

Schedule

Time	Programme
1000-1015	Registration
1015-1025	Welcome remarks <i>Rachel Taulelei (ABAC New Zealand, REIWG Chair)</i>
1025-1035	Setting the Scene: Digital Trade and the New Services Agenda <i>Kok Ping Soon (ABAC Singapore)</i>
1035-1135	Roundtable <i>Moderated by Kok Ping Soon (ABAC Singapore)</i>
1135-1145	Concluding remarks <i>Marjorie Yang (ABAC Hong Kong, China)</i>
1145	End of programme



APEC Business Advisory Council

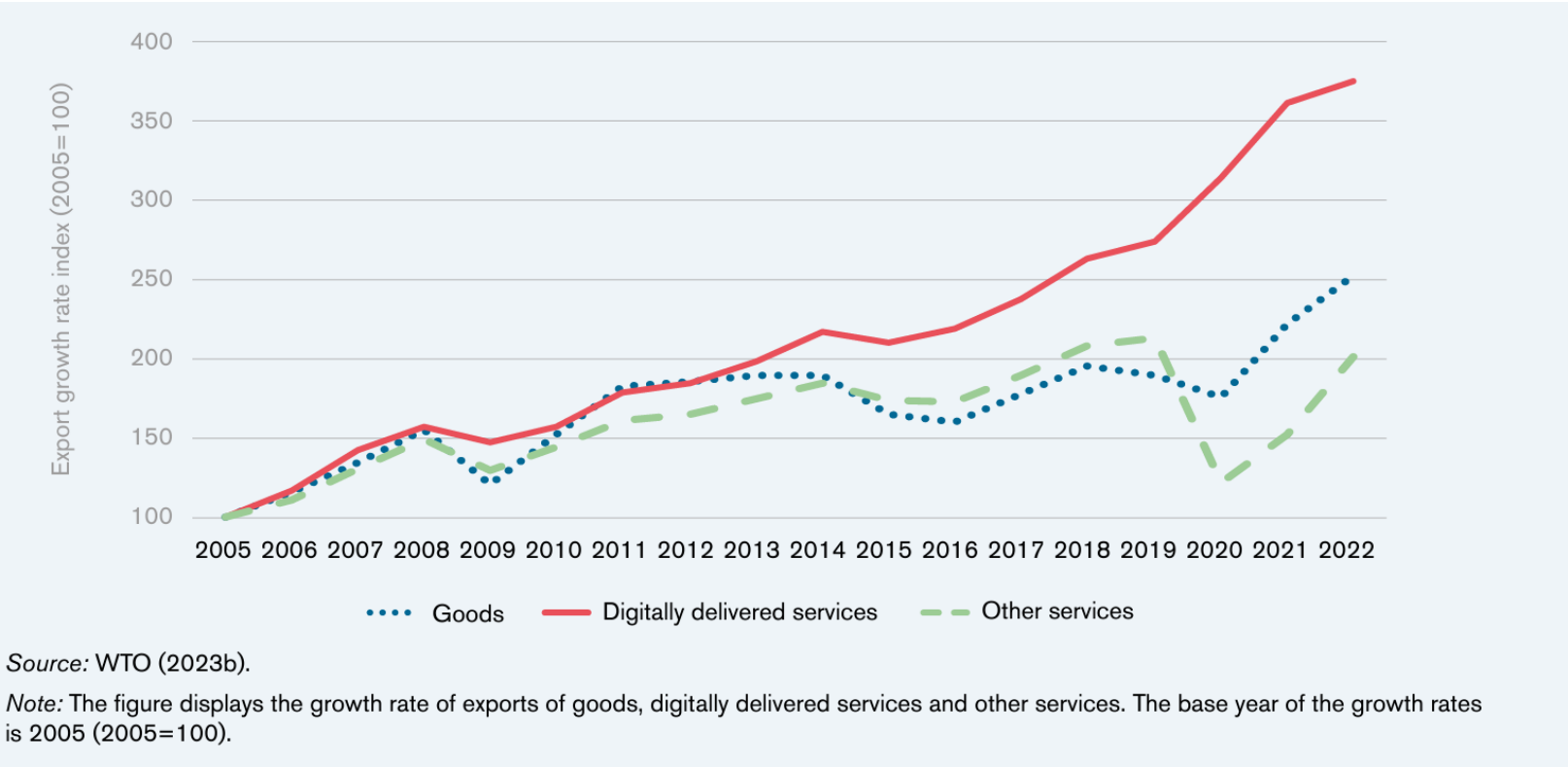
22 April 2024

Roundtable on Digital Trade

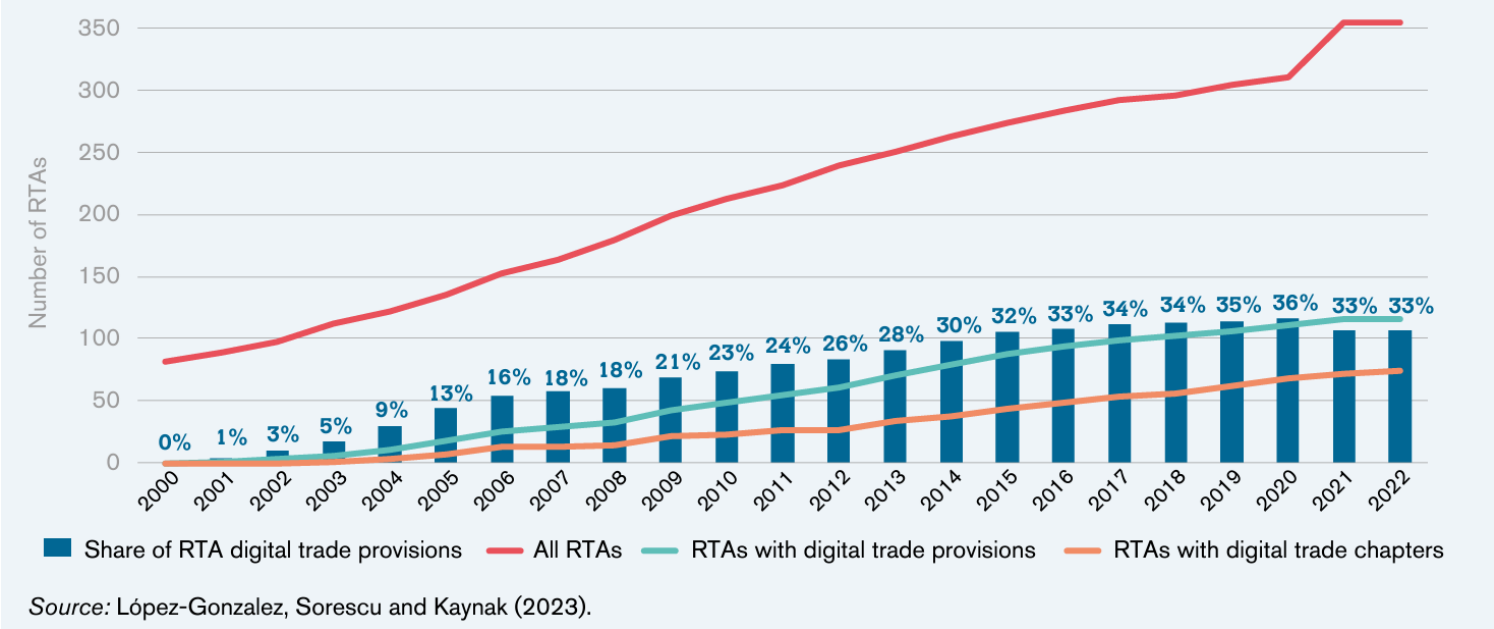
Welcome Remarks

