

Roundtable on E-commerce at the WTO:

Key insights for LDCs and SIDs

30 June 2025



International Institute for
Sustainable Development



Session I

Challenges to LDC/SIDS

Participation in Digital Trade and the Role of Global Trade Frameworks

Moderator: **Rashid S. Kaukab**, Senior Specialist, Trade and Sustainable Development, IISD

Session I: Challenges to LDC/SIDS Participation in Digital Trade and the Role of Global Trade Frameworks

- What are the main challenges faced by LDCs and SIDS in engaging with digital trade opportunities?
- How can global processes, particularly those evolving within the WTO, support LDCs and SIDS in addressing these challenges?
- What lessons can be learned from on-the-ground experiences in implementing trade rules and best practices on e-commerce?

Speakers:

- **Cherno Marenah**, Deputy Permanent Representative, Permanent Mission of The Gambia to the WTO
- **Joel K. Richard**, Counsellor, Organization of Eastern Caribbean States (OECS) Geneva Mission
- **Cécile Barayre-el Shami**, Chief of Digital Economy Capacity Building Section, UNCTAD
- **Pierre Sauvé**, Senior Trade Specialist, World Bank (Online)

E-Commerce at the WTO: Key Insights for LDCs and SIDS

Challenges and regulatory gaps in digital trade: **when the rules are digital, but the realities are not** - **LDCs and SIDS in the global trade arena**

30 June 2025

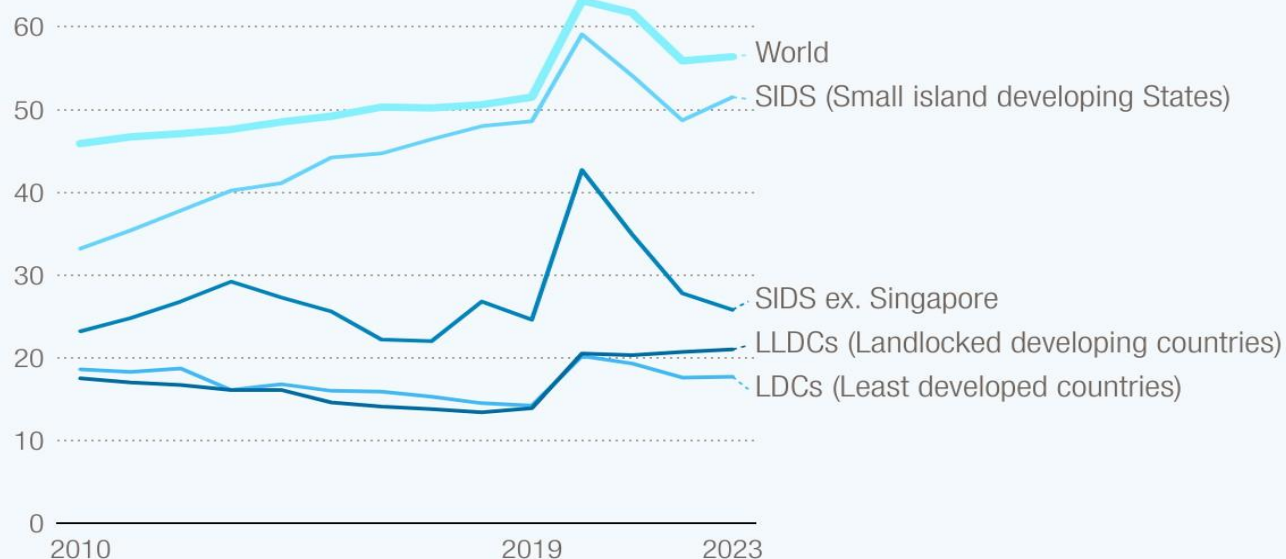
Cécile Barayre, Chief, Digital Economy Capacity
Building Section, E-Commerce and Digital Economy
Branch

➤ Why digital trade matters ?

