

COMMUNICATION FROM CUBA

Negotiating Proposal on Energy Services

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

I. INTRODUCTION

1. Cuba submits this negotiating proposal¹ as an initial contribution to the discussion on energy services within the framework of the special session of the Services Council.
2. The new technologies introduced in recent years have permitted, together with growth in trade, a certain degree of liberalization of energy services which, in turn, have been accompanied by new regulations in many developing countries aimed at extending these services as development strategy instruments.
3. Bearing in mind the strategic importance of energy services to Members, in particular the developing countries, this sector's inclusion in the negotiations will have to be focussed on the development of their domestic capacities through greater access to new technologies, coupled with the promotion of a sustainable environment.

II. BASIS FOR NEGOTIATIONS ON ENERGY SERVICES

4. As other Members have pointed out, ownership of, rights of access to and use of natural energy resources are issues that should not be addressed in these negotiations.
5. The negotiations should guarantee the right of developing countries to regulate and handle the supply of energy services in their territories in order to meet their domestic policy objectives. They should also facilitate the increasing participation of developing countries in international trade in these services, by strengthening their domestic capacity, in accordance with the GATS.
6. The strategic nature of energy services makes it essential that negotiations in this field should not impair the right of governments to determine conditions of access to their markets and to establish public service obligations. In this respect, the provisions of Article XIX.2 of the GATS, stipulating that there should be appropriate flexibility for developing countries for opening fewer sectors,

¹ Cuba reserves the right to amend this proposal, which does not prejudice its final position on sub-sectors or services which are not included in the analysis, at any time.

liberalizing fewer types of transactions and progressively extending market access, should be fully implemented.

III. PROPOSAL

7. The opening up of markets resulting from the negotiations should help to increase the energy supply capacities of all Members, in particular developing countries. These negotiations should ensure that energy services are made accessible to as many people as possible in order to substantially improve their standard of living and to promote the economic growth of the developing countries.

8. The negotiations should enhance the competitiveness of developing country energy service suppliers and improve their access to technologies on favourable commercial terms.

9. The extent to which developing countries benefit from an increased share in trade in energy services should be assessed to ensure compliance with GATS objectives, in particular Article IV.

IV. CLASSIFICATION OF ENERGY SERVICES

10. It is clear that the Services Sectoral Classification List (document W/120) does not accurately reflect the full range of existing services in the energy sector. Cuba therefore favours holding a discussion on classification, in a context to be decided upon by Members, in order to identify the criteria for analysing and formulating concrete definitions which identify the activities corresponding to the different processes.

11. It is important to ensure that once positions have been defined, the commitments bound under the Uruguay Round cannot be impaired by the new classification.
