



****The following document has now been superseded with the tabling of New Zealand's initial services offer (31/03/03). However, it is retained on the Ministry of Foreign Affairs and Trade website for reference.****

PUBLIC CONSULTATION ON NEW ZEALAND'S APPROACH TO THE NEXT STAGE OF THE WTO SERVICES NEGOTIATIONS

You are invited to provide comments on the approach you would like New Zealand to take in the next stage of the WTO services negotiations (under the General Agreement on Trade in Services (the GATS)).

The attached document provides information on the consultation process, the GATS and the services negotiations to date, including a summary of requests for new commitments made to New Zealand by other WTO members.

The next stage is for New Zealand to make an initial and conditional "offer" for consideration by other WTO members. The deadline for the offer is 31 March 2003. In this current consultation round we would welcome comment by 28 February 2003. Your comments will be given consideration in the formulation of New Zealand's initial services offer.

In considering attached materials, you will see that some of the requests made of New Zealand by other WTO members are very broad in nature (this approach reserves their future negotiating options). The fact that a request has been made of New Zealand does not create any obligation on New Zealand to reflect that request in its offer. While as in any negotiation account will need to be taken of trading partners' interests, New Zealand will make its own sovereign decision on what to include in an initial offer. This will be based solidly on an assessment of what will advance New Zealand's overall interest and well-being.

Given the deadline for tabling the initial offers, any communications should be sent by 28 February 2003, and can be addressed to:

- **The Services Unit, Trade Negotiations Division, Ministry of Foreign Affairs and Trade, PO Box 18901, Wellington; or**
- **emailed to tnd@mft.govt.nz ; or**
- **faxed to (04) 439 8522.**

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THE GATS NEGOTIATIONS

Ten Guiding Principles for preparing New Zealand's Initial Service Offer:

The Government will, first, adopt the same overall approach to the initial offer that guides New Zealand throughout all aspects of the WTO negotiations, that of advancing the national interest. This means that New Zealand will be guided by the overriding objective of securing tangible overall benefit. As such we will adopt a hard-nose negotiating approach. We will not be pursuing any unilateralist negotiating agenda but seeking reciprocal benefit.

Second, New Zealand is strongly committed to advancing improved terms and conditions for our services exporters. We will accord priority to achieving advances in sectors where our export interests are strongest and where we can enhance the services sector's contribution to growth and innovation. New Zealand's approach to its initial offer will take into account the need to advance those particular interests effectively.

Third, the initial offer will be essentially conditional and revocable. That is to say, where the government may decide to propose commitments, these will be "initial" not only in the sense of their timing in the process, but also in terms of substance. New Zealand will reserve the right to modify or withdraw them in light of the subsequent developments in negotiations, particularly in light of the responsiveness of our trading partners to our requests both in the services sector itself and in light of the overall development of negotiations.

Fourth, the government does not intend to make any initial offers to change actual current policy settings (including for local government), and would be well within them. In other words, whatever decision is ultimately made as to the coverage of New Zealand's initial offer, at most we would be offering to commit to, on a conditional basis, settings that reflect our settled policy in certain areas. There is sufficient negotiating coin in this respect.

Fifth, the government will continue to ensure that the initial offer will in no way override our present GATS reservation regarding the treatment of Maori persons or organisations.

Sixth, the government will make no initial offer that would limit the government's right to provide, fund or regulate public services, such as health or education.

Seventh, the government will make no initial offer involving privatisation of public services or of public entities, or which would affect Kiwi Share arrangements.

Eighth, New Zealand's initial offer will not require a lowering of any of New Zealand's quality standards in any area.

Ninth, an initial offer will not involve any change to New Zealand's immigration regime.

Tenth, New Zealand's initial offer will take full account of the actual state of negotiations, particularly in light of the responsiveness of our trading partners to New Zealand's own interests. This will, among other things, mean that we take into account the fact that this will be the first step in a process that is set to run until 2005. It will also mean that the government will judge where to pitch New Zealand's offer taking into account what others are doing overall in the negotiations.

II INTRODUCTION

The General Agreement on Trade in Services (GATS) is among the World Trade Organisation's most important agreements. It was negotiated by Member governments, including New Zealand, in the Uruguay Round of Multilateral Trade Negotiations and came into force in 1995. It is the first and only set of multilateral rules covering the international trade in services. New Zealand has been a signatory since its commencement and made initial commitments at that time.

Under the GATS, WTO Members can negotiate legally binding undertakings (called "commitments") to open specific services sectors to foreign competition, and to treat foreign suppliers as they would domestic suppliers. However, the nature and scope of the commitments remain completely in the hands of the Member governments. The GATS is a highly flexible agreement, and under it Members retain the right to regulate services sectors and pursue their national policy objectives. These can include choosing not to open particular services sectors to trade, or limiting the conditions under which foreign suppliers can participate in their domestic markets.

Article XIX of the GATS provides for periodic rounds of negotiations to progressively liberalise the conditions under which international trade in services takes place. This reflects the increasingly central role services play in the global economy, and the rapid growth in services trade in recent years. Services include a wide and diverse range of economic activities, from professional services such as legal services, accountancy, engineering and medical services, to communication services such as postal and telecommunications, through to financial, education, tourism and transport services. Services account for more than 60 percent of global output and employment, and around 20 percent of global trade. For New Zealand the figures are even more significant – 75 percent and 25 percent respectively.

The current round of GATS negotiations began in January 2000. At the WTO Ministerial Conference in Doha in November 2001, WTO Trade Ministers agreed on a timeframe for the services negotiations, as part of the launch of a comprehensive round of trade negotiations. These set dates of 30 June 2002 for the submission of Members' initial requests for further commitments, and of 31 March 2003 for the submission of initial offers in response to these requests.

The GATS does not prescribe the number, level or sectoral pattern of a Member's commitments. In essence the domestic regulatory environment sets the parameters within which Governments are able to determine the nature and extent of commitments made in the GATS, and certainly not the other way around. As a result there is great variation in the coverage of schedules among WTO Members, reflecting different national policy objectives and levels of economic development. Each Member's existing commitments are the start point for this next round of market access negotiations.

In the offer phase a Member is indicating where they may be prepared to consider further commitments in response to the requests received. Although requests are exchanged on a bilateral basis, WTO members are required to make offers on a multilateral basis – that is, the same offer to the entire WTO membership. This means that there is no requirement for reciprocity within the GATS, nor for a Member to make a positive response to any specific bilateral request.

Offers are typically informed by the requests made by other WTO partners, but are driven by Members' own negotiating and export objectives and domestic regulatory regime. These initial offers have no legal status and may be amended or withdrawn at any time. The 31 March 2003 deadline is for Members to submit initial offers only, and a long negotiating process remains ahead of the WTO membership.

As a part of the broader round of multilateral negotiations launched at Doha, these negotiations are scheduled to conclude in January 2005.

III THE CONSULTATION PROCESS

The next steps require the Government to prepare an initial, conditional, New Zealand offer of commitments, as well as to further develop negotiating objectives in specific sectors. In this context, you are invited to read this consultation document, which includes information on the bilateral requests made by and of New Zealand, and to register any views you may have on the points covered in this document. In addition, the Government would be interested to hear of any specific market access barriers or other issues of concern to New Zealand services traders, as well as issues of interest to other stakeholders, in order that these be reflected in the development of New Zealand's negotiating position in the WTO.

Given the deadline for tabling the initial offers, any communications should be sent by 28 February 2003, and can be addressed to:

- **The Services Unit, Trade Negotiations Division, Ministry of Foreign Affairs and Trade, PO Box 18901, Wellington; or**
- **emailed to tnd@mft.govt.nz ; or**
- **faxed to (04) 439 8522.**

Further information regarding New Zealand's approach to the services trade negotiations – both at the general level and in regard to particular sectors of interest – can be found on the MFAT website in the form of general information and the texts of negotiating proposals submitted by New Zealand to the WTO in 2001.

IV THE IMPORTANCE OF SERVICES TRADE TO NEW ZEALAND

Services are a vital component of New Zealand's economy – generating about 75% of GDP and employing some three-quarters of the New Zealand workforce. Trade in services is also of major importance, with access to efficient, innovative and cost-competitive services in areas such as transport, telecommunications and business services providing an essential underpinning for growth and innovation across the New Zealand economy as a whole.

In the year to December 2001, total services exports were \$10,033 million, approximately 25% of New Zealand's total exports (goods exports being \$32,663 million), including tourism, transport, education, consulting and computing. As such there is a gap between the role played by the services sector in the economy and its share in New Zealand's international trade, underlining the scope for further growth. New technologies are enhancing the ability of New Zealand services exporters to supply foreign consumers, while our small domestic market means a number of services sectors are specifically targeting overseas customers.