- ▶ **A new engine of economic growth and diversification:** it drives productivity, unlocks innovation, and fuels cross-border commerce, especially in services.
- ▶ **A platform for inclusion:** it provides business opportunities for women, youth, and small businesses of developing countries.
- ▶ **A catalyst for structural changes :** For many LDCs and SIDS, it offers a leapfrog opportunity to diversify their economies and move up value chains.
- ▶ **A call for smart regulation:** we must shape digital trade with rules that serve people, protect privacy, foster trust.
- ▶ **A path for resilience:** in times of crisis, digital channels keep trade flowing and services accessible. This is not optional, it is essential.
- ▶ **A matter of global solidarity:** connectivity without capacity only deepens digital divides. We must invest not only in physical infrastructure, but in the people who will shape the digital future, through education, entrepreneurship, and empowerment.

➤ Persistent gaps in LDCs and SIDS trade

➤ Digitally deliverable services as a percentage of total services exports (focus on SIDS)



- LDCs lag behind, with the lowest share of digitally deliverable services in total services exports between 2010 and 2023
- SIDS are highly heterogeneous, with vast differences in digital trade capacity and export profiles. **Singapore accounts for >60% of sales of digitally deliverable services by SIDS (and 82% of SIDS services exports in general).**
- the 2020 spike reflects a drop in travel, transport services, **not a surge in digitally deliverable exports.**

➤ Key challenges for LDCs and SIDS in digital trade

Limited connectivity

- only 35% internet penetration in LDCs
- High infrastructure costs: \$418 billion needed globally

Affordability issues

- Internet costs in Africa 14x higher than Europe
- High data and device costs

Infrastructure deficits

- Poor logistics and digital ID coverage
- Submarine cable vulnerabilities in SIDS

Low digital literacy

- Skills gaps, especially in rural areas
- Unequal access to digital education

Financing barriers

- Scarce early-stage capital
- High collateral requirements and risk aversion

Source: UNCTAD 4th eT Ready Implementation Review (forthcoming).

➤ ...compounded by structural and external factors

Fragmented payment ecosystems

- ▶ Low interoperability
- ▶ High-cross border transaction costs

Weak institutional capacity

- ▶ Under-resources agencies
- ▶ Difficulty enforcing or updating laws

Exposure to external shocks

- ▶ Natural disasters disrupt SIDS networks
- ▶ Inflation and geopolitical risks

➤ Why robust digital regulatory frameworks matter

Build trust and legal certainty

- ▶ A predictable digital space empowers citizens and businesses alike

Enable cross-border trade

- ▶ Harmonized rules make digital trade flow smoother, faster, and more inclusive

Adapt to emerging technologies

- ▶ Law must evolve with innovation: AI, blockchain and IoT

Foster innovation

- ▶ Clear, fair rules attract investment and spark local creativity

➤ Regulatory gaps in LDCs and SIDS

Outdated legal frameworks:

- ▶ Many countries still lack comprehensive e-commerce and digital trade legislation

Lack of harmonization:

- ▶ Divergent national rules create barriers to cross-border digital trade

Weak enforcement:

- ▶ Limited institutional resources hinder the effective implementation of existing laws

