

PRESS RELEASE

Brussels, 4 July 2002

The European Services Forum (ESF) warmly welcomed the announcement by the European Commission today that the European Union had tabled the "GATS Requests" for trade services liberalisation in the WTO.

Mr. Andrew Buxton, Chairman of the ESF, congratulated the European Union Member States and the European Commission on meeting the agreed deadline fixed in Doha, Qatar at the last WTO Ministerial Conference, launching the Doha Development Agenda.

As stated in the summary of the Commission, these sectors include business services like computer and related services, construction and related engineering services, distribution services, energy services, environmental services, financial services, legal services and other professional services, telecommunications, postal and express delivery services, tourism, etc.

The European Union invited more than 109 countries to build on the Uruguay Round commitments undertaken in 1994 and to initiate further services trade liberalisation. Most developed countries are requested to fully open up their services markets, in all the various modes in which services can be supplied. The least developed countries are also invited to participate to the trade liberalisation exercise by opening up infrastructure related services like telecommunication, financial services, etc.

The European service industries have actively participated in the open consultation undertaken by the Commission and the Member States and will continue to follow closely the services negotiations. Mr. Buxton said that he welcomed the open process by which the Commission gave an opportunity to all stakeholders to express their views.

Buxton observed that services trade negotiators had rightly focussed on those services which are essential to the operation of any economy. "Sound and fair liberalisation in these services will contribute strongly to sustainable development around the world, including in the emerging economies where services account already for more than 50% of their GDP. These countries need access to high quality services such as financial services, good telecommunications and power services to ensure their own development, not least in the export sector".

"Services trade liberalisation is crucial for the European economy," Buxton said. "Services sectors employ 69% of all jobs in the EU and account for more than 70% of total output¹. Services are characterised by a high productivity growth. Our companies need further trade liberalisation across a wide range of services in order to continue to grow our overseas markets and create new European jobs."

ESF would like to be reflected in the commitments to be made in national schedules of the WTO countries at the end of the GATS negotiations, the following important principles:

- a) The right to establish and operate competitively;
- b) Foreign investors should have the same access to domestic markets as local companies;
- c) Promotion of an appropriate framework for an open-trade regime for electronic commerce and concrete commitments to provide cross-border services in highly international-oriented sectors;
- d) Removal of barriers (nationality, residence requirements, etc. and long visa procedures) to the posting of key business personnel;
- e) Existing investments should be guaranteed;
- f) Adoption of appropriate disciplines to ensure fair and transparent domestic regulations and right conditions to transparent market access to public procurement in services;
- g) Exceptions to commitments should be precise, transparent, temporary and limited to the minimum required for their purpose.

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ESF represents the very large majority of the European service industries that have a direct interest in supplying international services. ESF members employ more than 25 million workers. They provide services to hundred of millions of consumers in Europe and worldwide.

¹ Source: European Commission – European competitiveness report 2002.