



**Pacific**  
E-commerce  
Initiative

# [ICT] GOODS MARKET ACCESS (THE ITA AND IT'S EXPANSION[S])

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**PACIFIC ISLANDS FORUM**

# Goods market access (WTO JSI)

The [Parties/Members] recognize the **strong synergies that exist between enhanced and more affordable access to products of information technology for business and consumers and their ability to participate in electronic commerce.**













Within [X] years of [the date of approval/date of entry into force of this initiative]\*, each [Party/Member] shall be a party to the WTO Ministerial Declaration on Trade in Information Technology Products, 13 December 1996, commonly referred to as the Information Technology Agreement, and a participant in the WTO Ministerial Declaration on the Expansion of Trade in Information Technology Products, 16 December 2015, and have started and, to the extent practicable, completed all procedures for the modification and rectification of its Schedule of Concessions, in accordance with these Declarations and Decision of 26 March 1980 on Procedures for Modification and Rectification of Schedules of Tariff Concessions.

[Negotiations will cover improvements to commitments for relevant goods (GATT).]

# Sense / History / Progress

- ITA I – 1996. Text: [https://www.wto.org/english/docs\\_e/legal\\_e/itadec\\_e.htm](https://www.wto.org/english/docs_e/legal_e/itadec_e.htm)
- ITA II (“ITA expansion”) – 2015 (+ 201 product) Text: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/MIN15/25.pdf&Open=True> )

**Table 4.1: Examples of finished products and parts and accessories covered by the ITA expansion**

|   |  |
|---|--|
|  • Electronic devices (TV-cameras, video recording, digital car radios, set top boxes) |  • Medical equipment (scanners, machines for magnetic resonance imaging, tomography or dental care and ophthalmology)   |
|  • Videogames and consoles   |  • Loudspeakers, microphones and headphones   |
|  • Audiovisual/multimedia (GPS, DVD players, smart cards, optical media)               |  • Telecommunication satellites   |
|  • Multifunctional printing and copying machines, ink cartridges                      |  • Parts and components for production of IT goods and semiconductors (e.g. lasers, LED modules, touch screens, measuring and weighing instruments, switches, electromagnets, amplification apparatuses, etc.) |
|  • Multicomponent integrated circuits (MCOs)   |  • Machinery for production of IT goods and semiconductors  |
|  • Multichips (EIC)  |  • Machine tools for the manufacture of printed circuits or semiconductors and other IT products  |

Source: WTO Secretariat

By joining the ITA, WTO Members **bind their tariffs** (in the GATT schedules) on certain ICT products, defined by the HS 6 digits number or described, **at zero (0)**.

These tariffs are then applicable on the MFN basis – i.e. to ALL WTO Members – Parties to the ITA or not

- *ITA III - ? (separately or as a part of the JSI)*

## Toward ITA-3



<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/Jobs/RD-IT/49.pdf&Open=True>

## 250+ 6-Digit Product Codes Analyzed as ITA-3 Candidates

- Semiconductor Manufacturing Equipment & Materials
- Next-Generation Semiconductors
- Energy-Efficient Technologies (e.g., Storage Batteries)
- Additional Medical Devices/Equipment
- Industrial Robots
- 3D Printers (Additive Manufacturing)
- Commercial-Use UAVs
- Select Flat Panel Displays
- Additional Telecommunications Equipment

