

July 23, 2013

The Honorable WANG Yang
Vice Premier
People's Republic of China

Dear Vice Premier Wang:

Representing thousands of companies from around the world that assign great importance to our trade and investment relations with China, our associations are writing you regarding China's participation in the negotiations to expand product coverage of the Information Technology Agreement (ITA).

Despite tremendous progress over the past year, the ITA expansion talks were suspended in Geneva last week during what we had all hoped would be the final round of negotiations. As voiced by countries participating in the negotiations, this delay was necessary because China presented a disproportionately large product sensitivities list. In fact, it was more than twice as long as any other country's sensitivities list and included a request for the removal of roughly 100 product lines from the negotiating table.

Global industry regards the ITA as one of the most commercially successful World Trade Organization (WTO) trade pacts, contributing enormously to promoting jobs, increasing competitiveness, lowering consumer prices, boosting economic growth, and fostering innovation around the world. Unsurprisingly, global industry support for an expanded ITA continues to grow. Please see attached the most recent global industry statement supporting ITA expansion. There are now 81 associations from 31 economies and regions around the world on the statement.

While we appreciate China's involvement in this important initiative, your government's large sensitivities list has suddenly emerged as the chief obstacle to our shared goal of obtaining an ambitious ITA expansion outcome this year.

An ambitious, balanced, and commercially significant expansion of the ITA would provide an important boost to the WTO as an institution and the global economy. By one good estimate, ITA expansion would add \$190 billion to global GDP annually. As a significant player in the global tech industry, China stands to be one of the largest beneficiaries of an expanded ITA, which would give a boost to the Chinese economy and help to strengthen China's innovation capacity.

Mr. Vice Premier, we urge China to continue to view this moment in trade history as a leadership opportunity to bolster global commerce in information and communications technology goods, spur worldwide growth, and give greater relevance to the work of the WTO.

We would therefore appreciate your government taking this pause in negotiations to seriously consider a significant reduction in the size of China's sensitivities list, both qualitatively and quantitatively, and quickly return to the negotiating table with a list that will act as a catalyst for bringing this important initiative to a strong conclusion this year.

Given that it took 16 years to finally get serious about expanding the ITA, there is no assurance we will have another opportunity to do this important work again anytime soon. Consequently, we must achieve ambitious results now. We look forward to continuing to work with your government to ensure a successful, mutually beneficial ITA expansion outcome.

Sincerely,



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Director General
European Semiconductor
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David Chen
President
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Calman J. Cohen
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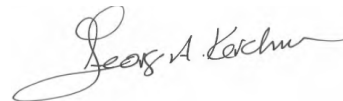
Tsutomu Handa
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Sandy Kennedy
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Brian C. Toohey
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Stephen J. Ubl
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Ken Wasch
President
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Attached: Global Industry Statement Supporting ITA Expansion

CC: The Honorable GAO Hucheng, Minister, Ministry of Commerce
The Honorable LOU Jiwei, Minister, Ministry of Finance
The Honorable MIAO Wei, Minister, Ministry of Industry and Information Technology
The Honorable LIU He, Vice Minister, National Development and Reform Commission