World Trade Organization (WTO)'s E - Commerce Moratorium

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Why in News?

The WTO e-commerce moratorium is set to expire at the 14th Ministerial Conference in Yaoundé, Cameroon.

- E-commerce Moratorium is a ***WTO agreement not to impose customs duties on electronic transmissions*** (software, e-books, music, films, games, streaming).
- **Purpose -** To promote growth in digital trade, ensure predictability, and keep the internet open by preventing tariffs on digital products.
- **First adopted in –**1998 at the WTO Second Ministerial Conference (Geneva).
- **Renewal -** Typically renewed every 2 years, lastly extended at MC13 (2024) for two years.
- It has been regularly extended at WTO Ministerial Conferences (MC12, MC13, and discussions towards MC14).

World Trade Organization (WTO)

• It is the ***only global international organization*** managing the rules of trade between nations.
• **Established in -** 1995 to replace GATT.
• **Headquarters -** Geneva, Switzerland.
• **Aim -** To ensure trade flows smoothly, predictably, and freely, providing a platform for negotiations and settling disputes to facilitate economic growth.
• **Functions**
  - **Settling Disputes** - The WTO acts as a mediator when member nations disagree on trade policies.
  - **Lowering Barriers** - It facilitates negotiations to reduce tariffs, quotas, and other trade barriers.
  - **Establishing Rules** - It provides legal ground rules for international commerce to encourage fair competition.
  - **Monitoring Policies -** It regularly reviews the trade policies of member countries for transparency.
• **Members** - 166 nations (including the European Union)- representing **98%** of world trade. The most recent accessions (2024) were **Comoros** and **Timor-Leste**.
• **Decision Making -** Decisions are made by consensus among all member governments.

Reference

The Hindu | Moratorium

