



Opportunities for U.S. Information and Communication Technology Goods



Information and Communication Technology (ICT) Goods include products covered by the World Trade Organization's Information Technology Agreement (ITA), including products covered by both the original ITA and the subsequent expansion negotiations, as well as other products such as optical fibers, audio-video equipment, television reception apparatus, coaxial cable, and batteries

Key Market Access Benefits

Japan will eliminate import taxes on **100%** of U.S. ICT exports **immediately**

Malaysia will eliminate import taxes on **99.5%** of U.S. ICT exports **immediately**

New Zealand will eliminate import taxes on **98.8%** of U.S. ICT exports **immediately**

Vietnam will eliminate import taxes on **96.9%** of U.S. ICT exports **immediately** and **100%** within **4** years

U.S. ICT Exporters Currently Face Barriers in New TPP Markets**

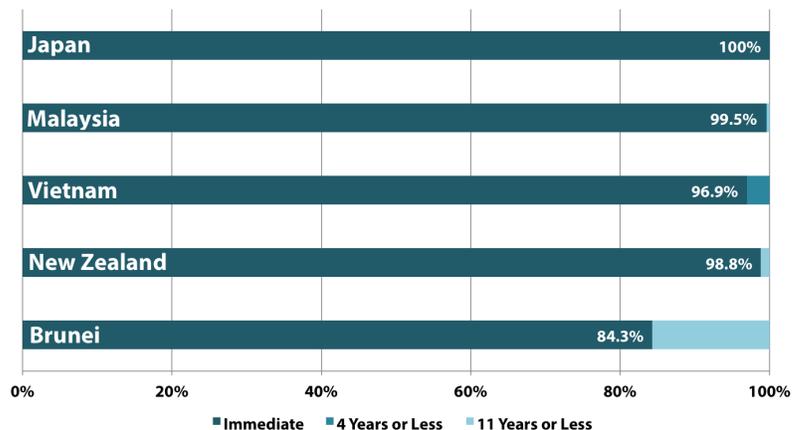
\$10.0 Billion in U.S. ICT Exports to New TPP Markets in 2015

ICT Exports Face Tariffs in New TPP Markets Up to **35%**

Border Delays, Red Tape, and Other Customs Inefficiencies **Increase Costs** and Impede the Flow of U.S. Exports Throughout the Region

99.6% of U.S. ICT Exports to New TPP Markets will Enjoy Duty-Free Access Immediately

Share of Exports by Tariff Elimination Basket



* **TPP Countries:** Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam

** **New TPP Countries:** Countries with which the United States currently does not have preferential market access – Brunei, Japan, Malaysia, New Zealand, and Vietnam

Importance of the U.S. ICT Sector

686,000 U.S. ICT Workers in 2015

\$175.3 Billion in U.S. Production in 2014

\$92.6 Billion in U.S. ICT Exports to the World in 2015

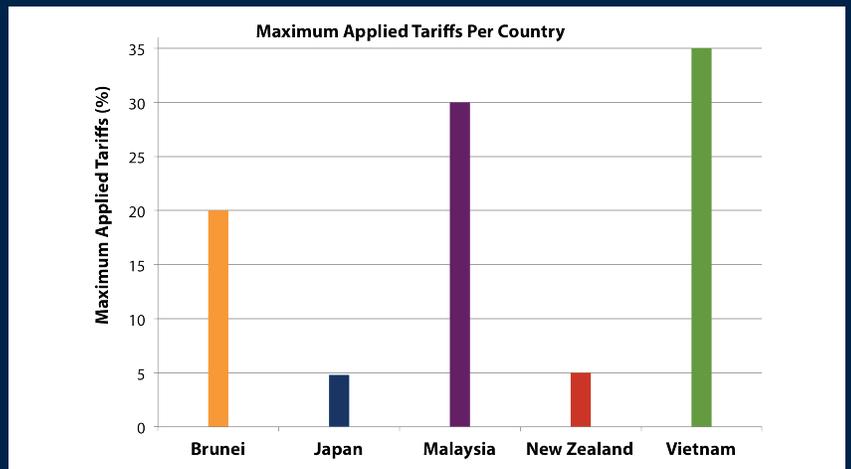
U.S. ICT Exports to the to the World Grew by **16%** between 2009 – 2015

38% of Total U.S. ICT Exports to the World in 2015 Went to the TPP Region

New TPP Partners are Significant Markets for U.S. ICT Exports

Japan	\$4.8 Billion
Malaysia	\$4.6 Billion
Vietnam	\$523 Million
New Zealand	\$113 Million
Brunei	\$11 Million

U.S. ICT Exports Currently Face High Barriers in New TPP Markets . . .



