

WORLD TRADE  
ORGANIZATION

RESTRICTED

**S/C/W/17**

16 July 1996

(96-2916)

## Council for Trade in Services

Original: English

## COMMUNICATION FROM AUSTRALIA

## Proposal for the Singapore Ministerial Meeting

The following communication is circulated at the request of the delegation of Australia to Members of the Council for Trade in Services.

---

SERVICES: PREPARATORY WORK Programme FOR THE BUILT-IN AGENDA

Australian Proposal for the Singapore Ministerial Meeting

Introduction

1. The next round of services negotiations, mandated to commence no later than 1 January 2000, is likely to be complex in view of the rapid evolution of the global services sector. Australia believes that it is desirable that WTO Ministers at their meeting in Singapore agree to initiate in 1997 preparations for these negotiations. A proposed preparatory work programme is set out below.

Background: The built-in agenda mandate for negotiations

Services negotiations - the next round

The General Agreement on Trade in Services (Article XIX.1) mandates "successive rounds of negotiations, beginning not later than five years from the date of entry into force of the WTO Agreement and periodically thereafter, with a view to achieving a progressively higher level of liberalization". The GATS therefore calls for a round of services liberalization negotiations to commence not later than 1 January 2000.

Further, the GATS (Article XIX.3) specifies "For each round, negotiating guidelines and procedures shall be established. For the purposes of establishing such guidelines, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis".

Sectoral negotiations and reviews

The WTO built-in agenda provides for sectoral negotiations in financial services, basic telecommunications, maritime transport services and movement of natural persons supplying services. Further negotiations are currently mandated in financial services, basic telecommunications and maritime transport services. In financial services, the interim agreement is due to expire in December 1997 and negotiations will be required to determine arrangements for this sector when the interim agreement expires. Negotiations on basic telecommunications have been extended until February 1997. Maritime negotiations have been suspended and are to resume with the commencement of comprehensive negotiations on services in accordance with Article XIX of the GATS.

Australia proposes that Ministers at Singapore commit themselves to the completion of the basic telecommunications negotiations in February 1997 and to the early commencement in 1997 of negotiations aimed at determining arrangements for the financial services sector when the interim agreement expires in December 1997.

The Ministerial Decision on Professional Services (paragraph 1) states "... a Working Party on Professional Services shall be established to examine and report, with recommendations, on the disciplines necessary to ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements in the field of professional services do not constitute unnecessary barriers to trade". The Ministerial Decision (paragraph 2) also states that "As a matter of priority, the Working Party shall make recommendations for the elaboration of multilateral disciplines in the accountancy sector, so as to give operational effect to specific commitments". No timetable has been set for the conclusion of the Working Party's report.

The Annex to the GATS on Air Transport Services mandates the Council for Trade in Services to review periodically, and at least every five years, developments in the air transport sector and the operation of the annex on air transport services with a view to considering the possible further application of the Agreement in the sector. This review would need to take place no later than the year 2000.

The Annex on Article II Exemptions provides that "The Council for Trade in Services shall review all Article II exemptions granted for a period of more than 5 years. The first such review shall take place no more than 5 years after the entry into force of the WTO Agreement", that is, no later than 1 January 2000.

#### Rules negotiations

The WTO built-in agenda calls for negotiations in the areas of emergency safeguards, government procurement and subsidies.

Article X of the GATS states "There shall be multilateral negotiations on the question of emergency safeguard measures based on the principle of non-discrimination. The results of such negotiations shall enter into effect on a date not later than three years from the date of entry into force of the WTO Agreement", that is not later than 1 January 1998.

Article XIII states "There shall be multilateral negotiations on government procurement in services under this Agreement within two years from the date of entry into force of the WTO Agreement", that is not later than 1 January 1997.

Article XV states "Members recognize that, in certain circumstances, subsidies may have distortive effects on trade in services. Members shall enter into negotiations with a view to developing the necessary multilateral disciplines to avoid such trade-distortive effects. The negotiations shall also address the appropriateness of countervailing procedures". No time period is set for these negotiations.

In addition, Article VI, Domestic Regulation, while not specifying negotiations, states under paragraph 4, that "With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, the Council for Trade in Services shall, through appropriate bodies it may establish, develop any necessary disciplines".

#### Proposal: Preparatory Work Programme

##### Preparations for Article XIX negotiations

The services liberalization negotiations mandated in the WTO built-in agenda, which are to begin not later than 1 January 2000, will require an extensive preparatory process. This is particularly so in view of the globalization and growth of international services trade.

Australia believes that in view of the expected complexity of the future services negotiations, Ministers at the Singapore Ministerial Conference should agree to initiate a preparatory work programme beginning in 1997 for these negotiations. There would be insufficient time to prepare for further negotiations if a decision to commence preparations was delayed until the 1998 Ministerial meeting.

Australia proposed that the Council for Trade in Services undertake preparatory work for the future negotiations, taking as its starting point the parameters set out in Article XIX.3.

- The Council for Trade in Services could commence the assessment of trade in services overall and on a sectoral basis. This assessment could include information exchange on Members' services regimes and their experience in services liberalization.
- Australia believes that an assessment of services liberalization provided for in regional trade arrangements would be an important adjunct to this work in view of developments in services rules and access in these arrangements.
- The preparatory work should also begin consideration of guidelines and procedures mandated in Article XIX.3.

#### Sectoral and rules negotiations

In respect of professional services, Australia proposes that Ministers agree to:

- Complete work on accountancy by the end of 1997;
- Commence a work programme on horizontal aspects related to professional services, with a view to completing work by the start of the next round of services liberalization negotiations; and
- Look, as appropriate, at specific issues related to other professional services.

Australia proposes that Ministers agree to review progress in rules negotiations (subsidies, safeguards and government procurement) at the 1998 Ministerial meeting with a view to consideration of their completion in the context of the future negotiations in 2000.

In respect of domestic regulation, Australia proposes that Ministers request the Council for Trade in Services to examine, as appropriate under Article VI.4 of the GATS, measures relating to qualification requirements and procedures, technical standards and licensing requirements with a view to completing work before the negotiations in 2000.

In order to establish a sound foundation for the scheduling of future commitments, Australia proposes that Ministers agree that the Committee on Specific Commitments complete its work related to the consistency of scheduling commitments, including the adequacy of existing scheduling rules, as an element of the preparatory work programme for the commencement of negotiations in 2000.

#### Conclusion: Report of the Council for Trade in Services

Australia proposes that the Report of the Council for Trade in Services to the Ministers at the Singapore Ministerial Conference recommend that a preparatory work programme commence in 1997 for negotiations on services not later than the 2000 as mandated in Article XIX of the GATS and that the preparatory work programme include the above elements.