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
Emergency Committee for American Trade

Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce

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

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

George Kerchner
Executive Director
Rechargeable Battery Association

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

Joy Nott
President and CEO
Canadian Association of Importers and Exporters

William A. Reinsch
President
National Foreign Trade Council

Tsutomu Handa
President
Japan Electronics & Information Technology Industries Association

Yukihiro Kawaguchi
Secretary General
Japan Business Council in Europe

Norihiro Kono
President
Japan Information Technology Services Industry Association

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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
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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