Strengthening Knowledge and Capacities for the Design and Implementations of FTAs Involving CAREC Countries



National Training On preparing to negotiate a potential CAREC-wide FTA

Session 4: Exercise on Preparing for Services Negotiations in a CAREC-Wide FTA

Almaty, Kazakhstan

May 2023



Session 2 | Trade in Services Overview

01

Problem Set 1 | Mapping the Bilateral Services Trade Relationship



Problem Set 2 | Find Relevant WTO and FTA Commitments

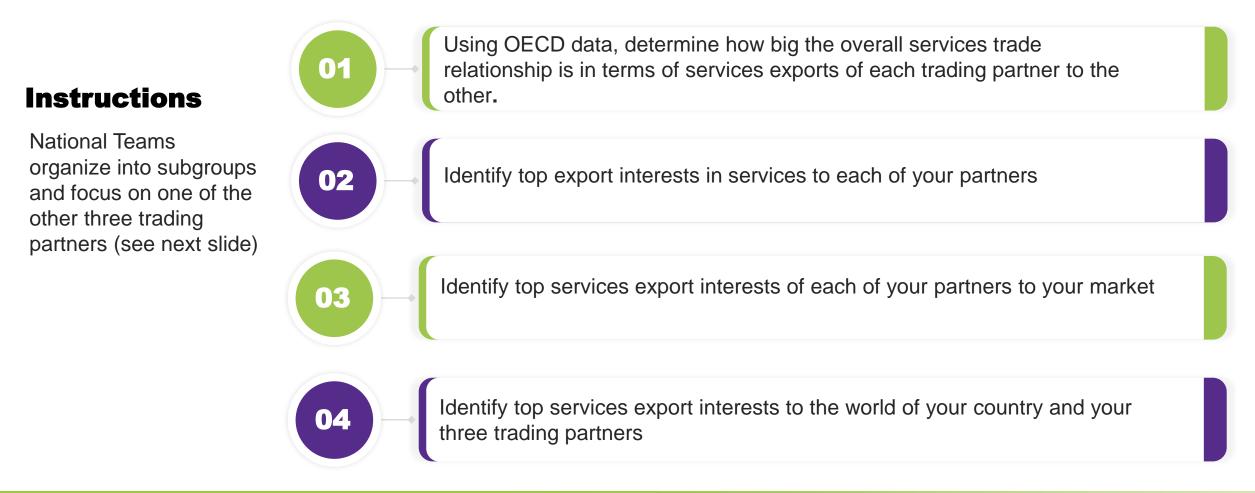
03

Problem Set 3 | Prepare Domestic Consultations

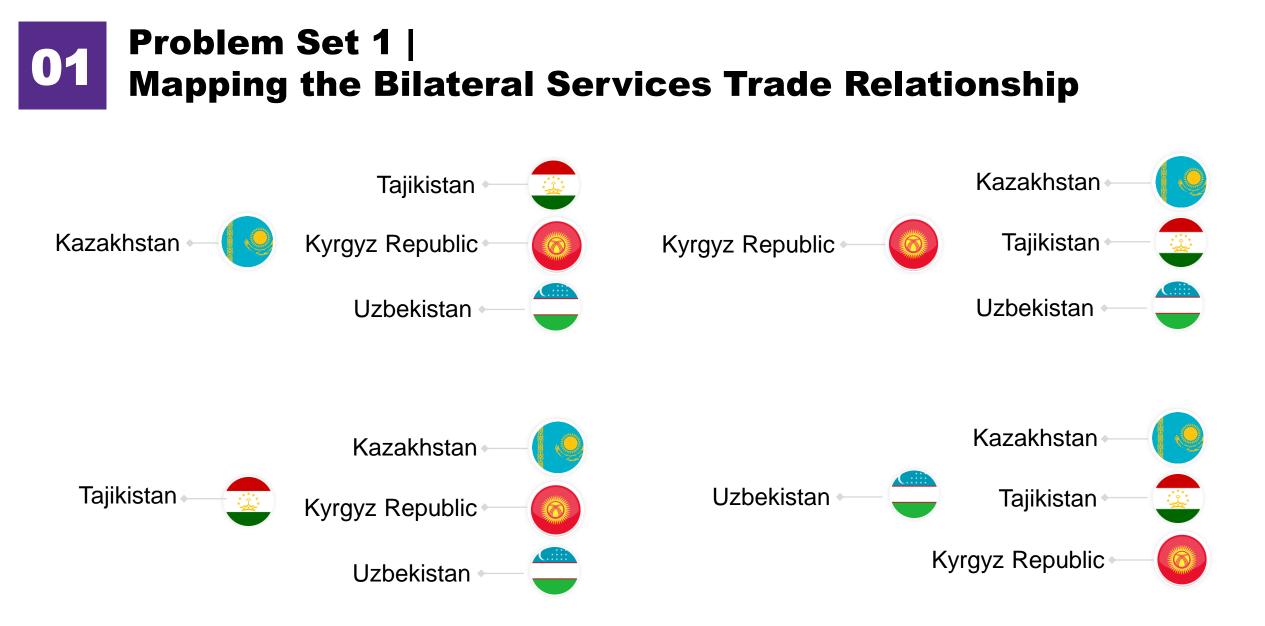


Problem Set 4 | Prepare 1st Round Offers and Requests 05

Conclusion | Summing Up and Taking Away

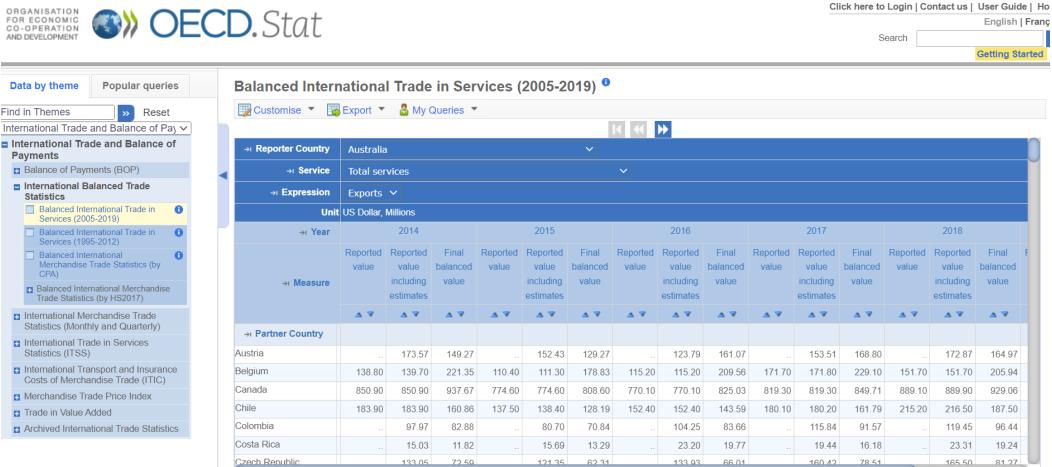








ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



https://stats.oecd.org/Index.aspx?DataSetCode=BATIS_EBOPS2010



The OECD-WTO Balanced Trade in Services (BaTIS) dataset



National Training Workshop on Preparing Negotiations Almaty, May 2023

NEW Dashboard | Database Inventory | Technical Notes | User Guide | Contact Us English | Français | Español Solutions News Selection Display WORLD TRADE ORGANIZATION WTO STATS ORGANISATION MONDIALE DU COMMERCE Last updated on: 2022/12/21 ORGANIZACIÓN MUNDIAL DEL COMERCIO 0/255 Indicators 20 December 2022 - Monthly merchandise trade and trade in Expand K Collapse commercial services data were updated. Quarterly merchandise **Filter** Q Search an indicator... trade data were updated. The WTO Stats portal contains statistical indicators related to WTO issues. Available