



WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
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ADVANCED TRADE NEGOTIATIONS SIMULATION SKILLS COURSE

PART III (SERVICES)

III

Prof. Dickson Yeboah
Head, Intensive Trade Negotiations Skills Unit
Institute for Training and Technical Cooperation
WTO, Geneva

Tel +41 22-739-5503
Fax +41 22-739-5764
Email: dickson.yeboah@wto.org

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SECTION 1

CHAPTER 1

THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

1. The General Agreement on Trade in Services (GATS) is one of the key Agreements of the WTO. It is designed to "secure progressively higher levels of liberalization of trade in services through successive rounds of negotiations, which should aim at promoting the interests of all WTO Members, and at achieving an overall balance of rights and obligations" (Article XIX of the GATS).

2. The Articles of the GATS, and a set of Annexes, establish some general rules for governmental measures that affect Trade in Services. In addition, national schedules of commitments set out specific commitments by each Member of the WTO. The schedules are an integral part of the Agreement, as tariff schedules are an integral part of the GATT. While the text of the Agreement applies uniformly to all WTO Members, the scheduling of commitments is negotiated by each WTO Member with every other Member.

I. THE TEXT OF THE GATS CONSISTS OF 6 PARTS:

- i. Scope and Definition (Article I)
- ii. General Obligations (Articles II to XV)
- iii. Specific Commitments (Articles XVI to XVIII)
- iv. Progressive Liberalization (Articles XIX to XXI)
- v. Institutional Provisions (Articles XXII to XXVI)
- vi. Final Provisions (Articles XXVII to XXIX).

3. The GATS does not define "services" but does define "trade in services". The definition covers not only the cross-border supply of services but also transactions involving the cross-border movement of capital and labour. Paragraph 2 of Article I defines trade in services as the supply of a service through any of four modes of supply.

II. FOUR MODES OF SUPPLY OF SERVICES:

Cross-border supply

Cross-border supply is the supply of a service from the territory of one Member into the territory of any other Member. This is the type of transaction analogous to trade in goods. For example: international transport and the supply of a service through telecommunication or mail.

Consumption abroad

This happens when the consumer moves to the territory of another country and buys services there. For example, tourism or when a German resident crosses the border to deposit money in a Swiss bank. It may also happen when the property of a consumer is sent abroad for servicing, as in the case of ship repair.

Supply through Commercial Presence

This involves direct investment in the export market through the establishment of a business there for the purpose of supplying a service. For example, a country allows the establishment of foreign banks or hotels on its territory.

Supply through the Movement of Natural Persons

Supply through the movement of natural persons means "the temporary entry of an individual in the territory of another Member for the purpose of supplying a service". This person could be the service supplier himself or an employee of the service supplier. In both cases, the GATS definition covers only the temporary stay of such persons.

III. OBLIGATIONS UNDER THE GATS

4. Obligations contained in the GATS may be categorized into two groups: General obligations which apply directly and automatically to all Members, regardless of the existence of sectoral commitments; and specific commitments whose scope is limited to the sectors and activities where a Member has decided to assume market access and national treatment obligations.

A. GENERAL OBLIGATIONS

- **MFN Treatment:** Under Article II, Members are expected to give services and service suppliers from each Member country "treatment no less favourable than that accorded to like services and service suppliers of any other Member country". However, Members were allowed to take a one time exemption for specific services at the time they entered into the GATS. They could also obtain an exemption through the negotiation of a waiver under Article IX of the Agreement. Any such exemption is subject to review and should in principle not last longer than 10 years.
- **Transparency:** WTO Members are required, *inter alia*, to publish all measures of general application and establish national enquiry points mandated to respond to other Member's services information requests.

B. SPECIFIC COMMITMENTS

- **Market Access:** Countries are prohibited from placing any quantitative limitations on services and service suppliers in any sector listed in their national schedule of commitments unless the country lists the measure in its schedule. The types of limitations covered by this requirement are enumerated in Article XVI(2). For example, countries are required to list limitations it imposes on the number of services suppliers, service operators or employees in a sector, the value of transactions, the legal form of the service supplier, or the participation of foreign capital.
- **National Treatment:** In any sector included in its Schedule of Specific Commitments, a Member is obliged to grant foreign services and service suppliers national treatment unless it lists the non-conforming measure in its national schedule. National treatment is defined as treatment no less favourable than that extended to its own like services and service suppliers. In this context, countries commit themselves not to adopt any law or other measure that would give its services or services suppliers a competitive advantage.

IV. SCHEDULE OF SPECIFIC COMMITMENTS

Scheduling commitments

5. Each WTO Member is required to have a Schedule of Specific Commitments in Services. Services schedules consist of both sectoral and horizontal sections. It is a document, which identifies the services sectors, sub-sectors or activities subject to Market Access and National Treatment obligations and any limitations attached to them. The necessary indications must be entered with respect to each of the four different modes of services supply.

Sectoral coverage

6. A Member's schedule indicates in which services sectors, subsectors, or activities it accords market access and national treatment. A sector or subsector is described on a separate line in the schedule. Each country is free to select any sector or subsector on which to make binding commitments (cf. services sectoral classification list). The "sector specific section" contains limitations that apply only to the particular sector, sub-sector or activity to which they refer.

Horizontal limitations

7. In order to avoid repetition, nearly all countries have set out a section, at the beginning of their schedules, for "horizontal commitments" on measures applicable to all listed sectors. These can impose limitations across all sectors for any mode of supply. The "horizontal section" contains limitations that

apply across all sectors included in the schedule. They often refer to a particular mode of supply, notably commercial presence and the presence of natural persons. It is advisable to check for the existence and nature of the horizontal section of a schedule before reading the line for a particular sector in the second part of a schedule.

Columns

8. The standard layout has three columns. A row is formed by a sector line for each entry, reading across the columns, with the four modes of supply shown. The columns include:

Column 1

Market access	Terms, limitations and conditions
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Column 2

National treatment	Conditions and qualifications
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Column 3

Additional commitments	Undertakings.
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9. The GATS does not impose the obligation to assume market access or national treatment commitments in a particular sector. In scheduling commitments, members are free to tailor the extent of the commitments they take so as to avoid or modify obligations that they consider too demanding at present.

10. **Article XVI** sets out six types of limitations on market access that may be specified in national schedules. They are:

- Limitations on the number of service suppliers (e.g. new entries subject to economic needs);
- Limitations on the total value of services transactions or assets (e.g. assets of foreign banks limited to "x" percent of total bank assets);
- Limitations on the total number of service operations or the total quantity of service output (e.g. restrictions on broadcasting time for foreign films);
- Limitations on the number of persons that may be employed in a particular sector or by a particular supplier (e.g. no more than "x" foreigners per outlet);
- Measures that restrict or require supply of the service through specific types of legal entity or joint venture (e.g. foreign presence only via subsidiaries);
- And percentage limitations on the participation of foreign capital, or limitations on the total value of foreign investment (e.g. foreign equity limited to 49 percent).

11. **Article XVII** deals with national treatment, although it does not follow Article XVI in setting out a list of measures that would be incompatible with such treatment. It states that *in the sectors covered by its schedule, and subject to any conditions and qualifications set out in the schedule*, each member shall give treatment to foreign services and service suppliers treatment, in measures affecting supply of services, no less favourable than it gives to its own services and suppliers.

12. Typical national treatment limitations are:

- Discriminatory subsidies and other fiscal measures
- Nationality and residency requirements (→ mode 3)
- Discriminatory licensing/registration/qualification/training requirements
- Technology transfer requirements

- local content provisions
- Prohibitions on land/property ownership
- Limitations on insurance portability, education grants
- Language requirements.

13. **Overlap Between Market Access and National Treatment:** With reference to Article XX paragraph 2, relevant measures (e.g. joint venture requirements, discriminatory quotas) shall be inscribed in the column relating to Article XVI (market access). This provides a condition and qualification to Article XVII (national treatment) as well.

14. Any market access or national treatment obligations inscribed in schedules must be granted unconditionally to all Members, without discrimination. Any reciprocity provision in areas not subject to specific commitments would need to be listed as an Article II- Exemption as it contravenes the basic MFN requirement. Parties to a Free Trade Agreement, however, are not bound to give Parties that are not signatories of the Free Trade Agreement the same treatment.

