

Chapter 9

Potential of trade in services

By Rajan Sudesh Ratna and Nayeon Kim

Introduction

The proliferation of Regional Trade Agreements (RTAs) in Asia-Pacific economies that started in 1990s is continuing and, with the passage of time, their contents and composition have changed. The present RTAs go beyond conventional goods agreements and cover a wide range of issues that are WTO-plus and WTO-beyond. Services agreements are now part of these RTAs, whereby the countries make commitments going beyond what they have offered in the WTO General Agreement on Trade in Services (GATS). As of January 2016, there were 271 physical RTAs in force globally, of which 132 cover agreements related to services. The inclusion of services in RTAs not only invigorates trade in services and investment flows among the RTA partners, it also enhances opportunities to trade in goods and integrates the partners through regional and global supply chains. Due to the importance of services to the RTA partners' economies, liberalization in services could become a powerful factor for trade-driven sustainable development.

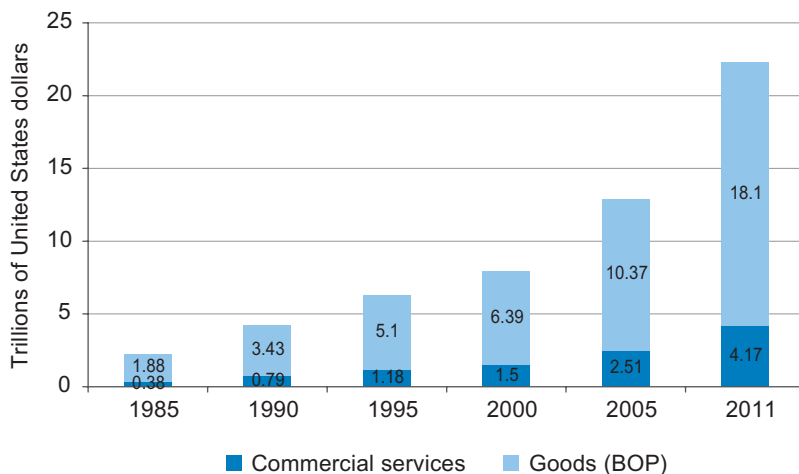
Recognizing the importance of trade in services, the Third Ministerial Council meeting on the Asia-Pacific Trade Agreement (APTA) in Seoul signed a "Framework Agreement on the Promotion and Liberalization of Trade in Services among Participating States of APTA" in August 2011. This chapter examines the potential for trade in services among the signatories of APTA as they have ratified the Framework Agreement, following which negotiations for granting preferential market access in services were scheduled to start in latter part of 2016. As the importance of services in a country's economy is increasing day by day and because services trade is increasing, it is necessary for the Participating States of APTA to fully utilize this opportunity.

The services sector plays an important role in the global and regional economies, which make up a sizable share of a country's GDP nowadays. Services are the fastest-growing sector of the global economy, representing two-thirds of global output, one-third of global employment and one-fifth of global trade. Since the 1970s, services have been considering a dominant object for trading and the engine of economic growth in the world. As information and communication technology grows faster, it is easier to trade services across borders. According to the World Bank Indicators, services accounted for 70.2% (value-added) in world GDP in 2012. The share of world services trade in total world GDP stood at 26.16% in 2013.¹ The percentage and amount of commercial services exports in the world exports grew steadily during 1985-2011 (figure 9.1). However, according to the World Trade Organization (WTO),² the value-added measure of the services trade contribution to total

¹ See <http://data.worldbank.org/indicator/>.

² *World Trade Report 2013*, available at www.wto.org/english/res_e/reser_e/wtr13_brochure_e.pdf.

Figure 9.1. Composition of world goods and commercial services exports, 1985-2011 (percentage)



Source: World Trade Report 2013.

trade is twice as high. In addition, trade in commercial services has been increasing faster than merchandise trade. Commercial services trade grew at 8% per year on average between 1980 and 2011, reaching \$4.3 trillion in 2012 against growth of 7% for merchandise trade.

A. Potential for services trade in the Participating States of APTA

1. Highlights of the Framework Agreement

The Framework Agreement on the Promotion and Liberalization of Trade in Services among Participating States of APTA is aimed at enhancing economic cooperation in services among the Participating States in order to improve efficiency and strengthen competitiveness as well as diversify their production capacity, and supply and distribution of services by their services suppliers within and outside the Participating States. It pursues a substantial reduction of restrictions in order to facilitate and liberalize trade in services among the Participating States of APTA by: (a) expanding the depth and scope of liberalization beyond the commitments of countries under GATS through the reduction of existing discriminatory measures and market access limitations; and (b) curtailing the introduction of new or more discriminatory measures.³

³ Article 3, Framework Agreement on the Promotion and Liberalization of Trade in Services among APTA Participating States, available at <http://www.unescap.org/resources/framework-agreement-promotion-and-liberalization-trade-services>.

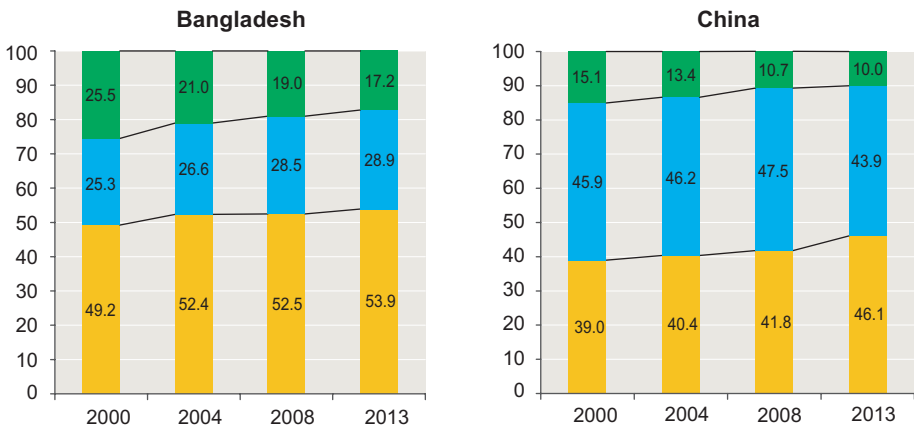
The Framework Agreement is open to commitments to liberalize all sectors of services except services supplied under the purview of governmental authority. Its aim is to strengthen cooperation in services sector through the improvement of services infrastructure facilities, such as joint production, marketing and purchasing arrangements. It also paves the way for recognition among the Participating States of each country's standards, education qualifications and other criteria through mutual recognition agreements. However, the Framework Agreement does not include provisions for granting market access to natural persons who are seeking access to employment in the market of other Participating States or measures regarding citizenship, residence or employment on a permanent basis.

The Least Developed Participating States (LDPSs) have been provided with greater flexibility in terms of special and differential treatment for their specific commitments on market access, Programmes and Action Plans under the Agreement. The Agreement also states that the Participating States will consider granting special concessions to these economies in their Schedules, Programmes and Action Plans. Special consideration is also to be given to the LDPSs when they request technical assistance and cooperation arrangements designed to assist them in expanding their trade with other Participating States.⁴

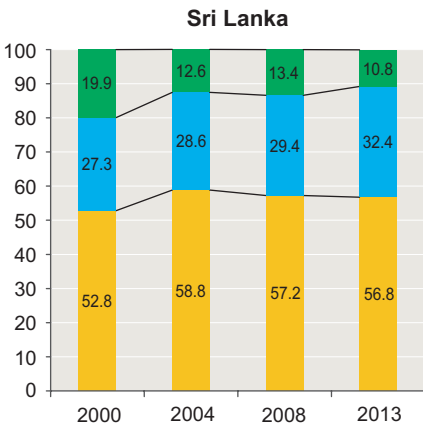
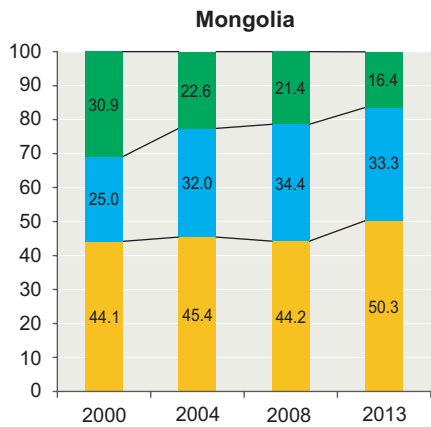
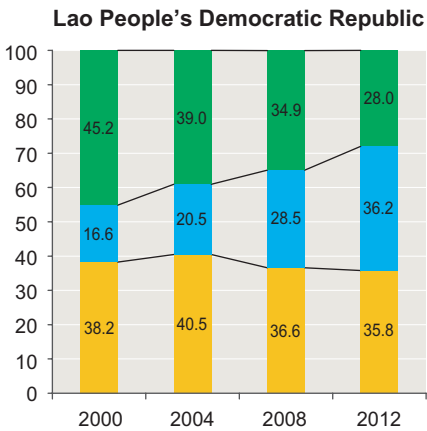
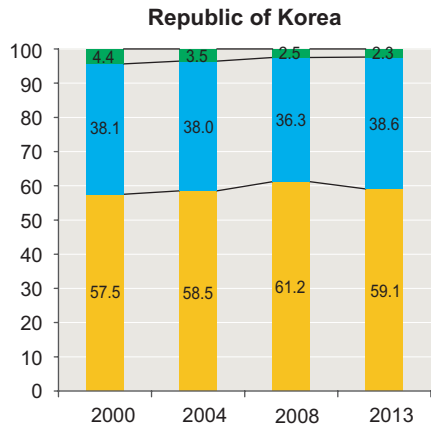
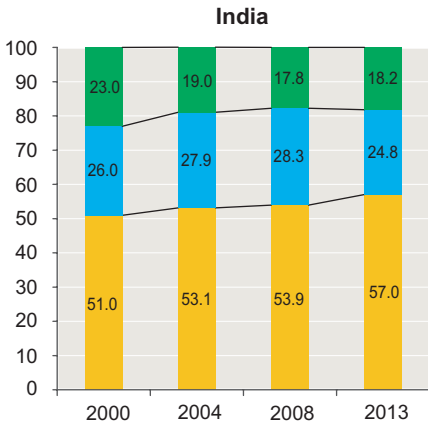
2. Composition of the services sector in GDP

All the Participating States of APTA, except the Lao People's Democratic Republic, have services composition of around 50% in their GDP (figure 9.2). In 2013, the services sector's composition in the Republic of Korea accounted for 59.1% of GDP, followed by India (57%), Sri Lanka (56.8%), Bangladesh (53.9%) and Mongolia (50.3%). In China and the Lao People's Democratic Republic, the services sector comprises 46.1% and 35.8% of GDP, respectively.

