



## **G20 Digital Economy Development and Cooperation Initiative**

(FINAL)

### **I. Overview: Global Economy in a Digitized World**

1. During their meeting in Antalya in 2015, the G20 leaders recognized that we are living in an age of Internet economy that brings both opportunities and challenges to global growth. In 2016, the G20 will address ways to collectively leverage digital opportunities, cope with challenges, and promote the digital economy to drive inclusive economic growth and development.

2. 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 information and communication technology (ICT) as an important driver of productivity growth and economic structural optimization. Internet, cloud computing, big data, Internet of Things (IoT), fintech and other new digital technologies are used to collect, store, analyze, and share information digitally and transform social interactions. Digitized, networked and intelligent ICTs enable modern economic activities to be more flexible, agile and smart.

3. The digital economy is experiencing high growth, rapid innovation, and broad application to other economic sectors. It is an increasingly important driver of global economic growth and plays a significant role in accelerating economic development, enhancing productivity of existing industries, cultivating new markets and industries, and achieving inclusive, sustainable growth.

4. While recognizing existing national, regional, and global strategies on digital and internet issues between and among different stakeholders, the G20 Digital Economy Task Force (DETF) has taken the unique advantage of the G20 to help address both opportunities and challenges brought by ICTs, and propose some common understanding, principles and key areas for the development and cooperation of the digital economy. The G20 promotes communication and cooperation among its members and beyond to make sure strong, vibrant and connected ICTs will enable a thriving and dynamic digital economy, which drives global growth and benefits for all.



## II. Guiding Principles: A Compass for Navigation

5. G20 members agree on the following common principles to promote the development of and cooperation in the digital economy:

- **Innovation.** Technological innovation in ICTs as well as innovation in ICT-driven economic activities is among the key driving forces of inclusive economic growth and development.

- **Partnership.** In order to improve cooperation, address common challenges, and advance the global digital economy, closer partnership among G20 members can help share knowledge, information and experiences, so that differences can be narrowed and various interests can be advanced through constructive dialogues. The G20 recognizes the Internet is an important part of modern information network that sustain digital economy. Internet governance should continue to follow the provisions set forth in outcomes of World Summit on the Information Society(WSIS). In particular, we affirm our commitment to a multistakeholder approach to Internet governance, which includes full and active participation by governments, private sector, civil society, the technical community, and international organizations, in their respective roles and responsibilities. We support multistakeholder processes and initiatives which are inclusive, transparent and accountable to all stakeholders in achieving the digitally connected world.

- **Synergy.** Since the digital economy touches almost all economic and social sectors and is closely related to other topics in the G20, particularly innovation and the new industrial revolution, it is the common aspiration of G20 members to create synergy among discussions of these topics in order to avoid duplication and ensure consistency.

- **Flexibility.** The G20 recognizes the importance of flexibility given the different concerns and priorities of members.

- **Inclusion.** The G20 members should work together with all stakeholders, to bridge all manner of digital divide and foster entrepreneurship, innovation, and economic activity, including further development of content and services in a variety of languages and formats that are accessible to all people, who also need the capabilities and capacities, including media,

information and digital literacy skills, to make use of and further develop information and communications technologies. Accordingly, we recognize the vital importance of the principles of multilingualism to ensure the linguistic, cultural and historical diversity of all nations. Digital inclusion and the use of digital technology to enhance inclusion should remain key elements in promoting the digital economy to ensure that no one is left behind, regardless of their gender, region, age, disability or economic status. The G20 members recognize the potential of the digital economy to facilitate the implementation of the 2030 Agenda for Sustainable Development.

- **Open and enabling business environment.** The G20 recognizes the critical importance of private sector on digital economy as well as of enabling and transparent legal, regulatory, and policy environments, and fostering open, competitive markets. Recognize the importance of enforcing competition and consumer protection laws in the digital economy, which are conducive to market access, technological innovation in ICTs and the growth of the digital economy.

- **Flow of Information for Economic Growth, Trust and Security.** G20 members recognize that freedom of expression and the free flow of information, ideas, and knowledge, are essential for the digital economy and beneficial to development, as reaffirmed in paragraph 4 of the Tunis Commitment of WSIS. We support ICT policies that preserve the global nature of the Internet, promote the flow of information across borders and allow Internet users to lawfully access online information, knowledge and services of their choice. At the same time, the G20 recognizes that applicable frameworks for privacy and personal data protection, as well as intellectual property rights, have to be respected as they are essential to strengthening confidence and trust in the digital economy. The security of ICT enabled critical infrastructure needs to be enhanced, so that ICTs can continue to be a reliable driving force in accelerating economic development.

