

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED
PC/SCS/M/5
9 December 1994

(94-2737)

SUB-COMMITTEE ON SERVICES

REPORT OF THE MEETING HELD ON 29 NOVEMBER 1994

Note by the Secretariat

1. The Sub-Committee on Services held its fifth meeting on 29 November 1994. The agenda for the meeting is contained in Airgram PC/AIR/41. In addition, the Chairman raised the question of holding an additional meeting of the Sub-Committee in December.

Item A: Issues relating to the scope of the GATS

2. The Chairman recalled that at the previous meeting he had presented a progress report, on his own responsibility, on the consultations he had been holding on the outstanding issues relating to the scope of the GATS. Informal discussion of the report had revealed persisting divergences among delegations. However, there was widespread willingness to continue consultations with a view to reaching a common understanding on the outstanding issues. The Chairman said that subsequently a number of delegates, in their personal capacity, had been working among themselves in an effort to pave the way to possible solutions on the issue of social security. As a result, they had produced a non-paper which had been subject to informal discussions. Those discussions had revealed that, while the non-paper represented a respectable effort, it did not seem, from the point of view of some delegations, to be a basis for further work. On issues other than social security, that is dispute settlement under bilateral investment treaties and movement and temporary stay of certain categories of natural persons under bilateral agreements, informal consultations had led to further clarification of concerns that some delegations have, but it was not possible yet to draw final conclusions on any of them. He indicated that it was clear that more time was needed for delegations to reflect further and that he intended to continue his consultations with a view to arriving at solutions acceptable to all Members of the Sub-Committee before the deadline for these consultations, i.e. 15 December 1994.

3. The Sub-Committee took note.

Item B: Guidelines for notifications

4. The Chairman drew the attention of the Sub-Committee to the revised version of the draft Guidelines for Notifications dated 21 November 1994. The revised draft reflected comments that were made by delegations at the previous meeting of the Sub-Committee. Following a brief discussion, the Chairman suggested that the draft be transformed into a formal document of the Sub-Committee and be transmitted to the Council for Trade in Services for its consideration and action as appropriate.

5. The Sub-Committee so agreed.

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Item C: Progress report on the work of the Negotiating Groups

6. The Chairman indicated that since the previous meeting of the Sub-Committee, the only meeting of a Negotiating Group that had taken place was that of the Negotiating Group on Movement of Natural Persons. At that meeting, delegations reported on progress made in bilateral discussions and exchanged information on their plans in this regard. It had been agreed that it would be helpful to designate a period of bilateral contacts towards the end of January 1995, to be followed by a further meeting of the Negotiating Group in early February. The Group had also agreed to grant observer status to the government of Saudi Arabia.

7. The Sub-Committee took note.

Item D: Verification of schedules

8. The Chairman drew the attention of the Sub-Committee to document PC/SCS/W/6 concerning the verification of the Schedules of Saint Kitts and Nevis, United Arab Emirates and Mali and to document PC/SCS/W/7 concerning the verification of the Schedule of Angola. He indicated that delegations were invited to submit to the Secretariat, by 25 November, any questions they might have concerning the technical aspects of the Schedules referred to in document PC/SCS/W/6. However, the Secretariat had not received any such questions. He sought clarification as to whether this meant that there were no questions, or whether delegations needed more time. Some delegations indicated that they had not yet concluded bilateral negotiations on these schedules and, therefore, were not ready to proceed with the technical verification. The Chairman suggested that, while more time is obviously needed to conclude bilateral negotiations, the Secretariat would follow up any technical questions it might have in relation to those schedules, as well as any other schedules that may be submitted in the meantime, with the delegations concerned and provide them with any technical assistance that might be necessary. The Chairman also suggested that an informal meeting would be convened on 15 December 1994 for the verification of all schedules on which negotiations have been concluded.

9. The Sub-Committee so agreed.

Item E: Other business

10. The Chairman suggested that, in the light of the outstanding work, the Sub-Committee needed to hold an additional meeting in December to consider its report on issues relating to the scope of the GATS and finalize the verification of schedules of commitments on which bilateral negotiations have been concluded. He suggested Friday, 16 December as a date for that meeting.

11. The Sub-Committee so agreed.

12. The representative of the European Communities asked when the delegation of the United States would be in a position to provide other Members with additional information concerning its submission on measures relating to taxes and subsidies at the sub-federal level. The representative of the United States indicated that it is expected that such information will be available soon.

13. The Sub-Committee so took note.