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New WTO Proposals on Manufactured Goods Still Imbalanced

Brussels, 15 July 2008 (ITUC OnLine): The ITUC remains deeply concerned that new proposals in the "NAMA" negotiations on industrial products at the World Trade Organisation (WTO), made in an attempt to get closer to a Doha agreement at a key ministerial gathering in Geneva next week, contain only minor improvements and are still seriously imbalanced.

"Unless a real shift is made to a lower level of tariff cuts for developing countries, the NAMA negotiations are not going to deliver a positive outcome for their workers," said ITUC General Secretary Guy Ryder. "The Doha Development Round is supposed to foster industrial development in developing countries, enabling them to increase decent work and diversify their economies. Yet on their current basis, the NAMA negotiations will lead to job cuts and severely hamper governments in providing decent work and productive jobs in the future as well."

The proposals include a somewhat wider range of tariff reductions for developing countries, but their options remain limited. Although it looks like a much higher "coefficient" can be used, in reality this difference means little in terms of tariff cuts, which will remain very high for many developing countries. The text does provide some flexibilities to shield products from tariff cuts, but again these are limited and will not provide much protection for many labour intensive industries.

The ITUC continues to insist that no trade-offs should be made between NAMA and Agriculture, as both are crucial for development. Unfortunately the negotiations do not seem to take into account these development realities.

Many ITUC affiliates, including from Latin American countries, the NAMA 11 countries, European countries and Japan, have already requested their governments to ensure that NAMA negotiations do not lead to unemployment or prevent countries from developing their industries. The ITUC has sent a model letter to its affiliates to help them in lobbying their Ministers of Trade, and it is available here:

http://www.ituc-csi.org/IMG/pdf/Model_letter_NAMA_July_2008.pdf

"In the light of continuing pressure on workers' wages, bargaining power and working conditions due to any increase in competition worldwide with further liberalisation of trade," concluded Ryder, "the ITUC must question who the ultimate beneficiaries of these trade agreements will be. The proposals on the table will do nothing to turn this sorry state of affairs around but instead will further increase pressure on workers worldwide."

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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