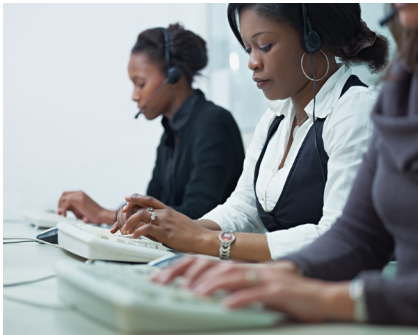


MAKING THE MOST OF THE LDC SERVICES WAIVER



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Making the most of the LDC Services Waiver

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Paper aimed at assisting LDC negotiators, government officials and services SMEs on how to benefit from the LDC services waiver - provides an overview of the LDC services waiver and of the LDC collective request; reviews signals of market access offers and capacity building by WTO members; sets out guidance on 10 key actions that LDCs can take with assistance from ITC to enhance their services trade under the waiver; includes bibliographical references (pp. 41-42).

Descriptors: Services, Trade in Services, Least Developed Countries, SMEs, Market Access, Capacity Building, WTO, Doha Development Agenda

For further information on this technical paper, contact Ms. Jane Drake-Brockman, Senior Officer Trade in Services, drake-brockman@intracen.org

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ITC, Palais des Nations, 1211 Geneva 10, Switzerland (www.intracen.org)

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Abbreviations

The following abbreviations are used:

ABAC	APEC Business Advisory Council
ACP	African, Caribbean, and Pacific Group of States
AGOA	Africa Growth and Opportunity Act
ANDI	National Business Association of Colombia
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASR	Australian Services Roundtable
B2B	Business to Business
BPO	Business Process Outsourcing
CBI	Centre for the Promotion of Imports from developing countries
CIFTIS	China Beijing International Fair for Trade in Services
CPC	Central Product Classification
CSI	Coalition of Services Industries
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CTS	Council on Trade in Services
DDA	Doha Development Agenda
DFAT	Australian Department of Foreign Affairs and Trade
DFQF	Duty-Free, Quota Free
EU	European Union
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GES	Global Exhibition Services
GSN	Global Services Network
GSP	General System of Preferences
ICT	Information Communications and Technology
IITF	Indian International Trade Fair
ILEAP	International Lawyers and Economists Against Poverty
ISD	Indonesia Services Dialogue
ITC	International Trade Centre
LDC	Least Developed Country
MC8	Eighth Meeting of the WTO Ministerial Council
MFN	Most Favoured Nation
MOU	Memorandum of Understanding
NCC	Philippines National Competitiveness Council
OECD	Organisation for Economic Co-operation and Development
PSC	Philippine Services Coalition
RPJMN	Indonesia National Medium Term Development Plan
RTA	Regional Trade Agreement
SME	Small and Medium-sized Enterprise
TISA	Trade in Services Agreement
TPP	Trans-Pacific Partnership
US	United States
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WTO	World Trade Organization

Chapter 1 Understanding the LDC Services Waiver

1.1. Background

After 20 years of intense negotiations, least developed country (LDC) members of the World Trade Organization (WTO) are finally securing preferential access for their exports of services to the markets of both developed and developing country WTO members. By early 2015, 25 members had indicated that they would be giving such access and more are expected to follow. The offers of access put into practice WTO ministerial decisions of 2011 and 2013 granting a 'waiver' for LDC services exports which puts aside the the disciplines of a core WTO most-favoured nation (MFN) principle that otherwise obliges members to give equal treatment to all WTO members.

Waivers to the MFN principle already existed for the export of goods, where there were a number of preferential schemes benefitting LDCs. But there was no provision for such a waiver in the 1995 General Agreement on Trade in Services (GATS), essentially because members were uncertain how it could work. Article IV of the GATS did, however, recognize the need to increase the participation of developing countries in services markets and declared that 'special priority' should be given to the needs of LDCs in this regard. It did not specify a mechanism for bringing this about.

In 2003, WTO members agreed on modalities, or a blueprint, for handling the special treatment of LDC members in the negotiations on trade in services¹. In 2005, at the Hong Kong Ministerial Conference, they went further by agreeing to develop appropriate mechanisms for according the special priority for services and modes of services supply of interest to LDCs² envisaged by Article IV of the GATS. (Services are deemed to trade in four modes of supply,³ unlike goods, which are deemed to trade through one mode of supply -- cross-border.)

The text of the 2005 Hong Kong Ministerial Declaration Annex C represented a compromise with the LDC Group. The LDC Group had traditionally sought a method to define "special priority" and to use the LDC modalities to obtain preferences for their services suppliers. Their goods suppliers were about to receive further preferences at the Hong Kong Ministerial through the Duty-Free Quota Free (DFQF) initiative⁴. However, WTO members remained unconvinced that a goods-type preferential system could be implemented for services.

In addition to waiver provisions in the agreement establishing the WTO, LDCs and other developing countries could also count on the so-called Enabling Clause⁵, which allows members to grant differential and more favourable treatment to developing countries, without according such treatment to all other countries. The General System of Preferences (GSP) is the most used method by which developed countries grant preferences to developing countries. Developed country members of the WTO have also sought waivers to grant preferences on goods trade to specific groups of developing countries, including for example the European Union (EU) for African, Caribbean and Pacific (ACP) states under the Lomé then Cotonou arrangements and the United States of America for the Africa Growth and Opportunity Act (AGOA).

This preference system benefits traders in developing countries and LDC members, who can export their manufactured or agricultural goods to target markets with reduced or zero tariffs. The immediate and tangible benefits of a preference to LDC goods traders are evident.

The DFQF initiative for LDCs enhances GSP benefits for LDC goods through the elimination of duties and quotas that are maintained for everyone else. The Multi-Fibre Arrangement (MFA) quota system, which

¹ TN/S/13.

² WT/MIN(05)/DEC, Annex C Declaration paragraph 9(a).

³ Mode 1- cross-border through internet, telephone, fax, other electronic transmission; Mode 2- consumption abroad for example a traveller to another country for tourism or for medical services; Mode 3- commercial presence through a company setting up a branch, subsidiary or representative office in target market; and Mode 4 – movement of natural persons to supply services directly in the target market (see GATS Article I.2.)

⁴ Agreed in 2005 at the WTO Ministerial Conference in Hong Kong. Ibid, Annex F.

⁵ L/4903, 28 November 1979.

pre-dated the WTO,⁶ had generated a kaleidoscope of business transactions that revolved around the guaranteed market share that the arrangement brought to small and large textile and apparel producing countries. When the arrangement expired in 2005, the smaller producers, in particular in the developing world, lost the certainty embedded in the quotas designated to each producing country. In the services context, the existence of preferential quotas was similarly considered to be potentially important, especially with respect to the heavily regulated movement of natural persons. But as noted, when the GATS was concluded, as part of the package of WTO agreements, no Enabling Clause-type arrangement existed for granting preferences in the services sector.

LDC negotiators strove to at least establish the legal framework to enable members in a position to grant preferences to LDC services and services suppliers to do so without the worry of violating the GATS MFN provision. LDC negotiators were resilient in their efforts to convince developed and larger developing members that the establishment of an Enabling Clause-type mechanism could be achieved. In December 2011, WTO trade ministers agreed for the first time to a mechanism in the form of a waiver of the GATS MFN provision, Article II.1, in order to provide preferential treatment to LDC services and services suppliers.⁷

The waiver decision contemplates that preferential treatment notified to the WTO in favour of LDC services and services suppliers under GATS Article XVI (market access) will entail an automatic waiver. Any preferences for measures beyond GATS Article XVI (including national treatment), requires authorization in the Council for Trade in Services (CTS).⁸ Such an authorization needs a consensus not to oppose the preferences notified.

The waiver decision does not specify what measures are beyond GATS Article XVI. However, GATS Article XVII, national treatment, and regulatory measures addressed under GATS Article VI might be considered.⁹ It is also arguable that measures related to the GATS Article VII (recognition)¹⁰ and the GATS Annexes (for example on Movement of Natural Persons) could also be considered.¹¹

The duration of the 2011 waiver decision is 15 years. But as no member had made use of it by the end of the first two years, ministers agreed at the Bali Ministerial Conference in 2013 to a new decision to ensure that the waiver¹² was used. The Bali decision added a requirement that LDCs prepare a collective request for waivers. Six months after the submission of the request, the WTO Council for Trade in Services (CTS) was instructed to convene a High-Level Meeting where members, in a position to do so, would indicate their intentions to accord preferential treatment for LDC services and suppliers. In accordance with the Bali decision, the LDC Group submitted its collective request on 21 July 2014¹³, which propelled WTO members to action.

WTO members held the High-Level Meeting on 5 February 2015. The LDC Group determined that the High-Level Meeting was successful, with 25 members indicating their intentions to provide preferential treatment to LDC services and service suppliers.

At the High-Level Meeting, it was also agreed to hold an assessment of the results in March 2015 and that members should submit notifications of preferences in July 2015 to activate their indications. The CTS held the assessment on 18 March 2015, where the LDC Group presented a positive assessment of the results.

⁶ Now expired through the WTO Agreement on Textiles and Clothing.

⁷ The General Agreement on Trade in Services (GATS). Available from

https://www.wto.org/ENGLISH/res_e/booksp_e/analytic_index_e/gats_01_e.htm. "With respect to any measure covered by this Agreement, each Member shall accord immediately and unconditionally to services and service suppliers of any other Member treatment no less favourable than that it accords to like services and service suppliers of any other country."

⁸ Ibid., National Treatment, "each Member shall accord services and service suppliers of any other Member treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule."

⁹ Ibid., Domestic Regulation, "in sectors where specific commitments are undertaken, each Member shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner."

¹⁰ Ibid., Recognition, "a Member may recognize the education or experience obtained, requirements met, or licenses or certifications granted in a particular country. Such recognition, which may be achieved through harmonization or otherwise, may be based upon an agreement or arrangement with the country concerned or may be accorded autonomously."

¹¹ Ibid., Annex on Movement of Natural Persons Supplying Services Under the Agreement

¹² WT/L/918.

¹³ S/C/W/356 and S/C/W/356 Corr. 1 and 2.

But it will be important that the new preferences notified to the WTO are implemented quickly. This will require regular and transparent reporting. It is equally important that the details of the preferences are clear and precise to facilitate their use.

In addition to the preferential treatment for their exports, LDCs will require capacity building to address supply side issues if they are to be better integrated in the global services economy. In their collective request, LDCs said their firms needed assistance in taking advantage of the new markets for their services. Firms had to identify these markets and the opportunities provided by value chains. This will require training programmes and information campaigns. Domestic service suppliers must be well informed about the waiver, but so too must business communities within the preference-granting countries. On the domestic policy front, LDCs must create pro-competitive business environments for their services providers.

In these and other areas, the ITC is ideally placed to assist LDCs with technical support, capacity building and market analyses. The following sections describe the work of the LDC Group to prepare its collective request and for the High-Level Meeting, along with the follow-up bilaterals. They also provide an assessment of the results to date in the lead up to the Fifth Global Review of Aid for Trade. The paper concludes with ten ITC proposals for immediate steps – ranging from gathering market data and information to facilitating training and participating in international trade fairs – that LDCs can take to prepare themselves and their firms to benefit from the services waiver.

The LDC Collective Request

In earlier years of the Doha Development Agenda (DDA), LDCs strove for commitments from members in Mode 4, specifically in what was called unskilled or low skilled professions. WTO members were opposed to responding to the request. The LDC Group embarked upon the preparation of its collective request pursuant to the Bali decision mandate based on an intensive examination of interests across all LDCs including acceding countries.

It was clear to the LDC Group that the collective request had to represent positions across the entire Group. The Group also decided to characterize their sector interests in accordance with trends in the supply of sectors found in the UN Central Product Classification (CPC) system. The LDC Group examined the commercial meaningfulness of potential preferences beyond an approach to finding barriers alone.

