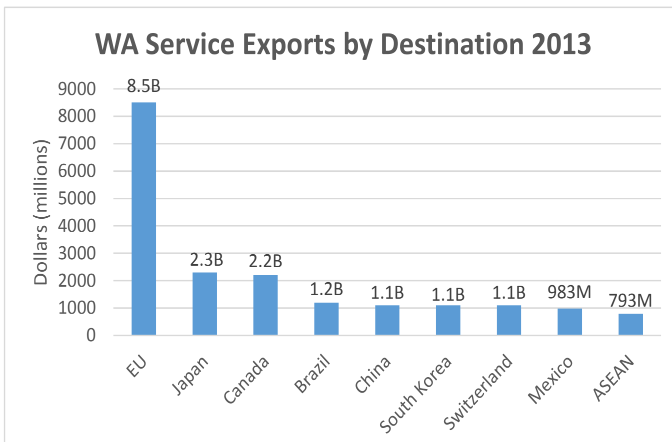
Liberalize Trade Through the WTO
POLICY FACTSHEET

Why it matters to WASHINGTON

TiSA:
Washington state stands to gain significantly if services trade is liberalized. Our state is the fifth largest exporter of services in the U.S. and exported $26.2 billion in services in 2014.[3] The computer software sector led the way, exporting $11 billion.[4] Other leading services exports include international tourism, foreign student education and professional services like law, finance and accounting. Services industries represent almost 43% of Washington's GDP, but less than 27% of total state exports, which means that there are tremendous opportunities to increase trade by Washington state service providers.[4]

Environmental Goods Agreement:
Washington's clean tech and environmental sector is booming, accounting for 101,500 Washington jobs. In fact, it is one of our fastest growing industry sectors. An Environmental Goods Agreement would further escalate this sector's growth while spurring investment in clean technologies, lowering the cost of environmental protection, and helping lower carbon emissions.



Trade Facilitation Agreement:
Complicated and opaque customs procedures in different countries inflate the cost of trade, especially for small businesses. In Washington, 90% of our exporters are small and medium-sized businesses. The TFA would simplify trade and reduce costs for these exporters. Though TFA negotiations concluded, we need to make sure the deal is fully implemented.

POLICY FAQs

1. What would a services trade agreement include?
A comprehensive TiSA would build upon the achievements of the General Agreement on Trade in Servces (GATS), improving market access and creating new and enhanced services trade rules. The agreement would be comprehensive with no exclusion of services sectors and would eliminate barriers such as restrictions on foreign investments and nationality requirements. The agreement would also facilitate the movement of people who work as service providers and improve cross-border data flows.

2. How would services trade liberalization impact the computer software and IT industry?
Intellectual property rights protection is a major concern for exporters in the computer software and IT services industry. Many emerging economies do not have strong IP enforcement mechanisms, which reduces revenues and poses a significant barrier to trade for software and IT companies. A potential TiSA could improve IP protection in the participating countries, increasing exports for software and IT companies. An agreement will also improve and expand cross-border data flows and increase transparency.

3. What countries would be included in TiSA?
The current partners negotiating the agreement are: United States, the EU, Australia, Canada, Chile, Colombia, Costa Rica, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, South Korea, Switzerland, Taiwan and Turkey.

4. What are the benefits of EGA?
The Environmental Goods Act can increase environmental protections by boosting global trade in green goods and services by making these technologies cheaper and more easily accessible. It can also help to make cities more sustainable and reduce dependency on fossil fuels.[5] Washington has a large clean tech sector which will be positively affected by EGA. Examples of Washington companies that could benefit are: Uni-Energy Technologies, Decagon, and Itron.

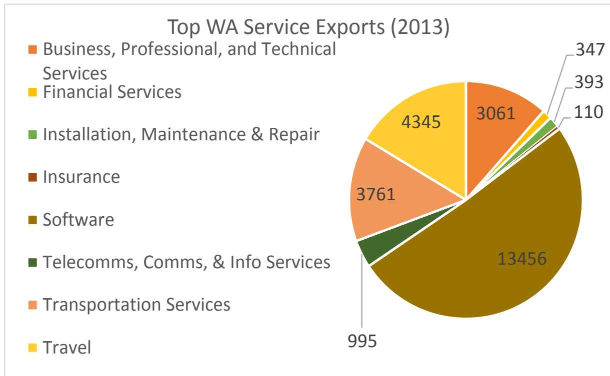
5. What countries would be included in EGA?
The countries in the EGA are: Australia, Canada, China, Costa Rica, Chinese Taipei, the European Union, Hong Kong (China), Japan, Korea, New Zealand, Norway, Switzerland, Singapore, United States, Israel, Turkey and Iceland.

