

# WORLD TRADE ORGANIZATION

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General Council

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## PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

### Services

#### *Communication from Argentina*

The following communication, dated 2 July 1999, has been received from the Permanent Mission of Argentina.

1. Article XIX of the GATS, under the title of "Negotiation of Specific Commitments", provides for successive rounds of negotiations. The first round is due to start no later than 1 January 2000. The same Article also provides that "for each round, negotiating guidelines and procedures shall be established".

2. In order to contribute to this preparatory process on a framework for the upcoming negotiations on trade in services, Argentina presents the following suggestions.

3. The paper is divided into five broad sections, in order to help the discussion on the different aspects of the negotiations. Section 1 refers to the objectives of the negotiations; section 2 identifies the scope of negotiations; section 3 sets out the principles and modalities for the negotiations; section 4 deals with the time-frame for the negotiations; and section 5 discusses the practical arrangements for the organization of the negotiations.

#### **Objectives of the negotiations**

4. The negotiations should aim at:

- achieving, progressively, higher levels of liberalization of trade in services through the improvement of the general level of specific commitments undertaken by Members;
- promoting the interests of all participants on a mutually advantageous basis and at securing an overall balance of rights and obligations;
- achieving the objectives of the GATS on increasing participation of developing countries in trade in services and the expansion of their services exports.

#### **Scope of the negotiations**

- No service sectors or modes of supply are excluded from the negotiation. In this regard, appropriate flexibility for developing-country Members should be provided for in accordance

with the principle of progressive liberalization, as contained in Article XIX, paragraph 2 of the GATS;

- MFN exemptions and the operation of the Annex on Air Transport Services should be reviewed in accordance with the respective mandates;
- Disciplines on domestic regulation shall be developed in accordance with the mandate contained in Article VI:4 of the GATS;
- Negotiations on the question of emergency safeguard measures should be completed;
- Priority should be given to negotiations on subsidies, with a view to eliminating subsidy measures having trade-distortive effects. In particular, Members should agree on the elimination of subsidies that have an export-enhancing effect or that modify the conditions of competition in favour of services or services suppliers receiving the subsidy. These negotiations should also be completed by the end of the round;
- Negotiations on government procurement should continue. Appropriate coordination should be sought between these negotiations and the activities performed by the Working Group on Transparency in Government Procurement;
- Further work should be done in the area of recognition on the basis of paragraph 5 of Article VII of the GATS.

#### **Principles and modalities for the negotiation**

- The negotiations should be conducted under the principle of progressive liberalization, as stated in Article XIX, paragraph 2, of the GATS;
- The negotiations should provide for the recognition/accreditation of liberalization undertaken autonomously by Members since previous negotiations;
- The negotiations should be conducted on a bilateral, plurilateral or multilateral basis;
- The negotiations of specific commitments should be based on a request/offer approach. Other approaches could be considered in the course of negotiations, only with a view to reaching uniform criteria in questions related to sectoral classification or definitions of sectors (e.g. model schedules), and provided the interests of all Members are taken into account;
- The basis for negotiations should be the commitments as contained in the schedules of commitments of Members at the end of the Uruguay Round and extended negotiations; and
- The negotiations should be conducted within the existing architecture of the GATS, both in terms of the approach to scheduling specific commitments and the four modes of supply.

#### **Time-frame for the negotiations**

5. The results of the negotiations in all areas should be adopted at the same time and on the basis of a “single undertaking”, except as otherwise provided for in the case of the negotiations on emergency safeguards measures.

### **Practical arrangements for the negotiations**

6. The structure for the negotiations should respond to the following principles, such as:
- negotiations should be conducted in a flexible and efficient way, without imposing unnecessary burdens on Members. Proliferation of bodies should be avoided to the maximum extent possible;
  - negotiating functions should be clearly assigned to the bodies concerned in order to avoid overlaps. If necessary, consideration should be given to the reassignment of activities among the existing bodies, only for the duration of the negotiations; and
  - the needs of smaller delegations should be taken into account (e.g., by scheduling meetings in sequence and not in parallel).
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