The objectives of services trade commitments is to a large extent qualitatively different from the basis for establishing goods trade commitments. In services, it was important to take into account a number of factors for example, existing LDC suppliers; potential sectors, sub-sectors and professions where LDCs could supply services; services that could furnish leap frog technology for small and medium sized enterprises (SMEs); sectors and modes of supply parallel to known skills of existing and potential LDC suppliers; technology to afford flexible supply across different sectors and modes of supply; removal and reduction of barriers; attracting investment into our supply-side infrastructure and new employment opportunities; and growth in LDC economies that could spillover into related services sectors and to facilitate goods trade.

The LDC Group conducted surveys and questionnaires of suppliers in selected countries; used reports and case studies from institutions; exchanged information in LDC Group meetings; analysed trade data and LDC submissions since the beginning of services negotiations; analysed LDC services supplier target markets; examined regional trade agreements (RTAs) and DDA offers that match interests of cross-section of LDCs; and examined common threads of sectors.

The Group crafted the collective request tailored to the diversity of LDCs and the members that could be in a position to grant preferences, both developed and developing members. In terms of obstacles encountered by LDC suppliers, Mode 4 and Mode 3 were found to be the most problematic for LDC suppliers.

Recognizing the sensitivities and protracted debates around Mode 4 commitments in the WTO, the LDC Group decided to focus on barriers and encumbrances challenging their supply of services. These services were for the most part considered to be in demand from existing consumers. However, SME suppliers in LDCs could also forecast demand from an increasing number of both developed and

developing WTO members. Specifically, the collective request targeted onerous application fees, delays and paperwork for visas, licenses, and residence and work permits, which for many LDCs caused severe losses of income if the visa is not granted and when the fees are not returned.

Other hindrances captured in the collective request were the imposition of transit taxes and other fees on tourists travelling to LDCs, visa denials stamped on passports, or similar stamps, and other measures that served to stigmatize qualified LDC suppliers. Many LDCs have always raised concerns about reports of difficulties in the recognition of LDC educational institutions, diplomas, and professional skills.

Commitments in Mode 4 market access, particularly for categories under-represented in GATS commitments were equally of interest to LDCs. Those categories include contractual service suppliers, independent professionals, and installers and servicers. The LDC collective request made clear that for at least the first two categories, the LDC supplier should be in possession of a bona fide offer or contract from a consumer in the host country. Given the number of interests within the LDC Group, the Group decided to take a cross-sectoral approach to the barriers faced by different LDC suppliers. Cross-cutting sectors included proactive market access aspirations.

The thematic architecture of the request is in four main categories:

- a) Market access and Article XVII, national treatment restrictions
- b) Visa, work permit, and residence permit fees and measures
- c) Recognition, qualifications and accreditation matters, and
- d) A hybrid annex of sectors and professions of interest to members of the Group.

All elements of the request were designed to comprehensively cover precise and targeted LDC Group interests.

Recent analysis shows that Mode 3 was becoming an increasingly important mode of supply for LDC services SMEs, and faced similar barriers found in Mode 4. Therefore, the LDC collective request included a request that members, in a position to grant preferences, waive restrictions such as “conditions on local hires, sponsorship or guarantor requirements, prohibitions on repatriation of capital investments, and profits, ownership restrictions, restrictions on maximum lease terms and ownership of land, economic needs tests, restrictions against double taxation benefits, and expedited refunds and other tax administration benefits.”¹⁴

After a number of drafts and one-on-one consultations with individual delegations, the LDC Group submitted its collective request, pursuant to the Bali decision, on 21 July 2014. On 17 November, the LDC Group also submitted a paper outlining its views on preparations for and how the High-Level Meeting¹⁵ should be conducted. The submission included a sample notification form that WTO members could use to notify preferences.

The collective request was designed to enable WTO members to come forward with creative responses to the request and thereafter notify the precise preferences pursuant to paragraph 2 of the 2011 waiver decision.

The LDC Group conducted over 30 bilaterals before the High-Level Meeting to assist members in identifying priorities found in the collective request and clarifying the objectives and elements in the request most directed to the individual WTO members.

While the Bali decision spotlighted “indications” and “intentions” for the High-Level Meeting, the 2011 waiver decision itself provides that preferences shall be notified containing sectors and modes of supply of interest to LDCs and state the duration of the preferences.

¹⁴ S/C/W356 paragraph A6.

¹⁵ JOB/SERV/194.

1.2. Signals of Market Access Offers

Twenty-five members expressed intentions with regard to the LDC collective request and the LDC Waiver decisions. Of the 25, 18 developed and developing members announced specific indications of preferences.

The notifications will need to be examined carefully to evaluate the level of preferential treatment actually intended on behalf of LDC services and services suppliers. If the initial indications are converted into formal notifications of specific preferences consistent with the mandate of the waiver, it is possible that more than 65% of the collective request will be treated.

Announcements included market access and some commitments outside of market access including national treatment, visa issues, residence permits, administrative procedures and fees. Many WTO members announced sectors correlated to the LDC collective request paragraph A40 and the listing of professions and services sectors annexed to the request.¹⁶ In overall terms, approximately 80% of the sectors in the collective request were treated.

India, China, Brazil, Korea, Iceland and New Zealand appeared to announce the broadest preferences in terms of variety or range across the pillars of the collective request or sectors and mode of supply (see Table 1).

Covering specific sectors requested by LDCs, India and China also announced elements related to Mode 4 and domestic regulatory measures including visas. India announced elimination of visa fees, market access for contractual services suppliers, and a 250 person quota for LDC tour guides and training and export promotion initiatives.

Further recognizing the importance of tourism services for LDC suppliers, China announced training initiatives, supply side assistance in infrastructure in the tourism sector, commitments to increase their own tourists to LDCs, and simplified procedures for LDCs to apply for authorized destination

Table 1. Summary of preferences notified or signalled at the High-Level Meeting

1. AUSTRALIA (S/C/N/805)
<ul style="list-style-type: none"> • Mode 4 <ul style="list-style-type: none"> ▪ Contractual service suppliers (including independent professionals/specialists), subject to employer sponsorship, may enter for periods of stay up to 12 months, with the possibility of further stay • Tourism <ul style="list-style-type: none"> ▪ Travel agencies and tour operator services (Mode 1, 2, 3) • Transport services <ul style="list-style-type: none"> ▪ maritime auxiliary services (Mode 2, 3) ▪ Customs clearance services (Mode 2, 3) ▪ Maritime agency services (Mode 1, 2, 3) ▪ Air transport services, including Ground handling, Airport operation services, Selling and marketing of air transport services (Mode 2, 3), and Aircraft repair and maintenance services (Mode 1,2,3) ▪ Rail transport, including Freight transportation, Pushing and towing services, Supporting services for rail transport services (Mode 1, 2, 3) ▪ Road transport, including Freight transportation, Rental of commercial vehicles with operator (Mode 1,2,3) ▪ Services auxiliary to all modes of transport (Mode 2, 3) • Computer and related services (Mode 1, 2, 3) • Other business services <ul style="list-style-type: none"> ▪ Professional Services (Mode 1, 2, 3) ▪ Rental/leasing services without operators (Mode 1, 2, 3)

¹⁶ S/C/W/356., "waive Mode 1, 3 and 4 restrictions on the supply of the following services and sectors that were identified in recent offers tabled in the DDA negotiations."

<ul style="list-style-type: none"> ▪ Technical testing and analysis services (Mode 1, 2, 3) ▪ Services incidental to manufacturing (Mode 1, 2, 3) ▪ Maintenance and repair of equipment (Mode 1, 2, 3) ▪ Packaging services (Mode 1, 2, 3) • Services not included elsewhere <ul style="list-style-type: none"> ▪ Washing, cleaning and dyeing services (Mode 1, 2, 3) ▪ Hairdressing and other beauty services (Mode 1, 2, 3)
2. BRAZIL
<ul style="list-style-type: none"> ▪ Computer and related services (Mode 3) ▪ Engineering design services (Mode 3) ▪ Other engineering services during the construction and installation phase (Mode 3) ▪ Urban planning and landscape architectural services (Mode 3) ▪ Veterinary services (Modes 1 and 3) ▪ Other business services <ul style="list-style-type: none"> ▪ Technical testing and analysis (Mode 3) ▪ Services incidental to fishing (Mode 3) ▪ Placement and supply services of personnel (Mode 3) ▪ Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (Mode 3) ▪ Photographic services (Mode 3) ▪ Packaging services (Mode 3) ▪ Convention services (Mode 3) ▪ Construction and related engineering services <ul style="list-style-type: none"> ▪ Building completion and finishing work (Mode 3) ▪ Distribution services <ul style="list-style-type: none"> ▪ Commission agents services (Mode 3) ▪ Financial services <ul style="list-style-type: none"> ▪ Agencies brokerage services for insurance and open private pension funds (Mode 3) ▪ Agencies and brokerage services for reinsurance and retrocession (Mode 3) ▪ Consultancy, actuarial and survey services (Mode 4) ▪ Tourism and travel related services <ul style="list-style-type: none"> ▪ Travel agencies and tour operators services (Mode 3) ▪ Tourist guides services (Mode 3) ▪ Recreational, cultural and sporting services (other than audiovisual services) <ul style="list-style-type: none"> ▪ Sporting services (Mode 3) ▪ Transport services <ul style="list-style-type: none"> ▪ Maritime agency services (Mode 1 and 3) ▪ Cargo handling services (Mode 3) ▪ Storage and warehousing services (Mode 3) ▪ Customs clearance services (Mode 3) ▪ Container station and depot services (Mode 3) ▪ Road transport services <ul style="list-style-type: none"> ▪ Freight transportation (Mode 3)
3. CANADA (S/C/N/792)
Please see Canada's written submission in WTO document S/C/N/792
4. CHILE
<ul style="list-style-type: none"> • Preferences would be based on multiple regional agreements Chile negotiated in the last 20 years, with a view to provide legal certainty, greater sectoral coverage and better commitments • Will consider direct technical assistance programmes or with other WTO members
5. CHINA
<ul style="list-style-type: none"> • Mode 4 <ul style="list-style-type: none"> ▪ Business visitors including services investors and salespersons up to 6 months stay applicable to 100 services sectors and sub-sectors in the China existing schedule of commitments • Air transport <ul style="list-style-type: none"> ▪ Computer reservation services – joint ventures with Chinese partners (Mode 3)

- Tourism
 - Direct marketing to Chinese tourists
 - Building and cleaning services (Mode 3)
 - Printing of packaging materials (Mode 3)
 - Domestic regulation *
 - Preferential treatment to LDCs in domestic regulation in the tourism sector including authorized destination status; simplify and streamline procedures, shorten timeframe for processing applications.
- * Preferential treatment falling outside of GATS Art. XVI requiring CTS authorization pursuant to para. 1 of MC8 Waiver Decision

6. CHINESE TAIPEI

- Mode 4
 - Contractual Service Suppliers and Independent Professionals will be covered
- Publishing services
- Rental leasing services without operators
- Building cleaning services
- Packaging services
- Duplicating services
- Translation and interpretation services
- Storage and warehousing services
- TV and radio advertising services
- Food serving services
- Photographic services
- Telephone answering services
- Theatrical and entertainment services
- Audiovisual services (Mode 3)
- Commission agent services (Mode 3)
- Road freight transport services (Mode 3)
- Rental/leasing services without operators concerning aircraft (Mode 3)

7. EUROPEAN UNION (EU)

- Mode 4
 - Contractual Service Suppliers (double stay period from 3 to 6 months and introduce broader sectoral coverage than in existing commitments and DDA offers attached to statement)
 - graduate trainees up to 1 year stay
 - Independent Professionals up to six months at a time in wider EU
 - Intra-Corporate Transferee improvements in 30 sectors skilled professionals for up to 6 months at a time
- Sectors
 - Accounting and bookkeeping
 - Advertising
 - Architectural
 - Computer and related
 - Construction (site investigation work)
 - Engineering
 - Environmental services
 - Higher education services (only privately funded)
 - Integrated engineering
 - Legal advisory services non-EU law
 - Maintenance and repair of aircraft and parts thereof
 - Maintenance and repair of metal products of (non-office) machinery, of (non-transport and non-office) equipment and personal and household goods
 - Maintenance and repair of motor vehicles, motorcycles, and road transport equipment, etc.
 - Maintenance and repair of rail transport equipment
 - Maintenance and repair of vessels
 - Management consulting
 - Market research and opinion polling

