



THE CANADIAN
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For Immediate Release

December 15, 2005

GLOBAL SERVICES COALITION CALLS ON WTO MEMBERS TO MAINTAIN AMBITION IN SERVICES

(Hong Kong) The Global Services Coalition today called on WTO members “to maintain a high level of ambition in the Doha Round services negotiations, and to work hard for a commercially meaningful outcome to the talks.” The Coalition includes the leading service industry associations of Australia, Canada, Chile, EU, Hong Kong, India, Japan, the United States, and other countries.

The Coalition stressed that “a Round that ends with agriculture and goods agreements but no meaningful progress on services would still be an unsuccessful round. The test of a successful round will be whether it creates substantial new business opportunities across a range of important services sectors, many of them essential to economic development.”

Following a dialogue today with government trade officials, Coalition leaders said that the current draft services annex of the ministerial text is an important starting point, but only a starting point, for the services negotiations. The ultimate result must be genuine new commercial opportunities, and it is clear that real progress in liberalizing services can only be obtained through hard, time-consuming bargaining via the request-offer process backed by plurilateral negotiations.

“While a number of initial and revised services offers have been tabled, the quality of those offers is poor. They often do not even commit to existing levels of openness”, said Max Taylor, Deputy Chairman of Aon UK, and co-chairman of the Financial Leaders Group.

Numerous studies have pointed to the welfare gains to be had from the liberalization of trade in services. A University of Michigan study, for example, calculates that the global welfare gain from the elimination of all services barriers would be \$1.6 trillion, far

greater than the potential gains from barrier reductions in agriculture and goods. Therefore, the Coalition stressed that, since the Doha Round is about development, it would be a grievous mistake to focus only on agriculture. Developing countries will benefit from more open markets for services, both as exporters and importers of services on which their economic growth depends.

"This once in a generation opportunity to significantly boost trade, economic output, and employment is at risk." said Dr. Vince Fitzgerald, Chairman of the Australian Services Roundtable. Last year, total world trade in services represented only 23% of the value of world trade in goods, largely because of the prevalence of barriers to international trade in services. "It is clear that there is tremendous scope for growth in services trade," said Fitzgerald. "We can still realize the opportunity the Doha Round offers, but the fits and the starts that the Round has experienced have made it much more difficult. There is now roughly a year left in which to achieve an ambitious and meaningful outcome. A fresh commitment by WTO members at Hong Kong is urgently needed, or this opportunity will slip away."

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