Rachel Taulelei
ABAC New Zealand
REIWG Chair

Digital trade is growing

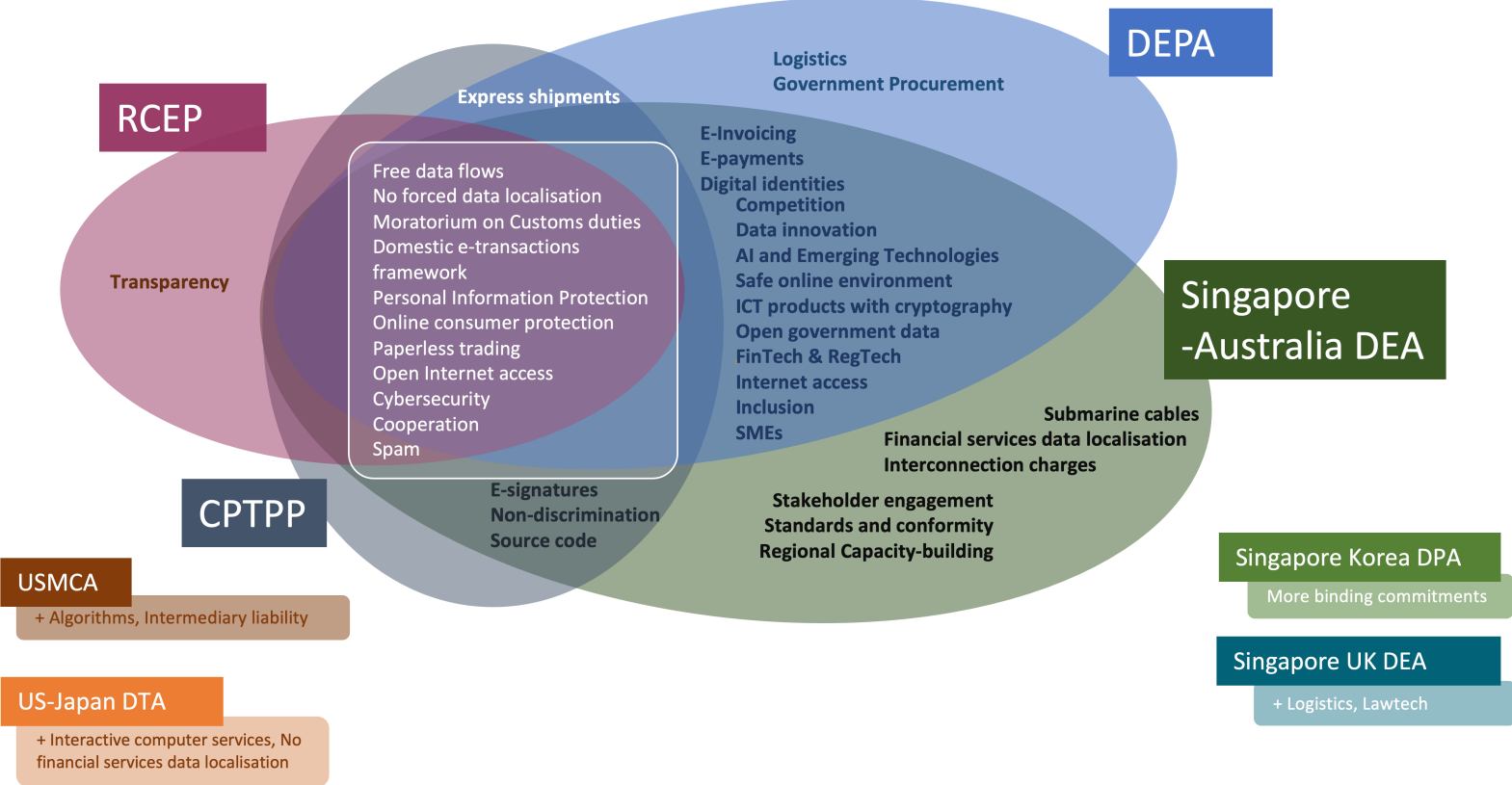


Digital trade rules are growing



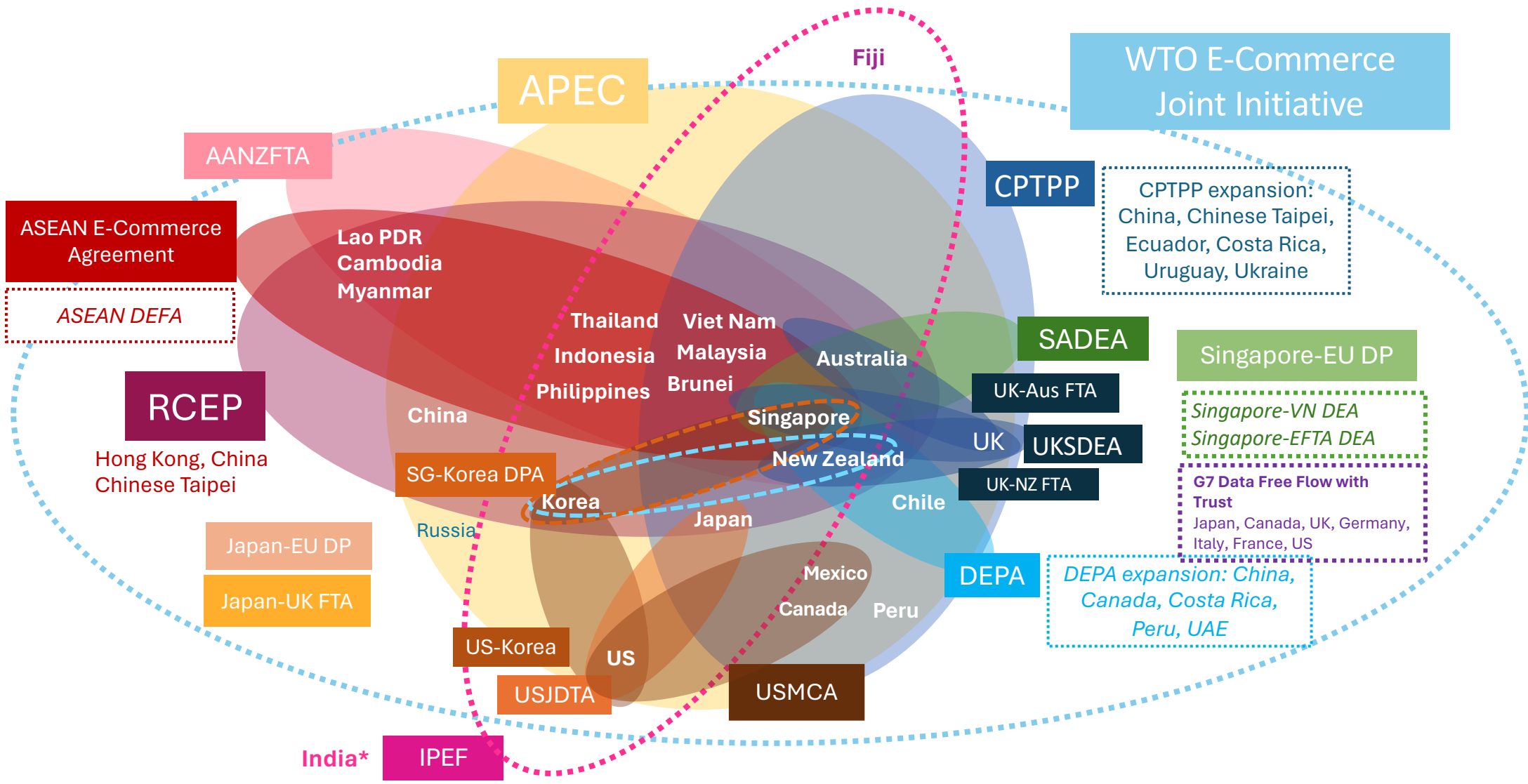
Source: WTO, *Digital Trade for Development*, 2023

Digital provisions are growing



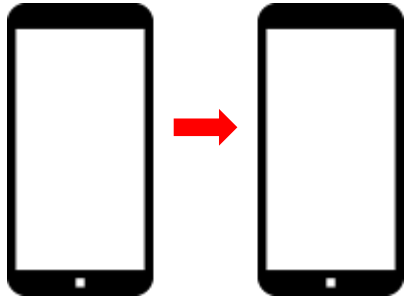
Source: Adapted from Stephanie Honey, Ch. 8 in Borchert, I. & Winters. L.A., (eds), *Addressing Impediments to Digital Trade*,⁶ April 2021

Too much growth?: The “digital noodle bowl”



Digital trade can be defined as all trade that is digitally ordered and/or digitally delivered, divided into 3 groups and 8 categories:

