



April 23, 1999, GENEVA -- The Alliance for Global Business (AGB), a coalition of major industry groups today presented its findings on critical e-commerce issues being examined by the World Trade Organization (WTO).

It advised that e-commerce would have the best opportunity to flourish if WTO members agreed to make permanent the current one year moratorium not to impose custom duties on electronic transmissions.

In addition, it assessed that electronic commerce will create new opportunities for developing countries to take advantage of the social and economic benefits of an open world trading system.

Commenting on ongoing discussions about how to deal with electronic commerce in the WTO, the AGB said that e-commerce is a new way of conducting commercial transactions, not a new form of trade. As such, current trade rules should apply and no new approaches are needed.

Through its extensive membership, the AGB represents communications and information technology vendors and users, including the majority of multi-national corporations doing business in over 140 countries. The AGB is working with the WTO is to ensure that the multilateral trading rules are relevant and promote the rapid growth of electronic commerce.

"There is tremendous opportunity for all -- consumers and producers -- because of global electronic commerce," said Doug Worth, Secretary General of the Business and Industry Advisory Committee to the OECD (BIAC),

Maria Cattai, Secretary General of the International Chamber of Commerce stressed the importance that global electronic commerce be governed by the same rules that currently govern all forms of global trade.

Harris Miller, President of WITSA said, "We are not suggesting that the WTO invent special regulations for e-commerce. Rather we are urging that these basic trade principles be applied to this exciting new means of conducting business,"

INTUG Chairman, Diana Sharpe, noted, "The link between the WTO's efforts on basic telecommunications will also serve to promote the use of electronic commerce. We believe the end results will greatly benefit small and medium size enterprises and thus help advantage the developing parts of the world."

GIIC Executive Director, Joe Young, said, "With e-commerce we have a powerful tool in our hands to promote more growth, more trade and higher living standards. Consequently, internationally coordinated efforts and a partnership between the private and public sector are essential in order to secure the economic benefits of e-commerce for both the information rich and the information poor".

The AGB's main recommendations to the WTO are:

1. Electronic Commerce is not a new form of trade but rather a new medium/mode for conducting trade in goods and services. Therefore we believe that the current WTO trade agreements apply.

2. All forms of electronic commerce, as traditional commerce, fall into either the goods or services category and therefore specific agreements governing trade in goods, trade in services, or trade-related intellectual property apply.

3. The one year moratorium on the current practice of not imposing custom duties on electronic transmissions should be made permanent. Tariffs are a hindrance to expanding international trade in general and will be for electronic commerce in particular.

4. Global electronic commerce will create new opportunities for developing countries to take advantage of the benefits of an open world trading system thus furthering the goals of economic development.

5. The information infrastructure necessary for supporting global electronic commerce is promised under the WTO Basic Telecom Agreement signed in 1997. Industry believes the WTO must continue to work to ensure this Agreement is fully implemented and expanded to additional countries.

The AGB founding organizations include the Business and Industry Advisory Committee (BIAC) to the OECD, the Global Information Infrastructure Commission (GIIC), the International Chamber of Commerce (ICC), the International Telecommunications Users Group (INTUG), and the World Information Technology and Services Alliance (WITSA). The Global Coalition of Service Industries recently joined the AGB.

Copies of the full report are available on the World Wide Web at www.GIIC.org or by contacting Joe Young of the GIIC at +1 202/775-3185 or at jyoung@csis.org.