

## WTO to Tackle E-Commerce

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E-commerce, unsurprisingly, plays a rapidly expanding role in the global economy. A report from the World Trade Organization estimated that in 2016 alone the value of e-commerce transactions totaled [\\$27.7 trillion](#). Spurred by advances in computing power, increased analysis of consumer behavior and tailored platforms to facilitate online transactions, e-commerce's growth is a direct reflection of the increased digitalization of the economy.

Given e-commerce's presumptive incompatibility with existing trade regulations, organizations like the WTO continue to struggle with how to comprehensively and fairly regulate, or de-regulate, the online marketplace. Further, the difficulty of accurately amassing relevant data, as well as the complexity of addressing a global market with many international players who often have disparate interests, creates additional hurdles that prohibit the WTO from making any meaningful progress. As a result, outdated regulatory frameworks remain in place. As Japan's trade minister poignantly noted, "The current WTO rules don't match the needs of the 21<sup>st</sup> century."

In response to this regulatory lag, 76 of the WTO's members agreed to actively negotiate and set forth trade-related e-commerce rules beginning in March 2019. Representatives from Japan and the European Union were amongst the first members who signaled their interest, and [China](#) recently confirmed its willingness to participate as well. The members who will engage in the negotiations represent a breadth of perspective across both developed and emerging e-commerce markets. But the initiative markedly lacks at least one significant participant in the e-commerce space—India. In 2018, India's e-commerce sales were projected to reach [over \\$32.7 billion](#). The absence of India's representation in these negotiations, despite its role in the global e-commerce landscape, might create a blind spot in proposed regulations. Nevertheless, the group remains open and other countries, including India, may still elect to join.

The initial [Joint Statement](#) issued by the members specifically points to the "unique opportunities and challenges faced by Members." This is perhaps meant to acknowledge the fact that while these negotiations will focus on e-commerce and trade, the forthcoming adoption of new regulations will inevitably have broader economic and socio-political effects. Issues ranging from the digital divide, to personal privacy, to the concentration of market power could be



impacted by the regulations. The potential for expansive influence increases the need for a multifaceted and collaborative approach when designing any proposal. In this spirit, Canada has already established an [online questionnaire](#) where Canadian stakeholders can provide their views on e-commerce and better inform Canada's position in future negotiations with other members.

The renewed focus on regulating e-commerce signals a progressive and cooperative approach to addressing a considerable part of the international economy. Hopefully, the fact that 76 WTO members have agreed to participate signals a strength of buy-in from multiple constituents and an end to passive, ineffective regulation.