- Medical and dental
- Midwives
- Nurses, physiotherapists and paramedical personnel
- Related scientific and technical consulting
- Research and development
- Services related to management consulting
- Taxation advisory
- Technical testing and analysis
- Tourist guides services
- Translation and interpretation services
- Travel agencies and tour operators
- Urban planning and landscape architecture
- Veterinary

Beyond DDA offer

- Convention services
- Financial services including payment services
- Information Communications Technology and outsourcing services
- Transport and logistics services
- Travel and tourism

Discussion of existing recognition of academic titles and LDC education institutions

8. HONG KONG, CHINA

- Urban planning and landscape architectural
- Packaging
- Printing
- Publishing
- Other lodging services
- Travel agencies and tour operator services (Mode 1)

9. ICELAND

- All sectors and modes of supply in Iceland's 2005 DDA offer, both market access and national treatment*
- Confirming areas in collective request for market access and national treatment* in
 - Air transport services listed in GATS Annex
 - Computer and related services
 - Construction and related engineering services.
 - Freight transport agency services
 - Landscape architecture
 - Placement and supply services of personnel
 - Travel agency bookings for Mode 1 and Mode 2

* Preferential treatment falling outside of GATS Art. XVI requiring authorization in the CTS pursuant to paragraph 1 of MC8 Waiver Decision

10. INDIA

Mode 4

- Contractual service suppliers and independent professionals in
 - Computer and related services
 - Engineering
 - Hotel and other lodging services
 - Integrated engineering
 - Management consulting services (ex. Legal)
 - Project management services other than construction
 - Tourist guides conversant in language other than English- exclusive quota for LDC tour guides of 250
 - Travel agency and tour operator services
- Other Mode 4 sectors
 - foreign language teachers (other than English)
 - Installers or servicers
 - Specialist chefs
 - Sports persons

(subject to requisite visa, entry regulations and other requirements such as educational requirements, duration of temp entry, etc. that will be inscribed in the notification)

New sector specific offers

- Cultural and sporting services
- Entertainment and sporting services
- Integrated engineering
- Management consulting
- Maritime auxiliary services, etc.
- Maritime transport

Offers in sectors already committed

- Computer and related services
- Engineering
- Hotels and other lodging services
- Travel agencies and tour operator services
 - Modes 1 and 2 travel and tourism from unbound to “none” binding.
- Mode 3 for all new and improved sectors proposed without any foreign equity limitations.
-

Visa related offers*

- Waive all visa fees for LDC applicants applying for Indian Business or Employment visas
 - Welcome proposals from LDCs for bilateral tourism cooperation agreements to accord approved destination status to promote Mode 2 trade of LDC tourism services
 - Welcomes proposals for audiovisual co-production agreements with LDCs on mutually agreed terms
- * Preferential treatment falling outside of GATS Art. XVI requiring CTS authorization pursuant to para. 1 of MC8 Waiver Decision

11. JAPAN

- Container station depot services (Mode 3, 4)
- Engineering (Mode 1, 3 and 4)
- Hotel and restaurant services (Mode 1, 3 and 4)
- Maritime cargo handling services (Mode 1 and 3)
- Placement and supply services of personnel (Mode 1, 3)
- Tour guide services (Mode 1)
- Urban planning and landscape architectural services (Modes 1, 3, 4)
- All economic needs tests and labor market tests not required for LDC suppliers.
- Resident permit fees for LDC contractual service suppliers, independent professionals, and intra-corporate transferees, waived
- Stamping on LDC service supplier passports that a visa was denied waived.
- Resident permit fees for LDC contractual service suppliers, independent professionals, and intra-

corporate transferees, waived *

- Stamping on LDC service supplier passports that a visa was denied waived *

* Preferential treatment falling outside of GATS Art. XVI requiring CTS authorization pursuant to para. 1 of MC8 Waiver Decision

12. KOREA

Mode 4

- alleviating market access restrictions in:
 - Rental services
 - Maritime auxiliary services
 - Entertainment services
- Contractual services suppliers in
 - Maintenance and repair of industrial equipment
 - Consulting services in IT, e-Business, Biotechnology
 - Consultancy services in accounting and auditing standards
 - Architectural services
 - Management consulting
 - Professional engineering (if certain conditions are met)
 - Leasing or rental vessels and personal or household goods
 - Maritime auxiliary services such as pushing and towing
 - Tally/measuring and survey services
 - Entertainment services provided by individuals or groups

13. LIECHTENSTEIN

- Translation and interpretation services
- Considering additional in telecom value added, financial services
- Waiving horizontal requirement of a specific government recognized professional qualifications under Mode 3 *

* Preferential treatment falling outside of GATS Art. XVI requiring CTS authorization pursuant to para. 1 of MC8 Waiver Decision

14. MEXICO

- Market access preferences in Modes 1, 2, and 3, covering
 - Accounting
 - Architecture
 - Building cleaning services
 - Conference services/Convention services (supplied at assemblies)
 - Dental services
 - Distribution services
 - Editorial and printing services
 - Engineering
 - Hotel and restaurant services
 - IT services
 - Library services
 - Medical services
 - News agency services
 - Recreation, cultural and sports entertainment
 - Rental and leasing without operators services
 - Sports services and other recreational services
 - Tourism services,
 - Translation services
 - Travel related services
 - Urban planning and landscaping services
 - Washing and cleaning services
- Mode 4 covering professional services
- Provide preferential treatment from FTAs and the plurilateral trade in services agreement (TISA)

15. NEW ZEALAND
<ul style="list-style-type: none"> • Professional services (Mode 1, 2, 3) <ul style="list-style-type: none"> ▪ consultancy related urban planning and landscape architecture ▪ veterinary services • Other business services (Mode 1, 2, 3) <ul style="list-style-type: none"> ▪ Aircraft repair and maintenance services ▪ Cargo and baggage handling services • Construction services (Mode 1, 2, 3) • Installer repairer (Mode 4) • Interior design services • Mailing list compilation and mailing services • Market research and opinion polling services • Placement and supply services of personnel • Rental services <ul style="list-style-type: none"> ▪ Renting services related to equipment for construction or demolition of building or civil engineering with operator • Repair and maintenance services <ul style="list-style-type: none"> ▪ Telephone answering services • Transport services (Mode 2, 3)
16. NORWAY
<ul style="list-style-type: none"> • Domestic maritime freight transportation <ul style="list-style-type: none"> ▪ Transport feeder services ▪ Maritime transport servicing offshore petroleum exploration and production ▪ Transport of empty containers • Domestic maritime towing and pushing services • Maritime auxiliary services including <ul style="list-style-type: none"> ▪ Cargo handling ▪ Storage and warehousing • Air transport services – including ground handling services • Cargo handling • Storage and warehouse services auxiliary to all modes of transport • New Mode 4 groups introduced for LDC suppliers <ul style="list-style-type: none"> ▪ Contractual Services Suppliers (employed by a foreign based company with at least 3 possibly up to 6 months temp entry and stay) ▪ Independent Professionals (highly skilled natural persons providing services based on a contract and not employed by a juridical person) with at least 3 possibly up to 6 months temp entry and stay) ▪ Trainees to Intra-Corporate Transferees (university degree, up to 6 months stay) ▪ Installers (not subject to residence permit)
17. SINGAPORE
<ul style="list-style-type: none"> • Preferential treatments in sectors (Mode 2, 3) <ul style="list-style-type: none"> ▪ Laundry collection services ▪ Textile and fur product cleaning services ▪ Dry cleaning services ▪ Pressing services ▪ Dyeing and coloring services
18. SWITZERLAND
<p>Preferential treatment from certain FTAs will be extended to LDCs</p>

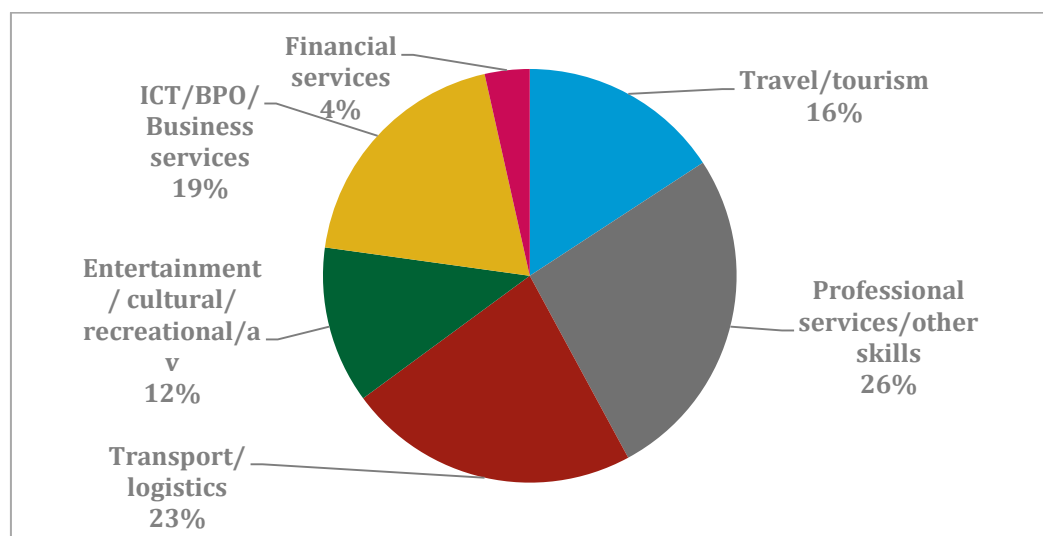
19. THAILAND
<ul style="list-style-type: none"> ▪ Camping and campsite services ▪ Entertainment services- theme parks and amusement parks ▪ Foreign language tuition services ▪ Holiday center and holiday home services ▪ Maritime agency services ▪ Maritime cargo handling
20. TURKEY
<p>Mode 4</p> <ul style="list-style-type: none"> • Inclusion of LDCs in e-visa system <p>Possible access to educational grants for LDCs</p>
21. UNITED STATES OF AMERICA
<ul style="list-style-type: none"> • Translation and interpretation services • To the extent feasible, plans to provide LDCs with the level of access to the US services market which will be provided under the outcome of the plurilateral trade in services agreement (TISA) negotiations

1.2.1. Sectors covered by preferences signalled to date

Many WTO members indicated intentions to provide preferences for LDC services and suppliers in sectors related to the collective request. These include: aircraft repair; cargo and baggage handling services; building cleaning services; conferencing and convention services; construction services; engineering services; food serving services; hotel and lodging services; information and communications technology (ICT) and outsourcing services; logistics services; mailing list compilation and mailing services; maintenance and repair services; maritime auxiliary services such as pushing and towing; midwives; nurses; physiotherapists and paramedical; personnel; packaging services; photographic services; specialist chefs; telephone answering services; theatrical and entertainment services; tour operators; tourist guides services; translation and interpretation services; transport including maritime, road, air and rail transport; travel agency booking services; services incidental to fishing; washing and cleaning services; and several other sectors (see Tables 1 and 2).

Some WTO members announced in single sectors. For example, Norway expressed intentions in transport and logistics services. Singapore announced preferences in Modes 2 and 3 for cleaning and dyeing services such as laundry collection services, textile and fur product cleaning services, dry cleaning services, pressing services, and dyeing and colouring services. The EU, India, Mexico, Brazil, and Iceland made the broadest specific sector indications.

The sectors most recurring in the announcements were in professional skills and business services; logistics/transport services; business process outsourcing (BPO)/ICT; and tourism and tourism-related services (Figure 1). Thailand expressed intentions primarily in recreational services such as camping and camp-site services, theme parks and amusement parks, holiday centre and holiday home services. Thailand also included foreign language tuition services, maritime agency services, and maritime cargo handling services requested by the LDC Group.