time series cover merchandise trade and trade in services statistics (annual, guarterly International trade statistics 25 November 2022 - Update of MNG GEO Foreign affiliates statistics and monthly), market access indicators (bound, applied & preferential tariffs), non-tariff annual total merchandise trade information as well as other indicators. Balanced International Trade in Services EBOPS 2010 values by product group. (2005-2019) - (Experimental data set) Data retrieval functionalities include data selection, display and export, including 25 October 2022 - Quarterly Tariff indicators - Applied available metadata. trade in commercial services data • Bilateral imports were updated. Tariff indicators - Bound Please proceed to indicator selection. 5 October 2022 - Annual and Export perspective in top 5 markets quarterly updates for Non-tariff measures indicators ► merchandise trade. Update of annual and quarterly NEW The WTO Stats Dashboard, a new data visualization tool, is available. In this tool merchandise trade indices. selected WTO Stats Portal data sets are presented visually via three distinct dashboards: Merchandise Trade, Commercial Services Trade, and Market Access. Depending on the 26 July 2022 - Annual updates for dashboard, data can be explored by reporting economy, trade flow, period (annual, commercial services values and foreign affiliates statistics. guarterly, monthly), indicator, and product or sector breakdown. Available here. 0 / 292 Reporting Economies 13 January 2021 - The new WTO-For analytical reports on official tariff and import data of WTO members, go to Tariff OECD Balanced Trade in Services Analysis Online (login required). 0/76 (BaTIS) dataset is a complete, Years



