



SERVICES WAIVER PREFERENCES – WHAT ARE THEY AND HOW CAN THEY BEST BE USED?

Session 4

**FACILITATING THE INCREASING PARTICIPATION OF LEAST-DEVELOPED COUNTRIES
IN TRADE IN SERVICES**

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LDC Services Waiver (WT/L/847, 2011)



Basic mechanism:

Any Member may grant preferential (better-than-MFN) treatment to any service or service supplier from an LDC Member

- **Market Access** measures can be notified to the Services Council
- Preferences concerning **other measures** need to be approved by the Services Council

Key points:

- Waiver permits preference granting Member to depart from its own MFN obligation ... but does not extend a right to the preferential treatment to LDCs
- Any preferences would apply to all LDC Members
- 15 years duration (extended to end of 2030 at MC10)
- Automatic termination for each LDC when graduation becomes effective

Overview of the Notifications



- 24 notifications received, document series S/C/N/*

AMERICAS	EUROPE	ASIA	AFRICA
Canada (792+Rev1)	Norway (806)	Australia (805)	South Africa (853)
Mexico (821)	Switzerland (819)	Korea (808)	
United States (825)	Turkey (824+Rev1)	China (809)	
Chile (834)	Iceland (835)	Hong Kong, China (810)	
Brazil (839)	European Union -28 (840)	Chinese Taipei (811)	
Uruguay (857)	Liechtenstein (841)	Singapore (812)	
Panama (890)		New Zealand (813)	
		Japan (820)	
		India (833)	
		Thailand (860)	



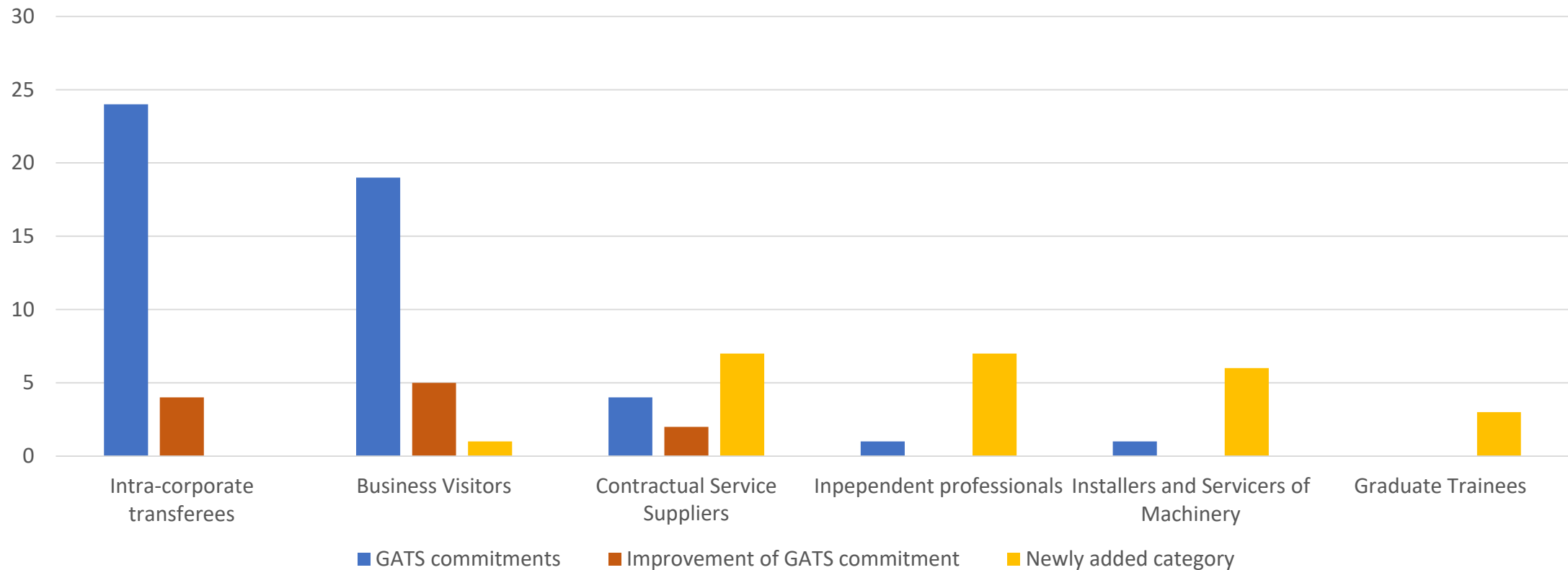
General features of the notifications

- **Duration:** All notifications state that the preferences are *intended* to be maintained for the duration of the Waiver, or similar formulations.
- **Format:** All notifications are made in a format similar to a WTO schedule (sector description + treatment for the various modes of supply for Market Access-type measures)
- Some notifications contain GATS and GATS+ treatment without differentiation – difficult to assess the actual preference
- **Non-Market Access measures notified by:**
 - Canada, Norway, Switzerland, South Africa and Iceland's notifications also contain a National treatment column
 - In addition, India, China, Turkey, and Switzerland have notified other non-Market Access measures.