Figure 9.2. Percentage share of services in GDP, 2000-2013



⁴ Article 6, Framework Agreement on the Promotion and Liberalization of Trade in Services among APTA Participating States, available at <http://www.unescap.org/resources/framework-agreement-promotion-and-liberalization-trade-services>.



■ Agriculture
■ Industry
■ Services

Source: World Bank Data, Services, Agriculture and Industry, value-added (% of GDP), available at <http://data.worldbank.org>.

Despite the high composition of the services sector in GDP, the share of services exports in total GDP is relatively low, thereby implying that the potential for trade in services among the Participating States of APTA seems to be large and untapped.

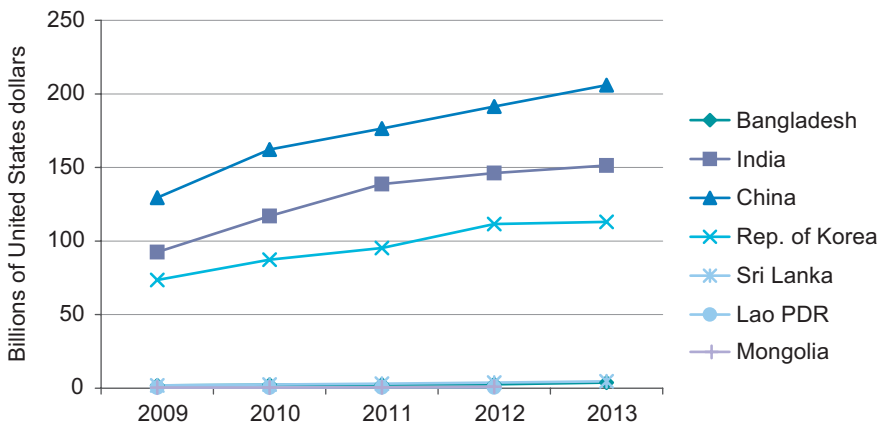
China, India and the Republic of Korea are among the top 13 countries in the world for services exports and imports collectively accounting for a share of more than 10% of world trade in services (table 9.1). In contrast, the other four Participating States of APTA have a low share. However, the exporting of services saw a positive trend during 2009-2013 for all APTA members, thus showing their strength even during recent global economic recession during which the trade in merchandised goods saw a decline (figure 9.3).

Table 9.1. Exports and imports of commercial services by the Participating States of APTA, 2012

Country	Exporter				Importer			
	Rank	Value (US\$ billion)	Share (%)	Annual percentage change	Rank	Value (US\$ billion)	Share (%)	Annual percentage change
Bangladesh	111	1.3	0.0	-6	70	5.2	0.1	5.1
China	5	190	4.4	8	3	280	6.7	18.0
India	6	141	3.2	3	7	127	3.1	3.0
Republic of Korea	13	110	2.5	17	12	107	2.6	7.0
Lao PDR	140	0.5	0.0	5	165	0.3	0.0	3.1
Mongolia	125	0.9	0.0	55	109	2.0	0.0	15.6
Sri Lanka	81	3.7	0.1	23	73	2.4	0.1	-37.4
APTA	-	452.1	10.28	9.5	-	521.2	12.5	10.9

Source: "Leading exporters and importers in world trade in commercial services, 2012", International Trade Statistics 2013, World Trade Organization (WTO), available at www.wto.org/.

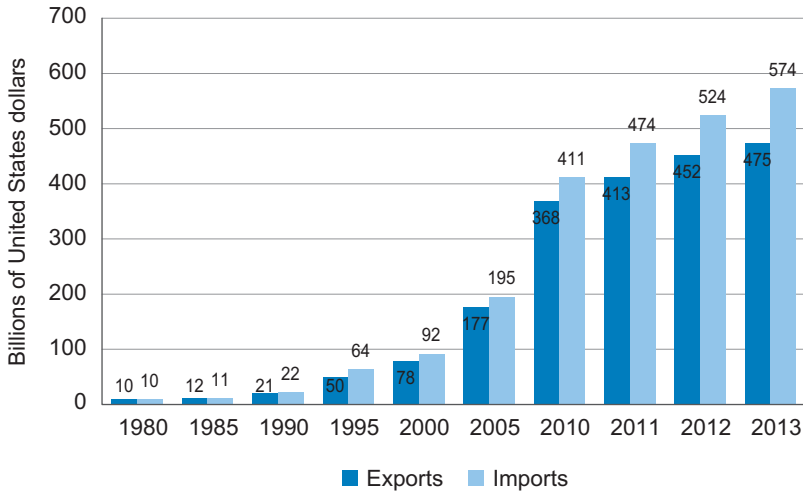
Figure 9.3. Total services export value, 2009-2013



Source: ITC, UNCTAD, WTO joint dataset, services exported value of each APTA Participating State; available at www.trademap.org.

Overall, APTA as a group remains a net importer of services. During 1980-2013 its growth (export growth at 12% and import growth at 13%) was higher than global growth (8% and 7%, respectively), making the potential high for intra-APTA services trade (figure 9.4).

Figure 9.4. Total services export and import growth value of APTA Participating States, 1980-2013



Source: UNCTADSTAT, values of exports and imports of total services, available at unctadstat.unctad.org/.

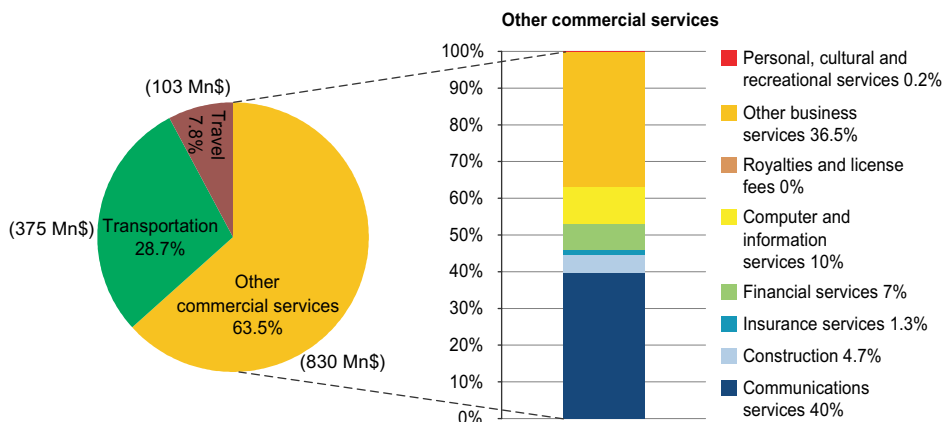
3. Services trade performance

The following subsection looks at the sectors of services that are important to exports and imports by the Participating States of APTA. The share of various sectors of each Participating State is reviewed in the global and intraregional (APTA) context. All figures are based on 2013 data, except for Bangladesh and the Lao People’s Democratic Republic which are based on 2012 data. Since government procurement is not covered in the framework, the analysis has not taken into account the services supplied to the Governments, although this covers a large part of the domestic market of the Participating States of APTA.

(a) Bangladesh

In 2012, other commercial services had the highest share in services exports by Bangladesh, followed by transportation and travel. Two important subsectors of the other commercial services are communications services and other business services, which account for more than 75% of exports. The export composition of commercial services exports by Bangladesh to the world is shown in figure 9.5.

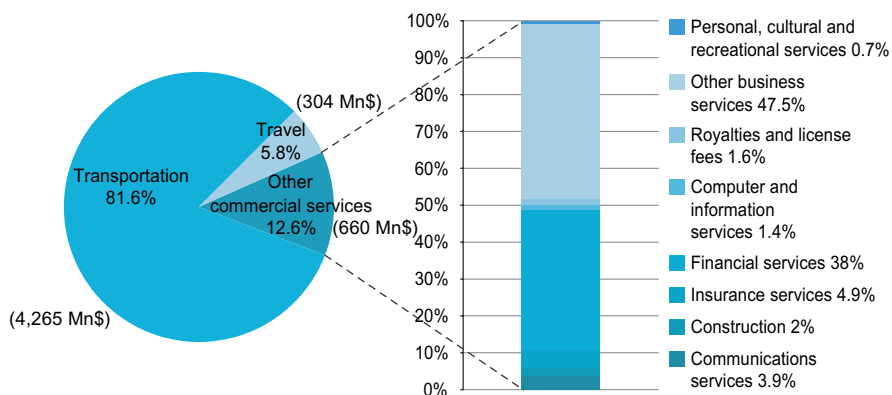
Figure 9.5. Commercial services exports by Bangladesh to the world, by sector, 2012



Source: "Trade in commercial services of Bangladesh", *Time Series on International Trade*, WTO statistics database, 2012; available at <http://stat.wto.org/>.

