



**Asia-Pacific
Economic Cooperation**

2021/CTI/SYM1/005

Session: 1

Trade-Related E-Commerce: Definitions, Trends and Key Issues

Submitted by: China



**Symposium on APEC Supporting the WTO
Negotiations on Trade Related Aspects of
E-Commerce
24-25 March 2021**

Trade-related E-commerce: Definitions, Trends and Key Issues

GAO Xiaoyu

China Industrial Control Systems Cyber Emergency Response Team

March 24, 2021



Contents

- I. Definitions of Digital Economy, E-commerce and Digital Trade**
- II. The Influence of the COVID-19 Pandemic on Related Industries**
- III. Key Issues in Discussions of Trade-related Aspects of E-commerce**

I. Definitions of the Three Concepts

01

Digital Economy

02

E-commerce

03

Digital Trade

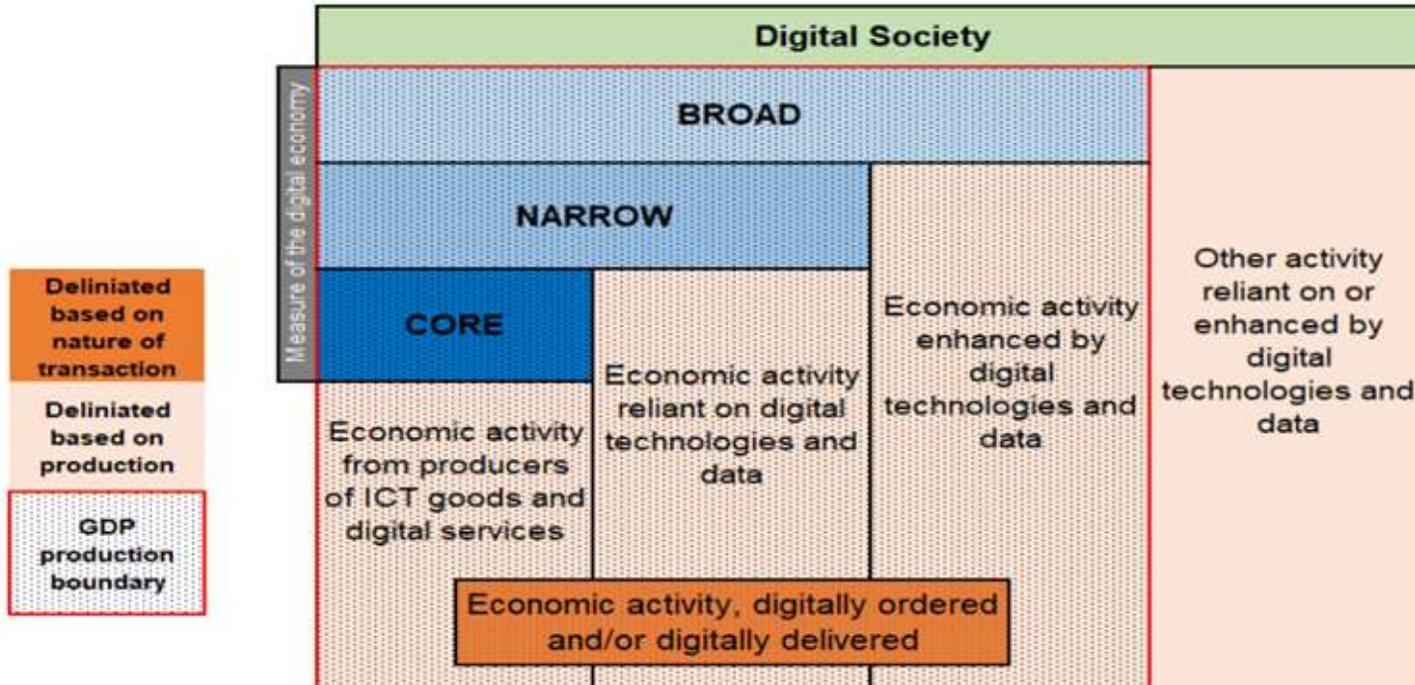
Digital Economy

“The digital economy refers to a broad range of economic activities that include using digitized information and knowledge as the key factor of production, modern information networks as an important activity space, and the effective use of ICT as an important driver of productivity growth and economic structural optimization.”

——G20 Digital Economy Development and Cooperation Initiative, 2016 G20 Hangzhou Summit

A range of economic activities that use the internet as activity space, data as the key factor and digital technology as tools, composed of the digital industry and digitalization.

E-commerce



Digital Transaction Economy: economic activities that is digitally ordered and/or digitally delivered

