

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SERVICES

Report of the Chairman of the CONTRACTING PARTIES to the CONTRACTING PARTIES at their Forty-First Session

Introduction

1. At their thirty-eighth Session in November 1982, the CONTRACTING PARTIES, meeting at ministerial level, took the following decision (BISD 29S/21):

"The CONTRACTING PARTIES decide:

1. To recommend to each contracting party with an interest in services of different types to undertake, as far as it is able, national examination of the issues in this sector.
2. To invite contracting parties to exchange information on such matters among themselves, inter alia through international organizations such as GATT. The compilation and distribution of such information should be based on as uniform a format as possible.
3. To review the results of these examinations, along with the information and comments provided by relevant international organizations, at their 1984 Session and to consider whether any multilateral action in these matters is appropriate and desirable."

2. At their fortieth Session in November 1984, the CONTRACTING PARTIES adopted the following agreed conclusions¹ (L/5762):

"The CONTRACTING PARTIES,

Noting:

¹ Before adoption of the agreed conclusions, the CONTRACTING PARTIES took note of the following statement by the Chairman:

"Nothing in these agreed conclusions shall be interpreted as prejudicing the rights or positions of any contracting party in these matters nor as prejudging the consideration by the CONTRACTING PARTIES of whether any multilateral action in these matters is appropriate and desirable."

that a number of contracting parties with an interest in services have undertaken and circulated national examinations of the issues in this sector, and that other such examinations are recommended,

and that the process of carrying out the Ministerial Decision highlights the complexity of the issues involved,

In pursuance of the 1982 Ministerial Decision on services,

Agree to the following arrangements within GATT:

1. That the Chairman of the CONTRACTING PARTIES will organize the exchange of information provided for in the Ministerial Decision on issues in the services sector, essentially on the basis of national examinations, which could refer to any considerations in the area of services which appear relevant to the contracting party concerned, and the compilation and distribution of such information based on as uniform a format as possible;
2. The GATT secretariat will provide the support necessary for this process;
3. The Chairman of the CONTRACTING PARTIES will keep the Council informed of the progress made and report to the CONTRACTING PARTIES;
4. The CONTRACTING PARTIES decide to review the results of these examinations, along with the information and comments provided by relevant international organizations, at their next regular session¹ and to consider whether any multilateral action in these matters is appropriate and desirable.

¹After adoption of the agreed conclusions, the CONTRACTING PARTIES took note of the following statement by the Chairman:

"With reference to the arrangements just agreed by the CONTRACTING PARTIES which provide for the organization of the exchange of information on issues in the sector of services, it is understood that:

In addition to servicing and keeping records of meetings, the secretariat would prepare an analytical summary of national examinations together with information made available by relevant international organizations and a summary of issues raised in the exchange of information. Concurrently the secretariat would propose a format, for the compilation and distribution by it of the information exchanged among contracting parties, to be progressively elaborated in order to make it as uniform as possible.

It is also understood that the secretariat could, on an agreed basis, undertake additional tasks as required."

3. Pursuant to the action taken by the CONTRACTING PARTIES in November 1984 concerning services, the exchange of information provided for in the 1982 Ministerial Decision was organized in the form of meetings open to the participation of all contracting parties. Eight such meetings were held on the following dates: 24 January, 1-2 April, 2 May, 7 June, 15 July, 18 September, 17 October and 11 November 1985. The meetings first devoted attention to the national examinations of issues in the services sector circulated through GATT in the course of 1984. These comprise studies by Canada, Denmark, the EEC, Finland, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States. Delegations raised questions concerning specific aspects of the studies on which they sought clarification or complementary information. Three further national examinations were circulated through GATT in the second half of the year, those of Belgium, Australia and France, and they were taken up in the meetings of 18 September and 17 October 1985.

4. Records of the discussions at these meetings, prepared by the secretariat, were circulated in documents MDF/6, MDF/10, MDF/13, MDF/15, MDF/18, MDF/20, MDF/26 and MDF/W/57.

5. In accordance with the statement made by the Chairman of the CONTRACTING PARTIES at the November 1984 session after adoption of the Agreed Conclusions, the secretariat prepared a first analytical summary of national examinations together with information made available by relevant international organizations, which was circulated on 19 April 1985 in document MDF/7. This summary covered the thirteen national examinations submitted in 1984 and the responses by twelve of the fourteen international organizations to which the Director-General had sent a letter on 20 December 1984, requesting information concerning their activities in the field of services. Since then, the Director-General wrote to two further international organizations with the same request. The analytical summary is being revised and updated on a regular basis by the secretariat to take into account new information received from delegations as well as from international organizations. A first revision appeared as document MDF/7/Rev.1, dated 18 September 1985. A second revision, MDF/7/Rev.2, was circulated on 22 November 1985.