Fragmented sectoral regulations

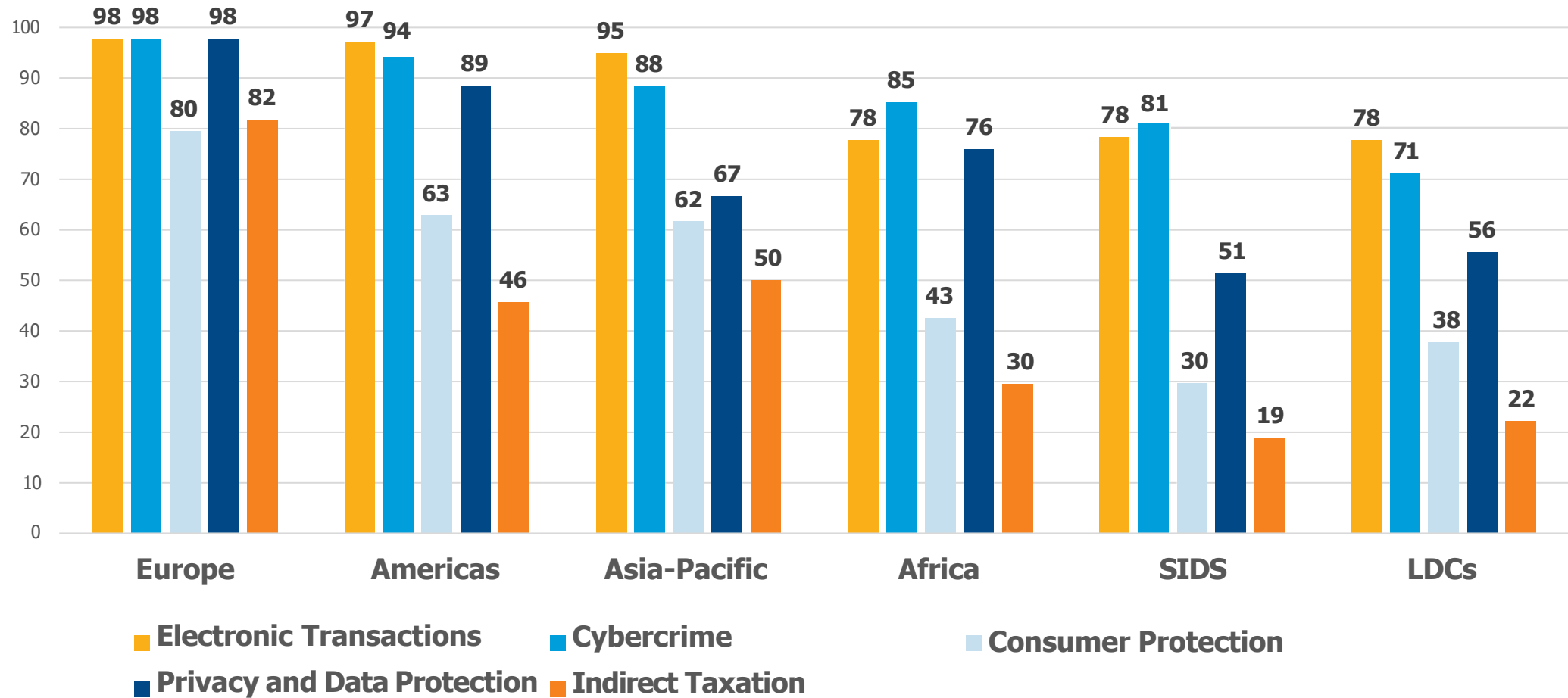
- ▶ Overlapping or inconsistent rules across sectors increase compliance costs and reduce policy coherence

Emerging issues under-addressed:

- ▶ Key areas such as artificial intelligence, data governance, and digital taxation remain under-regulated

Cyberlaw adoption

Percentages



Source: UNCTAD, 2025

What's needed going forward

Strengthen institutional capacity

- ▶ Invest in training and resourcing regulators

Promote inclusive legal reforms

- ▶ Address the needs of women, youth, PwD and rural populations

Enhance regional harmonization

- ▶ Simplify and unify cross-border rules

Foster public-private partnerships

- ▶ Engage tech firms and entrepreneurs

Support from development partners

- ▶ Leverage aid, technical assistance, and blended finance to close capacity and investment gaps.

➤ How can global processes support LDCs and SIDS?

Promote model legal framework

- ▶ International bodies (e.g. UNCITRAL, UNCTAD, WTO) can offer adaptable templates and guidelines for e-commerce, consumer protection, data governance, paperless trade that LDCs and SIDS can localize

Foster regulatory harmonization

- ▶ Multilateral and regional processes can help align laws across borders, reducing fragmentation and supporting regional digital markets

Strengthen technical assistance and capacity building and facilitate access to resources

- ▶ Use eTrade for all platform to mobilize aid, technical assistance to support legal reform and implementation
- ▶ UNCTAD's assistance on the WTO JSI on e-commerce (Kazakhstan, The Gambia)

Promote inclusive norm setting

- ▶ Ensure LDCs and SIDS have a seat at the table in shaping international digital norms so their challenges and priorities are reflected in global standards

Leveraging the eTrade for all initiative



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➤ Lessons from on-the-ground implementation

Tailored legal reforms:

- ▶ Togo, Rwanda, and Malawi show that local context and stakeholder inputs are vital.

