

EUROPEAN PARLIAMENT

2004



2009

Session document

A6-0020/2009

27.1.2009

REPORT

on International Trade and the Internet
(2008/2204(INI))

Committee on International Trade

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on International Trade and the Internet (2008/2204(INI))

The European Parliament,

- having regard to point 18 on Trade in Information Technology Products (also known as Information Technology Agreement (ITA)) of the Singapore Ministerial Declaration of the First Session of the Ministerial Conference of the World Trade Organisation (WTO), adopted on 13 December 1996,
- having regard to the Geneva Ministerial Declaration on Global Electronic Commerce of the Second Session of the Ministerial Conference of the WTO, adopted on 20 May 1998,
- having regard to the submission from the European Communities regarding the "Classification Issues and the Work Programme on Electronic Commerce" to the WTO, on 9 May 2003,
- having regard to point 46 on E-commerce of the Hong Kong Ministerial Declaration on the Doha Work Programme of the Sixth Session of the Ministerial Conference of the WTO, adopted on 18 December 2005,
- having regard to the proposal for a Council Directive amending Directive 2002/38/EC as regards the period of application of the value added tax arrangements applicable to radio and television broadcasting services and certain electronically supplied services and the report from the Commission to the Council on Council Directive 2002/38/EC of 7 May 2002 amending and amending temporarily Directive 77/388/EEC as regards the value added tax arrangements applicable to radio and television broadcasting services and certain electronically supplied services (COM(2006)0210),
- having regard to Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce')¹,
- having regard to Council Regulation (EC) No 792/2002 of 7 May 2002 amending temporarily Regulation (EEC) No 218/92 on administrative cooperation in the field of indirect taxation (VAT) as regards additional measures regarding electronic commerce²,
- having regard to Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade³,
- having regard to its position of 24 September 2008 on the proposal for a directive of the European Parliament and of the Council amending Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services, Directive 2002/19/EC on access to, and interconnection of, electronic communications networks

¹ OJ L 178, 17.7.2000, p. 1.

² OJ L 128, 15.5.2002, p. 1.

³ OJ L 23, 26.1.2008, p. 21.

and associated facilities, and Directive 2002/20/EC on the authorisation of electronic communications networks and services¹, Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications)² and Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)³,

- having regard to its resolution of 14 May 1998 on the communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on a European Initiative in Electronic Commerce⁴,
 - having regard to its resolution of 21 June 2007 on consumer confidence in the digital environment⁵,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Industry, Research and Energy, the Committee on Internal Market and Consumer Protection and the Committee on Culture and Education (A6-0020/2009),
- A. whereas more than half of EU citizens and nearly 1.5 billion people worldwide have access to the Internet; whereas one out of three EU citizens conducts online purchases, but only 30 million do cross-border shopping in the EU,
- B. whereas according to the WTO, e-commerce is defined as "the production, advertising, sale and distribution of products via telecommunications networks",
- C. whereas a distinction may be drawn between the delivery of content on physical carrier media and content digitally-encoded and transmitted electronically over the Internet and thus independently from physical carrier media, over fixed and wireless networks,
- D. whereas electronic commerce may be conducted either in the form of business to business or business to consumer or consumer to consumer transactions; whereas trading on Internet platforms has profoundly changed the manner in which people trade goods and services, creating new opportunities in particular for small and medium-sized enterprises (SMEs) to reach new customers across borders,
- E. whereas preserving the openness of the Internet is a precondition for its continuous growth, as well as that of the wider economy and global trade, which increasingly 'run' on Internet technologies,
- F. whereas SMEs can derive particular benefit from e-commerce in terms of access to

¹ *Texts adopted*, P6_TA(2008)0449.

² OJ L 201, 31.7.2002, p. 37.

³ OJ L 364, 9.12.2004, p. 1

⁴ OJ C 167, 1.6.1998, p. 203.

⁵ OJ C 146 E, 12.6.2008, p. 370.

external markets; whereas, however, the full development of these new electronic commerce methods still comes up against various obstacles as regards their practical application,

