

## Our World Is Not For Sale Network

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### **International Call for G-20 Action on WTO Financial Deregulation**

WASHINGTON, D.C. – More than 125 organizations representing 120-plus countries sent a letter to G-20 finance ministers today calling on them to take immediate action to remedy existing World Trade Organization (WTO) financial services rules and those being proposed in the WTO Doha Round that could undermine financial reregulation efforts worldwide.

The organizations – which include labor, environmental, farming, faith, and trade and finance groups – highlighted that the gap between the WTO’s 2001 Doha Round agenda and the 2011 global reality is nowhere more stark than in the WTO’s continuing push for more financial deregulation in the wake of the financial crisis.

“We are concerned that important financial reform policies that both G-20 governments and non-G-20 governments seek to implement in order to prevent future crises are already at risk,” the letter says. “Leading trade negotiators, economists, financial experts and trade lawyers have warned that current World Trade Organization provisions covering financial services restrict countries’ use of important financial regulatory measures. This includes some policies promoted by the G-20, such as those to avoid rapid inflows and outflows of capital and those designed to limit the risks derivatives trading can pose to commodity price anomalies and financial stability.”

Despite the G-20’s proclaimed mission of restoring financial stability and taking proactive measures to avoid future crises, G-20 communiqués have repeatedly called for a swift conclusion of the WTO Doha Round – despite further financial deregulation being one of the three pillars of the Doha Round.

“We call on G-20 governments to ensure that they protect the right and ability of countries to apply policies that safeguard their national financial stability,” said Peter Waldorff, general secretary of Public Services International, a global union federation that represents 20 million members and a signatory to the letter. “This includes ensuring changes are made to WTO rules to restrain the financial sector from acting with impunity across borders.”

The main aspects of the WTO Doha Round financial deregulation package include a 2006 Collective Request on Financial Services, which demands that all WTO signatories expand their implementation of the WTO’s regulatory constraints; establishment of additional limits on

domestic service sector regulation, which is currently under negotiation in a WTO Working Party on Domestic Regulation; and a plan to adopt an outdated set of 1998 Disciplines on Domestic Regulation in the Accountancy Sector, which could restrain governments' regulatory policies in that sector.

“Implementing the G-20’s ambitious goals to stabilize the global economy will require changes to existing WTO rules that domestically lock in – and export worldwide – the extreme financial services deregulation agenda that contributed to the global economic crisis,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “It also will require replacing the 2001 WTO Doha Round financial deregulation agenda with a new approach focused on liberating from the WTO’s constraints the domestic policy space that is needed to re-regulate the runaway financial services industry and stimulate the economy.”

The letter urged a series of steps that the G-20 should take, including addressing WTO deregulation in upcoming Communiqués, negotiation of a meaningful WTO safeguard for financial regulation, and suspending elements of Doha Round negotiations that would expand existing financial regulatory limits.

“It’s time to end the Doha Round negotiations and to try a new way that reflects the severe financial and economic challenges countries are facing in the wake of the financial crisis,” said Adhemar Mineiro from the Brazilian Network of People’s Integration. “If the G-20 is serious about its goal of ensuring financial stability, G-20 finance ministers must take action to prevent international commercial agreements from undermining the financial reforms the global economy desperately needs.”

Other signatories to the letter include the Citizens Trade Campaign, Americans for Financial Reform, Teamsters, U.S. PIRG, Public Citizen, the Trade Union Confederation of the Americas, the Hemispheric Social Alliance, SOMO, Third World Network-Africa, Brazilian Network for People’s Integration, Australian Fair Trade and Investment Network, Acord International- Africa, SEATINI, War on Want UK, Eurodad, Council of Canadians, Institute for Global Justice, Friends of the Earth (USA), International NGO Forum on Indonesian Development, and IBON Foundation.

**Read the full letter here:**

<http://www.citizen.org/documents/wto-g20-sign-on-letter-april-13-2011.pdf>.

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The “Our World is not for Sale” (OWINFS) network is a loose grouping of organizations, activists and social movements worldwide fighting the current model of corporate globalization embodied in global trading system. OWINFS is committed to a sustainable, socially just, democratic and accountable multilateral trading system. [www.ourworldisnotforsale.org](http://www.ourworldisnotforsale.org)