

MODEL LETTER TO MINISTERS OF TRADE

Dear Minister,

The (name of trade union) is writing to you with regard to the upcoming mini-ministerial meeting of the World Trade Organisation (WTO) in Geneva from 21 July onwards, with an aim to conclude modalities in Agriculture and Non-Agricultural Market Access (NAMA). We remain particularly concerned with the current level of ambition in NAMA, and the continuing demands on developing countries to show a high level of “ambition” – meaning, in practice, readiness to reduce their tariffs - in this area of the negotiations.

The revised NAMA text that was released on 10 July still fails to address adequately the concerns of developing countries. Despite the increase in the number of options for tariff reduction, the overall level of ambition in NAMA remains particularly high for developing countries. Even some additional specific flexibilities, although welcome, remain insufficient to address the development and employment needs that these countries face.

Simulations conducted by the International Trade Union Confederation (ITUC) have shown that tariff reductions for developing countries as proposed in the draft modalities text would result in reductions in bound tariffs to unprecedentedly low levels, leading to substantial reductions in applied tariffs for a significant number of countries in particular sectors. Not only will such reductions have an immediately negative impact on employment in the developing countries concerned, they will increase the downward pressure on wages and working conditions of workers due to increased competition. Moreover, these across the board, unchangeable reductions will negatively affect prospects for industrial development in developing countries. Reducing policy space at a time where the creation of productive and decent employment is one of the main global challenges shows the manifest incoherence of international policymaking at this time.

In addition, the 10 July text continues to include an anti-concentration clause which would prevent countries from excluding certain sensitive sectors from tariff reductions and thus further restrict the limited flexibilities that are available for those countries.

In order to address such concerns, the level of ambition in NAMA needs to be lowered considerably in line with the commitment that was made by all WTO members when the Doha Round was launched to “less than full reciprocity” for developing countries, namely by allowing developing countries to apply a tariff reduction that is much lower than the one currently on the table; that is in line with their stage of development; and that is substantially lower than the cuts in bound rates made by developed countries.

In addition, developing countries need to be able to retain sufficient flexibilities to exempt essential tariff lines from tariff reductions. They should be able to apply less than

the “Swiss formula” reduction formula on a sufficient number of tariff lines, and should not be called upon to make trade-offs between the coefficient and the flexibilities. The proposed flexibilities in the draft NAMA modalities text need to be increased substantially. Furthermore, as has been repeatedly proposed by trade unions, there should be a possibility to alter commitments on tariff reductions in line with employment and developmental needs in the future.

We would further emphasise that tariff reduction commitments in NAMA need to be made on the basis of developmental considerations, not in exchange for commitments by developed countries in agriculture. Clearly agriculture and industry are both important, and development and employment prospects in these vital sectors should not be exchanged for one another. We would further reiterate our concerns that the services negotiations must not lead to a push towards deregulation and privatisation in that sector.

Finally we must express our concern with regard to some procedural aspects of the planned Ministerial meeting. Given the above-mentioned potentially far-reaching impacts of the NAMA negotiations on developing country employment and development, they must not be decided upon in secret green room discussions without full involvement of WTO members and of the parties that will be most affected. Therefore we urge you to support full transparency towards key civil society representatives such as trade unions, adequate and speedy access to consultations, and information and inclusiveness in the negotiations, in particular in possible green room negotiations.

We trust that our government will support the above concerns in the WTO negotiations. We would be happy to meet you to discuss these issues further and look forward to receiving your views.

Yours sincerely,