

## ANTIGUA REACTS TO UNPRECEDENTED ACTION BY UNITED STATES IN THE GAMBLING DISPUTE

The government of Antigua and Barbuda expressed its deep disappointment today over the surprise announcement by the Bush Administration that the United States was withdrawing its commitments in the gambling and betting services sector under the WTO's General Agreement on Trade in Services. Antigua has conducted a four-year struggle at the WTO against the United States prohibition on the cross-border provision of gambling and betting services that resulted in a resounding defeat of the United States over the trade issue. In the history of the WTO, no country has ever used the process being invoked today by the United States to raise additional barriers to free global trade in response to a lost trade dispute.

“While we had of course been aware of the possibility of the United States taking such an action, we frankly considered it extremely unlikely,” said Dr L. Errol Cort, Antigua's Minister for Finance and the Economy. “It is almost incomprehensible that the United States would take such an action in the face of an adverse dispute resolution ruling. This is going to have very severe consequences for the global free trade movement.”

Under the WTO rules pertaining to withdrawn commitments, the United States now faces claims from all other WTO members for compensation as a result of the action. This may result in a lengthy process of negotiation and possibly arbitration to determine damages to all affected WTO members before the United States will be allowed to actually change its commitment.

Although the press release from the United States Trade Representative today announcing the decision expressed the pending withdrawal as “correcting” an “unintended commitment” by the United States under the GATS, Mark Mendel, Antigua's lead counsel in the matter, dismissed that claim out of hand. “There is simply no basis for such a statement. When the schedules were drawn up over ten years ago, there was extensive debate, proposal and counterproposal from all WTO members in determining what commitments would be made. More than a dozen countries were able to expressly exclude gambling from their commitments, and many dozens more excluded the commitment in other ways. For the United States to say this was a mistake is just not true.” Mr Mendel went on to note that, contrary to the USTR statement, the original WTO panel to hear the dispute did not determine that the United States had made a mistake in including the commitment.

Minister Cort added his grave concerns over the United States action, noting “it is with great sadness that we learn of this latest action by the United States. Our small country has for years been fighting the United States over its protectionist trade policy at great expense to our delicate resources and economy. We are now reviewing our options and will be proceeding to use the WTO institutions to get full compensation for our citizens in the event the United States actually pursues this most regrettable action. We would strongly urge the United States to reconsider its decision.”