In fact trade in services is growing slightly faster than goods trade. Since 1997 New Zealand services exports have increased by some 55%. Goods exports have in the same period increased by 50%. Services exports have also increased at a faster rate than imports (see figure 1). From a one billion dollar trade deficit in services in 1997 the services balance moved into surplus in the year to May 2002 for the first time since 1965.

Figure 1



As indicated by figures 2 and 3 below, in comparison with world standards, New Zealand's services exports are concentrated more in the travel and transport sectors, other commercial services taking up only 19% of our total exports. While these

differences can be partly explained by the predominance of tourism in our overall services export earnings, it also indicates the scope for expanding commercial services exports.

Figure 2

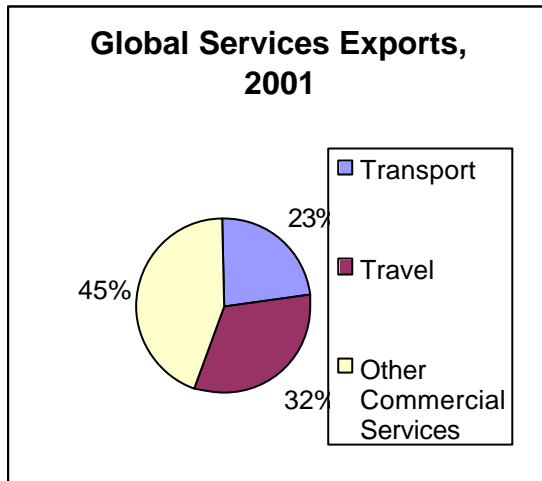
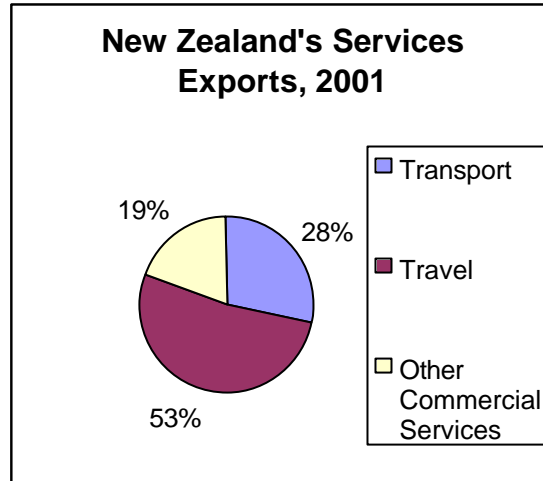


Figure 3



Tourism has for many years been the major component of New Zealand's services exports. According to Statistics NZ, exports earnings from expenditure by foreign tourists to NZ in 2001 was just over \$4 billion, while the total expenditure on travel (which includes business expenditure, and expenditure by overseas students) was \$5.356 billion, a figure which is second only to dairy in the context of New Zealand's overall exports.

After tourism, transportation is the next largest services sector, with export earnings of \$2.7 billion in 2001. After dairy, travel and meat, this is New Zealand's fourth largest export sector.

According to Statistics NZ, total export earnings from education to the year ending December 2001 were \$629 million, which is a significant increase (nearly 48%) on the comparable 1999 figure of \$426 million (there is also a more publicly touted economic impact figure of \$1.14 billion for the same period).

In addition to tourism, transportation and education, other key services exports include communication, insurance, financial and computer and information services. "Other business services" have shown consistent growth overall, notably the legal, accountancy, management consultancy and public relations sector which grew from \$94 million in 1997 to \$274 million in 2001, eclipsing the equally impressive growth of wine exports over this period. It is in these smaller services sectors, which are often reliant on commercial presence and cross border trade, that New Zealand services exporters often face significant barriers in overseas markets.

Barriers to Services Trade

Instead of the tariffs often imposed on goods, exported services invariably become subject to the domestic regulatory regimes in place in the countries in which they are consumed. Examples of the kinds of restrictions typically applied to services trade, which are the subject of New Zealand's requests, include:

- Requirements to establish particular types of business entity in order to supply services to other markets, such as joint ventures, which impact on our small and medium enterprises;
- Failure to recognise New Zealand's professional qualifications and occupational registration;
- Foreign equity caps which limit New Zealand participation in overseas markets;
- Restrictions on the numbers of foreign firms that can establish in other markets;
- Restrictions on the numbers of foreigners that may work in certain services sectors;
- Requirements to be a citizen of a country in order to provide a particular service in that market.

The Aim of the GATS

The multilateral liberalisation of trade in goods over 50 years under the General Agreement on Tariffs and Trade (GATT) had no parallel in services until the negotiation of the GATS and its entry into force in 1995. With services the largest and fastest growing sector of the global economy, and trade in services an increasingly significant component of overall world trade, this situation was recognised as anomalous, and negotiations commenced in the Uruguay Round.

The purpose of the legal framework is similar to that for goods, namely to ensure that national measures affecting trade in services are fair, transparent and non-discriminatory. Through the GATS, WTO Members also have the ability to settle disputes involving services trade and to progressively eliminate trade barriers through negotiation.

The commitments made by Members in their country schedules on market access and national treatment are binding, in order to provide certainty and predictability of market access conditions for services exporters. This means that while commitments are not irreversible, these cannot be revoked without penalties except under special circumstances.

The Structure of the GATS

The GATS consists of six parts. The introduction sets out the scope and definition of the agreement. Part II deals with general obligations and disciplines that for the most part apply to all services and all Members. Part III sets out the rules governing the specific commitments in schedules. Part IV concerns future negotiations and the schedules themselves. Parts V and VI cover institutional and final provisions of other agreements in the Uruguay Round package.

The Agreement applies to measures by WTO Members that affect trade in services and, in principle, covers all commercially traded services. All services are covered, except those "supplied in the exercise of governmental authority" (these being defined as services which are neither supplied on a commercial basis nor in competition with other service suppliers) and those services directly related to the exercise of air traffic rights.

WTO Members' commitments are laid down in the country schedules, one for each Member. Commitments covering roughly 160 forms of service industry are embodied in the schedules resulting from the Uruguay Round negotiations. Generally, the classification of sectors and sub-sectors is based on the WTO Secretariat's Services Sectoral Classification List (more commonly referred to as the "W/120") and each sector contained in the W/120 is identified by the corresponding Central Product Classification (CPC) number. A more detailed breakdown of the CPC is contained in the UN Provisional Central Product Classification

Each WTO Member determines the areas of service activity for which they are prepared to offer Market Access and National Treatment to foreign service providers (the "bottom-up" approach to liberalisation). The GATS allows WTO Members to select the sectors, modes of supply and the regulatory conditions in which liberalisation commitments are made. Under the GATS, governments retain the right to: schedule their commitments so as to regulate with a view to pursuing national policy objectives; modify and/or withdraw commitments undertaken; designate or maintain monopolies, public and private; and choose the sectors for which they want to grant access and the conditions governing such access.

A WTO Member can exclude a sector from its GATS commitments either entirely (by leaving the sector out of its schedule of commitments) or partially (by specifying that it is "unbound" for one or more of the four modes of delivery, or otherwise setting limits on access). A Member is free to discriminate against foreign service providers vis-à-vis domestic providers in unbound sectors or in committed sectors where it has specified an appropriate National Treatment exemption. It can also discriminate between foreign providers in a sector if it takes an MFN exemption at the date of entry into force of the Agreement or, for new WTO Members, at the date of accession. However, exemptions from MFN treatment should not, in principle, exceed 10 years.

The Process for Negotiations

Improvements in Member's schedules are currently being negotiated through a request/offer process. Although the WTO is a multilateral organisation, the request/offer process is essentially bilateral. Members make requests of each other for improved trade commitments. At this opening stage of negotiations requests submitted so far have largely been of an ambit nature – often seeking full sectoral coverage and an absence of limitations on market access or national treatment.

The next stage is for Members to submit initial, conditional offers in response to the requests. Once these have been provided, a new phase of negotiation begins. All offers are conditional on the acceptability to Members individually of the overall package of offers presented by WTO Members, and so can be amended or withdrawn at any time. Negotiations are concluded when all Members indicate that they can accept the eventual package.

GATS and Public Services

The GATS specifically excludes from its coverage all services provided in the exercise of governmental authority, which are defined under Article 1:3(c) as those supplied neither on a commercial basis nor in competition with one or more service suppliers. WTO Members are free to decide for themselves which sectors are reserved for the state or state-owned enterprises; whether they wish to open any sectors to competition and, if so, whether to make commitments relating to those sectors in their schedules. It remains the right of governments to maintain publicly funded governmental services. There is, therefore, nothing in the GATS which would in any way override the Government's commitment to ensure that publicly funded government services, **(whether at the central, regional or local level)**, remain so. The GATS also specifically recognises the right to regulate and to introduce new regulations in order to meet policy objectives **(again, whether at the central or local level)**. This includes areas such as quality standards – provided these do not constitute disguised barriers to trade which would nullify specific market access commitments already made.

