

WORKSHOP ON NTBs AFFECTING TRADE IN ICT PRODUCTS

OPENING REMARKS BY DDG XIAOZHUN YI

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Distinguished Participants,

Ladies and Gentlemen,

It gives me great pleasure this morning to welcome you all to the WTO Workshop on NTBs affecting trade in ICT products.

As the most significant tariff liberalization arrangement negotiated in the WTO after its establishment in 1995, the Information Technology Agreement (ITA) has played a vital role in promoting affordable access to those technologies.

Now, the information technology and communication sector is crucial for the world economy – not only due to its considerable size, but also because it is an important driver of productivity, innovation and, ultimately, economic growth.

Today, trade in products covered by the ITA accounts for an estimated US\$1.6 trillion, almost three times as much as when the ITA was signed in 1996. This sector has been one of the fastest growing sectors in world trade and accounts for approximately 9 per cent of global merchandise exports.

Following the recent accession of the Republic of Seychelles, the ITA now has 52 participants (covering 80 WTO Members), which account for approximately 97 per cent of world trade in information technology products.

The ITA requires each Participant to eliminate and bind their tariffs at zero for all products specified in the Agreement, and to implement them on a most favoured nation (MFN) basis, and also recognizes that tackling non-tariff barriers (NTBs) on ICT products is an important component of the Agreement.

Indeed, because tariffs on ITA products have been fully eliminated by participants, NTBs could constitute the most important barriers to trade in these products. The main challenge of the ITA Committee's work in this area is how to allow participants to achieve their legitimate public policy objectives, such as protecting their consumers and the environment, in a manner that is not more trade restrictive than necessary, and that facilitates trade in ICT products.

In that context, the ITA Committee in November 2000 adopted a three-phase work programme on NTBs; in January 2002 a "pilot project"

was launched on conformity assessment of EMC and EMI; and, in February 2005, "Guidelines for EMC/EMI Conformity Assessment Procedures" on an **ad referendum** basis.

Since the "Guidelines" were adopted, the Secretariat prepared, based on the survey responses and notifications received from Participants, a note on the "Draft List of Types of Conformity Assessment Procedures for EMC/EMI used by ITA Participants. The information contained therein has increased transparency and proven to be very useful.

As you are aware, this Workshop is organized by the WTO Committee of Participants on the Expansion of Trade in Information Technology Products.

As stated in the Programme, the Workshop provides an opportunity for the private sector: (1) to share their experience with the trade policy

makers on non-tariff barriers (NTBs) affecting trade in ICT products; and (2) to express their views on possible approaches to address NTBs in order to facilitate market access for ICT products.

As the intention is for this Workshop to be industry-driven, an overview of how the regulatory measures have impacted upon trade in the ICT sector will be presented by speakers from the private sector, business associations, and industry representatives.

This overview will no doubt include examples of conformity assessment schemes, as well as of how the ICT sector faces new challenges such as e-labelling and energy efficiency.

Nevertheless, it goes without saying that the views expressed during the Workshop shall be without prejudice to ITA Participants' positions on NTBs and their regulatory practices.

In light of the particular importance of global value chains for the ICT sector, an early conclusion to the ongoing ITA product expansion negotiations, plus the implementation of the Trade Facilitation Agreement, will together generate increasing returns in the ICT sector. The need to address NTBs affecting trade in ICT products will then gain additional impetus. In realizing such a positive scenario, the ICT sector would then be the most open trade sector, characterized by free trade in goods at the multilateral level.

Finally, let me wish you all a very successful Workshop, and all the very best in your deliberations.

Thank you.
