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**General Council  
Council for Trade in Goods  
Council for Trade in Services  
Council for Trade-Related Aspects of  
Intellectual Property Rights  
Committee on Trade and Development**

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**ASEAN REFLECTIONS ON LUNCH PANEL ON "CAN E-COMMERCE TRADE RULES HELP  
MSMES FROM DEVELOPING COUNTRIES?" HELD DURING THE UNCTAD E-COMMERCE  
WEEK, 27 APRIL 2017**

The following communication, dated 29 May 2017, is being circulated at the request of the delegation of Singapore, on behalf of the ASEAN Members (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam).

1. **E-commerce is not new to the WTO, and is within the scope of existing WTO agreements:**
  - GATT 1994 & Annex 1 Agreements, GATS, TRIPS have e-commerce relevant clauses. The Trade Facilitation Agreement contains disciplines on electronic payments and electronic copies of documentation.
  - WTO dispute settlement case law referencing e-commerce, e.g. US-Gambling, China-Electronic Payment Services, Mexico-Telecoms, China-Publications and Audio-visual Products.
2. **However there is scope for further work in the WTO on e-commerce, including on clarifying new concepts** e.g. 'digital products' and how they fall within the existing WTO framework of rules. The development aspect must remain central to the discussion.
3. **E-commerce can be an enabler for MSMEs from developing countries to grow their businesses, and increase their participation in global trade:**
  - Also presents the potential for more inclusive economic growth as MSMEs often make up an overwhelming majority of businesses in a country.
  - E-commerce lowers barriers to entry and operating costs for MSMEs to internationalise and reach foreign markets.
  - E-commerce has transformed the business landscape and allowed MSMEs to tap on global supply chains for more cost-effective production and better access to capital.
4. **Despite the opportunities, MSMEs in developing countries continue to face challenges in e-commerce:**
  - Lack of infrastructure and knowledge
  - Regulatory barriers and uncertainty
  - Limited electronic payment options

- Limited access to enabling services, e.g. postal, express delivery services, e-commerce platforms
  - Online privacy and security issues
  - Consumer confidence
  - The digital divides and gaps in access to information
5. **Developing facilitative trade rules may support MSMEs foray into e-commerce by reducing exposure to regulatory uncertainty:**
- Some e-commerce trade facilitative areas include electronic signatures and authentication, paperless trading, domestic electronic transactions framework etc.
  - Existing international frameworks (e.g. UNCITRAL Model Law on E-signature) and RTA experience are useful reference and starting points
  - For example, the World Customs Organisation (WCO) Immediate Release Guidelines on low-value shipments could contribute in creating an enabling environment for e-commerce and cross-border delivery of goods
  - Important to establish domestic inter-agency, and multi-stakeholder process to coordinate and identify priorities and interests in trade policy related to e-commerce.
  - Increased regulatory certainty (through signals sent by trade commitments) can also help to attract foreign investments in enabling services (e.g. postal, express delivery services, e-commerce platforms) and infrastructure that will better help MSMEs leverage on e-commerce.
6. **International Organisations and Donor Partners can play a role in helping developing countries and least developed countries improve their e-commerce readiness by:**
- Providing assistance to develop national strategies for the development of e-commerce
  - Promoting the development and gathering of relevant statistics on e-commerce
  - Encouraging and facilitating information sharing and cooperation
7. **ASEAN is working to advance e-commerce as a means to promote greater digital connectivity and expand opportunities for trade, including for MSMEs, in the region:**
- ASEAN Coordinating Committee on Electronic Commerce (ACCEC) set up in Nov 2016 to coordinate these efforts, including in coming up with an ASEAN Work Programme on E-commerce
  - ASEAN is working towards an ASEAN Agreement on E-Commerce.
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