# Why are data-flows important for trade? A developing country perspective

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## Two types of electronically enabled trade

WTO E-commerce Work Program (WT/L/274):

"electronic commerce" is understood to mean the <u>production</u>, <u>distribution</u>, <u>marketing</u>, <u>sale</u> or <u>delivery</u> of <u>goods</u> and <u>services</u> by electronic means.

### E-commerce

Traditional trade objects

### Digital trade

 New trade objects

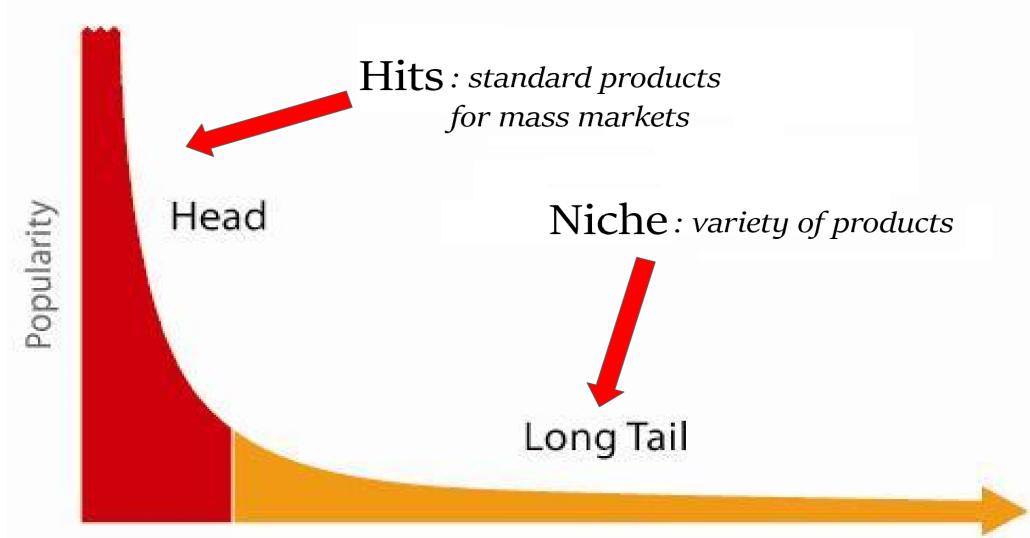
# { Digital Trade: Why are we doing this?}



### Characteristics of the Digital Economy

- Decreasing average production costs
- Wide range of products
- Modest capital requirements
- High rates of innovation
- Quick and frequent entry and exit
- Network externalities

# The new marketplace



### (Really simplified) technical architecture

Content layer

(humanly meaningful messages, communication)

Logical layer (standards, protocols, software)

Physical layer (networks, hardware, all devices connected)

### Data flows

The Internet moves 'data packets'

End-to-end design

## What Chile has been doing

- Cross border data flows
- Non localization requirements
- Non-discrimination of digital products or applications
- Competition

### Wrapping-up

• The Internet should remain a global and open platform for trade

Data flows are the way the Internet Works

 The more open, global and non-discriminatory the platform is, the more people can participate (democratization)

