



For immediate release

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Global Services Coalition: Progress in Services Negotiations Needed to Secure Business Support for Doha Round

(Geneva, Switzerland) Lord Vallance of Tummel, Chairman of the European Services Forum and head of a Global Services Coalition mission to Geneva, today expressed cautious optimism about the prospects for completion of the Doha Round. His comments, which followed a series of meetings with World Trade Organization (WTO) officials and Ambassadors, were tempered by his warning that much more progress is needed on services if a Doha Round trade deal is to gain the support of the Global Services Coalition (GSC).

Lord Vallance led a delegation of more than 40 executives and association representatives of the GSC, which includes the leading service industry associations from Australia, Brazil, Canada, the Caribbean region, Chile, EU, Hong Kong, Japan, India, New Zealand, Taiwan, and the United States.

"We feel a new sense of energy following the recent Davos meetings, the formal resumption of the Round, and our discussions here in Geneva," Lord Vallance said today. "At the same time, we must strike a note of caution; a success for services in the Doha Round will require much more work than just agreeing on formulae. The worst possible result for us would be that at some point in the coming weeks or months, some agreement is reached on agriculture and goods, without parallel progress in services, and that battle-fatigued negotiators will simply declare victory and go home."

"Without an ambitious deal in services with substantial and commercially meaningful new market access, our members would find it very difficult to support the Round."

"We services advocates are frequently reminded that the gateway to services liberalization – and to the completion of the Doha Round – is an agriculture deal. While this may be true, it makes little economic sense that the agriculture sector, which represents only 4% of world GDP and 7% of world trade, should

determine the future of trade in goods and services.”

Studies have shown the large potential worldwide gains from increased trade flows in services. By one estimate, freer trade in services would yield a global welfare gain of \$1.7 trillion, many times larger than the potential gain from free trade in agriculture.

This is because services represent the dominant share of the world economy, accounting for 50-60% of global economic activity in most developing countries, and 70% or more in developed countries. The services sector is also creating jobs. From 1995-2005, worldwide employment in services increased from 34% to 39% of the global workforce.

Yet international trade in services represents only about 20% of total world trade, highlighting both its great growth potential, and the need for the Doha Round to produce the liberalization necessary to realize it. Poorer countries especially need access to modern services if they are to achieve their development goals.

The Coalition expressed hope that “the optimism following Davos brings real results – not just for the world’s farmers but for the hundreds of millions who make their living trading in services.”

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