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**Committee of Participants on the Expansion of  
Trade in Information Technology Products**

**MINUTES OF THE MEETING OF 24 FEBRUARY 1999**

Chairman: Ambassador R. Saborío Soto (Costa Rica)

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## **Introduction**

The Chairman stated that the proposed agenda for this meeting was circulated in WTO/AIR/1027 on 12 February 1999. He asked if there were any other matters to be raised under "Other Business". The delegation of the United States stated it wished to raise the matter of a possible information technology symposium with the private sector. Additionally, the Chairman stated he would take up the date of the next meeting of the Committee under this agenda item. With these additions, the agenda was adopted.

## **1. Election of Chairperson**

1.1 The Chairman stated the elected Chairman of this Committee, Mr. Martin Harvey, had returned to New Zealand in December 1998 and that he was asked to serve in this capacity after Mr. Harvey's departure. As the election of Chairperson had not yet taken place for this Committee this year, he had continued to serve in this capacity. However, he stated that this was probably the last meeting he would serve as chairman in an ad hoc capacity. Furthermore, the informal consultations on chairpersons were not yet completed, and he suggested that this matter be put as the first item on the agenda of the next meeting of the Committee. It was so agreed.

## **2. Review of the Status of Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/IT/1/Rev.8)**

2.1 The Chairman pointed out to participants that an overview of the implementation of the Ministerial Declaration on Trade in Information Technology Products was contained in document G/IT/1/Rev.8. As shown in this document, implementation seemed to be proceeding as envisioned under the Ministerial Declaration. He asked if any delegations had any information to share or comments to make on this matter.

2.2 The delegate of the Philippines informed the Committee that the Philippines had completed their domestic procedural requirements and that a formal communication to that effect would be sent to the Secretariat very soon.

2.3 The delegate of Panama stated that when his delegation submitted their original documentation to become an ITA participant, his authorities were still deciding on what internal process was needed in capital for implementation. He hoped to be able to resolve this matter shortly so that his delegation would be in a position to submit their formal rectification documentation soon.

The Committee took note of the statements made by the Philippines and Panama.

## **3. Review of the Product Description of Monitors, as Contained in Attachment B of the Ministerial Declaration (WT/MIN(96)/16), Concerning the Coverage of Televisions**

3.1 The Chairman recalled that Attachment B of the Ministerial Declaration on Trade in Information Technology Products (WT/MIN(96)/16) contained a footnote to the section on Monitors that stated "Participants will conduct a review of this product description in January 1999 under the consultation provisions of paragraph 3 of the Annex to the Declaration." In a communication sent to delegations it was proposed that this item be taken up at the meeting already scheduled for February 1999 instead of having a special meeting for that purpose in January 1999, and this was agreed. Also, he pointed out that the item as it appeared on the agenda referred erroneously to the "coverage of televisions". The footnote foresaw clearly that this was a review for the product description of monitors, and the existing description in Attachment B made it clear that televisions, including high-definition televisions, were not covered under this description. Therefore, this reference in the title of the item, concerning the coverage of televisions, was not correct. As no delegation asked for the floor, the Chairman asked if the review, as prescribed, could be considered as having been carried out, or if the matter should be addressed at a future meeting?

3.2 The delegate of the European Communities stated that he had no comments on the existing description of monitors, and if there were no comments by other delegations this indicated that the review was done and the matter should not appear on the agenda of a forthcoming meeting.

3.3 The delegate of Malaysia stated that he would like to see the matter on the agenda of the next meeting to allow his capital to examine the matter further.

The Committee took note of the statements made and it was agreed that this item would be placed on the agenda of the next meeting of the Committee.

#### **4. Consultations on Non-tariff Barriers (G/IT/4, G/IT/SPEC/Q1/1-22)**

4.1 The Chairman recalled to delegations that in the past there were a number of proposals put forth with respect to non-tariff barriers. The Committee had conducted a survey on standards early last year. Also, some delegations had expressed an interest in pursuing work on standards-related matters and import licensing practices, specifically as they related to IT products.

