

31st March 2004

Subject: Services Industry Leaders Call for All WTO Members to engage in Services negotiations

Your Excellency,

As you may know, early last week leaders of service industry associations worldwide visited the World Trade Organization in Geneva. The delegation urged decision-makers to make progress on services negotiations in the context of the Doha Round. They appealed to negotiators to resolve agricultural issues that stand in the way of agreements on services.

Our delegation consisted of 45 major global services companies and associations from a wide range of service industries and countries. We made our case during two days of meetings with WTO leaders, ambassadors and senior officials from key developing and developed countries (see programme and list attached for your information – enclosures 1 & 2). A press release was also issued and discussed at a widely attended press conference (enclosure 3).

We emphasised the tremendously important role of the services sector in developed and developing economies alike. Even in low-income countries, services account for nearly 50% of GDP on average, while agriculture represents only 23% of GDP in developing countries. More than half of all global flows of foreign direct investment (FDI) are now in the services sector. FDI normally means investment in local companies, often with local partners. We noted that world trade in services is less than 25% of goods trade, a signal of the tremendous potential for growth in services trade if barriers are progressively removed.

Access to modern services (financial, professional and infrastructure, etc.) is essential to growth and development in any country. WTO commitments are undeniably effective in attracting FDI, sending a clear signal to global capital markets and investors from services companies. Better and deeper WTO commitments covering more services trade will benefit a wide variety of services having an impact on the daily life of citizens of all countries. Improvement in agriculture-related services will lead to greater productivity and increases in exports, especially from developing countries, which have the most room for growth.

For these reasons we are writing to you and each of your colleagues who represent WTO Members that have not yet tabled an initial GATS offer, to urge your country to do so as soon as possible. We ask you to consider that, first and foremost, services liberalisation is in your own interest.

Studies have shown that encouraging a more efficient services economy by lowering trade barriers will improve welfare in your own and in other countries. Therefore, we urge you to do your utmost to engage your country in the WTO services negotiations and participate actively in the request and offer exercise as soon as possible.

Yours sincerely,

- Ms. Jane Drake-Brockman, Executive Director, Australian Services Roundtable (ASR)
- Mr. Pascal Kerneis, Managing Director, European Services Forum (ESF)
- Mr. Alistair Abercrombie, Director, International Financial Services, London (IFSL)
- Mr. Hiroshi Kadota, Director General, JSN (Japan Services Network)/
Director, /Nippon Keidanren
- Mr. WK Chan, Secretary-General, Hong Kong Coalition of Service Industries (HK CSI)
- Mr. Robert Vastine, President, U.S. Coalition of Service Industries (US CSI)