had great development potential and policy analysis distributed in different geographical regions of the world, highly representative. Different economies treat the development of the digital economy and digital trade differently. Global digital trade is developing well, but the differences in the development of digital trade in specific economies need to be further analyzed by statistical methods, including Digital Trade Development ranking and Digital Trade Development classification.

In recent years, the digital economy in China, especially digital trade, has grown rapidly, and this growth is closely related to the relevant policies and plans released by government departments. Digital trade is highly recognized by government departments at all levels. It is in this policy background that China's digital trade is growing at a high speed and realizing increasing development potential. He said that in recent years, overall, digital trade in China is thriving. Of course, specific differences in the digital trade development of various provinces still need to be analyzed by statistical methods. Overall, China's digital trade is booming. Of course, the specific differences in the development of digital trade among provinces need to be analyzed by statistical methods.

Speaker5: Mr Li Yongjian, Research fellow of Research Center of Service Economy and Internet Economy, National Academy of Economic Strategy, Chinese Academy of Social Sciences

Cross-border e-commerce and Cross-border Data Flows: Status and Trends. According to the statistics and charts he showed, it's clearly to see the surging of online shopping and e-commerce. The term cross-border e-commerce is nothing but international online trade, in simple words. The basic features of cross-border e-commerce are "platform-based transaction" and "cross-border transaction". Cross-border e-commerce refers to the online trade between a retailer/business/brand and customers (B2C); it can also take place between two businesses, across two

economies. Currently, the digital transformation is generating exponentially growing flows of data within and across borders. Platform economy has become the mainstream of cross-border e-commerce. In the future, the speaker predicted that cross-border e-commerce will keep growing. The transition from offline to online shopping has been pulled forward anywhere from 2 to 5 years, in large part because of the impact COVID-19 has had on consumer habits worldwide. Cross-border e-commerce is an inevitable trend of the world. We also had some innovations in cross-border e-commerce. Selling direct to consumer (DTC) has become possible; Tens of millions of small and medium-size enterprises worldwide have turned themselves into exporters by joining e-commerce marketplaces such as Alibaba, Amazon, eBay, Flipkart, and Rakuten; Cross-border e-commerce platforms are forming an industrial ecosystem; Based on big data, artificial intelligence and other technologies, cross-border e-commerce is forming precision marketing; 86 percent of tech-based start-ups (surveyed by MGI) report some type of cross-border activity. In addition, Cross-border e-commerce has opened the door to developing economies, to small companies and start-ups, and to billions of individuals. Cross-border data flows are essential to cross-border e-commerce. But we still have barriers in the field, and this is our policy dilemma. The existing governance framework cannot solve the data problem. The data problems pose significant challenges to WTO General Agreement on Trade in Services (GATS). Trade agreements became the center of data flows. In essence, trade agreements cannot solve these problems in one package. The level of data protection varies greatly between economies. Under this circumstance, the speakers offered some suggestions. We should form a multi-dimensional perspective of data, and focus on personal data. Data is a key production factor, so we should simplify the goal of data flow regulation, and push the e-commerce platform to play a role in data flow.

Speaker 6: Ms Xu Meina, Associate professor, Institute of Business, Shanghai University of International of Business and Economics

Xu Meina briefed on the Globalization of E-commerce MNEs in Asia Associate professor. At present, the digital economy is expected to reduce the need for a physical presence in the foreign markets by facilitating the transmission of a wide range of goods and services in digital form. But these major disruptions for international investment trends, such as declines in the use of FDI and acquisitions by firms as a mode of market access, have yet to be observed. It is key to consider the E-commerce investment and trade liberalization policies based on the practice of E-commerce firms' cross-border investment.

Determinants of E-commerce MNEs' entry and expansion include the highly disaggregated parent-host-affiliate-level data based on the BVD database, the economy-pair level submarine cable data from telegeography database and the economy-pair level characteristics data such as geographical distance, cultural distance, FTA/RTA, GDP difference/sum between the parent and host from World Bank, CEPII and WTO database. There are two sets of empirical specifications which are utilized to study the location determines of E-commerce MNEs in Asia. In the first one, she made a gravity-type regression by the cross-section data. In the second one, she applied for a probit model by the panel data of economy-pair-affiliate-year level. The digital rules relate to data localization and transfer and potential market size in the host economies (region), the investment behavior of neighboring firms and the dynamic analysis shows that the enter decision is most sensitive to the internet infrastructure and market information in the host, but the expansion decision is a comprehensive consideration of internet infrastructure, digital rules, and market size.