. . . Which Will be Eliminated Under TPP

Opportunities for Selected ICT Products



Trade in Digital Products

Not only will TPP eliminate tariffs on ICT goods, but it will also ensure that the content transmitted over those technologies is also duty-free. Under TPP, any digital content (music, software, movies, etc.) shall be duty-free.

For more information:

<http://www.trade.gov/fta/tpp/industries/pdfs/service.pdf>



ITA Membership

Under TPP, Brunei, Chile, and Mexico agreed to seek membership to the World Trade Organization's Information Technology Agreement (ITA), thereby eliminating all tariffs on information technology products on a most-favored nation basis, not just those traded within the TPP. Additionally, all future TPP parties will be required to join the ITA.

TPP Commitments Will Make it Easier to Sell More Made-in-America Products

► Saves Time



- **Customs Procedures:** TPP provides for transparent and predictable customs regulations to facilitate the quick release of goods, and promotes regional supply chains. This includes special features to support small business exporters, including extra facilitations to speed express delivery.
- **Rules of Origin:** TPP provides common rules of origin to ensure that TPP benefits go to the United States and other TPP countries, not China or other non-members.
- **Digital Economy:** TPP is the most ambitious and advanced digital trade agreement the United States has ever concluded. TPP establishes requirements that support a single, global Internet, including ensuring a free flow of data across borders. TPP also provides for non-discriminatory treatment of digital products transmitted electronically, and commits TPP countries not to impose customs duties on digital products.

Click here to learn more about TPP and the Digital Economy:
<http://www.trade.gov/fta/tpp/industries/pdfs/service.pdf>

► Reduces Costs



- **Investment:** TPP ensures that U.S. investors have the same kinds of protections in TPP markets that the United States already provides investors here at home, such as due process, non-discrimination, and just compensation in the event of expropriation.
- **Remanufactured Goods:** TPP ensures that remanufactured products receive the same treatment as new goods. Inclusion of provisions on remanufactured products is a new discipline for many TPP countries.

► Promotes Fairness



- **State-Owned Enterprises (SOEs):** TPP develops rules to ensure that U.S. private sector businesses and workers are able to compete on fair terms with SOEs engaged in commercial activity. These include ensuring that SOE commercial purchases and sales take place on the basis of commercial considerations and that SOEs and designated monopolies do not discriminate against U.S. enterprises, goods, and services, while at the same time ensuring that U.S. SOEs providing public services continue to operate without interference.
- **Intellectual Property Rights:** TPP establishes strong and balanced protections for patents, trademarks, copyrights, and trade secrets, including safeguards against cyber theft of trade secrets, as well as robust enforcement that will protect innovation and the 40 million American jobs that are directly or indirectly tied to innovation. TPP goes beyond past trade agreements to require Parties to criminalize the theft, including cyber theft, of trade secrets.
- **Government Procurement:** TPP guarantees new market access to government procurement markets in TPP countries and ensures fair, transparent, and non-discriminatory rules for covered procurement.



Want to learn about the tariff for your specific product in the TPP? Visit the FTA Tariff Tool at
<http://www.export.gov/fta/ftatarifftool/>

TPP Implementation Offers New Opportunities for U.S. Exporters

Market Opportunity Spotlight

Brunei – ICT

Driven both by government intervention and consumer demand, Brunei's information and communications technology industry continues to grow. Brunei's market is very dependent on imports and U.S. products are traditionally well-received. There are more mobile telephones in Brunei than residents and over 70% of the population has access to the Internet. The ICT sector has been identified as a potential area for economic diversification and the government of Brunei is seeking to increase the ICT sector's contribution to the GDP of Brunei by 6% in 2015. The best prospects within the ICT sector are government projects including software development and data centers.



Market Opportunity Spotlight

New Zealand – ICT

ICT, including subsectors telecommunications, IT hardware, IT software, IT services, Internet services and wireless technologies, is viewed as a key tool by the New Zealand Government to increase local productivity and enhance innovation. U.S. brands are highly visible and enjoy a high receptivity by New Zealanders. U.S. suppliers of hardware represent approximately 50% of New Zealand's ICT imports. Increased demand is forecasted to follow international technology trends and mirror population increases.



ICT Goods Companies Across the United States Export to the TPP Region