There is nothing in the GATS that requires those public services provided on a commercial or competitive basis to be privatised or liberalised. Public services can and do co-exist with private suppliers, as for example health and education services in New Zealand. New Zealand has made no commitments under the GATS on health services. On education, New Zealand has made narrow commitments covering education in private institutions. These commitments do not limit the Government's ability to provide, fund or regulate public education, or to ensure the distinct characteristics of New Zealand's education system.

The following areas lie outside GATS disciplines:

- Immigration matters;

- Services supplied under Governmental authority;
- Fiscal policy and taxation measures;
- Customs systems;
- Certain aspects of investor protection, concerning the movement of capital;
- Monetary policy and exchange rate management;
- Privatisation - although there are disciplines for state-owned trading entities and monopolies;
- Services directly related to the exercise of air traffic rights.

How Services are Traded – the Modes of Supply

Trade in goods is relatively straightforward - an exporter sends a consignment of goods across a physical border into another country. With services trade, borders are less clearly defined. Whenever a New Zealand services supplier provides his or her services to an overseas customer, whether that consumer is inside New Zealand or overseas, that service is being exported. Four methods, or “modes” for delivering services have been identified by the WTO:

Mode 1: Cross Border Trade: the service is supplied by a provider physically located in one country, to a consumer in another. An example would be an architect in New Zealand providing plans and advice to a client in Singapore, through one or more medium of communication, eg internet/phone/fax/mail;

Mode 2: Consumption Abroad: a customer travels to another country to consume a service, such as a tertiary student from Hong Kong travelling to New Zealand to attend university; in the process consuming New Zealand’s transport and education services, and at vacation time tourism services;

Mode 3: Commercial Presence: where a foreign services supplier establishes a presence in another country to provide a service, through incorporation, branch offices, a joint venture or other form of business entity, such as an New Zealand engineering firm establishing a branch in Australia to provide engineering services to Australian customers;

Mode 4: Movement of Natural Persons: the temporary movement of services suppliers, such as a New Zealand professor of law visiting the United States for several months to give a series of lectures at the invitation of a local university.

New Zealand services exports are traded across all four modes. As typical for a small economy, cross border trade (Mode 1) and the movement of natural persons (Mode 4) are particularly significant methods for delivering services.

The Basic Obligations under the GATS

The GATS sets out the basic rules that apply to all Members and, for the most part, to all services. These can be categorised into two main elements: a set of general concepts, principles and rules that apply to all measures affecting trade in services (general obligations) and specific commitments that apply to the services sector and sub-sectors listed in each Member's schedule.

Broadly, the Uruguay Round services package resembles the package for goods. The GATS, which is directly modelled on the GATT (the General Agreement on Tariffs and Trade, which sets out obligations for trade in goods), relies on many of the same principles. However, some of the similarities are not identical to the GATT. For instance, the principle of "National Treatment" is fundamental to the GATS, as it is to the GATT, but it is applied very differently. National Treatment is a general, non-negotiable obligation in goods trade whereas, under the GATS, it is only applied subject to negotiation and scheduling.

GENERAL OBLIGATIONS

Most Favoured Nation (MFN) Treatment

MFN is a central principle of the WTO system. Under Article II of the GATS, Members are held to extend immediately and unconditionally to services and service suppliers of all other Members "treatment no less favourable than it accords to like services and service suppliers of any other country". The Most Favoured Nation (MFN) principle in GATS is however qualified as Members were allowed to list exemptions on entry into force of the agreement. MFN exemptions are, in principle, to last no longer than 10 years and are subject to negotiation in the current and future trade rounds.

Transparency

Transparency is the other key principle designed to achieve multilateral liberalisation. The GATS requires each Member to publish promptly "all relevant measures of general application" that affect operation of the agreement. Members must also notify the Council of Trade in Services of new or changed laws, regulations or administrative guidelines that affect trade in services covered by their specific commitments under the agreement.

SPECIFIC COMMITMENTS

National Treatment

Article XVII.1 contains the basic National Treatment obligation: "In the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, each Member shall accord to services and service suppliers of any other Member, in respect of all measures affecting the supply of services, treatment no less

favourable than that it accords to its own like services and service suppliers". Therefore, National Treatment applies only to those services inscribed in a Member's schedule, and then only to the extent that no qualifications or conditions are listed on the schedule.

Market Access

Market access is a negotiated commitment to guarantee a certain level of access in specified sectors. Article XVI also defines a set of policies that may only be used to restrict Market Access for a scheduled sector if they are listed in a Member's specific commitments. For instance, limitations may be imposed on the number of service suppliers, total value of services transactions, total quantity of service output, the number of persons that may be employed in a particular sector, the specific types of legal entity or joint venture for supply of services, and the participation of foreign capital.

Additional commitments

Besides market access and national treatment commitments, WTO Members may also negotiate additional commitments including those regarding qualifications, standards or licensing matters.

The Results of the Uruguay Round

The level and extent of commitments made in the Uruguay Round range from very modest undertakings in a few sectors through to quite extensive commitments across a wide range of sectors. From around 160 service industries specified in the GATS classification list, one-third of Members have scheduled commitments on 20 sectors or less; a further third have commitments on 21-60 sectors; and the remaining third have commitments for between 62-130 sectors (including New Zealand). Consistent with the basic principle of the GATS that developing countries are expected to liberalise fewer sectors and types of transactions, developing country commitments are in general less extensive than those of developed countries.

Tourism is the most heavily committed sector, with all but 10 Members having made commitments. The next sectors in terms of commitments are financial services and business services, followed by communications services, transport and constructions services.

In many cases the commitments scheduled by WTO Members in the Uruguay Round did not constitute "liberalisation" per se, meaning policy change and new regulation or legislation. Instead the commitments reflected a "codification" of some or all of the present state of regulatory or legislative practice in specific services sectors on the part of the Member concerned. This is not to understate the significance of such

commitments, given the importance attached by services providers to certainty and predictability in the market access conditions faced in overseas markets.

The unilaterally determined programme of domestic liberalisation and regulatory reform undertaken during the 1980s and early 1990s meant that New Zealand was in a position to commit certain elements of what had already happened domestically in a range of services sectors. These included professional services, telecommunications, audio-visual services, construction services, distribution services, education services, financial services, tourism and transport services.

In New Zealand's case our Uruguay Round GATS commitments also included specific limitations making clear that we reserved the right to provide special treatment to Maori organisations or individuals (where such special treatment might otherwise constitute discrimination between a foreign and a domestic services supplier), consistent with Treaty of Waitangi obligations. Other specific limitations covered the Overseas Investment Commission (OIC) foreign investment-screening regime; special arrangements – including with regard to funding – for New Zealand productions in the audio-visual area and the treatment of enterprises in state ownership.

Next Steps for New Zealand in the Negotiations

As with other WTO Members, New Zealand's initial offer is due to be submitted to the WTO in Geneva by 31 March 2003.

This is precisely what it is described to be – an “initial” offer. It will take New Zealand's existing GATS schedule of commitments as its starting point, with scope for New Zealand to put forward possible new commitments (with or without limitations) and/or to delete present limitations on market access or national treatment.

In order to prepare New Zealand's initial offer we are undertaking another phase of consultations with stakeholders to clarify their interests in particular services sectors or areas, and to identify any specific objectives or concerns over possible New Zealand offers made in those sectors or areas. To meet this deadline comments are requested by 28 February 2003.

The offer will be conditional, and so can be added to, reduced or withdrawn.

V NEW ZEALAND OBJECTIVES IN THE GATS NEGOTIATIONS

The WTO services negotiations have the potential to improve access conditions for New Zealand's services trade. New Zealand's chief objective for the services negotiations is to improve New Zealand services exporters' access to key markets and the treatment given to our services and exporters in those markets. As an indication of the range of sectors in which New Zealand has an export interest, a number of negotiating proposals were tabled in the WTO in 2001, including on air transport

services, construction and related engineering services, consulting services, education, postal and courier services, and sporting services. In order to advance these specific services trade interests, New Zealand will need to take into account the priorities of its trading partners, but intends to do so in a way that it is framed within regulatory and policy settings.

Other New Zealand objectives are to pursue outcomes that support our market access and other national policy objectives in relation to the continued development of the framework of rules for services trade contained in the GATS.

