

Global Services Coalition Mission to Geneva, 16-17 April 2008
Report by the HKCSI

Background

1. In September 2007 the Global Services Coalition (GSC) organised a delegation to Geneva to conduct talks with WTO ambassadors and negotiators in services. The GSC called on progress in liberalizing trade in services through a text to state the ambition on the services negotiations, as well as a ministerial-level “Signaling Conference” to pledge commitments on liberalization. The GSC scored immediate as the WTO agreed to begin work on drafting a text on services. Lately the idea of Signaling Conference also gained acceptance from the major WTO members. Both are expected to happen in an informal mini-ministerial meeting being planned for May 2008.

2. With progress in negotiations over agriculture and NAMA (“non-agricultural market access”, i.e. industrial goods), the Doha Round is approaching a critical juncture. For the first time since the Sixth Ministerial Conference (MC6) in Hong Kong, an agreement now seems possible. To ensure that services remain a key component of the final outcome, the Global Services Coalition (GSC) decided to organize another mission to Geneva in April 2008, to coincide with the intensive preparatory work being undertaken for the May ministerial meeting. The GSC mission was jointly coordinated by the USCSI and the European Services Forum (ESF) and led by Ambassador Sergio Marchi of the Canadian Services Coalition, former Ambassador of Canada to the WTO and former Chairman of the WTO General Council.

3. There were a total of 42 participants from various service sector organizations from Australia, Belgium, Brazil, Canada, France, Germany, Hong Kong, Switzerland, the UK and the US. As in September 2007, Hong Kong was represented by HKCSI Secretary General Dr WK Chan.

Conference structure

4. The meetings started in the morning of 16 April and ended in the afternoon of the 17th. Except for the meeting with WTO Director Pascal Lamy which took place in WTO headquarters, all meetings were held in the Centre de Conference de Varembe. The meetings were hosted by Ambassador Sergio Marchi, USCSI Executive Director Bob Vastine, and ESF Chair of Policy Committee Christopher Roberts.

5. A total of ten meetings were held with senior trade negotiators, many at ambassadorial level. The meetings included the following:

<i>Country/Organisation</i>	<i>Representative</i>
1. WTO Council of Trade in Services and services directorate	Ambassador Fernando de Mateo, Mexico and Chair of the Special Session of the Council for Trade in Services and Mr Hamid Mamdouh, WTO Director of Services
2. Canada	Ambassador Don Stephenson, Chair of NAMA negotiations
3. EU, Japan and US	Mr John Clark, Deputy Ambassador of the EU, Ambassador Ichiro Fujisaki of Japan, Ambassador Peter Allgeier of US
4. WTO Director General	Director General Pascal Lamy, with Hamid Mamdouh
5. Brazil	Mr Paulo Mesquita, Counsellor in Services
6. India	Mr Krishina Gupta, Services negotiator
7. China	Mr Li Enheng, Deputy Permanent Representative, and Zhang Liping, Counsellor for Trade in Services
8. South Africa	Mr Sudhir Sooklai, Services negotiator
9. Thailand and Philippines	Mr Chutintorn Gongsakdi, Minister, Deputy Permanent Representative of Thailand; and Mr Jose Victor Chan-gonzaga, Second Secretary of the Philippines
10. Australia	Ambassador Bruce Gosper

6. Besides the formal meetings, a number of side events were also held as follows.

<i>Meeting/theme</i>	<i>Details</i>
a. Informal meeting of the heads of GSC delegations	To agree on the GSC statement and common positions
b. Coordination meeting	Overview and preparatory meeting for full delegation
c. Working lunch meeting of GSC delegation heads	On post-conference coordination and joint action
d. Press conference	Press meeting with a joint statement by the GSC
e. GSC reception and dinner	Dinner at Kempinski Hotel. Guests of honour included Australian Ambassador Bruce Gosper, Canadian Ambassador Don Stephenson, and US Ambassador Peter Allgeier

7. Prior to the conference, Dr Chan also met over dinner with Salina Yan, the Deputy Representative of the Hong Kong Office, to exchange views on progress of the negotiations.

Key message and result

8. This GSC mission, taken together with the previous one in September 2007, has been the most productive of the private sector lobbying campaign since the Doha Round was launched. For the first time since MC6, there was optimism from most trade

negotiators that a solution was in sight over the deadlock in agriculture and NAMA. Importantly for the GSC, services would be an integral element of the impending deal, made possible by progress in the preparation of a text and the agreement to hold the “Signaling Conference”. Such progress has been due in no small measure to persistent lobbying by the GSC. Thus the GSC delegates were again received at the highest levels by the WTO secretariat (the Director General himself) and the ambassadors of various countries.

9. It was understood that by end-April or shortly after, the modalities (i.e. formulas) in agriculture and NAMA would be agreed in Geneva. The week of 5 May would see a round of senior officials meetings (Hong Kong being represented by Director General of Trade and Industry), to prepare for the mini-ministerial meeting in the week of 19 May at which about 30 ministers would conduct “horizontal discussion”, i.e. across-the-board negotiations.

