



European Services Forum



Coalition of Service Industries

M. Pascal Lamy,
Director-General,
World Trade Organisation,
GENEVA

RE: NEGOTIATIONS ON TRADE IN SERVICES

Dear Mr. Director General:

You may recall that last September you met in your office in Geneva a small group from the private sector service industries of the United States, the European Union and Australia. One of us (Iain Vallance) was present: the other (Norman Sorensen) unavoidably could not be there, but was represented by the President of the Coalition of Service Industries, Bob Vastine. We recall that on that occasion we agreed on the economic importance of services liberalisation to developed and developing countries alike; and that significant new liberalisation was essential to a successful outcome of the Doha Round.

We were glad to note that, in more than one public statement in the latter part of 2005, you reflected these views and underlined the importance of a good outcome on services in the current negotiations. More recently, however, we have been concerned at reports of your saying that a settlement on agriculture and NAMA is the priority and that, if such a settlement can be achieved, services will then fall into place.

We appreciate that the plurilateral negotiations on services have made quite a good start, and that, given the end-April deadline, the leading negotiators have to spend a good deal of time in the short term on agriculture and NAMA. That does not mean, however, that services are in any way subordinate to the other two market access issues; or that, if agriculture and NAMA can be resolved, a good outcome on services is readily attainable.

A successful Doha outcome depends on the results in services as much as on agriculture and NAMA, and little new liberalisation on services has yet been offered. Both Rob Portman and Peter Mandelson have made it clear that they could not sign up to a deal that does not yield good results in all three areas. The private sector service industries that we represent would oppose a deal which failed this test. However, business support is

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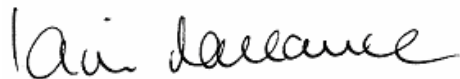
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essential to securing the backing of Congress in the US, and of member states and Parliaments in Europe, for whatever agreement is reached.

The more advanced developing countries to which the plurilateral requests are primarily addressed need to make substantive new offers on services between now and the end of July. They should be in no doubt that this is as essential to a successful Doha Round as progress on agriculture and NAMA. Your own advice to them is crucial to this process. We hope therefore that you will make it clear to all concerned, both publicly and privately, that a successful Round depends on good results in all three market access areas, and that services are in no way subordinate to, or less important than, agriculture and NAMA. In economic terms, indeed, one can argue that the potential gains in services are far greater.

We would be grateful for your reassurance on this point.

With all best wishes.



Lord Vallance of Tummell
Chairman, European Services Forum



Norman Sorensen
Chairman, Coalition of
Service Industries

Cc: Ambassador Portman
Commissioner Mandelson.

Norman Sorensen (Chairman, Coalition of Service Industries)

Iain Vallance (Chairman, European Services Forum)