- G. whereas the free flow of information is essential in order to facilitate electronic commerce and an open and secure network allowing dissemination of and access to the Internet as information is the foundation upon which the global economy of the 21st century is being built,
- H. whereas Information and Communication Technologies (ICTs) are now ubiquitous in the economy and new platforms and networks are being developed and rolled out; whereas there is a need for open standards which are important for innovation, competition and effective consumer choice,
- I. whereas the further development of the new "digitalised" commercial environment has already and will continue to provide new opportunities for traditional and modern trade transactions, to enhance the consumer's position in the commercial chain and to lead to entirely novel business models in consumer-producer relations,
- J. whereas the Internet offers consumers the possibility to make better informed decisions in terms of quality and price compared to traditional means of purchase, and whereas online advertising has become an important means to facilitate cross-border trade for businesses of all sizes, but in particular for SMEs in order to be able to reach new customers,
- K. whereas the increasing use of the Internet for trade brings with it significant opportunities, but also certain challenges,
- L. whereas companies delivering content services should be encouraged to engage in new and innovative business models embracing the opportunities offered by the Internet and e-commerce,
- M. whereas technology and economics will dictate legal solutions given that the current patchwork of legal frameworks is clearly inadequate,
- N. whereas e-commerce generally relies on intellectual property protection, and whereas a secure and predictable legal environment for intellectual property protection, as well as exceptions and limitations is needed to promote technological innovation and the transfer/dissemination of technology,
- O. whereas it has been observed that according to the national law of important EU trading partners, a telecommunications licence has to be obtained first in order to be able to provide e-commerce services, creating thus an unnecessary obligation especially in view of the complex procedures which apply for granting these licences,
- P. whereas the role of e-commerce amongst members of the WTO has increased rapidly in such areas as banking, the telecommunications sector, the computer industry, the advertising industry, distribution and express mail services; whereas the number of countries not limiting cross-border access in such fields is already substantial; whereas ten years have passed since the launch of the WTO Work Programme on E-Commerce,
- Q. whereas the WTO fundamentals of non-discrimination, transparency and progressive

liberalisation must be applied in a manner that takes account of the speed and interactivity of the Internet, the methods of electronic payment, disintermediation, the increased integration of business functions into the online system, the greater flexibility of business organisations as well as the greater fragmentation of businesses,

1. Stresses the beneficial influence of the Internet over the different factors and stages in cross-border and international trading of goods and services during the last two decades; underlines that the inherently international character of electronic commerce calls for universal understanding and cooperation;
2. Acknowledges that online commercial innovation and creativity is fostering the development of new patterns of trading such as commerce between consumers; points out that online markets act as new intermediaries in order to facilitate exchanges, increase information access at very low cost, and generally expand the scope of business-to-business relationships;
3. Believes that SMEs and young entrepreneurs who are partly or entirely engaged in online trading activities, are really finding a comparatively low administrative and commercial cost platform from which to promote, through customised online advertising, and sell their goods and services to a universally expanding clientele, thus bypassing some trade barriers, part of which are obsolete, and penetrating previously remote and closed markets;
4. Acknowledges that problems with regard to the guarantee of product quality and safety due to the lack of the usual control practices at the distribution stage of online trading must be addressed in novel ways, such as consumer ratings of vendors and consumer-to-consumer peer review;
5. Calls for a detailed analysis of the influence of online trade upon conventional trading patterns and activities, in order to be aware of and consequently avoid potential adverse effects;
6. Notes with concern that often consumers and vendors using ICT are subject to discriminatory treatment in comparison to consumers and vendors operating in offline markets;
7. Welcomes the fact that consumers are benefiting from access to a virtually unlimited range of goods and services due to the effective abolition of geographic, distance and space limitations as well as the possibility for transparent and unbiased information, the comparison of prices, the availability of customised online advertising, and the convenience of online "search and buy" twenty-four hours per day for anyone connected to the Internet at home, at work or elsewhere;
8. Notes that the emerging digital market in intangible goods and services is already greater than traditional trading and provision and has, moreover, created a new range of trading concepts and economic values such as digital real estate (domain names) and access to information (search engines);
9. Suggests that illegal behaviour such as counterfeiting, piracy, fraud, breach of transaction security and violation of citizens' private space should not be attributed to the nature of

the medium but has to be considered as aspects of illegal commercial activities which pre-existed in the physical world and have been both facilitated and exacerbated due to the abundant technological possibilities provided, occurring mainly when the medium does not operate on a basis of compliance with the rules in force in order to benefit from a regime of managed responsibility; stresses the need to create mechanisms for the adoption and strengthening of the necessary and appropriate enforcement measures and of more effective and concerted coordination, which will permit the combating and elimination of existing illegal online commercial behaviour especially with regard to cases liable to involve major public health risks, such as bogus medicines, without affecting the development of international e-commerce;