Foundational systems matter:

- ▶ Digital ID and payment systems are critical enablers, as seen in Rwanda and Malawi.

Regional harmonization:

- ▶ EAC's efforts highlight the benefits of legal and regulatory alignment across borders.

Capacity and coordination:

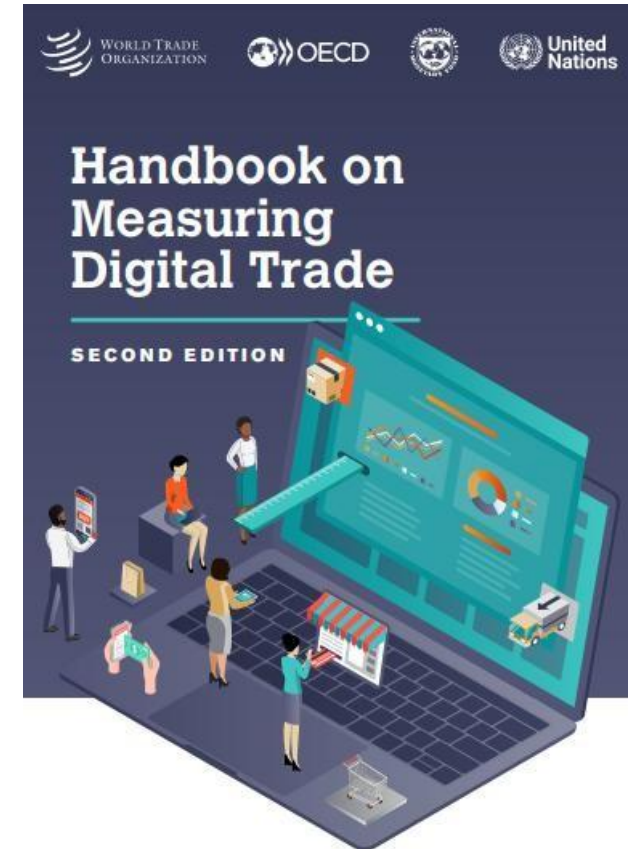
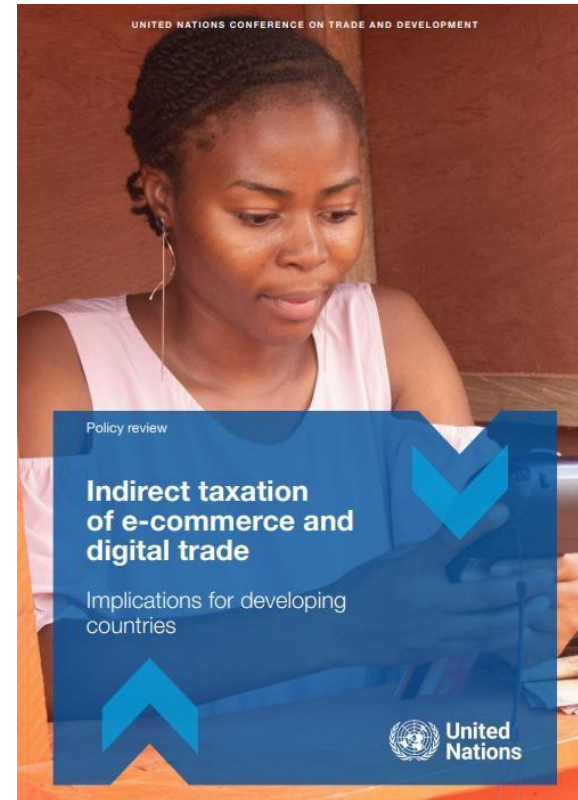
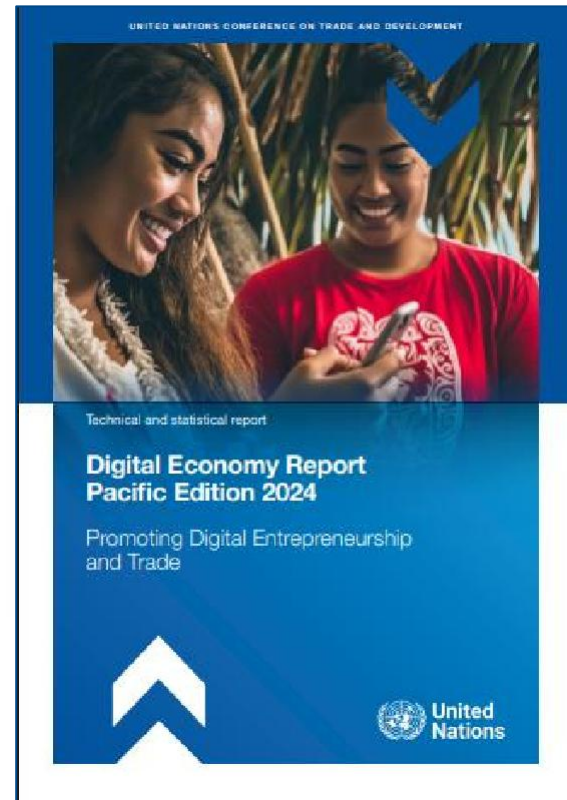
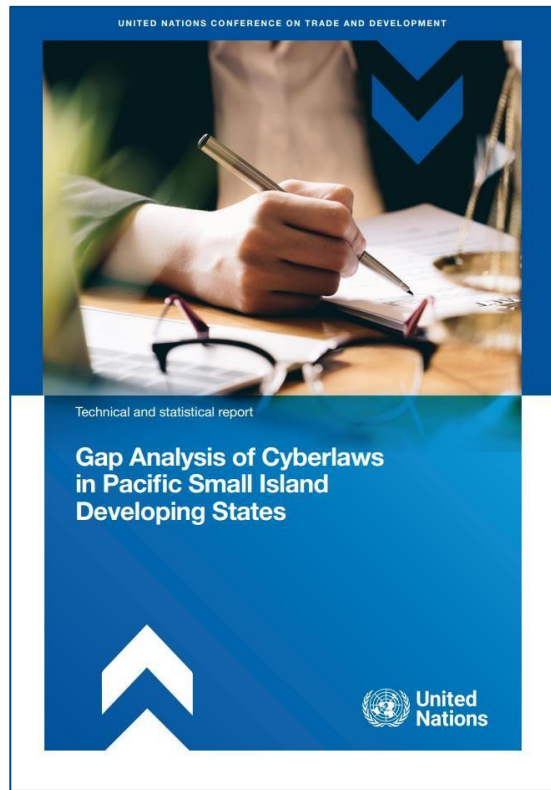
- ▶ Delays in Startup Act enforcement (e.g., Senegal) underline need for clear roadmaps and coordination.

