

Dear all,

As you are well aware, EICTA is a strong advocate of free and unrestricted trade of ICT and consumer electronics products across the globe, which includes the removal of tariff and non-tariff barriers around the world (including in the EU). The Trade Policy Group has been working intensively over the past few years to support the European Commission, as the trade authority of the EU, in furthering this goal. At the same time, we have been working – and often fighting – with the Commission with regards to interpretation of the Information Technology Agreement (ITA) which sometimes leads to customs classification decisions which penalise many of our member companies. There is a growing number of such customs classification disputes with which we are currently having to deal.

At the same time, we face a growing rift between EICTA members that import products into the EU which are sometimes wrongly classified into dutiable categories, and members that advocate the dismantling of non-tariff barriers in other parts of the world as a prerequisite to the removal of existing tariff barriers in the EU.

There is growing dissatisfaction within the membership with regard to the policy of EICTA concerning the maintenance and future reform of the ITA, and with regard to the articulation of that policy. While we are actively engaged with decision-makers at all levels, including at Commissioner level, there is a clear need for a full and transparent discussion of the political considerations of our stance, beyond the short term classification disputes. In addition, the strong support and active lobbying of some EICTA members in favour of a possible panel dispute against the European Union being brought by the USA in the WTO, has further polarised views, and has led to a misunderstanding of the role and positioning of EICTA in the EU political process.

Following discussions in recent days with members of the Executive Board representing the various viewpoints within EICTA, I will be asking the Board to discuss this key issue at the next Board meeting on December 4<sup>th</sup>, with a view to providing guidance to the Trade Policy Group and to the management of the organisation in relation to the issues of maintenance of the ITA, future reform of the ITA, and the potential trade dispute in the WTO.

Sandra Alverà, who is responsible for Trade Policy for the organisation, and myself, will work with the Chair and Vice Chairs of the TPG in the next two weeks to prepare for the Board discussion, in the hope that we can build stronger consensus on all points, and advocate and articulate the views of European industry in a strong and effective manner.

Best regards,

Mark MacGann