10. Supports the unconditional respect for the public morals and ethics of states and peoples, but regrets the increasingly abusive recourse to censorship in respect of online services and products which operates as a disguised trade barrier;
11. Recognises the need for open standards and their importance for innovation, competition and effective consumer choice; proposes that trade agreements concluded by the EC promote the broad and open use of the Internet for e-commerce, provided that consumers are able to access and use services and digital products of their choice unless prohibited by national law;
12. Considers that the magnitude of the increase in cross-border transactions, the difficulty of identifying the nature, origin, and destination of transactions, and the lack of audit trails and leverage points bring into question the territorial nature of tax regimes; notes that opportunities exist for streamlining tax administration, for replacing paperwork with electronic data interchanges and for the electronic filling-out of tax returns as well as the automation of the tax collection process;
13. Stresses the need to educate consumers and undertakings and the need to organise media information campaigns on the development prospects, rights and obligations of all parties involved in international trade on the Internet;
14. Regrets the increasing number of incidents of online fraud and theft of both personal data and money; believes that lack of trust in the security and safety of transactions and payments constitutes the most important danger for the future of e-commerce; calls on the Commission to investigate the causes and to redouble its efforts to create mechanisms for strengthening businesses' and individuals' trust in international electronic payment systems, as well as establishing suitable means for resolving disputes related to illegal commercial practices;
15. Highlights that the security and credibility of transactions related to cultural goods or services online are essential;
16. Notes that confidence depends not only on simple, reliable and secure ways of using the Internet, but also inter alia on the quality of the goods and services and the availability of appropriate remedies;
17. Stresses the need for international regulatory co-operation if international electronic trade is to grow to its full potential; considers that a new, modern approach to problematic areas of e-commerce is necessary in order to ensure consumers benefit from protection of

their privacy and the lower costs and new opportunities for commerce that flow from the Internet;

18. Considers that the discussion for the current and future challenges of global Internet trade should take place in a mutually supportive and structured cooperative framework based on systems of institutionalised rules amongst interdependent actors, thus enabling a modern and inclusive multi-stakeholder governance process as exemplified by the Internet Governance Forum; notes that the current modes of Internet governance are characterised by their hybrid nature lacking functional and regulatory hierarchical steering instruments;
19. Regrets the absence of any progress under the WTO negotiations on the important issue of the classification of so-called "digitised products", the fact that the Doha Development Agenda does not mandate specific negotiations on e-commerce and that no progress has been made on the establishment of a permanent WTO Customs Duty Moratorium on Electronic Transmissions; notes that there is still uncertainty as to the proper customs valuation of digital products and there is still lack of agreement as to what rules and obligations (General Agreement on Tariffs and Trade, General Agreement on Trade in Services (GATS) or Trade-Related Aspects of Intellectual Property Rights) should apply to digitally-delivered products;
20. Welcomes the Commission's proposal to the WTO to update and expand the above-mentioned Ministerial Declaration on ITA, setting a short time frame, in order to give an additional boost to trade in these products, to attract more participants, to address non-tariff barriers and to address the increasing challenges of technological development and convergence; regrets however the disparate interpretations of the ITA by the parties and calls on the Commission to fully implement the letter and the spirit of the current ITA and to support a modern and realistic approach for any future agreement in line with the demand for more information technology products, free of import duties;
21. Welcomes the progress already achieved in the framework of GATS, World Intellectual Property Organisation (WIPO) Internet Treaties, United Nations Commission on International Trade Law (UNCITRAL) model law, the extensive work by the Organisation for Economic Co-operation and Development (OECD), and the extensive policy framework adopted at the OECD Ministerial Meeting in Seoul in 2008, and the World Summit on the Information Society;
22. Highlights the importance of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Convention on the Protection and Promotion of the Diversity of Cultural Expression as an essential instrument to guarantee that the cultural exemption in international trade transactions in goods and services of a cultural and creative nature is maintained within the international framework of the WTO; calls upon the Council and the Commission to implement quickly the Convention in the internal as well as the external policies of the European Union;
23. Emphasises the fact that bilateral and regional free trade agreements cannot provide complete answers to far-reaching market access; nevertheless, calls on the EU to include systematically in its bilateral and regional trade agreements explicit provisions covering broad and open use of the Internet for trade in goods and services and unfettered

- information flows, such as to refrain from imposing or maintaining unnecessary barriers to information flows across borders, and by applying the principles of non-discriminatory, transparent and least trade-restrictive regulation to Internet transactions; supports the efforts made by the EU to establish cooperation dialogue on regulatory issues as part of its bilateral agreements with third country trading partners; calls on relevant EU institutions and Member States, upon reaching these agreements, to be prepared to contribute to this cooperation dialogue;
24. Calls on the Commission to review the applicability of trade instruments so as to harmonise and open the use of spectrum in order to promote mobile access to Internet services spurring innovation, growth and competition;
 25. Stresses that attention needs to be focused on the provision of online services including e-commerce not being subject to unnecessary domestic authorisation procedures, both in the EU and in our trading partners' countries, which would result in a de facto impediment to the provision of such services;
 26. Takes the view that in the context of international public procurement, where new technologies allow for cross-border e-commerce, new forms of, for example, combinatorial auctions for SME-consortia, online publication and advertising tenders allow for significant increases in procurement trade not only within the EU but globally thus encouraging cross-border e-commerce;
 27. Recalls that the conclusion of the Anti-Counterfeiting Trade Agreement has to provide a balance between effective implementation of Intellectual Property Rights (IPRs) and protection of the fundamental rights of consumers, and to contribute to further innovation, flow of information and use of legitimate services in the online commercial environment;
 28. Calls on the Commission to run information and education campaigns using traditional and Internet-based tools in order to raise awareness among consumers of their rights with the aim of increasing their confidence in online trading;
 29. Deplores the fragmentation of the EU online market which is the result of regulatory provisions permitting or requiring geographic market partitioning, regulatory provisions preventing or impeding the online provision of goods or services, contractual restrictions on distributors, legal uncertainty, lack of consumer trust in the security of payment systems, high Internet access charges, and any limits on the availability of delivery options;
 30. Calls on the Commission to publish on its website information on consumer rights in dealing with international trade over the Internet focussing in particular on contractual issues, protection of consumers against unfair commercial practices, privacy and copyright;
 31. Believes that the regulatory deficiencies in the EU online market are hindering the development of a stable and strong European online industrial and commercial environment, which results in unsatisfactory levels of participation by European consumers in EU and international trade transactions and hinders creativity and

