C.V. Starr Lecture  
Trade in Services in the Doha Round  
March 22, 2006

Christine Bliss – who is the Acting Assistant United States Trade Representative for Services and Investment at the Office of the United States Trade Representative – discussed the status of global trade negotiations concerning the vast topic of “services,” which includes such areas as telecommunications, transportation, banking, insurance, engineering, architecture, education, accounting, and legal practice during a C.V. Starr Lecture on March 22, 2006.

Global trade negotiations that began in Doha, Qatar (known as the Doha Round) are being held under the auspices of the World Trade Organization (WTO), and are the ninth round of global trade talks held since 1945. The current negotiations seek to reduce barriers to trade in a wide variety of areas, including agriculture, manufactured goods, intellectual property, investment, and competition policy.

Negotiations in the area of services – which are regulated by the WTO through the General Agreement on Trade in Services (or GATS) – have been viewed across the world with both promise and concern. In some industrialized countries, services account for the largest source of employment (80 percent of employment in the United States), and more than half of gross domestic product. The United States, for instance, is currently running a trade surplus in the tens of billions of dollars in services, selling substantially more abroad than foreign suppliers of services are selling in the United States. As for developing countries, in many of them services make up the fastest growing economic sectors.

During her lecture, Bliss gave an overview of the pace of and controversies surrounding the negotiations. For example, in the last four years, although participants in the Doha Round have been exchanging requests to gain market access in each other's services sectors, fewer than half of all WTO member nations have submitted initial offers to open particular sectors to other members.

There have also been several misunderstandings concerning the GATS treaty and the current negotiations, according to Bliss. For example, some domestic authorities are concerned that the GATS treaty will supersede local laws and regulations. “A lot of the debate that has been engendered surrounding these negotiations is centered around whether or not countries have preserved for themselves the right to regulate. It’s my strong conviction that they have,” said Bliss. She also noted that “in the preamble of the GATS agreement, there is language recognizing the right or members to regulate [their services industries] and to introduce new regulations on the supply of services in order to meet national policy objectives.”

Civic groups have also expressed fears that the WTO services negotiations will lead to the “deregulation or privatization of certain services sectors.” In response, Bliss countered that “certainly from the United States’ perspective, nothing can be farther from the truth.” She explained that “there is nothing in the language in any of the articles of the GATS that requires privatization [of a certain services sector of a WTO member nation] . . . What is a more accurate statement is where a country has already decided to open a particular sector to competition, then what we are asking is the ability to come in and compete on a nondiscriminatory basis.”

Bliss also addressed fears that the GATS agreement could lead to the privatization of essential public services. “With respect to particularly sensitive sectors like public utilities, public education, and health . . . if you look at the commitments that the United States has made, we
have steered clear of those very sensitive sectors. We do not, for example, have any commitments on primary or secondary education. And the only commitments that we have offered to make in the future are with respect to public higher education.”

She expressed hope that the WTO’s 149 member nations would be able to conclude the talks by the end of this year, but that much work still remained ahead.