Figure 1. Frequency with which sectors are covered in signals announced to date

Source: Summit Alliances International Sarl.

The aggregate sectors announced also synchronize with aggregate LDC services sectors identified in trade data.¹⁷ In the figure above, professional services and other skills represents a range of services, for example - building and cleaning services, food serving services, teaching, accounting, legal/ tax consultants, nurses, midwives, medical doctors, dentists, physiotherapists, engineers, maintenance and repair services, printing and packaging services, washing, cleaning and dyeing, services incidental to hunting, and forestry and fishing, (see Table 2).

While all LDCs may find synergies with many of the sectors and sub-sectors registered at the High-Level Meeting, a sampling of specific LDCs are attributed to various sectors in the collective request and can be seen to immediately correlate intentions announced in those sectors with their existing and potential supply.

For example, ICT and outsourced business services factored strongly for Bangladesh, Haiti, Lesotho, Nepal, Rwanda, Senegal, Solomon Islands, Tanzania, Uganda, Vanuatu and Zambia. Benin, Burkina Faso, Cambodia, Central African Republic, Ethiopia, Lao PDR, Lesotho, Nepal, Rwanda, Solomon Islands, Tanzania, Vanuatu, Yemen and Zambia, were variously interested in transport and logistics services including air, road, maritime freight forwarding, warehousing, storage, and cargo and ground handling.

Cambodia, Central African Republic, Lao PDR, Lesotho, Nepal, Rwanda, Solomon Islands, Tanzania, Uganda, Vanuatu and Zambia registered specific interests in tourism related services including, for some, food services, restaurants, convention and conference services, etc. All LDCs were covered under professional services and skills and in entertainment and recreational services. However, in the collective request process, Benin, Burkina Faso, Cambodia, Central African Republic, Cote D'Ivoire, Democratic Republic of Congo, Ethiopia, Gambia, Haiti, Lesotho, and Senegal factored in entertainment, recreational and sporting services.

¹⁷ See WT/COMTD/LDC/W/59, p. 24.

Table 2. Categories of services covered in announcements at High-Level Meeting

Business services
<ul style="list-style-type: none"> ▪ Professional services <ul style="list-style-type: none"> ▪ Accounting, auditing and bookkeeping ▪ Taxation advisory ▪ Veterinary services ▪ Architectural services ▪ Urban planning and landscape architectural services ▪ Dental services ▪ Medical services ▪ Engineering services including engineering design ▪ Design services ▪ Specialist chefs ▪ Foreign language teachers ▪ Higher education services ▪ Legal advisory services non-EU law ▪ Placement and supply services of personnel ▪ Convention services • Computer and related services ▪ Construction and related engineering services <ul style="list-style-type: none"> ▪ Building completion and finishing services ▪ Other engineering services during the construction and installation phase ▪ Maintenance and repair of <ul style="list-style-type: none"> ▪ Industrial equipment ▪ Metal products of <ul style="list-style-type: none"> ▪ (non-office) machinery ▪ (non-transport and non-office) equipment ▪ personal and household goods ▪ Equipment (not including maritime vessels, aircraft or other transport equipment) ▪ Rental/leasing services without operators <ul style="list-style-type: none"> ▪ Renting services related to equipment for construction or demolition of building or civil engineering with operator ▪ Other business services <ul style="list-style-type: none"> ▪ Market research and opinion polling services ▪ Services incidental to fishing ▪ Packaging services ▪ Photographic services ▪ Printing of packaging materials ▪ Editorial services ▪ Publishing services ▪ Duplicating services ▪ Translation and interpretation services
Transport/logistics and related services
<ul style="list-style-type: none"> • Maritime transport <ul style="list-style-type: none"> ▪ Maritime agency services ▪ Maritime transport servicing offshore petroleum exploration and production • Air transport <ul style="list-style-type: none"> ▪ computer reservation services ▪ ground handling services ▪ Aircraft repair and maintenance services ▪ Rental/ leasing services without operators concerning aircraft • Road transport ▪ Auxiliary services <ul style="list-style-type: none"> ▪ Maritime auxiliary services including pushing and towing ▪ Freight transportation ▪ Freight transport agency services

<ul style="list-style-type: none"> ▪ Cargo and baggage handling services ▪ Container station and depot services ▪ Customs clearance services ▪ Storage and warehouse services auxiliary to all modes of transport • Transport feeder services • Transport of empty containers
<p>Communication services</p>
<ul style="list-style-type: none"> • Information Communications Technology (ICT) and outsourcing services • E-business • consulting services in Information technology (IT) • IT services • Telephone answering services • Mailing list compilation and mailing services
<p>Tourism related/conferencing services</p>
<ul style="list-style-type: none"> • Hotel, lodging and restaurant services (incl. catering) <ul style="list-style-type: none"> ▪ Catering services ▪ Holiday centre and holiday home services • Travel agencies and tour operators services <ul style="list-style-type: none"> ▪ Travel agency bookings for modes • Tourist guides services
<p>Recreational, cultural and sporting services</p>
<ul style="list-style-type: none"> • Entertainment services <ul style="list-style-type: none"> ▪ Actors ▪ Entertainment services provided by individuals or groups ▪ Theme parks and amusement parks • News agency services • Cultural services • Entertainment and sporting services <ul style="list-style-type: none"> ▪ Sports persons • Sports services
<p>Financial services</p>
<ul style="list-style-type: none"> ▪ Payment services ▪ Services auxiliary to insurance <ul style="list-style-type: none"> ▪ Actuarial services ▪ Broking and agency services for <ul style="list-style-type: none"> ▪ Insurance ▪ Open private pension funds ▪ Reinsurance and retrocession ▪ Financial consultancy and survey services
<p>Other services not included elsewhere</p>
<ul style="list-style-type: none"> • Washing, cleaning and dyeing services <ul style="list-style-type: none"> ▪ Laundry collection services ▪ Textile and fur product cleaning services ▪ Dry cleaning services ▪ Pressing services • Hairdressing and other beauty services

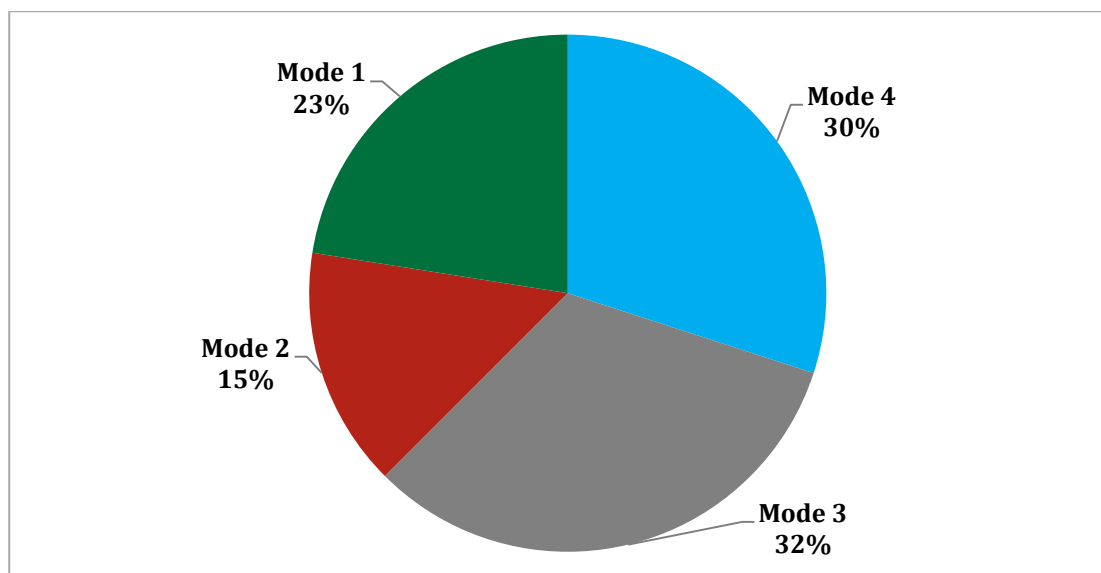
1.2.2. Modes of Supply

All modes of supply were identified in varying degree by a number of WTO members. A significant number of indications were made in Modes 3 and 4 (see Figure 2). Brazil, China, Chinese Taipei, and Japan registered the most sector intentions in Mode 3. Liechtenstein went further to announce that it would be waiving its horizontal requirement of a government recognized qualification under Mode 3 for LDC suppliers.

Members that were particularly visible in their interventions on Mode 4 were Australia, EU, Hong Kong (China), Iceland, India, Japan, Korea, New Zealand, and Norway (see Table 3). A few members announcing intentions to grant preferences have not yet indicated the modes of supply. Mode 4 categories requested by the LDC Group, such as contractual services suppliers, independent professionals and installers/servicers, were reflected in a number of indications (see Table 3).

Korea appeared to announce intentions to grant preferences to LDCs principally in Mode 4 contractual services suppliers in several sectors identified in the collective request. The EU included preferences for LDC contractual service supplier and independent professionals for a set of comprehensive sectors linked to the LDC collective request (see Table 1).

Figure 2. Percentage of WTO members signalling each mode of supply



Source: Summit Alliances International Sarl.

Some members made announcements buttressing their Mode 4 market access intentions with announcements of eliminating economic needs tests (for example Canada and Japan) and labour market tests (Japan). India was particularly impressive with announcements to eliminate visa fees for LDC Suppliers and 250 visa quotas for LDC tour guides, followed by Norway's announcement of preferences to eliminate residence permits for installers. Members announcing in Mode 1 and/or 2, were Brazil, possibly Canada, Hong Kong (China), Iceland, India, Japan, Mexico, New Zealand, Singapore and Switzerland. Some WTO members which made announcements have not yet specified modes of supply.

Table 3. Summary of Mode 4 Offers signalled at High-Level Meeting

Contractual Service Suppliers	Independent Professionals	Intra-Corporate Transferees	Business Visitors, Installers, Trainees	Other Mode 4 measures
1. AUSTRALIA (S/C/N/805)				
<ul style="list-style-type: none"> • Subject to employer’s sponsorship in the list of eligible occupations • Entry of period for stay up to 12 months with the possibility of further stay 	<ul style="list-style-type: none"> • Subject to employer’s sponsorship in the list of eligible occupations • Entry of period for stay up to 12 months with the possibility of further stay 			
2. INDIA				
<p>GATS+ Contractual Services Suppliers and Independent Professionals commitments in</p> <ul style="list-style-type: none"> • Engineering • Integrated engineering • Computer related services • management consulting services • Product management services other than for construction • Hotel and other lodging services • Travel agencies and tour operators <p>Improve Contractual Services Suppliers access for</p> <ul style="list-style-type: none"> • Foreign language teachers (other than English) • Specialist chefs • Sportspersons 			<p>New commitments for Installers and Trainees</p>	<ul style="list-style-type: none"> • Waive fees for LDC applicants for business and employment visas • A new LDC quota for 250 tour guides providing services in languages other than English.
3. NORWAY				
<p>At least 3 and possibly up to 6 months temporary entry and stay</p>	<p>At least 3 and possibly up to 6 months temporary entry and stay</p>	<p>Up to 6 months</p>	<ul style="list-style-type: none"> • Up to 3 months for installers • Up to 6 months for Trainees 	<p>Required for Contractual Services Suppliers, Independent Professionals, Intra-Corporate Transferees and Trainee</p> <ul style="list-style-type: none"> • residence permit • minimum wage • Social security <p>Not required for Installers</p>

