

# Arab states urged to prepare for GATS

'They should realise the importance of liberalising trade-in-services by seeking private sector involvement'

By Stanley Carvalho

## Abu Dhabi

Arab countries must adopt a unified stance and devise clear-cut strategies to cope with the changes and challenges posed by the WTO's General Agreement on Trade in Services (GATS).

Additionally, Arab nations must realise the importance of liberalisation of trade-in-services and open up the services sector by seeking the cooperation of the private sector. Hassan Ibrahim, secretary-general, United Arab Economic Council, told delegates at the opening of the fourth Arab International Conference on GATS and its effect on the Arab economy.

The two-day conference, being held in the capital, is being organised by the UAE Ministry of Economy and Commerce and the Arab Society of Certified Accountants (Asca).

Stating that Arab nations were facing consequences of destiny and lacked an integrated system, Ibrahim they would obviously be exposed to certain risks once GATS is implemented fully.

"Arab nations cannot change

the agreements reached by the WTO as many of them are members. So they must cope with the challenges and changes and find ways to convert the risks into positive advantages," he said.

Talal Abu-Ghazaleh, Asca chairman, said although trade-in-services account for some 60 per cent of the world's GDP, they represent a small 20 per cent of world trade.

"The future trade and growth in trade-in-services and developed countries are aggressively moving ahead to garner a greater share in this. "Arab countries too have a stake in this and they must prepare themselves accordingly."

Earlier, in his opening address, Sheikh Fahim bin Sultan Al Qasimi, UAE Minister of Economy and Commerce, underscored the importance of the services sector and its contribution to a country's economy.

Given the importance of this sector and the fact that Arab countries are new members of the WTO, the minister urged Arab nations to actively participate in future rounds of negotiations relating to GATS and understand its implications.



Abdulla Al Turifi (left), under-secretary, Ministry of Economy and Commerce, and Talal Abu-Ghazaleh, Chairman of the Arab Society of Certified Accountants (Asca), at the opening of the fourth Arab International Conference on General Agreement on Trade in Services (GATS) in Abu Dhabi yesterday. — GN picture by Abdul Rahman

Arab markets are one of the largest importers of trade-in-services especially in highly competitive sectors. Studies conducted by the economic affairs department of the Arab League estimated that trade-in-services in WTO member countries is valued at \$900 billion annually.

The study also estimated the increase in global trade through projects by multinational companies following the liberalisation of trade-in-services at \$3 billion annually.

The contribution of the services sector in Arab countries is expected to reach 60 per cent of the GDP after the agreement in trade-in-services is implemented.

Abdulla Al Turifi, under-secretary, Ministry of Economy and Commerce, read the minister's paper.

Maria Cattauli, secretary-general, International Chamber of Commerce, stressed that further reductions in barriers to trade-in-services through multilateral negotiations will result in immense economic gains. These gains will benefit both importing and exporting countries, in the industrialised and the developing world.