

U.S. HIGH-TECH TRADE COALITION

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Geneva, 18 January 2007

Industry Case for Maintenance of the Information Technology Agreement (ITA)

Issue:

Technological innovation has added exciting new capabilities to IT and Telecommunications (ICT) products covered under the Information Technology Agreement (ITA). In recent years, and in light of continuous technological developments, the global high tech industry is concerned about the increasing degree of discrepancies in interpretation of product coverage of the ITA by some ITA signatory countries. The lack of clarity, which arises from the above-mentioned discrepancies, could set a negative precedent and undermine the future success and relevance of the ITA as a whole. The global high tech industry desires to be assured that the letter and spirit of this market-opening agreement is maintained and that the ITA commitment to “bind and eliminate” duties on covered products is respected. It is desirable that, “Each party’s trade regime should evolve in a manner that **enhances** market access opportunities for information technology products”, as stipulated in Paragraph 1 of the ITA (emphasis added).

ITA Member Countries should be moving in the direction of providing more, not less, market access opportunities for ICT products, independent of the current state of play of the Doha Development Round.

It is desirable that ITA Member Countries agree on a periodical review of the ITA to ensure that technologically sophisticated versions of ITA products continue to receive duty free treatment. Maintenance of the ITA is imperative to the continued success of the agreement itself, as well as to upholding the spirit of innovation that so widely defines the agreement and products covered therein.

Background:

In December 1996, ITA Members adopted the Information Technology Agreement. Members committed to bind and eliminate tariffs on many IT products, lowering the costs of those products and encouraging trade, growth, and investment in the IT sector, including in developing countries. Today, 69 participant Nations have joined the ITA, now representing more than 97 percent of global trade in the IT sector.

Duty-free treatment on ITA products, and maintenance of that original agreement together with a commonly agreed review mechanism, to include the underlying technologies covered in the agreement as well as sophisticated products, should be secured by all ITA signatory Members as the best way forward. To maintain the relevance and benefits of the ITA in today’s marketplace, the current scope of coverage must be agreed by all for technologically sophisticated versions of ITA products.

Message:

The global high tech industry remains hopeful for an Electronics Sectoral Negotiation in the Non-Agriculture Market Access (NAMA) talks of the Doha Development Round, which would simultaneously eliminate tariff and non-tariff barriers for the electronics sector. This should be pursued in an integrated approach to improving market access for technology products around the world while allowing limited exceptions and/or phased-in implementation for limited products and by keeping in mind that an Electronics Sectoral Negotiation is a distinct and separate issue from maintaining duty-free treatment for products that should be already covered by the ITA. We question the value of any new commitments for electronics products if discrepancies in classification persist. To maximize harmonization and certainty in the electronics business, the global high tech industry urges all ITA signatory countries to agree on a shared approach for interpreting product coverage of the ITA.

We welcome a discussion on the role of ICT/Electronics, Telecommunications and Electrical products and the benefits that they bring to developed and developing countries.

For more information contact:

EICTA: Sandra Alverà (Sandra.alvera@eicta.org); HTTC: Ann Rollins (arollins@ititc.org); JEITA: Shigeru Miyagi (s-miyagi@jeita.or.jp)