# WORLD TRADE

## **ORGANIZATION**

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**Council for Trade in Services Special Session** 

### COMMUNICATION FROM COLOMBIA

#### Proposal for the Negotiations on the Provision of Services Through <u>Movement of Natural Persons</u>

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

#### I. INTRODUCTION

1. Whilst great headway has been made in the course of globalization in removing barriers to the free movement of capital and goods, restrictions to the mobility of natural persons have been increasing over time.

2. The cross-border movement of natural persons was virtually control-free until the early  $20^{th}$  century, which enabled migration flows to make a major contribution to the development not only of the so-called new world but also of many other economies. Immigration laws subsequently began to be passed, but were not particularly restrictive as they allowed for the labour shortages suffered by some expanding industries. More recently, as of the 1970s, when the growth rate of the most developed economies slowed, more restrictive regimes began to be applied to the movement of natural persons.

3. Nowadays, the cross-border flow of natural persons moves from the least-developed towards the most-developed countries and is still driven by economic considerations. Whereas formerly the attraction was the relatively low cost of land, these days the movement of natural persons has its roots in differences in wages and employment opportunities.

4. The General Agreement on Trade in Services does not apply to measures affecting natural persons seeking access to the employment market of a Member, nor to measures regarding citizenship, residence or employment on a permanent basis. Nevertheless, this Agreement is a valuable multilateral framework for removing measures which restrict the mobility of natural persons who are either service suppliers or employed by a service provider.

5. The WTO Secretariat's analysis in document S/C/W/75 of market access commitments scheduled by Members to date reveals that the majority are horizontal commitments. One characteristic of horizontal commitments is that most relate to executives, managers and specialists; another is that only 17 per cent of all horizontal entries cover low-skilled persons.

Original: Spanish

#### II. PROPOSAL

6. Members, especially developed countries, should undertake sectoral commitments related to this mode of service supply. Colombia's priority sectors include professional services, construction and related engineering services, computer services, social services, services incidental to agriculture, hunting and forestry, health-related services, tourism and travel-related services, recreational, cultural and sporting services, cleaning services and personnel placement and supply services.

7. Recognition of qualifications and experience and licensing are barriers to the supply of services in developed countries by natural persons from developing countries. Mutual recognition agreements are an important mechanism for overcoming these barriers. Full compliance with Article VII of the GATS on the notification of such agreements should therefore be ensured, and developing countries afforded the chance to become party to them.

8. It would be desirable for Members to schedule commitments to expand the temporary entry of persons supplying services.