VI NEW ZEALAND'S INITIAL REQUESTS AND WTO MEMBER REQUESTS TO NEW ZEALAND

New Zealand submitted initial requests to 24 trading partners by the 30 June 2002 deadline. These included the European Communities and their Member States, the United States and Canada, countries in North Asia, South Asia and South East Asia, and some countries in Latin America, the South Pacific and Africa. The spread of requests reflects New Zealand's diverse export interests, and were developed following consultation with New Zealand services industries and exporters. The requests cover the following main sectors: consultancy, construction and related engineering, education, environmental, transport, sporting and a range of business services.

New Zealand recognised the special circumstances of developing countries in its requests and tailored them appropriately, while seeking an overall gain for our national interest. The provisions on special and differential treatment for developing countries built into the GATS explicitly support such action.

In turn, New Zealand has received bilateral requests from 18 trading partners to date – in Asia, Europe, North America and Latin America. The request lists received cover all the sectors included in New Zealand's request lists, with the addition of telecommunications, financial, energy, distribution and a range of other business and professional services as well.

The bilateral requests are summarised below.

Requests for Specific Sectoral Commitments

Sectors are listed in this document in the order in which they appear in the GATS schedules of commitments. For ease of reference, the WTO "W120" listing of sectors and sub-sectors is appended.

BUSINESS SERVICES : PROFESSIONAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. Legal services
- b. Accounting, auditing and bookkeeping services
- c. Taxation services
- d. Architectural services
- e. Engineering services
- f. Integrated engineering services
- g. Urban planning and landscape architectural services
- h. Medical and Dental Services
- i. Veterinary services
- j. Services provided by midwives, nurses, physiotherapists, and para-medical personnel
- k. Other

Current GATS Commitments

New Zealand has market access and national treatment commitments on legal, accounting, architectural services, and tax preparation services, a subsector of taxation services. Commitments cover the full range of engineering services, but a national treatment reservation was lodged for delivery of engineering services via Modes 1, 3 and 4. This reservation limits the certification of certain works involving health and safety to registered engineers, who, under the legislation in place at the time New Zealand became a party to the GATS, were required to be “ordinarily resident in New Zealand” to be registered. On veterinary services, delivery of services via mode 1 is unbound due to the perception at the time of the development of the GATS that cross-border delivery was not feasible.

New Zealand has no existing commitments on integrated engineering services, urban planning and landscape architectural services, medical and dental services, and services provided by midwives, nurses, physiotherapists, and para-medical personnel, or other personnel services.

Summary of New Zealand Requests

New Zealand has made requests on Legal, Accounting, Architectural, Engineering, Integrated Engineering, Urban Planning and Landscape Architectural and Veterinary Services based on trading partners’ existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in these areas, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on Legal, Accounting, Architecture, Engineering, Urban Planning, and Veterinary Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitment on Legal, Accounting, Architecture, Engineering, Urban Planning, and Veterinary Services do not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitment on a professional service includes market access and/or national treatment limitations we request that the restriction be removed. For example; a particular Member's existing Mode 3 commitment on engineering services does not give market access to New Zealand "juridical persons" seeking to establish commercial presence in the Member's territory.
- Where a Member's existing commitment does not state clearly how a scheduled measure limits market access and national treatment, we request further clarification, and removal of any elements which discriminate against New Zealand suppliers.

Summary of Requests to New Zealand

- Clarification of the sectoral coverage of the existing commitment on Legal Services, with particular regard to practise of home or third country law, and consultancy on all fields of law.
- Allow foreign architects to supply services jointly with architects licensed in New Zealand.
- Remove existing national treatment limitation on Engineering Services, and schedule full commitments on Integrated Engineering Services.
- Schedule market access and national treatment commitments on Urban Planning and Landscape Architectural services.
- Schedule commitment on cross-border (Mode 1) supply of Veterinary Services (currently unbound due to lack of technical feasibility).
- In respect of Medical and Dental services, and Services provided by Midwives, Nurses, Physiotherapists and Para-medical personnel, **no requests for market access and national treatment have been received to date.**

Other Requests unrelated to Market Access and National Treatment

- New Zealand is requested to undertake additional commitments with respect to competition principles in the legal sector, on the basis of a reference paper yet to be submitted for New Zealand's consideration by the requesting Member. A similar request has been made by the same Member in respect of regulatory guidelines in the accountancy sector.
- A request has been made to provide information to a Member on the regulation of oriental medicine in New Zealand.

Mutual Recognition of Qualifications and Professional Registration and Licensing

- Requests have been received from several countries for the establishment of bilateral agreements on the mutual recognition of qualifications and professional registration and licensing in architecture, urban planning and landscape architecture, midwifery and nursing. (NB: Under New Zealand's regulatory framework for these sectors, mutual recognition agreements are negotiated by the relevant professional bodies).

BUSINESS SERVICES : COMPUTER AND RELATED SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage:

- a. Consultancy services related to the installation of computer hardware
- b. Software implementation services
- c. Data processing services
- d. Data base services
- e. Other

Current GATS commitments

New Zealand has full market access and national treatment commitments on Consultancy Services related to the installation of computer hardware, Software Implementation Services, data processing services and database services.

Summary of New Zealand Requests

New Zealand has made requests on Computer and Related Services based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in these areas, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on Computer and Related Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitment on Computer and Related Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitment on Computer and Related Services includes market access and/or national treatment limitations we request that the restriction be removed. For example, a particular Member's existing Mode 3 commitment permits commercial establishment solely by means of a joint venture, although majority foreign ownership is permitted. The same Member stipulates that only registered engineers or holders of bachelors degrees with three years professional experience may provide computer and related services as natural persons.

Summary of Requests to New Zealand

- Extend coverage of the existing commitment to 'Other' computer services.

Other requests (not related to market access and national treatment)

- Discuss classification of this sector in a multilateral framework.

Mutual Recognition of qualifications and professional registration and licensing

- A request has been made for New Zealand to recognise the qualifications, training and experience of another Member's computer services professionals.

BUSINESS SERVICES: RESEARCH AND DEVELOPMENT SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. R&D services on natural sciences
- b. R&D services on social sciences and humanities
- c. Interdisciplinary R&D services

Current GATS Commitments

New Zealand has no commitments on R&D services.

Summary of New Zealand Requests

New Zealand has made requests on R&D Services based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in these areas, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on R&D Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitment on R&D Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitment on R&D Services includes market access and/or national treatment limitations we request that the restriction be removed. For example, a particular Member's existing Mode 3 and 4 commitments restricts market access and national treatment, as commercial establishment in areas of R&D Services is limited to "natural persons" (individuals rather than legal entities), who are residents of that Member's territory.

Summary of Requests to New Zealand

- Schedule commitments on R&D Services in natural science, social sciences and humanities and inter-disciplinary research and development services.
- Schedule commitments on R&D Services in natural science, social sciences and humanities (excluding linguistics and language) and inter-disciplinary research and development services.
- Schedule commitments on privately-financed R&D Services in Natural Science, Social Sciences and Humanities and Inter-disciplinary Research and Development Services.

BUSINESS SERVICES: REAL ESTATE SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. Involving owned or leased property
- b. On a fee or contract basis

Current GATS Commitments

New Zealand has full market access and national treatment commitments on real estate services.

Summary of New Zealand Requests

Consultations with industry have not identified significant export interests in this sector. Accordingly, New Zealand has not made an initial request on Real Estate services, but reserves the right to do so at any time.

Summary of Requests to New Zealand:

- A request has been made for commitments on movement of natural persons at the sectoral level (see Horizontal section for comment).

BUSINESS SERVICES: OTHER BUSINESS SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. Advertising services
- b. Market research and public opinion polling services
- c. Management consulting services, including other consulting services
- d. Services related to management consulting
- e. Technical testing and analysis services
- f. Services incidental to agriculture, hunting and forestry
- g. Services incidental to fishing
- h. Services incidental to mining
- i. Services incidental to manufacturing
- j. Services incidental to energy distribution
- k. Placement and supply services of personnel
- l. Investigation and security
- m. Related scientific and technical consulting services
- n. Maintenance and repair of equipment (not including maritime vehicles, aircraft or other transport equipment)
- o. Building cleaning services
- p. Photographic services
- q. Packaging services

- r. Printing, publishing
- s. Convention services
- t. Other

Current GATS Commitments

New Zealand has market access and national treatment commitments on Advertising, Services Incidental to Agriculture, Hunting and Forestry, and Translation Services. New Zealand's commitment on Services Incidental to Animal Husbandry includes a market access limitation for the provision of herd testing services via the establishment of a commercial presence in New Zealand (i.e. Mode 3), as at the time the commitment was scheduled, the service was limited to providers licensed by the New Zealand Dairy Board. The existing commitment on services relating to the cleaning of buildings covers market access and national treatment commitments in Modes 2-3 only, as Mode 1 is unbound due to lack of technical feasibility.