6. In addition, the secretariat was requested to prepare a separate document summarizing the documentation submitted by international organizations in their replies to the Director-General. This information was circulated in document MDF/17 and Add. 1, 2 and 3. The following organizations were covered: United Nations Conference on Trade and Development (UNCTAD), International Trade Centre UNCTAD/GATT (ITC UNCTAD/GATT), United Nations Centre on Transnational Corporations (UNCTC), International Civil Aviation Organization (ICAO), World Intellectual Property Organization (WIPO), International Monetary Fund (IMF), United Nations Economic Commission for Europe (ECE), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Organization for Economic Co-operation and Development (OECD), Secretariat of the Latin American Economic System (SELA), International Labour Organization (ILO), International Telecommunications Union (ITU). Comments on the information contained in MDF/17 and Addenda 1 and 2 were presented at the meeting of 17 October 1985.

7. The secretariat also prepared, on request, a tabulation of views expressed by different delegations on the issues raised in the exchange of information, based on statements made in national examinations or at the meetings. This information is contained in document MDF/W/58.

Scope of the discussions

8. The discussions in the meetings provided an opportunity for all delegations to obtain greater information on data supplied and statements made in the national examinations circulated, and to comment on these examinations as well as on the work of other international organizations in the light of the information provided by them. Views were expressed on various aspects of issues in the services sector by delegations which had presented national examinations. In some instances other delegations referred to these views. Some of those delegations stressed the preliminary nature of the discussions, and it was widely recognized that there was no degree of finality in the views expressed on various issues. However, the meetings were not directed towards any attempt to reach consensus on issues which delegations presenting national examinations considered relevant, or any other. The present report therefore merely seeks to summarize, for ease of reference by the CONTRACTING PARTIES, the information contained in the documents cited in paragraphs 4-6 above, recognizing that under the terms of the 1982 Ministerial Decision and of the 1984 Agreed Conclusions, it will be up to the CONTRACTING PARTIES themselves to review the results of the examinations along with information and comments provided by relevant international organizations, and to consider whether any multilateral action in these matters is appropriate and desirable.

9. A number of procedural issues were raised in the meetings relating to the contributions by other international organizations to the process of exchange of information, the possible granting of observer status for such organizations and for non-contracting parties, and the question of tasks that may be requested of the GATT secretariat.

10. Regarding the precise form which the contribution of international organizations to the exchange of information could take, a decision was postponed until delegations had had an opportunity to fully study the summary of their documentation prepared by the secretariat (MDF/17 and Add.1, 2 and 3). If there appeared to be a need for further information from some of the organizations concerned, some delegations suggested that these might be invited to take part in the meetings on an ad hoc basis.

11. Consultations on the question of observer status did not reveal wide support for granting such status to international organizations at this stage. Regarding non-contracting parties, a preference was expressed for not modifying the procedure followed up to now, that is to say, for not inviting them to participate in meetings on services.

12. Some delegations have stated that anything that would help clarify the services issues while remaining within the strict framework of the 1984 Agreed Conclusions would be useful, and thus some independent work by the GATT secretariat to this end would be indicated. They further stated that as long as the GATT secretariat was not allowed to provide any analytical work of its own, they could not agree to a direct involvement by other international organizations in the exchange of information.

13. Some other delegations stated that international organizations should not be asked to present any analysis of whether or what multilateral action may be appropriate in respect of services, but that allowing them to make a factual presentation of the work done by them would be in line with both the 1982 Ministerial decision and the 1984 Agreed Conclusions.

14. Regarding the elaboration of a uniform format for national examinations on services, it was understood that elements for such a format were contained in the secretariat's analytical summary, which had evolved progressively as more national examinations became available.

Issues covered in national examinations and in the exchange of information

15. The issues identified in the national examinations which formed the basis of discussions during the meetings were grouped under four main headings in the analytical summary prepared by the secretariat (MDF/7/Rev.2): (1) general characteristics of services, (2) conceptual framework, statistical problems and methodologies, (3) national and international regulations governing individual services sectors, and problems identified in relation to international transactions in services, (4) issues raised in connection with possible multilateral action on services. Discussions were also held on work undertaken in other relevant international organizations, on the basis of Section V of the analytical summary and of the summary of information provided by these organizations prepared by the secretariat (MDF/17 and Addenda). This report summarizes the main points made during the exchange of information on each of these aspects.

General characteristics of services

16. Several national examinations have noted that services are very heterogeneous, and a number of delegations which have not circulated national examinations have also made this point. However, a number of national examinations have suggested classifications of services according to some common characteristics. Some of the examinations, while recognizing the diversity of services, indicated that a number of similarities existed with respect to these sectors, particularly in their rôle in the economy. For example, services have been defined residually as all economic activities other than agricultural or industrial production, or de facto, by listing a series of activities which seem to fit a certain description, e.g. according to mode of production or mode of sale.

17. Most national examinations, however, stress the difficulty of defining precisely the range of activities to be considered as "services", and the classifications and terminologies used for practical purposes therefore differ in important respects. This diversity of approach results in differences of statistical treatment of services activities, all the more so, as some national examinations point out, as in many activities goods and services, or certain services and other services, are intricately mixed. Moreover, different classifications, e.g. as between public and private services, may reflect policy choices, for example different social requirements and/or economic systems in different countries.

18. It has been generally noted in the discussions that it may be premature at this stage to attempt a harmonized definition of services. Several delegations among those which have circulated national examinations noted

that any definition would be related to whatever objective was being pursued, and they held the view that the absence of a harmonized definition should not constitute an impediment to discussing the possibility of multilateral action at this stage. Several delegations which have not yet circulated national examinations held the view that unless some common characteristics were to be found among the various services sectors, there would be very little scope for dealing with issues in the services sectors across-the-board, and for discussing the possibility of multilateral action in these sectors.

19. National examinations made available so far have referred to the growing importance of services in the world economy. One examination pointed out that world service exports have increased at an annual compound rate of nearly 19 per cent from 1970 to 1980, i.e. slightly less than the growth rate of merchandise exports but much more than that of world service output. The statistical information provided showed that services account from one half to two-thirds of total output in the reporting countries and in the European Economic Community. The same proportions generally held with regard to employment, though in several instances the share in total employment was higher than the share in GNP or GDP. Information on the distribution between private sector and public sector services has been made available by eight countries and the European Economic Community¹. Although the precise distribution between public and private sector activities was not always clear, public sector services were seen to hold an important place in most of these countries. The share of services in total trade in goods and services varies greatly among the countries which circulated national examinations: from 15 to 30 per cent for exports and from 13 to 33 per cent for imports. Data made available on an approximately comparable basis show marked differences of distribution of services exports and imports.

20. According to most of the national examinations available to date, the share of services in the national product of the countries concerned increased over the last decade or so. With regard to exports and imports, no general pattern was observable, and some of the rapid changes recorded were not explained. The pattern of current payments on services account also varied greatly among these countries. Seven countries showed clear signs of improvement in their services balance, others recording either a fall in surplus, an increase in the deficit, or a swing from surplus to deficit.

Conceptual framework and statistics

21. One feature of services to which reference was made in several national examinations is that in many instances, though by no means all, services must be consumed where produced, because they are intangible and neither storable nor transportable. This, it is argued, may be one reason why service-producing sectors of the economy tend to be oriented towards the home market. In commenting on this aspect of services, several national examinations have pointed out that the need to provide services in the place of consumption has implications for the concept of "trade" in services for which a clear

¹The European Economic Community uses the terms "market" and "non-market" services.

definition is not yet available. However, all the national examinations available discuss international trade in services (sometimes referred to as international "transactions" in services) in terms of movements of services across borders as well as of the provision of services by affiliates of firms established in foreign markets or by foreign personnel operating in the importing markets on a temporary basis. One national examination has drawn attention to the fact that the establishment of foreign service enterprises cannot, to the same extent as for trade in goods, be regarded as merely an alternative to trade. In this connection, another examination viewed the ability of services firms to establish marketing facilitation offices as an integral part of trade in services and added that, in a situation where cross-border trade is prohibited in a service and therefore the relevant activities can be carried out solely on the basis of establishment, such activities should be regarded as substitutes for trade in services. Some delegations which had not yet circulated national examinations, however, pointed out that it would not be appropriate to identify the concept of rights of establishment with trade.

