TECHNOLOGICAL INNOVATION -
A CRITICAL VARIABLE UNDERLYING THE VALUE OF THE INFORMATION TECHNOLOGY AGREEMENT

Mario R. Palacios
Global Director, Import & Export Policy
Intel Corporation
INTEL IS EVOLVING

• 1968: Intel is founded by Robert Noyce and Gordon Moore
• 1971: World’s first microprocessor
• Now: Innovation that expands the reach and promise of computing
The Information Technology Agreement – A valuable journey

- “The first and most significant tariff liberalization arrangement negotiated in the WTO after its establishment in 1995”
  - A decade after its initiation, ITA products accounted for 14 per cent of the world merchandise exports, exceeding that of agricultural products, and textiles and clothing together.
  - According to former WTO DG Pascal Lamy, “it is fair to say that the ITA has been a major success since the establishment of the WTO.”

- In 2015, many ITA participants took into account new technological developments and breakthroughs, agreeing to expand the agreement’s product coverage
  - Products part of the expanded ITA are valued at over $1.3 trillion per year, and account for approximately 7% of total global trade today.

- Equivalent to the market of more than $3 trillion, goods covered under the original ITA and the expanded ITA represent almost one fifth (18%) of world merchandise imports. *
  - Participants in the ITA (and the expanded ITA) account for 88% and 94% of global ICT imports and exports*

*United Nations Conference of Trade and Development (UNCTAD); “Trade in ICT Goods and the 2015 Expansion of the WTO Information Technology Agreement, Technical Note No.5; December 2015
What’s next for the Information Technology Agreement?

- The next big wave of computing will introduce new devices and technology which will increase the connectivity of people, places, and “things” around the world
  - Internet of Things (IoT)
  - Artificial Intelligence (AI)
- The broadening of the ITA has been a driver for more countries to enter the ICT global value chain
  - Tariffs impede the benefits of competition and reduce the pace of innovation, while raising costs to consumers
- The WTO via the ITA will be instrumental in bringing revolutionary ICT products to the four corners of the world through continued expansion of the ITA.