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	► Indicators	1/255	Indicator: Services exports: balance	d values (Million US dollar)			~
	▶ Reporting Economies	1 / 292	Reporting Economy 1	Product/Sector 1	Partner Economy î	Year ←	2019
	Products / Sectors	169 / 171	Georgia	BOP6 - SOX - Commercial services	Mongolia		2
				BOP6 - SPX4 - Goods-related services	Mongolia		0
MNG	 Partner Economies 	1 / 263		BOP6 - SA - Manufacturing services on physical inputs owned by others	Mongolia		0
	✓ Years	5 / 76		BOP6 - SB - Maintenance and repair services n.i.e.	Mongolia		0
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	Select last: 5 years 15 years 20 years			BOP6 - SF - Insurance and pension services	Mongolia		0
	✓ 2023 ✓ 2022 ✓ 2021	✓ 2020		BOP6 - SG - Financial services	Mongolia		0
	2019 2018 2017	2016		BOP6 - SH - Charges for the use of intellectual property n.i.e.	Mongolia		0
	2015 2014 2013			BOP6 - SI - Telecommunications, computer, and information services	Mongolia		0
	2011 2010 2009 2007 2006 2005			BOP6 - SJ - Other business services	Mongolia		0
	2003 2002 2001			BOP6 - SK - Personal, cultural, and recreational services	Mongolia		0
	1999 1998 1997	<u> </u>		BOP6 - S - Memo item: Total services	Mongolia		2
	1995 1994 1993			BOP6 - SPX1 - Memo item: Other services	Mongolia		0
	1991 1990 1989			BOP6 - SL - Memo item: Government goods and services n.i.e.	Mongolia		0





