



The Guyana Coalition of Services Providers

GCSP



Enhancing Investment & Competitiveness through Services!



TO: APEC Leaders
FROM: Global Services Coalition
DATE: November 10, 2006
RE: Reviving and Concluding the Doha Round

We are writing as the Global Services Coalition to urge you use the occasion of the 2006 APEC Leaders Meeting to make a decisive push that will put the stalled Doha Round back into motion and bring it to a successful conclusion. As is often pointed out, the Round holds great potential for growth for the agriculture, manufacturing and services sectors in developed and developing countries alike. Vietnam's accession to the World Trade Organization, and Russia's and Ukraine's pending applications and their enthusiasm for joining, underscore the continued viability and importance of the WTO and of successfully concluding the Round.

There is clearly a great desire to revive the Round; since July, calls for its resumption have been issued by the ASEAN Economic Ministers, the IMF and World Bank, the G-20, the Cairns Group, the African Union, and others. However, as APEC's member economies span four continents, are home to more than 2.6 billion people, and represent more than 60% of global economic output and roughly half the world's trade, the upcoming Hanoi meetings provide perhaps the best opportunity so far to put the Round back on track. Indeed, the APEC Business Advisory Committee itself has, as the first item in its annual set of recommendations, called on APEC leaders to "Lead the way in the successful conclusion of the WTO DDA negotiations."

While Doha has foundered primarily on agriculture issues, it is actually in services where WTO members – inside or outside of APEC – have the most to gain from these negotiations. Over the

last few decades, services have become a dominant sector of the global economy, and now represent some 50% to 60% of economic activity in most developing countries and over 70% in some industrialized nations. Employment in services has also increased worldwide. Between 1995 and 2005, worldwide employment in the services sector increased from 34% to 39% of the global labor force. However, international trade in services represents only 20% of global trade. The Doha Round represents the best opportunity for the services sector to reach its full potential in terms of the contribution it can make to global economic well-being.

According to a July 2006 study¹, services sector liberalization could result in global welfare gains equaling \$1.7 trillion, which is more than double the potential gains from liberalization of trade in goods, and 31 times the projected gain from agriculture liberalization. A strong services sector enables financial, technological, and infrastructure development, which in turn facilitates greater investment and trade in agricultural and manufacturing products.

Given the importance of multilateral trade and investment liberalization to economic growth and prosperity, WTO members must break the deadlock on the Doha Round. This will require all parties to come back to the table with improved offers and demonstrate greater flexibility. While we are fully cognizant of the challenges to be overcome, we urge you to take heed of the strong business message from ABAC and use this year's APEC Leaders Meeting to lead the way in reinvigorating the WTO negotiations and bringing them to a rapid and successful conclusion.

Sincerely,

Australian Services Roundtable
Canadian Services Coalition
Chilean Service Coalition of Exporters
Coalition of Service Industries (US)
European Services Forum
Financial Leaders Group
International Financial Services, London
General Chamber of Commerce (ROCCOC), Chinese Taipei
Guyana Coalition of Service Providers
Hong Kong Coalition of Service Industries
Japan Services Network
Wellington Regional Chamber (New Zealand)

¹ "Making the Most of the Doha Opportunity: Benefits from Services Liberalization." Coalition of Service Industries, July 2006. Available at http://www.uscsi.org/services_study/index.htm.