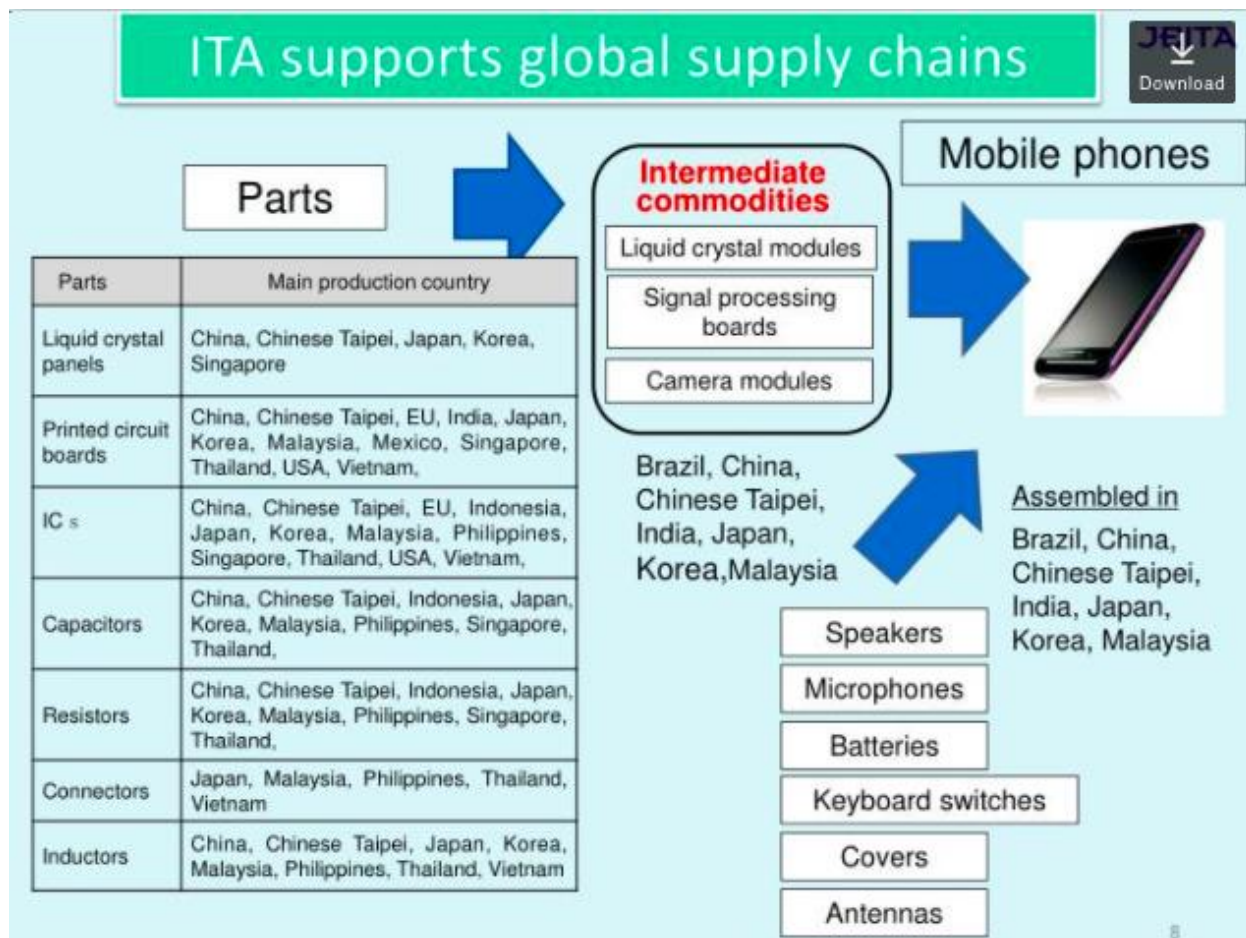


# 83 WTO Members (97% of the global ICT trade)

|                    |                     |                         |                          |                           |
|--------------------|---------------------|-------------------------|--------------------------|---------------------------|
| Afghanistan        | European Union (27) | Kazakhstan, Republic of | New Zealand              | Singapore                 |
| Albania            | Georgia             | Korea                   | Nicaragua                | Switzerland/Liechtenstein |
| Australia          | Guatemala           | Kuwait                  | Norway                   | Chinese Taipei            |
| Bahrain            | Honduras            | Kyrgyz Republic         | Oman                     | Tajikistan                |
| Canada             | Hong Kong, China    | Lao PDR                 | Panama                   | Thailand                  |
| China              | Iceland             | Macao, China            | Peru                     | Turkey                    |
| Colombia           | India               | Malaysia                | Philippines              | UK                        |
| Costa Rica         | Indonesia           | Mauritius               | Qatar                    | Ukraine                   |
| Dominican Republic | Israel              | Moldova                 | Russian Federation       | United Arab Emirates      |
| Egypt              | Japan               | Montenegro              | Saudi Arabia, Kingdom of | United States             |
| El Salvador        | Jordan              | Morocco                 | Seychelles               | Viet Nam                  |

