

ACTION ALERT

New Services Agreement imminent in HK: Agriculture and NAMA talks may take a temporary backseat

Saturday 3 December 2005, by [Focus on the Global South](#) (Date first published: 3 December 2005).

The recently released draft Ministerial text for Hong Kong prepared by Director General Pascal Lamy reveals a very strong push to seal a new deal on services in Hong Kong despite widespread opposition from developing countries to virtually all parts of the text.

"If the draft text is endorsed as is, services liberalization will be the trophy the developed countries will bring home from Hong Kong" said Aileen Kwa of Focus on the Global South. "It is alarming that Lamy and Mexican Ambassador Fernando de Mateo, the chair of the Council for Trade in Services (CTS) seem resolute to force this non-consensual text down the throats of delegations" added Kwa.

Kwa further noted that *"Annex C of the draft ministerial text on services reads like an agreed upon negotiating text already and a mandate to intensify the negotiations in ways which are completely at odds with the GATS flexibilities."*

Another alarming development in the services text is the push for greater emphasis on proposals for possible framework for government procurement. This a sneaky manoeuvre to add government procurement-a new issue that was rejected in Cancun-on the agenda.

The draft ministerial text also attempts to play the 'development' card in Hong Kong, reiterating the promise of Doha by incorporating a development package that includes Special and Differential treatment, aid for trade, and TRIPS and Health. The emphasis on development is an attempt to draw in the support of mainly the least developed countries. As Aileen Kwa noted *"the main thrust of the text is to distract the African and LDCs with a so-called 'development package' on the one hand, while extracting onerous commitments through the main issues under negotiations-services, agriculture and industrial tariffs."*

Because of wide disagreements among Members and the media attention that the agriculture and NAMA negotiations have generated, proponents of the new deal are scaling down expectations in these two crucial areas in order to buy time. What they expect to come out of the ministerial conference in Hong Kong are clear parameters that would allow the negotiations on the contentious issues over formulas and bindings to continue and effectively be concluded by 2006.

What might come out of Hong Kong is a second version of the July Framework- a document that locks-in areas of convergence largely over principles but this time narrowed down even further to include consensus on such matters as the type of formula for tariff reduction and approaches to new tariff bindings.

What should we do? It is imperative that social movements and civil society organizations campaigning against the new deals :

1. Alert governments and get them to oppose an onerous deal on services, which incorporates plurilateral approaches and both qualitative and quantitative parameters.
2. Alert the media of the latest manoeuvrings in the services negotiations , highlighting the implications of deeper commitments to liberalize the services sector. The position of countries and groupings like ASEAN against the services text should be played up to pressure these countries not to yield their strong opposiiton to the draft text.
3. on the development package, continue to link up with African countries and LDCs to highlight the fact that 'the development package' amounts to nothing and will exact such a high cost to developing countries.
4. Continue to articulate our calls through media against a new comprehensive trade deal in Hong Kong. We should highlight the divergences in the various areas of negotiations and expose the attempts to donwplay these divergences and manufacture consensus on the critical issues.
5. At the National level, we should mobilize our constituencies against the Ministerial Conference in Hong Kong carrying the slogan "No deal is better than a bad deal" and " *Derail the 6th Ministerial Meeting of the WTO in Hong Kong*"

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