innovation in commercial activity; regrets the fact that the number of EU based companies solely providing online services is extremely low;

32. Notes the proposal for a Directive of the European Parliament and of the Council on consumer rights (COM(2008)0614) that, it is to be hoped, will bring a greater degree of legal certainty, transparency and protection for the growing number of consumers buying over the Internet, particularly regarding delivery, the passing of risk, conformity with the contract and commercial guarantees;
33. Recalls that confidence, in particular for consumers and SMEs, is vital for making full use of the possibilities offered by Internet trade, as emphasised in its above-mentioned resolution of 21 June 2007;
34. Calls on the Commission and the Member States to take every opportunity to contribute to strengthening confidence through action in the relevant international forums, such as the WTO, and to make efforts to arrive at global standards and norms which take into account European best practices;
35. Calls on the Commission to improve the legal interoperability of Internet services through the development of model licences and other legal solutions compatible with jurisdictions where private law has not been harmonised, in particular for voluntary patent indemnification of international online standards, and to propagate existing European deliverables for legal interoperability as a means of reducing transaction costs and legal uncertainty for online providers;
36. Calls on the Commission, if appropriate in conjunction with the OECD, to draw up a detailed study incorporating statistics on international e-commerce;
37. Calls on the Commission to develop a comprehensive strategy for removing the barriers to using e-commerce still affecting SMEs (access to ICT, costs of developing and maintaining e-business systems, lack of trust, lack of information, legal uncertainty over transnational disputes, etc) and policy recommendations including the offering of incentives to SMEs for enhanced participation in online trading products and services; encourages, in this respect, the establishment of a database, designed to provide information support and management guidance to the new and inexperienced participants in online trading, and the conduct of a comparative economic analysis of the benefits of e-commerce and online advertising for SMEs, as well as case studies of successful EU SMEs trading online;
38. Calls on the Commission and the Member States to encourage SMEs to 'go online' and to organise platforms for sharing information and exchanging best practices and recommends that the Commission and the Member States promote public procurement through electronic use, taking great care to ensure eAccessibility;
39. Welcomes the Commission's initiative to open a public dialogue by way of its issues paper entitled "Opportunities in Online Goods and Services" and by establishing a group of advisers to collaborate in delivering a report on the relevant issues;
40. Points out that the Internet has brought a new approach to the production, consumption and dissemination of cultural goods and services, which can contribute to cross-cultural

understanding on the basis of free and fair access to new ICTs and respect for cultural and linguistic diversity;

41. Stresses that cultural and artistic products and services have both an economic and cultural value, and that it is important to maintain this understanding in international trade negotiations and agreements, and through global networks by implementing the UNESCO Convention in a legally binding way;
42. Urges the Commission and the Council to ensure that European cultural industries fully exploit the new opportunities brought about by online trading in particular the audiovisual, musical and publishing sectors, whilst at the same time offering effective protection against illicit trafficking and piracy; however, this must not affect the Community's policy, clearly stated in the negotiating mandate, to refrain from making offers or accepting liberalisation requests in the audiovisual and cultural sector;
43. Considers that the Internet is becoming the most efficient medium for bridging the trade gap between North and South; considers that the Internet is opening new commercial channels connecting least developed and other developing countries with advanced and central commercial systems, increasing their export flows and bypassing the disadvantages of traditional commercial practices;
44. Believes that the participation of the least developed and other developing countries in international trade through the Internet has to be supported through increased investment primarily in basic infrastructure such as telecommunication networks and access devices; underlines the need for low cost and better quality provision of Internet services; recognises that telecom liberalisation has led to increased investment in infrastructure, improved service and innovation;
45. Recognises that in many countries, users access the Internet via mobile devices;
46. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

The purpose of the report is to highlight those areas of international trade in which the Internet has acted as a catalyst by creating new conditions for commercial development worldwide.

