**ABSTRACT**

The digitalization of trade has transformed international trade by enabling new business models and increasing trade in low-value physical items and digitally provided services. However, concerns exist over the privacy and security of personal data and the potential for harmful use of digital technology. Present WTO's laws need to be revised, resulting in a profusion of free trade agreements with varying provisions regarding digital trade. This paper empirically investigates the relationship between digital trade provisions and bilateral trade flows between countries to understand the effects of these agreements. We use the PPML model on the three indexes calculated from the TAPED database and other time-invariant factors along with country-time fixed effects to estimate the parameters for the model. The results show that digital trade agreements positively impact trade, but it has yet to be significant. It is significant when the countries involved are both developed. It will take more time for the agreements signed to mature fully, along with the improvement in the digital infrastructure and trust in the legal system, for it to be significant across all countries.



**Keywords:** Digital trade, TAPED, Trade agreements

**JEL codes:** F13, F14