

NAMA 11 Trade Unions response to the NAMA draft modalities text

18 February 2008

The NAMA 11 trade unions group has been following the NAMA negotiations very closely and has made several declarations with regard to the NAMA negotiations on a number of occasions.

The revised NAMA modalities that were presented on the 8th of February by the Chair of the NAMA negotiations, Don Stephenson, require a response from the NAMA 11 trade union group. We would like to express our concern in relation to the text on a number of points:

- Like in the July 2007 draft, we consider the proposed range of coefficients in the Swiss formula for developing countries of between 19 and 23 far too low and unacceptable. These cannot constitute the basis for further negotiations. First of all because these coefficients will lead to cuts in applied rates in our countries and will thus affect employment. Secondly because they will lead to low bound rates across the board and thus hamper industrialization processes in our countries. Thirdly because the reductions that developing countries are asked to make are much higher than the developed country reductions. And fourthly because the reduction that developing countries have to make in NAMA are much higher than in Agriculture.
- Our governments had indicated in July that this range is not acceptable. However, in the new text, again the same range is included. The positions of our countries therefore do not seem to be taken into account.
- We do welcome the fact that the amount of flexibilities is left open, however, we would like to stress that these flexibilities need to be much higher than the flexibilities proposed in the July draft (i.e. higher than 5% and 10%), to enable developing countries to shield labour intensive industries. Developing countries should also have the possibility to alter these flexibilities (the tariff lines chosen) over time as developmental needs will change over time.
- We continue to support the NAMA 11 position of at least 25 point difference in the coefficients between developed and developing countries and the need for more flexibilities for our countries.
- At the same time we strongly call upon our governments to reinforce the NAMA 11 group, to keep unity within the group, to strengthen links with other developing country groupings, and to keep with the strong NAMA 11 position that was taken in July 2007.
- We also call upon our governments to clearly identify the tariff lines and sectors that need additional flexibilities due to their labour intensity. Competition and unemployment are already too high to further compromise the position of workers through high tariff cuts in NAMA.

- Finally we call upon all negotiators to find balance in the NAMA negotiations that is fair, in line with the mandate, and that would not put developing countries further into unemployment and social disruption, while taking away future prospects for development. We cannot accept an outcome that puts the full burden of adjustment on the developing countries.

The NAMA 11 trade unions group

Signatories:

- Congress of South African Trade Unions (COSATU), South Africa
- Confederación General del Trabajo de la República Argentina (CGT), Argentina
- Central Única dos Trabalhadores (CUT), Brazil
- Hind Mazdoor Sabha (HMS), India
- Trade Union Congress of the Philippines (TUCP), Philippines
- Alliance of Progressive Labour (APL), Philippines
- Serikat Buruh Sejahtera Indonesia (KSBSI), Indonesia
- Union Générale Tunisienne du Travail (UGTT), Tunisia
- National Union of Namibian Workers (NUNW), Namibia