



European-American Business Council

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EABC URGES EU, US & JAPAN TO AVOID WTO TRADE CASE AND ENSURE ITA ENFORCED IN EUROPE

Governments Should Use Consultation Period to Settle the Issue

The US Trade Representative and the Japanese government have filed WTO cases asking that the European Union live up to the requirements of the Information Technology Agreement (ITA). The European-American Business Council urges trade negotiators from these three countries to resolve this issue during the 60-day consultation period. EABC member companies call for and appreciate constructive engagement, as their goal is barrier free ICT trade into Europe, not more WTO litigation. The success of ICT products from both sides of the Atlantic are not guaranteed. They depend on a vibrant free market that encourages trade in innovative goods and services. Both tariff and non-tariff barriers restrict innovation.

EABC President Michael Maibach commented: "The ITA was signed by 71 nations in 1997 with the goal of creating tariff-free trade in ICT products. These products enhance productivity for companies and organizations large and small. The ITA has been immensely successful in lowering the cost to our customers of acquiring leading edge technology. EABC member companies in both the US and Europe supported then and support today the ITA product coverage as written in the agreement. As a Trans-Atlantic trade association, EABC is well aware of the value of international trade and innovation and believes it must not be hampered."

Maibach continued: "As products are improved through innovation, they should continue to be traded tariff-free within the ITA framework. It is important that tariffs are not imposed on products that were previously tariff-free. Tariff re-application should not occur because of product innovation. Re-applied ICT tariffs do not enhance Trans-Atlantic trade and investment, do not follow the spirit and intent of the ITA, and work against productivity improvements. In an age of rising global competition, adding tariffs to ICT products is counter to the best interests of European companies, their employees and customers. We call upon the EU, the US and Japan to resolve this issue quickly and avoid WTO litigation. The goal of the EABC is certainly not more WTO trade cases, but rather a robust and successful execution of the ITA as signed by these governments. Finally, WTO agreements generally must be respected as they form the basis of the good-faith opening of more and more markets around the world."

The EABC and its member companies will continue to engage the EU, US and Japanese governments in a constructive manner to help resolve this issue. # # #

The EABC is the largest Trans-Atlantic business association representing over 70 US and EU-based global companies on commercial issues. The European-American Business Council fosters continued integration and growth of the European and American economies, as well as the reduction of trade, investment and regulatory barriers by speaking out on issues that are vital to the Trans-Atlantic commercial relationship.