

TRADE AND CE: SEEKING GREATER MARKET ACCESS FOR CONSUMER ELECTRONICS PRODUCTS

The consumer electronics (CE) industry is a global industry that relies on a multinational effort to achieve research, development, design, sourcing, production, testing, packaging and distribution of its products. As such, CEA supports free trade policies and has strongly advocated on behalf of greater market access through the elimination of tariff and non-tariff barriers. CEA also supports appropriate standards to ensure responsible labor and environmental practices.

As the representative of the \$161 billion consumer electronics industry, CEA believes open international markets with other nations are vital to the continued expansion of the CE and high-tech industries. Existing free trade agreements (FTAs) have allowed greater access to other markets by eliminating harmful tariffs and establishing a level playing for American companies and workers. This has allowed companies to more easily facilitate operations in those markets by improving intellectual property rights, standards and increased transparency. Future agreements, created by free and open trade, will not only open additional untapped markets, but also allow these industries to continue to create high-paying U.S. jobs and positively contribute to the U.S. economy.

CEA Trade Policy Priorities:

- **Pursuing Bilateral Free Trade Agreements (FTAs)** – Though a multilateral approach is certainly best, in the absence of an agreement in the Doha Round of the WTO, bilateral FTAs offer the next best way to open foreign markets to small U.S. businesses. FTAs create sales opportunities, reduce costs and diminish uncertainties associated with exporting to new markets. FTAs implement intellectual property rights standards, establish substantive investment protections, and provide increased transparency for U.S. exporters. CEA urges Congress to pass the pending FTAs with Colombia, Panama and South Korea.
- **Reauthorizing Trade Promotion Authority (TPA)** – Without TPA our trading partners will be reluctant to negotiate trade pacts with the United States. Absent TPA, America's hands will be tied and the U.S. will fall behind the European Union, Brazil, China and other countries currently negotiating FTAs at an unprecedented pace.
- **Eliminating Non-Tariff Trade Barriers** – The U.S. must continue to work with our trading partners to reduce and eliminate non-tariff barriers to trade. Examples of these include cumbersome customs regulations, corrupt government procurement processes, and most recently, a proliferation of divergent or non-harmonized approaches to environmental standards, among others. These non-tariff barriers hinder trade and burden CE companies with unnecessary compliance costs.
- **Upholding and Enforcing Trade Agreements** – In addition to pursuing new agreements, the U.S. must commit to maintaining and enforcing those agreements already in place. While the global high-tech industry remains hopeful that a global electronics sectoral negotiation to eliminate tariff and non-tariff barriers for the electronics sector can take place within the Doha Development Round, in the interim the United States must take an aggressive stance to protect products already covered by the WTO's Information Technology Agreement (ITA). The ITA covers over 97 percent of world trade in information technology products, and provides for the elimination of duties on those covered products. However, as technology has evolved the European Union claims that some products in the ITA do not apply to the next generation of covered products. It is crucial to uphold the provisions of the ITA that allows for future developments of IT products and enable companies to enjoy the full scope of the agreement's intended duty-free benefits.