As for commercial services imports by Bangladesh, transportation accounts for the largest share at 81.6% (figure 9.6). In the case of other commercial services, which comprise the second largest sector of imports, the subsectors of other business services and financial services account for more than 85%.

Figure 9.6. Commercial services imports by Bangladesh from the world, by sector, 2012



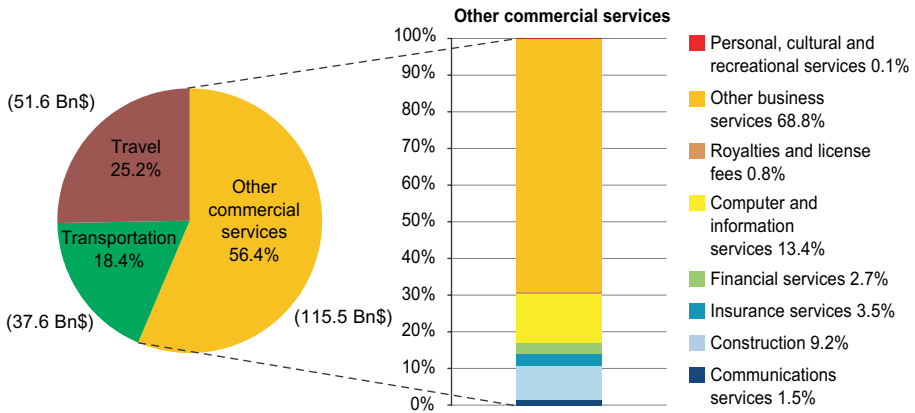
Source: "Trade in commercial services of Bangladesh", *Time Series on International Trade*, WTO statistics database, 2012; available at <http://stat.wto.org/>.

Transportation services form the most important sector as far as Bangladesh is concerned; this is due to the country's strategic location between East Asian and South Asian markets. However, a growing share of exports is being captured by its burgeoning telecoms industry and its financial sector, which is one of the largest in South Asia.

(b) China

For China, other commercial services covered 56.4% of its exports to the world followed by travel services and transportation services (figure 9.7). The other business services sector has the largest share at almost 69%, followed by computer and information services and construction services among the subsectors.

Figure 9.7. Commercial services exports by China to the world, by sector, 2013



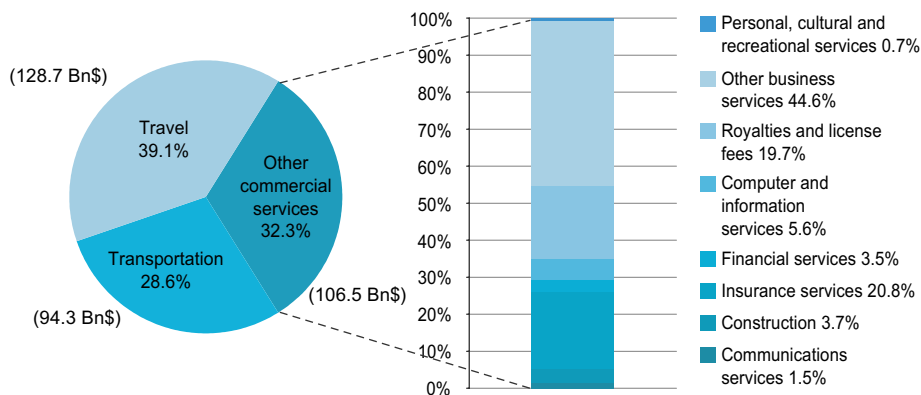
Source: "Trade in commercial services of China", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

Figure 9.8 shows that travel is the largest sector of China's imports, followed by other commercial services and transportation. The subsectors of other business services, followed by insurance services, and royalties and license fees services are also important.

China's services exports and imports grew sharply in 2014 by 12.4% and 15.5%, respectively, which was more than double that of the Asia-Pacific region at 4.8% and 6.1%, respectively. The growth in services trade was led by higher exports and imports in the business, transport and services sectors; as the largest sectors, they cover the majority of the services trade. This also partly reflects China's structural transition towards domestic services and innovation activity, away from primary and manufacturing industries.⁵

⁵ ESCAP, 2015a, *Asia-Pacific Trade and Investment Report 2015*, Asia-Pacific Trade Brief, China; available at <http://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20China.pdf>.

Figure 9.8. Commercial services imports by China from the world, by sector, 2013

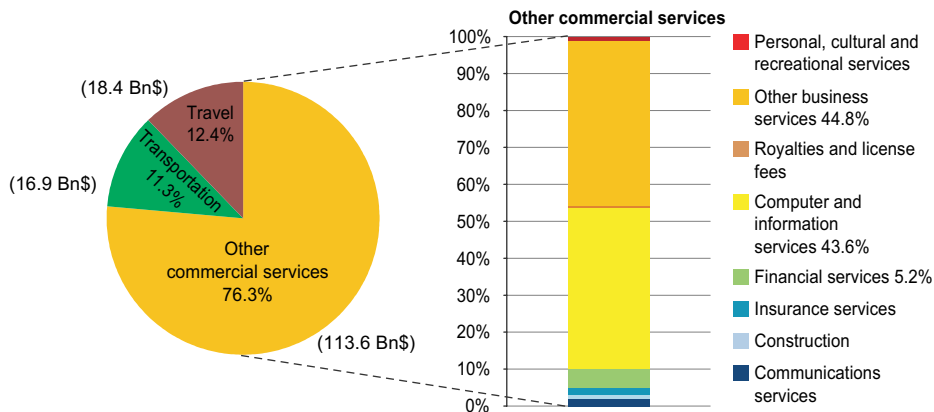


Source: "Trade in commercial services of China", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

(c) India

Figure 9.9 shows the composition of the other commercial services share in total exports from India to the world were highest (76.3%). This sector is driven by the exports of the other business services and computer and information services subsectors. Travel and transportation are the other important sectors of exports from India.

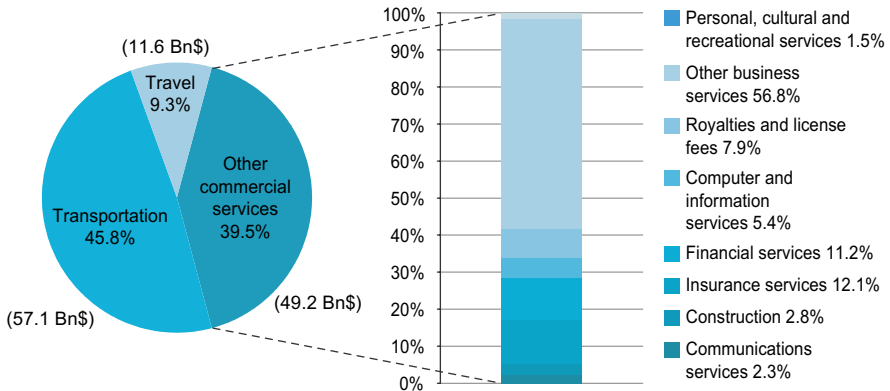
Figure 9.9. Commercial services exports by India to the world, by sector, 2013



Source: "Trade in commercial services of India", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

In 2013, transportation was the most important services sector in India's imports (45.8%) followed by other commercial services (39.5%), the major subsectors of which are other business services (56.8%) followed by insurance services and financial services (figure 9.10).

Figure 9.10. Commercial services imports by India from the world, by sector, 2013



Source: "Trade in commercial services of India", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

India's services exports grew by 5% in 2014 – marginally higher than the Asia-Pacific total growth of 4.8%. This was led by stellar growth in exports of telecommunications, computer and information technology services – now the largest sector. Services imports grew even faster, by 17.4% in 2014 – more than twice the Asia-Pacific total of 6.1%. This was led by greater imports of transport services and travel services.⁶

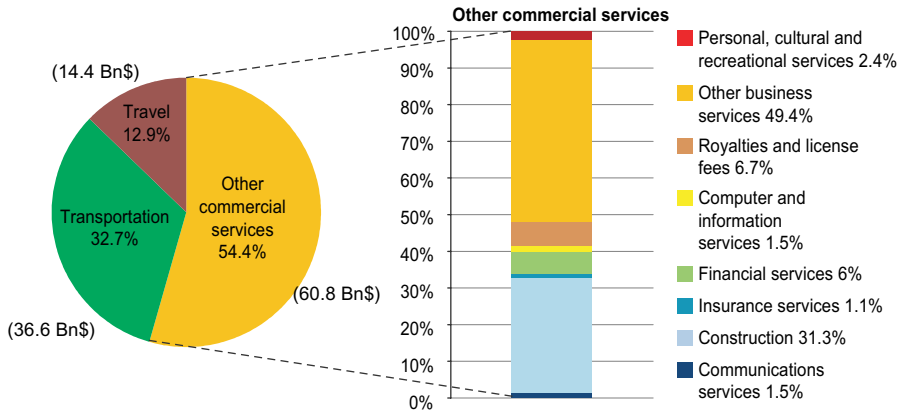
(d) Republic of Korea

Services exports by the Republic of Korea comprised other commercial services (54.4%), transportation (32.7%) and travel services (12.9%) (figure 9.11). The subsectors of other business services and construction services accounted for more than 80% of the other commercial services sector.