Contractual Service Suppliers	Independent Professionals	Intra-Corporate Transferees	Business Visitors, Installers, Trainees	Other Mode 4 measures
4. EU				
<ul style="list-style-type: none"> • Double the period of stay from 3 to 6 months in a 12 month period • Introduce a broader sectoral coverage across 31 sub-sectors 		<ul style="list-style-type: none"> • Extend the period of stay up to 3 years for managers and specialists • Introduce a 1 year period of stay for grad trainees • Expand the sector coverage 	New commitments for graduate trainees	Contractual Services Suppliers and Intra-Corporate Transferees commitments to cover more than 1000 entries, of which roughly half are full commitments
5. JAPAN				
<p>GATS+ commitments in</p> <ul style="list-style-type: none"> • Engineering services • Hotel and restaurant services • Urban planning and landscape architecture services • Container station depot services <p>Economic needs tests and labour market tests not required for LDCs</p>			<ul style="list-style-type: none"> • Resident permit fees for LDC Contractual Services Suppliers, Independent Professionals and Intra-Corporate Transferees – not required <p>Stamping of passport with respect to visa denial not required for LDCs</p>	
6. BRAZIL				
<p>GATS+ commitments in</p> <ul style="list-style-type: none"> • Actuarial • Survey services 				

Contractual Service Suppliers	Independent Professionals	Intra-Corporate Transferees	Business Visitors, Installers, Trainees	Other Mode 4 measures
7. CHINA				
			Services investors and sales persons will be able to enter and stay up to 6 months (applicable horizontally to all 100 services sectors and subsectors listed in China's GATS schedule	
8. KOREA				
Remove additional domestic approval processes for Contractual Services Supplier in <ul style="list-style-type: none"> • Industrial repair services • ICT • Biotech services • Audit and accountancy • Architecture • Engineering services 	GATS+ commitments for: <ul style="list-style-type: none"> • Rental and leasing services • Maritime transport auxiliary services • Entertainment services 			
9. CHINESE TAIPEI				
GATS+ commitments in <ul style="list-style-type: none"> • Audio-visual services 				
10. ICELAND				
GATS+ commitments matching revised DDA offer as well as Iceland's best FTAs				

Contractual Service Suppliers	Independent Professionals	Intra-Corporate Transferees	Business Visitors, Installers, Trainees	Other Mode 4 measures
11. THAILAND				
GATS+ commitments in <ul style="list-style-type: none"> • Camping and camping site services • Theme park and amusement park services • Foreign language services • Holiday centre services • Maritime agency • Maritime cargo handling services 				
12. CANADA (S/C/N/792)				
Please see Canada's written submission in WTO document S/C/N/792				
13. TURKEY				
				Online visa application via e-visa system

1.2.3. Measures beyond GATS Article XVI

Beyond Article XVI market access preferences, a few WTO members announced national treatment preferences as well (for example EU, Iceland, Norway). The US stated that it would provide the LDCs preferences in its DDA offer for translation and interpretation services, effective immediately. While the U.S. did not highlight any other details, it should be noted that the US DDA offer is full Modes 1-3 market access bindings and full Modes 1-4 national treatment bindings.

It is possible that notifications of other WTO members may include national treatment preferences as well. As mentioned earlier, national treatment preferences will require authorization by the CTS. Likely, announcements concerning simplification or reduction of administrative procedures for LDC suppliers, elimination of fees for visas, work and resident permits may require authorization as well.

At the High-Level Meeting and the 18 March Council for Trade in Services meeting, no other member raised MFN concerns about these intended preferences beyond Article XVI. Presumably, no WTO member would block consensus in the CTS when the notifications are made and authorization is sought.

1.3. Signals of capacity building

While all infrastructure and assistance in services sectors are critical on the supply side, the LDC collective request, in paragraph 3.2, asked for assistance to orient and assist LDC suppliers with the preferences announced. This may take the form of special programmes to train LDC suppliers in the sectors to informational campaigns to clearly rollout and explain preferences through enquiry points and websites.

Approximately 10 WTO members addressed technical assistance and capacity building in remarks at the High-Level Meeting. However, most of the technical assistance offers referred to existing programmes and broader initiatives such as aid for trade, with the exception of Australia. Australia announced two new development activities in the Indo-Pacific region (totalling AUD\$2.5m) to assist LDCs identify services potential and maximize services trade capacity, as well as to help build understanding of how services can contribute to economic growth, particularly in relation to the use of the LDC waiver. India and China also signaled new capacity building initiatives related to their announced preferences.

In their offers, 17 countries addressed the importance of capacity building to the effective optimization of the LDC Services Waiver, 11 of which outlined activities and programmes that have already been implemented, or have been committed to.

Training and education was the most common form of technical assistance offered, with six countries indicating they would provide courses for, or at least extend preference in existing courses to LDC applicants: Australia, China, India, Japan, Singapore and Turkey.

Four members recommitted to working through existing multilateral channels to build supply-side capacity, including through international organizations: Australia, Norway, EU and Iceland. The other main areas of technical assistance that were addressed include: the construction of services trade-related infrastructure (China and Turkey); the provision of finance to LDCs and their services suppliers (United States, Switzerland and Turkey); and the establishment of trade in services intelligence networks (India and EU) (see Table 4.).

Table 4. Technical Assistance and Capability Building initiatives signalled

1. AUSTRALIA
<ul style="list-style-type: none"> • Announced two new development activities in the Indo-Pacific region (totalling A\$2.5m) <ul style="list-style-type: none"> ▪ Will partner with the ICTSD to assist LDCs identify services potential and maximise services trade capacity, including through increasing LDCs capabilities to secure outcomes in services trade negotiations ▪ Will partner with the Institute for International Trade (Adelaide University) to build understanding of how services can contribute to economic growth, particularly in relation to the use of the LDC waiver • These new activities are in addition to existing commitments <ul style="list-style-type: none"> ▪ The New Colombo Plan through which the Australian government provides scholarship and grants to Australian undergraduates to study in the Indo-Pacific region ▪ The Australia Awards Program which provides opportunities for people from developing countries to undertake study, research and professional development in Australia
2. INDIA
<ul style="list-style-type: none"> • Proposes to earmark at least 25% of existing technical assistance provided by the Ministry of External Affairs exclusively for LDCs • Will also design new schemes and programmes aimed at providing technical assistance to LDC services suppliers in certain sectors. Additionally, will consider requests from LDCs for any programmes targeting specific sectors • Will give top priority to providing preferential treatment to LDC services suppliers in: <ul style="list-style-type: none"> ▪ Training programmes in financial services, including maintaining 50% of the Reserve Bank of India's training programmes for LDC applicants without fee ▪ Consultancy courses, including specially designed courses for around 1000 LDC professionals each year in areas such as management consulting, technical consulting and project management ▪ Central Institutes of Hotel Management at concessional rates ▪ Training in areas such as insurance services, promotion of the Micro Small Medium Enterprises, agriculture and rural development, development of railway infrastructure, and professional services • LDCs provided with free space at the Global Exhibition on Services (GES), held in New Delhi in April 2015. Further, one LDC country will be named as the partner country at the GES each year, as well as for the India International Trade Fair
3. USA
<p>Draws attention to United States Agency for International Development's (USAID) Development Credit Authority that uses partial credit guarantees to mobilize local financing in developing countries, but did not announce anything new</p>

4. NORWAY
Asserts the importance of trade-related assistance, and continues its commitment to channelling its aid for trade through multilateral institutions, and to working with them to best support LDCs
5. SWITZERLAND
Claims Switzerland is actively involved in specific development cooperation activities in support of services industries in LDCs as well as foreign direct investment
6. EUROPEAN UNION (EU)
<ul style="list-style-type: none"> • Wishes to make optimal use of existing aid for trade channels including international organizations • Notes that EU member states provided approximately 60% of global trade-related assistance in 2012. Financing of capacity building takes place in the context of aid programming, in which beneficiary countries identify their own needs • EU members are engaged in initiatives such as strengthening services business in general, creation of SME networks, support for specific sectors and improving cooperation between institutions (e.g. universities)
7. JAPAN
<ul style="list-style-type: none"> • Capacity building is the most important activity • Will continue to provide a wide variety of assistance through numerous projects in tourism, financial services, transportation, education and Information Communication Technology • Japan invited 3700 services suppliers from LDCs and conducted training courses in Japan, while dispatching 3600 to LDCs to spread technologies
8. CHINA
<ul style="list-style-type: none"> • Over the last 5 years, China has assisted LDCs in constructing 59 infrastructure projects (including road, railway, port, telecom, broadcasting and television networks), and 127 services facilities (including hospitals, schools, stadiums and theatres) • In the same period, China has trained 100,000 persons from LDCs in medical services, tourism and Information Communications and Technology • China will provide targeted assistance as requested by LDCs through bilateral consultations within the framework of South-South cooperation <ul style="list-style-type: none"> ▪ China will invite 1200 people from LDCs to visit China in 2015 and join training or post-graduate programmes on medical services, tourism services, software and information technology services. ▪ China will continue to assist the construction of infrastructure essential to LDC tourism. ▪ China will continue to assist the construction of services facilities in LDCs
9. ICELAND
<ul style="list-style-type: none"> • Committed to supporting development objectives of the LDCs in the context of the DDA • Trade related development assistance already makes up 28% of Iceland's Official Development Activities, mainly in the sectors of fisheries and renewable energy • Priority is given to Sub-Saharan Africa and LDCs, with funds channelled through multilateral organizations and bilateral partners
10. PHILIPPINES (on behalf of ASEAN)
Fully supports enhancing LDC competitiveness, and acknowledges that meaningful integration requires technical assistance, but does not commit anything to capacity building

11. SINGAPORE

- Notes that Singapore benefited from technical assistance, and plans to pay it forward
- Draws attention to the Singapore Cooperation Programme, which provides technical assistance to developing countries, with 40,000 LDC participants over a time frame of about 50 years
- A significant proportion of this assistance has been provided to Singapore's regional neighbours, and its fellow island states, with 8,000 officials from other islands being provided with training in areas such as public administration, sustainable development and aviation

12. TURKEY

- Reaffirms Turkey's commitment to LDC development bilaterally and internationally, drawing attention to the Turkish Development and Cooperation Agency's participation in LDCs
- Provides technical assistance for development of institutional capacity and human resources in LDCs through providing training and advisory services in the fields where Turkey has a comparative advantage
- Actively engaged in financing infrastructure projects such as irrigation, sanitation, and transportation projects, as well as the construction or renovation of schools, hospitals, architectural objects of cultural heritage etc.
- Turkey, in 2013, was number 3 in the world in terms of total international humanitarian aid, and number 1 in terms of international humanitarian aid per capita
- Wishes to better streamline supply side capacity building for LDCs

1.4. What's next?**1.4.1. Pursuing preferences and reporting on implementation**

LDC delegations have been conducting bilateral discussions with all of the WTO members that expressed intentions at the High-Level Meeting to seek clarifications before notifications are made and wherever possible to seek enhancements to the signalled proposals.

LDC delegations and capital based officials will now be closely monitoring the notifications members endeavor to submit to the WTO by July 2015. Notifications will need to be reviewed against the announcements made and indications signalled at the High-Level Meeting. LDCs need to determine to what extent the notifications match the expectations arising from the announcements at the High-Level Meeting and to what extent additional preferences or more complete preferences are notified. (Australia's formal notification, for example, went further than the announcement made at the High-Level Meeting.)

Inevitably a new assessment of the overall results will need to be made when the notifications process is complete. It might be useful to identify elements of the collective request which might remain without responses, especially those where certain restrictions or measures continue to create barriers for LDC suppliers. It may be that any residual gaps between the overall results and the joint aspirations set out in the collective request could be revisited in the context of the post Bali negotiations. One possibility might be via integration of aspects of the collective request into a market access request under the DDA.

While the collective request and High-Level Meeting elements of the Bali Ministerial decision are completed, a critical mass of formal notifications is needed before a more complete assessment can be generated based on formal notifications. It will be important that the notifications are clear and precise enough for LDC services suppliers to understand the nature and the details of the preferences.

With the clock already running on expiry of the LDC services waiver, full and rapid implementation of preferences notified will remain a high priority for the LDCs. This will necessitate establishment of regular and transparent domestic and collective reporting processes, so that LDC services firms and their potential international clients know exactly where they stand.

