

G7 Trade Ministers' Digital Trade Principles

News story

The Digital Trade Principles agreed by the G7 countries at the G7 Trade Track on 22 October 2021.



Open digital markets

- We, the G7 Trade Ministers, are united in our support for open digital markets and in our opposition to digital protectionism and digital authoritarianism. Digital and telecommunications markets should be competitive, transparent, fair, and accessible to international trade and investment.
- Digital trade – and international trade more generally – must be at the service of our people. It should be used to support jobs, raise living standards, and respond to the needs of workers, innovators, and consumers.
- Digital trade should support entrepreneurialism and empower a full range of businesses to participate in the global economy, notably women entrepreneurs and micro, small, and medium-sized enterprises (MSMEs).
- As the bedrock of a thriving and innovative digital economy, the internet must be open, free, and secure.
- Electronic transmissions – including the transmitted content – should be free of customs duties, in accordance with the WTO Moratorium on Customs Duties on Electronic Transmissions. We support a permanent prohibition of such duties.

Data free flow with trust

- To harness the opportunities of the digital economy and support the trade of goods and services, data should be able to flow freely across borders with trust, including the trust of individuals and businesses.
- We are concerned about situations where data localisation requirements are being used for protectionist and discriminatory purposes, as well as to undermine open societies and democratic values, including freedom of expression.
- We should address unjustified obstacles to cross-border data flows, while continuing to address privacy, data protection, the protection of intellectual property rights, and security.
- Personal data must be protected by high enforceable standards, including when it is transferred across borders. We recognise the importance of enhancing cooperation on data governance and data protection and identifying opportunities to overcome differences. We will cooperate to explore commonalities in our regulatory approaches and promote interoperability between G7 members.
- Non-personal data should benefit from protection, including all applicable protection as intellectual property, such as the protection of trade secrets.
- Achieving consensus on common principles for trusted government access to personal data held by the private sector will help to provide transparency and legal certainty. It will support the transfer of data between jurisdictions by commercial entities and result in positive economic and social impacts. We support the OECD's work on developing these principles, recognising the importance of legitimate access to protect citizens and safeguard national security.
- Open government data can play an important role in digital trade. Where appropriate, public sector datasets should be published in anonymised, open, interoperable, and accessible forms.

Safeguards for workers, consumers, and businesses

- Labour protections must be in place for workers who are directly engaged in or support digital trade, providing decent conditions of work.
- Effective measures must be in place to ensure a high level of consumer

protection when purchasing goods and services online.

- Businesses must have a secure digital trading environment, with the highest standards of cybersecurity and resilience against illicit or malign activity.
- To ensure that consumers and businesses can benefit from digital innovation, governments should maintain effective and balanced intellectual property frameworks, with protections for trade secrets.
- Businesses should not be required or coerced to transfer technology or provide access to source code or encryption keys as a condition of market access. At the same time, governments must retain sufficient flexibility to pursue legitimate regulatory goals, including health and safety.

Digital trading systems

- To cut red tape and enable more businesses to trade, governments and industry should drive forward the digitisation of trade-related documents. This includes through means of addressing legal, technical, and commercial barriers to the digitisation of paper processes.
- Where governments use digital systems for processing imports, exports, and goods in transit, these should facilitate the flow of goods along the entirety of the supply chain.
- Single trade windows should be developed to streamline stakeholder interactions with border agencies. Governments should strive to develop these around common standards, with interoperability as a key goal, and in line with the best practice recommendations of the World Customs Organization.

Fair and inclusive global governance

- Common rules for digital trade should be agreed and upheld at the World Trade Organization. These rules should benefit workers, consumers, and businesses in developing economies, as well as those in developed economies, while safeguarding each country's right to regulate for legitimate public policy objectives.
- To drive growth in an inclusive way, efforts should be intensified to tackle the digital divides between and within countries, taking account of the specific needs of low-income countries, notably the least

developed countries.

- The rules governing digital trade should be future-proofed and responsive to innovation and emerging technologies, so that workers, consumers, and businesses can harness their full potential. To assist this process, governments should review evidence and analysis, including from the OECD, where it can help to address rapid developments in digital trade.
- International standards for information and communication technologies should be developed in a way that complies with the six principles of the WTO Technical Barriers to Trade Committee, namely transparency, openness, impartiality and consensus, effectiveness and relevance, coherence, and the development dimension. Such standards must continue to play an important role in supporting an open, free, and fair environment in the digital age.

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