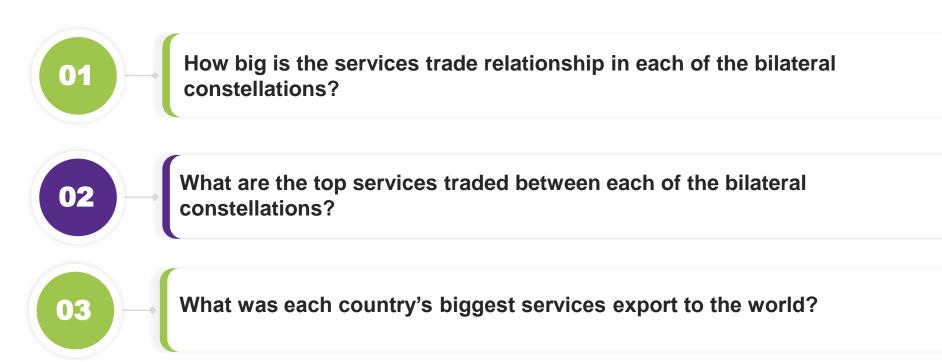


Selection	Display			Excel 🕁 CSV	C Link	< > API
Indicators	1 / 255	Indicator:				
		Services exports: balance	d values (Million US dollar)			~
 Reporting Economies 	1 / 292	Reporting Economy 1	Product/Sector 1	Partner Economy î	Year ←	2019
Products / Sectors	171 / 171	Georgia	BOP6 - SOX - Commercial services	World		3,203
			BOP6 - SPX4 - Goods-related services	World		20
Partner Economies	1 / 263		BOP6 - SA - Manufacturing services on physical inputs owned by others	World		2
• Years	5 / 76		BOP6 - SB - Maintenance and repair services n.i.e.	World		18
10010			BOP6 - SC - Transport	World		421
⊘ Select all	S Deselect All		BOP6 - SD - Travel	World		2,214
	Show selection		BOP6 - SOX1 - Other commercial services	World		548
from 1948 🗸 to 202	23 🗸		BOP6 - SE - Construction	World		2
Select last: 5 years 15 years 20	years		BOP6 - SF - Insurance and pension services	World		8
2007 2006	2005 2004		BOP6 - SG - Financial services	World		19
2003 2002	2001 2000		BOP6 - SH - Charges for the use of intellectual property n.i.e.	World		17
1999 1998 1995 1994	1997 1996 1993 1992		BOP6 - SI - Telecommunications, computer, and information services	World		331
1991 1990	1989 1988		BOP6 - SJ - Other business services	World		153
1987 1986	1985 1984		BOP6 - SK - Personal, cultural, and recreational services	World		19
1983 1982	1981 1980		BOP6 - S - Memo item: Total services	World		3,367
1979 1978 1975 1974	1977 1976 1973 1972		BOP6 - SPX1 - Memo item: Other services	World		713
1973 1974	1969 1968		BOP6 - SL - Memo item: Government goods and services n.i.e.	World		165
1067 1066	1065 1064					

Total = \$11,220



Answers





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01

Problem Set 1 | Mapping the Bilateral Services Trade Relationship



Find Relevant WTO and FTA Commitments

03

Problem Set 3 | Prepare Domestic Consultations



Problem Set 4 | Prepare 1st Round Offers and Requests 05

Conclusion | Summing Up and Taking Away

Instructions

Obtain your partners' WTO schedules.

Find the WTO Schedule of Specific Commitments in Services for your negotiating partner and download it.

02

Review their schedules for potential negotiating issues. Check your partners' schedule and identify 3 sectors that that have either not been scheduled at all, or where different modes of supply are scheduled as either "Unbound" or with restrictions.



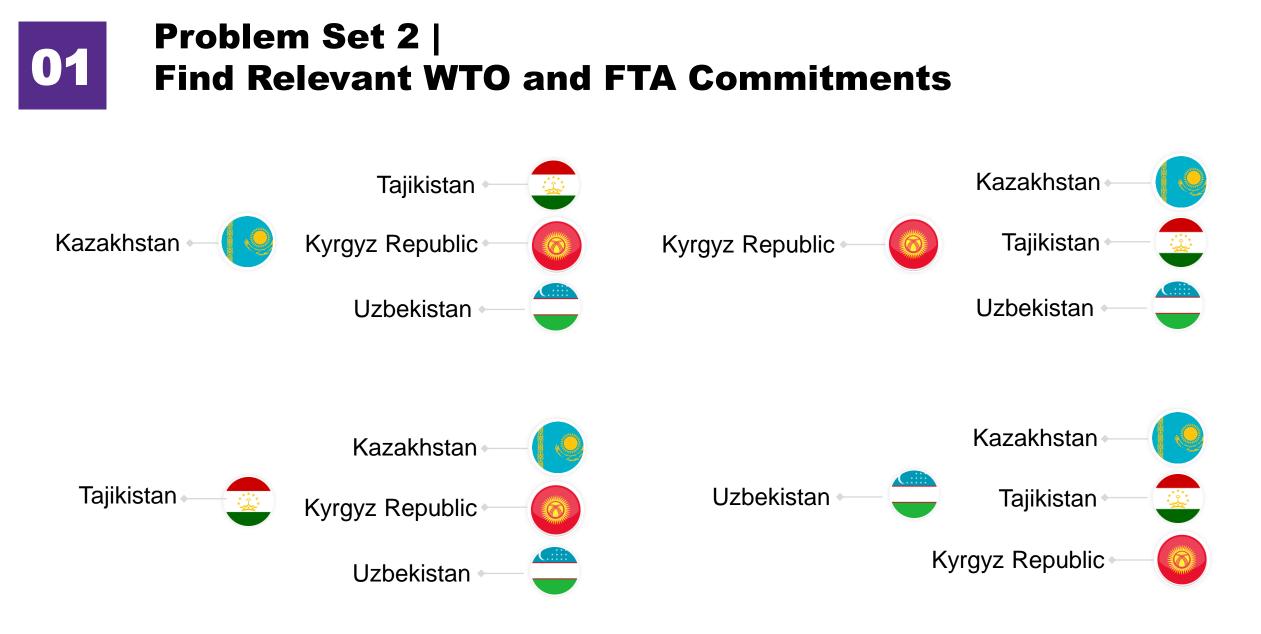
Check any sectors you identify for subsequent FTA commitments