With respect to the survey on standards-related matters which was circulated on 19 February 1998 in document G/IT/4, he noted that as of today there had been 24 formal responses. Two responses had just recently been submitted. The responses received were from: Australia; Canada; Chinese Taipei; Costa Rica; Czech Republic; European Communities; Estonia; Hong Kong, China; Iceland; Israel; Japan; Korea; Macau; Malaysia; New Zealand; Norway; Philippines; Poland; Slovak Republic; Singapore; Switzerland; Thailand; Turkey; and the United States. Furthermore he noted that the deadline for submissions was 15 April 1998 and encouraged those who have not submitted the survey response to do so as soon as possible. The survey comprised an important aspect of the work in this area. Furthermore he noted that the responses to the survey had been circulated in the G/IT/SPEC/Q1 document series, and copies were available in the room today.

4.2 The delegate of Australia presented a work program on non-tariff measures in a paper which was circulated in the room. He stated that work undertaken thus far in the Committee of Participants on the Expansion of Trade in Information Technology Products had been devoted largely to the elimination of tariffs. In addition to this, the ITA provided for consultations on non-tariff measures. He stated that work on non-tariff measures should be directed to building a knowledge base and consensus on a way forward. The Committee was the appropriate body to develop a framework and principles on which progress could be made on non-tariff measures to further the objectives of the ITA.

In parallel with eliminating tariffs, the ITA offered a special opportunity to establish a set of disciplines covering non-tariff measures that would secure a genuinely liberalizing outcome. Ministers acknowledged the importance of non-tariff measures and their impact on trade in information technology products when they agreed on the need for discussion of this issue, specifically in paragraph 3 of the Annex to the Ministerial Declaration.

Activity on non-tariff measures in the Committee had taken the form of a survey of participants' technical regulations and conformity assessment procedures for information technology products. The survey had provided some useful information. The Committee's work in this area could usefully focus on product testing, certification and licensing. These issues were explicitly linked and had led to calls from industry for action. In tabling this proposal, he stated his authorities were not interested in duplicating the work of other international organizations or the work of other WTO bodies. The Committee was well placed to draw on the work and experiences in these other bodies and join together the synergies to develop the broad knowledge bases that were needed in order to move forward. He proposed a series of next steps. He believed the Committee could play a valuable role in relation to non-tariff measures. It could bring greater clarity to the treatment by facilitating transfers of experience and lessons learnt, and more importantly, by giving additional impetus to the work of those other bodies. As a first step in this work programme, he proposed that the WTO Secretariat could prepare an analytical summary of the results of the survey. This would pave the way for further discussions and information sharing. He stated he would not go through all the elements of the work program, as delegates had this information in the paper before them. However, reviewing initiatives that had led to progress in addressing standards-related matters were important. Reviewing the developments in international standards and other relevant bodies was important. Receiving contributions from participants on the impact of non-tariff measures in trade in

IT products, including "national experience" papers, would be very useful. To that end, and as an example of the sort of paper his delegation was looking for others to contribute, he distributed a booklet about reform and technical regulations in the telecommunications sector in Australia. He encouraged other participants to table similar documents on their national experiences. It was also important to review problems faced by producers and traders of IT products arising from other non-tariff measures. The outcome of the activities undertaken by the Committee should reflect the overall objective of the review. It should build a knowledge base and consensus on a way forward. His delegation believed the Committee was the appropriate body to develop that framework and set of principles on which progress could be made in a range of international bodies.

4.3 The delegate of the United States welcomed the proposal by Australia and shared an interest in moving forward on this element of the mandate. He had only just received the paper, and his delegation would study it closely. As concerned a work plan, it was a matter to be developed by this Committee. His delegation endorsed a work program in which the first step would be for the Secretariat to undertake a factual analytical summary of the results of the survey. This, along with every delegations' review of the Australian paper, could allow the Committee to move forward quickly.

4.4 The delegate of Switzerland also welcomed the proposal from Australia. Indeed, once the Committee had tackled the issue of reducing tariffs, it was logical to look at non-tariff barriers. His delegation was also concerned about avoiding the possible overlap of work with other WTO Committees. The Committee should be careful about this and coordinate the work especially with the Committee on Technical Barriers to Trade. Much of what had been said in the Australian proposal had been dealt with in other Committees, and this Committee should ensure that all the work be coordinated. The sequence of actions proposed in the Australian paper was logical. The first step would be to carry-out the analysis to identify the problems and, based on the results of this analysis, the Committee would be able to tackle these problems. His delegation was particularly interested in this analysis.