15. Pursuant to Article XXI, specific commitments may be modified through negotiation after three years. However, countries that are affected by such modifications can ask the country making the adjustment to make an equivalent commitment in another area.

V. WHAT HAS NOT, OR NOT YET, BEEN COVERED IN THE GATS?

16. Although the scope of the GATS is very wide, dealing with "all measures affecting trade in services", policy measures in some areas are not covered by the GATS disciplines, provided the measures are not used to circumvent their GATS obligations:

- Immigration rules;
- Services supplied under Government Authority;
- Fiscal policy and taxation measures (provided the taxes do not discriminate against foreign services or service suppliers.)
- Import restrictions on equipment necessary for the supply of a service;
- Restrictions on short term capital movements, or measures that affect property rights (provided they are non-discriminatory);
- Exchange rate management;
- Privatization of state owned property, though there are disciplines for state-owned trading entities and monopolies.

17. Other types of government measures have been put into the GATS work program:

- Safeguard measures,
- Rules for government procurement,
- Disciplines on subsidies,
- Disciplines for domestic regulations.

18. See Annex A for the Services Sectoral Classification List for the Exercise.

CHAPTER 2

SCHEDULES OF COMMITMENTS AND LISTS OF ARTICLE II EXEMPTIONS

19. The General Agreement on Trade in Services consists of the framework agreement - the Articles of the Agreement - and its Annexes, the schedules of specific commitments and lists of exemptions from MFN treatment submitted by member governments. The schedules and the exemption lists are integral parts of the Agreement.

20. It is only by reference to a country's schedule, and (where relevant) its MFN exemption list, that it can be seen to which services sectors and under what conditions the basic principles of the GATS –market access, national treatment and MFN treatment - apply within that country's jurisdiction. The schedules are complex documents in which each country identifies the service sectors to which it will apply the market access and national treatment obligations of the GATS and any exceptions from those obligations it wishes to maintain. The commitments and limitations are in every case entered with respect to each of the four modes of supply which constitute the definition of trade in services in Article I of the GATS: these are cross-border supply; consumption abroad; commercial presence; and presence of natural persons.

21. In order to determine the real level of market access represented by a given schedule, it is necessary to examine the range of activities covered in each service sector and the limitations on market access and national treatment pertaining to the different modes of supply. In addition, in cases where a country has also tabled a list of MFN exemptions, this must be examined in order to assess the extent to which the country gives preferential treatment to, or discriminate against, one or more of its trading partners.

VI. SCHEDULES OF SPECIFIC COMMITMENTS

22. A specific commitment in a services schedule is an undertaking to provide market access and national treatment for the service activity in question on the terms and conditions specified in the schedule. When making a commitment a government therefore binds the specified level of market access and national treatment and undertakes not to impose any new measures that would restrict entry into the market or the operation of the service. Specific commitments thus have an effect similar to a tariff binding - they are a guarantee to economic operators in other countries that the conditions of entry and operation in the market will not be changed to their disadvantage. Commitments can only be withdrawn or modified after an agreement on compensatory adjustments has been reached with affected countries, and no withdrawals or modifications were to be made until three years after entry into force of the Agreement. Such modifications of commitments were not to affect the application of most-favoured-nation (MFN) treatment. Commitments can however be added or improved at any time.

23. The national schedules conform to a standard format which is intended to facilitate comparative analysis. For each service sector or sub-sector that is offered, the schedule must indicate, with respect to each of the four modes of supply, any limitations on market access or national treatment which are to be maintained. A commitment therefore consists of eight entries which indicate the presence or absence of market access or national treatment limitations with respect to each mode of supply. The first column in the standard format contains the sector or sub-sector which is the subject of the commitment; the second column contains limitations on market access; the third column contains limitations on national treatment. In the fourth column governments may enter any additional commitments which are not subject to scheduling under market access or national treatment e.g. qualifications, standards, licenses and competition disciplines.

24. In nearly all schedules, commitments are split into two sections: First, "horizontal" commitments which stipulate limitations that apply to all of the sectors included in the schedule; these often refer to a particular mode of supply, notably commercial presence and the movement of natural persons. Any evaluation of sector-specific commitments must therefore take the horizontal entries into account. In the second section of the schedule, commitments which apply to trade in services in a particular sector or sub-sector are listed.

25. The terminology used in schedules has also been standardized wherever possible. What follows is a description of the information which has to be inscribed in each column of the schedules and a summary of the terminology used.

A. THE INFORMATION THAT IS ENTERED IN THE COLUMNS

- **Sector or sub-sector column:** this column contains a clear definition of the sector, sub-sector or activity that is the subject of the specific commitment. Members are free, subject to the results of their negotiations with other participants, to identify which sectors, sub-sectors or activities they will list in their schedules, and it is only to these that the commitments apply. It will be seen that committed sectors are sometimes very broad, as in "banking and other financial services" and sometimes very narrow, as in "noise abatement services".

26. In the great majority of schedules the order in which the sectors are listed corresponds to the WTO Secretariat classification which lists twelve broad sectors as follows:

1. Business; 2. Communication; 3. Construction and Engineering; 4. Distribution; 5. Education; 6. Environment; 7. Financial; 8. Health; 9. Tourism and Travel; 10. Recreation, Cultural, and Sporting; 11. Transport; 12. "Other".

27. Furthermore, in most cases, the sectoral entries are accompanied by numerical references to the Central Product Classification system of the United Nations which gives a detailed explanation of the services activities covered by each listed sector or sub-sector, and on which the secretariat list is based. Where this is not possible, listings are to provide a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment.

- **Market access column:** When a Member undertakes a commitment in a sector or sub-sector it must indicate for each mode of supply what limitations, if any, it maintains on market access. Article XVI:2 of the GATS lists six categories of restriction which may not be adopted or maintained unless they are specified in the schedule. These are:
 - (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
 - (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
 - (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;¹
 - (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
 - (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and,
 - (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.
- All limitations in schedules therefore fall into one of these categories. They comprise four types of quantitative restriction plus limitations on types of legal entity and on foreign equity participation.

¹ Subparagraph (c) does not cover measures of a Member which limit inputs for the supply of services.

- **National treatment column:** The national treatment obligation under Article XVII of the GATS is to accord to the services and service suppliers of any other Member treatment no less favourable than is accorded to domestic services and service suppliers. A Member wishing to maintain any limitations on national treatment - that is any measures which result in less-favourable treatment of foreign services or service suppliers - must indicate these limitations in this column of its schedule.
- **Additional commitments column:** Entries in this column are not obligatory but a Member may decide in a given sector to make additional commitments relating to measures other than those subject to scheduling under the market access and national treatment columns. Such undertakings relate, for example, to qualifications, technical standards, licensing requirements or procedures, and other domestic regulations. This column is to be used to indicate positive undertakings, not the listing of additional limitations or restrictions.

B. HOW COMMITMENTS ARE RECORDED IN SCHEDULES

28. In essence, the entries which constitute a legally binding commitment in a Member's schedule indicate the presence or absence of limitations on market access and national treatment in relation to each of the four modes of supply for a listed sector, sub-sector or activity. In the following cases the entries use **uniform terminology**:

29. Where there are no limitations on market access or national treatment in a given sector and mode of supply, the entry reads NONE. However, it should be noted that when the term NONE is used in the second or sector-specific part of the schedule it means that there are no limitations **specific to this sector**: it must be borne in mind that, as noted above, there may be relevant horizontal limitations in the first part of the schedule.

30. All commitments in a schedule are bound unless otherwise specified. In such a case, where a Member wishes to remain free in a given sector and mode of supply to introduce or maintain measures inconsistent with market access or national treatment, the Member enters in the appropriate space the term UNBOUND.

31. In some situations a particular mode of supply - such as the cross-border supply of bridge-building services - may not be technically possible or feasible. In such cases the term UNBOUND* is used, usually in conjunction with an explanatory footnote stating "Unbound due to lack of technical feasibility".

32. In many cases it will be seen that there are textual descriptions of bound commitments which indicate limitations on market access or national treatment. Such entries, which vary in length considerably, do not use uniform terminology but are based on one of two **common approaches**:

33. The entry describes in the appropriate space the nature of the limitation, indicating the elements which make it inconsistent with Articles XVI and XVII of the GATS.

