



GBC CALLS FOR INTERNATIONAL REGULATORY COHERENCE IN DIGITAL TRADE RULES

February 25, 2019 - Digital technology has revolutionized modern trade and the products and services that we are able to sell to the world. Cloud computing, Industrial Internet of Things (IIoT) and electronic communications (TLC) are all essential elements of a globally competitive industry, where cybersecurity is a precondition for ensuring trust in digital transformation as well as for protecting citizens, businesses and entire states.

A common characteristic of successful businesses is their ability to harness the benefits of digital technology to support their strategic goals. Digital technologies have created a new world where data is both a product itself and an enabler to improve international trade transactions that rely on the free movement of data across borders using interoperable systems. Data localisation rules do not necessarily ensure protection of data, and the scope of application of any data localisation requirements by the state could be restricted to the protection of national security and, where necessary, personal data.

Unfortunately, our multilateral rules bodies have not kept up with the changes that digital technology has wrought on the international trade landscape, particularly when faced with protectionist barriers. Trade in the 21st century goes well beyond the cross-border flow of physical goods to include a large number of previously unforeseen services as well as goods that are digitally delivered. Transactions and business integrations are also being made possible through data flow. Trade rules created under the umbrella of the World Trade Organisation and complemented on national and regional level must be developed to reflect this new reality.

The democratizing nature of the Internet has reduced the barriers that previously excluded small to medium enterprises (SMEs) from participating on global markets. While global interconnectedness enables SMEs to participate it also exposes them to greater opportunities and risks. The Internet gives SMEs, including those from low-income economies, enhanced scalability and better access to markets, financing, labor, skills, as well as new services and products, increasing their productivity and reach.

We require global cooperation on data stewardship¹ to restore citizens' confidence in the digital information economy.

We welcome the start of negotiations on electronic commerce within the World Trade Organization and encourage multilateral bodies and standards organisations to swiftly address digital trade barriers and create digital trade rules for the 21st century.

Cyber-attacks are a risk for innovation and investment. They require a global response and local action involving companies and governments. However, cyber-security and privacy laws should neither curtail innovation, nor put an unjustified burden on companies and individuals, nor entrench the global digital divide.

We call on the international community states organised in the United Nations to set up one single Group of Governmental Experts (GGE) discussing responsible behaviour of state and non-state-actors in cyberspace with the aim of reducing cybercrime. In particular, the UN GGE on Cybersecurity should define clear and internationally recognised rules on lawful state behaviour in cyberspace. International approaches should generally have precedence over unilateral approaches.

“Data stewardship” is an emerging term to reflect the obligations and responsibilities of business of all sizes and industries in managing the volume of data collected in the usual course of business or as part of their business model. It reflects both the governance requirements and responsible utilisation of data and covers technological and behavioral strategies.

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

ABOUT GBC

The Global Business Coalition (GBC) brings together leading independent business associations from the major world economies and advocates on behalf of more than 21 million small, medium and large companies. GBC, established in 2012, operates as a worldwide platform of exchanges between national business communities, and aims at building consensus and developing common positions on issues critical for enterprises. Through its broad-based representation, GBC engages policy-makers at a global scale and advocates policies that contribute to growth and job creation at regional and international levels.

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