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WTO: “NAMA” proposals still unfair for developing countries

Brussels, 22 February 2008 (ITUC OnLine): The revised modalities in the NAMA* negotiations at the World Trade Organisation (WTO), which were tabled on 8 February, are still unfair to developing countries, according to the ITUC.

“In general, the latest NAMA proposals show that the huge employment impacts of these NAMA negotiations are not being properly taken into account, and neither are the impacts of increased competition on workers globally. For workers there is little to welcome,” said ITUC General Secretary Guy Ryder.

Despite criticism of the formulas for developing country tariffs last July by the ITUC and many others, these have not changed at all in the new text. Such tariff reductions would hit many sectors in developing countries hard, especially in labour-intensive industries, with serious impacts on employment.

It is not only current employment that stands to be affected. The ITUC is extremely concerned at the impact that tariffs at levels as low as 12-14% would have on the capacity of developing countries to industrialise and to build competitive and diversified industries. Future prospects for development and employment are put directly at risk by these negotiations.

At its June 2007 meeting, the ITUC General Council meeting adopted a Resolution calling for much smaller tariff reductions than were proposed at that time and which are being reiterated now. It called for the WTO to take individual development needs of countries into account - the opposite approach to the across-the-board cut now being proposed. Levels for each developing country should be set in line with its level of development.

At the same time, the opening up of flexibility for developing countries in the current proposal, in line with ITUC demands, is welcome. However, the levels previously proposed, whereby a country could have either exempted 5% of products fully, or specified 10% of products that would receive lower tariff reductions, should be set as minimums to avoid the risk that flexibilities could be negotiated further downward.

Finally, the ITUC insists that developing countries be allowed to increase their levels of flexibility in the future when justified by their social and employment needs, something that should have been included in the current proposals. In this way, developing countries would have at least some scope to deal with negative impacts of an eventual WTO agreement.

* The “NAMA” negotiations essentially concern trade in manufactured products, with “NAMA” standing for “Non-Agricultural Market Access”.

The ITUC represents 168 million workers in 155 countries and territories and has 311 national affiliates. Website: <http://www.ituc-csi.org>

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