How ITC can help:

ITC's Trade in Services blog and its fortnightly Global Services Network e-newsletter can regularly gather and feature market-oriented developments on waiver implementation in preference-granting countries.

1.4.2. Informing stakeholders

The simple reality is that domestic stakeholders, public and private, need to be fully informed about the waiver if they are to be able to identify any new specific commercial opportunities. Domestic business constituencies and other trade support institutions need to be briefed on and aware of the potential commercial benefits available. Trade and investment promotion organizations in the LDCs will need to know how to connect effectively with counterpart organizations in preference-giving countries to realise the new services opportunities.

LDCs and supporting institutions should quickly inform their Ministries related to services trade policy making of the results of the High-Level Meeting, in particular the intentions of members in terms of sectors and modes of supply as well as any additional barriers that were announced for removal in favour of LDC services suppliers.

Industry organizations should also receive information either through meetings or through a dedicated website at LDC Trade Ministries and trade promotion organizations about the sectors that stand to benefit from the preferences announced.

Preference-granting countries could also provide information to their business communities and to the general public to help increase the awareness of potential and existing clients that the preferences are available. It might be difficult for preference-granting countries to implement preferences if clients are not taking advantage of them. Preference-granting countries should consider initiatives to ensure that their consumers are aware that the preferences are available in order to enhance easier access to services from LDC suppliers with necessary qualifications. This might go a long way to facilitating de facto as well as de jure implementation of preferences granted.

How ITC can help:

Making the Most of the LDC Services Waiver will be available on-line in a format readily useable by LDC governments for creating up-to-date website content relevant to the waiver

1.4.3. Measuring and evaluating trade results

Establishing a mechanism for evaluating the impact of preferences will be helpful in ensuring that preferences actually translate into meaningful new commercial opportunities for SME services providers from LDCs.

The actual trade outcomes from the waiver need to be recorded, monitored and reported, both nationally for each LDC and collectively for the LDCs as a group. Given the relative paucity of trade in services data especially but not only for the LDCs, efforts need to be made now to ensure a waiver-relevant, business-

friendly data base is compiled and maintained over a future time series corresponding as a minimum to the current expiry date of the waiver.

This data base needs to have both national level components for each LDC and a collective overall LDC data base. It needs to be composed of both statistical data and collections of qualitative sub-sectoral and industry level data, as well as firm-level case studies.

How ITC can help:

*ITC commenced this vital statistical work with its publication in 2013, **LDC Services Exports: Trends and Success Stories** and has launched its LDC Services Snapshot Series, designed to provide a base line of initial trade in services data for each LDC. The Services Snapshots have been developed on the basis of the most up-to-date statistical material available in mid-2015, as the first preferences are being notified.*

1.4.4. Building the supply side

LDCs asked for assistance from preference-providing members to orient LDC suppliers on how to use the preferences announced. This may take the form of special programmes to train LDC suppliers in the sectors and informational campaigns to clearly rollout and explain preferences through enquiry points and websites. Obviously LDC suppliers, as well as consumers in preference-providing countries, will need more precise information than is likely to be contained in the formal notifications themselves, on how to navigate the preferences.

LDCs need in addition to examine carefully the announcements made at the High-Level Meeting to provide additional technical assistance and capacity building to support LDC services and services suppliers more generally. LDC governments could initiate a process of mapping out ways to take maximum advantage of this new support coming on stream, including seeking meetings with the WTO members that made the announcements in order to clarify what is available and how to build on it.

Critical to this will be an ongoing information-gathering process as the LDCs need to continue to deepen their information base on the sectors pursued in their collective request, taking into account new developments in the business eco-systems involved including new sub-sectors and policy measures impacting LDC suppliers. Case studies will need to continue to be undertaken in all individual LDC countries in a manner that will provide information readily available to LDCs and preference-granting countries for these purposes.

To take advantage of preferences-granted generating from the High-Level Meeting or preferences that might continue to emerge from paragraph 1.3 of the Bali decision or otherwise,¹⁸ LDCs and LDC suppliers will need assistance on both the supply-side and in policy-making to ensure the business environment is enabling with respect to services sectors and modes of supply that meet synergies with the characteristics of their exports.

The net needs to be cast wide. This is because as a group, the LDCs export a highly diversified set of services, recording exports in all ten categories of services commonly recorded in the Balance of Payments. LDCs typically run a deficit in the services account, but as a group they tend to record a surplus specifically in travel services, reflecting the importance of international tourism in their economies. Nearly one quarter of LDCs are net exporters of services. While tourism is usually the major explanatory factor, it is not the only one. All of the net services exporters have a diversified set of services exports. Some LDCs

¹⁸ WT/L/918. "Members, in their individual capacities, are encouraged at any time to extend preferences to LDCs' services and service suppliers, consistent with the waiver Decision, which have commercial value and promote economic benefits to LDCs. These preferences may accord, inter alia, improved market access, including through the elimination of economic needs tests and other quantitative limitations. In doing so a Member may accord preferences similar to those arising from preferential WT/MIN(13)/43 • WT/L/918 - 2 - trade agreements to which it is a party noting that preferential treatment, with respect to the application of measures other than those described in Article XVI of GATS, may be granted subject to approval by the Council for Trade in Services under paragraph 1 of the waiver Decision."

are engaged in exporting Other Business Services, one of the fastest growing sectors of world trade today, which includes professional, technical and IT-enabled B2B outsourcing services. The services sector, moreover, is dynamic and new services are emerging very rapidly, along with new enabling technologies.

How ITC can help:

ITC has expertise in the design of capacity building programmes for services competitiveness; oriented at the national level towards policy and regulatory best practice and oriented at services SME level on innovation for value-added export.

Chapter 2 Roadmap to connect SME services suppliers to value chains

The LDC share in world services exports is still only 0.5%. Better integration into the global services economy requires action not only on the demand side, in the form of market preferences, but also domestic action on the supply side.

ITC has designed a Services Programme specifically geared to assisting LDCs with supply side interventions to improve SME competitiveness. Via interventions at multiple levels and entry-points, ITC's Services Programme provides LDCs, with a minimum of competencies (knowledge, skills, materials and tools) to improve the competitiveness of their services sector and diversify their exports into services.

Box 1. ITC's Services Programme: a robust theory of change

The process of change starts with public awareness-raising with respect to the nature and importance of the services economy in all its aspects: the drivers of services competitiveness at national, industry and SME level and the challenges of internationalisation faced specifically by services SMEs. Beyond the initial "wake up call," the thrust of ITC interventions involves continued engaged short-term and ongoing "learning by doing" on the part of targeted beneficiaries, directed towards individual and joint decision-making and concerted action to generate increased services SME exports and deliver sustained prospects for further growth.

ITC aims to see services SMEs innovating and winning new export business, clustering effectively into coalitions and giving ongoing voice to SME exporter concerns. ITC works to establish interagency coordination mechanisms and services stakeholder consultation processes such as public/private dialogues and to help them function effectively. ITC envisages development and implementation of a national services development strategy, of industry competitiveness roadmaps and associated action agendas. ITC helps policy and regulatory agencies adopt better practices so the business environment for services competitiveness can experience sustained improvements.

First and foremost, it is essential to build a higher degree of awareness, at business and at government level, of the factors that impact local competitiveness and how to influence them. There is a need to improve understanding of both the fundamental dissimilarities, and interrelationships, between goods and services trade, as well as the specific needs of services SMEs to perform better in international markets.

To that end, ITC brings a strong focus on the collection, analysis and presentation of services trade statistics, data on market trends and best practices in services stakeholder advocacy, with the aim of reorienting services SMEs for increased services exports.

LDC services SMEs also need help to innovate to improve international competitiveness and win international business. ITC capacity building activities are designed to provide a timely kick-start for selected clusters of export ready services SMEs, responding to emerging market growth including opportunities to upgrade the local value-added in global and regional value chains and boost their export performance

LDC public and private trade support providers need help to extend and improve their support for services SMEs, including advocacy for a pro-competitive business environment for services. ITC capacity building and technical assistance activities help services SMEs:

- cluster into coalitions of services industries (CSIs), equip them with appropriate toolkits and redouble the capacity of other public and private trade support providers;
- understand and lever the drivers of services competitiveness, advocate and foster an enabling business environment for services, engage in effective public/private dialogue, benchmark good practices and promote services exports in all modes of delivery.

LDC policy makers and regulators need help to introduce pro-competitive changes to the business environment for services. ITC capacity building, technical assistance and advisory services focus on achieving stronger interagency coordination and services stakeholder consultation to identify and implement best practice policy and regulatory settings for improved services industry competitiveness.

The LDC business community needs assistance to identify services business opportunities and build linkages in destination markets. ITC activities focus on the role of global value chains (GVCs) and lead firms in providing:

- forward linkages to market, foreign client networking, introductions, recommendations and market intelligence;
- export financing, investment, incubation and technology transfer;
- visa facilitation; joint CSI best practice sharing and advocacy with both domestic and foreign governments including on policy and regulatory matters;
- assistance with standards compliance, conformity assessment, intellectual property protection;
- access to corporate training in services functionality, especially online.

It can also be important to bring private sector actors in LDC target markets into active policy consultation and advocacy with respect to finding new ways of reducing trade transaction costs involved in linkages with developing country services SMEs.

Against that background, ITC proposes below 10 immediate steps which LDCs can take, as part of their efforts to build services capacity, both independently and in partnership with technical assistance providers. In describing these steps, examples are drawn from recent ITC experience and ongoing interventions chiefly in Asia Pacific.

Action 1: Obtain, analyse and distribute services trade data

LDC governments need to take an early lead role in disseminating high quality, user-friendly statistics on services trade and waiver-related market intelligence, particularly in the sectors where a preference is signalled. There is an urgent need to analyse existing trade flows at a disaggregated sub-sectoral level, so as to identify potential growth prospects arising under the waiver in specific bilateral markets.

Trade intelligence is critical also for value addition at services SME level, where capacity building interventions are ultimately targeted.

Box 2. The importance of trade services information

According to a Business Perception Survey from September 2012 run by the University of Southern California Marshall School Of Business for the Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC), lack of services trade data is a trade impediment for 57% of the services businesses surveyed across the Asia-Pacific region.

ITC can help by providing factsheets on the LDC services waiver, which can be used on LDC government websites to explain initial opportunities expected to arise under the services waiver. ITC can also help with the provision, analysis and distribution of accurate and business relevant services trade data.

For the 4th Global Aid for Trade Review, ITC researched and published a well-received volume of services trade data for the LDCs along with a set of SME services exporter case studies for six LDCs. For the 5th Global Aid for Trade Review, ITC has produced a series of Services Snapshots for the LDCs. These provide summary descriptions of each LDC's export performance in services, providing base line data at commencement of operationalization of the LDC services waiver.

ITC released the first sets of LDC Services Snapshots between February and June 2015 in order to help inform the series of six LDC Geneva Practitioners Seminars on the GATS run by ITC with support from the Australian Mission to the WTO. These statistical snapshots serve as vital tools to monitor services sector development and services export trends in each LDC. They also enable services negotiators and policymakers to better identify niche services export potential.

ITC's LDC Services Snapshots provide a concise overview of the services trade performance of each LDC. Quantitative evidence presented in the Services Snapshot series is collated through ITC Trade Map: a user friendly and intuitive market analysis tool that provides reliable, accurate and up-to-date services trade data.

The Snapshots serve not only as an indispensable public information tool but also as a benchmarking tool for measuring the impact of the LDC services waiver on actual LDC services exports. ITC Services Snapshots can be downloaded at: <http://www.intracen.org/itc/sectors/services/>

ITC has also developed a trade intelligence distribution channel through a virtual network, including in the LDCs, seeking to connect services stakeholders on a global basis, through the ITC global services network (GSN). This network receives fortnightly trade intelligence on services trade and investment issues and has a reach of well over 1000 stakeholders. Existence of the network enables meetings, at different geographic locations, of GSN participants. One such meeting has been held in Geneva and other meetings are foreseen in other parts of the world, including for example in the Philippines in September 2015.