The report focuses primarily on the following areas: the way in which the Internet has facilitated traditional methods of conducting commercial transactions, the new opportunities and new markets ('markets without borders') created by the very nature and the technological development of the Internet, the problems and dangers facing international trade, the institutional and regulatory framework of conducting business online, the operation of e-commerce in the EU and on the global mega-scale and the challenges facing developing countries.

International trade and the Internet influence each other very considerably. The Internet is developing into the most effective and an increasingly popular means of conducting trade, while commercial transactions account for a significant percentage of overall Internet usage. Given that the Internet is by its very nature an international means of communication, international trade and the Internet, as processes, are inextricably linked and mutually supportive. However, issues such as security, accessibility, legality, tax treatment and the reliability of electronic commercial transactions call for international negotiations and concertation, given that the Internet knows no conventional geographical borders.

This medium has created new markets and offers access to markets which were formerly closed, has speeded up trade more than any other medium in the past, and has made the delivery of some goods and services virtually automatic. There have also been striking changes at all stages of commercial transactions, but particularly in the transmission or delivery of goods or services, since, the same content may now be delivered either through a conventional carrier (for instance, computer software or CD) or by digital downloading.

While the Internet has had a decisive effect on the trade in goods and services, the degree of change measured in quantitative and qualitative terms differs from one area to another. As regards goods, the Internet has allowed world markets to emerge, regardless of origin and specialisation. As regards services, the dramatic increase in the speed of the data transmission via telecommunications networks has had the effect of a catalyst on the form and content of financial transactions, the liberal professions and the cultural industry, inter alia.

The Internet reduces distances, lowers advertising and information costs, intensifies competition globally, makes the final price of a product or service more attractive and eliminates the physical obstacles of limited store space, of traditional distribution networks and geographical borders. Traditional commercial interests are unable to control markets through exclusive distribution and geographic market partitioning systems. By using Internet platforms, consumers are now able, to sell goods and services to other consumers.

Conditions for small and medium-size enterprises are particularly favourable, since they have many more opportunities to penetrate established commercial systems than they had even a decade ago. Moreover, the cost of entering the commercial chain is falling, and legal,

technical and institutional barriers in moving goods and services are being overcome. Enterprises are able to set up their Internet sales point easily, rapidly and at low cost, thereby achieving a higher degree of competitiveness and maximum penetration of traditional markets.

The main advantages for consumers, both at national and European levels and globally, are that they enjoy a very wide choice between goods and services, competitive pricing, lower living costs and a better quality of life. They are now better able to compare products and services, since they have access to more information. Access is around-the-clock, from home or the workplace.

Internet purchases create new challenges for the protection of the private sphere of citizens/consumers. The consumer preferences and purchases of Internet users are scrutinised by 'invisible' Internet eyes. Unsuspecting users are frequently misled and become the victims of fraud. The theft of money electronically and credit card pin codes and fraudulent access to bank accounts are among the most common Internet crimes. All these phenomena have shaken users' confidence in e-commerce.

Illegal trade has found new avenues in which it can spread unhindered. Your rapporteur views the counterfeiting of commercial trademarks, the theft of intellectual property and the piracy of musical, cinematographic and audiovisual works as phenomena which also affect Internet trade but pre-existed in the physical world.

Invoking challenges to their high moral principles, states impose direct or indirect censorship, which is, however, a disguised form of trade barrier.

Current Internet governance structures are characterised by inadequate functional and regulatory hierarchical steering instruments. Because of their hybrid nature, the current and future challenges of global Internet trade should therefore take place in a mutually supportive and structured cooperative framework based on institutionalised rules systems.

E-commerce negotiations in the WTO, centered around the dispute on digitally-delivered content products, in particular their legal classification and subjection to GATT or GATS, have not produced results. The issue of tax jurisdiction is also still unresolved, given that no international regime/agreement exists on the taxation of e-commerce.

Plurilateral, (inter-regional and bilateral trade agreements must contain clauses facilitating e-commerce (a practice already followed by the EU's commercial competitors). Reactions to ACTA (Anti-Counterfeiting Trade Agreement) have been mixed.

Over 50% of all EU citizens have, to a greater or lesser extent, enjoyed the advantages provided by Internet access to small, medium and large-scale commercial markets. The EU is endowed with a regulatory framework covering e-commerce, is currently discussing a review of the telecommunications framework and maintains a strong position in WTO negotiations on the designation and classification of e-commerce in accordance with individual WTO agreements. The EU is seeking partners worldwide to ensure that the Internet dimension of international trade will be subject to disciplines and rules whose overarching purpose is to liberalise and to develop healthy competition and the security of world trade.

However, problems exist in the EU innate which affect the conduct of online trade, for example, geographic market partitioning, the imposition of contractual restrictions on the distribution network, the absence of a common tax regime and the existence of regulatory frameworks which preserve and favour traditional distribution practices. Owing to the inadequate operational coordination of European e-commerce, the EU fails to occupy a position globally in keeping with its actual commercial strength. Suffice it to mention that only a small number of Internet companies are based in the EU.

