

Initiative for Elimination of Tariffs on Digital Consumer Electronics Products in WTO New Round of Negotiations

1. Preface

The Japan Electronics and Information Technology Industries Association (JEITA) is an industry organization in Japan with activities covering both the electronics and information technology (IT) fields. Its mission is to foster a digital network society for the 21st century. JEITA strongly supports the WTO's aim of creating an open, equitable and non-discriminatory multilateral trading system, and expects that negotiations on market access for non-agricultural products at the WTO will make progress, so that tariffs levied on all electronic products and components will be eliminated. More specifically, JEITA strongly requests elimination of tariffs on "digital consumer electronics products."

2. Proposal for Elimination of Tariffs via Zero-for-Zero and Harmonization

Approaches

The request made by JEITA to eliminate tariffs on "digital consumer electronics products" is included in the following list as part of the proposal for zero-for-zero and harmonization tariff elimination submitted by the Japanese Government at the "Non-agricultural Market Access" Negotiation Group meeting on February 19, 2003:

- (1) Digital Consumer Electronics Products: Japan's Submission of ANNEX 1 "Proposal on widening the coverage and membership of the Information Technology Agreement".
- (2) Other Electronics Products: Japan's Submission of ANNEX 2 "Proposal on tariff elimination for consumer electrical products and electrical machinery"
(http://www.meti.go.jp/english/information/data/cWTONonag_pro0302e.html)

3. Reasons for Requesting Elimination of Tariffs on "Digital Consumer Electronics Products"

JEITA strongly requests elimination of tariffs, especially on "digital consumer electronics products" for the following reasons:

(1) Development of Economy and Culture and Upgrading of Standard of Living

The spread of digital consumer electronics products that are capable of transmitting and processing a large volume of information in high definition at a high speed, and high-level communications by remote operation through digital consumer electronics products will have an effect on accelerating technical innovation, dispersal of technology and expansion of the service industry in countries throughout the world. Upgrading of the standard of living can be expected as a result of this.

(2) Elimination of the Digital Divide

The Information Technology Agreement (“ITA”) has greatly contributed to the development of the world economy and industry through promotion of global spreading of IT products. On the other hand, the ITA has caused a digital divide among countries and people who cannot afford to have IT products. Digital consumer electronics products are a product group that has rapidly evolved after the ITA. Compared with conventional IT products, digital consumer electronics products are mainly audio and video equipment and white goods that do not require expensive infrastructure and are closer to daily life. Digital consumer electronics products will make a contribution to the elimination of the digital divide.

(3) Development of e-Commerce

Electronic commerce, which is one of the new service modes, has brought with it an information revolution, and has become one of the motive powers for global economic growth.

The Doha Development Agenda (DDA) agreed to extend non-levying of tariffs on e-commerce till the 5th Ministerial Conference. The elimination of tariffs on digital consumer electronics products, which are powerful peripherals used in e-commerce, is indispensable to further development of electronic commerce.

(4) Reduction of Environmental Load

Digital circuits allow products to be shorter, thinner, lighter and smaller, ensuring resource and energy saving and longer product life, thereby lessening the environmental load and achieving the “sustainable development” advocated by the WTO.

(5) Support of Capacity Building of Developing Countries

Fostering of personnel is a must for industrial development of these countries. Digital audio and video equipment that has been put on the market has enabled recording, storage, transmission and reproduction of original contents in high definition for a long time. By efficiently creating and editing teaching materials, learning and education effects are enhanced, thereby supporting capacity building in the developing countries through an affordable and excellent educational infrastructure made available to the developing countries.

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