

Next Steps for advancing work on Digital Trade in 2017

The following is a proposal to continue work on issues surrounding digital trade into 2017. The two trade policy dialogues in 2016 have deeply enriched our understanding of the issues of digital trade, but it is clear that more in-depth exploration is vital for better understanding digital trade so that all APEC economies can benefit from this new and emerging form of trade. APEC will take an incremental, balanced and comprehensive approach to advancing digital trade under APEC's broader goal of free and open trade and investment, while taking into account legitimate public policy objectives among economies.

CTI should take concrete steps to continue to advance work on digital trade, including:

- Continuing robust trade policy dialogues with industry and other stakeholders in 2017 to identify appropriate ways to facilitate digital trade and its effects on APEC economies;
- Building upon the Policy Support Unit (PSU) study and developing a Digital Trade work program that includes:
 - Characteristics of digital trade and stocktaking APEC economies current levels of development, including domestic regulations;
 - Potential practices that impact digital trade; and
 - Specific practices that could serve as building blocks to support the digital trade environment.
- Sharing experiences and effective practices to expand and promote digital trade in the region, including possible case studies on companies relying on digital trade.
- Establishing targeted APEC capacity building programs to facilitate digital trade;
- Examining policies and identify capacity building that could leverage the benefits of digital trade as an avenue to advance greater commercially based technology dissemination, while noting APEC economies' varying levels of digital trade development;
- Developing mechanisms to incorporate MSMEs, women, people with disabilities and others into digital trade to ensure it is inclusive and beneficial for all members of society; and,
- In concert with the Ad Hoc Steering Group on Internet Economy and the Electronic Commerce Steering Group, engaging stakeholders to incorporate a comprehensive approach to digital trade issues, and, foster greater consumer privacy protection in cross-border commerce by the ECSG identifying ways in which APEC economies can enhance cooperation on the Cross-Border Privacy Rules (CBPR) system and engaging in capacity building efforts if needed.

These activities will help the CTI to better define the various issues that surround digital trade, share practices and undertake capacity building activities to ensure member economies

participation in digital trade, taking into consideration specific economic circumstances. The aim is to eventually develop possible recommendations and practices to promote the growth of digital trade for further consideration, CTI will seek endorsement from Senior Officials on these next steps for advancing digital trade.

Timeline For 2016-2017:

By CSOM 2016 – Based on the draft PSU study on digital trade, and the Trade Policy Dialogues conducted this year, APEC should endorse the next steps for a continuation of Trade Policy Dialogues, establishing a mechanism for regular public-private information-sharing under CTI, and information/experience sharing activities in 2017 (with host economy consultation). The Trade Policy Dialogues will exchange information on practices that to promote and facilitate digital trade.

By Leaders 2016 – CTI to seek welcome on the Next Steps from Leaders, and some recognition by Leaders of APEC's growing attention to the importance of digital trade towards cross-border trade and economic growth.

Before SOM 1/CTI 1 2017 – Identify topics and speakers for first Trade Policy Dialogue and develop a capacity building program to facilitate digital trade.

SOM 2/MRT 2017 – Focus SOM 2/MRT on promoting digital trade and innovation through a public/private dialogue. CTI may focus attention on APEC economies' practices to expand and promote digital trade in the region.

By SOM 3/CTI 3 2017 – Identify topic and speakers for second Trade Policy Dialogue and continue the capacity building program.

CSOM/AMM/AELM – Leaders to welcome CTI work and progress to advance the facilitation of digital trade, and note APEC economies' capacity building needs to ensure that all member economies can benefit from the growth of digital trade.