Closing remarks

Mr Song Yang, Director, Department of International Trade and Economic Affairs, Ministry of Commerce, CHINA made the closing remarks. In his remarks, he mentioned the following:

E-commerce, along with the digital economy, has been an ever hotter topic in APEC. According to the APEC Leaders' Putrajaya Vision and APEC Internet and Digital Economy Roadmap, APEC will continue to dig the potential of digital economy to deliver digital transformation, expand business opportunities and economic inclusion, with an aim to support the regional economic recovery from the pandemic. At this conjuncture, China would like to recall the APEC's unique value of supporting Multilateral Trading System, and to encourage WTO to better exert its major function under the leadership of new DG. And that's our original idea to propose this symposium.

This year will mark the milestone for APEC cooperation in the coming 20 year. China will firmly support the hosting economies New Zealand, and always stand with all fellow members in reaching a fruitful APEC year.

Firstly, It's a hard-won victory for APEC in reaching the Putrajaya Vision with positive tone and balanced content. China will invest firm supports to APEC's joint efforts in designing and reaching an ambitious and workable implementation plan for this new vision, which has also been on the top of APEC's annual priorities.

Secondly, the multilateral trading system with the WTO at its core is still the cornerstone of international trade. Maintaining the authority and effectiveness of the WTO is of a key guarantee for the economic and trade recovery post pandemic. China looks to and will lead more concrete cooperation in APEC to support this fundamental orientation.

Thirdly, APEC's endeavour in promoting regional economic integration and realizing FTAAP have been getting positive feedback. With Both RCEP and CPTPP have made substantial progress, APEC needs to refresh its vision toward regional economic integration, stick to its long-term pursuit for comprehensive and high-standard FTAAP. China is more than willing to have dialogues with APEC members in this regard.

Participants Feedback

Feedback of Participants regarding the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce.

Participants (APEC Member Economies)

China (1), Hong Kong, China (1), Indonesia (1), the Republic of Korea (1), Malaysia (1), Philippines (1), Singapore (1), Chinese Taipei (1), PECC (1)

Survey Results

Generally, the Symposium on APEC Supporting the WTO Negotiations on Trade Related Aspects of E-commerce received overwhelming support with 100% of participants agree on the relevance of this project and rated the project at 75% to achieving its intended objective. Refer to Tables 1 and 2 below for more information regarding the survey results.

Table 1

	Strongly Agree	Agree	Disagree
Overall Satisfaction			
The objectives of the training were clearly defined	100%		
The project achieved its intended objectives	77.8%	22.2%	
The agenda items and topics covered were relevant	66.7%	33.3%	
The content was well organized and easy to follow	33.3%	66.7%	
Gender issues were sufficiently accounted for and covered	33.3%	22.2%	11.1%
The experts or moderators were well prepared and knowledgeable about the topic	66.7%	33.3%	
The materials distributed were useful	55.6%	44.4%	
The time allotted for the training was sufficient.	44.4%	33.3%	22.2%

Table 2

	very	mostly	somewhat	a little	not much
How relevant was this project to you and your economy?	55.6%	44.4%			
Rate your level of knowledge of and skills in the topic <u>prior to</u> participating in the event:		22.2%	33.3%	44.4%	
Rate your level of knowledge of and skills in the topic <u>after</u> participating in the event:		44.4%	55.6%		

Way Forward

Participants have recommended the following:

1. A follow up project would be useful – to draw out some of the themes that came out of the discussions, for example, definitions/classification of data.
2. If possible, to conduct benchmarking analysis on this initiative collectively with all economies.
3. More focus on topic by topic on WTO, such as JSI on E-Commerce
4. More exchange of views of the key players, especially China and the US on the data and cross-border data flow articles. APEC is a neutral ground for both to exchange views in a non-threatening manner.
5. More of such symposium should be organized before and after each JSI negotiation.
6. APEC might take a lead to turn the consensus decisions about WTO trade related aspects of e-commerce among APEC economies into reality.
7. Have more APEC member economies participate in the discussion and try to make consensus decisions.
8. Hold capacity building activities that help better understand different domestic regulatory regimes on e-commerce among member economies.