Improvements over GATS commitments in Mode 4

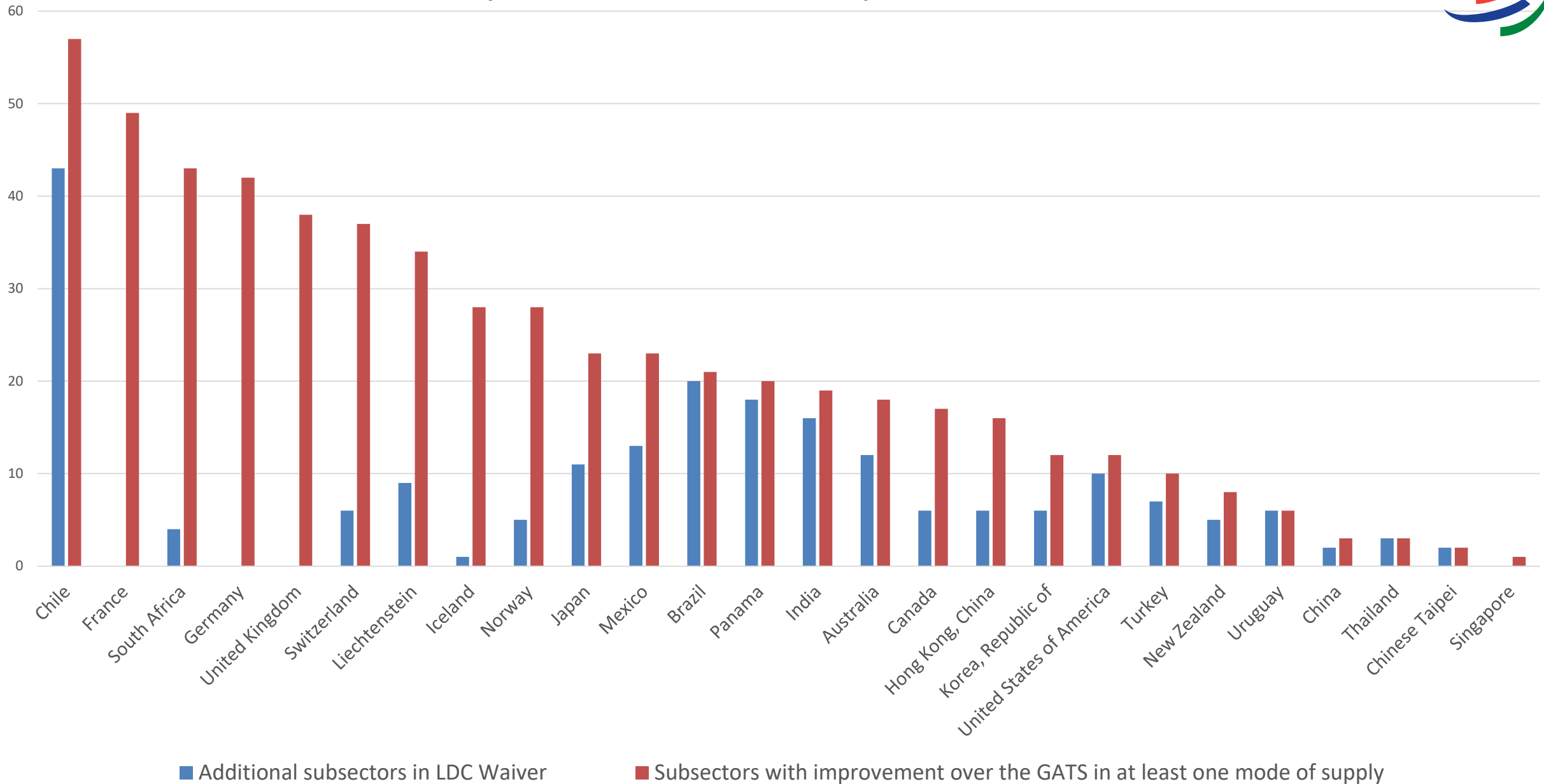


Notifications by Mode 4 categories



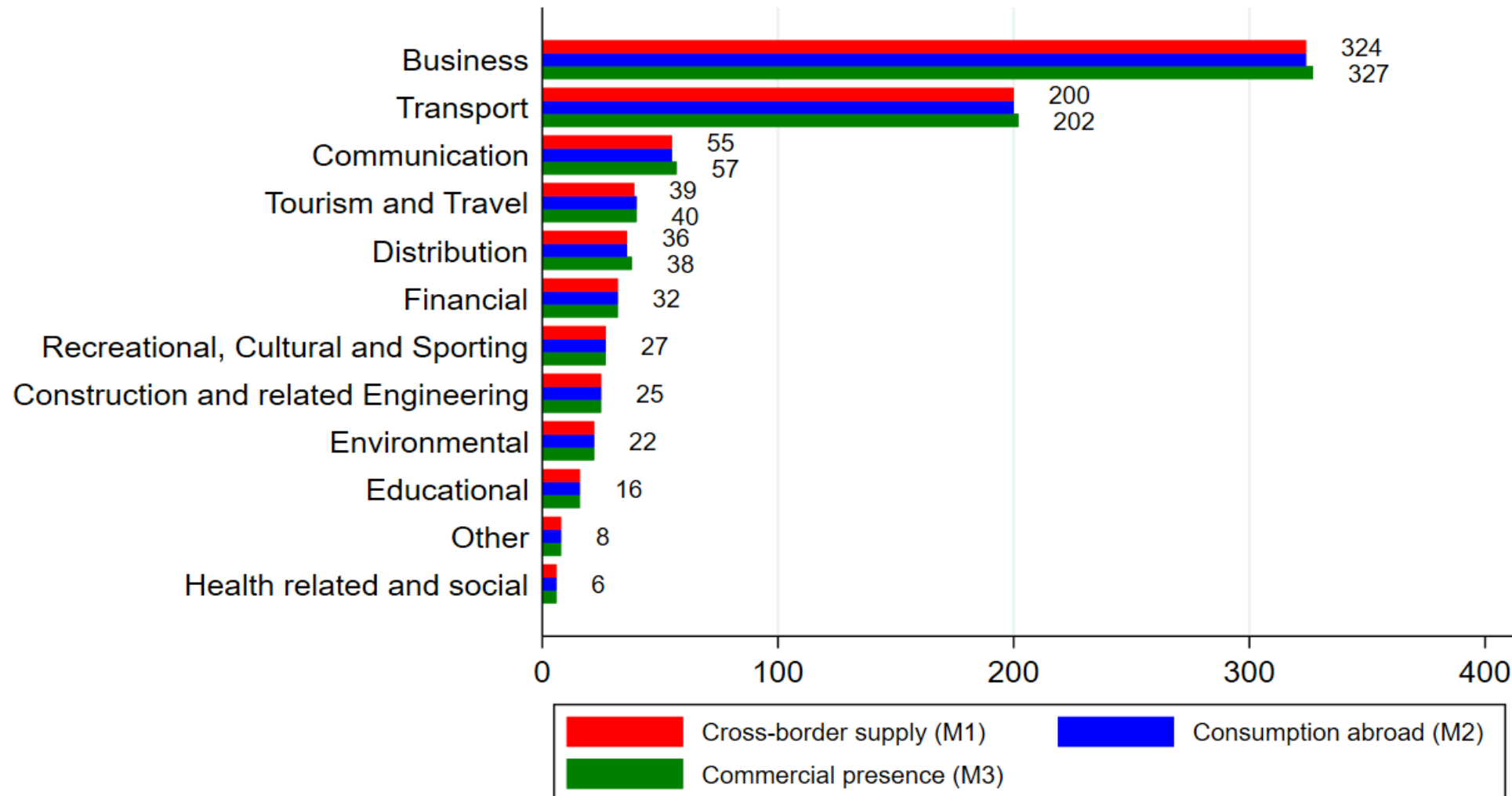
15 of 24 notifiers improved on their GATS M4 commitments,
6 apply existing M4 commitments to any new sectors included in notification,
2 apply existing M4 commitments to some new sectors, and 1 does not refer to M4

