



STATEMENT ON THE THIRD WORLD TRADE ORGANIZATION MINISTERIAL CONFERENCE

September 1999

Information technology is rapidly becoming an engine of global economic growth. The global market for information and communications technology (ICT) totaled nearly U.S. \$2 trillion in 1997. This figure does not include the many goods and services currently being traded online – in the new form of trade known as electronic commerce. It is clear that information technology, including trade in software and services is an essential element of international trade.

WITSA strongly supports the World Trade Organization (WTO) and its objectives in creating an open trading system free of barriers. WITSA is committed to maintaining open markets, reducing protectionism and sustaining the momentum of liberalization achieved by the General Agreement on Tariffs and Trade (GATT)/WTO over the last forty years. The 1999 WTO Ministerial, to be held in Seattle provides an opportunity to embark on further liberalization of barriers to international trade, including trade in information technology goods and services.

Services: The “Built-In Agenda”

We urge trade ministers to launch the 2000 Round of trade negotiations, with a focus on liberalizing trade in services in a host of sectors including the information technology services sector. Broadly, WITSA calls for:

- The 2000 Trade Negotiation Round to achieve much broader coverage of services sectors through new or improved national schedules of commitments that go beyond the standstill agreements which characterize many of the Uruguay Round commitments.
- Ministers to closely monitor ratification and implementation of both sector agreements already signed and new agreements negotiated in the 2000 Trade Round.
- Countries seeking accession to the WTO make strong commitments to services liberalization.

Information Technology Services

The information technology services industry will be impacted by the negotiations in two ways. There will be a direct impact in that information technology services issues, themselves, may be the subject of negotiation. Secondly, but perhaps more important, industry sectors which information technology services serve will be further liberalized by a successful conclusion to the negotiations.

For the most part, the information technology services industry epitomizes competition and liberalization. The 2000 Services Round should work to insure that global markets for information technology services remain open and free of burdensome oversight and regulation.

As important as direct negotiation in information services is, equally important is the negotiation of substantial liberalization in the service sectors served by information technology services. Liberalization in the sectors served by information technology services means an expanded and more robust market. For example, the WTO Financial Services Agreement negotiated in 1997 has significant benefits for the global information technology services sector. At the time of the Agreement, the financial services information technology market worldwide was about U.S. \$200 billion. Expectations were that the Agreement itself would increase the market by approximately 30%.

Implementation and Expansion of Existing Commitments

Agreement on Basic Telecommunications

We call on trade ministers to fully implement the historic 1997 Agreement on Basic Telecommunications Services. Liberalized markets for basic telecommunications are the cornerstone to the penetration of the Internet worldwide at affordable rates.

Specifically, WITSA calls on WTO Members to:

- Fully implement and enforce the 1997 GATS Agreement on Basic Telecommunications, including the pro-competitive regulatory principles contained in the Reference Paper;
- Work to obtain meaningful market opening commitments from those countries that have yet to schedule commitments on basic telecommunications.
- Expand commitments from those countries that made less than full market-opening commitments.

TRIPs Agreement

Adequate protection for intellectual property is necessary for the continued growth of the digital economy. Ministers should call for the prompt and full implementation of commitments undertaken by WTO members under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). Resources should be allocated to monitor compliance with TRIPs. Countries that were provided transition periods in which to comply with TRIPs should do so by the agreed upon deadline. Compliance with those deadlines should not be reopened in future negotiations.

Information Technology Agreement (ITA)

Trade in information technology, including hardware and software, is an important and growing part of the global economy. Ministers should call for the full implementation of the historic 1997 Information Technology Agreement and encourage those countries which have not scheduled commitments to do so.

Transparency Agreement

The World Trade Organization (WTO) Singapore Ministerial in 1997 launched a Working Group on Transparency in Government Procurement charged with an initial study of the concept, to be followed by negotiations leading to a binding agreement. Since that time, the Working Group has completed the study phase, and in early 1999 started negotiating an agreement.