3 U.S. Chamber of Commerce, tradesupportsjobs.com | 4 Washington Council on International Trade and Trade Development Alliance of Greater Seattle, "International Competitiveness Strategy for Washington State," 2012 | 5 Outdoor Industry Association. Outdoor Recreation Economy 2014

POLICY RECOMMENDATIONS

An ideal TiSA would:

- Be comprehensive in scope and exclude no mode of supply or service sector
- Improve market access and lower barriers to entry such as nationality requirements and restrictions on foreign investment
- Remain relevant into the future by being flexible enough to address new issues
- Ensure that data can cross borders freely under a consistent, transparent framework
- Level the playing field by ensuring state-owned enterprises (SOEs) operate solely on commercial terms



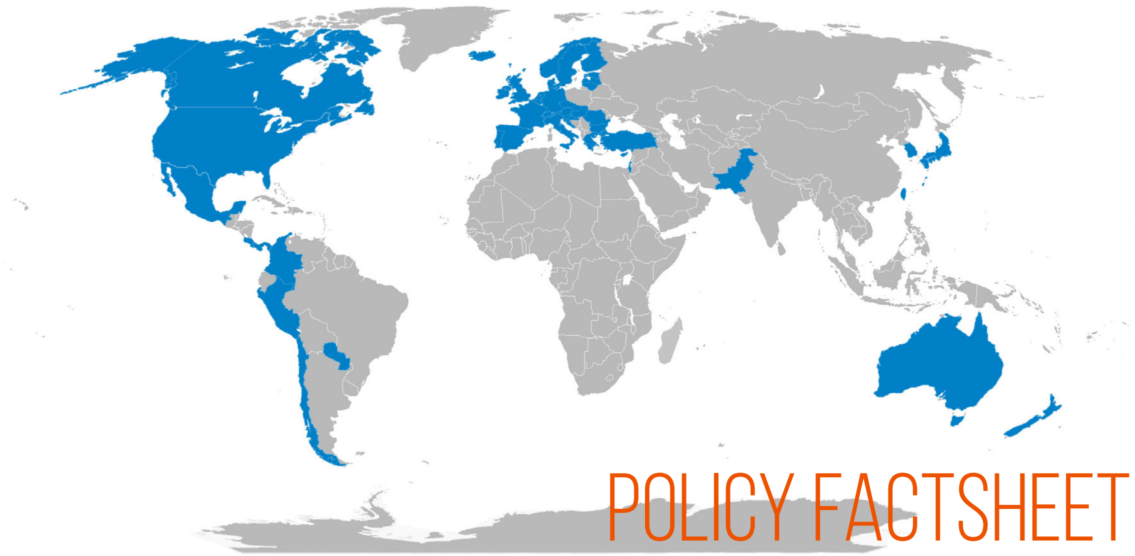
An ideal EGA would

- Build on the commitment President Obama and leaders of the Asia-Pacific Economic Cooperation (APEC) made to reduce tariffs on a list of 54 environmental goods
- Be flexible to include new environmental technologies in the future
- Establish a strong framework that would allow new countries to join to expand trade in environmental goods

Washington Council on International Trade
www.wcit.org
@WashingtonTrade
1301 Fifth Avenue, Suite 1500
Seattle, WA 98101

WCIT

LIBERALIZE TRADE THROUGH THE WTO



POLICY FACTSHEET

Background

There are several trade agreements under negotiation or waiting for implementation that would be particularly beneficial to the U.S.: the Trade in Services Agreement (TiSA), the Trade Facilitation Agreement, and the Environmental Goods Agreement.

TiSA is an agreement under negotiation between more than 50 countries in the WTO that represent more than 70% of global services trade. TiSA presents the best opportunity in two decades to improve and expand global services trade. The U.S. is the largest exporter of services in the world[1] and boasts an annual services trade surplus of over $213 billion.[2] As the U.S. economy becomes increasingly services-based, our international competitiveness hinges on our commitment to investing in and growing our service exports.

The Trade Facilitation Agreement, concluded in December 2013, was the first agreement concluded by all WTO members. The TFA would reduce total trade costs by streamlining the flow of goods across borders and reducing red tape. Though the TFA would result in big gains for both developed and developing countries, it has not yet been implemented.

The Environmental Goods Agreement is a trade agreement that would eliminate all tariffs on environmental goods and services among countries that represent 86% of global trade in environmental goods. If passed it would lower the cost of environmental protection, open opportunities for U.S. exporters and spur innovation in green technologies.

1 World Trade Organization | 2 U.S. Department of Commerce, Economics and Statistics Administration, 2011