

Session 123 Summary:
Harnessing Full Potential of Data Economy: “Osaka Track” for International
Rule-Making and the Role of the WTO

Moderated by Cody Ankeny, this workshop explored how to harness the potential of the digital economy through international rule-making, particularly highlighting the role of the WTO in creating new trade disciplines on digital trade. The presentations from the four distinguished panelists included their suggestions from their professional backgrounds for the promotion of international policy discussions on data and the digital economy under the “Osaka Track,” launched during the Leader’s Special Event on the sidelines of the G20 Osaka Summit. The active discussion among panelists focused on how to synergize various workstreams in relevant international organizations and industry groups with the ongoing e-commerce negotiations in the WTO, as well as on how to implement the concept of “Data Free Flow with Trust” through the “Osaka Track.”

Toshiro Iijima began by introducing the background and objectives of the “Osaka Track,” including its role in promoting impetus for the ongoing WTO e-commerce negotiations through the promotion of various international policy discussions. Iijima emphasized the openness of the “Osaka Track,” which promotes inclusion of stakeholders outside of the WTO to further enrich the ongoing discussions. Hosuk Lee-Makiyama pointed out the inevitable impact of digitalization on the global economy and the importance of rule-making based on the borderless, inherently multilateral nature of Internet. Lee-Makiyama underscored the importance of the ongoing e-commerce negotiations in the WTO as a part of the “Osaka Track” and its role in reaffirming the WTO’s legacy as the multilateral rule-making forum of free trade. Julia Nielson introduced the existing contributions of the OECD to trade and the digital economy while underscoring the importance of international corporation to ensure interoperable regulatory frameworks in order to avoid fragmentation. Michikazu Chihara shared industries’ view on the importance of facilitating data flows and the significance of the launch of the “Osaka Track” on the sidelines of the G20 Osaka Summit.

During the entire session, the importance of rule-making for facilitating data

flows through the development of the interoperable data protection regulatory frameworks was a point of focus. In this regard, Nielson referred to the role of international organizations such as the OECD in providing policy options and standards in areas such as privacy protection and security for guiding the ongoing e-commerce negotiations in the WTO. Also, Lee-Makiyama emphasized the importance of striking a balance between “Data Free Flow” and “Trust,” including a “necessity test” in order to prevent overly restrictive regulatory frameworks for ensuring trust.

There was also an intensive discussion on the urgent issue of the WTO Moratorium on Customs Duties on Electronic Transmissions. All the panelists underscored the positive macroeconomic benefits of the moratorium which far exceed the negative implications on customs revenues. Consequently, they supported the existing moratorium, consistent with the non-discriminatory principles of the WTO.

In closing, all the panelists expressed high expectations for the future progress of the “Osaka Track.”