

Briefing note: The Expansion of Trade in Information Technology Products (ITA Expansion)

Participants to the Expansion of Trade in Information Technology Products (ITA Expansion) announced today in Nairobi the conclusion of discussions to liberalize trade on information technology (IT) products beyond the original ITA of 1996.

Under the new WTO agreement, import duties will be eliminated on 201 high tech products whose annual trade is estimated at \$1.3 trillion, accounting for approximately 10 per cent of world trade in goods. Products covered by the ITA Expansion include: new generation multi component integrated circuits (MCOs), touch screens, GPS navigation equipment, portable interactive electronic education devices, video game consoles, and medical equipment, such as magnetic resonance imaging products and ultra sonic scanning apparatus.

The ITA Expansion will result in the rapid and meaningful liberalization of trade in new generation IT products. According to preliminary estimates by the WTO Secretariat, 95.4 per cent of Participants' imports on these products will benefit from duty free treatment by 2019.

Negotiations were conducted by 24 Participants, which represent 53 WTO Members, including both developed and developing WTO Members, and account for approximately 90 per cent of world trade in these products. (See Annex 1) This agreement is open to any other WTO Member wishing to join it.

1. ITA expansion negotiations

In May 2012, on the occasion of the 15th anniversary of the ITA, it was recognized that technological innovation had resulted in the development of new categories of IT products, many of which did not fall under the scope of the 1996 agreement. A group of WTO Members, therefore, considered that the ITA should be revisited to expand its product coverage and take account of this new reality.

On 24 July 2015, Participants to the expansion negotiations reached an agreement on a list of 201 additional products that will benefit from duty free treatment. The communication embodying these results spelled out the steps that would be followed to implement the agreement. Following this roadmap, Participants

3. What will be the impact of the ITA expansion?

Beyond the monetary savings for the IT industry resulting from the elimination of import duties on these products, investors and traders would also gain from significantly improved market access and predictability. This is because a number of these products are either currently unbound (i.e. they are not subject to a legal maximum limit at the WTO) or are bound at high tariff levels. The zero rate of duty on IT products is a key feature of the ITA.

Annex 1
List of Participants to the ITA Expansion

WTO Members participating in the ITA Expansion	
Albania	Malaysia
Australia	Montenegro
Canada	Mauritius
China	New Zealand
Colombia	Norway
Costa Rica	Philippines
European Union + 28 member States	Singapore
Guatemala	