4.5 The delegate of the Thailand, speaking on behalf of ASEAN, appreciated the paper presented by Australia even though they had not had the opportunity to examine all the details. He considered this an excellent start for the non-tariff measures' agenda. He stressed the importance of non-tariff measures, and there needed to be sufficient and serious attention to such measures. He shared the views expressed in the Australian paper that non-tariff measures could impair or nullify the effect of agreements which contained binding commitments to eliminate tariffs. Non-tariff measures were the other side of the coin and it was important to look at the comprehensive effect in order to make information technology products a truly liberalized sector. He appreciated the booklet on national experience and pointed out that others should follow the example of Australia. As the Australian proposal noted, it may be useful to focus on product testing, certification, and licensing; and he was mindful of the statement made by Australia that this should not duplicate the work in other relevant WTO bodies or elsewhere. He concurred with the point made by the United States that the Committee should focus on setting up an appropriate work program with a view to identifying existing impediments and exchanging national experiences.

4.6 The delegate of New Zealand stated her delegation's appreciation for the Australian proposal. New Zealand believed that it was time non-tariff measures were addressed in a coordinated and coherent fashion. As was pointed out by Australia, the Ministers had acknowledged the importance of non-tariff measures and the impact on trade in IT products in December 1996. Since that time, a number of delegations had clearly voiced their support for further discussions on this issue. New Zealand supported the statement made by the United States that the first step was to define a work program to identify any impediments or problems in this area. Like Australia and others that had previously spoken, her delegation believed this Committee was the appropriate forum in which to advance work on non-tariff measures in the IT sector. The Committee had the necessary knowledge-base with respect to the ITA, and at a broader level would be able to draw on national experiences. She stressed the importance of insuring that there would be no unnecessary duplication or overlap of the work in this Committee with other relevant WTO bodies. It would be important to ensure that the Committee compliment the work of

the Technical Barriers to Trade Committee and other Committees. Her delegation believed that the preliminary list of elements for a possible work program in the Australian paper could provide a good basis for further work..

4.7 The delegate of India thanked Australia for the paper. She was grateful to Australia for outlining how the Committee could look at various non-tariff measures that had an impact on IT products. Her delegation shared the perceived need for fuller transparency. It was important to see how best to coordinate the work with other WTO bodies, and also to identify where problem areas really lie. Australia had pointed out some of the areas relating to the survey on standards, and she urged the Committee to look at how harmonization with internationally agreed standards had progressed in relation to IT products. She also encouraged the Committee look at non-tariff measures that had an impact on both imports and exports of IT products. Finally, she stated she would transmit the Australian proposal to her capital and revert back to it at the next meeting.

4.8 The delegate of Hong Kong, China thanked Australia for the paper and supported the work program as proposed in the last three paragraphs. His delegation agreed that standards-related non-tariff measures were the most important and costly non-tariff barriers. In examining non-tariff measures, the Committee should not duplicate the work of other WTO bodies or other international organizations, specifically those with expertise in technical standards and conformance issues. It was important to consider in the future how the principles and outcome would be fed into the other relevant WTO bodies.

4.9 The delegate of the European Communities stated that his delegation had repeatedly expressed its interest in non-tariff measures in the Committee. This matter, entrusted to the Committee, had to a certain extent, been sidelined. His delegation had been involved in the work on conformity assessment. He thanked Australia for the proposed work plan. He not only welcomed the initiative and supported it, but his delegation wanted to be associated with it. Australia's presentation raised very pertinent issues and put things into perspective as well as reminding the Committee of the advantages and drawbacks of non-tariff measures with respect to information technology products. Australia had also proposed a sound basis for moving forward beginning with the analytical review. His delegation was particularly interested in conformity assessment matters and suppliers' declarations.

4.10 The delegate of Canada thanked Australia for the paper. He recalled that in the past Canada had flagged the issue of import licensing, and in particular procedures related to import licensing. In this connection, he stated his delegation's intention to provide a written contribution, a national experience paper, at a future meeting. With respect to standards and conformity assessment, it was important to recognize the legitimacy of public authorities' responsibilities for health, safety, and product risk management. Within this broader context, his delegation supported examining the trade-related aspects as an important next step in the work of the Committee. Work in this area should be based on certain core principles. First, international standards should serve as a basis for national regulations. Second, the "legitimate risk" issue underpins technical regulations in the information technology sector. Third, the reduction of discriminatory, duplicative, and redundant testing and certification requirements is an important goal. Fourth, the development of a framework so that conformity assessment procedures or a portion of these procedures could be carried out in the manufacturers' territory to the importing party's requirements. It was important to avoid duplication and to coordinate with other bodies. He supported the US proposal of an analytical summary, and looked forward to discussing further the development of a work program and the substantive issues with other participants. It would be useful to analyze the problems faced by traders and explore options for reducing and minimizing any undue impediments to trade that may arise with respect to areas such as standards and conformity assessment, or import licensing.

