

ICC AT THE 10TH WTO MINISTERIAL CONFERENCE

ICC at MC10 | Executive Brief No. 3 | 17 December 2015

\$1.3 trillion deal reached: WTO Information Technology Agreement 2

The third day of the Nairobi 10th Ministerial Conference of the World Trade Organization (WTO MC10) opened with some achievements announced on the previous day.

Most notably, agreement was reached on the WTO Information Technology Agreement 2 negotiations (ITA 2). WTO members representing major exporters of information technology (IT) products agreed on the timetable for implementing a landmark deal to eliminate tariffs on 201 IT products valued at over \$1.3 trillion per year. The ITA 2 agreement – an open plurilateral WTO agreement – was negotiated among a subset of WTO members but its benefits are available to all WTO members on a most-favoured nation basis.

While information technology products represent around 10% of global merchandise trade (more than trade in agriculture and automotive products), their growing use across all sectors of the economy means that increased trade in these products will have an economic multiplier effect far greater than this already significant number already suggests.

As a result of the original WTO Information Technology Agreement concluded in 1996, total trade in information technology products tripled between 1996 and 2014 – reaching US\$ 4 trillion. Freer global trade in information technology products could be particularly beneficial to small- and medium-sized enterprises, especially in developing countries, by enabling them to access foreign markets through digitally-enabled trade. This will allow trade to make a concrete contribution to the realization of the UN sustainable Development Goals.

Trade and Investment Nexus

As part of the Trade and Development Symposium, ICC participated in a panel session organized by the E15 – an initiative that convenes world-class experts and institutions, including ICC, to generate strategic analysis and recommendations for government, business and civil society geared towards strengthening the global trade and investment system for sustainable development. In this session, entitled “The end of the North-South Game: Foreign Direct Investment in the 21st Century”, E15 policy experts discussed structural and sustainable development concerns within the investment regime, including the role of the WTO and regional trade agreements on foreign-direct investment regulation in the current fluid investment policy environment. The session can be viewed at: <http://tds.ictsd.org/content/end-north-south-game-foreign-direct-investment-xxi-century>

Global Alliance for Trade Facilitation

The Global Alliance for Trade Facilitation – a business-government partnership, which includes ICC, to promote the ratification and implementation of the WTO Trade Facilitation Agreement – was launched at MC10 in the presence of WTO Director-General Azevedo and trade ministers from the UK and the US.

2 new WTO members

Liberia’s accession to the WTO was concluded in a plenary session at MC10 in the presence of Kenyan President Uhuru Kenyatta, and President Ellen Johnson Sirleaf of Liberia. It was especially fitting that an African least-developed country acceded to the organization at the WTO’s first Ministerial Conference in Africa. The conclusion of Afghanistan’s accession to the WTO is expected to take place in a plenary this afternoon (17 December) bringing the total number of WTO members to 164.

NGO position papers and Members’ communiqués can be found on the WTO website:

https://www.wto.org/english/thewto_e/minist_e/mc10_e/ngo_e.htm