34. In some cases, Members have chosen to indicate a limited commitment by describing what they are offering rather than the limitations they are maintaining. Such an approach is often used to indicate the market access opportunities for the entry of certain categories of foreign natural persons who supply services (see Box 1).

35. Box 1: Levels of commitment

Box 1.		
Commitments use the following standard terms:		
Full commitment	None	This means there are no limitations or laws inconsistent with the GATS (other than possibly any horizontal limitations inscribed in the first part of each schedule).
No commitment	Unbound	In this case measures inconsistent with the market access or national treatment disciplines can be introduced or maintained. It is only relevant for use where a commitment has been made in a sector with respect to at least one mode of supply. Where all modes are unbound, and no additional commitments have been undertaken in the sector, the sector will not appear in the schedule at all.
No commitment technically feasible (the asterisk should refer to a footnote which states 'unbound due to lack of technical feasibility')	Unbound*	It may not be technically possible for some services to be supplied through a certain mode of supply (such as a cross-border sit-down restaurant service). In such cases the term 'unbound*' has been used.
Commitment with limitations		The limitations on market access and national treatment are inscribed, whether this involves binding the existing regulatory situation, or one that is more liberal.

VII. LISTS OF ARTICLE II (MFN) EXEMPTIONS

36. Most-favoured-nation treatment is a general obligation that applies to all measures affecting trade in services. However, it has been agreed that particular measures inconsistent with the MFN obligation can be maintained - in principle for not more than ten years and subject to review after not more than five years. Such measures must have been specified in a list of MFN Exemptions submitted by the end of the Uruguay Round of Multilateral Trade Negotiations or by the conclusion of extended negotiations on certain sectors for which the delayed submission of related exceptions was expressly authorized. Subsequently, requests for exemptions from Article II (MFN) can only be granted under the waiver procedures of the Marrakesh Agreement.


37. In contrast to the complex nature of schedules of commitments, these lists are largely self-explanatory and are structured in a straightforward manner. In order to ensure a complete and precise listing of a country's MFN exemptions, each country is required to provide five types of information for each exemption:

- (i) Description of the sector or sectors in which the exemption applies;
- (ii) Description of the measure, indicating why it is inconsistent with Article II;
- (iii) The country or countries to which the measure applies;
- (iv) The intended duration of the exemption;
- (v) The conditions creating the need for the exemption.

38. It is a basic principle of the Agreement that specific commitments are applied on an MFN basis. Where commitments are entered, therefore, the effect of an MFN exemption can only be to permit more favourable treatment to be given to the country to which the exemption applies than is given to all other

Members. Where there are no commitments, however, an MFN exemption may also permit less favourable treatment to be given. It is not necessary to list measures providing for preferential liberalization of trade in services among Members of economic integration agreements, such as Free Trade Areas; such preferential treatment is permitted under Article V of the GATS and must meet the criteria laid down in that Article.

B. HOW SCHEDULES OF COMMITMENTS ARE STRUCTURED:

Role of Horizontal Commitments 			
Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
I. Horizontal Commitments			
ALL SECTORS INCLUDED IN THIS SCHEDULE	4) Unbound, except for the temporary presence for up to three years of the following categories of persons: A. <u>Services Salespersons</u> ... B. <u>Intra-corporate Transferees</u> ... Executives ... Managers ... Specialists ... Professionals ... C. <u>Personnel Engaged in Establishment</u> ...	3) Unbound for subsidies. Acquisition of land subject to government approval. 4) Unbound, except for measures concerning the categories of natural persons referred to in the Market Access column.	15

HOW SCHEDULES OF COMMITMENTS ARE STRUCTURED: CASE A

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
All insurance and insurance Related Services (CPC 812**).	1) Unbound, except for insurance of cargo transportation, brokerage and reinsurance. 2) None 3) None, except for foreign ownership in domestic legal entities providing insurance services must not exceed 49%. 4) Unbound except as indicated under horizontal commitments.	1) None. 2) None. 3) None. 4) Unbound except as indicated under horizontal commitments.	

How Schedules of Commitments are structured: Case B.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Retailing Services (excluding tobacco)	1) Unbound except for mail order 2) None 3) Foreign service suppliers may supply services only in the form of joint ventures in five Special Economic Zones (...) ... Foreign services suppliers will be permitted to engage in the retailing of all products, except for the retailing of books, newspapers and magazines ... 4) Unbound except as indicated in Horizontal Commitments	1) Unbound except for mail order 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Foreign-invested enterprises may distribute their products manufactured in [...] and provide subordinate services as defined in Annex 2.

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How Schedules of Commitments are structured: Case C.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<u>Basic Telecom Services</u> Facilities-based and public switched services (a) Voice telephone services (CPC 7521)	1) None 2) None 3) None, except direct investment by non- [...] persons in a service supplier cannot exceed 20% ... 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) The chairman and a majority of the board of directors shall be [...] nationals 4) Unbound except as indicated in the horizontal section	[...] undertakes the obligations contained in the attached reference paper.

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SECTION 2

MULTILATERAL TRADE NEGOTIATIONS

COUNTRY PROFILES

This Section presents country profiles of hypothetical trading partners, namely Neptunia, Jupistan, Plutona, Belinda, Venusia, Callisto, Elara, Himalia, Mirhala, Al-Nayad, Thammakorn, Hamiston, Rozlind, Australina and Rosalina.

Global services trade is worth more than \$3.76 trillion. However, many barriers to foreign investment in services remain high in much of the developing world.

Governments hope to revitalize their economies by opening their services sectors to foreign competition. However, it may be difficult for some Governments to fully liberalize specific services sectors; this may be possible if certain categories of professionals can have unlimited access to foreign markets. On national treatment, be aware that some domestic firms may demand more favourable treatment than foreign companies.

CHAPTER 3

COUNTRY PROFILES

1. Country A: NEPTUNIA

Neptunia is an industrialized country with a democratically elected government and a population of nearly 130 million people. Neptunia's manufacturing sector, dominated by electronics and car industries, is the mainstay of the economy and has had huge success in penetrating international markets. Neptunia enjoys a high rate of investment, both in the private sector and in the public sector. Neptunia's companies have historically relied more on bank financing than equity and bond issuance.

The economy consists of two distinct tiers—the large and powerful multinational companies and a plethora of small often family-owned enterprises. Significant services sectors in Neptunia are financial services including insurance, business services, educational services, health services, hotels and communication services. Neptunia seeks to liberalize several services sectors including health, nursing care, social welfare and education; fuse broadcasting and telecommunications and utilize open bidding for broadcasting frequencies. The Government intends to create employment opportunities for an estimated 5.3 million people within 5 years for the services sector.

Services exports amount to \$220.9 billion while services imports reach nearly \$235 billion. Neptunia is a net exporter of financial services, business services, construction services and services relating to royalties and licence fees. Neptunia runs a deficit in commercial services trade, amounting to \$14.1 billion (see applicable Annex B Tables).

2. Country B: JUPISTAN

Jupistan is a developing country with a democratically elected government and a population of nearly 30 million people. During the past 30 years, Jupistan has industrialized rapidly, transforming itself from an economy based on primary commodities (palm oil, natural rubber, tropical timber) into an economy dominated by manufacturing and services. The share of services in GDP increased to 51% from 48% the previous year. Services exports amount to \$63.15 billion while services imports reach \$54.63 billion. Jupistan is a net exporter of computer and information services, as well as tourism and travel-related services. Jupistan enjoys a surplus in commercial services trade, amounting to \$8.52 billion (see applicable Annex B Tables). Jupistan aims to become a fully developed country by 2020. With the push towards industrialization through an export-led growth strategy, it becomes important that necessary services grow to support the industrialization drive.

Significant services sectors in Jupistan are hotels, transportation services including repair of vehicles, telecommunications and postal services, financial services including insurance, business services, educational services, health services, cultural services. Using "privatization" as a vehicle to convert inefficiently managed public corporations into cost-efficient and productive private enterprises, Jupistan's telecommunications services became the first public organization to be privatized. The tourism sector employs about 100,000 workers, of which 98 percent are nationals of Jupistan. Firms providing legal services, accounting services, architectural and engineering services are on the rise.