10. At the ministerial meeting, agreement is expected on agriculture and NAMA through the “green room” process, i.e. a kind of mini-summit chaired by the WTO Director-General. It has long been the GSC’s concern that services might be left out of the high-level deal-making, thus resulting in a package with liberalization on agriculture and industrial goods but little substance in services; but now it has been agreed that there would be a round of services negotiations by the same ministers immediately after the agriculture and NAMA green rooms. Although technically the services talks would not be of the same nature (the services “signaling conference” would be for pledge-making, while the agriculture and NAMA green rooms are for agreements to be reached), for the private sector that already represented a major progress in bringing services back into the Doha agenda.

11. Throughout the Doha Round, the services negotiations have been the most neglected among the three “pillars” of agriculture, NAMA and services. Yet because of that, they have seen the emergence of the most innovative means of negotiation. At MC6, the idea of “plurilateral negotiations” was agreed, offering a middle way between bilateral and multilateral negotiations. This has proved to be very effective in generating progress despite the lack of attention devoted to the services negotiations. Then, at the promise of an end-game scenario, another innovation in the form of the “Signaling Conference” was developed to help put services back on the mainstay of the negotiations. In both cases, the lobbying by the GSC has played a significant part in helping the ideas materialize.

12. For services, therefore, the negotiations will take two tracks, the plurilateral and the multilateral.

- Plurilateral: The Signaling Conference will be the culmination of the plurilateral process. It will involve only about 30 trade ministers but these will represent more than 95% of world trade in services.
- Multilateral: This will apply in the context of the text on services, which has to apply to all WTO members.

13. After the Signaling Conference, in accordance with the original road map agreed in MC6, WTO members will have to submit revised offers and then go through another round of final offers before the commitments are formalized into the agreement for the final package.

14. At the end of its first day of meetings, the GSC issued a press statement expressing support for the Signaling Conference and calling on better offers to be put on the table. The statement was released at a press conference attended by some seven Geneva correspondents and reporters. It was evident that the heightened expectation had been spread among the business media in Geneva.

15. On 17 April, the second day of the GSC mission, WTO Director General Pascal Lamy convened an informal meeting of the Trade Negotiations Committee at which he announced that the “time is coming soon to take our work to a higher level and to begin drawing together the threads both within and across the two modalities issues (agriculture and industrial tariffs) as mandated in Hong Kong”. He said the “horizontal process will start at Senior Official level, in order to prepare properly for the Ministerial involvement which is likely to be needed at a later stage,” thus putting forward the road-map towards the conclusion of the Doha Round. Of the services Signaling Conference, he said, “the political objective of such a signalling conference would be to give a credible signal that the services negotiations are moving forward.”

Looking forward

16. In September 2007, the GSC called for a roadmap towards a successful conclusion of the services negotiations. This has largely been achieved. With the current progress, the time line for the Doha end-game is expected to be as follows.

End-April/early May	Formulation of modalities for agriculture and NAMA
End-April/early May	Drafting of text on services
Week of 5 May	Senior officials meeting
Week of 19 May	Ministerial green room to agree on agriculture and NAMA modalities
21 May	Ministerial “Signaling Conference” on services
22/23 May	Informal agreement on package of deals including other subjects (e.g. TRIPs, trade facilitation)
31 May to 1 June	APEC ministerial meeting in Peru, to give another political boost to Doha agreement
Eight months’ time needed	Technical work to turn agreement into formal language
May to July	Services: revised offers
September to November	Services: final offers
End-2008/early-2009	Doha Round agreement ready for adoption by ministers

17. It should be emphasized, however, that the above are “best outcomes” only. While the chance of a Doha conclusion is much higher than before, it is not a certainty, i.e. negotiators can still fail to come to agreement.

18. In 2007 there had been a concern that if agreement were not reached, the Doha negotiations would be put into “deep freeze” as the US Presidential election would be in full swing. The US Presidential election is vigorous under way now, but instead of losing momentum, the Doha negotiations have been making good progress, with the mood now expectant of a deal being struck.

19. HKCSI has been a staunch supporter of the conclusion of the Doha Round and of its objective of helping developing countries (the round being officially the “Doha Development Agenda”) through trade liberalization. It is HKCSI’s belief that advanced economies will also gain through a more liberalized global trading regime, and that Hong Kong in particular has much to gain from a more liberal trading environment in services, not to mention Hong Kong’s own stake in preserving the result of MC6 (the “Hong Kong Declaration”). There is now an opportunity for the round to come to a win-win conclusion and all parties should work towards that end.

Acknowledgement

20. As with previous years, the HKCSI’s participation in the mission was part-sponsored by Cathay Pacific Airways, to which the HKCSI is grateful.

Appendices

- I. Attendance list
- II. Notes of meeting by HKCSI
- III. Press statement