Action 2: Host national and regional awareness-raising workshops

Many countries find it useful to hold regular workshops at a national level to raise awareness among services stakeholders of the importance of pursuing opportunities in services trade.

In June 2014, for example, as part of preparations for the Philippines' chairmanship of APEC in 2015, the Philippine Department of Foreign Affairs and the Philippine Institute for Development Studies co-organized a "National Workshop on Services: Advancing Philippine Services Sectors in the Asia-Pacific Region and the 21st Century Global Economy" in Manila.

This National Workshop on Services brought together local and international experts from multilateral institutions, think-tanks, and national agencies, as well as academics, industry practitioners, and other stakeholders, to discuss the latest international developments and opportunities in services trade and how the Philippines can maximize the potential of its services sectors in the global economy. Ultimately, the output of the Workshop served as a valuable input to ongoing and future efforts towards a domestic policy reform framework and a comprehensive strategy on services. A detailed report is available at <http://www.pids.gov.ph/index3.php?pr=241>.

Such processes are especially necessary now, given the new opportunities arising under the LDC services waiver. Foreign business representatives, especially from national Coalitions of Services Industries in preference-giving countries, and trade promotion organizations from preference-giving countries should be invited to such events to outline new opportunities and how to take advantage of them.

ITC has specific experience in organizing or contributing to national and regional workshops of this nature that provide information and training to help countries benefit from services trade. In December 2015, ITC will work for example with the Rwanda Development Board to take this process beyond the immediate national agenda, staging a Services Forum which also includes a regional development dimension.

Regional workshops contribute also to the economic integration agenda and south-south trade in services.

To cite one recent example, in June 2015, the ASEAN Secretariat, Asian Development Bank Institute, and the World Bank jointly hosted a Conference on Regional Integration in Services in ASEAN member states, in Jakarta. The Conference enabled a substantive discussion on services trade and integration issues among policy makers, officials and regulators, as well as other relevant stakeholders in the region so that there can be a shared understanding of the challenges ahead as well as potential solutions as ASEAN aims for the free flow of trade in services under the ASEAN Economic Community Blueprint.

In the wider APEC region, regional workshops have been under way on a services sub-sectoral basis, over the last 18 months, specifically to facilitate increased knowledge-sharing with respect to regulatory regimes in the services sectors. Hosted by the Australian Department of Foreign Affairs and Trade, recent workshops have taken place on Good Policy and Regulatory Practices for Facilitating Trade and Investment in Financial Services, in Telecommunications and in Mining and Energy Services. These workshops are contributing to development of good practice principles to assist development of more enabling business environments for services.

Action 3: Get the government organized; establish interagency services coordinating mechanisms

Many different government ministries and regulatory agencies have a role to play in services sector regulation. The Trade Ministry is often the least well informed about the regulatory environment in any specific services sub-sector. Determining whole-of-government strategies with respect to the services sector tends to require that these many government agencies come together under one coordinating umbrella to share experiences and to allocate responsibilities effectively.

It is vital that LDC governments take the step of establishing effective interagency coordination mechanisms if they are to incorporate into national level development planning the potential benefits from the LDC services waiver mechanism.

It is worth citing a specific practical example, in Indonesia, where increased interagency coordination has resulted in a higher level of sustained policy focus on trade in services.

Indonesia's overall GDP growth is highly dependent on the services sector. Services is the largest segment of the Indonesian economy, accounting for 57% of GDP. It is the largest job creator with 21.7 million jobs in the services sector added over 2000-2012. It is also recognised as the largest contributor to poverty reduction in both rural and urban areas. In 1984-2008, 80% of poverty reduction in rural areas and 86% of poverty reduction in cities has been directly attributed to growth in the services sector.

Despite this background, Indonesia, like many other developing countries, has not traditionally addressed, in a comprehensive manner, the role of services in its institutional and economic governance frameworks.

To rectify this, the Indonesian Ministry of Trade has now created a specific unit in charge of trade in services and set out a National Economic Governance Framework. This methodological framework has enabled a more holistic, cross-agency approach to services and prioritization of Indonesia's services sub-sectors based on six specified criteria. These criteria are the contribution of the sub-sector to: growth and employment; efficiency; spill-overs to other sectors including the growth targets of priority manufacturing and agro-processing sectors; total exports; and Indonesia's overall global competitiveness.

As a result of this deep cross-agency research and multi-stakeholder consultation and input, services have been mainstreamed in Indonesia's National Long-Term Development Plan 2015-2019 (RPJMN III). As Indonesia moves towards implementation of RPJMN III, a major priority area remains increased coordination with the relevant agencies through the development and implementation of a roadmap for services.¹⁹

¹⁹ Indonesia's National Long-Term Development Plan discussed in Anggraini, (2015).

Action 4: Get the private sector organized; build a coalition of services industries

World Bank evidence suggests that grouping local business champions together into various different kinds of services business support platforms including whole-of-services coalitions of services industries (CSIs) can help to improve competitiveness and influence change, not only in business networks but also at policy and regulatory level. Such platforms at whole-of-services level, and the close dedicated consultation mechanisms associated with their existence, are important in the drive to ensure an efficient domestic regulatory environment for services sector competitiveness.

ITC is actively engaged in helping developing countries' services SMEs to cluster into CSIs and offers a variety of public tools and training modules. These include two recent publications: 'Creating Coalitions of Services Industries' published in December 2014 and 'Sustaining Coalitions of Services Industries', July 2015. The focus of ITC's initiative in promoting CSIs is to guide LDCs in undertaking public/private dialogue and in striking the delicate balance required between social-economic and development objectives and the private sectors' desire to keep regulatory compliance costs at a minimum.

It is worth citing some practical recent examples of success in this area, although no one business model fits all.

In Columbia, for example, services industries account for two thirds of Colombia's GDP and are now generating more new jobs than any other sector, and significantly more than manufacturing. The National Business Association of Colombia (ANDI) has responded to the challenge of specifically representing services firms, in constituting a CSI under the ANDI umbrella in 2015 and has become the newest core member of the Global Services Coalition.

In Indonesia, the services coalition has a deliberate tripartite membership, The Indonesian Services Dialogue (ISD), which began its formal activities in 2010, was born out of the domestic challenge of how to develop a broad coalition for change among domestic stakeholders to bring about stronger growth and greater efficiency in services in Indonesia. Peak business groups, the government and leading academics, understood that without a more strategic focus on services, Indonesia's competitiveness and growth would be constrained and opportunities from trade and investment in services could not be achieved. In Indonesia's case, existing sub-sectoral services associations lacked confidence and were reluctant to change.

The ISD therefore explicitly brings together a wider set of stakeholders than some traditional CSIs. These include services providers and services users from business (including manufacturers), government policy makers and regulators, and academic researchers to support evidence-based discussions. In this sense, ISD is not only an advocacy group for the services sector but aims to be representative of the broader national business interest in services.²⁰

In 2014, ITC participated in the relaunch, in a new format, of the Philippines Services Coalition (PSC), with stronger private sector input. An early priority is the widespread perceived need to craft, in a public/private context, a national services development strategy to help sustain momentum in the fast internationalizing, job generating services sector. The PSC also brings together stakeholders from the government, private sector and academia and the new secretariat is based with the Philippines National Competitiveness Council.

A summary of key benefits of CSI formation is presented on the next page, (Table 5.)

²⁰ More information on Indonesian Services Dialogue, available from <http://isd-indonesia.org/>

Table 5. Benefits of CSI Formation

Potential impact of establishing a coalition of service industries on various stakeholders		
Stakeholder	Potential Impact	Impact Channel
Government	A more 'pro-services' government culture	Proactive advocacy to raise the profile of the national services sector, encouraging investment to enhance competitiveness, foreign exchange and contribution to growth / development
	Improved knowledge and Responsiveness	Collection of information and views from the private sector (e.g. data) and dissemination to the private sector
	Better and more legitimized services policies	Acting as an efficient interlocutor who can serve as a credible voice for the sector and help officials dialogue better with its members for mutual benefit (e.g. economic reforms, Free Trade Agreements)
Trade Negotiators	More informed negotiating Positions	Acting as a focal point and platform via which information on private sector positions and developmental needs on trade negotiations are readily obtainable
	Improved trust	Facilitating transparent consultation that leads to private sector views properly reflected in national positions
	Improved implementation	Assist in the simplification of technical trade information to ensure a better understanding at private sector level
Industry Associations	Increased advocacy power	Overarching ability to advocate on behalf of services associations with government or at an international level
	Better quality member services associations	Assistance to help establish new associations and strengthen existing ones with administrative and developmental support and by promoting high standards and best practice
	Promoting export-oriented Services	Encouraging and training services associations to provide export-focused services to their own members
	More coordinated services Strategies	Facilitating progress in areas where coordination is needed amongst different national sector associations
	Networking	Increased contact between national coalition members, and facilitation of international contacts (e.g. on regional level)
Services Providers	Better awareness and representation on policy issues	Accessible, non-technical information (e.g. web platforms) on trade in services issues that can impact, either positively or negatively, on overall private sector competitiveness
	Access to improved information on opportunities	Provision of market information and export promotion activities; national and international networking opportunities and help in forming strategic alliances
	Capacity-building activities	Training and support to enhance the competitiveness of the private sector
	Reputational benefits	Through association with a coalition, or initiatives such as awards programmes
Public	Improved awareness	Raising the profile of the services sector and related policy issues to build support and ensure that the value and contribution of the sector is well understood

Source: ILEAP: Harnessing Services Trade for Development: a background and guide on service coalitions in Africa and the Caribbean

Action 5: Get everyone together; public-private dialogue on services

Public-private dialogue (PPD) between government and private sector stakeholders is essential in developing a systematic approach to services sector development. Private sector representatives, NGOs and academic and think tank representatives all have a vital role to play in helping governments identify appropriate ways of improving domestic efficiency and competitiveness to enable local industry to benefit from new services market access opportunities.

ITC's approach to PPD is oriented to improving the business environment for services exports, including enhancing transparency and efficiency at the regulatory level. Key outcomes from public/private stakeholder dialogue processes include whole-of-government engagement in production of industry competitiveness roadmaps for all services subsectors and a process by which to prepare a national level services export strategy.

ITC has substantial experience in bringing together stakeholders from the private and public sectors. In recent years ITC has contributed to a series of PPDs on Services in the APEC region.

The 2015 series of PPDs on Services is especially important as it takes place regularly on a quarterly basis and at senior official level. It also includes private sector stakeholders from beyond the services industries, to also take account of the need for services value addition in agriculture and manufacturing.

These dialogues are enabling an intensified discussion on how to increase the competitiveness of services across the Asia-Pacific region and are deepening APEC public and private sector understanding of the challenges faced by services providers in the region. They have also been fruitful in facilitating stakeholder consultation on a proposed new APEC Services Cooperation Framework.

Under Philippines' chairmanship, the 2015 series of dialogues is specifically examining developments, challenges, and opportunities for all of the services sectors; identifying new strategies for building the full potential of the services sector; generating policy options for removing barriers to services trade; developing an innovative approach in pursuing the services agenda of APEC and fostering collaboration and best practice exchanges to promote services growth.

The 2015 PPD series will culminate in the Regional Conference of Services Coalitions and Service Industries in the margins of the September meeting of APEC Ministers responsible for Structural Reform.

Action 6: Facilitate training for export-ready SME services suppliers

ITC has designed a series of training modules focused on various key aspects of aid for trade in services for LDCs.

ITC provides services SME training courses focusing on human resources, client relationship building, reputation and client relationship building, on-line functionality, access to finance, standards conformance, marketing, branding, export marketing, transfer and adaptation of technology, intellectual property protection, innovation coaching, investment partnerships and entry into international services value chains.