Summary of New Zealand Requests

New Zealand has made requests relating to Advertising, Management Consulting, Technical Testing and Analysis, Services Incidental to Agriculture, Forestry and Fishing, Related Scientific and Technical Consulting, Credit Reporting, Collection Agency and Interior Design Services based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in these areas, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitments on Advertising, Management Consulting, Technical Testing and Analysis, Services Incidental to Agriculture, Forestry and Fishing, Related Scientific and Technical Consulting, Credit Reporting, Collection Agency and Interior Design Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitments on Advertising, Management Consulting, Technical Testing and Analysis, Services Incidental to Agriculture, Forestry and Fishing, Related Scientific and Technical Consulting, Credit Reporting, Collection Agency and Interior Design Services do not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.

- Where a Member's existing commitments on Advertising, Management Consulting, Technical Testing and Analysis, Services Incidental to Agriculture, Forestry and Fishing, Related Scientific and Technical Consulting, Credit Reporting, Collection Agency and Interior Design Services include market access and/or national treatment limitations we request that the restriction be removed.
- For example, a particular Member's existing Mode 3 commitment limits foreign equity in commercial establishment in services incidental to agriculture and forestry to 49%. Another Member has not scheduled market access and national treatment commitment on Mode 1 consultancy services, and New Zealand consultants report that it maintains a discriminatory tax on foreign consultants working in its territory. A further Member applies an economic needs test for the establishment of commercial presence for the provision of certain technical testing and analysis services.

Summary of Requests to New Zealand:

On services incidental to animal husbandry, these requests seek removal of limitations in New Zealand's existing GATS commitments, while requests on Translation and Interpretation Services seek the expansion of New Zealand's existing GATS commitments to cover Interpretation Services. A market access and national treatment commitment on Mode 1 supply of building cleaning services has also been requested.

New commitments are sought in the following subsectors:

- Market Research and Public Opinion Polling Services.
- Management consulting and services related to management consulting
- Technical Testing and Analysis Services
- Services incidental to fishing
- Services incidental to mining and manufacturing
- Services incidental to energy distribution
- Placement and supply services of Personnel
- Investigation and Security Services
- Related Scientific and Technical Consulting Services
- Maintenance and repair of equipment – other than transport equipment
- Photographic Services
- Packaging Services
- Printing and Publishing Services
- Convention Services
- Interpretation Services.
- Credit Reporting and Collection Agency Services
- Duplicating Services
- Specialty Design Services (CPC 87907), including interior design.
- Telephone Answering Services
- Mailing List Compilation and Mailing Services (**NB:** these are not postal/courier services)

- Washing and cleaning services.

COMMUNICATION SERVICES : POSTAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. Postal Services
- B. Courier Services

Current GATS Commitments

New Zealand has no commitments on Postal and Courier Services.

Summary of New Zealand Requests

New Zealand has made requests on Postal and Courier Services based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in Postal and Courier Services, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitments on Postal and Courier Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitments on Postal and Courier services do not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitments on Postal and Courier services include market access and/or national treatment limitations we request that the restriction be removed. For example, a particular Member's existing Mode 3 commitment limits foreign equity in commercial establishment in courier services to 49%, and imposes further restrictions on road transport related to the provision of courier services.

Summary of Requests to New Zealand

- Schedule commitments on Postal and Courier Services, on the basis of two revised definitions of Postal and Courier services.

- Schedule commitment on Express Delivery Services

Other requests (not related to market access and national treatment)

- A request has been made to New Zealand to undertake additional commitments on competition principles in the sector.

COMMUNICATION SERVICES : TELECOMMUNICATIONS SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. Voice telephone services
- b. Packet-switched data transmission services
- c. Circuit-switched data transmission services
- d. Telex services
- e. Telegraph services
- f. Facsimile services
- g. Private leased circuit services
- h. Electronic mail
- i. Voice mail CPC
- j. On-line information and data base retrieval
- k. Electronic data interchange
- l. Enhanced/value-added facsimile services, including store and forward, store and retrieve
- m. Code and protocol conversion
- n. On-line information and/or data processing (including transaction processing) *
- o. Other, including mobile services, terrestrial and satellite, call back services, paging services, teleconferencing services, personal communications services, cellular services, trunked radio system services, mobile data services.

Current GATS Commitments

New Zealand has market access and national treatment commitments on the full range of basic and value-added telecommunications services (e.g. subsectors A – O on the above list). In addition, New Zealand made commitments during the extended WTO negotiations on basic telecommunications (which followed the adoption of the GATS) to incorporate principles concerning competitive safeguards, interconnection of services, universal service, public availability of licensing criteria, independent regulators and the allocation and use of scarce resources. The single limitation scheduled for telecommunication services is the Mode 3 national treatment limitation covering the Telecom New Zealand Ltd “Kiwi-share” (i.e. the requirements in the Articles of Association of Telecom New Zealand that shareholding by any single overseas entity be limited to 49.9% and that at least half the board of directors of Telecom New Zealand are New Zealand citizens).

Summary of New Zealand Requests

Consultations with industry have not identified significant export interests in this sector. Accordingly, New Zealand has not made an initial request on telecommunications services, but reserves the right to do so at any time.

Summary of Requests to New Zealand

- Remove the Telecom shareholding limitation, and the nationality requirement for board directors.

COMMUNICATION SERVICES : AUDIO-VISUAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- a. Motion Picture and videotape production and distribution services
- b. Motion picture projection service
- c. Radio and television services
- d. Radio and television transmission services
- e. Sound recording
- f. Other

Current GATS Commitments

New Zealand's existing GATS commitments cover production, distribution, exhibition and broadcast of audio-visual works. National treatment limitations regarding funding for Maori broadcasting and Government assistance to the film industry were taken, as well as an MFN exemption on film co-production agreements. An entry covering the immigration provisions for entertainers, performing artists and associated support personnel is also listed.

Summary of New Zealand Requests

New Zealand has made requests on Motion Picture Projection Services based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in Motion Picture Projection Services, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on Motion Picture Projection Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to

Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)

- Where a Member's existing commitment on Motion Picture Projection Services do not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.

Summary of Requests to New Zealand

- Remove current national treatment limitations.
- Make commitments on Sound Recording and 'Other' audio-visual services.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- 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

Current GATS Commitments

New Zealand currently has market access and national treatment commitments scheduled on Construction and Related Engineering Services, with two exceptions. Renting Services related to Equipment for Construction or Demolition of Buildings or Civil Engineering Works are not covered. And while Preparatory Work at Construction Sites is covered, the subset of work on pipelines is excluded from coverage.

Summary of New Zealand Requests

New Zealand has made requests on Construction and Related Engineering Services in this sector based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in Construction and Related Engineering Services, New Zealand has sought new commitments in these areas. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on Construction and Related Engineering Services, we request that commitments with no market

access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)

- Where a Member's existing commitment on Construction and Related Engineering Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitments on Construction and Related Engineering Services include market access and/or national treatment limitations we request that the restriction be removed. For example, a particular Member's existing Mode 3 commitment places limits on the types of construction projects fully foreign-owned enterprises may undertake.

Summary of Requests to New Zealand

- Schedule commitments on the two excepted sub-sectors.

DISTRIBUTION SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- Commission agents' services
- Wholesale trade services
- Retailing services
- Franchising
- Other

Current GATS Commitments

New Zealand's current GATS commitments cover Commission Agents Services; Wholesale and Retail Trade Services. There are no market access or national treatment limitations listed, but there are a range of products excluded from the coverage of the commitments regarding Commission Agents Services and Wholesale Trade. These products are: agricultural raw materials and live animals; food products, beverages and tobacco and wool. These exclusions cover the sole export trading rights and other arrangements applying to certain producer boards.

Summary of New Zealand's Requests

Consultations with industry have not identified significant export interests in this sector. Accordingly, New Zealand has not made an initial request on Distribution Services, but reserves the right to do so at any time.

Summary of Requests to New Zealand

- Reduction or removal of the product exclusions in New Zealand's existing GATS commitments on commission agents' and wholesale trade services.
- Schedule commitments on franchising services.

Other requests (not related to market access and national treatment)

- With respect to zoning, Members are requested to undertake additional commitments to provide transparency in rules and procedures affording an opportunity for retailers, wholesalers and distributors to meet with community members, civic associations, and regulatory authorities to discuss ways to satisfy their concerns about proposed location and size of a business enterprise.

EDUCATION SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- Primary education services
- Secondary education services
- Higher education services
- Adult education services
- Other education services

Current GATS Commitments

New Zealand currently has market access and national treatment commitments covering primary, secondary and tertiary education in private institutions. There is no coverage of State Education Services, or of Adult Education and 'Other' Education Services.