The Internet could be a medium for bridging the trade gap between North and South, open up new channels connecting developing countries with advanced commercial systems, increasing their export flows and bypassing the traditional disadvantages of traditional commercial practices. Developing countries, lacking direct access to traditional commercial structures, may benefit enormously from the use of the Internet. What is needed is an increase in investments in material and technical infrastructures (computers, software and telecommunications networks) and action to deal with inherent weaknesses (for example, telecommunications monopolies resulting in low-quality but high-cost services, digital illiteracy and a lack of access to international e-commerce channels), so as to facilitate the harmonious incorporation of developing countries into the world trading system.

5.12.2008

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on International Trade

on International Trade and the Internet
(2008/2204(INI))

Rapporteur: Silvia-Adriana Țicău

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the progress already achieved in the framework of GATS, WIPO Internet Treaties, UNCITRAL model law, the extensive work by the OECD, and the extensive policy framework adopted at the recent OECD Ministerial Meeting in Seoul in 2008, and the World Summit on the Information Society;
2. Recalls the possibilities offered by information and communication technologies (ICTs) to facilitate the trading of goods and services, and to contribute to the development of new e-services;
3. Recalls that the Internet has created tremendous new opportunities for both consumers (in the form of increased choice and lower prices) and businesses (in the form of new channels to enter the global market);
4. Points to the fact that the Internet presents exciting opportunities for companies, both small and large, and urban and rural, to sell products online; also points out that existing services can increasingly be provided online; and that thanks in particular to the advent of affordable, high quality voice and video communications, people can communicate easily wherever they are in the world, including the potential to receive payment for services provided on an entirely 'remote' basis;
5. Points to the fact that the internet makes it possible to distribute immaterial goods in an innovative way;
6. Reiterates that ICTs are now ubiquitous in the economy; and new platforms and networks

are being developed and rolled out; recognises the need for open standards and their importance for innovation, competition and effective consumer choice;

7. Recalls that the tremendous 'success story' of the Internet is based on the concept of a "free" net in which protection of privacy and free flow of information are key elements; the Internet should be kept as a creative space allowing new business models to flourish;
8. Underlines that preserving the openness and neutrality of the Internet in Europe and beyond is a pre-condition for its continuous growth, as well as that of the wider economy and global trade which increasingly 'run' on Internet technologies;
9. Emphasises that confident consumers and business partners are the key to the further development of e-commerce; and that the security of networks, combating fraud and the protection of privacy, personal data and intellectual property rights are essential in creating trust;
10. Notes with concern that often consumers and vendors using ICT are subject to discriminatory treatment in comparison to consumers and vendors acting in offline markets;
11. Takes the view that the full potential of e-commerce for SMEs is not yet fully exploited and that there is still much to be done to achieve a Single European Electronic Market for products and services where SMEs could play a leading role for the further integration of the European markets; underlines that the full potential of e-commerce, e-communications and the Information Society as such has not yet been fully exploited, in particular by SMEs, and that these developments present huge opportunities for disadvantaged communities, bypassing traditional boundaries and distances;
12. Takes the view that in the context of international public procurement, where new technologies allow for cross-border e-commerce, new forms of, for example, combinatorial auctions for SME-consortia and online publication and advertising tenders allow for significant increases of procurement trade not only within the European Union but globally thus encouraging cross-border e-commerce;
13. Takes the view that much of the future of trade and future export markets for the European Union lie in welfare services such as certain health care services and education which can increasingly be offered over the Internet, and which depend on consistent, clear international trade frameworks and agreements;
14. Calls on the Commission and the Member States to continue to work for a coordinated policy approach as well as a legal framework at international level which tackles outdated regulatory barriers that prevent the Internet from realising its full potential, supports digital transactions, and which is governed by consistent principles across international borders, giving special attention to a legal framework for e-payment and e-commerce;
15. Calls on content providing companies to exploit fully the possibilities offered by the internet and to engage where possible in innovative business models;
16. Calls on the Commission and the Member States to ensure that new digital trade barriers

(physical infrastructure, human and legal capacity, non-tariff barriers, such as censorship and restrictions on freedom of information) are anticipated and countered in existing and new commitments; interoperability, interconnectivity and issues related to internet governance should also be addressed in this context; furthermore, calls on the Commission and the Member States to ensure that efforts to reduce hidden trade barriers begin as soon as possible by completing the single market for e-communications and digital content and by reinforcing e-commerce in audiovisual services, in the interest of consumers and the competitiveness of European industry;

