

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

WTO Services Trade Negotiations

Communication from Australia

The following communication, dated 1 October 1999, has been received from the Permanent Mission of Australia.

-
1. The following are key elements on services for the Declaration of the third WTO Ministerial Conference.
 2. Ministers confirm the mandate already included in the text of the General Agreement on Trade in Services, for a further round of services negotiations.

Objectives

3. The objective of negotiations, as stated in Article XIX of the GATS, shall be to achieve a progressively higher level of liberalization of trade in services. Such negotiations shall be directed to the reduction or elimination of measures which serve to prevent, limit or constrain effective market access.
4. The focus of the negotiations shall be on ways to achieve substantial, equitable and durable gains in market access across the broad services sector, through increasing the general level of specific commitments undertaken by Members.

Scope

5. In order to achieve the maximum possible amount of liberalization and growth in services trade, Ministers decide that the negotiations will cover all 12 services sector and all four modes of supply. As a matter of principle, no sector shall be excluded from the negotiations.

Developing countries

6. In pursuing these objectives, Ministers note that the process of liberalization shall take due account of national policy objectives and the level of development of individual Members.
7. In the negotiations, there shall be appropriate flexibility for developing-country Members, for opening fewer sectors, liberalizing fewer types of transactions, and progressively extending market access in line with their development situation. The structure of the negotiations shall also reflect the commitments to developing countries embodied in Article IV of the GATS. The negotiations on

modes of supply shall pay particular attention to the interests and concerns of developing countries in relation to application of Mode 4, the movement of natural persons.

Autonomous liberalization

8. Negotiating guidelines shall establish modalities for the treatment of liberalization undertaken autonomously by Members since the conclusion of the Uruguay Round.

Transparency

9. Increases in the general level of specific commitments will be facilitated by ensuring that the GATS schedules fully and clearly reflect the extent of Members' undertakings, and by emphasizing the principle of transparency as a guiding rule in the negotiations. The schedules themselves will be simplified and clarified to make them more easily understood, especially by business.

MFN exemptions

10. To increase transparency, Ministers commit themselves to reducing as quickly as possible the scope and duration of all remaining MFN exemptions.

Safeguards, subsidies and government procurement

11. In relation to GATS rules, the mandated negotiations on safeguards, subsidies and government procurement shall continue, but with strict time-limits set and with the intention of determining whether practical, working rules in these fields can be applied to services trade.

12. In addition, they commission work on those aspects of GATS rules which are incomplete, insofar as such work is necessary to give form and substance to market access commitments.

Negotiating approaches

13. Ministers commit to using all available negotiating techniques in order to achieve the maximum possible trade liberalization in services, complementing the request-offer format of negotiations with other procedures and modalities, to improve efficiency, to increase transparency and to deliver a more substantive outcome.

Domestic regulations

14. Such work will commence with the rapid conclusion of the current review of GATS Article VI. That review, in turn, will be designed to ensure that domestic regulations imposed in services clearly meet a necessity test (that is, that the regulations concerned are the least trade-restrictive available) and that they help to fulfil a legitimate public policy objective.

Technological neutrality

15. Ministers reiterate the precept of technological neutrality which applies to commitments made under the GATS.

Standstill

16. Ministers commit themselves to a standstill on introduction of new trade-restrictive measures in the field of services for the duration of the negotiations.

Negotiating plan

17. Ministers agree to establish a services negotiating body, which will work with existing bodies and possibly with other sectoral groups, if necessary. Decisions on establishment of any sectoral groups will be taken before commencement of negotiations.

18. Setting a time-frame for completion of the services negotiations will be important to ensure that work is completed expeditiously. That job will be facilitated by the setting of benchmarks for progress in the negotiations. They should include the following:

- By mid-2000: final submission of negotiating proposals for further liberalization, including both request-offer proposals and offers based on negotiating formulas.
 - By end-2001: negotiation and finalization of arrangements for further liberalization of trade in services; submission of lists of commitments and concessions, consistent with the agreed frameworks. Review progress at the fourth WTO Ministerial Conference.
 - By end-2002: completion of the negotiations, including finalization of legal texts and submission of schedules of commitments.
-