3. Country C: PLUTONA

Plutona is a large and highly developed industrialized country with a democratically elected government and a population of 505 million people. Plutona is the world's largest exporter and importer of services. Plutona's services sector has grown in importance and now accounts for over two-thirds of GDP. The financial and business services sector as a whole accounts for over 70% of GDP. Significant services sectors in Plutona are financial services, business services, real estate, rental services, communications services, construction services, transport services, health services, education services and energy services.

Services exports amount to \$2123.3 billion while services imports reach \$1935.8 billion. Plutona is a net exporter of financial services including insurance, computer and information services, telecommunication services, business services, transport services and construction services. Plutona enjoys a surplus in commercial services trade, amounting to \$187.5 billion (see applicable Annex B Tables). Plutona aims to promote the liberalization of all services sectors at the multilateral level, including investment.

4. Country D: BELINDA

Belinda is a developing country with a constitutional democracy and an indirectly elected executive President. It has a population of nearly 50 million people. Best known for its precious metals, fruits and wine, Belinda has moved from an economy historically dominated by mining and agriculture to one of manufacturing and financial services which contribute the larger share of GDP. Services constitute the most important contributor to GDP, ranging from an advanced financial sector to a developing tourism sector which has significant potential, and an active retail sector. Other important services sectors in Belinda are community services, business services, construction services and transport services.

Belinda's services exports amount to \$18.7 billion whilst services imports spiral upwards to \$27.1 billion. Belinda is a net exporter of financial services, computer and information services, tourism and travel-related services, construction services, as well as personal, cultural and recreational services. Belinda runs a deficit in commercial services trade, amounting to \$8.4 billion (see Annex B Table 3).

5. Country E: VENUSIA

Venusia is a large and highly developed industrialized country with a democratically elected government and a population of roughly 310 million people. Venusia has one of the most advanced economies in the world, and leads the way in information technology revolution and in many other areas of technical innovation. Venusia has an exceptionally diverse economy, driven by information and communications technology. Leading industries include motor vehicles, aerospace, telecommunications, chemicals, electronics and computers. Services account for over 80 percent of GDP, with distributive trades, real estate, transport, finance, healthcare and business services being the most important. The impact of new technology has also been felt in the services sector, especially in the delivery of many services over the Internet.

Services exports amount to nearly \$825 billion while services imports reach \$503.4 billion. Venusia is a net exporter of financial services, communications services including telecom, business services, tourism and travel-related services, construction services, audio-visual services, recreational services, as well as services relating to royalties and licence fees. Venusia enjoys a surplus in commercial services trade, amounting to \$321.5 billion (see applicable Annex B Tables). Venusia aims to advance the liberalization of all services sectors at the multilateral level. It demands that Governments abandon their protectionist policies and open their services sectors to foreign competition.

6. Country F: CALLISTO

Callisto is a large developing country with a democratically elected government, and a population of nearly 195 million people. Liberalization of trade barriers and regulations have reinforced Callisto's comparative advantage in goods, and stimulated expansion of, *inter alia*, the services sector such as telecommunications, e-commerce, transport and public utilities. Underinvestment, particularly in infrastructure, has led to high costs in services such as transport and energy provision. Export industries also suffer from the heavy corporate tax burden, and small and medium-sized enterprises find it difficult to acquire financing and technical assistance to support their export activities.

Services exports amount to \$55.8 billion whilst services imports spiral upwards to \$160.3 billion. Callisto is a net exporter of financial services, communications services including telecom, and construction services. Callisto runs a deficit in commercial services trade, amounting to \$104.5 billion (see applicable Annex B Tables).

In the negotiations, Callisto aims at opening its economy to foreign investment in telecommunications, energy, financial services, insurance and other service sectors, but on condition that developed countries cut their agricultural subsidies.

7. Country G: ELARA

Elara is a large developing country, with a population of over 1.3 billion people. Elara's president, vice-president and premier are approved by national people's congress for a maximum of two consecutive five-year terms. The economy is characterized by a large share of industrial production in gross total output. The share of the industrial sector accounts for 51% of GDP, agriculture accounts for 15% of GDP while the growing services sector accounts for 34% of GDP. Services have been growing rapidly in response to steady growth of the economy of around 8-9% per annum. Important services sectors in Elara are telecommunications services, financial services including insurance, business services and hotels & restaurants.

Services exports amount to \$356.8 billion whilst services imports reach nearly \$382 billion. Elara is a net exporter of communications services, computer and information services, business services and construction services. Elara runs a deficit in commercial services trade, amounting to \$25.2 billion (see applicable Annex B Tables).

8. Country H: HIMALIA

Himalia is a large developing country with a democratic framework and has a population of nearly 1.2 billion people. The prime minister is the head of government, requiring majority support in the national parliament. The president is the head of state. The judiciary is formally independent. Himalia's strong services-led economy is driven by telecommunications and information technology. Services (including airlines, banks, construction and small-scale private traders, as well as the public sector) account for over 50% of GDP. Agriculture, forestry and fishing account for around 25% of GDP. Moves to privatize state-owned telecoms companies, state-owned enterprises particularly in the banking sector, and national and international carriers, are proceeding slowly. The maximum rate for personal income tax is 30%, and corporation tax rate is 35% for Himalian companies and 40% for foreign companies. All firms are subject to a 10% tax on distributed profits.

Significant services sectors in Himalia are telecommunications services, information technology, professional services, business-process outsourcing, transportation and construction services. Himalia remains a favourite country for developed countries' firms which seek to cut costs by shifting back-office jobs that can be performed remotely—thanks to Himalia's large number of highly qualified professionals and internationally-established industrial groups

Services exports amount to \$316.4 billion while services imports reach \$295.3 billion. Himalia is a net exporter of communications services including telecom, computer and information services, recreational services, tourism and travel-related services. Himalia enjoys a surplus in commercial services trade, amounting to \$21.1 billion (see Annex B Table 1).

9. Country I: THAMMAKORN

Thammakorn is a developing country with a population of nearly 70 million people. The legislature consists of 500-member House of Representatives and a fully elected 200-member Senate. It has a constitutional monarchy requiring the prime minister to be an elected member of the House of Representatives. Real GDP growth, over the past three years, has averaged 6% driven by higher investment demand as the Government embarks on large-scale infrastructure and social development projects. Consumption growth is bolstered by higher farm incomes, rising employment in manufacturing, wholesale and retail trade, construction, hotels and restaurants and continued easy access to consumer credit. Stronger world trade growth is expected to generate steady growth in Thammakorn's exports of services. Important services sectors are transportation services, construction services, tourism and travel-related services, and educational services.

Services exports amount to nearly \$56 billion whilst services imports spiral upwards to \$69.1 billion. Thammakorn is a net exporter of communications services, tourism and travel-related services. Thammakorn runs a deficit in commercial services trade, amounting to \$13.1 billion (see Annex B Table 2).

Growth in commercial services imports of Thammakorn is faster than the growth in commercial services exports. Since Year 2000, Thammakorn's commercial services exports have increased by 305.8% from \$13.8 billion, while services imports have expanded by 351.4% from \$15.3 billion. Commercial services exports account for nearly 17% of total export trade in goods and services, while commercial services imports make up 21.3% of total import trade in goods and services.

10. Country J: MIRHALA

Mirhala is a developing country and has a population of nearly 28 million people. There is no elected legislature; the legal system is based on the *sharia* (Islamic law). The national government is constituted by the Council of Ministers, headed by the King, who holds the post of Prime Minister. The Council of Ministers exercises both legislative and executive powers. Political parties are not permitted, but with the reforms underway, this situation may change in the future. Mirhala's economy is dominated by petroleum and petroleum products. The economy grew on the average by 6.5% over the past three years. Driven by stable oil prices and production, economic growth is poised to remain strong in the foreseeable future. By the end of 2008, all kinds of telecoms service providers in Mirhala were increased to 70% foreign-owned. The limits on foreign ownership regarding banks and insurance companies were as well raised.

Important services sectors in Mirhala are construction services, financial services including insurance, business services, hotels and restaurants. Services exports amount to \$35.7 billion whilst services imports spiral upwards to \$126.4 billion. Mirhala runs a deficit in commercial services trade, amounting to \$90.7 billion (see Annex B Table 4).

