

**COMMUNICATION FROM MERCOSUR MEMBERS
(Argentina, Brazil, Paraguay, Uruguay)**

Elements of a Proposed First Phase of the Services Negotiations
Mandated under GATS Article XIX

The following communication has been received from the MERCOSUR Members, the delegations of Argentina, Brazil, Paraguay and Uruguay, with the request that it be circulated to the Members of the Council for Trade in Services.

On the basis of the paper submitted by Australia and Singapore for the proposed first phase of the services negotiations, mandated under GATS Article XIX, MERCOSUR Members (Argentina, Brazil, Paraguay and Uruguay) would like to suggest the adoption of the following programme and arrangements.

1. Pursuant to the objectives of the GATS, as stipulated in the Preamble, in Article IV, and in the mandate contained in Article XIX, negotiations on trade in services shall aim to achieve progressively higher levels of liberalization of trade in services through the reduction or elimination of the adverse effects of measures as a means of providing effective market access. The negotiations shall take place with due respect for national policy objectives, and the appropriate flexibility for individual developing country Members. In this process, the existing structure and principles of the GATS shall be preserved and the regulatory framework of the GATS shall be completed.
2. Without prejudice to the future elaboration of negotiating guidelines and procedures as required under Article XIX:3, the following programme and arrangements have been agreed for the first phase of these mandated negotiations on services:
 - (a) that proposals would be submitted by Members by the end of December 2000, on the understanding that there would be flexibility for the submission of further or more detailed proposals thereafter,
 - (b) that proposals could address the following themes:
 - Modalities of negotiations, including sectors to be negotiated
 - Increasing participation of developing countries and in particular special treatment for LDCs

- Autonomous liberalization
 - Systemic issues
 - Issues arising from the work carried out in the Council for Trade in Services and its subsidiary bodies, particularly the work on GATS Rules and Domestic Regulation.
- (c) that the Special Session meetings will be held back-to-back with the regular meetings of the Council for Trade in Services and its subsidiary bodies, in June, July, September and November.
- (d) that the two existing agenda items of the Special Session of the Council for Trade in Services, namely "Assessment of Trade in Services" and "Work of Subsidiary Bodies – Reports by Chairpersons" would still be retained.
- (e) that a best endeavour deadline of March 2001 be set for the completion of the work in the Committee on Specific Commitments.
- (f) that the second phase of these negotiations would begin with a stock-taking exercise in March 2001, both of progress made in the Special Sessions and the subsidiary bodies, and consideration of how to move forward with the preparation of the negotiating guidelines and procedures under Article XIX:3.
-