A binding transparency agreement would establish global norms for the open conduct of procurement by governments. The information services industry, as a key service provider to governments, has a deep interest in the early completion of these negotiations. In every region of the world, in virtually every country, information service providers are helping governments achieve their missions better, faster, and cheaper, and in some cases are transforming the very way government interacts with ordinary citizens. Setting worldwide principles of transparency in order to rationalize processes across all WTO member nations can bring significant benefits to citizens, taxpayers, government and political officials, providers and local, regional and global markets.

Procurement practices vary from country to country, ranging from totally open and transparent systems to systems cloaked in secrecy and lacking in real competition. Within the most open systems, world class providers are bidding to supply “best-in-class” solutions to help governments meet the challenges they face. In less open systems, bidders are often limited to those that have privileged access to information, or to the process itself. Taxpayers, citizens, government officials, and the local markets can be the beneficiaries or the victims of these differential practices.

WTO Ministers should call on Member Countries to:

- Participate in active negotiations at the WTO leading to completion of a binding agreement on transparency in government procurement at the Seattle Ministerial in 1999.
- Achieve early ratification and implementation of the agreement.
- Involve private sector representatives in the development of a regulatory framework for implementation.

Movement of Key Personnel

Companies engaged in international business confront a common barrier to conducting business activities -- difficulties in moving business personnel across borders. Barriers to the movement of skilled personnel add significantly to business costs, and prevent the effective distribution and use of a company's human resources. Problems moving key personnel have become more acute as companies have expanded their international activities and presence.

WITSA supports the creation of a predictable, harmonized and transparent system to allow for expedited mobility of business personnel. It is critical for WTO members that the new Round of GATS negotiations have the following items on its agenda:

- Under existing GATS commitments, definitions of personnel are neither clear nor consistent and therefore are often subject to arbitrary and discriminatory

application by regulatory authorities. Commitments are often limited by pre-employment criteria, economic needs tests, numerical quotas, and lack a specific time duration. All GATS signatories should agree on common terms for executives, managers and specialists under intra-company transfers;

- The establishment of a multilateral framework of principles and rules for facilitating the temporary movement of international assignees; and
- A procedure whereby WTO members offer specific commitments with respect to their statutes, policies and procedures affecting the temporary movement of international business personnel.

WITSA urges WTO Ministers to identify as a priority for the new WTO GATS 2000 round the negotiation of the reduction of government measures that impede or prevent the timely movement of business persons on a temporary basis among WTO members.

World Information Technology and Services Alliance (WITSA)

The World Information Technology and Services Alliance (WITSA) is a consortium of 39 information technology (IT) industry associations from economies around the world (list attached). As the global voice of the IT industry, WITSA is dedicated to:

- advocating policies that advance the industry's growth and development;
- facilitating international trade and investment in IT products and services;
- strengthening WITSA's national industry associations through the sharing of knowledge, experience, and critical information;
- providing members with a vast network of contacts in nearly every geographic region of the world; and
- hosting the World Congress on IT, the only industry sponsored global IT event.

Founded in 1978 and originally known as the World Computing Services Industry Association, WITSA has increasingly assumed an active advocacy role in international public policy issues affecting the creation of a robust global information infrastructure, including:

- increasing competition through open markets and regulatory reform;
- protecting intellectual property;
- reducing tariff and non-tariff trade barriers to IT goods and services; and safeguarding the viability and continued growth of the Internet and electronic commerce.

More information on WITSA is available on the World Wide Web at <http://www.witsa.org>.