11. Country K: AL-NAYAD

Al-Nayad is a developing country and has a population of nearly 8 million people. The national legislature is a unicameral Federal National Council of 40 appointed members. The President is elected from among its members by the Supreme Council of Rulers which is formed by the hereditary rulers. The national government is constituted by the Council of Ministers led by the Prime Minister, all appointed by the Supreme Council of Rulers. Political parties are not permitted, but with the reforms underway, this situation may change in the future. Economic growth has, for many years, been led on the supply side by increases in crude oil production. The economy grew on the average by 9.0% over the past three years. Real GDP growth will remain strong, bolstered by high oil earnings and sustained expansion in the manufacturing sector. Al-Nayad exports mainly crude oil and re-exports. Al-Nayad has a well-defined and successful niche as a regional services and tourism hub. Al-Nayad invests heavily in infrastructure, particularly road building, power and water generation, as well as port and airport expansion projects. Al-Nayad companies continue to seek large-scale investment opportunities abroad, ranging from telecommunications, to real estate and to private equity deals. The stocks of foreign assets by commercial banks are high; and Al-Nayad financial services suppliers seek profitable overseas outlets. Continued rapid growth in population, fuelled largely by increases in foreign labour, underpins robust domestic demand.

Important services sectors in Al-Nayad are construction services, financial services including insurance and banking, telecommunication services, business services, hotels and restaurants. Growth in services credits (mainly from tourism, business and financial services) is set to remain robust.

Services exports amount to \$35.3 billion whilst services imports spiral upwards to \$112.2 billion. Al-Nayad runs a deficit in commercial services trade, amounting to nearly \$77 billion (see Annex B Table 4). Services imports expanded by 434.4%, since the establishment of the WTO, from \$21 billion.

12. Country L: HAMISTON

Hamiston is a developing country with a representative democracy, and has a population of nearly 3 million people. The national legislature is bicameral: lower house, 60-member House of Representatives directly elected for a 5-year term; upper house, 21-member Senate appointed for the same concurrent term by the governor-general, with 13 seats allocated on the advice of the prime minister and eight on the advice of the leader of the opposition. The legal system is UK-style judicial system leading to the Supreme Court at the apex; the Judicial Committee of the Privy Council in the UK is the final court of appeal. Hamiston has a population of close to 3 million people. Growth of Hamiston's economy, in real terms, hovers around 3%.

The services sector outperforms the goods-producing sector in response to strong growth in the hotels, restaurants and clubs subsector, which captures the tourism industry performance. The tourism sector benefits from an increase in both stopover and cruise visitor arrivals. Mainly as a result of increased activity at the country's air and seaports, the transport, storage and communication sectors witness a strong growth.

Services exports amount to \$4.44 billion while services imports reach almost \$4 billion. Hamiston is a net exporter of financial services, communications services, recreational services, computer and information services, tourism and travel-related services including hotels and restaurants. Hamiston enjoys a surplus in commercial services trade, amounting to \$443 million (see Annex B Table 5).

13. Country M: ROZLIND

Rozlind is a small, vulnerable developing economy with a population of nearly 1.4 million people. It has a unitary state form of government, with some degree of regional autonomy. The President is the Head of State, elected by an electoral college comprising all members of parliament. The Prime Minister holds the executive power and appoints the cabinet. The national legislature is bicameral parliament: 36-member directly elected House of Representatives (the lower house), 31-member Senate (the upper house), comprising members nominated by the prime minister, the leader of the opposition and the president; parliament sits for 5 years. The legal system is a full system of regional and appellate courts, with the Court of Appeal at the apex of domestic courts; final appellate power rests with the Judicial Committee of the Privy Council in the UK.

The strong growth of the economy (10%-13%) is led by 20% growth in the energy sector. The non-energy sector grew by 4.5%, led by the booming construction sector, transport, storage and communication, banking, insurance, real estate and distribution. Fiscal policy is expected to remain expansionary, with the government using energy revenue to fund spending on education, social programmes, national security and infrastructure—roads, housing.

Services exports amount to \$2.213 billion while services imports inch upwards to less than a billion (\$0.633 billion). Rozlind is a net exporter of insurance services, communications services, transport services, tourism and travel-related services including hotels and restaurants. Rozlind enjoys a surplus in commercial services trade, amounting to \$1.58 billion (see Annex B Table 5).

14. Country N: AUSTRALINA

Australina is a developing country with a democratically elected government and a population of nearly 41 million people. It is a federal republic; the regional legislatures comprise 23 states and an autonomous federal district. The president is head of state and commander-in-chief of the armed forces; elected for a 4-year term. The national legislature is bicameral congress: 257-member Chamber of Deputies (the lower house) and 72-member Senate (the upper house).

Real growth of gross domestic product hovers around 5 percent led by investment and private consumption on the demand side, and construction and agriculture on the supply side. Aided by increases in employment, real earnings and household borrowing, private consumption has been growing at a brisk pace. Most important services sectors are financial services; transport, storage and communications; retail

and wholesale trade; construction; hotels and restaurants; education, health and social services; and real estate.

Services exports amount to \$38.2 billion while services imports total \$35.8 billion. Australina is a net exporter of computer and information services, business services, tourism and travel-related services including hotels and restaurants, construction services, audio-visual services and recreational services. Australina has moved from deficit in commercial services trade to surplus, amounting to \$2.35 billion (see Annex B Table 6).

15. Country O: ROSALINA

Rosalina is a developing country with a population of nearly 5 million people. It has a presidential democracy with a legislative assembly. The president is head of state, elected for 4 years by universal adult suffrage; he/she appoints the cabinet, heads of public agencies and Central Bank. Its legislative assembly is a 57-member single chamber directly elected for a 4-year term. Supreme court is at the apex of a subordinate court system; magistrates are elected by the legislative assembly for an 8-year term.

Rosalina enjoys favourable economic growth, with real GDP growing at 4.8%-5.4% on the back of a construction boom, robust growth in fixed investment in tourism and residential sectors. Deceleration in manufacturing growth is partly compensated by strong expansion in services, underpinned mainly by a continuing boom in construction. This has been the result of strong flows of foreign direct investment (FDI) to projects related to tourism. Other important services sectors to the economy are financial services (banking and insurance), transport and communications. Surging inflows from FDI mainly due to tourism and telecommunications projects have contributed to a significant increase in the capital account surplus and higher foreign international reserves.

Services exports amount to \$20.1 billion while services imports reach \$4.14 billion. Rosalina is a net exporter of financial services, computer and information services, business services, recreational services, audio-visual services, tourism and travel-related services including hotels and restaurants. Rosalina enjoys a surplus in commercial services trade, amounting to nearly \$16 billion (see Annex B Table 6).

CHAPTER 4

Objectives in the Negotiations

1. In order to achieve a progressively higher level of liberalization of trade in services, with appropriate flexibility for developing countries, Members agree to strive to ensure that their new and improved commitments adhere to the following objectives:

(a) Mode 1

- (i) commitments at existing levels of market access on a non-discriminatory basis across sectors of interest to Members
- (ii) removal of existing requirements of commercial presence

(b) Mode 2

- (i) commitments at existing levels of market access on a non-discriminatory basis across sectors of interest to Members
- (ii) commitments on mode 2 where commitments on mode 1 exist

(c) Mode 3

- (i) commitments on enhanced levels of foreign equity participation
- (ii) removal or substantial reduction of economic needs tests
- (iii) commitments allowing greater flexibility on the types of legal entity permitted

(d) Mode 4

- (i) new or improved commitments on the categories of Contractual Services Suppliers, Independent Professionals and Others, de-linked from commercial presence, to reflect *inter alia*:
 - removal or substantial reduction of economic needs tests
 - indication of prescribed duration of stay and possibility of renewal, if any
- (ii) new or improved commitments on the categories of Intra-corporate Transferees and Business Visitors, to reflect *inter alia*:
 - removal or substantial reduction of economic needs tests
 - indication of prescribed duration of stay and possibility of renewal, if any

(e) MFN Exemptions

- (i) removal or substantial reduction of exemptions from most-favoured-nation (MFN) treatment
- (ii) clarification of remaining MFN exemptions in terms of scope of application and duration

(f) Scheduling of Commitments

- (i) ensuring clarity, certainty, comparability and coherence in the scheduling and classification of commitments through adherence to, *inter alia*, the Scheduling Guidelines pursuant to the Decision of the Council for Trade in Services adopted on 23 March 2001
- (ii) ensuring that scheduling of any remaining economic needs tests adheres to the Scheduling Guidelines pursuant to the Decision of the Council for Trade in Services adopted on 23 March 2001.