Imports of commercial services by the Republic in Korea showed a similar trend (figure 9.12). Other commercial services is major sector with a major share of imports (52.5%) and mainly driven by imports by subsectors of other business services (65.9%), followed by royalties and license fees.

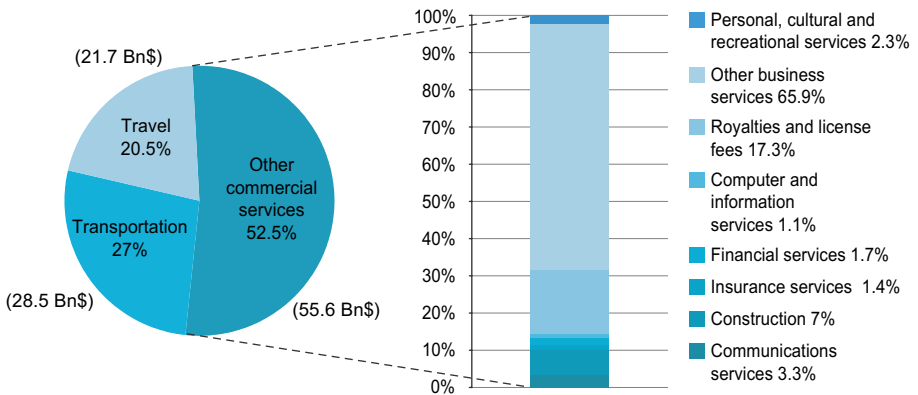
⁶ ESCAP, 2015b, *Asia-Pacific Trade and Investment Report 2015*, Asia-Pacific Trade Brief, India; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20India.pdf>.

Figure 9.11. Commercial services exports by the Republic of Korea to the world, by sector, 2013



Source: "Trade in commercial services of the Republic of Korea", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

Figure 9.12. Commercial services imports by the Republic of Korea from the world, by sector, 2013



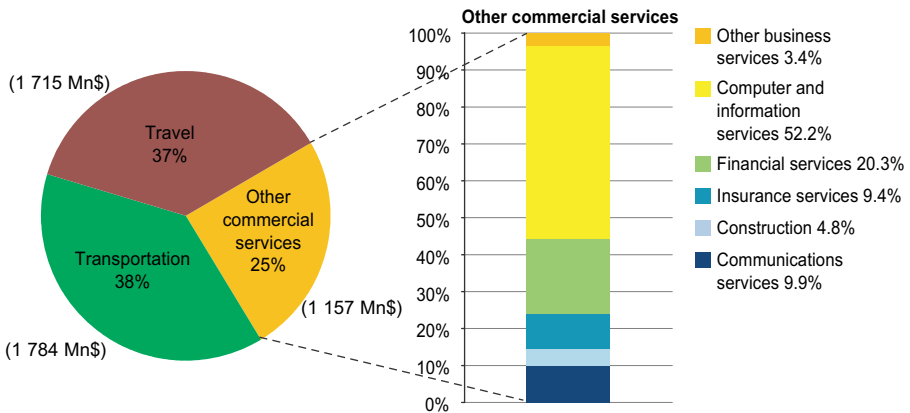
Source: "Trade in commercial services of the Republic of Korea", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org/>.

The Republic of Korea's services exports and imports grew in 2014 by 3.1% and 4.4%, respectively – a slowdown from an average annual growth of 6.5% and 4.2%, respectively, during 2010-2014. This decline was mainly led by lower exports and imports of transport services – the country's largest sector, which accounts for about one third of both exports and imports. However, the impact of the slowdown was dampened by higher exports and imports of business services, which is the next largest sector.⁷

(e) Sri Lanka

Sri Lanka has a relatively equal share of three commercial services sectors. Transportation is the largest export sector, followed by travel services and other commercial services. In the other commercial services sector, two important subsectors for exports are computer and information services and financial services (figure 9.13).

Figure 9.13. Commercial services exports by Sri Lanka to the world, by sector, 2013

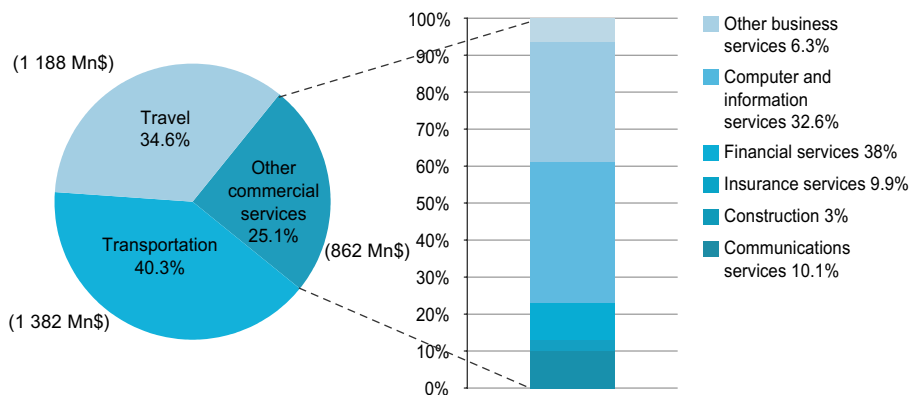


Source: "Trade in commercial services of Sri Lanka", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

Composition of imports is almost the same as that of exports of commercial services by Sri Lanka (figure 9.14), as transportation is the largest import sector, followed by travel and other commercial services. Two key subsectors in other commercial services are financial services, and computer and information services.

⁷ ESCAP, 2015c, *Asia-Pacific Trade and Investment Report 2015*, Asia-Pacific Trade Brief, Republic of Korea; available at <http://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Republic%20of%20Korea.pdf>.

Figure 9.14. Commercial services imports by Sri Lanka from the world, by sector, 2013



Source: "Trade in commercial services of Sri Lanka", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

Sri Lanka's services exports grew by 19.7% in 2014 – markedly higher than the total Asia-Pacific total growth of 4.8% – led by higher levels of tourism, the largest sector as well as higher exports of transport and telecommunications services. Services imports grew by 6.8% in 2014 – marginally higher than the regional total of 6.1%. This was led by higher imports of transport and travel services.⁸

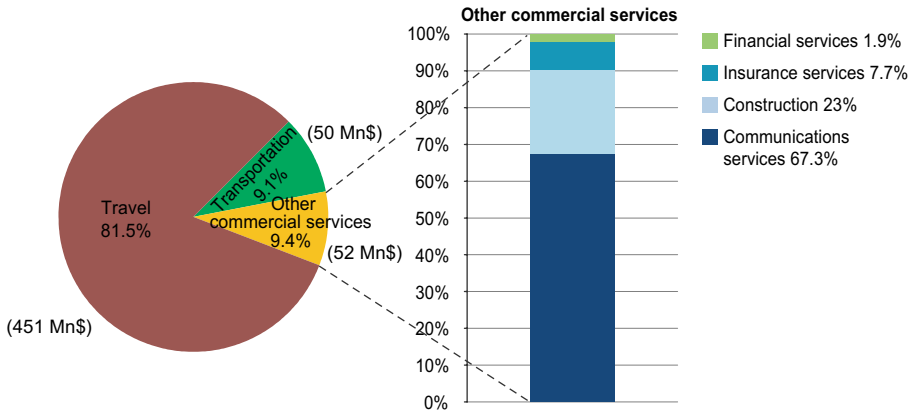
(f) Lao People's Democratic Republic

The most striking feature of the Lao People's Democratic Republic's exports of services is the very high share of travel services (81.5%), the highest percentage share of the travel sector among the Participating States of APTA (figure 9.15). Communications services and construction services are two important subsectors in other commercial business sector exports.

Travel is also the largest import sector followed by other commercial services and transportation (figure 9.16). Insurance services and construction are two major subsectors with regard to other commercial services exports.

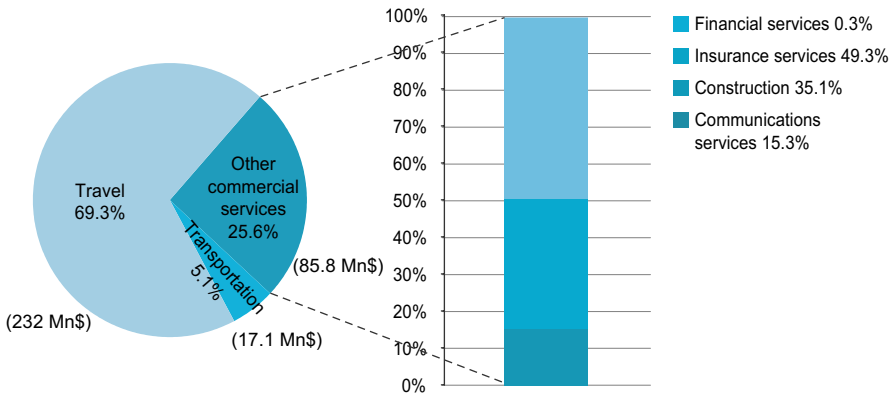
⁸ ESCAP, 2015d, *Asia-Pacific Trade and Investment Report 2015*, Asia-Pacific Trade Brief, Sri Lanka; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Sri%20Lanka.pdf>.

