Why are data-flows important for trade?

A developing country perspective

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Two types of electronically enabled trade

WTO E-commerce Work Program (WT/L/274):
"electronic commerce" is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means.

E-commerce
- Traditional trade objects

Digital trade
- New trade objects
Digital Trade: Why are we doing this?
Characteristics of the Digital Economy

- Decreasing average production costs
- Wide range of products
- Modest capital requirements
- High rates of innovation
- Quick and frequent entry and exit
- Network externalities

The new marketplace

Hits: standard products for mass markets

Niche: variety of products

Head

Long Tail

Products

CC - Chris Anderson (http://www.thelongtail.com/)
(Really simplified) technical architecture

Content layer
(humanly meaningful messages, communication)

Logical layer
(standards, protocols, software)

Physical layer
(networks, hardware, all devices connected)
Data flows

The Internet moves ‘data packets’

End-to-end design
What Chile has been doing

• Cross border data flows
• Non localization requirements
• Non-discrimination of digital products or applications
• Competition
Wrapping-up

• The Internet should remain a global and open platform for trade

• Data flows are the way the Internet Works

• The more open, global and non-discriminatory the platform is, the more people can participate (democratization)
That's all Folks!