

NON PAPER

COMMON BASELINE FOR THE SERVICES NEGOTIATIONS

POSSIBLE ELEMENTS

The following sets out possible elements for common baseline for the services negotiations that together with plurilateral approaches aimed at achieving critical mass in key sectors would complement the “request-offer approach”.

CROSS SECTORAL ELEMENTS

1. **Commitment to make offers in a minimum number of sectors/subsectors** from an agreed list of priority sectors/subsectors. Particular attention shall be given to sectors of interest to developing countries. Commitments offered should be commercially meaningful and reflect no less than existing level of market opening (status quo).
2. If a sector from the list is already committed to the extent required by point 1 above this sector would be counted towards the total.
3. **Flexibility** should be provided to all Members in the sense that each Member would choose the sectors it commits from the agreed list with the option of not committing a limited number (e.g. commit X out of Y and thus opt out of Z).
4. Additional flexibility should be provided to take account of the **level of development** of individual Members and in particular LDCs. The flexibility for developing countries could for example take the form of committing them to offer fewer sectors/subsectors and to allow for longer implementation periods. LDCs should be encouraged to schedule commitments in even fewer sectors from the agreed list.
5. **Economic needs tests** should be clearly inscribed and indicate whether they are discriminatory or not and the main criteria on which the test is based.

MODAL ELEMENTS

1. **Mode 1:** Commitments in X% of sectors/subsectors offered from the agreed list and in those sectors/subsectors removal of all commercial presence requirements.
2. **Mode 2:** Commitments in and removal of limitations in Y% of sectors/subsectors committed from the above list.
3. **Mode 3:** Commitments in Z% of sectors/subsectors committed from the agreed list and in those sectors/subsectors removal of NT limitations in sectors committed as to types of legal entities, ability to buy or rent land and buildings for direct commercial use, nationality requirements for board members and senior management. In addition, removal of foreign ownership

restrictions or where maintained foreign ownership should be allowed up to at least 51% and should not be combined with licensing quotas.

4. **Mode 4:** Commitments for Business Visitors (BV) and Intra-corporate transferees (ICTs) in all committed sectors from the above list. Commitments for Contractual Service Suppliers (CSS) and Independent Professionals (IPs) in at least 5% of committed sectors from the above list.
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