Sustainability and resilience:

- ▶ Rwanda's green logistics and Pacific hybrid connectivity models reflect smart long-term planning.

UNCTAD latest insights and capacity tools

Thank you!





Session II

WTO Multilateral Work Programme on E-commerce

Moderator: **Alice Tipping**, Director, Trade and Sustainable Development, IISD

Session II: WTO Multilateral Work Programme on E-commerce

- What is the current status of the e-commerce discussions at the multilateral level, and the expectations for MC14?
- How is the development dimension addressed in the multilateral-level discussions?
- Could the specific needs of LDCs and SIDS be better addressed in the multilateral discussions? What are the challenges and the key opportunities involved?

Speakers:

- **Stefania Gallo**, Trade Policy Analyst, E-commerce team, Council and Trade Negotiations Committee Division, WTO
- **Marilia Maciel**, Director of Digital Trade and Economic Security, DiploFoundation



Session III

WTO E-commerce Joint Statement Initiative

Moderator: **Rashid S. Kaukab**, Senior Specialist, Trade and Sustainable Development, IISD

Session III: WTO E-commerce Joint Statement Initiative

- What is the current state of play in the plurilateral negotiations on e-commerce, and what are the expectations for MC14?
- What are the main provisions of the proposed plurilateral e-commerce agreement?
- How is the development dimension being addressed, and what are some key expectations and concerns from developing countries?
- What opportunities should be considered to support interested LDCs and SIDS in preparing for potential implementation?

Speakers:

- **Rashmi Jose**, Senior Policy Advisor, Trade and Sustainable Development, IISD
- **Guna Seelan Balakrishnan**, Minister Counsellor, Malaysia Permanent Mission to the WTO



WTO E-commerce Joint Statement Initiative

An Overview

Presenter: Rashmi Jose

Date: June 30, 2025

Presentation Outline

1) Participation dynamics

2) Negotiating process

3) High-level overview of Agreement

4) Key considerations



1) Participation dynamics

Participation high among developed countries, varied among developing countries

Co-conveners: Australia, Japan and Singapore

Total Participants*: 91 WTO members (out of 166)



All Developed** countries participating

Developing Country** participation varies:

- High engagement Latin America and Asia
- No participation Pacific and Caribbean countries
- 9 African countries (*Benin, Burkina Faso, Cabo Verde, Cameroon, Côte d'Ivoire, The Gambia, Kenya, Mauritius, Nigeria*)



LDC Participation: 5/35 countries (*Benin, Burkina Faso, The Gambia, Lao PDR, Myanmar*)



*Status as of June 2025

** Assuming TFA designations



2) Negotiating process

eJSI Negotiating process timeline



3) High-level overview of Agreement

Market Access/Openness

Article 11 – Customs Duties on Electronic Transmissions

- No duties between Parties (not applicable to non-Parties).
- Definition clarified: Duties prohibited on both the transmission medium (e.g., bits/bytes carrying a movie) and its content (the movie itself).
- No formal decision process for extension, but subject to a review process

Article 10.4- Electronic Payments

- Clarification of GATS Mode 3:
 - Parties committing to National Treatment for “all payment and money transmission services” must grant foreign e-payment providers with a commercial presence non-discriminatory access to public payment and clearing systems
 - Other parties encouraged to do the same.

Enabling domestic regulatory environment

Update or establish domestic measures or frameworks. Examples:

- Article 14: Online consumer protection
- Article 15: Unsolicited commercial electronic messages (SPAM)
- Article 16: Personal data protection

Transparency, use of internationally relevant standards, cooperation

Legal recognition of electronic form

Recognition of electronic forms as equivalent to paper forms.

Examples:

Article 4: Electronic transaction framework

Article 5: Electronic authentication and electronic signatures

Article 6: Electronic contracts

Article 7: Electronic invoicing

Trade Facilitation +

Article 8: Paperless trading: custom forms and procedures also available in electronic formats

Article 9: Single Windows Data Exchange and System Interoperability

Market fairness and fair competition

Article 13: Access to and Use of the Internet for Electronic Commerce

Article 21: Telecommunications

Development

Article 20:

- **Longer implementation period:** Developing countries and LDCs may receive up to 5 extra years, + 2-year extension (if needed).
- **Capacity building support encouraged:**
 - Developing countries and LDCs may identify provisions that could benefit from TACB; support encouraged from donor parties
 - Donor parties* agree to facilitate support
- **Needs assessments encouraged**
- **LDC Grace Period:** LDCs exempt from dispute settlement for 7 years after Agreement enters into force for the Party.

**developed countries and developing countries in a position to provide support*

4) Key considerations

Key considerations



Expected Benefits

- Key domestic reforms.
- Signaling openness and enabling regulatory environment.



Concerns

- Development article's 5–7-year transition period: sufficiency depends on implementation progress and ratification timing.



Custom duties on Electronic Transmissions

- Choice reflects support for a plurilateral moratorium or wish to keep policy space for possible customs duties.

Thank You!

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