

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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COMMUNICATION FROM THE EUROPEAN COMMUNITIES

Draft Sectoral Annex on Audiovisual Services

The following communication is circulated at the request of the Permanent Delegation of the Commission of the European Communities. Note that this proposed draft annex should be read in relation to the draft agreement on trade in services proposed by the EC in document MTN.GNS/W/105.

Article 1: Objectives

The objectives of this annex are to ensure that, while the liberalization of audiovisual services is achieved through the Agreement, the cultural specificities of these services are respected.

Article 2: Coverage

1. Audiovisual services include any activity related to the production, distribution and broadcasting of audiovisual works whatever the means used.
2. Nothing in this Agreement shall affect the status as defined by each party of the entities providing audiovisual services.

Article 3: Most favoured nation treatment

As far as the origin of a work determines its cultural content, the Agreement shall not affect the right of a party not to accord a treatment as favourable as that accorded in like circumstances to services or providers of services of any other party.

Article 4: National treatment

1. Parties may apply or introduce measures providing for some requirements of origin applicable to audiovisual works for cultural reasons.

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2. The Agreement shall not affect the right of a party not to accord, on the basis of measures referred to in paragraph 1, a treatment as favourable as that accorded in like circumstances to its own services or providers of services.

Article 5: Market access

For audiovisual services with cultural content and to serve cultural policy objectives, parties shall retain the right not to grant market access to services and service providers of other parties.

Article 6: General provision

The measures provided for in this Annex shall not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between parties where like conditions prevail, or a disguised restriction on international trade in services.
