

## **Global Services Industries call on G20 Leaders to continue the fight against protectionism and conclude the WTO Doha Round**

10 June 2010

To Leaders of the G-20:

In our joint letters of November 2008 and March 2009, the Global Services Coalition urged G-20 leaders to commit to refrain from imposing new trade barriers and other restrictions on trade and investment as the financial crisis deepened and took hold in developed and developing countries alike. We also urged G-20 leaders to undertake an earnest effort to resume and complete negotiations on the Doha Round. We now repeat both of those calls.

We appreciate the successive commitments given by G20 leaders against protectionism. Nonetheless, the World Trade Organization has noted many instances in which countries, including G20 countries, have subsequently enacted measures that are protectionist in nature. Every country needs to understand the importance of open markets and avoid the adoption of protectionist measures, in any form, so as to ensure a stable global recovery.

International trade has suffered significantly in the financial and economic crisis. Volumes declined by more than 12% last year, the largest downturn since World War II, according to the WTO. While recent trade data are encouraging and point toward a recovery, trade levels remain well below their pre-crisis peak. Resumed growth would powerfully spur global economic expansion. Further market opening will generate that trade growth, whereas, protectionism can lead only to economic contraction. Barriers to trade in services are more economically significant than those applying to goods; addressing these would bring new wealth and jobs-creating opportunities for both emerging and developed economies.

Completing an ambitious Doha Round would be one of the most effective ways of boosting the international trade flows that are so vital to global prosperity. We share the frustration of WTO members at the continued stasis in the Doha Round. Progress towards the conclusion of the Round would confirm the commitment of WTO members to the goal of expanding global trade and their belief in the WTO's multilateral rules-based system as the best framework for doing so. The WTO's role and value need to be strongly reasserted. The opportunity cost in failing to conclude the Round is tremendous, for agricultural, manufacturing, and services interests alike. As WTO Director-General Pascal Lamy said at the conclusion of the WTO "Stocktaking" in March, "Everyone agrees that no miracle solution is available to us at this point in time." Rather, there are politically difficult decisions that will have to be made.

We continue to support the WTO's mandate to monitor adherence to the standstill on new trade barriers, and to report publicly on breaches to the standstill. We also call on the G20 participants to lead the way by summoning the political will to bridge their differences in Doha and bring about the conclusion of the Round with an ambitious package that contributes meaningfully to global economic recovery and to enhanced employment worldwide.

We look forward to working together with you in any way we can.

Sincerely yours,

Australian Services Roundtable  
Barbados Coalition of Service Industries  
Canadian Services Coalition  
Coalition of Service Industries, United States  
European Services Forum  
Financial Leaders Working Group  
Hong Kong Coalition of Service Industries  
Japan Services Network  
NASSCOM, India  
Taiwan Coalition of Service Industries  
TheCityUK, United Kingdom  
Wellington Regional Chamber, New Zealand