International trade and the internet

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The Committee on International Trade adopted an own initiative report by Georgios **PAPASTAMKOS** (EPP-ED, EL) on International Trade and the Internet.

The report 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. It underlines that the inherently international character of electronic commerce calls for universal understanding and cooperation.

Product quality and safety: while acknowledging that online commercial innovation and creativity is fostering the development of new patterns of trading, MEPs recognise that problems with regard to the guarantee of product quality and safety must be addressed in novel ways, such as consumer ratings of vendors and consumer-to-consumer peer-review. They call 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.

Illegal behaviour: according to MEPs, 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. The report therefore 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.

Open standards: recognising the need for open standards and their importance for innovation, competition and effective consumer choice, MEPs propose that trade agreements concluded by the EC promote the broad and open use of the Internet for ecommerce. Moreover, they stress 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.

Security of transactions: MEPs believe that lack of trust in the security and safety of transactions and payments constitutes the most important danger for the future of e-commerce. They call 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.

The report deplores the fragmentation of the EU online market and 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. It also regrets the absence of any progress under the WTO negotiations on the important issue of the classification of so-called "digitised products", and the fact that the Doha Development Agenda does not mandate specific negotiations on e-commerce. While they support the unconditional respect for the public morals and ethics of states and peoples, MEPs regret the increasingly abusive recourse to censorship in respect of online services and products, which operates as a disguised trade barrier.

The European Commission is called upon 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;
- 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);
- 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;
- 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;
- develop a comprehensive strategy for removing the barriers to using e-commerce still affecting SMEs. In this context, MEPs recommend the establishment of a database, designed to provide information support and management guidance to the new and inexperienced participants in online trading.

The Commission and the Member States are called upon to:

- encourage SMEs to 'go online' and to organise platforms for sharing information and exchanging best practices;
- promote public procurement through electronic use, taking great care to ensure eAccessibility;
- 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.

Lastly, stressing that the Internet is becoming the most efficient medium for bridging the trade gap between North and South, MEPs consider that the participation of the least developed and other developing countries in international trade through the Internet has to be supported through increased investment.