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New ECIPE Paper by Brian Hindley and Hosuk Lee-Makiyama  
Protectionism Online: Internet Censorship and International Trade Law

## The new digital protectionism

**In a new working paper, Brian Hindley and Hosuk Lee-Makiyama argue that online censorship, as practiced by China and others, is the most important trade barrier for online services. Furthermore, it could be inconsistent with their commitments at the WTO.**

Online services play an important role and represent a significant part of global trade in services – and China with its 289 million Internet users, 70 million blogs and 30,000 censors represent today the biggest online market and, at the same time, one of the most restricted ones.

Authors have studied various practices of censorship of online services, including the controversial Great Firewall of China, and have found that politically motivated censorship has serious trade economic effects. Some measures seem to be commercially motivated or protectionist measures in disguise. Repetitive blocking of Google, Yahoo and MSN has benefited the domestic actor Baidu, who is now the market leader in China. The market share of foreign search engines is now only one-third of their share in Japan.

But arbitrary blocking of foreign search engines and streamed audio/video sites are also against their commitments to liberate the markets for overseas online services. China and other WTO members have – perhaps unknowingly – admitted to full trade liberalization. “The question is also whether WTO members are using the least trade restrictive measures available, or if current practice of online censorship is an absolute necessity to pursue the goal of safeguard public morals and order”, says Hosuk Lee-Makiyama.

[Read the full working paper](#)

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