Market Access preferences by Member

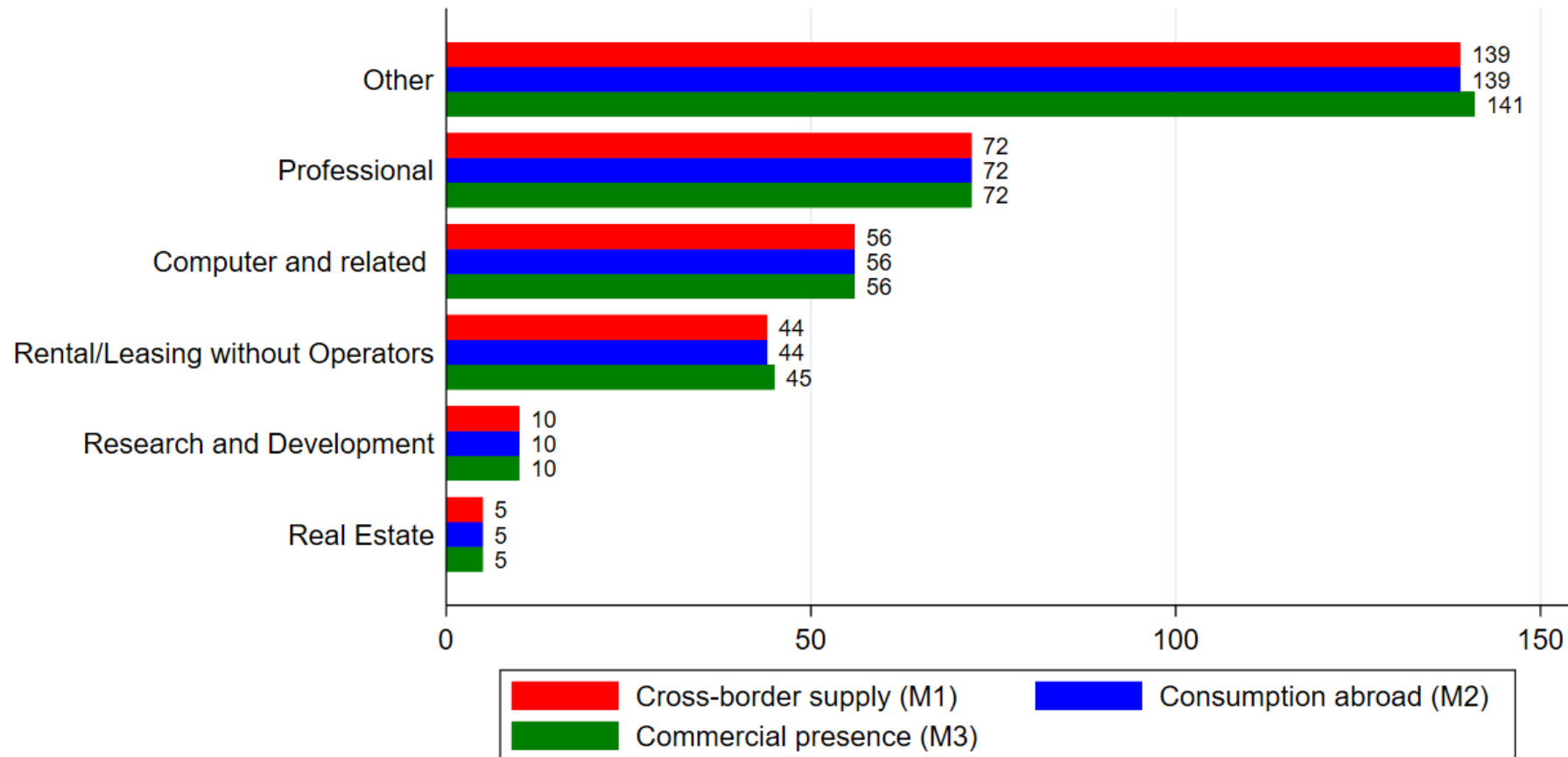




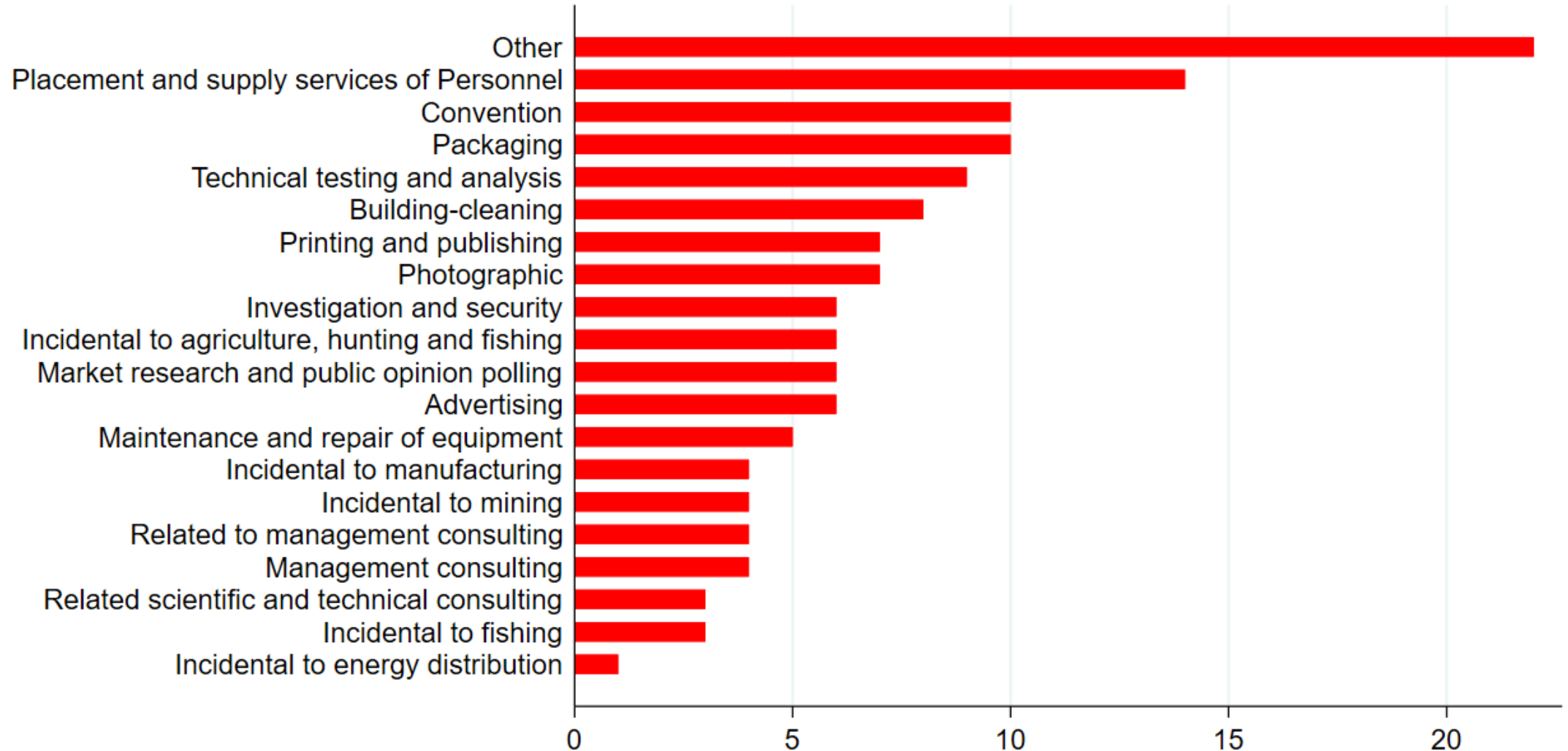