ITC training also covers value chain analysis. This helps potential exporters understand the factors that add to and detract from competitiveness in their sector, determine local shortcomings, and make concerted efforts to improve performance. Firm-level upgrading is never easy, but it can involve a variety of both business offering and business process transformation. Training outcomes include both firm-specific activities and concerted industry-wide development of competitiveness upgrading action agendas for public/private implementation with the objective of building LDC services centres of excellence in specific services sub-sectors.

ITC also supports research and preparation of papers by services champions, both individuals and organizations, including market opportunity studies. ITC organises SME participation in national, regional and global services study tours, services trade fairs, commercial missions, networking events, B2B matchmaking and alliance building for access to finance including from FDI and with incubators.

Advisory services are also made available on development of marketing plans, business communications and appropriate options for global certification. Services SMES are expected to become able to innovate to attract new export business and win new contracts, and identify what more needs to be done to improve competitiveness.

Through memorandums of understanding (MOUs) with external private sector groups, ITC can also facilitate international business support for developing country SMEs including sharing of e-learning tools developed in destination markets and participation in private sector services innovation and technology transfer fora. ITC is currently finalizing an e-learning course on Trade in Services to be offered through the SME academy for services firms and other services stakeholders needing to know more.

To give a practical example, in the framework of the “NTF III Myanmar Inclusive Tourism project,” sponsored by the Centre for the Promotion of Imports from developing countries (CBI), ITC is creating export marketing capacities among selected tour operators by organizing and delivering Export Promotion (EXPRO) training. EXPRO is a unique hands-on training including sessions on: consumer trends and behaviour; destination and product analysis; product-market matching; European and Asian markets; and marketing and branding.

This training enables tour operators to diversify their offer, meet the requirements of international buyers and generate more quality business on the global market.

EXPRO training kicked off a two year coaching programme with selected coaches from national tourism associations and individual tour operators. The coaches will further assist companies in developing a fully-fledged export marketing strategy. Building capacities of local coaches assures sustainability of knowledge transfer and facilitates the creation of linkages between local SMEs.

Action 7: Conduct local and overseas services trade promotion activities

Given the intangibility of services and the variety of modes of delivery of services, services SMEs face specific problems and needs which differ from SMEs in the goods sectors and justify distinct export promotion attention. LDC governments need assistance understanding this if they are to help local services SMEs internationalize effectively to attract global clients.

Services SMEs need to promote not so much any one services offering, but rather their capacity to create new services offerings for new international clients. Building linkages to services markets requires long term international relationships and a culture of customer focus. Services exports cannot be examined on the spot for quality so mutual trust must be built between services providers and their clients. Services exporters may also need, or may be required by the client's regulatory environment, to set up a commercial presence offshore. The process of setting up offshore also requires specialised trade promotion assistance.

LDC export promotion agencies, therefore, often need assistance to develop appropriate new toolkits. These need to be equipped with two-way investment promotion strategies, with two-way visa facilitation campaigns and with new export funding models and a focus on services quality and technical connectivity.

Services export promotion also requires development of anchor events and carefully targeted thematic platforms to showcase to the global market not only local services talent and the potential to incubate innovation but also regulatory and quality assurance institutions.

Box 3. ITC Toolkit for services trade and investment promotion

ITC is developing an LDC services trade and investment promotion toolkit covering:

Inbound and outbound missions

- Business matchmaking and associated regulatory advocacy.
- Promotional seminars including to “sell” confidence in local regulatory institutions
- Participation in Networking and Reputation-building Events including Speaking at Conferences
- Preparation and dissemination of directories of LDC services firms

DC Pavilions at services fairs – Learning how to “sell” an experience

National branding efforts- development of niche thematic platforms

- Information dissemination
- Publicity campaigns
- Hosting and Participating in Anchor events and conferences (e.g. forthcoming Rwanda Services Forum, December 2015)

Services Awards and Competitions

Financing trade in Services

- Finding collaborative partnerships and incubators
- Attracting inward foreign investment (regulatory one stop shops and visa facilitation)
- Economic zones

Promoting local clusters of services excellence in the knowledge economy

- Regulatory regimes
- Digital infrastructure
- Skills and innovation
- Incentives for foreign partners

Action 8: Participate in international services fairs

Services trade promotion activities relevant to the waiver include organizing outward business delegations to key preference-giving countries and participating effectively in international services fairs.

Fairs are opportunities to gather and disseminate export success stories and help beneficiary countries to put into practice their newly learned services export promotional skills, translating training into outcomes on the ground in terms of new commercial transactions. International services fairs offer LDC services businesses the opportunity to meet face-to-face with foreign industry associations and firm representatives in relevant sectors to determine what capacity and demand for services exists and share information about the opportunities in home countries for potential partnering.

ITC can also assist with B2B matchmaking meetings in the margins of services fairs and other international services networking events. For example, ITC now brings a strong services focus to its annual Women Vendors Exhibition and Forum

Box 4. India's Global Exhibition of Services

An inaugural Global Exhibition on Services (GES) was successfully launched in February 2015 in New Delhi, India. Opened by Prime Minister Narendra Modi, the GES is expected to become a regular annual event enhancing strategic cooperation and developing synergies between Indian players in the services sector and their global counterparts. More than 350 exhibitors from 60 countries participated in the inaugural fair and over 3,000 structured buyer-seller meetings were held to promote services transactions

Box 5. China's International Fair for Trade in Services (CIFTIS)

China International Fair for Trade in Services (CIFTIS) is the world's largest trade fair focused on services trade. Launched by the Chinese Ministry of Commerce (MOFCOM) and the Beijing Municipality Government in 2012, it has become a landmark event for promoting global services trade. The latest (third) CIFTIS held in May 2014 attracted over 2,500 businesses, 150,000 visitors, and registered US\$ 80 billion contracted transactions.

CIFTIS is a comprehensive platform for promoting global services trade. The high-level meetings are attended by national Leaders and Trade Ministers from around the world. Thematic seminars and workshops are organized at each CIFTIS to raise awareness of and discuss the latest developments in international services trade.

ITC is joining the WTO, UNCTAD and OECD as an official sponsor of CIFTIS. At CIFTIS 2016, ITC will host a Pavillion, in which services suppliers from the LDCs will be invited to display their services capacities and host B2B matchmaking and networking activities.

Action 9: Undertake competitiveness self-assessment process

Services and services trade are heavily impacted by government regulations. Surveys of services firms tend to highlight inefficiencies in domestic regulation as top constraints to their competitiveness. Firms refer to constraints imposed by the complexity of the business environment, by duplication and opaqueness of regulation, by restrictions on access to finance, by rigidities and other inefficiencies in employment laws, by burdensome regulatory compliance costs and by regulatory regimes which allow insufficient scope for business flexibility to adjust to rapid change.

The relative weakness and immaturity of regulatory institutions and governance frameworks for services in many LDCs generally poses additional problems.

ITC's Services Programme therefore includes a focus, in the interests of sustained SME export performance, on unblocking obstacles to pro-competitive change at the regulatory level. Governments need to create a pro-services business environment to stimulate services exports. Laws and regulations affecting the services sectors need to be reviewed and benchmarked against international practice to ensure that businesses can fully benefit from the services preferences offered, not hampered by inefficient domestic rules.

Box 6. China reforms VAT system to provide level playing field for services

For over a decade, China's services firms have been on unequal terms when competing with goods producers. This resulted in an over-grown manufacturing sector and underdeveloped services sector.

A Value-added Tax (VAT) had been applied to the production of goods, while services sectors, including transportation, construction, post and telecommunications, culture and sport, finance and insurance, intangible assets, real-estate sales, and entertainment, had been subject to a Business Tax (BT) based on the entire amount of services transactions.

The double taxation issue that resulted from this tax system was biased against services firms: goods producers could not deduct from tax base the business tax already paid by services suppliers, and services firms could not have the input VAT deducted from the purchases of goods inputs. It was estimated that the overall tax rate applying to the services sector was 18.2% (converted into VAT standard), higher than the VAT rate of 17% applied to goods producers.

In 2012, the Chinese government launched pilot programmes to convert BT applied to services firms into VAT. It was estimated that when applied nationwide, the reform will contribute 0.5% to GDP growth, 0.7% to export growth and create 700,000 new jobs in services sectors.

Source: http://www.chinadaily.com.cn/bizchina/tax_reform.htm

Table 6. ITC approach to identifying and implementing policy and regulatory practices

<p>ITC helps policy makers and regulators introduce pro-competitive changes to the business environment for services through capacity building, technical assistance and advisory services. It involves 4 sequenced sets of activities with phased intermediate results which build through the intermediate outcomes of achieving effective interagency coordination and services stakeholder consultation, to enable identification and implementation of better practice policies, strategies and regulatory settings for improved services sector competitiveness, at domestic.</p>	
Phase 1	Focus indirectly on interventions with policy makers and regulators via facilitating local services stakeholder engagement and advocacy with these players
Phase 2	Help both public and private services stakeholders to identify and analyse policy and regulatory inefficiencies and alternatives including through position papers by local research institutions and CSIs. Hold knowledge building workshops and training exercises on technical issues; and facilitate sharing of international best practices. The expectation is that these processes will help identify inefficiencies in policy and regulatory settings.
Phase 3	Support services stakeholders to prepare strategic/ policy /regulatory options to drive services competitiveness gains. Key tools employed are mentoring and coaching as policy makers and regulators move to consider options for pro-competitive changes to the strategic, policy and regulatory settings governing trade and investment in services
Phase 4	Customized whole-of-economy or services sub-sector specific advisory services as policy makers and regulators adopt strategic, policy or regulatory arrangements designed to improve the environment for trade and investment in services

Action 10: Kickstart an ongoing response to the waiver

To facilitate a straight-forward mechanism, through which LDCs can request ongoing assistance to build the supply side of their services industries in response to operationalization of the services waiver, ITC proposes to establish the LDC Services SME Kickstarter.

All funds contributed to this proposed facility would be allocated in consultation with relevant trade support institutions, including private sector institutions, in the preference-giving countries.

Advantages of using this proposed ITC clearing house mechanism include:

- Avoidance of duplication of and lack of coordination among flows of assistance arising under the LDC services waiver.
- Benefits of scale with respect to the assistance from pooling of more than one preference-giving countries' resources.
- Increased focus in the technical assistance on competitiveness and capacity on the overall supply side in LDCs, rather than all attention being focussed on any specific preference-giving countries' market opening offer.
- Opportunity to take advantage of ready-made ITC needs assessment and other diagnostic tools as well as ITC-designed private sector capacity building and business training modules and public tools.
- Opportunity to work not only with the private sector but to ensure that relevant technical assistance is also provided to government officials and regulators using global best practice training tools, based inter alia on the World Bank Regulatory Assessment Toolkit for Regulation on Trade and Investment in Services and the World Bank Toolkit on Valuing Competitiveness in Services.
- Ability for any one preference-giving country to be able to effectively earmark contributions to focus on specific geographic regions or individual LDCs and yet maintain a degree of coverage across all LDCs.
- Opportunity to co-badge any particular activities chosen, e.g. study tours.
- Opportunities to engage with a wider range of lead services firms in GVCs.
- Providing a forum in which firms from various preference-giving countries could jointly share their knowledge and expertise in a structured way through ITC-run seminars and one-on-one coaching on innovation and incubation for LDC services exporters.
- Achieving scale economies in associated export promotion activities by pooling resources with other preference-giving countries to enable LDC services SMEs to showcase their capabilities in appropriate international for a such as CIFTIS and GES.
- Multi-year sustainability of the assistance provided, with the focus being not merely in individual bilateral markets but on increasing total LDC participation in the global services economy, including B2B trade in intermediates in global services value chains.

More information is available from ITC's Trade in Services Unit.

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Street address
International Trade Centre
54-56 Rue de Montbrillant
1202 Geneva, Switzerland

P: +41 22 730 0111
F: +41 22 733 4439
E: itcereg@intracen.org
www.intracen.org

Postal address
International Trade Centre
Palais des Nations
1211 Geneva 10, Switzerland

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