

December 4, 2013

His Excellency Li Keqiang
Premier
People's Republic of China

Dear Premier Li:

Our associations represent tens of thousands of companies from around the world that assign great importance to our trade and investment relations with China. We are writing to urge your government to actively help steer the negotiations to expand product coverage of the Information Technology Agreement (ITA) to a successful conclusion as soon as possible.

As a leading manufacturer and exporter of technology products, China stands to be one of the largest beneficiaries of an expanded ITA. Trade data demonstrate the current ITA has helped generate significant benefits for China. According to the World Trade Organization (WTO), China's share of global exports of information technology products has grown from 2.2 percent in 1996 to 27.5 percent in 2010. An expanded ITA would similarly contribute to the Chinese economy and help strengthen your country's innovation capacity.

As you may know, the ITA expansion talks broke down in Geneva on November 21, despite tremendous progress over the past year by nearly all parties in the negotiation to achieve an ambitious outcome. In fact, virtually every negotiating member made significant and constructive compromises to achieve this goal at what was hoped to be the final round of talks last month.

Even though China took positive steps in October that helped bring an end to a three-month suspension in negotiations, it arrived in Geneva for the November talks with what appeared to be a narrow mandate, allowing only limited improvements to its list of import-sensitive products. That list continues to be more than twice as large as any other members' "sensitivities" list. Despite significant demonstrations of flexibility by others, China seemed unable to seek constructive compromises. The talks subsequently unraveled, making it impossible to reach an outcome by the targeted deadline of the WTO Ministerial in Bali this week. This came as a huge disappointment to all of us.

This was a confusing signal from China, coming shortly after the impressive reform objectives spelled out in the Third Plenum leadership communiqué, including a call for China to more deeply integrate itself into the global economy.

Global industry regards the ITA as one of the most commercially successful WTO trade pacts, contributing enormously to promoting jobs, increasing competitiveness, lowering consumer prices, boosting economic growth, and fostering innovation around the world. Please see attached a global industry statement supporting ITA expansion that includes 81 associations from 31 economies and regions around the world.

Broadly speaking, a successful ITA expansion would increase the relevance of the WTO as a champion of trade liberalization. Indeed, a successful ITA expansion deal would represent the first market-access agreement in the WTO in nearly two decades. More specifically, it would also send a strong signal to the world that China is ready and willing to be a constructive participant in other international trade talks.

Mr. Premier, we respectfully urge China to view this moment as an historic opportunity to foster global commerce in information and communications technology goods, spur worldwide growth, and give a much-needed boost to the WTO. We therefore ask your government to promptly return to the negotiating table with a more forward-leaning, ambitious approach that can act as a catalyst for bringing this important initiative to a strong and swift conclusion.

ITA expansion will spur economic growth, create jobs, and drive innovation the world over. These are objectives we all share. We look forward to continuing to work with your government to ensure a successful, mutually beneficial ITA expansion outcome.

Sincerely,



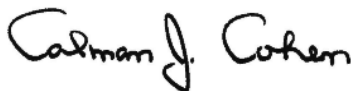
Hendrik Abma
Director General
European Semiconductor
Industry Association



Takahisa Awajitani
Executive Director
Battery Association of Japan



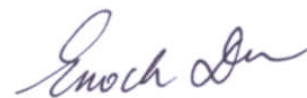
Markus J. Beyrer
Director General
BUSINESSEUROPE



Calman Cohen
President
Emergency Committee for
American Trade



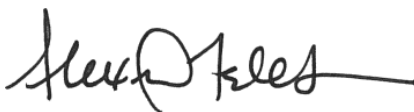
Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce



Enoch Du
Secretary General
Taipei Computer
Association



Kiyoshi Ebizuka
President
The Japan Electrical
Manufacturers' Association



Alexander C. Feldman
President
US-ASEAN Business Council



Evan R. Gaddis
President and CEO
National Electrical
Manufacturers Association



Michael D. Gallagher
President and CEO
Entertainment Software
Association



Dean C. Garfield
President and CEO
Information Technology
Industry Council



Karna Gupta
President and CEO
Information Technology
Association of Canada



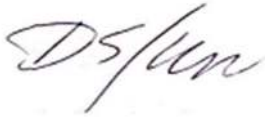
Nguyen Phuoc Hai
General Secretary
Vietnam Electronic Industries
Association



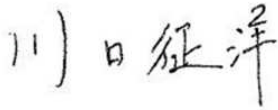
Tsutomu Handa
President
Japan Electronics &
Information Technology
Industries Association



John Higgins, CBE
Director General
DIGITALEUROPE



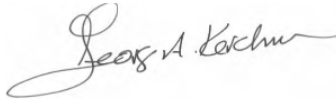
Dong-Soo Jun
Chief Executive Officer
Korea Semiconductor
Industry Association (KSIA)



Yukihiro Kawaguchi
Secretary General
Japan Business Council in
Europe



Sandy Kennedy
President
Retail Industry Leaders
Association



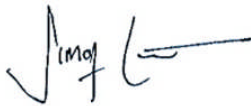
George Kerchner
Executive Director
Rechargeable Battery
Association



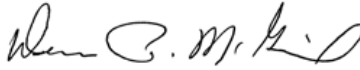
Norihiro Kono
President
Japan Information Technology
Services Industry Association



Dan C. Lachica
President
SEIPI, Semiconductor and
Electronics Industries in the
Philippines



Simon Little
Managing Director
The Interactive Software
Federation of Europe (ISFE)



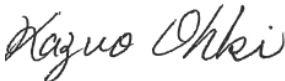
Dennis McGuirk
President and CEO
SEMI



Hideo Nakanishi
Executive Managing
Director
Japan Business Machine and
Information System
Industries Association



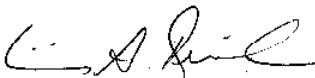
Joy Nott
President and CEO
Canadian Association of
Importers and Exporters



Kazuo Ohki
President
Communications and
Information Network
Association of Japan



Shawn Osborne
President and CEO
TechAmerica



William A. Reinsch
President
National Foreign Trade
Council



Paola Restrepo Ospina
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Industry Federation
(FEDESOFIT)



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Chamber of Industry of
Costa Rica



Matt Roberts
Managing Director
United States Information
Technology Office



Peter M. Robinson
President and CEO
United States Council for
International Business



Shaifubahrim Saleh
President and CEO
PIKOM, National ICT
Association of Malaysia



Ulf Schneider
President
Singapore Semiconductor
Industry Association



Grant Seiffert
President
Telecommunications Industry
Association



Gary Shapiro
President and CEO
Consumer Electronics
Association



Jim Taggart
President and CEO
Electro-Federation Canada



Brian C. Toohy
President and CEO
Semiconductor Industry
Association



Stephen J. Ubl
President and CEO
AdvaMed



Ken Wasch
President
Software & Information
Industry Association



Ronnie NH Wong
Chief Operating Officer
Association of Electronic
Industries in Singapore

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 Xu Shaoshi, Minister, National Development and Reform Commission
The Honorable Cui Tiankai, Ambassador of the People's Republic of China to the United States