See if your partner has made more liberalizing commitments in these sectors in subsequent FTAs



Perform Step 1, 2 and 3 on yourself to anticipate requests from your partner Find, download and review your own schedule, and perform the analysis from tasks 2 and 3 above on your self. Then check these sectors against subsequent FTA commitments

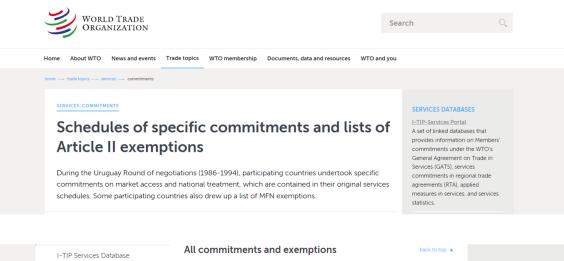


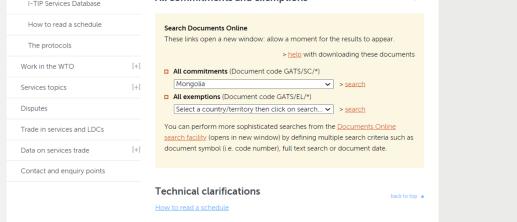




Example

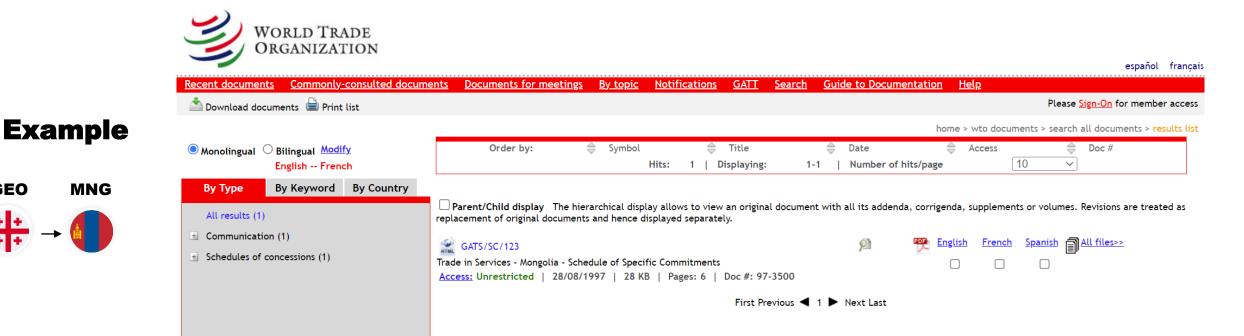






https://www.wto.org/english/tratop_e/serv_e/serv_commitments_e.htm





GEO



WORLD TRADE

GATS/SC/123 28 August 1997

ORGANIZATION

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(97-3500)

