

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposal Regarding Negotiations on Trade in Services

Paragraph 9 (a)(ii) of the Geneva Ministerial Declaration

Communication from Cuba

The following communication, dated 26 October 1999, has been received from the Permanent Mission of Cuba.

Introduction

1. In accordance with Article XIX:1 of the General Agreement on Trade in Services (GATS), WTO Members are committed to pursuing the process of liberalization through negotiations directed to the reduction or elimination of barriers to the trade in services.
2. It is also the responsibility of Members to ensure that this process of liberalization takes place with a view to promoting the interests of all participants on a mutually advantageous basis and to securing an overall balance of rights and obligations. Particular attention must be paid to the right of Member's to regulate, and to introduce new regulations, on the supply of services within their territories in order to meet national policy objectives. This right, proclaimed in the preamble to the GATS, is particularly legitimate in the case of developing countries because of the asymmetries in and vulnerability of their economies.
3. In order to achieve the objectives stated in paragraphs 1 and 2, it is essential that the economic, trade and financial situations of developing countries be taken into account.

Proposals

4. Ministers recognize that the following factors are fundamental and must be taken into account in the negotiations on services.

Progressive liberalization

5. The process of liberalization of trade in services cannot be divorced from the level of development of participants in the negotiations; on the contrary, it must be taken into account. In that connection, Article XIX:2 of the GATS provides that the process of liberalization take place with due respect for national policy objectives and the level of development of individual Members, both overall and in individual sectors.

Negotiating guidelines and procedures

6. Negotiating guidelines and procedures must be established for each round of negotiations. In that regard, pursuant to Article XIX:3 of the GATS, "the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis". This assessment should show the outcomes of the process of liberalizing services and the benefits that have accrued to Members, especially developing and least-developed economies, so that they are not excluded from the advantages of the multilateral trading system. In the absence of this assessment, which must include the consequences on the trade and development prospects of Members, guidelines promoting the interests of all participants cannot be established.

7. Furthermore, future negotiating guidelines and procedures must take into account the objectives laid down in Article IV of the GATS, facilitating the increasing participation of developing countries. It is clear that if these countries do not have access to technology on a commercial basis, without improved access to distribution channels and information networks and the liberalization of sectors and modes of supply of export interest to them, "the economic growth of all trading partners and the development of developing countries", as stated in the preamble to the GATS, would not be achieved.

8. Respect for the current structure of the GATS must be a fundamental aspect of future negotiations. The process of liberalization should be gradual; special emphasis must be placed on the development dimension, taking into account existing asymmetries. In addition, modalities must be established encompassing the commitments of the Uruguay Round, as well as initial contributions to the negotiations, in line with Article XIX:3 of the GATS.

Technical assistance

9. Trade in services can constitute a significant potential for the development of the foreign trade of some developing countries, either because of the developed professional level they have attained or owing to natural conditions which favour the marketing of certain services. To that end, technical assistance is required from regional and international bodies, such as UNCTAD, to provide assistance in coordination with the WTO, to developing countries in the process leading up to the negotiations.
