



# Services Negotiations: Implications for Indonesia for a Post-Nairobi Learning Event

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# Key Points for Discussions

- (1) Services Negotiations in WTO/DDA**
- (2) Key Issues in Services Negotiations**
- (3) TiSA Negotiations in the WTO**
- (4) Services negotiations in Nairobi and results**
- (5) Implications for Indonesia**





# (1) Services Negotiations in WTO/DDA

- **It was the first time that trade in services was included in the trade negotiations in the UR that created the WTO in 1995.**
- **The services negotiations in the UR were unfinished business – continuing negotiations from UR to Doha (DDA)**
- **WTO members continued negotiating sectoral services agreements (Basic Telecoms; Financial Services; etc.)**
- **WTO members also committed to services negotiations in order to progressively liberalize the services. However, the progress was slow and limited.**
- **24 WTO members (EU as one) are trying to negotiate a plurilateral Trade in Service Agreement (TiSA) under the WTO**
- **Many WTO members are also moving to FTA negotiations, including services-related chapters**
- **No high expectations for services negotiations in Nairobi**





# Doha Development Agenda (2001)

- **Doha Ministerial Declaration Paragraph 15: on Services**
  - **To promote economic growth of all trading partners, especially developing and LDCs.**
  - **To recognize the work already undertaken since January 2000 & a large number of proposals submitted**
  - **To reaffirm the Guidelines and Procedures for Services Negotiations and Request-Offer Approach**
- **A single undertaking approach adopted**
- **Deadline for services proposals: 1 January 2005**





## Objectives and Principles

- **Progressive liberalization as enshrined in relevant GATS provisions**
- **Appropriate flexibility for developing countries, with special priority to be given to LDCs**
- **Reference to the needs of small and medium-sized service suppliers, particularly of developing countries commitment to respect “the existing structure and principles of the GATS (e.g. the bottom-up approach to scheduling and the four modes of supply)**





## (2) Key Issues in Services Negotiations

- **Market access: no sectors or modes are excluded from the scope of the negotiations**
- **SDT: special attention is to be given to export interests of developing countries and LDCs**
- **MFN: Negotiations include the discussions on eliminating existing exemptions from the MFN treatment in order to ensure equal treatment among all WTO members**
- **Rule-making: concerning disciplines on domestic regulation (Art. VI:4), emergency safeguards (Art. X), government procurement (Art. XIII), and subsidies (Art. XV)**





# The Services Negotiations: From Doha to Nairobi

- **Service negotiations got a slow start from Doha in 2001**
- **December 2003, the Cancun Ministerial failed**
- **July 2004 package was prepared after Cancun**
- **January 2005, many WTO members missed the deadlines to submit their requests and offers; Many initial offers remained modest, even below their UR commitments**
- **December 2005, Hong Kong Ministerial – Annex C – plurilateral, and more flexibility to developing/LDCs**
- **The July 2008 package – initial outcome expected**
- **March 2010, stocktaking exercise of services negotiations**
- **April 2011, 71 initial offers and 31 revised offers**
- **March 2013, Trade in Services Agreement (TiSA) was launched by the RGF group (now 25 WTO members).**
- **December 2013, Bali Ministerial: an agreement on trade facilitation was reached, but not on services.**
- **Services negotiations focus on TiSA after Bali**





# Key issues in Services Negotiations

- **Market access:**
  - more coverage of sectors and modes
  - MFN exemptions
  - Waiver for LDCs
- **Rule-making**
  - Subsidies, Safeguards, and Government procurement
  - Domestic regulations
  - Status of TiSA







## (3) Trade in Services Agreement (TiSA)

- **The TiSA is an initiative of US, originally called the Really Good Friends (RGF) – aiming at a plurilateral service agreement under the WTO**
- **25 WTO members – US, EU, Canada, HK, accounting for 70% of global service trade**
- **13 rounds conducted - low transparency in the negotiation process**
- **US, EU & Australia are taking turns to chair TiSA**
- **The negotiations are progressing well.**
- **WikiLeaks has published its draft text in July 2015 – a lot criticisms to the TiSA process**





# TiSA negotiations in Nairobi

- **To be added**



## (4) Services Negotiations in Nairobi: Key issues and positions

- **To be added later**



# Services Negotiations in Nairobi: Final results

- **To be added later**





# Services Negotiations in Nairobi: Final results

- **To be added later**



## (5) Services Negotiations: Implications for Indonesia

- **To be added later**



# Services Negotiations: Implications for Indonesia

- **Key messages learned from Nairobi**





**Thank you for your attention**

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