Summary of New Zealand Requests

New Zealand has made requests in the area of Education Services, based on trading partners' existing schedules of commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in this area, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made to trading partners:

- Where a WTO Member has no existing commitment on Education Services, we request that commitments with no market access and national treatment limitations be scheduled in Modes 1, 2 and 3. With regard to Mode 4, no sector

specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)

- Where a Member's existing commitment on Education Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.

Summary of Requests to New Zealand

- New Zealand has been requested to cover the full range of higher education services in its commitment, and to include commitments on Adult and 'Other' Education Services.

Other requests (not related to market access and national treatment)

- That New Zealand maintain the transparency of its education regulation to ensure quality of education and consumer protection.
- That recognition of qualifications from transnational education services should comply with the UNESCO/Council of Europe Code of Good Practise in the Provision of Transnational Education adopted by the Lisbon Recognition Convention Committee (or regional equivalent), and due respect be paid to national quality assurance systems and transparency in education as resulting from the Bologna Process.

ENVIRONMENTAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. Sewage services
- B. Refuse disposal services
- C. Sanitation and similar services
- D. Other

Current GATS Commitments

New Zealand does not currently have GATS commitments on Environmental Services.

Summary of New Zealand Requests

New Zealand has made requests in the area of Environmental Services based on trading partners' existing schedules and commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in this area, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has

sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers. NB - New Zealand has not requested commitments on drinking water.

The following is a representative range of requests made of trading partners:

- Where a WTO Member has no existing commitments for Environmental Services, the Member is requested to schedule commitments, without market access and national treatment limitations, in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitment on Environmental Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a clarification of an existing commitment is required, the Member is requested to confirm that the existing commitment covers all services listed in the classification column for the sector 'Sewage and Refuse Disposal, Sanitation and other Environmental Services'.

Summary of Requests to New Zealand

Requests have been made to New Zealand to make commitments on market access and national treatment in environmental services. These requests cover the following sub-sectors:

- Water for Human Use and Wastewater Management
- Refuse Disposal / Solid Hazardous Waste Management
- Sanitation and Similar Services
- Cleaning Services of Exhaust Gases
- Remediation and clean-up of soil and water
- Noise Abatement Services / Protection of Ambient Air and Climate
- Nature, biodiversity and landscape protection services
- Other Environmental Protection Services

FINANCIAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. All insurance and insurance-related services
- B. Banking and other financial services (excluding insurance)
- C. Other

Current GATS Commitments

Under the Fifth Protocol to the GATS (which embodies the results of the 1997 extended negotiations on financial services) New Zealand made commitments on the full range of financial services (insurance, banking and other financial services) listed in the GATS Annex on Financial Services. These commitments were scheduled under the alternative approach provided for in the Understanding on Financial Services. This approach entails only limited commitments on Mode 1 and 2 (i.e. cross-border and consumption abroad), but incorporates a standstill and a commitment to allow “new financial services” to be offered.

Current commitments on insurance services cover life insurance; non-life insurance; reinsurance and retrocession; insurance intermediation, such as brokerage and agency services; and services auxiliary to insurance, such as consultancy, actuarial risk, assessment and claim settlement services. In taking these commitments, limitations were listed for non-life insurance and insurance intermediation services covering compulsory worker’s compensation insurance under the ACC; the Earthquake Commission’s role as sole provider of residential property disaster insurance up to a certain level and the Apple and Pear Marketing Board and United Wheat Growers arrangements for crop disaster insurance. No commitment was made regarding the provision of insurance or insurance intermediation services for certain agricultural and food products, reflecting Producer Board powers concerning freight insurance.

Summary of New Zealand Requests

Consultation with industry has not identified a significant export interest in this sector. Accordingly New Zealand has not made an initial request on this sector but has the right to do so at any time.

Summary of Requests to New Zealand

In the area of insurance and insurance-related services, requests have sought expanded sectoral coverage – especially in the cross-border and consumption abroad modes of supply – and reduction or removal of existing limitations, including the product exclusions in New Zealand’s existing GATS commitments. On banking and other financial services, these requests have sought expanded sectoral coverage, especially in the cross-border mode of supply.

Requests cover the following sub-sectors:

- Life Insurance
- Non-life insurance
- Services Auxiliary to Insurance
- Reinsurance
- Insurance Intermediation
- Other insurance Services
- Banking and other financial services (excl insurance)
- Asset Management
- Non-central bank currency issue services

- Financial information and advisory services

Other Requests

A request has been made to apply regulatory principles in respect of financial services.

HEALTH RELATED AND SOCIAL SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. Hospital services
- B. Other Human Health Services
- C. Social Services
- D. Other

Summary of New Zealand Requests

Consultation with industry has not identified a significant export interest in this sector. Accordingly New Zealand has not made an initial request on this sector but has the right to do so at any time.

Summary of Requests to New Zealand

No requests have been received in this sector.

TOURISM AND TRAVEL RELATED SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. Hotels and restaurants (including catering)
- B. Travel agencies and tour operator services
- C. Tourist guides services
- D. Other

Summary of New Zealand Requests

New Zealand has made requests on Tourism and Travel Related Services based on trading partners' existing schedules and commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in this area, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made of trading partners:

- Where a WTO member has no existing commitments for Tourism and Travel Related Services, we request that commitments, without market access and

national treatment limitations be scheduled in Modes 1 and 3. With regard to Mode 4, no sector specific request is made (but we refer readers to the summary of horizontal requests that have cross-sectoral application.

- Where a Member's existing commitment on Tourism and Travel Related Services does not cover all subsectors, we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services..
- Where a Member's existing commitment on Tourism and Travel Related Services includes market access and/or national treatment limitations, we request that these restrictions be removed. (For example, a particular trading partner has Mode 3 restrictions on the provision of tourism services which impose equity caps, limitations on business form, economic needs tests, and nationality requirements on "juridical persons" seeking to establish a commercial presence the member's territory.)

Summary of Requests to New Zealand

Requests have been made to New Zealand to make market access and national treatment commitments for the movement of individual services suppliers in Tourism and Travel Related services (refer also to the horizontal section). These requests cover the following sub-sectors:

- Hotels and Restaurants
- Travel Agency and Tour Operator Services
- Tourism Travel and Guide Agencies, Group tour organisations

New Zealand has already made market access and national treatment commitments in all tourism and travel related services.

RECREATIONAL, CULTURAL AND SPORTING SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- A. Entertainment services (including 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

Existing GATS Commitments

New Zealand currently has no GATS commitments for Recreational, Cultural & Sporting Services.

Summary of New Zealand Requests

New Zealand has made requests in the area of Sporting Services based on trading partners' existing schedules and commitments, and barriers to New Zealand exports identified through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in this area, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made of trading partners:

- Where a WTO Member has no existing commitments for the part of sub-sector D relating to Sports Services (listed above under 'Sectoral Coverage'), the Member is requested to schedule commitments, without market access and national treatment limitations, in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.) *
- Where a Member's existing commitment on Sporting Services does not cover all subsectors (for example, the opportunity for New Zealand to provide sports coaching and training services in a Member's territory may not be guaranteed), we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services. *

** An inaccuracy was found in the original text of this section which was posted on the second of February 2003. A revised and accurate version was posted 5th March 2003*

Summary of Requests to New Zealand

Requests have been made to New Zealand to make commitments to give market access and national treatment on Recreational, Cultural and Sporting Services. These requests cover the following sub-sectors:

- Entertainment Services
- Sporting Services
- News Agency Services

TRANSPORT SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

- 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

Current GATS Commitments: Air Transport Services

These cover two of the three sub sectors listed under the Annex on Air Transport Services: sales and marketing of air transport services (which includes a market access reservation on certain primary products); and full commitments on computer reservation systems.

Current GATS Commitments: Maritime Transport Services

New Zealand currently has GATS market access and national treatment commitments on international transport of freight and passengers, on two maritime auxiliary services (storage and warehousing) and on maritime freight forwarding services. Reflecting powers held by the relevant Producer Boards at the time the GATS was negotiated, as a general condition relating to maritime services, no commitment has been made on the marketing and sale of maritime transport services for the following primary products (products of agriculture, horticulture and market gardening, live animals and animal products, meat and meat products, preserves and preparations of meat, meat offal or blood products, prepared and preserved fish, vegetables, fruit juices and vegetable juices, fruit and nuts, animal and vegetable oils, fats, dairy products, other food products, textile yarn and thread of natural fibre).

