

**COMMUNICATION FROM THE REPUBLIC OF KOREA**

Negotiating Proposal for Maritime Transport Services

The following communication has been received from the delegation of the Republic of Korea with the request that it be circulated to the Members of the Council for Trade in Services.

**Negotiating Proposal for Maritime Transport Services**

**I. BACKGROUND**

1. Maritime transport is essential to expanding world trade. Nearly 80% of the world trade in goods is seaborne. Maritime transport is responsible for 99.7% of Korea's trade in terms of volume.
2. However, the scope of the commitments for maritime transport services has been rather limited, since negotiations were suspended in June 1996. Korea submitted a commitment schedule in the Negotiations Group for Maritime Transport Services (NGMTS) on the basis of the model schedule, which is still valid.
3. In many Member countries there exist barriers against new entrants into the market, restrictions on foreign investment, and discriminatory treatment of foreign carriers in international shipping, which have consequently hindered efficient international trade flows.
4. Negotiations should aim to achieve progressively higher levels of liberalization in the maritime transport services sector by means of eliminating or reducing the market barriers that remain in many Member countries.

**II. SCOPE AND MODALITY OF THE NEGOTIATIONS**

5. Negotiations on maritime transport services should be resumed based on the Decision on Maritime Transport Services, which was adopted by the Council for Trade in Services on 28 June 1996 (S/L/24), as a part of the ongoing WTO negotiations on services. Korea, together with the EC, Hong Kong China, Japan, Norway and Singapore, has submitted a joint statement (S/CSS/W/8) on maritime transport services negotiations to the Special Session of the Council for Trade in Services in October 2000, to emphasize the importance of the negotiations on this sector.
6. All Members should participate in the negotiations on maritime transport services. Their full participation is crucial to achieving a meaningful liberalization of maritime transport services.

7. To ensure that the negotiations are resumed and conducted in an efficient manner, the results achieved during the Uruguay Round and its subsequent negotiations should not be discarded.

8. The negotiations should be comprehensive in scope, and include maritime intermodal transport services, in addition to international maritime transport services, maritime auxiliary services, and access to and use of port services. Korea also supports the use of model schedule developed during the Uruguay Round.

– Korea is of the view that maritime intermodal transport services can be defined as the carriage of goods by international maritime and land transport by means of the same container, on the basis of an intermodal transport contract, from one country to another country by a maritime intermodal transport operator.

9. Korea hopes that the Council for Trade in Services will establish a basic framework for the negotiations on maritime transport services, including the scope and timeframe of negotiations. The issue of establishing a separate negotiating group on maritime transport services should also be discussed.

### **III. EXPECTATIONS FROM THE NEGOTIATIONS**

10. The following measures, which work as important barriers to liberalization of maritime transport services, should be addressed in the negotiations:

- Limitations on equity holdings by foreign companies;
  - Restrictions on the establishment of branch offices by foreign carriers;
  - Discriminatory treatment of foreign flag carriers or vessels in the cargo reservation system or cargo sharing scheme;
  - Restrictions on the use of shipping agents, discriminatory taxation measures and port dues;
  - Discrimination against foreign carriers in the use of port services.
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