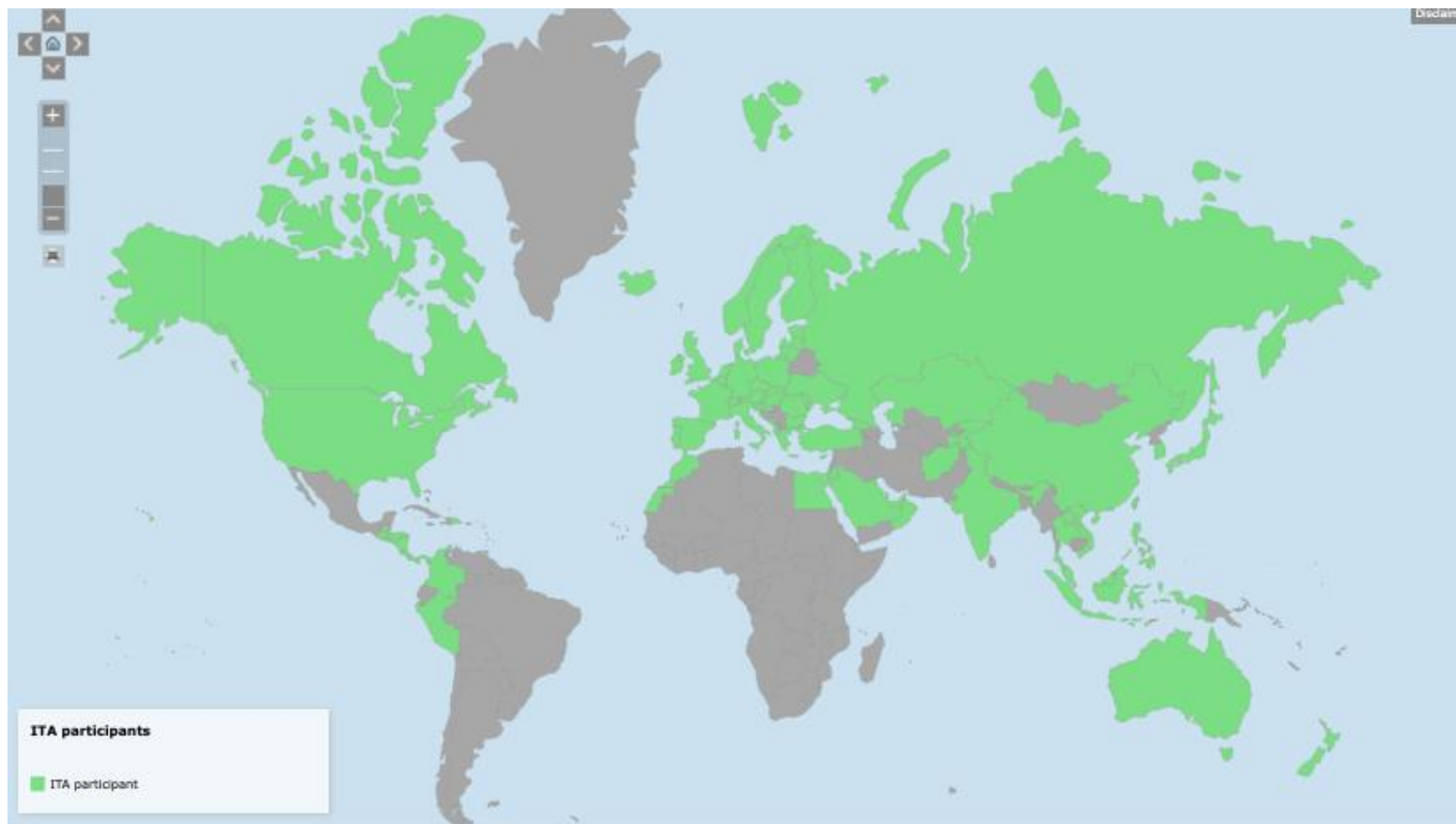


# ITA and global supply chains



Japan Electronics & Information Technology Industries Association. Contents. — ITA Expansion — What is ITA? ITA contribution to global economy (PPT, 2013)

# The ITA (I+II) Participants, as of 03.2022



WTO, [https://www.wto.org/english/tratop\\_e/inftec\\_e/ita\\_map\\_e.htm](https://www.wto.org/english/tratop_e/inftec_e/ita_map_e.htm)



# Overview of the situation: the FICs

- Trade shares of the ICT goods in the FICs are low (0-7% of total exports, 0-10% of total imports) → based on the available data, which is mostly not updated.
- Most of the FICs (except for Fiji and Tuvalu) are net exporters of the ICT goods.
- The [publically available] ICT development strategies emphasize on the connectivity, rather than on the ICT production
- Relevant tariffs vary: 0 to 40% ad valorem.