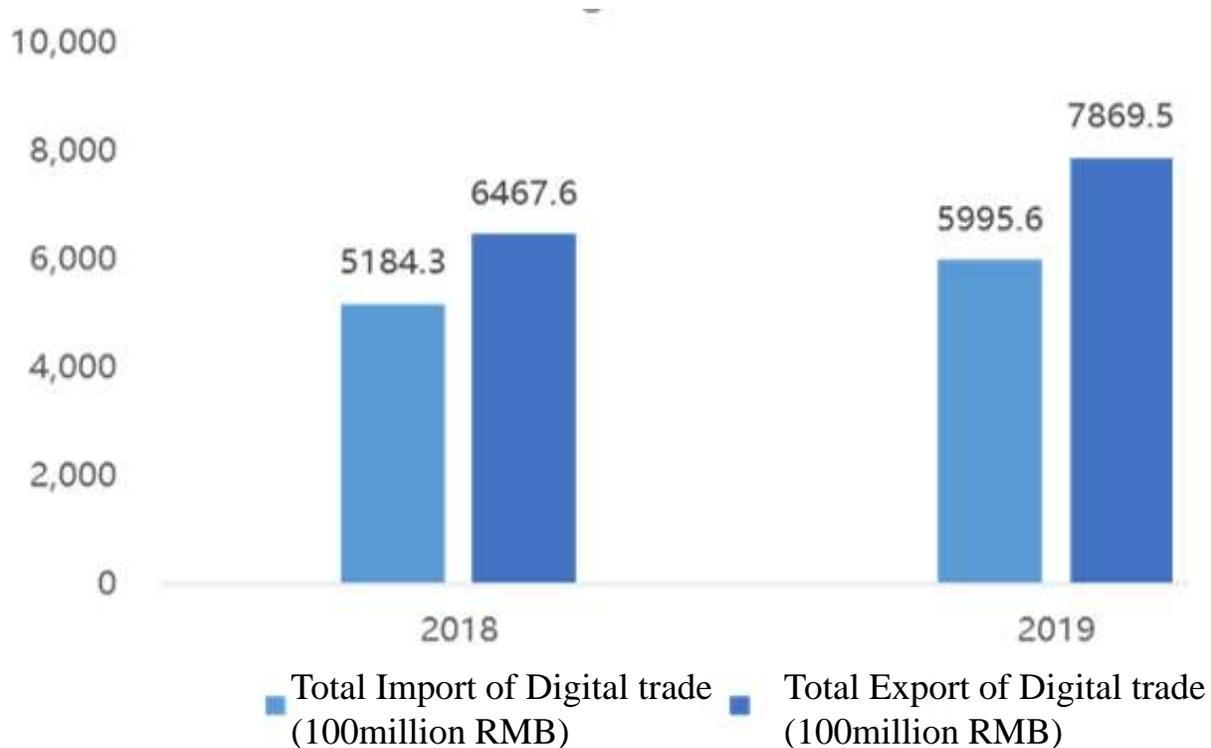


WTO defines e-commerce as “production, distribution, marketing, sale or delivery of goods and services by electronic means”.



The E-commerce Law of the People’s Republic of China states that “E-Commerce refers to business activities that sell merchandise or provide services on information networks such as the internet”.

Digital Trade



Overall Scale of Cross-border Digital trade in China(2018-2019)

Data Sources: China's Digital Trade Report 2020, CIC

- **Definition:** the delivery of products and services over the Internet by firms in any industry sector.
- **Scope:** intangible services and information, excluding goods ordered online and physical goods with digital counterparts.
- **Scale:** The overall scale of cross-border digital trade in China in 2019 was 1.4 trillion yuan, increasing by 19.0%.

II. The Influence of COVID-19 pandemic on related Industries

01

The pressed "fast-forward button" for the construction of digital infrastructure

02

The significantly increasing growth rate of the Internet industry

03

The accelerating pace of industrial transformation with digital techniques

Construction of Digital Infrastructure



WEF: During the coronavirus pandemic, the usage of internet in the world increased by **70%**, the usage of social application increased by **300%**, and video streaming services increased by nearly **2000%**.



IDC: The global cloud computing infrastructure investment in 2020 is estimated to reach 69.5 billion US dollars, accounting for 54.2% of the global IT infrastructure investment.

Increasing Growth Rate of the Internet Industry

Table 1. The comparison of Top Internet Companies Market Value Growth in China and the world

Year	top 30 Internet companies in China	top 70 Internet companies in the world
2018	21.5%	3.4%
2019	38.2%	41.1%
2020	63.8%	58.9%

Accelerating Pace of Industrial Transformation with Digital Techniques



McKinsey (A survey covering more than 400 companies around the world): **94%** of interviewed companies believe that Industry 4.0 technology has benefited a lot during the pandemic, and **65%** believe that the prospect of digital technology is more optimistic than 2019.



Our statistics : The growth rate of O2O industry companies' market value in 2020 reached **102.7%**, which is significantly higher than other industries.

Table 2. Comparison of the Top 30 Chinese Internet Companies' Market Performance in four major industrial (2020)

	Share of Total market value	Annual Growth Rate of Market Value	Sales Income (100 million yuan)	Share of Sales Income
e-commerce	40.65%	54.3%	2443.44	56.5%
online content	34.78%	53.65%	977.52	22.6%
O2O	16.25%	102.67%	361.86	8.37%
others	8.31%	64.83%	542	12.53%

III. Key issues in discussions of trade-related aspects of e-commerce

01

Cross-border Data Flow

02

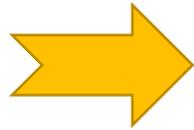
The Supervision and Taxation Issues of Online Platform

03

Standards of electronic invoicing and electronic payments

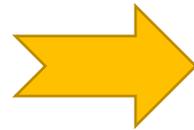
Cross-border Data Flow

A global consistent cross-border data flow rule framework needed



The process of deepening the global consensus interrupted by pandemic

- the WTO ministerial meeting in June 2020



A rule framework for cross-border data flow initially being reached within one or two years

The Supervision and Taxation Issues of Online Platform



USA: Anti-trust investigations on Google, Apple, Facebook, and Amazon (GAFA).



EU: “Digital Market act”



China: “Antitrust Law” Amendment Draft;
Administrative fines on Alibaba and other huge Internet companies



G20, WTO, and...

Standards of electronic invoicing and electronic payments



Digital Economic Partnership Agreement: Issues including the construction of an electronic invoice mutual operating system and the construction of international standards for electronic payments are covered.

THANK YOU
