

Book Review

The WTO, The Internet and Trade in Digital Products: EC-US Perspectives,
by Sacha Wunsch-Vincent,
Oxford: Hart Publishing, 2006, x and 231 pp (incl index). ISBN: 1-84113-573-9.

Since the Internet emerged as a global distribution platform for digital content products propelled by the digitisation of information, cross-border trade in digital content products has been growing extensively.

The significance of this continuous growth has led to question the applicability of the current global trade framework. Whereas global trade in traditional products and services is dealt with by the WTO system, global trade in digitally delivered content products has not been explicitly dealt with by the WTO rules.

In this book Sasha Wunsch-Vincent deals with this issue providing us with the first comprehensive and detailed analysis of the necessary steps that WTO Members must take to ensure that the free trade in digitally delivered content products will not be imperilled by potential discriminatory measures likely imposed by governments. Acting now - when global trade negotiations can focus on avoiding the creation of new trade barriers - is therefore paramount in establishing a predictable and liberal trade regime for trade in digital products that is also adaptable to future technological developments.

In his research Sasha Wunsch-Vincent clarifies the core problems to secure non-discriminatory market access for this new type of trade flows. In his in-depth analysis he first concentrates on the WTO negotiation context and the requirements for the creation of a free market access trade regime. Sasha Wunsch-Vincent assesses that the latter necessitates solutions to the outstanding horizontal e-commerce questions such as customs valuation of digital content and the classification issue of digital delivered content products. But also enhanced commitments by all WTO Members during the negotiation of the Doha Development Agenda. He also examines the obstacles both from internal policy perspectives as external trade policy dimensions which complicate reaching a consensus between the United States and the European Communities. Finally, Sasha Wunsch-Vincent looks at the outcomes of the Doha Round and parallel US-driven Preferential Trade Negotiations to assess the contributions to securing free trade in content but also the weaknesses of the US approach for the multilateral trading system.

Sasha Wunsch-Vincent comes to the core conclusion that very few of the identified negotiation objectives have been met at the multilateral level due to the diametrically opposed trade policy objectives of the US and the EC and the complexity of negotiating market access for intangible content products that fall between goods and service trade agreements. This has already paved the way for successful bilateral negotiations in the framework of US preferential free trade agreements. However, as Sasha Wunsch-Vincent underscores, the multilateral path will be necessary to lock in free trade in digitally delivered content products given the global nature of the Internet-medium. If the locking in of the free trade of digital products will not be achieved, it will be more difficult to remove trade barriers once they are established.

This will also have a negative impact on technological developments, and harm furthermore the relevance of the multilateral trade system.

This book does not pretend to provide clear-cut policy answers to the all the issues involved. By assessing the challenges, solutions and the most important negotiation positions with regard to the emerging trade flows in digital content and related actions to be taken at the WTO level, it especially wants to activate the debate by putting the spotlight on electronic trade and to provide direction on the issues to be resolved. However Sasha Wunsch-Vincent has succeeded in doing more. By assessing how WTO Members should respond to the changing technological and economical environment, the author not only delivers a clear insight in the underlying issues, difficulties and possibilities for anyone concerned by the debate on the free trade in digital products, but also delivers a framework for WTO members to deal with upcoming new types of trade flows. This book is therefore also an assessment of how WTO members can maintain the relevance of the multilateral trade framework. Hence, it deserves attention not only from the academic world, but also from both policy makers and business community.

To conclude, this book merits being on the bookshelf of anyone interested in this far important and interesting topic. The author has filled in a gap in academic literature with a substantive analysis of the requirements that must be addressed in the relevant ongoing multilateral trade talks to achieve a fully liberal trade flow of digitally delivered content products. In doing so he has highlighted the relevant WTO issues for electronic commerce to thrive. Electronic trade in music, software, movies and games, next to other digital products is becoming increasingly important, and will represent progressively a central part of global trade. No doubt, this book will serve as an important point-of-reference.

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