Trade in Services

MONGOLIA

Schedule of Specific Commitments

Mo	des of supply: 1)	Cross-border supply 2) Consumption abroa	d 3) Commercial presence 4) P	resence of natural persons
	Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments Page
4.	DISTRIBUTION SERVICES			9,4 (1)
B.	Wholesale trade services	 None None None Unbound except as indicated in the horizontal section 	 None None None Unbound except as indicated under market access 	C2
C.	Retailing Services	 Unbound None Unbound Unbound Unbound except as indicated in the horizontal section 	 Unbound None Unbound Unbound Unbound except as indicated under market access 	

Example

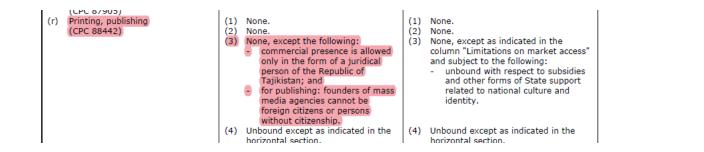




Trade in Services

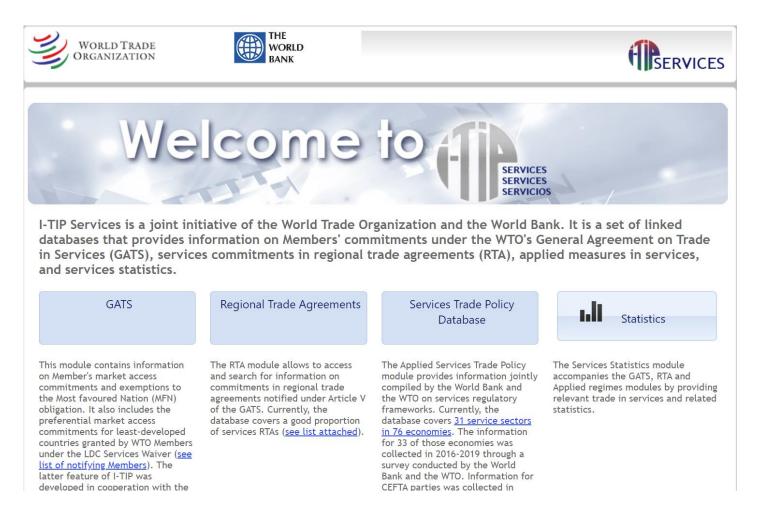
TAJIKISTAN

SCHEDULE OF SPECIFIC COMMITMENTS¹



GATS/SC/151 - 12 -











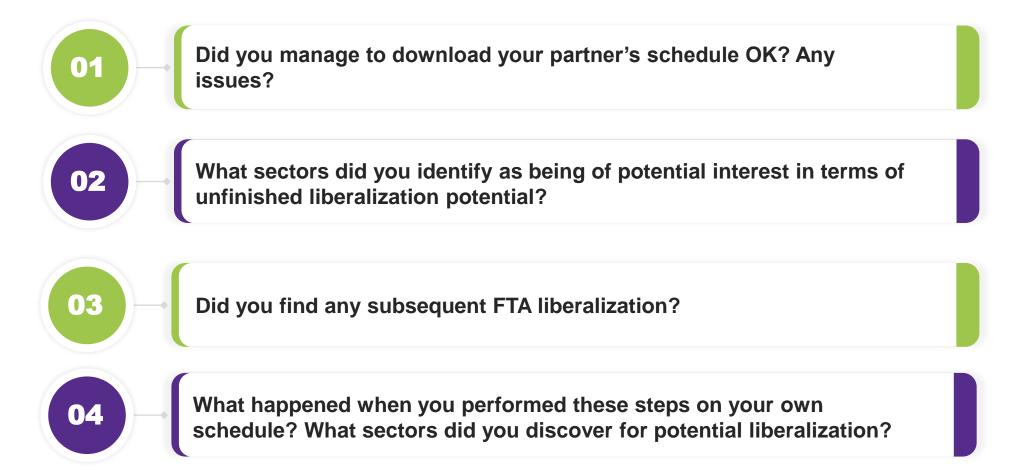


World " Organiz	TRADE ATION	THE VORLD MANK		Ð	SERVICES			
Home GATS R	TA Commitments Services Trade Po	licy Database Statistics			<u>User Guide</u>			
RTAs services pro The module on RTAs	ovisions and commitments/re allows to access and search for in	servations formation on commitments in regional trac	le agreements notified und	er Article V of the	GATS			
RTAs: Ja	ongolia apan - Mongolia - DISTRIBUTION SERVICES			<u>Back to</u>	o selection screen			
Group by: Economy	▼ RTA ▼			Select report				
					🗏 🌛 🕎			
	Sector (1)	Reservation/Commitment ()	Obligations concerned (i)	Modes concerned (i)	Type of reservation (i)			
Mongolia								
Japan - Mor					<u>RTA Overview</u>			
	BUTION SERVICES							
	ommission agents' services tor-specific commitments on:							
- 560	A. Commission Agents' Services (CPC 621)	MA: 1) None 2) None 3) None 4) Unbound exc the horizontal section NT: 1) None 2) None 3) None 4) Partial	<u>rept as in</u>					
<u>4.B W</u>	4.B Wholesale trade services							
- sec	tor-specific commitments on:							





Answers





Session 2 | Trade in Services Overview

01

Problem Set 1 | Mapping the Bilateral Services Trade Relationship



Problem Set 2 | Find Relevant WTO and FTA Commitments 03 Problem Set 3 | Prepare Domestic

Consultations



Problem Set 4 | Prepare 1st Round Offers and Requests

05

Conclusion | Summing Up and Taking Away



Instructions

Identify relevant laws, regulations and regulatory authorities
 Based on the outcomes for Task 4 of the previous problem set, review what laws and regulations apply to this sector in your market as well as which government authority has jurisdiction.
