

## **WSIS and the WTO: Trade in the Information Age**

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One thing that has struck me about the World Summit on the Information Society is its diversity and the multitude of interests it has brought together. It has demonstrated that all segments of human activity – political, economic and social – recognize the great potential of the communications revolution that is upon us. WSIS originated out of concern about the so-called digital divide, the gap between the haves and the have nots in terms of access to new communication technologies. As WSIS took shape it also came to address the various uses and applications for which these technologies can be harnessed to benefit the broad cross-sections of society and promote the achievement of the Millennium Development Goals.

I feel the contribution WTO can make and the role it can play in the Information Society, while dealing only with certain aspects, are very important. WTO is an organization that addresses international economic issues, with a mandate relating specifically to trade among nations. Given this mandate, WTO has the greatest relevance and impact in relation to promoting access – helping to narrow the digital divide. This is because all the opportunities that the Information Society may offer ultimately rely on putting in place modern communications infrastructure and services and extending them as broadly and affordably as possible.

If the necessary infrastructure is in place, governments can more successfully promote their economic development through enhanced trade and create more income-generating opportunities for their citizens. Securing modern communications infrastructure not only makes it possible, for example, to provide international call centres and remote business processing services, but also affords greater scope for taking advantage of distance learning, on-line health services and e-government applications. As a result, the mandate and

objectives of WSIS and the WTO intersect in several key respects. Let me explain how this works.

First, under the WTO's Information Technology Agreement (ITA) more than 60 governments have chosen to eliminate customs duties and other import fees on trade in information technology equipment. These undertakings have contributed to reducing the cost for business and consumers of such products as computers, computer peripherals and telecommunications equipment. In many countries, exceedingly high tariffs had once applied to the importation of these products.

Second, WTO commitments to open markets for basic telecommunications services have stimulated policy reforms that put telephony, both fixed and mobile, in the hands of many people and segments of the population that heretofore had little or no hope of access. At least 90 governments have taken commitments under the WTO's services agreement to allow new entrants to compete with the former telecom monopolies to extend services to what is now an ever-expanding base of consumers. Moreover, these services are being provided at more affordable prices than anyone would have thought possible a decade ago. By introducing competition also in Internet access and the network capacity it requires, the telecom commitments have also dramatically expanded Internet availability and reduced the cost of Internet services around the world. The WTO also developed a blueprint for pro-competitive regulatory practice in the telecom sector that has been widely accepted. It was designed to ensure that telecom reforms can succeed in their objective of drawing upon competition to extend access to communications.

Third, over 75 WTO Member Governments have committed to open their markets for supply of computer and related services. These services constitute not only the underlying infrastructure for modern communications technologies, but also provide an increasingly wide array of new applications for users. Developing countries who have growing software industries will also find that most industrialized economies have agreed to import these services across their borders, often through on-line supply, with few, if any, trade restrictions.

Fourth, negotiations to further extend commitments on these and other information technology-related goods and services continue under the current round of trade negotiations – the Doha Development Agenda. For the ITA, expanding both the membership and coverage of the tariff concessions is under consideration. For trade in services, both developed and developing countries have expressed an interest in further opening markets in areas that support IT development strategies. These areas include both basic and value-added telecommunications and computer services. Also included are other

IT services, such as call centres and business processing services, in which an increasing number of developing countries have a comparative advantage. Though considerably less common, undertaking market access commitments on distance learning and e-health services is also being considered by some governments as a means of helping make such services more readily available to their citizens.

Needless to say, the global infrastructure for e-commerce extends beyond telecommunications and computer services and equipment to include also the markets for services such as financial payments mechanisms, advertising, and delivery services – linkages that have not been overlooked in the Doha negotiations. With a view to ensuring that benefits of e-commerce can be more widely felt in both developed and developing countries, and by small- and medium-sized enterprises, negotiators are paying more attention today to market access for on-line supply of many kinds of services. As a result, there is also consideration of commitments on more open markets for on-line distribution services by which many goods can be purchased and paid for electronically and for cross-border supply of various types of professional services. Such commitments contribute to the “death of distance” by substantially reducing some of the disadvantages of lack of proximity to major markets.

These important ways in which the interests of the Information Society and the role of the WTO intersect seem not always to have been self-evident and hence have run the risk of being overlooked in the larger body of WSIS interests and stakeholders. I recognize that each organization and government, as well as other stakeholders, public and private, non-profit or otherwise, has a role regarding certain elements of the WSIS Plan of Action, perhaps more so than others. For WTO, the way I see it, the WSIS “lines of action” where it has the greatest impact are: the promotion of ICT for development; the information and communication infrastructure; the enabling environment; e-government and e-business applications; and international cooperation. At the same time, I value and wholeheartedly support the activities of the many other organizations and stakeholders in the areas of their respective competence and responsibility. We have truly set out common goals in the WSIS Declaration and, collectively, have much work yet to accomplish to meet its ambitious targets.