No commitment was made in respect of the establishment of registered companies for the purpose of operating a fleet under the New Zealand shipping registry. Nor was any commitment made in respect of ships crews. Cabotage was specifically excluded from the sectoral coverage of the commitments so the question of New Zealand's coastal cargo regime does not arise.

Current GATS Commitments: Services Auxiliary to all Modes of Transport

New Zealand currently has GATS commitments (i.e. no market access or national treatment reservations) on two auxiliary services for maritime transport, storage and warehousing services and maritime freight forwarding services, but not on cargo handling or freight transport agency services.

Current GATS Commitments: Other Transport Services

New Zealand currently has GATS commitments on rail transport services, commercial road transport services, and pipeline transport services.

Summary of New Zealand Requests

New Zealand has made requests in the areas of Maritime, Air Transport and Services Auxiliary to all Modes of Transport (e.g. freight forwarding) based on trading partners' existing schedules and commitments, and barriers to New Zealand exports identified

through industry consultations. The level of development of Members has been taken into account in formulating requests. Where trading partners have no existing GATS commitments in this area, New Zealand has sought new commitments. Where trading partners have some existing GATS commitments, New Zealand has sought expanded sectoral coverage and/or removal of scheduled limitations that pose an impediment to New Zealand services suppliers.

The following is a representative range of requests made of trading partners:

- Where a WTO Member has no existing commitments in the Transport Services Sector, the Member is requested to schedule commitments, without market access and national treatment limitations, in Modes 1, 2 and 3. With regard to Mode 4, no sector specific requests are made (but we refer readers to the summary of horizontal requests which have cross-sectoral application.)
- Where a Member's existing commitment on Transport Services does not cover all sub-sectors (for example, a particular trading partner imposes Mode 3 market access limitations that require economic needs tests and a joint venture business form to undertake aircraft maintenance services in the Member's territory), we request that the existing commitment be extended to give market access and national treatment in the provision of the full range of services.
- Where a Member's existing commitment on Transport Services includes market access and/or national treatment limitations, we request that these restrictions be removed. (For example, a particular trading partner has market access limitations (prior approval requirements) on the acquisition of any transportation services by foreign suppliers).

Summary of Requests to New Zealand

Requests have been made to New Zealand to make improved commitments on market access and national treatment in Transport Services. These requests cover the following sub-sectors.

General

- Cargo-Handling and Container Services
- Customs Clearance Services

Air Transport

- Selling and Marketing of Air Transport Services
- Ground, Passenger, Ramp and Baggage-handling
- Aircraft Maintenance
- Fuel and Oil Handling
- Flight Operations and Crew Administration
- Catering
- Airport Management
- Computer Reservation Systems

Maritime

- Rental Services
- Port, Depot and Tug Boat Services
- Marketing and sales of maritime transport services
- Storage and warehousing
- Freight Forwarding Services

Other Transport Services

- Onward transport services
- Maintenance and repair of Other Transport Equipment
- Transport Services by Pipeline
- Rail Transport Systems

ENERGY SERVICES

WTO Members are free to determine the nature and extent of their responses to requests received.

Sectoral Coverage

There is no established GATS classification for Energy Services. WTO Members seeking commitments in this area have cited the following range of services:

- A. Exploration and Production
- B. Operation of Transmission and distribution facilities
- C. Supply of Energy (including wholesale and retail of energy products)
- D. Services for final use (energy audit, management)
- E. Services related to Decommissioning.

Existing Commitments

New Zealand has no existing commitments in this sector.

New Zealand Requests

Consultation with industry has not identified a significant export interest in this sector. Accordingly New Zealand has not made an initial request on this sector but has the right to do so at any time.

Requests to New Zealand

Requests have been made to New Zealand to make commitments on market access and national treatment in Energy Services. These requests cover the following sub-sectors:

- Services incidental to energy distribution
- Exploration and Development Services
- Energy Marketing Services
- Other Services Important to Energy Services

Other Requests

WTO Members have requested that New Zealand give consideration to their proposals for defining services in this sector.

REQUESTS FOR HORIZONTAL COMMITMENTS

WTO Members are free to determine the nature and extent of their responses to requests received.

Horizontal commitments are made in respect of national legislative and regulatory measures which apply to all services sectors. Requests have been received from other WTO members in the two key horizontal areas of commercial presence and the presence of natural persons, as well as in relation to exemptions to the Most Favoured Nation principles, and on regulatory issues.

COMMERCIAL PRESENCE (MODE 3)

Mode 3 is one of the four possible ways of providing a service under the GATS. It is defined in the GATS as “any type of business or professional establishment...within the territory of a Member for the purpose of supplying a service”.

Current GATS Commitments

New Zealand’s GATS schedule stipulates that under the Overseas Investment Act 1973 and Regulations, Overseas Investment Commission (OIC) approval is required for the following investments by an “overseas person”¹:

- a) acquisition or control of 25 per cent or more of the shares or voting power in a company where either the consideration of transfer or the value of the assets of the company exceeds \$NZ10 million;
- b) the establishment of new business in New Zealand where the total expenditure in setting up the business exceeds \$NZ10 million;
- c) the acquisition of the assets of the business where the total consideration paid or payable for the assets exceed \$NZ10 million;
- d) the issue or allotment of shares where the 25 per cent threshold has already been exceeded or will be exceeded as a result of the issue and where the total consideration paid or payable exceeds \$NZ10 million.

OIC consent is required, regardless of the dollar value of the investment, for acquisition of rural land. Approval is also required under the Land Settlement Promotion and Land Acquisition Act for the purchase of some classes of land.

The other existing commitment on Commercial Presence relates to State-Owned Enterprises. The current GATS schedule is “unbound” in respect of national treatment concerning enterprises currently in state ownership. “Unbound” means that no commitment has been made.

¹ An “overseas person” is defined as an individual not normally resident in New Zealand; a company not incorporated in New Zealand; a New Zealand-incorporated company in which 25 per cent or more of any class of shares or 25 per cent or more of the voting power is held by overseas persons; or a nominee of the overseas person, whether or not the nominee is himself/herself an overseas person.

Summary of New Zealand Requests

New Zealand has requested clarification, reduction or removal of limitations on the establishment of a commercial presence listed in the existing GATS commitments of trading partners, or identified by services exporters. The level of development of Members has been taken into account in formulating requests.

The following is a representative range of limitations maintained by trading partners, and which are the subject of New Zealand's requests :

- A Member requires that foreigners wishing to establish or acquire any business in its territory must undergo an approval process (with no explanation given of what that process might be);
- A Member requires that companies incorporated in its territory to have a certain proportion of its citizens or permanent residents on their boards of directors;
- A Member requires that any foreign professional services supplier establishing in its territory must have locals as 85% of its total staff (regardless of the size of the enterprise);
- A Member maintains restrictions on form of business entity (services may only be provided in joint venture form) and a minimum equity requirement of 25% ;
- A Member reserves participation in certain sectors exclusively to its own citizens.
- A Member maintains limitations on remittances and transfer abroad of funds by foreign services suppliers established in its territory.

Summary of Requests to New Zealand

- Clarify and schedule OIC approval criteria for all investments.
- Increase OIC threshold to \$200 million.
- Remove OIC approval requirement for non-land investment.
- Review all measures affecting commercial establishment with the aim of removing them, and note explicitly that they do not apply to the financial, maritime and tourism sectors.
- Ensure that conditions for purchase, lease and use of land do not nullify or impair benefits resulting from specific commitments in the financial, maritime and tourism sectors.
- Remove OIC approval requirement altogether.

- Clarify the inconsistency with national treatment of the limitation stating “Unbound for enterprises currently in State ownership.”
- Remove the SOE limitation from New Zealand’s schedule of commitments.

MOVEMENT OF NATURAL PERSONS (MODE 4)

Movement of Natural Persons, also referred to as Presence of Natural Persons, or Mode 4, is another of the four possible ways (“modes”) of providing a service under the GATS. It refers to the temporary entry of foreign nationals or foreign permanent residents to another WTO Member’s territory to supply a service. The GATS draws a clear distinction between these categories of temporary entry, and measures concerning citizenship, residence and access to the labour market on a long term or permanent basis. The latter are specifically exempted from GATS coverage under the “Annex on Movement of Natural Persons”. The Annex also states that the GATS does not prevent governments using measures regulating the temporary entry of natural persons to a Member’s territory (such as solvency, health and good character visa requirements) or measures to protect their borders, as long as these aren’t applied in a way that would nullify specific commitments.

Current GATS Commitments

Most WTO Members have taken their commitments on movement of natural persons at the horizontal level, rather than scheduling Mode 4 commitments on a sectoral basis. New Zealand has followed this approach. Accordingly, New Zealand has one horizontal commitment on movement of natural persons which applies to all sectors. Where New Zealand has scheduled sectoral commitments, these read “Unbound except as indicated in the horizontal section” in respect of Mode 4.

