
**MINISTERIAL CONFERENCE
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**PROPOSED ALTERNATIVE TEXT ON SERVICES – ANNEX C TO THE
DRAFT MINISTERIAL TEXT**

Communication from Malawi

The following communication, dated 16 December 2005, has been received from the Minister of Trade and Private Sector Development of Malawi and Current G90 Spokesperson on Trade in Services.

**ALTERNATIVE ANNEX C (SERVICES)¹ BY THE G-90 (ACP,
AFRICAN UNION AND LDCS)**

Objectives

1. In order to achieve a progressively higher level of liberalization of trade in services, with appropriate flexibility for individual developing country Members, we agree that Members, to the extent possible, should strive to ensure that any negotiated commitments reflect:

- (a) improvements in all four modes of supply both in terms of market access and national treatment and in particular Mode 4 liberalization in categories delinked from commercial presence;
- (b) extended coverage of sectors beyond those committed under the Uruguay Round, particularly in sectors of export interests to developing countries;
- (c) reduction of exemptions from most favoured-nation treatment and economic needs tests across sectors and modes of supply; and,
- (d) clarity, certainty, comparability, and coherence in the scheduling and classification of specific commitments in adherence to, *inter alia*, the Scheduling Guidelines pursuant to the decision of the Council for Trade in Services adopted on 23 March 2001.

2. Members shall pursue full and effective implementation of the Modalities for the Special Treatment for Least-Developed Country Members in the Negotiations on Trade in Services (LDC Modalities) adopted by the Special Session of the Council for Trade in Services on 3 September 2003, with a view to the beneficial and meaningful integration of LDCs into the multilateral trading system.

¹ This proposal builds on an earlier one submitted by the ASEAN Group.

3. Members must intensify their efforts to conclude the negotiations on rule-making under GATS Articles X, XIII, and XV in accordance with their respective mandates and timelines:

(a) Members should engage in more focused discussions in connection with the technical and procedural questions relating to the operation and application of any possible emergency safeguard measures in services.

(b) On government procurement, Members should engage in more focused discussions and in this context put greater emphasis on proposals by Members.

(c) On subsidies, Members should intensify their efforts to expedite and fulfil the information exchange required for the purpose of such negotiations, and should engage in more focused discussions on proposals by Members, including the development of a possible working definition of subsidies in services.

4. Members shall develop disciplines on domestic regulation pursuant to the mandate under Article VI:4 of the GATS before the end of the current round of negotiations and prior to finalizing negotiations on market access. We call upon Members to develop text for adoption. In so doing, Members shall consider proposals and the illustrative list of possible elements for Article VI:4 disciplines.²

Approaches

5. Pursuant to the principles and objectives above, we agree to intensify and expedite the request-offer negotiations, which shall remain the main method of negotiation, with a view to securing substantial commitments. In addition to bilateral negotiations, request-offer negotiations may also be pursued on a plurilateral basis in accordance with the principles and flexibilities of the GATS and the Guidelines and Procedures for the Negotiations on Trade in Services.

6. Due consideration shall be given to proposals on trade-related concerns of small economies.

7. Members, in the course of negotiations, shall develop methods for the full and effective implementation of the LDC Modalities, including expeditiously:

(a) Developing appropriate mechanisms for according special priority including to sectors and modes of supply of export interest to LDCs in accordance with Article IV:3 of the GATS and paragraph 7 of the LDC Modalities.

(b) Undertaking commitments in such sectors and modes of supply identified, or to be identified, by LDCs that represent priority in their development policies in accordance with paragraphs 6 and 9 of the LDC Modalities.

(c) Assisting LDCs to enable them to identify sectors and modes of supply that represent domestic and export development priorities.

(d) Providing targeted and effective technical assistance and capacity building for LDCs in accordance with the LDC Modalities, particularly paragraphs 8 and 12.

(e) Developing a reporting mechanism to facilitate the review requirement in paragraph 13 of the LDC Modalities.

² As attached to the Report by the Chairman of the Working Party on Domestic Regulation to the Special Session of the Council for Trade in Services on 15 November 2005, contained in document JOB(05)/280.

(f) Due to their special economic situation, particularly their development, trade and financial needs, LDCs are not expected to undertake new commitments

8. Targeted technical assistance should be provided through, inter alia, the WTO Secretariat, with a view to enabling developing and least-developed countries to participate effectively in the negotiations. In particular and in accordance with paragraph [...] on Technical Assistance in the Hong Kong Ministerial Declaration, targeted technical assistance should be given to all developing countries allowing them to fully engage in the negotiations. In addition, such assistance should be provided on, inter alia, compiling and analyzing statistical data on trade in services, assessing interests in and gains from services trade, building regulatory capacity, particularly on those services sectors where liberalization is being undertaken by developing countries.

Timelines

9. Recognizing that an effective timeline is necessary in order to achieve a successful conclusion of the negotiations, we agree that the negotiations shall adhere to the following dates:

- (a) Any outstanding initial offers, and plurilateral requests from a group of Members, if any, shall be submitted as soon as possible.
- (b) A second round of revised offers shall be submitted by [date].
- (c) Final draft schedules of commitments shall be submitted by [date].
- (d) Members shall strive to complete the requirement in 8(a) before the date in 10 (d).

Review of Progress

10. Members, as part of the review of progress, are committed to complete an assessment of trade in services in overall terms and on a sectoral basis, with special reference to whether or not market access liberalisation to date has resulted in the economic growth of all trading partners and the development of developing countries, as part of the work programme for 2006.
