



**Australian
Services
Roundtable**

Services business call for extension of the WTO E Commerce Moratorium

Urgent Need for Concerted APEC Action

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The clock is ticking.

The WTO E Commerce Moratorium is in danger of expiring in December 2019 soon.

APEC economies have less than 4 months to act to prevent a potential wave of irreversible protectionist activity which could see tariffs imposed for the first time on regional exports of trade in services

seriously undermining APEC's quest for competitiveness in services and achievement of the targets set out in the APEC Services Competitiveness Roadmap.



June 2019 APSC Letter

In June 2019, the Asia Pacific Services Coalition (APSC) urged continuation of the Moratorium on Customs Duties on E Commerce:

- issued a [media release](#)
- wrote to APEC Senior Officials (SOM)

“The APSC urges the SOM to put a high priority on preventing barriers to e-commerce, such as:

- **imposition of customs duties on electronic transmissions or other fees,**
- **removing data localization requirements and**
- **other barriers to digital services, and**
- **facilitating investments in services such as e-payments, insurance and logistics”**

In July 2019, the APEC Business Advisory Council (ABAC) wrote to the APEC Group on Services (GOS) recommending, as part of the “final push” on services, that more APEC economies support the Pathfinder Initiative for a Permanent Customs Moratorium on Electronic Transmission



Urgent Business Call for APEC Leaders to support immediate extension of the WTO E Commerce Moratorium

- “APEC economies currently have a unique historic opportunity to act to extend the WTO Moratorium on E Commerce which otherwise expires in December 2019
- The APEC Leaders Statement provides a key opportunity to signal united APEC support for an immediate extension of the Moratorium
- APEC services stakeholders call on APEC to take this action in order to help stem the rising tide of protectionist sentiment against the fastest growing component of world trade today”

Launching a new study on the Benefits of the Moratorium

- Message, members of the Asia Pacific Services Coalition have joined with members of the Global Services Coalition to sponsor economic research on the benefits of the existing moratorium for developing economies
- The resulting study, *The Economic Losses of Ending the WTO Moratorium on E Commerce*, is available [online here](#)
- On behalf of APSC members, ASR wishes to formally launch the Study today at the APEC Services Summit in Puerta Varas, Chile
- The associated Media Release (Washington DC/Brussels/Sydney) is available [online here](#)
- The study will be circulated widely in Geneva including at the WTO Public Forum in October

Summary of Findings

- The ECIPE Study concludes that if economies were to begin imposing new duties on electronic transmissions, they could lose substantially more in economic terms than they would gain
- Customs duties levied on electronic transmissions would cost more in lost economic growth and lower income from taxes than they would be likely to generate in additional tariff revenues
- ECIPE considered the likely scenario that if a given economy opted out of the WTO moratorium – ie began imposing duties on electronic transmissions – others would be likely to follow suit

Figure 1: Estimated GDP losses from e-commerce duties are greater than potential tariff revenues (full scenario)
All dollar amounts in millions

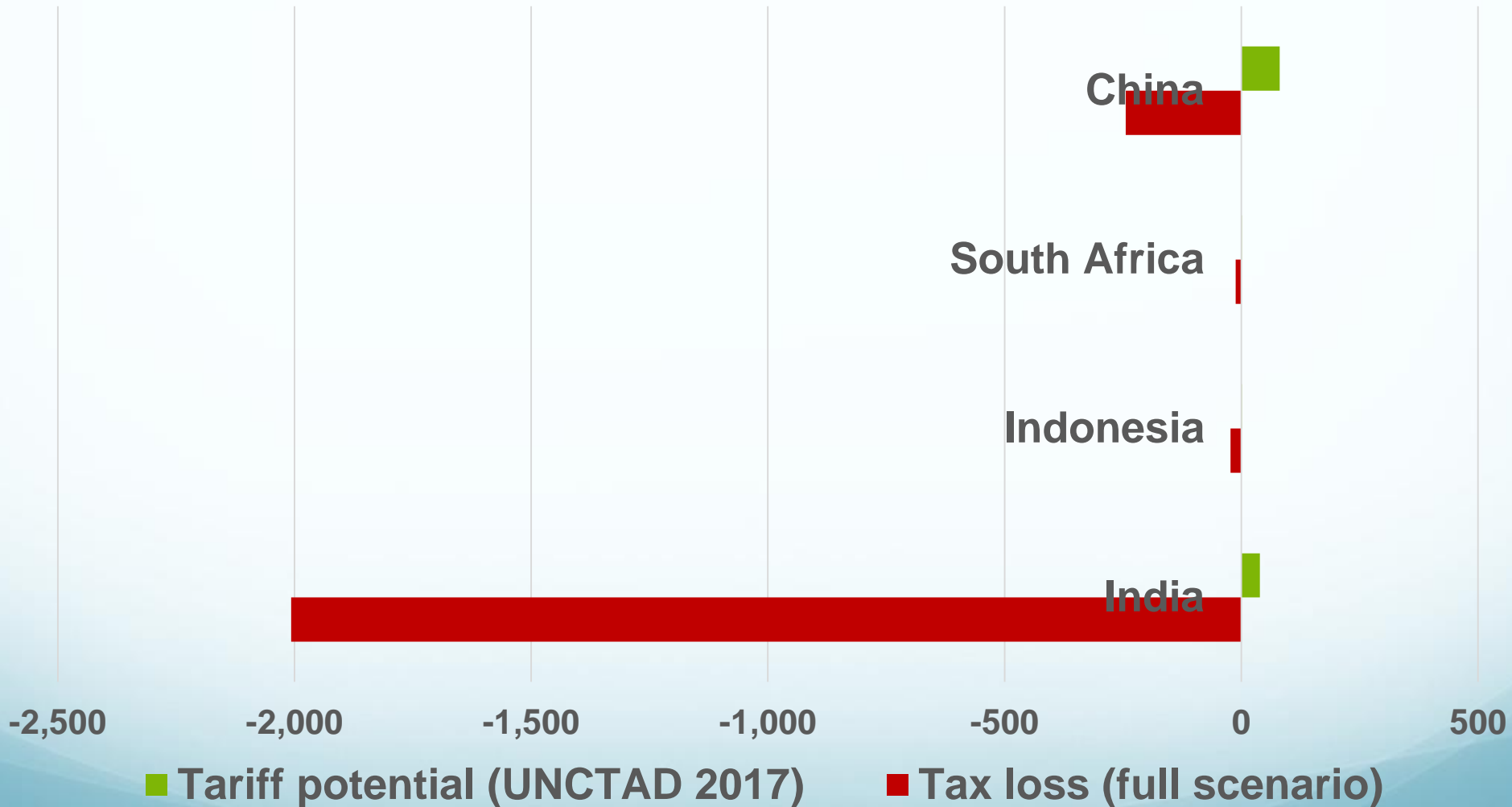


Data from ECIPE study – assumes a scenario of reciprocal tariffs. Units in millions of US\$. Tariff estimates from UNCTAD 2017: *Rising Product Digitalisation and Losing Trade Competitiveness*”.

Summary of Findings

ECIPE Study finds that if economies hope to increase total tax collections, imposing tariffs would likely prove an inappropriate approach as customs duties would depress consumption, resulting in lower economic growth and lower tax revenues.

Figure 2: Combined tax losses from e-commerce duties would be greater than potential tariffs (full scenario)
All dollar amounts in millions



Data from ECIPE study; combined tax losses equals sum of corporate, consumption and personal income taxes. Tariff potential reflects estimates from UNCTAD 2017.



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