



ICT

The Australia-United States Free Trade Agreement (AUSFTA) came into force on 1 January 2005. The AUSFTA is a landmark agreement that gives Australian businesses expanded access to the world's largest importer and investor. Significant export opportunities have been created through the reduction of tariffs, the increase of specific quotas, the easing of market restrictions and the streamlining of investment processes.

AUSFTA and ICT

The Agreement offers significant opportunities to Australian ICT companies. One of the most important outcomes for the services sector is the obligation to provide 'national treatment'. This means that Australian businesses will be able to compete in the US market on equal terms with their US ICT competitors. A number of measures that are likely to have a positive effect on increasing US interest and confidence in investing and partnering with Australian companies include bringing intellectual property (IP) protection in line with the US standards, enhancing IP enforcement, and reducing differences in law and practices.

The Agreement recognises the opportunities for economic growth presented by electronic commerce, the avoidance of barriers to its use and development and the application of WTO rules to electronic commerce. Both parties have agreed not to impose customs duties on digital products (products digitised, or electronic, form), or to discriminate in favour of one form of the same digital product over another. An online soundtrack, for example, will not be taxed differently to the same soundtrack on a compact disc.

The Agreement also established a consultative mechanism on ICT issues. The United States and Australia will meet annually (or otherwise if mutually agreed) to review relevant developments in market access, market structure, technological innovation and standards development, domestic regulation, and international policy trends in telecommunications and information technology. Discussion may include, but is not limited to, developments in market structure, convergence, technological innovation including in relation to advanced wireless services, Internet charging, voice over Internet protocol, broadband, number portability and digital products.

US ICT Market Summary (please see separate fact sheet on Government Procurement)

The US market is the world's largest producer and consumer of information and communications technology products and services. It is a highly competitive market attracting an array of domestic and international companies all competing for a share of the market. There is opportunity for innovative technology solution providers to establish or expand a regional position.

Corporate IT spending priorities include network security, enterprise application integration, web services applications, business and technical simulation. IT solutions that lead to cost savings, productivity and improved efficiencies are in demand. Non-enterprise opportunities exist for intelligent transportation systems, wireless applications, gaming & entertainment, and many niche applications.

Rules of Origin

Under the AUSFTA only goods originating or substantially transformed in Australia or the US are eligible for the agreed preferential rate, with detailed rules of origin specified to determine whether a good qualifies (for further information see below).

Austrade Support in the United States

Throughout 2005 Austrade will substantially expand its US presence to help Australian companies capitalize on opportunities arising from the AUSFTA:

- ❑ Austrade's ICT products team is represented across the USA to provide greater reach into this lucrative market
- ❑ The areas of focus for our team include intelligent transportation systems, electronic entertainment, e-learning, financial services, data security, healthcare IT, wireless and selling to Government
- ❑ Trade events with an ICT focus targeted by Austrade are:
 - Healthcare IT - HIMSS
 - Education IT and e-Learning - NECC
 - FOSE Government Procurement



- Electronic Entertainment – E3
- Visit by ICT team experts to Australia during 2005

Key contacts and further information

- For advice on exporting to the US market contact Austrade on 132 878 or visit www.austrade.gov.au
- For guidance on the AUSFTA content please contact the [Department of Foreign Affairs and Trade](http://www.dfat.gov.au) on 02 62613089 or email US_FTA@dfat.gov.au
- For Australian tariff and rules of origin information contact [Australian Customs](http://www.austrade.gov.au) Service on 1300 363 263
- US tariff schedules also available from [US international Trade Commission](http://www.usitc.gov) .
- Binding rulings for US tariff levels are available only from [US Customs Border Protection](http://www.uscbp.gov)
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