

PRESS RELEASE

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ITA COMMITTEE APPROVES WORK PROGRAMME ON NON-TARIFF MEASURES

Participants to the WTO Agreement that eliminated tariffs on information technology products (ITA) are now turning their attention to non-tariff barriers in this dynamic trade sector.

The Committee of Participants on the Expansion of Trade in Information Technology Products (ITA Committee) approved, on 13 November 2000, a one-year work programme on non-tariff measures on ITA products consisting of three phases.

During the first phase, the Committee will compile, by March 2001, an inventory of non-tariff measures which have been identified by participants as impediments to trade in ITA products.

In the second phase, the participants will examine the economic and developmental impact of such measures on trade in ITA products and the benefits which would accrue to participants from addressing their undue trade-distorting effects.

The third phase would be completed by November 2001 when the Committee meets to consider the outcomes of Phases I and II.

The work programme is based on a proposal submitted by Australia and agreed after intensive consultations held by the ITA Committee Chairperson, Ms. Elizabeth Chelliah (Singapore).

Under the decision, the Committee "may, as appropriate, draw on the expertise of regulatory, industry, and relevant WTO and other international bodies with due regard to the inter-governmental nature of the WTO".

At the WTO Information Technology Symposium held in July last year, several IT industry representatives complained about non-tariff barriers in the IT sector, including what they said are redundant testing and certification requirements by various countries on IT products, and problems with import licenses. One speaker cited a seven-fold increase worldwide in regulatory standards and certifications for IT products from 1989 to 1998, which he said meant hundreds of millions of dollars in additional cost to consumers.

In the ITA Committee, a number of participants have submitted national-experience papers on the benefits of reducing or removing non-tariff barriers to IT products. Participants have also submitted answers to a questionnaire on standards they apply to IT products.

The ITA's current 54 participants (counting the EC as 15) account for about 93% of world trade in IT products. The Agreement provides for the elimination of all tariffs on ITA products by 1 January 2000 but extended phase-out periods had been granted to developing countries on certain products.

NON-TARIFF MEASURES WORK PROGRAMME

The Committee of Participants on the Expansion of Trade in Information Technology Products (the "Committee"),

RECALLING that Ministers had acknowledged the importance of non-tariff measures (the "NTMs") and their impact on trade in information technology products when they agreed on the need for discussion on this issue in relation to products covered in the Ministerial Declaration on Trade in Information Technology Products, Singapore, December 1996, (the "ITA"), in accordance with paragraph 3 of the Annex of the ITA,

NOTING that liberalised trade in information technology products can assist participants to take advantage of the benefits of electronic commerce and the information economy, which contribute directly to improving competitiveness and economic development,

NOTING that tariffs on ITA products will be eliminated, as per the agreement reached and that participants are consulting among themselves on further tariff liberalization,

AGREEING that, in parallel with tariff liberalisation, there is a need to identify non-tariff measures which adversely affect the expansion of trade in ITA products and to explore how the undue trade-distorting effects of such non-tariff measures could be reduced or eliminated,

AIMING to avoid duplication in, and to complement work carried out by, WTO bodies under other agreements,

WELCOMING the work on NTMs already undertaken by the Committee on the provision of national experience papers by participants,

AGREES to proceed with a work programme on NTMs on ITA products, on the following basis:

Phase I: identify NTMs which are impediments to trade in ITA products;

Phase II: examine the economic and developmental impact of such measures on trade in ITA products and the benefits which would accrue to participants from addressing their undue trade-distorting effects;

Phase III: the formal consideration by the Committee of the outcomes of Phases I and II.

By no later than March 2001, the Committee will compile an inventory of NTMs which have been identified by Committee participants in their submissions as impediments to trade in ITA products. The submissions should include specific details of the trade distorting impact of the NTMs identified. Further, the Committee will agree on modalities for the commencement of Phase II after modifications, if any, to the work programme that may be necessary.

The Committee will meet to consider the outcomes of Phases I and II no later than November 2001.

The Committee may, as appropriate, draw on the expertise of regulatory, industry, and relevant WTO and other international bodies with due regard to the inter-governmental nature of the WTO.

END