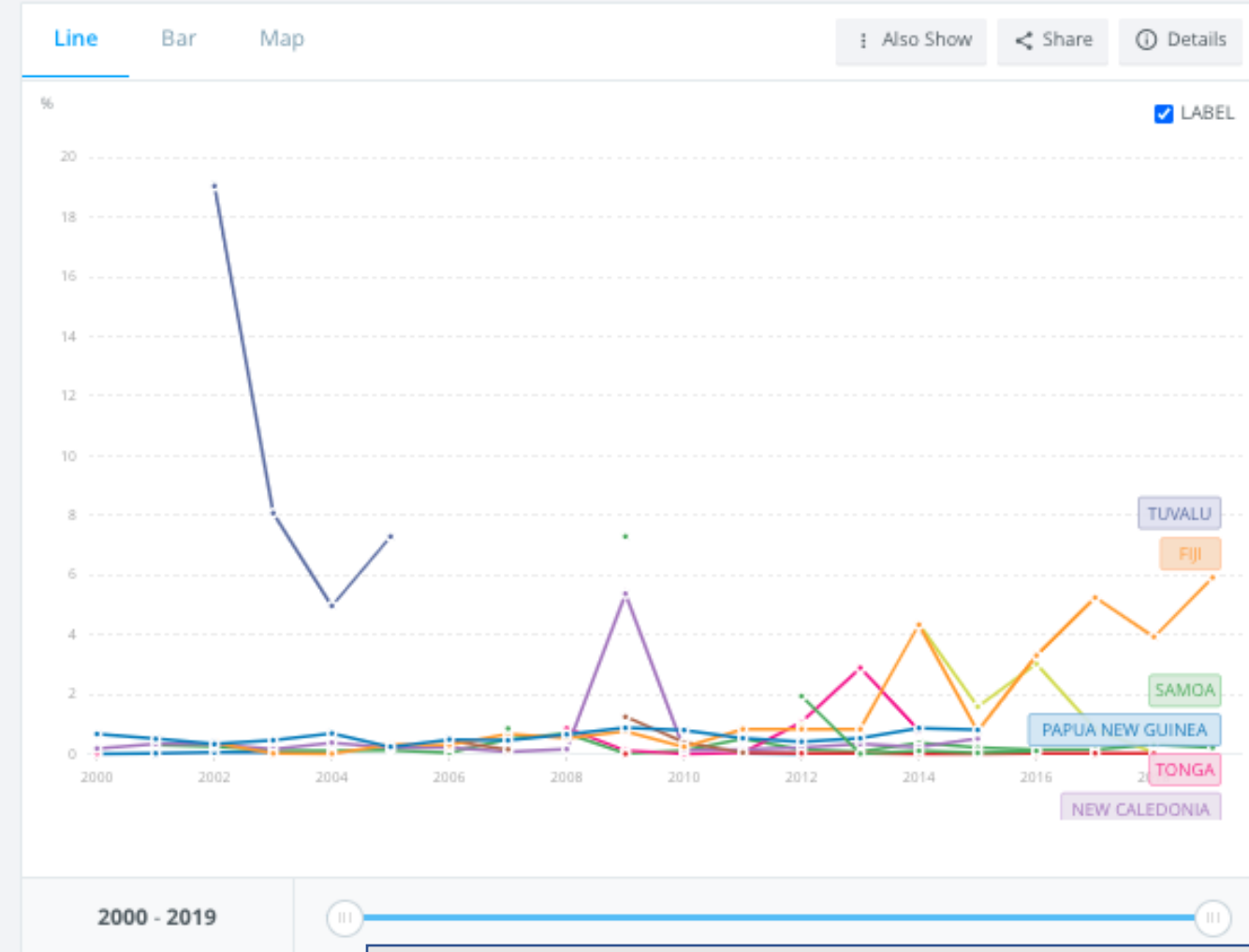
# Exports, ICT goods

| Country               | Most Recent Year | Most Recent Value |
|-----------------------|------------------|-------------------|
| Fiji                  | 2019             | 5.9               |
| French Polynesia      | 2015             | 0.8               |
| Kiribati              | 2016             | 0.1               |
| Marshall Islands      |                  |                   |
| Micronesia, Fed. Sts. |                  |                   |
| Nauru                 |                  |                   |
| New Caledonia         | 2015             | 0.5               |
| Palau                 | 2018             | 0.0               |
| Papua New Guinea      | 2012             | 0.0               |
| Samoa                 | 2019             | 0.2               |
| Solomon Islands       | 2018             | 0.0               |
| Tonga                 | 2014             | 0.8               |
| Tuvalu                | 2005             | 7.3               |
| Vanuatu               | 2011             | 0.0               |

## ICT goods exports (% of total goods exports) - Papua New Guinea, Samoa, Tuvalu, Tonga, Marshall Islands, New Caledonia, Palau, Solomon Islands, Vanuatu, Fiji, French Polynesia, Kiribati, Micronesia, Fed. Sts., Nauru

United Nations Conference on Trade and Development's UNCTADstat database at [unctadstat.unctad.org/ReportFolders/reportFolders.aspx](http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx).