APPROACHES

2. Pursuant to the principles and objectives above, Members agree to intensify and expedite the request-offer negotiations, which shall remain the main method of negotiation, with a view to securing substantial commitments.

3. In addition to bilateral negotiations, Members agree that the request-offer negotiations should also be pursued on a plurilateral basis in accordance with the principles of the GATS and the Guidelines and Procedures for the Negotiations on Trade in Services. The results of such negotiations shall be extended on an MFN basis. These negotiations would be organized in the following manner:

- (a) Any Member or group of Members may present requests or collective requests to other Members in any specific sector or mode of supply, identifying their objectives for the negotiations in that sector or mode of supply.
- (b) Members to whom such requests have been made shall consider such requests in accordance with paragraphs 2 and 4 of Article XIX of the GATS.
- (c) Plurilateral negotiations should be organised with a view to facilitating the participation of all Members, taking into account the limited capacity of developing countries and smaller delegations to participate in such negotiations.

ELEMENTS REQUIRED FOR COMPLETION OF SERVICES NEGOTIATIONS

4. Members recall that the request-offer approach is the main method of negotiation and that, prior to the Hong Kong Ministerial Conference; such negotiations had been proceeding on a bilateral basis. In addition to bilateral negotiations, request-offer negotiations were also pursued on a plurilateral basis. Accordingly, 21 collective requests were submitted by co-sponsors to other groups of Members in the following sectors and modes: Air Transport; Architectural, Engineering and Integrated Engineering Services; Audiovisual Services; Computer and Related Services; Construction Services; Distribution Services; Education Services; Energy-Related Services; Environmental Services; Financial Services; Legal Services; Logistics Services; Maritime Transport Services; Postal and Courier Services; Services Related to Agriculture; Telecommunication Services; Tourism Services; Cross-Border Supply (Modes 1 and 2); Mode 3; Mode 4; and MFN Exemptions.

5. Members reaffirm that the services negotiations are an essential part of the negotiations. They recognize that an ambitious and balanced outcome in services would be integral to the overall balance in the results. Negotiations must therefore be driven by a high level of ambition and political will. Accordingly, the negotiations shall aim at a progressively higher level of liberalization of trade in services with a view to promoting the economic growth of all trading partners, and the development of developing and least-developed countries. There shall be no a priori exclusion of any service sector or mode of supply. Respecting the existing structure and principles of the GATS, Members shall, to the maximum extent possible, respond to the bilateral and plurilateral requests by offering deeper and/or wider commitments. Such responses shall, where possible, substantially reflect current levels of market access

and national treatment and provide new market access and national treatment in areas where significant impediments exist, in particular in sectors and modes of supply of export interest to developing countries, such as modes 1 and 4. Commitments shall be commensurate with the levels of development, regulatory capacity and national policy objectives of individual developing countries.

ANNEX ASERVICES SECTORAL CLASSIFICATION LIST²

<u>SECTORS AND SUB-SECTORS</u>		<u>CORRESPONDING CPC</u>
1.	<u>BUSINESS SERVICES</u>	<u>Section B</u>
A.	<u>Professional Services</u>	
a.	Legal Services	861
b.	Accounting, auditing and bookkeeping services	862
c.	Taxation Services	863
d.	Architectural services	8671
e.	Engineering services	8672
f.	Integrated engineering services	8673
g.	Urban planning and landscape architectural services	8674
h.	Medical and dental services	9312
i.	Veterinary services	932
j.	Services provided by midwives, nurses, physiotherapists and para-medical personnel	93191
k.	Other	
B.	<u>Computer and Related Services</u>	
a.	Consultancy services related to the installation of computer hardware	841
b.	Software implementation services	842
c.	Data processing services	843
d.	Data base services	844
e.	Other	845+849
C.	<u>Research and Development Services</u>	
a.	R&D services on natural sciences	851
b.	R&D services on social sciences and humanities	852
c.	Interdisciplinary R&D services	853
D.	<u>Real Estate Services</u>	
a.	Involving own or leased property	821
b.	On a fee or contract basis	822
E.	<u>Rental/Leasing Services without Operators</u>	
a.	Relating to ships	83103
b.	Relating to aircraft	83104
c.	Relating to other transport equipment	83101+83102+
d.	Relating to other machinery and equipment	83106-83109
e.	Other	832
F.	<u>Other Business Services</u>	
a.	Advertising services	871
b.	Market research and public opinion polling services	864
c.	Management consulting service	865
d.	Services related to man. consulting	866
e.	Technical testing and analysis serv.	8676
f.	Services incidental to agriculture, hunting and	881

² Source: MTN.GNS/W/120 dated 10 July 1991.

	forestry	
g.	Services incidental to fishing	882
h.	Services incidental to mining	883+5115
i.	Services incidental to manufacturing	884+885 (except for 88442)
j.	Services incidental to energy distribution	887
k.	Placement and supply services of Personnel	872
l.	Investigation and security	873
m.	Related scientific and technical consulting services	8675
n.	Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)	633+ 8861-8866
o.	Building-cleaning services	874
p.	Photographic services	875
q.	Packaging services	876
r.	Printing, publishing	88442
s.	Convention services	87909*
t.	Other	8790
2.	<u>COMMUNICATION SERVICES</u>	
A.	<u>Postal services</u>	7511
B.	<u>Courier services</u>	7512
C.	<u>Telecommunication services</u>	
a.	Voice telephone services	7521
b.	Packet-switched data transmission services	7523**
c.	Circuit-switched data transmission services	7523**
d.	Telex services	7523**
e.	Telegraph services	7522
f.	Facsimile services	7521**+7529**
g.	Private leased circuit services	7522**+7523**
h.	Electronic mail	7523**
i.	Voice mail	7523**
j.	On-line information and data base retrieval	7523**
k.	electronic data interchange (EDI)	7523**
l.	enhanced/value-added facsimile services, incl. store and forward, store and retrieve	7523**
m.	code and protocol conversion	n.a.
n.	on-line information and/or data processing (incl.transaction processing)	843**
o.	other	
D.	<u>Audiovisual services</u>	
a.	Motion picture and video tape production and distribution services	9611
b.	Motion picture projection service	9612
c.	Radio and television services	9613
d.	Radio and television transmission services	7524

The () indicates that the service specified is a component of a more aggregated CPC item specified elsewhere in this classification list.

** The (**) indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance (e.g. voice mail is only a component of CPC item 7523).

e.	Sound recording	n.a.
f.	Other	
E.	<u>Other</u>	
3.	<u>CONSTRUCTION AND RELATED ENGINEERING SERVICES</u>	
A.	<u>General construction work for buildings</u>	512
B.	<u>General construction work for civil engineering</u>	513
C.	<u>Installation and assembly work</u>	514+516
D.	<u>Building completion and finishing work</u>	517
E.	<u>Other</u>	511+515+518
4.	<u>DISTRIBUTION SERVICES</u>	
A.	<u>Commission agents' services</u>	621
B.	<u>Wholesale trade services</u>	622
C.	<u>Retailing services</u>	631+632 6111+6113+6121
D.	<u>Franchising</u>	8929
E.	<u>Other</u>	
5.	<u>EDUCATIONAL SERVICES</u>	
A.	<u>Primary education services</u>	921
B.	<u>Secondary education services</u>	922
C.	<u>Higher education services</u>	923
D.	<u>Adult education</u>	924
E.	<u>Other education services</u>	929
6.	<u>ENVIRONMENTAL SERVICES</u>	
A.	<u>Sewage services</u>	9401
B.	<u>Refuse disposal services</u>	9402
C.	<u>Sanitation and similar services</u>	9403
D.	<u>Other</u>	

