

## More on Services

Brussels – Trade envoys of the United States, Australia and Canada want to accelerate the ongoing talks in Geneva among 16 “real good friends” of services trade liberalization to reach a plurilateral agreement (WTD, 3/6/12).

They said a successful accord would pave the way to energize global trade generally.

“Real good friends” include the United States, the European Union, Japan, Canada, Australia, New Zealand, Norway, Switzerland, Singapore, South Korea, Hong Kong, Taiwan, Mexico, Chile, Colombia and Pakistan.

“Something exciting” is happening after years of discussions and the impasse in the Doha Development Agenda trade negotiations, said Deputy US Trade Representative Michael Punke at a special half-day seminar organized by the European Centre of International Political Economy and the European Services Forum.

Recent discussions in Geneva have been quiet and modest, Mr. Punke told the seminar. They served as a “scoping exercise” in search of a starting point for an eventual plurilateral agreement.

Ambassador Punke said he is not worried about the absence of some major emerging economies in the discussions. He suggested that the force of argument is not going to convince those countries, such as China and India. “We should not go overboard in worrying that we are going to somehow offend them,” he said.

The European Union, however, said it is important to sound out China and India before accelerating the negotiations.

Brussels is yet to be convinced by the plurilateral approach among the 16 countries that does not include the major emerging economies, said Marc Vanheukelen, who is head of cabinet in the trade directorate. He suggested that any plurilateral agreement would have to be “multilateralized” after a while. But, Brussels would support a plurilateral agreement that creates incentives for new participants, such as the current WTO Information Technology Agreement which was negotiated among a group of key countries and then multilateralized.

### ‘Worth Exploring’

A services plurilateral is worth exploring, but it has to create new economic opportunities to be worthwhile, the EU official suggested. He warned the United States and Australia against pursuing a “half-baked initiative borne out of frustration.”

Australian WTO negotiator Tim Yeend said the plurilateral agreement is seen by Canberra as a stepping stone to conclude the Doha trade negotiations. “We are seriously exploring and trying to put some objectives that would interest some other members,” he said.

ECIPE director Hosuk Lee-Makiyama said there is compelling evidence to pursue a plurilateral agreement among the 16 countries that covers more than 70 percent of global services trade. He suggested it also is in the interests of China and India to join the agreement.

But the United States, Australia and Canada – along with US Coalition of Service Industries President Robert Vastine, who also attended the meeting – suggested that the plurilateral effort is the best course right now to advance services liberalization.

One dispute among the 16 that did arise here was differences over whether to pursue a “positive-list” or “negative-list” approach in the plurilateral initiative. The EU said it would opt for a positive approach in which members exchange market access concessions in a list of agreed areas. The United States and Australia want a “negative” list approach – enumerating only sectors that would be exempt from liberalization – that would be more comprehensive and provide for deeper liberalization.

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