



Statement on ***Making the WTO E-Commerce Moratorium Permanent***

Contribution to the OECD Global Forum on Trade
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Business at OECD (BIAC) urges governments to secure a permanent moratorium on the application of customs duties on electronic transmissions under World Trade Organization (WTO) rules. The termination of a multilateral agreement renewed regularly since 1998 would be an historic setback for global trade.

For more than 25 years, the *WTO Moratorium on the Application of Customs Duties on Electronic Transmissions* (“the Moratorium”) has suspended tariffs on cross-border electronic transmissions. This has significantly contributed to the growth of digital technologies, transactions and trade. The Moratorium has brought clear benefits for all:

- enabling micro, small and medium-sized enterprises to leverage digital tools to access new markets and stay in business during times of pandemic or other global challenges;
- facilitating the flow of information, research, design and data, ensuring operational efficiencies and fostering resilient supply chains;
- assisting exchange of knowledge, technical know-how, and scientific and commercial information to sustain economies, expand education, and raise global living standards;
- promoting global integration for developing countries with limited trade infrastructure.

Unfortunately, the current debate at the WTO and recent actions by some countries pose a serious threat to the future of the Moratorium. Allowing the Moratorium to expire would raise tariffs, destabilize and fragment global digital trade, upend the WTO mission to facilitate trade, and undermine the very fabric of a multilateral trading system already under intense geopolitical strain.

Therefore, BIAC strongly urges OECD member countries to lead at the WTO to ensure continuation of the Moratorium. For OECD partner countries and those aspiring to become future OECD members, the Organization should underline that its likeminded membership is based on a commitment to, and record of, open trade policies, as well as WTO leadership.

A comprehensive understanding of the potential impact of the Moratorium on developing economies should guide the ongoing discussions at the WTO. In this regard, we applaud the OECD's endeavors to substantiate discussions on the Moratorium through provision of data, facts, and insight regarding the costs of imposing duties on electronic transmissions. The evidence is clear that the potential increase in government revenues from imposing duties on electronic transmissions would be small, but the subsequent harm to trade, investment, business, consumers and digital development would be significant. We encourage the OECD and governments to explore other options to support emerging economies in facing potential revenue challenges without fragmenting the digital trade ecosystem.

At a time of unprecedented digital transformation, business needs state-of-the-art policies that underpin non-discrimination, strengthen transparency, facilitate interoperability, leverage international standards, and avoid unnecessary digital trade restrictions. We encourage governments to work towards such an environment for innovation that enables businesses to explore and capitalize on emerging technologies, such as artificial intelligence, blockchain, and the Internet of Things.



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About Business at OECD (BIAC)

Established in 1962, Business at OECD (BIAC) is the officially recognized institutional business stakeholder at the OECD.

We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through Business at OECD, national business and employers' federations representing over 9 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations.