

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SERVICES

Report of the Chairman of the Meetings on Services,
H.E. Mr. Felipe Jaramillo, Ambassador of Colombia, to the
Session of CONTRACTING PARTIES at Ministerial Level

At their Forty-First Session in November 1985, the CONTRACTING PARTIES decided to invite contracting parties to continue the exchange of information undertaken in pursuance of the Agreed Conclusions of 30 November 1984, and to prepare recommendations for consideration by the CONTRACTING PARTIES at their next session (L/5924). This report, which I am presenting on my own responsibility, gives a brief account of events since that decision was adopted and draws attention to a few points of substance for the consideration of CONTRACTING PARTIES. Details of the work carried out under the decision can be found in the extensive documentation made available to the meetings on services and in the records of discussions of these meetings, which are listed at Annex.

Seven meetings on services were held, which were open to the participation of all contracting parties.¹ The discussions centered on the issues identified in paragraph 15 of my report to the Forty-First Session of the CONTRACTING PARTIES (L/5911), and which were grouped under the following four headings: (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.

¹The meetings were held on the following dates: 6-7 February, 24-26 March, 17-18 April, 12-13 May, 2-4 June, 27+30 June and 29 August 1986.

In addition, there were discussions of the services-related activities of three international organizations (UNCTAD, ITU and UNCTC) on the basis of presentations made by them at the meetings of 24-25 March and 2-3 June 1986, respectively. At the meeting of 27 and 30 June 1986, individual delegations carried out a stock-taking of the work undertaken so far in the exchange of information, and I presented my own view of the situation.

In taking stock of the exchange of information, the delegations which spoke stated that the process had been useful, but there were differences of appreciation regarding its completeness and balance, as well as the possibility of drawing any conclusions from this exchange in terms of the appropriateness and desirability of multilateral action on services.

A number of delegations emphasized the divergencies of views among contracting parties and pointed out that so far only preliminary views had been exchanged on services, especially on the developmental aspects. Further in depth discussions were needed to take into account any national studies of developing countries as well as additional contributions from relevant international organizations. Consequently, the work carried out so far did not constitute a sufficient basis to take any position on possible multilateral action on services.

Other delegations felt that the exchange of information had generated substantial and balanced discussions since they had been based on views from both developed and developing countries, and all main issues had received appropriate attention and were duly addressed. These delegations were of the opinion that, on the basis of the work done, a decision on the appropriateness and desirability of multilateral action could now be taken.

In my own view, the meetings had gone a long way towards examining the relevant aspects of the issues under discussion and in addressing the themes and concepts to which various delegations had drawn attention. The discussions which had taken place in connection with the presentations by representatives of other international organizations had also provided an opportunity to deal with development aspects, with some key sectoral activities, and with the rôle of transnational corporations in services. Clearly, however, in the absence of national examinations from developing

contracting parties, and perhaps of some other elements of information on specific subjects which might be thought desirable, the documentation at hand could not be said to be exhaustive. Therefore, it would be wise at this stage to leave open the possibility for examining any new information which could be made available. Moreover, while the exchange of information had been useful, I did not find that there was a consensus on which to base recommendations to the CONTRACTING PARTIES on the question of the appropriateness and desirability of multilateral action on services.

A number of options were open under the terms of reference of the Decision of CONTRACTING PARTIES of November 1985. Consultations were held among a large number of delegations and at informal meetings convened to discuss the matter. These consultations lead to the conclusion that an attempt to draft a text of agreed recommendations for adoption by Ministers would not be useful, given the divergencies of views which existed.

On the other hand, many delegations considered that a clear statement of positions by individual delegations would assist CONTRACTING PARTIES in gauging the situation and in identifying some points of convergence concerning the central question of the appropriateness, desirability and modalities for any possible multilateral action on services.

At the meeting of 29 August 1986, there were statements by some delegations in which they expressed their views on the state of the deliberations and indicated that some elements of convergence between previously opposed views were emerging that seemed to show that a solution in the field of services might be possible. Other delegations expressed scepticism about some aspects of these statements. In this situation I felt that it would be for Ministers at this meeting to tackle the issue in an effort to reach a solution satisfactory to all contracting parties. Accordingly, the meeting of 29 August 1986 recommended that Ministers take fully into account all statements made at that meeting (which are recorded in MDF/36), those made at the meeting of 27 and 30 June 1986 (MDF/35) as well as all the work undertaken under the Agreed Conclusions of 1984 and the November 1985 Decision of the CONTRACTING PARTIES. I would suggest that all these elements might be used as a basis on which efforts may be undertaken at this Session to work towards consensus.

ANNEX

SERVICES DOCUMENTATION

- L/5424 - Ministerial Declaration of 1982
L/5762 - Agreed Conclusions (CPs' decision of 1984)
L/5911 - Report of the Chairman of the CPs at 41st Session (1985)
L/5924 - Decision by CPs at 41st Session (1985)

National Studies received from the following countries:

Australia, Belgium, Canada, Denmark, European Community, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States

- MDF/7/Rev.2 - Analytical Summary of National Studies Received
MDF/17 - Summary of Information Made Available by Relevant International Organizations

- Add.1 - UNCTC
Add.2 - ILO
Add.3 - WTO
Add.4 - OECD
Add.5 - ICAO
Add.6 - IBI
Add.7 - ITU

- MDF/W/58 - Summary Table of Issues Raised in the Exchange of Information on Services
MDF/W/59 - Issues and Concepts to Regulations Affecting International Transactions in Services

Minutes of Meetings on Services

- MDF/6 - (MDF/W/23) Minutes of 24 January 1985
MDF/10 + Corr.1 - (MDF/W/34) Minutes of 1-2 April 1985
MDF/13 - (MDF/W/39) Minutes of 2 May 1985
MDF/15 - (MDF/W/44) Minutes of 7 June 1985
MDF/18 - (MDF/W/47) Minutes of 15 July 1985
MDF/20 - (MDF/W/54) Minutes of 18 September 1985
MDF/26 - (MDF/W/56) Minutes of 16 October 1985
MDF/27 - (MDF/W/57) Minutes of 12 November 1985
MDF/28 - (MDF/W/60) Minutes of 6-7 February 1986
MDF/29 - (MDF/W/62) Minutes of 24-26 March 1986
MDF/31 - (MDF/W/63) Minutes of 17-18 April 1986
MDF/33 - (MDF/W/65) Minutes of 12-13 May 1986
MDF/34 - (MDF/W/68) Minutes of 2-4 June 1986
MDF/35 - (MDF/W/69) Minutes of 27 + 30 June 1986
MDF/36 - (MDF/W/70) Minutes of 29 August 1986