Market Access preferences by Sector



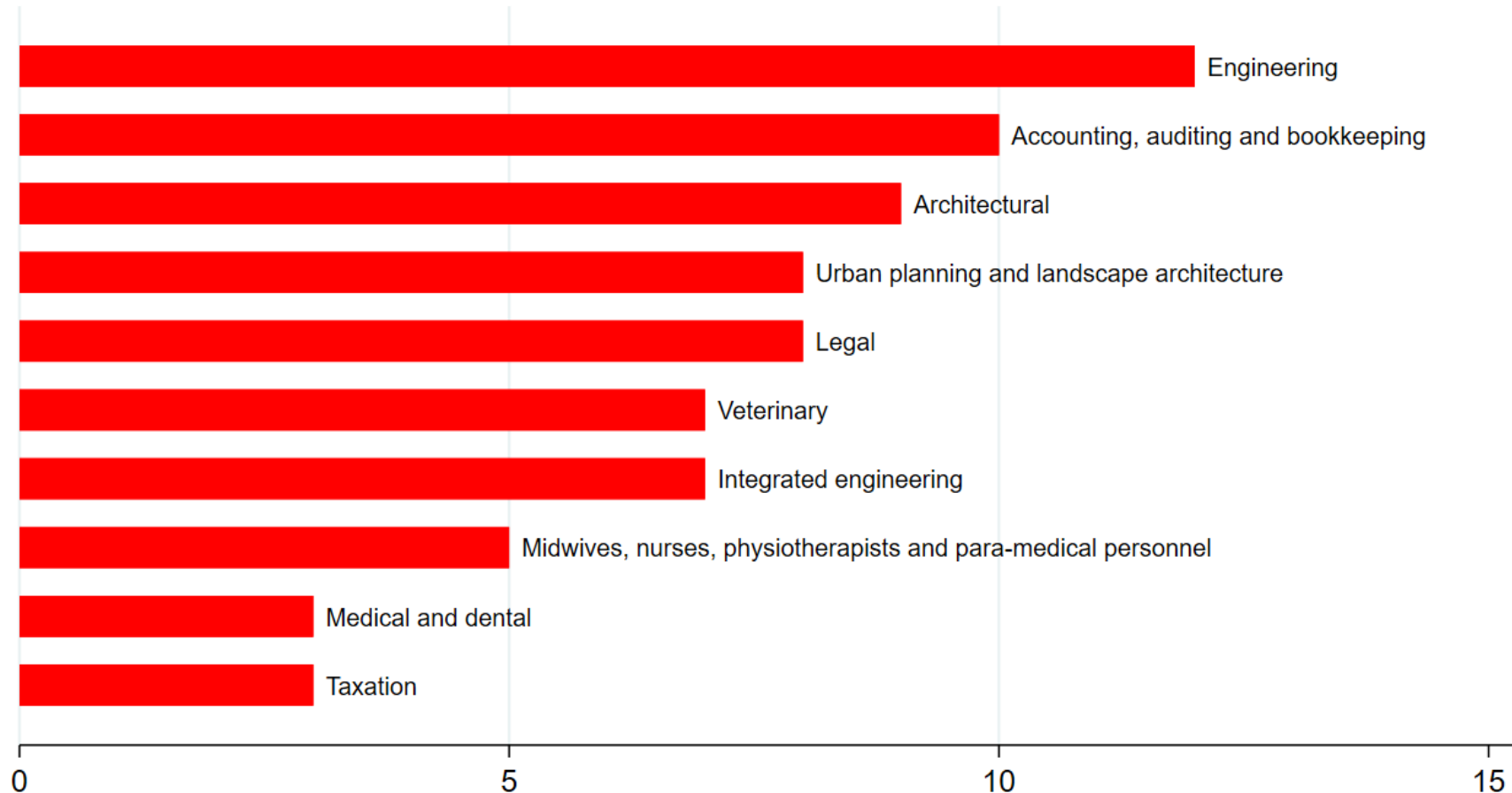
Business Services – notifications by sector heading



