

COMMUNICATION FROM NEW ZEALAND

Negotiating Proposal on Sporting Services

The attached communication has been received from the delegation of New Zealand with the request that it be circulated to Members of the Council for Trade in Services.

A. INTRODUCTION

1. Sporting services is an area of increased trade interest to New Zealand. In accordance with the "Negotiating Guidelines and Procedures", as established by the Council for Trade in Services in Special Session, New Zealand believes that there is scope for Members to increase the number and quality of commitments in the area of Recreational, Cultural and Sporting Services.¹

B. BACKGROUND

2. The recreational, cultural and sporting services sector is not one which has traditionally been at the forefront of Members' liberalising efforts. Nevertheless, it is a sector of growing importance to a number of economies, whose suppliers would benefit from expanded opportunities to provide their services to overseas markets.

3. For New Zealand, the sports and leisure industry is of particular importance. While there continues to be significant public sector involvement in the sector, the commercial aspect of the industry is expanding. This is especially true to relation to the instruction of sporting disciplines and health, leisure and fitness activities, and the development and management of sports and fitness facilities.

4. As little analysis is available of international trade in this subsector, the identification of relevant market access and national treatment limitations is not straight forward. However, taking into account anecdotal evidence, and the nature of core services and most common modes of supply, we can surmise that they encompass the following:

5. Article XVI (market access) and XVII (national treatment) measures:

- economic needs tests;

¹ New Zealand reserves the right to submit further and more detailed proposals on this sector at any time and would note that this proposal should be read together with New Zealand's initial objectives for the resumed services negotiations, as contained in S/CSS/W/90 of 26 June 2001.

- quotas on numbers of players, coaches/instructors, administrators, referees;
- residency/citizenship requirements for licensing and registration in sports-related occupations;
- restrictions on form of business entity and foreign equity limitations in relation to the establishment of sports clinics, sports facilities, drug testing facilities, health and fitness clubs;
- a lack of transparency in visa requirements;
- government monopoly in certain areas of the sector.

6. In relation to Article VI, measures such as licensing, qualification and technical standards may also constitute barriers. For example:

- non-recognition of sports-related qualifications;
- compulsory membership of industry bodies.

C. PROPOSAL

7. New Zealand wishes to invite Members to give consideration to further commitments in sporting services, in recognition of the growing significance of the sporting and leisure industry, and considers that an expanded and updated set of classifications would assist Members to define their interests in the subsector, by capturing more fully the range of services currently being delivered by sporting services suppliers.

8. The existing CPC classification of sporting services is very limited. It covers only four services:

96411: Sports event promotion services;

96412: Sports event organisation services;

96413: Sports facility operation services;

96419: Other sporting services

9. CPC Rev.1 includes an expanded classification of sporting services, which makes provision for commitments on what New Zealand terms “sports performance and related services” - those services provided by athletes/players/teams and coaches, trainers, referees, managers, administrators, and organisers in support of athletic performance. The Rev.1 classification is a useful improvement on the CPC Provisional classification, but omits a number of services of key interest to New Zealand, including the instruction of sporting disciplines and health, leisure and fitness activities.

10. New Zealand’s negotiating proposal on education raises the issue of the exclusion from the CPC Provisional education classifications of “education services primarily concerned with recreational matters”, and their relegation to subsector 9641 (sporting services) with no further elaboration. New Zealand believes that education services concerning the academic study and teaching of sport and recreational activities and related activities should be classified as education rather than sporting services. Such services are distinct from services related to the instruction of

groups or individuals in the practice of sporting disciplines and health, leisure and fitness activities. The latter are sporting services, and should be included in an updated sporting services classification.

11. New Zealand wishes to suggest that discussion by Members of commitments on sporting services, and a more effective classification of the subsector, focus on the following outline of core activities in the sector:

96411: existing definition;

96412: existing definition;

96413: existing definition expanded to include maintenance of sports facilities; also expansion of definitions of sports facilities to encompass facilities other than stadia or arenas;

96419: replaced by the following:

Referee and umpiring services;

The following new items,

- Sports performance services;
- Coaching and training services;
- Other instruction of groups or individuals in the practice of a sport or health, leisure and fitness activity, such as that provided by sports clubs, gymnasiums and other sports facilities, institutes of sport, high performance sports clinics, health and fitness clubs and specialist fitness practitioners such as personal trainers or yoga instructors;
- Instruction in coaching and training of sports or health, leisure and fitness activities;
- Instruction in referee and umpiring services;
- Administration and management of sports teams, clubs, institutes, gymnasiums and other sports facilities;
- Sports agents services;
- Sports drug testing services;
- Other sporting services not elsewhere classified.

12. Issues associated with the Mode 4 provision of sports performance services; i.e. the temporary movement of teams, individual athletes/players, coaches, trainers, referees, administrators and organisers, might also benefit from further discussion by Members.