Figure 9.15. Commercial services exports by the Lao People's Democratic Republic to the world, by sector, 2012



Source: "Trade in commercial services of the Lao People's Democratic Republic", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

Figure 9.16. Commercial services imports by the Lao People's Democratic Republic from the world, by sector, 2012



Source: "Trade in commercial services of the Lao People's Democratic Republic", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

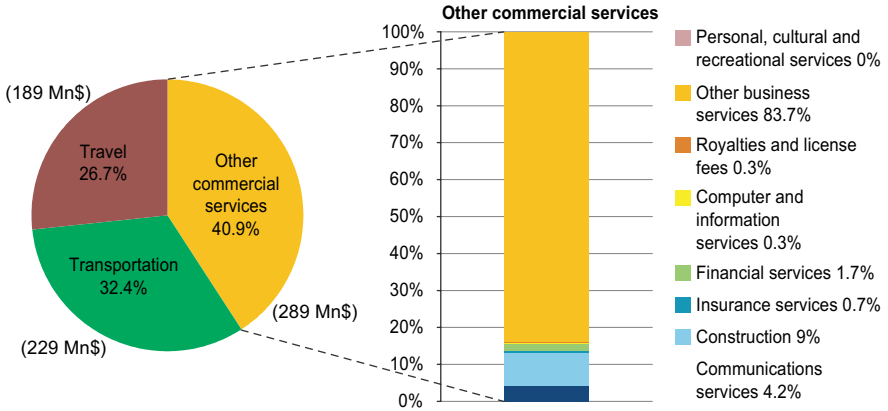
(g) Mongolia

The top export from Mongolia is other commercial services followed by transportation and travel services (figure 9.17). The other business services subsector represents more than 80% of the exports from the other commercial services sector, followed by construction services.

However, Mongolia's services exports contracted by -19% in 2014 compared with an average of 4.4% annual growth during 2010-2014. This was led by a sharp decline in transport and travel services, which account for more than half of all services exports from

Mongolia. In contrast, services imports grew by 5.9%, but this was lower than the average growth of 29.2% during 2010-2014. Slower growth was led by a sharp decrease in imports of transport services, the largest sector.⁹

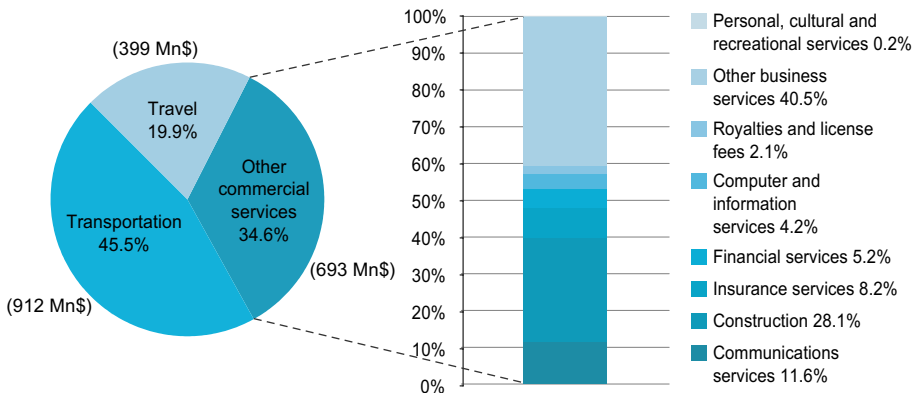
Figure 9.17. Commercial services exports by Mongolia to the world, by sector, 2013



Source: "Trade in commercial services of Mongolia", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

Commercial services imports by Mongolia comprised transportation at 45.5%, followed by other commercial services and travel (figure 9.18). Other business services and construction were the two most important subsectors in the imports of the other commercial services sector.

Figure 9.18. Commercial services imports by Mongolia from the world, by sector, 2013



Source: "Trade in commercial services of Mongolia", *Time Series on International Trade*, WTO statistics database, 2013; available at <http://stat.wto.org>.

⁹ ESCAP, 2015e, Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, Mongolia; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Mongolia.pdf>.

B. Total market of APTA Participating States

The total Participating States of APTA market is indicative of how the framework agreement in services can provide markets and in which sectors. It is evident that the Participating States of APTA collectively offer a wide range of sectors with extensive potential where services agreements can further boost trade.

The above analysis is summarized below in terms of the export and import interests of various APTA Participating States. The main exporters and importers in the services sectors are listed in table 9.2.

Table 9.2. Main exporters and importers in services sector of APTA Participating States

Services sectors	Exporting country	Importing country
Other business services	Bangladesh, China, India, Republic of Korea, Mongolia	Bangladesh, China, India, Republic of Korea, Mongolia
Transportation	Bangladesh, China, Republic of Korea, Sri Lanka, Lao PDR, Mongolia	Bangladesh, China, India, Republic of Korea, Sri Lanka, Mongolia
Travel	China, India, Sri Lanka, Lao PDR, Mongolia	Bangladesh, China, India, Republic of Korea, Sri Lanka, Lao PDR, Mongolia
Computer and information services	India, Sri Lanka	
Construction services	Republic of Korea	Lao PDR
Communications services	Bangladesh, Lao PDR	
Financial services		Sri Lanka
Insurance services		Lao PDR

Source: "Total trade in commercial services of six countries of APTA", *Time Series on International Trade*, WTO statistics database, 2012; available at <http://stat.wto.org/>.

It is evident that Participating States of APTA have complementary export and import interests; thus, they will gain if they grant preferential market access to each other in these sectors. The importance of transportation and travel services sectors provide enough opportunity for Participating States of APTA to cooperate in developing regional and global supply chains that can lead to greater economic activity, high employment rates, development of greater infrastructure, and thus inclusive and sustainable development. The growth of APTA can have a positive spillover effect on neighbouring countries, which can benefit and become part of APTA supply chains.

1. Openness of services in Participating States of APTA

The Service Trade Restrictiveness Index (STRI) is an indicator that signals the openness or restrictiveness of a market. Zero means completely open and 100 means completely closed. Therefore, around 25 means virtually open but with minor restrictions, 50 means major restrictions and 75 means virtually closed with limited opportunities to enter and

operate. The restrictiveness by mode of services for each Participating State of APTA demonstrates that while in overall context Mongolia is the most open economy, India is the most restricted (table 9.3). Mode 4 is generally the most restricted rating for all Participating States of APTA, with Sri Lanka being the most restricted and Mongolia the least. The preferential agreement in services will allow the restrictiveness to be lowered among the Participating States of APTA, thus leading to better integration.

**Table 9.3. Services Trade Restrictiveness Index
for Participating States of APTA**

Country	Overall	Mode 1	Mode 3	Mode 4
Bangladesh	44.2	46.19	33.83	70
China	36.6	39.22	37.27	75
India	65.7	70.75	69.34	70
Republic of Korea	23.1	27.08	21.33	75
Lao PDR	–	–	–	–
Mongolia	13.7	34.41	5.18	50
Sri Lanka	38.2	23	38.25	80

Source: World Bank, STRI database.

2. Trade Specialization Index

The Trade Specialization Index (TSI) is another indicator that determines international competitiveness of a country in a given sector. The range of TSI is between -1 and 1. The closer TSI is to -1, the higher the degree of import specialization. In contrast, the closer TSI is to 1 the higher the degree of export specialization. Zero indicates neutral, which means the amount of exports and imports are equal. If TSI is more than 0.4 point it means the country has competitive export specialization in the sector concerned. The results are calculated as:

$$TSI = (E_{xs} - I_{xs}) / (E_{xs} + I_{xs});$$

E: Exports (to the world);

I: Imports (from the world);

x: Country index; and

s: Services sector index.

Table 9.4 indicates sector specialization based on TSI results.

Table 9.4. Exporters and importers based on TSI results for the Participating States of APTA

Sector	Exporter	Importer
Transport	Lao PDR	Bangladesh, China, Mongolia, Sri Lanka
Travel		Bangladesh, China, Sri Lanka
Communications	Bangladesh, Lao PDR	Mongolia, Sri Lanka
Construction	Bangladesh, China, Republic of Korea	Lao PDR, Mongolia, Sri Lanka
Insurance services		Bangladesh, China, Lao PDR, Mongolia, Sri Lanka
Financial services	Republic of Korea, Lao PDR	Mongolia, Sri Lanka
Computer and information services	Bangladesh, China, India	Mongolia, Sri Lanka
Royalties and license fees		Bangladesh, China, India, Republic of Korea, Mongolia, Sri Lanka
Other business services		
Personal, cultural and recreational services	Bangladesh	China, Mongolia, Sri Lanka

Source: Calculated based on United Nations Service Trade Statistics database, available at <http://unstats.un.org/unsd/servicetrade/default.aspx>.

With regard to the major exporters of APTA Participating States based on TSI results, Bangladesh has the highest specialization in communications services (0.8567), followed by computer and information services, and personal, cultural and recreational services. China's specialization is in construction services (0.4654), and computer and information services (0.4411). India, at more than 0.9, is overwhelmingly specialized in computer and information services. The Republic of Korea has specialization in construction (0.6191) and financial services (0.5187). The Lao People's Democratic Republic has the highest specialization in financial services (0.7095), followed by transport and communications. However, all services sectors in Mongolia and Sri Lanka are specialized in imports (table 9.4).

