

## **GATS 2000**

### **REQUEST FROM THE EC AND ITS MEMBER STATES (HEREAFTER THE EC)**

#### **TO**

#### **MONGOLIA**

#### **GENERAL REMARKS**

At the WTO Ministerial Conference in Doha in November 2001, ministers agreed that initial requests for specific commitments should be submitted by 30 June 2002.

In line with this decision, and committed to the objectives and principles stated in GATS, in particular Article IV and XIX GATS, as well as the negotiating guidelines agreed by the Council for Trade and Services on 29 March 2001, the EC encourages Mongolia to participate actively in the negotiations.

The EC considers that the progressive liberalisation of services is of benefit for all members, including developing and least developed countries. In this context, the EC recognises the importance of liberalisation being underpinned by domestic regulatory frameworks designed to ensure the achievement of public policy objectives.

This request covers horizontal commitments, MFN exemptions and the following service sectors:

- Business services
- Telecommunication services
- Construction and related engineering services
- Environmental services
- Transport services

The EC proposes that Mongolia's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of existing commitments as set out in this Request. The EC is furthermore looking for a reduction in schedules limitations whether these are horizontal or sector specific in nature. In so doing, the EC is not seeking the

dismantling of public services nor the privatisation of state owned companies.

In conformity with the objectives set out in the EC's overall approach to services negotiations (document S/CSS/W/15), the EC reiterates its commitments to promote regulatory disciplines in accordance with Article VI:4 of the GATS. The EC, however, reserves its right to address at any time to Mongolia specific requests concerning regulatory issues.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23 March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that the sector and sub-sector are clearly identified in accordance with the classification list in document MTN.GNS/W /120 or other internationally recognised classification (e.g. Financial Services Annex). If this is not possible, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment. In that respect, the EC would like to recall the classification or list of activities proposed in its negotiating proposals with regard to energy services. While discussions on classification in these sectors are still ongoing, the EC would like to invite Mongolia to present its offer in accordance with this approach.
- that any remaining limitation on market access (hereafter "MA ") or on national treatment (hereafter "NT") are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC GATS contact point (mailbox address: [TRADE-GATS-CONTACT-POINTS@cec.eu.int](mailto:TRADE-GATS-CONTACT-POINTS@cec.eu.int)), via the Delegation of the European Commission in Geneva, or directly to the European Commission (Directorate-General Trade, Unit D2 (Trade in services, including e-commerce), Brussels, B-1049, Belgium, fax 32-2-299 24 35).

*Note: The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final position on classification issues and to the EC's classification of their existing commitments.*

# HORIZONTAL COMMITMENTS

## EC REQUEST TO MONGOLIA

### MODE 4

#### **Definitions**

It is not clear what is meant by the terms “persons with managerial or technical skills”. **EC Request:** Please define in the schedule.

#### **Labour market testing**

Mongolia appear to apply labour market testing to all Mode 4 entrants “persons...in short supply”. **EC Request:** Remove this requirement for intra-corporate transferees and business visitors.

#### **Intra-corporate transferees**

An intra-corporate transferee (ICT is an employee of a foreign firm, who is temporarily transferred to an affiliate of that firm (branch, subsidiary, office, joint venture, etc.) in Mongolia. **EC Request:**

- Make a commitment to allow as intra-corporate transferees «persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods».

*Note: Mode 4 covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.*

## **BUSINESS SERVICES (OTHER THAN PROFESSIONAL)**

### **EC REQUEST TO MONGOLIA**

#### **B. COMPUTER AND RELATED SERVICES**

Mongolia has not committed this sector. The EC requests that it be committed at the two-digit level as follows:

##### **Computer and Related Services (CPC 84)**

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **F. OTHER BUSINESS SERVICES**

Mongolia has partially committed this sector. The EC requests that it be committed as follows:

**c) Management consulting services (CPC 865), and**

**d) Services related to management consulting (CPC 866)**

Mongolia has made full commitments for “management consulting” without indicating the CPC code. **EC Request:** Please make clear in the schedule that the commitments apply to both CPC 865 and 866.

# TELECOMMUNICATION SERVICES

## EC REQUEST TO MONGOLIA

A competitive telecommunications market reduces costs for industry and private users, and facilitates and improves communication between both businesses and individuals. This enables companies in all sectors to react more quickly and adequately to the needs of consumers, to gain efficiency, raise their productivity and provide more goods and services more efficiently and at a better price. In particular, investments in this sector stimulate the development of electronic commerce, which can spur growth in almost all services sectors, regardless of the level of development of the country.