 Identify defensive interest that need to be won over.
 Identify if there are private sector interests that need to be consulted, either industry associations, licensing or standards bodies, unions, advocacy groups or NGOs.

Identify offensive interests that can support you

On the basis of the analysis performed in Task 2 of the previous problem set, can you identify who your export interests are likely to be and who represents them at the national level?





Solutions



Examples

GATS Sector	Exporters	Other Stakeholders
Business services	Small & large national firms	Professional services associations
	who sell by each mode	Professional licensing registrars
	TNC subsidiaries (Mode 3)	Service Industry associations
	Government agencies	Real Estate Board
	Non-profit organisations	Convention Board
		National Research Council
		Unions
Distribution services	Small & large national firms	Retailers Association
	who sell by each mode	Wholesalers Association
	TNC subsidiaries (Mode 3)	Importers Association
	Government agencies	Franchise Association
	Non-profit organisations	Duty-Free Shops
		Unions





Answers



Did you find what laws and regulations apply to this sector in your market and which government authority has jurisdiction?



What private sector interests did you find that may need to be won over?



What domestic interests did you find that could support you and who represents them?



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Problem Set 2 | Find Relevant WTO and FTA Commitments



03

Problem Set 3 | Prepare Domestic Consultations

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Conclusion | Summing Up and Taking Away

Problem Set 4 Prepare 1st Round Offers and Requests

Instructions



Identify the sector and the mode of supply and the commitment you seek

Using the template provided, formulate a request.



Convert the request into a scheduled commitment Again, using the template provided, articulate how the desired commitment might look in your partners schedule if implemented.



Identify sectors and modes of supply you can offer commitments in

On the basis of the analysis you performed on your own schedule select some sectors you're willing to make some offers to your negotiating partner on. Using the template provided, formulate an offer.

Convert these commitments into schedule language Using the template provided, articulate how the offer you're prepared to make might look in your own schedule if agreed to it



