

Global Services Coalition Mission to Geneva - 11-13 July 2006
Report by the HKCSI

Background

1. In accordance with the Hong Kong Declaration of the Sixth Ministerial Conference of the WTO, the negotiations under the Doha Development Agenda (DDA) were to reach a critical milestone by July 2006, when “modalities” (i.e. formulas) for liberalization of trade in agriculture and industrial goods were to be agreed, and “revised offers” were to be submitted for the negotiations on trade in services.

2. On 11-13 July, the Global Services Coalition (GSC) organized a delegation to Geneva to hold conference with WTO officials and negotiators on the services negotiations. The GSC mission coincided with the “services cluster” of the meetings under the DDA among negotiators in Geneva. The mission was coordinated by the USCSI and hosted jointly by the USCSI and the European Services Forum (ESF). Hong Kong was represented by HKCSI Secretary General Dr WK Chan.

3. There were a total of 42 participants from various service sector organizations from the following economies (Full attendance list at Appendix I).

Belgium	Brazil
Canada	Chinese Taipei
France	Germany
Hong Kong	Japan
Switzerland	UK
US	

Conference Structure

4. The meetings started in the afternoon of 11 July and ended at noon 13 July. Except for the meeting with WTO Director Pascal Lamy which took place in WTO headquarters, all meetings were held in the Geneva Conference Centre. The joint hosts of the meetings were USCSI Executive Director Bob Vastine and ESF Chair of Policy Committee Christopher Roberts.

5. A total of 13 meetings were held with senior trade negotiators, including seven at ambassadorial level. The meetings included the following:

<i>Country/Organisation</i>	<i>Representative</i>
1. WTO services directorate	• Mr Hamid Mamdouh, Director of Services
2. WTO Deputy Director General	• Harsha Singh, Deputy Director General, WTO • Rudolf Adlung, Counsellor, Trade in Services Division
3. US	• Ambassador Peter Allgeier, Deputy USTR • Alicia Greenidge, Assistant Deputy Chief of Mission

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| 4. India | <ul style="list-style-type: none"> • Ambassador Ujal Singh Bhatia • Sumanta Chaudhuri, Counsellor |
| 5. WTO Director General | <ul style="list-style-type: none"> • Director General Pascal Lamy • with Harsha Singh, Keith Rockwell and Hamid Mamdouh |
| 6. China | <ul style="list-style-type: none"> • Ambassador Sun Zhenyu • Xie Cheng, Attache |
| 7. South Africa | <ul style="list-style-type: none"> • Sudhir Sooklai, Director, Trade Negotiations |
| 8. Egypt | <ul style="list-style-type: none"> • Ragui El-Etreby, First Secretary, Egypt and Chair, WTO Committee on Trade in Financial Services |
| 9. Canada | <ul style="list-style-type: none"> • Ambassador Don Stephenson, Canada, and Chair of the NAMA negotiations • John Drummond, Counsellor |
| 10. Mexico | <ul style="list-style-type: none"> • Ambassador Fernando de Mateo, Mexico and Chair, Council for Trade in Services |
| 11. EU | <ul style="list-style-type: none"> • Ambassador Carlo Trojan |
| 12. Thailand | <ul style="list-style-type: none"> • Chutintorn Gongsakdi, Deputy Permanent Representative |
| 13. Malaysia | <ul style="list-style-type: none"> • Ambassador Muhammad Noor Yacob |

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

<i>Meeting/theme</i>	<i>Details</i>
1. Overview	Preparatory meeting for full delegation
2. Delegation dinner, jointly hosted by Canada, HKCSI, USCSI, and ESF	Dinner at President Wilson Hotel. Major guests of honour: Ambassador Eirik Glenne, Norwegian Ambassador & Chairman of General Council, Ambassador Jara Alejandro, WTO Deputy Director General and former Chair of Council in Services (Special Session), and Ambassador Don Stephenson of Canada
3. Core member meeting	Breakfast meeting to agree on joint statement.
4. Press conference	Post-conference GSC press meeting, with a joint statement by the GSC. (Appendix III)

7. Dr Chan also met with the Taiwan delegates upon their invitation to discuss the formation of a possible CSI in Taiwan.

Key Message and Result

8. This GSC delegation represented the strongest private-sector presence in the WTO in recent years. The negotiators took the GSC meetings very seriously – as evidenced by their high level of attendees (seven at ambassadorial level).

9. The WTO activities were dominated by the negotiations over “modalities” (formulas) in three areas – described as “the triangle” by Director General Lamy –

namely, market access in agriculture, agricultural reform (domestic support and export subsidies), and market access in industrial products. The main message from the GSC was that services should not be sidelined and the negotiations should be organized around the “bigger triangle” of agriculture, goods and services.

10. The services negotiations had been suffering a “Ministerial Attention Deficit”, although a previous ministerial stock-taking meeting convened by the EU on 1 July produced encouraging results. Many negotiators shared the GSC’s view that the services negotiations were important for the DDA, and they urged the private sector to continue to express their strong voice on the services negotiations. Nevertheless, they all highlighted the need to reach agreement on the “small triangle” of modalities in order to enable the DDA to move forward.

11. In terms of timing, the US fast-track authority expires on July 1 2007, but the President would need to tell Congress around 1 April (90 days before) his intention to sign the trade agreement, and a letter has to be submitted to Congress 180 days before on specific laws that need to be changed i.e. around 1 January 2007. In other words, agreement should be substantially reached by 31 December 2006.

12. Anticipating that agreement on the modalities would be reached in time, the GSC message was to advocate for early attention on services, so as to achieve a substantive services package. (Detailed notes of the meetings are at Appendix II.)

13. After the series of meetings with negotiators, on 13 July the GSC held a press conference and issued a press statement reaffirming its position for serious negotiations on services. (Press statement at Appendix III.)

14. On 24 July, however, the WTO announced that it was unable to reach agreement on the modalities negotiations and the talks would be suspended. It is not clear when the negotiations would resume.

Looking Forward

15. On the assumption that agreement over modalities was reached by summer, there was to be a need for another GSC lobbying mission in end-September/early October over the content of the revised services offers. Given the suspension of the talks, however, there seems no need now for a meeting of the GSC in 2006.

16. The WTO has acknowledged that the cause of the breakdown in the negotiations is political rather than technical. In other words, it was not technically impossible to conclude an agreement before 31 December if the talks were resumed. However, the possibility of that happening is remote as there is no indication of any change in political will.

17. Another possibility is for the US to extend the fast-track authority for a limited period of time, so as to give more room for the talks to resume. However, this is regarded as speculation with little prospect of it being realized.

18. One possible outcome would be for the talks to continue to be suspended until a further political impetus becomes available. In practical terms, this may mean another three to four years of delay.

19. There is also the possibility of agreeing to “harvest” some of the results of the talks so far, i.e. to implement already agreed measures in the less sensitive areas, such as trade facilitation. However, because of the “single package” nature of the negotiations, it may be difficult to identify such measures. There are also concerns that this may adversely affect subsequent negotiations by depriving them of available levers.

20. HKCSI’s position is guided by the principle that we support early conclusion of the DDA, and that the best effort should be made to preserve the result of MC6 (the “Hong Kong Declaration”). Thus we would support early resumption of the talks, even if that means a “Doha-lite” package with less liberalization than we had wanted.

Acknowledgement

21. 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. Detailed notes of meeting by HKCSI
- III. Press statement