



PBEC Statement on the APEC E-Commerce Principles

The potential for electronic commerce at present seems immeasurable, as it expands beyond the forecasts set only months ago. E-commerce provides tremendous opportunity to streamline and expand global commerce and to integrate more fully developing economies and small-medium enterprises (SMEs) into the world economy. The exceptional growth in e-commerce has been achieved through advances in computer and telecommunications technologies and services. The progressive implementation of these technologies and services has enabled businesses in all parts of the world to expand their sales and lower their costs, to the benefit of their customers, employees and investors. The number of Internet users, estimated at 143 million in 1998, is projected to grow to 700 million users in 2001. Electronic commerce sales, including those over the Internet, are projected to grow to \$230 billion in the year 2000.

Recognizing that rules in some areas of electronic commerce are needed to promote its growth, PBEC endorses the following APEC E-Commerce principles as useful in facilitating the development of e-commerce in the Asia-Pacific region. These broad, high level principles provide a sound basis for elaborating more detailed and comprehensive principles for the development of e-commerce.

APEC E-Commerce Principles

1. The development of e-commerce should be led primarily by the private sector in response to market forces.
2. Business and governments must work together to expand the reach of electronic commerce and ensure that all benefit from this tool, with special focus on the needs of small and medium enterprises. Economies are at different stages of economic development and APEC's agenda for economic and technological cooperation will be important in this context.
3. For e-commerce to meet its full potential it must be accepted and enabled worldwide. Business and governments need to assure that technological resources are available to facilitate access to the infrastructure supporting e-commerce.
4. Economies working through both Officials and the business sector should agree to review existing domestic legislation and make it technology-neutral. Where there is a need for legislative or regulatory action relating to e-commerce, it should be minimalist in nature, technologically neutral, transparent and predictable.
5. APEC economies should where appropriate, work towards harmonizing their existing laws. Governments should ensure that any new laws take e-commerce into account.

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6. Business needs to be involved in government deliberations on issues of e-commerce taxation, jurisdiction, intellectual property protection, consumer protection, and judicial and legal infrastructures.

7. Minimalist approaches must be taken using e-commerce as a source of government revenue. Taxes should be consistent with existing domestic practice for non-electronic transactions. The practice of not imposing customs duties or other charges on electronic transmissions should be continued.

8. For e-commerce to succeed it must be adopted by companies and consumers as a forum for trade in which they have trust and confidence. Economies should take reasonable steps to encourage this trust and confidence. Business needs to work with governments to assure credible and effective self-regulatory models.

In addition to endorsing the foregoing APEC E-Commerce principles, PBEC recognizes the value of the "readiness assessment tool" developed by the APEC Electronic Steering Group. This tool is a dynamic, evolving mechanism that will serve as an excellent resource for any economy that wishes to use it as a mechanism to realize its own e-commerce goals.

PBEC members stand ready to assist governments and current and potential users of electronic commerce. PBEC will continue to work in partnership with governments and international fora such as APEC, the OECD, and the WTO to promote broader understanding of electronic commerce and its value.

Endorsed by the PBEC Steering Committee 09/10/99

Adopted by the PBEC Board of Directors 09/10/99

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