C. Existing WTO and RTA commitments

In order to pave the way for future negotiations it is important to understand what commitments the Participating States of APTA have made in GATS and other RTAs. All the Participating States of APTA are signatories of one or more RTAs covering services. While China, India, the Republic of Korea, and the Lao People's Democratic Republic have implemented services commitments in their RTAs, Bangladesh and Sri Lanka are party to the SAARC Agreement on Trade in Services (SATIS). Mongolia is party to an Economic Partnership Agreement (EPA) with Japan, agreements where the commitments in services have yet to be implemented. The commitments by individual Participating States of APTA are detailed below.¹⁰

¹⁰ Detailed sectoral commitments are available in the Annex to this chapter.

1. Bangladesh¹¹

Bangladesh has commitments in only two services sectors, communications services, and tourism and travel-related services under GATS. According to the above statistics for Bangladesh, the country does not have a large share in either of those two sectors. The RTA concession on services has not been implemented by Bangladesh so far, even though it is a signatory of SATIS.

2. China

According to GATS, China has commitments in the following services: business, communications, construction and related engineering services, distribution, educational, environmental, financial, transport, tourism and travel-related services. China has signed six RTAs covering services with ASEAN, Chile, Costa Rica, New Zealand, Pakistan and Singapore. In the ASEAN-China Agreement, China has undertaken commitments horizontally to liberalize the five specific services sectors of business services, construction and related-engineering services, environmental services, recreational, cultural and sporting services, and transport services. In the China-Chile Agreement, China made commitments in the services of: business; construction and related-engineering services; distribution; educational; environment; tourism and travel-related services; recreational, cultural and sporting services; and transport services. In the Costa Rica - China Agreement, the commitments include: business; communications; construction and related-engineering services; distribution; educational; environment; tourism and travel-related services; recreational, cultural and sporting services; and transport services. In the China-New Zealand Agreement, China has undertaken commitments to liberalize all sectors excluding health-related and social services as well as other services not included elsewhere. The services commitments to Singapore and Pakistan include 11 sectors excluding other services not included elsewhere.

3. India

India's services sector commitments under GATS include business services, communication services, construction and related engineering services, financial services, health-related and social services, and tourism and travel-related services. India has undertaken service commitments in four RTAs with Japan, Malaysia, the Republic of Korea and Singapore. In terms of a specific schedule of commitments, while the India-Korea, the India-Malaysia and the India-Japan Agreements specifically exclude air transportation services with some exceptions,¹² the India-Malaysia and the India-Japan Agreements exclude maritime transport services. The India-Singapore Agreement further excludes shell companies and the India-Japan Agreement provides supplementary provisions on communication services. All the agreements broadly cover 11 sectors: business services, communication services, construction and related engineering services, distribution, educational services, environmental services, financial services (except for the India-Malaysia Agreement), health-related and social services, tourism and travel-related services, recreational, cultural

¹¹ Bangladesh and Sri Lanka are parties to the SAARC Agreement on Trade in Services, however the implementation has not started as yet (the Parties are negotiating the schedule of concessions).

¹² (i) Aircraft repair and maintenance services; (ii) the selling and marketing of air transport services; and (iii) computer reservation system services.

and sporting services, and transport services. In the India and Malaysia CECA, financial services sector is not included in the commitments. Commitments on “other services” are included only in the India-Malaysia and India-Singapore Agreements. In the India-Malaysia Agreement, Malaysia has liberalized the subsector of “skills training services” under Modes 1 and 2 with India. Under the India-Singapore Agreement, Singapore has opened three subsectors – washing, cleaning and dyeing services, hairdressing and other beauty services, and funeral, cremation and undertaking services except maintenance services of cemeteries, care of graves and graveyards – under Modes 2 and 3. The schedule has generally excluded “other services not included elsewhere” from commitments, as it covers a wide range of services that are not specifically listed.

4. Republic of Korea

The commitments of the Republic of Korea through GATS dealt with eight sectors: business; communication; construction and related engineering services; distribution; environmental; financial; tourism and travel-related services; and transport. The Republic of Korea has made commitments in services in its RTAs with Chile, EFTA, Peru, Singapore and the United States. In its agreement with Chile, Peru and the United States, The Republic of Korea has made commitments relating to all 12 sectors of services. In case of EFTA, it has made commitments cover 10 sectors, excluding health-related services, social services and other services not included elsewhere. In the agreement with Chile, 11 sectors have been liberalized, not including financial services.

5. Lao People’s Democratic Republic

The Lao People’s Democratic Republic is a member of ASEAN. While acceding to WTO it made commitments to GATS. The Lao People’s Democratic Republic has made commitments in 10 sectors in GATS, excluding only recreational, cultural and sporting services and other services not included elsewhere. The 10 sectors are: business; communication; construction and related engineering services; distribution; educational; environmental; financial; health-related and social services; tourism and travel-related services; and transport services. As a member of ASEAN, the Lao People’s Democratic Republic has committed to liberalizing only one sector, financial services, with only one RTA partner, China (under the ASEAN-China RTA).

6. Mongolia

Mongolia submitted its commitments to GATS on business, communication, construction and related engineering services, distribution, financial, and tourism and travel-related services. Mongolia has signed an EPA with Japan, but as the agreement has not been ratified, implementation of the commitments has not started.

7. Sri Lanka

The commitments by Sri Lanka on GATS include the three sectors of communication, financial, and tourism and travel-related services. Sri Lanka has not made any concessions on services with RTA partners.

D. Approach to be taken in services negotiations between the Participating States of APTA

Based on the above analysis, the sectors that are important to the Participating States of APTA are discussed below. It is important that these sectors are liberalized under the framework of the APTA Services Agreement. It is also important that Modes 3 and 4 are open sufficiently to allow the free flow of investments and persons in the areas that have been liberalized.

1. Other business services

Other business services refer to miscellaneous business and professional services covering advertising, market research, packaging, services incidental to agriculture, fishing and mining. The other business services sector accounts for the major share of total APTA services exports (31.47%), with China, India and Mongolia having the largest share. Bangladesh, China, India, the Republic of Korea and Mongolia are not only prospective exporters but also importers of other business services.

2. Transportation services

With regard to the development and integration of Asia and the Pacific, transportation services is one of the most important sectors in the region. Transportation has played a key role in the region's economic growth as it helps to facilitate trade through developing infrastructure to interconnect in the Asia-Pacific region. In the APTA region, attempts have been made to develop regional transport networks. Similarly, APEC is helping to facilitate transportation services focused on navigation, maritime issues, logistics, intercity and urban transportation, an intelligent transportation system and intermodal networks so that it can reduce costs for importers and exporters.

Dry port projects, which enable intermodal transport, are being implemented in Bangladesh, India and the Republic of Korea. China has an excellent environment for intermodal container transportation and it plans to create economic integration through the Silk Road Economic Belt and the Maritime Silk Road. These types of networks not only facilitate trade in goods but also the movement of people, while contributing to social, economic and environmental improvement.¹³ For APTA, transportation services are very important as it includes LDCs, LLDCs and Pacific Island countries as its members. Liberalization of this sector will help countries to reap the benefit from economic integration as well as achieve some of the targets of the 2030 Agenda for Sustainable Development, Addis Ababa Action Agenda and Istanbul Programme of Action.

¹³ ESCAP, *Review of Developments in Transport in Asia and the Pacific 2013*.

3. Tourism services

Rising international tourism has become a global trend, with some 1.1 billion tourist arrivals being officially recorded globally in 2013. The Asia-Pacific region, which is the most dynamic region, has seen the highest growth in tourist inflows. The number of international inbound tourists to the Participating States of APTA is increasing consistently, with Sri Lanka ranked fourth in terms of having the most dynamic growth rate in international tourist arrivals in the world (26.7%). The tourism services sector will be the main driver of the APTA region and it can be made more efficient if transportation services are further developed. This will, in turn, have a bigger impact in the integration of APTA.

4. Information and communications technology services

The information and communications technology (ICT) services have now become important sector for regional connectivity, integration, economic growth and job creation. This sector could act as an innovation tool for achieving additional skills, investment and employment. The internet is accelerating the process of regional integration, as it enables connectivity among countries and people, which allows inclusiveness at all levels of society. Already, several Participating States of APTA have an efficient, fast internet network environment. Similar to transportation services, the ICT services sector is having an impact through its contribution to expanding other trade in services or merchandise. This sector is also an important pathway to achieving reductions in the cost of trade and the replacement of burdensome paperwork through more efficient and sustainable EDI exchanges of documents and information.

5. Construction services

Infrastructure is one of the backbones of any economic development and the construction services are very important component in this regard. The Participating States of APTA have tremendous potential for trade in construction services for ensuring better regional connectivity. The Republic of Korea is the second-largest exporter of construction services in the world, while India's construction industry has been showing positive growth during recent years. The Lao People's Democratic Republic and Mongolia have import potential for construction services and can therefore benefit from this engagement.

6. Commercial services

The commercial presence through Mode 3 is another important sector that the Participating States of APTA must open to each other in their services commitments. This would also facilitate huge investment flows, transfers of technology and the movement of natural persons under Mode 4 for catering to various works related to these areas. Opening this mode will not only enhance efficiency but also create better consumer choice and savings.

7. Movement of natural persons

Opening the movement of natural persons (Mode 4) will ensure that services suppliers such as skilled and semi-skilled professionals would be able to meet the demand of the APTA Participating States markets. As discussed above, Mode 4 is the most restricted as per the STRI. The Participating States of APTA have comparative advantage in exporting services under the movement of natural persons. South Asian Participating States of APTA, i.e., Bangladesh, India and Sri Lanka, are important exporters of services in Mode 4. The outflow of immigrant workers from those countries and the large volume of remittances received from them are representative examples of the significance of labour exports. In Bangladesh, more than \$2 billion is received annually in remittances, which is 4% of the country's GDP and also one-third of their export earnings. Traditionally, India has considerable migration of high- and low-skilled workers (Rajan, 2011) and inflow of remittance from them as Mode 4 exports, are rising rapidly (RBI) (Stoler *et al.*, 2009) Approximately 20 million Indians are living abroad and generating income that comprises 80% of the Indian economy. In the case of Sri Lanka, 1.2 million people work abroad.

