



Call for a Ministerial Declaration regarding the JSI on E-commerce and making permanent -or at least extending- the Moratorium on Customs Duties on Electronic Transmissions

Dear Executive Vice-President Dombrovskis, Dear Ambassador Tai, dear Minister of Economy, Trade and Industry Hajiuda,

The COVID-19 pandemic has caused an unprecedented digital shift amongst companies, governments, workers and citizens alike. This has highlighted the need for progress on the Joint Statement Initiative (JSI) on E-commerce. A successful and prompt conclusion of the negotiations will benefit all economic sectors, including Micro, Small and Medium-Sized Enterprises and start-ups, by removing barriers to digital trade, including in developing countries. We place particular emphasis on enabling the cross-border flow of data and making permanent the ban on customs duties on electronic transmissions – areas which should be prioritised for the 12th WTO Ministerial Conference as part of an ambitious agenda on digital trade.

The undersigned associations urge the EU, US and Japan to do their utmost to ensure that all WTO members do renew the Moratorium on Customs Duties on Electronic Transmissions until the next Ministerial Conference. Allowing the Moratorium to expire would be a historic setback for the WTO, representing an unprecedented termination of a multilateral agreement in place nearly since the WTO's inception – an agreement that has allowed the digital economy to take root and grow. Ultimately, we remain convinced that the Moratorium must be made permanent and binding. Furthermore, allowing the introduction of custom duties on services would open a very dangerous Pandora box that must be prevented.

We similarly took note that in December 2021, the co-convenors of the JSI on E-commerce published a [joint statement](#). We welcome the progress and text consolidation achieved so far and applaud the co-convenors' commitment to secure convergence on the majority of issues by the end of 2022.

With this letter, the undersigned associations call for further enhanced political support for the negotiations. You would know that the OECD [estimates](#) that rapidly growing cross-border data transfers contribute \$2.8 trillion to the global economy. A similar point is made in DIGITALEUROPE's [Data Flows and the Digital Decade Report](#), demonstrating the enormous economic importance of data flows. This is why participants of the JSI on E-commerce should prioritise securing a deal on data flows as part of the negotiations. Negotiators must ensure safe and secure data flows while maintaining high standards on personal data protection and privacy. At the same time, regulatory autonomy must not be misused to impose localisation requirements which unjustifiably restrict data flows, and hence restrict economic development.

The globalisation of the digital economy urgently needs global rules, and we are convinced that the JSI on E-commerce is the right venue to achieve such a goal. To enable negotiators to address more challenging issues like cross-border data flows, forced data localisation, cybersecurity, prohibition on source code disclosure etc. there is a need for a political push.

Therefore, we call upon you, to focus on delivering a Ministerial Declaration regarding the JSI on E-commerce at MC12. Only a Ministerial Declaration will give political weight to the initiative. It would be the first since the beginning of the initiative in December 2017 at MC11 in Buenos-Aires. All the more, the undersigned associations call on you to provide the necessary political impetus for the JSI on E-commerce.