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# Imports, ICT goods

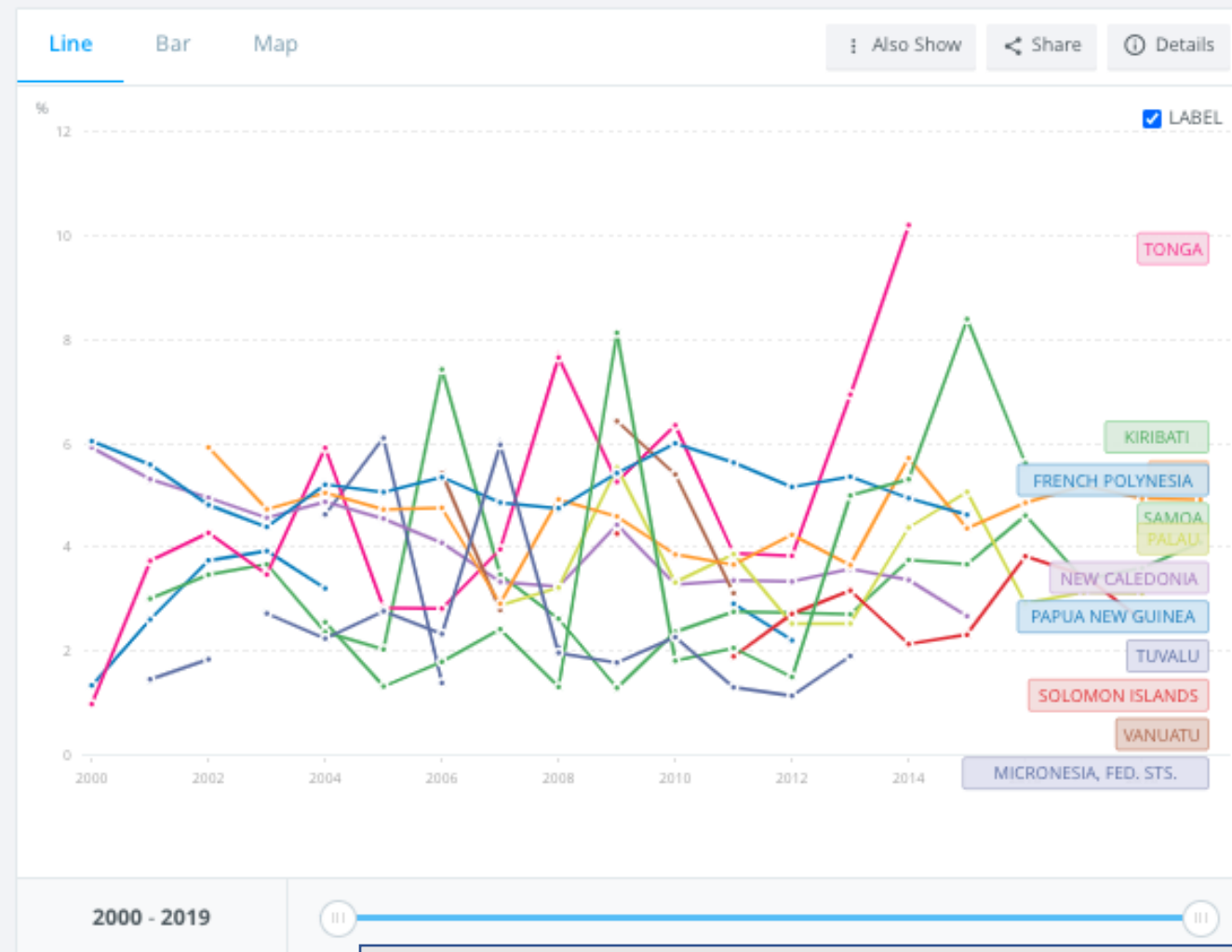
## Selected Countries and Economies

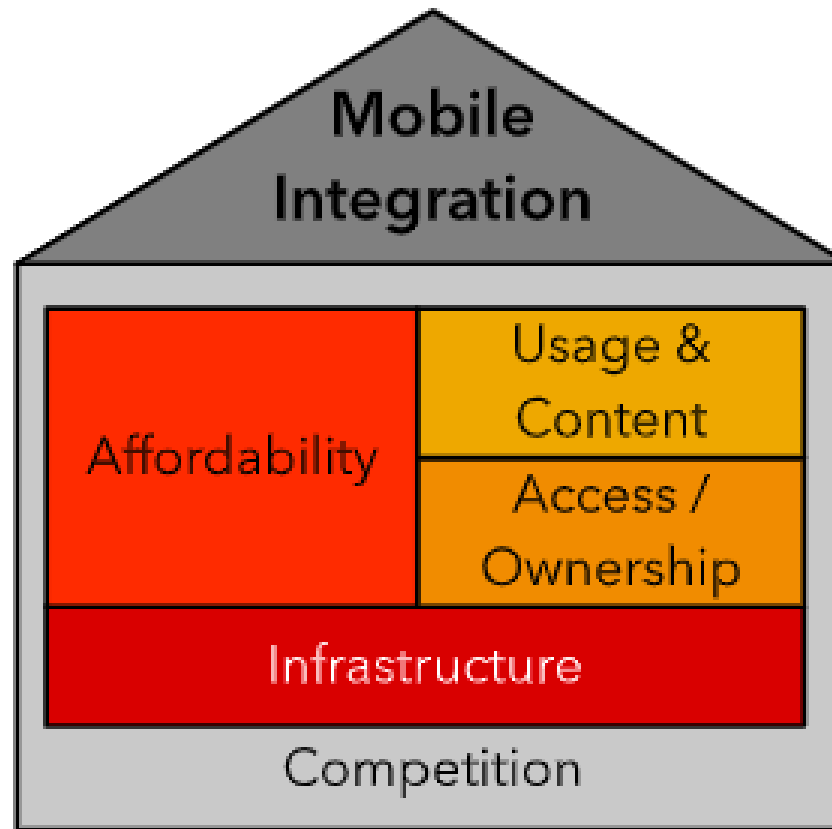
| Country               | Most Recent Year | Most Recent Value |  |
|-----------------------|------------------|-------------------|--|
| Fiji                  | 2019             | 4.9               |  |
| French Polynesia      | 2015             | 4.6               |  |
| Kiribati              | 2016             | 5.6               |  |
| Marshall Islands      |                  |                   |  |
| Micronesia, Fed. Sts. | 2013             | 1.9               |  |
| Nauru                 |                  |                   |  |
| New Caledonia         | 2015             | 2.7               |  |
| Palau                 | 2018             | 3.1               |  |
| Papua New Guinea      | 2012             | 2.2               |  |
| Samoa                 | 2019             | 4.1               |  |
| Solomon Islands       | 2018             | 2.6               |  |
| Tonga                 | 2014             | 10.2              |  |
| Tuvalu                | 2008             | 2.1               |  |
| Vanuatu               | 2011             | 3.1               |  |

## ICT goods imports (% total goods imports) - Papua New Guinea, Samoa, Tuvalu, Tonga, Marshall Islands, New Caledonia, Palau, Solomon Islands, Vanuatu, Fiji, French Polynesia, Kiribati, Micronesia, Fed. Sts., Nauru

United Nations Conference on Trade and Development's UNCTADstat database at [unctadstat.unctad.org/ReportFolders/reportFolders.aspx](https://unctadstat.unctad.org/ReportFolders/reportFolders.aspx).