22. Most national examinations have referred to the difficulty of defining "traded" or "tradeable" services and have related this to the manner and measure in which services are related to goods in production and trade. Several delegations of countries which have not so far circulated a national examination, while recalling that the 1982 Ministerial decision referred to services and not to trade in services, have noted that the national examinations available to date were addressing the issue of trade in services without really defining clearly what that trade was. Some of these delegations stressed that before any conclusion could be drawn from the exchange of information, the trade element in services, particularly as opposed to investment and establishment aspects, needed to be brought out.

23. Attempts have been made, in some national examinations or in the discussions, to identify the underlying factors affecting the degree to which services are internationally traded. Among such factors are the economic structures of the countries concerned and their level of economic development; the large human element in certain services and the regional, public or social character of some of them; and various cultural and political motivations. One examination, referring to the regulatory philosophy of some governments giving rise to government-owned or controlled monopolies, because the services they supply are perceived as vital to national sovereignty, well-being and security, noted that the fact that these monopolies sometimes also engage in commercial activities outside their designated monopoly activity raises significant questions for trade in services. In this context, several delegations among those which have so far not circulated a national examination pointed out that these various factors were important not only in that they influence the classification of service activities and of service-related balance-of-payments flows, but also because they have implications for the question whether there is any scope for a uniform multilateral approach to services sectors. Thus, they argued that a number of these sectors act as instruments of sovereign national economic and developmental policies in their countries, and they could not accept the notion that third countries could have a say in determining national policy goals and how the services used to attain these goals should be regulated.

24. It was noted in most national examinations and widely recognized in the discussions that available data on services are inadequate and that international comparisons based on this data may be misleading: no country or international organization compiles data in a manner that fully and accurately measures services trade activity and disaggregates the data to reflect the activities in individual service sectors. Among the problems faced in respect of data collection are the coverage of international transactions, the method of collection, the classification of activities, the kinds of data needed for analysis, and confidentiality requirements. In light of these data insufficiencies, most of the delegations which had presented national examinations agreed that further national and international efforts to coordinate the development of methods for collecting and classifying data would be helpful. They were nevertheless of the view that services data will probably never be established with the same degree of precision as for goods and that, in any event, discussions and the resolution of most of the important conceptual trade issues in services could usefully proceed on the basis of the statistical data currently available. However, several delegations which had not so far circulated an examination emphasized that a more precise data base on services would be an important indicator in assessing the scope and dimensions of the problem of trade in services which other delegations proposed to address multilaterally.

National and international regulations governing individual services sectors, and problems identified in relation to international transactions in services

25. The delegations which have circulated national examinations have identified many types of regulations applying to services in their respective countries, some of which being maintained by local governments of federal States. Some of these delegations have emphasized the growing number of measures, usually of a regulatory nature, which acted as constraints on the development of international trade in services. Some delegations which have not yet circulated a national examination as well as some others have pointed out that the notion of constraint is often a subjective one, and that no a priori conclusion could be drawn from the fact that such and such regulations exist, in view of the national objectives being served by many regulations.

26. Among regulations of a general character which apply inter alia to services in the countries which have circulated a national examination are currency control and foreign exchange legislation, legislation regarding State authorization for the purchase or lease of real property, legislation governing the right of establishment of foreign companies, legislation defining the conditions on which foreigners may enter, leave, reside and be employed, as well as legislation relating to business competition, the protection of intellectual property, the protection of national security, planning, employment or the intent to defraud. Within the various services sectors, special rules are also applicable which directly influence all services transactions in those sectors. These may be different types of tax rules, public procurement policy, regulations concerning certain professions and regulations which impose the use of locally available services in preference to services supplied from abroad.

27. It was noted by delegations which had circulated a national examination that there are certain similarities among the national regulations applying in their respective countries on a sector-by-sector basis. Some examples of these similarities were given in the discussions. Some national examinations referred to the fact that the need for government intervention in the form of regulations has been kept to a minimum where there is a tradition of self-regulation by certain professional bodies or trade associations. However, one examination noted that it would be wrong to think that this meant liberalization of the services sector concerned. Some delegations among those which had not yet circulated a national examination drew attention to the fact that some services sectors, e.g. advertising, tended to be more heavily regulated in developed than in developing countries. In addition, they noted that attention should also be paid to the rôle national regulations play vis-à-vis multinational enterprises in the services sector, which had been mentioned in some national examinations, although the question of how to deal with them had not yet been properly addressed. The same comment applied to restrictive business practices, which had hardly been mentioned so far in the exchange of information.

