



« The voice of the European Service Industries for International Trade Negotiations in Services »

FRIDAY 13 OCTOBER

HALF DAY  
EVENT

Starting 9:00 Sharp!

Venue: European Economic & Social Committee, 99 Rue Belliard, Brussels

**ESF**  
European Services Forum

**TRADE IN SERVICES:**

**Unlocking a multi-trillion euro economy  
for all and across sectors**

Free Registration

Please RSVP by Monday 9th October 2017 at [brussels-events@humbrophy.com](mailto:brussels-events@humbrophy.com)

FEATURING KEYNOTE SPEAKER

Cecilia Malmström  
EU Trade Commissioner

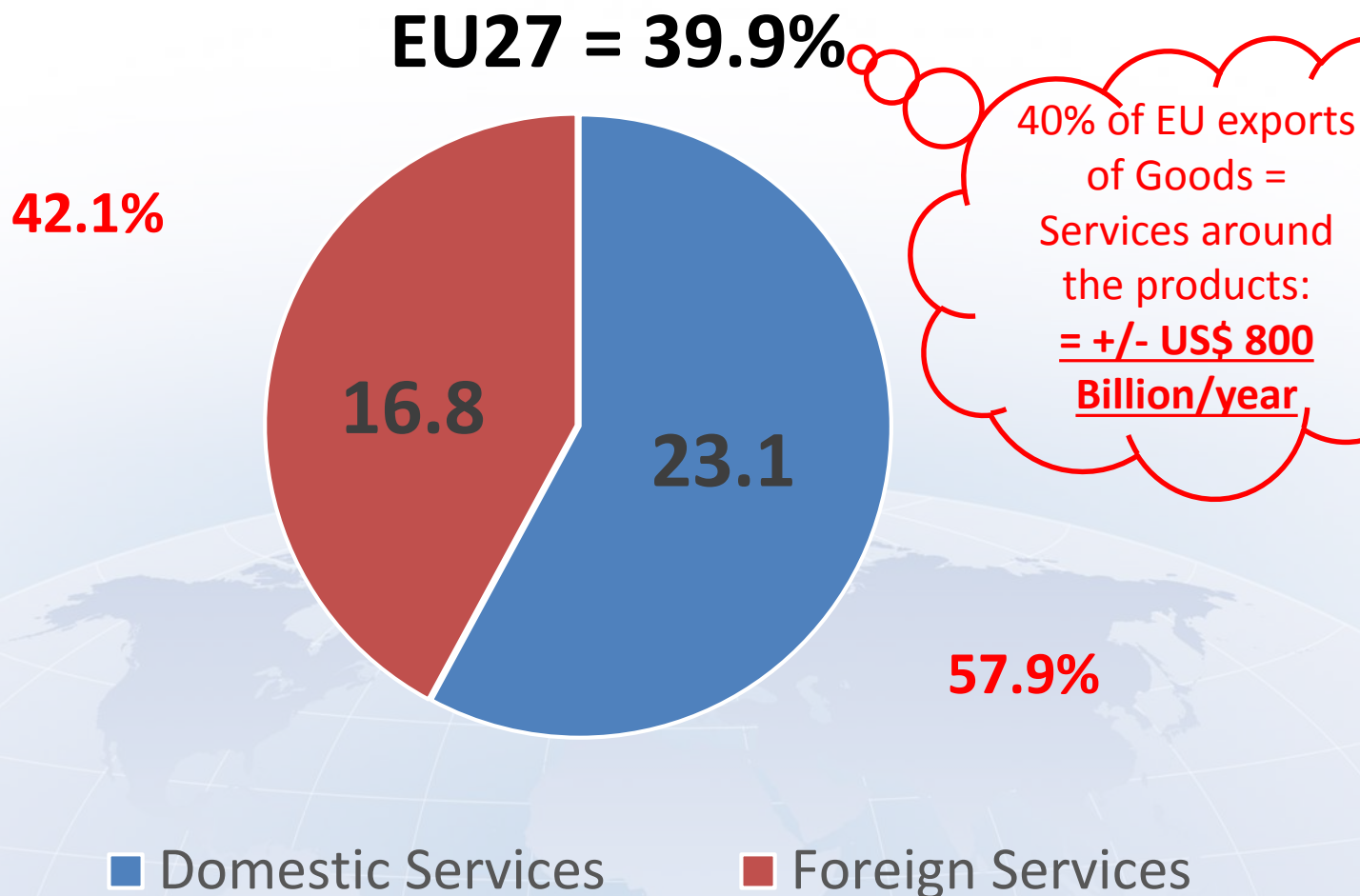
FEATURING KEYNOTE SPEAKER



“Negotiations on services go much beyond Services sectors”

**Pascal Kerneis – Managing Director  
ESF (European Services Forum)**

Share of Services value added in EU **Goods** Exports  
Share of Domestic & Foreign Services in Goods Exports - %

