Agreement on the expansion of trade in information technology products (ITA)

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The Committee on International Trade adopted the report by Godelieve QUISTHOUDT-ROWOHL (EPP, DE) on the draft Council decision on the conclusion, on behalf of the European Union, of an agreement in the form of the Declaration on the Expansion of Trade in Information Technology Products (ITA).

The committee recommended the European Parliament to **give its consent** to the conclusion of the Agreement.

To recall, the first Information Technology Agreement (ITA) was concluded at the Singapore Ministerial Conference in December 1996 and entered into force in 1997. While only 29 WTO Member States initially concluded the agreement, ITA today counts 82 participants.

The ITA requires that each participant eliminates and binds customs duties at zero on a Most Favoured Nation basis for all information technology (IT) products covered. The ITA covers about 200 tariff lines, including computers, telephones, but also inputs, components and machinery for the production of IT goods.

In May 2012, six countries launched negotiations to expand the product coverage of the agreement (EU, US, Japan, Korea, Taiwan and Costa Rica). They came to be joined by 21 other members. On 24 July 2015, an agreement was reached on an additional list of 201 IT products. Annual trade in these 201 products is valued at over USD 1.3 trillion per year, and accounts for approximately 10% of total global trade today.

The agreement in the form of a Declaration on the Expansion of the ITA (and the schedules containing the staging commitments of the participants) was adopted by the Ministers of the participant countries on 16 December 2015 during the 10th WTO Ministerial Conference in Nairobi.

In the short justification which accompanies the report, it is stated that EU exports EUR 189 billion in products covered by the ITA expansion, a figure that is expected to increase significantly following tariff cuts.

The agreement will lead to lower prices for consumers, but also for producers who depend on imported components. Some sectors will however also experience increased competition. Members are therefore pleased to see that the EU negotiated longer staging for some products that were considered to be sensitive, while the majority of the non-sensitive tariffs will be eliminated at the entry into force of the agreement.

Given that the expansion of the ITA is a landmark deal, the first major tariff cutting deal since the WTO was created with a huge potential to create jobs and boost GDP growth, it is proposed that the European Parliament gives its consent to the conclusion of the Agreement.