7. FINANCIAL SERVICES

A.	<u>All insurance and insurance-related services</u>	812**
a.	Life, accident and health insurance services	8121
b.	Non-life insurance services	8129
c.	Reinsurance and retrocession	81299*
d.	Services auxiliary to insurance (including broking and agency services)	8140
B.	<u>Banking and other financial services</u> (excl. insurance)	
a.	Acceptance of deposits and other repayable funds from the public	81115-81119
b.	Lending of all types, incl., inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction	8113
c.	Financial leasing	8112
d.	All payment and money transmission services	81339**
e.	Guarantees and commitments	81199**
f.	Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:	
	- money market instruments (cheques, bills, certificate of deposits, etc.)	81339**
	- foreign exchange	81333
	- derivative products incl., but not limited to, futures and options	81339**
	- exchange rate and interest rate instruments, inclu. products such as swaps, forward rate agreements, etc.	81339**
	- transferable securities	81321*
	- other negotiable instruments and financial assets, incl. bullion	81339**
g.	Participation in issues of all kinds of securities, incl. under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues	8132
h.	Money broking	81339**
i.	Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services	8119+** 81323*
j.	Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments	81339** or 81319**
k.	Advisory and other auxiliary financial services on all the activities listed in Article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	8131 or 8133
l.	Provision and transfer of financial information, and financial data processing and related software by providers of other financial services	8131
C.	<u>Other</u>	

8.	<u>HEALTH RELATED AND SOCIAL SERVICES</u> (other than those listed under I.A.h-j.)	
A.	<u>Hospital services</u>	9311
B.	<u>Other Human Health Services</u>	9319 (other than 93191)
C.	<u>Social Services</u>	933
D.	<u>Other</u>	
9.	<u>TOURISM AND TRAVEL RELATED SERVICES</u>	
A.	<u>Hotels and restaurants (incl. catering)</u>	641-643
B.	<u>Travel agencies and tour operators services</u>	7471
C.	<u>Tourist guides services</u>	7472
D.	<u>Other</u>	
10.	<u>RECREATIONAL, CULTURAL AND SPORTING SERVICES</u> (other than audiovisual services)	
A.	<u>Entertainment services</u> (including theatre, live bands and circus services)	9619
B.	<u>News agency services</u>	962
C.	<u>Libraries, archives, museums and other cultural services</u>	963
D.	<u>Sporting and other recreational services</u>	964
E.	<u>Other</u>	
11.	<u>TRANSPORT SERVICES</u>	
A.	<u>Maritime Transport Services</u>	
a.	Passenger transportation	7211
b.	Freight transportation	7212
c.	Rental of vessels with crew	7213
d.	Maintenance and repair of vessels	8868**
e.	Pushing and towing services	7214
f.	Supporting services for maritime transport	745**
B.	<u>Internal Waterways Transport</u>	
a.	Passenger transportation	7221
b.	Freight transportation	7222
c.	Rental of vessels with crew	7223
d.	Maintenance and repair of vessels	8868**
e.	Pushing and towing services	7224
f.	Supporting services for internal waterway transport	745**

C.	<u>Air Transport Services</u>	
a.	Passenger transportation	731
b.	Freight transportation	732
c.	Rental of aircraft with crew	734
d.	Maintenance and repair of aircraft	8868**
e.	Supporting services for air transport	746
D.	<u>Space Transport</u>	733
E.	<u>Rail Transport Services</u>	
a.	Passenger transportation	7111
b.	Freight transportation	7112
c.	Pushing and towing services	7113
d.	Maintenance and repair of rail transport equipment	8868**
e.	Supporting services for rail transport services	743
F.	<u>Road Transport Services</u>	
a.	Passenger transportation	7121+7122
b.	Freight transportation	7123
c.	Rental of commercial vehicles with operator	7124
d.	Maintenance and repair of road transport equipment	6112+8867
e.	Supporting services for road transport services	744
G.	<u>Pipeline Transport</u>	
a.	Transportation of fuels	7131
b.	Transportation of other goods	7139
H.	<u>Services auxiliary to all modes of transport</u>	
a.	Cargo-handling services	741
b.	Storage and warehouse services	742
c.	Freight transport agency services	748
d.	Other	749
I.	<u>Other Transport Services</u>	
12.	<u>OTHER SERVICES NOT INCLUDED ELSEWHERE</u>	95+97+98+99

ANNEX B TABLE 1

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		JUPISTAN		PLUTONA		ELARA		VENUSIA		HIMALIA	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	132	957	195166	83180	6110	8037	107270	24355	17628	22795
Insurance services	2208	19570	575	999	50876	40351	6455	32562	23335	83690	3095	8021
Communications services	1740	1985	686	1061	65078	71275	2642	2328	19080	10410	3700	2316
- Telecom services	...	...	686	1061	60432	58689	...	...	19029	9855	1852	1158
Computer and information services	1520	4860	3377	2281	129075	79809	14000	5626	20145	29538	167408	5500
- Computer services	...	...	3377	2281	108760	73909	...	...	13757	28065	165086	4930
Other business services	57840	55310	5110	8052	611558	547080	153195	43244	156210	98698	61468	150236
Transport services	60875	62030	9095	20498	467111	396429	56080	134575	88883	107830	33707	70642
Travel services	24160	33756	39205	12242	418604	423947	90770	103737	201945	91135	25650	21707
Construction services	17484	16521	2047	2655	56870	41242	24015	9563	2940	1242	1275	2220
Audio-visual services	168	1366	...	...	11102	23290	703	1666	21272	2230	...	...
Personal, cultural and recreational services	186	1801	1512	3980	25808	35125	703	1677	22020	4262	2024	986
Royalties and licence fees	44404	33502	1410	1905	92046	194063	2115	38920	161749	49989	452	10845
Total services	220895	234986	63149	54630	2123294	1935791	356788	381935	824849	503379	316407	295268
Trade balance, \$m	-14'091		8'519		187'503		-25'147		321'470		21'139	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 2

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		JUPISTAN		PLUTONA		ELARA		VENUSIA		THAMMAKORN	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	132	957	195166	83180	6110	8037	107270	24355	525	4010
Insurance services	2208	19570	575	999	50876	40351	6455	32562	23335	83690		
Communications services	1740	1985	686	1061	65078	71275	2642	2328	19080	10410	566	301
- Telecom services	...	...	686	1061	60432	58689	...	...	19029	9855	..	...
Computer and information services	1520	4860	3377	2281	129075	79809	14000	5626	20145	29538	...	...
- Computer services	...	...	3377	2281	108760	73909	...	...	13757	28065	...	...
Other business services	57840	55310	5110	8052	611558	547080	153195	43244	156210	98698	10112	19475
Transport services	60875	62030	9095	20498	467111	396429	56080	134575	88883	107830	8015	31782
Travel services	24160	33756	39205	12242	418604	423947	90770	103737	201945	91135	35476	6030
Construction services	17484	16521	2047	2655	56870	41242	24015	9563	2940	1242	935	1020
Audio-visual services	168	1366	...	...	11102	23290	703	1666	21272	2230	...	...
Personal, cultural and recreational services	186	1801	1512	3980	25808	35125	703	1677	22020	4262	...	...
Royalties and licence fees	44404	33502	1410	1905	92046	194063	2115	38920	161749	49989	370	6440
Total services	220895	234986	63149	54630	2123294	1935791	356788	381935	824849	503379	55999	69058
Trade balance, \$m	-14'091		8'519		187'503		-25'147		321'470		-13'059	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 3
STATISTICS ON TRADE IN SERVICES
(US dollars million)

Services sector or subsector	NEPTUNIA		JUPISTAN		PLUTONA		BELINDA		VENUSIA		CALLISTO	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	132	957	195166	83180	1125	228	107270	24355	7603	6851
Insurance services	2208	19570	575	999	50876	40351	610	928	23335	83690	1052	3815
Communications services	1740	1985	686	1061	65078	71275	275	1226	19080	10410	1855	945
- Telecom services	...	...	686	1061	60432	58689	256	1167	19029	9855	1794	899
Computer and information services	1520	4860	3377	2281	129075	79809	525	306	20145	29538	423	8236
- Computer services	...	...	3377	2281	108760	73909	...	...	13757	28065	386	8008
Other business services	57840	55310	5110	8052	611558	547080	1700	3462	156210	98698	25776	36482
Transport services	60875	62030	9095	20498	467111	396429	2050	9678	88883	107830	7050	26015
Travel services	24160	33756	39205	12242	418604	423947	12030	7966	201945	91135	10401	63020
Construction services	17484	16521	2047	2655	56870	41242	138	13	2940	1242	94	23
Audio-visual services	168	1366	...	...	11102	23290	...	...	21272	2230	115	3610
Personal, cultural and recreational services	186	1801	1512	3980	25808	35125	141	33	22020	4262	264	4617
Royalties and licence fees	44404	33502	1410	1905	92046	194063	91	3215	161749	49989	1183	6698
Total services	220895	234986	63149	54630	2123294	1935791	18685	27055	824849	503379	55816	160312
Trade balance, \$m	-14'091		8'519		187'503		-8'370		321'470		-104'496	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 4