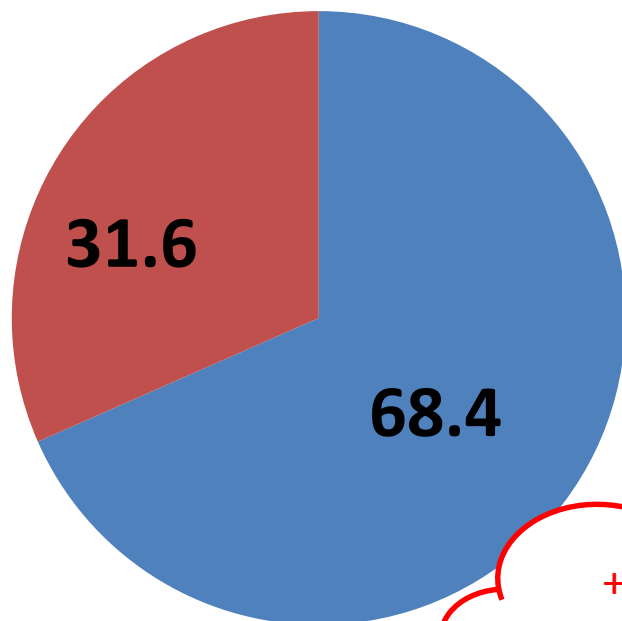


## IMPORTANCE OF TRADE IN SERVICES

If we use the trade in value-added (TiVA) indicators

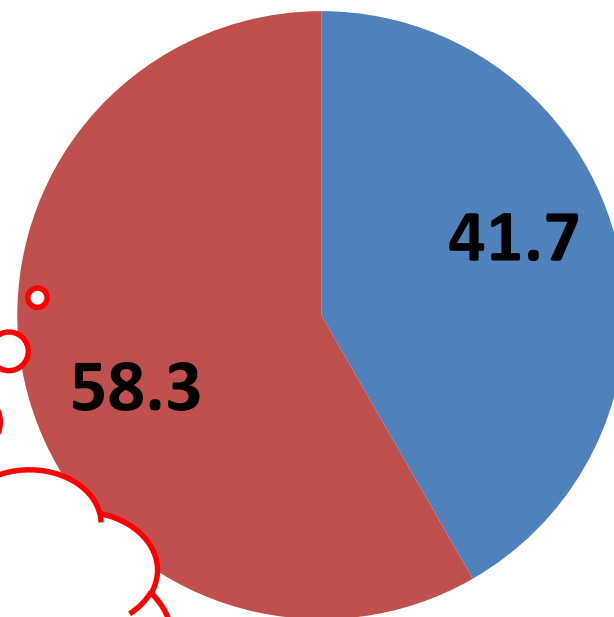
**58,3% of total EU Exports are Services**

EU Exports in BoP – 2015 - %



■ Goods ■ Services

EU Exports in TiVA – 2011 - %



■ Goods ■ Services

+/- 60% of EU  
exports = Services :  
**= US\$ 1710 Billion**

## **SERVICES COMPONENTS IN TRADE AGREEMENTS**

- ➔ The main component will be the Schedule of Commitments, using **Positive list** in old agreements, “**Hybrid List** “ in TiSA and **Negative list** in recent FTAs (Canada, Japan, Mexico, Chile, Australian, New Zealand),
  - list of sectors & sub-sectors open, with list of remaining barriers
  - Minimum standards of Market Access Commitments (e.g. Removal of all equity caps, with negotiated exceptions, etc.)
- ➔ In addition of the Market access component, Services Chapters and/or Annexes in FTAs also include **Set of regulatory disciplines** :
  - Adoption of a Horizontal Paper on Domestic Regulation Disciplines
  - Adoption of disciplines on temporary mobility of personnel
  - Adoption of Sector Specific Reference papers or Disciplines or Chapters (e.g. on Telecoms, on Postal & express, on Energy, on Logistic Services, Maritime transport, etc.)
  - Adoption of disciplines on Financial Services + Annexes
  - Adoption of disciplines on State Own Enterprises (SOEs)
  - Adoption of disciplines on cross border data flow (EU Industry wish, but blocked at political level – Data privacy)

## **Impact on EU Trade Policy**

- More focus on Trade in Services negotiations, which should take over from focus on agriculture tariffs!
- Imply more awareness of services dimension in trade policy from manufacturing and primary sectors
- Mode 1, Mode 3 and Mode 4 commitments cover all economic sectors!
- Need more statistics on services sectors
- Importance of Business services and “other business services”
- Services dimension in all aspects of trade negotiations (Public Procurement, regulatory cooperation, sustainable development, etc.)



## **GATS' MODES APPLY TO ALL ECONOMIC SECTORS**

- ❑ Mode 1: Cross border supply/trade:
  - ➔ Negotiated in the services schedules
  - ➔ Shipping, air cargo, etc.; E-commerce (B2C); cross-border data flows (3D printing; IoT or M2M, digital manufacturing, etc.
  - ➔ Need for language on cross border data flows in FTAs.
  - ➔ To set principle & ban local servers requirements, etc.
- ❑ Mode 3: Commercial presence abroad = FDI
  - ➔ Negotiated in the services and investment/establishment chapter and offer/schedules
  - ➔ Include commitments on agriculture, mining, all manufacturing sectors (incl. Shipbuilding) and then services sectors
- ❑ Mode 4: Temporary Movement of natural persons
  - ➔ Negotiated in the services schedules, but cover all economic sectors (intra corporate transferees, experts, engineers, etc.)



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**THANK YOU FOR YOUR ATTENTION !**

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