December 4, 2013

His Excellency Li Keqiang
Premier
People's Republic of China

Dear Premier Li:

Our associations represent tens of thousands of companies from around the world that assign great importance to our trade and investment relations with China. We are writing to urge your government to actively help steer the negotiations to expand product coverage of the Information Technology Agreement (ITA) to a successful conclusion as soon as possible.

As a leading manufacturer and exporter of technology products, China stands to be one of the largest beneficiaries of an expanded ITA. Trade data demonstrate the current ITA has helped generate significant benefits for China. According to the World Trade Organization (WTO), China's share of global exports of information technology products has grown from 2.2 percent in 1996 to 27.5 percent in 2010. An expanded ITA would similarly contribute to the Chinese economy and help strengthen your country's innovation capacity.

As you may know, the ITA expansion talks broke down in Geneva on November 21, despite tremendous progress over the past year by nearly all parties in the negotiation to achieve an ambitious outcome. In fact, virtually every negotiating member made significant and constructive compromises to achieve this goal at what was hoped to be the final round of talks last month.

Even though China took positive steps in October that helped bring an end to a three-month suspension in negotiations, it arrived in Geneva for the November talks with what appeared to be a narrow mandate, allowing only limited improvements to its list of import-sensitive products. That list continues to be more than twice as large as any other members' "sensitivities" list. Despite significant demonstrations of flexibility by others, China seemed unable to seek constructive compromises. The talks subsequently unraveled, making it impossible to reach an outcome by the targeted deadline of the WTO Ministerial in Bali this week. This came as a huge disappointment to all of us.

This was a confusing signal from China, coming shortly after the impressive reform objectives spelled out in the Third Plenum leadership communiqué, including a call for China to more deeply integrate itself into the global economy.

Global industry regards the ITA as one of the most commercially successful WTO trade pacts, contributing enormously to promoting jobs, increasing competitiveness, lowering consumer prices, boosting economic growth, and fostering innovation around the world. Please see attached a global industry statement supporting ITA expansion that includes 81 associations from 31 economies and regions around the world.

Broadly speaking, a successful ITA expansion would increase the relevance of the WTO as a champion of trade liberalization. Indeed, a successful ITA expansion deal would represent the first market-access agreement in the WTO in nearly two decades. More specifically, it would also send a strong signal to the world that China is ready and willing to be a constructive participant in other international trade talks.

Mr. Premier, we respectfully urge China to view this moment as an historic opportunity to foster global commerce in information and communications technology goods, spur worldwide growth, and give a much-needed boost to the WTO. We therefore ask your government to promptly return to the negotiating table with a more forward-leaning, ambitious approach that can act as a catalyst for bringing this important initiative to a strong and swift conclusion.

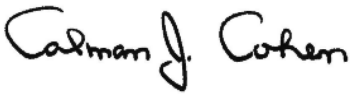
ITA expansion will spur economic growth, create jobs, and drive innovation the world over. These are objectives we all share. We look forward to continuing to work with your government to ensure a successful, mutually beneficial ITA expansion outcome.

Sincerely,

Hendrik Abma
Director General
European Semiconductor Industry Association

Takahisa Awajitani
Executive Director
Battery Association of Japan

Markus J. Beyrer
Director General
BUSINESSEUROPE



Calman Cohen
President
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Thomas J. Donohue
President and CEO
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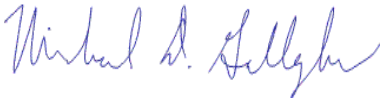
Enoch Du
Secretary General
Taipei Computer Association

Kiyoshi Ebizuka
President
The Japan Electrical Manufacturers' Association

Alexander C. Feldman
President
US-ASEAN Business Council

Evan R. Gaddis
President and CEO
National Electrical Manufacturers Association



Michael D. Gallagher
President and CEO
Entertainment Software Association

Dean C. Garfield
President and CEO
Information Technology Industry Council

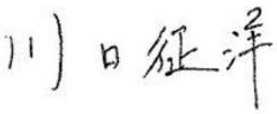
Karna Gupta
President and CEO
Information Technology Association of Canada

Nguyen Phuoc Hai
General Secretary
Vietnam Electronic Industries Association

Tsutomu Handa
President
Japan Electronics & Information Technology Industries Association

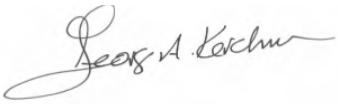
John Higgins, CBE
Director General
DIGITALEUROPE

Dong-Soo Jun
Chief Executive Officer
Korea Semiconductor Industry Association (KSIA)



