



28th September 2005

GLOBAL SERVICES LEADERS URGE A REALIGNMENT OF PRIORITIES IN THE DOHA ROUND

(Geneva, Switzerland) Leaders of the Global Services Coalition, including representatives from Australia, the EU, Hong Kong, India, Japan, the U.S. and other countries, said today in Geneva that “progress on services negotiations is negligible, and called for an urgent effort to energize the negotiations and raise their profile. The Hong Kong Ministerial will not be a success if it does not agree on steps to augment the request/offer negotiating process and produce commercially meaningful trade expansion”.

In the services sector, progress has been unsatisfactory to date, with only 69 Initial Offers and 26 GATS Revised Offers, despite a 31 May 2005 deadline for submission. WTO officials, trade negotiators and business representatives agree that many of the GATS Offers submitted are of rather poor quality and will provide very few opportunities for economic growth. The Request/Offer Process is clearly not delivering sufficient progress. The private sector is concerned that the Doha Round seems unlikely to provide new business opportunities. Stalled progress in the Agriculture and Non-Agricultural Market Access (NAMA) talks gives further cause for alarm.

Despite our concerns, the Global Services Coalition remains optimistic. The services sector is the backbone of the economy in developed and developing countries alike. In sum, it represents about two-thirds of world GDP, US\$35 trillion in 2004. By scheduling deeper commitments in the GATS negotiations, WTO Members attract foreign direct investment and create an environment conducive to greater economic growth for all parties involved.

To achieve this, there is an urgent need to realign priorities and to raise the profile of the services negotiations among Trade Ministers. Some WTO Members are exploring new methods of negotiation to reinforce the existing bilateral Request-Offer process in the GATS. These proposals suggest minimum levels of liberalisation which most Members would be expected to accept. A complementary plurilateral approach would allow willing members to negotiate a critical mass of high quality commitments in sectors of particular interest. The Global Services Coalition welcomes these initiatives, but in any case the result must be a clear message from Ministers in Hong Kong that there needs to be commitment by spring 2006 to genuine new liberalisation. Complementary approaches must not delay the GATS negotiation

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