ENABLING THE NETWORKED SOCIETY, - THE TRADE POLICY RESPONSE

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ERICSSON – 136 YEARS OF LEADERSHIP

Global presence and scale

- Presence in 180 countries
 - Sales 35 billion USD
 - 108,000 employees

Technology leadership

- R&D investments 5 billion USD

- 22,000 R&D employees

Services leadership

- 57,000 services professionals

- more than 900 million subscribers in networks managed by Ericsson

MOBILE SUBSCRIPTIONS BY TECHNOLOGY, 2008-2017



M2M subscriptions not included

MOBILE BROADBAND SUBSCRIPTIONS BY DEVICE TYPE





*Smartphone forecast from 2011.

Mobile broadband is defined as CDMA2000 EV-DO, HSPA, LTE, Mobile WiMAX and TD-SCDMA. M2M subscriptions not included in figure.

TOWARDS THE NETWORKED SOCIETY





THE NETWORKED SOCIETY





SUMMARY OF BROADBAND BENEFITS



+1000 BB USERS +10 % POINTS BB => => +80 JOBS +1% GDP





+ 2 × BB SPEED => + 0.3 % GDP

CHARACTERISTICS OF THE ICT INDUSTRY



THE MOST GLOBALIZED BUSINESS SECTOR

- Global market, global players
- Global products, based on global standards
- Global sourcing strategies, complex supply chains
- Global origin of products

Multilateral (WTO) trade liberalization – always the preferred option

ICT GOODS: THE CASE FOR ZERO

- > IMPORT DUTIES SIMPLY DON'T MAKE SENSE
- > Strong enabler for increased efficiency, productivity in <u>all sectors</u>
- > Undisputed societal benefits (e/m-health, e/m-government etc)
- > Enabler for addressing climate change, smarter society
- > Driver for reducing the Digital Divide, connecting the unconnected
- > Strengthens the investment climate, creates predictability
- > Creates employment opportunities in the ICT sector in
 - services
 - development of software
 - development of applications and content
 - manufacturing
- > IN CONTRAST
- Customs duties and taxes only slow down uptake of technology
- > No country has created a strong exporting ICT industry behind tariff walls

WHY FTA'S ARE NOT THE ANSWER FOR A GLOBALIZED SECTOR

- No recognition of global supply chains
- No rules of origin harmonization in FTA's
- Trade diversion will result from competing FTA activities on different time tables
- The cost of analyzing content (to meet rules of origin requirements) exceeds the benefit of preferential treatment

ITA – A SUCCESS STORY



- A global industry initiative (1995-96)
- Guarantees bound duty-free treatment for ICT products
- Negotiated as a stand-alone WTO agreement by 29 members (1997)
- 46 members have joined since, making a total of 75 members
- An ITA Expansion negotiation with the ambition to broaden the product and membership scope was initiated in May 2012, once again as a stand-alone effort
- WHAT'S STOPPING OTHER SECTORS FROM REPEATING THE ITA SUCCESS?



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