

**THE COUNCIL FOR TRADE IN SERVICES –
REVIEW OF THE OPERATION OF PREFERENCES NOTIFIED
UNDER THE LDC SERVICES WAIVER**

**WORKSHOP ON FACILITATING THE INCREASING PARTICIPATION
OF LEAST-DEVELOPED COUNTRIES IN TRADE IN SERVICES
29 October 2019**

REMARKS AMBASSADOR CHRISTOPHER APARR, UGANDA

Chairman MUYLLE,

Director General Azevedo,

Excellencies, distinguished Members of the Council for Trade in Services,

I am delighted to address you on this panel, for the LDC Group focal point for services, but also having presided as the LDC Group Coordinator when the Group prepared and submitted its Collective Request and held the High Level Meeting in 2015 that yielded for the first time notifications of services preferences in favour of LDCs from the now 24 Members. These events were the turning point for LDCs to finally see something concrete resulting from the 2011 Decision on LDC Services Waiver, which had only a 15 year shelf life. By 2013, when the Decision was taken at MC9 to operationalize the 2011 Decision, no notifications had been submitted granting preferences to LDC services suppliers.

However, the 2013 decision required LDCs to demonstrate their needs and a high-level meeting to take place. LDCs toiled and deliberated to come up with a request that represented collective interests. Before the high-level meeting in February 2015, we noticed that the 2013 Decision did not contain a deadline for Members to transpose their promises at the high level meeting to actual notifications. We requested at the level of my Minister, Hon. Amelia Kyambadde, and a deadline for notifications to be July 2015. Without the commitment on a deadline for notifications, we might not have had any preferences to avail ourselves of let alone now review. By the time of the Nairobi Ministerial we had about 16 notifications on the table, with up to 24 in place today. These notifications of preferences are from both developed and developing countries alike. Today we again thank those Members for their interest and commitment to LDCs in this sector.

The CTS held dedicated sessions that allowed the LDC Group to present intensive assessment of the notifications, seeking clarifications and understanding of the operability of the preferences. In Nairobi, we agreed another decision that centred on the implementation of the notifications and Ministers agreed to restart the clock on the 2011 Waiver Decision, which had already lost four of the 15 years. This way all notifications of preferences could commence with 15 years. The Nairobi decision also included recognition by members, of the LDC Group Collective Request and introduced

the need for awareness building by the notifying Members to orient LDC suppliers and consumers in notifying Members to the existence and availability of the preferences.

Mr. Chairman, the journey has been quite long now four years since Nairobi. While LDC share of global services trade fluctuated between 0.6 and 0.7 percent in the last few years, LDC growth in commercial services has been upward, however, with only about five LDCs dominating in that growth. Data gathering and analysis is still weak in the services sector in general, even more difficult to obtain in LDCs. The share of services in individual LDC exports and percentage of GDP continues to increase. While capacity building in LDCs and assistance in that regard is pertinent, the acute level of impediments behind the border in many economies especially where LDC services are sought causes greater impact on our data.

In the collective request, we did include requests to remove the standard restrictions to market access and national treatment. We also sought to address regulatory and procedural obstacles. Fees to process visas, work permits and residency permits, licenses and other authorizations would amount for many LDCs to more than double their monthly salaries. If these permits were not granted these fees were also lost. Visa denials stamped on passports, or similar stamps with the same implication, and other measures, serve to stigmatize qualified LDC suppliers who have been presented with offers or are contracted abroad.

Long processing times, fees and denials of visas for performers, musicians and other artists, even government officials and professionals invited to speak at conferences, including the one we are having now, stigmatizes many LDCs. We have in the past highlighted cases where LDC professionals with high qualifications are sought after by consumers in developed countries, but their candidacy for positions terminate, before the interview stage just because the candidate does not have a residency permit. Some qualified candidates cannot complete their application because onerous requirements are in place such as the expense to travel for interviews, instead of flexibilities to allow LDCs to interview and take examinations online.

Non-recognition of LDC educational institutions, diplomas, and professional skills; imposition of transit taxes and other fees on tourists traveling to LDCs; and burdensome or prohibitive documentation, application, and registration requirements and associated delays in response to visa applications, where an LDC service supplier has obtained a contract with a consumer of their services in the host country are further examples of impediments we sighted.

Mr. Chairman, we hope that this workshop and the dedicated session in the Council for Trade in Services tomorrow will help us understand better LDC services trade and what members are doing to help in general since the backbone requirements for LDCs in services is still necessary. We also are delighted that for the first time we will have LDC suppliers themselves join us and share their experiences. We requested the companies or entities from Members having notified preferences using LDC services also participate so that we can begin to have a good picture of the experiences to date. It is important to build awareness of the preferences. This is value addition for us. We hope that these meetings will be a beginning and we can continue to listen to each other and work together to increase LDCs effective participation in services trade.

We thank all Members for participating and those contributing to this meeting, especially the WTO Secretariat, the participating institutions, our LDC Group Coordination as well as the participants from our capitals.

Thank you Mr. Chairman.