



# Coalition of Service Industries

## PRESS RELEASE

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### **CSI Calls for Continued US Engagement in WTO**

*Statement to Senate Subcommittee Points out Benefits of Multilateral Liberalization, and Calls Attention to Danger of Doha Round Failure*

(Washington, DC) The Coalition of Service Industries (CSI) today called for continued US leadership in the World Trade Organization, especially now, when the Doha Round of global trade talks faces grave challenges.

In a statement to the Subcommittee on Federal Financial Management, Government Information & International Security of the Senate Homeland Security & Governmental Affairs Committee, CSI President Robert Vastine argued that focused and determined engagement by the US in the WTO is critical to US economic interests. "The services sector accounts for nearly 80% of US economic output, and employs 80% of the American private sector workforce. A successful Doha Round will mean tremendous potential opportunities for US service suppliers," said Vastine.

According to a study by the University of Michigan, if all barriers to worldwide trade in goods, agricultural products, and services were dismantled, the US would enjoy a welfare benefit of an astonishing \$542 billion, and the bulk of this—\$466 billion—would result from the elimination of services barriers. Since the establishment of the World Trade Organization, US cross border services exports have grown steadily, from \$186 billion in 1994 to \$338 billion last year. The US enjoys a services trade surplus of nearly \$50 billion.

"The WTO negotiations, and thus these potential welfare gains are in jeopardy" said Vastine, who said that "many WTO members are tabling poor quality services offers, and the political will necessary to develop good offers is lacking in many countries."

"The United States clearly has a powerful national economic security interest in making the Doha Round a major success," he said, "because increased services exports will offset the chronic, structural US goods trade deficit."

"We support efforts to liberalize bilaterally and in that regard strongly support ratification of CAFTA," Vastine said. "We were pleased with the Senate's recent vote in favor of the pact, and have been encouraging members of the House of Representatives to follow suit."

"But," he said, "we believe WTO negotiations must now take center stage in the US drive to obtain trade liberalization."

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The U.S. Coalition of Service Industries is the leading U.S. business association representing companies across a broad spectrum of service sectors. CSI is dedicated to reducing barriers to U.S. services exports and mobilizing support for domestic U.S. policies, including tax policies, which enhance the global competitiveness of its members. CSI was formed in 1982 to ensure that U.S. trade in services would become a central goal of U.S. trade policy and trade negotiations. It played a major role in the General Agreement on Trade in Services (GATS) and in the advocacy effort leading to the 1997 World Trade Organization (WTO) Basic Telecommunications and Financial Services Agreements. CSI's knowledge of the process of services trade negotiations, its ties to the WTO and its network of relationships with governments and industry in other countries are unmatched. For a complete list of CSI members, visit our website at [www.uscsi.org](http://www.uscsi.org).