

Business federations Call for the Renewal of the Moratorium on Customs Duties on Electronic Transmissions

December, 9th 2019- Since 1998, WTO members have agreed not to impose customs duties on electronic transmissions, preventing the creation of trade barriers and burdensome customs duties or tariffs.

Hence, the Moratorium contributed positively to the rise of the Internet, supported the digitalization of the economy and helped consumers access new products & services, as well as it enabled businesses, especially micro, small and medium-sized enterprises (MSMEs) to access new markets.

The Moratorium, which has been regularly extended, is due to lapse on December 31st, 2019 unless a decision is taken at the WTO's General Council Meeting scheduled on December 9th-10th, to extend it at least until the 12th WTO Ministerial Conference in Nur-Sultan, Kazakhstan in June, 2020.

However, the extension is anything but certain.

Business federations are convinced of the Moratorium's positive effects on international trade and resolutely call for its extension. As OECD notes in its recent Trade Policy Paper, current estimates suggest that the opportunity cost in terms of foregone revenue due to the Moratorium is likely to be low (0.08%-0.23% of overall government revenue), even more negligible in comparison to the huge distortive effects on growth of the digital economy.

Therefore, business federations call on all WTO members to extend the Moratorium and allow digital trade to continue developing within a stable, predictable and non-confrontational environment.

Upon the discussion over the extension of this Moratorium to be held at the WTO's General Council Meeting on December 9th-10th, 2019, we call upon WTO members to support the extension of the Moratorium on customs duties on electronic transmissions.

This statement is issued by Business Federations in Berlin, Brasilia, Brussels, Buenos Aires, Casablanca, Cairo, Istanbul, London, Madrid, Ottawa, Paris, Rome, Seoul, Sydney, and Washington, D.C.

BUSINESS FEDERATIONS ASSOCIATED WITH THIS CALL

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