17. Recommends that security needs are balanced with respect for fundamental freedoms and the encouragement of creativity and dissemination of knowledge;
18. Calls on the Commission and the Member States to encourage SMEs to 'go online' and to organise platforms for sharing information and exchanging best practices and recommends that the Commission and the Member States promote public procurement through electronic use, taking great care to ensure e-Accessibility;
19. Calls on the Commission to review and examine existing multilateral and bilateral trade agreements, that are under preparation, in place and in the process of being negotiated, in order to establish a clear set of priorities on what to encourage and what to avoid in future trade agreement negotiations and developments. This process should be transparent and open, and ensure maximum multi-stakeholder engagement.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2008
Result of final vote	+: 38 -: 0 0: 0
Members present for the final vote	Šarūnas Birutis, Jan Březina, Jerzy Buzek, Jorgo Chatzimarkakis, Giles Chichester, Dragoș Florin David, Den Dover, Nicole Fontaine, Adam Gierak, Norbert Glante, David Hammerstein, Erna Hennicot-Schoepges, Mary Honeyball, Ján Hudacký, Werner Langen, Anne Laperrouze, Pia Elda Locatelli, Eluned Morgan, Antonio Mussa, Angelika Niebler, Reino Paasilinna, Aldo Patriciello, Miloslav Ransdorf, Vladimír Remek, Teresa Riera Madurell, Mechtild Rothe, Paul Rübig, Britta Thomsen, Patrizia Toia, Claude Turmes, Nikolaos Vakalis, Adina-Ioana Vălean
Substitute(s) present for the final vote	Gabriele Albertini, Alexander Alvaro, Pierre Pribetich, John Purvis, Silvia-Adriana Țicău, Vladimir Urutchev

3.12.2008

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on International Trade

on International trade and the internet
(2008/2204(INI))

Rapporteur: Marian Zlotea

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the possibility for European citizens to trade goods and services internationally using the internet should be supported, as it increases choice for consumers, enhances competition, leading to better quality goods and services, and provides new market opportunities;
2. Notes the Commission's proposal for a directive of the European Parliament and of the Council on consumer rights of 8 October 2008 (COM(2008)0614) that, it is to be hoped, will bring a greater degree of legal certainty, transparency and protection for the growing number of consumers buying over the internet, particularly regarding delivery, the passing of risk, conformity with the contract and commercial guarantees;
3. Recalls that confidence, in particular for consumers and small and medium-sized enterprises (SMEs), is vital for making full use of the possibilities offered by internet trade, as emphasised in its resolution of 21 June 2007 on consumer confidence in the digital environment¹;
4. Points out that the volume of poor-quality goods from third countries, including copies of goods protected by intellectual property rights and counterfeit medicines, being sold over the internet is increasing, and that effective measures must be taken, *inter alia* in cooperation with third countries, to deal with this;
5. Notes that major obstacles exist in cross-border online trading, especially with respect to

¹ OJ C 146 E, 12.6.2008, p. 370.

contractual and legal certainty in cross-border sales and protection of copyright and licences;

6. Points out that the internet provides SMEs with extensive opportunities to develop their commercial activities by participating in international markets at very low cost compared to traditional methods; with this in view, the Commission and the Member States should establish a regulatory framework to eliminate obstacles and barriers while maintaining a high level of consumer protection;
7. Points out that, although in accordance with Article 18 of Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)¹ the Commission has the authority to conclude agreements with third countries on enhanced cooperation to protect consumers, no such agreement with any third country has yet been concluded; calls on the Commission, therefore, to start negotiations and as soon as possible to conclude such agreements, in particular with OECD countries and the main trading partners of the EU, since this would ensure greater enforceability of consumer rights;
8. Notes that confidence depends not only on simple, reliable and secure ways to use the internet, but also *inter alia* on the quality of the goods and services and the availability of appropriate remedies;
9. Calls on the Commission and the Member States to take every opportunity to contribute to strengthening confidence through action in the relevant international fora, such as the World Trade Organisation, and to make efforts to arrive at global standards and norms which take into account European best practices;
10. Calls on the Commission and the Member States to ensure respect for intellectual property rights in the context of international trade over the internet, together with the proper application of customs and tax regulations;
11. Points out that the disparity between national rules on e-commerce, including deficiencies in the implementation and application of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce')², is, on the one hand, affecting the full development of the internal market and, on the other, weakening the EU's capacity at international level; calls on the Commission to monitor potential obstacles to the functioning of the internal market that may derive from national requirements which dissuade third-country providers from offering goods and services in those Member States over the internet;
12. Calls on the Commission to work towards achieving the greatest possible degree of consumer protection as regards international trade over the internet, while acknowledging that Member States have different levels of consumer protection and that a high level of consumer protection should not be considered an obstacle to the functioning of the

¹ OJ L 364, 9.12.2004, p. 1.