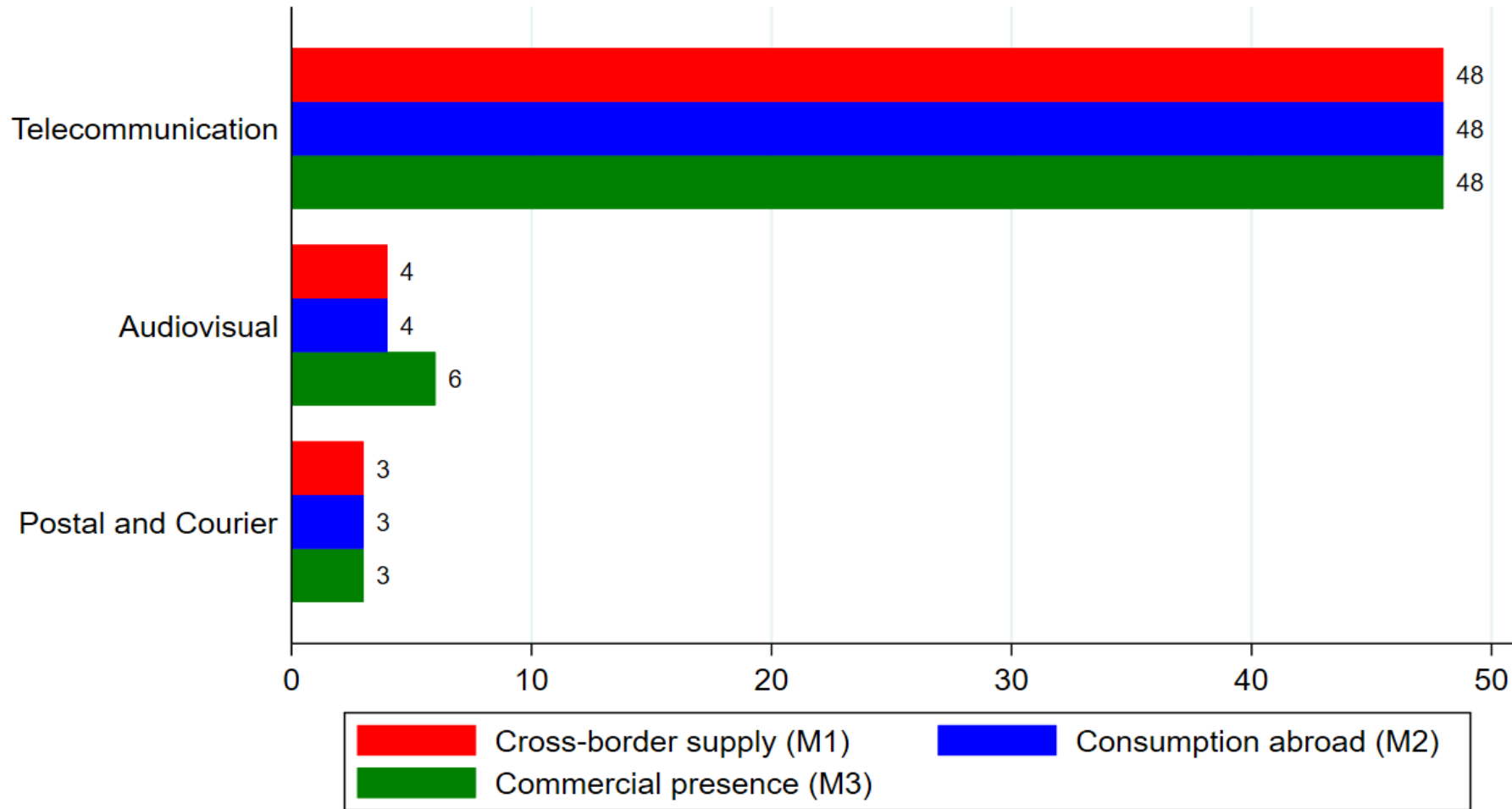
Other business services by subsector



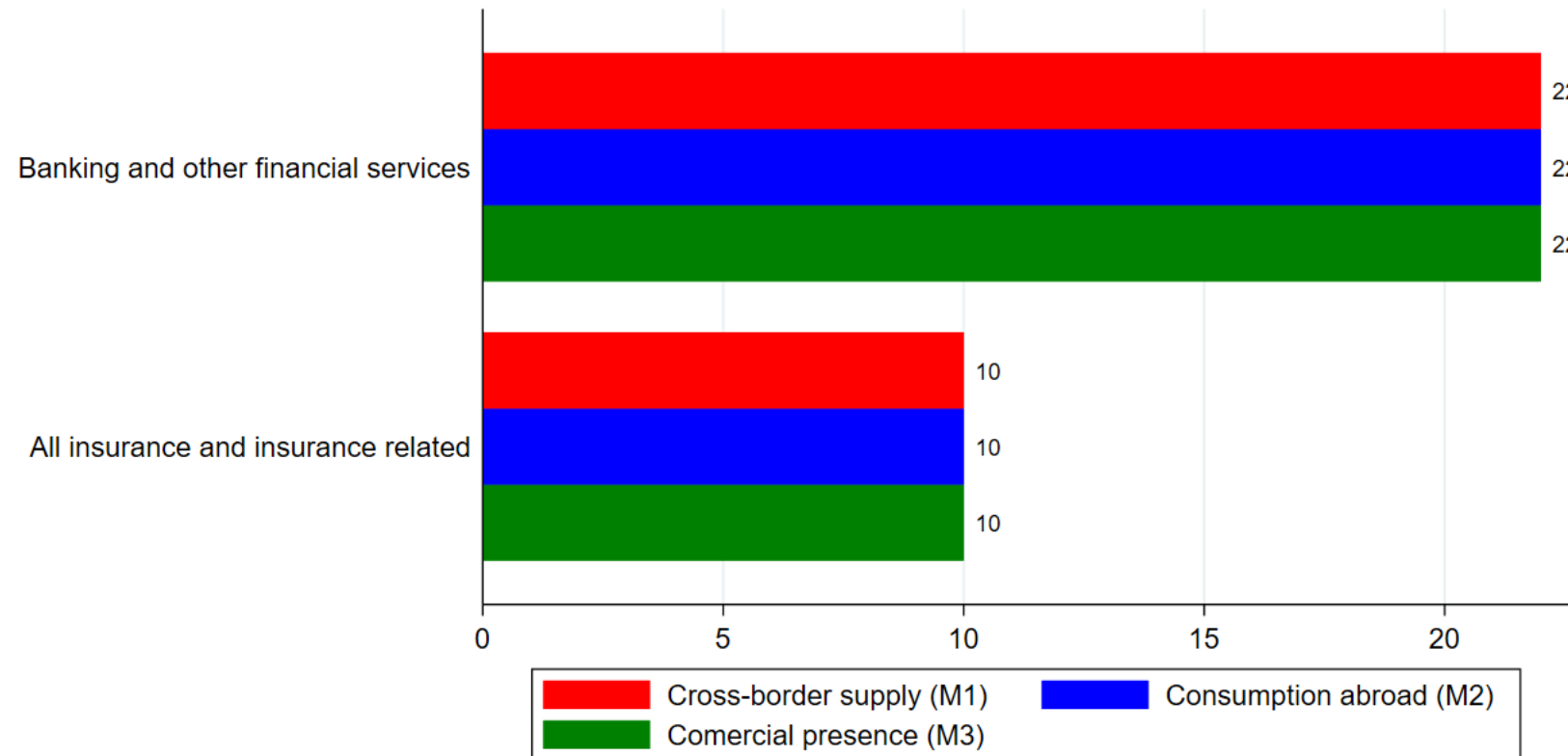
Professional Services – notifications by subsector