However, in order to achieve a really competitive telecommunications market in terms of price and supply, an adequate regulatory framework must be put in place, along the lines of the reference paper drafted during the telecommunications negotiations concluded in 1997. Such a regulatory framework is the necessary catalyst, if properly enforced, for competition to bear fruit where it is allowed.

Mongolia has already taken partial commitments in this sector, by opening its market fully to competition on so-called value-added services. Accordingly the EC suggests that Mongolia take further commitments in this sector.

- first, by committing to open a number of other sub-sectors to full competition and to foreign investment, particularly data-transmission related services which provide the key infrastructure that benefits the rest of the economy. Thus, the schedule should read "None" for market access and national treatment in the following sub-sector: (CPC 7523) data and message transmission services.

As regards voice services, the EC suggests to allow competition (i.e. Thus, the schedule should read "None" for market access and national treatment) at least in mobile services.

- second, by committing to the reference paper of the Basic Telecommunications negotiations, as additional commitments.

# **CONSTRUCTION AND RELATED ENGINEERING SERVICES**

## **EC REQUEST TO MONGOLIA**

Mongolia has committed this sector only partially. The EC requests that it be committed as follows:

### **A. GENERAL CONSTRUCTION WORK FOR BUILDINGS (CPC 512)**

### **B. GENERAL CONSTRUCTION WORK FOR CIVIL ENGINEERING (CPC 513)**

### **E. OTHER (CPC 511+515+518)**

Mongolia has not committed the above-mentioned sub-sectors.

**EC Request** for each of the above sub-sectors:

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

# **ENVIRONMENTAL SERVICES**

## **EC REQUEST TO MONGOLIA**

Mongolia has not committed this sector. This request is based on the EC proposal for the classification of environmental services. While discussions on classification in this sector are still ongoing, the EC would like to invite Mongolia to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of environmental services:

### **A. WATER FOR HUMAN USE & WASTEWATER MANAGEMENT**

**Water collection, purification and distribution services through mains except steam and hot water.**

This sub-sector only concerns the distribution of water ‘through mains’ (i.e. urban sewage systems). This excludes any cross-border transportation wither by pipeline or by any other means of transport, nor dies it imply access to water resources.

- Mode 3: The EC invites Mongolia to consider taking commitments for MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”

**Wastewater services (CPC 9401)**

- Mode 3: The EC invites Mongolia to consider taking commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

### **B. SOLID/HAZARDOUS WASTE MANAGEMENT**

**Refuse disposal services (CPC 94020)**

- Mode 3: Take commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

**Sanitation and similar services**

- Mode 3: Take commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

### **C. PROECTION OF AMBIENT AIR AND CLIMATE**

**Services to reduce exhaust gases and other emissions and improve air quality (CPC 94040)**

- Mode 3: Take commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

## **D. REMEDIATION AND CLEANUP OF SOIL & WATER**

### **Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)**

- Mode 3: Take commitments for MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

# TRANSPORT SERVICES

## EC REQUEST TO MONGOLIA

Mongolia has not committed the transport sector.

### **C. AIR TRANSPORT**

#### **1) Maintenance and repair of aircraft and parts thereof**

##### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **2) Selling and marketing**

##### **EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **3) Computer Reservation Systems**

##### **EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “Horizontal commitments”
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **4) Groundhandling services, as specified in the attached definitions (Annex 2).**

##### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **5) Airport management services, as specified in the attached definitions (Annex 2).**

##### **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

## **F. ROAD TRANSPORT**

### **b) Freight Transportation (CPC 7123).**

#### **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

### **d) Maintenance and Repair of Road Transport Equipment (CPC 6112)**

#### **EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

## **H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT**

### **b) Storage and Warehouse Services (CPC 742)**

#### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)**

#### **EC Request:**

- Modes 1,2 and 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **ANNEX 2: FACILITATING AIR TRANSPORT SERVICES**

### **Ground-handling Services**

Efficient ground handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised ground handling suppliers the following activities are requested:

Ground Administration - supervision and administration at the airport (CPC 7461);  
Passenger Handling - assisting arriving, departing and transfer passengers (CPC 7461);  
Baggage Handling - handling baggage in the sorting area (CPC 7461);  
Freight and Mail Handling - physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services));  
Ramp Handling - marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469);  
Fuel and Oil Handling - organisation and provision of fuel and oil;  
Aircraft Maintenance - covered specifically by the Annex as above;  
Flight Operations and Crew Administration - preparation of the flight, inflight and post-flight assistance, crew administration;  
Surface Transport – organisation and execution of transport within airport - except to and from aircraft;  
Catering Services (CPC 6423) - addressed under the EC request on tourism and travel related services

### **Airport management services**

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610. Activities are also related to "other management consulting services" (CPC 86509) and activities separately specified under "other management services not elsewhere classified"(CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.