



Complex Landscape of E-Commerce

For Prelims: [World Trade Organization](#), [e-Commerce](#), [Cryptocurrencies](#), [Unified Payment Interface](#), [Government e-Marketplace](#), [BharatNet project](#), [Open Network for Digital Commerce](#), [National E-Commerce Policy](#), [Consumer Protection \(E-Commerce\) Rules, 2020](#)

For Mains: Benefits Provided by E-commerce and Related Issues

Source: [ET](#)

Why in News?

In a recent meeting at the [World Trade Organization \(WTO\)](#) in Geneva, **India raised concerns about the lack of a clear definition for e-commerce** trade in goods and services.

- The absence of a **precise delineation has led to contrasting views between developed and developing member countries**, particularly regarding the imposition of customs duties.

What are the Primary Points of Dispute Concerning E-commerce?

- **Interpretational Divergence in E-commerce: Goods vs. Services**
 - **Developed and developing nations** differ in their interpretation of e-commerce, particularly in the context of goods and services.
 - This challenge is exemplified in the case of streaming services like **Netflix, where content (a product) is delivered via a service membership.**
 - This variance complicates the establishment of clear policies within the WTO framework.
- **Uncertainties Surrounding Customs Duties:**
 - **WTO members have been extending the Moratorium regarding imposition of customs duties on electronic transmissions** since 1998. And, the last extension came during the **12th ministerial conference.**
 - But the **absence of a defined framework for e-commerce trade in services creates uncertainties**, raising concerns about maintaining a level playing field.
 - India emphasizes the necessity of a **clear definition, particularly highlighting the need for differentiation between digital goods and services** due to **existing customs duties on goods but not on services.**

Note:

Developed nations advocate for a **duty-free environment**, whereas developing countries seek policy space to impose duties, aiming to safeguard domestic industries and **support [MSME \(Micro, Small, and Medium Enterprises\) growth.](#)**

- **Cryptocurrencies: E-commerce Disruption:**
 - The **Global Trade Research Initiative (GTRI)** highlighted that the **growth of**

[cryptocurrencies](#) poses a challenge to the current WTO e-commerce framework, prompting an immediate need for discussions on classifying them as electronic transmissions.

What is E-Commerce?

- **About:**
 - The **World Trade Organization** defines e-commerce as the **electronic production, distribution, sale, or delivery of goods and services**.
 - This includes products **like books, music, and videos transmitted digitally**.
- **Benefits Provided by E-commerce:**
 - **Convenience and Accessibility:** Customers can shop anytime, anywhere, providing unparalleled convenience and accessibility to products and services.
 - **Data-driven Insights:** Access to consumer data provides valuable insights for businesses to **understand customer behavior, preferences, and trends**, allowing for targeted marketing and improved customer experiences.
 - **Diverse Product Offerings:** E-commerce platforms offer a wide array of products and services in one place, allowing customers to easily compare and choose from a diverse range of options.
 - **Convenient Payment Options:** Multiple payment gateways and options available, providing ease and security in transactions for both businesses and customers.
 - **24/7 Accessibility:** Unlike physical stores, **e-commerce platforms are operational 24/7**, providing constant access to products and services for customers worldwide.
 - **Global Reach:** Allows businesses to reach a global market without the **constraints of physical locations**, enabling access to a broader customer base.

What are the Indian Government Initiatives Related to E-Commerce?

- [Unified Payment Interface \(UPI\)](#)
- [Government e-Marketplace](#)
- [BharatNet project](#)
- [Open Network for Digital Commerce \(ONDC\)1](#)
- [National E-Commerce Policy](#)
- [Consumer Protection \(E-Commerce\) Rules, 2020](#)

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