28. The national examinations available also indicate that the rules applying in the services sectors may vary according to differences in the historical, constitutional or geographical backgrounds of the countries concerned, or as a reflection of different balances of sectorial interests in these countries. Some examinations noted that services may perform special tasks for the public, and in this context, some delegations among those which had presented national examinations as well as some other delegations have suggested that the motivations behind the measures affecting services may sometimes be more relevant than the measures themselves. However, some delegations which had presented an examination pointed out that these regulations may need to be considered from the point of view of their reasonableness, that is, of the balance between regulatory requirements and restrictive effects on trade in services. Another view which was expressed in this connection by some of these delegations was that it would be preferable to focus on the methods used to implement certain underlying national goals, because an examination of the legitimacy of different governments' goals would impinge on these governments' sovereign domain and could therefore not be expected to yield meaningful results.

29. With a view to facilitating the analysis of the contents of national examinations made available to date, the secretariat has attempted in MDF/7/Rev.2 to group into broad conceptual categories the problems which these examinations have identified as being faced by their services industries on account of regulations maintained in other countries. Most of the national examinations concluded that these are problems which restrict the ability of firms to provide services in foreign countries and that they have a recognizable impact on the flow of services among countries. In this connection, some delegations which had not circulated national examinations observed that much more discussion was needed before one could see clearly what were the trade aspects involved in these various types of problems and whether there was any scope for dealing with them multilaterally.

30. Reference has been made to international regulations existing in certain service sectors, but such regulations have not been examined in detail at this stage. Some delegations felt, however, that this would be an essential

element in any consideration of possible multilateral action in the services sector, including the question of the competence of existing international organizations to carry out such action.

Issues raised in connection with possible multilateral action on services

31. Most delegations which had presented national examinations made statements concerning the desirability of multilateral action on services and in certain cases, on possible approaches to such action, echoing points made in their respective examinations. A number of other delegations, recalling that national examinations had so far only been circulated by a number of developed countries and that there was need for much more information and analysis of the subject matter, felt it was not appropriate to consider the question of multilateral action at this stage of the process of exchange of information. In any event, in their view a determination on the question of multilateral action could only be made by the CONTRACTING PARTIES themselves in the light of the results of examinations as well as on the basis of information and comments provided by relevant international organizations. The following paragraphs summarize the arguments presented.

32. All the national examinations circulated to date stress the importance of services in themselves and their increasing contribution to other economic processes. A number of them point to the growing rôle of services in all countries, and consider that the expansion of existing services as well as the development of new services are benefiting all countries alike, since the degree of interdependency of most of the economies in the world is increasing. In this connection, the point is made in some examinations that the international division of labour on the basis of an optimal operation of comparative advantage should not be limited to the goods sector alone: its potential can only be fully realized if every sector of the economy is involved. One national examination noted that the theory of comparative advantage cannot be applied in areas where there is migration of factors of production. Therefore, it is argued, countries which at present are involved in international trade in services on only a limited scale should also take part in the process of exchange of information on services; in this way they can extend their understanding and obtain an early recognition of their special position.

33. Several delegations which had circulated a national examination as well as some others have expressed the view that, because services are one of the most dynamic elements in many economies, efforts to stimulate services trade were a potential source of growth in the world economy in the years to come, similar to the rôle which goods trade has played in fueling world economic growth in the post-war period. Therefore, these delegations consider that issues in trade in services should be given a more central position in the international trade policy process. Several delegations which have not circulated national examinations as well as some others, have pointed out that hasty conclusions should not be drawn from imperfect data, and that there was no sound basis at this stage to draw such a parallel between trade in goods and trade in services. Moreover, they considered that the views presented by other delegations and in available national examinations did not in themselves provide an objective basis to determine whether any action would be needed and of which type and where, and as far as they were concerned their own initial views would lead them to quite different conclusions.

34. The delegations which held the view that services trade may stimulate growth further argued that this potential may not be fully used if governments maintain restrictions which hinder the efficient allocation of resources, taking into account, inter alia, that regulations affecting trade in services can also have restrictive effects on trade in goods. However, some of the same delegations also stated that the liberalization of trade in services should not necessarily aim at eliminating government regulations designed to attain legitimate social objectives, and that action in the area of services should rather aim at bringing about adjustments in national regulations which would preserve the attainment of national regulatory goals while expanding the opportunities for trade.