The World Information Technology and Services Alliance (WITSA)

Argentina	Cámara de Empresas de Software y Servicios Informáticos (CESSI) http://www.cessi.com.ar
Australia	Australian Information Industry Association (AIIA) http://www.aiia.com.au/
Bangladesh	Bangladesh Computer Samity (BCS) http://www.samity.org
Brazil	Sociedade de Usuários de Informática e Telecomunicações - Sao Paulo (Sucesu-SP) http://www.sucesusp.com.br
Canada	Information Technology Association of Canada (ITAC) http://www.itac.ca/
China, Taipei	Information Service Industry Association of China, Taipei (CISA) http://www.cisanet.org.tw/english/index.html / http://www.worldcongress2000.org
Colombia	Colombian Software Federation (Federación Colombiana de Software - FEDECOLSOFT) http://www.fedecolsoft.org.co
Czech Republic	Association for Consulting to Business (Asociace Pro Poradenství v Podnikání - APP)
Ecuador	Association Ecuatoriana de Tecnologia de Informacion y Servicios (AETIS)
Egypt	The Co-operative Society for Computers of Egypt (CSCE)
Finland	Information Technology Services Association (Tietotekniikan Palveluliitto - TIPAL) http://www.tipal.fi/index.html
France	Syntec Informatique http://www.syntec-informatique.fr/syntec/ow/home.cgi
Germany	Bundesverband Informationstechnologien (BVITeV) http://www.bvit.de/home-eng.htm
Greece	Federation of Hellenic Information Technology Enterprises (SEPE) http://www.sepe.gr/sepe1en.htm
Hong Kong	Hong Kong Information Technology Federation (HKITF) http://www.hkitf.org.hk/
India	National Association of Software and Service Companies (NASSCOM) http://www.nasscom.org/index.html
Israel	Israeli Association of Software Houses (IASH) http://www.iash.org.il/
Italy	Associazione Nazionale Aziende Servizi Informatica e Telematica http://www.anasin.it/
Japan	Japan Information Service Industry Association (JISA) http://www.jisa.or.jp/
Lithuania	The Association of Lithuania's Information, technology, telecommunications and office equipment (INFOBALT) / www.infobalt.lt

Malaysia	Association of the Computer Industry (PIKOM) http://www.pikom.org.my
Mexico	Asociación Mexicana de la Industria de Tecnologías de Información (AMITI) http://www.amiti.org.mx/
Mongolia	Mongolian National Information Technology Association
Morocco	L'Association des Professionnels de L'Informatique de la Bureautique et de la Telematique (APEBI) / http://www.atlasnet.net.ma/forum-apebi/present.htm
Netherlands	Federation of Dutch Branch Associations in Information Technology (Federatie Nederlandse IT - FENIT) / http://www.fenit.nl/
New Zealand	Information Technology Association of New Zealand (ITANZ) http://www.itanz.org.nz/
Northern Ireland	Software Industry Federation in Northern Ireland (SIF) http://www.sif.co.uk
Poland	Polish Chamber of Information Technology and Telecommunications (Polska Izba Informatyki i Telekomunikacji - PIIT) / http://www.piit.org.pl/index_e.htm
Portugal	Associação Portuguesa das Empresas de Tecnologias de Informação e Comunicações (APESI)
Republic of Korea	Federation of Korean Information Industries (FKII) http://www.fkii.or.kr/english/index.html
Romania	IT&C Association of Romania (ATIC) http://www.softnet.ro/atic/
Singapore	Singapore Information Technology Federation (SITF) www.sitf.org.sg
South Africa	IT Association of South Africa (ITA) http://www.ita.org.za
Spain	Asociación Española de Empresas de Tecnologías de la Información (SEDISI) http://www.sedisi.es
Sweden	Swedish IT-companies' Organisation AB (Svenska IT-Företagens Organisation AB) http://www.sito.se/
Thailand	The Association of Thai Computer Industry (ATCI) http://www.bdg.co.th/atci/atcihome.htm
United Kingdom	Computing Services & Software Association (CSSA) http://www.cssa.co.uk/cssa/
United States	Information Technology Association of America (ITAA) http://www.ita.org/index.htm
Zimbabwe	Computer Suppliers' Association of Zimbabwe (COMSA)