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		ELARA		PLUTONA		MIRHALA		VENUSIA		AL-NAYAD	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	6110	8037	195166	83180	4435	8960	107270	24355	...	...
Insurance services	2208	19570	6455	32562	50876	40351	1510	4205	23335	83690	...	...
Communications services	1740	1985	2642	2328	65078	71275	648	17235	19080	10410	...	...
- Telecom services	...	...	...	...	60432	58689	...	...	19029	9855	...	...
Computer and information services	1520	4860	14000	5626	129075	79809	...	...	20145	29538	...	...
- Computer services	...	...	...	...	108760	73909	...	...	13757	28065	...	...
Other business services	57840	55310	153195	43244	611558	547080	14360	22510	156210	98698	...	...
Transport services	60875	62030	56080	134575	467111	396429	2775	30599	88883	107830	7955	78891
Travel services	24160	33756	90770	103737	418604	423947	11948	35580	201945	91135	27327	33330
Construction services	17484	16521	24015	9563	56870	41242	...	7261	2940	1242	...	...
Audio-visual services	168	1366	703	1666	11102	23290	...	...	21272	2230	...	...
Personal, cultural and recreational services	186	1801	703	1677	25808	35125	...	...	22020	4262	...	...
Royalties and licence fees	44404	33502	2115	38920	92046	194063	...	...	161749	49989	...	...
Total services	220895	234986	356788	381935	2123294	1935791	35676	126350	824849	503379	35282	112221
Trade balance, \$m	-14'091		-25'147		187'503		-90'674		321'470		-76'939	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 5

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		HAMISTON		PLUTONA		ROZLIND		VENUSIA		CALLISTO	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	147	106	195166	83180	...	...	107270	24355	7603	6851
Insurance services	2208	19570	28	363	50876	40351	975	75	23335	83690	1052	3815
Communications services	1740	1985	220	139	65078	71275	78	11	19080	10410	1855	945
- Telecom services	...	...	...	...	60432	58689	...	...	19029	9855	1794	899
Computer and information services	1520	4860	132	100	129075	79809	...	...	20145	29538	423	8236
- Computer services	...	...	105	78	108760	73909	...	...	13757	28065	386	8008
Other business services	57840	55310	120	725	611558	547080	70	112	156210	98698	25776	36482
Transport services	60875	62030	1022	1990	467111	396429	305	225	88883	107830	7050	26015
Travel services	24160	33756	2605	410	418604	423947	785	210	201945	91135	10401	63020
Construction services	17484	16521	...	8	56870	41242	...	...	2940	1242	94	23
Audio-visual services	168	1366	...	34	11102	23290	...	...	21272	2230	115	3610
Personal, cultural and recreational services	186	1801	130	30	25808	35125	...	...	22020	4262	264	4617
Royalties and licence fees	44404	33502	34	90	92046	194063	...	...	161749	49989	1183	6698
Total services	220895	234986	4438	3995	2123294	1935791	2213	633	824849	503379	55816	160312
Trade balance, \$m	-14'091		443		187'503		1580		321'470		-104'496	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 6

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		AUSTRALINA		PLUTONA		ELARA		VENUSIA		CALLISTO	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	17	201	195166	83180	6110	8037	107270	24355	7603	6851
Insurance services	2208	19570	15	1201	50876	40351	6455	32562	23335	83690	1052	3815
Communications services	1740	1985	527	721	65078	71275	2642	2328	19080	10410	1855	945
- Telecom services	...	...	366	614	60432	58689	...	...	19029	9855	1794	899
Computer and information services	1520	4860	6388	1874	129075	79809	14000	5626	20145	29538	423	8236
- Computer services	...	...	4292	1305	108760	73909	...	...	13757	28065	386	8008
Other business services	57840	55310	11384	4665	611558	547080	153195	43244	156210	98698	25776	36482
Transport services	60875	62030	4830	9670	467111	396429	56080	134575	88883	107830	7050	26015
Travel services	24160	33756	12500	10604	418604	423947	90770	103737	201945	91135	10401	63020
Construction services	17484	16521	112	48	56870	41242	24015	9563	2940	1242	94	23
Audio-visual services	168	1366	1034	916	11102	23290	703	1666	21272	2230	115	3610
Personal, cultural and recreational services	186	1801	1042	977	25808	35125	703	1677	22020	4262	264	4617
Royalties and licence fees	44404	33502	342	4962	92046	194063	2115	38920	161749	49989	1183	6698
Total services	220895	234986	38191	35839	2123294	1935791	356788	381935	824849	503379	55816	160312
Trade balance, \$m	-14'091		2352		187'503		-25'147		321'470		-104'496	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 7
STATISTICS ON TRADE IN SERVICES
(US dollars million)

Services sector or subsector	NEPTUNIA		AUSTRALINA		PLUTONA		CALLISTO		VENUSIA		ROSALINA	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	17	201	195166	83180	7603	6851	107270	24355	86	70
Insurance services	2208	19570	15	1201	50876	40351	1052	3815	23335	83690	...	637
Communications services	1740	1985	527	721	65078	71275	1855	945	19080	10410	95	170
- Telecom services	...	...	366	614	60432	58689	1794	899	19029	9855	63	144
Computer and information services	1520	4860	6388	1874	129075	79809	423	8236	20145	29538	12955	275
- Computer services	...	...	4292	1305	108760	73909	386	8008	13757	28065	12948	124
Other business services	57840	55310	11384	4665	611558	547080	25776	36482	156210	98698	1580	802
Transport services	60875	62030	4830	9670	467111	396429	7050	26015	88883	107830	427	1095
Travel services	24160	33756	12500	10604	418604	423947	10401	63020	201945	91135	4880	950
Construction services	17484	16521	112	48	56870	41242	94	23	2940	1242	...	...
Audio-visual services	168	1366	1034	916	11102	23290	115	3610	21272	2230	0.37	...
Personal, cultural and recreational services	186	1801	1042	977	25808	35125	264	4617	22020	4262	0.183	0.164
Royalties and licence fees	44404	33502	342	4962	92046	194063	1183	6698	161749	49989	59	136
Total services	220895	234986	38191	35839	2123294	1935791	55816	160312	824849	503379	20082	4135
Trade balance, \$m	-14'091		2352		187'503		-104'496		321'470		15'947	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva

ANNEX B TABLE 8

STATISTICS ON TRADE IN SERVICES

(US dollars million)

Services sector or subsector	NEPTUNIA		CALLISTO		PLUTONA		ELARA		VENUSIA		HIMALIA	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Banking and other financial services	10310	4285	7603	6851	195166	83180	6110	8037	107270	24355	17628	22795
Insurance services	2208	19570	1052	3815	50876	40351	6455	32562	23335	83690	3095	8021
Communications services	1740	1985	1855	945	65078	71275	2642	2328	19080	10410	3700	2316
- Telecom services	...	...	1794	899	60432	58689	...	...	19029	9855	1852	1158
Computer and information services	1520	4860	423	8236	129075	79809	14000	5626	20145	29538	167408	5500
- Computer services	...	...	386	8008	108760	73909	...	...	13757	28065	165086	4930
Other business services	57840	55310	25776	36482	611558	547080	153195	43244	156210	98698	61468	150236
Transport services	60875	62030	7050	26015	467111	396429	56080	134575	88883	107830	33707	70642
Travel services	24160	33756	10401	63020	418604	423947	90770	103737	201945	91135	25650	21707
Construction services	17484	16521	94	23	56870	41242	24015	9563	2940	1242	1275	2220
Audio-visual services	168	1366	115	3610	11102	23290	703	1666	21272	2230	...	...
Personal, cultural and recreational services	186	1801	264	4617	25808	35125	703	1677	22020	4262	2024	986
Royalties and licence fees	44404	33502	1183	6698	92046	194063	2115	38920	161749	49989	452	10845
Total services	220895	234986	55816	160312	2123294	1935791	356788	381935	824849	503379	316407	295268
Trade balance, \$m	-14'091		-104'496		187'503		-25'147		321'470		21'139	

Source: Base data retrieved from the WTO Services trade statistics database, Geneva