### **III. Key Areas: Unleash Greater Potential of Digital Economy**

*In line with the above principles, the DETF identifies priorities for cooperation in digital economy, to provide favorable conditions for its development, boost economic growth, and ensure digital inclusion. To this end, members are encouraged to:*

## **6. Expand broadband access and improve quality**

- Accelerate network infrastructure construction and facilitate interconnection. Promote the establishment of Internet Exchange Points (IXPs). Encourage all countries to make Internet access central to development and growth initiatives.
- Promote broadband network coverage, and improve service capacity and quality within a legally predictable competitive environment. In particular, explore ways to expand high-speed internet access and connectivity at affordable price.

## **7. Promote investment in the ICT Sector**

- Improve the business environment through policy frameworks that facilitate research, development and innovation (RDI) as well as investment, including cross-border investment in the digital economy. Welcome Public Private Partnerships and commercial equity investment funds as well as social funds to invest in ICT infrastructure and ICT applications. Encourage development of open source technologies and other technologies.
- Encourage the organization of investment information exchange events among ICT companies and financial institutions, and mutual investment in the ICT sector among G20 members.

## **8. Support entrepreneurship and promote digital transformation**

- Encourage internet-based RDI and entrepreneurship through an enabling, transparent legal framework, programs to support RDI and well-functioning capital markets for innovative enterprises. Support developing and emerging countries to build capacities in digital technology and internet-based entrepreneurship.
- Take advantage of the internet to promote innovation in products, services, processes, organizations and business models.
- Encourage the integration of digital technology and manufacturing, to build a more connected, networked, and intelligent manufacturing sector. Take advantage of ICTs to improve education, health and safety, environmental protection, urban plan, healthcare and other public services. Promote the continued development of service sectors such as e-commerce, e-government, e-logistics, online tourism, and Internet finance and the sharing economy. Promote digitization of agricultural production, operation, management, and networked transformation of agricultural products distribution.
- Create conditions for broadband providers to promote expansion, innovation, consumer protection, and competition, including examining the possibilities of introducing policies to prevent anti-competitive blocking, throttling, or prioritization of data by commercial broadband networks.

We note the important regulatory and legislative processes in some members on the open Internet in the context of digital economy and the underlying drivers for it, and call for further information-sharing at the international level on the opportunities and challenges.

#### **9. Encourage e-commerce cooperation**

- Promote cross-border trade facilitation for e-commerce by using trusted digital means, such as paperless customs clearance, electronic transaction documents, mutual recognition of digital authentication, electronic payment and online payment. Meanwhile, strengthen cooperation to prevent barriers to market access and other barriers. Attention should be given to issues relating to taxation, such as ensuring the efficient payment of appropriate taxes for international e-commerce, taking into account in particular the Base Erosion and Profit Shifting (BEPS) issues. Improve international efforts to measure e-commerce, and the macroeconomic consequences of digital economy.
- Strengthen cooperation in protecting consumers' rights and develop dispute resolution approaches, ensuring options for consumers that are adapted to the characteristics of e-commerce within the national framework of laws and regulations provided that they are consistent with member's international legal obligations.
- Build confidence of users which is an essential element of the digital economy by ensuring the respect of privacy and protection of personal data.

#### **10. Enhance digital inclusion**

- Use a variety of policy measures and technical means to bridge the digital divides between and within countries, in particular between developed and developing countries, regions and groups, including between men and women, and promote universal access, including open access to the Internet with equal digital opportunities for all. Promote the broadband connectivity among the poorest citizens, especially the poorest 20 percent of citizens, and citizens from low-density areas and strive to provide universal and affordable access to the Internet in least developed countries. Reaffirm the goal of ensuring the next 1.5 billion people are connected and have meaningful access to the Internet by 2020 in accordance with the Connect 2020 agenda.
- Promote the use of technology in primary and secondary education as well as in non-formal education, including in libraries, museums, and other community-based organizations to reduce disparities between income levels and promote development of a workforce for the digital economy. Strive towards ensuring an increased number of primary and secondary students have lawful access to educational content, and broadband connectivity as well as digital tools in their classrooms.