Communication Services - notifications by subsector

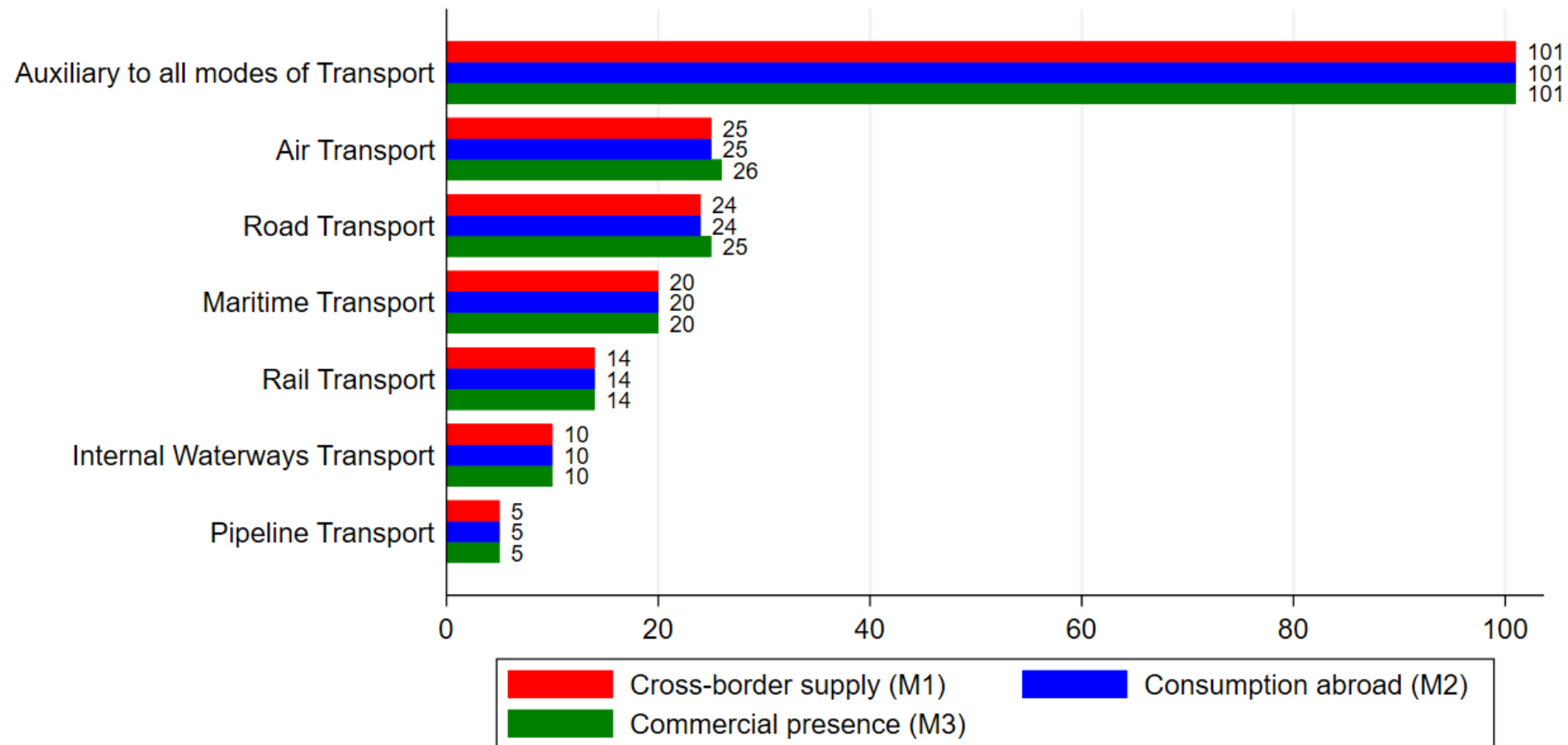


Financial Services- notifications by subsector



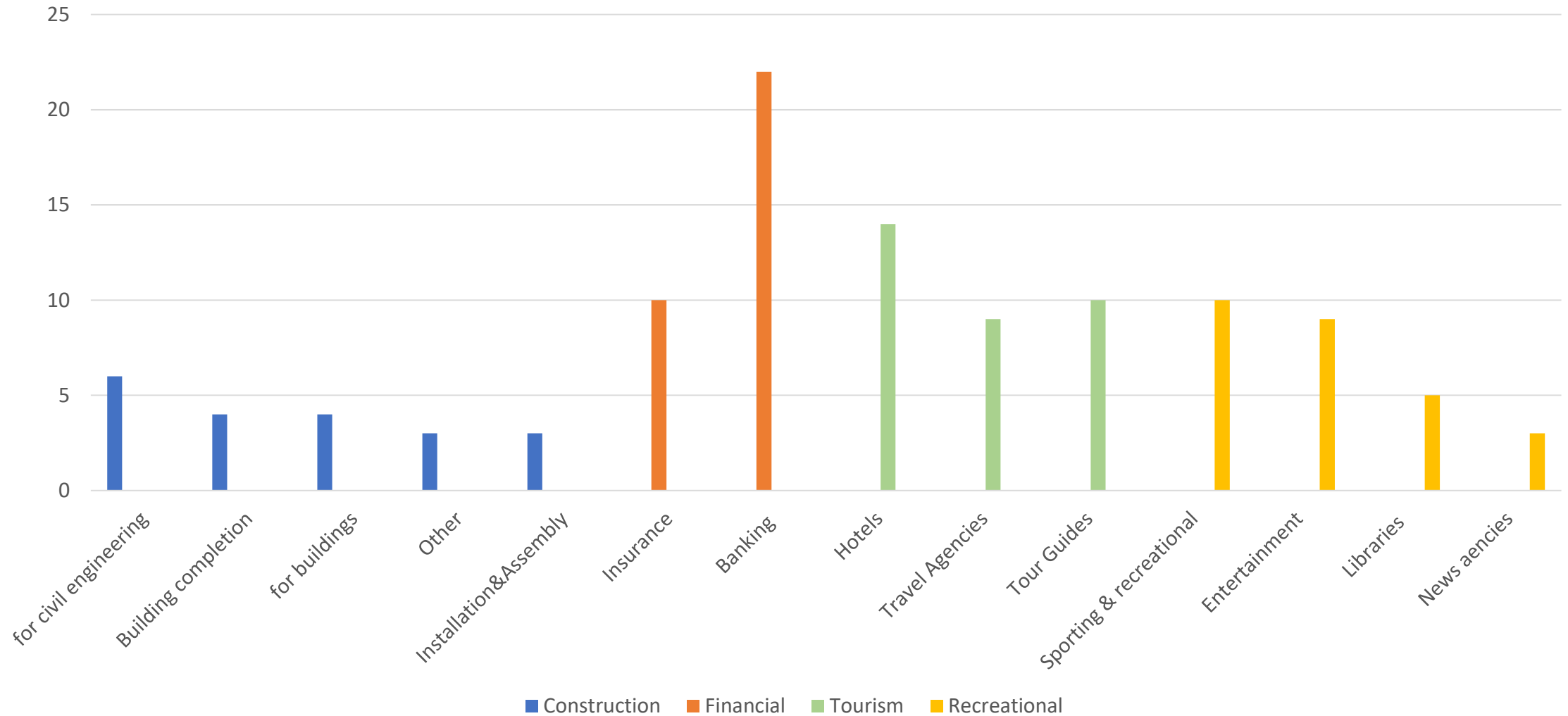


Transport Services - notifications by subsector





Other sectors– notifications by subsector





Mode 1-3: General observations

- For Modes 1-3, a total of 70% of notified preferences do not exceed the level of DDA offers, most of them dating from 2005.
- Many Members have indicated that most DDA offers reflect the applied (MFN) regime.
- For notifications going beyond DDA offers, many Members have stated that these reflect measures taken from their preferential agreements with other trading partners.
- These measures could be preferential (although not exclusive for LDC Services and Service suppliers).
- From general assessments of the preference margins of services preferential agreements, many of the measures bound therein reflect the applied (MFN) regime.



Non-Market Access measures notified (and approved by the Council)

- National Treatment measures included in notifications by **Canada, Iceland, Norway, South Africa, Switzerland, Thailand**.
- Examples of other measures:
 - **India**: visa fee waiver for business persons from LDCs
 - **Switzerland**: Contact point for LDC services suppliers
 - **Turkey**: e-visa application system comprising most LDCs
 - **China**: pledge to expand authorized destination status to LDCs



Welcome to



I-TIP Services is a joint initiative of the World Trade Organization and the World Bank. It is a set of linked databases that provides information on Members' commitments under the WTO's General Agreement on Trade in Services (GATS), services commitments in regional trade agreements (RTA), applied measures in services, and services statistics.

GATS

This module contains information on Member's market access commitments and exemptions to the Most favoured Nation (MFN) obligation. It also includes the preferential market access commitments for least-developed countries granted by WTO Members under the LDC Services Waiver ([see list of notifying Members](#)). The latter feature of I-TIP was developed in cooperation with the International Trade Centre (ITC).

Regional Trade Agreements

The RTA module allows to access and search for information on Members' commitments in regional trade agreements notified under Article V of the GATS. Currently, the database covers a good proportion of services RTAs ([see list attached](#)).

Services Trade Policy Database

The Applied Services Trade Policy module provides information jointly compiled by the World Bank and the WTO on services regulatory frameworks. Currently, the database covers 23 service sectors in 68 Members. The information for 25 of those Members was collected in 2016-2017 through a survey conducted by the World Bank and the WTO. The information for the remaining 43 Members was mainly sourced from the [OECD STRI regulatory database \(2016 version\)](#), thanks to the co-operation of the OECD, which is gratefully acknowledged. Links to other useful sources of information on applied services policies are also provided (e.g. WTO monitoring reports, WTO trade policy reviews).



Statistics

The Services Statistics module accompanies the GATS, RTA and Applied regimes modules by providing relevant trade in services and related statistics.