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Economic and social impact of the ICT in the Pacific, 2015  
([https://www.theprif.org/sites/default/files/documents/prif\\_pacific\\_ict\\_report.pdf](https://www.theprif.org/sites/default/files/documents/prif_pacific_ict_report.pdf))

# Loss of [the ICT – related] tariff revenue v. more affordable ICT products?



## It's Better to "Consume" Than "Produce" ICT

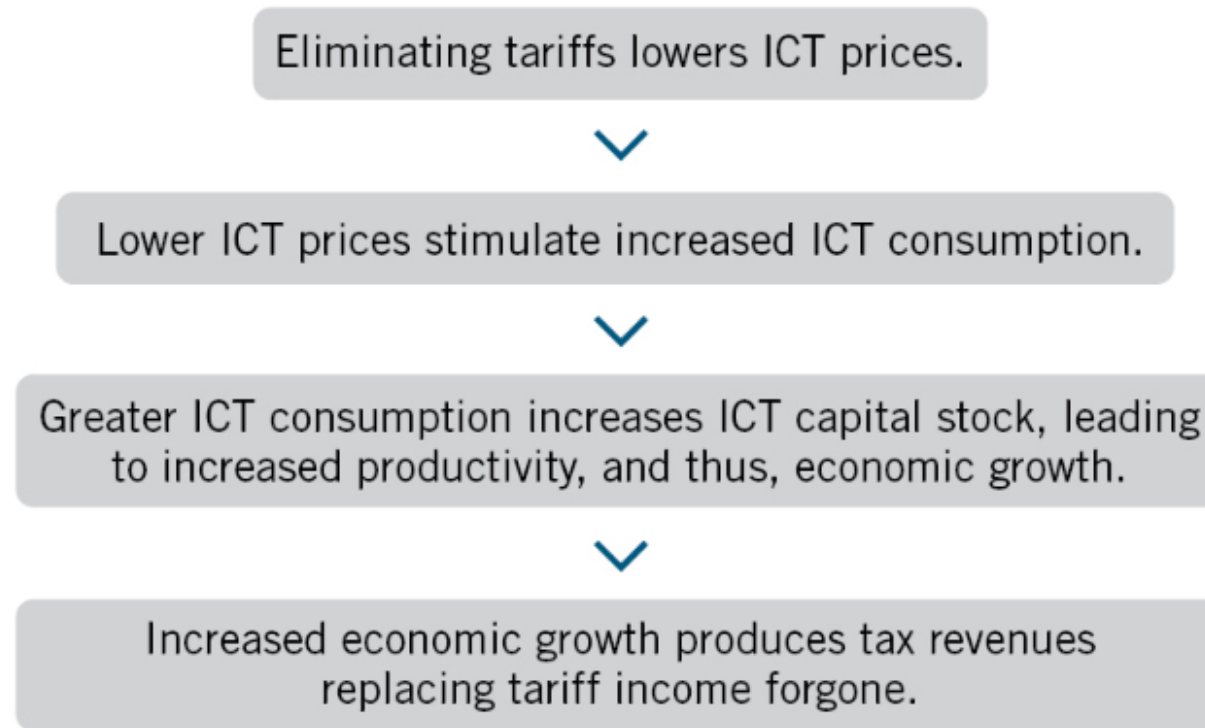
- The majority of the economic benefits from ICT are related to its use by organizations and consumers, rather than its production by tech firms.



<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/Jobs/RD-IT/49.pdf&Open=True>

# The ITA beyond the ICT manufacturing:

## Conceptual Framework for Economic Model



<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/Jobs/RD-IT/49.pdf&Open=True>