- Promote digital technologies for societal benefits such as food distribution, education, health, subsidy distribution, governance.
- Recognizing that the digital economy may pose risks and challenges in terms of skills shortages and mismatches and rising inequality for those who might be left behind because they lack skills, it is important to promote the dissemination of digital skills and more competitive workforces through cooperation among academic institutions and technical schools, libraries, businesses and community organizations. Improve digital skills of all people, the youth as well as the elderly, women and men, persons with disabilities, the illiterate and vulnerable populations as well as those in low income and developing countries, to enable their participation in the digital economy to unleash the potential of creating opportunities for quality job creation, decent work provision as well as for income growth and improving welfare. Strengthen cooperation in protecting labor rights.

#### **11. Promote development of MSMEs**

- Promote policies that support micro, small and medium-sized enterprises (MSMEs) to use ICT technology for innovation, improved competitiveness, and new distribution channels in markets.
- Promote affordable digital infrastructures needed for the digitization of MSME operations.
- Encourage MSMEs to provide ICTs goods and services to the public sectors and to participate in global value chains.
- Encourage participation in efforts, such as the Global Enterprise Registration initiative, to make transparent and simple the business registration mechanisms.

#### **IV. Policy Support: For an Open and Secure Environment**

*The G20 aims to encourage exchange of views, promote mutual understanding and strengthen cooperation in policy making and regulation. To this end, members are encouraged to:*

#### **12. Intellectual Property**

Recognize the key role of adequate and effective protection and enforcement of intellectual property rights to the development of the digital economy, as reaffirmed by paragraph 26 of the G20 Antalya Communique.

#### **13. Promote cooperation with respect to independent choice of development path**

Encourage members engaging in international cooperation to reduce, eliminate, or prevent

unnecessary differences in regulatory requirements to unleash the digital economy, recognizing that all members should chart development paths that are consistent with their international legal obligations and their development situations, historical and cultural traditions, national legal systems, and national development strategies.

#### **14. Cultivate transparent digital economy policy-making**

- Develop and maintain open, transparent, inclusive, evidence-based digital economy policy making which takes into account the full input of all public and private stakeholders. Solicit their comments publicly before laws, regulations, policies and other instruments are deliberated, developed and implemented.
- Encourage publishing of relevant, publicly available government data, recognizing the potential to boost new technology, products and services.
- Encourage intelligent public procurement schemes to support the production of innovative digital services and products by the private sector, whilst keeping the need to be market led.

#### **15. Support the development and use of international standards**

Support the development and their use of the international standards for technological products and services that are consistent with the international rules including WTO rules and principles.

#### **16. Strengthen confidence and trust**

- Promote the availability, integrity, confidentiality and authenticity of online transactions. Encourage the development of secure information infrastructure to promote trusted, stable, and reliable internet applications.
- As part of our efforts to address security risks, threats and vulnerabilities in the use of ICT, including those to ICT-enabled critical infrastructures, endeavor to strengthen international collaboration, capacity building and public-private partnerships, including through constructive discussions in relevant international fora. Support and encourage the use of risk-based technical standards, guidelines, and best-practices to identify, assess, and manage security risk by both the public and private sectors.
- Jointly combat cybercrime and protect ICT environment by strengthening international cooperation on these issues in online transactions.

#### **17. Manage radiofrequency spectrum to promote innovation**

Recognize the importance of efficient management of radiofrequency spectrum to achieve the full potential of the mobile revolution in the time of digital economy.

## **V. Way Forward: Actions to Make a Difference**

*Recognizing that the digital shifts underway are reshaping economies and societies today and will continue to do so in the future, the G20 agrees to cooperate and continue to work closely on these matters. In this regard, the G20 will:*

- Encourage multi-level exchanges, involving stakeholders such as governments, the private sector, civil society, international organizations, technical and academic communities as well as other parties such as industry organizations and worker organizations to share views and promote cooperation in digital economy.
- Encourage G20 members to exchange experience on policy making and legislation, and share best practices among members.
- Encourage training and research cooperation in digital economy issues to benefit the developing countries of the G20.
- Welcome and encourage efforts made by the United Nations, UNCTAD, UNIDO, ILO, IMF, ITU, OECD, World Bank Group and other international organizations to develop better metrics for important policy issues like trust in the digital economy, e-commerce, cross-border data flows, and the Internet of Things, as practical, relevant and appropriate.
- Look forward to IOs including the OECD and interested members, intensifying efforts to measure the digital economy in macroeconomic statistics through conducting a voluntary "good practices" survey of national statistical organizations, and organizing and hosting a workshop for statisticians and digital companies on source data to measure the digital economy.
- Interact actively with other engagement groups such as the B20, L20 and T20 to exchange views among industry, business, civil society, and academia to pool ideas on how to promote a sound digital economy.