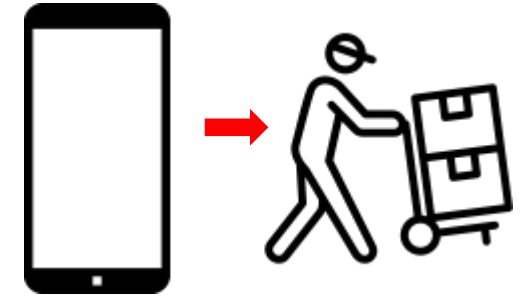
Digitally ordered, digitally delivered



- Digital content: Movies & shows, short form videos, music, books, games etc.
- Services: Banking and insurance, online legal or medical consultations etc.

Digitally ordered, delivered in-person

- Goods: B2B/B2C e-commerce
- Services: food delivery, ride-hailing, home cleaning services etc.



Digitally-enabled business needs



- Transmission of business data across borders not involving personal data (e.g. IoT, sales and inventory numbers, marketing data, business metrics)
- Transmission of personal data or customer data across borders
- Electronic trade and regulatory compliance documents (e.g. electronic certificates, e-bills of lading)
- Digital transactions: e-invoicing, e-payments, digital identities

Current State of Play and Challenges Faced (10:35h-11:05h)

1. What are the forms of digital trade your company is engaging in?
2. What are some of the main challenges/barriers your business has faced engaging in digital trade?
3. How has your company responded to these challenges (e.g. overcome, exited market)?

