



Australian Services
Roundtable

Global Services Coalition Objectives for the Doha Development Agenda

Attachment 2
Submission to the Mortimer Review

Export Policies
and
Programs

June 2008

The Australian Services Roundtable is an active core member of the Global Services Coalition (GSN). Our joint position with respect to the WTO Doha Development Agenda is best summarized in the two media releases set out below;

- 1. Media Release setting out the GSN objectives for the Services Text**
- 2. Media Release expressing GSN disappointment with the draft Services Text released in May 2008**

1. GSN Objectives

We are aware that the WTO Council on Trade in Services in Special Session has authorized its Chairman, Ambassador de Mateo, to prepare a text stating the level of ambition for the services negotiations, and dates for new services offers. We believe the text should signal convincingly that the goal is to obtain the maximum number of bindings and new offers in as many of the key service sectors and subsectors as possible. We would like to suggest that this text embrace the following elements:

- Services negotiations should be driven by the same level of ambition and political will as reflected in the modalities for agriculture and NAMA, given that services is one of the three market access pillars of the DDA.
- The text should report on the progress to date in services, particularly with regard to the commercial value and quality of existing offers. In addition, it should describe the progress made toward advancing liberalization in key service sectors in the plurilateral negotiations. It should also report on the progress to date on rule-making issues especially with respect to domestic regulation.
- New services offers shall be submitted that (a) bind current market access and national treatment conditions already in place and (b) provide new market access commitments that will go beyond current market conditions to remove trade impediments and expand opportunities for new trade flow.
- To the maximum extent possible, the offers should do the following:
 - Remove foreign equity restrictions
 - Remove restrictions on the form of establishment

- Remove prohibitions on supplying services crossborder
 - Remove restrictions on movement of natural persons
 - Remove nationality requirements
 - Ensure that no competitive advantages are provided to government entities or entities otherwise subsidized, sponsored, or endorsed by a government.
 - Contain commitments on regulatory transparency
- The offers should cover modes and sectors under discussion in the plurilateral negotiations. We believe that Members of whom requests for liberalization have been made are now, thanks to the plurilateral process, fully aware of the nature of these requests and should be positioned to respond to them positively.
 - Consideration could be given to mutually agreed transitional periods so as to introduce regulatory frameworks where necessary.
 - These new services offers shall be submitted within 30 days of the adoption of Ag/NAMA modalities.
 - The text should acknowledge the interest of developing countries and make a specific reference to liberalization in sectors of their export interest. We believe that the Doha round aim of development will be better served by a strong rather than a weak services package; services liberalization will bring tangible benefits to developing countries, in particular in the infrastructure services of the economy, provided that the conditions are ripe for the investors. The text however must avoid formulations that might encourage WTO Members to offer liberalization in one sector as a means of avoiding liberalization commitments in other sectors.
 - Without in any way prejudicing the future level of ambition, the text should support early introduction of domestic regulation disciplines that would commit all WTO members to make their regulatory process at least more transparent. The text should recognize the need for an on-going agenda of further negotiations in this area.
 - Finally, there is a need, including if credibility with business is to be rebuilt, for a visible mechanism to facilitate and showcase developments in services. We strongly support the organisation of a “signalling” conference, convened by the WTO Director-

General with Ministers of the Members engaged in the plurilateral negotiations. The purpose of the conference should be to allow Ministers to indicate specifically how they plan to respond to the above elements in their new services offers. The signalling conference should be convened at the time of the adoption of modalities for Agriculture and NAMA, in order to reestablish and take advantage of linkages among the three sectors.

- Subsequent to the signaling conference, there should be an evaluation process by which offers can be analyzed. In the absence of other benchmarking instruments, the extent to which offers satisfy plurilateral requests could provide one means by which to evaluate their quality.

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BRASSCOM (Brazil)
Canadian Services Coalition
Coalition of Service Industries
European Services Forum
Financial Leaders Group
Hong Kong Coalition of Service Industries

International Financial Services London
Japan Services Network/Keidanren
Taiwan Coalition of Service Industries
Trinidad and Tobago Coalition of Services Industries
Wellington Regional Chamber

2. GSN Disappointment (May 27, 2008)

In response to the release of the Doha Round services text yesterday by the Chairman of the WTO Council for Trade in Services in Special Session, the Global Services Coalition issued the following statement:

"The Global Services Coalition is disappointed with the services text issued yesterday by the Chairman of the WTO Council for Trade in Services in Special Session. At this point in the negotiations, a text is needed that provides political guidance on the level of ambition in the Doha Round services negotiations. This version illustrates that members are still 'consulting' and demonstrates how little progress has been made in the services negotiations.

Critical components (operative language calling for new market access and bindings of existing market access) still remain in brackets - highlighting that it is only provisional or subject to further discussion.

It is well established in the Doha Declaration and subsequent Ministerial declarations that the purpose of this Round is to stimulate world trade, economic development and prosperity for all. This objective will be fulfilled by commitments to liberalization, including binding current levels of market access and, especially, providing new market access opportunities. Thus the Global Services Coalition believes the bracketed language must be made an integral part of the final services text.

As the Global Services Coalition has said since the outset of the Doha Round, agriculture, non-agricultural market access (NAMA), and services are the three pillars of market opening in the Round. The three are inextricably linked, and the Round will only be brought to a successful conclusion when there is substantial progress in all three. The language of the Chairman's draft, reflecting current divisions among WTO members, diverges significantly from the recently released texts on Agriculture and NAMA, both of which set the stage for strong binding obligations. With the services negotiations lagging so far behind the Ag and NAMA negotiations, the right framework for a balanced outcome has not been set.

For services, the ultimate objective is substantial liberalization of trade; the Global Services Coalition looks forward to a Ministerial-level signalling conference that will clarify and reinforce the commitments which WTO members, including those who have advocated a substantial outcome on services, will need to make. WTO members' real intentions for services market-opening must be clearly stated, to pave the way for substantive and detailed discussions on balancing the three pillars.

Two-thirds of world economic output is generated by the service sector, and countries at all levels of development will benefit from ready access to efficient, competitive services. A successful conclusion to the Round, especially against the current background of global economic uncertainty, will send a very positive signal not only to traders and investors but also to consumers and workers around the world.

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