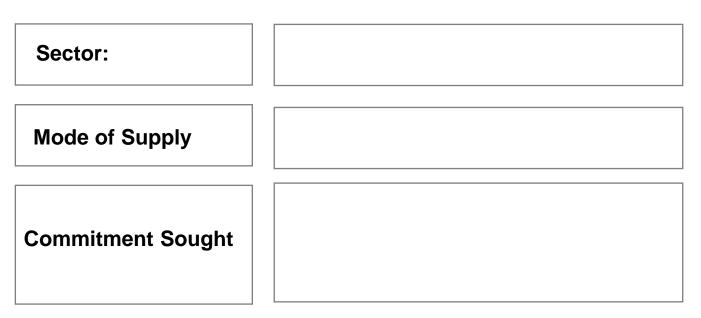


Solutions

Identify the sector and the mode of supply and the commitment you seek



Request Template





04 Problem Set 4 | Prepare 1st Round Offers and Requests

Convert the request into a scheduled commitment

Solutions



Sector or		Limitations on market		Limitations on national	Additional
subsector		access		treatment	commitments
<u>Name of</u> Services Sector					
Specific Sub-	1)	[]	1)	[]	
sector or activities	2)	[]	2)	[]	
(CPC No.[])	3)	[]	3)	[]	
	4)	[]	4)	[]	





Solutions

(
	03	

Offer Template	
Sector:	
Mode of Supply	
Commitment Offered	



04 Problem Set 4 | Prepare 1st Round Offers and Requests

Convert the offer into a scheduled commitment

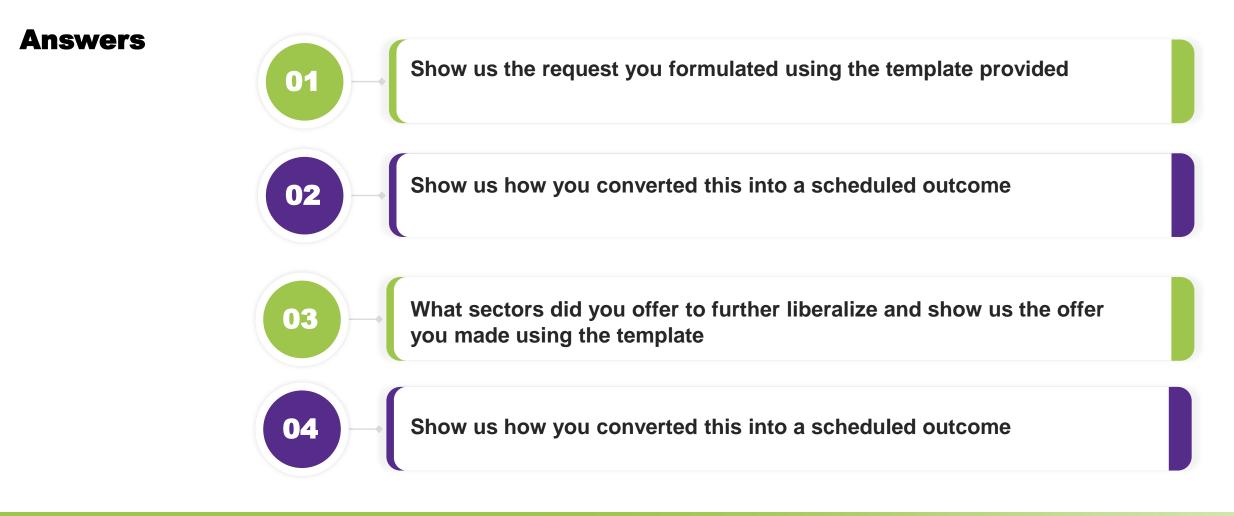
Solutions



Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<u>Name of</u> Services Sector			
Specific Sub- sector or activities (CPC	1) [] 2) []	1) [] 2) []	
No.[])	3) [] 4) []	3) [] 4) []	









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04

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Conclusion | Summing Up and Taking Away

5 Conclusion | Summing Up and Taking Away

The data on trade in services isn't as complete or robust as is the case in trade in goods, which provides a lot less certainty for negotiators and their governments. This situation is improving slowly, and efforts have been ongoing to breach the data gap for several decades now.

02

The currency of services negotiations is domestic regulation, which means it often sites outside of the jurisdiction and competence of the trade ministry. Intra-governmental cooperation is essential.

03

Scheduling commitments is tricky and requires some understanding of the different modes of supply and how to formulate any desired restrictions, limitations or policy space you wish to maintain .

04

The positive list approach that we have learned here is gradually receding as more and more FTA's opt for the more liberalizing negative list architecture.





Strengthening Knowledge and Capacities for the Design and Implementations of FTAs Involving CAREC Countries

Thank You!

