
RTAS CHARACTERISTICS IN TRADE IN SERVICES

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1. Aims for the Session

2

- Identifying RTA characteristic elements in trade in services, compared to GATS, with some examples from the region
- Familiarizing with Factual Presentation reports by the WTO Secretariat, involving parties from the region

2. Some Basics on GATS



3

- Difference with trade in goods (tariffs vs. regulations)
- No obligation to liberalize unless scheduled
- Four modes of supply
- Positive list approach

3. Structural Characteristics in RTAs

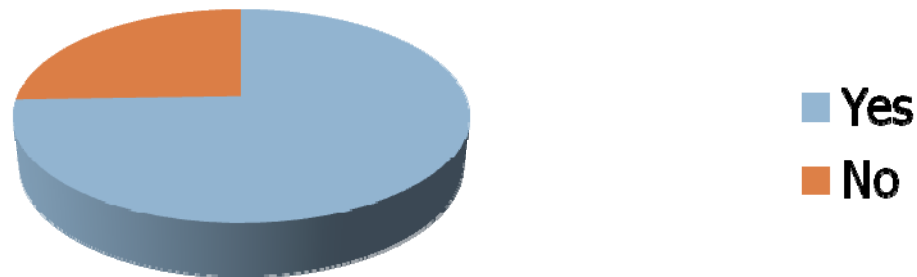


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4

- Usage of the CPC list to classify sectors
- Some sectors/modes are covered in separate Chapters, or annexes (e.g., financial, telecommunication services, modes 4)

Separate Mode 4 chapter in Asian RTAs

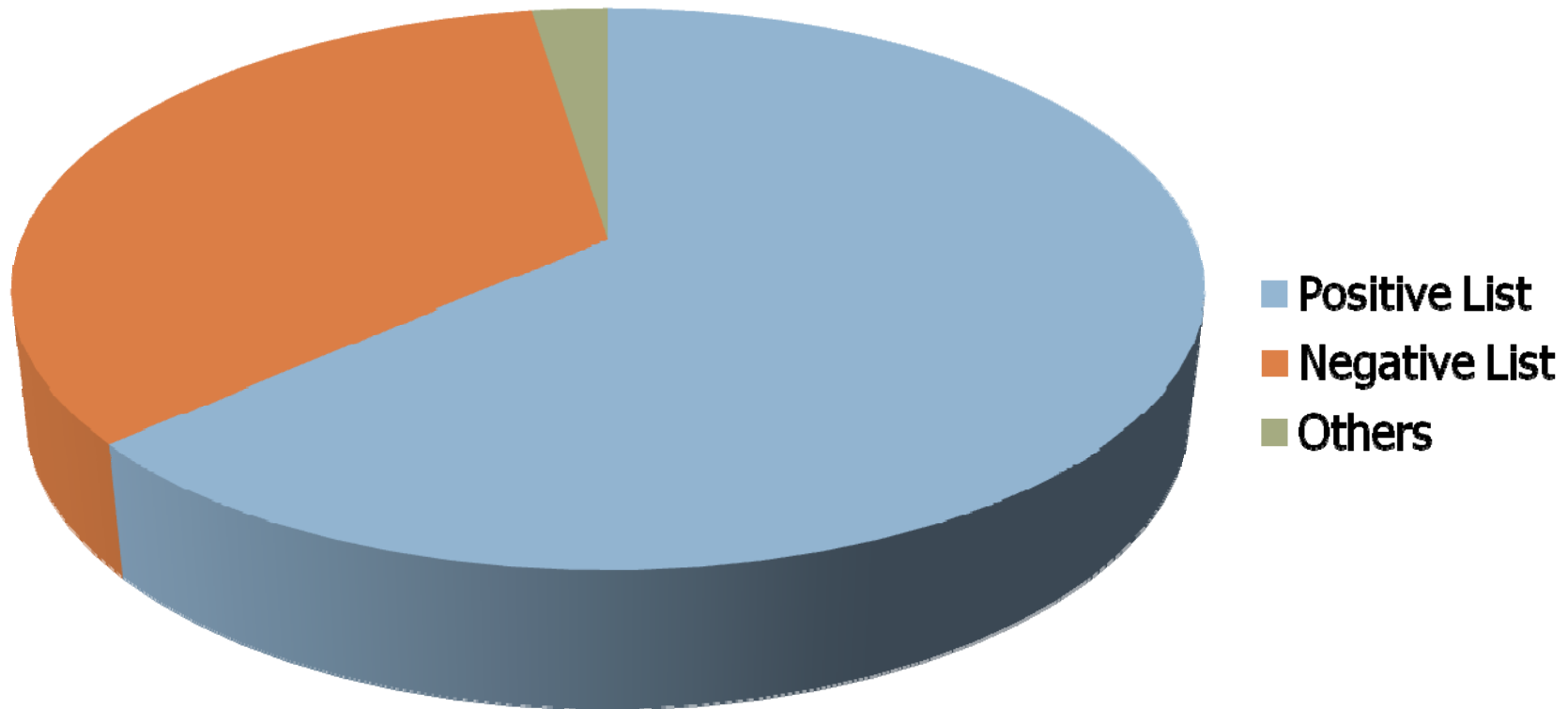


25 July 2011, Bangkok, Thailand

4. Different Approaches in Liberalizing Services in RTAs – Asian economies

5

List Approach (as of July 2011)



25 July 2011, Bangkok, Thailand

**Examples of
Positive/Negative List
Approach – Hand Out**

5. Contextual Characteristics in RTAs



7

General Exclusions/Scope

- Services supplied in the exercise of the government authority
- Subsidies or grants

6. Contextual Characteristics in RTAs



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8

Level of Liberalization

- Generally go beyond by adding new services (sectors/sub-sectors) to liberalize compared to GATS commitments
- Maintained exactly same for some services as in the GATS commitments
- Future negotiations for additional services
- Future negotiations for services chapter
- Preferential relaxation of limitations

7. Examples of Preferences



9

- Preferential allocation of the number of service providers
- Relaxation of restrictions on foreign ownership
- Preferential treatment through licensing and qualification requirements
- Preferential Mode 4 commitments

9. Rules of Origin in Asian RTAs



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10

- Majority adopting the word of “substantive business operation (SBO)” as like in the GATS
- Among those, very few defining the meaning of SBO (e.g. China-Hong Kong China)
- Handful RTAs in the region have no provision on the issue

10. Emergency Safeguard Measures



11

- GATS Art.X – DDA issue – Working Party on GATS Rules
- Demanded by some Asian economies under the DDA
- How is then the ESM dealt with in their RTAs?

11. Conclusions



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12

- Overall, services chapter in RTAs is modeled on GATS
- Most significant variance between RTAs and GATS, as well as among RTAs, tend to come in their sectoral liberalization commitments, rather than regulatory aspects

THANK YOU

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