4.11 The delegate of Norway thanked Australia for the proposal and welcomed and supported it. As envisioned in the Singapore declaration, work on non-tariff measures was an important part of this Committee's mandate. His delegation perceived this work to be supplementing, and not shifting the focus away from the ongoing work to expand the product coverage.

4.12 The delegate of Korea expressed his delegations' appreciation for the Australian paper and stated his delegation would study it and come back with comments at a later point in time. However, preliminarily, he shared the views and concerns that this work should avoid overlapping with the work of other bodies in- and outside the WTO.

4.13 The Chairman noted the comments made by delegations and stated that there was agreement for the Secretariat to produce an analytical summary of the survey responses. This item would remain on the agenda of the Committee.

## **5. Divergences in Classifying Information Technology Products (G/IT/2, G/IT/2/Corr.1, G/IT/2/Add.1)**

5.1 The Chairman recalled that the Committee had addressed divergences in classifying information technology products at previous meetings of the Committee. He stated that some progress had been made on this matter, specifically in the work relating to semiconductor manufacturing and testing equipment. Because many delegations were focusing on the review of product coverage, this part of the Committee's work was not very actively pursued. However, he took this opportunity to stress the importance of continuing this work. After hearing no comments from delegations, he stated that this item would be placed on the agenda of the next meeting of the Committee.

## **6. New Participants**

6.1 The Chairman noted that there had been no new or revised schedules submitted to the Committee since the last meeting. The status of the schedules of China, Latvia, and the Kyrgyz Republic had not changed and remained before the Committee. However, he noted that there had been developments in the accession process for Latvia and the Kyrgyz Republic as these countries were now WTO Members. Furthermore, the Committee had received a communication from Latvia, which was circulated in document G/IT/7: it provided information on Latvia's domestic implementation and expressed the expectation that Latvia would become an ITA participant at this meeting of the Committee. Latvia's ITA schedule had been circulated on 6 October 1997 and there had been no concerns expressed over the commitments in that schedule. Therefore, he believed the Committee could now accept Latvia as a participant.

6.2 The delegate of Latvia confirmed the information stated by the Chairman and her delegations' interest to become an ITA participant.

6.3 The Chairman asked if the Committee could agree to Latvia's participation in the ITA. Hearing no objections, Latvia was approved as a participant.

6.4 The Chairman stated that the Kyrgyz schedule had been circulated on 17 April 1998 and no concerns had been expressed about the commitments made in the schedule. The delegate of the Kyrgyz Republic informed the Committee that the law concerning ratification of the Protocol on Accession of the Kyrgyz Republic to the Marrakesh Agreement establishing the World Trade Organization had been approved by the Parliament of the Kyrgyz Republic and signed by the President on 17 November 1998. This law contained all the provisions for implementation of the commitments in accordance with the Schedule of Concessions and Commitments on Goods resulting from negotiations between the Kyrgyz Republic and WTO Members. This also covered the ITA schedule. On 20 December 1998, the Kyrgyz Republic became the 133<sup>rd</sup> Member of the WTO, and since that time the regime provided by the Ministerial Declaration on Trade in Information Technology Products was in effect in the Kyrgyz Republic.

6.5 The Chairman welcomed the statement of the Kyrgyz Republic and asked if the Committee could now approve the schedule of the Kyrgyz Republic. Hearing no objections, the Kyrgyz Republic was approved as a participant.

## **7. Review of Product Coverage**

7.1 The Chairman stated that a number of delegations had expressed interest in this item and asked that it be put on the agenda of this meeting. He noted that, at this stage, no delegation wished to take the floor under this agenda item.

## **8. Other Business**

8.1 The delegate of the United States stated that the ITA should be seen as a dynamic agreement which included the mandate to encourage technological developments of the information technology industry. He noted that at previous meetings reference was made, and interest was expressed from the private sector on the possibility of holding an information technology symposium. He proposed that the Chairman informally consult with delegations on the possibility of holding such a symposium and to explore this matter further.

8.2 The Chairman agreed to hold consultations with delegations concerning the possibility of convening a symposium. Furthermore, he proposed that the Committee meet in a formal session on 30 April 1999.

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