NAMA-11 Trade Union Statement on the Non-Agricultural Market Access (NAMA) negotiations at the WTO

In a historic show of unity, trade unions from major developing countries are speaking out on the impact of proposals currently on the table in the NAMA negotiations.

Trade Union centres from NAMA-11 countries (Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela) call upon Trade ministers and negotiators of the NAMA-11 group to make no further concessions in the area of NAMA, given that their existing position would already deliver deeply negative results for manufacturing employment and industrial development in many developing countries. Trade talks that promised to deliver to the world's poor and to promote the needs and interests of workers in developing countries are not achieving these results.

The current NAMA-11 position, dating from 29 June 2006, states that a difference of at least 25 points is needed between the coefficient for developed and the coefficient for developing countries. Furthermore, the NAMA-11 position states that flexibilities as formulated in paragraph 8 have to be at least at the level of the ones currently in brackets (i.e. 5% and 10% as stipulated in the July 2004 framework).

From a trade union point of view the current NAMA-11 position would have substantial negative effects and should be reviewed.

Assuming a coefficient of 10 for developed countries, this would result in a coefficient of 35 for developing countries under the NAMA-11 position. But even a coefficient of 35 would have serious consequences for the applied rates of a number of tariffs in several of our countries, especially in the sectors of clothing, textiles, footwear, leather, plastic and rubber, furniture and automobile. Even the use of paragraph 8 flexibilities would not prevent such consequences.

Consequences will be twofold. On the one hand the reductions in tariffs beyond currently applied rates will have a devastating effect on employment in our countries. With unemployment rates already at high levels and challenges of youth unemployment and decent work deficits at the forefront, additional policy elements that will lead to job losses cannot be taken up.

Secondly, the basis on which the formula and flexibilities are constructed prevents our countries from making future changes in response to policy needs. The Swiss formula reduces all tariff lines to the same extent without flexibility and without exception (apart from the paragraph 8 flexibilities) and with no changes possible in the future. The flexibilities, already low in itself, can not be altered in the future in response to changing needs for protection in one or the other sector. In other words, the current industrial structure will be captured in the NAMA agreement without possibility for such future changes. Given that all countries are at different stages of development and have different future needs, a one-size-fits-all formula cannot deliver in terms of development and will prevent our economies from developing.

The Swiss formula also reduces tariff escalation, which will negatively affect our countries' abilities to protect labour-intensive downstream sectors.

Moreover, the principle of less than full reciprocity that is at the centre of the NAMA-11 statements in the WTO will not be respected with the position that the NAMA-11 has taken, i.e. a difference in coefficients of 25 points. Even such a difference will still result in higher percentage reductions by developing countries than by developed countries.

Therefore we call upon the NAMA-11 members to:

- Pressure developed countries to make unconditional offers of greater market access in Agriculture, which must not be linked with NAMA. The benefits from market access in agriculture are likely to flow to a few countries only, and are likely to benefit capital intensive agriculture. Industrial development and jobs in manufacturing in our countries should not be exchanged against these. Even in countries that benefit from market access in agriculture, it is not right to have a trade-off between future industrial growth and agriculture.
- Ensure that developing countries can apply a tariff reduction that is in line with their stage of development, in conformity with the agreed principle of less than full reciprocity, and which should be substantially lower than the cuts undertaken by developed countries and the proposals for tariff cuts currently on the table.
- Ensure that developing countries' "paragraph 8" flexibilities, as currently set out in the July 2004 framework, are expanded substantially. The flexibilities should allow for *both* the exemption of tariff lines as well as lesser tariff cuts for a number of tariff lines. Developing countries should not have to choose between these two options. At the same time, these percentages should be increased to a percentage considerably higher than the current levels in brackets, and criteria with regard to import value should be dropped. This would assist developing countries in managing the adjustment of sensitive sectors and preventing the social disruption caused by job losses and closure of enterprises that would result from further liberalization; these flexibilities should also allow for changes over time in the tariff lines that will be selected to be covered by paragraph 8, so as to respond to future industrial development needs.
- Maintain their unity at the WTO in the face of pressure from developed countries

- Ensure the Doha Development Round benefits developing countries. By agreeing to some of the proposals currently on the table or by relaxing the group's current positions, this round will not deliver on its aim of promoting development for the world's poor. If anything, it will keep them in low-level agriculture and minerals extracting jobs.

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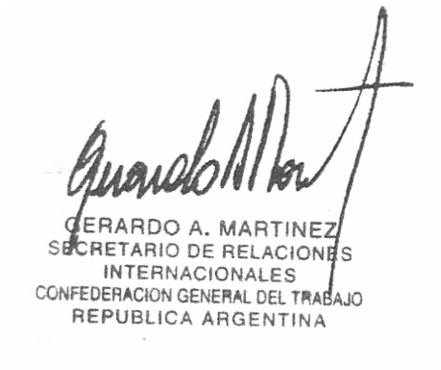

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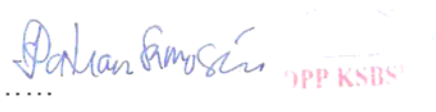

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