² OJ L 178, 17.7.2000, p. 1.

internal market;

13. Calls on the Commission and the Member States to promote knowledge of Community rules on the free movement of goods, including with respect to applicable standards and the CE mark;
14. Calls on the Member States to cooperate with the Commission in developing and implementing programmes for international cooperation between market surveillance authorities;
15. Calls on the Commission to run information and education campaigns using traditional and internet-based tools in order to raise consumer awareness of their rights with the aim of increasing their confidence in online trading;
16. Calls on the Commission to publish on its website information on consumer rights in dealing with international trade over the internet focussing in particular on contractual issues, protection of consumers against unfair commercial practices, privacy and copyright.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2008
Result of final vote	+: 29 -: 1 0: 0
Members present for the final vote	Gabriela Crețu, Janelly Fourtou, Evelyne Gebhardt, Martí Grau i Segú, Małgorzata Handzlik, Malcolm Harbour, Christopher Heaton-Harris, Anna Hedh, Edit Herczog, Eija-Riitta Korhola, Lasse Lehtinen, Toine Manders, Catuscia Marini, Arlene McCarthy, Catherine Neris, Bill Newton Dunn, Zita Pleštinská, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Christel Schaldemose, Andreas Schwab, Marianne Thyssen, Jacques Toubon, Barbara Weiler
Substitute(s) present for the final vote	Emmanouil Angelakas, Brigitte Fouré, Joel Hasse Ferreira, Anja Weisgerber
Substitute(s) under Rule 178(2) present for the final vote	Maddalena Calia

8.12.2008

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on International Trade

on International trade and the Internet
(2008/2204(INI))

Rapporteur: Maria Badia i Cutchet

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Acknowledges that the Internet can become a tool for promoting cultures and languages by developing cultural and creative industries, especially in developing countries, if cultural diversity were to be protected through an agreed sector specific international legal basis with regard to content; insists, therefore, on the importance of promoting equal access to Information and Communication Technologies (ICTs) to make an inclusive information society possible, and removing the various existing barriers - with regard to inadequate infrastructure or training, among others - in order to allow for potential trading and to guarantee the full rights of citizenship;
2. Points out that the Internet has brought a new approach to the production, consumption and dissemination of cultural goods and services, which can contribute to cross-cultural understanding on the basis of free and fair access to new ICTs and respect for cultural and linguistic diversity;
3. Highlights that security and credibility of transactions related to cultural goods or services online are essential;
4. Highlights the importance of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expression as an essential instrument to guarantee that the cultural exemption in international trade transactions in goods and services of a cultural and creative nature is maintained within the international framework of the WTO; calls upon the Council and the Commission to implement quickly the Convention in the

internal as well as the external policies of the European Union;

5. Stresses that cultural and artistic products and services have both an economic and cultural nature, and that it is important to maintain this understanding in international trade negotiations and agreements, and through global networks by implementing the UNESCO convention in a legally binding way;
6. Considers that the Internet and new ICTs have a key role in the European online and Internet-based education strategy (e-learning), in the framework of the European lifelong learning policy, which is particularly important in widening access to education in general, so as to achieve the Lisbon goals;
7. Urges the Commission and the Council to ensure that European cultural industries fully exploit the new opportunities brought about by online trading in particular the audiovisual, musical and publishing sectors, whilst at the same time offering effective protection against illicit trafficking and piracy; however, this must not affect the European Community's policy, clearly stated in the negotiating mandate, to refrain from making offers or accepting liberalisation demands in the audiovisual and cultural sector;
8. Stresses the need to educate consumers and undertakings and the need to organise media information campaigns on the development prospects, rights and obligations of all parties involved in international trade on the internet;
9. Any existing or potential future liberalisation of transmission services must not affect the Commission's position on content related rules.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2008
Result of final vote	+: 21 -: 1 0: 0
Members present for the final vote	Maria Badia i Cutchet, Katerina Batzeli, Ivo Belet, Guy Bono, Marie-Hélène Descamps, Věra Flasarová, Milan Gaľa, Vasco Graça Moura, Luis Herrero-Tejedor, Ruth Hieronymi, Manolis Mavrommatis, Doris Pack, Zdzisław Zbigniew Podkański, Christa Prets, Karin Resetarits, Hannu Takkula, Helga Trüpel, Thomas Wise
Substitute(s) present for the final vote	Nina Škottová, László Tóké, Ewa Tomaszewska, Cornelis Visser

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.1.2009
Result of final vote	+: 18 -: 0 0: 5
Members present for the final vote	Francisco Assis, Carlos Carnero González, Daniel Caspary, Christofer Fjellner, Glyn Ford, Béla Glattfelder, Ignasi Guardans Cambó, Syed Kamall, Alain Lipietz, Caroline Lucas, Marusya Ivanova Lyubcheva, Erika Mann, Helmuth Markov, David Martin, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Peter Šťastný, Iuliu Winkler, Corien Wortmann-Kool
Substitute(s) present for the final vote	Ole Christensen, Guntars Krasts, Rovana Plumb, Leopold Józef Rutowicz, Zbigniew Zaleski