Yukihiro Kawaguchi
Secretary General
Japan Business Council in Europe

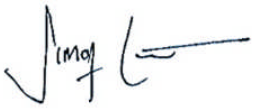
Sandy Kennedy
President
Retail Industry Leaders Association



George Kerchner
Executive Director
Rechargeable Battery Association

Norihiro Kono
President
Japan Information Technology Services Industry Association

Dan C. Lachica
President
SEIPI, Semiconductor and Electronics Industries in the Philippines

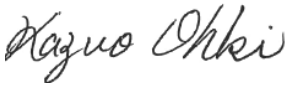


Simon Little
Managing Director
The Interactive Software Federation of Europe (ISFE)

Dennis McGuirk
President and CEO
SEMI

Hideo Nakanishi
Executive Managing Director
Japan Business Machine and Information System Industries Association

Joy Nott
President and CEO
Canadian Association of Importers and Exporters



Kazuo Ohki
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Shawn Osborne
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TechAmerica

William A. Reinsch
President
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Paola Restrepo Ospina
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Juan Ramón Rivera
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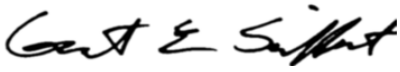
Managing Director
United States Information Technology Office

Peter M. Robinson
President and CEO
United States Council for International Business

Shaifubahrim Saleh
President and CEO
PIKOM, National ICT Association of Malaysia

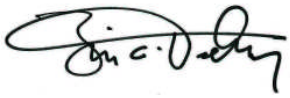
Ulf Schneider
President
Singapore Semiconductor Industry Association



Grant Seiffert
President
Telecommunications Industry Association

Gary Shapiro
President and CEO
Consumer Electronics Association

Jim Taggart
President and CEO
Electro-Federation Canada



Brian C. Toohey
President and CEO
Semiconductor Industry Association

Stephen J. Ubl
President and CEO
AdvaMed

Ken Wasch
President
Software & Information Industry Association

Ronnie NH Wong
Chief Operating Officer
Association of Electronic Industries in Singapore

Attached: Global Industry Statement Supporting ITA Expansion

CC: The Honorable Gao Hucheng, Minister, Ministry of Commerce
The Honorable Lou Jiwei, Minister, Ministry of Finance
The Honorable Miao Wei, Minister, Ministry of Industry and Information Technology
The Honorable Xu Shaoshi, Minister, National Development and Reform Commission
The Honorable Cui Tiankai, Ambassador of the People's Republic of China to the United States

July 2013

Global Industry Calls for Swift and Ambitious Expansion of the Information Technology Agreement

Industry associations from around the world strongly support the ambitious tariff-elimination initiative to significantly expand product coverage of the Information Technology Agreement (ITA), which is one of the most commercially successful trade agreements in the World Trade Organization (WTO).

The ITA has helped to drive innovation, accelerate productivity, increase employment, lower consumer prices, and bridge communities across the globe in ways unimagined 16 years ago when the ITA was established. Product expansion of the ITA, as well as expansion of geographic scope of the agreement would yield immediate and substantial benefits, removing tariffs on a vast array of tech products not currently covered.

We welcome the momentum negotiators in Geneva have achieved in their monthly meetings to develop a strong list of products to be considered for ITA coverage. And we applaud APEC trade ministers for recently reaffirming APEC's support for an expanded agreement, calling for the outcome of negotiations to be "commercially significant" and completed by "the middle of the year."

A window has opened to conclude the talks by late summer of this year. Given that not a single product line has been added to the ITA since it was born 16 years ago, we must seize the moment to achieve this trade win for our economies and the global economy, and bring greater relevance to the work of the WTO. We may not get another opportunity to significantly expand the ITA for many years.

We therefore call on ITA members to build on the current momentum, aim high for an ambitious, commercially significant outcome, and complete their negotiations to expand this critically important agreement by mid-2013.

We continue to be deeply committed to working closely with our governments to achieve a swift and ambitious outcome that will expand trade, stimulate growth, increase jobs, spur innovation, and promote prosperity around the world.