35. Delegations which were not yet prepared to take a stand on the question of multilateral action felt that it is important for all the parties concerned to share a comparable process of thought which would eventually lead to a collective assessment of the question how international co-operation in services could most effectively be realized. This process implied that there should be a greater number of in-depth national examinations available as well as more objective analyses of services activities. In this connection, they noted that even the national examinations available so far revealed very different approaches on many aspects of the subject matter. Until a more representative number of GATT contracting parties had carried out their own studies, covering not only basic issues and problems, but also other elements such as the impact of development on services issues, the exchange of information could not be considered as being in any way complete.

36. On the question of possible approaches to multilateral action on services, a number of delegations which had circulated national examinations stressed the need for multilateral disciplines covering services trade and were of the opinion that GATT is the appropriate forum for such action. This did not imply that the principles and rules of the General Agreement and of the Agreements and Arrangements concluded in the Multilateral Trade Negotiations could be extended to services without careful study; moreover, new rules may need to be designed to deal with specific problems in this sector.

37. Most delegations favouring negotiations on trade in services considered that a global approach would be best suited to promote the interests of the emerging service sectors and of the users of internationally traded services; on the other hand, bilateral agreements seemed of limited value compared with the benefits of international, multilateral arrangements involving all trading partners. Some specific approaches were suggested in one national examination which included GATT principles such as national treatment, transparency and dispute settlement, but the delegation concerned stressed that it remained flexible as to possible final outcomes.

38. In this connection, several delegations which had not yet circulated a national examination emphasized the need for a review of the activities and responsibilities of international organizations which were in charge of agreements directly applicable or potentially relevant for trade in services, and stated that such a survey could best be carried out in close cooperation with the international organizations concerned. They noted that several important studies on services issues have already been undertaken by other international organizations, and that UNCTAD in particular would have an

important contribution to make to the consideration of the rôle of services in the development process. These delegations were of the view that no meaningful discussion of multilateral action could take place without fully taking this work into account.

Work undertaken in other relevant international organizations

39. In dealing with regulations governing individual services sectors, some national examinations have referred to existing international regulations applicable or potentially applicable to services. In addition to bilateral agreements, mention was made of agreements concluded or projected under the aegis of International Civil Aviation Organization/International Air Transport Association (ICAO/IATA), International Labour Organization (ILO), International Maritime Organization (IMO), International Maritime Satellite Organization (Inmarsat), International Telecommunications Satellite (Intelsat), International Telecommunication Union (ITU), United Nations Conference on Trade and Development (UNCTAD), United Nations Centre on Transnational Corporations (UNCTC), Universal Postal Union (UPU) and World Intellectual Property Organization (WIPO) as well as of International Bureau of Informatics (IBI), International Road Transport Union (IRU), International Organization for Standardization (ISO), International Railways Union (UIC), European Conference of Ministers of Transport (ECMT) and European Telecommunications Satellite Organization (Eutelsat); of regional agreements concluded under the aegis of Organization for Economic Co-operation and Development (OECD) and the Council of Europe; and of a private sector system for worldwide interbank transfers of funds, SWIFT.

40. Several delegations among those which have not yet circulated a national examination, referring to the information circulated in MDF/17 and Addenda 1 and 2, noted the relevance of the work carried out in a number of other international organizations such as UNCTAD to issues raised in national examinations and in the discussions. In their view, many of the international organizations concerned have a primary rôle to play, and in some cases a full mandate, in addressing issues in specific service sectors, and unless some common characteristics of services were clearly identified, it would be impossible to judge whether there is any need to supplement the work already being done by these other organizations. These delegations also drew attention to the useful work done by the United Nations Centre on Transnational Corporations (UNCTC) and emphasized that the rôle of transnational corporations in services, especially in the context of restrictive business practices, was an important aspect in any consideration of services issues.

41. Several delegations which had circulated a national examination recognized that the information provided by other international organizations had been useful and in certain instances had filled a gap by placing emphasis on the particular problems of developing countries. They noted, however, that the mandates of these organizations tended to confine them to a partial rôle in looking at services issues, in particular trade in services, not only in substance but also in scope. In their view, a large part of international transactions in services was not covered by the work of existing international organizations and was taking place without internationally agreed disciplines.