The three main categories of movement of natural persons on which commitments have been made by WTO Members under the GATS are “business visitors”; “intra-corporate transferees” and movement of natural persons without commercial presence. Each relate to temporary entry - of various durations and under various circumstances - in order to sell or supply a service. **New Zealand’s existing commitments cover “business visitors” and “intra-corporate transferees” only.**

“Business Visitors”

This category refers services suppliers visiting a market for the purpose of establishing contacts (eg setting up agency relationships), negotiating deals or contracts or arranging an investment or commercial presence. Most OECD Members and many developing WTO Members made commitments on this category during the Uruguay Round (UR). The usual duration of entry for “business visitors” is up to three months. Most countries which made commitments have defined this kind of movement as not including direct sale of services to the public.

New Zealand’s current GATS schedule includes commitments on “business visitors”. These are labelled “service sellers” and are defined as “representatives of a service supplier, whether or not that service supplier has a commercial presence in New

Zealand ... who are seeking temporary entry to New Zealand for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service supplier, where those representatives will not be engaged in making direct sales to the general public.“ New Zealand provides for entry for a period or periods not exceeding an aggregate three months in any calendar year.

“Intra-Corporate Transferees”

This category of Mode 4 refers to movement of personnel with commercial presence, for example, the entry of a manager or specialist for a specified period to work in the New Zealand branch or subsidiary of a company established in another market. Most WTO Members - and particularly OECD countries – have commitments on “intra-corporate transferees”. Most cover a set group of categories of personnel, principally: managers, executives and technical/professional specialists. Commitments on the time periods of entry permitted vary, with the average around three years.

New Zealand’s commitments on “intra-corporate transferees” cover four categories: “executives and senior managers”; “specialist and/or senior personnel”; “specialist personnel” (i.e. with trade, technical or professional skills) and “installers and servicers”. They provide for entry for initial periods of a maximum of three years for “executives and senior managers” who have been employed by their organisation for at least twelve months prior to their proposed transfer to New Zealand; for initial stays of twelve months for “specialist and/or senior personnel”; for initial stays of three years for “specialist personnel” and three months for installers and servicers. Entry for “specialist personnel” is, however, subject to labour market tests.

Movement of Natural Persons without Commercial Presence

The third category of movement of natural persons is movement without commercial presence - usually under contract, eg an individual computer programmer contracted to undertake a short duration contract. A small number of WTO Members made commitments on this form of movement during the Uruguay Round negotiations, usually for a period of several months in a limited set of specific occupations or services sectors. **New Zealand has no existing commitment on this category of movement of natural persons.**

Summary of New Zealand Requests

New Zealand has requested clarification and/or improvement of commitments on the movement of natural persons to supply services in three categories: personnel transferring within their companies (intra-corporate transferees); personnel visiting markets to develop business contacts (business visitors) and individual service suppliers providing services under contract.

The following is a representative range of requests made of trading partners:

- Where a Member has scheduled no commitments on Mode 4, we request that commitments matching New Zealand’s own be scheduled.

- Where a Member's existing commitment on minimum periods of initial stay for intra-corporate transferees is less than three years, we request that it be increased to three years;
- Where a Member's existing commitment on periods of stay in any twelve month period for business visitors is less than three months, we request that it be increased to three months;
- Where a Member has no existing commitment on individual services suppliers providing services on a fee or contract basis without commercial presence, we request that a commitment be scheduled for an initial stay of 1 year or the duration of the contract;
- Where New Zealand services suppliers have reported experiencing considerable delays with the processing and issuing of visas, New Zealand requests further discussion of means to address the issue.

Summary of Requests to New Zealand

- Clarification of existing New Zealand GATS commitments on personnel transferring within their companies (intra-corporate transferees) and personnel visiting markets to develop business contacts (business visitors).
- Extension of periods of initial stay for all categories of intra-corporate transferees, to up to five years.
- Removal of the prior employment requirement for executives and senior managers.
- Removal of the labour market test on specialist personnel.
- Scheduling of commitments on individual service suppliers providing services under contract.
- Scheduling of specific commitments on Mode 4 in some sectors.

MOST FAVOURED NATION (MFN) EXEMPTIONS

MFN is a central principle of the WTO system. Under Article II of the GATS, Members are held to extend immediately and unconditionally to services and service suppliers of all other Members "treatment no less favourable than it accords to like services and service suppliers of any other country". The Most Favoured Nation (MFN) principle in GATS is however qualified as Members were allowed to list exemptions on entry into force of the agreement. MFN exemptions are, in principle, to last no longer than 10 years and are subject to negotiation in the current and future trade rounds.

Current GATS Commitments

New Zealand maintains five limited MFN exemptions. These cover bilateral film co-production agreements; preferential entry arrangements for Japanese interpreters; nationality requirements for ships' officers, and preferential entry requirements for employment purposes for nationals of Kiribati and Tuvalu under development assistance schemes.

Summary of New Zealand Requests

New Zealand has made requests for the removal of MFN exemptions where these impose an impediment to New Zealand services suppliers.

A representative range of sectors in which requests have been made of trading partners to remove MFN exemptions are:

- Professional services
- Transport services
- Construction services
- Services related to fishing

Summary of Requests to New Zealand

New Zealand has received requests to remove the five MFN exemptions we currently maintain.

REGULATORY ISSUES

A request has been received from a Member to make commitments regarding regulatory approaches at a horizontal level (on transparency of regulation) and in respect of particular sectors, including distribution, telecommunications and financial services.

New Zealand has made no requests on regulatory issues.

GLOSSARY OF GATS AND SERVICES TERMS

Cabotage

In maritime transport, sea shipping between ports within the same country, usually coastal shipping.

Commercial presence

The possibility of a service provider to be physically present (e.g. a branch or subsidiary for instance) in the "importing" market.

GATS

General Agreement on Trade in Services.

GATT

General Agreement on Tariffs and Trade

General Obligations

Obligations which should be applied to all service sectors at the entry into force of the GATS.

Horizontal commitments

In nearly all the GATS schedules of WTO Members, in addition to the limitations that apply to a particular sector, there are some limitations that apply to all sectors. These types of commitments (which include limitations on Market Access and National Treatment) are called "horizontal commitments". They are listed at the beginning of a Member's schedule or at the beginning of a major sectoral section of a schedule.

Initial commitments

Trade liberalising commitments in services which Members are prepared to make in early negotiations.

Juridical Person

A company or organisation which is either constituted or otherwise organised under the law of another WTO member and is engaged in substantive business operations in the territory of that other member or any other member; or in the case of the supply of a service through commercial presence, owned or controlled by; natural persons of that member; or juridical persons of that other member.

Market Access

Market access is a negotiated commitment to guarantee a certain level of access in specified sectors. Article XVI of the GATS also defines a set of policies that may only be used to restrict Market Access for a scheduled sector if they are listed in a Member's specific commitments. For instance, limitations may be imposed on the number of services suppliers, total value of services transactions, total quantity of service output, the number of persons that may be employed in a particular sector, the specific types of

legal entity or joint venture for supply of services, and the participation of foreign capital.

Modes of delivery

Ways in which services may be rendered. They may include sales through establishment, cross-border sales, and the movement of persons involved in the provision of services.

Multi-modal

Transportation using more than one mode. In GATS negotiations, essentially door-to-door services that include international shipping.

National Treatment

Article XVII.1 of the GATS contains the basic National Treatment obligation which requires each WTO member to accord to service suppliers of any other Member treatment no less favourable than that it accords to its own like services and service suppliers. National Treatment applies only to those services inscribed in a Member's schedule, and then only to the extent that no qualifications or conditions are listed on the schedule

Natural persons

People, as distinct from juridical persons such as companies and organisations.

Offer

A Member's proposal for further services trade liberalization. Offers can be made in response to requests or concurrently.

Prudential

In financial services, terms used to describe an objective of market regulation by authorities to protect investors and depositors, to avoid financial instability or crises.

Request

Normally made by Members which have a significant interest in a traded service.

Request/offer process

A mode of trade negotiation where "requests" for additional trade concessions are made. The response to such a request is the "offer", which represents what the requested party might be prepared to agree to by way of additional trade concessions.

Schedule of specific commitments

A WTO member's list of commitments regarding Market Access and bindings regarding National Treatment.

Specific commitments

Negotiated commitments on Market Access and National Treatment by Members in their schedules of specific commitments.

Unbound

Where a WTO member elects to make 'no commitment' in a given sector and mode of supply, thereby remaining free to introduce or maintain measures inconsistent with market access or national treatment. In this situation the Member must record in the appropriate column the word 'UNBOUND'.