Advanced Medical Technology Association (AdvaMed, USA) - American Chamber of Commerce of El Salvador (AmCham El Salvador, El Salvador) - American Chamber of Commerce in India (AmCham India, India) - American Chamber of Commerce in Thailand (AmCham Thailand, Thailand) - American Chamber of Commerce in Vietnam (AmCham Vietnam, Vietnam) - Association of Electronic Industries in Singapore (AEIS, Singapore) - Association of Thai ICT Industry (ATCI, Thailand) - Australian Information Industry Association (AIIA, Australia) - Brazilian Association of IT Companies (ASSEPRO, Brazil) - BSA | The Software Alliance (BSA, USA) - Camara de Industrias de Costa Rica (CICR, Costa Rica) - Camera & Imaging Products Association (CIPA, Japan) - Canadian Manufacturers & Exporters (CME, Canada) - China Semiconductor Industry Association (CSIA, China) - Colombian Software and IT Industry Federation (FEDESOFT, Colombia) - Communications and Information Network Association of Japan (CIAJ, Japan) - Communications and Manufacturing Association of India (CMAI, India) - Computer and Communications Industry Association (CCIA, USA) - Computer Society of Kenya (Kenya) - Computing Technology Industry Association (CompTIA, USA) - Consumer Electronics Association (CEA, USA) - Costa Rican Chamber of Information and Communications Technologies (CAMTIC, Costa Rica) - Consumer Electronics Retailers Coalition (CERC, USA) - Consumer Electronics Technology Industry Association (CETIA, USA) - Costa Rican-American Chamber of Commerce (AmCham Costa Rica, Costa Rica) - DIGITALEUROPE (DIGITALEUROPE, EU) - Egyptian Information Telecom, Electronics and S/W Alliance (Eitesal, Egypt) - Electro-Federation Canada (EFC, Canada) - The European Engineering Industries Association (ORGALIME, EU) - European Semiconductor Industry Association (ESIA, EU) - Entertainment Software Association (ESA, USA) - Entertainment Software Association of Canada (ESAC, Canada) - Federation of Hellenic ICT Enterprises (SEPE, Greece) - The Federation of Korean Information Industries (FKII, Korea) - Guatemalan Software Commission (SOFEX, Guatemala) - Hong Kong Electronic Industries Association (HKEIA, Hong Kong) - Hong Kong Information Technology Federation (HKITF, Hong Kong) - Ibero American Federation of IT Associations (ALETI, Latin America) - ICT Associations of Jordan (int@j, Jordan) - ICT Chamber of Commerce - MASIT (MASIT, Macedonia) - IKT-Norge (Norway) - INFOBALT (Lithuania) - Infocomm Technology Association of the Philippines (ITAP, Philippines) - Information & Computer Technologies Industry Association (APKIT, Russia) - Information Technology Association of Canada (ITAC, Canada) - Information Technology Association of Nigeria (ITAN, Nigeria) - Information Technology Industry Council (ITI, USA) - Intellect (United Kingdom) - Interactive Games & Entertainment Association (iGEA, Australia and New Zealand) - Interactive Software Federation of Europe (ISFE, EU) - Israel Association of Electronics and Software Industries (IAESI, Israel) - Japan Business Council in Europe (JBCE, Japan-EU) - Japan Business Machine and Information System Industries Association (JBMIA, Japan) - The Japan Electrical Manufacturers' Association (JEMA, Japan) - Japan Electronics and Information Technology Industries Association (JEITA, Japan) - Japan Information Technology Services Industry Association (JISA, Japan) - Korea Electronic Association (KEA, Korea) - Korea Semiconductor Industry Association (KSIA, Korea) - National Association of Manufacturers (NAM, USA) - National Electrical Manufacturers Association (NEMA, USA) - National ICT and Multimedia Association of Malaysia (PIKOM, Malaysia) - National ICT Confederation of the Philippines (NICP, Philippines) - PRBA-The Rechargeable Battery Association (USA) - Semiconductor and Electronics Industries in the Philippines (SEIPI, Philippines) - Semiconductor Equipment & Materials International (SEMI, USA) - Semiconductor Industry Association (SIA, USA) - Singapore Semiconductor Industry Association (SSIA, Singapore) - Software & Information Industry Association (SIIA, USA) - Taipei Computer Association (TCA, Taiwan) - Taiwan Electrical and Electronic Manufacturers' Association (TEEMA, Taiwan) - Taiwan Semiconductor Industry Association (TSIA, Taiwan) - TechAmerica (USA) - Technology CEO Council (TCC, USA) - Telecommunications Industry Association (TIA, USA) - Transatlantic Business Council (TBC, USA-EU) - United States Council for International Business (USCIB, USA) - United States Chamber of Commerce (USA) - United States Information Technology Office (USITO, USA) - Vietnam Electronics Industries Association (VEIA, Vietnam) - World Information Technology and Services Alliance (WITSA, USA) - World Semiconductor Council (WSC)

For more information, contact mmedrano@itic.org