South Asia's movement of natural persons includes some highly-skilled professionals working abroad in occupational categories such as doctors and nurses, information technology, engineering and accountants and some lower-skilled employees in, for example, construction work, transport operations and domestic services.¹³ The high-cost service providers in other Participating States of APTA can therefore be replaced by these more cost-efficient service providers, which can benefit the importing as well as exporting Participating States of APTA.

It is also crucial to take into account the connections between market access through commercial presence (Mode 3) and the movement of natural persons (Mode 4). Restrictions on Mode 3 in the form of local staffing and management requirements or approval requirements may not only curtail markets for Mode 3, but may also affect Mode 4. Thus, if Mode 4 is to be liberalized, associated restrictions on Mode 3 need to be removed.

GATS follows a positive list approach under the provisions of "progressive liberalization". However, in their RTAs, the Participating States of APTA have taken both approaches: positive and negative lists. If the Participating States are desirous of having stronger economic integration, it is advisable that they follow the negative list approach in their negotiations.

¹³ "Trade in services and South Asia: An aggressive agenda" in *South Asian Yearbook of Trade and Development 2005*, Centre for Trade and Development, New Delhi.

References

- ESCAP (2013). *Review of Developments in Transport in Asia and the Pacific 2013*.
- ESCAP (2015a). Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, China; available at <http://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20China.pdf>.
- _____ (2015b). Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, India; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20India.pdf>.
- _____ (2015c). Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, Republic of Korea; available at <http://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Republic%20of%20Korea.pdf>.
- _____ (2015d). Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, Sri Lanka; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Sri%20Lanka.pdf>.
- _____ (2015e). Asia-Pacific Trade and Investment Report 2015, Asia-Pacific Trade Brief, Mongolia; available at <https://www.unescap.org/sites/default/files/APTIR%202015%20Brief%20Mongolia.pdf>.
- Rajan, S.I. (2011). *India Immigration Report 2011: Migration, Identity and Conflict*, Routledge.
- Stoler, A.L., J. Redden and L.A. Jackson (eds.) (2009). *Trade and Poverty Reduction in the Asia-Pacific Region*, WTO.
- WTO (2013). *World Trade Report 2013*, available at www.wto.org/english/res_e/reser_e/wtr13_brochure_e.pdf.

Online databases

- United Nations Conference on Trade and Development (UNCTAD). UNCTADstat database. Available at <http://unctadstat.unctad.org/>.
- World Bank, World Bank Data. Available at <http://data.worldbank.org/>.
- WTO, International Trade Statistics. Available at https://www.wto.org/english/res_e/status_e/its2015_e/its15_toc_e.htm.
- WTO, Statistics database. Available at <http://stat.wto.org/>.

Annex

RTA commitments

CHINA (classification on per CPC)							
●	Sectoral commitment	RTA Partners					
–	No commitment	ASEAN	Chile	Costa Rica	New Zealand	Singapore	Pakistan
–	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal
1. BUSINESS SERVICES		●	●	●	●	●	●
A	Professional services		861, 8671-8674	861, 862, 8630, 8671-8674, 9312	861, 862, 8630, 8671-8674, 9312, 86751, 86752	861, 862, 8630, 8671-8674, 9312	861, 862, 8630, 8671-8674, 9312
B	Computer and related services	841, 842, 8431-8433	841, 842, 8431-8433, 845	841, 842, 8431-8433, 63, 6112, 6122, 845, 886, 831, 832 (X-83202)	841, 842, 8431-8433	841, 842, 8431-8433	841, 842, 8431-8433, 63, 6112, 6122, 845, 886, 831, 832 (X-83202)
C	Research and development services						8510
D	Real estate services	821, 822	821, 822	821, 822	821, 822	821, 822	821, 822
E	Rental/leasing services without operators			63, 6112, 6122, 845, 886, 831, 832 (X-83202)	63, 6112, 6122, 845, 886, 831, 832 (X-83202)		63, 6112, 6122, 845, 886, 831, 832 (X-83202)
F	Other business services	86401, 865, 86601, 872 (X-87209), 874, 875, 87905	871, 86401, 865, 86601, 881-883, 86751, 86752, 87905	871, 86401, 865, 8676, 749, 881-883, 86751, 86752, 63, 6112, 6122, 845, 886, 831, 881, 882, 832 (X-83202), 875, 876, 87909, 87905	63, 6112, 6122, 845, 886, 831, 832 (X-83202), 871, 865, 86601, 8676, 749, 881, 882, 8675, 875, 876, 87909, 87905	871, 86401, 865, 86601, 8876, 749, 881, 882, 872 (X-87209), 86751, 86752, 874-876, 87909, 87905, 63, 6112, 6122, 845, 886, 831, 832 (X-83202)	871, 86401, 865, 86601, 8876, 749, 881-883, 86751, 86752, (X-87209), 86751, 86752, 874-876, 87909, 87905, 63, 6112, 6122, 845, 886, 831, 832 (X-83202)
2. COMMUNICATIONS SERVICES				●	●	●	●
A	Postal services						
B	Courier services			75121	75121	75121	75121

CHINA (classification on per CPC) (continued)							
●	Sectoral commitment	RTA Partners					
	No commitment	ASEAN	Chile	Costa Rica	New Zealand	Singapore	Pakistan
-	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal
C	Telecommunications services						
D	Audio-visual services			83202	83202	83202	83202
E	Other						
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES		●	● 511, 512, 513(3), 514-517, 518(4)	●	●	●	● 511, 512, 513(3), 514-517, 518(4)
A	General construction work for buildings	511, 512, 513(2), 514-517, 518(3)	-	511-518	511, 512, 513(4), 514-517, 518(5)	511, 512, 513(3), 514-517, 518(4)	
B	General construction work for civil engineering	511, 512, 513(2), 514-517, 518(3)	-	511-518	511, 512, 513(4), 514-517, 518(5)	511, 512, 513(3), 514-517, 518(4)	
C	Installation and assembly work	511, 512, 513(2), 514-517, 518(3)	-	511-518	511, 512, 513(4), 514-517, 518(5)	511, 512, 513(3), 514-517, 518(4)	
D	Building completion and finishing work	511, 512, 513(2), 514-517, 518(3)	-	511-518	511, 512, 513(4), 514-517, 518(5)	511, 512, 513(3), 514-517, 518(4)	
E	Other	511, 512, 513(2), 514-517, 518(3)	-	511-518		511, 512, 513(3), 514-517, 518(4)	
4. DISTRIBUTION SERVICES			●	●	●	●	●
A	Commission agents' services		-	-	-	-	-
B	Wholesale trade services			-	-	-	-
C	Retailing services		-	-	-	-	-
D	Franchising			-	-	-	-
E	Other						
5. EDUCATIONAL SERVICES			●	●	●	●	●
A	Primary education services		921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929

CHINA (classification on per CPC) (continued)							
●	Sectoral commitment	RTA Partners					
	No commitment	ASEAN	Chile	Costa Rica	New Zealand	Singapore	Pakistan
-	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal
B	Secondary education services		921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929
C	Higher education services		921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929
D	Adult education		921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929
E	Other education services		921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929	921 (X-92190), 922 (X-92210), 923, 924, 929
6. ENVIRONMENTAL SERVICES		●	●	●	●	●	●
A	Sewage services	9401-9406, 9409	9401-9406, 9409	9401	9401-9406, 9409	9401-9406, 9409	9401
B	Refuse disposal services	9401-9406, 9409	9401-9406, 9409	9402	9401-9406, 9409	9401-9406, 9409	9402
C	Sanitation and similar services	9401-9406, 9409	9401-9406, 9409	9403	9401-9406, 9409	9401-9406, 9409	9403
D	Other	9401-9406, 9409	9401-9406, 9409	9404-9406, 9409	9401-9406, 9409	9401-9406, 9409	9404-9406, 9409
7. FINANCIAL SERVICES					●	●	●
A	All insurance and insurance-related services				-	-	-
B	Banking and other financial Services				-	-	-
C	Other						
8. HEALTH RELATED AND SOCIAL SERVICES						●	●
A	Hospital services					9311	9311
B	Other human health services						

CHINA (classification on per CPC) (continued)							
●	Sectoral commitment	RTA Partners					
	No commitment	ASEAN	Chile	Costa Rica	New Zealand	Singapore	Pakistan
-	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal
C	Social services						
D	Other						
9. TOURISM AND TRAVEL-RELATED SERVICES			●	●	●	●	●
A	Hotels and restaurants (incl. catering)			641-643	641-643	641-643	641-643
B	Travel agencies and tour operators services		7471	7471	7471	7471	7471
C	Tourist guides services						
D	Other						
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		●	●	●	●	●	●
A	Entertainment services (incl. theatre, live bands and circus services)						
B	News agency services						
C	Libraries, archives, museums and other cultural services						
D	Sporting and other recreational services	96411-96413	96411-96413	96411-96413, 96419	96411-96413	96411-96413	96411-96413
E	Other						
11. TRANSPORT SERVICES		●	●	●	●	●	●
A	Maritime transport services			7211, 7212	7211, 7212	7211, 7212	7211, 7212
B	Internal waterways transport			7222	7222	7222	7222
C	Air transport services	8868	8868	8868	8868	8868	8868
D	Space transport						
E	Rail transport services	7112, 7123		7112, 7123	7112	7112, 7123	7112, 7123
F	Road transport services	7112, 7123, 61120, 71213		7112, 7123	7123, 61120	7112, 7123, 61120, 71213	63, 6112, 6122, 845, 886, 831, 832 (X-83202), 7112, 7123, 61120, 71213

CHINA (classification on per CPC) (continued)							
●	Sectoral commitment	RTA Partners					
	No commitment	ASEAN	Chile	Costa Rica	New Zealand	Singapore	Pakistan
-	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal	Horizontal
G	Pipeline transport						
H	Services auxiliary to all modes of transport	742, 748, 749		8676, 749, 741, 742, 748, 749	741, 742, 748, 749	741, 742, 748, 749	741, 742, 748, 749
I	Other transport services						
12. OTHER SERVICES NOT INCLUDED ELSEWHERE							

Source: RTAs/GATS Schedule document of China.

