



WITSA RESOLUTION  
on  
the successful conclusion of  
the World Trade Organization (WTO) Doha Round of trade negotiations,  
including an ambitious agreement in services.  
at the  
2008 World Congress on Information Technology  
In Kuala, Lumpur  
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WITSA expresses our strong support for the successful conclusion of the World Trade Organization (WTO) Doha Round of trade negotiations, including an ambitious agreement in services.

In particular, WITSA members urge all Governments involved in the WTO negotiations to seek from key trading partners full commitments in computer and related services to ensure access to growing opportunities in every market, among both the developed and developing countries. We also support Governments making full commitments in computer and related services to encourage global liberalization in this important sector.

Representing the information technology (IT) goods and services sector, WITSA sees great opportunities for the member companies of our member associations to participate in the worldwide marketplace for IT services, including software development. In addition to serving domestic customers, our members also have a growing business with customers around the world.

Full commitments in computer and related services would ensure nondiscriminatory market access to foreign markets so that our companies could fully leverage these opportunities.

In recent years, the computer and related services sector has experienced enormous growth and has become one of the central driving forces in the development of a knowledge-based economy. Computer and related services represent a fundamental sector for economic activity. These services are frequently considered as a tool for economic development because of their role in building infrastructure. Moreover, the

rapid growth of the computer services sector market has led to employment creation in both developing and developed countries. Finally, the liberalization of this sector helps economies to expand existing market activities and to develop new export markets.

In order to promote effective liberalization in this sector, considering the rapid technological advancement and possibilities for creation of new business models, we urge commitments in all modes of service delivery at the highest level possible (i.e. two digit CPC 84). Full commitments at the highest level will ensure the openness of this sector to the benefit of all Members making such commitments and further ensure that developments in this area remain robust and dynamic.

WITSA encourages Governments to work with other WTO Members to conclude the Doha Round, including strong commitments in computer and related services, as soon as possible<sup>1</sup>.

### **Benefits of Information Technology Services Liberalization**

#### **Why a country should make WTO commitments to fully liberalize trade in IT services**

- Application of information technology (IT) can help businesses and governments to:
  - Enhance productivity
  - Improve efficiency
  - Provide better service
  - Increase competitiveness
  - Reduce costs
  - Transform organizations.
- Facilitating access to information technology is an important way for countries to promote economic development and growth.
- Providing market access to IT and IT services can help attract Foreign Direct Investment (FDI).
- Many countries recognized this when they signed the Information Technology Agreement (ITA) to eliminate customs duties on IT products, which increase the cost of this important technology to businesses, government and consumers.
- IT services enable a business or government to obtain the benefits of information technology quickly and without making major investments to purchase, install, and operate its own computer equipment and without having to hire and retain a full IT staff.

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<sup>1</sup> WITSA notes, however, that in order to realize the full range of benefits from the liberalization of IT services, progress must be made in the movement of human capital, including tax negotiations in other fora.

- There is a growing trend for companies to purchase IT services instead of owning and maintaining their own IT infrastructure, to ensure access to the latest technology and applications and to concentrate on the operation of their core business.
- Granting full market access and national treatment to IT services provides businesses in all industry sectors access to the best IT services from around the world so that they can become competitive on a global basis.
- Countries may consider creating market access barriers for IT services in an attempt to protect and foster the development of a domestic IT services industry. However, this would be counter productive, increasing the cost of IT services to users while creating a domestic IT services industry that may not be competitive on a global basis.

**Why a country should request other WTO Members to fully liberalize trade in IT services**

- Liberalization of IT services globally will ensure access to export markets for countries that are making an investment in developing a local IT services capability.
  - The availability of export markets will reinforce the development of this important sector, which can enhance productivity and economic growth of the local economy and create desirable, high-skill, high-wage jobs.
  - Access to local IT support services may make it easier for companies to incorporate IT into their businesses, thus facilitating the realization of the many benefits of IT.
- Benefits can be gained even if a country does not make the strategic decision to develop its own software and IT services industry. Liberalization of IT services globally will foster the development of a highly competitive IT services industry. This will lower prices and encourage innovation, benefiting businesses and governments that use these services and ultimately translating into benefits for consumers.

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