2019 G20 Ministerial Meeting on Trade and Digital Economy
Recommendations for Promoting Innovation, Digital Technologies, and Trade

Over the past decade, the way that companies do business around the world has changed dramatically. Businesses across all sectors now rely on digital technologies to produce, move, market, and sell products and services. The flow of data across borders underpin all of these activities, and have created economic opportunities for billions of people. To facilitate the use of the digital technologies necessary to sustain world economic growth and increase social welfare, countries should commit to open markets by supporting global, consensus-based, industry-led standards. They should aim to reduce discriminatory and other regulatory barriers and cooperate to develop high-standard trade rules that promote inclusive innovation, growth, and development. Governments and businesses must also ensure broad-based economic inclusion so that benefits accrue to as many as possible, and that policies aimed at fostering innovation recognize the imperatives of inclusivity, closing the gender gap, strengthening Micro, Small and Medium Enterprises (MSMEs). Creating a level playing field for all countries, including developing economies, to compete and grow in the modern global economy must remain a central goal of the digital trade agenda.

The G20 is a critically important setting for the world's leading governments to outline approaches to managing 21st century technology policy challenges. It must be viewed as an opportunity to combat protectionism, enhance and generate business opportunities for MSMEs, achieve the UN's Sustainable Development Goals (SDGs), and work toward a sustainable and inclusive vision of Society 5.0.

In 2019, global industry respectfully makes the following recommendations to governments with a view to working together to advance privacy protections, enhance national security and data security and promote the fair development and deployment of AI and other cutting-edge technologies. The recommendations aim to enable the digital technologies and cross-border data flows that power growth, development, entrepreneurship, job creation, and innovation in all countries:

• **Facilitate the Free Flow of Data Across Borders**
Data enables the digital products and services on which all industries rely, from traditional email and customer management software to AI, IoT, 3D printing and other cutting-edge technologies. Data is gathered, combined, analyzed, and utilized across global networks to empower companies small and large to provide best-in-class goods and services and to help address societal issues.

Recommendation:
1. Facilitate the free flow of data across borders and refrain from imposing localization measures requiring the local storage or processing of data or the use of local computer facilities.

• Ensure Trust in the Free Flow of Data

To continue to capitalize on the benefits of data-driven operations and innovation, it is essential that data moves in a manner that engenders the trust of users. Governments should work to identify and share experiences related to regulatory criteria and mechanisms that allow data to flow while ensuring high levels of trust. In this context, attention should be paid to risk-based approaches and cooperation among national regulators.

Recommendations:

2. Extend high-level privacy protection that ensures international interoperability and conforms with OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data.
3. Enhance cybersecurity by utilizing risk-based approaches grounded in global, consensus-based, industry-led standards and best practices.
4. Ensure that consumers are protected from fraudulent or deceptive commercial activities on the internet through cooperation between national consumer protection bodies.

• Enable the Adoption of Digital Technologies in the Workforce

In line with SDGs including quality education, decent work, and economic growth, government and industry can work together to develop a workforce with the skills to use and innovate with emerging technologies and enhance opportunities for entrepreneurship. Thoughtful policies can help prepare the workforce of tomorrow and ensure digital technologies provide opportunities for growth and adaptation.

Recommendations:

5. Partner with industry to promote access to life-long learning opportunities that increase digital literacy.
6. Encourage the creation of new jobs in emerging business areas and promote economic growth through the adoption of digital technologies that leverage the potential of digital trade to support MSME's integration into global value chains.

• Promote Responsible Artificial Intelligence (AI) and Emerging and Transformative Technology Practices that Foster Global Competitiveness

Digital technologies like IoT, Big Data, AI, robotics, and blockchain are transforming business and society. These kinds of emerging technologies are improving healthcare, agriculture, government efficiencies and so much more, generating immense benefits at the local and global levels and advancing outcomes on all SDGs.

One key issue for industry will be how to most responsibly utilize the huge data-processing potential of AI. Meaningful work has been undertaken at the OECD, in the EU, and in Japan to outline ethical guidelines and human centric principles for AI. Governments can build on those efforts to craft concrete outcomes that businesses can operationalize. Industry has a vital role to play in using AI to develop inclusive solutions for a broad range of issues, such as energy consumption, climate change, and health care, and is committed to delivering AI-based solutions that are trustworthy, fair, explainable, secure, and interoperable. Successful dissemination of these solutions throughout society will elevate citizens' quality of life and help realize a sustainable society that respects diversity and the rights of each and every individual. These outcomes are best achieved in environments that foster competitiveness and facilitate the continued improvement of AI.

Recommendations:

7. Ensure the responsible and ethical design and deployment of AI systems, including addressing safety mechanisms, using robust and representative data, promoting transparency, and enabling greater interoperability.
8. Support the development and use of global, consensus-based, industry-led AI standards to enable technical interoperability, non-discriminatory market access, and innovation.
9. Facilitate data use and access to open format and machine readable data sets as a means to foster innovation and competitiveness in AI technologies and enhance and generate business opportunities for SMEs.

• Oppose Measures Requiring Disclosure or Transfer of Technologies or Other Sensitive Information

Companies increasingly rely on proprietary and sensitive technology, software, and information to do business globally. Ensuring that these vital assets are protected in all markets in which companies do business will engender the confidence necessary to foster continued innovation and broad access to cutting-edge technology.

Recommendation:

10. Oppose measures that require companies to transfer or otherwise subvert technologies such as forced disclosure of source code, algorithms, encryption keys, or other sensitive information as a condition of doing business.

• Support Ongoing Work at the World Trade Organization (WTO)

As the foundation of the world's trading system, the 164-member WTO is an essential international institution that maintains and strengthens the multilateral free trade regime. Given the major economic transformation accompanying digitalization, high-standard rules at the WTO will be vital in ensuring inclusive access to digital technologies that contribute to socioeconomic advances, empower SMEs to participate in the global market and achieve the full range of SDGs.

Recommendations:

11. Reach early agreement on ambitious and inclusive international rules through the WTO Joint Statement Initiative on E-Commerce.
12. Continue to expand participation in the Government Procurement Agreement (GPA) and Information Technology Agreement (ITA) and pursue opportunities to broaden the product coverage of the ITA.

• Pursue Multilateral Solutions on Digital Taxation and Avoid New Tariffs

Many countries are looking for new ways to collect revenue derived from digital commerce. While these efforts are understandable given the economic transformation brought on by digitalization, many of the ideas under consideration would create discriminatory trade barriers and inhibit the inclusive dissemination of digital goods and services, and should be avoided.

Recommendations:

13. Make permanent the WTO moratorium on imposing customs duties on electronic transmissions.
14. Refrain from adopting unilateral actions on tax challenges arising from digitalization before a multilateral framework has been developed.