INDIA (classification on per CPC)				
● Sectoral commitment		RTA partners		
No commitment		Japan	Malaysia	Singapore
– Sector-specific reservation on, but CPC not specified		Horizontal	Horizontal	Horizontal
1. BUSINESS SERVICES		●	●	●
A	Professional services	862, 8671-8674, 9312, 932, 93191	862, 8671-8674, 9312, 932, 93191	862, 863, 8671-8673, 86741, 9312, 932, 93191
B	Computer and related services	84	84	841-845, 849
C	Research and development services	85101, 85103, 85104, 852	85101, 85103, 85104, 852	85101, 85103
D	Real estate services	822	822	822
E	Rental/leasing services without operators	83101-83109, 832	83104, 83106-83109, 832	83101-83109, 832
F	Other business services	87110, 87120, 86501-86503, 86505, 86506, 86509, 86601, 8676, 882, 883+5115, 887, 872, 633, 874-876, 87909, 87907	86501-86503, 86505, 86506, 86509, 86601, 8676, 882, 872, 633, 874-876, 87909	87110, 87120, 86501-86503, 86505, 86506, 89509, 86601, 882, 883+5115, 887, 872, 633, 875, 876, 87909, 87907, 8676
2. COMMUNICATIONS SERVICES		●	●	●
A	Postal services			
B	Courier services			
C	Telecommunications services	7521-7523, 7529, 843	7521-7523, 7529, 843	7521-7523, 7529, 843
D	Audiovisual services	96113	96113	96113
E	Other			
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES		●	●	●
A	General construction work for buildings	511-518	511-518	512
B	General construction work for civil engineering	511-518	511-518	513
C	Installation and assembly work	511-518	511-518	514, 516
D	Building completion and finishing work	511-518	511-518	517
E	Other	511-518	511-518	511, 515, 518
4. DISTRIBUTION SERVICES		●	●	●
A	Commission agents' services	62111, 62112, 62114-62116	62111, 62112, 62114-62116	–
B	Wholesale trade services	6221-6224, 6226, 6228	6221-6224, 6226, 6228	–
C	Retailing services	C		
D	Franchising	D		
E	Other			

INDIA (classification on per CPC) (continued)				
● Sectoral commitment		RTA partners		
No commitment		Japan	Malaysia	Singapore
–	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal
5. EDUCATIONAL SERVICES		●	●	
A	Primary education services			
B	Secondary education services			
C	Higher education services	923	923	
D	Adult education			
E	Other education services			
6. ENVIRONMENTAL SERVICES		●	●	
A	Sewage services			
B	Refuse disposal services	9402, 9403	9402, 9403	
C	Sanitation and similar services	9402, 9403	9402, 9403	
D	Other			
7. FINANCIAL SERVICES		●		●
A	All insurance and insurance-related services	–		–
B	Banking and other financial services	–		–
C	Other			
8. HEALTH-RELATED AND SOCIAL SERVICES		●	●	●
A	Hospital services	9311	9311	9311
B	Other human health services			
C	Social services			
D	Other			
9. TOURISM AND TRAVEL-RELATED SERVICES		●	●	●
A	Hotels and restaurants (incl. catering)	641	641	641-643
B	Travel agencies and tour operators services	7471	7471	7471
C	Tourist guides services	7472		
D	Other			
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		●	●	●
A	Entertainment services (incl. theatre, live bands and circus services)	9619	9619	
B	News agency services			
C	Libraries, archives, museums and other cultural services			96311, 96312
D	Sporting and other recreational services	964	964	964
E	Other			
11. TRANSPORT SERVICES		●	●	●
A	Maritime transport services	–	–	7211, 7212, 8868
B	Internal waterways transport			
C	Air transport services	8868		732, 8868

INDIA (classification on per CPC) (continued)				
●	Sectoral commitment	RTA partners		
	No commitment	Japan	Malaysia	Singapore
-	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal
D	Space transport			
E	Rail transport services			
F	Road transport services			
G	Pipeline transport			
H	Services auxiliary to all modes of transport	748	748	748, 749
I	Other transport services			
12. OTHER SERVICES NOT INCLUDED ELSEWHERE				

Source: RTAs/GATS Schedule document of India.

REPUBLIC OF KOREA (classification on per CPC)					
●	Sectoral commitment	RTA partners			
		Chile	Singapore	United States	Peru
	No commitment				
–	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	
1. BUSINESS SERVICES		●	●	●	●
A	Professional services	–	–	–	–
B	Computer and related services				
C	Research and development services	–	–	–	–
D	Real estate services	–	–	–	–
E	Rental/leasing services without operators	–	–	–	–
F	Other Business Services	–	–	–	–
2. COMMUNICATIONS SERVICES		●	●	●	●
A	Postal services	–	–	–	–
B	Courier services		–	–	–
C	Telecommunications services	–	–	–	–
D	Audiovisual services	–	–	–	–
E	Other				
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES		●	●	●	●
A	General construction work for buildings				
B	General construction work for civil engineering	–	–		
C	Installation and assembly work		–		
D	Building completion and finishing work				
E	Other	–	–	–	–
4. DISTRIBUTION SERVICES		●	●	●	●
A	Commission agents' services		–	–	–
B	Wholesale trade services		–	–	–
C	Retailing services		–	–	–
D	Franchising		–		
E	Other				
5. EDUCATIONAL SERVICES		●	●	●	●
A	Primary education services		–	–	–
B	Secondary education services		–	–	–
C	Higher education services		–	–	–
D	Adult education		–	–	–
E	Other education services	–	–	–	–
6. ENVIRONMENTAL SERVICES		●	●	●	●
A	Sewage services		–		
B	Refuse disposal services		–		
C	Sanitation and similar services		–		
D	Other		–		
7. FINANCIAL SERVICES		●	●	●	●
A	All insurance and insurance-related services	–	–	–	–
B	Banking and other financial services	–	–	–	–
C	Other				

REPUBLIC OF KOREA (classification on per CPC) (continued)					
● Sectoral commitment		RTA partners			
No commitment		Chile	Singapore	United States	Peru
–	Sector-specific reservation on, but CPC not specified	Horizontal	Horizontal	Horizontal	
8. HEALTH RELATED AND SOCIAL SERVICES		●	●	●	●
A	Hospital services			–	–
B	Other human health services	–	–	–	–
C	Social services				
D	Other				
9. TOURISM AND TRAVEL-RELATED SERVICES				●	●
A	Hotels and restaurants (incl. catering)				
B	Travel agencies and tour operators services				
C	Tourist guides services				
D	Other				
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		●	●	●	●
A	Entertainment services (incl. theatre, live bands and circus services)	–	–	–	–
B	News agency services		–	–	–
C	Libraries, archives, museums and other cultural services			–	–
D	Sporting and other recreational services	–	–	–	–
E	Other				
11. TRANSPORT SERVICES		●	●	●	●
A	Maritime transport services	–	–	–	–
B	Internal waterways transport		–	–	–
C	Air transport services	–	–	–	–
D	Space transport		–	–	–
E	Rail transport services	–	–	–	–
F	Road transport services	–	–	–	–
G	Pipeline transport	–	–	–	–
H	Services auxiliary to all modes of transport	–		–	–
I	Other transport services				
12. OTHER SERVICES NOT INCLUDED ELSEWHERE			–	–	–

Source: RTAs/GATS Schedule document of the Republic of Korea.

LAO PEOPLE'S DEMOCRATIC REPUBLIC (classification on per CPC)		
●	Sectoral commitment	RTA Partners
	No commitment	ASEAN-China
–	Sector-specific reservation on, but CPC not specified	Horizontal
1. BUSINESS SERVICES		
2. COMMUNICATION SERVICES		
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES		
4. DISTRIBUTION SERVICES		
5. EDUCATIONAL SERVICES		
6. ENVIRONMENTAL SERVICES		
7. FINANCIAL SERVICES		
		●
A	All insurance and insurance-related services	–
B	Banking and other Financial services	8112, 81339, 81333, 81321
C	Other	
8. HEALTH-RELATED AND SOCIAL SERVICES		
9. TOURISM AND TRAVEL-RELATED SERVICES		
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
11. TRANSPORT SERVICES		
12. OTHER SERVICES NOT INCLUDED ELSEWHERE		

Source: RTAs/GATS Schedule document of the Lao People's Democratic Republic.