



Canadian
Services
Coalition



COALITION OF
SERVICES
INDUSTRIES



Hong Kong Coalition
of Service Industries
香港服務業聯盟



CSI

台灣服務業聯盟
Taiwan Coalition of Service Industries

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At the fifth Global Services Summit concluded on October 30, 2013 in Washington DC, participants reiterated the importance of services as the cornerstone of the global economy. This year's Summit, "Pushing the Frontiers of Services", drew together over three hundred individuals. It provided business leaders and senior governmental representatives from around the world with an opportunity to discuss how services are dramatically changing the economic landscape and how governments can remove impediments to the international supply of services. Currently, services represent two thirds of global output and almost 20 percent of global trade.¹

The members of the Global Services Coalition (GSC) who are listed below have much at stake in the functioning of the multilateral system of rules governing international trade. We therefore strongly encourage the members of the World Trade Organization (WTO) to achieve agreement on their agenda at the Bali Ministerial and to set the stage for an ongoing post-Bali multilateral agenda. A successful Ministerial would restore the business community's confidence in the WTO and business interest in its

¹ http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm6_e.htm

work. In particular, we urge WTO members to approve a substantial trade facilitation package in Bali. This would have both a development dimension and a significant impact on the global value supply chain and the services businesses that contribute to it.

During the current stalemate in the WTO trade negotiations, many bilateral and regional trade agreements have been negotiated or are underway. In the absence of multilateral negotiations on services, our members believe that bilateral and regional approaches are vital for promoting expanded international trade and investment in services. This requires addressing new so-called “21st century” issues such as cross border data flows, forced localization requirements, and competition from state-owned and state-sponsored enterprises (SOEs). We would like to stress that the ultimate goal is to achieve a multilateral agreement that increases market access and establishes a trading system in services that takes into account the dramatic changes in technology and business practices that have emerged in the twenty years since the negotiation of the General Agreement on Trade in Services (GATS).

The undersigned members of the GSC are pleased that services have rightfully taken centre stage in both regional and bilateral trade negotiations. In particular, we believe that the current plurilateral negotiations on the Trade in Services Agreement (TiSA) will significantly boost the growth prospects for this vital sector of the global economy, opening new market access opportunities for business and serving as the new cornerstone for the rules governing services trade in the 21st century. Already, these negotiations cover an enormous services market with a total GDP of more than \$47 trillion. In 2011, nearly \$3.2 trillion in services were exported by the current TiSA negotiating parties².

While the current participants comprise a significant portion of global trade in services, the entry of additional negotiating partners who share TiSA’s high level of ambition remains essential for the agreement to achieve the critical mass support required for multilateralisation. Expanding the number of countries that are bound by 21st century services disciplines will provide the platform needed for more sustained economic growth and development, along with increased global employment, higher government revenues, and poverty reduction.

In that regard, the recent expression of interest by the Chinese government in the TiSA negotiations is encouraging as a sign of China’s

² <http://www.international.gc.ca/media/comm/news-communiques/2013/09/20a.aspx>

recognition of the importance of promoting international participation in China's services economy. China has the potential to add significant weight to the TiSA, and its participation has the potential to encourage other countries to join. The GSC supports consultations between the existing TiSA parties and the Government of China to explore China's participation in the TiSA at a level of ambition that matches and accepts the demanding goals set by the existing participants. We believe that one of the ways in which China can demonstrate its commitment to the level of ambition required is by accepting the already agreed core TiSA text and disciplines and by agreeing to table a high level initial offer going very significantly beyond its current GATS schedule and aiming at removing remaining market access impediments in services.

We wish to reiterate that the TiSA negotiations are extremely important to the global economy. They should provide a more unified set of rules and requirements to help address the serious issues created by the confusing rules and requirements in diverse trade agreements. The current environment poses serious challenges for regulated services seeking to meet conflicting regulatory requirements – the higher the degree of regulation, the greater the risk of serious international divergences in the requirements to be met. The same factors impose increasing burdens on small businesses with limited resources for compliance. It must be of the highest priority, therefore, for governments to work toward regulatory coherence for services industries in all of their agreements.

The Global Services Coalition includes:

Asociación Nacional de Empresarios de Colombia-ANDI
Australian Services Roundtable
Canadian Services Coalition
Coalition of Services Industries
European Services Forum
Hong Kong Coalition of Service Industries
Japan Services Network
Taiwan Coalition of Service Industries
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