Lack of digital infrastructure

Regulatory environment

Lack of consumer trust in digital goods and services

Barriers to market entry

High implementation or operational costs

Data localisation requirements

High costs of cross-border trade and transactions

Lack of digital talent

Overview of Status of Ongoing Digital Trade Agreements

Digital Agreement	Details/Significance	Status
WTO E-commerce Joint Statement Initiative (JSI)	<ul style="list-style-type: none"> Designed to complement WTO negotiations on e-commerce Australia, Japan and Singapore are currently co-convening this plurilateral process 	<ul style="list-style-type: none"> Launched at the WTO Ministerial Conference in 2017 Negotiations began in 2019 Consolidated negotiating text was formed in 2020
Digital Economy Partnership Agreement (DEPA) - Chile, New Zealand, Singapore	First digital-only trade agreement open to all WTO members	<ul style="list-style-type: none"> First to be signed electronically in June 2020 Canada, China and South Korea applying to join
UK-Singapore Digital Economy Agreement (UKSDEA)	First digital-only agreement between an Asian country and a European one	Entered into force in June 2022 after only six months of negotiations
The Association of Southeast Asian Nations (ASEAN) Digital Economy Framework Agreement (DEFA)	<ul style="list-style-type: none"> SEA is the fastest growing internet market in the world and a digital economy projected to add an estimated \$1 trillion to regional GDP over the next decade Member states represent a diverse group of economies with divergent levels of digital readiness 	
Indo-Pacific Framework for Economic Prosperity (IPEF)	<ul style="list-style-type: none"> Led by United States including Australia, Brunei Darussalam, Fiji India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam. The 14 IPEF partners represent 40% of global GDP and 28% of global goods and services trade 	<ul style="list-style-type: none"> Launched in May 2022 Concluded negotiations in November 2023
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) e-commerce chapter	<ul style="list-style-type: none"> The Comprehensive and Progressive Agreement for TransPacific Partnership (CPTPP) is a free trade agreement (FTA) formed by the 11 remaining members of the proposed Trans-Pacific Partnership (TPP) after the Trump Administration withdrew the U.S. signature in 2017. Extensive 'gold-standard' provisions on e-commerce, with a committee in place to look specifically into related issues 	<ul style="list-style-type: none"> CPTPP is in effect for all parties— entering into force for Australia, Canada, Japan, Mexico, New Zealand, and Singapore in 2018; Vietnam in 2019; Peru in 2021; Malaysia and Chile in 2022; and Brunei in 2023. China, Costa Rica, Ecuador, Taiwan, and the United Kingdom (UK), Uruguay have applied to join CPTPP. South Korea, Thailand, Philippines and Indonesia are at different stages of ascension.

and the provisions within Digital Trade Agreements that are most helpful to overcome these barriers.



Data innovation and regulatory sandboxes



Online consumer protection



Privacy/personal data protection



Digital inclusivity



Digital talent mobility



Artificial Intelligence (AI)



Prohibition of data localisation



Market access and national treatment for ICT services



Paperless trading



Unsolicited commercial e-communications



Elimination of customs duties, fees, or other charges on cross-border electronic transmission of digital products



Facilitation of digital trade by micro, small and medium-sized enterprises (MSMEs)



Cross-border transfer of information



Cybersecurity

Sources:
OECD-WTO/IMF Handbook on Measuring Digital Trade, 2020
Access Partnership Economic Impact of Adopting Digital Trade Rules 2023
Digital agreements such as Singapore-Australia Digital Economy Agreement; United Kingdom-Singapore Digital Economy Agreement; Digital Economy Partnership Agreement; Korea-Singapore Digital Partnership Agreement

Potential Solutions (11:05h-11:35h)

1. What are policies and initiatives that can resolve challenges and barriers in digital trade?
2. How can (provisions in) digital trade agreements between governments help?
3. Are there cases where digital trade agreement provisions have worked to create opportunities for businesses?
4. What other initiatives do you think governments should prioritise to facilitate digital trade?
5. Are there any initiatives that the business community can take to grow digital trade?

Supplementing the roundtable discussions, we are launching a quantitative survey on Digital Trade Provisions targeted at the APEC business community and seek the assistance ABAC delegations to distribute the survey to their respective networks.

Survey on Digital Trade Provisions



<https://tinyurl.com/DigitalTradeSurvey>

Please complete the survey by
28 June 2024, Friday

Objective: To supplement the findings and discussions from this roundtable.

Outcome: Survey findings will then be used to develop the private sector's recommendations on digital trade in ABAC's Letter and Report to Economic Leaders at the end of the year.

Who should take the survey?

- APEC business leaders and company representatives with experience and knowledge on digital trade
- ABAC members and staffers

Closing Remarks

Marjorie Yang
ABAC Hong Kong, China

Thank you!