



WTO Services Negotiations The EU Perspective

Presentation to Pakistan

ITC

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Overview of services negotiations

- **Services a key pillar of the DDA**
- **Opportunity to extend market access and promote development**
- **All countries have a role to play**
- **But many very cautious**
- **Need to make more progress to ensure successful outcome**



Requests/Offers

- **More offers (and requests) needed**
- **EU requests take account of different levels of development**
- **EU initial and revised offers respond to requests from developing countries**
- **Broad sectoral coverage and all modes of supply important**



Benefits of services liberalization

- **Benefits to domestic economy: diversification, competition, growth, development**
- **Services inputs to manufacturing and agriculture**
- **New technology and jobs**
- **Imports can promote exports**



Key services sectors

- **Financial services**
 - **Telecoms**
 - **Transport (including maritime)**
 - **Environmental services**
 - **Tourism**
 - **Business services (including computers)**
 - **Construction**
 - **Distribution**
 - **Others?**
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- **Modes of supply: (1) cross border; (2) consumption abroad; (3) commercial presence; (4) temporary movement of people**



Progressive liberalization

- **Positive list approach**
- **Sequencing and transition periods**
- **Regulatory environment**
- **Respect for national policy objectives**
- **Safeguarding public services**



GATS

Article IV: The increasing participation of developing countries in world trade should be facilitated through negotiated commitments relating to:

- (a) The strengthening of their domestic services capacity, including access to technology;**
- (b) The improvement of their access to distribution channels and information networks;**
- (c) The liberalization of market access in sectors and modes of supply of export interest to them**

Article XIX: the process of liberalization should take place with due respect for national policy objectives and the level of development of individual Members



Services trade restrictions

- **Limits on the number of foreign service suppliers, through numerical quotas, monopolies, exclusive rights or economic needs tests;**
- **Limits on type of legal entity, e.g. through the exclusion of branches of foreign firms or requirements for joint-ventures;**
- **Limits on foreign share-holding in individual companies or by sector;**
- **Discriminatory licensing or other administrative requirements.**



Technical Assistance and capacity building

- **Trade assessment: identifying key sectors and export interests**
- **Structural reform and supply-side measures**
- **Regulatory systems and institution-building**
- **Negotiating advice**