

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

WTO Work Programme on Electronic Commerce

Paragraph 9(d) of the Ministerial Declaration of Geneva

Communication from Cuba

The following communication, dated 26 October 1999, has been received from the Permanent Mission of Cuba.

Introduction

1. Electronic commerce is increasing the possibilities for companies from developing countries to participate in international trade. The greatest benefits for the economic development of these countries are generated by the increased efficiency of the domestic economy as a result of trade between firms and increased foreign exchange earnings from goods exports, though principally from services exports.
2. Despite these advantages, there are major constraints on the rapid development and expansion of electronic commerce in developing countries. The major obstacle is limited access to the Internet and to the necessary telecommunication and information technology infrastructure.
3. Developing countries must also meet the challenge of creating the appropriate legal framework for fostering the development of electronic commerce. The appropriate legal underpinning for electronic transactions must provide for the requirements of written documents, originals, signatures, contracts of sale, as well as title and other negotiable documents. The changes must be made to domestic laws in order to take account of these factors call for considerable technical information and implementation time.
4. The difficulties of access to modern technologies for the purposes of electronic payments, data protection, document authenticity and telecommunications are hampering the rapid incorporation of developing countries.
5. Developing countries are facing the consequences of their late entry into electronic commerce as a result of the unequal competition imposed by developed countries, which have years of experience as well as the necessary human, technological and financial resources. This is true of the limited access by companies from developing countries to technologies, ideas or solutions that are in the public domain and which have already been patented on the basis of very broad criteria. The increasing number of such patents is inhibiting the expansion of electronic commerce and preventing the use of the technologies involved by a large number of players.

6. Developing countries must incorporate the technical standards necessary for ensuring international trade, in such areas as: incompatible data processing systems, differences in procedures for data encryption and the authentication of documents with digital signatures, among other things. To incorporate these standards and use national resources to apply them, effective ways of guaranteeing access to the relevant new technologies must be found.

7. The following proposals reflect the need to consider these constraints in taking decisions concerning the WTO work programme on electronic commerce.

Proposals

8. Ministers, in the framework of the recommendations on the WTO Work Programme on Electronic Commerce, agree as follows:

- (a) The General Council shall resume the examination of the various aspects of electronic commerce, by means of a new Work Programme in which the competent WTO bodies will continue (or begin) the study of the issues set out in the existing programme (or other new issues) that call for further studies as well as drawing on work that is still in progress in other international fora such as WIPO, UNCTAD, UNCITRAL, OECD and ITU.
 - (b) The Committee on Technical Barriers to Trade shall become involved in the Work Programme in order to look into aspects related to the setting of the technical standards needed for international trade in the form of electronic commerce, so that they do not become trade barriers to developing countries and in order to guarantee access to the technologies required to apply those standards.
 - (c) Considering the growing use of new technologies in electronic commerce and the problems facing developing countries in regard to the transfer of these technologies, the proposed Working Group on Transfer of Technology will consider these factors in its study on the implications of the WTO Agreements for the transfer of technology, in particular for developing countries.
 - (d) The Work Programme on Electronic Commerce shall take account of the fact that the continued liberalization of trade, as one of the aims of the WTO, and in particular that of electronic commerce, will not be possible on a fair and equitable basis without the application or consideration of provisions to guarantee special and differential treatment for developing countries. It must also take into account the problems facing these countries in obtaining access to the Internet, putting in place the necessary infrastructure (faxes, telephones, software programmes, computers, etc.), as well as their telecommunications capacity, the concentration of technological resources within a few international companies, the monopoly on payments systems, the problems of human resource training, the high cost of technologies for electronic payments and product delivery, among other things.
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